



Newtown
Savings Bank

The Power of Local

2018 ANNUAL REPORT

Ellen
Newtown, CT



Eavyn
Danbury, CT



Todd
Danbury, CT



A MESSAGE FROM OUR CEO AND CHAIRMAN

2018 was a year of performance and progress for Newtown Savings Bank. The Bank continues to grow, with total assets surpassing \$1.3 billion, and posted record earnings of \$8.9 million. We had strong deposit growth and steady loan growth, maintaining our position as a top residential mortgage lender in Connecticut while continuing to grow our commercial and small business portfolios. Our asset quality has remained outstanding.

“ As a mutual savings bank, our Bank is built on four pillars - being a great place to bank, being a great place to work, having a significant positive impact in our communities, and remaining financially strong so that we will be here for the long term. ”

Everything we do - from enhancing our digital banking capabilities to promoting employee volunteerism - is focused on one or more of these pillars. Our mutual form of ownership provides us with great clarity in terms of our priorities and is the biggest reason we've been able to serve Newtown and the surrounding communities for more than 163 years. We think it's a great advantage.

A highlight of our year was the introduction of our new brand platform - The Power of Local - early in 2018. This positioning, which views being local as an important competitive advantage, is consistent with social trends (think of farm-to-table restaurants and craft breweries) and represents the essence of Newtown Savings Bank. During the course of the year we worked to make The Power of Local more than just an advertising tagline, promoting innovative products like Great Start Savings and Great Prize Savings, features like our local credit card program rewarding purchases from local merchants, and increasing our community involvement. Our geographic focus enables us to understand and meet community needs in a way that our larger competitors can't.

As we enter 2019, we're building on our renewed local focus. You'll see Market Managers in each of our branch towns who will be visible and involved. We'll continue to move forward with enhancing our presence in our markets. And the ubiquitous The Power of Local van will without a doubt be on the move in your town. The pages that follow cover just a few of the many highlights of 2018. We hope you'll enjoy reading about them.

Thank you for the confidence that you showed in us during 2018. We're working hard to keep getting better and better, and hope that you'll think of us first when you have financial needs. We're honored to serve you.



KENNETH L. WEINSTEIN
President & CEO

JOHN F. TRENTACOSTA
Chairman

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

INVESTED IN OUR COMMUNITIES

Since 1855, we have believed in putting our community and customers first. We seek to make an impact, and investments that go beyond the Bank - in 2018 our community funding exceeded \$330,000. The Newtown Chamber of Commerce and Newtown Rotary recognized our efforts, choosing us for the Business of the Year Philanthropy Award. We're honored to receive this title, and our Newtown Savings Bank Foundation keeps us living up to it, showing our presence by participating in local events, funding college scholarships, and giving back through countless community causes.

Since 2009, our employees have performed over

68,000

hours of community service as part of the Bank's NSBCare employee volunteer program.



Annual Toys for Tots Drive: Our customers and employees went above and beyond for the 2018 holiday season, donating two truckloads full of gifts for local children in need.

Giving More by Giving Back

From organizing Bank-wide food drives to volunteering at the Newtown Labor Day Parade, we recognize the power of giving back, with our employees serving on 65 nonprofit boards and committees throughout Connecticut including Chambers of Commerce and Rotary Clubs, Habitat for Humanity, The Kennedy Center, Spooner House, United Way of Western Connecticut, and more. We have a team of people who are dedicated to our community, like Tom D'Agostino who was selected for United Way's Hometown Hero Award for his volunteer work. People like this are what make our Bank extraordinary and the generosity and giving spirit of our staff is much appreciated. With contributions to monthly "blue jean" days for charity, to toy donations and participating in events like Homes for the Brave Comedy Nights or the annual Men Who Cook fundraiser for TEAM, Inc., we do all we can to give back.



United Way Day of Action: Our team of volunteers spent the day working hard to clean up Tarrywile Park in Danbury and get the grounds ready for the summer season.



Newtown Youth & Family Services: Our annual sponsorship of the Newtown Holiday Festival helps provide access to mental health services for those that can't afford them.

2018 HIGHLIGHTS

Residential Mortgages

In 2018, we closed \$234 million in mortgage loans. We also launched our new mobile optimized mortgage application, making the mortgage application experience easier than ever right from your smartphone. We owe our great success to all of the people that are part of our dedicated mortgage team, and we'd like to congratulate Joe Bartolomeo, Vic Falco, Steve Greenberg, Bill Hart, Tom Lutz and Tracey Smith who were recognized as Five Star Mortgage Professionals.¹ We're especially proud that Bill Hart and Steve Greenberg are ranked #1 and #3 mortgage producers in the State of Connecticut.²

Ranked as the #1 provider of residential mortgage loans in our markets²

In 2018,
we helped over

500
FAMILIES

attain home ownership!



