# 2025
## ANNUAL REPORT

*Built for what's next*

# Where it Started.

## *Our Foundation*

Nearly 150 years ago, a group of local business leaders came together with a simple idea—that a bank built on trust, service, and commitment to its community could make a real difference in people's lives.

That idea still leads everything we do.

Over time, we've grown. Our services have expanded. The way people bank has evolved. But what we're built on hasn't changed—personal relationships, local decision-making, and a responsibility to show up for the people and businesses right here at home.

Being local isn't just where we operate. It's how we think. It's how we build.

Everything we've accomplished this year—and everything we're building towards—starts here.

**THIS IS WHERE WHAT'S NEXT BEGINS.**

*We look ahead grounded in our mission and guided by our purpose. While the banking environment continues to evolve, our role remains unchanged: to be a trusted local institution, committed to banking done the right way.*

**JOSEPH T. BAPTISTA JR.**
**PRESIDENT & CEO**

*Joseph T. Baptista Jr., President & CEO*

# From Joe's Desk

## *Looking back with pride, moving forward with purpose*

At its core, Mechanics Cooperative Bank has always been defined by its people, its local roots, and its commitment to the markets we serve. In 2025, those values remained central as we continued to support our customers while thoughtfully preparing for the next chapter in the Bank's history.

As a mutual bank, our mission is straightforward—to support the financial well being of the individuals, families, and businesses that rely on us. Throughout the year, we remained focused on meeting local credit and deposit needs, maintaining a strong presence in our communities, and delivering consistent, personalized service. This disciplined approach supported steady growth, with total assets reaching $862 million at year-end, providing a solid foundation for the future.

Our mission and values are carried out every day across every level of the organization. Mechanics is locally governed and guided by a structure that prioritizes long term relationships over short term results. Our brand is built on trust, consistency, and accountability. During 2025, we strengthened that foundation with enhancements to customer security, digital access and fraud protection, continued investment in branches and delivery channels, and by sustaining a culture rooted in dependability and service.

These results reflect the way our teams work together day-to-day in support of the Bank and its customers. Our leadership team and employees remain one of our greatest strengths, with many bringing long-standing experience and deep ties to the Bank and the communities we serve. Throughout 2025, our teams managed increased operational and regulatory demands while continuing to deliver dependable, high-quality service to our customers. In addition, they supported a range of priorities, from core operational needs to broader organizational efforts, demonstrating care, professionalism, and a genuine commitment to the institution and its future.

This collective strength was especially important as we prepared for our forthcoming merger with MountainOne Financial MHC, which was completed in 2026. This partnership is grounded in shared values and a common commitment to community banking in Massachusetts. Mechanics Cooperative Bank will retain its name, brand, leadership, and headquarters, ensuring continuity for those we serve. At the same time, the combination allows us to build on the strong and well-managed foundation already in place, expanding capabilities and resources while preserving the local approach that defines who we are.

We look ahead grounded in our mission and guided by our purpose. While the banking environment continues to evolve, our role remains unchanged: to be a trusted local institution, committed to banking done the right way. I'm grateful to our employees, directors, customers, and community partners for their continued trust and support as we move forward, "Stronger Together, Local Forever."

Joseph T. Baptista Jr.
President & CEO

**LIGHTS. CAMERA. COMMUNITY.**

*Launched in 2025, Cup of Joe brings Joe together with guests for conversations on all things Mechanics. From products and services, to rates, and everything in between. More than a series, it gives customers a chance to hear directly from Joe—offering perspective, transparency, and a closer connection to the bank.*

***Pictured with Joe:***
*Lawrence Fernandes*
*VP, Relationship Development Officer.*

# The Work Behind The Work.

## *A Message from Our Chief Operating Officer*

Over time, an organization is shaped less by any single initiative and more by the habits, standards, and values reinforced day after day. The progress made at Mechanics reflects a shared commitment to operating thoughtfully, serving others well, and holding ourselves to high professional standards. It's that consistency in how we approach the work—often in ways that aren't always visible—that continues to move us forward in a meaningful and lasting way.

I have been proud to work alongside teams who care about doing the right things for the right reasons—who understand that lasting strength is built through consistency, collaboration, and respect for the communities and colleagues we serve. I am confident that the Bank is well positioned for what comes next, supported by a capable team and a culture grounded in disciplined day-to-day execution and mutual respect.

The work that has been carried out consistently over time has created a strong and stable foundation for the future, one that will continue to support the Bank's mission and those it serves.

