

Board of Trustees

as of December 31, 2017

Leo P. Carroll, Chairman
David B. Rubin, Vice Chairman

James R. Beard
Samuel S. Bergami Jr.
David J. Esposito
Raymond A. Macaluso
Carol A. McInnis

Joseph Pelaccia
Susan L. Shields
DeForest W. Smith
Beverly K. Streit-Kefalas

Corporators

the Board of Trustees and...

Joseph M. Agro Jr.
Andrew Apicella
Matthew J. Arciuolo Jr.
Glenn D. Beck
Gerardo W. Burdo
George J. Canaveri
Christopher B. Carveth
Max S. Case
Thomas J. Cody Jr.
Steven A. Culmone
James J. D'Amato
Tina DeNapoles
L. Kenneth Fellenbaum
Lloyd N. Friedman
Harry J. Garafalo
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Kevin C. McGrath
Christian McInnis
Richard C. Meisenheimer
Joy Topazian Moore
Scott G. Moulton
David C. Novicki
Ray S. Oliver
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Perry M. Opin
Paul L. Otzel
Michael J. Paolini
Cyrus Settineri
Brian P. Skinner
Winthrop S. Smith Jr.
James B. Stirling
Eric A. Tashlien
James R. Wilson

Advisory Board Member

Barbara Lisman

Officers of the Corporation

as of December 31, 2017

Susan L. Shields
President
Chief Executive Officer

John F. DaRin
Senior Vice President
Commercial Lending

Paul M. Mulligan
Senior Vice President
Retail Lending

David A. Wall
First Vice President
Chief Information Officer

Robert J. Cannon Jr.
Vice President
Senior Credit Analyst

John Kuehne
Vice President
Infinex Financial Advisor

Celeste M. Lohrenz
Vice President, Group Manager,
Main and Post Road West Offices

Lynda J. Mason
Vice President
Manager, Woodmont Office

Paul M. Portnoy
Vice President
Commercial Lending

Lynn A. Viesti Berube
Vice President
Marketing & Communications Specialist

Mark J. Gruttadauria
Assistant Vice President
Business Development Officer

Pamela A. Reiss
Assistant Vice President
Manager, Devon Office

Nancy E. Senk
Assistant Corporate Secretary
Executive Secretary to the President

Michael A. Capodanno
Senior Vice President
Chief Financial Officer & Treasurer

Ann Marie C. Lenart
Senior Vice President
Human Resources & Corporate Secretary

Jorge A. Santiago
Senior Vice President
Branch Administration

Michael P. Basso
Vice President
Controller

Patricia M. Gallagher
Vice President
Manager, Stratford Office

Lawrence R. Leete III
Vice President
Commercial Lending

Sharon R. MacKenzie
Vice President
Manager, Loan Servicing

Nora D. Paige
Vice President
Manager, Operations Department

Craig W. Smith
Vice President
Compliance & Enterprise Risk Officer

Ric T. Biroscak
Assistant Vice President
Manager, Security & Facilities

Janet K. Harrison
Assistant Vice President
Manager, Post Road East Office

Maureen M. Truini
Assistant Vice President
Assistant Controller



THE MILFORD BANK

Office Locations

Main Office
33 Broad Street
Milford, CT 06460

Woodmont Office
259 Merwin Avenue
Milford, CT 06460

Devon Office
205 Bridgeport Avenue
Milford, CT 06460

Post Road East Office
1455 Boston Post Road
Milford, CT 06460

Post Road West Office
295 Boston Post Road
Milford, CT 06460

Stratford Office
3651 Main Street
Stratford, CT 06614

Loan Production Office
142 Temple Street #208
New Haven, CT 06510
(203) 785-9148

milfordbank.com
203.783.5700

ATM Locations

Milford
33 Broad Street

119 High Street
(Drive-Up)

300 Seaside Avenue
(Hospital Lobby)

259 Merwin Avenue

205 Bridgeport Avenue

1455 Boston Post Road
(Drive-Up)

295 Boston Post Road
(Drive-Up)

Stratford

3651 Main Street



Access over 55,000
Surcharge-Free Allpoint
ATMs Worldwide



THE MILFORD BANK

Always There.

