



ANNUAL REPORT 2021

ONE  
STEP

Committed  
to always  
going the  
extra mile.

**AHEAD**

USBancorp, Inc.





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At Union Savings Bank, we are grateful to be part of our resilient Western Connecticut community. We are continually inspired by our amazing neighbors and local businesses, and 2021 was no different.

In 2021, we **strengthened our already significant commitment to our community**, including a \$300,000 contribution to the USB Foundation to continue our philanthropic efforts. Additionally, the Bank and Foundation donated \$700,000 to support causes that benefit our neighbors across the region. Your generosity during our collection initiatives, including the Feeding Our Neighbors Food Drive, Share the Love of Reading Book Drive, and USB Teachers' Closet™ School Supply Drive, enabled us to impact local children and families.

It was also a year full of **listening to our customers' needs and thinking one step ahead to support them in new and innovative ways**. One of these innovations was the launch of USB Spending Insights. This mobile, AI-driven financial tool helps our customers make sense of their spending patterns and makes USB the first community bank to offer this feature in our area. Another exciting achievement was the introduction of Early Payday, so that our customers with direct deposit automatically get access to their paycheck up to two days earlier.

We're also continuing to invest in our people. In 2021, we put a **special focus on equity and inclusiveness**, with 110 leaders at the bank completing comprehensive diversity training, something we plan to sustain in the years to come. USB also provided our team members with **meaningful training to help them excel in their roles each day and grow as leaders**.



These are just a few of our efforts from the last year, and I hope you take the time to read on to discover what else has made us grateful to be your financial partner.

Thank you again for being an important part of the Union Savings Bank community.

*Cynthia C. Merkle*

Cynthia C. Merkle  
President & CEO



“ SPENDING INSIGHTS

Great to see that Union Savings Bank is looking out for me.

”

USB has continued to serve our personal and business banking customers since the pandemic started by keeping branches open, online and mobile banking humming, and refreshing and adding new digital products and services. One way we know we're on the right track is with our Net Promoter Score of 73.8, which reached an all-time high in 2021 and continues to remain well above the financial services industry average.

We've stayed one step ahead for our customers with innovations such as:

**SPENDING INSIGHTS**

Launched Spending Insights, offering AI-driven personal spending analysis to our customers.

**We are the first community bank of our size in the area to offer this feature.**

**APPOINTMENT SCHEDULER**

In March 2021, we launched the ability for our customers to **schedule in-person and online appointments on our website**. Approximately **750 have been scheduled** since the launch.

**LAUNCHED INSTANT ISSUANCE OF DEBIT CARDS**

in all our branch locations so **new customers can get a card immediately when opening an account and existing customers can get an instant replacement card when needed**. Not able to get to a branch?

We can also digitally issue a new card within USB Mobile to Apple Pay\*\* before the new plastic card arrives in the mail.

**UPDATED OUR ONLINE ACCOUNT OPENING SERVICE** and added the ability to **OPEN CDS ONLINE**.

**INTRODUCED EARLY PAYDAY** so our customers with direct deposit **automatically get paid up to two days early**.

In November 2021, we added **3D SECURE**, a new layer of security for debit card purchases, just in time for the holiday shopping season. 3DS is an **advanced step-up authentication system used to challenge suspicious activity for e-commerce transactions**.

\*Apple Pay is a registered trademark of Apple Inc.

## BUSINESS CUSTOMERS

We took great pride in helping our business community navigate the challenging times brought on by the pandemic. Whether it was working with them on a commercial loan or setting up a line of credit, **our team went above and beyond to help our business customers** throughout the year, and our Merchant Services and Treasury teams continued to offer **customized solutions to further streamline and increase efficiencies.**

USB originated nearly  
**\$270,000,000**  
in **Commercial loans, an increase of 31%** from 2020.

Generated  
**\$70,000,000**

of **Round 2 PPP loans**, helping our businesses keep the lights on and employees paid. This brings our total PPP loan origination to **over \$200 million.**

Originated  
**\$5,400,000**

in **loans to help local small businesses** streamline their activities and increase efficiencies and revenue.

Upgraded our **BUSINESS ONLINE BANKING** and **BUSINESS MOBILE APP** to provide our customers with a **more modern and intuitive digital experience.**

Launched **ADVANTAGE BUSINESS CHECKING**, a new product that bundles a number of cash management services, including fraud protection for the benefit of small-business customers.

