

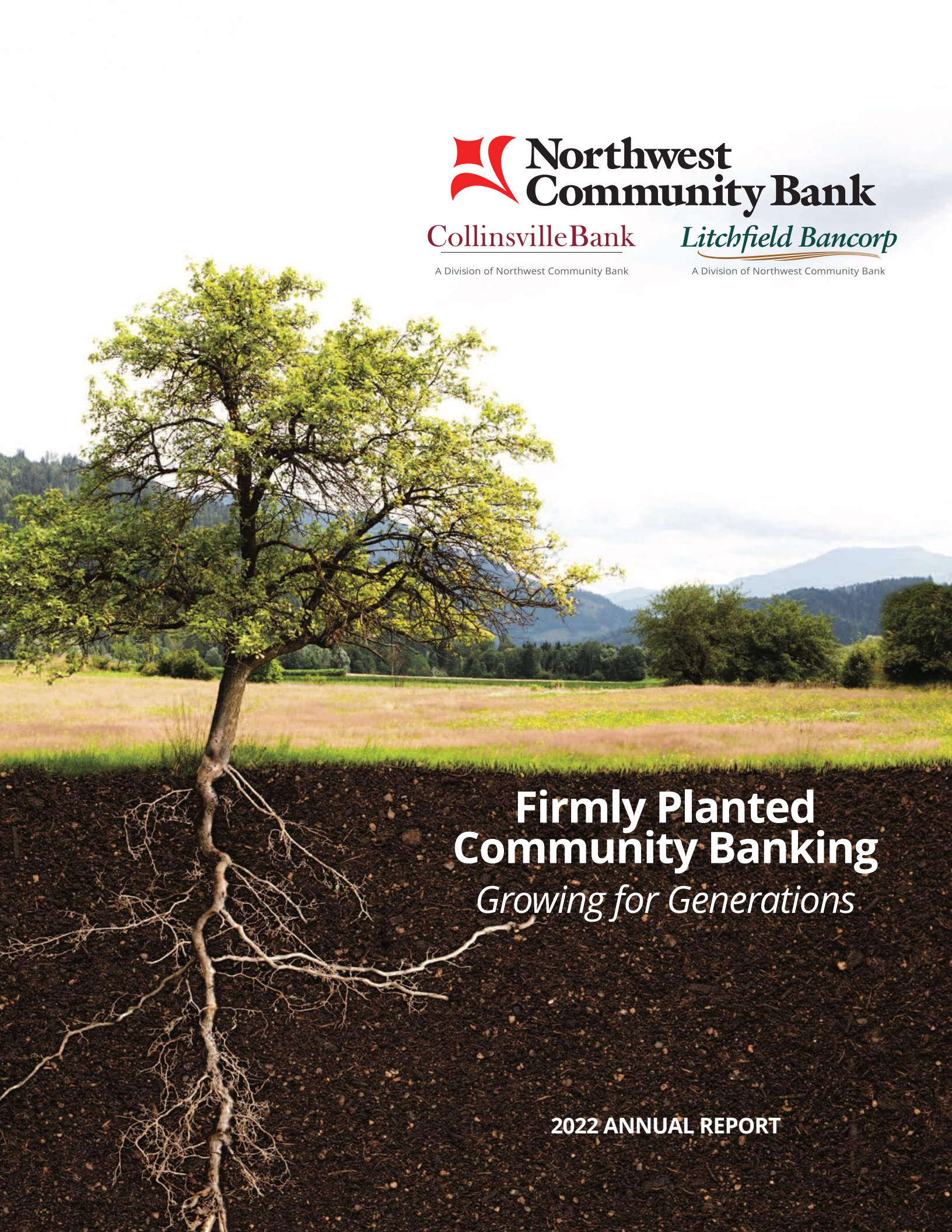


Collinsville Bank

A Division of Northwest Community Bank

Litchfield Bancorp

A Division of Northwest Community Bank

A large, mature tree with a thick trunk and a wide, spreading canopy of green leaves stands in a field of tall, golden-brown grass. The tree's roots are exposed and spread out across the dark, rich soil in the foreground. In the background, there are rolling hills and mountains under a cloudy sky.

