



2020 ANNUAL REPORT

POWERED BY PEOPLE



It has always been the foundation of COCC's mission to remain passionate and dedicated to our work while also establishing a work community that thrives as a team.

## FROM OUR CEO

Richard A. Leone

This past year has been one we will not soon forget at COCC, for both its challenges and its triumphs. While many will point to the COVID-19 pandemic as the defining event of the year, and in most cases they are correct, it is the first nine months of our fiscal year that we will look back upon as strengthening our foundation. Yes, the pandemic changed our business and operations. But it did not weaken us as a company. It highlighted the strength of our people and the soundness of our business.

With steady revenue growth exceeding 12% this year, we have been able to invest in our technology, products, services and people. We have deployed this revenue growth to improve our efficiency and agility as a company while also fortifying our business infrastructure. Our use of virtual networks enabled us to move quickly to remote work when the pandemic began, without skipping a beat with tools such as Webex, Jabber, Slack, 15Five, and collaborateNOW, which have kept us connected and working together as a team for the benefit of the cooperative clients.

We have also invested in new technology, products and services, bolstering our digital banking solutions, payments technology and outsourced services available to our clients. We have expanded our use of cloud environments, keeping our clients on the leading edge of financial technology. We have created new services, such as our Marketing Services, Full Call Center, Software Developer and Report Writing as a Service, to empower our clients to leverage our COCC teams and talents in order to give themselves more time to focus on the strategic needs of their institutions.

Moreover, our investments are paying off! We see it every day as we continue to grow and serve our clients. It is our culture of collaboration, innovation and growth that led us to sign six new core clients, from six different states, in the first six months of 2020 - the first time we have accomplished this level of core sales success. Our focus on service has led to continued achievements with our report card ratings to go along with our innovative and timely financial solutions. We continue to move forward, business as usual, supporting our people and our clients, especially during these difficult times. This is why as a business, as a technology partner and as an employer, COCC is proud of our accomplishments over the past year and remains excited and poised for future successes.



## FROM OUR PRESIDENT

Joseph D. Lockwood

Our solutions continue to evolve as our clients demand technology to meet their strategic growth initiatives. Over the past year, our newest solutions, primarily in the digital space, focus on leveraging customer data to grow deposits and loans, creating efficiencies, streamlining risk and expanding customer service. As a true partner, our collaborative approach brings our employees and clients together to design solutions that meet our clients' needs.

The banking industry's continued shift toward a digital world has pushed COCC and our clients forward. Our past investments to advance our digital offerings proved beneficial this past year, positioning us to handle the changes we all faced during the COVID-19 pandemic. Overnight, digital banking usage grew by more than 50%. While some of the top internet banking providers struggled to handle the new demand, COCC was ready, allowing our clients to grow seamlessly. Our digital new customer acquisition service, eOpen, enabled our clients to increase online customer growth by upwards of 300%. Consumer Connect, a digital online mortgage origination portal, allowed our clients to double application volume as interest rates dropped. LoanWriter, our proprietary consumer and small business loan origination platform, became an overnight superstar, allowing us to offer a free service to take PPP loans and auto-book them to the SBA and *INSIGHT*, which saved our clients immense time and costs all while servicing their business customers in their time of dire need. We empowered our clients to go 100% remote truly overnight with our iWorkstation infrastructure. COCC's Call Center solutions allowed our customers to focus on their internal teams while we seamlessly handled the increased consumer and business inquiries. Our newly created Marketing Services was perfectly timed to take advantage of the increased digital usage to help promote products and services to ensure their communities could get through these difficult times.

We will continue to invest in digital platforms with our new version of mobile optimized banking, including the capability to launch a new Digital Bank at a moment's notice. Leveraging our Software Developer as a Service allows institutions to commission custom development for their own unique needs. And of course, we will unveil our state of the art refresh of *INSIGHT* to provide a true mobile app version of *INSIGHT* to allow branch and remote personnel to increase productivity even further.

Moving forward, we see increased use of many services designed to enhance our clients' capabilities to pursue their strategic initiatives. These include not only those products and services that have taken center stage during the pandemic, but other opportunities to differentiate from the competition.