**DEBORAH A. GRIMES**
*Executive Vice President,*
*Chief Operating Officer*


**PATHWAYS IN PRACTICE.**

*Launched in 2025 under the leadership of Chief Operating Officer, Deborah Grimes, the Career Pathways Program connected employees with mentors across management—creating clear paths for growth and development.*

*TOP: Program participant Katelynn Francisco, Assistant Branch Manager, pictured with Deborah A. Grimes, EVP, Chief Operating Officer, and Joseph T. Baptista Jr., President and Chief Executive Officer*

*RIGHT: Career Pathways Program participants and mentors, including Katelynn Francisco, Assistant Branch Manager, Bret Jardin, Senior Teller, Tasha Perry, VP Call Center Manager, Deborah A. Grimes, EVP, Chief Operating Officer, Kristen Dussault, FVP Human Resources, Robert Ulmschneider, VP Innovation and Strategy, Taylor Sisson, Branch Manaher, Adelia Pimentel, Deposit Operations Supervisor, and Chad Looker, Assistant Branch Manager.*

*I have been proud to work alongside teams who care about doing the right things for the right reasons—who understand that lasting strength is built through consistency, collaboration, and respect for the communities and colleagues we serve.*

**DEBORAH A. GRIMES**
**EXECUTIVE VICE PRESIDENT,**
**CHIEF OPERATING OFFICER**


# Let's Keep it Local!

## *The heart of our mission lives outside the bank*

At Mechanics Cooperative Bank, "Let's Keep it Local!" isn't just something we say—it's how we show up. It means investing in the people and places we know, supporting local businesses, and being part of the communities we call home.

This work doesn't live inside our branches. It happens out in the community—at events, through partnerships, and in the everyday moments where relationships are built. It's in the small things and the big ones, all adding up to something that actually feels personal.

In 2025, that commitment showed up in the thousands of lives we touched through giving, sponsorships, and employee-led efforts. Because at the end of the day, we believe banking should feel local—connected, familiar, and rooted in the people it serves.

That commitment continues—showing up, staying local, and doing the work that matters most. It's a promise we carry forward every day, in every interaction, with every customer we serve.

**INFRASTRUCTURE THAT MATTERS.**

*Mechanics Cooperative Bank proudly supported critical public safety infrastructure upgrades for the Town of Dighton, funding the full installation of new microwave communication equipment to strengthen emergency communication capabilities across the community.*

*TOP: Dighton Police and Fire pose with President & CEO, Joseph T. Baptista Jr. George Nicholas, Chief of Police; Justin Daigneault, Dighton Firefighters Local 4332 President; Joseph T. Baptista Jr.; President & CEO, Mechanics Cooperative Bank; Ralph Vitacco, Town Administrator; Christopher Maguy, Fire Chief; and Ryan L. Richards, Deputy Chief of Police.*

*RIGHT: Dighton Police and Fire pose with President & CEO, Joseph T. Baptista Jr.*

*"Our commitment to community isn't just about support—it's about showing up, investing locally, and helping build momentum that moves people, businesses, and neighborhoods forward.*

**JOSEPH T. BAPTISTA JR.**
**PRESIDENT & CEO**

**PURPOSE IN MOTION.**

*Mechanics Cooperative Bank President & CEO Joseph T. Baptista Jr. and Senior Vice President, Chief Compliance & Risk Management Officer, Joanna Holmes, a proud Pride Inc. Board Member, stand with the new wrapped transportation vans, funded by Mechanics Cooperative Bank. They are joined by PRIDE, Inc. Executive Director Sarah Campbell and members of PRIDE, Inc. The wrap installation was completed locally by Luka B Signs of Taunton.*

*Being part of the Habitat for Humanity build with coworkers was a reminder that even one day of showing up together can make a real difference. It's a simple thing, but it's something you don't forget—and something that stays with you long after the day is over.*

**MARIANA BENJAMIN**
**MARKETING MANAGER**

# From the Ground Up.

**HABITAT FOR HUMANITY**

In 2025, a team of employees stepped out of the office and into the community, volunteering their time to support a Habitat for Humanity home build in Taunton, Massachusetts. Working side by side, they helped bring a future home to life—contributing not just labor, but a shared commitment to making a difference for a local family.

Experiences like this go beyond a single day of volunteering. They reflect the values that guide us—showing up, working together, and investing in the communities we call home. By taking part in projects like the Taunton build, our employees continue to turn that commitment into action, helping create lasting impact where it matters most.

