

**2026 Stonier Capstone Project**

**A Roadmap to expanding  
Business Banking  
Relationships**

Lori DiBona

Coastal Heritage Bank

March 15, 2026

## Table of Contents

I.	Executive Summary .....	3/4
II.	Introduction / Background .....	5/13
III.	Strategy / Implementation.....	14/30
IV.	Financial Impact .....	31/36
V.	Non-Financial Impact .....	37/39
VI.	Conclusion .....	40/41
VII.	Appendix/Bibliography .....	42

## **I. EXECUTIVE SUMMARY**

### Capstone Project: A Roadmap to Expanding Business Banking Relationships

My Capstone project presents a strategic roadmap designed to strengthen and expand business banking relationships. With the financial services landscape rapidly evolving, it's driven by technology, regulatory shifts, and changing client expectations. Banks must evolve their management strategies to remain competitive and foster deeper business connections. As a community bank it makes it harder to compete with larger banks in regards to rates, products, or extensive technology innovations, however, I see opportunities that we can improve on to help strengthen our current business relationships and also attract more business. I want to be able to enhance product offerings, deepen customer engagement, and leverage technology to be able to continue to deliver high-touch customer service and lead to more business referrals. Coastal Heritage Bank has built a strong reputation for personalized service and community engagement. By building and strengthening relationships with Coastal Heritage Bank presents a valuable opportunity to create mutually beneficial partnerships and enhance regional economic growth. As a trusted institution with deep roots in communities on the South Shore, the bank shares a commitment to personalized services and community-first-values making it an ideal ally for businesses seeking meaningful connections and financial expertise. In today's competitive financial landscape, community banks face increasing pressure to differentiate themselves from larger banks and digital fintech. As small businesses evolve and want more sophisticated banking solutions, banks need to proactively adapt its business banking strategy to remain relevant, competitive, and impactful. We need to have a strategic roadmap to be able to expand our products and services, explore software resources (CRM) for all departments to be able to track

interactions with customers for building better communication within the organization, and providing ongoing training for all staff to help with relationship building and expand employee knowledge to grow within the company. By creating a qualified team to work close with me, together we can accomplish our goals and focus on new and existing Business's to help expand our business portfolio, drive revenue through deeper product penetration and more personalized relationship management. As the Project Leader, I'll be responsible for driving this from concept to reality. By gathering information, designing the products and services and presenting it to the Executive Team for their approval before rolling it out and training all staff. I'm committed long-term to serve our Business Clients and help build stronger relationships within our bank.

## II. INTRODUCTION AND BACKGROUND

Coastal Heritage Bank, headquartered in Weymouth, Massachusetts, is a community-focused financial institution dedicated to serving the needs of individuals, families, and businesses across the South Shore Region. The bank was founded in 1889, and originally established as Weymouth Co-operative Bank and based in Weymouth, Massachusetts. Over the years, the bank made several name and organizational changes. In 2002, it became known as Weymouth Bank. In 2013, the bank reclassifies itself as a state-chartered bank and became a member of the Federal Reserve System. In July 2016, Weymouth Bank acquired Equitable Co-operative Bank in Lynn, Massachusetts, subsequently changing its name to Equitable Bank.<sup>1</sup> In August of 2018, a merger was announced by Coastal Heritage Bank and Equitable Bank.<sup>2</sup> April of 2019, the bank acquired Coastal Heritage Bank (formally S-Bank and Scituate Federal Savings Bank) and also adopted the name Coastal Heritage Bank after acquiring its namesake.<sup>3</sup> Coastal Heritage Bank operates 11 full-service branches across the South Shore.<sup>4</sup> We previously had branches in Lynn and Nahant (North Shore), but sold them in 2021 to refocus on the South Shore. We currently serve over 29 communities across Norfolk and Plymouth Counties. Coastal Heritage Bank takes great pride in our customer service and our community involvement. We offer a comprehensive range of financial products and services, including personal, business banking, mortgage lending, and wealth management, tailored to meet the unique needs of our customer base. The bank is FDIC-insured and also backed by the Depositors Insurance Fund (DIF) which covers deposits beyond

---

<sup>1</sup> Equitable Bank Merger with Weymouth Bank announcement from the Division of Banks

<sup>2</sup> Bankers and Tradesman announced the merger of two South Shore Banks

<sup>3</sup> Division of Banks letter agreeing on the name Coastal Heritage Bank

<sup>4</sup> Coastal Heritage Bank Locations

the FDIC limit.<sup>5</sup> Coastal Heritage Bank, through our Coastal Cares Program actively supports local schools, nonprofits, and community groups, special events and local institutions. In the first six months of 2025, we contributed over \$61,875.00 to various community initiatives.<sup>6</sup> We take great pride in giving back to communities we serve. Coastal Heritage Bank is committed to building long lasting relationships within the community it serves by delivering personalized, reliable, and forward-thinking financial solutions, rooted in a tradition of trust, integrity, and service. The Bank's mission is to help individuals, families, and businesses thrive by offering accessible banking products, expert guidance, and a deep understanding of local needs. Our principle of "Growing Together", Coastal Heritage Bank strives to be more than just a financial institution, we are dedicated to contributing to the overall quality of life and economic health of the communities we serve, while maintaining a high level of financial soundness and integrity. We support small business growth, providing financial education, and investing in local development, the bank's mission reflects a strong commitment to community, stability, and long-term prosperity. Coastal Heritage Bank is focused on:

1. Earning the trust and loyalty of each customer by listening, understanding and responding to their individual needs.
2. Delivering High Quality financial solutions and products and the convenience that our customers require;
3. Providing an exceptional and friendly banking experience, delivered by a team of banking professionals who truly care about the people they serve; and

---

<sup>5</sup> Copy of Depositors Insurance Fund (DIF)

<sup>6</sup> Coastal Cares Program – Distribution list of recent donations

4. Actively supporting and contributing to the welfare of the communities we serve

Our President and Chief Executive Officer, Robert W. Terravecchia, Jr welcomes everyone with a personal letter that is also shown on our website.<sup>7</sup>

## Growing Together!

Coastal Heritage Bank has served the South Shore of Massachusetts for over 100 years. We are a thriving community bank with a rich history, dedicated staff and committed leadership focused on fostering an exceptional banking relationship with you—while maintaining our core dedication to the communities we serve.

We are financially strong and well positioned to meet your needs with:

- Robust digital platforms offering mobile banking, online banking, e-statements, and fully functional online account opening and loan applications
- A full complement of banking products and services
- 11 convenient community banking offices
- Full deposit insurance via the FDIC and DIF
- An exceptional lending staff to serve the borrowing needs of homeowners and business owners in Eastern Massachusetts
- A long-term commitment to your local community

We are dedicated to delivering the highest levels of service, support and product excellence. You may call on us any time. We are committed to facilitating and sustaining the best banking relationships possible. We thank you for your continued partnership and look forward to growing together.

