



2022 Annual Report



Newtown
Savings Bank
The Power of Local



A MESSAGE FROM OUR CEO AND CHAIRMAN

2022 was a year of remarkable achievement for Newtown Savings Bank. We saw strong customer growth and received exciting recognition at both the local and regional level.

From a financial standpoint, we posted record earnings of \$11.3 million while contributing \$1 million to our charitable foundation.

We have now contributed \$2.5 million to the Foundation over the past three years, significantly increasing its assets and, in turn, its impact in our communities now and into the future.

Adding to our success, the sale of Infinex Financial Holdings, Inc.—a broker dealer established by the Bank and a number of peer institutions in the 1980s—led to a significant one-time gain. Core earnings remained solid, driven by strong growth in net interest income. Asset quality remained historically favorable and continues to compare extremely well with other banks as we navigate uncertain economic times.

These accomplishments, strengthened by the continued dedication of our people to customers and the community, contributed to the numerous accolades Newtown Savings Bank received throughout the year. We were honored to, once again, be named the “Best Small Bank in Connecticut” by Newsweek. We were also proud to receive a Community Reinvestment Act rating of “Outstanding” from the FDIC, the highest rating that can be given. This rating, which reflects the Bank’s performance in meeting the needs of the communities in which it operates, is objective proof that our commitment to the community is much more than just words.



Pictured left to right: Kenneth L. Weinstein and John F. Trentacosta

Our customers clearly agree, as we saw record levels of deposit account openings and growth in new deposit households. Additionally, we experienced strong retail, commercial, and small business loan production. Due to our customer-centric, personalized approach to banking and great word-of-mouth advertising from our customers, we benefited from merger and branch closure activity on the part of larger national and regional banks with less focus on our market. It was a very good year for the Power of Local!

As we enter 2023, we intend to keep the forward momentum going. We have plans to make exciting upgrades to our technology that will be implemented during the course of the year. This significant initiative, which started last spring, will help to enhance the customer experience and our operating efficiency. It will also ensure we remain relevant to our customers as technology continues to evolve.

Of course, as a community bank, we are primarily in the people business. We were saddened by the loss of our long-time Corporator, Gerry Robilotti, who passed away in May. Gerry served the Bank with good humor, pride, and distinction, and he is missed.

We were pleased to welcome three new Corporators in 2022: Neil Chaudhary, Michelle James, and Doug Wade, Jr. These exceptional individuals add strength and perspective to the ranks of our Corporators, and we anticipate that each will contribute to our continued success as an independent mutual savings bank.

From a management standpoint, Lynndel Bartulis, our Chief Information Officer, retired this February after more than 22 years of service. A trailblazer amongst women in technology leadership roles, Lynndel has served the Bank and its customers with expertise and care throughout her tenure. Lynndel’s commitment to an orderly transition allowed us to identify and onboard her successor months prior to her departure. We wish Lynndel all the best in her well-earned retirement and warmly welcome Jennifer Sheldon to our team.

On behalf of all of us at Newtown Savings Bank, thank you for your continued support and trust in us. We look forward to another year of serving the community and hope that 2023 will be a year of health, happiness and fulfillment for you and yours.

Kenneth L. Weinstein
President & CEO

John F. Trentacosta
Chairman

CONNECTED TO OUR COMMUNITY

Newtown Savings Bank is a longtime supporter of local nonprofits and community organizations. Our employees know, as local business leaders, we serve as stewards of our community and each of them has a strong sense of social responsibility.

In our 167-year history, a lot has changed but our core values remain the same. We're here to serve the community, and philanthropic giving and volunteerism remain central to our identity as a community bank.



229

Employee
Volunteers



198

Organizations
Served



5,200+

Volunteer
Hours



Pictured: Newtown Savings Bank employees, Terri Mancusi and Donna Cuddihy, volunteer to restock the pantry at Community Action Agency of Western CT.

INVESTING IN OUR COMMUNITY

The Board of Directors voted to make a \$1 million contribution to the Bank's Foundation. This significant addition to the endowment will enable us to do even more to support nonprofit organizations. Growing the Foundation demonstrates our long-term commitment to the community and ensures our support for decades to come.

