



Building the Future

Annual Report

2023



PRESIDENT'S MESSAGE



Since 1854, North Brookfield Savings Bank has been a constant presence in the communities we serve. At the bank, our focus has not changed and has always been to serve our customers first and to provide the products and services which make their lives easier and better.

Looking back at the 2023 financial results, North Brookfield Savings Bank had another year of positive financial performance.

- Total assets grew \$26 million or 7% in 2023 ending the year at \$409 million, exceeding the \$400 million level for the first time in the bank's history
- Net income in 2023 was \$1.1 million.
- Capital ratio was strong at 10.96% at year-end.
- Lending teams originated 293 loans totaling \$59 million. The bank has maintained a very strong asset quality.
- Deposits grew 6% or \$21 million.

DEPOSITS GREW **6%** OR
\$21 MILLION

Our journey toward success has been a collective effort, with each member of our team playing a crucial role in helping us reach new heights. From the front-line staff who greet customers with a smile, to the back-end teams who work tirelessly to ensure seamless operations, every employee has contributed to our success. The success we have achieved would not be possible without the dedication and hard work of every department and employee.

But our journey doesn't end here. As we look towards the future, we recognize the need to continue growing and improving to meet the ever-changing needs of our customers. In a world where technology is advancing at the speed of light and customer expectations are constantly evolving, it's imperative for businesses to adapt and innovate to stay ahead of the game.

At the heart of everything we do is our commitment to providing friendly and exceptional customer service to meet the needs of our community. We understand that behind every transaction is a person with unique needs and preferences, and we are dedicated to building lasting relationships with every customer.

We also support our customers and our local community organizations. In 2023, we supported over 100 organizations, with our employees actively participating by volunteering or donating their resources. We care because we live in the communities in which you bank with us. At North Brookfield Savings Bank, we are dedicated to serving our communities and ensuring that everyone's financial goals are not just met but exceeded.

At the heart of everything we do is a simple belief: the customer's success is our success. We take pride in helping our customers achieve their financial dreams, and we are honored to be a part of your journey. Whether you are a first-time homebuyer, a small business owner, or someone simply looking to save for the future, our bank is here to help you succeed.

I would like to extend my personal thank you to every employee, board member and corporator who contributed to the bank's success in 2023.

Kaz Borawski
President and Chief Executive Officer

BUILDING COMMUNITY

In 2023, NBSB supported 112 community organizations with over \$46,000 reinvested in our local community. Our employees attended over 30 community events, investing over 400 hours of volunteer time, and raising over \$3,700 through internal fundraisers.

Our first-ever build projects included a Habitat for Humanity project in Worcester, MA assisting in building two homes to help families' dreams of home ownership come true.

We participated in a "Build-a-Bed" in partnership with "A Bed For Every Child," to provide



(Renee Jurczyk and Jessica Shimansky)

local children with a place to dream. NBSB volunteers spent a sunny afternoon building twin-sized beds which were provided free of charge to children in need in our area.

We also held successful "Shred Events" to assist our customers in protecting their personal information while spring cleaning at two of our locations.

\$3,700
Donated
 to help support local
 food & toy drives

400+
Hours
 to help support local
 food & toy drives

112
Donated
 organizations
 supported in 2023



(Back row: Jay Jill, Cindy Fountain, Anne-Marie LaValle, Jake Apraham, Kaz Borawski, Renee Jurczyk, Michelle Ramos)
 (Front row: Ann Brady, Joe Ribeiro, Nicole Syriac)

BUILDING CAREERS

2023 saw several key team member promotions and hires, adding to the talent and continued success of the Bank.

PROMOTIONS



ANN BRADY
*VICE PRESIDENT,
CONTROLLER &
TREASURER*

Ann Brady was promoted to Vice President, Controller & Treasurer in September. Ann began with the bank as AVP/Assistant Controller before being promoted to AVP/

Controller. Before NBSB, Ann worked for Country Bank for Savings for over 18 years. Ann holds an Advanced Financial Services diploma from the Center for Financial Training. With more than 20 years of experience in the financial services field, Ann brings a wealth of knowledge, confidence and experience to her new role and existing team. In addition to her previous duties, Ann is now responsible for overseeing the Accounting department and is a member of the Bank's ALCO committee.



KATIE HULL
*VICE PRESIDENT,
RESIDENTIAL LENDING
MANAGER*

Katie Hull was promoted to Vice President, Residential Lending Manager in October. Katie started with the Bank in October 2022 having spent almost nine years at Monson Savings Bank as a Customer Service Associate and then Residential Mortgage Underwriter. Katie joined NBSB as AVP, Mortgage Operations Manager. Katie now oversees all functions of the mortgage lending process and joined our leadership team in her new role.



