

# LEADING THE WAY

Strong Foundation + Building for the Future = Continued Growth

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From expanding into a new market to exceeding many of our financial goals, 2023 was a year of growth for Union Savings Bank.

In my first year serving as President & CEO of the Bank, one of my priorities was to get a firm understanding of our strengths, drivers of growth, competitive advantages, and opportunities. Working alongside our Board of Trustees, executive team, and management council, we were able to develop USB's strategic priorities and 2024 budget.

But perhaps my favorite part of 2023 was getting to know the people, culture, and the day-to-day operations behind the Bank. After spending the year meeting and working with various team members, what I discovered is not only is USB a welcoming environment, but that it's built on a foundation of talented leadership and high-quality products and services for our customers. This makes USB well-positioned to continue to do great things while maximizing new opportunities to help us move forward. Here are just a few ways we did that in 2023.

In July of 2023, USB entered the lower Fairfield County market with the opening of our Norwalk Branch. This exciting new location offers convenience to our existing customers and presents an opportunity to introduce the USB value proposition to new consumers and businesses.

We've also expanded our executive team to include Marlene Piche, who after many years serving as our head of branch banking, will now also oversee business banking, the call center, and treasury & merchant services. By elevating this position, we hope to facilitate more growth in these areas to better serve our customers.

Throughout my onboarding process, I also witnessed USB's commitment to our communities. In 2023, we donated more than \$700,000 and put in 10,000+ volunteer hours in support of educational and enrichment programs, fundraising events, and countless other worthwhile causes. We had another successful year with our annual community events, including Teachers' Closet, Feeding Our Neighbors, and USB Gives Back while expanding them into our new market area in Norwalk.

2023 was also a banner year across many of our different lending and wealth channels. We completed the rollout for various Rapid business loan products while providing more than \$9 million in funding to support local small business growth. Our commercial loan portfolio increased by \$84 million and surpassed \$1.2 billion for the first time. The consumer lending

team also exceeded their goals, with mortgage producing \$134 million, a year-over-year increase of 40%. It was also an extraordinary year for the wealth team with new and committed business exceeding goal by adding \$83 million to our pool of assets.

Reflecting on my inaugural year with Union Savings Bank, it has become evident that this is an environment that encourages the exploration of fresh ideas and innovative approaches to enhance our commitment to customers and community. I am grateful to have the opportunity to lead USB into its next chapter, and I eagerly anticipate deepening our connections as we progress together. Here's to a promising 2024, filled with growth and collaboration.

On behalf of all of our team members, I thank you for choosing USB.



*Chelen Reyes*  
Chelen Reyes, President & CEO





## NORWALK OPENING

USB entered the lower Fairfield County market in July of 2023 with the opening of our Norwalk Branch. To support the needs of this new market, we added a fifth Solutions Team to collaboratively add value to this community. Since it opened, this new branch has seen \$4.3 million in deposits.

Brookside Elementary was added to the Teachers' Closet roster of schools. The USB team was onsite to share school supplies with the teachers as they kicked off the school year, which was covered by cable network News12.

We made a \$5,625 donation to Open Doors, a resource for people dealing with poverty and homelessness in the greater Norwalk area.

## FOR OUR CUSTOMERS

During the past few years, USB introduced Zelle® peer-to-peer payments, enhanced safety and security features across the board, including the addition of debit card controls, and debuted Spending Insights so our customers can manage their finances with ease.

The success of these implementations, and others introduced in 2023, can be seen in how they've been embraced by our customers. Notably, our customer experience ratings consistently surpass industry standards in both personal and business banking, showcasing their continued success.

- Zelle® payments increased 117% over 2022, with USB Mobile users sending and receiving 260,000+ Zelle® payments.
- USB Mobile App usage grew by 10% in 2023 to more than 20,000 users.
- Our Business Mobile App also grew by 13% during the year, and the number of business customers utilizing mobile deposit within the app increased 8%.
- Business customers enrolled in Online Banking also increased by 11% in 2023.
- We enhanced our online account open capabilities by introducing Promotional CDs and adding enhanced additional antifraud features to our new account process.
- Improvements in technology enabled the Customer Service Center to open deposit accounts by phone and provide FutureTrack coaching to help our customers achieve their financial goals.
- We also streamlined our small business loan application process, providing needed funds to business owners more quickly.



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# COMMERCIAL SERVICES

The Bank’s commercial loans surpassed \$1.2 billion for the first time.

Commercial Services generated new business and commercial real estate loans in the amount of \$166.4 million.

The commercial loan portfolio increased by \$84 million.

USB made eight community development loans that provided affordable housing and assistance for not-for-profit organizations offering care for the disabled, behavioral health, and addiction prevention treatment.

# BUSINESS BANKING

USB provided \$9 million+ in funding in our community to support small business growth.

The Business Banking team closed over 190 loans including 150 of our recently launched Rapid Loans & Lines for small business customers.

