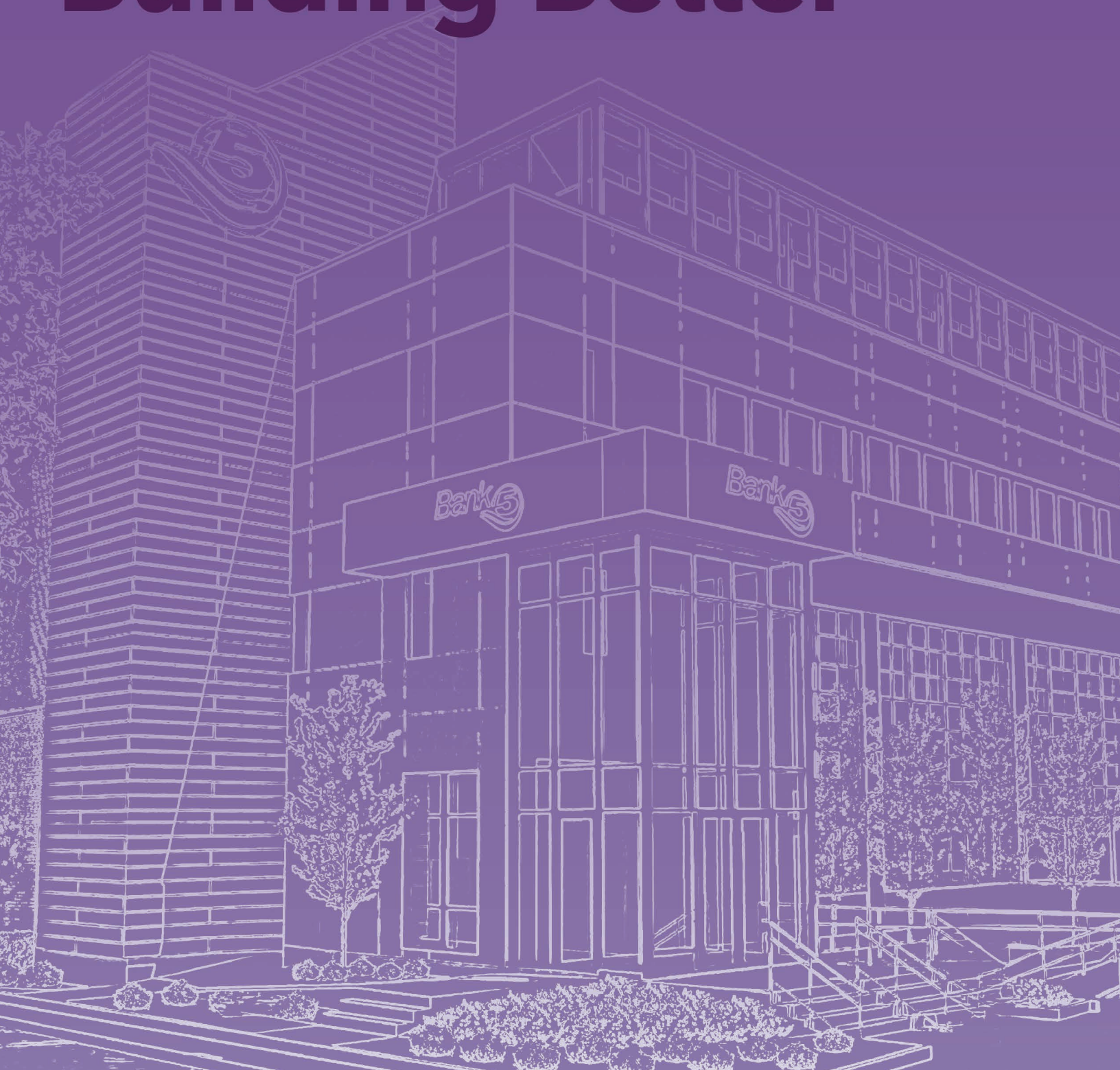




Annual Report 2023

Building Better



CEO Message

The 2023 performance of BankFive was impacted, directly and indirectly, by world and economic events. The ongoing war in Ukraine, the attack on Israel, the subsequent war in Gaza, all brought market uncertainty. Interest rate hikes reached a 40 year high, putting pressure on our cost of funds and the ability of our customers to borrow. Three bank failures in March created fear in the market, putting more pressure on deposits, but the fortitude of our 100% deposit insurance through FDIC and DIF assuaged customers' fears.