Firmly Planted Community Banking

Growing for Generations

2022 ANNUAL REPORT



From Our President and Chairman of the Board of Directors

We are pleased to report that we concluded another very strong year in 2022 despite the headwinds we faced with an uncertain economy, difficult inflationary environment and rising interest rates. We adapted quickly to all of these challenges and achieved strong results due to the ongoing support of our customers and the communities we serve.

Following a year in which we surpassed the significant threshold of becoming a \$1 billion bank, we are also happy to report that in 2022 we maintained a solid trajectory of growth with assets approaching the \$1.1 billion mark. With the loyal support of our customers, dedicated employees and insightful leadership, we deepened our already strong position. Under one bank charter with our Divisions – Collinsville Bank and Litchfield Bancorp – Northwest Community Bank met and exceeded our established goals. As a mutual institution, we have sustained the core values we were founded upon and are distinctly different from regional and national banks. We ended 2022 with healthy earnings and a strong balance sheet.

Serving Our Commercial and Personal Customers

While sustaining our tradition of building relationships with all of our customers, we have increased the ability to provide larger commercial loans and serve a greater number of businesses and consumers. We continue to invest in products, services, technology and training to compete – and offer the best service possible. In 2022, we funded \$125 million in commercial loans and \$210 million in residential loans, achieving total loan production of \$335 million. In addition, we experienced exceptional deposit growth, with total deposits growing by \$87 million. 2022 was certainly a robust year in activity!

We are constantly introducing new products, technology updates, security measures and communications. At the same time, we are active participants in many community organizations and events.

Expanding Our Support to Community

The Northwest Community Bank Foundation was funded and organized on January 1, 2022 as a separate non-profit entity. The Foundation extends the Bank's ability to contribute to non-profit agencies and organizations working in the communities we serve.

As a mutual savings bank, it is our mission to give back to the communities that we serve. In 2022 the new Foundation awarded 66 grants totaling \$425,000. Combined with the \$300,000 donated through the

Bank's traditional Corporate Giving Program, the Bank contributed \$725,000 to non-profit organizations in our market area in 2022. It continues the Bank's long history of community involvement and support. The non-profit organizations that received grants in 2022 were thanked in "A Gratitude Gala" in January 2023.

Recognizing the Talent and Dedication in Our Management and Employees

Our most valuable assets are our people. From our newest Universal Banker, through every department, to the managers and executives, we have benefitted from their professionalism and team effort. They are the bedrock of our success. Their efforts have left us well positioned to address the global, domestic, local and personal challenges that affect us all.

Last fall, the Board of Directors embarked on a comprehensive search for the next President & CEO. [President Steve Reilly expressed his plan to retire on September 1, 2023.] Following a thorough process and search, the Bank's current Executive Vice President & Chief Operating Officer, Maura Malo, has been selected to become President & CEO in September. We could not be more pleased to promote from within and are confident we will experience a smooth, seamless transition of leadership.

We are committed to continuing our prudent management, and are most appreciative of our loyal customers and dedicated employees. Our customers are our best ambassadors, and we could not be more grateful for that.

Since the mid 1860s, we have experienced many challenges and changes, and today we are vibrant, growth-oriented and prepared to address the times ahead.

Sincerely,

William J. Shea II



Stephen P. Reilly
President & CEO



William J. Shea II
Chairman

Serving Our Customers and Communities



◀ Northwest Community Bank hosts and sponsors many kinds of programs to inform our customers and members of the public about banking and related subjects. Presentations addressing Elder Fraud and the prevention of Identity Theft continue to be well-received programs.

Officer Zachary Martin of the Farmington Police Department speaks in a presentation on Elder Abuse along with Tom Faeth, Northwest Community Bank Vice President/Security Officer.

