

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2025

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-42775



**Avidia Bancorp, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Maryland**

(State or Other Jurisdiction of Incorporation or Organization)

**33-4239888**

(I.R.S. Employer Identification Number)

**42 Main Street, Hudson, Massachusetts**

(Address of Principal Executive Offices)

**01749**

(Zip Code)

**(800) 508-2265**

(Registrant's Telephone Number, Including Area Code)

**N/A**

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>     | <u>Trading symbol(s)</u> | <u>Name of Each Exchange on Which Registered</u> |
|--------------------------------|--------------------------|--------------------------------------------------|
| Common stock, \$0.01 par value | AVBC                     | New York Stock Exchange                          |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐  
Non-accelerated filer ☒

Accelerated filer ☐  
Smaller reporting company ☒  
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

There were 20,076,250 shares of the registrant's common stock, par value \$0.01 per share, outstanding as of November 12, 2025.

**Avidia Bancorp, Inc.**

**Form 10-Q**

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## Part I. – Financial Information

### ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

#### Avidia Bancorp, Inc.

September 30, 2025 (Unaudited) and December 31, 2024

#### Consolidated Balance Sheets

| <i>(In thousands)</i>                                                                                                                                     | September 30,<br>2025 | December 31,<br>2024 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| <b>Assets:</b>                                                                                                                                            |                       |                      |
| Cash and due from banks                                                                                                                                   | \$ 15,484             | \$ 15,660            |
| Short-term investments                                                                                                                                    | 96,384                | 46,784               |
| Total cash and cash equivalents                                                                                                                           | 111,868               | 62,444               |
| Securities available for sale, at fair value (amortized cost \$287,424 in 2025 and \$293,649 in 2024)                                                     | 269,308               | 265,933              |
| Securities held to maturity, at amortized cost (fair value \$15,197 in 2025 and \$16,630 in 2024)                                                         | 15,747                | 16,747               |
| Total securities                                                                                                                                          | 285,055               | 282,680              |
| Federal Home Loan Bank stock, at cost                                                                                                                     | 11,731                | 14,729               |
| Loans held for sale                                                                                                                                       | 1,745                 | 850                  |
| Total loans                                                                                                                                               | 2,274,747             | 2,198,200            |
| Allowance for credit losses                                                                                                                               | (24,284)              | (21,741)             |
| Net loans                                                                                                                                                 | 2,250,463             | 2,176,459            |
| Premises and equipment, net                                                                                                                               | 29,270                | 28,498               |
| Bank-owned life insurance                                                                                                                                 | 36,375                | 35,526               |
| Accrued interest receivable                                                                                                                               | 8,141                 | 8,897                |
| Net deferred tax asset                                                                                                                                    | 10,832                | 12,795               |
| Goodwill                                                                                                                                                  | 11,936                | 11,936               |
| Mortgage servicing rights                                                                                                                                 | 3,149                 | 3,488                |
| Other assets                                                                                                                                              | 26,445                | 18,237               |
| Total assets                                                                                                                                              | <u>\$ 2,787,010</u>   | <u>\$ 2,656,539</u>  |
| <b>Liabilities:</b>                                                                                                                                       |                       |                      |
| Deposits                                                                                                                                                  | \$ 2,075,868          | \$ 2,063,212         |
| Federal Home Loan Bank advances                                                                                                                           | 260,000               | 325,000              |
| Subordinated debt                                                                                                                                         | 27,778                | 27,679               |
| Mortgagors' escrow accounts                                                                                                                               | 3,710                 | 3,620                |
| Accrued expenses and other liabilities                                                                                                                    | 47,617                | 43,201               |
| Total liabilities                                                                                                                                         | 2,414,973             | 2,462,712            |
| <b>Shareholders' equity:</b>                                                                                                                              |                       |                      |
| Common stock, \$0.01 par value, 120,000,000 shares authorized, 20,076,250 shares issued and outstanding in 2025; no shares issued and outstanding in 2024 | 201                   | —                    |
| Additional paid-in capital                                                                                                                                | 195,029               | —                    |
| Unallocated ESOP common stock                                                                                                                             | (15,459)              | —                    |
| Retained earnings                                                                                                                                         | 206,648               | 215,270              |
| Accumulated other comprehensive loss                                                                                                                      | (14,382)              | (21,443)             |
| Total shareholders' equity                                                                                                                                | 372,037               | 193,827              |
| Total liabilities and shareholders' equity                                                                                                                | <u>\$ 2,787,010</u>   | <u>\$ 2,656,539</u>  |

*The accompanying notes are an integral part of these consolidated financial statements.*

**Avidia Bancorp, Inc.**  
**Consolidated Statements of Operations (Unaudited)**

|                                                                     | Three Months Ended<br>September 30, |           | Nine Months Ended<br>September 30, |           |
|---------------------------------------------------------------------|-------------------------------------|-----------|------------------------------------|-----------|
|                                                                     | 2025                                | 2024      | 2025                               | 2024      |
| <i>(Dollars in thousands, except per share data)</i>                |                                     |           |                                    |           |
| Interest and dividend income:                                       |                                     |           |                                    |           |
| Loans, including fees                                               | \$ 29,727                           | \$ 28,439 | \$ 86,791                          | \$ 83,189 |
| Securities                                                          | 2,567                               | 2,672     | 7,774                              | 7,625     |
| Other                                                               | 1,588                               | 415       | 2,224                              | 1,453     |
| Total interest and dividend income                                  | 33,882                              | 31,526    | 96,789                             | 92,267    |
| Interest expense:                                                   |                                     |           |                                    |           |
| Deposits                                                            | 7,268                               | 8,732     | 22,241                             | 24,604    |
| Federal Home Loan Bank advances                                     | 2,827                               | 4,196     | 10,267                             | 12,540    |
| Subordinated debt                                                   | 355                                 | 315       | 1,021                              | 945       |
| Total interest expense                                              | 10,450                              | 13,243    | 33,529                             | 38,089    |
| Net interest income                                                 | 23,432                              | 18,283    | 63,260                             | 54,178    |
| Credit loss expense - loans                                         | 1,480                               | 1,785     | 20,308                             | 1,965     |
| Credit loss expense (reversal) - off-balance sheet credit exposures | 60                                  | 370       | (82)                               | 500       |
| Net interest income, after credit loss expense (reversal)           | 21,892                              | 16,128    | 43,034                             | 51,713    |
| Non-interest income:                                                |                                     |           |                                    |           |
| Customer service fees                                               | 912                                 | 1,095     | 2,697                              | 2,715     |
| Net loss on sale of securities available for sale                   | —                                   | (992)     | (619)                              | (2,359)   |
| Net recognized gain on equity securities                            | —                                   | 896       | —                                  | 2,534     |
| Payment processing income                                           | 1,857                               | 1,929     | 6,129                              | 5,589     |
| Income on bank-owned life insurance                                 | 279                                 | 263       | 847                                | 670       |
| Mortgage banking income                                             | 121                                 | 121       | 299                                | 979       |
| Investment commissions                                              | 358                                 | 376       | 1,020                              | 1,036     |
| Other                                                               | 999                                 | 828       | 3,129                              | 2,696     |
| Total non-interest income                                           | 4,526                               | 4,516     | 13,502                             | 13,860    |
| Non-interest expense:                                               |                                     |           |                                    |           |
| Salaries and employee benefits                                      | 9,773                               | 8,192     | 30,247                             | 25,500    |
| Occupancy and equipment                                             | 1,933                               | 1,910     | 5,994                              | 6,378     |
| Data processing                                                     | 2,251                               | 2,866     | 8,623                              | 7,289     |
| Professional fees                                                   | 790                                 | 566       | 2,539                              | 1,820     |
| Payment processing                                                  | 526                                 | 1,053     | 2,500                              | 3,065     |
| Deposit insurance                                                   | 651                                 | 638       | 2,064                              | 2,034     |
| Advertising                                                         | 423                                 | 343       | 998                                | 1,122     |
| Telecommunications                                                  | 81                                  | 85        | 270                                | 290       |
| Problem loan and foreclosed real estate, net                        | 179                                 | 105       | 485                                | 289       |
| Other general and administrative                                    | 11,762                              | 2,140     | 16,246                             | 7,171     |
| Total non-interest expense                                          | 28,369                              | 17,898    | 69,966                             | 54,958    |
| (Loss) income before income tax (benefit) expense                   | (1,951)                             | 2,746     | (13,430)                           | 10,615    |
| Income tax (benefit) expense                                        | (1,044)                             | 667       | (4,808)                            | 2,640     |
| Net (loss) income                                                   | \$ (907)                            | \$ 2,079  | \$ (8,622)                         | \$ 7,975  |
| Loss per common share:                                              |                                     |           |                                    |           |
| Basic                                                               | \$ (0.05)                           | N/A       | \$ (0.47)                          | N/A       |
| Diluted                                                             | \$ (0.05)                           | N/A       | \$ (0.47)                          | N/A       |
| Weighted average common shares outstanding:                         |                                     |           |                                    |           |
| Basic                                                               | 18,520,449                          | N/A       | 18,520,449                         | N/A       |
| Diluted                                                             | 18,520,449                          | N/A       | 18,520,449                         | N/A       |

*The accompanying notes are an integral part of these consolidated financial statements.*

**Avidia Bancorp, Inc.**

**Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**

|                                                                          | Three Months Ended<br>September 30, |          | Nine Months Ended<br>September 30, |           |
|--------------------------------------------------------------------------|-------------------------------------|----------|------------------------------------|-----------|
|                                                                          | 2025                                | 2024     | 2025                               | 2024      |
| <i>(In thousands)</i>                                                    |                                     |          |                                    |           |
| Net (loss) income                                                        | \$ (907)                            | \$ 2,079 | \$ (8,622)                         | \$ 7,975  |
| Other comprehensive income:                                              |                                     |          |                                    |           |
| Securities available for sale                                            |                                     |          |                                    |           |
| Unrealized holding gains arising during period                           | 2,339                               | 8,342    | 8,981                              | 6,211     |
| Reclassification adjustment for losses realized in income <sup>(1)</sup> | —                                   | 992      | 619                                | 2,359     |
| Cash flow hedge                                                          |                                     |          |                                    |           |
| Unrealized holding loss                                                  | (102)                               | (1,397)  | (576)                              | (161)     |
| Other comprehensive income, before tax                                   | 2,237                               | 7,937    | 9,024                              | 8,409     |
| Deferred tax effect                                                      | (490)                               | (2,029)  | (1,963)                            | (2,149)   |
| Other comprehensive income                                               | 1,747                               | 5,908    | 7,061                              | 6,260     |
| Comprehensive income (loss)                                              | \$ 840                              | \$ 7,987 | \$ (1,561)                         | \$ 14,235 |

<sup>(1)</sup> Amounts are included in net loss on sale of securities available for sale on the Consolidated Statements of Operations. For the three months ended September 30, 2025, there were no losses on sales of securities. The income tax benefit associated with the reclassification adjustment for the nine months ended September 30, 2025 was \$174 thousand. The income tax benefit associated with the reclassification adjustment for the three and nine months ended September 30, 2024 was \$279 thousand and \$663 thousand, respectively.

*The accompanying notes are an integral part of these consolidated financial statements.*

**Avidia Bancorp, Inc.**  
**Consolidated Statements of Changes in Shareholders' Equity (Unaudited)**

| <i>(Dollars in thousands)</i>                                                        | Shares of<br>Common Stock<br>Outstanding | Common<br>Stock | Additional Paid-<br>In Capital | Unallocated<br>Common Stock<br>Held by ESOP | Retained<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Loss | Total      |
|--------------------------------------------------------------------------------------|------------------------------------------|-----------------|--------------------------------|---------------------------------------------|----------------------|-----------------------------------------------|------------|
| <b>Balance at June 30, 2024</b>                                                      | —                                        | \$ —            | \$ —                           | \$ —                                        | \$ 209,682           | \$ (22,637)                                   | \$ 187,045 |
| Net income                                                                           | —                                        | —               | —                              | —                                           | 2,079                | —                                             | 2,079      |
| Other comprehensive income                                                           | —                                        | —               | —                              | —                                           | —                    | 5,908                                         | 5,908      |
| <b>Balance at September 30, 2024</b>                                                 | —                                        | \$ —            | \$ —                           | \$ —                                        | \$ 211,761           | \$ (16,729)                                   | \$ 195,032 |
| <b>Balance at June 30, 2025</b>                                                      | —                                        | \$ —            | \$ —                           | \$ —                                        | \$ 207,555           | \$ (16,129)                                   | \$ 191,426 |
| Net loss                                                                             | —                                        | —               | —                              | —                                           | (907)                | —                                             | (907)      |
| Other comprehensive income                                                           | —                                        | —               | —                              | —                                           | —                    | 1,747                                         | 1,747      |
| Proceeds from stock offering and issuance of common shares (net of costs of \$5,568) | 19,176,250                               | 192             | 186,003                        | —                                           | —                    | —                                             | 186,195    |
| Issuance of common shares donated to Avidia Bank Charitable Foundation               | 900,000                                  | 9               | 8,991                          | —                                           | —                    | —                                             | 9,000      |
| Purchase of common shares by the ESOP (1,606,100 shares)                             | —                                        | —               | —                              | (16,061)                                    | —                    | —                                             | (16,061)   |
| ESOP shares committed to be released                                                 | —                                        | —               | 35                             | 602                                         | —                    | —                                             | 637        |
| <b>Balance at September 30, 2025</b>                                                 | 20,076,250                               | \$ 201          | \$ 195,029                     | \$ (15,459)                                 | \$ 206,648           | \$ (14,382)                                   | \$ 372,037 |

| <i>(Dollars in thousands)</i>                                                        | Shares of<br>Common Stock<br>Outstanding | Common<br>Stock | Additional Paid-<br>In Capital | Unallocated<br>Common Stock<br>Held by ESOP | Retained<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Loss | Total      |
|--------------------------------------------------------------------------------------|------------------------------------------|-----------------|--------------------------------|---------------------------------------------|----------------------|-----------------------------------------------|------------|
| <b>Balance at December 31, 2023</b>                                                  | —                                        | \$ —            | \$ —                           | \$ —                                        | \$ 203,786           | \$ (22,989)                                   | \$ 180,797 |
| Net income                                                                           | —                                        | —               | —                              | —                                           | 7,975                | —                                             | 7,975      |
| Other comprehensive income                                                           | —                                        | —               | —                              | —                                           | —                    | 6,260                                         | 6,260      |
| <b>Balance at September 30, 2024</b>                                                 | —                                        | \$ —            | \$ —                           | \$ —                                        | \$ 211,761           | \$ (16,729)                                   | \$ 195,032 |
| <b>Balance at December 31, 2024</b>                                                  | —                                        | \$ —            | \$ —                           | \$ —                                        | \$ 215,270           | \$ (21,443)                                   | \$ 193,827 |
| Net loss                                                                             | —                                        | —               | —                              | —                                           | (8,622)              | —                                             | (8,622)    |
| Other comprehensive income                                                           | —                                        | —               | —                              | —                                           | —                    | 7,061                                         | 7,061      |
| Proceeds from stock offering and issuance of common shares (net of costs of \$5,568) | 19,176,250                               | 192             | 186,003                        | —                                           | —                    | —                                             | 186,195    |
| Issuance of common shares donated to Avidia Bank Charitable Foundation               | 900,000                                  | 9               | 8,991                          | —                                           | —                    | —                                             | 9,000      |
| Purchase of common shares by the ESOP (1,606,100 shares)                             | —                                        | —               | —                              | (16,061)                                    | —                    | —                                             | (16,061)   |
| ESOP shares committed to be released                                                 | —                                        | —               | 35                             | 602                                         | —                    | —                                             | 637        |
| <b>Balance at September 30, 2025</b>                                                 | 20,076,250                               | \$ 201          | \$ 195,029                     | \$ (15,459)                                 | \$ 206,648           | \$ (14,382)                                   | \$ 372,037 |

*The accompanying notes are an integral part of these consolidated financial statements.*



**Avidia Bancorp, Inc.**  
**Consolidated Statements of Cash Flows (Unaudited)**

| <i>(In thousands)</i>                                                                           | <b>Nine Months Ended September 30,</b> |             |
|-------------------------------------------------------------------------------------------------|----------------------------------------|-------------|
|                                                                                                 | <b>2025</b>                            | <b>2024</b> |
| Cash flows from operating activities:                                                           |                                        |             |
| Net (loss) income                                                                               | \$ (8,622)                             | \$ 7,975    |
| <i>Adjustments to reconcile net (loss) income to net cash provided by operating activities:</i> |                                        |             |
| Depreciation and amortization of premises and equipment                                         | 1,909                                  | 1,884       |
| Credit loss expense - loans                                                                     | 20,308                                 | 1,965       |
| Credit loss (reversal) expense - off-balance sheet credit exposures                             | (82)                                   | 500         |
| Net loss on sale of securities available for sale                                               | 619                                    | 2,359       |
| Net recognized gains on equity securities                                                       | —                                      | (2,534)     |
| Gain on sale of loans                                                                           | (150)                                  | (216)       |
| Net write down on premises and equipment no longer in use                                       | 351                                    | —           |
| Gain on sale of other real estate owned                                                         | —                                      | (43)        |
| Net (amortization) accretion of securities                                                      | (225)                                  | 37          |
| Proceeds from sale of loans                                                                     | 3,607                                  | 13,974      |
| Loans originated for sale                                                                       | (4,351)                                | (14,944)    |
| Amortization of right of use assets                                                             | 348                                    | 340         |
| Amortization of subordinated debt issuance costs                                                | 99                                     | 100         |
| Increase in cash surrender value of bank-owned life insurance                                   | (847)                                  | (670)       |
| Increase in income tax receivable                                                               | (6,876)                                | (232)       |
| Net change in accrued interest receivable                                                       | 756                                    | (216)       |
| ESOP expense                                                                                    | 637                                    | —           |
| Issuance of common shares donated to the Avidia Bank Charitable Foundation <sup>(1)</sup>       | 9,000                                  | —           |
| Other, net                                                                                      | 3,077                                  | (6,958)     |
| Net cash provided by operating activities                                                       | 19,558                                 | 3,321       |
| Cash flows from investing activities:                                                           |                                        |             |
| Securities available for sale                                                                   |                                        |             |
| Maturities, principal payments, calls and sales                                                 | 49,904                                 | 60,339      |
| Purchases                                                                                       | (44,073)                               | (89,618)    |
| Securities held to maturity                                                                     |                                        |             |
| Maturities, principal payments, calls and sales                                                 | 1,000                                  | —           |
| Purchases                                                                                       | —                                      | (1,000)     |
| Equity securities                                                                               |                                        |             |
| Sales                                                                                           | —                                      | 6,520       |
| Purchases                                                                                       | —                                      | (3,098)     |
| Redemption of Federal Home Loan Bank stock                                                      | 8,225                                  | 9,664       |
| Purchases of Federal Home Loan Bank stock                                                       | (5,227)                                | (9,595)     |
| Loan originations, net of principal payments                                                    | (94,464)                               | (49,780)    |
| Proceeds from sale of premises and equipment                                                    | 112                                    | —           |
| Purchases of premises and equipment                                                             | (3,491)                                | (2,044)     |
| Proceeds from sale of other real estate owned                                                   | —                                      | 282         |
| Net cash used by investing activities                                                           | (88,014)                               | (78,330)    |

- (1) Represents a non-cash common stock donation of 900 thousand shares at a fair value of \$9.0 million to the Avidia Bank Charitable Foundation. The donation is included in other general and administrative expense as a non-interest expense in the Consolidated Statements of Operations for the three and nine months ended September 30, 2025.

*The accompanying notes are an integral part of these consolidated financial statements.*



**Avidia Bancorp, Inc.**  
**Consolidated Statements of Cash Flows (Unaudited) (continued)**

| <i>(In thousands)</i>                                               | <b>Nine Months Ended September 30,</b> |             |
|---------------------------------------------------------------------|----------------------------------------|-------------|
|                                                                     | <b>2025</b>                            | <b>2024</b> |
| Cash flows from financing activities:                               |                                        |             |
| Net change in deposits                                              | 12,656                                 | 98,736      |
| Net proceeds from stock offering and issuance of common shares      | 186,195                                | —           |
| Purchase of common shares by the ESOP                               | (16,061)                               | —           |
| Proceeds from issuance of long-term Federal Home Loan Bank advances | —                                      | 80,000      |
| Net change in short-term Federal Home Loan Bank advances            | (15,000)                               | (51,000)    |
| Repayment of long-term Federal Home Loan Bank advances              | (50,000)                               | (65,000)    |
| Net change in mortgagors' escrow accounts                           | 90                                     | 61          |
| Net cash provided by financing activities                           | 117,880                                | 62,797      |
| Net change in cash and cash equivalents                             | 49,424                                 | (12,212)    |
| Cash and due from banks at beginning of year                        | 62,444                                 | 70,343      |
| Cash and due from banks at end of year                              | \$ 111,868                             | \$ 58,131   |
| Supplementary cash flow information:                                |                                        |             |
| Interest paid on deposits and borrowed funds                        | \$ 33,693                              | \$ 37,649   |
| Income taxes paid, net of refunds                                   | 2,138                                  | 2,700       |

*The accompanying notes are an integral part of these consolidated financial statements.*

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**NOTE 1. NATURE OF OPERATIONS AND CONVERSION**

Avidia Bancorp, Inc. (the “Company,” “we” or “us”) is the holding company for Avidia Bank that was created upon the conversion of Assabet Valley Bancorp, the mutual holding company and sole stockholder of Avidia Bank (the “Bank”), from the mutual form of organization to the stock form of organization. The conversion was completed on July 31, 2025. Prior to July 31, 2025, the conversion had not yet been completed and the Company had no assets or liabilities and had not conducted any business activities other than organizational activities. Accordingly, the unaudited consolidated financial statements, and related notes, and other financial information included in this report at or for any period prior to July 31, 2025 relate to Assabet Valley Bancorp.

**Conversion and Change in Corporate Form**

Pursuant to the Plan of Conversion (the “Plan”), Assabet Valley Bancorp converted from the mutual to stock form of organization on July 31, 2025 and Avidia Bank became the wholly-owned subsidiary of the Company. In connection with the conversion, Assabet Valley Bancorp established a Massachusetts stock corporation as a first-tier subsidiary and Assabet Valley Bancorp merged with and into the Massachusetts stock corporation, with the Massachusetts stock corporation as the surviving entity. Immediately thereafter the Massachusetts stock corporation merged with and into the Company, with the Company as the surviving entity and Avidia Bank becoming a wholly owned subsidiary of the Company.

Pursuant to the Plan, the Company sold 19,176,250 shares of common stock in a public offering at \$10.00 per share, including 1,606,100 shares of common stock purchased by the Bank’s employee stock ownership plan, for net offering proceeds of approximately \$186.2 million. The Company completed the offering on July 31, 2025. Effective as of July 31, 2025, the Company donated \$1.0 million of cash and 900,000 shares of common stock to the Avidia Bank Charitable Foundation (the “Foundation”). A total of 20,076,250 shares of common stock of the Company were issued and outstanding immediately after the donation to the Foundation. The purchase of the common stock by the ESOP was financed by a loan from the Company.

In connection with the conversion, the Company and the Bank established liquidation accounts in an amount equal to Assabet Valley Bancorp’s total equity as reflected in the latest consolidated balance sheets contained in the final offering prospectus for the conversion. The liquidation accounts will be maintained for the benefit of eligible account holders (as defined in the Plan) and supplemental eligible account holders (as defined in the Plan) (collectively, “eligible depositors”) who continue to maintain their deposit accounts in the Bank after the conversion. In the event of a complete liquidation of either (i) the Bank or (ii) the Bank and the Company (and only in such events), eligible depositors who continue to maintain their deposit accounts will be entitled to receive a distribution from the liquidation accounts before any distribution may be made with respect to the common stock of the Company.