While the 2023 financial results fell notably short of our 2022 results, many things went well for us too. Despite the unprecedented rapid rise in rates, we were able to implement effective balance sheet management strategies that allowed us to maintain our margin. This, combined with tight overhead cost control, enabled the Bank to maintain its profitability. Despite headwinds caused by soaring interest rates, the Bank's assets grew \$104 million, closing the year at \$1.8B total assets, and \$5.3 million in net income. We remain well-capitalized with \$153.3 million in regulatory capital.

An ongoing theme for our organization and leadership team is being dynamic, preparing for the future, and remaining steadfast in delivering on our mission of serving our customers. Supporting our communities is paramount to creating a strong economy for our employees and customers to thrive. Our investments in people, technologies, and training allow us to better leverage data and automate manual processes to improve customer experience, manage risk and operate efficiently. We are making major improvements in our physical locations, customer facing technology and expanding our reach.

- Our New Bedford's County Street Branch, in a neighborhood all other banks have abandoned, has been transformed.
- The significant investment in our headquarters is expected to be a catalyst for further development on North Main Street, Fall River.
- We've expanded our lending services with the relocation of our Wrentham Office and added a new Loan Production Office in Westport.
- We made it easier to bank with us with services like a streamlined online account opening process, person to person payment capability through Zelle®, and faster access to funds with Early Deposit. We also made it easier to become a customer with SwitchMyBank to help move deposits and online payments to a new BankFive account.
- Attracting and retaining talent is critical to BankFive's success. We strive to create an environment that welcomes all. The engagement is evident.
 - BankFive employees voted us a Best Place to Work by the Providence Business News and the Boston Business Journal.



- We were recognized as a Top Women Led Business by the Boston Globe for the second year in a row.
- Four Employee Resource Groups were created to connect our employees: Luso (supporting our Portuguese culture and community), We Can (for those with disabilities or who care for someone with a disability), LGBTQ+ Alliance, and Working Parents.

We are very proud of our charitable endeavors. BankFive was recognized by the Boston Business Journal with a Top Charitable Giver Award. 167 local organizations benefited from \$600,000 of BankFive donations and our employees donated 2500 hours of volunteer time. In the first of a lasting legacy, the inaugural BankFive President's Scholarship was awarded to Fall River resident Malachia Nobre as she pursues a degree at Cornell University.

With everything we build, it's the relationships with our employees, communities and customers that mean the most. Their trust in us outweighs any other recognition and proves that we are living up to the mission set forth 169 years ago when BankFive was founded to bring financial services to the unbanked. As mutual banks merged or filed IPOs, we emphasized our commitment to mutuality and our founding principles. The strength of our values guides us through turbulent times.

We know the future is bright because of our dynamic approach to innovation, but most importantly it is through the human aspect of our organization, our employees, customers and community that we continue to build better, together.

Anne P. Tanguen
President & CEO

Awards & Recognition

In the past year, our relentless dedication has propelled us to achieve remarkable milestones, earning us the esteemed title of “Best Places to Work” in two states. Our commitment to excellence extends beyond the workplace, as we proudly stand as a top charitable giver, embodying a spirit of community and generosity. These accolades reflect our unwavering pursuit of excellence and our impactful contributions to both our employees’ well-being and the broader community.



