



ANNUAL REPORT
2020

Collinsville Bank

Litchfield Bancorp

A Division of Northwest Community Bank

A Division of Northwest Community Bank



Global Challenges
Local Strength
Community Resilience

A Look Back, A Look Ahead

A Message from Our President and Chairman of the Board of Directors



Stephen P. Reilly
President & CEO

As we reflect on 2020 and the continuing effects of the pandemic during 2021, we can't help but marvel over the uncommon valor showed by our employees and the entire community banking industry in the face of this overwhelming adversity. Upon being classified as an essential business by the federal government in the early stages of the pandemic, our employees rose to the challenge of continuing to serve our customers and played a key role in helping numerous small businesses, and something we celebrate with this report.

Upon the onset of the pandemic, our employees worked feverishly to adapt to the difficult environment with which we were faced. Be it our front-line employees adapting to safely serving our customers or the back-office staff who quickly mobilized to work from home, it was an effort that was nothing short of extraordinary. An effort that showed extreme resiliency in the face of rough and uncharted waters.

We were there for our commercial customers providing \$68 Million in Paycheck Protection Program (PPP) loans to keep their businesses open and their workers employed. We were there for our customers who were struggling financially to make their loan payments. As community bankers, we answered these calls for help. We supported numerous non-profits in the communities we serve with donations as demand for their services reached record highs. We were there as a pillar in the community as we have been for the past 160-plus years.



William J. Shea II
Chairman

As community bankers, we thank our employees for being "economic first responders" and for the role they played being a critical part of the solution during this difficult moment in our history. We would also like to recognize and thank the healthcare workers and first responders for the difficult work they faced and their herculean efforts in saving so many lives.

During this feat of navigating the pandemic throughout 2020, we also diligently laid the foundation for our Bank consolidation plans as we entered into a new and exciting era for our organization in 2021. Effective January 4, 2021, we successfully consolidated our three state banking charters under Northwest Community Bank, with Collinsville Bank and Litchfield Bancorp as operating divisions. Under this structure, our banks maintain their brand identities and provide us with operational efficiencies that will allow us to compete as a thriving community bank for generations to come. Importantly, no employees lost their job and no branches were closed as a result of this consolidation, which served to solidify our historical commitment to mutuality.

As we are now fully immersed in 2021, we remain cautiously optimistic that the pandemic will be behind us soon as the light at the end of the tunnel continues to brighten. We continue to operate in a very strong financial position with healthy earnings and a strong balance sheet with exceptional asset (loan) quality and a strong capital position. We continue to experience robust growth in the form of loans and deposits, and look forward to welcoming customers into our two newest branch locations in Farmington and Simsbury.

In closing, we feel this is not a period in time to forget. Rather, it is a time to remember. A time to remember how we as a vibrant community and local bank came together to address the biggest challenge of our lifetimes. We are proud of what we accomplished in serving our customers and thank you for the trust you have bestowed in us and for your continued support. As we look forward to the bright rays of hope on the horizon, we hope you remain safe and healthy, and that a world of normalcy returns for all of you very soon.

A handwritten signature in dark ink, appearing to read "Stephen P. Reilly".

Stephen P. Reilly
President & CEO

A handwritten signature in dark ink, appearing to read "William J. Shea II".

William J. Shea II
Chairman

A Dedicated Team, Loyal Customers, Caring Communities

Many Reasons to be Proud and Thankful

2020 presented unique challenges to our entire staff: working from home, learning from home and staying safe at home. Yet our team rose to those challenges, adapting to new ways of working while striving for minimal impact to our customers. Bank Management and the Board of Directors couldn't be more proud of our employees' hard work and dedication to the Bank, its customers and the communities we serve. Here are a few examples of GOOD news in 2020:



Supporting the United Way Campaign

Each year, the Banks generously participate in the United Way campaign. 2020 was no exception. Employees pledged more than \$17,000, and with the Banks' match, \$34,000 was contributed to the United Way to help local agencies and programs.

