



LAUREN
Newtown, CT

2017 ANNUAL REPORT



Newtown
Savings Bank

The Power of Local

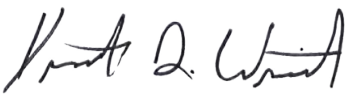
2017 was a milestone year for Newtown Savings Bank, and a very good one. The Bank continued to grow, passing \$1.2 billion in assets, and had record earnings before a one-time adjustment related to the tax changes passed by Congress and signed by the President in late December. All of our lines of business had a good year, and loan quality remains excellent. The Bank enters 2018 in a strong financial position.

The pages that follow feature a few of the year's highlights, including technology enhancements and the move of our main office branch to our beautiful new facility on Church Hill Road. Moving the main office branch after more than 160 years on Main Street was not a decision we took lightly, but the reaction from customers and the community has been very positive. We thank our customers and employees for their patience as we moved to our new location.

We also had a leadership change at the end of the year with John Trentacosta's retirement after 19 years with the Bank. John will remain involved as the Chairman of our Board of Directors, and has been succeeded as President and CEO by Ken Weinstein. This transition occurred gradually throughout the year in accordance with the plan developed by the Board, and has gone very smoothly. We are blessed to have a strong and experienced leadership team, and remain committed to being a Bank that our customers, employees and communities can be proud of.

We would like to take a moment to honor John Martocci, who stepped down at year-end as chairman of the Board of Directors. A former President and CEO of the Bank, John will remain active as a member of the Board. John is a true gentleman and a steady hand, and Newtown Savings Bank has benefited greatly from his wisdom, experience, and exceptional leadership. We thank John for his service and look forward to his ongoing involvement and counsel.

Thank you to our customers and employees for making 2017 another great year for the Bank. It couldn't have happened without you!



KENNETH L. WEINSTEIN
President & CEO



JOHN F. TRENTACOSTA
Chairman

Pictured left to right:

JOHN J. MARTOCCI
Director and Past Chairman

KENNETH L. WEINSTEIN
President & CEO

JOHN F. TRENTACOSTA
Chairman



2017 HIGHLIGHTS

ENHANCED TECHNOLOGY

We're continually investing in technology to make sure our customers have everything they need to be successful. The latest enhancements to our highly rated mobile app include the ability to access electronic statements and notices, including tax documents, and to freeze a lost debit card. We also expanded our online deposit account opening and loan application capabilities which now include a wider array of deposit and consumer loan products and the ability to open an account from a mobile device. Be on the lookout for more enhancements in 2018!

NEWTOWN BRANCH RELOCATION

The construction of our new building on 32 Church Hill Road in Newtown was complete by late summer and we celebrated with a ribbon cutting in September. It is now home to our Main Office Branch on the first floor, and Newtown Investment Solutions and Mortgage Banking are now located on the second floor.

MORTGAGES

2017 was another strong year for mortgages at Newtown Savings Bank. We originated over \$258 million in first mortgage loans and ended the year as the #1 lender in the towns of Bethel, Brookfield, Danbury, Newtown, Oxford, Southbury and Woodbury, and we ranked as one of the top 20 mortgage lenders in the state based on Warren Group data. Home purchase and new construction loans were stronger than refinances in 2017, and home equity borrowing was up from previous years with \$35 million closed.

COMMERCIAL LOANS

As a local partner, we continue to focus on providing financing to the business community. In 2017, our team of lending professionals generated over \$90 million in commercial loans, ranging from lines of credit to commercial real estate deals, including one of our largest loans ever for \$12 million. We were named Lender of the Quarter by the Small Business Administration (SBA) for our fourth quarter SBA loan performance and our presence in the greater New Haven market continues to expand following the opening of our New Haven Regional Lending Center in Hamden in 2016.

DEPOSITS

More and more area consumers and businesses are discovering the benefits of banking with us. During 2017 our deposits grew by more than 8%. We saw particularly rapid growth with our new Oxford branch, which grew by 49% in 2017.

NEWTOWN INVESTMENT SOLUTIONS

The Newtown Investment Solutions team has helped local residents, businesses and organizations to achieve their financial goals for more than 20 years. 2017 was a year of continued strong growth in the business with revenue increasing by more than 21%.

THE POWER OF LOCAL

Newtown Savings Bank has been an integral part of the local community for over 162 years. Throughout this time, we have become more than just a bank, we are a trusted neighbor. We pride ourselves on the close relationships we build, giving us the ability to offer products and services that closely match individual needs and financial goals. While we understand our business focus is providing banking products and services, we also understand that it is crucial to connect on a human level. We developed a marketing approach with a clear focus on our ties within the community through the experience of our customers. In 2018, we will launch a new ad campaign introducing our new tagline - "The Power of Local". The comprehensive brand launch will disseminate through our local communities, using real customers and sharing their success stories. By taking these authentic stories and positioning our customers as the foundation of our 2018 brand campaign, we are proud to give our customers and the community the spotlight and the deserved recognition for trusting Newtown Savings Bank for over 160 years.