In the News



2/10/2023
Boston Business Journal features Op-Ed written by Paul Medeiros, BankFive SVP, Director of Commercial Lending



4/27/2023
Andrea Amaral Rodrigues, FVP, Director of Marketing Programs & Community Relations, Receives UMass Dartmouth's 2023 Alumni Volunteer Service Award



5/10/2023
BankFive President & CEO Anne P. Tangen Elected to Massachusetts Bankers Association Board of Directors



6/16/2023
Anne P. Tangen, BankFive President & CEO, Appointed to the Board of the SouthCoast Community Foundation



10/27/2023
BankFive President & CEO Anne P. Tangen, Recognized as One of the NorthEast Women in Banking



6/29/2023
BankFive EVP & COO, Catherine Dillon, Recognized as One of the Top Women to Watch by SouthCoast Almanac



11/13/2023
The Women's Edge and The Boston Globe Names BankFive and its President & CEO Anne Tangen to Top 100 Women-Led Businesses in Massachusetts



12/27/2023
Sharon Macinnes, VP, Risk Management & CRA Officer, Named Recipient of John S. Brayton Community Service Award

Human

Promoting Talent



Catherine A. Dillon
Executive Vice President
Chief Operating Officer



Gregory J. Medeiros
Senior Vice President
Chief Credit Officer



Maureen Terranova
Senior Vice President
Chief Information Officer



Scott J. Correia
Vice President
Regional Manager

Veronica L. Andrade
Vice President
Regional Manager



Christina D. Johnk
Senior Vice President
Chief Human Resources Officer



Patrick J. Deady
Executive Vice President
Director of Residential &
Consumer Lending

Paul S. Medeiros
Executive Vice President
Director of Commercial
Lending

Championing Diversity



Led by our Human Resources Team, BankFive expanded its commitment to Diversity, Equity, Inclusion, and Belonging by establishing four new Employee Resource Groups. These groups, including the LGBTQ+ Alliance, Luso (supporting our Portuguese heritage), Working Parents, and We Can (supporting those who have and care for those with a disability), provided employees with unique opportunities to connect and collaborate. Through a series of engaging events and initiatives, these groups fostered stronger bonds across departments, while also supporting our community through fundraising efforts and donations of essential items to those in need.

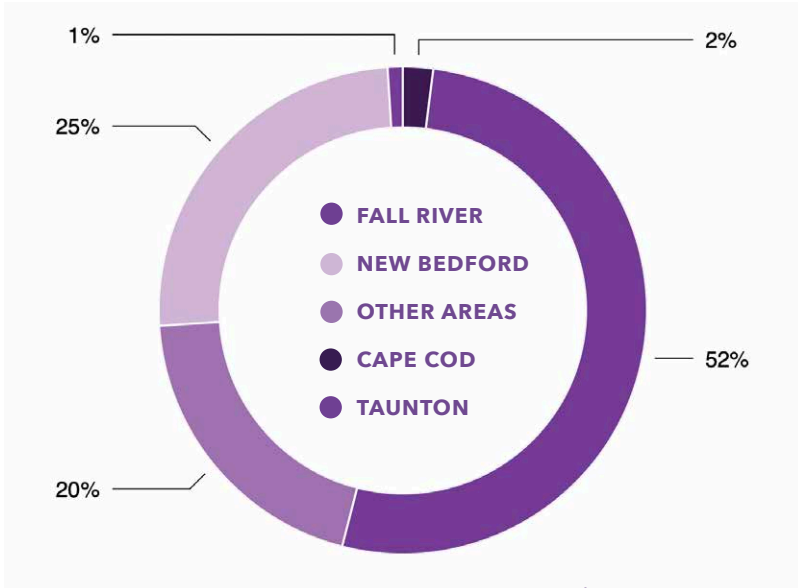


2023

Giving in Numbers

\$600,000

DISTRIBUTION BY SOUTHCOAST



in charitable donations over \$1,000

COMMUNITY FOCUSED INITIATIVES

In the past year, our charitable giving efforts were strategically directed toward addressing food insecurity, promoting education, and fostering arts and culture, to align with the needs in our community.



