



2021 ANNUAL REPORT



Doug, Owner
Wade's Dairy
Bridgeport

A MESSAGE FROM OUR CEO AND CHAIRMAN

In last year's annual report, we referenced the axiom that adversity doesn't build character; it reveals it. Our hope at that time was that 2021 wouldn't have to reveal as much character as 2020 did, but we were wrong.

While 2020 was a year defined by our collective shock and adaptation to COVID-19, 2021 was defined by the grind of dealing with the longer-term impacts of the pandemic. Despite these challenges, our team at Newtown Savings Bank had a very strong year thanks to our dedicated employees and our loyal customers.

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The Bank posted record earnings of \$9.4 million in 2021 while contributing \$750,000 to our charitable foundation. We had exceptional deposit growth driven by both additional deposits from existing customers and relationships with new customers. Our residential lending department continued its incredible production by originating more than \$400 million in new loans during 2021, bringing the total to more than \$1 billion over the past 3 years. And our commercial and small business bankers worked closely with their customers to originate additional Paycheck Protection Program loans and to maintain outstanding asset quality as our borrowers navigated the pandemic economy through creativity and grit.

We were proud and excited in September to open our new branch in Bridgeport. This extension of our branch network is already enabling us to better serve our existing Bridgeport-based consumer and business banking customers and to establish new relationships. We have been well-received in our initial months of operation and are looking forward to additional growth as we bring our community banking model to Connecticut's largest city.

Our Board of Directors underwent some planned changes in May with the retirement of the Bank's former President, CEO and Chairman John Martocci. John's many contributions to the Bank and the community cannot be captured in a few words, but his achievements and his influence have left an indelible mark on the Bank and on all of us. John continues to serve as one of the Bank's Corporators as well as a trusted mentor and friend.

We were saddened by the passing of three of our Corporators during 2021. Dan Cruson served as a Corporator for 15 years and literally wrote the book on the Bank's history. Joe Fiorita served as a Corporator for 19 years, and Harmon Andrews for 38 years. Each of these gentlemen guided the Bank with wisdom and with pride, and they are very much missed.

We were pleased to welcome five exceptional individuals as new Corporators of the Bank during 2021. Isabel Almeida, Michelle Brown, Bill Florin, Ted Parker and Larry Riefberg each add strength and perspective to the ranks of our Corporators, and we look forward to their service.

On behalf of all of us at Newtown Savings Bank, thank you for your trust in our Bank, and for your support. We wish you and yours a happy and healthy 2022!

Kenneth L. Weinstein
President & CEO

John F. Trentacosta
Chairman

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



166 YEARS OF SUPPORTING THE COMMUNITY

It's been more than 166 years since Newtown Savings Bank first opened its doors. A lot has changed since then, but our commitment to serving our customers and local communities remains the same. Since 1855, we have not only survived, but thrived in the face of any challenge—from the Civil War to COVID-19 and everything in between. We will continue to do so, moving forward and growing while maintaining our unwavering commitment to community.

NSBCARE DAYS

Founded in 2009, our NSBCare employee community service program provides support to community organizations throughout the areas we serve. We had some great achievements in 2021, made possible by our amazing employees!

4,451
hours of
community service

226
employee
volunteers

178
organizations
served



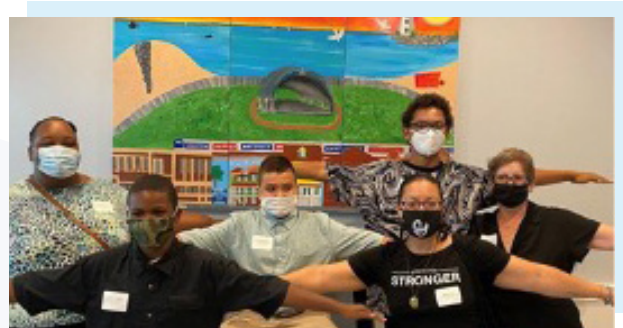
NSBCare Day events: Diaper Bank organized by Community Closet at LifeBridge Community Services (L) and painting the McGivney Community Center (R)

FINANCIAL EDUCATION

In 2021, the Bank expanded its outreach to community organizations to provide information security and financial education. Our employees conducted more than 30 presentations with topics including budgeting, fraud prevention, home buying and more! And there is even more access to webinars and interactive content through the Bank's online Financial Education Center at NSBonline.com.

