

ANNUAL  
REPORT  
2019

CARING FOR OUR COMMUNITY.



COMMITTED TO OUR MEMBERS.



CHARTER OAK  
CREDIT UNION

FEDERALLY INSURED BY NCUA

# Charter Oak: At a Glance



**BRANCH AND HEADQUARTERS:**  
1055 Hartford Turnpike,  
Waterford, CT 06385

## Charter Oak Federal Credit Union Snapshot

Charter Oak Federal Credit Union is like a bank, just better! We've been proudly serving eastern Connecticut since 1939 and we offer great checking, deposit, lending, insurance and investment products.

And because we're a credit union, we're owned by our members, not by shareholders. So we can offer lower rates on loans and higher rates on deposits. It's easy to become a Charter Oak member: simply live, work, worship, learn, or volunteer in New London or Windham counties. So join today and see why Members Bank Better at Charter Oak!

-  [Facebook.com/CharterOakFCU](https://www.facebook.com/CharterOakFCU)
-  [@CharterOakFCU](https://twitter.com/CharterOakFCU)
-  [Charter Oak Federal Credit Union](https://www.linkedin.com/company/CharterOakFCU)
-  [@CharterOakFCU](https://www.instagram.com/CharterOakFCU)

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## Assets, Loans and Deposits

**ASSETS** **\$1.18 BILLION**

**LOANS** **\$902 MILLION**

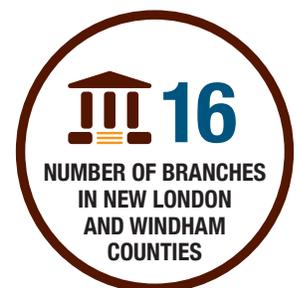
**DEPOSITS** **\$936 MILLION**

### BRANCH NETWORK:

16 Branches in New London and Windham counties.

### BRANCH LOCATIONS:

Dayville; Groton; Killingly; Mohegan Sun; Montville; Mystic; New London; Niantic; Norwich; Pawcatuck; Putnam; Waterford; Willimantic



*Employees, Assets, Deposits and Loans as of December 31, 2019*

“As you will see in the pages ahead in this 2019 Annual Report, there is much to celebrate and much to be proud of.”

## Chairman & CEO's Report: The Year in Review

Charter Oak Federal Credit Union celebrated our 80th anniversary in 2019 with some remarkable achievements. Our financial performance was very strong throughout the year, our community giving across eastern Connecticut reached new record highs, and for an impressive 10th straight year we were eastern Connecticut's Number 1 residential mortgage lender.

We know that the founders of our credit union could hardly believe the success that we've achieved since they cobbled together \$250 on September 19, 1939 to create the Groton Shipbuilders Federal Credit Union. Today, Charter Oak stands proud as a \$1.18 billion credit union with the largest branch network in eastern Connecticut, an impressive employee roster in excess of 220, and a lending portfolio that is the envy of many of our competitors.

But we won't let our success dampen our commitment to our members and to our communities. Because we know that our members have built this great credit union with their hard-earned savings. And as the communities across eastern Connecticut prospered and grew, so too did our credit union. As this year's Annual Report theme states, Charter Oak is indeed a credit union that cares for our communities and is committed to our members. That is our unwavering promise for today and tomorrow, just as it was when those individuals pooled their hard-earned funds and created our credit union eight decades ago.

As you will see in the pages ahead in this 2019 Annual Report, there is much to celebrate and much to be proud of, from our amazing 10th consecutive year as this region's Number 1 residential mortgage lender, to the record payouts to our Gold Rewards members, and the largest distribution of Community Giving funds in this credit union's history.



Brian Orenstein was featured on the region's radio stations during 2019 to promote the United Way's Annual Campaign to assist those in need across New London County. Charter Oak is a longtime partner and Platinum Benefactor to the United Way of Southeastern Connecticut.