## BUILDING OUR FUTURE

The continued success of COCC lies in its people. In order to secure our future and the future of the cooperative, we always keep professional development at the top of our mind, building a team of strong leaders who will take COCC into the coming years with strength, innovation and integrity. In spite of a global pandemic, we have continued to develop our people and cultivate a culture of continuous learning, we have adjusted our training curriculum to a virtual format, and we have founded new partnerships and programs to give our teams an unparalleled development experience within the work place.

In Spring 2020, we officially launched our Corporate Leadership Development (CLD) program. In conjunction with Central Connecticut State University, we have developed a program focused on growth in three primary areas: Business Acumen, Academic Development, and Leadership & Culture, specifically for our industry. In launching the program, we have started a cohort of 14 COCC employees down a learning path that will immerse them in our industry and will earn them a graduate certificate from the CCSU School of Business.

In addition to the CLD, we have maintained a robust library of leadership training courses and materials based on our four Management Principles: Put People First, Promote Employee Development, Be the Leader, and Engage in Professional Growth. Our leadership training begins even before an employee is promoted. This year we launched a new initiative titled “What it Takes to Lead at COCC.” Through this half-day program we teach our management culture and expectations to those employees interested in one day moving into a leadership role at COCC.

Beginning day one, new managers and supervisors start their training by attending the required tracks “Making the Transition to Management” and “Management & Leadership Development”. More experienced managers have numerous opportunities to attend enrichment programs, access 1:1 instructional resources and participate in interactive roundtables. From team leads to seasoned managers and officers, the focus remains the same – build and develop the leadership at COCC. We recognize that developing our next generation of leaders is vital to our future success.

## RISING LEADERS



**Michelle Orsini**

Assistant Vice President  
Relationship Management

“ We are motivated toward greatness by leaders who uphold our values, engage our spirit, and encourage our best, even navigating through unexpected times. Always proud to be part of COCC.



**Paul Petro**

Assistant Vice President  
Technology Services

“ The leadership ethos at COCC is built on strong core values, supported by relationship-based principles, and produces results that truly matter for our clients and our people.



**Deana Wyse**

Assistant Vice President  
Client Services

“ I want to share my experiences and knowledge with the people who will take COCC into the future. Being part of the Corporate Leadership Development program strengthens my ability to lead by example and bring success to all.

## COVID

When COVID-19 spread throughout the United States, consumers and businesses were forced to adapt to a new socially distant and rapidly evolving country. Consumers found that they had to change their normal day-to-day behaviors due to quarantines and shutdowns. Businesses across all industries were faced with a difficult decision to make: keep their staff safe while operating as normal, or shutter and close their business and release employees. Essential businesses and personnel took on new meaning. During this time of uncertainty, local banks and credit unions were there to provide financial assistance and trusted advice to their communities to help manage the financial impact COVID created.

As a financial technology service provider to community banks and credit unions, COCC faced similar concerns of how best to keep our employees safe while maintaining the high touch customer service our clients have always experienced. In the very early stages of the pandemic, we enacted our business continuity plan that allowed for more than 95 percent of employees to work remote. Using leading edge support technology combined with a company-wide initiative to maintain a strong connection in understanding the immediate pandemic-related needs of our clients, COCC was able to assist in the delivery of some of the highly critical financial tools our clients needed to support their local communities. Working in a collaborative manner with our clients, we were able to develop new products and enhance existing solutions to help institutions comply with new COVID-related needs and legislation, deploy much needed funds into the community through the PPP and EIP programs, keep systems running at a high capacity so there was no interruption of access to mobile channels and reduce the burden and stress put on our clients by expanding our call center capabilities.

In a time of stress and uncertainty, COCC's clients earned the moniker "essential business," remaining open and serving their communities with financial and emotional support. They proved their worth as pillars of the community. Throughout the pandemic, COCC lived up to its responsibility, delivering the technology and support to its clients and maintaining its own workforce through innovation, teamwork and passion. These efforts reinforce COCC's dedication to community through action, impacting communities throughout the Cooperative as they navigate the current reality.