URBAN SCHOLARS' MURAL PROJECT

Our team would like to thank the young artists from the LifeBridge Community Services Urban Scholars program for creating a beautiful mural—titled Bridgeport by the Sea—to hang in our suite at the new Hartford HealthCare Amphitheater!



Members of LifeBridge Community Services Urban Scholars program with their finished mural

UNITED WAY PROSPERI-KEY

In August, the United Way of Western Connecticut launched Prospere-Key—a digital marketplace connecting hard-working households living paycheck-to-paycheck with those who want to help. Members are connected with nonprofit and government services, and they're given access to discounted products and services from businesses. We are proud to join this initiative as a founding sponsor and we look forward to continuing to reach members with our products, services and educational content.

GIVING BACK TO OUR COMMUNITY

With increasing need in a difficult economy, the Bank continues to support our community more than ever with \$300K in donations made to 200+ organizations. The Newtown Savings Bank Foundation continues to grow, with the Bank donating more than \$1,650,000 over the past four years—increasing the endowment to almost \$5 million by the year's end!

Women's Business Development Council Grant

Newtown Savings Bank is proud to support the WBDC's Equity Match Grant program, which is designed to help women-owned businesses grow. The NSB Foundation gave \$10K in 2021 and pledged \$10K more in 2022 for grants in the Bank's communities.

Building Neighborhoods Together Donation

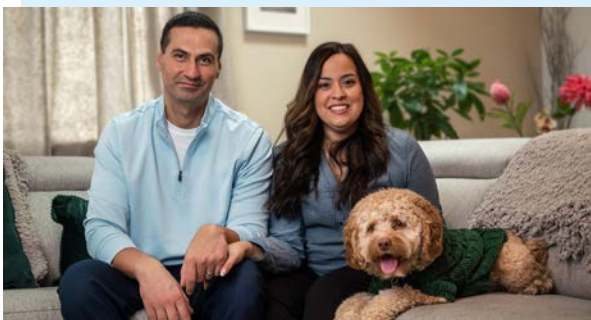
We commemorated the opening of our new Bridgeport branch by presenting a \$20K donation from the NSB Foundation to Building Neighborhoods Together—a nonprofit dedicated to creating safe and affordable housing, as well as providing comprehensive financial and housing education/services.

2021 HIGHLIGHTS

Despite facing another challenging year through a global pandemic, the Bank has continued to thrive and had another very successful year. This would not be possible without the extraordinary accomplishments of our employees and their dedication to our customers and the communities we serve. Here are some of the great things we have been able to accomplish together:

RESIDENTIAL MORTGAGES

Our residential lending business had another incredibly strong year with robust purchase, refinance, construction and home improvement activity. We continue to be the #1 mortgage lender in Connecticut among community banks with less than \$5 billion in assets.* With continued low rates, many homeowners have been able to refinance their mortgages and save on monthly payments. We have also provided 141 mortgage loans to first-time homebuyers.



Hamad, Michelle & Ollie | Happy homeowners

We're excited to reach potential homebuyers at our new Bridgeport branch, bringing community members a team of dedicated mortgage bankers, as well as our Welcome Home and Ready to Own programs.

New in 2021, our homebuyers were welcomed home with care packages of maple syrup and pancake mix from local business, Maple Craft Foods, as a thank you from the Bank. That's the power of a local mortgage!

*Source: The Warren Group

EXCEPTIONAL DEPOSIT GROWTH

Our branches had an outstanding year, with many new accounts opened in 2021 and the Bank's deposits growing by more than \$200 million! Consumer checking account growth was especially strong, with a 50% increase in checking accounts opened from the previous year. Our popular savings products—including Great Prize Savings and Great Start Savings—also experienced significant growth.

COMMERCIAL & BUSINESS LENDING

As a preferred Small Business Administration lender, we continue to be a vital partner for business financing. When the Federal government introduced the Paycheck Protection Program (PPP) in 2020 to support businesses through the pandemic, our Small Business Lending team worked tirelessly to fund these loans. This past year, as a second round of PPP loan funding became available, our team continued to assist local business owners navigate the PPP process.