**BUILDING TOGETHER.**

*TOP: Mariana Benjamin, Marketing Manager, lends a hand during a Habitat for Humanity Build Day, assisting with site cleanup as part of the Bank's ongoing commitment to community service.*

*RIGHT: Kristopher Moore, BSA/OFAC/Security Analyst, works from the ladder during the Habitat for Humanity build, helping bring a future home to life.*


# *Small Steps. Big Futures.*

## PEOPLE INCORPORATED EARLY EDUCATION CENTER

Mechanics Cooperative Bank was proud to support People Incorporated in the opening of its new Early Education Center, a thoughtfully designed space dedicated to expanding access to high-quality early childhood education for local families. The space provides a safe, nurturing environment where children can learn, grow, and build a strong foundation for the future.

Through a $100,000 donation, the Bank helped bring this vision to life—supporting not only the physical space, but the long-term impact it will have on working families and the community. This partnership reflects our continued commitment to investing in initiatives that create opportunity, strengthen neighborhoods, and make a lasting difference where it matters most.


### A LOCAL START THAT MATTERS.

*TOP: A new space for learning, growing, and opportunity—People Incorporated's Early Education Center now welcomes families from across the community.*

*CENTER: A lasting reminder of community impact—Mechanics Cooperative Bank's $100,000 donation recognized at the entrance of the Early Education Center.*


# *Rooted Here. Rising Everywhere.*

## 2025 MECHANICS COOPERATIVE BANK SCHOLARSHIP

Mechanics Cooperative Bank is proud to support local students through our annual Scholarship Program – created to recognize hard work, leadership, and a strong connection to community. In 2025, we awarded a total of $12,000 to 12 area students who are ready to rise, explore, and lead – wherever life takes them. Because no matter how far they go, their roots will always be here.



*Not Pictured: Madeline Polochick of Apponequet Regional High School attending University of Hartford, Tess Silvia of Westport High School attending Simmons University, and Alexander Radchouk of Mansfield High School attending Purdue University.*

## LOCAL INVESTMENT. LASTING IMPACT.

*TOP: Hannah Abrams of Westport High School attending UMass Dartmouth, Addison MacDonald of Mansfield Highschool attending Lafayette College, Joseph T. Baptista Jr., President & CEO of Mechanics Cooperative Bank, Christian Cordeiro of Greater New Bedford Regional-Vocational-Technical Highschool attending Roger Williams University, and Fabiana Gomes of Bristol Plymouth Regional-Technical High School attending Bridgewater State University.*

*MIDDLE: Joseph T. Baptista Jr., President & CEO of Mechanics Cooperative Bank, Alexandra True of Apponequet Regional High School attending Roger Williams University, Amelia Breese of Fairhaven High School attending UMass Dartmouth, and Cady Morrison of Bridgewater-Raynham High School attending Endicott College.*

*LEFT: John Payne of Seekonk High School attending Salem State University, Joseph T. Baptista Jr., President & CEO of Mechanics Cooperative Bank, and Camryn Jaye Emond of Taunton High School attending Salve Regina University.*

# *Casual for a Cause.*

## JEANS FOR CHARITY

What started as a simple idea has become a meaningful part of our culture. Through our annual Jeans for Charity program, employees trade business attire for denim on Fridays and Saturdays, contributing through payroll deduction while the Bank provides matching support. Together, those small, consistent contributions add up. In 2025, our team raised a record $20,000 to support local non-profit organizations—a reflection of the generosity and shared commitment that defines our employees.

More than a fundraiser, Jeans for Charity represents how we show up: supporting causes that matter, investing in our communities, and turning everyday moments into meaningful impact. The 2025 recipients included: The Alzheimer's Association, Children's Advocacy Center of Bristol County, Forever Paws Animal Shelter, St. Jude Children's Research Hospital, and The Veterans Association of Bristol County.


**DRESSING DOWN, SHOWING UP.**

*Mechanics Cooperative Bank employees present a $20,000 donation to nonprofit partners as part of the Bank's 2025 Jeans for Charity program.*

*Pictured: Adelia Pimentel of Mechanics Cooperative Bank, Joe Durkin of St. Jude's Children's Research Hospital, Beverly Andrade of Forever Paws Animal Shelter, Maria Goulart of Children's Advocacy Center of Bristol County, Gail Furtado of Forever Paws Animal Shelter, Diana Griffin of Alzheimer's Association, Ken Levesque of Veterans Association of Bristol County, and Ronald Garron of Mechanics Cooperative Bank.*

# By the Numbers.

*A Message from Our Chief Financial Officer*

The Bank delivered strong financial results in 2025, supported by disciplined balance sheet management, consistent earnings, and a solid capital position. These results supported day-to-day operations, allowed for continued investment in key initiatives and infrastructure, and ensured the Bank was well prepared for its planned merger with MountainOne Financial MHC.

