



2021 ANNUAL REPORT



MountainOne®

BANK | INSURANCE | INVESTMENTS



Dear MountainOne Community,

On behalf of the Board and senior leadership team, I extend a heartfelt thanks to our Mountaineers for their hard work and commitment to MountainOne, our customers, and our communities in 2021. Despite facing the second year of the pandemic, we achieved outstanding financial results and stayed true to our Core Commitments.

Over the past number of years we have focused on building the strength of our balance sheet through maintaining strong Capital and Liquidity positions and being well-prepared for the challenges of an evolving interest rate environment. During 2021, our commercial lenders supported our customers as they rebounded from the effects of the pandemic and our overall asset quality metrics improved significantly. 2021 also saw the continued transformation of consumer banking practices to more of a digital environment as the industry continued to shift in this direction.

While our Community Banking team members supported our customers with the digital transition, another priority focused on consumer education and fraud prevention. The entire banking industry has seen a significant increase in fraud attempts, but our considerable investment in fraud prevention technology using artificial intelligence has proven to be a meaningful tool in helping us to better detect and prevent fraud.

As we closed out 2021, we entered into an agreement for MountainOne Insurance to purchase the Cross Insurance – Pittsfield. This transaction closed on January 1, 2022, and we are thrilled to have grown MountainOne Insurance by 13 employees and 6,800 new customers. We also acquired their South Street office building, expanding our presence in Pittsfield to two locations.

Our strategic priority for 2022 and beyond is to continue to invest in our people, technology and processes to enable us to grow efficiently and profitably. The impact of external factors such as inflation, supply-chain disruptions, and geo-political events will be challenging, but the strength of our balance sheet and a disciplined approach should enable us to weather any potential disruptions to the economy.

As I close out this letter, I want to extend my personal thanks to Pam Art who is retiring from our Board at the annual meeting. Pam has been an outstanding steward of MountainOne for many years. She is a marvelous person and I, and MountainOne, am very grateful to her for her leadership, thoughtful approach, and dedication to our Company. Pam's presence will be sorely missed.

As always, thank you for your continued support!

A handwritten signature in black ink that reads "Robert J. Fraser". The signature is written in a cursive style with a large, looped initial "R".

Robert J. Fraser
President & Chief Executive Officer

MountainOne Financial Consolidated Balance Sheets

As of December 31

	2021	2020
	(Dollars in Thousands)	
Assets		
Cash and cash equivalents	\$ 88,164	\$ 27,907
Securities available for sale, at fair value	100,025	84,371
Federal Home Loan Bank stock, at cost	942	1,448
Loans held for sale, at fair value	621	1,193
Loans:		
Residential real estate	145,425	156,618
Home equity	25,486	29,954
Commercial real estate	268,304	270,271
Construction and land	84,106	101,786
Commercial	108,071	132,388
Consumer	8,874	5,748
Total loans	<u>640,266</u>	<u>696,765</u>
Deferred loan costs, net	177	349
Allowance for loan losses	(13,924)	(16,776)
Net loans	<u>626,519</u>	<u>680,338</u>
Premises and equipment	14,528	14,485
Deferred tax asset, net	6,961	7,984
Other real estate owned	70	70
Goodwill and other intangible assets	3,198	3,246
Bank-owned life insurance	27,962	27,320
Other assets	9,904	12,728
Total assets	<u><u>\$878,894</u></u>	<u><u>\$861,090</u></u>
Liabilities and Capital		
Deposits:		
Non-interest-bearing	\$ 174,956	\$ 139,809
Interest-bearing	552,894	567,701
Total deposits	<u>727,850</u>	<u>707,510</u>
Federal Home Loan Bank borrowings	7,700	15,700
Subordinated debt	20,620	20,620
Other liabilities	20,308	27,155
Total liabilities	<u>776,478</u>	<u>770,985</u>
Total capital	102,416	90,105
Total liabilities and capital	<u><u>\$ 878,894</u></u>	<u><u>\$ 861,090</u></u>

