

Mutual Strength

Combining people and innovation to
deliver the best in community banking



2023 Annual Report


LIBERTY
BANK
Be Community Kind.™



The Passing of Mark R. Gingras

September 3, 1949 - March 7, 2024

Chairman of the Board Since 2007; Board Member Since 2001

On March 7, 2024, the Liberty Bank team - our Board of Directors, 800 teammates, Corporators and community partners - lost a dear friend and colleague with the passing of our longtime Board Chairman, Mark R. Gingras.

First and foremost, Mark was a wonderful husband, dad and doting grandfather - and adventurous world traveler along with his wife of 46 years, Chris. Our hearts go out to Chris, daughters Brynn and Margaux, his grandchildren and the entire Gingras family.

Mark cherished his special relationship with his second family - his Liberty teammates. He was a Board member since 2001 and our Board Chair since 2007. Whether he was in the Boardroom, visiting a branch or in the community, Mark always conveyed kindness, loyalty and leadership not only as our Chairman but as an ambassador of our 'Be Community Kind' brand.

As Chairman, he guided the Board in setting the course for the Bank. He demonstrated steadfast dedication to ensuring Liberty remained a mutual bank. He embodied our Mission, Vision and Values and also once served on the Liberty Bank Foundation. Just some of the reasons why he earned the utmost respect in the banking industry.

Mark's passing will be felt far beyond our Boardroom. He was a successful businessman as the owner and operator of G&G Beverage Distributors - a business he proudly ran with his family. He also found time to generously dedicate his time to serve on local boards, commissions and community groups in his hometown of Wallingford.

Mark showed us why it was important to strike the right balance between being an admired businessman, dedicated Board Chair and, most of all, a loving family man. For these reasons and many more, we know his leadership and legacy will live on at Liberty Bank and in the community for many years to come.

The Liberty Bank Team



Our Mutuality is Our Strategic & Competitive Advantage

To the Liberty Bank Community,

The state of *your* bank is as strong as ever. We worked at a high velocity in 2023 but last year proved to be another terrific and record-breaking 12 months. Through people and innovation – and our mutual strength – we conquered persistent challenges, turned obstacles into opportunities and executed on strategic initiatives to deliver the best in community banking.

Overcoming Challenges

There were many challenges to overcome in 2023. The interest rate environment, inflation, threats of a recession and ongoing geopolitical uncertainty were destabilizing forces acting on our industry. When coupled with the speed and size of major bank failures, 2023 presented unprecedented challenges for many banks.

Liberty Bank could not be more different from those banks. Our mutual bank status is a strategic and competitive advantage. It allows us to take the long view and manage the Bank in a financially responsible and conservative way which sometimes means forgoing near term profits for long term strength. Our focus on safety and soundness is rooted in our commitment to earning the trust of our customers and communities every day.

I can proudly say that our bank is positioned as well as any bank in the country.

Liberty Bank is Everywhere

On top of another record year from a financial perspective, we achieved considerable success by investing in our people, processes and technology.

Topping the list was our exciting digital transformation where we seamlessly converted 140,000 consumer customers to a new, more modern digital banking platform. We also successfully launched Owners Bank, a unique digital bank designed to meet the financial needs of small business owners and a division of Liberty Bank.

We reached double digit growth in lending, grew deposits and executed on 40 strategic initiatives prioritized in our refreshed three-year strategic plan. Like always, our branch teammates and call center agents continued to deliver extraordinary customer experiences in-person, over the phone and via chat.

By living our ‘Be Community Kind’ brand, we made a record investment of nearly \$3 million collectively in corporate sponsorships and Liberty Bank Foundation grants bolstered by more than 13,700 hours of teammate volunteerism.

For these reasons and more, we’ve earned the stellar reputation: *Liberty Bank is everywhere.*

Remaining the Largest & Oldest Mutual Bank

The number of mutual banks has dramatically declined over the last several years. Liberty Bank has bucked that trend. We are proud to say that we remain fully committed to our mutuality. It’s a differentiator that makes us a long-term pillar ready to serve our communities in times of economic prosperity and hardship.

There is another reason why I can say with confidence that Liberty continues to operate from a position of strength. We can do this because of our hardworking teammates – our most valuable assets – who recognize and embrace our mission to improve the lives of our customers, teammates and communities for generations to come and stand ready to achieve further success as we approach our 200th Anniversary in 2025.

In the pages ahead, our 2023 Annual Report details more about our exciting journey together.

Sincerely,



David W. Glidden

David W. Glidden President & CEO

Outstanding Financial Performance in 2023

Liberty Bank's earnings performance was outstanding in 2023, setting records for Pre-Provision Net Revenue of \$109.4 million and Net Income of \$98.9 million!

The Consumer and Commercial Lending teams performed tremendously, growing our gross loan portfolio by \$673 million with every lending unit achieving double digit growth! Despite the "war on deposits" in the banking industry, we were able to grow our Deposits by over \$130 million while maintaining the lowest Cost of Funds in our Peer Group helping to drive Net Interest Income of \$266 million, 24% better than 2022!

We recognized Fee Revenue of \$50 million as every major category of non-interest income was better than planned for Loans and Deposits. In addition, Liberty Bank Investment Services continued to overachieve with over \$7 million of revenues.

Operating Expenses increased in 2023 as we continued to invest in critically important strategic initiatives, with a focus on our teammates, processes and technology. We are also proud to highlight that we made a record \$10 million contribution to the Liberty Bank Foundation while still achieving record earnings! It's an investment in the charitable arm of the Bank to help us continue to make impactful and record investments in our communities.

The Allowance for Loan & Lease Losses (ALLL) of \$70 million equates to 1.22% of Gross Loan Balances, which is above Peer Group averages of less than 1%, as we continue to be conservative and maintain strong reserves for potential losses.

Our Tier 1 Leverage Capital Ratio of 13.50% is up 53 basis points from 2022 while we grew our Assets more than 10% up to \$7.7 billion. Our Capital ratio is the highest amongst our Peer Group, reflecting that Liberty Bank is extremely well-capitalized.