“

We were already  
succeeding in developing  
new products and services  
while providing first class  
service to our clients;  
we just used this solid  
foundation and momentum  
to continue our success in a  
remote work environment.

**Richard A. Leone**  
CEO, COCC



## EMPLOYEE COMMITMENT

When the COVID-19 pandemic hit, COCC's daily operations and the physical location of its workforce changed. The commitment to culture and employee well-being did not. Immediately, COCC leadership developed a plan to protect the health and safety of all COCC employees while maintaining the company's culture of teamwork and its focus on delivering top-notch client service. Through a number of innovative solutions, COCC addressed both the professional and personal needs of its people.

For many individuals, the change to work from home posed new challenges: balancing work and home life with school-aged children, the potential for sick relatives, and the stress of the pandemic all added a degree of difficulty. To adapt to this, COCC developed several online learning courses to assist managers in leading and engaging remote staff and to support all staff with the challenges of time management, stress management, and work-life balance. To further assist employees with their adjustment to working from home, COCC provided each employee a \$500 stipend, which staff utilized for a variety of unexpected expenses from furnishing a home office to food delivery services.

COCC also addressed the physical and mental well-being of its teams, introducing complimentary new wellness apps designed to bring staff together in both fun and fitness and to help manage stress through an uncertain time. The Company introduced a series of remote classes focused on emotional health including identifying and reducing the stigma around mental illness, avoiding burnout, staying connected, and even a course intended for employees to attend with their families to address stress and anxiety surrounding the work and school from home environment. Existing wellness, team building, and professional development courses were all quickly adapted to virtual format, ensuring that in spite of physical distance, every employee would still have the opportunity to refresh, connect, and grow. Additionally, a new employee engagement platform was launched to allow quick weekly pulse check-ins between staff and their managers and to facilitate greater connectedness, idea exchange and overall communication.

The Company worked diligently to maintain the COCC culture throughout the pandemic, making adjustments to accommodate for a largely remote workforce. Recognition programs such as Peer2Peer, Bravo! and Tokens were reconfigured remote attendance, and career milestones were celebrated through virtual Applause Huddles and company-wide announcements. The executive leadership team recorded video messages to thank employees for their tremendous adaptability and dedication to our clients and to share important information about the Company's financial stability, continued success, and an unwavering focus on employee safety. We also hosted two virtual CEO Updates to keep teams apprised of business continuity efforts, current and future challenges, and the strategy behind continuing to thrive despite the complexities of running a business during the COVID pandemic.

In a time of uncertainty, COCC remained focused on its people.

3,444

Instructor led training hours via WebEx

153

Trainings/workshops held via WebEx

50

New hires since transition to remote workforce

9

Interns hired since transition to remote workforce



## CLIENT COMMITMENT



We have been beyond thankful to have COCC as a core processor to help us through the COVID-19 pandemic. We appreciate all your efforts to help your clients navigate this strange time. The COCC customer service and support has been excellent!

- COCC Client

Helping our clients meet their technology initiatives through state-of-the-art financial solutions has been a consistent objective for COCC. As a cooperative, our continued investment in research and development, new technology, and innovative services is driven by the unique needs of our clients. Our solutions are designed to support the needs of the communities our clients support in a manner that keeps a keen eye on the customer experience.

The unexpected circumstances of 2020 highlighted the demand for flexible technology that can be implemented quickly while keeping the overall exceptional customer experience intact. To ensure we were helping our clients create high-touch solutions in a now no-touch environment, we developed new solutions and processes to assist our clients during this transition. Our product offerings have always focused on increasing efficiencies, saving time and money, and enhancing security and safety. Over the past several months, we have also sought ways to relieve the stress and burden of operational challenges the pandemic has created.

As more end users flocked to digital banking, COCC already had numerous solutions in place to empower clients to offer enhanced online and mobile banking. With our digital new customer acquisition solution, eOpen, clients could continue to onboard new customers simply and securely online. Our clients could further grow their business using Consumer Connect to process mortgage applications digitally and capitalize on the low interest rate environment. We even helped clients maximize their marketing capabilities by developing and running campaigns through our Marketing Services, directing consumers to new digital and remote solutions as well as supplying more information regarding a financial institution's COVID-19 response.