MountainOne Financial

Consolidated Statements of Income

Years Ended December 31

	2021	2020
	(Dollars in Thousands)	
Interest and dividend income:		
Loans, including fees	\$ 28,993	\$ 32,781
Securities	1,734	2,563
Federal funds sold and other	83	49
Total interest and dividend income	30,810	35,393
Interest expense:		
Deposits	2,734	5,182
Federal Home Loan Bank borrowings	245	1,161
Subordinated debt	879	932
Total interest expense	3,858	7,275
Net interest income	26,952	28,118
(Benefit) provision for loan losses	(2,150)	8,600
Net interest income after provision for loan losses	29,102	19,518
Non-interest income:		
Customer service charges on deposits	514	565
Commissions on insurance and investment products	12,715	11,580
Mortgage banking income	838	1,654
Gain on securities, net	—	14
Other income	3,244	1,809
Total non-interest income	17,311	15,622
Non-interest expenses:		
Salaries and employee benefits	20,926	19,454
Occupancy expense	2,213	2,206
Equipment expense	664	719
Information technology expense	2,044	1,904
FDIC deposit insurance assessments	208	315
Other expenses	6,219	6,119
Total non-interest expenses	32,274	30,717
Income before income taxes	14,139	4,423
Income tax expense	3,721	987
Net income	\$ 10,418	\$ 3,436

Trustees of MountainOne Financial, MHC
Directors of MountainOne Financial, Inc.
Directors of MountainOne Bank

Pamela B. Art
James J. Bailey, Jr.
Daniel E. Bosley
Noreen Carey-Neville
David W. Crane

Robert J. Fraser
Dr. Mary K. Grant
Anthony K. Haynes
Susan S. Hogan
Kevin A. Maguire

Thomas P. O'Connell
William F. Spence
Joseph C. Thompson
Karen L. Zink

Corporators

Billie Lynn Allard
Paul J. Antonik
James J. Bailey, Jr.
Ray Belanger, Jr.
Michael Bellotti
Blair Benjamin
James F. Birge
Daniel E. Bosley
John Bradley
Diana D. Brooks
Andrew B. Budz
Daniel H. Campbell
Noreen Carey-Neville
Lynne Carlotto
David Carver
Philip Chong
Jennifer Civello
Paula Clough
David W. Crane
Stephen G. Crowe
Richard Curtis
Steven Del Negro
Suzanne R. Dewey
Donald R. Dubendorf
Paul R. Dupuis
William E. Elder
J. Adam Filson
Brent Filson
Robert J. Fraser
Michael Gardner, Jr.
Brice George
Paul Gordon
Dr. Mary K. Grant

Vincent P. Guntlow
Michael Haddad, Jr.
Valerie P. Hall
Allen L. Hall
Kevin Hanley
Paula Harris
Paul Hart
Antony K. Haynes
Susan S. Hogan
Eric Kerns
Teresa H. Lamb
Benjamin Lamb
Kevin A. Maguire
Robert Manzella
Marcia McFarland
Jon McGrath
David Moresi
Amy Moresi
Kimberly Nelson
Linda E. Neville
Thomas P. O'Connell
Steven Owens
Charles Perfetuo
Felicia Pharr
Jeffrey Phelps
Michael Quirk
Regina Quirk
Leslie Reed-Evans
Mireille Roy
Jonathan B. Sabin
Robert J. Scerbo
Graham Shalgian
Matt Sheehy

Eva Sheridan
Anthony M. Smeglin
Ben Sosne
William F. Spence
Roger E. St. Pierre
Suzanne J. Stinson
Peter Tedeschi
Joseph C. Thompson
Steve Triffletti
Susannah Wells
Susan J. Yates-Mulder
Karen L. Zink

MountainOne Financial Officers

Daniel E. Bosley	Chair
Pamela B. Art	Vice Chair
Robert J. Fraser	President & Chief Executive Officer
Lynne M. Carlotto	EVP, Senior Risk Management Officer
Steven J. Owens	EVP, CFO, COO, CIO, Treasurer
I. Michelle Devine	Corporate Secretary

MountainOne Investments Officers

Robert G. Abel	SVP, Financial Advisor
Kevin Dupuis	VP, Operations Manager
James E. Durand	VP, Financial Advisor & Head of Research

MountainOne Insurance Officers

Jonathan S. Denmark	President & Chief Operating Officer
Donna M. Bishop	SVP, Personal & Commercial Insurance
Brian W. Drake	SVP, Employee Benefits
William R. Robinson	SVP, Sales Manager
Linda A. Febles	VP, Commercial Insurance
Grace J. Gray	VP, Customer Service & Claims
Eric P. Pratt	VP, Bonding Manager
Deborah Baker	AVP, Personal Lines Insurance
Stacy Roman	AVP, Personal Lines Insurance Manager

