

ANNUAL REPORT 2020



OUR EVOLVING DIGITAL JOURNEY



CHARTER OAK
CREDIT UNION

FEDERALLY INSURED BY NCUA

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Branch and Headquarters:
1055 Hartford Turnpike
Waterford, CT 06385

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.

Number of Employees: 208

-  Facebook.com/CharterOakFCU
-  @CharterOakFCU
-  Charter Oak Federal Credit Union
-  @CharterOakFCU

CharterOak.org
860.446.8085 | 800.962.3237




Our COVID-19 Response

Keeping our members and employees safe throughout the COVID-19 health crisis remains our top priority. Charter Oak has taken numerous preventive actions during this global pandemic and we also developed an extensive "Members Bank Safely" campaign to educate members and employees about our ongoing efforts.

Among our safety requirements for members and employees:

- Wear mandatory face coverings 
- Practice social distancing 
- Use hand sanitizer 

Our safety requirements for all our branches include:

- Maximum occupancy requirements 
- Daily sanitizing of the branch
- Clearly visible social distance markers
- Plexiglass shields for Tellers and Member Service Representatives



We monitor these activities on a daily basis and will continue to abide by the latest regulatory and industry standards to ensure a safe environment for everyone using our facilities. While at times we have closed our lobbies for health and safety concerns, throughout this

While at times we have closed our lobbies for health and safety concerns, throughout this crisis we are proud to be able to offer full-banking services to all our members...



crisis we are proud to be able to offer full-banking services to all our members, including our full-service drive-ups and Contact Center, eBanking and Info-Phone offerings, night box availability, and 24/7 ATMs.

Chairman & CEO's Report: The Year in Review

The year 2020 brought unprecedented challenges for our nation, our state, and Charter Oak as the global COVID-19 health crisis continued to demand changes in the way we did business to ensure the health and safety of our members and employees.

Throughout the year, we successfully navigated these challenges with the assistance, understanding, and support of our members and employees. The result was a year that produced significant achievements for Charter Oak, from our strong balance sheet and superior asset quality to our continuing robust mortgage pipeline that once again made Charter Oak the Number 1 mortgage lender in eastern Connecticut for a remarkable 11th consecutive year.

Our digital transformation continued as we advanced and broadened our online services – already a significant part of our banking business with many new innovative offerings.

“2020 was a year of significant achievements, from our strong balance sheet and superior asset quality to once again being the Number 1 mortgage lender in eastern Connecticut – for a remarkable 11th consecutive year.”

- Our CharterOak.org website, launched in August, offers members and online viewers alike a fully responsive and interactive experience with easy access on any device, from your smartphone to your laptop or tablet.
- Our digital banking advanced to the next generation with our new Online Banking solution that debuted in 2021 with greater features and customization so members can personalize and streamline their online banking experience.

- Our new Online Account Opening, also launching in 2021, will allow anyone in our field of membership to join our credit union through the digital device of their choice – on their own time day or night with full 24/7 convenience.

These digital advances required a significant amount of work and preparation throughout 2020 to bring the best in digital banking to our members, but there were other achievements during the course of a very busy year to highlight including:

- Our Gold Rewards member-appreciation program payout of over \$674,000 in annual \$100 cash bonuses to qualified members set a new record in bonus payouts.
- Our Matching Gifts Program's combined giving by our members and Charter Oak reached \$400,000 with 970 donations to more than 280 charities and non-profits.
- Our commitment to the communities we serve in eastern Connecticut strengthened as our total giving – from sponsorships to scholarships – exceeded \$549,000, the largest giving amount in our history.

We are proud of these many achievements during a challenging year. Yet none of this would be possible without the support, faith, and loyalty of members like you and the tremendous hard work and dedication we see each day from our employees. We pledge that all of us at Charter Oak will work hard each day to bring you the very best in financial services, and we remain confident in a brighter, stronger future ahead for all of us.

Be safe, be well, and thank you for your membership with Charter Oak.

Guy Henry
Chairman of the Board

Brian A. Orenstein
President and Chief Executive Officer

Charter Oak Federal Credit Union Snapshot

Members do bank better at Charter Oak! Since 1939, we've been proudly serving eastern Connecticut and we offer great checking, deposit, lending, insurance, and investment products. Because we're a credit union, we're owned by our members, not by shareholders. That means we can offer lower rates on loans and higher rates on deposits.

Interested in joining Charter Oak? It's easy to become a 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!