These many achievements, however, would not be possible without the impressive dedication and hard work of each and every Charter Oak employee, and the continued loyalty of our members who trust us with their funds and their hopes for a strong financial future. We recognize the responsibility that this entails, and all of us at Charter Oak Federal Credit Union are committed to our – and your – continued success.

As we look to our promising future, we thank you for your trust and we want you to know that we will work hard each day to provide you with the best member experience possible and the best products and services to meet all your financial needs.

**Guy Henry**  
Chairman of the Board

**Brian A. Orenstein**  
President and Chief Executive Officer

### Charter Oak Receives Top Honors



**The Commercial Record**  
Best Credit Union 2019



**United Way**  
Corporate Sponsor of the Year/  
Corporate Benefactor Award



**The Day**  
Readers' Choice  
Award 2019



**The Bulletin**  
Readers' Choice  
Windham County 2019



**BauerFinancial**  
Top Five Star Ratings 2019



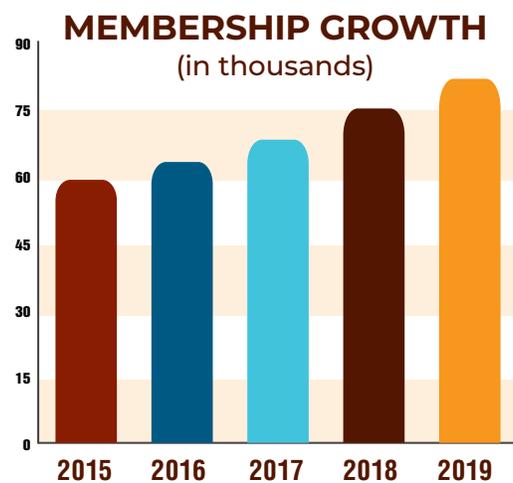
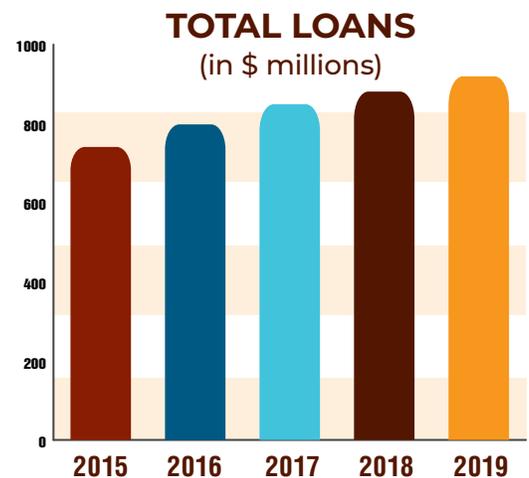
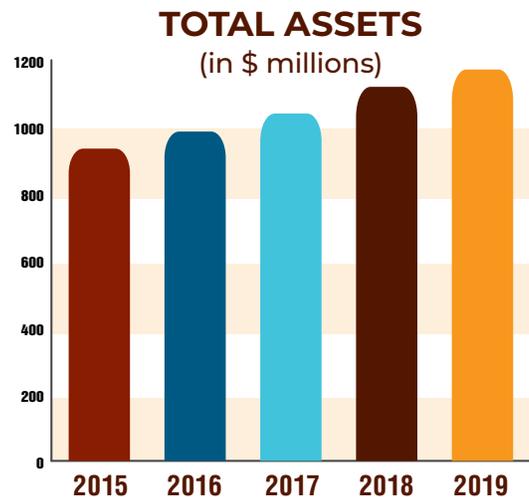
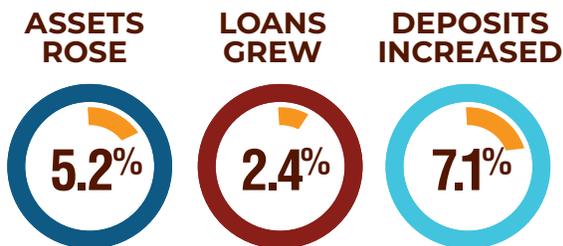
**Forbes**  
Best In-State  
Credit Union 2019