\$301,220

Contributed to Community
and Charitable Organizations

200+

Organizations
Supported

ENCOURAGING HOMEOWNERSHIP

Housatonic Habitat for Humanity

Newtown Savings Bank is proud to support the meaningful work of the Housatonic Habitat for Humanity, which provides families the opportunity to own a home with an affordable monthly mortgage payment. The Bank has contributed to the success of the organization through financial contributions and volunteer efforts. Our employees have supported homeownership initiatives by serving on the Board and committees, teaching financial literacy, servicing loans, and assisting prospective families develop budgets and long-term financial goals.



Pictured: Lorena Barreto, Mortgage Banker and member of the Applicant Review Committee at Housatonic Habitat for Humanity, celebrates with a recently placed family at the Blueprints & Blue Jeans event.

“Newtown Savings Bank employees volunteer throughout the mortgage application process, providing empathetic and professional guidance to first-time homebuyers.”

Diana Arfine,

Executive Director, Housatonic Habitat for Humanity

Building Neighborhoods Together

Newtown Savings Bank has developed a strong relationship with Building Neighborhoods Together, a Bridgeport-based nonprofit designed to help low-to-moderate income individuals navigate the challenges of affordable housing. In September, we presented a First-Time Homebuyer Workshop to educate area realtors.

RESPONDING TO NEIGHBORS' NEEDS

In support of Hunger Action Month, we organized a community-wide food drive across our 11 branch towns in September. Employees, customers, and community members were encouraged to donate non-perishable food items to restock local pantries. We provided grants from the Foundation to each of the recipients as well.

2022 HIGHLIGHTS

Thanks to our highly dedicated staff and their extraordinary efforts, the Bank is proud to announce another successful year! 2022 certainly saw its challenges with record inflation and economic uncertainty. Yet the Bank thrived, with a continued commitment to serving our customers and the communities we all call home. Here are some of the great things we have been able to accomplish together:

RESIDENTIAL MORTGAGES

Our residential lending business had a strong year; closing 770 first mortgages for \$275 million. We helped 480 families move into new homes. Of those families, 110 were first-time homeowners.



I wasn't sure I was ready to buy a home, but Newtown Savings Bank showed me that I could. With their help, I found the home that was perfect for me and my family."

Natasha
First-time homebuyer
Danbury, CT



DOWN PAYMENT ASSISTANCE

In 2022, we launched a Down Payment Assistance Program designed to empower first-time homebuyers by helping them achieve their goal of owning a home. This program provides low-interest loans which can be used to cover a homebuyer's down payment and closing costs. Our Down Payment Assistance Program is helpful for those who can afford a mortgage but may not have funds for a down payment. Other benefits of this program include a low fixed interest rate and flexible underwriting guidelines.



**#1 Mortgage
Lender in CT**
among community banks*

*Source: The Warren Group

BUSINESS & COMMERCIAL LENDING

We're proud to have spent another year supporting local businesses through our business lending products and services. We're committed to helping Connecticut companies like Q-Tran, a lighting manufacturer, continue to thrive. We know the importance of local businesses because we are one.



"When I started, we were four people. Now we're a leading manufacturer in the lighting industry. With the help of Newtown Savings Bank, we're expanding our operations for the future."

Gean
President, Q-Tran
Milford, CT

In the middle of November, we closed on a multimillion-dollar commercial mortgage for an apartment building in a previously depressed section of downtown Bridgeport. This extensive renovation is representative of the area's ongoing revitalization efforts. The property is already 100% leased, with more than one-third of its units classified as affordable.

FINANCIAL EDUCATION FOR SMALL BUSINESSES

In October, we presented a financial literacy workshop to the members of the Hispanic Chamber of Commerce of Greater Bridgeport. The workshop focused on access to capital for small businesses, small business products and tools, as well as information on how to obtain loans.