The Bank continued to develop new products, such as our Rapid Loan product, to make it quicker for our business customers to obtain financing.



# BRANCH TEAM

\$2.19 billion total bank deposits.

We helped our customers gain fast access to their cash instantly with nearly 12,000 debit cards issued in branch.

There were over 800 convenient customer appointments scheduled through our online appointment scheduler.

# RESIDENTIAL & CONSUMER LENDING

Residential Mortgage produced \$134.8 million in new business, an increase of 40% year over year.

Overall Consumer Lending loan originations, including HELOCs, rose to \$39.2 million.

USB assisted 26 families to move into their first house with our First Time Home Buyer product.



# FUTURETRACK

FutureTrack Coaches continue to assist over 900 customers in their financial journeys. These customers are looking for advice on how to accomplish various goals, such as reducing debt, saving for emergencies, and buying a home.

50+ branch and Customer Service Center team members have become FutureTrack Coaches by completing the Life Stage Financial Consulting Program (LSFC™), enabling them to provide better coaching and customer advice.



Both USB's Trust & Wealth Management Team and the Raymond James Team achieved continued success in 2023 with the year marking some notable achievements for the group. Our team remains committed to providing exceptional service and creating greater awareness of our services with the addition of a dedicated marketing team.

# WEALTH MANAGEMENT

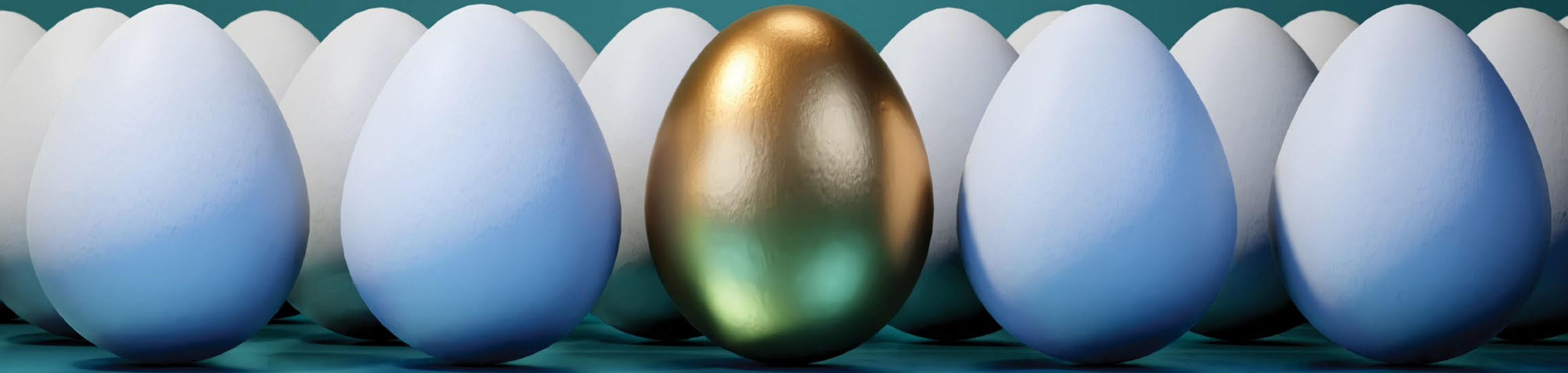
It was a record-breaking year for new assets for the wealth team, with over \$83 million garnered. This brought the group's total assets to \$546 million. Financial planning, estate plan reviews, and interest in fixed income management supported the asset growth.

Revenue for the department increased to \$3.3 million for the year with estate settlement fee revenue contributing to the overall goal.

# RAYMOND JAMES

The Raymond James team reached a new milestone of generating \$916,000 in revenue.

The department surpassed their previous year's record asset growth by gathering \$62.4 million in new assets, increasing the department's total assets to \$248 million.





# FOR OUR EMPLOYEES

From employee education to promoting diversity and inclusion, investing in our team is a major priority at USB. In 2023, we're proud to say we took major steps with our focus on Diversity, Equity, and Inclusion (DEI).

## DEI

- A new Culture Council was formed to help operationalize DEI efforts into the day-to-day workings of USB, from recruitment to product and talent development.

## EDUCATION AND LEADERSHIP

USB continues to provide opportunities for employees through education and leadership programs:

- CSFM Grads – Connecticut School of Finance & Management and ABA Stonier Graduate School of Banking
- ASPIRE Leadership Academy
- Leadership Danbury Program
- Leadership Northwest Program
- College and graduate level course support
- In 2023, over 12,000 hours across 900+ financial courses and exams were completed by our team members.





# FOR OUR COMMUNITY

2023 was another robust year for giving back, both in terms of financial giving and volunteer hours. We also expanded many of our programs into our new market area of Norwalk to strengthen our community ties.



## CHARITABLE GIVING

- Union Savings Bank and the USB Foundation donated over \$700,000 in support of educational and enrichment programs, fundraising events, and countless other worthwhile causes in our community.