The Company may not declare or pay a cash dividend if the effect thereof would cause its equity to be reduced below either the amount required for the liquidation accounts or the regulatory capital requirements imposed by its respective bank regulators.

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

**NOTE 2. BASIS OF PRESENTATION**

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

The interim consolidated financial statements include the accounts of the Company, a bank holding company, and its wholly owned subsidiary, Avidia Bank (the “Bank”), and its subsidiaries, Hudson Security Corporation, Eli Whitney Securities Corporation and 42 Main Street Corporation. The Bank is a state-chartered savings bank that provides depository and loan products to individual and corporate customers primarily in the central Massachusetts region. Hudson Security Corporation and Eli Whitney Securities Corporation engage in the investment of securities. 42 Main Street Corporation was established to hold, manage, and sell the Bank’s foreclosed real estate property. All significant intercompany balances and transactions have been eliminated in consolidation.

Management has evaluated subsequent events through the date these consolidated financial statements were issued. There were no subsequent events that require recognition and/or disclosure in the consolidated financial statements.

In the opinion of management, the accompanying interim consolidated financial statements of the Company include all normal and recurring adjustments necessary for a fair presentation. Such adjustments are the only adjustments included in such financial statements. The results for any interim period are not necessarily indicative of results for the full year. These consolidated financial statements and notes hereto should be read in conjunction with the audited consolidated financial statements, and related notes, of Assabet Valley Bancorp as of and for each of the years ended December 31, 2024 and 2023, contained in the Company’s definitive prospectus dated May 13, 2025, as filed with the Securities and Exchange Commission on May 21, 2025.

The significant accounting policies used in preparation of the Company’s consolidated financial statements are disclosed in its 2024 Audited Consolidated Financial Statements, contained in the Company’s definitive prospectus.

***Use of Estimates***

In preparing consolidated financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses and the realizability of deferred tax assets.

***Reclassification***

Certain items in prior financial statements have been reclassified to conform to the current presentation.

***Tax Credit Investments***

The Company invests in qualified affordable housing projects through limited liability entities to obtain tax benefits and to contribute to its local community. The Company has elected to account for these investments using the proportional amortization method whereby the amortization of the investment in the limited liability entity is in proportion to the tax credits utilized each year and amortization is recognized in the consolidated statements of operations as a component of

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

income tax (benefit) expense. These investments are reported in other assets in the consolidated balance sheets in the amounts of \$899 thousand and \$1.2 million at September 30, 2025 and December 31, 2024, respectively.

***Segment Information***

The Company's reportable segment is determined by the Chief Financial Officer, who is the designated chief operating decision maker, based upon information provided about the Company's products and services offered, primarily banking operations. The segment is also distinguished by the level of information provided by the chief operating decision maker, who uses such information to review performance of various components of the business, which are then aggregated if operating performance, products/services, and customers are similar. The chief operating decision maker will evaluate the financial performance of the Company's business components such as by evaluating revenue streams, significant expenses, and budget to actual results in assessing the Company's segment and in the determination of allocating resources. The chief operating decision maker uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The chief operating decision maker uses consolidated net income to benchmark the Company against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used in assessing performance and in establishing compensation. Loans, investments, and deposit product service fees provide the revenues in the banking operation. Interest expense, credit loss expense, and salaries and employee benefits, as reported on the consolidated statements of operations, provide the significant expenses in the banking operation. All operations are domestic.

Accounting policies for segments are the same as those described herein. Segment performance is evaluated using consolidated net income. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. Noncash items, such as depreciation and amortization, as well as expenditures for premises and equipment, are reported on the consolidated statements of cash flows.

***Employee Stock Ownership Plan ("ESOP")***

ESOP shares are shown as a reduction of shareholders' equity and are presented in the consolidated statements of changes in shareholders' equity as unallocated common stock held by ESOP. Compensation expense for the Company's ESOP is recorded at an amount equal to the shares committed to be allocated by the ESOP multiplied by the average fair market value of the shares during the period. The Company recognizes compensation expense ratably over the period based upon the Company's estimate of the number of shares committed to be allocated by the ESOP. When the shares are released, unallocated common stock held by ESOP is reduced by the cost of the ESOP shares released and the difference between the average fair market value and the cost of the shares committed to be allocated by the ESOP is recorded as an adjustment to additional paid-in capital. The loan receivable from the ESOP is not reported as an asset nor is the Company's guarantee to fund the ESOP reported as a liability on the Company's consolidated balance sheet. The employees of the Bank are the participants in the ESOP. Dividends paid on unallocated shares are used to repay the loan to the Company.

**NOTE 3. RECENT ACCOUNTING DEVELOPMENTS**

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. The ASU provides more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information, such as requiring the disclosure of specific categories in the rate reconciliation and the disaggregation of income tax expense and income taxes paid by federal, state, and foreign taxes. The ASU is effective for annual periods beginning after December 15, 2024. The Company does not believe the ASU will have a material impact on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU will require public companies to disclose, in the notes to financial statements, specified information about certain costs and expenses at each interim and annual reporting period. The amendments in this ASU are effective for fiscal years beginning after

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company does not expect this ASU to have a material impact on the Company's consolidated financial statements.

**NOTE 4. INVESTMENT SECURITIES**

The following tables summarize the amortized cost and fair value of securities available for sale and held to maturity, with gross unrealized gains and losses at the dates indicated:

| <i>(In thousands)</i>                                           | <b>Amortized<br/>Cost</b> | <b>Gross<br/>Unrealized<br/>Gains</b> | <b>Gross<br/>Unrealized<br/>Losses</b> | <b>Fair Value</b> |
|-----------------------------------------------------------------|---------------------------|---------------------------------------|----------------------------------------|-------------------|
| <b>September 30, 2025</b>                                       |                           |                                       |                                        |                   |
| <u>Securities Available for Sale</u>                            |                           |                                       |                                        |                   |
| U.S. Government and government-sponsored enterprise obligations | \$ 92,831                 | \$ 144                                | \$ (5,398)                             | \$ 87,577         |
| Municipal securities                                            | 8,616                     | 1                                     | (513)                                  | 8,104             |
| Residential mortgage-backed securities <sup>(1)</sup>           | 184,477                   | 822                                   | (12,946)                               | 172,353           |
| Other                                                           | 1,500                     | —                                     | (226)                                  | 1,274             |
| Total securities available for sale                             | <u>\$ 287,424</u>         | <u>\$ 967</u>                         | <u>\$ (19,083)</u>                     | <u>\$ 269,308</u> |
| <u>Securities Held to Maturity</u>                              |                           |                                       |                                        |                   |
| Corporate bonds                                                 | \$ 500                    | \$ —                                  | \$ (35)                                | \$ 465            |
| Subordinated debt securities                                    | 15,247                    | 20                                    | (535)                                  | 14,732            |
| Total securities held to maturity                               | <u>\$ 15,747</u>          | <u>\$ 20</u>                          | <u>\$ (570)</u>                        | <u>\$ 15,197</u>  |
| <br>                                                            |                           |                                       |                                        |                   |
| <i>(In thousands)</i>                                           | <b>Amortized<br/>Cost</b> | <b>Gross<br/>Unrealized<br/>Gains</b> | <b>Gross<br/>Unrealized<br/>Losses</b> | <b>Fair Value</b> |
| <b>December 31, 2024</b>                                        |                           |                                       |                                        |                   |
| <u>Securities Available for Sale</u>                            |                           |                                       |                                        |                   |
| U.S. Government and government-sponsored enterprise obligations | \$ 122,673                | \$ 36                                 | \$ (9,720)                             | \$ 112,989        |
| Municipal securities                                            | 8,823                     | —                                     | (684)                                  | 8,139             |
| Residential mortgage-backed securities <sup>(1)</sup>           | 160,152                   | 100                                   | (17,104)                               | 143,148           |
| Other                                                           | 2,001                     | —                                     | (344)                                  | 1,657             |
| Total securities available for sale                             | <u>\$ 293,649</u>         | <u>\$ 136</u>                         | <u>\$ (27,852)</u>                     | <u>\$ 265,933</u> |
| <u>Securities Held to Maturity</u>                              |                           |                                       |                                        |                   |
| Corporate bonds                                                 | \$ 500                    | \$ —                                  | \$ (35)                                | \$ 465            |
| Subordinated debt securities                                    | 16,247                    | —                                     | (82)                                   | 16,165            |
| Total securities held to maturity                               | <u>\$ 16,747</u>          | <u>\$ —</u>                           | <u>\$ (117)</u>                        | <u>\$ 16,630</u>  |

<sup>(1)</sup> Residential mortgage-backed securities are issued by government-sponsored enterprises or federal agencies.

Management determined there was no allowance for credit losses ("ACL") required for securities available for sale and securities held to maturity as of September 30, 2025 or December 31, 2024.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The amortized cost and fair value of debt securities by contractual maturity at September 30, 2025 follows. Expected maturities will differ from contractual maturities because the issuers have, in certain instances, the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separately.

|                                          | Available for Sale |                   | Held to Maturity |                  |
|------------------------------------------|--------------------|-------------------|------------------|------------------|
|                                          | Amortized Cost     | Fair Value        | Amortized Cost   | Fair Value       |
| <i>(In thousands)</i>                    |                    |                   |                  |                  |
| <b>September 30, 2025</b>                |                    |                   |                  |                  |
| Within 1 year                            | \$ 4,959           | \$ 4,974          | \$ —             | \$ —             |
| After 1 year through 5 years             | 73,686             | 70,211            | 1,000            | 1,020            |
| After 5 years through 10 years           | 16,730             | 14,771            | 14,247           | 13,711           |
| Over 10 years                            | 6,072              | 5,725             | 500              | 466              |
| Total securities with defined maturities | 101,447            | 95,681            | 15,747           | 15,197           |
| Other                                    | 1,500              | 1,274             | —                | —                |
| Residential mortgage-backed securities   | 184,477            | 172,353           | —                | —                |
| Total                                    | <u>\$ 287,424</u>  | <u>\$ 269,308</u> | <u>\$ 15,747</u> | <u>\$ 15,197</u> |

Investment securities with a carrying value of \$78.8 million and \$86.3 million were pledged as collateral at September 30, 2025 and December 31, 2024, respectively, for borrowings available through the Federal Reserve Bank of Boston discount window (see Note 8). Investment securities with a carrying value of \$185.5 million and \$196.5 million were pledged as collateral at September 30, 2025 and December 31, 2024, respectively, for borrowings available with the Federal Home Loan Bank (see Note 8).

During the three months ended September 30, 2025, there were no sales of securities available for sale. During the nine months ended September 30, 2025, proceeds from sales of securities available for sale amounted to \$8.3 million. During the three and nine months ended September 30, 2024, proceeds from sales of securities available for sale amounted to \$38.5 million and \$56.2 million, respectively. During the three months ended September 30, 2025, there were no gross gains or losses. During the nine months ended September 30, 2025, there were gross losses of \$619 thousand and no gross gains. During the three months ended September 30, 2024, there were gross losses of \$1.0 million and no gross gains. During the nine months ended September 30, 2024, there were gross losses of \$2.4 million and gross gains of \$3 thousand.

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

The following table summarizes securities in an unrealized loss position for which an ACL has not been recorded. Information pertaining to securities with gross unrealized losses at September 30, 2025 and December 31, 2024 aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

|                                                                 | <b>Less Than Twelve<br/>Months</b>          |                       | <b>Twelve Months or<br/>Greater</b>         |                       | <b>Total</b>                                |                       |
|-----------------------------------------------------------------|---------------------------------------------|-----------------------|---------------------------------------------|-----------------------|---------------------------------------------|-----------------------|
|                                                                 | <b>Gross<br/>Unrealize<br/>d<br/>Losses</b> | <b>Fair<br/>Value</b> | <b>Gross<br/>Unrealize<br/>d<br/>Losses</b> | <b>Fair<br/>Value</b> | <b>Gross<br/>Unrealize<br/>d<br/>Losses</b> | <b>Fair<br/>Value</b> |
| <i>(In thousands)</i>                                           |                                             |                       |                                             |                       |                                             |                       |
| <b>September 30, 2025</b>                                       |                                             |                       |                                             |                       |                                             |                       |
| <u>Securities Available for Sale</u>                            |                                             |                       |                                             |                       |                                             |                       |
| U.S. Government and government-sponsored enterprise obligations | \$ —                                        | \$ —                  | \$ 5,398                                    | \$ 71,425             | \$ 5,398                                    | \$ 71,425             |
| Municipal securities                                            | —                                           | —                     | 513                                         | 5,103                 | 513                                         | 5,103                 |
| Residential mortgage-backed securities                          | 33                                          | 12,490                | 12,913                                      | 82,625                | 12,946                                      | 95,115                |
| Other                                                           | —                                           | —                     | 226                                         | 1,274                 | 226                                         | 1,274                 |
| Total securities available for sale                             | <u>\$ 33</u>                                | <u>\$ 12,490</u>      | <u>\$ 19,050</u>                            | <u>\$ 160,427</u>     | <u>\$ 19,083</u>                            | <u>\$ 172,917</u>     |

|                                                                 | <b>Less Than Twelve<br/>Months</b>          |                       | <b>Twelve Months or<br/>Greater</b>         |                       | <b>Total</b>                                |                       |
|-----------------------------------------------------------------|---------------------------------------------|-----------------------|---------------------------------------------|-----------------------|---------------------------------------------|-----------------------|
|                                                                 | <b>Gross<br/>Unrealize<br/>d<br/>Losses</b> | <b>Fair<br/>Value</b> | <b>Gross<br/>Unrealize<br/>d<br/>Losses</b> | <b>Fair<br/>Value</b> | <b>Gross<br/>Unrealize<br/>d<br/>Losses</b> | <b>Fair<br/>Value</b> |
| <i>(In thousands)</i>                                           |                                             |                       |                                             |                       |                                             |                       |
| <b>December 31, 2024</b>                                        |                                             |                       |                                             |                       |                                             |                       |
| <u>Securities Available for Sale</u>                            |                                             |                       |                                             |                       |                                             |                       |
| U.S. Government and government-sponsored enterprise obligations | \$ 43                                       | \$ 20,440             | \$ 9,677                                    | \$ 80,057             | \$ 9,720                                    | \$ 100,497            |
| Municipal securities                                            | 28                                          | 1,005                 | 656                                         | 7,134                 | 684                                         | 8,139                 |
| Residential mortgage-backed securities                          | 260                                         | 44,007                | 16,844                                      | 78,044                | 17,104                                      | 122,051               |
| Other                                                           | —                                           | —                     | 344                                         | 1,657                 | 344                                         | 1,657                 |
| Total securities available for sale                             | <u>\$ 331</u>                               | <u>\$ 65,452</u>      | <u>\$ 27,521</u>                            | <u>\$ 166,892</u>     | <u>\$ 27,852</u>                            | <u>\$ 232,344</u>     |

The unrealized losses on the Company's available for sale residential mortgage-backed securities (residential MBS) and debt securities have not been recognized into income because management does not intend to sell, and it is not more-likely-than-not it will be required to sell any of the available for sale securities before recovery of its amortized cost basis. Furthermore, the unrealized losses were due to changes in market interest rates and other market conditions, were not reflective of credit events, and the issuers continue to make timely principal and interest payments on the residential MBS and debt security instruments. Agency-backed and government-sponsored enterprise securities have a long history with no credit losses, including during times of severe stress. The principal and interest payments on agency guaranteed debt and residential MBS are backed by the U.S. government. Government-sponsored enterprises similarly guarantee principal and interest payments and carry an implicit guarantee from the U.S. Department of the Treasury. Additionally, government-sponsored enterprise securities are exceptionally liquid, readily marketable, and provide a substantial amount of price transparency and price parity, indicating a perception of zero credit risk. The Company's unrealized losses from municipal bonds were due to changes in the market interest rate environment and not reflective of credit events. The issuers of these bonds are all Massachusetts based and have no history of credit losses. The contractual terms of these investments do not permit the issuers to settle the security at a price less than the par value of the investments. The Company does not believe it is probable that it will be unable to collect all amounts due according to the contractual terms of the municipal bonds.





**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

Held to maturity corporate bond and subordinated debt holdings are comprised of high credit quality financial institutions. High credit quality corporate bonds and subordinated debt obligations have a history of zero to near-zero credit loss. Corporate bonds are primarily comprised of well capitalized and strong performing financial institutions. Accordingly, the Company determined that the expected credit loss on its held to maturity portfolio was immaterial, and therefore, an allowance was not carried on its held to maturity debt securities at September 30, 2025 and December 31, 2024.

**NOTE 5. LOANS AND ALLOWANCE FOR CREDIT LOSSES**

During the first quarter of 2025, the Company's loan portfolio segments were updated to more closely align with regulatory call report classifications. This change resulted in a \$295 thousand charge to credit loss expense for the quarter ended March 31, 2025.

The following tables show the impact of the segment updates to the loan portfolio and the ACL:

| <i>(In thousands)</i>               | <b>December 31, 2024<br/>Portfolio Balance<br/>(As Reported)</b> | <b>Updated Segment</b>              | <b>January 1, 2025<br/>Portfolio Balance<br/>(Updated<br/>Segments)</b> |
|-------------------------------------|------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------|
| Business manager                    | \$ 1,939                                                         |                                     |                                                                         |
| Dental commercial & industrial      | 190,519                                                          |                                     |                                                                         |
| Other business                      | 203,570                                                          |                                     |                                                                         |
| Solar                               | 76,888                                                           |                                     |                                                                         |
| Vehicle financing                   | 27,004                                                           |                                     |                                                                         |
|                                     | 499,920                                                          | Commercial & industrial             | \$ 499,920                                                              |
| Condominium associations            | 494,875                                                          | Condominium associations            | 494,875                                                                 |
| Construction & land                 | 49,028                                                           | Construction & land                 | 49,028                                                                  |
| Commercial real estate              | 484,106                                                          | Commercial real estate              | 484,106                                                                 |
| Commercial real estate multi-family | 83,905                                                           | Commercial real estate multi-family | 83,905                                                                  |
| PPP loans                           | 264                                                              | PPP loans                           | 264                                                                     |
| Home equity                         | 66,326                                                           | Home equity and second mortgages    | 66,326                                                                  |
| Residential                         | 511,495                                                          | One to four family residential      | 511,495                                                                 |
| Overdraft and unsecured             | 887                                                              |                                     |                                                                         |
| Consumer installment                | 3,715                                                            |                                     |                                                                         |
| Passbook CD loans                   | 458                                                              |                                     |                                                                         |
|                                     | 5,060                                                            | Consumer                            | 5,060                                                                   |
| Total loans                         | \$ 2,194,979                                                     | Total loans                         | \$ 2,194,979                                                            |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

| <i>(In thousands)</i>               | <b>December 31, 2024</b><br><b>ACL</b><br><b>(As Reported)</b> | <b>Updated Segment</b>              | <b>January 1, 2025</b><br><b>ACL</b><br><b>(Updated Segments)</b> |
|-------------------------------------|----------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------|
| Business manager                    | \$ 40                                                          |                                     |                                                                   |
| Dental commercial & industrial      | 2,652                                                          |                                     |                                                                   |
| Other business                      | 4,671                                                          |                                     |                                                                   |
| Solar                               | 179                                                            |                                     |                                                                   |
| Vehicle financing                   | 347                                                            |                                     |                                                                   |
|                                     | <u>7,889</u>                                                   | Commercial & industrial             | \$ 7,889                                                          |
| Condominium associations            | 2,839                                                          | Condominium associations            | 2,839                                                             |
| Construction & land                 | 586                                                            | Construction & land                 | 586                                                               |
| Commercial real estate              | 7,522                                                          | Commercial real estate              | 7,522                                                             |
| Commercial real estate multi-family | 326                                                            | Commercial real estate multi-family | 326                                                               |
| Home equity                         | 189                                                            | Home equity and second mortgages    | 189                                                               |
| Residential                         | 2,364                                                          | One to four family residential      | 2,364                                                             |
| Overdraft and unsecured             | 14                                                             |                                     |                                                                   |
| Consumer installment                | 12                                                             |                                     |                                                                   |
|                                     | <u>26</u>                                                      | Consumer                            | 26                                                                |
| Total                               | <u>\$ 21,741</u>                                               | Total                               | <u>\$ 21,741</u>                                                  |

The composition of net loans as of September 30, 2025 was as follows:

| <i>(In thousands)</i>               | <b>September 30,<br/>2025</b> |
|-------------------------------------|-------------------------------|
| <b>Real estate loans</b>            |                               |
| Home equity and second mortgages    | \$ 76,027                     |
| One to four family residential      | 521,606                       |
| Commercial real estate              | 526,345                       |
| Commercial real estate multi-family | 98,647                        |
| Construction & land                 | 51,311                        |
| Total real estate loans             | <u>1,273,936</u>              |
| <b>Commercial loans</b>             |                               |
| Commercial & industrial             | 495,263                       |
| Condominium associations            | 498,164                       |
| PPP loans                           | 40                            |
| Total commercial loans              | <u>993,467</u>                |
| <b>Consumer loans</b>               |                               |
| Consumer                            | 4,274                         |
| Total consumer loans                | <u>4,274</u>                  |
| Total loans                         | <u>2,271,677</u>              |
| Allowance for credit losses         | (24,284)                      |
| Net deferred loan costs             | 3,070                         |
| Loans, net                          | <u>\$ 2,250,463</u>           |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The composition of net loans as of December 31, 2024 was as follows:

|                                     | <b>December 31, 2024</b> |
|-------------------------------------|--------------------------|
| <i>(In thousands)</i>               |                          |
| <b>Commercial loans:</b>            |                          |
| Business manager                    | \$ 1,939                 |
| Condominium associations            | 494,875                  |
| Construction & land                 | 49,028                   |
| Commercial real estate              | 484,106                  |
| Commercial real estate multi-family | 83,905                   |
| Dental commercial & industrial      | 190,519                  |
| Other business                      | 203,570                  |
| PPP loans                           | 264                      |
| Solar                               | 76,888                   |
| Vehicle financing                   | 27,004                   |
| Total commercial loans              | 1,612,098                |
| <b>Residential real estate:</b>     |                          |
| Home equity                         | 66,326                   |
| Residential                         | 511,495                  |
| Total residential real estate       | 577,821                  |
| <b>Consumer:</b>                    |                          |
| Overdraft and unsecured             | 887                      |
| Consumer installment                | 3,715                    |
| Passbook CD loans                   | 458                      |
| Total consumer loans                | 5,060                    |
| Total loans                         | 2,194,979                |
| Allowance for credit losses         | (21,741)                 |
| Net deferred loan costs             | 3,221                    |
| Loans, net                          | <u>\$ 2,176,459</u>      |

The Company manages its loan portfolio proactively to effectively identify problem credits and assess trends early, implement effective work-out strategies, and take charge-offs as promptly as practical. In addition, the Company continuously reassesses its underwriting standards in response to credit risk posed by changes in economic conditions. The Company monitors and manages credit risk through the following governance structure: The Chief Credit Officer (CCO) maintains the Credit Risk Rating System, which is comprised of 10 levels of risk, inclusive of 4 Criticized and Classified ratings that align with regulatory definitions of Special Mention, Substandard, Doubtful and Loss. The CCO or the Credit Manager reviews all recommended risk rating changes and controls the final assessment of risk rating. The Company maintains a Loan Review Policy which addresses internal and external review requirements and process, which is approved annually by the Board of Director's Risk Committee and the Board of Directors. The CCO provides quarterly reporting and updates to the Risk Committee, including the presentation of the ACL calculation and balance.