Sincerely,



Robert W. Terravecchia, Jr.  
President/Chief Executive Officer  
Coastal Heritage Bank



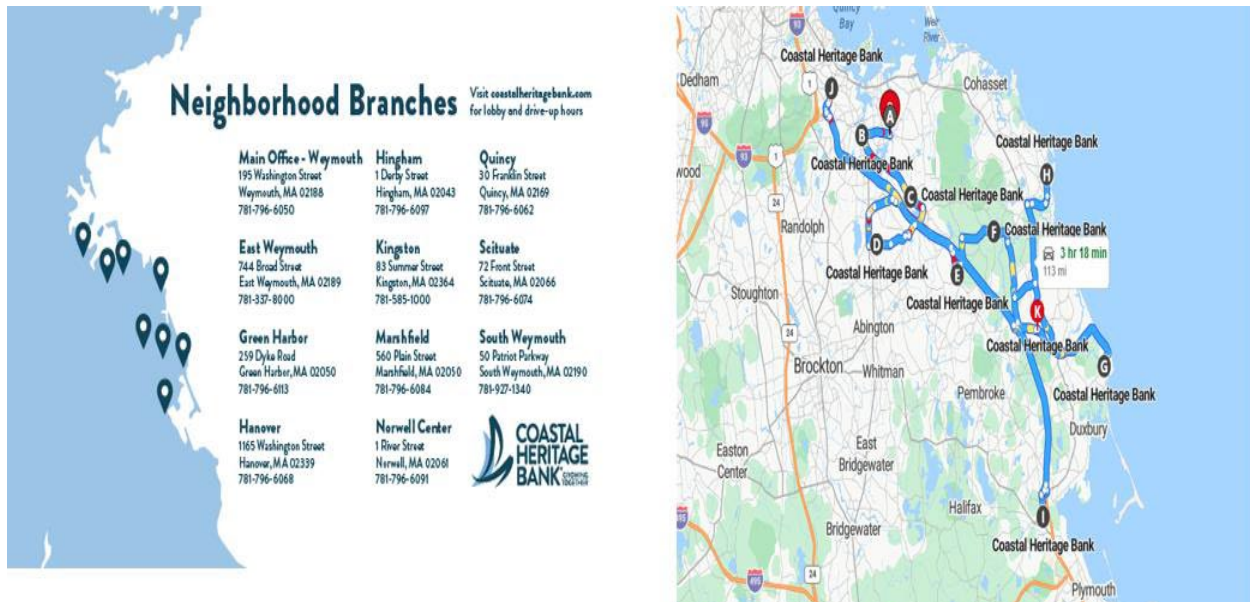
<sup>7</sup> Letter from our President/Chief Executive Officer Robert W. Terravecchia, Jr.

**DESCRIPTION OF COASTAL HERITAGE BANK'S STRATEGY, CUSTOMER BASE, GEOGRAPHIC COVERAGE, AND BUSINESS MODEL.**

Coastal Heritage Bank's overall strategy focuses on community-centered growth, personalized service, and competitive financial solutions. The Board and Senior Management have a strong desire to remain independent, as long as it makes sense to do so. Our focus is to remain a community oriented financial institution, and provide exceptional customer service to all individuals, small businesses, and local organizations. We want to continue to prioritize balancing our values with modern innovations to meet all our customer's needs.

Coastal Heritage Bank's customer base primarily serves individuals, families, and businesses, with a mix of retail, commercial, and nonprofit customers. Our geographic footprint is concentrated along the Norfolk County, Plymouth County, with a strong branch presence in the South Shore regions of Massachusetts. With 11 full-service branches within Massachusetts, these locations reflect a deep commitment to the South Shore and surrounding towns. Coastal Heritage Bank positions itself as a "Community Bank" serving the South Shore of Massachusetts and emphasize on personized service and close ties within the communities we serve. Our locations include: Norfolk & Plymouth Counties: East Weymouth, Hanover, Hingham, Kingston, Marshfield, Green Harbor, Norwell, Quincy, Scituate, and (2) in Weymouth. I wanted to note that through a merger between two long-standing community banks on April 1, 2019, Equitable Bank (FRB ID RSSD #115575) and Coastal Heritage Bank (FRD ID RSSD #453370) merged into one financial institution. Equitable Bank was the surviving entity. Because of the merger, it's changed our peer group from a PG-102 which is an Insured Commercial Bank having assets between \$300 million and \$1 billion to a PG-5 which is Insured Commercial Bank having assets

between \$300 million and \$1 billion. The report for the UBPR for Coastal Heritage Bank list us as PG-5, even though Coastal Heritage Bank is not a commercial bank<sup>8</sup>. Below is a map of Coastal Heritage Bank locations.



## COASTAL HERITAGE BANK'S BUSINESS MODEL

Coastal Heritage Bank's business model focuses on being a full-service community bank that offers a comprehensive suite of products and services. For individuals and businesses, we offer safe convenient banking with a full range of deposit accounts, loans, and digital banking services. Deposits are fully insured through the FDIC and the Deposit Insurance Fund, which reinforces our customer trust. The bank also leverages several digital channels such as Mobile banking, remote deposit, and online account opening to increase convenience, reduce operating

<sup>8</sup> June 30, 2025 Uniform Bank Performance Report – UBPR Information Page

costs and expand reach beyond our branch locations. We focus on our customers needs and not treat them as a number. All offices are open with full-service capability. There is no need to call for an appointment. We provide the best customers service and prefer face-to-face contact. We can offer everything that the larger banks offer.

### **COASTAL HERITAGE BANK'S MARKET SHARE AND KEY COMPETITORS**

While Coastal Heritage Banks main headquarters is in Weymouth, Massachusetts. It continues to be a community bank that focuses on all the towns it serves on the South Shore. At the end of Quarter 2, 2025, the bank holds approximately \$779 million in total deposits and manages \$960 million in total assets, which positions us as a mid-sized player in the Massachusetts banking sector.<sup>9</sup> Most of our primary competitors are larger banks or Credit Unions. South Shore Bank has (14) locations with an asset size of \$1.4 billion, Rockland Trust has (83) locations with an asset size of \$20 billion, Eastern Bank has (120) locations with an asset size of \$25.6 billion, North Eastern Savings Bank has (15) locations with an asset size of \$1.5 million, Rockland Federal Credit Union has (9) locations with an asset size of \$3.28 billion, Quincy Credit Union has (3) locations with an asset size of \$714 million and Harbor One has (13) locations and an asset size of \$5.7 billion. All these banks have a wide footprint across the South Shore making it hard for small community banks to compete, however, we continue to push forward and work hard to be as competitive as we can and offer the best products and services along with our outstanding customer service and great trust.