# 2019: A Year of Superior Financial Performance

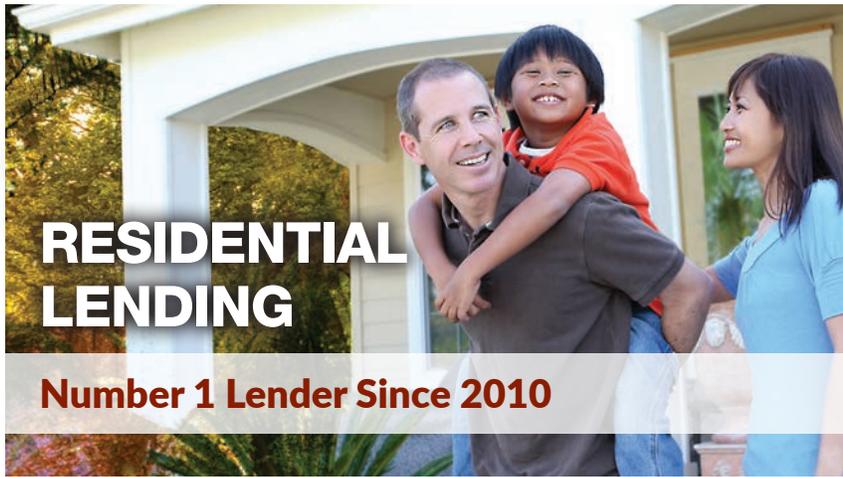
## Charter Oak Remains a Strong Financial Institution

Our credit union is strong, safe and secure, with assets growing to \$1.18 billion during 2019. Our financial success is evident in the strong performance of our loan portfolio, as well as our deposits, members' equity, and overall membership.

Our members know that they can trust Charter Oak for its sound financial management and its safe stewardship of their funds. Our growth during 2019 reflects the successful financial course that we will continue to chart in the years ahead to ensure that Charter Oak remains eastern Connecticut's most trusted financial institution.



# Eastern Connecticut's Lending Leader for 10 Consecutive Years



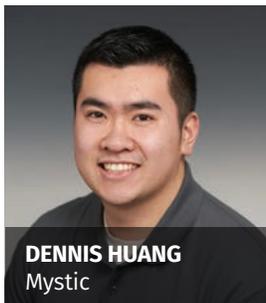
Charter Oak is eastern Connecticut's choice for mortgages! For 10 straight years, more homebuyers have come to Charter Oak for their mortgages than any other lender, and that includes other local financial institutions as well as national lenders.

*\*Source: The Warren Group, Boston, MA. 2010-2019 data for New London, Windham counties combined. Includes all residential mortgages with a value between \$1 and \$25,000,000.*

We've been eastern Connecticut's Number 1 residential mortgage lender\* since 2010 and we've financed over \$1.2 billion in mortgages – that's nearly 10,000 mortgages provided to homeowners across New London and Windham counties. We have the best mortgage professionals to handle your mortgage needs and all of our lending decisions are made locally by a team of experienced lenders who live right here in eastern Connecticut.

So whether you're looking for a first mortgage for your dream home, or you need to refinance or secure a home equity loan or line of credit for that much-needed home repair, talk to eastern Connecticut's Number 1 mortgage expert for 10 straight years: Charter Oak Federal Credit Union!