After the CARES Act passed in March, COCC developed systems and solutions to handle the relief packages set forth in the law, delivering these solutions free of charge to our clients. COCC developed a dedicated Paycheck Protection Program (PPP) solution using our proprietary loan origination system, LoanWriter, as the underlying structure. With this solution, our clients had an end-to-end, automated system to accept

applications, process loans, submit those loans to the SBA, book loans directly to *INSIGHT* and complete the forgiveness process. With an application that could be accessed entirely online, by new or existing customers of the institution, our clients could swiftly provide funding to the small businesses in their community. To enable our clients to give their customers and members full access to the Economic Impact Payments (EIP), we created a workaround to assist consumers whose accounts were insufficient. This helped those customers and members in the most need to access the much needed funds provided by the government.

Through the use of our iWorkstation virtual infrastructure, COCC helped clients move their employees to remote work status or to maintain flexibility in branch to maintain safe work protocols without sacrificing the customer experience. This allowed our institutions to continue operations, whether at home or in the office, protected by the security of COCC's private cloud environment, while keeping their own employees and customers safe.

Faced with this challenging time, we did not sacrifice client service. We developed new procedures, including skip payments for mortgage and loan accounts and specialized account minors to help our clients manage and track their own customer relief efforts. We held client webinars to share product upgrades and solutions in place of our usual in-person events. We communicated via emails and client message boards. We created and maintained a special page on our client support website dedicated to COVID-19-specific solutions, sharing announcements, manuals, procedures, recorded training sessions and other documentation to assist our clients. We did not allow a remote environment hinder our client focus.

Finally, we proved the power and mission of the Cooperative, delivering our clients rebate checks totaling approximately \$1.9 million to show our appreciation for their dedication and service to their communities. This rebate, distributed among COCC's core clients, represents approximately 20% of COCC's fiscal year-end earnings in 2020. This rebate was used by our clients at their discretion to help their teams and their communities. In the midst of the crisis, our commitment to our clients never faltered.



## YIELDING RECORD RESULTS

Throughout the past year, COCC has continued to enjoy success in many areas of the business, growing the Cooperative, adding to our client offerings and consistently proving to be a top-notch employer.

Financially, COCC kept up this upward trend, exceeding 12% revenue growth for the fiscal year. Such growth allows COCC to give back to our clients in a number of ways. Not only did our preferred stock return a 9.0% dividend to our client shareholders, we also gave a combined \$1.9 million back to our core clients as a service fee rebate to alleviate some of the financial burdens experienced by our financial institutions and their communities during the COVID-19 pandemic.

Such financial success is also used for our research and development efforts as we continue to introduce new products and services, bolstering our lineup of solutions. We've increased our outsourced services, expanding our iWorkstation virtual infrastructure solution, creating our Software Developer and Report Writer as a Service offerings, building our Marketing Services solution and enhancing our Full Call Center. These services are designed to provide flexibility to an institution to customize their own service offerings by leveraging the talent and resources of the COCC teams. Using these services can take the burdens of asset and people management off the institution, freeing our clients to focus on serving their customers and members.

Our strong results have also been on display with our core signings as we continue to grow and strengthen the cooperative. In the first six months of 2020, COCC signed six new core clients from six different states. With new clients signing from Massachusetts, New Jersey, New York, Ohio, Pennsylvania, and Rhode Island, COCC strengthened our standing throughout our footprint. Such an achievement is a testament to the teamwork across all of COCC as well as to the experience our clients receive and share with their peers throughout the Northeast.

COCC has also received accolades as an employer. For the ninth consecutive year, COCC was named a Top Workplace by the Hartford Courant. The 2019 honor marked the first time that COCC qualified within the "Large Business" category as an employer with more 500 employees. Leading those employees is Chief Executive Officer Richard A. Leone, who was named the Top Leader through the Top Workplaces program, marking the second time he has earned that distinction. Additionally, COCC became Great Place to Work certified, a national distinction earned by only 19 companies in Connecticut. Certification is based on employee feedback showing a consistently positive culture and employee experience.

With all of these successes and accomplishments, this has proven to be a year for the record books and one that will not soon be forgotten.

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