---

<sup>9</sup> UBPR June 30, 2025 Balance Sheet

## COASTAL HERITAGE BANK'S RECENT FINANCIAL PERFORMANCE AND GOALS

Coastal Heritage Bank has demonstrated steady growth with loans and deposits over the past couple of quarters in 2025. Our goal is to continue to remain strong and follow our strategic plan by staying on budget. As of mid-2025, the bank reported total assets nearing \$960 million, with net income of \$1.36 million and total deposits exceeding \$779 million. The bank also maintained a solid Tier 1 leverage ratio of 11.16%. Some of the 2025 Q2 highlights were based on continued economic uncertainty and shifting consumer sentiment regarding inflation and job markets. We feel that consumer confidence has rebounded from April, but remains below last year. In July, the Federal Reserve Bank voted 9-2 to keep the Fed Funds target rate in a range of 4.25 – 4.50%.<sup>10</sup> Our bank is hoping that when they meet in September they will lower the rates by 25BP to help with overall borrowing for banks. Our YTD return on average assets was 0.22% VS 0.18% last year and our ROAA was 0.28% VS 0.15% last year. This is definitely much better and we are going in the right direction. Our Net interest margin is at 2.59% VS 2.39% in 2024.<sup>11</sup> Our overall Net Income was \$1,105 million which is better than over the past Months and prior year. Our Non-interest Expense was below our budget as well as prior year.<sup>12</sup> The Board of Directors are thrilled to see that we have improved all around. While our assets and Loans have declined over the years our deposits continue to fluctuate year after year. Our Budget VS actual balance sheet shows we are under budget by 12.8 million.<sup>13</sup> This is due to Loan growth has been flat and we used excess cash on hand from deposit growth to repay Maturing advances and deposits are also down significantly for the quarter. We have a strategic

---

<sup>10</sup> Federal Reserve Press Release

<sup>11</sup> Summary Income Statement

<sup>12</sup> Income Statement Qtr ending June 30, 2025

<sup>13</sup> Budget VS Actual Balance Sheet

plan for 2025-2027 and use a metric calendar that we present to the Board of Directors quarterly so they know how we are doing. Upper management likes to call it the Report Card for the Board.<sup>14</sup> The overall goal is to stay on target and budget as best as we can. We do understand that the two most important figures that affect our profit are the NIM, the higher the better and the NIE, the lower the better. As we look beyond 2025, we continually see improvement in our NIM and corresponding improvements in net income. The bank has budgeted one interest rate reduction in 2025, of 25 basis points, and the market is currently anticipating 2, but market is rarely correct. We are going to focus on loan growth in the commercial area, with decreases in residential loans continuing; but we will continue to originate fixed residential loans for sale. Our earnings will continue to remain a challenge, but we anticipate incremental improvement in upcoming quarters.

---

<sup>14</sup> Metric Calendar Board of Directors

**HOW MY CAPSTONE PROJECT ALIGNS WITH OUR BANKS MISSION AND STRATEGY**

My Capstone Project for expanding our Business Banking Relationships will outline a proposed Solution to address concerns facing our organization and how we can build a stronger Business Portfolio. By investing and developing the staff we currently have will help develop growth, strengthen our culture, boost performance and build a future ready workforce from within. I want to be able to build and create a strong team that can not only work great together, but also have the drive to make this project successful. Although I know it's going to take time, I know that with the right team behind me, it's going to be great! In the pages that follow, I will outline a strategy and implementation showing the roadmap of how we are going to get there. By utilizing and exploring software resources and expanding Cash Management products and services, we will continue to help the communities we serve with a high level of financial soundness and integrity.<sup>15</sup>

---

<sup>15</sup> Coastal Heritage Bank Mission Statement

### III. STRATEGY AND IMPLEMENTATION PLAN OVERALL DESCRIPTION

To strengthen and support our strategic growth objectives while expanding our Business Banking relationships that align with our long-term vision, strengthen our competitive Position, and deepen client engagement while prioritizing the expansion of our business banking relationships.

#### **What are some of the strengths for Coastal Heritage Bank to help with this project?**

A key strength of Coastal Heritage Bank is its exceptional employee longevity. This reflects a culture of stability, trust, and commitment. When employees choose to stay with a company for many years, it signals a workplace where people feel valued, supported, and engaged. Now, how does longevity translate into building Business.

- **Experienced Workforce** – Longevity with employees brings decades of banking expertise with a high quality of service and well-informed financial guidance.
- **Customer Relationships** – Having familiar faces builds trust. Customers like to Work with the same person for all their banking needs together they build a strong personal relationship and strong loyalty.
- **Operational Continuity** – Having low turnover in our bank along with knowledgeable staff, helps maintain a smooth operation and fewer disruptions.
- **Community Connection** – Employees who stay long-term often live in the same communities they serve. This helps strengthens the bank’s local ties and reputation as a reliable, hometown institution.
- **Strong Deposit Base** – Coastal Heritage Bank has a strong core deposit relationship that provides stability and opportunity for cross-selling Business Banking and Cash

Management products.

- **Commitment to Relationship Growth** – By putting together a dedicated team, we can focus on deepening Business Banking relationships that align with the bank’s mission to help businesses grow locally.

#### **What are some weaknesses they may affect this project?**

- **Limited brand awareness outside of our core market** – Recognition could be lower beyond the South Shore and surrounding communities, limiting growth for new markets.
- **Technology Gaps** – Cash Management and digital banking tools lag behind larger banks with more advanced platforms.
- **Resource Constraints** – Having a smaller marketing budget and dedicated business bankers, can limit relationship expansion.
- **Products and Services** – Create a better business package geared toward small businesses. By creating this, it will attract more customers
- **Employee Training** – Develop ongoing product training for staff to help with being more engaged and more confident on referring and selling business banking solutions.

#### **What Opportunities do I see with creating this project?**

- **Cash Management Solutions** – We need to expand our Cash Management services by using a bundled approach. Ex: ACH, Remote Deposit Capture, Online Wire processing to help attract and retain business customers. Look at how to be more competitive.
- **Cross-selling to existing customers** – We need to leverage our existing retail and mortgage relationships to identify small business owners and offer business packages.