## What Our Members Say:



“ Charter Oak is reliable and we felt like it was a great choice for us. The mortgage process went smoothly and with ease. All questions were answered and they are always friendly, knowledgeable, and readily available. ”

– Dennis Huang



“ Thank you for your guidance through the mortgage process on my new home. It's a great place ... we love it here. Charter Oak, as usual, made things go incredibly smoothly. ”

– Stan Mickus

### THE RIGHT PRODUCTS FOR THE RIGHT MORTGAGE

- ✓ Home-Purchase Mortgages
- ✓ Great Refinancing Mortgages
- ✓ FHA, USDA and CHFA Mortgages
- ✓ Home Equity Loans and Lines of Credit
- ✓ Investment Mortgages

**APPLY TODAY!** Online or on your smartphone at [CharterOak.org](http://CharterOak.org)

Stop by Any Nearby Branch | Call Us at 860.446.3047 or 800.962.3237 ext. 3047



## A Decade of Rewards: Gold Rewards Bonuses Top \$4 Million

How many banks do you know that give you a \$100 annual bonus? At Charter Oak, we've been giving our qualified Gold Rewards members an annual \$100 cash bonus for 10 consecutive years! That's more than \$4 million in total bonuses awarded since we began our unique member-appreciation program in 2010.

“You probably don't receive many thank you's. So thanks back at you!”

– James F.  
Gold Rewards Member

We believe in rewarding our members who make Charter Oak their primary financial institution. So each December,

we thank our qualified Gold Rewards members with a very special holiday gift: their Gold Rewards \$100 cash bonus.

“Thank you for your generous gift of \$100 in my savings.”

– Michelina D.  
Gold Rewards Member

Charter Oak can proudly say that for the past decade we've been the only local financial institution that thanks its Gold Rewards members with a \$100 cash bonus! And there's more benefits in addition to our cash bonus - like a \$100 credit toward first-mortgage closing costs, special Gold Rates on deposits, and no ATM fees (*some limitations apply*).

### GOLD REWARDS PAYOUTS OVER 10 YEARS (in \$ Thousands)



All figures are as of December for each year shown.

### IT'S EASY TO QUALIFY! HERE'S HOW:

Have a Month-End Minimum Combined Deposit and Loan Balance of \$20,000 or More



Either Maintain a Monthly Direct Deposit Totaling \$1,500 or More or Have Bill Pay With a Minimum of 4 Unique Payments Posted Within the Month

**LEARN MORE TODAY!** Online or on your smartphone at [CharterOak.org](http://CharterOak.org)  
Stop by Any Nearby Branch | Call Us at 860.446.8085 or 800.962.3237

# Business Lending That Fits Your Business

If you're looking to grow your business, Charter Oak's experienced business lending team will find the right product to ensure your success. Our lenders know the needs of eastern Connecticut's business community because they've worked with local businesses – small, medium, and large – from Putnam to Pawcatuck.

We offer commercial real estate loans that are tailored to your needs, flexible lines of credit for the capital you need when you need it, and construction loans that are business-friendly with great rates, and great terms.

Let our business lenders work with you to find a lending solution that grows your business – and your bottom line. More of eastern Connecticut's business community is coming to Charter Oak for their business lending needs. You should, too!



**THOMAS TABER**  
Taber Inne & Suites, Mystic

“ The Taber Inn chose Charter Oak as its business banker because they are able to fulfill every banking need that we require. They are professional, but at the same time personal – never been happier with our business banking! ”

– Thomas Taber

## BUSINESS LENDING TAILORED FOR YOU

Flexible Business Lines of Credit

Fixed-Term Business Loans \$25,000 and Higher, With Terms Up To 10 years

Customized Commercial Real Estate Loans For Acquisition Or Expansion

Small Business Administration 504 Loans

Three Business Checking Options

## CONVENIENCE SERVICES TO FIT YOUR NEEDS



Free Online Banking and Bill Pay



24/7 Night Depository Services



Advanced Merchant Card Processing



Secure Remote Deposit Capture



Flexible Cash Management Services

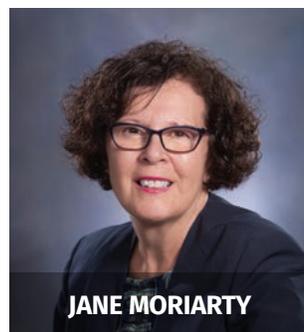
“ Charter Oak has been a remarkable lending partner of ours for almost a decade now. The commercial lending team has an abundant amount of business and real estate knowledge that helps get financing transactions done in a very efficient manner. We really value our relationship with them and look forward to working with them in the future. ”