▶ The student tellers at Northwest Community Bank's Academic Branch at Northwestern Regional High School held "Spring Punchathon" in which students collected punches on cards for branch transactions. Both tellers and customers had fun visiting the Bank, learning about the business of banking and winning prizes.



▲ In August, several employees volunteered to check people into the 12th Annual Taste of Simsbury, a gourmet food festival hosted by the Simsbury Main Street Partnership.



▲ Members of the team at Collinsville Bank – A Division of Northwest Community Bank in Farmington staffed a table at the Summer Concert Series in Farmington.

Supporting the Communities Where We Live and Work



◀ The 22nd Annual BLN Charity Golf Tournament took place on September 12th at the Torrington Country Club. \$30,000 was raised to benefit the Susan B. Anthony Project, Friends in Service to Humanity of Northwestern Connecticut, McCall Center for Behavioral Health, The Community Kitchen of Torrington and the Open Door of Winsted.

▶ Our New Hartford team and their families joined the community for a fun-filled event in October. Organized by New Hartford Recreation and Barden Farm, the Jack-O-Lantern Walk was a huge success.



◀ Our Litchfield team proudly displays nonperishable food items donated by customers and staff for Stock the Shelves, an organization that distributes food to agencies throughout the area.

Northwest Community Bank Voted Best Bank

We are grateful to our whole team, whose hard work led to our Bank being named "Best Bank of the Valley" by readers of the *Valley Press* of the Farmington Valley.



Helping Our Customers Succeed



In 2022, the Bank closed \$93 million in new commercial loans. With renewals and extensions included, we closed a total of \$125 million in loans

◀ Among the many commercial endeavors financed by Northwest Community Bank was Freedom Horse, LLC, a small motel in Simsbury, which has been completely renovated into 25 residential units. Renamed Simsbury Center Apartments, the developer used state-of-the-art mechanical systems for energy efficiency. In addition to

being good for the environment, it will reduce energy costs for years to come. The photo of the project was taken in August 2022, and it was completed in the fall.

The Bank's Residential Loan Volume consisted of 808 loans totaling \$210 million

▶ Northwest Community Bank leveraged our existing relationships with real estate agents, builders, attorneys, commercial clients and community to have a record year. We also launched a new mobile mortgage app and online mortgage presence designed for a better customer experience, streamlined efficiency and faster turnaround speed. The ability to close a residential mortgage loan using a hybrid e-closing model cuts the time spent with the settlement agent in half.



Treasury Management increased our core business deposits by \$60.2 million

In 2022, the Bank's Treasury Management Service Department introduced a new online banking theme and enhanced the customer experience. New features and options were added to our check and ACH fraud prevention service, Positive Pay. The addition of the payee match feature further strengthens the protection against those kinds of frauds for the commercial and municipal customers that utilize the service. In operations, two new departments were created – Project Management and Business Intelligence – to support the needs of our customers, as well as the future growth of the Bank.

The Bank's consumer deposits totaled \$92,020,730 – substantially beyond our goal



As we moved away from the pandemic restrictions that had affected us in numerous ways, we were able to welcome more customers back into our branches. Also, as other banks merged, cut hours, or shifted priorities, we stayed the course – remaining a customer-oriented community bank.

While making financial services and efficiency our top priorities, we established Roundtable Groups in our Simsbury, Farmington and Avon branches. The Roundtable Groups meet quarterly, and share ideas mutually benefiting our Bank and their organizations.

We also rolled out our Universal Banker Model throughout our branch network, allowing for a consistent customer experience bank wide. The model has various levels, providing tremendous opportunities for internal growth for our staff. In the community, we continue to lend volunteers and independently join and support community organizations and events. It's all part of our community banking DNA – building relationships and contributing to the common good.