NEWTOWN INVESTMENT SOLUTIONS*

For more than 25 years, Newtown Investment Solutions has been helping families and businesses in our community achieve their financial goals. We empower customers with a full range of services—including wealth management, financial planning, retirement and investment solutions, and insurance. Our team prides itself on developing relationships with clients to best understand their individual needs.

**Please see back cover for Newtown Investment Solutions' full disclosure information*

AWARDS & RECOGNITION

New Leaders in Banking Award

Holly Hatfield, Compliance Officer, was honored with the New Leaders in Banking Award from the Connecticut Bankers Association (CBA). Each year, the CBA recognizes employees who have made a notable impact on their bank and in the community. Holly was recognized as one of 14 leaders from banks around the state.



Pictured left to right: Kenneth Weinstein, President & CEO, Holly Hatfield, VP, Compliance Officer, and Matthew Matarese, FVP, Chief Risk Officer

Newsweek's 2023 Best Small Bank in Connecticut

Newtown Savings Bank has once again been recognized as "Connecticut's Best Small Bank" by Newsweek as part of their "America's Best Banks 2023" ranking.



CRA Rating of Outstanding

As part of our FDIC examination, we received a Community Reinvestment Act (CRA) rating of "Outstanding." This rating is the highest a bank can receive and is defined as a bank having "an outstanding record of helping to meet the credit needs of its assessment area, including low-to-moderate income neighborhoods, in a manner consistent with its resources and capabilities." The rating is difficult to achieve, with only 20% of banks earning this distinction.

Expanded Assessment Area

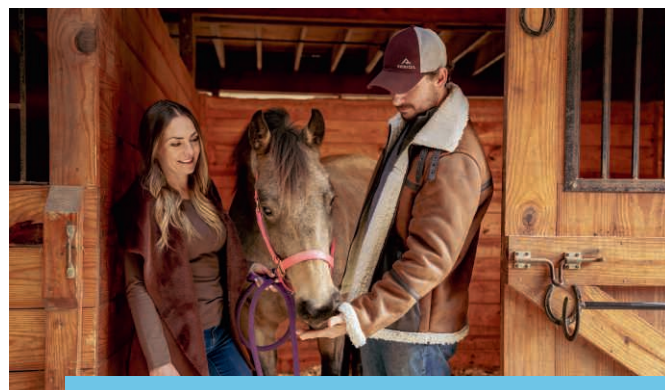
In 2022, we announced that our Community Reinvestment Act assessment area would be expanding from 14 towns to 25. Reflecting the growth we've experienced in recent years, this expansion is an exciting opportunity to meet the needs of customers living in neighboring communities!



*Pictured: Laura Krauss
VP, Commercial
Loan Officer*

CIC Banker of the Year Award

The Community Investment Corporation, an economic development lender that partners with banks to offer specialty loans through the U.S. Small Business Administration, recognized Laura Krauss as Banker of the Year. Among other accomplishments, Laura was instrumental in helping Heather and Dustin Crabtree (pictured below) secure an SBA loan to establish a 22-stall horse boarding facility on 12 acres in Woodbury.



The minute we got on the phone with the loan officer, she supported us. She believed in us. Without that, I don't know if we could've made this happen. We couldn't be happier."

