



Annual Report

2022



STRENGTH | SERVICE | COMMUNITY

Winchester, August 26th 1871.

| Date. | | Number. | NAMES OF DEPOSITORS. | Dollars. | Cents. |
|-------|----|-------------|--|----------|--------|
| 1871 | | of Account. | | | |
| Aug | 26 | 1 ✓ | Mrs. Julia M. Gage ✓ | 200 | |
| | | 2 ✓ | Mrs. Sarah S. Thompson ✓ | 200 | |
| | | 3 ✓ | Stephen Thompson ✓ | 100 | |
| | | 4 ✓ | Samuel R. Smith in trust for Frederick Swan Smith ✓ | 100 | |
| | | 5 ✓ | Michael Fitzgerald in trust for Michael Joseph Fitzgerald ✓ | 5 | |
| 26 | | 6 ✓ | Henry Cutter ✓ | 1000 | |
| | | 7 ✓ | Henry D. Metcalf Treasurer ✓ | 1000 | |
| | | 8 ✓ | Stephen Cutter ✓ | 1000 | |
| | | 9 ✓ | Minnie B. Joy ✓ | 100 | |
| | | 10 ✓ | Helen S. Joy ✓ | 100 | |
| | | 11 ✓ | Fred Joy ✓ | 100 | |
| | | 12 ✓ | Mrs Clara A. Joy ✓ | 100 | |
| | | 13 ✓ | Mrs. Clara A. Joy Trustee ✓ | 100 | |
| | | 14 ✓ | John T. Manny ✓ | 1000 | |
| | | 15 ✓ | George P. Brown ✓ | 750 | |
| | | 16 ✓ | Mrs. Lucinda E. Masow ✓ | 314 | |
| | | 17 ✓ | Margaret L. Moseley by her father C. W. Moseley ✓ | 20 | |
| | | 18 ✓ | Alexander W. Moseley by his father C. W. Moseley ✓ | 41 | |
| | | 19 ✓ | George W. Bailey ✓ | 100 | |
| | | 20 ✓ | Elizabeth D. Bailey ✓ | 100 | |

Table of Contents

| | |
|---------------|-------------------------------------|
| 3 - 6 | Letter From The President |
| 7 - 8 | Consolidated Balance Sheets |
| 9 - 10 | Consolidated Income Statements |
| 11 | Board of Trustees |
| 12 | Executive Committee & Bank Officers |
| 13 | Locations |

Letter From the President

What a difference a year makes! When interviewing for the position of President & CEO of Winchester Savings at the end of 2021, I could see what a special place this was, and I could already imagine what we would become. The foundation was solid, and the potential to create a vital organization with a powerful presence in an expanding market is energizing.

Our management team consists of some of the finest, most capable bankers I know. We are a blend of diverse skillsets, including some who have years of dedication to this Bank and the communities it serves, as well as those who bring new perspectives and experience leading change. Staff at all levels are dedicated, knowledgeable, and committed to a common goal. We are truly more than the sum of our people, and we are well-positioned for exciting things to come.

Among our highest priorities for 2022 was loan growth. In the past twelve months, the Bank improved both its expertise in and its capacity for commercial real estate financing. The Commercial Lending team spread the word about Winchester Savings' eagerness to learn about local businesses and what they need from their lender. The response was resounding, and the results are impressive. The team's approach is especially effective because we offer a compelling combination of benefits to the customer—extensive industry expertise, responsiveness, and personal attention, along with a Bank that is committed to expanding both its reach and its depth.



John A. Carroll, President & CEO

Deborah A. Carson, CPA, Chair of the Board



Paul Chermka, WSB VP/Commercial Lending Group Head; Kerry McLaughlin, WSB Horn Pond Branch Manager; JP Martignetti; Joe Martignetti; Brian Scalisi, WSB VP/Commercial Loan Officer

Both the customer and the Bank benefit from the new business model, and a good example is Martignetti Real Estate, a local, family-run company. John Paul Martignetti, a long-time deposit customer and WSB corporator, came to the Bank seeking multi-million-dollar construction financing for a new flex/R&D project in Wilmington, MA, to be built adjacent to another building in their portfolio. The Martignettis operate very much as the Bank does; they take a hands-on approach, bring high levels of integrity and professionalism to their work, and always create something of value for their clients. Creating partnerships with business owners such as the Martignettis allows the Bank to invest locally and support the community, and it helps those companies to do the same.