COMMUNITY SUPPORT

Supporting our communities is "in our DNA" and something that we act upon every day. We contribute to our communities because we believe these partnerships enrich lives, while creating a stronger, more vibrant community for all. Since launching our NSBCare program in 2009, our employees have performed over 55,000 community service hours at over 200 not-for-profit organizations. A look at our 2017 highlights include the team of volunteers regularly preparing dinner for the residents of Spooner House in Shelton. We also have our annual food drive, organized by our employees to benefit a local food pantry, in each of the 11 towns where we have offices. The Bank's Foundation also donates a minimum of \$1,000 to each of these food pantries every year, and in 2017, contributed \$26,500 to 14 local scholarship funds. In addition, over \$240,000 was contributed locally to non-profits that provide the most essential services to those in need in our communities, places like Bridgeport Rescue Mission, Catholic Charities, Habitat for Humanity, the Kennedy Center, LifeBridge Community Services, Neighborhood Housing Services of New Haven, Renewal House, Spooner House, TEAM Inc., United Way of Western CT and Valley United Way. We are very proud of the contributions that our employees continually make by giving their time in our communities.



Pictured above
Todd Ingersoll. Newtown, CT

As President and CEO of Ingersoll Motors, Todd acquired a loan with Newtown Savings Bank and was able to create a successful business with a reputation for excellence and customer service. More Power to you Todd!

Pictured on cover
Lauren. Newtown, CT

Because we understand her financial goals and consider her financial success just as important as our own, Lauren is banking local and loving it!

In September, Newtown Youth & Family Services presented us with the H.D. Bassett Award for “outstanding volunteer contributions and dedication to the community”. In December, John Trentacosta and Newtown Savings Bank each received Supporter of the Arts appreciation awards from the Charles Ives Authority for the Arts, honoring the Bank’s long time sponsorship of the Ives Concert Park’s Fine Arts & Family Series.



Boys and Girls Club of Lower Naugatuck Valley, Shelton, CT

L-R: Shaye Roscoe, Fred Serra, Brian Fonck, Peter Gerardi



The Kennedy Center, Trumbull, CT

L-R: Tanya Truax, Martin Schwartz, Dan Long



Southbury Food Bank, Southbury, CT

L-R: Sarina Manibanseng, Laura Krauss, Sandy Saren



Mobile Food Pantry, Bethel, CT

L-R: Judy Gildea, Ashley Thompson, Emily Walsh, Ken Weinstein

FINANCIAL EDUCATION

We are continuing our community outreach to educate consumers and business partners. This includes offering our First Time Homebuyer real estate education program to local realtors, sponsoring small business education seminars through our Chambers, and conducting financial education seminars in our schools, senior centers and libraries.

STATEMENT OF CONDITION

IN THOUSANDS

Assets

	December 31, 2017	December 31, 2016
Cash & Deposits in Other Banks	\$ 39,075	\$ 29,113
Investment Securities	106,746	88,202

Loans

Mortgage:		
Residential	511,636	526,158
Homeowner Construction	33,396	16,598
Builder Spec/Commercial Construction	24,606	33,268
Commercial	217,583	165,994
Held for Sale	9,711	5,571
Total Mortgage Loans	796,932	747,589
Home Equity	96,974	96,975
Consumer - Personal & Other	20,998	15,520
Commercial & Industrial	88,968	81,142
Small Business Lending	26,333	24,272
Total Loans & Leases	1,030,205	965,498
Reserve for Loan & Lease Losses	(8,793)	(8,722)
Total Loans & Leases, net of reserves	1,021,412	956,776
Banking Premises & Equipment	19,983	17,889
Other Real Estate Owned	1,126	197
Other Assets	44,751	47,246
TOTAL ASSETS	\$1,233,093	\$1,139,423

Liabilities & Capital

Deposits	\$929,132	\$866,199
FHLB Advances & Other Borrowings	190,275	162,819
Other Liabilities	22,363	23,844
Capital	91,323	86,561
TOTAL LIABILITIES & CAPITAL	\$1,233,093	\$1,139,423

Selected Ratios

Leverage Ratio (Tier 1)	7.93 %	8.09 %
Risk Based Capital Ratio (Tier 1)	11.10 %	11.33 %
Total Risk Based Capital Ratio	12.11 %	12.42 %

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

LEADERSHIP



Senior Management

Back:

Kathleen A. Gugliotti
FVP, Marketing Director

William J. McCarthy
SVP, Chief Financial Officer

Duane H. Giannini
SVP, Human Resources

Lynndel M. Bartulis
SVP, Chief Information Officer

Paul Barkan
SVP, Chief Risk Officer

Front:

Dan Long
SVP, Banking Channels

Kenneth L. Weinstein
President & CEO

Anthony F. Giobbi
EVP, Chief Banking Officer

Margaret A. Powers
EVP, Chief Credit Officer



Board of Directors

ALL DIRECTORS ARE CORPORATORS

Back:

Kenneth L. Weinstein*
President & CEO

Brian C. White

Carol L. Mahoney
Secretary

James T. Morley, Jr.