Heather & Dustin
Crabtree Farm
Woodbury, CT

IN THOUSANDS
OF DOLLARS**STATEMENT OF CONDITION**

Assets	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash & Deposits in Other Banks	62,621	534,602
Investment Securities	551,645	246,155
Loans		
Mortgage		
Residential	662,587	403,662
Homeowner Construction	24,655	24,967
Builder Spec/Commercial Construction	19,994	19,653
Commercial	247,357	241,568
Held for Sale	0	614
Total Mortgage Loans	\$954,593	\$690,464
Home Equity	63,681	63,148
Consumer - Personal & Other	13,215	15,992
Commercial & Industrial	88,614	106,766
Small Business Lending	27,605	36,682
Total Loans & Leases	\$1,147,708	\$913,052
Reserve for Loan & Lease Losses	(16,864)	(18,787)
Total Loans & Leases, Net of Reserves	\$1,130,844	\$894,265
Banking Premises & Equipment	19,701	20,524
Other Real Estate Owned	60	322
Other Assets	77,242	52,283
Total Assets	\$1,842,113	\$1,748,151
Liabilities & Capital		
Deposits	1,604,672	1,475,403
FHLB Advances & Other Borrowings	77,726	119,890
Other Liabilities	32,642	25,697
Capital	127,073	127,161
Total Liabilities & Capital	\$1,842,113	\$1,748,151
Selected Ratios		
Tier 1 Leverage Capital Ratio	7.39%	7.67%
Tier 1 Risk-Based Capital Ratio	14.54%	15.61%
Total Risk-Based Capital Ratio	15.80%	16.87%

Unaudited

Disclosure of this statement shall not signify that any federal supervisory agency has verified or confirmed the accuracy of the information contained therein.

LEADERSHIP



Board of Directors
(All Directors are Corporators)

Back

Alan J. Clavette
Director

Laureen A. Trotto
Director

Brian C. White
Director

James A. Kennedy
Director

Carrie L. Amos
Director

John F. Trentacosta
Chairman

Front

William A. Brimmer, Jr.
Director

Kenneth L. Weinstein
President & CEO

James T. Morley, Jr.
Director

Carol L. Mahoney
Secretary



Executive Committee
(All are Management Committee Members)

Back

Matthew C. Matarese
FVP, Chief Risk Officer

Meghan P. Krebs
FVP, Chief Credit Officer

Carl N. Josephson
SVP, Retail Lending & CRA Officer

Jaime E. Moss
SVP, Human Resources

William J. McCarthy
SVP & Chief Financial Officer

Jennifer Sheldon
SVP, Chief Operating Officer

Front

Anthony F. Giobbi
EVP, Chief Banking Officer

Kenneth L. Weinstein
President & CEO

Lynndel M. Bartulis
SVP, Chief Information Officer

Management Committee

Patricia W. Cauwels
FVP, Retail Sales Manager

Christine E. Conway
VP, Deposit Operations/
Electronic Banking Manager

Manuel P. Fernandes, Jr.
VP, IT Manager

Brian T. Fonck
FVP, Head of Retail Banking

Kathleen A. Gugliotti
SVP, Marketing Director

Mary Z. Jascha
FVP, Sr. Commercial Lending Officer

Linc Keil
VP, Treasury Manager

Laura U. Manz
FVP, Loan Servicing Operations Manager

James G. Wallace
VP, Director of Wealth Management

Officers

President & CEO

Kenneth L. Weinstein

Executive Vice President

Anthony F. Giobbi

Senior Vice Presidents

Lynndel M. Bartulis
Kathleen A. Gugliotti
Carl N. Josephson
William J. McCarthy
Jaime E. Moss
Jennifer Sheldon

First Vice Presidents

Patricia W. Cauwels
Brian T. Fonck
Mary Z. Jascha
Meghan P. Krebs
Laura U. Manz
Matthew C. Matarese

Vice Presidents

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Vincent DiGilio, Jr.
Lars Edgren
Victor A. Falco, III
Manuel P. Fernandes, Jr.
Peter J. Gerardi
Steven J. Greenberg
Tracy C. Gustafson
William R. Hart
Holly R. Hatfield
Hyrije Hodza
Michael T. Hokanson
Edwin W. Holden, IV
Linc Keil
Laura A. Krauss
Nancy G. Kuhn
Sarina Manibanseng
David S. Manzer
Marc Massimino
Rhonda McEwen-Thompson
Margot J. Melaas
Renee Metzger
Katie A. Smith
Dawn Taylor
James G. Wallace
Kasey Yakavonis

