

# CHARTING THE COURSE

Planning for your future, together.



ANNUAL REPORT 2022

USBancorp, Inc.





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# Every day at Union Savings Bank, we strive to provide outstanding service to our customers and community.

We always love going above and beyond when serving our customers' day-to-day needs, but what gives us the most pride is supporting our customers in the long term as their financial partner — helping them chart the course to achieve whatever financial and life goals are important to them. And in 2022 we saw great success in doing just that.

2022 ushered in our enhanced FutureTrack service, where our certified FutureTrack Coaches are available in-branch and virtually to help our customers chart their personal financial journey with ongoing advice, insights, and digital tools. Our customers can now easily grow their savings by enrolling in USB Round Up, our free tool that “rounds up” debit card purchases and automatically moves that money into savings. We also launched Zelle® within the USB Mobile App, allowing our customers to send and receive money safely to friends and family.

Our Business Banking and Commercial teams supported the needs of our business customers at a record pace in 2022, providing the financing required to help our business partners thrive and grow. We were able to do so by adding additional experienced lenders to our already strong team to best support the needs of our customers.

The home financing team was able to help hundreds of customers achieve their dream of home ownership, including many first-time home buyers, as well as help others unlock the equity in their current homes to put towards updates or other needs.

Giving back to our community is always at the forefront for us and in 2022, the Bank and the USB Foundation donated nearly \$800,000 in support of

hundreds of local causes and charities. We did this while also supporting our own initiatives such as the Feeding Our Neighbors Food Drive, Project Warm and Teachers' Closet. As things opened back up after pandemic restrictions, our team members were able to contribute 8,000 hours of volunteer time to make a difference in-person wherever we were needed.

As we look ahead to 2023, there are several developments on the horizon that will help bring USB into a new era. By late summer of 2023, we'll be expanding our presence in Fairfield County, opening a new branch in Norwalk. This is an exciting project for us as we look to grow in that market, while also serving our current customers who frequent the Norwalk area.

Additionally, after an extensive search process in late 2022, the Board of Trustees selected Chelen Reyes to join the Bank as President with the intent of assuming CEO responsibilities upon my retirement in mid-2023. Chelen comes with a wealth of experience and vision, which will serve the organization very well in the years to come.

As for me, it has been a distinct honor to have led the USB team over the past 10 years and I will leave with the proud

memories of serving our customers, team members and community.

On behalf of the entire USB team, thank you for trusting us as your financial partner. No matter what's in store for you on your financial journey, we're here to help every step of the way.

*Cynthia C. Merkle*

Cynthia C. Merkle,  
President & CEO





## ENHANCING THE CUSTOMER EXPERIENCE

Deepening our suite of technology, products, and services is an ongoing priority at USB. We make reaching the financial goals of our customers that much easier by offering a seamless, modern experience to banking. How do we know? One of the metrics we use, that measures the loyalty of customers to a company, is the Net Promoter Score, which continued to be well above industry average in 2022 at a 73.

**Here are just some of the ways we've brought innovation to the forefront of our customer offerings this year:**

### FUTURETRACK

We re-launched FutureTrack in late Summer 2022, with key strategic enhancements. FutureTrack is a goal-based planning service with ongoing coaching that combines financial insights and certified FutureTrack Coaches to guide our customers along their financial journey, so they experience better outcomes and fewer unknowns. Key enhancements included:

- Creating **FUTURETRACK COACHES**, specially certified bank team members who can help with life milestone planning and bringing in other team members from home financing, business, and wealth management to assist.
- Over **30 TEAM MEMBERS** went through the certified FutureTrack Life Stage Financial Consulting training to better serve our customers.
- Our **NEW FUTURETRACK WEBSITE**, with a more modern look and feel, houses our digital tools and resources, including our blog, savings calculators, FAQs, and more.

Introduced the **BANK ON CERTIFIED CORE CHECKING ACCOUNT** with no overdraft fees.

Launched **ZELLE®** for consumers within the USB Mobile App.

Launched **USB ROUND UP DEBIT** as an additional savings tool for our customers.

Trained our Customer Service Center team members so they could **ACCEPT HOME EQUITY LINE OF CREDIT APPLICATIONS OVER THE PHONE**, making it easier for customers to obtain this valuable source of financing.