Honoring Front-line Workers

At the onset of the COVID-19 Pandemic, the Bank recognized the tireless efforts by the doctors, nurses and staff at Charlotte Hungerford Hospital. As a small token of our appreciation, the Banks presented a donation of \$1,000 worth of snacks to be enjoyed by our health care heroes.



Raising Funds for Local Charities

After thoughtful consideration, the Bank was pleased to join our co-sponsor Brooks, Todd & McNeil Insurance in presenting our 20th Annual BLN Charity Golf outing on September 14th. While it looked a little different with a limited number of golfers and social distancing, everyone came together to help create a successful and safe event that raised \$27,000 for 5 local charities that help the most vulnerable in our communities. Over 20 years, this event alone has raised a total of over \$517,000!

Talking Turkey

The Banks partnered with Miller Farms to distribute turkeys to all our employees as a thank-you for their hard work during such a challenging year. In addition, for each turkey distributed to an employee, one was also donated to local food pantries. Some employees generously "paid it forward" by donating their turkey and a total of 206 turkeys were distributed among area food pantries.



Celebrating Success

Our own Steve Reilly was honored with the 2020 Business Leader Award from the Northwest Connecticut Chamber of Commerce at their annual Celebration of Success virtual event. The Chamber continued its tradition of recognizing individuals and organizations who have demonstrated exceptional and unselfish service to the Northwest Corner of Connecticut.

Making A Difference

Community Banking at its Best

Our 3 Banks provided:
872 PPP Loans
\$68 Million in loans funded
4,905 jobs were saved

The Paycheck Protection Program (PPP)

After Congress approved the CARES Act, our teams jumped into action and worked in shifts throughout the day and night to secure PPP funds for our customers.

COVID Assistance

Following stay-at-home orders and state officials requiring the closure of businesses, we recognized our communities were going to be impacted significantly. We were able to provide **emergency assistance to over 330 mortgage borrowers and 170 commercial loan customers** who requested payment deferments during the COVID-19 crisis. We waived all Insufficient, Uncollected Funds and Early Withdrawal Penalties on CDs for 60 days at the start of the pandemic.

Best of the Valley

Collinsville Bank was voted "Best Bank" by the readership of *The Valley Press*. It is a great honor to serve our community and we appreciate the recognition.



Continued Growth

In 2020, we opened two new locations to better serve our customers.



In September, following social distancing protocols, we held a small gathering, for the ribbon-cutting ceremony at our new Farmington branch, which had opened in February 2020.

In December, we had a soft opening of our Simsbury branch, followed by the official ribbon-cutting in January 2021.



Record-setting Year of Home Sales

The pandemic inspired local people and out-of-state residents alike to make a move and to purchase new homes. In 2020, our Banks wrote 572 mortgages—totaling \$129 Million—a significant increase from the previous year. Of those 572 mortgages, we were able to make the dream of homeownership possible to 29 first-time homebuyers.

The Bank is proud to partner with the Federal Home Loan Bank of Boston to provide additional grant programs to qualified borrowers using their Equity Builder and HOW programs.

Higher Demand for Home Improvement Loans

While spending more time at home, borrowers recognized the need for home improvements and there was steady growth in those loans. We were happy to help our customers feather their nests.

All the while, the Banks also migrated to a new Loan Origination System for both residential and consumer loans to streamline many processes.



Convenience Banking

The COVID-19 crisis saw the Banks and our customers adjusting to how banking transactions can be done. Some customers who were hesitant about signing up for eBanking and Mobile Banking reconsidered their options and realized how easy and secure it is. The Banks made updates to our Online and Mobile Banking platforms, bringing together a new look and enhanced features.

Always together, even while apart

One of the things we missed the most when we closed our lobbies in response to CDC recommendations, was seeing our customers and co-workers in person. We were happy to continue to assist with our customer's needs via our drive-ups, telephone and with appointments as needed.

