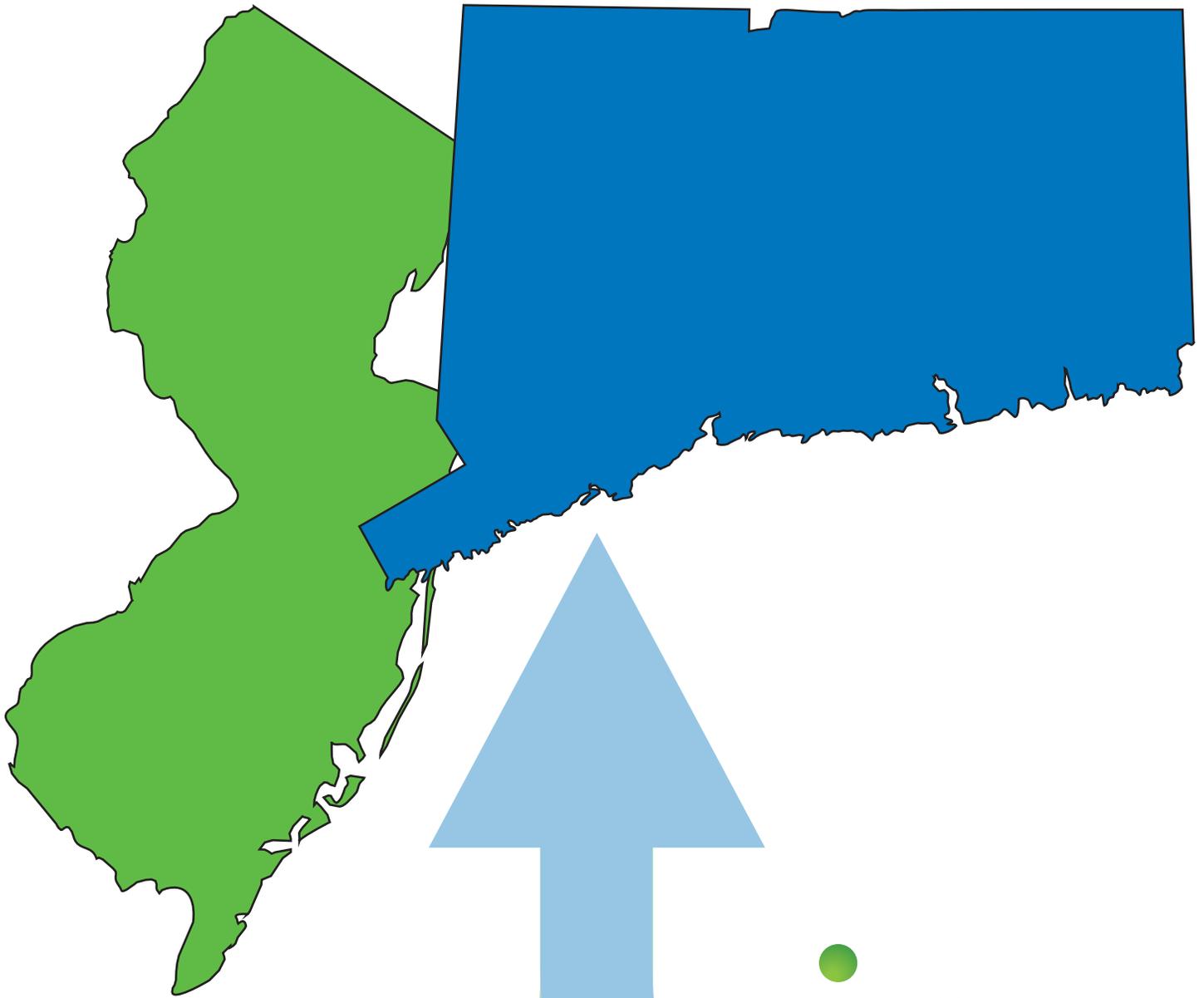


BETTER TOGETHER

2022 ANNUAL REPORT



ion
BANK™

DEAR FRIENDS AND NEIGHBORS

I am happy to report that Ion Bank had another successful year in 2022. In July, Ion Financial, MHC acquired Lincoln 1st Bank, adding two branches in northern New Jersey. This merger increased our total assets to over \$2 billion. We established a partnership with Crosby High School in Waterbury by opening a limited-service branch inside the high school, with students working as Bank Tellers alongside an Ion Bank Branch Manager. Our presence in CT continues to grow with our 22nd branch underway in Southington, which will be our fourth branch in Hartford County. In addition to growing our branch network in CT, we relocated our Watertown branch across the street to a modern, vibrant, efficient, and customer-friendly new office. Team Ion has grown even larger and stronger having acquired BCI Financial, a Cheshire based finance company specializing in automobile lending to consumers and businesses through auto dealerships operating in CT, ME, MA, NH, RI, VT, and soon in NJ. As we continue to advance technologically, we launched an artificial intelligence chatbot on our website, named Fiona (**F**riendly **I**on **A**ssistant), to efficiently assist our customers in real time. Team Ion was thrilled to have the yearlong honor of being the 2022 Best Small Bank in CT as named by Newsweek Magazine.

Also, we were privileged to receive the James C. Smith Spirit of Excellence Award from the United Way of Greater Waterbury for our employee giving program and company match donation of \$149,707. We were also bestowed with the United Way of Naugatuck and Beacon Falls Silver Bowl Award of Excellence for Ion Bank and its employees having the largest dollar increase in giving per employee, the largest dollar increase in corporate giving, and an increase in employee participation. Ion's overall employee giving and company match to area United Ways was an impressive \$329,743 which will make a direct impact to those in need in our communities.

