

2021

ANNUAL REPORT

ion BANK™

Best Small Bank in Connecticut





DEAR FRIENDS AND NEIGHBORS,

After having celebrated 150 years of serving our local communities as a mutual community bank in 2020, our future of growth and stability is brighter than ever. We are proud to continue to expand our presence in CT with our latest branch in South Windsor, which is our third branch in Hartford County. In addition to growing our branch network in CT, later in the year we announced the news that we are acquiring Lincoln 1st Bank of New Jersey. Founded in 1923, Lincoln 1st is a community bank in Morris County, serving individuals, families, and businesses with branch locations in Montville and Lincoln Park, NJ. When the merger is completed, Lincoln 1st Bank will become part of the Ion Financial, MHC family and display the Ion Bank name on their branch locations. With this new partnership, our combined entity is expected to have \$2.0 billion in assets.

Our footprint expansion continues with plans underway for a new branch in Southington.

All of us at Team Ion are honored that Newsweek Magazine named Ion Bank the Best Small Bank in CT. What a major accomplishment it is for all of our employees to share in and be proud.

With our commitment to our employees as deep as to our community, we are pleased to have launched an internal Leadership Program for Ion employees to strengthen and develop key skills, foster career development, and network with coworkers. To cultivate and strengthen our employee collaboration,

a progressive and interactive workspace called the Collaboration Room was created to aid and support colleague connections and team building.

Since 1870, our mission remains the same. Building lifetime relationships by partnering with our customers to identify and achieve their financial goals is our customer service philosophy. At Ion Bank, we live by our service standards every day – **Safety & Security, Accuracy, Responsiveness and Friendly, Personalized Service.**

As a local, independent, mutual community bank not owned by shareholders, we proudly serve our communities as an exemplary corporate citizen through volunteerism and financial support.

We are grateful for your business and thank you for your loyalty and continued trust in us, and for voting us the Best Bank in Greater Waterbury for the third year in a row. We look forward to meeting your financial needs and exceeding your expectations for personal attention and service.

Sincerely,

David J. Rotatori
President & CEO



251 CHURCH STREET
NAUGATUCK

OUR COMMUNITY

As a mutual bank, we believe that reinvesting in our communities is an honor and one of our most important duties; community support has always been a fundamental part of Ion Bank’s mission. We strongly believe in contributing to the betterment of the areas we serve by supporting the economic well-being and quality of life that helps enrich all of our lives.

The Ion Bank Foundation partners with local non-profit organizations by providing direct financial support to help improve and enrich the lives of local citizens to make a positive impact in our region.

In 2021, Ion Bank Foundation donated more than \$999,924 to 287 local organizations for a variety of causes such as health, education, economic development, human and social services, and the arts.

Our employees are deeply committed in helping to make a positive impact as well. Ion employees donated 8,068 hours of community service in 2021. We are proud of the impact that our employees have on enriching the lives of people where we live, work, and play.



**Ion employees
donated
8,086 hours of
community service in 2021**



PHOTOS FROM THE TOP

Ion Investments employees assist Habitat for Humanity in the Hartford area.

Ion Bank employees participated in a spin class to raise funds for the American Stroke Association.

Ion Bank employees and their family members participated in A Day of Caring at Hidden Acres Therapeutic Riding Center to spruce up the farm.



PHOTOS FROM LEFT TO RIGHT

Our Hamden branch was proud to be part of the Acts of Random Kindness initiative in the hopes small change can improve the world.

Ribbon cutting ceremony at our new branch in South Windsor that opened in September.

Harlem Wizards perform at the Ansonia Armory renovation unveiling celebration. We were happy to donate \$30,000 for new bleachers.

Employees wearing pink to support St. Mary's Hospital Foundation's Pink Out to promote breast cancer awareness and raise money for their screening program.

Ion Leadership participants presenting their group project of a volunteer program to further grow Ion's volunteer initiative.

COMMUNITY AWARDS PROGRAM

Our 12th Annual Community Awards Program allowed our customers to help the Ion Bank Foundation give away \$70,000 to 201 local non-profit organizations in the communities we serve. We invite Ion Bank customers to vote for their favorite participating non-profit organization. It is important to us that our customers help us decide who needs our help the most.



ION BANK CONSOLIDATED STATEMENT OF CONDITION

December 31, 2021 & 2020
(in thousands of dollars)

	December 2021	December 2020
ASSETS		
Cash and Cash Equivalents	\$ 15,295	\$ 28,321
Investment Securities & Interest Bearing Cash Equivalents	535,766	338,272
Loans		
Loans and Mortgages	1,124,719	1,236,795
Less Allowance for Possible Loan Loss	16,814	15,613
Total Net Loans	1,107,905	1,221,182
Other Assets	79,944	73,952
TOTAL ASSETS	\$ 1,738,910	\$ 1,661,727
LIABILITIES & RETAINED EARNINGS		
Deposits		
Savings & Time	\$ 543,094	\$ 495,654
NOW, Money Market & Checking	965,540	919,385
Total Deposits	1,508,634	1,415,039
Borrowings	30,000	65,000
Other Liabilities	43,805	50,209
Total Liabilities	1,582,439	1,530,248
Accumulated Other Comprehensive Income	(8,414)	(19,788)
Additional Paid in Capital	10,000	10,000
Retained Earnings	154,885	141,267
TOTAL LIABILITIES & RETAINED EARNINGS	\$ 1,738,910	\$ 1,661,727

Information based on Call Report data



OUR CULTURE

At Ion Bank, we build lifetime relationships by partnering with our customers to identify and achieve their financial goals.

