

OFFICERS OF THE CORPORATION *as of December 31, 2019*

SUSAN L. SHIELDS

President and
Chief Executive Officer

JORGE A. SANTIAGO

Executive Vice President –
Branch Administration

MICHAEL A. CAPODANNO

Senior Vice President, Chief
Financial Officer and Treasurer

JOHN F. DARIN

Senior Vice President –
Commercial Lending

ANN MARIE C. LENART

Senior Vice President –
Human Resources and
Corporate Secretary

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

MICHAEL A. DAWID JR.

Vice President – Controller

PATRICIA M. GALLAGHER

Vice President –
Manager, Stratford Office

MARK J. GRUTTADAURIA

Vice President – Business
Development Officer

JOHN KUEHNLE

Vice President and Infinex
Financial Advisor

LAWRENCE R. LEETE III

Vice President –
Commercial Lending

CELESTE M. LOHRENTZ

Vice President – Group Manager,
Main and Post Road West Offices

SHARON R. MACKENZIE

Vice President –
Manager, Loan Servicing

LYNDA J. MASON

Vice President –
Manager, Woodmont Office

NORA D. PAIGE

Vice President –
Manager, Operations Department

PAUL M. PORTNOY

Vice President –
Commercial Lending

CRAIG W. SMITH

Vice President –
Compliance/Enterprise
Risk Officer

LYNN A. VIESTI BERUBE

Vice President –
Manager, Marketing/
Communications

PAMELA A. REISS

Assistant Vice President –
Manager, Devon Office

JOHN J. BAILLY

Assistant Treasurer –
Information Technology Manager

TYLER A. HASKELL

Assistant Treasurer –
Manager, Security and Facilities

RALPH C. NECLERIO JR.

Assistant Treasurer –
Credit Analyst

NANCY E. SENK

Assistant Corporate Secretary –
Executive Secretary to the
President

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David J. Esposito
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Carol A. McInnis
Michael J. Paolini
Joseph Pelaccia
Susan L. Shields
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Beverly K. Streit-Kefalas
Joy Topazian Moore

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Barbara Lisman

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ANNUAL REPORT 2019



INDEPENDENT
COMMUNITY DRIVEN
FINANCIALLY SOUND

A MESSAGE FROM OUR PRESIDENT

The Milford Bank has a unique business proposition—offer superior service, stay involved with the community and maintain strong local ties, while providing financial services to our customers that rival our larger competitors. We tend to look at future products, services and opportunities through a technology-focused lens. That's important; but so is the human component. Our greatest strength is in our people. The same digital technology that empowers customers also frees our team to take a more hands-on approach to relationship-building. It enables banks like us to better utilize and deploy our most important asset—our bankers. While their roles have changed and will continue to evolve, their importance to our customers is apparent. It is through continued growth, fostered by relationships between our staff and our customers, that the Bank will continue to succeed.

The Bank was successful in growing in 2019. Total assets ended 2019 at \$449.6 million and deposits grew to \$360.5 million, an increase of nearly \$15 million. Our lenders were busy writing loans; our loan portfolio closed the year at \$388.4 million, an increase of over \$7.0 million. Net income for 2019 was \$1.3 million, down year over year. The primary reason for the reduction in income was the pressure reduced interest rates put on our net interest margin. Capital stands at \$47.7 million and the Bank retains the highest regulatory capital rating of "well capitalized."

Our commitment to the communities we serve is as strong as ever. During the year, we expanded them to include West Haven and Orange. Our employees continue to support our communities in relevant, meaningful ways. In addition to encouraging our people to support causes they are passionate about, the

Bank contributed approximately \$127,000 to various organizations. The Bank also made a contribution to The Milford Bank Foundation which enabled the Foundation to award nearly \$16,000 in grants to 27 community groups.

Our employees step up in a large way too, contributing nearly \$15,000 to United Way, which the Bank matched. We really do make a difference in the communities we serve.

For the past several weeks, we have been monitoring and reacting to the spread of coronavirus (COVID-19). Our team is closely following the situation and we have contingency plans in place to ensure the safety of our employees and the continuity of our business.



SUSAN L. SHIELDS
President & CEO



We are following CDC rules, regulatory guidelines and state mandates. We, no doubt like many of you, are hopeful its impact on our business will be short lived. The Bank is fundamentally strong and this disruption to our business is only temporary.

We remain confident that we will continue to move forward. We don't expect the interest rate environment and the residual effects resulting from the COVID-19 health crisis to be favorable for us, so we are investigating ways to supplement the margin. We are energized by the opportunity to diversify our revenue streams as we look for other income producing lines of business. We will continue to focus on deposit acquisition to grow our deposit base, enabling us to write loans to customers and businesses so that they can achieve their goals. We will continue to expand our digital offerings; notably on-line deposit account opening is on the project list. Above all else, we will do all of it with strict adherence to our standards and culture, while delivering what we call "The Milford Bank Experience."

I am reminded that none of our successes in meeting challenges like this global health crisis is possible without the support, encouragement and guidance of our Trustees and that of our management team. The hard work and dedication of our employees and loyalty of our customers is critical.

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

Susan L. Shields

STATEMENTS OF FINANCIAL CONDITION

(in thousands) as of:

	12/31/2019	12/31/2018
ASSETS		
Cash & Due from Banks	\$ 14,530	\$ 15,918
Federal Funds Sold	25	25
Investment Securities	22,147	21,420
Loans Receivable	391,476	384,306
Less: Allowance for Credit Losses	3,092	3,066
NET LOANS	388,384	381,240
Bank Premises & Equipment	5,112	5,023
Cash Value of Bank-Owned Life Insurance	11,521	11,300
Accrued Income & Other Assets	7,926	6,900
TOTAL ASSETS	\$449,645	\$441,826
LIABILITIES & RETAINED INCOME		
Deposits	\$ 360,541	\$ 345,697
Advances and Borrowings	30,000	40,000
Reserve for Unfunded Credit Commitments	100	100
Accrued Expenses & Other Liabilities	11,300	10,496
TOTAL LIABILITIES	401,941	396,293
Retained Income	47,704	45,533
TOTAL LIABILITIES AND RETAINED INCOME	\$449,645	\$441,826

STATEMENTS OF INCOME

(in thousands) for the years ended:

	12/31/2019	12/31/2018
Interest and Dividend Income	\$ 17,071	\$ 16,003
Interest Expense	2,520	1,590
NET INTEREST & DIVIDEND INCOME	14,551	14,413
Provision (Credit) for Loan Losses	51	(250)
Net Interest Income after Provision for Loan Losses	14,500	14,663
Non-Interest Income	2,357	2,112
Non-Interest Expense	15,324	14,623
INCOME BEFORE INCOME TAXES	1,533	2,152
Income Tax Provision	280	408
NET (LOSS) INCOME	\$ 1,253	\$ 1,744