Our mission to you remains the same as it did at our founding in 1870 – to build lifetime relationships by partnering with our customers to identify and achieve their financial goals. We are better together – Team Ion is proud to serve you and our local communities. Thank you for your loyalty and trust in us, and for voting us the Best Bank in Greater Waterbury for the fourth year in a row. We pledge to continue offering you the best in financial products and services for your home or business - in banking, investments, and insurance - and look forward to meeting and exceeding your expectations for what you deserve in a financial institution.

Best wishes,



David J. Rotatori
President & CEO



OUR COMMUNITY

One of our most important duties as a mutual bank is to reinvest in our community and contribute to its betterment. We help bolster the economic well-being and quality of life that helps enrich all our lives.

The Ion Bank Foundation partners with local non-profit organizations by providing direct financial and volunteer support to help improve and enhance the lives of local citizens to make a positive impact in our communities.

In 2022, the Ion Bank Foundation donated \$1 million to 326 local non-profit organizations ranging from the arts, economic development, education, health, to human and social services. This level of giving contributed to the tremendous milestone of donations to the community totaling over \$10.5 million dollars since the Foundation's inception in 1998.

We are very fortunate and proud that our employees are passionate about making a positive impact in the communities we serve by volunteerism and serving as board members for non-profit organizations. Ion Bank employees donated 7,872 hours of community service in 2022.



Photos L to R from the Top:

- Student Bankers cutting the ribbon at the Ion Bank Crosby High School branch grand opening celebration.
- Ion Bank employees volunteering at our free shred day event.
- Runners taking off at the Ion Bank Cheshire Road Races.
- Ion Bank was the Silver Sponsor at the NJ Easterseals Golf Tournament.
- Ion Bank Foundation celebrating ten million dollars of giving since its inception.



13TH ANNUAL COMMUNITY AWARDS PROGRAM

Momentum continues to build year after year for our annual community giving program. With the help of our customers through voting, the Ion Bank Foundation gave away \$73,050 to 208 local non-profit organizations in the communities we serve.

We encourage Ion Bank customers to vote for their favorite participating non-profits to help us decide which organizations need our help the most.