Began deployment of **ENHANCED ATM SOFTWARE** to improve customer experience.

Launched **ONLINE BANKING AUTO-ENROLLMENT** for accounts opened through the online channel.

Invested in **EVALUAGENT SOFTWARE THAT INCREASES EFFICIENCY** in evaluating the quality of calls handled by the call center, ensuring we continue to improve the customers' experience when calling USB by helping us identify coaching and training opportunities.



## COMMERCIAL SERVICES

2022 was a **record year for commercial loans**, with our team collaborating with commercial businesses to find the right lending solution to fit their business needs. Generated nearly

# \$215,000,000

**in new loan proceeds** for borrowers.

To support the continued department growth and to better serve our customers, **OUR COMMERCIAL SERVICES TEAM ADDED NEW MEMBERS** who bring a wealth of local market knowledge and expertise.

## BUSINESS BANKING

Provided our small business customers with **OVER \$6 MILLION IN FUNDING** to help them achieve their goals.

Hired a **NEW, SEASONED BUSINESS BANKING DEPARTMENT HEAD** and introduced new service enhancements.

### INTRODUCED NEW PRODUCTS AND SERVICES TO MAKE BANKING EASIER FOR OUR CUSTOMERS:

- Made **SAME-DAY ACH** available to business customers.
- In late November, **LAUNCHED THE RAPID SUITE OF BUSINESS LOANS**, designed to make it even easier and quicker for our small businesses to get the funding they need for their business. This product is already showing success, as we funded nearly **\$1 MILLION** in the month of December 2022 alone.
- Introduced the **CAPEX LINE OF CREDIT**, which offers pre-approved Line of Credit up to \$100,000 for fixed assets, equipment, trucks, and vehicles.

## BRANCH BANKING

**TOTAL BANK DEPOSITS OF OVER \$2.3 BILLION.**

**ISSUED NEARLY 14,000 DEBIT CARDS** in branches providing a convenient way to obtain a new card.

**702 APPOINTMENTS BOOKED** via our Online Appointment Scheduler.

We continue to deliver **EDUCATIONAL AND GROWTH OPPORTUNITIES** for branch staff to help them succeed in their banking careers.

## RESIDENTIAL & CONSUMER LENDING

Continued to **GROW OUR MORTGAGE ORIGINATOR TEAM** to further assist the community in all their lending needs.

**TOTAL MORTGAGE PRODUCTION:**

Closed 277 units for **\$96 MM** that supported home buyers and home owners.

- **FIRST TIME HOME BUYER PRODUCTION:**  
Closed 44 units for **\$11 MM**
- **FHA PRODUCTION:** Closed 4 units for **\$1.1 MM**

**HELOC PRODUCTION:**

Closed 336 units for **\$41 MM**

## WEALTH MANAGEMENT/ RAYMOND JAMES

**Our Trust & Wealth Management Department and Raymond James teams** supported their customers through an eventful year in the markets.

**Trust & Wealth Management Assets** under management and administration were

# \$498MM

**Trust & Wealth Management Assets** generated

# \$3MM

in revenue.

Asset growth for Raymond James was record-breaking, with **\$46.4MM in new dollars** being added for 2022. Assets under management and administration exceeded

# \$202MM

Despite a down year for the market, **the Raymond James team still managed to generate**

# \$909M

in revenue.





Throughout 2022, we put leadership, education, and diversity at the center of the employee learning and development. By investing in our team, we're committed to delivering an exceptional customer experience and an inclusive culture at the forefront.

**USB expanded its diversity and inclusion training to our entire workforce, and we will continue to focus on these values in 2023.**

**Professional Development Program trainees continued their intensive training within all areas of the Bank.**

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

- ABA Stonier Graduate School of Banking
- Connecticut School of Finance & Management
- Certified Financial Planning (CFP)
- Chartered Financial Analyst (CFA)
- Certified Investment Management Analyst (CIMA)
- Leadership Danbury Program
- Leadership Northwest Program
- ASPIRE Leadership Program

**10,000+**

hours of completed internal education  
across USB in 2022.

**982**

internal courses and exams  
completed in 2022.



Throughout the year, we also held fundraisers and donation drives to help others in our community.

