



staying **connected**

2021 Annual Report





K. Michael Robbins

From Our Chairman

When I look back over my 15-year tenure on the COCC Board of Directors, seven of those years as Chairman, I see a company that has phenomenal growth, consistency, and adaptability. I see a strong executive team focused on its clients and its employees. They work diligently to strengthen this Cooperative and manage the company’s growth from all angles, while remaining flexible in an increasingly complex environment. All the while, COCC has upheld its outstanding level of service and its client-focused culture.

The sheer growth of COCC has been phenomenal during my tenure. The number of employees and the annual revenue nearly tripled since my first year on the Board in 2006 and we have also grown our membership in the Cooperative. Through all of that, the executive team remains accessible and receptive to each member of the Cooperative, ensuring that a partnership with COCC comes with a voice in the direction of the company. COCC has maintained its high-touch service culture and high-quality technology, keeping up with that growth without sacrificing the client experience.

That service culture has been tested over the past two years as we have been forced as an industry, and a society, to adapt to the reality of COVID-19. Throughout that time, COCC answered the call, delivering to its clients and employees with remote work solutions, innovative technology, virtual trainings and demos, and new and expanded methods of communications. Using virtual communications tools, the COCC teams were able to reach all their clients throughout the footprint. Such virtual technology, when used following the pandemic, will continue to unite the Cooperative across the entire Northeast.

Perhaps what stands out most in my time as Chairman is something that did not happen. Not once did I find myself on the other end of a phone call with a CEO upset about a conversion, or any other major problem. As a CEO, conversions are scary. There is much to be nervous about leading up to and through a conversion event. I experienced it myself while on the Board, with my own bank going through a merger. I saw first-hand the lengths the COCC team was willing to go to ensure that any issues were resolved. The COCC team worked with our teams tirelessly through the conversion weekend to make sure our deposits and loans were proven and our general ledger was tied out, alleviating my own worries and ensuring a smooth transition. They did what it took to get the job done.

That exceptional level of service still exists today throughout the COCC team. With clients as owners, the client voice can be heard and the COCC team can respond to and resolve issues in a way that is rarely seen by publicly traded companies. It is that relentless focus on client satisfaction, from the executives and from the entire staff, that separates COCC from other technology partners. Thank you to the Board of Directors and to all the COCC employees for making my experiences great ones. Professionally, I certainly came away with more knowledge than I was able to share. Personally, I made many lasting friendships that I will cherish long into retirement. I am confident that as I step down as Chair, I am leaving the Cooperative in great hands. With the executive leadership, guided by the direction from the Board and the client base, COCC is poised for a bright future.



Richard A. Leone

From Our CEO

The challenges of the past year tested us all: our employees, our clients, and our communities. However, with challenge comes newfound innovation and approaches to problem solving that have furthered our commitment to serve our clients and continue to expand and grow our business. The collaborative nature of our Cooperative has been hard at work since the onset of the pandemic. Our employees and clients worked together to rapidly deploy new solutions to enhance and personalize the virtual experience, as well as to implement new security tools to ensure the safety of our solutions, our clients, and their customers. Thanks to our partnerships with clients, trust in teamwork, and flexibility, the pandemic’s challenges have not slowed our progress but rather afforded us an opportunity to evaluate what we could do better to grow our business, service our clients and enhance our solutions.

As our business lines continue to grow, so does our need for new employees. This past year we effectively onboarded new talent as our roster grew to more than 700 employees. We have also developed our return to office strategy to help our teams get back onsite in a manner that ensures their safety, utilizing a hybrid work-from-home and in-office approach. To enhance our communication during this phase while keeping a keen eye on maintaining a collaborative culture, we adopted several new technologies such as Slack, 15Five, Jira and Jabber to improve our work experience. We also enhanced our employee training platform through the implementation of our new LearnUpon learning management system to continue our education and professional growth initiatives. Ensuring our employees are safe and connected while providing opportunities for growth generates a committed and caring workforce able to deliver higher levels of customer service by staying actively engaged.

One bright spot is that the pandemic has heightened the demand to find a core technology partner like us that offers modern technology delivered with a community-focused partnership approach. To that effect, we successfully completed 13 core technology conversions using a hybrid approach of onsite and remote support. With feedback from new and existing clients we continue to make enhancements and upgrades to both our core and digital banking solutions to deliver a modern user experience. The newly designed user interface for our digital banking platform was optimally designed with the end user in mind to be the most intuitive and responsive in the industry. We are also focused on optimizing our clients’ employee experience through our soon to be released alternate, new user interface for *INSIGHT*. And we continued to give back to our community by providing a core client rebate of over \$1 million for the second consecutive year to help the ongoing support of our collective communities.

