



# GROWTH-MINDED, PURPOSE-DRIVEN, & MISSION-READY.

2022 ANNUAL REPORT



**NEW HAVEN  
BANK**

*Working for you.*

## Advocating for the *financial success* and *well-being* of New Haven County.

We understand that ideas and goals need momentum, and the partners you choose can make all the difference. At New Haven Bank, it is our privilege to help our neighbors navigate opportunities, achieve goals, and realize their full potential. That is why we pledge our resources and capabilities to support New Haven County.

***We are dedicated to making it happen—with you and for you—because New Haven County is our home and you are our neighbors.***

## OUR MISSION

New Haven Bank is and will remain a locally-owned, managed and governed bank dedicated to serving businesses, institutions and individuals in New Haven and nearby communities located in New Haven County. New Haven Bank will deliver competitive products and relationship-based services with a focus on face-to-face service quality and execution with excellence.

## A Note from our President



Our 12th year as a Community Development Financial institution (CDFI) saw the continuation and expansion of our mission to support economically underserved communities. In 2022, our lenders worked with local non-profit organizations, for-profit small businesses, and commercial real estate developers for community development projects, and extended a total of more than \$24 million in loans to improve our neighborhoods and support the development of the city we call home.

We remain steadfastly committed to these objectives. Building success, fostering relationships, and delivering practical solutions to the area's businesses, families, and community is who we are, and it is the right thing to do.

New Haven Bank achieved balanced and sound growth with our loan portfolios. Our asset quality remains strong and we expect this positive trend to continue. We have a seasoned lending team who understand the needs of the communities we serve.

We worked throughout 2022 toward an important goal for growth – opening a second branch. Our plans remain intact to expand our footprint into West Haven. We remain focused on continued stability and growth for the bank in areas that are not adequately represented by community-centric lending and relationship banking.

Among the accolades we received in 2022, the bank was recognized not only for outstanding financial health with a Bauer Financial 5-Star Rating for Financial Strength and Stability, but also voted Best Bank/Credit Union in the New Haven Register Best of Greater New Haven Reader's Poll. New Haven Bank was also recognized by the Independent Community Bankers Association and named Top 20 Lender for institutions with less than \$300 million in assets. Additionally, the bank received an "Outstanding" Community Reinvestment Act (CRA) rating from the Federal Reserve Board and State of Connecticut.

New Haven Bank remains committed to maintaining its identity as a locally-owned, managed, and governed financial institution serving the Greater New Haven area, with a concentration on economically underserved communities. We continue to be advocates of the community, and advocates for the financial success of each and every customer and business we serve.

***NEW relationships. NEW opportunities to serve.***

***NEW communities to embrace. Always working for you.***

A handwritten signature in black ink, appearing to read 'Maureen A. Frank'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Maureen A. Frank  
President & Chief Executive Officer



## COMMUNITY: *our purpose & our soul*

Part of our mission is to support neighborhoods and community organizations that work to benefit our populations at risk.

This year, we had the privilege and pleasure of supporting more than **40 non-profit organizations** with monetary and volunteer participation at community events. It was the bank's largest monetary donation year to date, with support exceeding **\$50,000**:

- Reactivation of the theatre program at James Hillhouse High School
- Bronze Sponsorship of the NAACP Annual Freedom Fund
- Bag Drop Sponsor for Goodwill of Southern New England Charity Golf Event
- Bronze Sponsor of Puerto Ricans United Festival of New Haven
- Patron Sponsor at the Connecticut Black Expo
- Sponsor of Goodwill Fantasy of Lights
- Sponsorship of charity food events, including Feast from the Hills, Gather New Haven, Downtown Evening Soup Kitchen, and Women of the Village Food Pantry
- Gold Sponsorship of the Annual Golf Tournament for Chapel Haven, a provider of non-profit housing and programs to empower adults of varying abilities to live independent lives

## RECOGNITION *from the banking world and beyond*

The most rewarding moments of any year are those in which we help members of the New Haven community achieve financial success. But it's also gratifying when organizations and publications from the financial industry recognize our contributions. Accolades we received in 2022 include:

- Outstanding Community Reinvestment Act (CRA) Rating; Community Reinvestment Act Performance Evaluation, Federal Reserve Board and State of Connecticut
- Bauer Financial 5-Star Rating for Financial Strength and Stability
- A+ Rating for Financial Health & Stability; DepositAccounts.com a Subsidiary of LendingTree
- Best Bank/Credit Union; New Haven Register Best of Greater New Haven Reader's Poll
- Top 20 Lender in Commercial Business, banks less than \$300 million in assets nationwide; Independent Community Bankers Association
- One of the Year's "Fast 50" in Connecticut Commercial Lending; The Commercial Record



## *Having fun,* SERVING OUR COMMUNITY

New Haven Bank was proud to sponsor and participate in the Connecticut Black Expo, an organization focused on entrepreneurship, education, health, youth, and economic and cultural empowerment.