Mutuality and Outstanding Teammates - Perfect Together!

In a historically difficult year for the banking industry, Liberty Bank achieved the highest earnings in our almost 200-year history while producing double digit loan growth. The not so secret to our success is the powerful combination of mutuality and outstanding teammates. It truly defines what we mean when we say "mutual strength" - owned by our depositors and not beholden to outside shareholders, while our teammates squarely focus on achieving our four key objectives in our strategic plan, including driving profitable growth while delivering extraordinary customer experiences. Impressively, we are 'building *the* Community Bank of the Future' in some of the most challenging times in modern banking history. I'm so proud of all that we accomplished in 2023 and I am confident we are well positioned for continued success as we prepare to celebrate our 200th year anniversary in 2025 - *Go Team Liberty!*



Paul S. Young Chief Financial Officer



CONSOLIDATED BALANCE SHEETS

At December 31, (dollars in thousands)	2023		2022	
Assets				
Cash and investments	\$	1,509,775	\$	1,481,915
Loans:				
Consumer residential		1,253,736		1,091,845
Consumer		425,526		385,807
Commercial mortgages		2,949,268		2,690,870
Commercial		1,129,870		916,933
Gross loans		5,758,400		5,085,455
Allowance for credit losses		(69,981)		(72,727)
Loans, net		5,688,419		5,012,728
Other assets		469,170		451,901
Total assets	\$	7,667,364	\$	6,946,544
Liabilities and Capital				
Deposits	\$	5,899,485	\$	5,769,228
Federal Home Loan Bank borrowings		558,993		69,518
Other liabilities		189,872		193,214
Total liabilities		6,648,350		6,031,960
Capital		1,019,014		914,584
Total liabilities and capital	\$	7,667,364	\$	6,946,544

Deepening Our Commitment to 'Be Community Kind'

Corporate social responsibility has been a fundamental principle of who we are since the Bank's founding and meeting the needs of our communities is just as strong today.

In 2023, Liberty Bank and the Liberty Bank Foundation continued to deliver our very best in community banking by leveraging our team's talents beyond the workplace and by being powered through purpose. We awarded a record-breaking \$2.85 million in grants and corporate sponsorships in 2023, plus over \$760,000 in Community Reinvestment Act (CRA) giving. To reinforce these efforts and deepen community partnerships, our teammates volunteered for thousands of hours to support causes and organizations they care about.



13,722 volunteer hours were logged by teammates in 2023 to help 422 organizations they're passionate about, surpassing last year's total and reaching an 83% teammate participation rate. This also included a bank-wide Build-A-Bike volunteer activity on World Kindness Day - November 13, 2023 - where nearly 700 teammates signed up to build 88 brand new bicycles that were then donated to the Boys and Girls Clubs of Hartford. To encourage volunteerism, Liberty Bank offers four paid community involvement days a year for each teammate to volunteer.



Liberty Bank Foundation approved over \$1.45 million in grants, investing in programs and services that assist thousands of lower-to-moderate income children and families, focusing on the areas of education and training, affordable housing, and food security.

Team Liberty committed over \$1.4 million to hundreds of sponsorships that benefited numerous events, nonprofits and causes that are vital to the communities served by the Bank. This includes partnerships in Connecticut and Massachusetts with the American Cancer Society, YMCAs, Boys and Girls Clubs, youth sports and professional teams, local theaters, and many more, along with a focus on continuing to sponsor nonprofits and events that advance the areas of Diversity, Equity and Inclusion.



Our teammates raised just over \$300,000 during the Bank's annual fundraising campaign in 2023 for the Middlesex United Way. The team exceeded their fundraising goal by \$50,000. This donation includes funds raised through individual pledging, special events, Dress Down Days and the Liberty Bank Foundation.



Annual Community Impact Report

For more information on the Bank's ongoing dedication to helping communities thrive, read our latest Community Impact Report that is released annually in July. It's a comprehensive narrative highlighting the critical role we play in promoting a socially responsible and sustainable future.

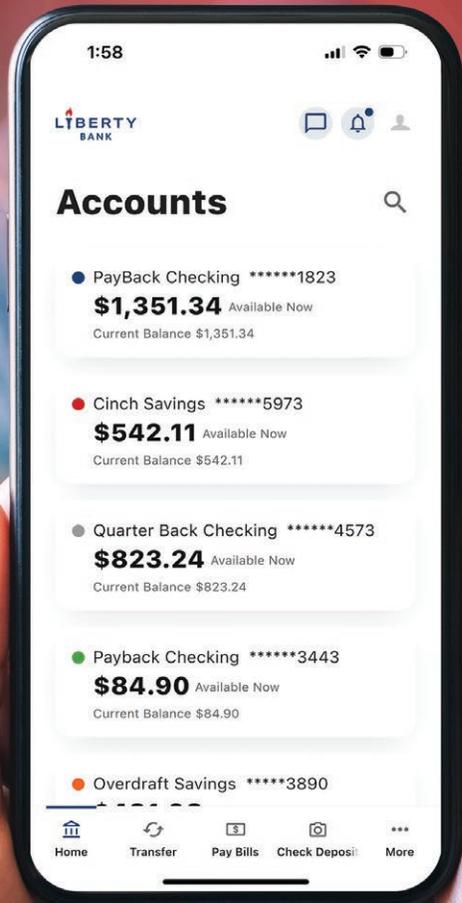


"Investing in our communities through meaningful and impactful partnerships and volunteerism embodies our brand promise to Be Community Kind. In 2023, our remarkable, record-setting results - including our community support - were made possible because of our dedicated teammates, Board of Directors and other partners, and by working toward a shared mission to improve the lives of our customers, teammates and communities for generations to come."

David W. Glidden, President & CEO

Innovation/Technology

A Year of Historic & Inspiring Digital Transformations at Liberty Bank



In our three-year strategic plan, one of our four key objectives is to instill a culture of innovation by inspiring transformational change that results in new product development, operational excellence and integrated digital solutions.