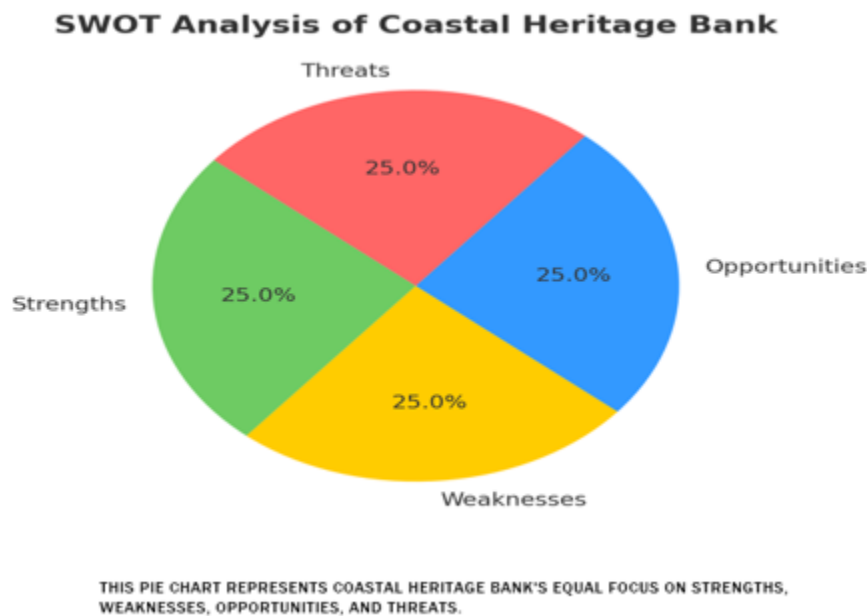
- **Local Market Growth** – Capitalize more on utilizing the Haberfeld Program to help market small businesses.
- **Strategic Partnerships** – Have each Manager build a referral network with local Accountants, Attorney's, and attend outside business events. Ex: Chamber of Commerce, Rotary etc.
- **Digital Channels** – Enhance our Ibanking for businesses to have more tools to improve convenience. Ex: Be able to open accounts online, and having Zelle for businesses to use.
- **Employee involvement** – Create an incentive program for employees to identify and refer business opportunities to the Cash Management area.

#### **What are some of the threats that I see with this project?**

- **Competition from larger Banks** – South Shore Bank, Rockland Trust, Eastern Bank are just a few of the larger banks around us that can offer more products and services and more technology with pricing advantages. Fintechs are digital competitors that provide quick automated business solutions making it harder for small community banks to stay competitive.
- **Economic Uncertainty** – Interest rate volatility, inflation, and local economic slow downs could impact business growth. Tarriffs that have been placed has made businesses not be able to order supplies as the cost has gone up significantly. Some business clients have even said if it goes on too long, they will have to close.
- **Regulatory Pressure** – Increasing compliance and cyber security requirements can strain internal resources. Coastal Heritage Bank is almost at the 1 billion mark which will

change our regulations and overall costs.

To summarize my SWOT analysis on my project, by expanding our Business Banking relationships, this aligns directly with Coastal Heritage Bank's mission to grow alongside the communities it serves. By investing in Cash Management innovation, capitalizing on employee engagement and targeted relationship building, the bank can strengthen its competitive position and capture a greater share of the business market.



### **Why did I decide on this project?**

I decided to focus on expanding business banking relationships as a strategic focus because it represents a significant growth opportunity for Coastal Heritage Bank. To help strengthen our position within the communities we serve while driving growth. Small and mid-sized businesses are the backbone of the local economy, and by deepening relationships with these customers, the bank can enhance its role as a trusted financial partner and community leader. Business banking

expansion not only supports the bank's mission of "Growing Together", by helping local businesses succeed through personalized service, flexible financing, and tailored Cash Management solutions. This project allows the bank to diversify revenue streams, increase low cost deposits, and deepen customer loyalty. Strengthening business relationships creates cross-selling opportunities across all areas of the bank, including Lending, Deposits, and Cash Management by collaborating with employees to identify and nurture new business prospects. As a longtime Community Banker with over 40 years' experience, I know to remain competitive in the rapidly changing financial environment, the bank must strengthen its presence in the business banking sector. I want to deepen customer connections, attract new commercial clients, and enhance its overall financial performance. My capstone project initiative will support the strategic plan goals of the bank, drive more employee engagement, improve technology with online communication platforms and increase sales.

**How my project fits within the overall strategy of the organization and/if it will provide a competitive advantage.**

My project to expand business banking relationships aligns with the bank's overall strategy. By continuing to foster community growth, deepen our existing customer relationships, and maintain sustainable profitability through personalized services and sound decision making. I feel by expanding my area within Cash Management, we can strengthen our community ties and offer more tailored Cash Management and Lending solutions. By growing the business banking portfolio, it complements the retail side of the bank, balancing non-interest income while reducing dependence on consumer deposits. One of the advantages I see is having a Business Specialist at each branch location. We need to capitalize on human capital. My

roadmap will ensure the staff are fully trained and more engaged to better serve our clients. Investing in our employees' knowledge, skills, and engagement strengthens the banks' ability to deliver superior customer service and build strong trusted partnerships with business clients. In a competitive banking environment where products and services can often be matched, having a well trained and engaged team becomes a differentiator. Through continued learning and leadership development, the bank will empower employees to deliver personalized financial advice, identify business opportunities, and respond quickly to client needs. This is what will be the key driver for long-term growth. By capitalizing on our employees, this turns the workplace into a strategic advantage that competitors cannot easily imitate. All our employees play a critical role in helping to expand our business. Coastal Heritage Bank's employees are its greatest competitive advantage, and they will be a part of the business expansion and long-term organizational success. By focusing on the bank's strategic plan, the bank will continue to attract, develop, and retain business clients and offer the best solutions for all their banking needs. My goal is to achieve sustainable profitability while leveraging the bank's strengths, attract new clients and reinforce its mission to support the communities it serves.

**A description for the various resources – financial, organization, human marketing – needed to carry out the project**

There are various resources needed to complete the roadmap to expand business banking relationships.

- **Human Capitalization** – Appoint 1-2 skilled personnel Business Specialists at each branch location is essential to help execute this initiative. They must go through extensive training and fully understand the products and services to help with the needs of the

customers they serve. They will have continued professional development training in areas such as Cash Management, digital banking, and product knowledge to help strengthen their expertise.

- **Technology Resources** – We need to utilize an internal platform (CRM) Customer Relationship Management tool to help with operational efficiency. This platform helps with streamline onboarding and allows the bank to track client activity and identify new opportunities.
- **Financial Resources** – Have an adequate marketing budget to help support any technology upgrades, marketing initiatives, and employee training programs.
- **Marketing and Strategic Resources** – Develop a market strategy to attract more business customers as well as focus on our existing customers. Advertise more on TV ads and social media. Offer to advertise a business of the month on our website to help promote business customers. Hold small business seminars with key speakers to attract new business partnerships.
- **Operational and Support Resources** – Internal communication channels and leadership support is vital for aligning all departments and ensuring a smooth rollout. Having bi-weekly meetings and ongoing performance reviews to help with feedback and measurable goals will keep this roadmap on track and adapt to any changes more efficiently.