Another essential component of successful partnerships is the Bank providing deposit solutions that are practical, comprehensive, and useful. Early in 2023, we will introduce a full suite of Cash Management products and services, including ACH Origination, Remote Deposit Capture, and Zero Balance Accounts. While we expand our product line, we are also looking for opportunities to expand our physical footprint, making sure our branches are located where they can serve—and be seen by—as many people as possible.

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ON NEXT
PAGE

The phenomenal success of the Commercial Group is evident in the Bank's financial performance in 2022. The balance sheet shows that overnight funds were reduced to fund strong loan originations of over \$158 million, and when combined with a slowdown in payoffs compared to 2021, this led to record net loan growth of just about \$81 million or 17.5%. The commercial portfolio comprised 90% of the loan growth, while residential originations were impacted by the quick and significant increases in offering rates throughout the year. Total assets increased by over 9% to close the year at \$682 million. To fund the unprecedented loan growth, the Bank used borrowings from the Federal Home Loan Bank (FHLB) of Boston.

The income statement shows that the Bank's strong loan growth coupled with the significant increase in offering rates, led to a significant increase of over 17% in total interest income, outpacing the increase of 8% in the cost of funds and ensuring a 19% increase in net interest income. Higher expenses were a result of one-time pension costs while higher gains on other assets were due to recognizing an over \$3 million gain on the sale of the property at 611 Main Street in Winchester. Net income more than doubled in 2022 to \$4 million, and the return on assets (ROA) was 0.62%.



Brian Scalisi, Paul Cheremka, JP Martignetti



90 Research Drive, Wilmington, MA



Winchester Savings Bank has been a mutually-chartered, independent, community bank for more than 150 years. We are so proud to be Winchester's oldest bank with a strong financial foundation, a tradition of exceptional service, and a legacy of community involvement and support. Our mutual structure means we operate for the benefit of our depositors, borrowers, and the community. It separates us from other banks, allowing us to keep our focus local—and on what the people, businesses, and organizations around us need to make life a little better.

The past year was both challenging and rewarding. We have ambitious goals, and we have made an excellent start. On behalf of Debbie Carson, Chair of the Board of Trustees, and all of us working to make Winchester Savings Bank the best it can be, we thank you for your support and invite you to be part of what happens next!

John A. Carroll
President & CEO

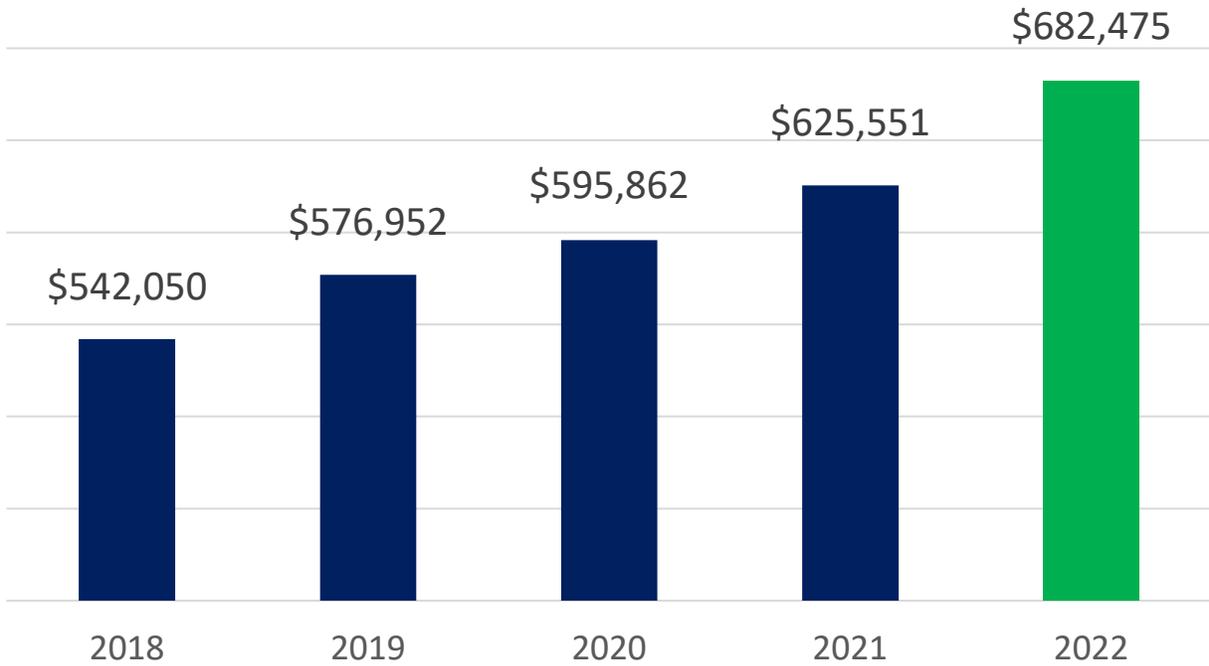
Consolidated Balance Sheets

(UNAUDITED \$ IN THOUSANDS)

