

2021 Annual Report

SUCCESS *Driven by* *Service*



**NEW HAVEN
BANK**

Working for you.

A Note from our President

As a CDFI (Certified Financial Development Institution) since 2012, New Haven Bank is a mission-driven institution committed to the growth of economically underserved communities.

With our CDFI designation, the Bank conducts more than 60% of its business in low- to moderate-income neighborhoods. Whether this takes the form of loans for small businesses or savings products for individuals, we work to help every member of our communities become more financially self-sufficient and successful. We strive to be a catalyst for economic growth in New Haven and nearby neighborhoods.

For many small businesses in the New Haven area, 2021 brought a familiar scenario — a lack of access to Federal Paycheck Protection Program (PPP) loans. These businesses were turned away for loans from larger financial institutions. As part of our service commitment, New Haven Bank funded over \$32 million in PPP loans to approximately 300 businesses, many of which had never banked with us before. Many of these businesses have stayed on as new, valued customers.

Along with our CDFI designation and activities, the Bank continues to maintain a strong performing loan portfolio. Our reserves remain in excess compared to our peers. Most significantly, New Haven Bank currently has no non-performing loans.

CONSOLIDATED BALANCE SHEETS

As of December 31, 2021 and 2020

ASSETS	2021	2020
	<i>(in thousands)</i>	
Cash and due from banks	\$ 18,772	\$ 12,410
Fed Funds sold	28	33
Total Cash and Cash Equivalents	18,800	12,443
Available for sale securities, at fair value	5,706	5,302
Loans receivable, net	132,144	129,674
Accrued interest receivable	776	777
Restricted Stock, at cost	1,268	1,464
Premises and equipment, net	781	846
Other assets	2,472	2,964
Deferred tax asset ⁽¹⁾	2,790	2,983
Due from Parent	20	15
Total Assets	\$ 164,757	\$ 156,468

(1) Net of Valuation Allowance of \$310 in 2021 and \$478 in 2020.

LIABILITIES & SHAREHOLDERS' EQUITY

LIABILITIES:

Deposits

Noninterest bearing deposits	26,363	16,424
Interest bearing deposits	102,543	104,305
Total Deposits	128,906	120,729
Accrued interest payable	25	28
Borrowers' escrow accounts	1,002	888
Federal Home Loan Bank advances	14,000	16,000
Accrued expenses and other liabilities	1,375	631
Total Liabilities	\$ 145,308	\$ 138,276

SHAREHOLDERS' EQUITY:

Additional paid-in capital	24,376	24,376
Accumulated deficit	(4,879)	(6,247)
Accumulated other comprehensive income	(48)	63
Total Shareholders' Equity	19,449	18,192
Total Liabilities & Shareholders' Equity	\$ 164,757	\$ 156,468

KEY RATIOS

Return on Assets	0.92%	1.24%
Return on Equity	8.10%	11.65%
Tier 1 Capital Ratio	10.48%	9.78%
Risk Based Capital Ratio	16.22%	15.49%
Loans/Assets	80.21%	82.88%

STATEMENTS OF INCOME

Years ended December 31, 2021 and 2020

	2021	2020
	<i>(in thousands)</i>	
INTEREST INCOME:		
Interest and fees on loans	\$ 6,248	\$ 6,002
Interest and dividends on securities	93	89
Interest and dividends on restricted stock and short-term investments	74	120
Total Interest Income	6,415	6,211
INTEREST EXPENSE:		
Interest expense on deposits	633	1,344
Interest expense on borrowings	251	342
Total Interest Expense	884	1,686
Net Interest Income	5,531	4,525
Provision for loan losses	10	286
Net Interest Income After Provision for Loan Loss	5,521	4,239
NON-INTEREST INCOME:		
Service charges and other fee income	27	31
Grant income	569	362
Other (loss) income	-	22
Total Non-Interest Income	596	415
NON-INTEREST EXPENSES:		
Salaries and employee benefits	2,329	2,216
Occupancy and equipment	396	401
Professional fees	631	482
Data processing	374	369
Marketing	45	86
Other operating expenses	528	483
Total Non-Interest Expenses	4,303	4,037
Income Before Income Taxes & Deferred Tax Asset Valuation Allowance Adjustment	1,814	617
Provision for income taxes	471	145
Income Before Deferred Tax Asset Valuation Allowance Adjustment	1,343	472
Decrease in Deferred Tax Asset Valuation Allowance ⁽²⁾	(168)	(1,435)
Net Income	\$1,511	\$1,907

(2) Represents the reversal of previously recorded Deferred Tax Asset Valuation Allowance amounts as a credit to income tax expense.

As we embark on a new year, we are actively seeking to expand the areas we serve, with plans to pursue branch locations in the West Haven and Hamden communities.

NEW relationships.

NEW opportunities to serve.

NEW communities to embrace

Always working for you.

New Haven Bank enters 2022 more steadfast than ever in our commitment to the financial success of our customers and communities.



Maureen A. Frank
President & Chief Executive Officer





New Haven Bank is proud to be a Community Development Financial Institution (CDFI).

CDFIs are dedicated to promoting economic development by providing financial products and services to underserved people and communities. The mission of these community-based financial institutions is to develop long-term relationships with the communities they serve and deliver affordable solutions for community members, small businesses, and non-profit organizations.

Only 165 federally insured financial institutions in the country are recognized as CDFIs. New Haven Bank is the only bank in the state of Connecticut that carries the CDFI designation.



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