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

For purposes of determining the ACL on loans, the Company disaggregates its loans into portfolio segments. Each portfolio segment possesses unique risk characteristics that are considered when determining the appropriate level of allowance. As noted above, the Company's loan portfolio segments were updated during the first quarter of 2025. As of September 30, 2025 the Company's loan portfolio segments, as determined based on the unique risk characteristics of each, included the following:

*Home Equity and Second Mortgages:* The Company generally has first or second liens on the property securing the loans in this segment and repayment is dependent on the credit quality of the individual borrower.

*One to Four Family Residential:* Loans in this segment consist of 1-4 family residential real estate loans. The Company generally does not originate loans with a loan-to-value ratio greater than 80 percent and does not generally grant loans that would be classified as subprime upon origination. Loans in this segment are collateralized by owner-occupied residential real estate and repayment is dependent on the credit quality of the individual borrower. The overall health of the economy, including unemployment rates and housing prices, will have an effect on the credit quality in this segment.

*Commercial Real Estate (CRE):* Loans in this segment are primarily owner-occupied or income-producing properties. The underlying cash flows generated by the properties are adversely impacted by a downturn in the economy, which in turn, will have an effect on the credit quality in this segment.

*Commercial Real Estate Multi-Family (CRE MF):* Loans in this segment are primarily income-producing properties. The underlying cash flows generated by the properties are impacted by the economy and vacancy rates, which thus will have an effect on the credit quality in this segment.

*Construction & Land:* Loans in this segment include speculative construction loans for residential properties, construction loans for commercial properties and land loans for residential or commercial development for which payment is derived from sale of the property. Credit risk is affected by cost overruns, time to sell at an adequate price, and market conditions.

*Commercial & Industrial:* Loans in this segment are made to businesses and are generally secured by assets of the business such as accounts receivable, inventory, marketable securities, other liquid collateral, equipment and other business assets. Repayment is expected from the cash flows of the business. Loans in this segment also include business manager loans, which are actively followed borrowing base lines of credit, secured by accounts receivable that have been purchased from the bank's customer with recourse. A weakened economy, and resultant decreased consumer spending, will have an effect on the credit quality in this segment.

*Condominium Associations:* Loans in this segment are secured by the assignment of association fees and dues paid by the individual condominium unit owners. The funds are typically used for major improvements and repairs to the structures, landscape and parking lots or garages, and are repaid over 5 to 30 years. This portfolio has experienced almost no delinquency, with no non-accruals or charge-offs since the Company has entered this niche. Credit quality would be affected if there is a significant population decline locally or regionally.

*Paycheck Protection Program (PPP) Loans:* Loans in this segment are unsecured business term loans 100 percent guaranteed by the Small Business Administration (SBA) under the PPP. Repayment is dependent on the credit quality of the business borrower and the SBA honoring its guaranty.

*Consumer:* Loans in this segment primarily consist of personal loans that are fully amortizing over a fixed term, such as auto loans, education loans, or home improvement loans. This segment also includes personal lines of credit. These loans may be secured or unsecured. The overall health of the economy, including unemployment rates and the credit quality of the individual borrower, will have an effect on the credit quality in this segment.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

As of December 31, 2024, the Company's loan portfolio segments, as determined based on the unique risk characteristics of each, included the following:

*Business Manager:* Loans in this segment are actively followed borrowing base lines of credit, secured by accounts receivable that have been purchased from the bank's customer with recourse. The account creditors pay each invoice via a direct credit to our customer's deposit account at the Company or via the US Post Office to the Company lockbox. The deposit account is not accessible by the Company's customer and is swept nightly to paydown the line of credit. These customers may or may not be eligible for traditional lines of credit (which are not subject to the same controls), as they may be experiencing tighter liquidity and / or equity positions due to life stage of the business. These lines are considered to have somewhat elevated risk over the Commercial and Industrial (C&I) portfolio due to (generally) 90% advance rates on the collateral, and weaker financial wherewithal. Credit quality is affected by general economic conditions for manufacturing and services.

*Condominium Associations:* Loans in this segment are secured by the assignment of association fees and dues paid by the individual condominium unit owners. The funds are typically used for major improvements and repairs to the structures, landscape and parking lots or garages, and are repaid over 5 to 30 years. This portfolio has experienced almost no delinquency, with no non-accruals or charge-offs since the Company has entered this niche. Credit quality would be affected if there is a significant population decline locally or regionally.

*Construction & Land:* Loans in this segment include speculative construction loans for residential properties, construction loans for commercial properties and land loans for residential or commercial development for which payment is derived from sale of the property. Credit risk is affected by cost overruns, time to sell at an adequate price, and market conditions.

*Commercial Real Estate (CRE):* Loans in this segment are primarily owner-occupied or income-producing properties. The underlying cash flows generated by the properties are adversely impacted by a downturn in the economy, which in turn, will have an effect on the credit quality in this segment.

*Commercial Real Estate Multi-Family (CRE MF):* Loans in this segment are primarily income-producing properties. The underlying cash flows generated by the properties are impacted by the economy and vacancy rates, which thus will have an effect on the credit quality in this segment.

*Dental Commercial & Industrial (Dental C&I):* Loans in this segment are made to finance dental practice acquisitions, expansions, equipment purchases or to refinance existing debt. They are secured by all business assets and carry the guarantees of the owners. Credit risk is affected by declining population or a weakened economy, and resultant decreased consumer spending.

*Other Business:* Loans in this segment are made to businesses and are generally secured by assets of the business. Repayment is expected from the cash flows of the business. A weakened economy, and resultant decreased consumer spending, will have an effect on the credit quality in this segment.

*Paycheck Protection Program (PPP) Loans:* Loans in this segment are unsecured business term loans 100 percent guaranteed by the Small Business Administration (SBA) under the PPP. Repayment is dependent on the credit quality of the business borrower and the SBA honoring its guaranty.

*Solar:* Loans in this segment are secured by the solar generation rights and equipment of commercial solar farms and systems. The credit quality is affected by the credit quality of the borrower and environmental conditions.

*Vehicle Financing:* Loans in this segment are secured by the assignment of vehicles and other modes of personal transportation and carry the guarantees of the individual company owners as well as the associated dealerships. Repayment is dependent on the credit quality of the underlying borrower; the liquidation proceeds of any repossessions and the Bank customer honoring its guaranty.

*Home Equity:* The Company generally has first or second liens on the property securing the loans in this segment and repayment is dependent on the credit quality of the individual borrower.

*Residential Real Estate:* Loans in this segment consist of 1-4 family residential real estate loans. The Company generally does not originate loans with a loan-to-value ratio greater than 80 percent and does not generally grant

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

loans that would be classified as subprime upon origination. Loans in this segment are collateralized by owner-occupied residential real estate and repayment is dependent on the credit quality of the individual borrower. The overall health of the economy, including unemployment rates and housing prices, will have an effect on the credit quality in this segment.

Consumer Overdraft and Unsecured (Cons OD and Unsec): Loans in this segment consist of personal lines of credit or single pay notes. These loans are unsecured and repayment is dependent on the credit quality of the individual borrower.

Consumer Installment: Loans in this segment consist of personal loans that are fully amortizing over a fixed term, such as auto loans, education loans, or home improvement loans. These loans may be secured or unsecured and repayment is dependent on the credit quality of the individual borrower.

Passbook CD Loans: Loans in this segment are personal loans secured by a Bank deposit (DDA or Certificate) account. Credit risk is limited to internal operational risk that results in the accidental release of collateral.

The following tables present the activity in the ACL by portfolio segment for the three months ended September 30, 2025 and 2024:

| <i>(In thousands)</i>                        | <b>Balance<br/>June 30,<br/>2025</b> | <b>Credit loss<br/>expense /<br/>(reversal)</b> | <b>Loans<br/>charged-off</b> | <b>Recoveries</b> | <b>Balance<br/>September<br/>30,2025</b> |
|----------------------------------------------|--------------------------------------|-------------------------------------------------|------------------------------|-------------------|------------------------------------------|
| <b>Three Months Ended September 30, 2025</b> |                                      |                                                 |                              |                   |                                          |
| <b>Real estate loans</b>                     |                                      |                                                 |                              |                   |                                          |
| Home equity and second mortgages             | \$ 210                               | \$ 15                                           | \$ —                         | \$ 1              | \$ 226                                   |
| One to four family residential               | 2,625                                | 30                                              | —                            | —                 | 2,655                                    |
| Commercial real estate                       | 7,741                                | 39                                              | —                            | 135               | 7,915                                    |
| Commercial real estate multi-family          | 319                                  | (8)                                             | —                            | —                 | 311                                      |
| Construction & land                          | 1,559                                | 575                                             | —                            | —                 | 2,134                                    |
| Total real estate loans                      | 12,454                               | 651                                             | —                            | 136               | 13,241                                   |
| <b>Commercial loans</b>                      |                                      |                                                 |                              |                   |                                          |
| Commercial & industrial                      | 8,560                                | 809                                             | (844)                        | 79                | 8,604                                    |
| Condominium associations                     | 2,301                                | 35                                              | —                            | —                 | 2,336                                    |
| PPP loans                                    | 1                                    | (1)                                             | —                            | —                 | —                                        |
| Total commercial loans                       | 10,862                               | 843                                             | (844)                        | 79                | 10,940                                   |
| <b>Consumer loans</b>                        |                                      |                                                 |                              |                   |                                          |
| Consumer                                     | 109                                  | (10)                                            | —                            | 4                 | 103                                      |
| Credit cards                                 | —                                    | (4)                                             | —                            | 4                 | —                                        |
| Total consumer loans                         | 109                                  | (14)                                            | —                            | 8                 | 103                                      |
| <b>Total ACL on loans:</b>                   | <b>\$ 23,425</b>                     | <b>\$ 1,480</b>                                 | <b>\$ (844)</b>              | <b>\$ 223</b>     | <b>\$ 24,284</b>                         |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

| <i>(In thousands)</i>                        | Balance<br>June 30,<br>2024 | Credit loss<br>expense /<br>(reversal) | Loans<br>charged-off | Recoveries    | Balance<br>September 30,<br>2024 |
|----------------------------------------------|-----------------------------|----------------------------------------|----------------------|---------------|----------------------------------|
| <b>Three Months Ended September 30, 2024</b> |                             |                                        |                      |               |                                  |
| Business manager                             | \$ 36                       | \$ 6                                   | \$ —                 | \$ —          | \$ 42                            |
| Condominium associations                     | 2,510                       | 52                                     | —                    | —             | 2,562                            |
| Construction & land                          | 716                         | (702)                                  | —                    | —             | 14                               |
| Corporate credit card                        | —                           | (18)                                   | —                    | 18            | —                                |
| Commercial real estate                       | 7,729                       | (7,441)                                | —                    | 25            | 313                              |
| Commercial real estate multi-family          | 145                         | (141)                                  | —                    | —             | 4                                |
| Dental commercial and industrial             | 2,746                       | (2,746)                                | —                    | —             | —                                |
| Other business                               | 4,019                       | 4,880                                  | (955)                | 20            | 7,964                            |
| Solar                                        | 181                         | (33)                                   | —                    | —             | 148                              |
| Vehicle financing                            | 468                         | 2,319                                  | (226)                | —             | 2,561                            |
| Home equity                                  | 209                         | (52)                                   | —                    | 32            | 189                              |
| Residential real estate                      | 2,098                       | 2,653                                  | —                    | —             | 4,751                            |
| Overdraft and unsecured                      | 14                          | (14)                                   | —                    | —             | —                                |
| Consumer credit card                         | —                           | 911                                    | —                    | 10            | 921                              |
| Consumer installment                         | 4                           | (6)                                    | —                    | 1             | (1)                              |
| Passbook CD loans                            | —                           | 2,117                                  | —                    | —             | 2,117                            |
| <b>Total ACL on loans:</b>                   | <u>\$ 20,875</u>            | <u>\$ 1,785</u>                        | <u>\$ (1,181)</u>    | <u>\$ 106</u> | <u>\$ 21,585</u>                 |

The following tables present the activity in the ACL by portfolio segment for the nine months ended September 30, 2025 and 2024:

| <i>(In thousands)</i>                       | Balance<br>December 31,<br>2024 | Credit loss<br>expense /<br>(reversal) | Loans<br>charged-off | Recoveries    | Balance<br>September 30,<br>2025 |
|---------------------------------------------|---------------------------------|----------------------------------------|----------------------|---------------|----------------------------------|
| <b>Nine Months Ended September 30, 2025</b> |                                 |                                        |                      |               |                                  |
| <b>Real estate loans</b>                    |                                 |                                        |                      |               |                                  |
| Home equity and second mortgages            | \$ 189                          | \$ 34                                  | \$ —                 | \$ 3          | \$ 226                           |
| One to four family residential              | 2,364                           | 291                                    | —                    | —             | 2,655                            |
| Commercial real estate                      | 7,522                           | 223                                    | —                    | 170           | 7,915                            |
| Commercial real estate multi-family         | 326                             | (15)                                   | —                    | —             | 311                              |
| Construction & land                         | 586                             | 18,297                                 | (16,749)             | —             | 2,134                            |
| <b>Total real estate loans</b>              | <u>10,987</u>                   | <u>18,830</u>                          | <u>(16,749)</u>      | <u>173</u>    | <u>13,241</u>                    |
| <b>Commercial loans</b>                     |                                 |                                        |                      |               |                                  |
| Commercial & industrial                     | 7,889                           | 1,888                                  | (1,306)              | 133           | 8,604                            |
| Condominium associations                    | 2,839                           | (503)                                  | —                    | —             | 2,336                            |
| PPP loans                                   | —                               | —                                      | —                    | —             | —                                |
| <b>Total commercial loans</b>               | <u>10,728</u>                   | <u>1,385</u>                           | <u>(1,306)</u>       | <u>133</u>    | <u>10,940</u>                    |
| <b>Consumer loans</b>                       |                                 |                                        |                      |               |                                  |
| Consumer                                    | 26                              | 104                                    | (38)                 | 11            | 103                              |
| Credit cards                                | —                               | (11)                                   | —                    | 11            | —                                |
| <b>Total consumer loans</b>                 | <u>26</u>                       | <u>93</u>                              | <u>(38)</u>          | <u>22</u>     | <u>103</u>                       |
| <b>Total ACL on loans:</b>                  | <u>\$ 21,741</u>                | <u>\$ 20,308</u>                       | <u>\$ (18,093)</u>   | <u>\$ 328</u> | <u>\$ 24,284</u>                 |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

| <i>(In thousands)</i>                       | Balance<br>December<br>31,<br>2023 | Credit loss<br>expense /<br>(reversal) | Loans<br>charged-off | Recoveries    | Balance<br>September 30,<br>2024 |
|---------------------------------------------|------------------------------------|----------------------------------------|----------------------|---------------|----------------------------------|
| <b>Nine Months Ended September 30, 2024</b> |                                    |                                        |                      |               |                                  |
| Business manager                            | \$ 48                              | \$ (6)                                 | \$ —                 | \$ —          | \$ 42                            |
| Condominium associations                    | 2,467                              | 95                                     | —                    | —             | 2,562                            |
| Construction & land                         | 707                                | (736)                                  | —                    | 43            | 14                               |
| Corporate credit card                       | 88                                 | (26)                                   | (84)                 | 22            | —                                |
| Commercial real estate                      | 7,504                              | (7,226)                                | —                    | 35            | 313                              |
| Commercial real estate multi-family         | 132                                | (128)                                  | —                    | —             | 4                                |
| Dental commercial and industrial            | 2,633                              | (2,633)                                | —                    | —             | —                                |
| Other business                              | 4,208                              | 4,914                                  | (1,193)              | 35            | 7,964                            |
| PPP loans                                   | —                                  | —                                      | —                    | —             | —                                |
| Solar                                       | 137                                | 11                                     | —                    | —             | 148                              |
| Vehicle financing                           | 603                                | 2,184                                  | (226)                | —             | 2,561                            |
| Home equity                                 | 193                                | (171)                                  | —                    | 167           | 189                              |
| Residential real estate                     | 2,019                              | 2,732                                  | —                    | —             | 4,751                            |
| Overdraft and unsecured                     | 15                                 | (14)                                   | (1)                  | —             | —                                |
| Consumer credit card                        | 22                                 | 888                                    | (10)                 | 21            | 921                              |
| Consumer installment                        | 5                                  | (36)                                   | —                    | 30            | (1)                              |
| Passbook CD loans                           | —                                  | 2,117                                  | —                    | —             | 2,117                            |
| <b>Total ACL on loans:</b>                  | <u>\$ 20,781</u>                   | <u>\$ 1,965</u>                        | <u>\$ (1,514)</u>    | <u>\$ 353</u> | <u>\$ 21,585</u>                 |

### Credit Quality Indicators

To further identify loans with similar risk profiles, the Company categorizes each portfolio segment into classes by credit risk characteristic and applies a credit quality indicator to each portfolio segment. The indicators for commercial and commercial real estate segments are represented by Grades 1 through 10 as outlined below. In general, risk ratings are adjusted periodically throughout the year as updated analysis and review warrants. This process may include, but is not limited to, annual credit and loan reviews, periodic reviews of loan performance metrics, such as delinquency rates, and quarterly reviews of adversely risk rated loans. The Company uses the following definitions when assessing grades for the purpose of evaluating the risk and adequacy of the ACL on loans:

*Loans rated 1 – 5:* Loans in these categories are considered “pass” rated loans with low to average risk.

*Loans rated M:* Loans in this category are typically smaller loans that have met the Company’s underwriting criteria and are monitored based on repayment history. Financial statements and other data may or may not be requested from the borrower.

*Loans rated P:* Loans in this category are considered 100 percent SBA guaranteed loans issued under the SBA's PPP.

*Loans rated 6 – 7:* Loans in this category are considered “marginally acceptable” and “special mention” respectively. These loans are starting to show signs of potential weakness and are being closely monitored by management.

*Loans rated 8:* Loans in this category are considered “substandard.” Generally, a loan is considered substandard if it is inadequately protected by the current net worth and paying capacity of the obligors and/or the collateral pledged. There is a distinct possibility that the Company will sustain some loss if the weakness is not corrected.

*Loans rated 9:* Loans in this category are considered “doubtful.” Loans classified as doubtful have all the weaknesses inherent in those classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, highly questionable and improbable. All loans rated 9 are individually evaluated.



**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

*Loans rated 10:* Loans in this category are considered uncollectible and of such little value that their continuance as a loan asset is not warranted.

On an annual basis, or more often if needed, the Company formally reviews the ratings on substantially all commercial real estate, construction, and commercial loans. Annually, the Company engages an independent third-party to review a significant portion of loans within these segments. Management uses the results of these reviews as part of its annual review process. Loans considered transactional in nature, such as residential and consumer are reviewed on an exception basis with emphasis placed on debt repayment performance.

The Company periodically reassesses asset quality indicators to appropriately reflect the risk composition of the Company's loan portfolio. Home equity and consumer loans are not individually risk rated, but rather analyzed as groups taking into account delinquency rates and other economic conditions that may affect the ability of borrowers to meet debt service requirements, including interest rates and energy costs. Performing loans include loans that are current and loans that are past due less than 90 days. Loans that are past due 90 days or more and nonaccrual loans are considered nonperforming.

# Avidia Bancorp, Inc.

## Notes to Consolidated Financial Statements (continued)

The risk ratings within the loan portfolio and current period charge-offs for the nine months ended September 30, 2025, by loan segment and origination year were as follows:

|                                             | Term Loans Amortized Cost Basis by Origination Year |                  |                  |                   |                  |                   | Revolvin<br>g<br>Loans | Total             |
|---------------------------------------------|-----------------------------------------------------|------------------|------------------|-------------------|------------------|-------------------|------------------------|-------------------|
| (In thousands)                              | 2025                                                | 2024             | 2023             | 2022              | 2021             | Prior             |                        |                   |
| September 30, 2025                          |                                                     |                  |                  |                   |                  |                   |                        |                   |
| <b>Home equity and second mortgages:</b>    |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ 83                                               | \$ 845           | \$ 1,461         | \$ 871            | \$ 154           | \$ 1,356          | \$ 71,257              | \$ 76,027         |
| <b>Total</b>                                | <u>\$ 83</u>                                        | <u>\$ 845</u>    | <u>\$ 1,461</u>  | <u>\$ 871</u>     | <u>\$ 154</u>    | <u>\$ 1,356</u>   | <u>\$ 71,257</u>       | <u>\$ 76,027</u>  |
| Current period gross charge-offs            | \$ —                                                | \$ —             | \$ —             | \$ —              | \$ —             | \$ —              | \$ —                   | \$ —              |
| <b>One to four family residential:</b>      |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ 48,424                                           | \$ 40,796        | \$ 72,661        | \$ 134,537        | \$ 87,241        | \$ 137,947        | \$ —                   | \$ 521,606        |
| <b>Total</b>                                | <u>\$ 48,424</u>                                    | <u>\$ 40,796</u> | <u>\$ 72,661</u> | <u>\$ 134,537</u> | <u>\$ 87,241</u> | <u>\$ 137,947</u> | <u>\$ —</u>            | <u>\$ 521,606</u> |
| Current period gross charge-offs            | \$ —                                                | \$ —             | \$ —             | \$ —              | \$ —             | \$ —              | \$ —                   | \$ —              |
| <b>Commercial real estate:</b>              |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ 77,234                                           | 45,802           | 23,632           | \$ 101,284        | \$ 88,050        | \$ 185,452        | \$ —                   | \$ 521,454        |
| Special Mention (6-7)                       | —                                                   | —                | —                | —                 | —                | 4,238             | —                      | 4,238             |
| Substandard (8)                             | —                                                   | —                | —                | 251               | 402              | —                 | —                      | 653               |
| <b>Total</b>                                | <u>\$ 77,234</u>                                    | <u>\$ 45,802</u> | <u>\$ 23,632</u> | <u>\$ 101,535</u> | <u>\$ 88,452</u> | <u>\$ 189,690</u> | <u>\$ —</u>            | <u>\$ 526,345</u> |
| Current period gross charge-offs            | \$ —                                                | \$ —             | \$ —             | \$ —              | \$ —             | \$ —              | \$ —                   | \$ —              |
| <b>Commercial real estate multi-family:</b> |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ 21,326                                           | \$ 7,853         | \$ 8,488         | \$ 19,118         | \$ 16,248        | \$ 25,614         | \$ —                   | \$ 98,647         |
| <b>Total</b>                                | <u>\$ 21,326</u>                                    | <u>\$ 7,853</u>  | <u>\$ 8,488</u>  | <u>\$ 19,118</u>  | <u>\$ 16,248</u> | <u>\$ 25,614</u>  | <u>\$ —</u>            | <u>\$ 98,647</u>  |
| Current period gross charge-offs            | \$ —                                                | \$ —             | \$ —             | \$ —              | \$ —             | \$ —              | \$ —                   | \$ —              |
| <b>Construction &amp; land:</b>             |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ 4,859                                            | \$ 9,187         | \$ 1,649         | \$ 13,852         | \$ —             | \$ 283            | \$ 5,080               | \$ 34,910         |
| Special Mention (6-7)                       | —                                                   | —                | —                | 7,471             | —                | —                 | —                      | 7,471             |
| Substandard (8)                             | —                                                   | —                | 1,052            | —                 | —                | —                 | —                      | 1,052             |
| Doubtful (9)                                | —                                                   | —                | 7,878            | —                 | —                | —                 | —                      | 7,878             |
| <b>Total</b>                                | <u>\$ 4,859</u>                                     | <u>\$ 9,187</u>  | <u>\$ 10,579</u> | <u>\$ 21,323</u>  | <u>\$ —</u>      | <u>\$ 283</u>     | <u>\$ 5,080</u>        | <u>\$ 51,311</u>  |
| Current period gross charge-off             | \$ —                                                | \$ —             | \$ 16,749        | \$ —              | \$ —             | \$ —              | \$ —                   | \$ 16,749         |
| <b>Commercial &amp; Industrial:</b>         |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ 32,765                                           | \$ 53,611        | \$ 40,841        | \$ 48,195         | \$ 49,279        | \$ 125,075        | \$ 106,909             | \$ 456,675        |
| Special Mention (6-7)                       | —                                                   | —                | —                | 1,063             | 5,845            | 1,297             | 21,859                 | 30,064            |
| Substandard (8)                             | —                                                   | —                | —                | —                 | —                | 1,496             | 584                    | 2,080             |
| Doubtful (9)                                | —                                                   | 579              | 1,338            | 41                | —                | 3,153             | 192                    | 5,303             |
| Loss (10)                                   | —                                                   | 679              | 95               | —                 | —                | 317               | 50                     | 1,141             |
| <b>Total</b>                                | <u>\$ 32,765</u>                                    | <u>\$ 54,869</u> | <u>\$ 42,274</u> | <u>\$ 49,299</u>  | <u>\$ 55,124</u> | <u>\$ 131,338</u> | <u>\$ 129,594</u>      | <u>\$ 495,263</u> |
| Current period gross charge-off             | \$ —                                                | \$ —             | \$ 14            | \$ 414            | \$ 11            | \$ 867            | \$ —                   | \$ 1,306          |
| <b>Condominium associations:</b>            |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ 10,735                                           | \$ 9,308         | \$ 46,579        | \$ 232,556        | \$ 86,486        | \$ 112,500        | \$ —                   | \$ 498,164        |
| <b>Total</b>                                | <u>\$ 10,735</u>                                    | <u>\$ 9,308</u>  | <u>\$ 46,579</u> | <u>\$ 232,556</u> | <u>\$ 86,486</u> | <u>\$ 112,500</u> | <u>\$ —</u>            | <u>\$ 498,164</u> |
| Current period gross charge-offs            | \$ —                                                | \$ —             | \$ —             | \$ —              | \$ —             | \$ —              | \$ —                   | \$ —              |
| <b>PPP Loans</b>                            |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ —                                                | \$ —             | \$ —             | \$ —              | \$ 40            | \$ —              | \$ —                   | \$ 40             |
| <b>Total</b>                                | <u>\$ —</u>                                         | <u>\$ —</u>      | <u>\$ —</u>      | <u>\$ —</u>       | <u>\$ 40</u>     | <u>\$ —</u>       | <u>\$ —</u>            | <u>\$ 40</u>      |
| Current period gross charge-off             | \$ —                                                | \$ —             | \$ —             | \$ —              | \$ —             | \$ —              | \$ —                   | \$ —              |
| <b>Consumer:</b>                            |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Risk Rating                                 |                                                     |                  |                  |                   |                  |                   |                        |                   |
| Pass (Rated 1-5, M, P)                      | \$ 719                                              | \$ 627           | \$ 1,026         | \$ 470            | \$ 92            | \$ 1,243          | \$ 97                  | \$ 4,274          |
| <b>Total</b>                                | <u>\$ 719</u>                                       | <u>\$ 627</u>    | <u>\$ 1,026</u>  | <u>\$ 470</u>     | <u>\$ 92</u>     | <u>\$ 1,243</u>   | <u>\$ 97</u>           | <u>\$ 4,274</u>   |
| Current period gross charge-offs            | \$ —                                                | \$ —             | \$ —             | \$ —              | \$ —             | \$ 38             | \$ —                   | \$ 38             |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The risk ratings within the loan portfolio and current period charge-offs for the year ended December 31, 2024, by loan segment and origination year were as follows:

| (In thousands)                                     | Term Loans Amortized Cost Basis by Origination Year |           |            |           |           |            | Revolvin<br>g<br>Loans | Total      |
|----------------------------------------------------|-----------------------------------------------------|-----------|------------|-----------|-----------|------------|------------------------|------------|
|                                                    | 2024                                                | 2023      | 2022       | 2021      | 2020      | Prior      |                        |            |
| <b>December 31, 2024</b>                           |                                                     |           |            |           |           |            |                        |            |
| <b><u>Business manager:</u></b>                    |                                                     |           |            |           |           |            |                        |            |
| Risk Rating                                        |                                                     |           |            |           |           |            |                        |            |
| Pass (Rated 1-5, M, P)                             | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ 1,939               | \$ 1,939   |
| <b>Total</b>                                       | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ 1,939               | \$ 1,939   |
| Current period gross charge-offs                   | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ —                   | \$ —       |
| <b><u>Condominium associations:</u></b>            |                                                     |           |            |           |           |            |                        |            |
| Risk Rating                                        |                                                     |           |            |           |           |            |                        |            |
| Pass (Rated 1-5, M, P)                             | \$ 9,700                                            | \$ 38,452 | \$ 228,814 | \$ 90,387 | \$ 68,371 | \$ 55,148  | \$ —                   | \$ 490,872 |
| Special Mention (6-7)                              | —                                                   | —         | 4,003      | —         | —         | —          | —                      | 4,003      |
| <b>Total</b>                                       | \$ 9,700                                            | \$ 38,452 | \$ 232,817 | \$ 90,387 | \$ 68,371 | \$ 55,148  | \$ —                   | \$ 494,875 |
| Current period gross charge-offs                   | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ —                   | \$ —       |
| <b><u>Construction &amp; land:</u></b>             |                                                     |           |            |           |           |            |                        |            |
| Risk Rating                                        |                                                     |           |            |           |           |            |                        |            |
| Pass (Rated 1-5, M, P)                             | \$ 8,076                                            | \$ 28,220 | \$ 10,688  | \$ 1,200  | \$ —      | \$ 293     | \$ 551                 | \$ 49,028  |
| <b>Total</b>                                       | \$ 8,076                                            | \$ 28,220 | \$ 10,688  | \$ 1,200  | \$ —      | \$ 293     | \$ 551                 | \$ 49,028  |
| Current period gross charge-offs                   | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ —                   | \$ —       |
| <b><u>Corporate credit card:</u></b>               |                                                     |           |            |           |           |            |                        |            |
| Current period gross charge-offs                   | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ 84                  | \$ 84      |
| <b><u>Commercial real estate:</u></b>              |                                                     |           |            |           |           |            |                        |            |
| Risk Rating                                        |                                                     |           |            |           |           |            |                        |            |
| Pass (Rated 1-5, M, P)                             | \$ 46,807                                           | \$ 24,770 | \$ 103,710 | \$ 89,739 | \$ 71,710 | \$ 112,596 | \$ —                   | \$ 449,332 |
| Special Mention (6-7)                              | —                                                   | —         | 3,706      | 1,318     | —         | 27,230     | —                      | 32,254     |
| Substandard (8)                                    | —                                                   | —         | 262        | 425       | —         | 1,833      | —                      | 2,520      |
| <b>Total</b>                                       | \$ 46,807                                           | \$ 24,770 | \$ 107,678 | \$ 91,482 | \$ 71,710 | \$ 141,659 | \$ —                   | \$ 484,106 |
| Current period gross charge-offs                   | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ —                   | \$ —       |
| <b><u>Commercial real estate multi-family:</u></b> |                                                     |           |            |           |           |            |                        |            |
| Risk Rating                                        |                                                     |           |            |           |           |            |                        |            |
| Pass (Rated 1-5, M, P)                             | \$ 7,452                                            | \$ 8,633  | \$ 20,192  | \$ 16,966 | \$ 11,664 | \$ 17,056  | \$ —                   | \$ 81,963  |
| Special Mention (6-7)                              | —                                                   | —         | —          | 794       | 1,039     | 109        | —                      | 1,942      |
| <b>Total</b>                                       | \$ 7,452                                            | \$ 8,633  | \$ 20,192  | \$ 17,760 | \$ 12,703 | \$ 17,165  | \$ —                   | \$ 83,905  |
| Current period gross charge-offs                   | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ —                   | \$ —       |
| <b><u>Dental commercial &amp; industrial:</u></b>  |                                                     |           |            |           |           |            |                        |            |
| Risk Rating                                        |                                                     |           |            |           |           |            |                        |            |
| Pass (Rated 1-5, M, P)                             | \$ 19,783                                           | \$ 22,320 | \$ 28,021  | \$ 29,864 | \$ 23,008 | \$ 52,484  | \$ 5,138               | \$ 180,618 |
| Special Mention (6-7)                              | —                                                   | —         | 1,139      | 6,301     | 598       | 495        | 599                    | 9,132      |
| Substandard (8)                                    | —                                                   | —         | —          | —         | —         | 320        | 100                    | 420        |
| Doubtful (9)                                       | —                                                   | —         | 57         | 12        | —         | 280        | —                      | 349        |
| <b>Total</b>                                       | \$ 19,783                                           | \$ 22,320 | \$ 29,217  | \$ 36,177 | \$ 23,606 | \$ 53,579  | \$ 5,837               | \$ 190,519 |
| Current period gross charge-offs                   | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ —                   | \$ —       |
| <b><u>Other business:</u></b>                      |                                                     |           |            |           |           |            |                        |            |
| Risk Rating                                        |                                                     |           |            |           |           |            |                        |            |
| Pass (Rated 1-5, M, P)                             | \$ 40,560                                           | \$ 11,008 | \$ 24,977  | \$ 12,309 | \$ 8,997  | \$ 26,564  | \$ 63,185              | \$ 187,600 |
| Special Mention (6-7)                              | —                                                   | 39        | —          | 74        | 1,548     | 2,945      | 4,996                  | 9,602      |
| Substandard (8)                                    | 579                                                 | 1,338     | 106        | 33        | —         | 3,428      | 679                    | 6,163      |
| Doubtful (9)                                       | —                                                   | —         | 41         | —         | —         | 164        | —                      | 205        |
| <b>Total</b>                                       | \$ 41,139                                           | \$ 12,385 | \$ 25,124  | \$ 12,416 | \$ 10,545 | \$ 33,101  | \$ 68,860              | \$ 203,570 |
| Current period gross charge-offs                   | \$ —                                                | \$ 101    | \$ 29      | \$ 89     | \$ —      | \$ 971     | \$ 61                  | \$ 1,251   |
| <b><u>Solar:</u></b>                               |                                                     |           |            |           |           |            |                        |            |
| Risk Rating                                        |                                                     |           |            |           |           |            |                        |            |
| Pass (Rated 1-5, M, P)                             | \$ —                                                | \$ 11,590 | \$ 9,078   | \$ 10,637 | \$ 18,837 | \$ 14,233  | \$ 12,513              | \$ 76,888  |
| <b>Total</b>                                       | \$ —                                                | \$ 11,590 | \$ 9,078   | \$ 10,637 | \$ 18,837 | \$ 14,233  | \$ 12,513              | \$ 76,888  |
| Current period gross charge-offs                   | \$ —                                                | \$ —      | \$ —       | \$ —      | \$ —      | \$ —       | \$ —                   | \$ —       |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

|                                        | Term Loans Amortized Cost Basis by Origination Year |                  |                   |                  |                  |                  | Revolvin<br>g<br>Loans | Total             |
|----------------------------------------|-----------------------------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------------|-------------------|
| (In thousands)                         | 2024                                                | 2023             | 2022              | 2021             | 2020             | Prior            |                        |                   |
| <b>December 31, 2024</b>               |                                                     |                  |                   |                  |                  |                  |                        |                   |
| <b><u>Vehicle financing:</u></b>       |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Risk Rating                            |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Pass (Rated 1-5, M, P)                 | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ 19,097              | \$ 19,097         |
| Special Mention (6-7)                  | —                                                   | —                | —                 | —                | —                | —                | 7,280                  | 7,280             |
| Doubtful (9)                           | —                                                   | —                | —                 | —                | —                | 628              | —                      | 628               |
| <b>Total</b>                           | <b>\$ —</b>                                         | <b>\$ —</b>      | <b>\$ —</b>       | <b>\$ —</b>      | <b>\$ —</b>      | <b>\$ 628</b>    | <b>\$ 26,376</b>       | <b>\$ 27,004</b>  |
| Current period gross charge-offs       | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ 225                 | \$ 225            |
| <b><u>Home equity:</u></b>             |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Risk Rating                            |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Pass (Rated 1-5, M, P)                 | \$ 1,006                                            | \$ 1,517         | \$ 903            | \$ 194           | \$ 130           | \$ 638           | \$ 61,238              | \$ 65,626         |
| Substandard (8)                        | —                                                   | —                | —                 | —                | —                | —                | 700                    | 700               |
| <b>Total</b>                           | <b>\$ 1,006</b>                                     | <b>\$ 1,517</b>  | <b>\$ 903</b>     | <b>\$ 194</b>    | <b>\$ 130</b>    | <b>\$ 638</b>    | <b>\$ 61,938</b>       | <b>\$ 66,326</b>  |
| Current period gross charge-offs       | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ —                   | \$ —              |
| <b><u>Residential:</u></b>             |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Risk Rating                            |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Pass (Rated 1-5, M, P)                 | \$ 45,751                                           | \$ 79,415        | \$ 142,220        | \$ 91,405        | \$ 60,457        | \$ 91,856        | \$ —                   | \$ 511,104        |
| Substandard (8)                        | 6                                                   | —                | —                 | —                | —                | 385              | —                      | 391               |
| <b>Total</b>                           | <b>\$ 45,757</b>                                    | <b>\$ 79,415</b> | <b>\$ 142,220</b> | <b>\$ 91,405</b> | <b>\$ 60,457</b> | <b>\$ 92,241</b> | <b>\$ —</b>            | <b>\$ 511,495</b> |
| Current period gross charge-offs       | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ —                   | \$ —              |
| <b><u>Overdraft and unsecured:</u></b> |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Risk Rating                            |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Pass (Rated 1-5, M, P)                 | \$ 173                                              | \$ 248           | \$ 100            | \$ 41            | \$ 5             | \$ 224           | \$ 96                  | \$ 887            |
| <b>Total</b>                           | <b>\$ 173</b>                                       | <b>\$ 248</b>    | <b>\$ 100</b>     | <b>\$ 41</b>     | <b>\$ 5</b>      | <b>\$ 224</b>    | <b>\$ 96</b>           | <b>\$ 887</b>     |
| Current period gross charge-offs       | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ 2                   | \$ 2              |
| Current period gross charge-offs       | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ 10                  | \$ 10             |
| <b><u>Consumer installment:</u></b>    |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Risk Rating                            |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Pass (Rated 1-5, M, P)                 | \$ 629                                              | \$ 1,106         | \$ 666            | \$ 129           | \$ 4             | \$ 1,181         | \$ —                   | \$ 3,715          |
| <b>Total</b>                           | <b>\$ 629</b>                                       | <b>\$ 1,106</b>  | <b>\$ 666</b>     | <b>\$ 129</b>    | <b>\$ 4</b>      | <b>\$ 1,181</b>  | <b>\$ —</b>            | <b>\$ 3,715</b>   |
| Current period gross charge-offs       | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ —                   | \$ —              |
| <b><u>Passbook CD loans:</u></b>       |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Risk Rating                            |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Pass (Rated 1-5, M, P)                 | \$ 211                                              | \$ 154           | \$ 32             | \$ —             | \$ —             | \$ 61            | \$ —                   | \$ 458            |
| <b>Total</b>                           | <b>\$ 211</b>                                       | <b>\$ 154</b>    | <b>\$ 32</b>      | <b>\$ —</b>      | <b>\$ —</b>      | <b>\$ 61</b>     | <b>\$ —</b>            | <b>\$ 458</b>     |
| Current period gross charge-offs       | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ —                   | \$ —              |
| <b><u>PPP loans:</u></b>               |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Risk Rating                            |                                                     |                  |                   |                  |                  |                  |                        |                   |
| Pass (Rated 1-5, M, P)                 | \$ —                                                | \$ —             | \$ —              | \$ 110           | \$ 154           | \$ —             | \$ —                   | \$ 264            |
| <b>Total</b>                           | <b>\$ —</b>                                         | <b>\$ —</b>      | <b>\$ —</b>       | <b>\$ 110</b>    | <b>\$ 154</b>    | <b>\$ —</b>      | <b>\$ —</b>            | <b>\$ 264</b>     |
| Current period gross charge-offs       | \$ —                                                | \$ —             | \$ —              | \$ —             | \$ —             | \$ —             | \$ —                   | \$ —              |

Commercial loans include factored accounts receivable in the recorded amount of \$2.9 million and \$1.9 million at September 30, 2025 and December 31, 2024, respectively, which is gross of cash reserves. At September 30, 2025 and December 31, 2024, cash reserves established from purchase price adjustments in total were \$542 thousand and \$206 thousand, respectively. The aging status of these loans and underlying receivables is not presented in the delinquency and nonaccrual disclosure tables. The financing agreements permit the Company to create and maintain from the purchase price of funded receivables a cash reserve in an operating deposit account controlled by the Company. The amount of the cash reserve is determined based on the risk profile of the borrower and the aging of outstanding funded accounts receivable. The Company may require borrowers to repurchase any funded accounts receivable that remains unpaid following 120 days after its invoice date.

At September 30, 2025 and December 31, 2024, funded accounts receivable unpaid 120 days or more in total were \$943 thousand and \$367 thousand, respectively. There were no impairments at September 30, 2025 and December 31, 2024.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The following table presents the amortized cost basis of loans on nonaccrual status as of the dates presented. There were no loans past due 90 days or more and still accruing as of September 30, 2025 or December 31, 2024.

|                                |    | <b>September 30, 2025</b>             |                             |
|--------------------------------|----|---------------------------------------|-----------------------------|
|                                |    | <b>Nonaccrual<br/>with<br/>No ACL</b> | <b>Total<br/>Nonaccrual</b> |
| <i>(In thousands)</i>          |    |                                       |                             |
| One to four family residential | \$ | 387                                   | \$ 387                      |
| Construction & land            |    | 1,052                                 | 8,930                       |
| Commercial & industrial        |    | 2,049                                 | 8,307                       |
| Total                          | \$ | 3,488                                 | \$ 17,624                   |

  

|                                |    | <b>December 31, 2024</b>              |                             |
|--------------------------------|----|---------------------------------------|-----------------------------|
|                                |    | <b>Nonaccrual<br/>with<br/>No ACL</b> | <b>Total<br/>Nonaccrual</b> |
| <i>(In thousands)</i>          |    |                                       |                             |
| Dental commercial & industrial | \$ | —                                     | \$ 670                      |
| Home equity                    |    | 700                                   | 700                         |
| Other business                 |    | 313                                   | 1,349                       |
| Residential                    |    | 650                                   | 650                         |
| Vehicle financing              |    | 628                                   | 628                         |
| Total                          | \$ | 2,291                                 | \$ 3,997                    |

The Company did not recognize any interest income on nonaccrual loans during the three and nine months ended September 30, 2025 and 2024.

The following is an aging analysis of past due loans (including non-accrual) as of the balance sheet dates, by portfolio segment:

|                                     |    | <b>Loans<br/>Receivable<br/>(Amortized<br/>Cost)</b> | <b>Current</b> | <b>30-89 Days<br/>Past Due</b> | <b>90 Days or<br/>More Past<br/>Due</b> | <b>Total<br/>Past Due</b> |
|-------------------------------------|----|------------------------------------------------------|----------------|--------------------------------|-----------------------------------------|---------------------------|
| <i>(In thousands)</i>               |    |                                                      |                |                                |                                         |                           |
| <b>September 30, 2025</b>           |    |                                                      |                |                                |                                         |                           |
| Home equity and second mortgages    | \$ | 76,027                                               | \$ 75,753      | \$ 274                         | \$ —                                    | \$ 274                    |
| One to four family residential      |    | 521,606                                              | 515,855        | 5,364                          | 387                                     | 5,751                     |
| Commercial real estate              |    | 526,345                                              | 523,995        | 2,350                          | —                                       | 2,350                     |
| Commercial real estate multi-family |    | 98,647                                               | 98,647         | —                              | —                                       | —                         |
| Construction & land                 |    | 51,311                                               | 42,381         | —                              | 8,930                                   | 8,930                     |
| Commercial & industrial             |    | 495,263                                              | 493,589        | 287                            | 1,387                                   | 1,674                     |
| Condominium associations            |    | 498,164                                              | 498,164        | —                              | —                                       | —                         |
| PPP loans                           |    | 40                                                   | 40             | —                              | —                                       | —                         |
| Consumer                            |    | 4,274                                                | 4,274          | —                              | —                                       | —                         |
| Total Loans                         | \$ | 2,271,677                                            | \$ 2,252,698   | \$ 8,275                       | \$ 10,704                               | \$ 18,979                 |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

| <i>(In thousands)</i>               | Loans<br>Receivable<br>(Amortized<br>Cost) | Current             | 30-89 Days<br>Past Due | 90 Days or<br>More Past<br>Due | Total Past<br>Due |
|-------------------------------------|--------------------------------------------|---------------------|------------------------|--------------------------------|-------------------|
| <b>December 31, 2024</b>            |                                            |                     |                        |                                |                   |
| Business manager                    | \$ 1,939                                   | \$ 1,939            | \$ —                   | \$ —                           | \$ —              |
| Condominium associations            | 494,875                                    | 494,875             | —                      | —                              | —                 |
| Construction & land                 | 49,028                                     | 47,522              | 1,506                  | —                              | 1,506             |
| Commercial real estate              | 484,106                                    | 483,477             | 629                    | —                              | 629               |
| Commercial real estate multi-family | 83,905                                     | 83,905              | —                      | —                              | —                 |
| Dental commercial & industrial      | 190,519                                    | 189,986             | 533                    | —                              | 533               |
| Other business                      | 203,570                                    | 202,011             | 251                    | 1,308                          | 1,559             |
| PPP loans                           | 264                                        | 264                 | —                      | —                              | —                 |
| Solar                               | 76,888                                     | 76,812              | 76                     | —                              | 76                |
| Vehicle financing                   | 27,004                                     | 27,004              | —                      | —                              | —                 |
| Home equity                         | 66,326                                     | 65,231              | 395                    | 700                            | 1,095             |
| Residential                         | 511,495                                    | 509,695             | 1,381                  | 419                            | 1,800             |
| Overdraft and unsecured             | 887                                        | 887                 | —                      | —                              | —                 |
| Consumer installment                | 3,715                                      | 3,715               | —                      | —                              | —                 |
| Passbook CD loans                   | 458                                        | 420                 | 38                     | —                              | 38                |
| Total                               | <u>\$ 2,194,979</u>                        | <u>\$ 2,187,743</u> | <u>\$ 4,809</u>        | <u>\$ 2,427</u>                | <u>\$ 7,236</u>   |

For all loan segments, loans over 30 days contractually past due are considered delinquent.