- Union Savings Bank and the USB Foundation **DONATED NEARLY \$800,000** in support of countless worthwhile causes that provide educational and enrichment programs in our community.
- In honor of those who have served our country, a **DONATION OF \$10,000** was presented during Military Appreciation Month to Saint Michael's Veteran Entrepreneurial Institute in Southbury whose mission is to provide resources and support to our local veterans.
- Raised nearly **\$25,000** through our annual **UNITED WAY EMPLOYEE GIVING CAMPAIGN**.
- Fulfilled the wishes of **200 SALVATION ARMY ANGEL TAGS**.
- Donated **1,000+ POUNDS OF FOOD AND \$120,000 TO LOCAL FOOD PANTRIES** via our **FEEDING OUR NEIGHBORS FOOD DRIVE**.
- Delivered **6,500+ SCHOOL SUPPLY ITEMS** to local teachers through **TEACHERS' CLOSET** which has placed over 21,000 items in the hands of children in need since its inception.
- Union Savings Bank **CONTRIBUTED MORE THAN \$900,000** to the USB Foundation in support of its philanthropic outreach.



## VOLUNTEERISM

Our team's collective dedication to our community allowed us to provide **8,000 hours of volunteer services**. These include board and committee presence, muscle power to help with needed maintenance projects, and kindness and compassion to children, just to name a few of the many ways we made a difference in 2022.

### USB GIVES BACK

This program empowers our individual departments to identify a local community need and then bring their team together to purchase supplies and participate in opportunities to give back. In 2022 alone, **27 organizations were helped with a total donation of nearly \$14,000**.

### COMMUNITY CHAMPIONS

Through Community Champions, we celebrate and reward team members who do good in our community by translating their volunteer hours into donations to organizations of their choosing. **For every 10 hours volunteered, \$25 will be donated**. Given the dedication of our team, we anticipate donating an additional \$10,000 in 2023 to local nonprofits in support of this team initiative.

### FINANCIAL LITERACY

In partnership with Junior Achievement of Greater Fairfield County and Danbury Students & Business Connection, among others, we continue to **share our financial insight, savings tips, and skill-building expertise to provide students with the information they need to be savvy savers or to consider a career in the banking industry**.

# Thank you, Cindy!

We thank you for your many years of outstanding leadership as USB's President & CEO. Your tenure is full of accomplishments that have benefited our customers, team members, and community. **Congratulations on your well-deserved retirement!**

## HIGHLIGHTS WHILE LEADING USB

### CAREER HIGHLIGHTS

USB's First Woman President & CEO

Elected First Woman Chair of the Connecticut Bankers Association and led for two terms.

Former Chairwoman of the Greater Danbury Chamber of Commerce

Sits on the CEO Strategic Planning Advisory Council for FIS

American Bankers Association – Government Relations Council

Former Chair of the United Way of Western CT; currently serves on the Board of Directors of the organization's Prosperi-Key program

Hartford Business Journal's 2020 Women in Business Award Winner

### FOR UNION SAVINGS BANK

Strengthened the Bank's customer experience leading to our **highest Net Promoters Score, 73**.

Led the Bank to its most profitable years yet, from 2018–2022, peaking in 2019 with a **net income of \$21.84 million**.

**Reorganized the Bank** into a mutual holding company in 2018.

Helped USB's regulatory Tier 1 capital grow by **more than \$140 million or 70.6%**.

Created USB's Innovation Center, **Business Banking Department**.

### FOR THE COMMUNITY

Established a **Community Relations Department** dedicated to community outreach through our philanthropic efforts.

Grew the Foundation to **over \$9.3 million**.

Instrumental in implementing **Teachers' Closet**, a bank led initiative, which has placed over **21,000 school supplies** in the hands of over **130 local teachers**.



# 2022 USB FINANCIAL STATEMENTS

## Balance Sheet

<b>ASSETS</b>	<b>2 0 2 2</b>	<b>2 0 2 1</b>
Cash and due from banks	\$92,151	\$176,837
Securities	871,574	1,004,688
Federal Home Loan Bank stock	4,219	2,283
Loans, net	1,752,107	1,709,967
Premises and equipment	37,368	39,441
Other assets	228,028	154,889
<b>TOTAL ASSETS</b>	<b>\$2,985,447</b>	<b>\$3,088,105</b>
<b>LIABILITIES AND CAPITAL</b>		
Deposits	\$2,321,540	\$2,531,761
Repurchase agreements	265,851	191,075
Federal Home Loan Bank advances	82,114	125
Other liabilities	91,930	53,840
Capital	224,012	311,304
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$2,985,447</b>	<b>\$3,088,105</b>

at December 31 (amounts in thousands) (unaudited)