Liberty Bank took historic steps in 2023 to propel our digital transformation. But we didn't just play catch up. Rather, we became forward-looking trailblazers as we struck the right balance between competing with big financial institutions while sticking to our community bank mindset.



Transforming Our Digital Assets from the Ground Up

On February 28, 2023, we implemented the first of two major customer centric, innovation-focused initiatives to be launched within weeks of each other.

It started with adding 54,000 new digital customers, now totaling over 160,000 customers, to a new, modern and first-class digital banking platform. Teammates from across Liberty, led by our digital banking team, performed months of pre-work to prepare for every obstacle that might come our way when undergoing any digital conversion. Even the first major snowstorm of 2023 that hit Connecticut in the early hours of conversion day didn't stop us.

Through our one-bank approach and incredible hard work, we responded with resiliency, nimbleness and a relentless commitment to our digital customers' banking experience.

Customers benefited from a complete transformation of our digital assets – internet and mobile banking; bill pay and person to person payments; “chat” customer support feature; mobile deposit capture; money management; account aggregation; and credit score monitoring.

We will continue to partner with the best digital providers in the market, offer the most innovative products and deliver a frictionless user experience – while strategically positioning Liberty for future growth.

Digital Banking 2023 Results



About 160,000 customers are now using our new digital banking platform



Added 60,000 new mobile customers in 36 months



An astonishing 160,000 customers are getting e-statements (87 percent) and helping the environment (industry average is 65 percent)



Liberty Bank mobile app now has a 4.8 out of 5 stars in the Appstore



15 new accounts per day opened via mobile device

Taking a Historic Step by Launching Owners Bank

Small businesses are the lifeblood of our local economies - making up 99% of our economy. Many owners work on the road daily trying to get their banking, invoicing and other office work done between jobs - at night and on the weekends. Our research showed that small business owners in particular would most benefit from a modernized mobile and digital-centric offering.

On April 10, 2023, we took another historic step in our exciting digital transformation when we launched Owners Bank, a division of Liberty Bank. It's our unique and fully digital bank that brings the tools and services we know small business need. Owners Bank provides high tech with high touch approaches, tools and products.

Our inaugural digital bank offers business checking and savings accounts, term loans and lines of credit and business

credit cards. Other features include access to over 55,000 conveniently, surcharge free ATMs; ability to deposit checks right from their phones; QuickBooks integration or account downloads for account purposes.

At the end of 2023, Owners Bank was available to small business owners in Connecticut, Massachusetts, Rhode Island and Pennsylvania. Owners Bank is expanding to North Carolina, South Carolina, Florida and Georgia in early 2024. Owners Bank and our team members were selected as recipients of the following awards last year:

Northeast Women in Banking Award, **Lizette Nigro**, *Chief Product Officer*
Innovator of the Year, US FinTech Awards, **David Mitchell**, *Chief Digital Officer*

In addition, Owners Bank was an award finalist at two 2023 Fintech events. This included the Banking Tech Awards, for the



OWNERS BANK™

categories of Best Newcomer Banking Brand and Best Mobile Initiative for Business, along with the Fintech Awards, for the categories of Best Digital Bank, and Best Small Business Solution. David Mitchell was also nominated for Innovator of the Year at the Fintech Awards.

The bottom line: Owners Bank will help small businesses not just survive but thrive. In 2023, we were just getting started.

Corporate Website Results



The new site received 4 million pageviews in the first 5 months (site launched Sept 26, 2023)



The new website has yielded an 83% engagement rate, a 44% increase in user engagement rate year over year



Liberty Bank observed 1.5 million engaged sessions or visits to the website that are longer than 10 seconds or at least two pageviews. A 36% increase



The Consumer Checking page, specifically, has seen a 127% increase in customer engagements



Button clicks on the website have increased 118.1% compared to the previous design, indicating users are more likely to navigate around the website and are eager to learn more about Liberty Bank and its products.

Corporate Website - Innovation That Builds Brand Awareness

Instilling a culture of innovation extends beyond what we did to modernize digital banking.

What about customers, prospects and community partners who want to learn more about us? Open an account online? Access digital banking? We launched a new and cutting-edge website at www.liberty-bank.com, relying on the support of many by combining talent with their innovation and customer service skillset. It was a massive undertaking that started with a general audit of our current website, discovery meetings with business lines and input from our customers.

Our new website not only instills a culture of innovation and delivers extraordinary customer experiences, but throughout development we focused on achieving best-in-class customer satisfaction and promoting brand awareness. It guides users to the banking solutions and delivers on our commitment to be a kinder kind of bank for our customers and community.

In just five months since launching our new website, liberty-bank.com received four million page views, yielded an 83% engagement rate and a 44% increase in user engagement rate year over year.



Commercial Lending

Taking a Leap Forward: Equipping Our Commercial Customers with the Resources and Expertise to Drive Upward Growth



Grand Opening of our Massachusetts Commercial Loan Production Office in Springfield, September 2023

Three years ago, Liberty Bank made a powerful strategic pivot to build upon our in-market commercial banking capabilities. The purpose: to develop new relationships with small- and medium-sized businesses that are the economic engines of our local economies.

Since then, we executed on several commercial-focused strategic initiatives, attracted more commercial customers to the Bank and leveraged market disruption to bring new talent to the Bank, complementing the skills and institutional knowledge of our existing teammates. To expand our presence along the I-91 corridor, we successfully opened three Loan Production Offices (LPOs) dedicated to better serving our commercial customers - in Greater New Haven, Greater Hartford and Springfield. This proactive approach and our increased presence in these markets helped pave the way for new opportunities to further support the business community.

Our focus is also to build long-term, holistic relationships with our customers. We strengthen these relationships beyond our loan support by looking at ways we can further help our commercial customers succeed. This involves Treasury Management Services, business banking, investment services and other key financial resources.

In 2023, our **Commercial Banking Team** originated **332** in new loans, bringing the portfolio to \$4.08 billion. This generated **over \$471.3 million** in loan growth, accompanied with \$120 million in net deposit growth.

\$64.8 M



Our Hartford LPO secured nearly **\$64.8 million** in new loans.