By staying connected and working together with our clients, employees, and partners, we have been able to work through the challenges of the pandemic while embracing a new perspective. We have taken this as an opportunity to showcase our innovation and flexibility to advance our technology for the benefit of our clients. I am proud of the unparalleled efforts of the Cooperative and I am excited to continue moving forward as we return to normalcy, bolstered by the experiences and advancements achieved during the past year.

Joseph D. Lockwood



Q&A with Our President

Working together to meet our clients’ needs

What have we learned about our clients over the last 18 months?

In the last 18 months, we’ve seen just how resilient our clients really are. When faced with a challenging and uncertain situation, our clients rose to the occasion to serve the needs of their communities. We saw our clients act with speed and flexibility to bolster their technology efforts to meet the evolving needs of their customers and members. While much of the industry struggled to match the speed of change, often due to rigid and slow technology, COCC clients were poised to quickly adapt to the changing landscape. When working to meet the demands of consumers and small businesses, resiliency and flexibility are key.

How is COCC meeting the needs of today’s clients?

By listening. When we listen to our clients, we can learn a great deal about what they need and what will make their lives and their jobs easier. When COVID hit and we needed to help our clients adapt to a banking environment that existed primarily outside of the branch, we empowered our clients with digital banking solutions, online account opening and loan origination systems, and even a specialized solution for the Paycheck Protection Program (PPP). And when we develop this new technology, like our PPP solution, we work with our clients through training sessions and open lines of communication to continually update our offering to suit changing needs. As a client-owned cooperative, we take our direction from our clients and we invest in research and development to provide technology to align with their true needs.

What technology will continue to move us forward?

Moving forward, the impactful technology will be those solutions that can drive efficiency and flexibility for financial institutions, as well as provide a greater service to consumers. With different managed service offerings such as our virtual infrastructure, managed security, and marketing services, clients can leverage our expertise to free up resources for alternate needs. Additionally, an enhanced digital banking suite with credit monitoring, personalized financial insights, account opening capabilities and more will allow consumers to do their banking and take full control of their finances without ever stepping into a branch. That flexibility will let the consumer dictate how they want to bank.

COCC has been able to build these types of offerings by combining the continuous improvement of underlying technology with the steadfast mentality of adaptation. We will continue researching and implementing new enhancements, tools, and processes to maintain this flexibility and to always deliver innovation to our clients.



Conversions

In Fiscal Year 2021, our COCC teams completed 13 total conversions, including seven new client conversions, four acquisition events, and two mergers. Through these conversions, we welcomed in eight new clients.

Each of these conversions was completed on time, hitting our originally scheduled conversion dates with each conversion performed by COCC teams working remotely. While we did cut back on the typical amount of time we spent onsite, we were able to have COCC team members present to support each of our new clients in person for their live conversion events.

871,645

New accounts added to our
INSIGHT core solution

Meeting the Need

Relationship management has always been motivated by client satisfaction. While we strive to enjoy our collaborative successes, we could and should also celebrate our partnership. This means understanding how we work together, with our clients and with each other, and even with clients helping each other. Our vision of “The Cooperative” is encouraging, and now more than ever, we look to all of us to share and appreciate where we can best support each other. To continue evolving our mission of client satisfaction, we have increased our focus on meaningful client engagement.

Client engagement requires a better understanding of client potential achievement in the next year, two years, and beyond. Relationship managers are required to understand the critical projects, day-to-day items, and vision of our clients, with the intention of promoting awareness on all sides. This includes understanding how we can leverage technology together to support our aligned initiatives and build our cohesive strategies. Additionally, we must connect our clients with our trainers to promote and facilitate best practices in order to position our clients to use our solutions at their full strength.

Our relationship management team continues to grow stronger with the addition of new team members who bring expertise from other areas of the company. With our expanding team comes a fresh perspective and a depth of knowledge of our flagship products, *INSIGHT* and iBanking, that has been cultivated through years of experience at COCC. As we build and bolster our team for the future, our diverse experiences within the company and with our various solutions will benefit the Cooperative while shining a light on the interconnectedness of all parts of COCC.