NHB Customer Service Representative, Shanique Reid, joined the "Black Career Pipeline Panel," while NHB's Vice President-Controller, Fountessa Eddy, is pictured with actor Michael Jai White.



Shanique Reid with "Black Career Pipeline Panelists"



Fountessa Eddy with actor Michael Jai White

# CONSOLIDATED BALANCE SHEETS

As of December 31, 2022  
and 2021

ASSETS	2022	2021
	(in thousands)	
Cash and due from banks	\$ 15,517	\$ 18,733
Fed Funds sold	47	28
<b>Total Cash and Cash Equivalents</b>	<b>15,564</b>	<b>18,761</b>
Available for sale securities, at fair value	5,317	5,706
Loans receivable, net	145,629	132,144
Accrued interest receivable	776	776
Restricted Stock, at cost	1,207	1,267
Premises and equipment, net	949	781
Lease asset, net	1,536	---
Other assets	2,242	2,472
Deferred tax asset <sup>(1)</sup>	2,569	2,811
Due from Parent	16	20
<b>Total Assets</b>	<b>\$ 175,805</b>	<b>\$ 164,738</b>

(1) Net of Valuation Allowance of \$310 in 2022 and 2021.

## LIABILITIES & SHAREHOLDERS' EQUITY

### LIABILITIES:

#### Deposits

Noninterest bearing deposits	25,471	26,363
Interest bearing deposits	113,577	102,113
<b>Total Deposits</b>	<b>139,048</b>	<b>128,476</b>
Accrued interest payable	18	25
Borrowers' escrow accounts	1,218	1,002
Federal Home Loan Bank advances	13,000	14,000
Lease Liability	1,546	--
Accrued expenses and other liabilities	760	1,786
<b>Total Liabilities</b>	<b>\$ 155,590</b>	<b>\$ 145,289</b>

### SHAREHOLDERS' EQUITY:

Additional paid-in capital	24,376	24,376
Accumulated deficit	(3,436)	(4,879)
Accumulated other comprehensive income	(725)	(48)
<b>Total Shareholders' Equity</b>	<b>20,215</b>	<b>19,449</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 175,805</b>	<b>\$ 164,738</b>

## KEY RATIOS

Return on Assets	0.95%	0.92%
Return on Equity	8.00%	8.10%
Tier 1 Capital Ratio	10.80%	10.52%
Risk Based Capital Ratio	15.05%	16.22%
Loans/Assets	82.84%	80.21%

# STATEMENTS OF INCOME

Years ended December 31, 2022  
and 2021

	2022	2021
	(in thousands)	
<b>INTEREST INCOME:</b>		
Interest and fees on loans	\$ 6,170	\$ 6,248
Interest and dividends on securities	110	93
Interest and dividends on restricted stock and short-term investments	304	74
<b>Total Interest Income</b>	<b>6,584</b>	<b>6,415</b>
<b>INTEREST EXPENSE:</b>		
Interest expense on deposits	764	633
Interest expense on borrowings	199	251
<b>Total Interest Expense</b>	<b>963</b>	<b>884</b>
<b>Net Interest Income</b>	<b>5,621</b>	<b>5,531</b>
Provision for loan losses	124	10
<b>Net Interest Income After Provision for Loan Loss</b>	<b>5,497</b>	<b>5,521</b>
<b>NON-INTEREST INCOME:</b>		
Service charges and other fee income	44	27
Grant income	1,449	569
Other (loss) income	(2)	--
<b>Total Non-Interest Income</b>	<b>1,491</b>	<b>596</b>
<b>NON-INTEREST EXPENSES:</b>		
Salaries and employee benefits	2,704	2,329
Occupancy and equipment	416	396
Professional fees	538	641
Data processing	402	374
Marketing	122	45
Other operating expenses	647	518
<b>Total Non-Interest Expenses</b>	<b>4,829</b>	<b>4,303</b>
<b>Income Before Income Taxes &amp; Deferred Tax Asset Valuation Allowance Adjustment</b>	<b>2,159</b>	<b>1,814</b>
Provision for income taxes	580	471
<b>Income Before Deferred Tax Asset Valuation Allowance Adjustment</b>	<b>1,579</b>	<b>1,343</b>
Decrease in Deferred Tax Asset Valuation Allowance <sup>(2)</sup>	--	(168)
<b>Net Income</b>	<b>\$ 1,579</b>	<b>\$ 1,511</b>

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

# Every loan builds OUR COMMUNITY

Behind every loan we provide, there's a story of growth and commitment to our neighborhoods. Our borrowers have direct access to a group of local decision-makers who are committed to helping our local businesses and economy thrive.