MICHELLE RAMOS
*VICE PRESIDENT,
CONTROLLER &
TREASURER*

Michelle Ramos was hired as Vice President, Compliance Officer in September. She is responsible for

oversight of the Bank's Compliance Management Program. Michelle has held a variety of roles for Fidelity Bank in Leominster, MA, including Retail Banking, Corporate Training, and Compliance, most recently as AVP, Compliance Manager. Michelle holds Certificates in Deposit & Lending Compliance and has earned a certificate of professional development through Nichols College.



MATT BORSETH
*AVP, COMMERCIAL LOAN
OFFICER & SENIOR CREDIT
ANALYST*

Matt Borseth was promoted to AVP, Commercial Loan Officer and Senior Credit Analyst in October. Matt joined

the bank in November 2021 as a Commercial Loan Specialist and was quickly promoted to Commercial Credit Analyst and Senior Commercial Credit Analyst. Prior to NBSB, Matt had over 15 years of progressive experience with Bank of America, Spencer Savings Bank, and as a Credit Analyst at Fidelity Bank. In his new role Matt solicits and services small business commercial loans while lending his expertise in the Senior Credit Analyst role.

BUILDING RELATIONSHIPS

RETAIL BANKING AND CONSUMER LENDING

Core Values

At North Brookfield Savings Bank we believe in values that put the customer first. These tried and true values are what we strive to embody every day and are a core part of what allows us to offer our customers the award winning service they deserve.

Commit to **Excellence**

We empower others. Elevating and lifting each other up through growth and learning so that we all succeed. Be your best, give your best and help others do their best. We aim for exceptional, not just ordinary.

Support our **Community**

We support our community and local businesses by engaging in more meaningful partnerships. We strive to make everyone feel welcome and included. We are the Bank that puts people first.

Embrace **Teamwork**

We embrace the true power of a team effort. Our work and our results depend on many great minds working together. Each one of us is important and brings something special to the work we do.

Share **Kindness**

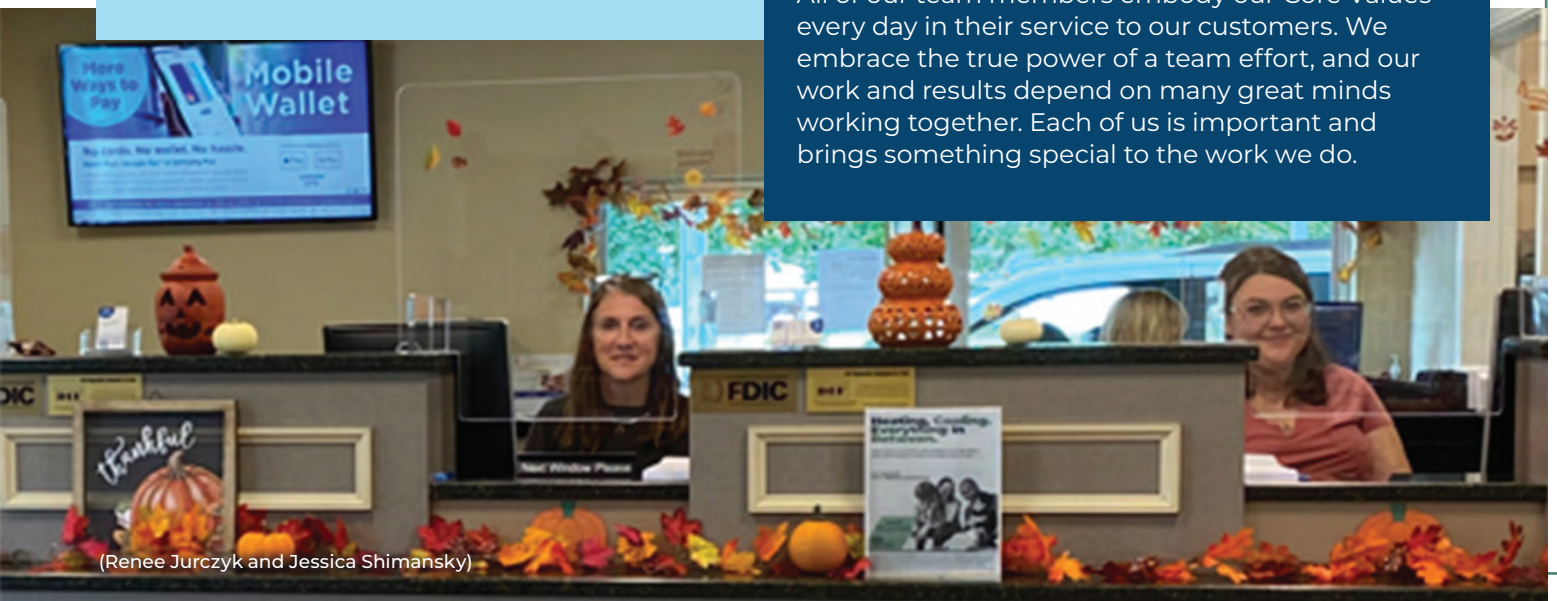
We believe that the true fundamentals of customer service rely on empathy, fairness and above all, kindness. One small act of kindness can make an overall impact that extends farther than we know.