PPP Loans by the Numbers: 2020 to 2021

\$95
MILLION + **\$51**
MILLION
PPP loans in 2020 additional loans in 2021

Our business lending team conducted information sessions with the Danbury Chapter of the NAACP and the Hispanic Chamber of Commerce of Greater Bridgeport as part of an ongoing effort to provide financial guidance and promote financial equity.

NEWTOWN INVESTMENT SOLUTIONS*

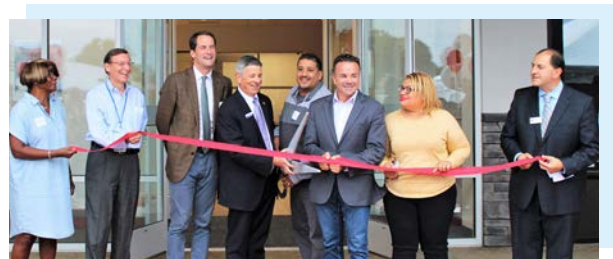
Despite the challenges of the ongoing pandemic during 2021, the NIS team continued to assist clients with financial, retirement and insurance planning, as well as portfolio management. These efforts resulted in another record year, with assets under management increasing from \$229 million to \$278 million, making Newtown Investment Solutions one of the top performing Infinex programs in the nation for a bank of our size.

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

BRIDGEPORT GRAND OPENING

In September, we opened our 15th branch. While not new to the Bridgeport commercial and nonprofit world, the Bank is the first to open a branch in the state's largest city in more than a decade!

We received a warm welcome from the nonprofit and business communities at our grand opening celebration, with more than 100 guests in attendance.



Ribbon cutting at new Bridgeport branch

BANK ON CERTIFIED CHECKING

In April 2021, Newtown Savings Bank announced its partnership with Bank On Connecticut and the Cities for Financial Empowerment Fund. We joined in their statewide effort to promote safe and affordable Bank On certified accounts to help connect the unbanked and underbanked population to the mainstream banking system. As one of the first banks in our market to participate in this program, the Bank's New Start Checking account has been certified to Bank On standards, offering a safe and affordable option for community members who would typically turn to high-cost alternative financial service providers.

NEW LEADERS IN BANKING

Each year, the Connecticut Bankers Association asks member banks to nominate outstanding employees who have made a notable impact on their bank and in the community for the New Leaders in Banking Award.

Congratulations to Jennifer Ciuffo, Vice President/ Manager of Reporting Analytics, for being selected to receive this award for 2021!

NEWSWEEK'S 2021 BEST SMALL BANK IN CONNECTICUT



Kicking off the year on a high note, *Newsweek* named Newtown Savings Bank the Best Small Bank in Connecticut in their first-ever ranking of America's Best Banks 2021. Rankings were determined by 55 separate factors—including interest rates, fees, online and mobile banking satisfaction, product offerings and customer service ratings. This award has set a new bar for excellence that our team will continue to strive for.

THE POWER OF LOCAL

We continued the expansion of the Power of Local by including additional customers in our new 2022 advertisements. More than customers, these are the faces of our friends and neighbors. It was so much fun filming them in the fall—and some of them are even featured in this Annual Report. We're excited for everyone to meet them!



Chirag, Deepti & family | Checking account customers

SUPPORTING THE BEARDSLEY ZOO

We are proud to be a Founding Family Sponsor of the Beardsley Zoo's newly renovated New England Farmyard exhibit, which re-opened in the summer. Our employees participated in the two-day celebration by giving away piggy banks to zoo attendees during opening weekend.



Giving away piggy banks at the Beardsley Zoo to celebrate their New England Farmyard reopening