Treasury also rolled out an enhancement to our **ACH ORIGINATION SERVICE** that allows our customers **greater automation for certain transactions.**

## BRANCH BANKING

**Total Deposits and Repos** continued to increase with **year-over-year growth** of over

**13.15%**  
or  
**\$358mm**

**Household growth** continued with USB **adding**

**1,418**  
**new households** or  
**3%**  
over 2020

## RESIDENTIAL AND CONSUMER LENDING

Added two new **MORTGAGE ORIGINATORS**

### FIRST MORTGAGE PRODUCTION

- Closed 488 units for **\$150.7 MM** that supported home buyers and home owners
- **Began offering FHA loans**

### HELOC PRODUCTION

- Closed 274 units for **\$32.6 MM**, an increase of 19% from 2020

### FIRST TIME HOMEBUYER PRODUCTS

- Closed 32 units (including CHFA) for **\$8.8 MM**

## WEALTH MANAGEMENT

USB TRUST & INVESTMENT DIVISION AND RAYMOND JAMES

Our Trust & Investment Division combined with Raymond James continued to provide excellent customer service while exceeding their own goals for 2021.

Assets under management and administration as of 12/31/21 were

# \$747,294,198

\$563,014,000 \$184,280,198

New and committed assets + fee-based assets were

# \$29,177,641

\$16,577,641 (33% OVER GOAL) \$12,600,000 (21% OVER GOAL)

Annual revenue totaled

# \$4,222,807

\$3,368,977 (13% OVER GOAL) \$853,830 (26% OVER GOAL)

USB TRUST & INVESTMENT DIVISION RAYMOND JAMES

## FUTURETRACK

Conducted **1,100 FINANCIAL WELLNESS CHECK-UPS** through our branch team.

Continued to **HELP OUR CUSTOMERS ON THEIR FINANCIAL WELLNESS JOURNEY** with FutureTrack Love to Save blog content, educational seminars and webinars, and financial literacy.

FOR OUR **EMPLOYEES**



“ USB equips and empowers employees to succeed and to meet their personal career goals. ”

GODIVA CADENA,  
BSA MANAGER

At USB, it's our belief that investing in a strong, dynamic, and local workforce not only benefits our organization but also our customers and our community. In 2021, we continued to focus efforts on deepening banking and financial expertise of our team members, and expanding their leadership and diversity education so that we can create a better bank culture for everyone.

OUR EMPLOYEES CONTINUE TO LEARN AND GROW

9,000+

hours of completed education  
across USB in 2021

977

courses and exams  
completed for 2021

We continued to **invest in our people** and graduated

21 **EMPLOYEES**

from our FutureTrack LifeStage Financial Consultant (LSFC™) program, a 6-month program designed to **enhance a banker's knowledge and skills.** In addition, we created several other certification programs to further **educate our employees** and expand their insight and expertise, including a **digital certification program.**

We continued to **remain vigilant in protecting our employees and customers** by following CDC-recommended Covid protocols for safety and well-being.

USB has strived to be an organization that **treats employees and customers with respect and dignity by embracing their differences.** Diversity training for managers continued its focus on Diversity, Equity, and Inclusion (DEI) with a specialized leadership program.

# 110

leaders went through **Diversity Training for Managers**

Building a culturally competent workforce is essential to **improving team collaboration, successfully offering products and services to diverse consumers, and dynamically responding to marketplace opportunities.**

Our DEI efforts will continue with initiatives in 2022.



#### PROFESSIONAL DEVELOPMENT PROGRAM

The goal of our Professional Development Program is to **provide participants with a broad knowledge of the banking business and develop future leaders in our company.** This 18-month program provides participants with the unique opportunity to gain comprehensive, hands-on experience in a variety of departments and areas across the organization. Development includes **technical and soft skill training, cross divisional work experiences, performance coaching, mentoring, and participation on special projects.**

We also provide the opportunity for employees to participate in **other educational programs** such as:

- **ABA Stonier Graduate School of Banking**
- **Connecticut School of Finance & Management**
- **Leadership Danbury Program**
- **Leadership Northwest Program**



#### EMPLOYEE ENGAGEMENT SURVEY

We continue our focus on our employees by conducting Employee Engagement surveys to better understand the factors that contribute and drive engagement. This survey resulted in an **85% favorability rating for USB**, which is above the financial industry benchmark. The survey was conducted in June 2021 and included 68 questions broken into 9 categories that measure **employee Commitment, Intention to Stay, Connection, and Effort** exerted by team members on the job.

FOR OUR COMMUNITY

“ We do more than simply support our community with financial contributions; I am proud of the thousands and thousands of hours our team members dedicate to helping our community grow and thrive. ”

CYNTHIA MERKLE,  
PRESIDENT AND CEO,  
UNION SAVINGS BANK

Over **2,200 children's books** were collected during our fifth annual **SHARE THE LOVE OF READING BOOK DRIVE**, sparking the idea to expand the program to now include **libraries at each of our locations** so all can enjoy the gift of reading.