I fully believe together with these resources and more, Coastal Heritage Bank has the tools, talent, and infrastructure needed to successfully execute my roadmap, deepen business

relationships, and achieve sustainable growth within our market.

### **A description of any process change or improvement that will result from the project**

By implementing my roadmap to expand business banking relationships at Coastal Heritage Bank will result in meaningful organizational and operational improvements. This project will shift our bank from a primarily retail-focused model to a more balanced portfolio that emphasizes business banking growth and relationship management. By focusing on enhanced on-going training, product development, and cross-department collaboration, employees will be better equipped to help identify business opportunities and help strengthen customers engagement. By utilizing the technologies within our own platform (CRM) this will help improve efficiency to not only manage leads, track client activity, analyze profitability, but help with overall communication between all departments. Overall, I truly believe that my roadmap will not only help promote teamwork, accountability, and continuous learning to help create a stronger, more unified organization, it will also position Coastal Heritage Bank for long-term growth in the business banking market.

### **A description of future opportunities that could be opened or closed as a result of the project**

My roadmap to expand business banking relationships is designed to help reflect both financial performance and organizational growth. Some of the key expected outcomes include:

- **Acquiring new Business Accounts** – By acquiring new business accounts it will provide a higher adoption of cash management products and services. This will help to strengthen our market area while also generating more revenue.

- **Utilize data driven growth opportunities** – Leverage a (CRM) system will enable the bank to help identify cross-selling opportunities.
- **Deeper client relationships** – Strengthen existing business partnerships with offering better solutions and on-going support.
- **Talent development** – Supports future opportunities for developing existing employees for leadership growth and advanced roles for future management positions.

The success of this project is imperative to establish a stronger presence in business banking sector, and having this growth can open more opportunities for partnerships with local businesses, municipalities, and community organizations. If my roadmap to expand business banking relationships is not effectively implemented, the bank will be missing critical growth opportunities within this competitive banking market. Some of the missed opportunities would be:

- **Loss of Market Share** - We could possibly lose market share from another community bank or larger banks
- **Underutilized Products or Services** – Without being proactive with business engagement, customers will go elsewhere to have the products they need to run their businesses.
- **Limited Data Systems** – Failure to implement the (CRM) platform would prevent us from identifying more opportunities and improving efficiency.
- **Employee Engagement and Talent Development** – By not investing in training and relationship building skills amongst our employees, the bank will risk underdeveloped

human capital, which could limit its ability to provide high-value customer service.

By not pursuing this project initiative, the bank could risk falling behind in revenue growth, market expansion, and long-term competitive advantage.

### **What is the description of my role in this project**

As the Project Leader, I'll be responsible for driving this from concept to reality. I will help guide the initiative from strategic planning through execution ensuring I'm always in line with the banks' overall mission, goals, and objectives. I will always lead by example to my team and my responsibilities will include defining clear goals, allocating all resources needed to succeed, implementing technology to help with tracking progress, as well as coordinating all employees training needed. There will be bi-weekly ongoing meetings with senior management to collaborate and maintain a clear focus of the project and provide updates on progress, challenges, and identify any opportunities that arise. It's important to me to always keep communication open and to make sure that all resources are being utilized for this project. Support from all departments to make this successful is key. Their role in executing the daily operational process helps to ensure consistency and reliability for our customers. By developing a strong team who's dedicated expertise helps to play a vital role in supporting the project's objectives with driving growth and strengthening our business relationships is going to be a big part in making this successful. By having this team, it helps to ensure that we deliver exceptional value to our business clients. I want them to be able to grow within the bank and strive to be a leader within the organization. Being in the leadership role carries a great level of responsibility, always requiring clear communication with strategic alignment across all departments. I hold myself

accountable for guiding everyone through the initiative. Starting with the vision, planning, and execution., I need to make sure that my team remains focused, motivated, and always aligned with the bank's mission and goals. By assisting me with front line outreach to help identify opportunities with existing business customers will help with overall strategic goals. Together with my teams' collaboration will enable me to lead effectively and turn strategic goals into measurable growth and strengthen the bank's competitive position and my vision of this project.

### **Implementation Plan: Roadmap to Expand Business Banking Relationships**

This implementation plan outlines the steps that we need to take to expand business relationships. It will focus on operational executions, resource allocation, and performance tracking to ensure strategic goals are met. The planned work is expected to take about 12 months or less to complete. An overview timeline is in the appendix. There are various areas of the bank that I will need to be involved to implement the process of my project including myself – VP Cash Management & Retail Banking Strategies, Robert Terravecchia - President and CEO, Scott Ambroceo SVP – Administration, Human Resources, Operations, Cash Management, and Digital Banking, Jack Pelrine – SVP Marketing Director, Jamie Golden – SVP Retail Banking, Peggy Ruuska – VP Senior Technology Officer, and Jacqueline MacBean – VP – Cash Management & Digital Banking Strategies.

- **Phase I – Strategic Objective & Kick off Meeting (Month 1-)** – Invite Senior Management to a meeting for me to present and outline the purpose of this project and to provide key talking points that support this initiative. After presenting this project, Senior Management will see how expanding our business banking relationships will help to build a better future for the bank as it continues to grow. I need to ensure the bank invests time, resources, money, and marketing efforts for the right products and services needed to grow the business portfolio while continuing to support the bank’s Vision, Mission and Core Values.
- **Phase II – Leverage Internal Human Capital (Month 2)** – Identify (2) highly motivated employees within each branch location to help with the implementation of the project. These employee’s will also bring creativity and fresh ideas to the table to help continue to make this project stronger. By investing in these employees will make them feel more valued and support a positive work environment which helps with collaboration and overall morale.
- **Phase III – Employee Engagement – (Month 3&4)** - Train the team on all products and services that Cash Management offers. Create business training packages for them to use as a guideline for helping cross-sell and deepen business relationships. Host Bi-weekly in-person or Teams meetings to help keep the project on track and the team up to date with progress as well as on-going training.