The following table presents the amortized cost basis of collateral-dependent loans by collateral type as of the balance sheet dates:

| <i>(In thousands)</i>          | Real Estate     | All Business<br>Assets | All Business<br>Assets and<br>Real Estate | Accounts<br>Receivable | Total            |
|--------------------------------|-----------------|------------------------|-------------------------------------------|------------------------|------------------|
| <b>September 30, 2025</b>      |                 |                        |                                           |                        |                  |
| One to four family residential | \$ 510          | \$ —                   | \$ —                                      | \$ —                   | \$ 510           |
| Commercial real estate         | —               | —                      | 348                                       | —                      | 348              |
| Construction & land            | 8,930           | —                      | —                                         | —                      | 8,930            |
| Commercial & industrial        | —               | 915                    | 2,293                                     | 347                    | 3,555            |
| Total                          | <u>\$ 9,440</u> | <u>\$ 915</u>          | <u>\$ 2,641</u>                           | <u>\$ 347</u>          | <u>\$ 13,343</u> |

| <i>(In thousands)</i>               | Real Estate     | All Business<br>Assets | Total           |
|-------------------------------------|-----------------|------------------------|-----------------|
| <b>December 31, 2024</b>            |                 |                        |                 |
| Construction & land                 | \$ 1,506        | \$ —                   | \$ 1,506        |
| Commercial real estate              | 165             | 355                    | 520             |
| Commercial real estate multi-family | 109             | —                      | 109             |
| Dental commercial & industrial      | —               | 769                    | 769             |
| Other business                      | 497             | 921                    | 1,418           |
| Vehicle financing                   | —               | 628                    | 628             |
| Home equity                         | 783             | —                      | 783             |
| Residential                         | 804             | —                      | 804             |
| Total                               | <u>\$ 3,864</u> | <u>\$ 2,673</u>        | <u>\$ 6,537</u> |

Collateral-dependent loans are loans for which the repayment is expected to be provided substantially by the underlying collateral and there are no other available and reliable sources of repayment.

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

**Modified Loans**

Occasionally, the Company modifies loans to borrowers in financial distress by providing principal forgiveness, term extension, an other-than-insignificant payment delay or interest rate reduction. When principal forgiveness is provided, the amount of forgiveness is charged-off against the ACL.

In some cases, the Company provides multiple types of concessions on one loan. Typically, one type of concession, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as principal forgiveness, may be granted. For the loans included in the "combination" columns below, multiple types of modifications have been made on the same loan within the current reporting period.

The following tables present the amortized cost basis of loans as of September 30, 2025 and September 30, 2024, that were both experiencing financial difficulty and modified during the three and nine months ended September 30, 2025 and 2024, respectively, by class and by type of modification. Only segments displayed in the table below have modified loans; there were no other loans experiencing financial difficulty and modified. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below.

| <i>(Dollars in thousands)</i>                | <u>Payment Delay</u> | <u>Percent of Loan Segment</u> |
|----------------------------------------------|----------------------|--------------------------------|
| <b>Three Months Ended September 30, 2025</b> |                      |                                |
| Commercial & industrial                      | \$ 6,410             | 1.29%                          |
| Total                                        | \$ 6,410             | 0.28%                          |

| <i>(Dollars in thousands)</i>                | <u>Payment Delay</u> | <u>Combination Payment Delay and Term Extension</u> | <u>Percent of Loan Segment</u> |
|----------------------------------------------|----------------------|-----------------------------------------------------|--------------------------------|
| <b>Three Months Ended September 30, 2024</b> |                      |                                                     |                                |
| Commercial real estate                       | \$ 1,838             | \$ 1,500                                            | 0.67%                          |
| Dental commercial & industrial               | 356                  | —                                                   | 0.18%                          |
| Residential                                  | 275                  | —                                                   | 0.05%                          |
| Total                                        | \$ 2,469             | \$ 1,500                                            | 0.18%                          |

| <i>(Dollars in thousands)</i>               | <u>Payment Delay</u> | <u>Principal Re-Advance</u> | <u>Combination Payment Delay and Term Extension</u> | <u>Percent of Loan Segment</u> |
|---------------------------------------------|----------------------|-----------------------------|-----------------------------------------------------|--------------------------------|
| <b>Nine Months Ended September 30, 2025</b> |                      |                             |                                                     |                                |
| Commercial real estate                      | \$ 1,892             | \$ —                        | \$ —                                                | 0.36%                          |
| Commercial & industrial                     | 6,695                | 3,258                       | 19                                                  | 2.01%                          |
| Total                                       | \$ 8,587             | \$ 3,258                    | \$ 19                                               | 0.52%                          |

| <i>(Dollars in thousands)</i>               | <u>Payment Delay</u> | <u>Principal Re-Advance</u> | <u>Combination Payment Delay and Term Extension</u> | <u>Combination Payment Delay and Principal Re-Advance</u> | <u>Percent of Loan Segment</u> |
|---------------------------------------------|----------------------|-----------------------------|-----------------------------------------------------|-----------------------------------------------------------|--------------------------------|
| <b>Nine Months Ended September 30, 2024</b> |                      |                             |                                                     |                                                           |                                |
| Commercial real estate                      | \$ 1,838             | \$ 356                      | \$ 1,500                                            | \$ —                                                      | 0.74%                          |
| Dental commercial & industrial              | 356                  | —                           | —                                                   | —                                                         | 0.18%                          |
| Other business                              | 924                  | —                           | —                                                   | 194                                                       | 0.56%                          |
| Residential                                 | 382                  | —                           | —                                                   | —                                                         | 0.08%                          |
| Total                                       | \$ 3,500             | \$ 356                      | \$ 1,500                                            | \$ 194                                                    | 0.26%                          |





**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The Company does not have any additional commitments to the borrowers included in the previous tables.

For the three and nine months ended September 30, 2025 and three and nine months ended September 30, 2024, modifications related to payment delays had minimal financial effect. All modifications for the three months ended September 30, 2025 were related to payment delays. The following tables present the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the three months ended September 30, 2024 and nine months ended September 30, 2025 and September 30, 2024.

|                                              | <b>Weighted-<br/>Average<br/>Term<br/>Extension (months)</b> |
|----------------------------------------------|--------------------------------------------------------------|
| <b>Three Months Ended September 30, 2024</b> |                                                              |
| Commercial real estate                       | 240                                                          |

|                                             | <b>Weighted-<br/>Average<br/>Term<br/>Extension (months)</b> |
|---------------------------------------------|--------------------------------------------------------------|
| <b>Nine Months Ended September 30, 2025</b> |                                                              |
| Commercial & industrial                     | 39                                                           |

|                                             | <b>Weighted-<br/>Average<br/>Term<br/>Extension (months)</b> |
|---------------------------------------------|--------------------------------------------------------------|
| <b>Nine Months Ended September 30, 2024</b> |                                                              |
| Commercial real estate                      | 240                                                          |

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

The Company closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to evaluate the effectiveness of its modification efforts. The following tables present the performance of such loans that have been modified in the last 12 months as of September 30, 2025 and 2024.

| <i>(In thousands)</i>          | <b>30 - 59<br/>Days Past<br/>Due</b> | <b>60 - 89<br/>Days Past<br/>Due</b> | <b>90 Days or<br/>More Past<br/>Due</b> | <b>Total Past<br/>Due</b> |
|--------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------|---------------------------|
| <b>September 30, 2025</b>      |                                      |                                      |                                         |                           |
| One to four family residential | \$ —                                 | \$ 123                               | \$ 2                                    | \$ 125                    |
| Commercial real estate         | 348                                  | —                                    | —                                       | 348                       |
| Commercial & industrial        | 190                                  | 63                                   | —                                       | 253                       |
| Total                          | <u>\$ 538</u>                        | <u>\$ 186</u>                        | <u>\$ 2</u>                             | <u>\$ 726</u>             |

| <i>(In thousands)</i>     | <b>30 - 59<br/>Days Past<br/>Due</b> | <b>60 - 89<br/>Days Past<br/>Due</b> | <b>90 Days or<br/>More Past<br/>Due</b> | <b>Total Past<br/>Due</b> |
|---------------------------|--------------------------------------|--------------------------------------|-----------------------------------------|---------------------------|
| <b>September 30, 2024</b> |                                      |                                      |                                         |                           |
| Other business            | \$ —                                 | \$ 832                               | \$ —                                    | \$ 832                    |
| Total                     | <u>\$ —</u>                          | <u>\$ 832</u>                        | <u>\$ —</u>                             | <u>\$ 832</u>             |

For the three months ended September 30, 2025, there were no loans that were modified in the prior 12 months that had a payment default. For the three and nine months ended September 30, 2024, there were no loans that were modified in the prior 12 months that had a payment default. The following table presents the amortized cost basis of loans that had a payment default during the nine months ended September 30, 2025, and were modified in the 12 months prior to that default to borrowers experiencing financial difficulty.

| <i>(In thousands)</i>                       | <b>Payment<br/>Delay</b> | <b>Total</b> |
|---------------------------------------------|--------------------------|--------------|
| <b>Nine Months Ended September 30, 2025</b> |                          |              |
| One to four family residential              | \$ 2                     | \$ 2         |
| Total:                                      | <u>\$ 2</u>              | <u>\$ 2</u>  |

Upon the Company's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the ACL is adjusted by the same amount.

At September 30, 2025, residential real estate loans in process of foreclosure totaled \$114 thousand. At December 31, 2024, there were no residential real estate loans in process of foreclosure.

The Company has transferred a portion of its originated commercial mortgage loans to participating lenders. The amounts transferred have been accounted for as sales and are therefore not included in the Company's accompanying consolidated balance sheets. The Company and participating lenders share ratably in any gains or losses that may result from a borrower's lack of compliance with contractual terms of the loan. The Company continues to service the loans on behalf of the participating lenders and, as such, collects cash payments from the borrowers, remits payments (net of servicing fees) to participating lenders and disburses required escrow funds to relevant parties. At September 30, 2025 and December 31, 2024, the Company was servicing commercial and commercial mortgage loans for participants aggregating \$126.7 million and \$137.6 million, respectively.

Residential real estate mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of these loans serviced for others were \$271.1 million and \$289.8 million at September 30, 2025 and December 31, 2024, respectively. Servicing fee income was \$204 thousand and \$626 thousand for the three and nine months ended September 30, 2025, respectively. Servicing fee income was \$216 thousand and \$643 thousand for the



**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

three and nine months ended September 30, 2024, respectively. Certain of these loans were sold with recourse provisions. At September 30, 2025, the related maximum contingent recourse liability was \$1.2 million, which is not recorded in the consolidated financial statements.

The Company records mortgage servicing rights (“MSRs”) on residential real estate loans sold and serviced for others. The risks inherent in MSRs relate primarily to changes in prepayments that result from shifts in mortgage interest rates. The Company accounts for MSRs at fair value. The Company obtains valuations from independent third parties to determine the fair value of servicing rights. Key assumptions and inputs used in the estimation of fair value include prepayment speeds, discount rates, default rates, cost to service, and contractual servicing fees. At September 30, 2025, the following weighted average assumptions were used in the calculation of fair value of MSRs: prepayment speed 7.62%, discount rate 10.5% to 12.5%, and default rate 0.07%.

The following summarizes changes to MSRs:

| <i>(In thousands)</i> | <b>Three Months Ended September 30,</b> |                 | <b>Nine Months Ended September 30,</b> |                 |
|-----------------------|-----------------------------------------|-----------------|----------------------------------------|-----------------|
|                       | <b>2025</b>                             | <b>2024</b>     | <b>2025</b>                            | <b>2024</b>     |
| Beginning balance     | \$ 3,253                                | \$ 3,483        | \$ 3,488                               | \$ 3,327        |
| Payoffs               | (75)                                    | (56)            | (227)                                  | (55)            |
| Changes in fair value | (29)                                    | (185)           | (112)                                  | (30)            |
| Ending balance        | <u>\$ 3,149</u>                         | <u>\$ 3,242</u> | <u>\$ 3,149</u>                        | <u>\$ 3,242</u> |

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

**NOTE 6. DERIVATIVES**

The Company is party to International Swap and Derivative Association (ISDA) interest rate swap contracts to manage its exposure to interest rate changes. The Company may execute “back-to-back” swap agreements with select commercial banking customers who are eligible and desire to manage their interest rate exposure. Policy also allows the Company to execute macro level swap agreements.

Derivatives Not Designated As Hedges: The Company enters into interest rate swap agreements executed with commercial banking customers to facilitate customer risk management strategies. In addition to the swap agreement with the borrower, the Company enters into a second “back-to-back” swap agreement with a third party; the general terms of this swap mirror those of the first swap agreement. In entering into this transaction, the Company has offset its interest rate risk exposure to the swap agreement with the borrower. All interest rate swaps are valued at observable market prices for similar instruments or observable market interest rates.

Cash Flow Hedges: The Company is party to interest rate swaps to manage its exposure to interest rate changes. Interest rate swaps with notional amounts totaling \$135.0 million and \$160.0 million as of September 30, 2025 and December 31, 2024, respectively, were designated as cash flow hedges and were determined to be effective during all periods presented. The Company expects the hedges to remain effective during the remaining terms of the swaps. Fair value of the contracts are reported on consolidated balance sheets as an asset or liability, with an offset to accumulated other comprehensive income (AOCI), net of income tax impacts, and with changes reflected in other comprehensive income.

The Company presents derivative positions gross on the consolidated balance sheets. The following table reflects the derivatives recorded on the consolidated balance sheets as of September 30, 2025 and December 31, 2024:

|                                                                    | September 30, 2025 |                 | December 31, 2024 |                 |
|--------------------------------------------------------------------|--------------------|-----------------|-------------------|-----------------|
|                                                                    | Notional Amount    | Fair Value      | Notional Amount   | Fair Value      |
| <i>(In thousands)</i>                                              |                    |                 |                   |                 |
| Included in other assets:                                          |                    |                 |                   |                 |
| Derivatives designated as hedging instruments:                     |                    |                 |                   |                 |
| Interest rate swaps related to FHLB advances and agency securities | \$ —               | \$ —            | \$ 160,000        | \$ 175          |
| Derivatives not designated as hedging instruments:                 |                    |                 |                   |                 |
| Interest rate swaps related to customer loans                      | 105,032            | 6,146           | 88,154            | 7,492           |
| Total included in other assets                                     |                    | <u>\$ 6,146</u> |                   | <u>\$ 7,667</u> |
| Included in other liabilities:                                     |                    |                 |                   |                 |
| Derivatives designated as hedging instruments:                     |                    |                 |                   |                 |
| Interest rate swaps related to FHLB advances and agency securities | \$ 135,000         | \$ 401          | \$ —              | \$ —            |
| Derivatives not designated as hedging instruments:                 |                    |                 |                   |                 |
| Interest rate swaps related to customer loans                      | 105,032            | 6,146           | 88,154            | 7,492           |
| Total included in other liabilities                                |                    | <u>\$ 6,547</u> |                   | <u>\$ 7,492</u> |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

**NOTE 7. DEPOSITS**

A summary of deposit balances, by type is as follows:

| <i>(In thousands)</i>                              | <b>September 30,<br/>2025</b> | <b>December 31, 2024</b> |
|----------------------------------------------------|-------------------------------|--------------------------|
| NOW and demand                                     | \$ 1,050,963                  | \$ 1,038,635             |
| Money market                                       | 278,095                       | 250,878                  |
| Regular and other savings                          | 413,300                       | 383,139                  |
| Total non-certificate accounts                     | 1,742,358                     | 1,672,652                |
| Term certificate accounts of \$250,000 and greater | 160,635                       | 201,817                  |
| Term certificate accounts less than \$250,000      | 172,875                       | 188,743                  |
| Term certificate accounts                          | 333,510                       | 390,560                  |
| Total deposits                                     | <u>\$ 2,075,868</u>           | <u>\$ 2,063,212</u>      |

As of September 30, 2025, the aggregate amount of deposits, excluding subsidiary deposits, that meet or exceed the FDIC insurance limit of \$250 thousand was \$842.6 million.

Scheduled maturities and weighted average rates of time deposits for the next five years were as follows:

|                               | <b>September 30, 2025</b> |                             | <b>December 31, 2024</b> |                             |
|-------------------------------|---------------------------|-----------------------------|--------------------------|-----------------------------|
|                               |                           | Weighted<br>Average<br>Rate |                          | Weighted<br>Average<br>Rate |
| <i>(Dollars in thousands)</i> | Amount                    |                             | Amount                   |                             |
| Within 1 year                 | \$ 282,563                | 3.72%                       | \$ 338,449               | 4.49%                       |
| Over 1 year to 2 years        | 41,590                    | 3.74                        | 21,095                   | 3.70                        |
| Over 2 years to 3 years       | 4,433                     | 3.19                        | 25,726                   | 3.99                        |
| Over 3 years to 4 years       | 1,845                     | 3.65                        | 2,532                    | 3.60                        |
| Over 4 years to 5 years       | 3,079                     | 3.08                        | 2,758                    | 3.37                        |
| Total                         | <u>\$ 333,510</u>         | 3.71%                       | <u>\$ 390,560</u>        | 4.40%                       |

All deposits are fully insured due to the additional insurance provided to Massachusetts member banks, such as the Bank, under the Depositors Insurance Fund, a private industry-sponsored insurance fund in Massachusetts that insures all deposits at the Company above FDIC limits.

**NOTE 8. FEDERAL HOME LOAN BANK ADVANCES AND OTHER BORROWINGS**

FHLB of Boston advances consist of the following:

|                               | <b>September 30, 2025</b> |                             | <b>December 31, 2024</b> |                             |
|-------------------------------|---------------------------|-----------------------------|--------------------------|-----------------------------|
|                               |                           | Weighted<br>Average<br>Rate |                          | Weighted<br>Average<br>Rate |
| <b>Maturity</b>               | <b>Amount</b>             |                             | <b>Amount</b>            |                             |
| <i>(Dollars in thousands)</i> |                           |                             |                          |                             |
| Within 1 year                 | \$ 225,000                | 4.46%                       | \$ 165,000               | 4.53%                       |
| Over 1 year to 2 years        | 35,000                    | 4.10                        | 140,000                  | 4.53                        |
| Over 2 years to 3 years       | —                         | —                           | 20,000                   | 4.15                        |
| Total FHLB advances           | <u>\$ 260,000</u>         | 4.41%                       | <u>\$ 325,000</u>        | 4.50%                       |

The Bank also has an available \$500 thousand line-of-credit with the FHLB at an interest rate that adjusts daily. There were no advances outstanding under this line-of-credit at September 30, 2025 and December 31, 2024. All borrowings from the FHLB are secured by a blanket lien on the Company's residential real estate loans and certain commercial real estate loans in accordance with the FHLB's policy requirements for qualified collateral.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The Bank also has \$18.0 million in available lines-of-credit with correspondent banks. There were no advances outstanding under these lines-of-credit at September 30, 2025 and December 31, 2024.

The Bank has agreements with the Federal Reserve Bank of Boston for borrowings at the discount window and through the borrower-in-custody program. The terms of these agreements call for the pledging of assets as security for all obligations of the Bank under these agreements (See Note 4). At September 30, 2025 and December 31, 2024, there were no borrowings outstanding under either agreement.

**NOTE 9. SUBORDINATED DEBT**

On May 17, 2022, the Company (as successor to Assabet Valley Bancorp) issued \$28.0 million of subordinated debt to institutional investors. The subordinated debt is unsecured and subordinated on liquidation as to principal and interest to all claims against the Company that have the same or higher priority as deposit accounts. The subordinated debt is included in capital of the Bank. At the Company, the subordinated debt is classified as a liability but included in Tier 2 capital for regulatory capital. The Company used the subordinated debt to infuse capital into the Bank in the form of common equity to support capital levels and further growth and for general corporate purposes.

The subordinated debt is payable in full by June 2032; earlier prepayment is permitted after five years. Interest is paid semi-annually at a fixed rate of 4.50% until June 1, 2027 and thereafter the interest rate resets quarterly to an interest rate per annum equal to the then current three-month SOFR (provided, however, that in the event three-month SOFR is less than zero, three-month SOFR shall be deemed to be zero) plus 167 basis points. For the three and nine months ended September 30, 2025, contractual interest expense on the subordinated debt amounted to \$315 thousand and \$945 thousand, respectively. For the three and nine months ended September 30, 2024, contractual interest expense on the subordinated debt amounted to \$315 thousand and \$945 thousand, respectively. For the three and nine months ended September 30, 2025, amortization of debt issuance costs was \$40 thousand and \$99 thousand, respectively. For the three and nine months ended September 30, 2024, amortization of debt issuance costs was \$37 thousand and \$100 thousand, respectively. The recorded balance of this debt, net of debt issuance costs, was \$27.8 million and \$27.7 million at September 30, 2025 and December 31, 2024, respectively.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

**NOTE 10. OTHER COMMITMENTS AND CONTINGENCIES**

***Leases***

The Company has leases pertaining to bank premises and vehicles with remaining lease terms of 4 to 15 years, some of which include renewal or termination options to extend the lease. Most of the Company's leases are classified as operating leases. Lease expense for the operating leases is recognized on a straight-line basis over the lease term. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The following table represents the classification of the Company's ROU assets and lease liabilities on the consolidated balance sheets:

| <i>(In thousands)</i>                  |                                        | September 30,<br>2025 | December 31, 2024 |
|----------------------------------------|----------------------------------------|-----------------------|-------------------|
|                                        |                                        |                       |                   |
| <b>Lease right-of-use assets:</b>      |                                        |                       |                   |
| Operating leases                       | Premises and equipment, net            | \$ 5,275              | \$ 6,074          |
| Finance leases                         | Premises and equipment, net            | 450                   | —                 |
| <b>Total lease right-of-use assets</b> |                                        | <b>\$ 5,725</b>       | <b>\$ 6,074</b>   |
| <b>Lease liabilities:</b>              |                                        |                       |                   |
| Operating leases                       | Accrued expenses and other liabilities | \$ 5,396              | \$ 6,119          |
| Finance leases                         | Accrued expenses and other liabilities | 407                   | —                 |
| <b>Total lease liabilities</b>         |                                        | <b>\$ 5,803</b>       | <b>\$ 6,119</b>   |

The Company uses its incremental borrowing rate at lease commencement to calculate the present value of lease payments when the rate implicit in a lease is not known. The Company's incremental borrowing rate is based on the FHLB amortizing advance rate, adjusted for the lease term and other factors. The following table presents the weighted average remaining lease term and the weighted average discount rate:

|                                                         | September 30, 2025 | December 31, 2024 |
|---------------------------------------------------------|--------------------|-------------------|
| <b>Weighted-average remaining lease term (in years)</b> |                    |                   |
| Operating leases                                        | 10.24              | 10.66             |
| Finance leases                                          | 7.83               | -                 |
| <b>Weighted-average discount rate</b>                   |                    |                   |
| Operating leases liabilities                            | 6.47%              | 6.33%             |
| Finance lease liabilities                               | 4.00%              | 0.00%             |

The following table presents the components of lease expense for operating leases:

| <i>(In thousands)</i>           | Three Months Ended September<br>30, |               | Nine Months Ended September<br>30, |               |
|---------------------------------|-------------------------------------|---------------|------------------------------------|---------------|
|                                 |                                     |               |                                    |               |
|                                 | 2025                                | 2024          | 2025                               | 2024          |
| <b>Operating lease expense:</b> |                                     |               |                                    |               |
| Operating lease cost            | \$ 199                              | \$ 204        | \$ 599                             | \$ 611        |
| Variable lease cost             | 6                                   | 3             | 19                                 | 9             |
| <b>Total lease cost, net</b>    | <b>\$ 205</b>                       | <b>\$ 207</b> | <b>\$ 618</b>                      | <b>\$ 620</b> |



**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The following table presents the components of lease expense for finance leases:

| <i>(In thousands)</i>              | <b>Three Months Ended September 30,</b> |             | <b>Nine Months Ended September 30,</b> |             |
|------------------------------------|-----------------------------------------|-------------|----------------------------------------|-------------|
|                                    | <b>2025</b>                             | <b>2024</b> | <b>2025</b>                            | <b>2024</b> |
| <b>Finance lease expense:</b>      |                                         |             |                                        |             |
| Amortization of right-of-use asset | \$ 5                                    | \$ —        | \$ 16                                  | \$ —        |
| Interest on lease liabilities      | 4                                       | —           | 12                                     | —           |
| <b>Total lease cost, net</b>       | <b>\$ 9</b>                             | <b>\$ —</b> | <b>\$ 28</b>                           | <b>\$ —</b> |

Supplemental cash flow information related to leases was as follows:

| <i>(In thousands)</i>                                                          | <b>Three Months Ended September 30,</b> |             | <b>Nine Months Ended September 30,</b> |             |
|--------------------------------------------------------------------------------|-----------------------------------------|-------------|----------------------------------------|-------------|
|                                                                                | <b>2025</b>                             | <b>2024</b> | <b>2025</b>                            | <b>2024</b> |
| <b>Cash paid for amounts included in the measurement of lease liabilities:</b> |                                         |             |                                        |             |
| Operating cash flows from operating leases                                     | \$ 184                                  | \$ 198      | \$ 555                                 | \$ 593      |
| Operating cash flows from finance leases                                       | 9                                       | —           | 28                                     | —           |
| Financing cash flows from finance leases                                       | 4                                       | —           | 12                                     | —           |

Future undiscounted lease payments for operating leases with initial terms of one year or more as of September 30, 2025 are as follows:

| <i>(In thousands)</i>                    | <b>Operating Leases</b> | <b>Finance Leases</b> |
|------------------------------------------|-------------------------|-----------------------|
| 2025                                     | \$ 185                  | \$ 14                 |
| 2026                                     | 752                     | 55                    |
| 2027                                     | 765                     | 57                    |
| 2028                                     | 778                     | 59                    |
| 2029                                     | 765                     | 60                    |
| Thereafter                               | 4,036                   | 231                   |
| <b>Total undiscounted lease payments</b> | <b>\$ 7,281</b>         | <b>\$ 476</b>         |
| Less: imputed interest                   | 1,885                   | 69                    |
| <b>Net lease liabilities</b>             | <b>\$ 5,396</b>         | <b>\$ 407</b>         |

***Employment Agreements***

The Company has entered into employment agreements with certain executives. The agreements generally provide for specified minimum levels of annual compensation and benefits for a certain period of time. In addition, the agreements provide for specified lump sum payments and the continuation of benefits upon certain events of termination, as defined in the agreements.