Our fifth annual **USB TEACHERS' CLOSET™ SCHOOL SUPPLY DRIVE** was an overwhelming success with donations accepted at all branch locations as well as through an Amazon Wish List allowing us to **add over 2,000 new items to our shelves.**

Union Savings Bank and the USB Foundation donated

**\$700,000**

in support of **educational and enrichment programs, sponsorships, and countless other causes in our community.**

In 2021, **thousands of volunteer hours** were given by **USB team members** in support of charities along with **contributions of over**

**\$30,000**

toward our annual **United Way Employee Giving Campaign.**

The **Feeding Our Neighbors Food Drive** distributed over **800 pounds of food** and **donated over**

**\$12,000**

to local food pantries feeling the continuous strain in **meeting the food insecurity needs of our neighbors.**

We continued our **SUPPORT OF FINANCIAL LITERACY AND ENRICHMENT PROGRAMS** by partnering with Junior Achievement of Greater Fairfield County in the virtual delivery of their *More than Money* Curriculum and their new JA Inspire Virtual program. We also supported **Enrichment Programs** for children at **Danbury Grassroots Academy** and **Danbury Youth Services**, as well as **The Five Points Center for the Visual Arts in Torrington.**

## Balance Sheet

<b>ASSETS</b>	<b>2 0 2 1</b>	<b>2 0 2 0</b>
Cash and due from banks	\$176,837	\$247,416
Securities	1,004,688	461,739
Federal Home Loan Bank stock	2,283	2,125
Loans, net	1,709,967	1,829,012
Premises and equipment	39,441	40,556
Other assets	154,889	154,553
<b>TOTAL ASSETS</b>	<b>\$3,088,105</b>	<b>\$2,735,401</b>

## LIABILITIES AND CAPITAL

Deposits	\$2,531,761	\$2,156,770
Repurchase agreements	191,075	207,803
Federal Home Loan Bank advances	125	135
Other liabilities	53,840	63,173
Capital	311,304	307,520
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$3,088,105</b>	<b>\$2,735,401</b>

at December 31 (amounts in thousands)(unaudited)

## INCOME STATEMENT

	<b>2 0 2 1</b>	<b>2 0 2 0</b>
Interest and dividend income	\$71,189	\$75,328
Interest expense	4,016	7,245
Net interest and dividend income	67,173	68,083
Provision for loan losses	–	3,225
Net interest and dividend income after provision for loan losses	67,173	64,858
Noninterest income	17,942	18,075
Noninterest expense	62,248	60,917
Income before income taxes	22,867	22,016
Provision for income taxes	4,455	4,266
<b>NET INCOME</b>	<b>\$18,412</b>	<b>\$17,750</b>
Regulatory Capital Ratio	10.16%	11.01%

at December 31 (amounts in thousands) (unaudited)  
2020 and 2021 numbers reflect USB Bancorp, Inc. and subsidiaries.

## USB CORPORATORS

Michael Ackerman  
Owner, *The Pantry, Inc.*

Michael J. Allen  
President, *Danbury Square Box Company*

Cheryl A. Bakewell, CPA  
Partner, *Bakewell & Mulhare LLC*

James J. Blansfield  
President, *Blansfield Builders, Inc.*

Robert D. Botelho  
Developer and Property Manager, *Victorian Associates/RDB Construction Co.*

Nancy L. Brault  
President & Co-Founder, *The Ultimate Companies, Inc.*

Rebecca Butler  
Founder & Executive Director, *Arts Escape, Inc.*

Emile Buzaid  
Retired Owner, *Max Gun and Pawn LLC*

Maureen Casey Gernert  
Retired Director, Career Development Center, *WCSU*

Anthony W. Cirone, Jr., CPA  
Partner, *Cirone Friedberg LLP*

David M. Coelho  
Electrical Instructor, *IMTI - Industrial Management & Training Institute*

Heather DaSilva  
Managing Principal, *Cleary Benefits Group, Inc.*

Sheila A. Denton  
Senior Vice President, Corporate Secretary/General Counsel, *Boehringer Ingelheim*