Our New Foundation Expands Our Mission



The Northwest Community Bank Foundation was funded and organized January 1, 2022 by Northwest Community Bank and its Divisions, Collinsville Bank and Litchfield Bancorp, as a separate non-profit entity. The Foundation extends the Bank's contributions to non-profit agencies and organizations working to address the needs of the communities the Bank serves.

In its inaugural year, the Foundation received 116 grant applications and awarded 66 grants totaling \$425,000. Combined with the \$300,000 donated through the Bank's traditional Corporate Giving Program, the Bank contributed \$725,000 to non-profit organizations during the year.

Guidelines and eligibility information are available on the Bank's websites, from branch managers or by email at Foundation@nwcommunitybank.com.

***116 grant applications received
66 grants awarded***



Hill-Stead Museum



Litchfield Greenway



Theatre Guild of Simsbury



Warren Volunteer Fire Company



Police Activity League

Appreciating the Work of Non-Profit Organizations



New Hartford Ambulance



McCall Center for Behavioral Health

The non-profit organizations that received grants in 2022 were invited to a special event – A Gratitude Gala – hosted by the Foundation on January 10, 2023 at the American Mural Project in Winsted. Representatives from the agencies, Bank employees and Bank board members celebrated the roles each plays in building up our local communities.



Grants Awarded in 2022

Avon Land Trust \$5,000
 Bantam Civic Association \$2,500
 Canaan Child Care Center \$5,000
 Catholic Charities \$10,000
 ECAD, Educated Canines Assisting with Disabilities \$10,000
 Falls Village Community Development Corp \$10,000
 Falls Village Day Care Center \$2,500
 Falls Village Housing Trust \$5,000
 Farmington Land Trust \$2,500
 FISH / NWCT \$10,000
 Focus Center for Autism \$7,500
 Focus on Canton, Inc. \$12,000
 Friend to Friend \$1,500
 Friendly Hands Food Bank, Inc. \$6,500
 Friends of the Litchfield Community Greenway \$5,000
 Girls on the Run Greater Hartford \$1,000
 Goshen Housing Trust \$4,000
 Greenwood's Counseling & Referrals, Inc. \$5,000
 Greenwood's Counseling & Referrals, Inc. \$5,000
 Habitat for Humanity of NWCT \$25,000
 Healing Hoofbeats of CT \$2,000
 Healing Meals Foundation \$15,000
 Helping Hands Chore Service \$2,000
 Hill-Stead Museum \$5,000
 Holcomb Farm, Inc. \$10,000
 Klinberg Family Centers \$7,000
 Litchfield Historical Society \$5,000
 Litchfield Land Trust \$10,000
 Litchfield Performing Arts \$2,000
 Litchfield Volunteer Ambulance \$5,207
 Little Britches Therapeutic Riding, Inc. \$1,000
 McCall Center for Behavioral Health \$15,000
 Morris Senior Center \$3,166
 Muddy Moose Mutts Rescue \$1,000
 New Hartford Ambulance \$10,000
 New Hartford Women's Club \$1,000
 Northwest Conservation District \$3,015
 Northwest CT Association for the Arts Inc / Warner Theatre \$2,500
 Northwestern CT YMCA, Inc. \$25,000
 Northwestern CT YMCA, Inc. \$25,000
 Pleasant Valley Children's Center \$1,000
 Police Athletic League \$2,500
 Prime Time House \$10,000
 Rebuilding Together Litchfield County, Inc. \$7,500
 Regional School District No. 7 \$3,000
 SOAR \$2,500
 Stanley Whitman House \$5,000
 Steep Rock Association, Inc. \$3,500
 Supporters of Wamogo Agricultural Sciences \$25,000
 Susan B. Anthony Project \$10,000
 Tails of Hope Foundation, Inc. \$2,000
 Talcott Mountain Science Center \$15,000
 The Arc of The Farmington Valley, Inc. \$15,000
 The Children's Museum, Inc. \$4,500
 The Community Kitchen of Torrington, Inc. \$4,000
 The Equus Effect \$2,000
 The Equus Effect \$1,000
 The Falls Village Children's Theater \$1,500
 The Little Red School House Association of Winchester, Inc. \$2,000
 Theatre Guild of Simsbury \$2,500
 Torrington Area Families for Autism Community Center \$1,000
 Visiting Nurses & Hospice of Litchfield County \$10,000
 Warren Volunteer Fire Company \$2,500
 Winchester Center Historical Association, Inc. \$2,500
 YMCA Camp Mohawk \$5,000