Giving Back

BankFive is dedicated to investing in the communities it serves and fostering educational opportunities for its young residents and future generations. Recently, BankFive awarded the inaugural President's Scholarship to Malachia Nobre, a graduate of BMC Durfee High School in Fall River. This \$1.2 million scholarship fund at the SouthCoast Community Foundation, established in memory of past Presidents and CEOs of BankFive, aims to support graduating seniors from Bristol County, MA, and Bristol and Newport counties in Rhode Island. The scholarship is granted based on considerations of academic achievement or financial need and is renewable for eligible students enrolled full-time in an accredited college or university.

This initiative reflects our commitment to the shared goals of our former leadership, providing access to a brighter future for aspiring students.



I worked very hard so that my family doesn't have to suffer the burden of paying for my tuition and to break generational cycles and create wealth...getting this scholarship will change my life.

—Malachia



DYNAMIC

Investing in Our Offices

Over the past few years, we've strategically invested in our branches, exemplified by the update of our Somerset Branch, now equipped with conference rooms and dedicated space for EforAll South Coast. Additionally, the substantial renovation of our County Street branch in New Bedford is complete and a vital hub for the local community. Looking forward, we are excited about the progress of the renovation of our corporate office in Fall River. This significant endeavor will improve our customer and employee experience, while also celebrating our long-standing history in Fall River.

Somerset



County Street



Main Office



Westport Lending Office



Embracing Innovation

This year has seen our company's dynamic spirit come to life as we launched a diverse array of cutting-edge products and services. With an unwavering commitment to staying ahead of the curve, we've not only met but exceeded the evolving needs of our customers. This forward-thinking approach defines us, reinforcing our position as industry leaders and ensuring that we continue to deliver unparalleled value to our clientele.

+1,749

NEW ACCOUNTS
since launch



Our new online account opening process facilitated 1,749 new accounts since launching in April.

Credit Cards launched in January, through year-end we had 552 cards in use.



552

CARDS IN USE

1,633

CUSTOMERS
SWITCHED



The SwitchMyBank tool helped 1,633 customers move their account from another bank.



New Phone
System



Deployment
Of TEAMS



New Financial
Reconciliation System

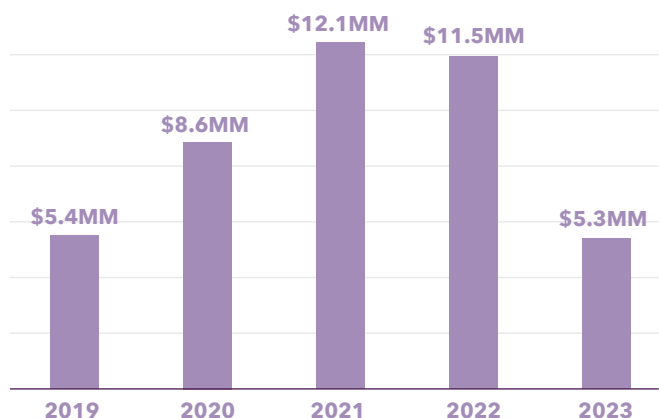
zelle[®]

Launch of
Zelle[®]

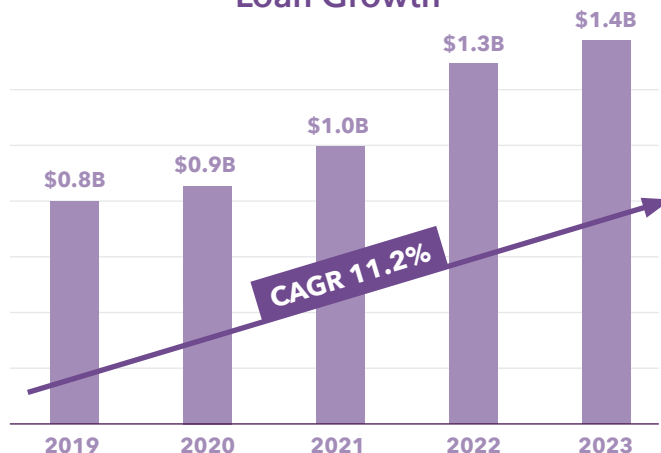
This is all in addition to a new phone system, deployment of TEAMS, adopting a new financial reconciliation system, and the launch of Zelle[®].