Charles R. Ebersol, Jr., Esq.  
Partner, *Ebersol & McCormick LLC*

Mourad Fahmi  
CEO/Principal Owner, *Miller-Stephenson Chemical Corp.*

Philip M. Farmer  
President, *Credit Resources, Inc.*

Thomas T. Fitzsimons  
Board Member, *Channel Sources*

Ann. L. Fowler-Cruz, Esq.  
Principal, *Cohen & Wolf PC*

Martin Handshy  
President, *Charter Group Partners*

Kathleen A. Harrison  
Co-Owner, *Fazzone & Harrison Realty LLC*

Holly Herbert\*  
President, *General Welding & Fabrication, Inc.*

H. Thomas Hinman  
Owner/Manager, *Riverside Nursery & Garden LLC*

Margaret Jakubowski  
Partner/Member, *Robert Hensley & Associates LLC*

Matthew Karpas  
Managing Member, *Karpas Strategies LLC*

Michael R. Kaufman, Esq.  
Attorney, *Jones, Damia, Kaufman, Borofsky & DePaul LLC*

Jeffrey B. Kilberg  
Vice President, *Nicholas/Tobin Insurance, Inc.*

Frederick A. Landwehr  
CPA/Financial Advisor, *Landwehr & Spaho CPA's*

Scott Lavelle  
Real Estate Broker/Owner, *Remax Experience*

Mark A. Malkin  
Owner, *Malkin & Daigle LLC*

Alyson R. Marcucio, Esq.  
Attorney/Member, *Chipman, Mazucco, Emerson LLC*

Martin Marola  
President, *Marola Motor Sales, Inc.*

Wanda McGarry  
Vice President, Corporate Secretary, *Kovacs Construction Corp.*

Stanley J. McKenney  
Vice President, *McKenney Mechanical Contractors, Inc.*

Rute Mendes Caetano, Esq.  
Partner, *Ventura Law*

Roy (Rohit) Mirchandani\*  
Owner, *Milestone, Inc.*

Thomas J. Oneglia  
Assistant Vice President, *O&G Industries, Inc.*

Emanuela Palmares\*  
Editor & Partner, *Tribuna Newspaper; President, The New American Dream Foundation.*

Matthew Paul, MD  
Eye Surgeon/Ophthalmologist, *Connecticut Eye Consultants, PC*

Larry Pereira, Esq.  
Attorney, *Baker Law Firm*

William M. Petroccio, Esq.  
Attorney, *Russo & Rizio LLC*

Zachary S. Rapp  
President, *Sydney A. Rapp Land Surveying, PC*

MaryJean Rebeiro  
President & CEO, *NY-CONN Corporation*

Eugene Reelick  
Owner, *Hollandia Nursery*

Anthony Rizzo, Jr.  
President & CEO, *The Rizzo Companies*

Kristin Roberts  
Managing Partner, *The Roberts Tax Group*

Maura Ruby  
Senior Manager, *Danbury Fair Mall – Macerich Property Management*

M. Jeffers Ryer  
President, *Ryer Associates*

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Chairman of the Board, *Santa Energy Corporation*

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President & CEO, *Washington Supply Company*

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Principal, *Berkshire Corporate Park*

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Lieutenant, *Danbury Police Department*

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Partner, *Cramer & Anderson LLP*

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Principal, *Connecticut Business Services LLC*