Recognizing the Immeasurable Value of Our Employees



Tim Driscoll St. Jude Telethon



The Tour of Litchfield Hills



The Granby-Simsbury Chamber of Commerce Spooktacular

Our employees are engaged citizens, ready to volunteer for all types of charitable events throughout Hartford and Litchfield Counties. This long-standing tradition has become deeply rooted in our culture, and we continue to be inspired by their generosity and community spirit.

Our Team – Our Greatest Assets

In addition to wanting to be a customer's first choice for their Bank, Northwest Community Bank also strives to be an employer of choice. We do this by recruiting and retaining talent, providing competitive benefit and compensation plans, investing in training and development opportunities, communicating and engaging employees, and promoting an empowered culture that supports strategic initiatives. Our teams work together to fulfill the Bank's mission to deliver superior financial products and services to satisfy the needs of consumers and small businesses.



From donations made to the Bank's Employee Club, backpacks and lunch boxes were purchased for local families.



A Special Thank You

After 46 years in banking, Linda Milkowski retired in 2022. Linda began her career in 1976 as a teller at Winsted Savings Bank, held many positions and was promoted to SVP, Chief Financial Officer for Northwest Community Bank. We are so grateful she served the Bank so well for so long.

Financial Highlights

Statement of Condition

Consolidated

Assets	12/31/22	12/31/21
Cash & Deposits in Other Banks	\$ 13,207,849	\$ 11,847,791
Investment Securities	\$ 197,894,520	\$ 308,509,802
Total Cash & Investments	\$ 211,102,369	\$ 320,357,592
Loans		
Residential Real Estate Loans	\$ 512,023,419	\$ 369,006,033
Consumer Loans	\$ 18,532,551	\$ 17,741,834
Commercial Loans	\$ 308,653,626	\$ 290,892,941
Total Loans	\$ 839,209,596	\$ 677,640,808
Reserve for Loan Losses	\$ (9,056,728)	\$ (8,158,040)
Total Loans, Net of Reserves	\$ 830,152,868	\$ 669,482,768
Banking Premises & Equipment	\$ 10,522,909	\$ 7,746,926
Other Real Estate Owned	\$ –	\$ –
Other Assets	\$ 40,883,809	\$ 32,074,501
Total Assets	\$ 1,092,661,954	\$ 1,029,661,789
Liabilities & Capital		
Deposits	\$ 1,016,490,918	\$ 929,857,413
FHLB Advances & Other Borrowings	\$ 236,615	\$ 33,989
Other Liabilities	\$ 11,353,887	\$ 9,315,977
Total Liabilities	\$ 1,028,081,420	\$ 939,207,379
Accum Other Comprehensive Income /(Loss)	\$ (32,331,343)	\$ (2,233,887)
Additional Paid in Capital	\$ 2,901,000	\$ 2,901,000
Retained Earnings	\$ 94,010,876	\$ 89,787,297
Total Liabilities & Capital	\$ 1,092,661,954	\$ 1,029,661,789



A Tribute to Steve Reilly

Passing the Baton of Strong Leadership

Mid 2022, President and CEO Steve Reilly announced his plan to retire from the Bank on September 1, 2023. In keeping with his professionalism and full commitment to the Bank, Steve provided the Bank's Board of Directors adequate time to make succession plans. The Board acted quickly, conducted a thorough search and named Steve's successor, Maura Malo, early in 2023.