OUR CULTURE

Since 1870, we have been building lifetime relationships by partnering with our customers to identify and achieve their financial goals.

Our talented and dedicated team of employees are committed to live our service standards every day – **Safety & Security, Accuracy, Responsiveness and Friendly, Personalized Service.**

Providing outstanding customer service is integral to our philosophy and service standards. To support this mission and foster a positive work culture, we have an Employee Recognition program, awarded every quarter, that honors employees who best represent the principles of our service philosophy and service standards.

We also established the Nicole A. Kamen and Kevin King Friendly Service Award to honor Nicole and Kevin, who both passed away after a long courageous battle with cancer. They were deeply committed to provide friendly and personalized service to our customers every day, in all circumstances. This annual award is given in their memory to an employee who consistently exhibits a similar commitment of offering friendly personalized service.

Our quartly SARF and Nicole Kamen & Kevin King Friendly Service Award recipients.



Deborah Carusillo



Sana Mir



Nicole Cardillo-Scranton

Stephanie Bruno

ION BANK CONSOLIDATED STATEMENT OF CONDITION

December 31, 2022 & 2021
(in thousands of dollars)

	December 2022	December 2021
ASSETS		
Cash and Cash Equivalents	\$ 21,923	\$ 15,295
Investment Securities & Interest Bearing Cash Equivalents	512,756	535,766
Loans		
Loans and Mortgages	1,414,484	1,124,719
Less Allowance for Possible Loan Loss	16,892	16,814
Total Net Loans	1,397,592	1,107,905
Other Assets	139,608	79,944
TOTAL ASSETS	\$ 2,071,879	\$ 1,738,910
LIABILITIES & RETAINED EARNINGS		
Deposits		
Savings & Time	\$ 647,988	\$ 543,094
NOW, Money Market & Checking	1,118,469	965,540
Total Deposits	1,766,457	1,508,634
Borrowings	62,566	30,000
Other Liabilities	69,462	43,805
Total Liabilities	1,898,485	1,582,439
Accumulated Other Comprehensive Income	(21,747)	(8,414)
Additional Paid in Capital	23,109	10,000
Retained Earnings	172,032	154,885
TOTAL LIABILITIES & RETAINED EARNINGS	\$ 2,071,879	\$ 1,738,910

Information based on Call Report data





ion
DIRECTORS



Left to Right from the Top: Charles J. Boulter, III, Chairman, Patrick A. Charmel, David W. Nurnberger, Gary B. O'Connor, David J. Rotatori, William M. Samuelson, David F. Scelba, Andrew K. Skipp, Michelle M. Stronz, Kathy K. Taylor, Stephen C. Widman

CORPORATORS

Roy A. Balkus
Caren Bouchard
Charles J. Boulter, III
John A. Brucato
Wayne P. Buckmiller
Robert Cappelletti
Patrick A. Charmel
Rocco K. Corso
Laura C. Dake-Roche
Brian J. DiVito
Peter J. Escobar
David Ferraro
Carol A. Fitzgerald

Edward G. Fitzpatrick
Paul Fitzpatrick
Yvonne Gamelin
Karen Goyette
Cate Grady-Benson
Thomas A. Hennick
Yoellie Iglesias
Peter Jacoby
Lucille Janatka
Kristen Johnson
James M. Jones
Julie Loughran
Marcelo Martins

James McCowan
John M. Milone, Jr.
Bruce Noe
David W. Nurnberger
Gary B. O'Connor
Matthew L. O'Connor
John Pruchnicki, Jr.
Ronald J. Pugliese
Nancy Ragozzino
David J. Rotatori
William M. Samuelson
Carlos Santos
David F. Scelba

Paul R. Simko
Theron Simons
Andrew K. Skipp
Michelle M. Stronz
Kathy K. Taylor
Elizabeth Verna
Stephen C. Widman
Mark C. Yanarella
Laurie M. Yelding
Rebecca H. Zandvliet
John Zinno