\$103.4 M



Our New Haven LPO exceeded **\$103.4 million** in new loans.

\$33.2 M



Our Massachusetts LPO produced more than **\$33.2 million** in new loans.

We made significant headway in deepening the partnerships we have with our lending customers, growing deposits by 13%, and our Commercial Servicing team on-boarded 1,070 new loans. More results include:



Launched market-leading rates in Certificate of Deposits (CDs) and Money Market accounts, driving over 30% deposit growth in those products.



Working on a complete 360-degree review of Liberty's systems and procedures to provide our customers with Best-in-Class Treasury Management services.



Processed 63,000 domestic wires totaling \$24.8 billion and 7,900 international wires for \$273 million.



Managed over 22,000 IRA and HSA plans with balances exceeding \$130 million.



Generated \$130 million in new deposits through Treasury Management.



Increased commercial deposit accounts by 2,500, or over 6%.

At Liberty, we are passionate about fueling businesses and creating the right financial solutions that will drive their sustainable growth.

Our term commercial loans, commercial mortgages, and working capital lines of credit are distinctively tailored to meet customer needs. Our dedicated commercial bankers get to know business partners personally to form mutually beneficial relationships.

Another fundamental part of our vision – to build *the* community bank of the future – has been the development and continued evolution of enhanced technology to support the lending process, making it faster and easier. This, combined with Liberty's personal touch and reliable financial resources, make Liberty a top competitor in the commercial lending space in the markets we serve.



A Sound Relationship Driven by True Community Banking and Added Value: Noble Energy & Liberty

Liberty's Senior Commercial Lending Relationship Manager, Lloyd Huie, began partnering with Michael Frisbie and Abdul Tammo, principal owners of Hartford-based Noble Energy, in 2023. The relationship involves their locations in East Lyme and Enfield, Connecticut and Sturbridge, Massachusetts, in addition to a fourth deal in Windsor, CT that closed in January 2024.

The \$35 million commercial loan is supporting construction projects for state-of-the-art fueling centers with the intention of being one-stop shops for customers. This includes high-speed diesel pumps, self-serve gas pumps, and electric vehicle ("EV") chargers, along with in-house coffee shops, delis, ice cream stores and spacious lounge areas.

The synergy between Noble and Liberty is solid. Michael is a highly experienced executive and entrepreneur with more than two decades of proven success in finance and commercial real estate development. As Noble looks to expand and open more custom establishments, they have the ability to find quality mixed-use real estate that provides more value, outside of the traditional 'gas station' model. Depending on the locations, sites will have apartments, car washes, retail shops, medical offices, and/or urgent care facilities. Liberty has the banking experts, financial soundness and exceptional customer service to help Michael and Abdul pursue their deep ambitions.

Powered by Partnerships: FuelCell, Liberty and Connecticut Green Bank

We proactively seek to diversify our commercial loan portfolio and invest in more 'green' projects. Liberty's Senior Commercial Loan Officer, Daniel Longo, and Jeff Hubbard, Commercial Banking, New Haven Regional President knew that FuelCell Energy would be an ideal partner. Since the start, our entire team of commercial banking experts have proven that Liberty is a long-standing financial partner that will help FuelCell Energy deliver a more sustainable future.

The relationship with Danbury-based FuelCell Energy and Liberty began in 2019 by joining forces with the Connecticut Green Bank to finance the acquisition of the Bridgeport fuel cell industrial power

plant, generating 14.9 megawatts of electricity to the city. In 2023, FuelCell Energy needed \$87 million in financing from its bank partners to ensure their success. This new transaction was secured by six fuel cell power plants producing 32.1 megawatts of electricity for roughly 30,000 homes.

Liberty was also instrumental in financing the development of a new power plant to provide 7.4 megawatts of electricity to the Naval Submarine Base in New London and parts of the Groton community. The plant provides grid resiliency and micro-grid-ready clean energy, bringing cleantech innovation to our country's most critical national security infrastructure.



Liberty Bank's total financing is supporting 56.3-megawatts of fuel cell power plants, equating to approximately 56,300 homes powered annually. FuelCell Energy and Liberty were recognized for our commitment to the green economy and demonstrated leadership, receiving awards from the Connecticut Green Bank in 2022 and 2023.

Commercial Real Estate

Our Best-In-Class Commercial Real Estate Team Delivers Flexible Options, Local Decision Making and Strong Industry Knowledge

Liberty's Commercial Real Estate (CRE) team is well-known in the industry and growing businesses depend on our support. With an average of 30 years of experience per CRE relationship manager, we are widely respected for our highly seasoned lending team, who can deliver flexible options and fast, local decision making.

Our CRE footprint extends beyond Connecticut, and we provide lending for a range of new and existing properties, including apartments, office buildings, medical offices, warehouses, and retail properties. In 2023, we approved more than 40 loans for a total of over \$520 million and established 15 new borrower relationships. The CRE portfolio grew by over 11% to \$2.54 billion.

An essential arm of CRE's lending strategy is to work with first-rate partners that consider their banking relationships mutually beneficial and non-transactional. CRE has experienced immense success in building these partnerships, consistently providing timely and strategic execution on lending opportunities, while adeptly offering customized and value-added solutions. Also central to the team's annual accomplishments is our continued commitment to prudent risk management, balancing our customers' growth priorities with a disciplined approach to deliver top notch banking experiences.

CRE is also active in the construction lending space, processing approximately 200 construction advances in 2023, financing \$260 million in loans, and positioning Liberty to further support sectors like logistics centers and new multifamily properties with amenities.

Customer satisfaction is consistently rated as 'high' by our borrowers, attributing this to the team's straightforward and transparent loan process. This is made possible through our talent, veteran commercial real estate expertise, and upholding our dedication to being a preferred lending partner in the markets we serve and beyond.



"We closed on a multimillion-dollar loan with Liberty and the responsiveness, professionalism, and follow-through was amazing. Their ability to work through any issues or concerns was exemplary and it was refreshing to work with local experts who care about the community. We're excited to grow our relationship with the Liberty team!"