- **Phase IV – Overview of (CRM) Software and Resources (Month 5,6, &7)** – To help optimize business relationships by implementing the CRM platform integrated with personalization tools that align product and service offerings with our client’s needs. This is a system that is built into our Core system to help with customer relationship building. This is not currently being used and with the help of my project, we can get put together a team with a representative from all departments to help with building the platform. Currently, unless you are building what you would like to see and utilize within the platform, you won’t know what the cost will be to create this within our core processor which is COCC. The good news is, I’ve met with Peggy Ruuska, the Senior Technology Officer, and the areas that I want to focus on within our Core System are offered to us as a client of COCC for free. These features I feel are a vital part of building our Business Banking Relationships and is mandatory to have in place for everyone to utilize. What I found out is while researching for my project is that no one has really had the time to help get this feature built to be utilized by staff. There may be certain features that would be a cost to us, however, we won’t know until the project gets built. If there is a cost to certain features that we may want to add on, we can incorporate it into our strategic plan going forward for future use. My goal is to focus on what needs to get done now to make this project successful. If needed, I will do everything in my power to see about providing some costs going forward. Once we have created the system, we can then begin to train all staff. This is going to help with relationship deepening and cross-selling opportunities. By reviewing this with the head of all departments and explaining how important this

feature will be, I feel as though they will agree that this is an absolute must to have to not only strengthen and expand our business relationships, but to also create better communication between all areas of the bank.

- **Phase V – Marketing Meeting – (Month 8)** – Meet with our Marketing Department to talk about deploying multi-channel campaigns through email, webinars, in-house advertising and mailings with our partner at Haberfeld. Request updated brochures and educational content to be used in our business packages for training.
- **Phase VI – Human Resources Meeting – (Month 9)** – Meet with our Human Resource Department to talk about eligible employees who will qualify for incentive payout for referring clients over to the Cash Management area and have reached their monthly goals. What will the incentive structure be? Cash bonuses, gift cards, or PTO. Payout Timing: Monthly, quarterly, or annually? Budget Estimate: What would the budget be? Individual goals or team goals? I will utilize the guidance of the Human Resource Manager to guide me with a budget that is fair for everyone involved. Once I have a budget in place, I can create a referral incentive program to be approved and rolled out to the employees. I'm proposing a \$25.00 per every successful qualified lead and feel this is very generous. With 11 branches and 22 employees on the team, if everyone had 1 qualified referral lead Per month, that would average out to around \$550.00 a month or \$6600.00 per year. I

feel as though budgeting for a cap of \$25,000.00 for payouts would be acceptable. I will also make sure that every month recognition shout-outs for top performers get sent out. I will have quarterly bonus drawings for staff with 5 or more successful leads. This will help keep the momentum going, but also staff loves to be competitive with each other. I also want to invite top performers to a quarterly Board Meeting to also be recognized. I know with the help of HR, together, we can make this successful.

- **Phase VII – Tracking Performance – (Month 10)** – I will create a Cash Management Referral Tracking Template to support and monitor employee generated referrals that lead to new or enhanced business relationships. By implementing this referral process, it will help with strengthening employee engagement, accountability, and collaboration between all departments. This I believe will help to increase leads each month.  
  
My goal is to efficiently follow-up with staff Bi-weekly, track their progress, provide guidance and support, and measure success. The main focus is to encourage and ensure employee participation for long-term success. This information will also be used with annual reviews to document how the employee's overall evaluation of the past year. If the employee is underperforming, what kind of outreach for training initiatives can be implemented. This implementation of the tracking template represents a key milestone in my roadmap to expanding business banking relationships. This initiative promotes

employee engagement and accountability, but also enhances the visibility of Cash Management solutions.

- **Phase VIII – Employee Kick Off – (Month 11)** – Hold a kick-off luncheon meeting at the Executive Center in Marshfield for the Team. This will be an informative meeting to talk about how they are going to be the champions of a Roadmap to expanding Business Banking Relationships and how this initiative fits into the banks strategic plan. They will all go through more training to help educate them on the suite of products and services for Cash Management. How to identify referrals and what to say to help with a conversation. We will walk through the referral process and I'll provide a sample of what it looks like on the excel spreadsheet. I will explain the incentive program, the reward structure eligibility, and how top performers will be recognized. I will then open it up to questions and feedback from anyone that would like to share. Final closing remarks will be from our President Robert Terravecchia who will provide a motivational message to help support the teamwork and thank everyone with the ongoing support with this project.

**How will I know if my project is successful?**

The success of this capstone project of expanding business banking relationships will be measured by a combination of KPI's. Metrics, quantitative performance, qualitative feedback, and strategic alignment. These indicators will demonstrate whether my roadmap is achieving its intended impact across client engagement, product adoption, team performance, and over all business growth. The successful expansion of business banking relationships at Coastal Heritage Bank, hinges on a strategic blend of insight, innovation, and human capital. This capstone project has outlined a comprehensive roadmap that begins with strategic planning, product optimization, team formation, targeted marketing, and relationship development. Success will not only be measured by quantitative metrics, such as deposit growth, product adoption, and client retention, but also, by qualitative indicators of client satisfaction, employee empowerment, and strategic alignment. The continued improvement will ensure the bank remains committed to excellence. I promise with this project Coastal Heritage Bank will deepen its impact in the community, strengthen our market position, and deliver long-term value to our customers and employees.

#### IV. FINANCIAL IMPACT

Although it can be hard to try to figure out the exact costs of developing this project, I do feel by expanding Business Banking Relationships at Coastal Heritage Bank, it will help to generate a revenue stream while strengthening our long-term profitability. The good news with my project is that our current software that we are using is covered under our annual contract with COCC, so no added expense may be incurred. In order to complete this part of my project, I will need to have a designated person from each area of the bank to help with building the platform as to what is needed for employees to be able to fully engage with all communication and sales strategies. Once the platform has been established, we can begin to train all employees on how to use it. I know how important it is to keep costs down not just in banking, but in any other business, but having this project be successful is the key to our success. By targeting small to midsize businesses can help increase our deposit base by 10-15% over 12-18 months. By having more business accounts will help contribute to low-cost deposits while improving our Net Interest Margin (NIM). By creating a business team to work with me, will help to generate leads for Cash Management products and services which in the end will help provide recurring fee income. Utilizing our own human capital allows staff to feel valued about learning a new area of the bank and empower the employees to be more engaged with the customers as well as building a client base of their own. By Utilizing our existing employees will not only help build this department, but will help save on hiring costs. They will be the key people to help with implementing my project by using tools & resources provided to help streamline customer onboarding and relationship building. To me, utilizing our own human capital is priceless! Customer retention is a main focus with the team as well. By creating a team at each location