Our employees quickly adjusted to ever changing conditions to ensure customers continued to receive the best customer service possible.

Our retail staff were front-line essential workers who showed up with a smile ... even if you couldn't see it behind their masks! Our support staff members were able to transition to remote work with new "work-from-home" set-ups, including video conferencing. Even our annual holiday party was held via Zoom in 2020!

2020 Donations by the Banks: \$288,324 supporting 241 organizations



Favarh, the Arc in the Farmington Valley



NCCC Northwestern Student Emergency Fund



Five Points Gallery

Statement of Condition

Consolidated

	<u>12/31/20</u>	<u>12/31/19</u>
Assets		
Cash & Deposits in Other Banks	14,801,707	12,919,089
Investment Securities	200,852,565	158,307,513
Total Cash & Investments	215,654,272	171,226,602
Loans		
Residential Real Estate Loans	372,288,871	385,511,647
Consumer Loans	17,345,706	18,509,329
Commercial Loans	279,508,908	237,321,121
Total Loans	669,143,485	641,342,097
Reserve for Loan Losses	(7,342,996)	(6,099,611)
Total Loans, Net of Reserves	661,800,489	635,242,486
Banking Premises & Equipment	8,064,797	7,111,704
Other Real Estate Owned	0	291,355
Other Assets	28,934,939	29,691,566
Total Assets	914,454,497	843,563,713
Liabilities & Capital		
Deposits	813,618,236	703,891,455
FHLB Advances & Other Borrowings	2,706,817	46,461,590
Other Liabilities	10,193,637	9,329,972
Total Liabilities	826,518,690	759,683,017
Capital	87,935,807	83,880,696
Total Liabilities & Capital	914,454,497	843,563,713

Leadership

As of May 14, 2021

Board of Directors

William J. Shea II, Chairman
Jane B. Hinkel, Vice Chairman
Susan Atkins
Peter A. Aziz
Jeffrey P. Brighenti

Kathleen J. Byko
Alan S. Colavecchio
Ann L. Dearstyne
William F. Garrity
Charles Joseph
Elisabeth L. Kandrysawtz

Brian McCormick
Everett J. Newell
Douglas O'Connell
Stephen P. Reilly
Lori Riiska
Kevin P. Sullivan

Officers

Stephen P. Reilly, President & Chief Executive Officer
Leslianne Black, Executive Vice President, Chief Financial Officer & Treasurer
Maura Malo, Executive Vice President, Chief Operating Officer
Paul McLaughlin, Executive Vice President, Chief Retail Banking Officer
Steven J. Zarrella, Executive Vice President, Chief Lending Officer
James Rusiecki, Executive Vice President, Director of Treasury Management and Operations
Barbara A. Fradette, Senior Vice President, Corporate Secretary

Donald Lorusso, Executive Vice President
Jane Anderson, Senior Vice President
Christine Bascetta-Gath, Senior Vice President
Dawn Classen, Senior Vice President
Deborah Kane, Senior Vice President
Matthew Lyman, Senior Vice President
Linda Milkowski, Senior Vice President
Nathan Samara, Senior Vice President
Heidi Asselmeyer, Vice President
Mickie-Ann Budny, Vice President
Daniel Casey, Vice President
Susan Dickinson, Vice President
Lori J. Heath, Vice President
Jennifer Ives-Groebel, Vice President
Diane King, Vice President
Lucinda Longo, Vice President
Dena Martinelli, Vice President
Mathew Mucci, Vice President
Candee Palmer, Vice President
Lisa Ann Partrick, Vice President
Anne Shaw, Vice President
Daniel Sullivan, Vice President