STATEMENT OF CONDITION

IN THOUSANDS
OF DOLLARS

Assets	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash & Deposits in Other Banks	534,602	294,971
Investment Securities	246,155	170,515
Loans		
Mortgage		
Residential	403,662	458,171
Homeowner Construction	24,967	22,303
Builder Spec/Commercial Construction	19,653	29,136
Commercial	241,568	257,147
Held for Sale	614	7,426
Total Mortgage Loans	\$690,464	\$774,183
Home Equity	63,148	76,904
Consumer - Personal & Other	15,992	21,251
Commercial & Industrial	106,766	120,310
Small Business Lending	36,682	58,720
Total Loans & Leases	\$913,052	\$1,051,368
Reserve for Loan & Lease Losses	(18,787)	(20,770)
Total Loans & Leases, Net of Reserves	\$894,265	\$1,030,598
Banking Premises & Equipment	20,524	20,635
Other Real Estate Owned	322	391
Other Assets	52,283	56,046
Total Assets	\$1,748,151	\$1,573,156
Liabilities & Capital		
Deposits	1,475,403	1,264,054
FHLB Advances & Other Borrowings	119,890	162,890
Other Liabilities	25,697	27,313
Capital	127,161	118,899
Total Liabilities & Capital	\$1,748,151	\$1,573,156
Selected Ratios		
Leverage Ratio (Tier 1)	7.67%	7.78%
Risk-based Capital Ratio (Tier 1)	15.61%	14.04%
Total Risk Based Capital Ratio	16.87%	15.30%

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

Lauren A. Trotto
Director

James T. Morley, Jr.
Director

William A. Brimmer, Jr.
Director

Brian C. White
Director

James A. Kennedy
Director

Alan J. Clavette
Director

Front

Carrie L. Amos
Director

John F. Trentacosta
Chairman

Kenneth L. Weinstein
President & CEO

Carol L. Mahoney
Secretary



Executive Committee

(All are Management Committee Members)

Back

William J. McCarthy
SVP, Chief Financial Officer

Meghan P. Krebs
FVP, Chief Credit Officer

Carl N. Josephson
SVP, Retail Lending

Lynndel M. Bartulis
SVP, Chief Information Officer

Matthew C. Matarese
FVP, Chief Risk Officer

Front

Anthony F. Giobbi
EVP, Chief Banking Officer

Kenneth L. Weinstein
President & CEO

Jaime E. Moss
SVP, Human Resources

Management Committee

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

Manuel P. Fernandes, Jr.
VP, IT Manager

Brian T. Fonck
FVP, Head of Retail Banking

Kathleen A. Gugliotti
SVP, Marketing Director

Douglas R. Hensal
FVP, Community Relations
& CRA Officer

Mary Z. Jascha
FVP, Commercial Banking

Linc Keil
VP, Treasury Manager

Laura U. Manz
FVP, Loan Servicing Operations
Manager

James G. Wallace
VP, Director of Wealth
Management

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Anthony F. Giobbi

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Kathleen A. Gugliotti
Carl N. Josephson
William J. McCarthy
Jaime E. Moss

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Douglas R. Hensal
Mary Z. Jascha
Meghan P. Krebs
Laura U. Manz
Matthew C. Matarese

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

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Rhonda McEwen-Thompson
Matthew F. Mihalcik
David S. Myrick, Jr.
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Iris T. Patrick
Tracey B. Smith
Janice A. Snyder
Bryan N. Terzian

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Amber Austin
Michela Blanchette
Maria Elena Daddi-Greene
Andrea T. Fodor
John W. Francis
Toni French
Gail Garzon
Kathryn N. Korres
Holly L. McNamara
Carrie A. Milks
Brianna E. O'Loughlin
Karissa M. Peters
Dina Sabia
Erik Secola
Leonid Sharshukov
Agnieszka Stepniak
Barbara J. Tucker
Kelly J. Williams
Paula Wilson
Tina Woehrl

Corporators

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Brian Amey
Bryan K. Atherton
Scott Baggett
Daniel L. Bedard
Bobbi Jo Beers

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Michelle L. Brown
Sean M. Carroll
Patrick Caruso
*Neil K. Chaudhary
Philip R. Clark
George A. Coleman
Kevin A. Cragin
Dawn Reshen-Doty
William Florin
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
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Maureen Crick Owen
Ted Parker
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Gerard D. Robilotti
Suzanne Roman
Douglas Rose
Sandy T. Roussas
Andrea Scalzo
David B. Sippin
Joseph D. Skrzypczak
James T. Smith
Lauren H. Soloff
Benjamin B. Spragg
Paul S. Timpanelli
*Douglas H. Wade, Jr.

* Nominated pending election at 2022 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

Ruby Tuesday Plaza
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.



**Newtown
Savings Bank**
The Power of Local

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Member FDIC  Equal Housing Lender