2017

ANNUAL REPORT

Independent
Community Driven
Financially Sound

A Message from the President



2017 ended with a familiar refrain: "The tax (plan) cometh". There are features of the new tax plan designed to benefit individual taxpayers, but the cornerstone of the legislation passed was corporate tax reform. With the plan's passage, the statutory corporate tax rate was lowered from 35% to 21%, certainly beneficial going forward. What was not beneficial was the \$1.8 million, one-time charge the Bank took as a direct result of the tax law change; we showed a loss of \$500,000 as a result.

Despite that, the Bank had a solid performance in 2017.

Without the tax law change, the bank would have been profitable and would have hit budgetary projections. At year end, capital stood at \$43,708,000 or 10.53% of average assets. We retain the highest regulatory capital classification of "well capitalized"; The Milford Bank remains strong.

Total assets ended 2017 at \$441,647,000 and deposits totaled \$350,107,000. That's growth year over year of \$22,274,000 or 5%. Our lenders were busy writing loans; our loan portfolio grew to \$372,000,000, an increase of over \$25 million.

In 2017, we advanced several new initiatives and improvements, none more public than our relocation of our Stratford Office. It's a contemporary model that uses a smaller physical space without sacrificing service to customers. Branches remain a critical part of how we serve our customers, but how they use them is changing and we have to adapt.

Customers are becoming increasingly more comfortable with electronic channels. We've responded by rolling out a newly designed web site, new on line banking platforms and continually expanding the self-service capabilities our customers desire. In order to remain the premier financial institution in Milford and Stratford, we need to be available for our customers when and how they choose to do business with us.

The Milford Bank has always closely aligned with the communities we serve; we don't just lend money and provide checking accounts. We are active members in the community and are committed partners with our customers. Our employees continue to volunteer countless hours to charitable endeavors. Additionally, in 2017, the Bank contributed approximately \$170,000 to various organizations in Milford and Stratford. The Bank also contributed \$25,000 to The Milford Bank Foundation which, in turn, distributed over \$15,000 to 20 community groups.

Our job every day is to "wow" our customers. We have a clear track record that speaks to a legendary customer service experience supported by advanced technology. We are committed to understanding our customers' needs, owning their problems, and finding the right solutions. Our future is bright. There will certainly be challenges we face in 2018, but every challenge brings opportunity. We look forward to continuing to make loans for people to realize their dreams, whatever they may be. We will continue to strengthen our digital solutions. This economic expansion shows little sign of slowing down; as the economy flourishes, so should the Bank.

Thank you for your business, for your continued support, and for believing community banks like ours make a difference.

Susan L. Shields, **President & CEO**

Statements of Financial Condition

(in thousands) as of:

	12/31/17	12/31/16
ASSETS		
Cash & Due from Banks	\$ 18,458	\$ 15,724
Federal Funds Sold	25	26
Investment Securities	26,920	30,057
Loans Receivable	375,472	350,168
Less: Allowance for Loan Losses	3,381	3,258
Loans, Net	372,091	346,910
Bank Premises & Equipment	5,345	5,315
Cash Value of Bank-Owned Life Insurance	11,066	10,819
Accrued Income & Other Assets	7,742	10,522
TOTAL ASSETS	\$ 441,647	\$ 419,373
LIABILITIES & RETAINED INCOME		
Deposits	\$ 343,099	\$ 346,287
Mortgagors' Escrow Accounts	7,008	7,426
Advances & Borrowings	37,234	11,558
Reserve for Unfunded Credit Commitments	100	100
Accrued Expenses & Other Liabilities	10,498	10,217
Total Liabilities	397,939	375,588
Retained Income	43,708	43,785
TOTAL LIABILITIES & RETAINED INCOME	\$ 441,647	\$ 419,373

Statements of Income

(in thousands) for the years ended:

	12/31/17	12/31/16
INCOME		
Interest & Dividend Income	\$ 14,950	\$ 13,925
Interest Expense	890	725
NET INTEREST & DIVIDEND INCOME	14,060	13,200
Provision for Loan Losses	10	96
Net Interest Income After Provision for Loan Losses	14,050	13,104
Non-Interest Income	2,326	2,645
Non-Interest Expense	14,511	14,309
INCOME BEFORE INCOME TAXES	1,865	1,440
Income Tax Provision	2,365	371
NET (LOSS) INCOME	\$ (500)	\$ 1,069