<b>INCOME STATEMENT</b>	<b>2 0 2 2</b>	<b>2 0 2 1</b>
Interest and dividend income	\$84,153	\$71,189
Interest expense	8,781	4,016
Net interest and dividend income	75,372	67,173
Provision for loan losses	—	—
Net interest and dividend income after provision for loan losses	75,372	67,173
Noninterest income	17,499	17,942
Noninterest expense	67,510	62,248
Income before income taxes	25,361	22,867
Provision for income taxes	4,928	4,455
<b>NET INCOME</b>	<b>\$20,433</b>	<b>\$18,412</b>
Regulatory Capital Ratio	10.73%	10.16%

at December 31 (amounts in thousands) (unaudited)  
2021 and 2022 numbers reflect USB Bancorp, Inc. and subsidiaries.



# USB BANCORP CORPORATORS

Michael Ackerman <i>Owner, The Pantry, Inc.</i>	Martin Handshy <i>President, Charter Group Partners</i>	Martin Marola <i>President, Marola Motor Sales, Inc.</i>	Kristin Roberts <i>Managing Partner, The Roberts Tax Group</i>
Michael J. Allen <i>President, Danbury Square Box Company</i>	Kathleen A. Harrison <i>Co-Owner, Fazzone &amp; Harrison Realty LLC</i>	Wanda McGarry <i>Vice President, Corporate Secretary, Kovacs Construction Corp.</i>	Maura Ruby <i>Senior Manager, Danbury Fair Mall – Macerich Property Management</i>
Cheryl A. Bakewell, CPA <i>Partner, Bakewell &amp; Mulhare LLC</i>	Holly A. Herbert <i>President, General Welding &amp; Fabrication, Inc.</i>	Stanley J. McKenney <i>Vice President, McKenney Mechanical Contractors, Inc.</i>	M. Jeffers Ryer <i>President, Ryer Associates</i>
James J. Blansfield <i>President, Blansfield Builders, Inc.</i>	H. Thomas Hinman <i>Owner/Manager, Riverside Nursery &amp; Garden LLC</i>	Rute Mendes Caetano, Esq <i>Partner, Ventura Law</i>	Thomas S. Santa <i>Chairman of the Board, Santa Energy Corporation</i>
Robert D. Botelho <i>Developer and Property Manager, Victorian Associates/RDB Construction Co.</i>	Geoffry G. Hook* <i>Senior Vice President, Chief Information Officer, Nuance Health/Western Connecticut Health Network</i>	Roy (Rohit) Mirchandani <i>President, Milestone, Inc.</i>	Lisa Scails <i>Executive Director, Cultural Alliance of Western CT</i>
Nancy J. Brault <i>President &amp; Co-Founder, The Ultimate Companies, Inc.</i>	Jennifer Ingram* <i>Head of Strategic Marketing Planning &amp; Customer Acquisition, Charter Communications/Spectrum</i>	Stephanie Nickse, Esq.* <i>Attorney &amp; Arbitrator, S.B Nickse Law Offices, LLC &amp; American Arbitration Association</i>	Valerie Sedelnick <i>President &amp; CEO, Washington Supply Company</i>
Rebecca Butler <i>Retired Director, Arts Escape, Inc.</i>	Margaret Jakubowski <i>Principal Member, Robert Hensley &amp; Associates LLC</i>	Thomas J. Oneglia <i>Assistant Vice President, O&amp;G Industries, Inc.</i>	Ereida Spaho* <i>CPA, Landwehr &amp; Spaho CPAs, LLC</i>
Emile Buzaid <i>Retired Owner, Max Gun and Pawn LLC</i>	Matthew Karpas <i>Managing Member, Karpas Strategies LLC</i>	Emanuela Palmares <i>Editor &amp; Partner, Tribuna Newspaper; President, The New American Dream Foundation</i>	Gregory L. Steiner <i>Principal, Berkshire Corporate Park</i>
Maureen Casey Gernert <i>Retired Director, Career Development Center, WCSU</i>	Michael R. Kaufman, Esq <i>Attorney, Jones, Damia, Kaufman, Borofsky &amp; DePaul LLC</i>	Matthew Paul, MD <i>Eye Surgeon/ Ophthalmologist, Danbury Eye Physicians &amp; Surgeons</i>	Michael R. Sturdevant <i>Lieutenant, Danbury Police Department</i>
Heather DaSilva <i>Managing Principal, Cleary Benefits Group, Inc.</i>	Jeffrey B. Kilberg <i>Vice President, Nicholas/ Tobin Insurance, Inc.</i>	Larry Pereira, Esq <i>Attorney, Baker Law Firm</i>	Lewis J. Wallace, Jr. <i>Director, Common Fund</i>
Sheila A. Denton <i>Senior Vice President, Corporate Secretary/ General Counsel, Boehringer Ingelheim</i>	Scott Lavelle <i>Real Estate Broker/Owner, Remax Experience</i>	William M. Petroccio, Esq <i>Attorney, Russo &amp; Rizio LLC</i>	William H. Webb, Jr. <i>President, Pegasys, Inc.</i>
Mourad Fahmi <i>CEO/Principal Owner, Miller-Stephenson Chemical Corp.</i>	Matthias Lukens* <i>Owner, 322 Marketing</i>	Zachary S. Rapp <i>President, Sydney A. Rapp Land Surveying, PC</i>	Joshua A. Weinshank, Esq. <i>Partner, Cramer &amp; Anderson LLP</i>
Philip M. Farmer <i>President, Credit Resources, Inc.</i>	Mark A. Malkin <i>Owner, Malkin &amp; Daigle LLC</i>	MaryJean Rebeiro <i>President &amp; CEO, NY-CONN Corporation</i>	Ralph Williams III <i>Principal, Connecticut Business Services LLC</i>
Thomas T. Fitzsimons <i>Board Member, Channel Sources</i>	Alyson R. Marcucio, Esq <i>Attorney/Member, Chipman, Mazzucco, Emerson LLC</i>	Eugene Reelick <i>Owner, Hollandia Nursery</i>	Jordan Young <i>President, Fairfield Processing</i>
Ann. L. Fowler-Cruz, Esq <i>Principal, Cohen &amp; Wolf PC</i>		Anthony Rizzo, Jr. <i>President &amp; CEO, The Rizzo Companies</i>	Jack Zazzaro, DMD <i>Owner, Cosmetic &amp; Family Dentistry</i>