22,000+
loans managed through
COCC PPP Solution



\$1.5+ Billion
in PPP loans funded



\$1+ Million
in client rebates





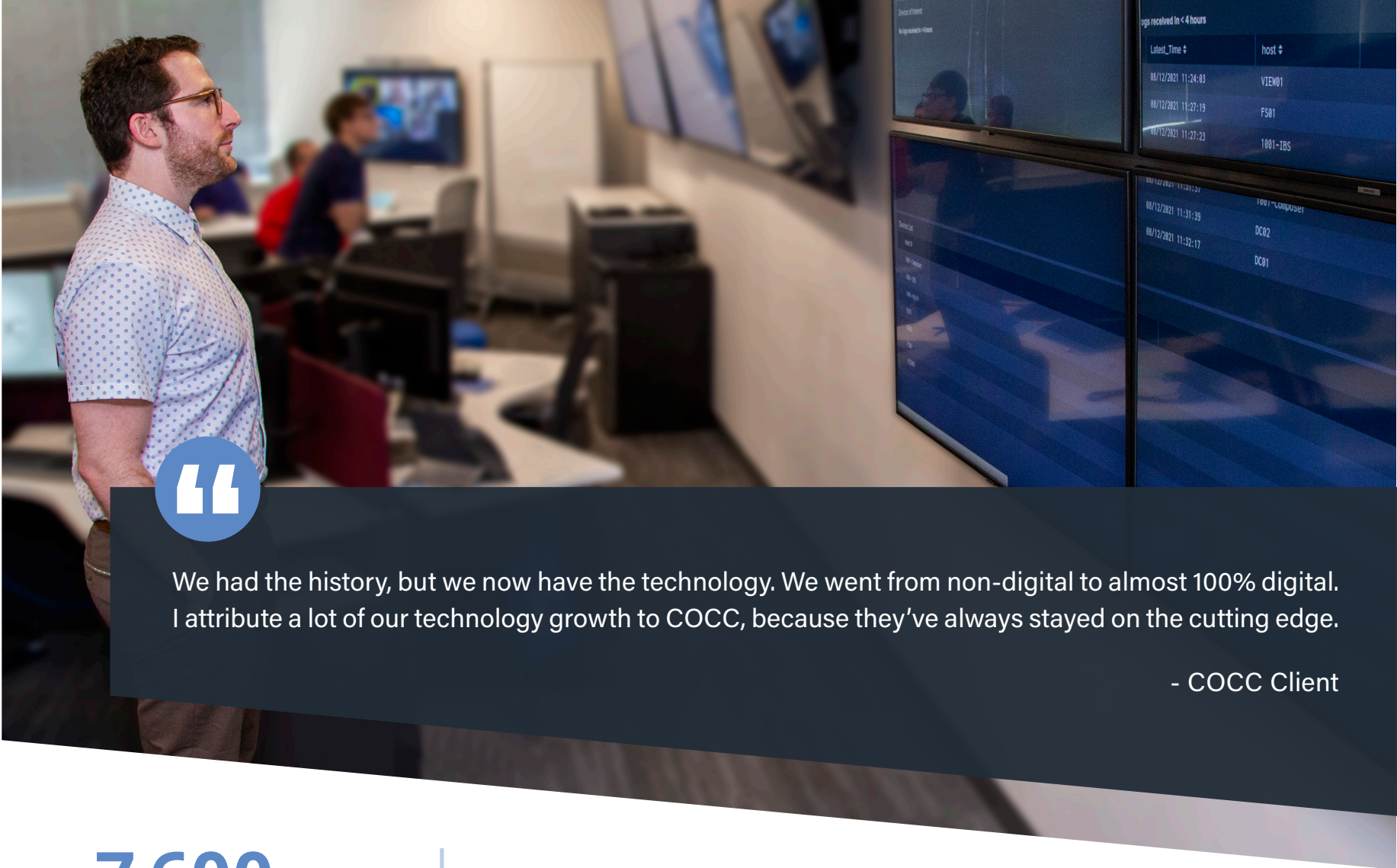
Providing the Digital Experience

With the swift migration to digital banking over the past 18 months, providing self-service and easy-to-use banking solutions to the consumer has become a critical factor in retaining and growing wallet share. As a financial technology partner whose focus is delivering tools and solutions to community-minded financial institutions, we recognize that these solutions need to be intuitive, easy to implement, efficient, and effective.