Total assets increased to $862 million at year end, driven by measured loan growth to $729 million and supported by stable deposit growth to $699 million.   Earnings performance remained strong throughout the year, with a net interest margin of 4.11%, reflecting pricing discipline and effective balance sheet positioning. Return on assets was 1.25%, and return on equity was 9.59%, reflecting consistent operating performance and effective cost control.

Capital levels remained a key strength for the Bank. Total Risk Based Capital ended the year at 16.32%, providing flexibility to support the Bank's strategic initiatives.  Asset quality and liquidity metrics remained sound throughout the year, contributing to balance sheet stability and resilience.

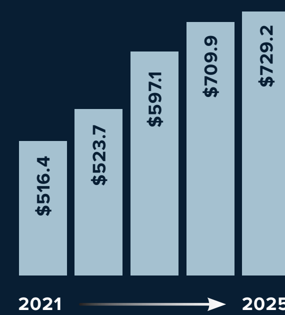
We are well capitalized and well positioned to support sustainable long-term growth consistent with the Bank's mission and values.

**DELFINA LARANJO**

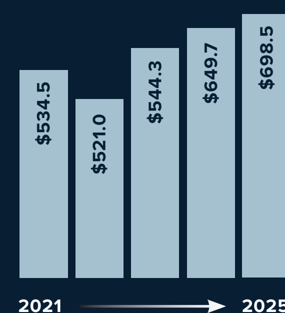
*Senior Vice President,*
*Chief Financial Officer & Treasurer*

## [AT A GLANCE]

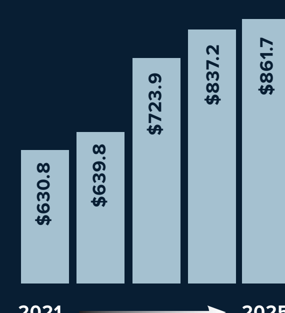
*Total Loans*
**$729.2 MILLION**




*Total Deposits*
**$698.5 MILLION**




*Total Assets*
**$861.7 MILLION**



# *Compared to our Peers.*

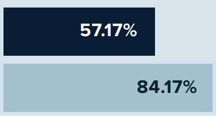
Relative to our peers (sixteen Massachusetts cooperative and mutual banks of similar asset size and capital ratios), Mechanics continued to outperform the group average. Our 2025 performance reflects strong results and disciplined risk management.

## *Efficiency Ratio*

**57.17%**

The measure of a company's ability to use its assets to generate income and is calculated by dividing expenses by net revenues. A lower efficiency ratio indicates the Bank is spending less, to generate every dollar of income. The Bank continues to lead with a ratio of 57.17% when compared to peers.

**MCB: 57.17%**
**PEER GROUP: 84.17%**

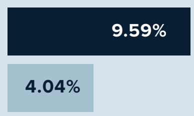



## *Return on Equity*

**9.59%**

A measure of the Bank's ability to generate profit from its capital, calculated by dividing net income by average equity. A higher return on equity indicates stronger performance and efficient use of capital. Mechanics continues to outperform relative to its peers with a return on equity of 9.59% in 2025.

**MCB: 9.59%**
**PEER GROUP: 4.04%**

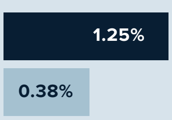



## *Return on Assets*

**1.25%**

This profitability ratio measures net income as compared to the average total assets of the organization and indicates how efficiently a company can manage its assets to produce profits. Mechanics Cooperative Bank continues to lead with a higher ROA ratio of 1.25%.

**MCB: 1.25%**
**PEER GROUP: 0.38%**

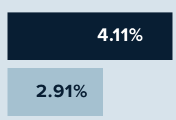



## *Net Interest Margin*

**4.11%**

The measure of the Bank's ability to generate income from earning assets, calculated as the difference between interest income and expense relative to average earning assets. A higher net interest margin indicates stronger performance. The Bank continues to outperform peers with a margin of 4.11%.