Assistant

Vice Presidents

Lorena Barreto
Jennifer L. Blatchley
Rebecca L. Brown
Vernal Chong
Julia F. Douglas
Andrea T. Fodor
John W. Francis
Toni French
Sarah M. Hensal
Kelly R. Jack
Philip E. Lukianuk
Matthew F. Mihalcik
David S. Myrick, Jr.
Danielle B. O'Rourke
Iris T. Patrick
James A. Philipakos
Luke Robichaud
Dina Sabia
Leonid Sharshukov
Tracey B. Smith
Janice A. Snyder
Bryan N. Terzian
Kelly J. Williams

Assistant Treasurers

Patricia Adamo
Amber Austin
Michela Blanchette
Alexandra Boschetto
Maria Elena Daddi-Greene
Gail Garzon
Kathryn N. Korres
Holly L. McNamara
Carrie A. Milks
Brianna E. O'Loughlin
Karissa M. Peters
Erik Secola
Roland Stephen
Agnieszka Stepniak
Rhonda Stokes
Barbara J. Tucker
Nancylee Victoria
Paula Wilson
Tina Woehrle

Corporators

Isabel C. Almeida
Brian Amey
Scott Baggett

Daniel L. Bedard
Bobbi Jo Beers
Rodd B. Blessey
Michelle L. Brown
Sean M. Carroll
Patrick Caruso
Neil K. Chaudhary
Philip R. Clark
George A. Coleman
Kevin A. Cragin
Dawn Reshen-Doty
* Antonio Fernandes
William Florin
* Matthew Gilchrist
Robert S. Grossman
James Gulalo
Timothy J. Holian
Joseph R. Humeston
Todd Ingersoll
Michelle H. James
James J. Jowdy, Jr.
Nicholas J. Kopcik
John S. Madzula
Joel W. Malin
John J. Martocci
Robert Matthews
Paul E. Mayer
Kevin McMahon
Robert Morey
Glenn J. Nanavaty
Maureen Crick Owen
Ted Parker
Margaret A. Powers
Mark Principi
Anne M. Ragusa
Lawrence M. Riefberg
Douglas Rose
Sandy T. Roussas
Andrea Scalzo
David B. Sippin
Joseph D. Skrzypczak
James T. Smith
Lauren H. Soloff
Paul S. Timpanelli
Douglas H. Wade, Jr.

* Nominated pending election at 2023 Corporators Annual Meeting.

BRANCH LOCATIONS

Newtown

Main Office
32 Church Hill Rd.
203.426.2563

Bridgeport

112 Boston Ave.
475.476.6245

Monroe

Clock Tower Square
477 Main St.
203.268.6395

Southbury

By the Southbury Green
685 Main St. South
203.262.0400

Newtown

Plaza South
274 South Main St.
203.270.7402

Brookfield

Candlewood Lake Plaza
14 Candlewood Lake Rd.
203.775.4164

Oxford

Quarry Walk
280 Oxford Rd.
203.262.8175

Trumbull

Trumbull Center
926 White Plains Rd.
203.445.8103

Bethel

Dolan Plaza
211 Greenwood Ave.
203.744.3233

Danbury

Danbury Executive Tower
30 Main St.
203.205.0080

Shelton

815 Bridgeport Ave.
203.944.0382

Woodbury

238 Main St. South
203.263.5629

Bethel

68 Stony Hill Rd.
203.778.1110

Monroe

Century Plaza
535 Monroe Tpke.
203.459.9985

Shelton

White Hills Shopping Center
194 Leavenworth Rd.
203.944.9655

GENERAL INFORMATION

Mailing Address

39 Main St.
Newtown, CT 06470
Toll Free: 800.461.0672
Local: 203.426.2563

LENDING CENTER

Hamden

New Haven
Regional Lending Center
2321 Whitney Ave.
203.974.8998

NEWTOWN INVESTMENT SOLUTIONS

Investment and insurance products and services are offered through INFINEX INVESTMENTS, INC. Member FINRA/SIPC. Newtown Investment Solutions is a trade name of Newtown Savings Bank. Infinex and the bank are not affiliated. Products and services made available through Infinex are not insured by the FDIC or any other agency of the United States and are not deposits or obligations of nor guaranteed by any bank or bank affiliate. These products are subject to investment risk, including the possible loss of value.



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