***Litigation***

The Company is involved in various legal proceedings arising in the normal course of business, none of which is believed by management to have merit. Based on the advice of legal counsel, management believes that these matters are not material to the consolidated financial condition or results of operations of the Company.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

***Financial Instruments with Off-Balance-Sheet Risk***

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the accompanying consolidated balance sheets.

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

Off-balance-sheet financial instruments whose contract amounts represent credit risk include the following:

| <i>(In thousands)</i>                    | <b>September 30, 2025</b> | <b>December 31, 2024</b> |
|------------------------------------------|---------------------------|--------------------------|
| Unadvanced lines of credit               | \$ 297,619                | \$ 314,578               |
| Unadvanced construction loans            | 36,885                    | 32,613                   |
| Residential mortgage loan commitments    | 6,275                     | 8,090                    |
| Commercial and mortgage loan commitments | 67,370                    | 50,845                   |
| Standby letters of credit                | 4,906                     | 4,542                    |
| Total                                    | <u>\$ 413,055</u>         | <u>\$ 410,668</u>        |

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained upon extension of the credit is based on management's credit evaluation of the customer.

Collateral held varies but may include residential real estate, inventory, property, plant and equipment, and income-producing commercial real estate.

Letters-of-credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Substantially all letters-of-credit have expiration dates within one year. The credit risk involved in issuing letters-of-credit is essentially the same as that involved in extending loan facilities to customers. The Company fully collateralized those commitments for which collateral is deemed necessary.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

**NOTE 11. MINIMUM REGULATORY CAPITAL REQUIREMENTS**

The Company is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

The regulations require minimum ratios of total capital, common equity Tier 1 capital and Tier 1 capital to risk-weighted assets and a minimum leverage ratio for all banking organizations as set forth in the following table. Additionally, community banking institutions must maintain a capital conservation buffer of common equity Tier 1 capital in an amount greater than 2.5% of total risk-weighted assets to avoid being subject to limitations on capital distributions and discretionary bonuses. The capital conservation buffer and certain deductions from and adjustments to regulatory capital and risk-weighted assets were phased in over several years. The required minimum conservation buffer was 2.5% on September 30, 2025 and December 31, 2024. The Company's capital conservation buffer was 11.4% and 4.2% at September 30, 2025 and December 31, 2024, respectively.

As of September 30, 2025 and December 31, 2024, the most recent notification from the FDIC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To remain categorized as well capitalized, the Bank must maintain minimum Total Risk-Based Capital, Common Equity Tier 1 Risk-based, Tier 1 Risk-based, and Tier 1 Leverage Ratios as set forth in the following table. There are no conditions or events since the notification that management believes have changed the Bank's category.

The Company's and the Bank's actual capital amounts and ratios as of September 30, 2025 and December 31, 2024 are presented in the following tables:

|                                         | Actual     |       | Minimum Capital Requirement |       | Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions |       |
|-----------------------------------------|------------|-------|-----------------------------|-------|--------------------------------------------------------------------------|-------|
|                                         | Amount     | Ratio | Amount                      | Ratio | Amount                                                                   | Ratio |
| <i>(Dollars in thousands)</i>           |            |       |                             |       |                                                                          |       |
| <b>September 30, 2025</b>               |            |       |                             |       |                                                                          |       |
| <b>Company</b>                          |            |       |                             |       |                                                                          |       |
| Total Risk-Based Capital:               | \$ 426,824 | 19.9% | \$ 171,694                  | 8.0%  | N/A                                                                      | N/A   |
| Common Equity Tier 1 Risk-Based Capital | 373,845    | 17.4% | 96,578                      | 4.5%  | N/A                                                                      | N/A   |
| Tier 1 Risk-Based Capital:              | 373,845    | 17.4% | 128,771                     | 6.0%  | N/A                                                                      | N/A   |
| Tier 1 Leverage Capital:                | 373,845    | 13.1% | 85,847                      | 4.0%  | N/A                                                                      | N/A   |
| <b>Bank</b>                             |            |       |                             |       |                                                                          |       |
| Total Risk-Based Capital:               | \$ 345,772 | 16.1% | \$ 171,353                  | 8.0%  | \$ 214,191                                                               | 10.0% |
| Common Equity Tier 1 Risk-Based Capital | 320,571    | 15.0% | 96,386                      | 4.5%  | 139,224                                                                  | 6.5%  |
| Tier 1 Risk-Based Capital:              | 320,571    | 15.0% | 128,515                     | 6.0%  | 171,353                                                                  | 8.0%  |
| Tier 1 Leverage Capital:                | 320,571    | 11.4% | 85,676                      | 4.0%  | 107,095                                                                  | 5.0%  |

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

|                                         | <b>Actual</b> |              | <b>Minimum Capital Requirement</b> |              | <b>Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions</b> |              |
|-----------------------------------------|---------------|--------------|------------------------------------|--------------|---------------------------------------------------------------------------------|--------------|
| <i>(Dollars in thousands)</i>           | <b>Amount</b> | <b>Ratio</b> | <b>Amount</b>                      | <b>Ratio</b> | <b>Amount</b>                                                                   | <b>Ratio</b> |
| <b>December 31, 2024</b>                |               |              |                                    |              |                                                                                 |              |
| <b>Company</b>                          |               |              |                                    |              |                                                                                 |              |
| Total Risk-Based Capital:               | \$ 253,074    | 12.2%        | \$ 165,460                         | 8.0%         | N/A                                                                             | N/A          |
| Common Equity Tier 1 Risk-Based Capital | 203,333       | 9.8%         | 93,071                             | 4.5%         | N/A                                                                             | N/A          |
| Tier 1 Risk-Based Capital:              | 231,333       | 9.8%         | 124,095                            | 6.0%         | N/A                                                                             | N/A          |
| Tier 1 Leverage Capital:                | 231,333       | 8.7%         | 106,298                            | 4.0%         | N/A                                                                             | N/A          |
| <b>Bank</b>                             |               |              |                                    |              |                                                                                 |              |
| Total Risk-Based Capital:               | \$ 248,301    | 11.9%        | \$ 167,391                         | 8.0%         | \$ 209,238                                                                      | 10.0%        |
| Common Equity Tier 1 Risk-Based Capital | 225,561       | 10.8%        | 94,157                             | 4.5%         | 136,005                                                                         | 6.5%         |
| Tier 1 Risk-Based Capital:              | 225,561       | 10.8%        | 125,543                            | 6.0%         | 167,391                                                                         | 8.0%         |
| Tier 1 Leverage Capital:                | 225,561       | 8.4%         | 108,052                            | 4.0%         | 135,064                                                                         | 5.0%         |

The Bank may not declare or pay a dividend if the total of all dividends declared during the calendar year, including the proposed dividend, exceeds the sum of the Bank's net income during the current calendar year and the retained net income of the prior two calendar years, unless the dividend has been approved by the FDIC and the Massachusetts Division of Banks.

**NOTE 12. ACCUMULATED OTHER COMPREHENSIVE LOSS**

Components of accumulated other comprehensive loss are as follows:

| <i>(In thousands)</i>                                | <b>September 30, 2025</b> | <b>December 31, 2024</b> |
|------------------------------------------------------|---------------------------|--------------------------|
| Net unrealized loss on securities available for sale | \$ (18,116)               | \$ (27,716)              |
| Tax effect                                           | 4,022                     | 6,147                    |
| Net (loss) gain on swaps                             | (401)                     | 175                      |
| Tax effect                                           | 113                       | (49)                     |
| Accumulated other comprehensive loss                 | <u>\$ (14,382)</u>        | <u>\$ (21,443)</u>       |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

**NOTE 13. EMPLOYEE BENEFIT PLANS**

***Director and Executive Retirement Plans***

The Company has adopted retirement benefit plans for the benefit of all members of the Board of Trustees of the Company and certain senior executives. Benefits are being accrued over the directors' and executives' required service periods. At September 30, 2025 and December 31, 2024, the Company has accrued \$8.7 million and \$7.6 million, respectively, related to these plans. For the three and nine months ended September 30, 2025, expenses related to these plans amounted to \$214 thousand and \$1.0 million, respectively. For the three and nine months ended September 30, 2024, expenses related to these plans amounted to \$129 thousand and \$243 thousand, respectively.

***Employee Stock Ownership Plan***

As part of the Initial Public Offering ("IPO") completed on July 31, 2025, the Bank established a tax-qualified Employee Stock Ownership Plan ("ESOP") to provide eligible employees the opportunity to own Company shares. The ESOP borrowed \$16.1 million from the Company to purchase 1,606,100 common shares in the IPO. The loan is payable in annual installments over 20 years. As the loan is repaid to the Company, shares are released and allocated proportionally to eligible participants on the basis of each participant's proportional share of compensation relative to the compensation of all participants. The unallocated ESOP shares are pledged as collateral on the loan.

The Company accounts for its ESOP in accordance with *FASB ASC 718-40, Compensation – Stock Compensation*. Under this guidance, unreleased shares are deducted from shareholders' equity as unearned ESOP shares in the accompanying consolidated balance sheets.

The Company recognizes compensation expense equal to the fair value of the ESOP shares during the periods in which they are committed to be released. To the extent that the fair value of the Company's ESOP shares differs from the cost of such shares, the difference will be credited or debited to shareholders' equity. As the loan is internally leveraged, the loan receivable from the ESOP to the Company is not reported as an asset nor is the debt of the ESOP shown as a liability on the Company's consolidated balance sheets.

For both the three and nine months ended September 30, 2025, the Company recognized \$637 thousand of compensation expense related to the ESOP. The following table presents share information held by the ESOP:

| <i>(Dollars in thousands)</i>    | <b>September 30, 2025</b> | <b>December 31, 2024</b> |
|----------------------------------|---------------------------|--------------------------|
| Allocated shares                 | —                         | —                        |
| Shares committed to be released  | 60,229                    | —                        |
| Unallocated shares               | 1,545,871                 | —                        |
| Total shares                     | 1,606,100                 | —                        |
| Fair value of unallocated shares | \$ 23,095                 | \$ —                     |

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

**NOTE 14. FAIR VALUE MEASUREMENTS**

The Company determines the fair value of its instruments based on the requirements established in the Accounting Standards Codification Topic 820: Fair Value Measurements (“ASC 820”), which provides a framework for measuring fair value under U.S. GAAP and requires an entity to maximize the use of observable inputs when measuring fair value. ASC 820 defines fair value as the exit price, the price that would be received for an asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date under current market conditions. However, in many instances, there are no quoted market prices for the Company’s various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

ASC 820 establishes a hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The Company groups assets and liabilities which are recorded at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. The fair value hierarchy is as follows:

**Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

**Level 2** – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liability. An adjustment to a Level 2 input that is significant to the fair value measurement in its entirety might render the measurement into a Level 3 measurement, depending on the level in the fair value hierarchy within which the inputs used to determine the adjustment fall.

**Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Level 3 assets or liabilities include financial instruments whose value is determined using unobservable inputs to pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following methods and assumptions are used by the Company in estimating its fair value measurements:

Securities – Securities represent securities available for sale. Fair value measurements are obtained from a third-party pricing service and are not adjusted by management. The securities measured at fair value in Level 2 are based on pricing models that consider standard observable input factors such as benchmark yields, interest rate volatilities, broker/dealer quotes, credit spreads and new issue data for debt securities.

MSRs – The Company accounts for MSRs at fair value using the amortized method. The Company obtains loan level valuations from independent third parties to determine the fair value of servicing rights. The Company classifies MSRs as recurring Level 2.

Interest rate swaps – The fair value of derivative arrangements is estimated by the Company using a third-party derivative valuation expert who relies on Level 2 inputs, namely interest cash flow models to determine a fair value by calculating a settlement termination value with the counterparty.

Individually analyzed loans - Certain individually analyzed loans were adjusted to the fair value, less costs to sell, of the underlying collateral securing these loans resulting in losses. The loss is not recorded directly as an adjustment to current earnings, but rather as a component in determining the ACL. Fair value was measured using appraised

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

values of collateral and adjusted as necessary by management based on unobservable Level 3 inputs for specific properties. The ACL calculated for the collateral-based individually analyzed loans outstanding at September 30, 2025 and December 31, 2024 was \$3.7 million and \$1.1 million, respectively.

*Loans held for sale* – Loans held for sale are carried at the lower of cost or fair value, which is evaluated on a pool-level basis. The fair value of loans held for sale is determined using quoted prices for similar assets, adjusted for specific attributes of that loan or other observable market data. Management has estimated fair values of loans held for sale using Level 2 inputs.

***Assets and Liabilities Measured at Fair Value on a Recurring Basis***

Assets and liabilities measured at fair value on a recurring basis are summarized below:

|                     | September 30, 2025 |            |         |                  |
|---------------------|--------------------|------------|---------|------------------|
| (In thousands)      | Level 1            | Level 2    | Level 3 | Total Fair Value |
| Assets              |                    |            |         |                  |
| Securities          |                    |            |         |                  |
| Debt securities     | \$ —               | \$ 269,308 | \$ —    | \$ 269,308       |
| MSRs                | —                  | 3,149      | —       | 3,149            |
| Interest rate swaps | —                  | 6,146      | —       | 6,146            |
| Total assets        | \$ —               | \$ 278,603 | \$ —    | \$ 278,603       |
| Liabilities         |                    |            |         |                  |
| Interest rate swaps | \$ —               | \$ 6,547   | \$ —    | \$ 6,547         |
| Total liabilities   | \$ —               | \$ 6,547   | \$ —    | \$ 6,547         |
|                     | December 31, 2024  |            |         |                  |
| (In thousands)      | Level 1            | Level 2    | Level 3 | Total Fair Value |
| Assets              |                    |            |         |                  |
| Securities          |                    |            |         |                  |
| Debt securities     | \$ —               | \$ 265,933 | \$ —    | \$ 265,933       |
| MSRs                | —                  | 3,488      | —       | 3,488            |
| Interest rate swaps | —                  | 7,667      | —       | 7,667            |
| Total assets        | \$ —               | \$ 277,088 | \$ —    | \$ 277,088       |
| Liabilities         |                    |            |         |                  |
| Interest rate swaps | \$ —               | \$ 7,492   | \$ —    | \$ 7,492         |
| Total liabilities   | \$ —               | \$ 7,492   | \$ —    | \$ 7,492         |

***Assets Measured at Fair Value on a Non-recurring Basis***

The Company may also be required, from time to time, to measure certain other assets at fair value on a nonrecurring basis in accordance with U.S. GAAP. These adjustments to fair value usually result from application of lower-of-cost-or-market accounting or write-downs of individual assets. There are no liabilities measured at fair value on a non-recurring basis at September 30, 2025 or December 31, 2024.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The following table summarizes the fair value hierarchy used to determine each adjustment and the carrying value of the related individual assets:

| (In thousands)              | September 30, 2025 |                 |                 | Total Fair Value |
|-----------------------------|--------------------|-----------------|-----------------|------------------|
|                             | Level 1            | Level 2         | Level 3         |                  |
| <b>Assets</b>               |                    |                 |                 |                  |
| Individually analyzed loans | \$ —               | \$ —            | \$ 7,077        | \$ 7,077         |
| Loans held for sale         | —                  | 1,745           | —               | 1,745            |
| Total                       | <u>\$ —</u>        | <u>\$ 1,745</u> | <u>\$ 7,077</u> | <u>\$ 8,822</u>  |
|                             |                    |                 |                 |                  |
| (In thousands)              | December 31, 2024  |                 |                 | Total Fair Value |
|                             | Level 1            | Level 2         | Level 3         |                  |
| <b>Assets</b>               |                    |                 |                 |                  |
| Individually analyzed loans | \$ —               | \$ —            | \$ 375          | \$ 375           |
| Loans held for sale         | —                  | 850             | —               | 850              |
| Total                       | <u>\$ —</u>        | <u>\$ 850</u>   | <u>\$ 375</u>   | <u>\$ 1,225</u>  |

There were no transfers between levels during the nine months ended September 30, 2025.

***Fair Value of Financial Instruments***

FASB ASC Topic 825, “Financial Instruments”, requires disclosures of fair value information about financial instruments, whether or not recognized in the balance sheet, if the fair values can be reasonably determined. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company’s various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques using observable inputs when available. Those techniques are significantly affected but the assumptions used, including discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. Topic 825 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.



**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The carrying amounts and estimated fair values of the Company's consolidated financial instruments as of the balance sheet dates were as follows:

| <b>September 30, 2025</b>                    |                            |                       |                |                |                |  |
|----------------------------------------------|----------------------------|-----------------------|----------------|----------------|----------------|--|
| <i>(In thousands)</i>                        | <b>Carrying<br/>Amount</b> | <b>Fair<br/>Value</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |  |
| <b>Financial assets:</b>                     |                            |                       |                |                |                |  |
| Cash and due from banks                      | \$ 111,868                 | \$ 111,868            | \$ 111,868     | \$ —           | \$ —           |  |
| Securities available for sale                | 269,308                    | 269,308               | —              | 269,308        | —              |  |
| Securities held to maturity                  | 15,747                     | 15,197                | —              | 15,197         | —              |  |
| Federal Home Loan Bank stock                 | 11,731                     | 11,731                | —              | 11,731         | —              |  |
| Loans, net                                   | 2,250,463                  | 2,117,806             | —              | —              | 2,117,806      |  |
| Loans held for sale                          | 1,745                      | 1,745                 | —              | 1,745          | —              |  |
| Accrued interest receivable                  | 8,141                      | 8,141                 | —              | 8,141          | —              |  |
| Bank-owned life insurance                    | 36,375                     | 36,375                | —              | 36,375         | —              |  |
| MSRs                                         | 3,149                      | 3,149                 | —              | 3,149          | —              |  |
| <b>Financial liabilities:</b>                |                            |                       |                |                |                |  |
| Deposits, other than certificates of deposit | 1,742,358                  | 1,742,358             | —              | 1,742,358      | —              |  |
| Certificates of deposit                      | 333,510                    | 332,762               | —              | 332,762        | —              |  |
| Federal Home Loan Bank advances              | 260,000                    | 260,769               | —              | 260,769        | —              |  |
| Subordinated debt                            | 27,778                     | 26,906                | —              | 26,906         | —              |  |
| Accrued interest payable                     | 1,534                      | 1,534                 | —              | 1,534          | —              |  |
| <b>December 31, 2024</b>                     |                            |                       |                |                |                |  |
| <i>(In thousands)</i>                        | <b>Carrying<br/>Amount</b> | <b>Fair<br/>Value</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |  |
| <b>Financial assets:</b>                     |                            |                       |                |                |                |  |
| Cash and due from banks                      | \$ 62,444                  | \$ 62,444             | \$ 62,444      | \$ —           | \$ —           |  |
| Securities available for sale                | 265,933                    | 265,933               | —              | 265,933        | —              |  |
| Securities held to maturity                  | 16,747                     | 16,630                | —              | 16,630         | —              |  |
| Federal Home Loan Bank stock                 | 14,729                     | 14,729                | —              | 14,729         | —              |  |
| Loans, net                                   | 2,176,459                  | 2,002,458             | —              | —              | 2,002,458      |  |
| Loans held for sale                          | 850                        | 850                   | —              | 850            | —              |  |
| Accrued interest receivable                  | 8,897                      | 8,897                 | —              | 8,897          | —              |  |
| Bank-owned life insurance                    | 35,526                     | 35,526                | —              | 35,526         | —              |  |
| MSRs                                         | 3,488                      | 3,488                 | —              | 3,488          | —              |  |
| <b>Financial liabilities:</b>                |                            |                       |                |                |                |  |
| Deposits, other than certificates of deposit | 1,672,652                  | 1,672,652             | —              | 1,672,652      | —              |  |
| Certificates of deposit                      | 390,560                    | 389,633               | —              | 389,633        | —              |  |
| Federal Home Loan Bank advances              | 325,000                    | 325,527               | —              | 325,527        | —              |  |
| Subordinated debt                            | 27,679                     | 30,797                | —              | 30,797         | —              |  |
| Accrued interest payable                     | 1,697                      | 1,697                 | —              | 1,697          | —              |  |

**Avidia Bancorp, Inc.**

**Notes to Consolidated Financial Statements (continued)**

The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and cash equivalents – The carrying amount of these items is a reasonable estimate of their fair value. Cash and cash equivalents are reported in the Level 1 fair value category.

Securities available for sale and held to maturity – Securities are primarily priced using model pricing based on the securities' relationship to other benchmark quoted prices as provided by an independent third-party and are considered a Level 2 input method.

Federal Home Loan Bank Stock – The fair value is based upon the par value of the stock that equates to its carrying value and are reported in the Level 2 fair value category.

Loans – Fair value for these instruments is calculated using FASB's exit pricing guidelines and are considered Level 3.

Accrued interest receivable – The carrying amount approximates fair value for these instruments and are reported in the Level 2 category.

Bank-owned life insurance (BOLI) – BOLI is carried at net cash surrender value of the policies which approximates fair value since that is the approximate liquidation value of these assets. BOLI is reported in the Level 2 fair value category.

Deposits – The fair value of deposits with no stated maturity date, such as noninterest-bearing demand deposits, savings, NOW, and money market accounts, is based on the carrying value. The fair value of certificates of deposit is based upon the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar maturities. Deposits are reported in the Level 2 fair value category.

Federal Home Loan Bank advances – Fair value is estimated based on discounted cash flows using current market rates for borrowings with similar terms and are considered Level 2.