Measuring Our Performance

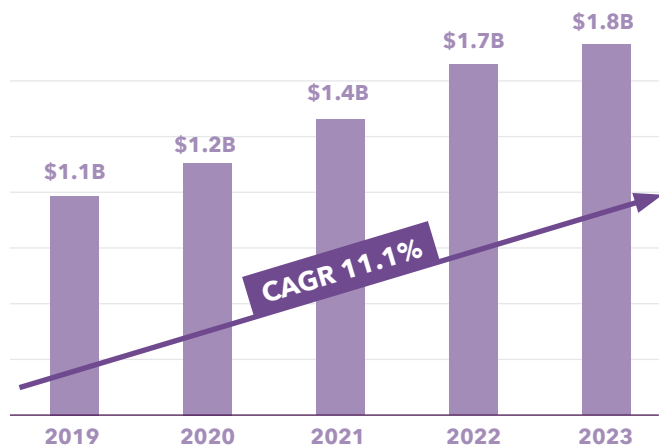
Net Income



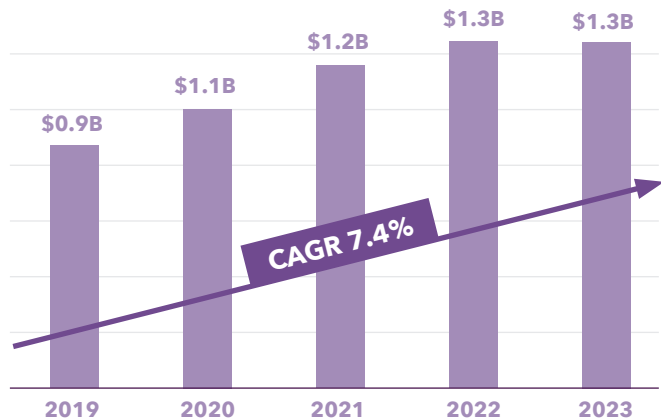
Loan Growth



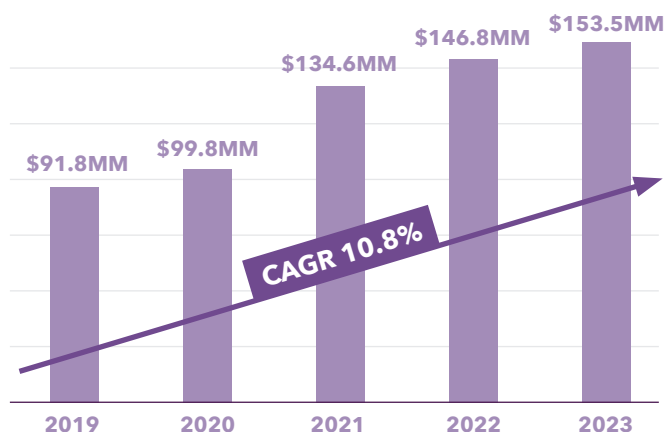
Asset Growth



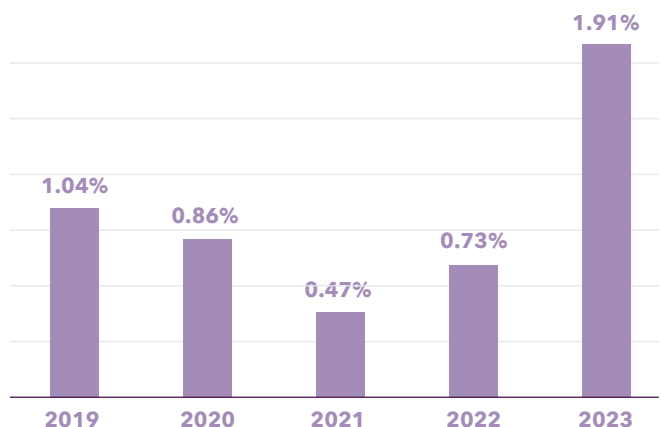
Deposit Growth



Regulatory Capital Growth



Cost of Funds



STEADFAST

Staying Steadfast in Crisis



What Happened With Silicon Valley Bank?
THE WALL STREET JOURNAL.
MARCH 14, 2023

Is My Money Safe In The Bank?
Forbes
MARCH 13, 2023

Is My Money Safe? Here's What Is Covered, and How You Can Do More.
The New York Times
MARCH 13, 2023