Gregori P. Tonon, Vice President
Margret K. Warner, Vice President
Lynn Bak, Assistant Vice President
Laura Berendsohn, Assistant Vice President
Sandra Conforti, Assistant Vice President
Monica S. Diulio, Assistant Vice President
Thomas J. Faeth, Assistant Vice President
Donna Funaro, Assistant Vice President
Gina Galpin, Assistant Vice President
Annelise C. Hurley, Assistant Vice President
Richard King, Assistant Vice President
Carol A. Monroe, Assistant Vice President
Kim A. Murphy, Assistant Vice President
Krista Murphy, Assistant Vice President
Catherine Pellino, Assistant Vice President
Colleen Suppa, Assistant Vice President
Deborah Tetro, Assistant Vice President
Lindsay West, Assistant Vice President
Stephen Yonich, Jr., Assistant Vice President
Gina Rarick, Assistant Treasurer
Karin Slater, Assistant Treasurer
Deborah Barber, HMDA & CRA Officer

Corporators

(including Directors)

Roberta Andrulis Mette
Susan Atkins
Peter A. Aziz
Eduardo Barrios
Mark Bettera
Timothy Bobroske
Marygale Bouldin
Jeffrey P. Brighenti
Steven C. Bristol
Kathleen J. Byko
John Calkins
Jay Cherosnick
Alan S. Colavecchio

Michael D'Apice
Ann L. Dearstyne
Adam Delaura
Michelle Frankland
William F. Garrity
James F. Gavell
Dr. Arnold Goldman
Jordan Grossman
Philip H. Groth
Jane B. Hinkel
Neil Jamieson
Charles Joseph
Elisabeth L. Kandrysawtz
Mark W. Lange
Daniel B. LeGeyt
Timothy B. LeGeyt

Maureen Lovejoy
Brian McCormick
Steven R. McCoy
John D. Neller
Everett J. Newell
Douglas O'Connell
Michael B. Patterson
James A. Pettit
Paul E. Potanka
Stephen P. Reilly
Anthony J. Reynaud
Lori Riiska
Norman E. Rogers
Gary J. Roman
Robert Rovezzi
Charles Seaback

W. Michael Shanahan
William J. Shea, II
Craig W. Snyder
Donna L. Spescia
James Strub
Susan Suhanovsky
Kevin P. Sullivan
Kathleen VanValen
Joan Valenti
Thomas J. Villanova
Feliks Viner
Stephanie Weaver
Raimie H. Weber
Douglas Wisch



CollinsvilleBank

Litchfield Bancorp

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NORTHWEST COMMUNITY BANK
nwcommunitybank.com

Winsted – Main Office

86 Main Street, PO Box 1019
Winsted, CT 06098
860-379-7561

Avon

101 Simsbury Rd, PO Box 1059
Avon, CT 06001
860-677-2809

Granby

33 Hartford Avenue, PO Box 29
Granby, CT 06035
860-653-7228

New Hartford

141B Main Street (Route 44)
PO Box 413
New Hartford, CT 06057
860-693-8397

Simsbury

741 Hopmeadow Street
Simsbury, CT 06070
860-394-2310

Torrington

416 Winsted Road
Torrington, CT 06790
860-482-3423

Winsted Academic Branch*

Northwestern Region 7 High School
100 Battistoni Dr
Winsted, CT 06098
860-379-8525

**Open to students and school staff*

COLLINSVILLE BANK – A Division of Northwest Community Bank
collinsvillebank.com

Canton

277 Albany Turnpike
Canton, CT 06019
860-693-6936

Collinsville

136 Main Street
Collinsville, CT 06022
860-693-5912

Farmington

186 Main Street
Farmington, CT 06032
860-393-9200

LITCHFIELD BANCORP– A Division of Northwest Community Bank
litchfieldbancorp.com

Lakeville

326 Main Street
Lakeville, CT 06039
860-435-9828

Litchfield

294 West Street
Litchfield, CT 06759
860-567-9401

Torrington

1320 East Main Street
Torrington, CT 06790
860-482-9707

Washington Depot

11 Bryan Plaza
Washington Depot, CT 06794
860-868-7301

Watertown

51 Straits Turnpike
Watertown, CT 06795
860-274-7467



Member FDIC

NMLS ID: 510148