## LENDING SUCCESS STORY HIGHLIGHTS, 2022



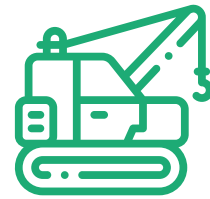
**\$935,000**

Refinance of an Apartment Building in West Haven in a Low-to-Moderate Income Area



**\$1,200,000**

Refinance of Real Estate for an Inner-City Social Organization in New Haven



**\$450,000**

Improvement Loan for a Historic New Haven Church in a Low-to-Moderate Income Area



**\$200,000**

Working Capital for a Green/Renewable Energy Design Firm



**\$2,000,000**

Participation Loan in a Community Development Project in a Low-to-Moderate Income Area in New Haven



**\$1,200,000**

Purchase-Money Mortgage for an Inner-City Restaurant in New Haven

# TECHNOLOGY that supports our customers

In 2022, the Bank invested in new technology that makes banking with New Haven Bank easier than ever.

With our new online account opening technology, customers can open personal checking & savings accounts securely and conveniently from home, and business customers can begin the account opening process online.

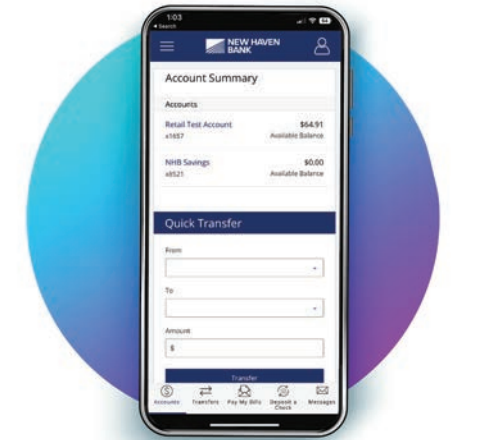
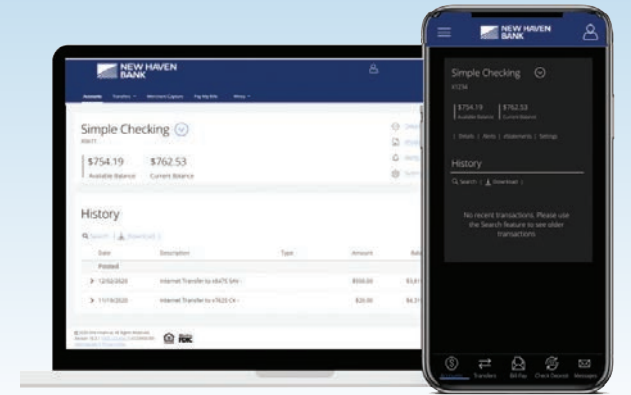
We also upgraded our online banking and mobile banking to best-in-class technology and functionality, offering our customers a powerful tool to manage their money and work towards their financial goals.

### WHAT'S NEW:

**INTUITIVE DESIGN** - Our sleek, user-friendly interface makes online and mobile banking a breeze.

**CARD CONTROLS** - Card controls put all cards in one place - so customers can enjoy simple, secure, and centralized access.

**ONE CLICK AWAY** - The new navigation bar provides one-click access to favorite features.





## PREPARING TO GROW: West Haven

As we embark on a new year, New Haven Bank continues to work toward an important goal for growth – opening a second branch. We have plans to expand our footprint into West Haven, an area that is not adequately represented by community-centric lending and relationship banking.

## SHARING OUR MISSION: *The Board of Directors*

Our board, made up of talented local professionals, is dedicated to guiding the short-term and long-term goals of our institution.

**Rolan Joni Young**  
Partner, *McCarter & English, LLP*

**Erik Clemons**  
Chief Executive Officer, *ConnCORP Development Corporation*

**David Newton**  
President, *Elm Advisors, LLC*

**Maureen A. Frank**  
President & Chief Executive Officer

**Shay Atluru**  
President, *Diversified Technology Consultants*

**Charles Negaro**  
Chairman, *Atticus Bakery*

**Michael Schaffer**  
Secretary, *CA White, Inc.*

**Anika Singh Lemar**  
Clinical Professor of Law, *Yale Law School*

**John DeStefano Jr.**  
Former Mayor, *City of New Haven*

**Joseph Natarelli**  
Managing Partner, *New Haven Office Marcum LLP*

## *Our Leadership Team*

New Haven Bank's leadership is passionate about helping our communities—and the people living in them—thrive, succeed, and achieve financial freedom.

**Maureen A. Frank**  
President & Chief Executive Officer

**Steven Araujo**  
Executive Vice President, *Risk Management & Operations*

**Michael C. Kinne**  
Senior Vice President & Chief Financial Officer

**Thomas Whitbread**  
Senior Vice President & Chief Lending Officer

## A DAY OUT *to benefit Chapel Haven*

Board Member John DeStefano Jr., (left) and AVP Richard Venditto (right) enjoyed a day on the green to benefit Chapel Haven, which provides non-profit housing and independent living for adults with special needs. NHB served as a Gold Sponsor of the Annual Golf Tournament.



*John DeStefano Jr. (left) and AVP Richard Venditto (right)*

## LIVING THE COMMITMENT:

It is our privilege to help you navigate opportunities, achieve goals, and realize your full potential.



*The New Haven Bank Team*



## 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 175 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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