We prioritize the security of our customers' deposits and are proud to offer the added protection of the Depositors Insurance Fund. This commitment to depositor security underscores our dedication to being a trusted and reliable financial institution.

—Anne Tangen
BankFive President & CEO

LEARN MORE ABOUT DIF

What is Depositors Insurance Fund (DIF)?

DIF covers 100 percent of deposits exceeding the FDIC limit of \$250,000.

Why does BankFive offer it?

To instill confidence and trust among their customers.

Where can I learn more about BankFive and DIF?

Visit BankFive.com/DIF

Celebrating a Career of Service



BankFive celebrated the retirement of its long-time board member, Peter C. Bogle, at a Corporator reception this past fall. With an impressive four decades of service, Peter has left an indelible mark on BankFive's ongoing commitment to developing innovative and inclusive solutions, ensuring equal access to reliable financial services for the entire community. Peter's father, Donald A. Bogle, also dedicated 40 years to BankFive as an employee, serving as Chairman from 1976 to 1978. Continuing the legacy of their family's dedication to BankFive, Peter's daughter, Carolyn Duane, became a Corporator in 2021. This multi-generational commitment underscores the enduring values and contributions of the Bogle family to our institution.

Financial Performance

Consolidated Balance Sheet

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 - UNAUDITED

ASSETS

LIABILITIES AND RETAINED EARNINGS

	2023	2022		2023	2022
	(IN THOUSANDS)			(IN THOUSANDS)	
Cash and due from banks	\$6,849	\$8,362	Deposits:		
Interest-bearing deposits	34,399	27,300	Non interest-bearing	\$252,296	\$274,286
Certificates of deposit	10,099	625	Interest-bearing	1,059,781	1,044,849
Cash and cash equivalents	51,347	36,287	Total deposits	1,312,077	1,319,135
Securities available for sale	230,126	233,211	Federal Home Loan Bank (FHLB) advances	304,417	255,272
Securities held to maturity, at cost (fair value of \$16,253 and \$17,681 in 2023 and 2022, respectively)	17,502	18,263	Other borrowings	52,178	-
Marketable equity securities	710	863	Subordinated notes, net of issuance costs	24,485	24,417
Restricted stock, at cost	14,349	12,568	Mortgage escrow	1,705	1,730
Loans held for sale	7,738	9,970	Accrued expense and other liabilities	19,498	19,708
Loans, net of allowance for credit losses of \$8,624 and \$10,181 in 2023 and 2022, respectively	1,414,163	1,325,637	Total liabilities	1,714,360	1,621,656
Bank-owned life insurance	12,992	12,874	Commitments and contingencies	-	-
Premises and equipment, net	22,994	19,506	Retained earnings	132,344	126,347
Goodwill	2,203	2,203	Accumulated other comprehensive loss	(36,217)	(41,725)
Accrued interest receivable	6,277	4,927	Total retained earnings	96,127	84,622
Deferred tax asset, net	9,755	12,775	Total liabilities and retained earnings	\$1,810,487	\$1,706,278
Other assets	20,330	15,745			
Total assets	\$1,810,487	\$1,706,278			