Raj Dansinghani, Chief Financial Officer, The Waterford Hotel Group



Deepening Our Roots in Greater Hartford with Another Reputable Partner

The leadership team at the Waterford Hotel Group was seeking a new banking partnership to help with the refinance of a maturing Commercial Mortgage-Backed Security (CMBS) loan. They, too, pride themselves on delivering extraordinary customer experiences, and wanted a local financial institution with a local team of bankers who understand the CRE landscape in Connecticut. Their team quickly found that Liberty was the financially strong lending partner they needed to meet their goals now and into the future.

The Waterford Hotel Group is a best of its kind owner and operator of hospitality properties both in the Liberty Bank lending footprint and nationally. They have a collective industry experience of over 250 years and four well-accomplished decades of operation.

The loan with Liberty supports their Hartford Marriott Downtown property, located in Downtown Hartford adjacent

to the Convention Center and along Interstate-91. Liberty Bank CRE Relationship Manager, Joe Premont, worked with Len and Mark Wolman, and the Waterford Hotel Group team, who have a passion and talent for hospitality development. This loan entailed \$50 million in total, including \$5 million to partially fund the Marriott Hotel Franchise Property Improvement Plan.

The Waterford Hotel Group also opened deposit accounts and began utilizing our Treasury Management Services such as Investment Sweep and Positive Pay. The Waterford Hotel Group team was particularly impressed with our team's transparency, consistency, and the collaborative effort between our CRE group, Credit Risk Department, Treasury Management, and retail branches. This strategic relationship has real potential to deepen as new opportunities arise and we look forward to the possibilities as we grow stronger together.

Resort Lending

A Leading Resort Lender Dedicated to Long-Time Partnerships Bonded by a Shared Vision



For nearly 40 years, Liberty Bank has been a premier resort lender and services loans throughout the country. Our team specializes in every aspect of financing in the resort and timeshare industry, including acquisition and homeowners' association loans, lease, construction and inventory financing, commercial real estate, and receivables-based finance structures. Funding opportunities start at \$1 million for projects and reach \$100 million or more.

In 2023, our Resort Finance Team experienced approximately \$130 million in net portfolio growth. We provided almost \$505 million in net Resort Finance advances and added four new resort lending customers.

Liberty is the longest tenured lender in the trade, providing loan originations and underwriting. We're an independent, mutual bank and we build expertise in the business lines where we can maximize our impact and differentiate from competitors. The breadth of our long-term resort relationships is unparalleled because of partners such as Wellington Financial. Wellington has been invaluable in assisting Liberty with a multitude of services for nearly 30 years, helping us source new business, process advance requests, and service our portfolio of customers.

Likewise, Liberty is a proud member of the American Resort Development Association (ARDA) – the strongest voice for the industry and a reputable

partner in educating consumers, being an advocate for their members, and advocating for banks.

As a community bank, we commit ourselves to delivering exceptional experiences and deepening customer relationships for years to come, offering the advantages of community banking wherever our customers may be.



One Elite Resort Lending Partnership with a Robust History

“Our ongoing, strong relationship with Holiday Inn Club Vacations led to an extensive financing opportunity that enabled Holiday Inn Club Vacations to embark on a multi-year renovation of their network of 11 resorts known as the

Silverleaf Club,” said Don Peruta, SVP, Head of Specialty Lending & Services. Holiday Inn Club Vacations serves as the primary manager and the result of this partnership has been nothing short of extraordinary.

In 1990, Silverleaf was developed to operate eleven affiliated resorts located across six states. With Liberty Bank's backing in 2023, it was time for an upgrade of these resorts. “We invested \$70 million in funds, which includes a term loan and line of credit with \$25 million of the resources being syndicated with another bank,” Don added.

The loan approval, underwriting and closing required diligent and collaborative efforts from several of our teams – Resort Finance, Loan Servicing, and Credit Underwriting.

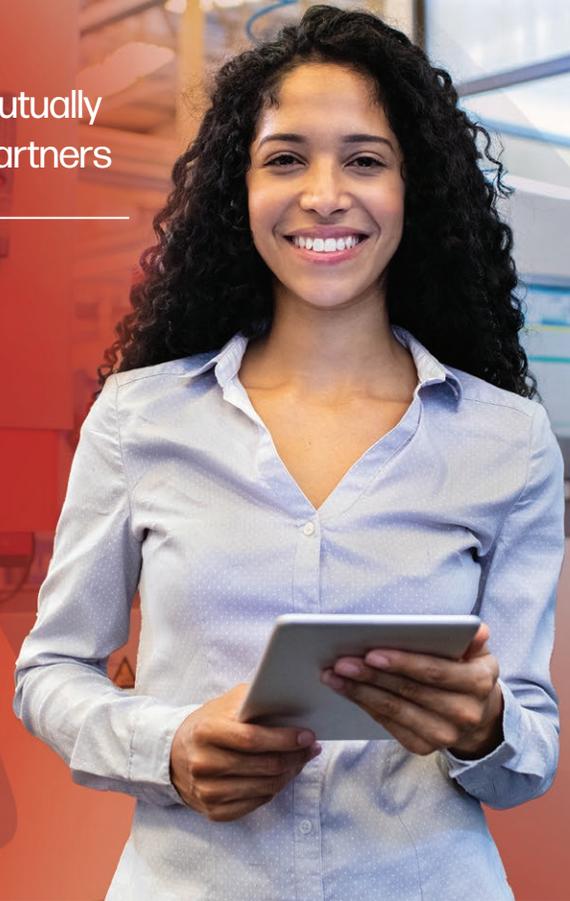
Liberty Bank also serves as a depository bank for all of the Club's timeshare owners' annual assessments. Our team is currently working with the Club's homeowner association to open more depository relationships. In addition, our Treasury Management Services are helping manage Silverleaf Club's electronic payment channels. The goal is to enhance their processing systems, streamline cash flow and find more efficient solutions. This powerful partnership between Holiday Inn Club Vacations and Silverleaf Club is one example of holistically working with customers to fulfill their financial needs, in turn offering world-class resort experiences.