– C.J. Bardy



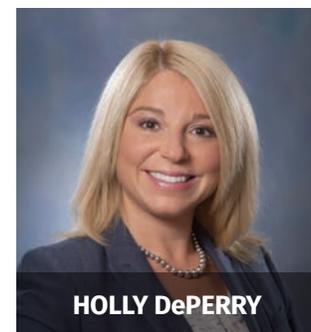
**C.J. Bardy**  
Storage Place, Stonington & East Lyme

## TALK TO OUR BUSINESS LENDERS TODAY!



*Vice President  
Lending Manager*  
**860.446.3381**  
800.962.3237 ext. 3381  
jmoriarty@cofcu.com

**JANE MORIARTY**



*Assistant Vice President  
Business Lender*  
**860.446.3313**  
800.962.3237 ext. 3313  
hdeperry@cofcu.com

**HOLLY DePERRY**

# CONSUMER LENDING CENTER

## Online Lending Made Easy

Our Online Consumer Lending Center at CharterOak.org makes getting a loan simple, and you can apply and sign from the comfort of your couch or the convenience of your kitchen table.

It's fast and easy, and our Consumer Lending Center is available 24/7 so it meets your needs, whenever or wherever. You can apply for a host of consumer loans from our website with our streamlined application

process and the approval process is done locally by Charter Oak. There are no long delays while your application goes through a myriad of checkpoints in some lending center far from your home.

If you're looking for a personal loan, look no farther than Charter Oak! With just a few keystrokes, you'll be on your way to having the cash you need for that new car, new furniture or new laptop.

## Convenient Consumer Loans from Charter Oak!



Auto

We offer loans for new or used automobiles. Charter Oak's low rates and flexible terms will help your money go farther.



Visa

Charter Oak's Platinum Visa Cards offer big benefits like great rate options, no annual fee, and Scorecard Rewards points.



Personal

Looking for financing for debt consolidation, furniture, vacations and other personal purposes? We've got great unsecured personal loans suited just for you!



Read-i-Cash Too

Charter Oak's Read-i-Cash Too is a unique personal line of credit that can provide you with ongoing borrowing power and peace of mind, with easy access to your cash anytime, anywhere.

**APPLY TODAY!**

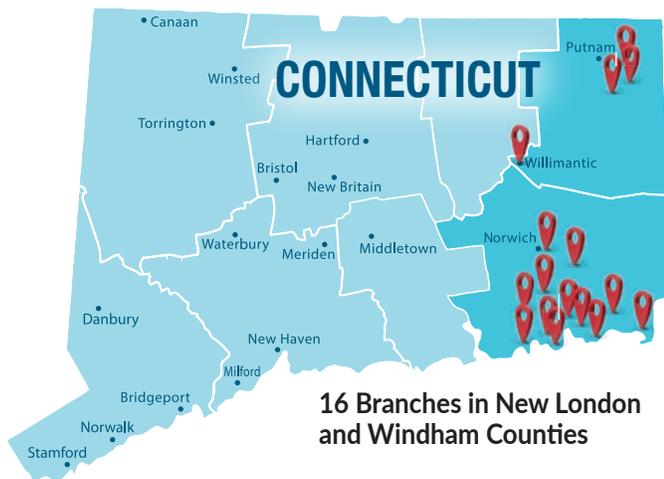
**Online or on your smartphone at CharterOak.org**

# Eastern Connecticut's Biggest & Best Branch Network

Banking should be convenient because everyone's busy these days. Spending time searching for a branch for your banking needs shouldn't be a hassle – and it isn't with Charter Oak.

We offer an expansive branch network that is the biggest and most convenient of any financial institution in eastern Connecticut. So you're never far away from a Charter Oak branch! Our network of 16 convenient branches covers all of New London and Windham counties offering you in-branch service that's always helpful and always member friendly.