Subordinated debt - Fair value is estimated based on discounted cash flows using current market rates for borrowings with similar terms and are considered Level 2.

Accrued interest payable – The carrying amount approximates fair value for these instruments and are reported in the Level 2 category.

**Avidia Bancorp, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

**NOTE 15. EARNINGS PER SHARE**

Basic earnings per share ("EPS") represents net income available to common shareholders divided by the weighted-average number of common shares outstanding during the year. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common shares (such as stock options) were exercised or converted into additional common shares that would then share in the earnings of the entity. Diluted EPS is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the year, plus the effect of potential dilutive common share equivalents computed using the treasury stock method. There were no securities that had a dilutive effect during the three and nine months ended September 30, 2025, and therefore the weighted-average common shares outstanding used to calculate both basic and diluted EPS are the same. Unallocated ESOP shares are not deemed outstanding for earnings per share calculations. Earnings per share data is not applicable for the three and nine months ended September 30, 2024 as the Company had no shares outstanding.

| <i>(Dollars in thousands, except per share data)</i>          | <b>Three Months Ended<br/>September 30, 2025</b> | <b>Nine Months Ended<br/>September 30, 2025</b> |
|---------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| <b>Net loss</b>                                               | <b>\$ (907)</b>                                  | <b>\$ (8,622)</b>                               |
| Average number of common shares outstanding                   | 20,076,250                                       | 20,076,250                                      |
| Less: average unallocated ESOP shares                         | 1,555,801                                        | 1,555,801                                       |
| <b>Average number of basic and diluted shares outstanding</b> | <b>18,520,449</b>                                | <b>18,520,449</b>                               |
| <b>Loss per common share:</b>                                 |                                                  |                                                 |
| Basic                                                         | \$ (0.05)                                        | \$ (0.47)                                       |
| Diluted                                                       | \$ (0.05)                                        | \$ (0.47)                                       |

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **General**

Management's discussion and analysis is intended to enhance your understanding of our financial condition and results of operations. The financial information in this section is derived from the accompanying consolidated financial statements and related notes. You should read the financial information in this section in conjunction with the business and financial information contained in this report and in the Company's definitive prospectus dated May 13, 2025, as filed with the Securities and Exchange Commission on May 21, 2025.

### **Cautionary Note Regarding Forward-Looking Statements**

This report contains forward-looking statements, which can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "assume," "plan," "seek," "expect," "will," "may," "should," "indicate," "would," "believe," "contemplate," "continue," "target" and words of similar meaning. These forward-looking statements include, but are not limited to:

- statements of our goals, intentions and expectations;
- statements regarding our business plans, prospects, growth and operating strategies;
- statements regarding the quality of our loan portfolio; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are based on our current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- general economic conditions, either nationally or in our market areas, that are worse than expected including as a result of employment levels and labor shortages, and the effects of inflation, a potential recession or slowed economic growth caused by supply chain disruptions or otherwise;
- inflation and changes in the interest rate environment that reduce our margins and yields, our mortgage banking revenues, the fair value of financial instruments, including our mortgage servicing rights asset, or our level of loan originations, or increases in the level of defaults, losses and prepayments on loans we have made and make;
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses;
- changes in liquidity, including the size and composition of our deposit portfolio, including the percentage of uninsured deposits in the portfolio;
- our ability to access cost-effective funding;
- fluctuations in real estate values and both residential and commercial real estate market conditions;
- demand for loans and deposits in our market area;
- our ability to implement and change our business strategies;
- competition among depository and other financial institutions;
- adverse changes in the securities or secondary mortgage markets;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees, capital requirements and insurance premiums;
- changes in the quality or composition of our loan or investment portfolios;
- technological changes that may be more difficult or expensive than expected;
- the inability of third-party providers to perform as expected;

- losses suffered by merchants or Independent Sales Organizations (ISOs) with whom we do business in connection with our payments processing activities;
- our ability to effectively manage risks related to our payments processing activities;
- a failure or breach of our operational or security systems or infrastructure, including cyberattacks;
- our ability to manage market risk, credit risk and operational risk;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- changes in consumer spending, borrowing and savings habits;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the SEC or the Public Company Accounting Oversight Board;
- our ability to attract and retain key employees; and
- changes in the financial condition, results of operations or future prospects of issuers of securities that we own.

Because of these and a wide variety of other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements. Except as required by applicable law or regulation, the Company assumes no obligation and disclaims any obligation to update any forward-looking statements.

### **Critical Accounting Policies and Use of Critical Accounting Estimates**

The discussion and analysis of the financial condition and results of operations are based on our consolidated financial statements, which are prepared to conform with U.S. GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of income and expenses. We consider the accounting policy discussed below to be our critical accounting policy. The estimates and assumptions that we use are based on historical experience and various other factors and are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions, resulting in a change that could have a material impact on the carrying value of our assets and liabilities and our results of operations.

The Jumpstart Our Business Startups Act of 2012 contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an “emerging growth company” we may delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. We have elected to take advantage of the benefits of this extended transition period. Accordingly, our consolidated financial statements may not be comparable to companies that comply with such new or revised accounting standards.

We consider the following accounting policies to be our critical accounting policies:

***Allowance for Credit Losses.*** The allowance for credit losses (“ACL”) is a valuation account that is deducted from the loans’ amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off. Management evaluates the appropriateness of the ACL on loans quarterly. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant change from period to period.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. A reversion methodology is applied beyond the reasonable and supportable forecasts. Qualitative adjustments are then considered for differences in current loan-specific risk characteristics, such as differences in underwriting standards, portfolio mix, delinquency level, or term as well as for changes in environmental conditions, such as changes in unemployment rates, property values, or other relevant factors, that may include, but are not limited to, results of internal loan reviews, examinations by bank regulatory agencies, or other such events such as a natural disaster. The ACL on loans represents our estimated risk of loss within its loan portfolio as of the reporting date. To appropriately measure expected credit losses, management disaggregates the loan portfolio into pools of similar risk characteristics.

Management may also adjust its assumptions to account for differences between expected and actual losses from period-to-period. The variability of management’s assumptions could alter the ACL on loans materially and impact future results of

operations and financial condition. The loss estimation models and methods used to determine the ACL are continually refined and enhanced.

**Off-Balance Sheet Credit Exposures.** In the ordinary course of business, we enter into commitments to extend credit, including commercial letters of credit and standby letters of credit. Such financial instruments are recorded as loans when they are funded. We estimate expected credit losses over the contractual period in which we are exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by us. The ACL on off-balance sheet credit exposures is adjusted through credit loss expense. To appropriately measure expected credit losses, management disaggregates the off-balance sheet credit exposures into similar risk characteristics, identical to those determined for the loan portfolio. An estimated funding rate is then applied to the qualifying unfunded loan commitments and letters of credit using historical information or industry benchmarks provided by a reputable and independent source, to estimate the expected funded amount for each loan segment as of the reporting date. Once the expected funded amount for each loan segment is determined, the loss rate, which is the calculated expected loan loss as a percent of the amortized cost basis for each loan segment, is applied to calculate the ACL on off-balance sheet credit exposures as of the reporting date.

**Securities Valuation and Allowance for Credit Loss.** Debt securities that management has the positive intent and ability to hold to maturity are classified as “held to maturity” and recorded at amortized cost. Debt securities not classified as held to maturity are classified as “available for sale” and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income (loss), net of tax. For available for sale debt securities in an unrealized loss position, we first assesses whether we intend to sell, or it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security’s amortized cost basis is written down to fair value through income. For available for sale debt securities that do not meet the aforementioned criteria, we evaluate whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an ACL is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an ACL is recognized in other comprehensive income.

Changes in the ACL are recorded as credit loss expense (or reversal). Losses are charged against the allowance when management believes the uncollectibility of an available for sale debt security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Management measures expected credit losses on held to maturity debt securities on an individual basis by major security types that share similar risk characteristics, which may include, but is not limited to, credit ratings, financial asset type, collateral type, size, effective interest rate, term, geographical location, industry, and vintage. Management classifies the held to maturity portfolio into the following major security types: subordinated debt and corporate bonds. We invest in subordinated debt issued only by financial institutions.

The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. Given the rarity of subordinated debt and corporate bond defaults and losses, we utilize external third-party financial analysis models as the sole source of default and loss rates. Management may exercise discretion to make adjustments based on various qualitative factors. Changes in the ACL are recorded as credit loss expense (or reversal). A held to maturity debt security is written-off in the period in which a determination is made that all or a portion of the financial asset is uncollectible. Any previously recorded allowance, if any, is reversed and then the amortized cost basis is written down to the amount deemed to be collectible, if any.

**Income Taxes.** We use the asset and liability (or balance sheet) method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion of the deferred tax asset will not be realized. We exercise significant judgment in evaluating the amount and timing of recognition of the resulting tax liabilities and assets. These judgments may require us to make projections of future taxable income and/or to carryback to taxable income in prior years. The judgments and estimates we make in determining our deferred tax assets, which are inherently subjective, are reviewed on a continual basis

as regulatory and business factors change. Any reduction in estimated future taxable income may require us to record a valuation allowance against our deferred tax assets.

**Goodwill.** Goodwill is recognized when the fair value of consideration transferred in an acquisition is greater than the fair value of assets acquired and liabilities assumed. Goodwill has an indefinite useful life and is evaluated on at least an annual basis for potential impairment, and more often if circumstances warrant more frequent evaluations. An impairment loss is recognized to the extent that the carrying value exceeds fair value. Significant judgment and assumptions are utilized by management in the impairment analysis. Avidia Bank was created by a merger between Hudson Savings Bank and The Westborough Savings Bank in 2007. Goodwill of \$11.9 million resulting from the merger is not amortized but is evaluated for impairment on an annual basis. Impairment of goodwill is recognized in earnings. As of September 30, 2025, no impairment has been recognized.

**Mortgage Servicing Rights.** Servicing rights are recognized as separate assets when rights are acquired through sale of financial assets and recorded at fair value. Fair value is determined using prices for similar assets with similar characteristics, when available, or based upon discounted cash flows using market-based assumptions. Changes in fair value are reported in mortgage banking income.

#### **Comparison of Financial Condition at September 30, 2025 and December 31, 2024**

**Total Assets.** Total assets increased \$130.5 million, or 4.9%, to \$2.79 billion at September 30, 2025 from \$2.66 billion at December 31, 2024. The increase was primarily the result of increases in cash and cash equivalents and net loans.

**Cash and Cash Equivalents.** Cash and short-term investments increased \$49.4 million, or 79.1%, to \$111.9 million at September 30, 2025 from \$62.4 million at December 31, 2024. The increase was primarily related to the funds received from the IPO subscription offering.

**Securities Available for Sale.** Securities available for sale increased \$3.4 million, or 1.3%, to \$269.3 million at September 30, 2025 from \$265.9 million at December 31, 2024. The increase was primarily due to purchases of \$44.1 million and unrealized losses decreasing \$9.6 million, offset by principal paydowns of \$22.9 million, maturities and calls of \$18.7 million, and sales of \$8.9 million.

**Federal Home Loan Bank Stock.** Federal Home Loan Bank stock decreased \$3.0 million, or 20.4%, to \$11.7 million at September 30, 2025 from \$14.7 million at December 31, 2024. The amount of stock we are required to own is in proportion to our Federal Home Loan Bank borrowings and our total assets.

**Net Loans.** Net loans increased \$74.0 million, or 3.4%, to \$2.25 billion at September 30, 2025 from \$2.18 billion at December 31, 2024. Loan growth from December 31, 2024 to September 30, 2025 related to increases in commercial real estate loans of \$42.2 million, or 8.7%, multi-family real estate loans of \$14.7 million, or 17.6%, one to four family residential mortgage loans of \$10.1 million, or 2.0%, home equity and second mortgages of \$9.7 million, or 14.6%, and condo loans of \$3.3 million, or 0.7%.

This loan growth was partially offset by a decrease from December 31, 2024 to September 30, 2025 of \$4.7 million, or 0.9%, in commercial and industrial loans.

The growth in loans reflects our strategy to grow the balance sheet by continuing to diversify into higher-yielding loans to improve net margins and manage interest rate risk.

**Bank-owned Life Insurance.** We invest in bank-owned life insurance to help offset the costs of our employee benefit plan obligations. Bank-owned life insurance also generally provides noninterest income that is non-taxable. Bank-owned life insurance increased \$849 thousand, or 2.4%, to \$36.4 million at September 30, 2025 from \$35.5 million at December 31, 2024. The increase was primarily due to an increase in the cash surrender value of existing policies.

**Deposits.** Deposits increased \$12.7 million, or 0.6%, to \$2.08 billion at September 30, 2025 from \$2.06 billion at December 31, 2024. Core deposits (which we define as all deposits, other than certificates of deposit and brokered deposits) increased \$69.7 million, or 4.2%, to \$1.74 billion at September 30, 2025 from \$1.67 billion at December 31, 2024. The increase was primarily related to growth in most core deposits categories during the period with a \$30.2 million, or 7.9%, increase in regular and other savings accounts, a \$27.2 million, or 10.8%, increase in money market accounts, a \$24.5 million, or 3.6%, increase in interest-bearing checking accounts, offset by a \$12.2 million, or 3.4%, decrease in non-interest bearing checking. Certificates of deposit (excluding brokered certificates of deposit) decreased \$42.1 million, or 11.6%, to \$321.5 million at September 30, 2025 from \$363.6 million at December 31, 2024. Brokered deposits decreased \$15.0 million to \$12.0 million at September 30, 2025 from \$27.0 million from December 31, 2024.

**Federal Home Loan Bank Advances.** Advances decreased \$65.0 million, or 20.0%, to \$260.0 million at September 30, 2025 from \$325.0 million at December 31, 2024 due to repayment of advances.

**Total Shareholders' Equity.** Total shareholders' equity increased \$178.2 million, or 91.9%, to \$372.0 million at September 30, 2025 from \$193.8 million at December 31, 2024. This increase was primarily attributable to the capital raised during the Company's IPO, which was completed on July 31, 2025. The Company's IPO increased total shareholders' equity by \$195.2 million, including \$186.2 million in net offering proceeds and \$9.0 million from the donation of 900 thousand shares of common stock to the Avidia Bank Charitable Foundation. Also contributing to the increase was a decrease in accumulated other comprehensive loss of \$7.1 million and ESOP expense of \$637 thousand, offset by \$16.1 million from the purchase of common shares by the ESOP and the net loss of \$8.6 million for the nine months ended September 30, 2025. The decrease in accumulated other comprehensive loss was primarily due to the impact of the lower market interest rate environment on our unrealized loss on securities available for sale and interest rate swaps.



**Average Balances and Yields.** The following table sets forth average balance sheets, average yields and costs, and certain other information for the periods indicated. Yields on tax-exempt securities have not been computed on a tax-equivalent basis, as the effects are immaterial. Average balances are calculated using daily average balances. Non-accrual loans are included in average balances only. Average yields include the effect of deferred fees, discounts, and premiums that are amortized or accreted to interest income or interest expense. Deferred loan fees are immaterial. Loan balances include loans held for sale.

|                                                                 | For the Three Months Ended September 30, |           |                       |                                   |           |                       |
|-----------------------------------------------------------------|------------------------------------------|-----------|-----------------------|-----------------------------------|-----------|-----------------------|
|                                                                 | 2025                                     |           |                       | 2024                              |           |                       |
|                                                                 | Average<br>Outstanding<br>Balance        | Interest  | Average<br>Yield/Rate | Average<br>Outstanding<br>Balance | Interest  | Average<br>Yield/Rate |
| <i>(Dollars in thousands)</i>                                   |                                          |           |                       |                                   |           |                       |
| <b>Interest-earning assets:</b>                                 |                                          |           |                       |                                   |           |                       |
| Cash and short-term investments                                 | \$ 150,428                               | \$ 1,588  | 4.19%                 | \$ 42,118                         | \$ 415    | 3.92%                 |
| Securities                                                      | 292,031                                  | 2,567     | 3.49                  | 306,177                           | 2,672     | 3.47                  |
| Loans                                                           | 2,264,095                                | 29,727    | 5.21                  | 2,202,174                         | 28,439    | 5.14                  |
| Total interest-earning assets                                   | 2,706,554                                | 33,882    | 4.97                  | 2,550,469                         | 31,526    | 4.92                  |
| Noninterest-earning assets                                      | 116,574                                  |           |                       | 111,525                           |           |                       |
| Total assets                                                    | \$ 2,823,128                             |           |                       | \$ 2,661,994                      |           |                       |
| <b>Interest-bearing liabilities:</b>                            |                                          |           |                       |                                   |           |                       |
| NOW accounts                                                    | \$ 704,708                               | 833       | 0.47%                 | \$ 595,184                        | 815       | 0.54%                 |
| Money market accounts                                           | 274,203                                  | 918       | 1.33                  | 284,767                           | 1,056     | 1.47                  |
| Regular and other savings accounts                              | 411,941                                  | 2,407     | 2.32                  | 355,220                           | 2,387     | 2.67                  |
| Certificates of deposit                                         | 334,638                                  | 3,110     | 3.69                  | 390,588                           | 4,474     | 4.56                  |
| Total interest-bearing deposits                                 | 1,725,490                                | 7,268     | 1.67                  | 1,625,759                         | 8,732     | 2.14                  |
| Federal Home Loan Bank advances                                 | 258,782                                  | 2,827     | 4.33                  | 367,161                           | 4,196     | 4.55                  |
| Subordinated debt                                               | 27,753                                   | 355       | 5.07                  | 27,617                            | 315       | 4.54                  |
| Total interest-bearing liabilities                              | 2,012,025                                | 10,450    | 2.06                  | 2,020,537                         | 13,243    | 2.61                  |
| Noninterest-bearing demand deposits                             | 458,900                                  |           |                       | 404,466                           |           |                       |
| Other noninterest-bearing liabilities                           | 34,777                                   |           |                       | 38,281                            |           |                       |
| Total liabilities                                               | 2,505,702                                |           |                       | 2,463,284                         |           |                       |
| Total capital                                                   | 317,426                                  |           |                       | 198,710                           |           |                       |
| Total liabilities and capital                                   | \$ 2,823,128                             |           |                       | \$ 2,661,994                      |           |                       |
| Net interest income                                             |                                          | \$ 23,432 |                       |                                   | \$ 18,283 |                       |
| Net interest rate spread <sup>(1)</sup>                         |                                          |           | 2.91%                 |                                   |           | 2.31%                 |
| Net interest-earning assets <sup>(2)</sup>                      | \$ 694,529                               |           |                       | \$ 529,932                        |           |                       |
| Net interest margin <sup>(3)</sup>                              |                                          |           | 3.43%                 |                                   |           | 2.84%                 |
| Average interest-earning assets to interest-bearing liabilities |                                          |           | 134.52%               |                                   |           | 126.75%               |

(1) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.

(2) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by average total interest-earning assets.

|                                                                 | For the Nine Months Ended September 30, |           |                       |                                   |           |                       |
|-----------------------------------------------------------------|-----------------------------------------|-----------|-----------------------|-----------------------------------|-----------|-----------------------|
|                                                                 | 2025                                    |           |                       | 2024                              |           |                       |
|                                                                 | Average<br>Outstanding<br>Balance       | Interest  | Average<br>Yield/Rate | Average<br>Outstanding<br>Balance | Interest  | Average<br>Yield/Rate |
| <i>(Dollars in thousands)</i>                                   |                                         |           |                       |                                   |           |                       |
| <b>Interest-earning assets:</b>                                 |                                         |           |                       |                                   |           |                       |
| Cash and short-term investments                                 | \$ 85,378                               | \$ 2,224  | 3.48%                 | \$ 45,415                         | \$ 1,453  | 4.27%                 |
| Securities                                                      | 297,462                                 | 7,774     | 3.49                  | 298,782                           | 7,625     | 3.41                  |
| Loans                                                           | 2,236,493                               | 86,791    | 5.19                  | 2,185,343                         | 83,189    | 5.08                  |
| Total interest-earning assets                                   | 2,619,333                               | 96,789    | 4.94                  | 2,529,540                         | 92,267    | 4.87                  |
| Noninterest-earning assets                                      | 116,637                                 |           |                       | 101,091                           |           |                       |
| Total assets                                                    | \$ 2,735,970                            |           |                       | \$ 2,630,631                      |           |                       |
| <b>Interest-bearing liabilities:</b>                            |                                         |           |                       |                                   |           |                       |
| NOW accounts                                                    | \$ 697,445                              | 2,241     | 0.43                  | \$ 598,451                        | 2,309     | 0.52%                 |
| Money market accounts                                           | 270,213                                 | 2,608     | 1.29                  | 298,584                           | 3,328     | 1.49                  |
| Regular and other savings accounts                              | 398,830                                 | 6,783     | 2.27                  | 328,691                           | 6,208     | 2.52                  |
| Certificates of deposit                                         | 356,341                                 | 10,609    | 3.98                  | 379,694                           | 12,759    | 4.49                  |
| Total interest-bearing deposits                                 | 1,722,829                               | 22,241    | 1.73                  | 1,605,420                         | 24,604    | 2.05                  |
| Federal Home Loan Bank advances                                 | 310,654                                 | 10,267    | 4.42                  | 370,902                           | 12,540    | 4.52                  |
| Subordinated debt                                               | 27,844                                  | 1,021     | 4.90                  | 27,586                            | 945       | 4.58                  |
| Total interest-bearing liabilities                              | 2,061,327                               | 33,529    | 2.17                  | 2,003,908                         | 38,089    | 2.54                  |
| Noninterest-bearing demand deposits                             | 403,764                                 |           |                       | 395,920                           |           |                       |
| Other noninterest-bearing liabilities                           | 37,683                                  |           |                       | 41,184                            |           |                       |
| Total liabilities                                               | 2,502,774                               |           |                       | 2,441,012                         |           |                       |
| Total capital                                                   | 233,196                                 |           |                       | 189,619                           |           |                       |
| Total liabilities and capital                                   | \$ 2,735,970                            |           |                       | \$ 2,630,631                      |           |                       |
| Net interest income                                             |                                         | \$ 63,260 |                       |                                   | \$ 54,178 |                       |
| Net interest rate spread <sup>(1)</sup>                         |                                         |           | 2.77%                 |                                   |           | 2.33%                 |
| Net interest-earning assets <sup>(2)</sup>                      | \$ 558,006                              |           |                       | \$ 525,632                        |           |                       |
| Net interest margin <sup>(3)</sup>                              |                                         |           | 3.23%                 |                                   |           | 2.86%                 |
| Average interest-earning assets to interest-bearing liabilities |                                         |           | 127.07%               |                                   |           | 126.23%               |

(1) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.

(2) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by average total interest-earning assets.

### Comparison of Operating Results for the Three and Nine Months Ended September 30, 2025 and 2024

**Net Loss/Income.** The net loss for the three months ended September 30, 2025 was \$907 thousand, or (\$0.05) per share, compared to net income of \$2.1 million for the three months ended September 30, 2024, a decrease of \$3.0 million. The decrease was primarily due to a \$10.5 million increase in non-interest expense, partially offset by a \$5.1 million increase in net interest income, a \$615 thousand decrease in credit loss expense, and a \$1.7 million decrease in income tax expense. Non-interest expense included a \$10.0 million, one-time donation, of 900 thousand shares of common stock at a total market value of \$9.0 million and a \$1.0 million cash contribution to the Avidia Bank Charitable Foundation.