Small Business

Putting Community Banking into Action Through Mutually Beneficial Relationships with our Small Business Partners

Supporting the growth and success of the small business community in Connecticut and Massachusetts through an array of products, lending opportunities, and personalized services is a Liberty tradition that expands more each year. Our committed team of Business Banking Officers, in tandem with our Small Business Loan Center and retail banking branches, aim to exceed customer expectations while finding out-of-the-box financial solutions that enable small businesses to start, grow and prosper in our state.

What makes our approach unique is our proven ability to focus on the customers' unique needs and leverage the talent, expertise and customer-centric approach of our teammates to deliver the very best in community banking. We learn about our customers' short and long-term goals, both professionally and personally, and offer services to holistically help them succeed – like Investments, checking accounts, digital banking, Treasury Management, Health Savings Accounts, mortgages, and Perks at Work for employees.



Spotlight on Small Business Customer DME Design

Rene Martinez, Principal Electrical Engineer, and Bryan Donovan, Principal Mechanical Engineer, were first introduced to Business Banking Officer, Tony Rossley and Damaris Garcia, New Haven Branch Manager, following the recommendation from another bank customer. Established in 2015, DME Design is a mechanical, electrical, plumbing, and fire protection engineering firm offering innovative solutions and cost-effective strategies for commercial, life sciences, manufacturing, educational, residential/mixed-use, and energy industries.

Liberty's first-class and competitive banking and lending products for small businesses, coupled with extraordinary customer experiences, exceptional services and forming a strong connection with Tony and Damaris, have helped propel DME Design to the next level. During the initial conversations, the principal owners revealed that they were seeking a collaborative financial

partner with a team of banking experts who understand their business model, recognize their growth strategies, and genuinely want them to thrive. Tony and Damaris were the perfect duo to achieve just that. On the lending side, the team landed on a Small Business Express Loan as the most suitable option for meeting DME's needs. Their experience has been nothing short of extraordinary; this allowed DME to expand their services, add new people to their team, bid on supplementary subcontracts, and serve more customers with quality design and construction using cutting-edge technology. Thanks to the many doors this relationship has opened and since first partnering with Liberty, DME has grown tremendously, adding 13 new people in 2023 and highly increasing their revenue stream.



BABBIDGE

CONSTRUCTION COMPANY



Our Partnership with Babbidge Construction

Alex and his team have partnered with Liberty for about 10 years. He first opened his personal and business accounts with our New Haven Branch Manager, Damaris Garcia, and the relationship has deepened ever since. His consistent positive experiences at Liberty and strong industry ties have resulted in many new small business and commercial relationships for us.

Established in 1992, Babbidge has specialized in managing complex construction projects and the unique challenges that they present, serving Connecticut's private institutional and commercial markets.

"Before banking with Liberty, I viewed my banking relationships as purely transactional. Babbidge has built a great relationship with Liberty Bank on many levels. Early on, they gave us a line of credit when other banks weren't interested in lending to construction companies. We now have a substantial line of credit and utilize Liberty's business checking, money market, business credit card, and sweep accounts. Liberty has also been very helpful with business introductions and they have provided project financing to several of our clients. Everyone - from front line tellers to David Glidden - has been fantastic. I couldn't be happier with their support."

Alexander Babbidge, President, Babbidge Construction Company

Over the years, Liberty has undergone substantial growth in our small business loan portfolio, reaching over \$400 million with thousands of customers, which includes many repeat lending partners. According to data from the Small Business Administration (SBA), Liberty Bank ranked 9th out of 72 lenders in 2023 as published in its listing of top Connecticut SBA lenders.

As a trusted and nearly two-century-old mutual bank with bankers who go above and beyond to take care of our customers every day and advise on complex banking needs, Liberty Bank continues to strengthen small businesses in Connecticut and Massachusetts - those who share our mission to *improve the lives of our customers, teammates and communities for generations to come.*

Here are some of our 2023 highlights:



Liberty Bank ranked 9th out of 72 lenders in 2023



Our team closed 739 loans, originating over \$80 million in small business lending - a monumental year. This is a testament to our loan center, Business Banking Officers and branch teammates who develop and grow lasting relationships within our communities. We worked together with these 700+ customers to help them start new businesses, meet daily cash flow needs, fund new projects, and purchase real estate.

To enhance our customer experience with Liberty even more, we continued to implement more innovative, efficient methods to process loan applications, such as the launch of a new state-of-the-art loan origination system. It automates everything from the initial submission to the loan closings, right from the convenience of a mobile device or tablet. Soon, businesses will also be able to easily apply for a loan completely electronically through liberty-bank.com.



\$5,000 to the 51 participants

Partnering with Liberty Bank's Community Development Team, we offered seven Academy for Small Business programs for entrepreneurs, including our first-ever in Massachusetts. Not only did we provide skilled instruction on starting and growing a small business, but we also provided \$5,000 lines of credit to 51 participants. The funds were received following their completion of the 10-week program, helping each owner leap one step closer to realizing their vision.

Retail Lending

Tapping into the Talent of Our Team While Using Innovation and Personalized Touch to Earn Our Spot as a Top Tier Mortgage Lender of Choice



#1 Bank

For Mortgage and Refinance Loans in CT

Source: The Warren Group, 2023

The proof is in the results:

Last year, consumer loans totaled **\$1.7 billion**, up approximately \$202 million from the year prior. The total included **\$1.3 billion in first mortgages in 2023**, an increase of more than \$161 million, along with **second mortgages and home equity loans equaling \$349 million**, up over \$56 million.

At Liberty, our community banking mindset stretches even further when making homeownership a reality for individuals and families throughout our footprint.

Before the start of 2023, Retail Lending teammates were energized around the idea to 'double the business.' With a shared vision of being the number one mortgage bank in our market, the team was equally dedicated to competing in innovative ways that would maintain and deepen customer satisfaction.

While the mortgage business is layered and constantly changing, our team - along with many strategic partners both internally and externally - successfully navigated above the challenges last year to attain a high volume of purchase money mortgages. Our celebrations didn't end with producing record-breaking results. We solidified our position as a leading mortgage lender by achieving the status of #1 Bank in Connecticut for all residential lending. With our strong team of mortgage experts, we're boosting generational wealth in our communities through homeownership.