Consolidated Income Statement

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 - UNAUDITED

	2023	2022		2023	2022
	(IN THOUSANDS)			(IN THOUSANDS)	
Interest and dividend income:			Non-interest expense:		
Loans, including fees	\$60,972	\$45,578	Salaries and employee benefits	\$23,656	\$22,008
Securities	7,368	5,760	Occupancy and equipment	4,347	3,698
Dividends	1,174	523	Data processing	5,480	4,877
Interest-bearing deposits	1,658	1,017	Professional fees	1,389	1,234
Total interest and dividend income	71,172	52,878	Advertising	1,798	1,612
Interest expense:			Deposit insurance	1,160	841
Deposits	21,185	5,584	Other	3,934	5,106
Borrowings	10,318	3,775	Total non-interest expense	41,764	39,376
Subordinated notes	943	943	Income before income taxes	6,851	15,127
Total interest expense	32,446	10,302	Provision for income taxes	1,560	3,661
Net interest income	38,726	42,576	Net income	\$5,291	\$11,466
Provision for credit losses	135	1,928			
Net-interest income after provision for credit losses	38,591	44,504			
Non-interest income:					
Customer service fees	4,095	3,968			
Gain on sales of loans, net	2,185	2,031			
Net gain on sale of restricted stock	377	6,106			
Net loss on sales of securities available for sale	(62)	-			
Gain on sale of mortgage servicing rights	1,898	-			
Unrealized loss on marketable equity securities	(153)	(147)			
Income on bank-owned life insurance	305	323			
Other	1,379	1,571			
Total-non-interest income	\$10,024	\$13,852			

Board of Directors



William H. Lapointe
CHAIRMAN OF THE BOARD, BANKFIVE
PRESIDENT
LAPOINTE INSURANCE AGENCY
Committees: Executive Committee,
Strategic Planning (Chair), ALCO,
Talent & Compensation, Nominating &
Governance



Anne P. Tangen
PRESIDENT & CEO
BANKFIVE
Committees: Executive Committee (Chair),
Compliance & CRA, Talent & Compensation,
ALCO, Technology, Nominating &
Governance, Strategic Planning



M. Helena Amaral
CPA
KANE & KANE, INC.
Committees: Executive Committee, Strategic
Planning, Compliance & CRA, ALCO (Chair),
Talent & Compensation, Nominating &
Governance



John J. Coughlin, Esq.
CLERK OF THE CORPORATION, BANKFIVE
ATTORNEY, BOGLE, DEASCENTIS &
COUGHLIN, P.C.
Committees: Strategic Planning, ALCO,
Nominating & Governance



Raymond S. DeLeo
PRESIDENT & CEO
GOODING REALTY CORPORATION
Committees: Audit (Chair), Strategic Planning,
Compliance & CRA, Technology



Lisa N. Graham
PARTNER
NORMAN, GRAHAM & DIGANGI
Committees: Audit, Strategic Planning, ALCO



Karl D. Hetzler
PRESIDENT
H & S TOOL AND ENGINEERING, INC.
Committees: Audit, Strategic Planning,
Compliance & CRA (Chair), Technology



Peter T. Kavanaugh
PRESIDENT
BROWNELL BOAT STANDS, INC.
Committees: Executive Committee Strategic
Planning, ALCO, Talent & Compensation,
Nominating & Governance (Chairman)



Michelle A. Pelletier
OWNER
JEFFERSON REALTY
Committees: Strategic Planning, Compliance
& CRA, Technology



Jeffrey J. Reilly
DOCTOR OF CHIROPRACTIC
JEFFREY J. REILLY, D.C.
Committees: Audit, Strategic Planning,
Technology (Chair)



Edward G. Siegal
CPA
GE SUPPLY, LLC
Committees: Executive Committee, Strategic
Planning, ALCO, Talent & Compensation
(Chair), Nominating & Governance



Fernando L. Sousa
PRESIDENT, M.O.N.
LANDSCAPING, INC.
Committees: Strategic Planning, Compliance
& CRA, Technology



Samia Walker
EXECUTIVE DIRECTOR
EFORALL SOUTH COAST
Committees: Strategic Planning,
Compliance & CRA, Technology



Sumner J. Waring, III
SENIOR VICE PRESIDENT, COO
SERVICE CORPORATION INTERNATIONAL
Committees: Strategic Planning, ALCO,
Talent & Compensation



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 John P. Collias
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*Board Member