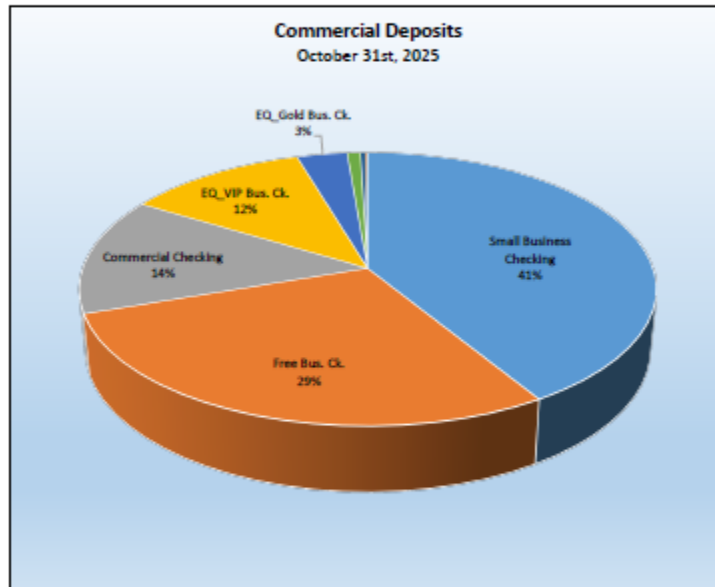
is going to help with building customer loyalty and reduce customer leaving. Customers want to be able to go to any location and speak with a person who is capable of helping them with any question they have. This is key to having long-term customers. I know that there are plenty of online training classes through our core processor that are free for anyone to log in and self-train on all areas of the bank. Most employees don't even know this feature is here for them to use. I will strongly urge the team to explore the training manuals that is provided online to help them be more efficient in their roles. These classes are recorded and you can take them at your own pace. Some training classes are in person and you would need to go to Connecticut, (which would cost the bank money to send people), or they are online for power-hour classes. The cost can range for in-person training from \$100.00 - \$300.00 per person depending on the course, mileage, and room expense if needed. Most things you can find on-line and the training is excellent. A quote I found while researching Gallup that I thought was very powerful was, "Positive work experiences rarely happen by chance – they are the product of purposeful leadership." This right here is the key to promoting employee wellbeing. One of the expenses the bank will have is the Employee Incentive Program. This is a program that will be the first time rolling out any incentives for cross-selling products and services since we merged banks together seven years ago. With the start of a new incentive plan, we will start out with a small budget as I stated in my previous section, I'm proposing to cap at \$25,000.00 and hoping to increase over the next three years as more goals will be assigned as the department grows. This is going to need to be a well thought out process to make it fair across the board. Another financial impact will be the expense of hosting on going seminars for our current business customers and potential business customers to attend. I want to be able to bring in key speakers

that will grab the attention of what will be helpful to their business needs. I would keep these meetings to small group of no more than twenty people and host a working luncheon/breakfast at my office. I feel people enjoy going to a quick lunch/breakfast meeting and enjoy listening to speakers more than coming after work. Hosting one seminar a quarter should cost no more than \$1000.00 each time. These will be productive and also potentially bring in new business. Almost two years ago, we hired a consulting and marketing firm Haberfeld that specializes in optimizing financial institution performance through data-driven strategies. Haberfeld assists banks, including community banks like Coastal Heritage Bank, in utilizing customer data and segmentation strategies to enhance their offerings. The training platforms they design are to help increase low-cost deposits, enhance cross-selling opportunities, and boost fee and interchange income. Being a small community bank and partnering with Haberfeld, creates opportunity for us to grow deposits, expand our customer base, and help strengthen our presence in the communities we serve. Coastal Heritage Bank utilizes this program by leveraging market segmentation strategies to enhance our customers relationship, drive product development, and optimize marketing efforts for a long-term strategy. The bank has invested heavily with Haberfeld to help with advertising for both Retail and Business accounts and the program has been very successful to date, however, by offering Free Business Checking to Commercial Customers has hurt the area to cross-sell Cash Management products and services. This has been a real challenge and that is why my focus with my capstone project on Expanding Business Banking Relationships Services is really important to the bank to be successful. With the help of utilizing Haberfeld with marketing initiatives and on-going Staff training, will help to build more Commercial Deposits and cross-sell Cash Management products and services. Below is a draft of

our latest Commercial Deposit Summary as of October 31, 2025. Some of the account types are grandfathered in from previous mergers. These accounts start with “EQ”. You’ll notice that most of our accounts are either in Small Business Checking or Free Business Checking. Both of these product types do not have any service charges making it difficult for customers to want to switch over to a Commercial Checking Account. In order to correctly offer Cash Management products and services and to have on-going fee income, a Commercial Checking needs to be opened. By having this type of account, the earnings credit allowance could offset any charges they may receive. By having more Commercial deposit accounts, helps to reduce the need to rely on Federal Home Loan Bank (FHLB) borrowing because they are low-close or no-interest accounts. These types of accounts open up so much potential to have a deeper relationship with offering Cash Management solutions. In the graft below, you will see a breakdown of our current business accounts. All though these accounts are low-cost accounts, this works well with my capstone project of expanding our business relationships. By conducting phone calls to review and uncover unmet needs, will help to not only grow and strengthen the relationship, but help with revenue growth.



Commercial Deposit Summary  
October 31st, 2025



Small Business Checking	1,319	\$37,146,371
Free Bus. Ck.	1,064	\$25,639,360
Commercial Checking	91	\$12,560,722
EQ_VIP Bus. Ck.	20	\$10,566,083
EQ_Gold Bus. Ck.	103	\$2,946,759
EQ_Regular Bus. Ck.	41	\$778,165
EQ_Reg. Comm. MMDA	2	\$279,935
EQ_Gold Comm. MMDA	6	\$132,695
	2,646	\$90,050,090

ROI - On Average, the acquisition cost per account is \$348.00. This figure below reflects the total of the Haberfeld program expenses divided by the projected number of new accounts that were generated. As I stated above, we are heavily invested in Haberfeld to help grow our deposit accounts. Based on the 2024 analysis, for every new or expanded relationship was \$348.00 in annual return. For example: If we have 91 Commercial Checking accounts it would be 91 x \$348

= \$31,668 annual ROI. Not all of the Small Business Checking or the Free Business Checking accounts currently generate the full \$348.00 ROI and I believe they are underutilized and not utilizing our current products and services we offer. We can certainly increase the ROI by expanding and deepening the relationships to capture more revenue and become more profitable. This is why my project of Expanding Business Banking Relationships can help to improve the bank's long-term financial performance.