Our talented and dedicated team of employees are committed to live our service standards every day – **Safety & Security, Accuracy, Responsiveness and Friendly, Personalized Service.**

Providing outstanding customer service is fundamental to our philosophy and service standards. To support this mission and foster a positive work culture, we have an Employee Recognition program, awarded every quarter, that honors employees who best represent the principles of our service philosophy and service standards.

In 2014, we established the Nicole A. Kamen Friendly Service Award to honor Nicole, who passed away in 2013 after a long courageous battle with cancer. She was deeply committed to provide friendly and personalized service to our customers every day, in all circumstances. This annual award is given in her memory to an employee who exhibits a similar commitment of offering friendly personalized service.

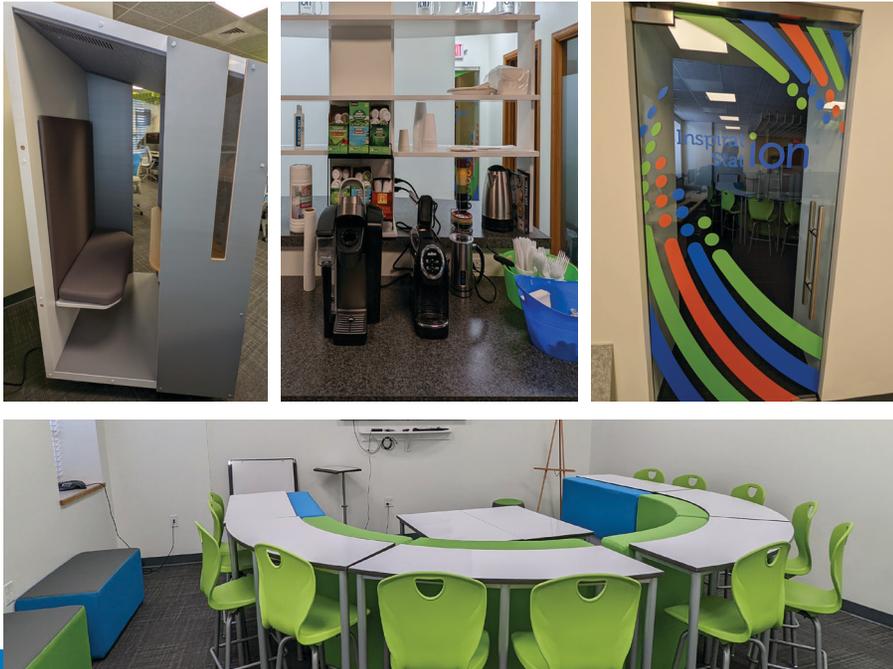


Bibi Bresson, Cash Management Operations Officer, was the Quarter 2 SARF winner.

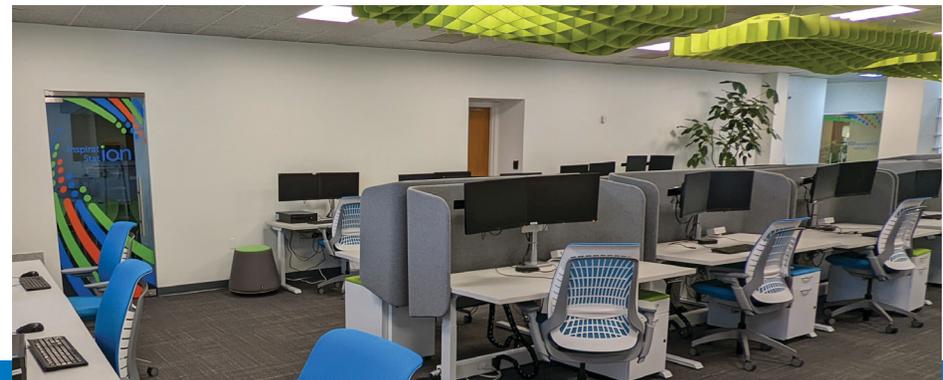


Pete Meleschnig, Facilities Project Manager, was the 2021 Nicole A. Kamen Award recipient.

COLLABORATION CENTER



This progressive and interactive workspace called the Collaboration Room was created to aid and support colleague connections and team building as well as cultivate and strengthen our employee collaboration. The modern features include a phone booth for privacy, coffee station, standing treadmill desk, conference room, lounge, and 20 individual sit-to-stand workstations.





BOARD OF DIRECTORS

L to R standing - William M. Samuelson, Gary B. O'Connor, Michelle M. Stronz, Stephen C. Widman, David W. Nurnberger
L to R seated - Andrew K. Skipp, Charles J. Boulrier III, David J. Rotatori, Patrick A. Charmel

CORPORATORS

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Caren Bouchard
Charles J. Boulrier, III
John A. Brucato
Wayne P. Buckmiller
Robert Cappelletti
Patrick A. Charmel
Rocco K. Corso
Laura C. Dake-Roche
Brian J. DiVito
Peter J. Escobar
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Paul Fitzpatrick
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Karen Goyette
Cate Grady-Benson
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Kristen Johnson
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