Lucy from Newtown, CT: We helped Lucy, her husband and their dog, Bruiser, move into their dream home.

Commercial and Small Business Lending

The Bank continues to be a vital lender to the businesses in our community with \$54.4 million commercial loans closed and a strong pipeline for 2019. We're very pleased with the overall growth of our lending portfolio, and in particular with our 2018 Small Business Lending performance with 63 new loans closed for \$7.2 million.

Connecticut Lender of the Quarter Award

Presented by the U.S. Small Business Administration



Ranked the fifth most active lender
in Connecticut out of 38 lenders.

Branch & Market Updates

We remodeled our Monroe branch, and also implemented some organizational changes that'll help benefit all of our branches. You'll see our new Market Managers out serving the needs of the local community and attracting new customers to the Bank, while our new Customer Experience Managers will work to ensure that the best possible experience is delivered within our branch walls. This update will allow us to elevate our presence throughout our markets and really take The Power of Local to the next level.

In 2018, we experienced
overall deposit growth of **9.4%**,
ending the year with just over
\$1 billion in deposits.

¹The Five Star award recognizes service professionals who provide quality services to their clients, and is presented to mortgage professionals on an annual basis. There is no fee to be considered or awarded. Visit fivestarpromotional.com for more information.

²The Warren Group, 2018

Local Leaders in Banking

We're proud to work with employees who are making huge impacts to the Bank, their communities and their professions. Three of our team members were named "New Leaders in Banking" by the Connecticut Banker's Association for 2018 and 2019. Congratulations to Brian Fonck, First-Vice President of Retail Banking, Katie Smith, AVP Regional Experience Manager, and Whit Holden, VP Small Business Lending Leader.

Newtown Investment Solutions

With over 50 years of collective investment and insurance experience, our team of Jim Wallace, Nadine Paine, Rich Wolf and Krystina Staskiewicz offer wealth management services for individuals and businesses. With accounts ranging from \$100 to \$35 million, assets under management have grown to \$177 million.

Community-Focused Products

At Newtown Savings Bank, we're always looking for ways to enhance our product offerings to meet your needs and benefit the community, which is why we're so excited about these three uniquely local products:

Local Rewards Credit Card

Supporting local businesses is important to us, that's why we introduced our "Shop Local, Score Rewards" program. With this offer, Rewards Mastercard® cardholders receive local bonus rewards points for every dollar spent in our branch towns.¹ This not only benefits our customers, but also the businesses where customers make their purchases - a true win-win for everybody!

Great Start Savings

We're all about family and helping parents ensure great futures for their children. This account was developed as a way for them to teach their little ones the power of saving. By offering an above market rate of 5.00% APY for the first \$1,000 they save, this encourages children to start saving and investing at a young age.²

Great Prize Savings

We love giving back when we can. With our Great Prize Savings Account, each time you make a qualifying deposit, you aren't just increasing your savings, but are increasing your chance to win. Every quarter, we'll randomly choose one winner, adding \$1,500 into their account.³



4th Quarter 2018 Great Prize Savings winner:
Terri Rollinson from Southbury.

¹Mastercard and the Mastercard Brand Mark are registered trademarks of Mastercard International Incorporated. Newtown Savings Bank Rewards cardholders will earn an additional rewards point when using the card at merchant locations in Bethel, Brookfield, Danbury, Monroe, Newtown, Oxford, Shelton, Southbury, Trumbull, and Woodbury. The points are determined by the ZIP code received from the merchant as part of the purchase transaction. Maximum of 25,000 local points per calendar year.

²Balances between \$.01 and \$1,000.00 will earn 5.00% Annual Percentage Yield (APY), balances \$1000.01 or more will earn .05% APY as of 2/25/2019. Minimum of \$25 to open. The child named on the account must be under age 18 and at age 18, the account will change to a Statement Savings Account and earn the APY Newtown Savings Bank is offering at that time. The custodian, minor child, or at least one joint owner must live in CT. Limit of one account per child. This offer is subject to change at any time. This is a variable rate account, rates may change after the account is opened. Fees may reduce earnings.