During 2019, we continued with important upgrades and renovations to our branch system, including a top-to-bottom renovation of our busy Dayville Branch, which now features Member Service Representative offices that offer plenty of privacy, a refreshed Internet Cafe area, and upgraded teller stations. With eastern Connecticut's biggest – and best – branch network, we make sure you're never too far from the great banking and great service you've come to expect from Charter Oak!



**Our renovated Dayville Branch features new teller stations, new Member Service Representative offices and an upgraded Internet Café area.**



**DAYVILLE BRANCH RENOVATION**

*Brian Orenstein, Charter Oak's President and Chief Executive Officer, welcomes members of the regional chamber and business communities to our Open House in September at our Dayville Branch.*



**BRANCH RENOVATION OPEN HOUSE**

*Members of the Northeastern Connecticut Chamber of Commerce joined with Charter Oak officials to celebrate the new look and feel of our Dayville Branch.*



**MELINDA GRAUS**  
Gumdrops & Lollipops LLC, Niantic

“ Love, love, love Charter Oak Federal Credit Union. The staff is so helpful and attentive. They go above and beyond to answer your questions. They don't make you feel like you are just a number. ”

– Melinda Graus

# Caring & Sharing With Our Communities

At Charter Oak, we care about our communities and we believe in giving back to the many communities in eastern Connecticut that have made us the successful credit union we are today.

Through our sponsorships and grants, our generous Matching Gifts, and our extensive volunteer and community outreach efforts we are able to help countless non-profits and charitable groups improve the lives of those who live and work in New London and Windham counties.



**2019 SCHOLARSHIP WINNERS**

*Charter Oak proudly awarded \$90,000 in 2019 scholarships to 45 well-deserving high school and college students.*



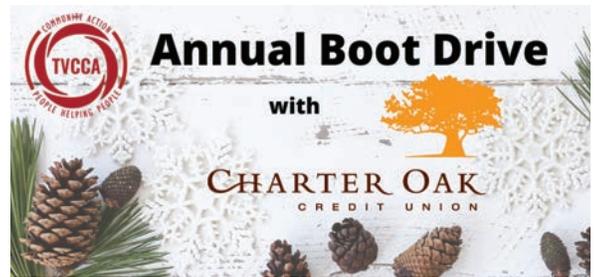
**UNITED WAY HONORS**

*Charter Oak was awarded the United Way Corporate Benefactor and Corporate Sponsor awards during 2019.*



**CHILDREN'S MUSEUM**

*Our Sponsorship Program supports numerous non-profit groups, including the Children's Museum of Southeastern Connecticut.*



*Charter Oak was the proud sponsor of the TVCCA 2019 Winter Boot Drive that provided new boots for children in need throughout eastern Connecticut.*

Since 2009 when we began our Community Giving Program, Charter Oak has donated over \$3 million to charities and non-profits. We pledge to continue these good works in the years ahead to better our communities through programs that improve health care, feed the hungry, teach work skills, and increase educational efforts.



*Each year, Charter Oak's employees donate hundreds of pounds of food to the Gemma E. Moran United Way/Labor Food Bank.*

**FOOD DRIVE**

## Among our notable achievements through Community Giving:



Charter Oak and its generous members donated a combined \$400,000 in 2019 through our unique Matching Gifts Program to help more than 300 charitable and non-profit groups that were hand-chosen by our members.

Since Matching Gifts began in 2016, our combined total donations have reached nearly \$1.2 million.

Charter Oak awarded individual \$2,000 scholarships to 45 high school and college students in eastern Connecticut during 2019, providing a total of \$90,000 in financial assistance to assist students pursuing higher education.

Nearly \$440,000 has been awarded to 219 deserving high school and college students since we began our expanded scholarship program in 2015.

Charter Oak's community giving initiatives throughout 2019 totaled more than \$530,000, which is a new record high in giving efforts for our credit union.