**MCB: 4.11%**
**PEER GROUP: 2.91%**




Mechanics Cooperative Bank
Peer Group

# CONSOLIDATED BALANCE SHEET

Mechanics Bancorp MHC Financial Summary - Year Ended December 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Cash and due from banks | **$9,148,942** | $10,437,984 |
| Federal funds sold | **26,000** | 27,000 |
| Total cash and cash equivalents | **9,174,942** | 10,464,984 |
| Investment securities (Note 2): | | |
| Available for sale, at fair value | **82,953,445** | 77,968,266 |
| Loans receivable, net of allowance for credit losses of $6,276,716 and $5,642,922 at December 31, 2025 and 2024, respectively (Note 3) | **722,886,309** | 704,259,737 |
| Accrued interest receivable | **2,715,698** | 2,482,767 |
| Banking premises and equipment, net (Note 5) | **18,040,149** | 18,606,754 |
| Federal Home Loan Bank Stock, restricted at cost (Note 7) | **1,904,300** | 3,342,500 |
| Cash surrender value of bank-owned life insurance (Note 9) | **16,797,975** | 13,423,757 |
| Deferred income tax asset (Note 10) | **2,983,230** | 2,836,787 |
| Prepaid expenses and other assets | **4,223,794** | 3,881,237 |
| Total Assets | **$861,679,842** | $837,266,789 |
| **Liabilities and Equity** | | |
| Liabilities: | | |
| Deposits (Note 8) | **$698,530,558** | $649,718,341 |
| Mortgagors’ escrow accounts | **2,012,659** | 1,816,228 |
| Borrowings (Note 12) | **41,485,087** | 78,371,779 |
| Accrued expenses and other liabilities | **10,382,153** | 9,321,937 |
| Accrued director pension liability (Note 9) | **1,456,811** | 1,307,423 |
| Total Liabilities | **753,867,268** | 740,535,708 |
| Commitments and Contingencies (Notes 5, 6, 11 & 18) | | |
| Equity (Note 16): | | |
| Retained earnings | **110,717,499** | 100,990,999 |
| Accumulated other comprehensive loss (Note 17) | **(2,904,925)** | (4,259,918) |
| Total Equity | **107,812,574** | 96,731,081 |
| | **$861,679,842** | $837,266,789 |

## CONSOLIDATED STATEMENT OF INCOME

Mechanics Bancorp MHC Financial Summary - Year Ended December 31, 2025

| | 2025 | 2024 |
|---|---|---|
| INTEREST AND DIVIDEND INCOME | | |
| Interest and fees on loans | **$46,244,108** | $40,547,719 |
| Interest and dividends on investment securities | **3,105,968** | 2,753,463 |
| Interest on cash and cash equivalents | **219,975** | 76,073 |
| | **49,570,051** | 43,377,255 |
| INTEREST EXPENSE | | |
| Interest on deposits (Note 8) | **15,281,115** | 13,499,321 |
| Interest on borrowings (Note 12) | **2,172,645** | 3,262,637 |
| | **17,453,760** | 16,761,958 |
| NET INTEREST INCOME | **32,116,291** | 26,615,297 |
| PROVISION FOR CREDIT LOSSES (Note 3) | **876,421** | 1,255,965 |
| NET INTEREST INCOME, AFTER PROVISION FOR CREDIT LOSSES | **31,239,870** | 25,359,332 |
| NON-INTEREST INCOME | | |
| Customer deposit service fees | **630,902** | 608,319 |
| Retail banking fees | **223,516** | 260,887 |
| Miscellaneous loan fee income | **123,033** | 91,783 |
| Interchange income, net of related expenses | **557,981** | 545,961 |
| Investment and insurance commissions | **220,249** | 178,544 |
| Mortgage banking income (Note 4) | **117,999** | 79,773 |
| Gain (loss) on sale of property and equipment (Note 5) | **205,318** | (19,360) |
| Income from bank-owned life insurance | **374,218** | 362,433 |
| | **2,453,216** | 2,108,340 |
| OPERATING EXPENSES AND CHARGES | | |
| Salaries and employee benefits | **12,441,758** | 11,735,608 |
| Occupancy and equipment expenses | **2,231,818** | 2,184,590 |
| Data processing expenses | **1,935,802** | 1,719,955 |
| Advertising expenses | **317,080** | 302,481 |
| Director fees, including retirement | **590,832** | 470,447 |
| Professional fees (see Note 19) | **1,158,630** | 601,129 |
| FDIC premium assessments | **396,484** | 362,219 |
| Other general and administrative expenses | **1,363,223** | 1,092,455 |
| | **20,435,627** | 18,468,884 |
| INCOME BEFORE TAXES | **13,257,459** | 8,998,788 |
| INCOME TAXES (Note 10): | | |
| Current and deferred | **3,530,959** | 2,126,701 |
| NET INCOME | **$9,726,500** | $6,872,087 |