| ASSETS | DECEMBER 31, 2022 | DECEMBER 31, 2021 |
|--|--------------------------|--------------------------|
| Investment Securities | 79,790 | 75,387 |
| Interest Bearing Cash Balances | 35,643 | 67,499 |
| Residential Real Estate Loans | 266,847 | 258,321 |
| Commercial Real Estate Loans | 272,435 | 200,262 |
| Consumer Loans | 518 | 474 |
| Commercial Loans | 4,632 | 4,455 |
| TOTAL LOANS | 544,432 | 463,513 |
| Reserve for Loan Loss | (4,885) | (3,994) |
| Loans, net of reserve | 539,547 | 459,518 |
| Total Earning Assets | 654,980 | 602,405 |
| Cash and Due from Banks | 11,284 | 11,274 |
| Other Assets | 16,211 | 11,872 |
| Total Non-earning Assets | 27,495 | 23,145 |
| TOTAL ASSETS | 682,475 | 625,551 |
| LIABILITIES | | |
| Deposits | 551,024 | 546,317 |
| Borrowed Funds | 58,000 | 6,000 |
| Other Liabilities | 1,010 | 1,626 |
| TOTAL LIABILITIES | 610,034 | 553,943 |
| Undivided Profits | 75,884 | 73,624 |
| Undivided Profits-Current | 3,986 | 2,554 |
| Other Comprehensive Income | (7,429) | (4,570) |
| TOTAL SURPLUS | 72,442 | 71,608 |
| TOTAL LIABILITIES & SURPLUS | \$682,475 | \$625,551 |

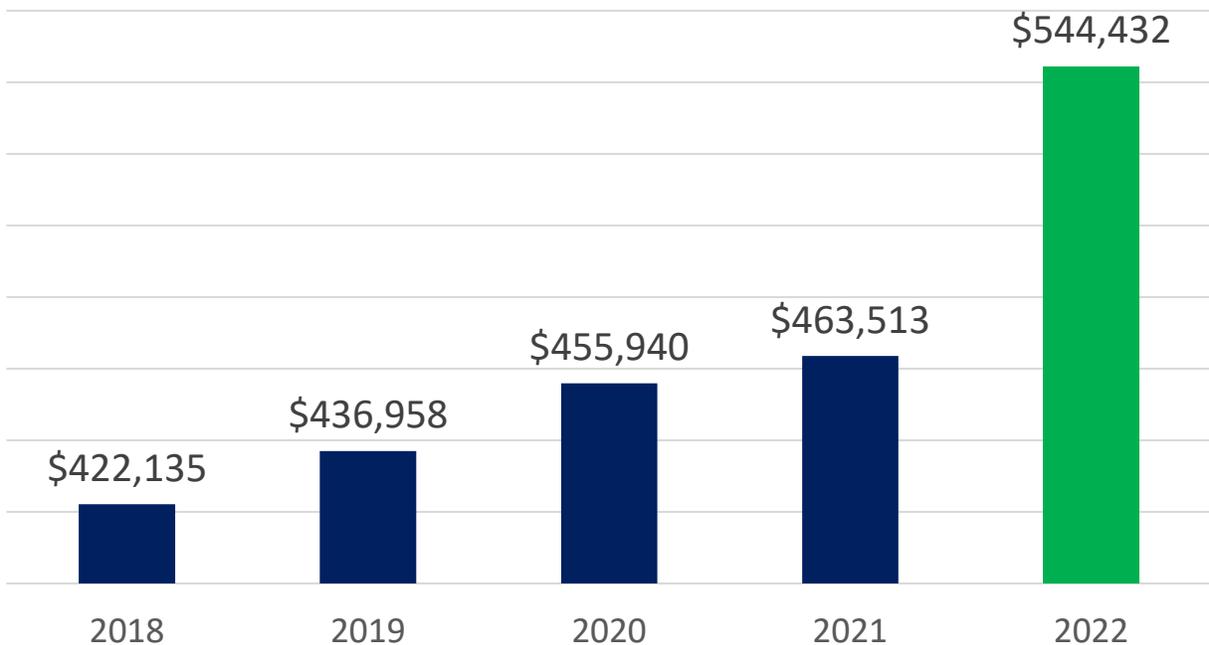
Total Assets at end of year

(in thousands)