# Charter Oak Is Strong, Safe And Secure

Our 2019 Condensed Financial Highlights show that Charter Oak is a very safe and sound financial institution with the strength and flexibility to handle all of your financial needs.

We're proud to report that Charter Oak's financial performance during 2019 was outstanding, with significant growth in a range of important financial indicators, from our assets to our deposits and loans. Our financial strength provides us with the fuel for our continued growth to meet our members' financial needs for many years to come.

## Members Do Bank Better! Just ask!

**"Very welcoming atmosphere, nice staff and excellent follow up."**

**"Everyone is very friendly and helpful! It's like a breath of fresh air."**

**"This has been the best banking experience I have had thus far!"**

## A Strong and Solid Net Worth

Charter Oak's Net Worth Ratio is a significant indicator of our overall financial strength. During 2019, our Net Worth Ratio remained strong, indicating our superior financial health.

As of year-end 2019, Charter Oak's Net Worth Ratio was 9.89%. This key ratio is well above our regulatory requirements, and Charter Oak continues to be classified by our financial regulators as a "well-capitalized" credit union, which we consider a strong vote of confidence in our overall financial strength.

**NET WORTH RATIO**



## CONDENSED FINANCIAL HIGHLIGHTS

	2019	2018
Cash and Other Assets	\$ 87,253,378	\$ 83,600,887
Loans to Members, Net	\$ 902,493,858	\$ 881,433,293
Investments	\$ 187,024,991	\$ 153,360,677
<b>Total Assets</b>	<b>\$1,176,772,227</b>	<b>\$1,118,394,857</b>
Members' Shares and Savings	\$ 936,016,156	\$ 874,154,530
Members' Equity	\$ 116,973,108	\$ 107,081,435
Other Liabilities	\$ 123,782,963	\$ 137,158,892
<b>Total Liabilities and Equity</b>	<b>\$1,176,772,227</b>	<b>\$1,118,394,857</b>
Income	\$ 52,465,554	\$ 48,284,260
Interest Expense	\$ 8,911,676	\$ 7,100,019
Operating Expenses and Provisions for Loan Losses	\$ 35,878,092	\$ 32,946,091
<b>Net Income</b>	<b>\$ 7,675,786</b>	<b>\$ 8,238,150</b>

## Charter Oak Noted For Serving Its Members and Communities

**B1 The Day www.theday.com Sunday, October 20, 2019**

### BUSINESS

Find out what's going on in the local business community Page B2

#### Charter Oak thrives serving members, community

**At 80, well-positioned credit union is nearing \$1.2 billion in assets**

By BRIAN HALLENBECK  
City Staff Writer

WATERFORD — Eighty years ago, 10 shipyard workers stuffed 25 boxes apiece into a shoebox in a pooling of resources that launched the Groton Shipbuilders Federal Credit Union. As acts of faith go, it turned out to have legs.

What those men began in 1939 has grown into the Charter Oak Federal Credit Union, a financial engine with assets approaching \$1.2 billion and a penchant for largesse that benefits fellow nonprofits throughout New London and Windham counties. Which is more ironic, its curvy-roofed headquarters on Route 85 here, or its orange-trimmed, thick-barreled pens that seem to be everywhere? "It's a tremendous marketing tool,"

**BUSINESS SNAPSHOT**  
Name: Charter Oak Federal Credit Union  
Headquarters: 1055 Hartford Turnpike, Waterford  
President/CEO: Brian Orenstein  
Assets: \$1.6 billion  
Employees: 210  
Website: CharterOak.org

Brian Orenstein, Charter Oak's president and chief executive officer, said of the headquarters, a \$21 million, 55,000-square-foot edifice that houses one of Charter Oak's 16 branches. "It's big, it's splashy," Orenstein said. "When it opened in 2014, we look off."