Technology, service, and experience are at the heart of creating and offering digital solutions for our clients. At the onset of the COVID-19 pandemic, our clients were well prepared to provide a variety of services through our tightly integrated digital banking channel. Offerings such as account aggregation and personal financial management, credit monitoring, mobile deposits, P2P payments, debit card management, and electronic statements and notices put consumers in control of their finances from any location. Additional communication and targeted marketing capabilities empowered our clients to efficiently message about events happening within their institutions such as changes to branch hours, activity surrounding PPP loans, or updated support options. Operational technology, such as virtual desktops, hosted infrastructure, and security operation solutions enhanced our clients’ flexibility and helped to protect their data.

Although many clients are still dealing with limited face-to-face communication and interaction, they can offer trusted, personalized, and consultative banking solutions through a variety of these mentioned digital solutions. Over this past year our clients did exactly that. Client adoption of digital solutions grew at a record rate of more than 50%. The percentage of clients using six or more of these solutions doubled from 11% up to 22%. And further, those using at least nine solutions tripled between the fourth quarter of 2020 through the end of July 2021.

Growth in adoption does not happen by accident, but rather by the ongoing commitment of our product managers, technology partners and support teams to deliver the best solutions our clients tell us they need. Educational webinars showcase the latest updates on new and existing products. Executive strategic meetings highlight key solutions and identify free enhancements for an institution to augment growth. Through customized reviews and open discussion of needs and opportunities, our teams can better understand our clients and their needs, answer their questions, and deliver the best available technology with our high-touch service model to help our clients continue to meet the financial needs of their communities.



We had the history, but we now have the technology. We went from non-digital to almost 100% digital. I attribute a lot of our technology growth to COCC, because they’ve always stayed on the cutting edge.

- COCC Client

7,600

Virtual Machines in Use

CLOUD-BASED VIRTUAL DESKTOP

290 M

Campaign Impressions

MARKETING SERVICES

1 TB

Data Analyzed Daily

SECURITY OPERATIONS CENTER



Investing in Our Future

Corporate Growth

Despite the challenges presented in the last year, COCC has seen continued growth as a cooperative. We opened the first single floor office in the new Rocky Hill, CT facility shortly before the beginning of the pandemic, but it was not long before our tremendous growth during quarantine underscored a strong need for even more space. COCC has now expanded our Rocky Hill location to a second floor to support our return to office strategy, as well as to help accommodate the more than 75 new positions that were filled remotely during quarantine.

Home to our new state-of-the-art Security Operations Center, the combined 37,000 sq ft, two-floor office suite currently provides accommodations for approximately 90 employees from our Technology & Operations and Technical Services Departments, with the ability to house more than 75 additional employees. This new office site offers modern open workspaces, management offices, conference rooms and collaboration areas with advanced technology, as well as a multipurpose training room that opens to a large lunchroom to accommodate larger-scale meetings and events. As a company that thrives on collaboration, this space has been designed to allow employees to work comfortably and collaboratively. The Rocky Hill office is an incredible addition to the company that will allow COCC to welcome back our expanding workforce and support our future growth.

Communication Channels

With the majority of our teams working remotely over the past year, it became more critical than ever to keep open the lines of communication between our teams. To maintain our collaborative culture, we leveraged the latest in industry-leading technology to keep our teams connected, to streamline our processes, and to grow our people at every level.

Prior to the pandemic, we instituted the use of WebEx and Jabber to facilitate virtual meetings and extension mobility for office calls from any location. Having this in place proved invaluable to allow our teams to continue to meet face-to-face, albeit virtually, throughout the pandemic. To further enhance our collaborative efforts and advanced communication channels, we also introduced Slack, a single platform combining the best features of email, social media, and instant messaging to create a connected and fun employee experience.

We also enhanced our capabilities to build stronger relationships within our teams using 15Five. 15Five is a performance management and employee engagement application built around a weekly check-in. In addition to being a great way to keep managers and their teams connected, the check-in can be used to give others in the company “high five” accolades, generate a one-on-one meeting agenda, track overall goals, and structure employee reviews.

To continue our development and training at all levels of the company, we instituted our new LMS, LearnUpon. This industry-leading platform is dedicated to learning management, which complements COCC’s expansive and customized course catalog. This comprehensive tool offers us enhanced abilities to create, attend and track training both through and outside of COCC, and stay up to date on current and upcoming training initiatives at the corporate and team levels. The system has already led to a 17% increase in eLearning hours completed and a 96% employee training satisfaction rate.