\*New Corporators to be elected March 2023

# USB AND USB BANCORP 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*

Anthony W. Cirone, Jr.\*\*  
*Managing Partner, Cirone Friedberg, LLP*

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

Jeff Levine  
*Partner, Poppy's Classic Car Storage*

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

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

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

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

Trustees are also Corporators; \*\*Effective January 1, 2023; \*\*\*Effective February 2023

# USB MANAGEMENT COUNCIL

Paul Bruce	Jeff McDonough	Chelen Reyes***
Jason Ginsberg	Brian McGuigan	Peter Scotch
Rick Judd	Cynthia C. Merkle	Daniel Silva
Peter Maher	Marlene Piche	

# BRANCH LOCATIONS

<b>Bethel</b> 24 Grassy Plain Street 79 Stony Hill Road	<b>Monroe</b> 411 Monroe Turnpike
<b>Brookfield</b> 200 Federal Road	<b>New Fairfield</b> 24 Route 39
<b>Canton</b> 188 Albany Turnpike	<b>New Milford</b> 169 Danbury Road 41 East Street 100 Park Lane Road (ATM only)
<b>Danbury</b> 71 Newtown Road 116 Main Street 226 Main Street 100 Mill Plain Road 126 North Street	<b>Newtown</b> 1-A Commerce Road
<b>Goshen</b> 4 Sharon Turnpike	<b>Ridgefield</b> 100 Danbury Road
<b>Kent</b> 15 Kent Green Boulevard	<b>Roxbury</b> 26 North Street
<b>Litchfield</b> 13 North Street	<b>Southbury</b> 406 Main Street South
<b>Marble Dale</b> 253 New Milford Turnpike	<b>Torrington</b> 1057 Torrington Street 397 Main Street
	<b>Washington Depot</b> 7 Bryan Plaza



USB*Bancorp, Inc.*



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