Act with **Integrity**

We are proud to be the Bank of choice. A Bank that is made up of and supports honest, hardworking people. We stand on strong moral principles and truly believe in the power of good character, even when no one is looking.

In 2023, our Retail team opened 3,395 new deposit accounts totaling over \$94M, while serving customers with 160,000 transactions in our branches throughout the year. Our teams helped customers build their futures with the funding of 141 new consumer loans totaling nearly \$1.7M in 2023.

All of our team members embody our Core Values every day in their service to our customers. We embrace the true power of a team effort, and our work and results depend on many great minds working together. Each of us is important and brings something special to the work we do.



(Renee Jurczyk and Jessica Shimansky)

BUILDING OPPORTUNITIES

COMMERCIAL LENDING



2023 saw the Commercial Lending team process and close a total of 38 commercial loans exceeding \$27M. The project pictured below helps to build the future of convenience for our customers and the community. For over 10 years, when the real estate developer looks to expand his portfolio and provide opportunities to communities in MA and CT, he turns to NBSB for the excellent service our Commercial Lending team continues to provide.

38
commercial loans
exceeding
\$27M

BUILDING FUTURE HOMES

RESIDENTIAL LENDING



(Cindy Fountain, Katie Hull, Marilyn Surita)

Helped
111
Customers
to build their
future homes

In 2023, NBSB's residential lending team helped 111 customers build or purchase their future homes, closing over \$30M in residential loans for homes such as the one pictured here under construction in North Brookfield, MA.

BUILDING SOLUTIONS

DIGITAL BANKING



(Next generation of banking – dad using NBSB's digital tools with online banking.)

Helped customers
made over 12,000
mobile deposits

\$14M

Saw
800
New Customers
to enroll

Helped
245
Customers
to open accounts
online with us

NBSB is focused on the future of banking by building digital solutions to meet our customers' needs. In 2023, our customers made over 12,000 mobile deposits totaling almost \$14M! Our customers accessed our online and mobile systems over 82,000 times for their banking needs, and we saw 800 new consumer and business banking customers enroll in our online banking solutions. Another 245 customers opened accounts online with us. We are committed to continually updating our technology to provide a more efficient banking experience for our customers. By investing in technology advancements, we aim to make banking easier, faster, and more convenient.

OUR PEOPLE

LEADERSHIP

CHAIRWOMAN OF THE BOARD

Donna L. Boulanger

VICE CHAIRMAN OF THE BOARD

Roland A. Gauthier

PRESIDENT & CEO

Kaz Borawski

TRUSTEES/DIRECTORS

Thomas C. Baker, III

Damien Berthiaume

Harold R. Chesson, III

Gregory C. Kline

Vincent J. Lucchesi

Elizabeth A. Martinelli

Jeffrey A. Spencer

HONORARY TRUSTEES

Arthur Allen, Jr.

Sara Hunt

John R. A. Lofgren

Robert E. Pillsbury

M. Richard Pluta

Lloyd A. Rice

CORPORATORS

Trustees and the following:

Mark Adams

Michael Audette

Matthew Benvenuti

Jessica Bettencourt

Elaine Boone

Christine Buzzell

Joanne Cancelmo

Lisa Caron

John Carroll, Jr.

Paul Cranston

Scott Dranka

Peter Dupell

Norman Gadoury

Bruce Gaudreau

Susan Gordon

Liisa Holm

Brenda Howland

Joseph Jannette

Phillip Jurczyk

Matthew Kline

Donald Lachambre, Jr.

Robert LaFlamme

Marc Lamoureux

Andrew Leach, Sr.

Dennis Leonard, Jr.