## VOLUNTEERISM

- Our team contributed more than 10,000 hours in volunteer services. These include board and committee presence, muscle power to help complete needed projects, and kindness and compassion to children, just to name a few.
- United Way Employee Giving Campaign: In response to our annual campaign, the USB Foundation committed to a corporate match that will further impact thousands of hardworking families and individuals that receive support and services from organizations in our local communities. Together we contributed a total of \$50,000 to the United Way of Coastal and Western Connecticut.
- Salvation Army Angel Tags: With the generosity of our team and customers, we fulfilled the wishes of 152 Angel Tags.

## FEEDING OUR NEIGHBORS

- Over 1,100 pounds of nonperishable food items were collected during our annual drive supported by employees, customers, and the

community. Community Food Rescue was the recipient of the donated items, providing food for their pantry while also supporting the needs of other pantries in the area.

- The USB Foundation contributed \$41,500 to food pantries to help combat local food insecurity.

## USB GIVES BACK

- Through this annual program, the Bank donated nearly \$16,000 in 2023 and employees volunteered their time at 31 local organizations of their choosing.

## SHARE THE LOVE OF READING

- Over 600 books were collected and distributed to the little libraries at each of our branches. USB also distributes books to our community partners for children and families to enjoy.

## TEACHERS' CLOSET

- Since its inception, over 52,000 school supplies have been distributed to teachers at our four schools. Donations are collected through an annual drive in August and through our Amazon Wish List.

## COMMUNITY CHAMPIONS

- For every 10 hours volunteered by our team members, \$25 is donated to an organization of their choice. In 2023, we donated \$12,275 to local nonprofits in support of this team initiative.



# 2023 USB FINANCIAL STATEMENTS

## Balance Sheet

<b>ASSETS</b>	<b>2 0 2 3</b>	<b>2 0 2 2</b>
Cash and due from banks	\$83,051	\$92,151
Securities	746,007	871,574
Federal Home Loan Bank stock	11,037	4,219
Loans, net	1,913,719	1,752,107
Premises and equipment	34,964	37,368
Other assets	222,665	228,028
<b>TOTAL ASSETS</b>	<b>\$3,011,443</b>	<b>\$2,985,447</b>
<b>LIABILITIES AND CAPITAL</b>		
Deposits	\$2,192,341	\$2,321,540
Repurchase agreements	242,534	265,851
Federal Home Loan Bank advances	243,104	82,114
Other liabilities	80,155	91,930
Capital	253,309	224,012
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$3,011,443</b>	<b>\$2,985,447</b>

at December 31 (amounts in thousands) (unaudited)

<b>INCOME STATEMENT</b>	<b>2 0 2 3</b>	<b>2 0 2 2</b>
Interest and dividend income	\$112,372	\$84,153
Interest expense	39,647	8,781
Net interest and dividend income	72,725	75,372
Provision for loan losses	373	—
Net interest and dividend income after provision for loan losses	72,352	75,372
Noninterest income	12,965	17,499
Noninterest expense	71,326	67,510
Income before income taxes	13,991	25,361
Provision for income taxes	2,574	4,928
<b>NET INCOME</b>	<b>\$11,417</b>	<b>\$20,433</b>
Regulatory Capital Ratio	10.94%	10.73%

at December 31 (amounts in thousands) (unaudited)  
2022 and 2023 numbers reflect USB Bancorp, Inc. and subsidiaries.



# USB BANCORP CORPORATORS

Michael J. Allen <i>President, Danbury Square Box Company</i>	Scott Lavelle <i>Real Estate Broker/Owner, Remax Experience</i>	Maura Ruby <i>Senior Manager, Danbury Fair Mall – Macerich Property Management</i>
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	Kristin Roberts <i>Managing Partner, The Roberts Tax Group</i>	

\*New Corporators to be elected March 2024

# USB AND USB BANCORP TRUSTEES



Chairman of the Board of Trustees	Anthony W. Cirone, Jr. <i>Managing Partner, Cirone Friedberg, LLP</i>
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Vice Chairman of The Board of Trustees	Jennifer Ingram <i>SVP, Head of Integrated Marketing, The Hartford</i>
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	Frank A. Rowella, Jr., CPA <i>Partner, Reynolds &amp; Rowella, LLP</i>
	H. Ray Underwood, Jr.** <i>Secretary &amp; Treasurer, Underwood Services, Inc.</i>

# USB MANAGEMENT COUNCIL

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Jason Ginsberg	Brian McGuigan	Peter Scotch
Rick Judd	Cynthia C. Merkle*	Daniel Silva
Peter Maher	Marlene Piche	Jennifer Tomaino

\* Member through July 31, 2023; \*\* Member through October 31, 2023



## BRANCH LOCATIONS

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### Bethel

24 Grassy Plain Street  
79 Stony Hill Road

### Brookfield

200 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

### Norwalk

454 Main Avenue

### 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

USBancorp, Inc.



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