Reaching these milestones involved proactively expanding our efforts with the right resources, partners and technology, staying ahead of industry trends, hiring new talent and evolving to better meet customer needs.

Our Good Neighbor Program - an affordable homeownership opportunity for lower-to-moderate income households and first-time home buyers supported by downpayment assistance resources - and government loans comprised nearly half of Liberty's mortgage originations. Despite this shift to more complex products, mortgage cycle times remained at historical lows with 80% closing in 45 days or less.



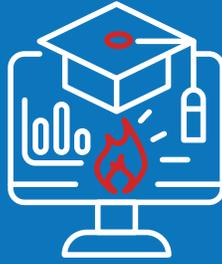
We focused on a few key strategies: creating scale, transforming the loan origination process with more efficient, modernized technology, delivering a frictionless and exceptional customer experience, and growing and diversifying our product offerings.

As our Retail Lending division continues to grow, we have a strong team committed to our customers' ongoing success, great products, and unparalleled support from top-level partners. We are re-energized to produce more remarkable results for our communities by tapping into our talent, enhancing our innovation, and leveraging our mutual strength.



"I'm honored to work for a community-focused company that recognizes the value in supporting homeownership and affordable housing. Our collaboration with local organizations, such as Housing Development Fund and Connecticut Housing Finance Authority, gives me the opportunity to partner with representatives to educate our low- to moderate-income and Spanish-speaking communities. My most recent closing involved supplying the new homeowner with \$127,500 in assistance to purchase her home. This is just one of many examples of how we support our neighbors who count on us."

Dante Galvez, Affordable Mortgage Lending Officer



We implemented new ways to reach people of all financial backgrounds and situations to provide customers with equal opportunities and invest in their future. This included increasing outreach in the Hartford area, expanding into the Massachusetts market, and continuing to deliver more financial literacy workshops focused on budgeting, saving, and first-time homeownership tips and tricks.

"Liberty Bank has been a steadfast and generous supporter of HDF's work for nearly 10 years. During that time, the Liberty Bank team has supported our First-Time Homebuyer program, which provides counseling, education, and financial assistance to those who need it most. With help from partners like Liberty Bank, HDF has been able to make homeownership a reality for so many deserving families and individuals across Connecticut."

Jaclynn Alves, Director of Residential Lending, Housing Development Fund, Inc.



In 2024, the team is set to officially launch a new Personal Loan product and serve ever more customers with their short and long-term financial goals.



"I heard from others that Liberty Bank had a reputable first-time homebuyer program. My Affordable Loan Officer, Dante Galvez, meticulously walked with me through every step of the process and precisely explained every detail. No matter the time, I could call Dante and he would answer. I appreciate the attentiveness and the patience he provided. I would highly recommend Liberty Bank's Good Neighbor Program to anybody who is looking to buy a house."

Liberty Bank Home Mortgage Customer



We made significant improvements to our online experience for mortgage customers, offering a seamless loan process from start to finish and using a combination of interactions in our branches, online messaging and calls to quickly respond to customers.

Retail Banking

A Spotlight on Retail Banking, Customer Service Center, and Investment Services



A few customer sentiments:

*"Best customer service I've ever experienced! I had no idea how to navigate rebuilding my credit and finances. The **Branford Branch** team helped me open an account and line of credit, walking me through best practices and long-term goals. I seriously left there feeling empowered and motivated! They are truly incredible!"*

*"I believe Liberty is my fourth bank. I love Liberty Bank and their teammates at the **Southington Branch**. I always get updated notifications about my accounts. I love how the bill pay works since the new updated website. Liberty Bank is the best, and I am a customer forever."*

*"Keep up the good work, almost 200 years of exceptional banking service and community building. The **Haddam Branch** team is excellent and I would never consider banking anywhere else."*

*"Liberty's **Cheshire Branch** is amazing. The team is helpful, kind, caring, joyful, knowledgeable, and personable. I can't say enough about how excellent they are!"*

*"Your **Rocky Hill Branch** team is exceptional. From the tellers to the managers to the Financial Advisor, they are all outstanding!"*

*Liberty Bank is my true "family" forever and always! Special shout out and praise to the entire **Colchester Branch** team for always going the extra mile for me!*

*"It is special these days to have service as personal and sincerely helpful as we receive at the **Granby Branch**, every time. Thank you!"*

Customer-Centric Community Banking for the Win

At Liberty, community banking and delivering extraordinary customer experiences happen together by design. This encompasses every way a customer interacts with our team, at all stages of their journey. Whether through mobile or digital banking, in our branches, at our ATMs, through our call center, or during meetings with our financial advisors or loan officers, we are dedicated to ensuring our customers don't feel like a number. Our priority is to understand our customers' needs and offer banking solutions that align with those unique needs. We provide friendly, expert advice, helping customers reach their financial goals and serving as their banking partner of choice for the long haul.

Our customers are always at the forefront of each decision we make. That's why investing in our teammates, communities and innovation are also top priorities, the driving force behind what Liberty stands for. Liberty Bank is the oldest and largest independent mutual bank in the country with 56 banking offices across Connecticut and two in Massachusetts. In 2023, we expanded our branch footprint into Massachusetts, opening a location in East Longmeadow to complement our Loan Production Office and support more local businesses. We strengthened Liberty's commitment to serving more neighbors in our home state, relocating one of our two Wethersfield, Connecticut branches up the road to Rocky Hill.



Proven Outcomes, Powered by Customer Service:



More than 18,425 new Consumer Checking Accounts and over 4,885 Business Checking Accounts were opened.

15,343 NEW HOUSEHOLDS



We welcomed 15,343 New Households bringing our total number of households to over 179,000.



In total, 373,566 customer interactions – such as incoming phone calls, secured messages, and chat conversations – were handled by our Customer Service Center.

Our Customer Service Center efficiently executed on 30,420 calls to offer internal support to our teammates.