Jordan Young  
President, *Fairfield Processing*

Jack Zazzaro, DMD  
Cosmetic & Family Dentistry

## USB TRUSTEES

### Chairman of the Board of Trustees

Lucie H. Voves  
CEO & Founder, *Church Hill Classics*

### Vice Chairman of The Board of Trustees

Arnold E. Finaldi, Jr.  
Vice President, *NFP, Inc.*

Ray P. Boa  
Owner, *A & J Construction Company*

John A. Brighenti  
Vice President & Owner, *Avon Plumbing & Heating Co., Inc.*

Susan Certoma  
Strategic Advisor/Board Director, *Point2Point*

David S. Hawley  
President, *Hawley Management Company, Inc.*

Bonnie Kintzer  
President & CEO, *Trusted Media Brands*

Jeff Levine  
Owner, *Levine Auto & Truck Parts*

Cynthia C. Merkle  
President & CEO, *Union Savings Bank*

John M. Murphy, MD  
President & CEO, *Nuvance Health*

Frank A. Rowella, Jr., CPA  
Partner, *Reynolds & Rowella, LLP*

H. Ray Underwood, Jr.  
Secretary & Treasurer, *Underwood Services, Inc.*

*Trustees are also Corporators*

## BRANCH LOCATIONS

**Bethel**  
24 Grassy Plain Street  
79 Stony Hill Road

**Brookfield**  
200 Federal Road  
828 Federal Road

**Canton**  
188 Albany Turnpike

**Danbury**  
71 Newtown Road  
116 Main Street  
226 Main Street  
100 Mill Plain Road  
126 North Street

**Goshen**  
4 Sharon Turnpike

**Kent**  
15 Kent Green Boulevard

**Litchfield**  
13 North Street

**Marble Dale**  
253 New Milford Turnpike

**Monroe**  
411 Monroe Turnpike

**New Fairfield**  
24 Route 39

**New Milford**  
169 Danbury Road  
41 East Street  
100 Park Lane Road (ATM only)

**Newtown**  
1-A Commerce Road

**Ridgefield**  
100 Danbury Road

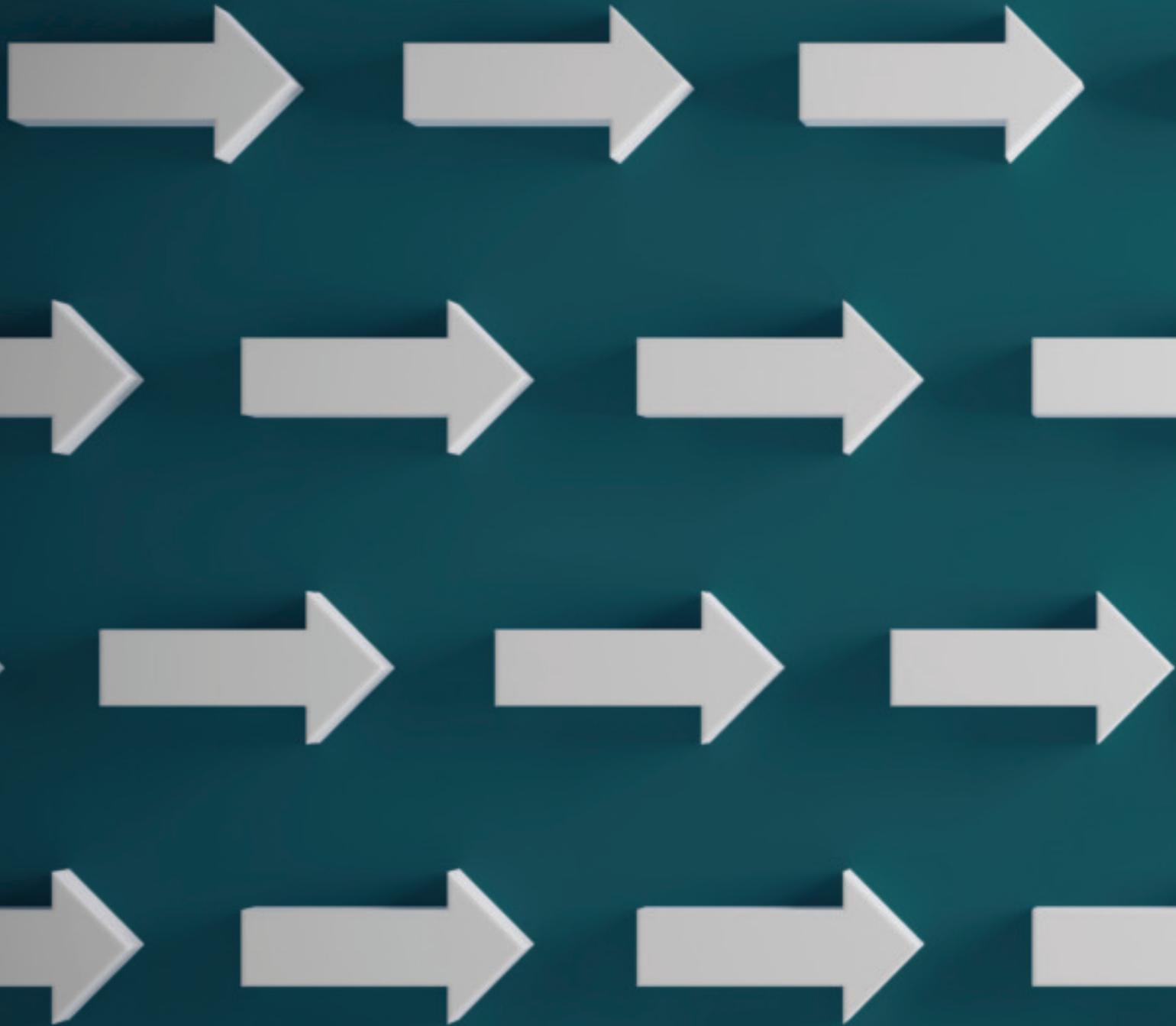
**Roxbury**  
26 North Street

**Southbury**  
406 Main Street South

**Torrington**  
1057 Torrington Street  
397 Main Street

**Washington Depot**  
7 Bryan Plaza

\* New Corporators to be elected March 2022



USBancorp, Inc.



[unionsavings.com](http://unionsavings.com) | 866.872.1866

MEMBER  
FDIC