Finally, we expanded our use of ServiceNow to include workflows for internal requests and incident management. By adding functionality for our internal teams, we are now using the same system to track work requests as our clients do every day, putting us more in tune with our client experience while streamlining our internal issue resolution.

These technology advancements have already had a great impact on our teams and our internal processes, keeping us in touch during a difficult time and setting us up for future success as a collaborative and innovative organization.





Supporting Our Staff

Workplace Awards

COCC prides itself on maintaining an exceptional workplace culture, whether remote or in person. We strive to provide a workplace that is safe, welcoming and inclusive for all. Over the past year, COCC proved to be an excellent workplace with a pair of honors based on employee feedback.

For the second year in a row, COCC earned designation as Great Place to Work-Certified™. Using validated employee feedback through a third-party survey, it was determined that 95% of employees say COCC is a Great Place to Work. The honor places COCC among a select group of employers in the state of Connecticut to earn the distinction. COCC was also named a Top Workplace for the tenth year in a row, placing second among large companies with more than 500 employees in the Hartford area. COCC's management team was also highlighted as earning the top scores among companies in the survey.

With more than 1,100 comments coming directly from employees from these surveys, COCC will continue to use these invaluable insights to strive to improve the company culture to offer an exceptional employee experience.

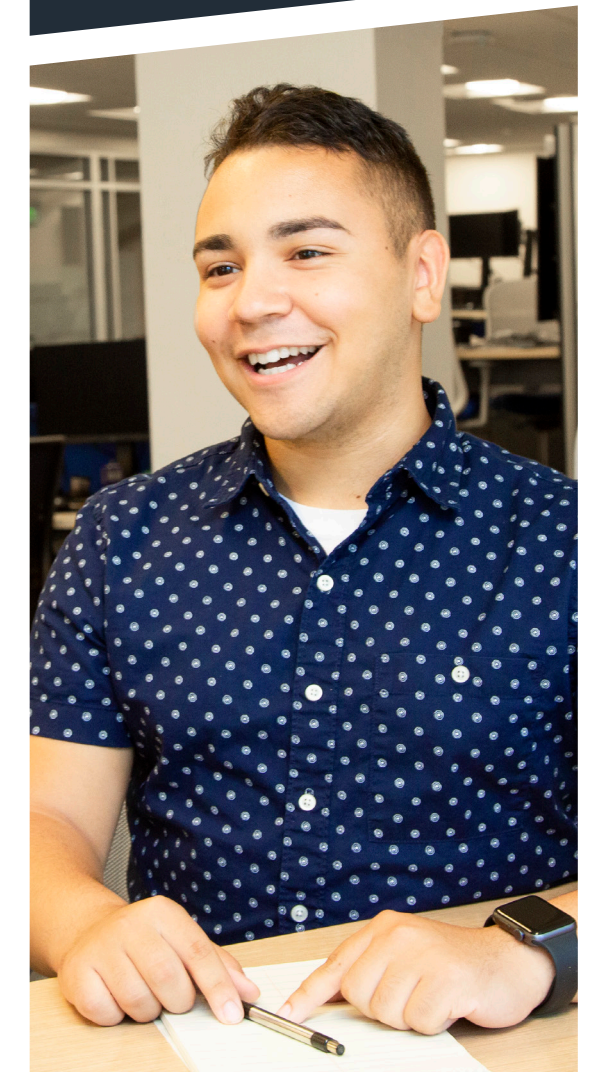
Hiring Talent

Operating primarily in a remote capacity over the past year posed its share of challenges to our industry. Despite these challenges, COCC boldly moved ahead with our people strategy, adding new employees and new positions, promoting career growth within our teams, and developing new strategies to keep COCC among the top workplaces in Connecticut.

In the past year, COCC grew its employee census by 75, increasing to 723 total team members, an all-time high. We also returned our summer intern program to pre-pandemic levels with 27 interns joining us this past summer. To make sure all our new team members felt welcomed as part of the team, we developed our new Meet & Greet program, bringing our employees who had onboarded remotely onsite to interact with each other and our executive team. We also continued to advance the careers of our existing employees with nearly 20% of our employees experiencing career mobility, taking on a new role within the company. Throughout this time, we made sure that all of our COCC employees, whether they are new to the team or have been a long-standing contributor, felt they could grow their careers at COCC.

20%

Employees experienced career growth by taking on a new role within COCC



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100 Executive Boulevard
Southington, CT 06489
877.678.0444

www.cocc.com