³Consumer accounts only, must be 18 years of age and a CT resident. Limit one account per Social Security Number. Odds of winning depend on number of eligible entries received. Void where prohibited. The Great Prize Savings account is conducted under United States and CT law as a savings promotion raffle. Restrictions and eligibility requirements apply - see official rules available at NSBonline.com or at any Bank branch.

STATEMENT OF CONDITION

IN THOUSANDS

Assets	December 31, 2018	December 31, 2017
Cash & Deposits in Other Banks	\$45,655	\$39,075
Investment Securities	132,020	106,746
Loans		
Mortgage:		
Residential	551,427	511,636
Homeowner Construction	25,204	33,396
Builder Spec/Commercial Construction	15,025	24,606
Commercial	229,052	217,583
Held for Sale	26,670	9,711
Total Mortgage Loans	847,378	796,932
Home Equity	93,961	96,974
Consumer - Personal & Other	27,595	20,998
Commercial & Industrial	82,677	88,968
Small Business Lending	31,589	26,333
Total Loans & Leases	1,083,200	1,030,205
Reserve for Loan & Lease Losses	(9,311)	(8,793)
Total Loans & Leases, net of reserves	1,073,889	1,021,412
Banking Premises & Equipment	20,644	19,983
Other Real Estate Owned	374	1,126
Other Assets	44,555	44,751
TOTAL ASSETS	\$1,317,137	\$1,233,093

Liabilities & Capital

Deposits	\$1,026,658	\$929,132
FHLB Advances & Other Borrowings	169,575	190,275
Other Liabilities	20,789	22,363
Capital	100,115	91,323
TOTAL LIABILITIES & CAPITAL	\$1,317,137	\$1,233,093

Selected Ratios

Leverage Ratio (Tier 1)	8.09%	7.93%
Risk Based Capital Ratio (Tier 1)	11.81%	11.10%
Total Risk Based Capital Ratio	12.85%	12.11%

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

LEADERSHIP



Management Committee

Back:

Kathleen A. Gugliotti
SVP, 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:

Brian C. White

William A. Brimmer Jr.

James A. Kennedy

Laureen A. Trotto

James T. Morley Jr.

Front:

Carol L. Mahoney
Secretary

John J. Martocci

Kenneth L. Weinstein
President & CEO

John F. Trentacosta
Chairman

Alan J. Clavette

OFFICERS

Senior Vice Presidents

Carl N. Josephson

First Vice Presidents

Brian T. Fonck
Douglas R. Hensal
Mary Z. Jascha

Vice Presidents

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Joseph G. Bartolomeo
Mark Candido
Robert J. Capobianco
Christine Conway
Thomas D'Agostino
Richard DeMayo
Vincent DiGilio Jr.
Manuel Fernandes
Steven J. Greenberg
Tracy C. Gustafson
William R. Hart
Whit Holden
Linc A. Keil
Meghan P. Krebs
David Loftus
Thomas C. Lutz
Sarina Manibanseng
Laura U. Manz
David S. Manzer
Marc Massimino
Lorraine G. McInerney
Margot J. Melaas

Renee Metzger
Karin D. O'Brien
Tanya W. Truax
James G. Wallace

Assistant Vice Presidents

Jackie Aminti
Nicholas F. Bryan
Jennifer Ciuffo
Holly R. Dudley
Dennis A. Friedman
Peter Gerardi
Brian D. Healy
Hyrrije Hodza
Kelly Jack
Nancy G. Kuhn
Philip Lukianuk
Elaine P. Martin
Matthew F. Mihalcik
Iris Patrick
Anthony S. Rossley
Katie A. Smith
Janice A. Snyder
Ryan Storms
Dawn M. Taylor
Kasey Yakavonis

Assistant Treasurers

Jennifer Blatchley
Rebecca L. Brown
Timothy Chamberlin
Maria Elena Daddi-Greene
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
Nadine Paine
Karissa Peters
Erik Secola
Aga Stepniak
Laura M. Tashjian
Carolina M. Vera
Richard B. Wolf

Corporators

Brian Amey
Carrie L. Amos*
Harmon L. Andrews
Bryan K. Atherton
Scott Baggett
Daniel L. Bedard
Bobbi Jo Beers*
Rodd B. Blessey
Sean M. Carroll*
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
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
James T. Smith*
Benjamin B. Spragg
Robert G. Tait

*Nominated pending election at 2019 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

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youtube.com/NSBonline

LENDING CENTER

Hamden

New Haven
Regional Lending Center
2321 Whitney Avenue
203.974.8998

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