Total Loans at end of year

(in thousands)

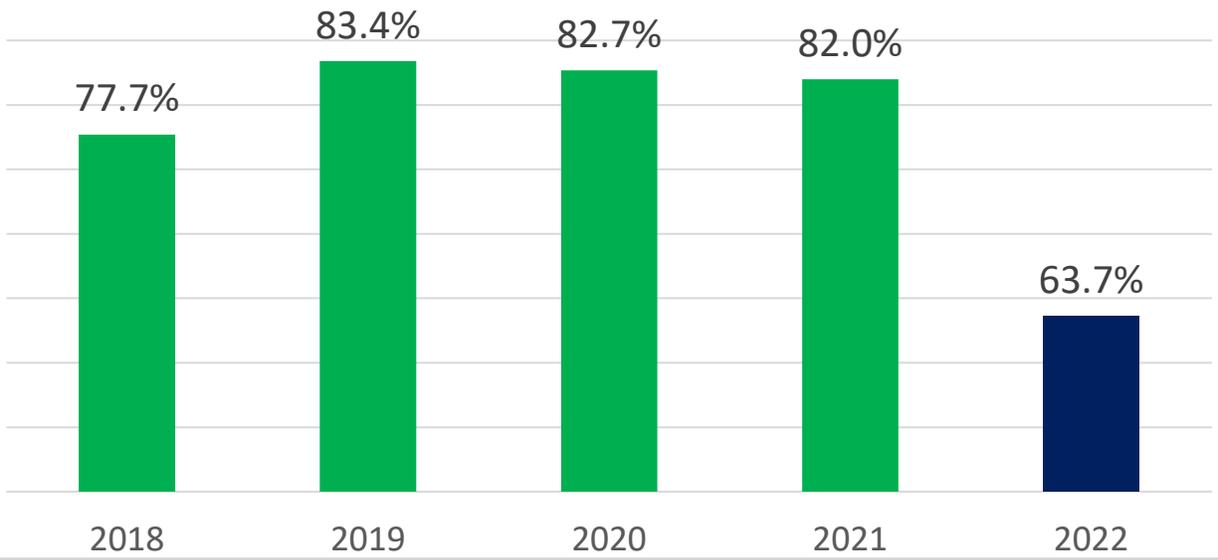


Consolidated Income Statements

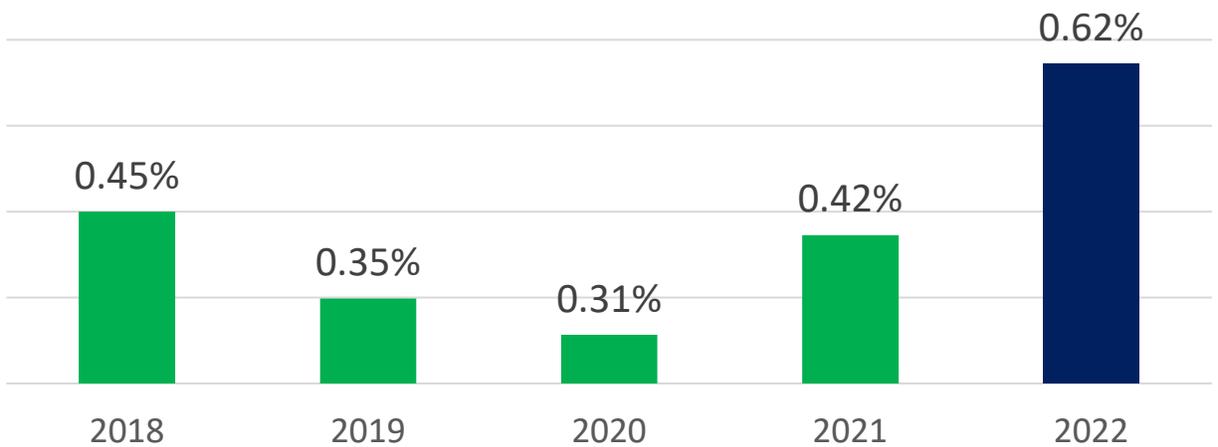
(UNAUDITED \$ IN THOUSANDS)