MountainOne Bank Officers

Robert J. Fraser	President & Chief Executive Officer
Lynne M. Carlotto	EVP, Senior Risk Management & CRA Officer
Steven J. Owens	EVP, CFO, COO, CIO, Treasurer
Jill K. Amato	SVP, Marketing Officer
Richard W. Bromberg	SVP, IT Director, Information Security Officer
Richard P. Kelly	SVP, Berkshire County Team Leader Commercial Lending
Linda B. Levesque	SVP, Risk Management
Michael E. MacArevey	SVP, Senior Operations Officer
Michael Z. Pang	SVP, Credit Administration Officer
Elizabeth A. Petropulos	SVP, Senior Human Resources Officer
Timothy P. Rhuda	SVP, Senior Commercial Banking Officer
Debra A. Wooley	SVP, Accounting
Kim E. Anderson	VP, Loan Compliance Officer
Melissa DaCosta	VP, Commercial Banking Officer
Jonathan S. Denmark	VP, Insurance Services
Jennifer A. Field	VP, Controller
Kelly C. Grant	VP, Senior Regional Community Banking Officer

Marie A. Harris	VP, Senior Credit Analyst
Kelli E. Kozak	VP, Community Engagement Officer
Matthew B. Kreiser	VP, Commercial Banking Officer
Michael D. Minicucci	VP, Commercial Banking Officer
Steven Munger	VP, Commercial Banking Officer
Stephanie Scott	VP, BSA/AML/OFAC & Deposit Compliance Officer
Lucille A. Weare	VP, Branch Operations Liaison
Amy Backiel	AVP, Loan Operations Officer
Alicia A. Benoit	AVP, Electronic Banking, Deposit Operations & Customer Care
Randy T. Burdick	AVP, Regional Community Banking Officer
Alice M. Copeland	AVP, Underwriting and Processing Manager
I. Michelle Devine	AVP, Assistant to President & CEO, HR Liaison Officer & Corporate Secretary
Kelly L. Dubie	AVP, Human Resources Officer
Elizabeth D. Kapner	AVP, Marketing Manager
Paula Malloy	AVP, Assistant Controller
Lisa J. Mineau	AVP, Human Resources Officer
Cynthia P. Noyes	AVP, Risk Management Analyst
Rebecca L. O'Regan	AVP, Mortgage Banking and Consumer Lending Liaison
Jacob Phillips	AVP, Jr. Commercial Banking Officer
Dhara Purohit	AVP, Senior Credit Analyst
Timothy J. Shepard	AVP, Information Technology Officer
Jessica J. Andrews	Assistant Deposit Compliance & Fraud Administration Officer
Nancy E. Baran	Deposit Operations Officer
Ryan Belanger	Network & Systems Officer
Gwenn D. Bishop	Retail Lending Underwriter II
Heather Bona	Assistant BSA Officer
Brandon D. Cannata	Portfolio Manager
Paula M. Dolan	Loan Compliance Analyst
Peter M. Fortier	Facilities & Security Officer
Jessica A. McGovern	Executive Commercial Banking Assistant & Officer
Sara L. Argueta	Community Banking Officer
Meghan L. Dunphy	Community Banking Officer
Erin M. Galvin	Community Banking Officer
Greg A. Marchion	Community Banking Officer
Erik J. Ray	Community Banking Officer
Devon E. Stone	Community Banking Officer
Tatiana Casas	Assistant Community Banking Officer
Joni Laze	Assistant Community Banking Officer
Colleen J. McClintock	Assistant Community Banking Officer

Our Mission

To deliver solutions of real value that help individuals, businesses, and community institutions manage their financial lives with clarity and confidence.

Our Core Commitments

Asset Quality
Customer Care
Operational Distinction
Professional Development
Regulatory Accountability
Community Engagement



North Adams | Pittsfield | Quincy | Rockland | Scituate | Williamstown

MountainOne is a mutual holding company headquartered in North Adams, MA. Founded in 1848, MountainOne Bank provides a complete array of personal and business banking and electronic services. MountainOne Bank is Member FDIC and Member DIF. MountainOne Insurance provides personal and business insurance, bonding services, and group benefits solutions. The financial advisors of MountainOne Investments offer securities and advisory services to individuals and businesses through Commonwealth Financial Network,[®] Member FINRA/SIPC, a Registered Investment Adviser. Fixed insurance products and services offered through CES Insurance Agency or MountainOne Investments. MountainOne Bank is not a registered broker-dealer or Registered Investment Adviser. MountainOne Bank and MountainOne Insurance are not affiliated with Commonwealth. Products and services are offered at full service offices in the Berkshires (Pittsfield, North Adams, Williamstown) and on Boston's South Shore (Quincy, Rockland, Scituate). MountainOne Investments' main office is located at 85 Main Street, Suite 100, North Adams, MA 01247. (413) 664-4025

Insurance and Investments are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Funds are subject to investment risks, including possible loss of principal investment.

MountainOne Bank is Member FDIC. Member DIF.  Equal Housing Lender.