As a credit union, as opposed to a bank, Charter Oak exists to serve its "members" — everyday, woman and child who opens a Charter Oak deposit account, be it checking, savings or certificate of deposit. Every member/owner has a say in governing the institution, whether that member has \$1 million or one dollar on deposit, Orenstein said.

The seven duly elected members of Charter Oak's board of directors and the three members of its supervisory committee serve without compensation. Charter Oak's nonprofit status exempts it from federal income taxes. Such circumstances typically enable credit unions to pay higher interest rates on savings accounts and to charge lower rates on loans than

**SEE CHARTER OAK'S PAGE B2**

Brian Orenstein, CEO of Charter Oak Federal Credit Union, at the company headquarters in Waterford last week.

DATA: ENDS OF THE DAY

The Day newspaper and TheDay.com featured an extensive article marking Charter Oak's 80th Anniversary in 2019. The article noted many of Charter Oak's achievements, including its generous community giving efforts as well as the credit union's remarkable growth. From its humble beginnings based on a \$250 investment in 1939 by 10 Groton shipyard workers, Charter Oak has grown to become eastern Connecticut's leading financial institution with assets of over \$1 billion, more than 70,000 members, and 16 branches covering all of eastern Connecticut — the largest branch network in the region.

# VOLUNTEERS

## BOARD OF DIRECTORS

**Guy Henry**  
Chairman

**Barbara Gregg**  
Vice Chairman

**Paul McGlinchey**  
Treasurer

**Paul Filippetti**  
Secretary

**Wayne Burgess**  
Director

**Brad Heil**  
Director

**Annette Janovic**  
Director

## SUPERVISORY COMMITTEE

**Joyce Gresh**  
Chairman

**Gary Brochu**  
Member

**Rita Provatas**  
Member

## MEMBERS BANK BETTER.

Charter Oak is a member-owned institution that returns its profits to its members. Join us today.

## BRANCH LOCATIONS

**Branch & Headquarters**  
1055 Hartford Turnpike  
Waterford, CT

589 Hartford Pike  
Dayville, CT

32 Chicago Avenue  
Groton, CT

625 Long Hill Road  
Groton, CT

601 Norwich/New London  
Turnpike (Rt. 32)  
Montville, CT

4 Hendel Drive  
Mystic, CT

Electric Boat  
50 Pequot Avenue  
New London, CT  
*(limited access)*

335 Main Street  
Niantic, CT

One Connecticut Avenue  
Norwich, CT

20 Liberty Street  
Pawcatuck, CT

7 Providence Pike  
Putnam, CT

1 Mohegan Sun Boulevard  
Uncasville, CT  
*(limited access)*

3 Boston Post Road  
Waterford, CT

893 Main Street  
Willimantic, CT

Robert E. Fitch High School  
*(limited access)*

Killingly High School  
*(limited access)*

## SENIOR STAFF

**Brian Orenstein**  
President and Chief  
Executive Officer

**Joseph Childress**  
Senior Vice President  
Chief Information Officer

**Laurie Cormier**  
Senior Vice President  
Chief Human Resources &  
Marketing Officer

**John Dolan**  
Senior Vice President  
Chief Lending Officer

**Sundae Franklin**  
Senior Vice President  
Chief Retail Officer

**Jeanne Mikula**  
Senior Vice President  
Chief Operating Officer

**Bradley Sullivan**  
Senior Vice President  
Chief Financial Officer

## MEMBERS BANK BETTER.

Live, work or worship in New London or Windham Counties? **JOIN US.**



**CHARTER OAK**  
CREDIT UNION

**VISIT ANY BRANCH, ONLINE, OR CALL**

CharterOak.org | 860.446.8085 | 800.962.3237

For more information about Charter Oak Federal Credit Union's products and services mentioned in this Annual Report, including rates and fees, please stop by any of our convenient branches in New London or Windham counties, contact us at **860.446.8085** or **800.962.3237**, or visit **CharterOak.org**.

FEDERALLY INSURED BY NCUA