Laureen A. Trotto

Alan J. Clavette

Front:

James A. Kennedy

John F. Trentacosta
Chairman

John J. Martocci

William A. Brimmer, Jr.

Officers

First Vice Presidents

Michael Astorino
Mary Z. Jascha
Marlene B. Warren

Vice Presidents

James E. Bardon
Joseph G. Bartolomeo
Mark Candido
Robert J. Capobianco
Thomas D'Agostino
Richard DeMayo
Vincent DiGilio, Jr.
Manuel Fernandes
Brian T. Fonck
Steven J. Greenberg
William R. Hart
Douglas R. Hensal
Whit Holden
Linc A. Keil
Meghan P. Krebs
David Loftus
Thomas C. Lutz
Sarina Manibanseng
Laura U. Manz
David S. Manzer
Lorraine G. McInerney
Margot J. Melaas
Karin D. O'Brien
Anthony S. Rossley
Tanya W. Truax
James G. Wallace

Assistant Vice Presidents

Jackie Aminti
Nicholas F. Bryan
Jennifer Ciuffo
Dennis A. Friedman
Peter Gerardi
Tracy C. Gustafson
Brian D. Healy
Hyrije Hodza
Kelly Jack
Judith L. Kiessling
Nancy G. Kuhn
Philip Lukianuk
Elaine P. Martin
Matthew F. Mihalcik
Iris Patrick
Katie A. Smith
Janice A. Snyder
Ryan Storms
Dawn M. Taylor
Seamus M. Walsh

Assistant Treasurers

Jennifer Blatchley
Rebecca L. Brown
Holly R. Dudley
Andrea Fodor

Gail Garzon
Tiffany Hartmann
Sarah M. Hensal
Susan Kovacs
Laura Krauss
Rhonda McEwen-Thompson
Holly L. McNamara
David S. Myrick, Jr.
Danielle O'Rourke
Karissa Peters
Erik Secola
Aga Stepniak
Laura M. Tashjian
Carolina M. Vera
Emily Walsh
Richard B. Wolf
Kasey Yakavonis

Corporators

Brian Amey
Harmon L. Andrews
Bryan K. Atherton
Scott Baggett
Daniel L. Bedard
Rodd B. Blessey
Patrick Caruso
Philip R. Clark*
George A. Coleman
Kevin A. Cragin
Daniel Cruson
Dawn Reshen-Doty
William Dunn
Joseph A. Fiorita, Jr.
Eleanor Gillette
Robert S. Grossman
James Gulalo
Timothy J. Holian
Joseph R. Humeston
Todd Ingersoll
Sylvia Llewellyn
John S. Madzula
Joel Malin
Robert Matthews*
Paul E. Mayer
Andrew M. McGeever
Kevin McMahon
Glenn J. Nanavaty
Maureen Crick Owen
Mark Principi
Anne M. Ragusa
Gerard D. Robilotti
Suzanne Roman
Douglas Rose
Herbert C. Rosenthal
Sandy T. Roussas*
Gene A. Rubino
Andrea Scalzo
David B. Sippin
Joseph D. Skrzypczak
Benjamin B. Spragg
Robert G. Tait

*Nominated pending election at 2018 Corporators Annual Meeting.

BRANCH LOCATIONS

Newtown

Main Office
32 Church Hill Road
203.426.2563

Newtown

Sand Hill Plaza
228 South Main Street
203.270.7402

Bethel

Dolan Plaza
211 Greenwood Avenue
203.744.3233

Bethel

68 Stony Hill Road
203.778.1110

Brookfield

99 Federal Road
203.775.4164

Danbury

Danbury Executive Tower
30 Main Street
203.205.0080

Monroe

Century Plaza
535 Monroe Turnpike
203.459.9985

Monroe

Clock Tower Square
477 Main Street
203.268.6395

Oxford

Quarry Walk
280 Oxford Road
203.463.1270

Shelton

Ruby Tuesday Plaza
815 Bridgeport Avenue
203.944.0382

Shelton

White Hills Shopping Center
194 Leavenworth Road
203.944.9655

Southbury

By the Southbury Green
685 Main Street South
203.262.0400

Trumbull

Trumbull Center
926 White Plains Road
203.445.8103

Woodbury

238 Main Street South
203.263.5629

GENERAL INFORMATION

Mailing Address

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

Website

NSBonline.com

Connect With Us



facebook.com/NewtownSavingsBank
youtube.com/NSBonline

LENDING CENTER

Hamden

New Haven
Regional Lending Center
2321 Whitney Avenue
203.974.8998

NEWTOWN INVESTMENT SOLUTIONS

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