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 William R. Eccles, Jr.
 Kathleen Harrington
 Richard L. Lafrance
 Robert Lavoie
 Eldredge H. Leeming
 Joan M. Menard
 Dorene A. Menezes
 M. Paula Raposa



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Executive Vice President

Patrick J. Deady
Catherine A. Dillon
Paul S. Medeiros

Senior Vice President

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Joseph C. Borges
Kevin P. Cassidy
Lisa Celio

Doreen L. Constanca
Scott J. Correia
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Miguel DeSousa
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Wilfredo Salvador
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Carlos L. Schryver

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Joseph D. Varraso
Rose M. Vertentes
William J. Vickery
Claudette M. Vickery
Melissa A. Vincent

Assistant Vice President

Tracy L. Banville
Monica C. Botelho
Kristen E. Carvalho
Antonio J. Esteves
Joseph E. Shea
Gina V. Smith
Ismael V. Tavares

Officer

Cheryl A. Bennett
Gualter M. Chaves
Nancy Coelho
Jonathan E. Cormier
Anabela S. Doyon
Krystal Lopes
Nicole Macedo
Maria F. Oliveira
Teresa Oliveira
Richard J. Pacheco
Renee D. Roberts
Victoria L. Stockbarger
Gregory M. Thoren



"Better than any national bank."

—MS



"Always pleasant, and helpful customer service. From a loyal customer, over 50 years! I trust this bank!"

—Nancy Anne



"Completely satisfied with the customer service that I received at BankFive. They always seem to go above and beyond."

—Linda



"We had a great experience obtaining a competitive land loan to ultimately be in position to build our dream house. The BankFive representatives were world class, personable individuals who were readily available and helpful each step of the way."

—Dan



"Courteous, helpful, caring, attentive. I have been with BankFive for many years and the customer service has always been outstanding. I could not ask for better."

—Palmira



"I appreciate this small community bank. Switched from a big national bank and I'm very happy I did."

—Debora



"This bank has an awesome team and a dedicated staff. I am very impressed by their vision, hard work, outstanding performance, and wonderful teammates."

—Ana



"I have been a customer for many many years and have no intention of changing institutions for my banking needs. They have earned my loyalty throughout the years."

—Gordon



"The minute you walk into the branch you are addressed by a friendly staff. Our experience was one of the best in a long time. I feel this company is doing great with customer service and their great line of products."

—Sandra



"Love going to our branch office. It is important to me and my family to have a local branch with people we can trust and who know us."

—Wendy



"BankFive offers a wide range of financial products tailored to meet my specific needs, whether it's personal banking, mortgages, or small business services. Their user-friendly online and mobile banking platforms make managing my finances a breeze."

—Mazharul



"Been a member of Bank5 for decades and plan to for many more. Customer service is always fantastic & agents really go above & beyond to help. Really a pleasure to be a member of a bank that actually has integrity."

—Kevin

Customer reviews collected through Trustpilot.



Branches

ACUSHNET

1724 Acushnet Avenue, New Bedford, MA

BRISTOL

590 Metacom Avenue, Bristol, RI

COUNTY

160 County Street, New Bedford, MA

DARTMOUTH

136 Faunce Corner Road, Dartmouth, MA

EXPRESS

55 13TH Street, Fall River, MA

FAIRHAVEN

105 Huttleston Avenue, Fairhaven, MA

FLINT

1301 Pleasant Street, Fall River, MA

GLOBE

1501 South Main Street, Fall River, MA

NORTH

4171 North Main Street, Fall River, MA

PRESIDENT AVE

1604 President Avenue, Fall River, MA

SOMERSET

54 County Street, Somerset, MA

SWANSEA

497 Milford Road, Swansea, MA

Lending Offices By Appointment Only

CRANSTON

175 Sockanosset Cross Road, Cranston, RI

HYANNIS

540 Main Street, Hyannis, MA

WESTPORT

875 State Road, Westport, MA

WRENTHAM

667 South Street, Wrentham, MA

Corporate Office

79 North Main Street, Fall River, MA

774.888.6100