## ROI

### Coastal Heritage Bank Catch the Wave Analysis 2024

Costs		
Omni-Channel Marketing (Direct Mail & Plus One™)		\$355,848
Collateral Marketing		\$4,078
Gifts	1,171 x \$18 (average gift cost)	21,078
Consulting Fees		\$26,637
<b>Total Costs Incurred</b>		<b>\$407,641</b>
New Accounts Opened		1,171
Acquisition Cost per Account	( \$407,641 ÷ 1,171 )	<b>\$348</b>
Annual Value of Average Retail & Business Checking Accounts		
Overdraft Income		\$38
Additional Fee Income		47
Spread Income		530
Less Back Office Costs		(27)
<b>Total Annual Value From Checking Only</b>		<b>\$588</b>
Average Life in Years		9.7
Present Value of an Account		\$3,855
<b>Return</b>		
Return - 12 Month		69%
Return - Lifetime		1007%
Investment Payback in Months		<b>7.1</b>

ACCELERATING GROWTH

## **V. NON-FINANCIAL IMPACT**

All though the financial impact is important to the bank, expanding business banking relationships also present organizational challenges. Shifting our focus towards business customers will require employees who are more retail focused to step out of their comfort zone and could resist change. It'll take on-going training and professional development to help build the skills needed for my team to be comfortable in this area of expertise. It's important to me for management to be supportive to help build confidence in the team and show they are with them every step of the way. Communication across all departments must be clear at all times to ensure business customers experience throughout the bank is seamless.

### **How do we overcome any hurdles?**

Coastal Heritage Bank and I must address any hurdles that come up to ensure the expansion of business banking relationships is successful. To overcome these challenges, we need to foster cultural buy-in by clearly communicating our vision, sharing success stories, and recognizing employees who embrace new changes. Help guide employees through changes and maintain momentum with strong leadership. Continue to strengthen communication between all departments through the CRM dashboard. By keeping open communication and collaborating between all departments ensures the best customer satisfaction.

### **How does my project affect stakeholders?**

For our business clients, my project provides access to tailored financial products to help with all their banking needs. Retail customers benefit from the bank investing in better technology.

Employees are impacted through opportunities for professional growth, training, and mentorship. Our regulators will expect stronger compliance and risk management practices in place. The Board of Directors will benefit from diversification, long-term stability, and enhanced reputation. This project touches every stakeholder connected to Coastal Heritage Bank.

**What is the impact of profitability?**

Business banking often generates value in ways that are not immediately reflected in profit. Having deeper relationships can lead to more cross-selling opportunities, customer retention, and better reputation in the communities we serve. Investments in technology and compliance have upfront costs that changes financial benefits. The constant economical conditions, competitive pressure and regulatory changes hurt profitability. The expansion of business banking relationships should be viewed as a strategic investment in our bank's future. By building stronger loyalty, diversifying revenue streams continues to position Coastal Heritage Bank as a trusted partner for local businesses.

**What non-financial measures can be used to evaluate the impacts?**

All though the project is important, I need to know business customers are happy and staying longer. I want to make sure my team are learning new skills and feel more engaged. Technology is being upgraded as needed to keep up with demand. Are the workshops and seminars offered to businesses meeting our customer needs? By providing surveys to be completed will help with overall feedback from the business customers as well as employees. These surveys will help me to continue to build meaningful business relationships.

**How could each potential impact affect the long-term profitability?**

Having higher customer satisfaction and stronger retention builds loyalty. This helps drive a steady revenue stream over time. By having employee development and engagement improves productivity, lower turnover, and saves on recruitment costs. Operational efficiency between all departments help to serve customers better. Building community engagement creates a stronger reputation and attracts more business.

## VI. CONCLUSION

My Capstone project of a Roadmap to expanding Business Banking Relationships will not only help to deepen our relationships with our current customers as well as with onboarding new customers, but it will also help to build a stronger partnership to help create long-term growth. By making sure that all staff have the proper tools/guidelines that are needed when speaking with existing/new business customers is so important when talking about Cash Management products and services. Not only do I know that providing on-going training and bi-weekly meetings with my team is valuable, but financially meaningful to our bank. We want to continue to generate more non-interest income. My theory has always been you need to spend money to make money. Whether it's investing in on-going training of our employees to help with developing their growth, reward the employees with incentives to help boost overall performance, or investing in our products, services, and technology to better serve our customers. In order for our bank to remain competitive, we need to continue to foster deeper connections with our customers. We want people to know that when they come to Coastal Heritage Bank they will receive the best Customer Service and can trust us with all their financial needs. My goal is to see Coastal Heritage Bank continue to grow and prosper for many years to come. Throughout my capstone project I believe I recommended and outlined what we need to do to expand our relationships with our customers. By utilizing Human Capital, Technology Resources, Financial Resources, Marketing and Strategic Resources, and Operational Support is just to name a few. It is very important to have employee participation to make this project successful. By not investing in our own employees with training and relationship building skills, the bank could risk providing high-value customer service. By also not pursuing this project initiative, the bank could risk falling

behind in revenue growth. Support from all departments is necessary to make this successful.

We need to continue to provide exceptional customer service to all our customers. I know the team that I put together is the best and will work hard to make this project successful not only for the bank, but for themselves. They want to see the bank prosper and continue to grow as well.

There is no “I” in team. We are one big team! I will close with another Quote from “Gallup”.

Good leaders start learning. Great leaders never stop. As a leader, I’m always thinking of how can I be better at what I do to help my customers more. What can I do to encourage my staff to be the best they can be? How can I drive more business to the bank? Banking is forever changing and we need to always be on the top of our game.

By approving and supporting this project, Coastal Heritage Bank will continue to strengthen its position as a trusted financial partner to all the communities we serve for many years to come.

## Appendix

1. Coastal Cares Donations – June 30, 2025
2. Cash Management Business Team
3. Coastal Heritage Bank Corporate Value Wheel
4. Coastal Heritage Bank Deposit Pie Chart Distributor June 30, 2025
5. Coastal Heritage Bank Commercial Deposit Pie Chart June 30, 2025
6. Description of Coastal Heritage Banks Strategy, Customer Base, Coverage, and Business Model
7. Celebrating Employee's Milestones Longevity
8. Coastal Heritage Bank's Branch Geographic are of Locations
9. Coastal Heritage Bank's Mission and Values Pyramid
10. Detailed Implementation Timeline of my Project
11. Total Commercial Accounts VS Dollars June 30, 2025

## Bibliography

1. Equitable Bank Merger with Weymouth Bank announcement from the Division of Banks
2. Bankers and Tradesman announced the merger of two South Shore Banks
3. Division of Banks letter agreeing on the name of Coastal Heritage Bank
4. Coastal Heritage Bank Locations
5. Copy of the Depositors Insurance Fund (DIF)
6. Coastal Care Program – Distribution list of recent donations
7. Letter from our President/Chief Executive Officer Robert W. Terravecchia, Jr.
8. June 30, 2025 Uniform Bank Performance Report – UBPR Information Page
9. UBPR June 30<sup>th</sup>, 2025 Balance Sheet
10. Federal Reserve Press Release
11. Summary Income Statement
12. Income Statement Qtr ending June 30, 2025
13. Budget VS Actual Balance Sheet
14. Metric Calendar Board of Directors
15. Coastal Heritage Bank's Mission Statement