30,420

267K



At year end, over 267,000 consumer and business customers banked with Liberty.



\$1.63 Billion

As of December 31, 2023, Liberty Bank Investment Services' portfolio stands at over \$1.63 billion in Assets Under Management.



“Teamwork makes the dreamwork is the culture of the Customer Service Center. We come together as one to ensure the best customer experiences. I’ve always loved helping people. Working for a great company, becoming one of the voices of Liberty Bank 13 years ago, and being able to help customers with their needs, has been a win-win for me. We live by our values and show kindness to teammates, customers and communities. It’s an honor to be a part of the Liberty Bank family.”

Leandra Privott, Customer Service Center Assistant Manager

557 Scams Stopped



Our Fraud Intelligence Unit prevented 557 customers from losing more than \$4.5 million in funds due to various scams and helped avert losses due to fraudulent transactions totaling more than \$6.4 million.



51

Funded 51 loans through our Academy for Small Business Program for start-up entrepreneurs.

With the support of branch partners, our Investment Services' Financial Advisors gathered over \$228 million in new assets and generated \$7.3 million in revenue.



\$7.3 Million




117 training activities

Conducted 117 outreach financial training activities to a variety of non-profit organizations within our CRA Assessment Area.

\$57.6 million in CRA-related investments that supported a variety of projects benefiting low-and -moderate income geographies and/ or individuals.

\$57.6 Million






Dedicated to our Teammates, Customers and Innovation



We invested in the strategic implementation of an Integration layer as a cornerstone of our Digital Transformation initiative. This integration layer enables API capabilities for enhancing operational agility, fostering innovation and optimizing customer experiences. By seamlessly connecting diverse systems and technologies, it empowers us to navigate the evolving digital landscape with possibilities on providing innovative solutions to our customers.

*"Thank you to **Swati Gupta**, Automation Engineer, and the Robotics Process Automation Team for programming the export of over 15,000 files as part of an application Archive Project. This saved a ton of time, leveraging innovation rather than trying to reverse engineer a solution to generate the required data."*

Warren Basile, Data Management Lead



To elevate our customer experience, we equipped our branches with WiFi. By offering seamless, secure internet connectivity, customers can conveniently access online banking services, research financial products and engage with our digital platforms while partnering with our branch teammates.



The upgrade of our Treasury Management online banking tools represents a significant leap towards a more modern and user-centric experience. We strive to provide our corporate customers with tools that align with their evolving needs in today's digital landscape.

Reaching Beyond Boundaries to Bolster Our Footprint in Massachusetts with Great Partners

Through a longstanding partnership with Paul Picknelly, President of Monarch Enterprises in Massachusetts, we decided to move of our MA Loan Production Office to One Monarch Place in downtown Springfield from East Longmeadow. This continues to be an exciting opportunity to deepen the relationship and position Liberty as a strong downtown partner, instilling our confidence to the ongoing growth of the city. We also partner with Monarch Enterprises on a commercial and deposit relationship, and the connection has continued beyond our commercial lending team to other parts of the Bank. Bernadeta Eichner, Granby Branch Manager, worked closely with Paul and his team to establish multiple IRAs (Individual Retirement Accounts). Several of Monarch's teammates opened personal deposit accounts and are looking at other ways to expand their banking relationships with Liberty. In addition, Jill Honeycomb, Liberty Bank Investment



Services (LBIS) Program Director, along with Financial Advisors Tiffany Lyga and Alex Duxbury, held two full-day retirement planning sessions to discuss investment and retirement planning opportunities with Monarch teammates. On top of counseling them on saving for retirement as well as providing financial advice and guidance, Tiffany helped Paul establish investment accounts for Monarch's many business enterprises.

In a short period of time, we've witnessed significant growth in Massachusetts, an area new to our footprint, because of many strong partnerships like this one with Monarch Enterprises. Following this success, Liberty identified a high demand to establish a full-service branch to support customers' banking needs and our continued growth in Massachusetts. The East Longmeadow Branch opened in November 2023.



Photographed (L. to R): David Glidden, President and CEO; Paul Young, Chief Financial Officer; Mark Gingras, Chairman of the Board Since 2007 and Board Member Since 2001; Minnie Saleh, Chief Retail Banking Officer; Toral Maher, Foundation Manager; and Jeremy Miller, Chief Lending Officer

Liberty Bank Board Of Directors

Mark R. Gingras, Chairman - G&G Distributors, Inc.

Doug Anderson - Retired, Savings Bank of Manchester

William T. Christopher - Retired, Lawrence Memorial Hospital

Jean M. D'Aquila - D'Aquila Law Offices

David Director - Connecticut Lighting Centers, Inc.

David W. Glidden - Liberty Bank

Steve J. Gorss - Retired, Owner/Operator Incredible Motels, Inc, West Hartford, CT

Chandler J. Howard - Retired, Liberty Bank

Wallace Jones - WJ Financial Advisors, LLC

Susan Martin - Middlesex Health System

Wilfredo Nieves - Retired, Capital Community College

Elsa Núñez - Eastern Connecticut State University

Kolawole Olofinboba - Fairview Capital Partners

Timothy Ryan - Retired, Town of Wallingford

Liberty Bank Executive Leadership Team

David W. Glidden - President and Chief Executive Officer

Troy Damboise - Executive Vice President, Chief Operational Risk Officer

Dan Flynn - Executive Vice President, Chief Credit Risk Officer

Audra Hamel - Executive Vice President, Chief Marketing Officer

Dan Matos - Executive Vice President, Chief Legal Counsel

Jeremy Miller - Senior Executive Vice President, Chief Lending Officer

David Mitchell - Executive Vice President, Digital Bank GM & Chief Digital Officer

Robert Parry - Senior Executive Vice President, Chief Administrative Officer

Minnie Saleh - Senior Executive Vice President, Chief Retail Banking Officer

Hope Utterbeck - Executive Vice President, Chief Information Officer

Paul S. Young - Senior Executive Vice President, Chief Financial Officer

2023 Annual Report



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Member FDIC  Equal Housing Lender