# Leadership Team.

*Driving what's next*

**Joseph T. Baptista Jr.**
*President,*
*Chief Executive Officer*

**Deborah A. Grimes**
*Executive Vice President,*
*Chief Operating Officer*

**Delfina Laranjo**
*Senior Vice President,*
*Chief Financial Officer*
*& Treasurer*

**Curtis W. McKinney**
*Senior Vice President,*
*Senior Lending Officer*

**Thomas B. Steele**
*Senior Vice President,*
*Chief Technology Officer*

**Joanna Holmes**
*Senior Vice President,*
*Chief Compliance &*
*Risk Management Officer*

**Barry R. Bibeau**
*Chairman of the Board*

**Joseph S. Mozzone**
*Vice Chairman of the Board*

**George Shaker, Jr.**
*Clerk of the Corporation*

## FIRST VICE PRESIDENTS

**Kristen Dussault** - *First Vice President, Human Resources*
**Jorgelina Moreira** - *First Vice President, Deposit Operations*
**Edward Petras** - *First Vice President, Commercial Lending Team Leader*
**Sandra Pimentel** - *First Vice President, Retail Operations & Training*
**Maureen Sylvia** - *First Vice President, Business Intelligence*

## VICE PRESIDENTS

**Jillian Back** - *Vice President, Commercial Loan Officer*
**David Correia** - *Vice President, Commercial Credit Analyst*
**Lawrence Fernandes** - *Vice President, Relationship Development Officer*
**Patrick Gaughan** - *Vice President, Senior Credit Officer*
**Anthony Medeiros** - *Commercial Loan Officer/Portfolio Manager*
**Joshua J. Narciso** - *Vice President, Director of Marketing*
**Tasha Perry** - *Vice President, Call Center Manager*
**Robert Ulmschneider** - *Vice President, Innovation & Strategy*
**Stephanie Wood** - *Vice President, Commercial Loan Operations Manager*

## ASSISTANT VICE PRESIDENTS

**Mary Gilmore** - *Assistant Vice President, Loan Servicing Quality Control Coordinator*
**Ronald Garron** - *Assistant Vice President, Loan Operations Specialist*
**Kimberly Rua** - *Assistant Vice President, Assistant Controller*
**Ilda Viveiros** - *Assistant Vice President, Deposit Operations*
**Marvin Wickham** - *Assistant Vice President, Senior Systems Administrator*

## BOARD OF DIRECTORS

Joseph T. Baptista Jr.
Richard Bentley, Jr.
Barry R. Bibeau
Edmund J. Brennan, Jr.
Mark Dangoia
Robert J. Fraser
Michael Gardner, Jr.
Andrew C. Hewitt
Robert A. Iafrate
Adrienne Mollor
Joseph S. Mozzone
Eileen G. Pelletier
George Shaker, Jr.

## BOARD OF CORPORATORS

Brian Andrade
Matthew Andrade
Joseph T. Baptista Jr.
Jose C. Bejarano
Richard Bentley, Jr.
Barry R. Bibeau
Timothy Blanchard
Kenneth A. Bollin
Edmund J. Brennan, Jr.
Joseph M. Callahan Jr.
Derek Couto
Michael Cronan
Thomas D'Ambrosio
Mark Dangoia
Cynthia Danksewicz
Daniel DaRosa
James R. Dorsey, Jr.
Brad S. Fitzgerald
John Garanito
Donald Giumetti
Domenic Grieco
Deborah Grimes
Andrew C. Hewitt
Andrew Hopgood
Dr. Kelly Hoye
Robert A. Iafrate
Brendan C. Kane
Paul Lamb
Gilbert Lopes Jr.
Kevin Manning*
Adrienne Mollor
Joseph S. Mozzone
John O'Neil
Eileen G. Pelletier
Scott Pray
Nicholas J. Riccio
Peter Roache
Jason M. Rua
Peter A. Saulino
George Shaker, Jr.
Thomas J. Souza
Patrick Sullivan
Julie Trojano
Joseph Tutsch Jr.

**Honorary Corporator*

Mechanics
COOPERATIVE BANK

mechanics.bank