The net loss for the nine months ended September 30, 2025 was \$8.6 million, or (\$0.47) per share, compared to net income of \$8.0 million for the nine months ended September 30, 2024, a decrease of \$16.6 million. The decrease was primarily due to a \$15.0 million increase in non-interest expense, a \$17.8 million increase in the credit loss expense, a \$358 thousand decrease in non-interest income, partially offset by a \$9.1 million increase in net interest income and a \$7.4 million decrease in income tax expense. Non-interest expense included a \$10.0 million, one-time donation, of 900 thousand shares of common stock at a total market value of \$9.0 million and a \$1.0 million cash contribution to the Avidia Bank Charitable Foundation.

**Interest and Dividend Income.** Interest and dividend income increased \$2.4 million, or 7.5%, to \$33.9 million for the three months ended September 30, 2025, from \$31.5 million for the three months ended September 30, 2024, primarily due to a



\$1.3 million increase in interest on loans and a \$1.2 million increase in other interest income. The increase in interest on loans resulted primarily from an increase of \$61.9 million in the average balance of loans to \$2.26 billion for the three months ended September 30, 2025 from \$2.20 billion for the three months ended September 30, 2024. The weighted average yield on loans increased to 5.21% for the three months ended September 30, 2025 compared to 5.14% for the three months ended September 30, 2024.

Interest and dividend income increased \$4.5 million, or 4.9%, to \$96.8 million for the nine months ended September 30, 2025, from \$92.3 million for the nine months ended September 30, 2024, primarily due to a \$3.6 million increase in interest on loans. The increase in interest on loans resulted primarily from an increase of \$51.2 million in the average balance of loans to \$2.24 billion for the nine months ended September 30, 2025 from \$2.19 billion for the nine months ended September 30, 2024. The weighted average yield on loans increased to 5.19% for the nine months ended September 30, 2025 compared to 5.08% for the nine months ended September 30, 2024.

Average interest-earning assets increased \$156.1 million, to \$2.71 billion for the three months ended September 30, 2025, from \$2.55 billion for the three months ended September 30, 2024. The yield on interest-earning assets increased to 4.97% for the three months ended September 30, 2025, from 4.92% for the three months ended September 30, 2024.

Average interest-earning assets increased \$89.8 million, to \$2.62 billion for the nine months ended September 30, 2025, from \$2.53 billion for the nine months ended September 30, 2024. The yield on interest-earning assets increased to 4.94% for the nine months ended September 30, 2025, from 4.87% for the nine months ended September 30, 2024.

**Interest Expense.** Total interest expense decreased \$2.8 million, or 21.1%, to \$10.5 million for the three months ended September 30, 2025, from \$13.2 million for the three months ended September 30, 2024. Interest expense on deposit accounts decreased \$1.5 million, or 16.8%, to \$7.3 million for the three months ended September 30, 2025, from \$8.7 million for the three months ended September 30, 2024, due to a decrease in the weighted average rate on interest-bearing deposits to 1.67% for the three months ended September 30, 2025, from 2.14% for the three months ended September 30, 2024. Interest expense on Federal Home Loan Bank advances decreased \$1.4 million, or 32.6%, to \$2.8 million for the three months ended September 30, 2025, from \$4.2 million for the three months ended September 30, 2024, due to a decrease in the average advances of \$108.4 million between periods.

Total interest expense decreased \$4.6 million, or 12.0%, to \$33.5 million for the nine months ended September 30, 2025, from \$38.1 million for the nine months ended September 30, 2024. Interest expense on deposit accounts decreased \$2.4 million, or 9.6%, to \$22.2 million for the nine months ended September 30, 2025, from \$24.6 million for the nine months ended September 30, 2024, due to a decrease in the weighted average rate on interest-bearing deposits to 1.73% for the nine months ended September 30, 2025, from 2.05% for the nine months ended September 30, 2024. Interest expense on Federal Home Loan Bank advances decreased \$2.3 million, or 18.1%, to \$10.3 million for the nine months ended September 30, 2025, from \$12.5 million for the nine months ended September 30, 2024, due to a decrease in the average advances of \$60.2 million between periods.

**Net Interest Income.** Net interest income increased \$5.1 million, or 28.2%, to \$23.4 million for the three months ended September 30, 2025, from \$18.3 million for the three months ended September 30, 2024, primarily due to an increase in net interest margin to 3.43% for the three months ended September 30, 2025, from 2.84% for the three months ended September 30, 2024 and a \$156.1 million increase in the average balance of interest-earning assets during the three months ended September 30, 2025. Net interest rate spread increased to 2.91%, for the three months ended September 30, 2025, compared to 2.31% for the three months ended September 30, 2024. The increase in net interest margin and spread was driven by an increase in the weighted average yield on interest earning assets combined with a decrease in the weighted average rate paid on interest-bearing liabilities to 2.06% for the three months ended September 30, 2025, from 2.61% for the three months ended September 30, 2024.

Net interest income increased \$9.1 million, or 16.8%, to \$63.3 million for the nine months ended September 30, 2025, from \$54.2 million for the nine months ended September 30, 2024, primarily due to an increase in net interest margin to 3.23% for the nine months ended September 30, 2025, from 2.86% for the nine months ended September 30, 2024 and \$89.8 million increase in the average balance of interest-earning assets during the nine months ended September 30, 2025. Net interest rate spread increased to 2.77%, for the nine months ended September 30, 2025, compared to 2.33% for the nine months ended September 30, 2024. The increase in net interest margin and spread was driven by an increase in the weighted average yield on interest earning assets combined with a decrease in the weighted average rate paid on interest-bearing liabilities to 2.17% for the nine months ended September 30, 2025, from 2.54% for the nine months ended September 30, 2024.

**Provision Expense for Credit Losses.** Based on management's analysis of the adequacy of allowance for credit losses, a credit loss expense of \$1.5 million was recorded for the three months ended September 30, 2025, compared to a credit loss expense of \$2.2 million for the three months ended September 30, 2024.

A credit loss expense of \$20.2 million was recorded for the nine months ended September 30, 2025, compared to a provision expense of \$2.5 million for the nine months ended September 30, 2024. The \$17.8 million increase is primarily due to the \$16.7 million charge-off in the first quarter related to a land loan, as previously disclosed.

**Non-interest Income.** Non-interest income increased \$10 thousand, or 0.2%, to \$4.5 million for the three months ended September 30, 2025, from \$4.5 million for the three months ended September 30, 2024. Non-interest income was primarily impacted by a \$1.0 million net loss on securities available for sale which was recorded in the three months ended September 30, 2024. There were no such losses recorded in the three months ended September 30, 2025. This was offset by an \$896 thousand net gain on equity securities which was recorded for the three months ended September 30, 2024. There were no such gains recorded in the three months ended September 30, 2025.

Non-interest income decreased \$358 thousand, or 2.6%, to \$13.5 million for the nine months ended September 30, 2025, from \$13.9 million for the nine months ended September 30, 2024. The decrease was primarily due to a \$2.5 million net gain on equity securities which was recorded for the nine months ended September 30, 2024. There were no such gains recorded in the nine months ended September 30, 2025. This decrease was partially offset by a \$1.7 million decrease in net loss on securities available for sale, from losses of \$2.4 million for the nine months ended September 30, 2024, compared to a \$619 thousand loss for the nine months ended September 30, 2025, and a \$540 thousand increase in payment processing income.

**Non-interest Expense.** Non-interest expense increased \$10.5 million, or 58.5%, to \$28.4 million for the three months ended September 30, 2025, from \$17.9 million for the three months ended September 30, 2024. The increase was primarily due to a \$9.6 million increase in other general and administrative expense, which included the \$10.0 million contribution to the Avidia Bank Charitable Foundation. The increase was also due to a \$1.6 million increase in salaries and employee benefits, which included \$637 thousand for the full nine-month expense for the employee stock ownership plan that was adopted in connection with the mutual-to-stock conversion, a \$473 thousand increase in short-term incentives and retirement expenses, and a \$398 thousand increase in salaries. This was offset by a decrease of \$615 thousand in data processing expense primarily due to \$460 thousand of one-time credits associated with a billing adjustment.

Non-interest expense increased \$15.0 million, or 27.3%, to \$70.0 million for the nine months ended September 30, 2025, from \$55.0 million for the nine months ended September 30, 2024. The increase was primarily due to a \$9.1 million increase in other general and administrative expense, which included the \$10.0 million contribution to the Avidia Bank Charitable Foundation. The increase was also due to a \$4.7 million increase in salaries and employee benefits, which included \$637 thousand for the full nine-month expense for the employee stock ownership plan that was adopted in connection with the mutual-to-stock conversion. The increase in salaries and employee benefits also included a \$747 thousand increase in the long-term incentive expense, which was primarily the result of the termination of the plan and immediate vesting of participants, a \$1.7 million increase in short-term incentives and retirement expenses, and a \$1.3 million increase in salaries. Data processing costs increased \$1.3 million, or 18.3%, primarily due to a new on-line banking platform, increased account volume and licensing costs, one-time expenses of \$379 thousand related to contract terminations, offset by \$460 thousand one-time credits associated with a billing adjustment.

**Income Tax Benefit/Expense.** Income tax benefit was \$1.0 million for the three months ended September 30, 2025, compared to an income tax expense of \$667 thousand for the three months ended September 30, 2024.

Income tax benefit was \$4.8 million for the nine months ended September 30, 2025, compared to an income tax expense of \$2.6 million for the nine months ended September 30, 2024.

## **Liquidity and Capital Resources**

Liquidity describes our ability to meet the financial obligations that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of our customers and to fund current and planned expenditures. Our primary sources of funds are deposits, principal and interest payments on loans and securities, and proceeds from maturities of securities. In addition, we have available credit facilities with the Federal Home Loan Bank of Boston, correspondent banks, and the Federal Reserve Bank of Boston. At September 30, 2025, we had the ability to borrow \$685.7 million from the Federal Home Loan Bank of Boston, of which \$260.0 million was outstanding. At September 30, 2025, we also had a \$500 thousand line of credit with the Federal Home Loan Bank of Boston with no borrowings outstanding. At September 30, 2025, we had \$18.0 million of available lines of credit with correspondent banks



with no borrowings outstanding under any of them. At September 30, 2025, we also had aggregate available borrowing capacity of \$330.1 million through the discount window and the borrower-in-custody program at the Federal Reserve Bank of Boston with no borrowings under either facility.

While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan prepayments are greatly influenced by interest rates, economic conditions, and competition. Our most liquid assets are cash and short-term investments. The levels of these assets depend on our operating, financing, lending, and investing activities during any given period.

Our cash flows are comprised of three primary classifications: cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. See the accompanying Consolidated Statements of Cash Flows for further information.

We are committed to maintaining a strong liquidity position. We monitor our liquidity position daily. We anticipate that we will have sufficient funds to meet our current funding commitments. Based on our deposit retention experience and current pricing strategy, we anticipate that a significant portion of maturing time deposits will be retained. The net proceeds from the stock offering significantly increased our liquidity.

Avidia Bancorp, Inc. is a separate legal entity from Avidia Bank and it must provide for its own liquidity to pay its operating expenses and other financial obligations. Its primary source of income is dividends received from Avidia Bank. The amount of dividends that Avidia Bank may declare and pay is governed by applicable bank regulations. At September 30, 2025, Avidia Bancorp, Inc. (on an unconsolidated basis) had liquid assets of \$76.6 million.

At September 30, 2025, the Bank exceeded all of its regulatory capital requirements and was categorized as well-capitalized at that date. Management is not aware of any conditions or events since the most recent notification of well-capitalized status that would change this categorization.

#### **Off-Balance Sheet Arrangements and Aggregate Contractual Obligations**

**Commitments.** As a financial services provider, we routinely are a party to various financial instruments with off-balance-sheet risks, such as commitments to extend credit and unused lines of credit. While these contractual obligations represent our future cash requirements, a significant portion of commitments to extend credit may expire without being drawn upon. We anticipate that we will have sufficient funds available to meet our current lending commitments. At September 30, 2025, off-balance sheet commitments totaled \$413.1 million.

**Contractual Obligations.** In the ordinary course of business, we enter into certain contractual obligations, including operating leases for premises and equipment, among others.

#### **Management of Market Risk**

**General.** Our most significant form of market risk is interest rate risk because, as a financial institution, the majority of our assets and liabilities are sensitive to changes in market interest rates. Therefore, a principal part of our operations is to manage interest rate risk and limit the exposure of our financial condition and results of operations to changes in market interest rates. Our Asset Liability Committee is responsible for evaluating the interest rate risk inherent in our assets and liabilities, for determining the level of risk that is appropriate given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk according to the policy and guidelines approved by our board of directors. The Asset Liability Committee meets at least quarterly, is comprised of executive officers and certain senior management, and reports to the full board of directors on at least a quarterly basis. We currently utilize a third-party modeling program, prepared on a quarterly basis, to evaluate our sensitivity to changing interest rates, given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the guidelines approved by the board of directors.

We seek to manage our interest rate risk in order to minimize the exposure of our earnings and capital to changes in interest rates. We have implemented the following strategies to manage our interest rate risk:

- maintaining capital levels that exceed the thresholds for well-capitalized status under applicable regulations;
- maintaining a prudent level of liquidity;
- growing our volume of low-cost core deposit accounts;

- using our investment securities portfolio and interest rate swaps as part of our balance sheet asset and liability and interest rate risk management strategy to reduce the impact of market interest rate movements on net interest income and economic value of equity;
- using wholesale funding, in the form of Federal Home Loan Bank advances and brokered deposits in a prudent manner;
- continuing to diversify our loan portfolio by seeking to grow commercial-related loans, which typically have shorter maturities; and
- continuing to sell long term, fixed-rate one-to-four family residential mortgage loans in the secondary market while retaining adjustable-rate one-to-four family residential mortgage loans in our loan portfolio.

Shortening the average term of our interest-earning assets by increasing our investments in shorter-term assets, as well as originating loans with variable interest rates, helps to match the maturities and interest rates of our assets and liabilities better, thereby reducing the exposure of our net interest income to changes in market interest rates.

***Interest Rate Swaps.*** We employ various financial risk methodologies that limit, or “hedge,” the adverse effects of increasing or decreasing market interest rates on our investment portfolio, loan portfolio and short-term liabilities, such as Federal Home Loan Bank advances. At September 30, 2025, we had interest rate swaps related to Federal Home Loan Bank advances with a notional amount of \$100.0 million and interest rate swaps on agency securities with a notional amount of \$35.0 million. We also engage in hedging strategies with respect to arrangements where our commercial banking customers swap floating interest rate obligations for fixed interest rate obligations, or vice versa. At September 30, 2025, we had interest rate swaps related to customer loans of a notional amount of \$105.0 million. Our hedging activity varies based on the level and volatility of interest rates and other changing market conditions.



**Change in Net Interest Income.** We analyze our sensitivity to changes in interest rates through a net interest income model. Net interest income is the difference between the interest income we earn on our interest-earning assets, such as loans and securities, and the interest we pay on our interest-bearing liabilities, such as deposits and borrowings.

The following table sets forth, as of September 30, 2025, the calculation of the estimated changes in our net interest income that would result from the designated immediate changes in the United States Treasury yield curve. The changes indicated in the following table are within policy guidelines adopted by the board of directors.

| September 30, 2025                                        |                                        |                          |
|-----------------------------------------------------------|----------------------------------------|--------------------------|
| Change in Interest Rates<br>(basis points) <sup>(1)</sup> | Net Interest Income Year 1<br>Forecast | Year 1 Change from Level |
|                                                           | <i>(Dollars in thousands)</i>          |                          |
| 400                                                       | \$ 83,987                              | (12.3)%                  |
| 300                                                       | 87,245                                 | (8.9)%                   |
| 200                                                       | 90,411                                 | (5.6)%                   |
| 100                                                       | 93,344                                 | (2.5)%                   |
| Level                                                     | 95,756                                 | 0.0%                     |
| (100)                                                     | 95,777                                 | 0.0%                     |
| (200)                                                     | 95,712                                 | 0.0%                     |
| (300)                                                     | 95,868                                 | 0.1%                     |
| (400)                                                     | 96,462                                 | 0.7%                     |

(1) Assumes an immediate uniform change in interest rates at all maturities. One hundred basis points equals 1.00%.

The table above indicates that at September 30, 2025, we would have experienced a 5.6% decrease in net interest income in the event of an instantaneous parallel 200 basis point increase in market interest rates and a 0.0% decrease in net interest income in the event of an instantaneous 200 basis point decrease in market interest rates.

**Economic Value of Equity.** We also compute amounts by which the net present value of our assets and liabilities (economic value of equity or “EVE”) would change in the event of a range of assumed changes in market interest rates. This model uses a discounted cash flow analysis and an option-based pricing approach to measure the interest rate sensitivity of net portfolio value. The model estimates the economic value of each type of asset, liability and off-balance sheet contract under the assumptions that the United States Treasury yield curve increases instantaneously by 100, 200, 300 and 400 basis point increments or decreases instantaneously by 100 or 200 basis point increments, with changes in interest rates representing immediate and permanent, parallel shifts in the yield curve.

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The following table sets forth, as of September 30, 2025, the calculation of the estimated changes in our EVE that would result from the designated immediate changes in the United States Treasury yield curve. The changes indicated in the following table are within policy guidelines adopted by our board of directors.

| September 30, 2025                                        |                                 |                                      |         |                                                                  |                                          |  |
|-----------------------------------------------------------|---------------------------------|--------------------------------------|---------|------------------------------------------------------------------|------------------------------------------|--|
| Change in Interest Rates<br>(basis points) <sup>(1)</sup> | Estimated<br>EVE <sup>(2)</sup> | Estimated Increase (Decrease) in EVE |         | EVE as a Percentage of<br>Present Value of Assets <sup>(3)</sup> |                                          |  |
|                                                           |                                 |                                      |         | EVE Ratio <sup>(4)</sup>                                         | Increase<br>(Decrease)<br>(basis points) |  |
|                                                           |                                 | Amount                               | Percent |                                                                  |                                          |  |
|                                                           |                                 | <i>(Dollars in thousands)</i>        |         |                                                                  |                                          |  |
| 400                                                       | \$ 411,281                      | \$ (121,041)                         | (22.7)% | 17.5%                                                            | (272)                                    |  |
| 300                                                       | 444,438                         | (87,884)                             | (16.5)% | 18.4%                                                            | (185)                                    |  |
| 200                                                       | 477,433                         | (54,889)                             | (10.3)% | 19.2%                                                            | (105)                                    |  |
| 100                                                       | 508,659                         | (23,663)                             | (4.4)%  | 19.8%                                                            | (37)                                     |  |
| Level                                                     | 532,322                         | -                                    | 0.0%    | 20.2%                                                            | 0                                        |  |
| (100)                                                     | 541,425                         | 9,103                                | 1.7%    | 20.1%                                                            | (15)                                     |  |
| (200)                                                     | 539,030                         | 6,708                                | 1.3%    | 19.5%                                                            | (68)                                     |  |
| (300)                                                     | 522,642                         | (9,680)                              | (1.8)%  | 18.6%                                                            | (166)                                    |  |
| (400)                                                     | 473,803                         | (58,519)                             | (11.0)% | 16.7%                                                            | (356)                                    |  |

(1) Assumes an immediate uniform change in interest rates at all maturities. One hundred basis points equals 1.00%.

(2) EVE is the discounted present value of expected cash flows from assets, liabilities and off-balance sheet contracts.

(3) Present value of assets represents the discounted present value of incoming cash flows on interest-earning assets.

(4) EVE Ratio represents EVE divided by the present value of assets.

The table above indicates that at September 30, 2025, we would have experienced a 10.3% decrease in EVE in the event of an instantaneous parallel 200 basis point increase in market interest rates and a 1.3% increase in EVE in the event of an instantaneous 200 basis point decrease in market interest rates.

Certain shortcomings are inherent in the methodologies used in the above interest rate risk measurements. Modeling changes require making certain assumptions that may or may not reflect the manner in which actual yields and costs respond to changes in market interest rates. The net interest income and net economic value tables presented assume that the composition of our interest-sensitive assets and liabilities existing at the beginning of a period remains constant over the period being measured and assumes that a particular change in interest rates is reflected uniformly across the yield curve regardless of the duration or repricing of specific assets and liabilities. Accordingly, although the tables provide an indication of our interest rate risk exposure at a particular point in time, such measurements are not intended to and do not provide a precise forecast of the effect of changes in market interest rates, and actual results may differ.

Interest rate risk calculations also may not reflect the fair values of financial instruments. For example, decreases in market interest rates can increase the fair values of our loans, mortgage servicing rights, deposits and borrowings.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

The information in Item 2 under “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Management of Market Risk” is incorporated in this Item 3 by reference.

**Item 4. Controls and Procedures**

***Disclosure Controls and Procedures.*** An evaluation was performed under the supervision and with the participation of the Company’s management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of September 30, 2025. Based on that evaluation, the Company’s management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company’s disclosure controls and procedures were effective

***Changes in Internal Controls Over Financial Reporting.*** During the quarter ended September 30, 2025, there have been no changes in the Company’s internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

## **Part II – Other Information**

### **Item 1. Legal Proceedings**

The Company is not subject to any pending legal proceedings. Avidia Bank is subject to various legal actions arising in the normal course of business. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on the Company's consolidated financial condition or results of operations.

### **Item 1A. Risk Factors**

Not applicable, as the Company is a smaller reporting company.

### **Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities**

Not applicable.

### **Item 3. Defaults Upon Senior Securities**

Not applicable.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

During the three months ended September 30, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of SEC Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as such term is defined in Item 408 of SEC Regulation S-K).

**Item 6. Exhibits**

3.1 [Articles of Incorporation of Avidia Bancorp, Inc.](#) <sup>(1)</sup>

3.2 [Bylaws of Avidia Bancorp, Inc.](#) <sup>(2)</sup>

31.1 [Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

31.2 [Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

32.1 [Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

32.2 [Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101 The following materials for the quarter ended September 30, 2025, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Changes in Capital, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements

104 Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101)

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(1) Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, as amended (Commission File No. 333-285815), initially filed on March 14, 2025.

(2) Incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, as amended (Commission File No. 333-285815), initially filed on March 14, 2025.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**AVIDIA BANCORP, INC.**

Date: November 14, 2025

/s/ Robert D. Cozzone

Robert D. Cozzone  
President and Chief Executive Officer  
(Duly Authorized Representative and Principal  
Executive Officer)

Date: November 14, 2025

/s/ Jonathan Nelson

Jonathan Nelson  
Chief Financial Officer and Treasurer  
(Principal Financial and Accounting Officer)

**Certification of Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Robert D. Cozzone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Avidia Bancorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2025

/s/ Robert D. Cozzone  
Robert D. Cozzone  
President and Chief Executive Officer

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**Certification of Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jonathan Nelson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Avidia Bancorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2025

/s/ Jonathan Nelson  
Jonathan Nelson  
Chief Financial Officer and Treasurer

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**Certification of Chief Executive Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Robert D. Cozzone, President and Chief Executive Officer of Avidia Bancorp, Inc. (the “Company”), certify in my capacity as an officer of the Company that I have reviewed the Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 (the “Report”) and that to the best of my knowledge:

1. The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2025

/s/ Robert D. Cozzone  
\_\_\_\_\_  
Robert D. Cozzone  
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company, will be retained by the Company, and furnished to the Securities and Exchange Commission or its staff upon request.

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**Certification of Chief Financial Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

I, Jonathan Nelson, Chief Financial Officer and Treasurer of Avidia Bancorp, Inc. (the “Company”), certify in my capacity as an officer of the Company that I have reviewed the Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 (the “Report”) and that to the best of my knowledge:

1. The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2025

/s/ Jonathan Nelson  
\_\_\_\_\_  
Jonathan Nelson  
Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906 has been provided to the Company, will be retained by the Company, and furnished to the Securities and Exchange Commission or its staff upon request.

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