Suzanne Lewandowski

Suzanne Mongeon

Eric Nash

Scott Norrie

Dorrinda O'Keefe-Shea

Richard M. Parsons

Nancy Salem

James St. Amand

Todd Stewart

Christopher Stolar

Michelle Terry

Maria Thomson

Michael Toomey

Gene R. Varney

Richard Varney

Marc Varnum

Maureen Wesolaski

Honorary Corporators

Robert Bishop

Richard Greene

June Klem

John Krusell

Edward Reed

Louise Woodard

OFFICERS

President & CEO

Kaz Borawski

First Senior Vice President

Jay Jil

Senior Vice President

John Fearing

Patricia A. Ostrout

Anthony Piermarini

First Vice President

Katherine Meyer

Vice President

Ann Brady

Katie Hull

Cheryl Orne

Michelle Ramos

Assistant Vice President

Matthew Borseth

Cindy Fountain

Tammy Gustafson

Warren Izyk

Darlene Jarnagan

CONSOLIDATED BALANCE SHEET

DECEMBER 31 (In Thousands)	2023	2022
ASSETS		
Cash and due from banks	\$11,941	\$9,241
Certificates of deposit	\$1,245	\$499
Investment securities: <i>Available-for-sale, at fair value</i>	\$94,646	\$92,161
Loans receivable, net of allowance for credit losses of \$1,597 and \$1,451 at December 31, 2023 and 2022, respectively	\$274,144	\$253,597
Banking premises and equipment, net	\$5,236	\$5,593
Operating lease right of use assets, land and buildings	\$2,257	\$2,511
FHLB and Federal Reserve Stock, restricted, at cost	\$1,456	\$1,499
Cash surrender value of bank-owned life insurance	\$10,769	\$10,501
Accrued interest receivable	\$1,259	\$1,066
Prepaid expenses and other assets	\$637	\$476
Refundable income taxes	\$115	\$354
Deferred income tax asset	\$4,680	\$5,421
Goodwill	\$215	\$215
TOTAL ASSETS	\$408,600	\$383,134
LIABILITIES & SURPLUS		
Deposits	\$356,449	\$340,595
Mortgagors' escrow accounts	\$1,081	\$1,045
Borrowings	\$14,000	\$6,600
Accrued expenses and other liabilities	\$1,503	\$1,959
Operating lease obligations	\$2,326	\$2,550
TOTAL LIABILITIES	\$375,359	\$352,749
EQUITY		
Retained earnings	\$44,053	\$42,969
Accumulated other comprehensive losses	(\$10,812)	(\$12,584)
Operating lease obligations	\$33,241	\$30,385
TOTAL LIABILITIES & EQUITY	\$408,600	\$383,134

CONSOLIDATED STATEMENT OF INCOME

YEARS ENDED DECEMBER 31 (In Thousands)	2023	2022
ASSETS		
INTEREST & DIVIDEND INCOME		
Interest & fees on loans	\$12,228	\$8,993
Interest & dividends on investment securities	\$2,825	\$2,159
	\$15,053	\$11,152
INTEREST EXPENSE		
Interest on deposits	\$4,511	\$502
Interest on borrowings	\$651	\$66
	\$5,162	\$568
NET INTEREST INCOME	\$9,891	\$10,584
PROVISION FOR CREDIT LOSSES	\$153	\$255
NET INTEREST INCOME, AFTER PROVISION FOR CREDIT LOSSES	\$9,738	\$10,329
NONINTEREST INCOME		
Customer service charges and fees	\$182	\$136
Non-sufficient funds ("NSF") and overdraft fees	\$636	\$619
Interchange income	\$931	\$921
Mortgage banking income	\$47	\$43
Income from bank-owned life insurance	\$262	\$256
Other income	\$20	\$12
Realized net gains on sales of securities	-	46
	\$2,078	\$2,033
OPERATING EXPENSES		
Salaries and employee benefits	\$5,890	\$6,656
Occupancy and equipment expenses	\$1,294	\$1,375
Professional fees	\$1,326	\$1,000
Advertising expenses	\$173	\$171
FDIC premium assessments	\$156	\$93
Insurance expenses	\$78	\$73
Postage and supplies	\$185	\$168
Other general and administrative expenses	\$1,368	\$1,295
	\$10,470	\$10,831
INCOME BEFORE TAXES	\$1,346	\$1,531
INCOME TAXES	\$262	\$307
NET INCOME	\$1,084	\$1,224

North Brookfield

SAVINGS BANK



NMLS #641656

**North Brookfield | East Brookfield | West Brookfield
Ware | Belchertown | Palmer | Three Rivers**

NorthBrookfieldSavingsBank.com

866-711-6272

