

OFFICERS OF THE CORPORATION as of December 31, 2020

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 Infnex 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 – Group Manager, Post
Road East and Woodmont Offices

NORA D. PAIGE

Vice President –
Manager, Operations Department

PAUL M. PORTNOY

Vice President –
Commercial Lending

PAMELA A. REISS

Vice President –
Manager, Devon Office

CRAIG W. SMITH

Vice President –
Compliance/Enterprise
Risk Officer

LYNN A. VIESTI BERUBE

Vice President –
Manager, Marketing/Communications

JOHN J. BAILLY

Assistant Treasurer –
Manager, Information Technology

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 B. Rubin, *Vice Chair*
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John A. Harkins

Raymond A. Macaluso
Kevin C. McGrath
Carol A. McInnis

Peter A. Olsen
Michael J. Paolini
Joseph Pelaccia

Susan L. Shields
Beverly K. Streit-Kefalas
Joy Topazian Moore

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Bernard F. Joy Jr.
Thomas B. Lynch
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Christian McInnis
Richard C. Meisenheimer
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Paul L. Otzel
Mitchell I. Quintner
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ANNUAL REPORT

2020



INDEPENDENT / COMMUNITY DRIVEN / FINANCIALLY SOUND

A MESSAGE FROM OUR PRESIDENT



SUSAN L. SHIELDS
President & CEO

2020 was an extraordinary year by any measure. It was a year of a global pandemic, a global recession, unprecedented government actions, turbulent elections, and deeply felt social and racial injustice.

It was a year in which each of us faced difficult personal challenges, a year when those among us with less were disproportionately hurt by joblessness and poverty, and it was a time when companies discovered what they really were made of and, sometimes, what they might become. Year after year, I champion the merits of the community banking model — how we bring people together, enable small businesses and individuals to reach for their dreams, and for being a source of strength in difficult times. Those opportunities were powerfully presented to us this year, and I am proud of how we responded.

Our dedicated employees remained committed to helping our customers and served as a stabilizing force in our communities during those early uncertain, terrifying, and unprecedented days. I've witnessed first-hand the pride, resiliency and loyalty that exists in our communities that we are proud to be a part of. Having a great team of people — hard workers with fortitude, brains and enormous capabilities who can navigate personally challenging circumstances while dedicating themselves to professional excellence — is what ensures our prosperity, now and in the future.

If there was one thing that

defined 2020, aside from the global pandemic of course, it was the unprecedented government intervention. Targeted at our small business customers was the Payroll Protection Program loan (PPP). It was a tremendous opportunity for us to showcase our mettle as community bankers. Our team wrote 275 PPP loans totaling \$21.5 million in 2020 supporting our small businesses in their time of crisis.

In addition to the PPP effort, we provided \$49.8 million in new and renewed credit for our commercial customers. We worked with customers under financial duress by delaying payments for 46 loans. The retail lending side was profoundly impacted too. We offered delayed payments and forbearance options to 65 families with mortgage balances in excess of \$9.15 million. We continued our tradition of generously supporting our communities, despite the cessation of events and fundraising opportunities and the financial hardship we faced, because we have always believed in the importance of community and corporate responsibility. The Milford Bank and our Foundation invested approximately \$120,000 in community partnerships last year. Despite the headwinds we faced, total assets increased in 2020 to \$482.0 million and deposits grew

to \$420.1 million, an increase of nearly \$60 million. Much of that growth is attributable to PPP funds and government stimulus money. Net income for 2020 was \$1.1 million. Capital stands at \$48.9 million and the Bank retains the highest regulatory capital rating of “well capitalized.” We remain strong.

The difficult interest rate environment we're in is not expected to improve anytime soon so we are investigating ways to supplement our net interest margin and bring other sources of income into the Bank. We've recently launched an insurance agency — TMB Insurance Services. We hope you'll allow us to quote your insurance needs. Last year only reinforced the criticality of digital banking channels and we will continue to expand our offerings. We have an ambitious agenda but whatever we do, we will do all of it with strict adherence to our standards and culture, while delivering what we call “The Milford Bank Experience.”

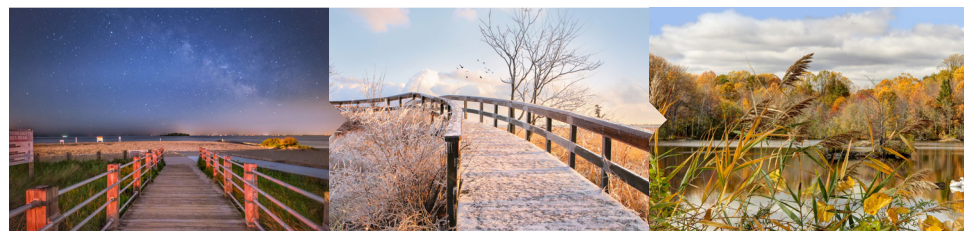
I would like to express my deepest gratitude and appreciation to our Trustees for their continued counsel. Their dedication, passion and commitment allow our Bank to be the very best version of itself. Our employees have demonstrated tremendous character and capabilities; they have faced these times of adversity with grace and fortitude. With their support, I am optimistic for our prospects in 2021 and look forward to a brighter future.

Susan L. Shields

STATEMENTS OF FINANCIAL CONDITION

(in thousands) as of:

	12/31/2020	12/31/2019
ASSETS		
Cash & Due from Banks	\$ 37,510	\$ 14,530
Federal Funds Sold	25	25
Investment Securities	12,956	22,147
Loans Receivable	410,734	391,476
Less: Allowance for Credit Losses	4,331	3,092
NET LOANS	406,403	388,384
Bank Premises & Equipment	5,361	5,112
Cash Value of Bank-Owned Life Insurance	11,733	11,521
Accrued Income & Other Assets	8,018	7,926
TOTAL ASSETS	\$482,006	\$449,645
LIABILITIES & RETAINED INCOME		
Deposits	\$ 420,149	\$ 360,541
Advances and Borrowings	-	30,000
Reserve for Unfunded Credit Commitments	100	100
Accrued Expenses & Other Liabilities	12,774	11,300
Total Liabilities	433,023	401,941
Retained Income	48,983	47,704
TOTAL LIABILITIES AND RETAINED INCOME	\$482,006	\$449,645



STATEMENTS OF INCOME

(in thousands) for the years ended:

	12/31/2020	12/31/2019
Interest and Dividend Income	\$ 16,834	\$ 17,071
Interest Expense	1,588	2,520
NET INTEREST & DIVIDEND INCOME	15,246	14,551
Provision for Loan Losses	1,250	51
Net Interest Income after Provision for Loan Losses	13,996	14,500
Non-Interest Income	2,426	2,357
Non-Interest Expense	15,304	15,324
INCOME BEFORE INCOME TAXES	1,118	1,533
Income Tax Provision	32	280
NET INCOME	\$ 1,086	\$ 1,253