Wrapping Up Years of Success and Distinguished Service

Steve has been an integral part of Northwest Community Bank's success and growth since he joined the Bank as a commercial lending officer in 1996. He was promoted to Senior Vice President and Chief Lending Officer in 2005, Executive Vice President and Chief Operating Officer in 2008 and President and Chief Executive Officer in 2010. He was named President & CEO of Connecticut Mutual Holding Company in 2012.

Steve is a 1984 graduate of the University of Connecticut, a 2004 honors graduate of the American Bankers Association National School of Banking and a 2008 graduate of ABA's Senior Leadership Institute. He has served as Chairman of the Connecticut Bankers Association where he represented the Connecticut banking industry on numerous regulatory initiatives. He embodies the community banking model of strong ties to the community with active service to numerous non-profit organizations, including the Northwest Connecticut YMCA, Northwestern Connecticut Community College and the United Way of Northwest Connecticut. He has received numerous awards and accolades for his volunteer work.

Leaving an Enduring Legacy

Chairman of the Board of Directors William Shea states, "Steve's talent, experience, leadership and integrity have been invaluable in achieving the goals and accomplishments of the Bank. Considering the challenges facing the entire banking industry, the consolidation of our three banks, the pandemic and other complex situations, Steve proved to be the right leader at the right time. We could not have had a more competent and effective leader, and we are most grateful to Steve. He leaves us in a great position to continue serving our customers and communities. He will continue to work until September to ensure a smooth transition of leadership."

Steve has earned the respect of many – in the Northwest Community Bank family, the business community, non-profit organizations, the banking community and many circles of friends – and he will be missed. As he moves on, we wish him and his wife, Meg, and their family all the best.



Northwest Community Bank
President and CEO-Elect Maura Malo
with Northwest Community Bank
President and CEO Stephen Reilly

Leadership

As of December 31, 2022

Board of Directors

William J. Shea II, Chairman	Alan S. Colavecchio	Everett J. Newell
Jane B. Hinkel, Vice Chairman	Ann L. Dearstyne	Douglas O'Connell
Susan Atkins	William F. Garrity	Stephen P. Reilly
Peter A. Aziz	Charles Joseph	Lori Riiska
Jeffrey P. Brighenti	Elisabeth L. Kandrysawtz	Kevin P. Sullivan
Kathleen J. Byko	Brian McCormick	

Officers

Stephen P. Reilly, President & Chief Executive Officer
Leslieanne Black, Executive Vice President, Chief Financial Officer & Treasurer
Maura Malo, Executive Vice President, Chief Operating Officer
Paul McLaughlin, Jr., Executive Vice President, Chief Retail Banking Officer
Steven J. Zarrella, Executive Vice President, Chief Lending Officer
James Rusiecki, Jr., Executive Vice President, Director of Treasury Management and Operations
Barbara A. Fradette, Senior Vice President, Corporate Secretary

Jane Anderson, Senior Vice President	Lynn Bak, Assistant Vice President
Dawn Draper-Classen, Senior Vice President	Deborah Barber, Assistant Vice President
Lori J. Heath, Senior Vice President	Laura Berendsohn, Assistant Vice President
Deborah Kane, Senior Vice President	Muhammad Chislum, Assistant Vice President
Bryan Kier, Senior Vice President	Loren Clarke, Assistant Vice President
Matthew Lyman, Senior Vice President	Pamela Dean, Assistant Vice President
Todd Navin, Senior Vice President	Thomas J. Faeth, Assistant Vice President
Nathan Samara, Senior Vice President	Annelise C. Freeman, Assistant Vice President
Daniel Sullivan, Senior Vice President	Gina Galpin, Assistant Vice President
Gregori P. Tonon, Senior Vice President	Richard King, Assistant Vice President
Margret K. Warner, Senior Vice President	Julie Mazziotto, Assistant Vice President
Heidi Asselmeyer, Vice President	Heather Morin, Assistant Vice President
Karen Bixby, Vice President	Krista Murphy, Assistant Vice President
Mickie-Ann Budny, Vice President	Laura Murphy, Assistant Vice President
Daniel Casey, Vice President	Catherine Pellino, Assistant Vice President
Susan Dickinson, Vice President	Shari Picard, Assistant Vice President
Monica Diulio, Vice President	Ryan Schierholz, Assistant Vice President
Diane Dornfried, Vice President	Karin Slater, Assistant Vice President
Jennifer Ives-Groebel, Vice President	Casey Smith, Assistant Vice President
Lucinda Longo, Vice President	Andrew St. Onge, Assistant Vice President
Dena Martinelli, Vice President	Colleen Suppa, Assistant Vice President
Candee Palmer, Vice President	Deborah Tetro, Assistant Vice President
Lisa Ann Partrick, Vice President	Stephen Yonich, Jr., Assistant Vice President
Jacob Rosenstein, Vice President	Lisa Soucier, Assistant Treasurer
Anne Shaw, Vice President	