| | DECEMBER 31, 2022 | DECEMBER 31, 2021 |
|--|-------------------|-------------------|
| Investment Securities | 1,697 | 1,141 |
| Interest Bearing Cash Balances | 885 | 75 |
| Residential Real Estate Loans | 8,233 | 7,985 |
| Commercial Real Estate Loans | 8,888 | 7,538 |
| Consumer Loans | 23 | 23 |
| Commercial Loans | 195 | 196 |
| TOTAL INTEREST INCOME | 19,920 | 16,958 |
| Deposits | 2,069 | 2,154 |
| Borrowed Funds | 341 | 76 |
| TOTAL INTEREST EXPENSE | 2,410 | 2,230 |
| Net Interest Income | 17,510 | 14,729 |
| Provision for Losses | 891 | 50 |
| Net Interest Income after Provision for Losses | 16,619 | 14,679 |
| NON-INTEREST INCOME | 1,288 | 1,035 |
| NON-INTEREST EXPENSE | 15,318 | 12,864 |
| INCOME BEFORE TAXES & G/L | 2,589 | 2,850 |
| Income Taxes on Operations | 610 | 735 |
| INCOME BEFORE G/L | 1,979 | 2,116 |
| G/L on Sale of Fixed Assets | 3,352 | — |
| Income Taxes on G/L | 937 | — |
| G/L on Sale of Securities | 464 | 76 |
| Income Taxes on G/L | 97 | 16 |
| G/L on Change in MES MTM | (981) | 479 |
| Income Taxes on MES MTM | (206) | 101 |
| NET INCOME | \$3,986 | \$2,554 |

Efficiency Ratio at end of year



Return on Assets at end of year



Board of Trustees

BACK ROW

Alan G. Macdonald

Richard L. Sampson, Jr.

Judson D. Hale, Jr.

James E. Barger, Ph.D.

William P. Hood

Stephen H. Boodakian

Geoffrey A. Curtis, Esq.

John I. Snow III

FRONT ROW

Deborah A. Carson, CPA
Chair of the Board

James R. Willing

David P. Hood

John A. Carroll
President & CEO

NOT PICTURED

Carole A. Pierce Connolly

Neal J. Harte, CPA
Clerk



Executive Committee Members



Barbara J. MacCorkle
SVP Risk & Compliance

Karen F. Murphy
EVP, Chief Operating Officer

Elda Heller
EVP, Chief Financial Officer & Treasurer

Patrick J. Todd
SVP, Chief Information Officer

Paul V. Cheremka
VP, Commercial Lending
Group Head

John A. Carroll
President & CEO

Jillian P. Jurilla
SVP, Consumer and
Business Banking

Vice Presidents

Georgeann M. Abatzis
Internal Audit Director

Stephanie Chianca
Cash Management Officer

Louis J. Gentile, Jr.
Residential Loan Officer

William Katinoglou
Residential Loan Officer

Laurie A. Keough
Controller

Nancy Kreinest
Administrative Services

Tracy Malloy
Loan Administration/Collection Manager

Beverly S. Malvitch
Branch Administration

Helen L. Marrone
Retail Lending Manager

Betsy D. Sands
Senior Credit Manager

Richard Sardellitti
BSA/Fraud/Security Officer

Brian M. Scalisi
Commercial Loan Officer

Denise Schacht
Operations Manager

Amy L. Timmerman
Director of Marketing

Erik A. Worthen-Sluz
Information Security Officer

Assistant Vice Presidents

Sean Fortier
Technical Services

Joseph V. Giliberto
Network Administrator

Michael J. Goldberg
Compliance Officer

Benjamin Goldstein
Commercial Loan Officer

Devin M. Lynch
Senior Credit Analyst

Assistant Treasurers

Mark E. Crosby
Commercial Credit Analyst

Andrew D. DeFeo
Quality Control & Core System
Security Manager

Shane M. Hoover
Residential Underwriting Manager

Kerry A. McLaughlin
Branch Manager

I. Tina Mesiti
Relationship Banker

Leanne J. Murphy
Branch Manager

Nancy Moyer
Branch Manager

Debra Shepherd
Branch Manager

Kathleen M. Welch
Senior Auditor

Locations

WINCHESTER



Main Office

(781) 729-2130
661 Main Street
Winchester, MA 01890

WOBURN



Horn Pond Plaza Office

(781) 933-9400
344 Cambridge Road
Woburn, MA 01801



Woburn Center Office

375 Main Street
Woburn, MA 01801

Opening this summer!



Hammond Square Office

(781) 938-7372
573 Main Street
Woburn, MA 01801

ARLINGTON



Arlington Office

(781) 646-4180
188 Medford Street
Arlington, MA 02474





WSB WINCHESTER SAVINGS BANK

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