Corporators (including Directors)

Roberta Andrulis Mette	Ann L. Dearstyne	Brian McCormick	Charles Seaback
Susan Atkins	Adam Delaura	Steven R. McCoy	William J. Shea II
Peter A. Aziz	Michelle Frankland	John Neller	Craig W. Snyder
Eduardo Barrios	William F. Garrity	Everett J. Newell	Donna L. Spescia
Mark Bettera	Dr. Arnold Goldman	Douglas O'Connell	James Strub
Timothy Bobroske	Jordan Grossman	Michael Patterson	Susan Suhanovsky
Marygale Bouldin	Philip H. Groth	James A. Pettit	Kevin P. Sullivan
Jeffrey P. Brighenti	Jane B. Hinkel	Stephen P. Reilly	Joan M. Valenti
Kathleen J. Byko	Neil Jamieson	Anthony J. Reynaud	Thomas J. Villanova
John Calkins	Charles Joseph	Lori Riiska	Feliks Viner
Jay Cherosnick	Elisabeth L. Kandrysawtz	Norman E. Rogers	Stephanie Weaver
Alan S. Colavecchio	Timothy B. LeGeyt	Gary J. Roman	Raimie H. Weber
Michael D'Apice	Maureen Lovejoy	Robert Rovezzi	Douglas Wisch

NORTHWEST COMMUNITY BANK
nwcommunitybank.com

Winsted – Main Office

86 Main Street, PO Box 1019
Winsted, CT 06098
860-379-7561

Avon

101 Simsbury Rd, PO Box 1059
Avon, CT 06001
860-677-2809

Granby

33 Hartford Avenue, PO Box 29
Granby, CT 06035
860-653-7228

New Hartford

141B Main Street (Route 44)
PO Box 413
New Hartford, CT 06057
860-693-8397

Simsbury

741 Hopmeadow Street
Simsbury, CT 06070
860-394-2310

Torrington

416 Winsted Road
Torrington, CT 06790
860-482-3423

Winsted Academic Branch*

Northwestern Region 7 High School
100 Battistoni Dr
Winsted, CT 06098
860-379-8525

**Open to students and school staff*

**COLLINSVILLE BANK – A Division of
Northwest Community Bank**

collinsvillebank.com

Canton

277 Albany Turnpike
Canton, CT 06019
860-693-6936

Collinsville

136 Main Street
Collinsville, CT 06022
860-693-5912

Farmington

186 Main Street
Farmington, CT 06032
860-393-9200

**LITCHFIELD BANCORP– A Division of
Northwest Community Bank**

litchfieldbancorp.com

Lakeville

326 Main Street
Lakeville, CT 06039
860-435-9828

Litchfield

294 West Street
Litchfield, CT 06759
860-567-9401

Torrington

1320 East Main Street
Torrington, CT 06790
860-482-9707

Watertown

51 Straits Turnpike
Watertown, CT 06795
860-274-7467

Firmly Planted
Community Banking
Growing for Generations