Financial Snapshot

ASSETS \$1.41 BILLION

DEPOSITS \$1.18 BILLION

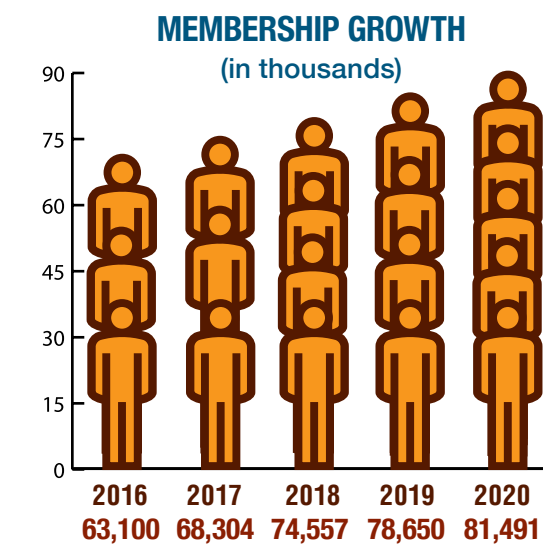
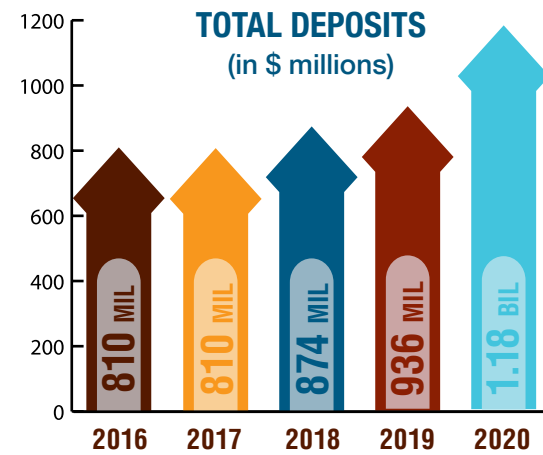
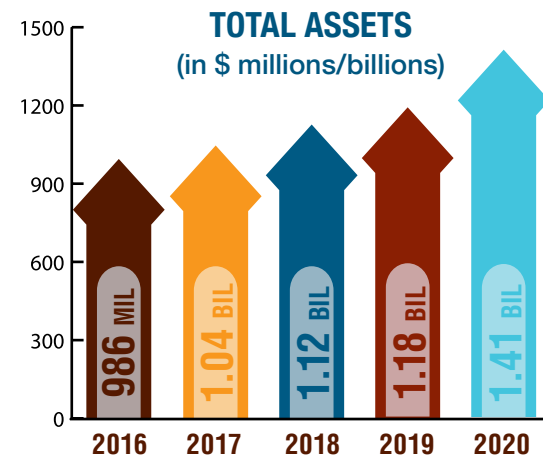
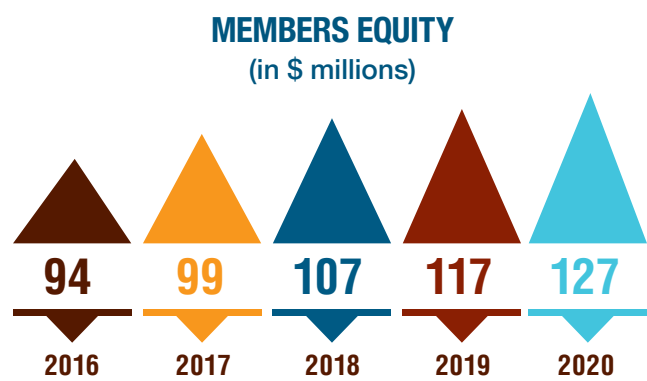
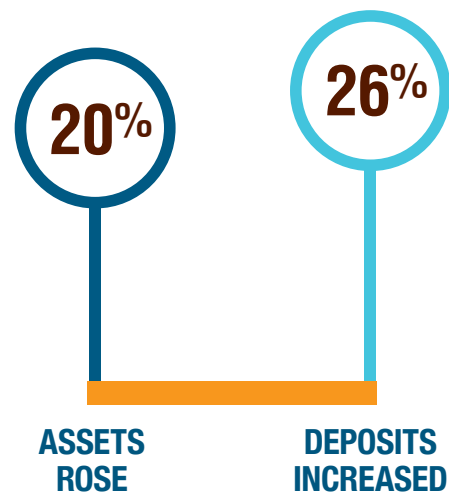
LOANS \$851.6 MILLION

Assets, Deposits, and Loans as of December 31, 2020

Charter Oak Is Strong, Stable and Safe

Charter Oak's financial performance during 2020 was impressive, from our growth in assets to \$1.41 billion to our increase in deposits to \$1.18 billion. Throughout the year, we paid careful attention to our financial performance as our industry was buffeted by the continuing COVID-19 health crisis, which impacted economies across the nation and across our state.

We are grateful that you entrust your funds with our credit union and we will maintain our sound financial management of your funds and our finances to ensure that Charter Oak remains a strong, safe, and stable financial institution serving all of eastern Connecticut.



Among the great new features of Charter Oak's Online Banking:



Bank from the device of your choice: desktop, laptop, tablet, or mobile device.



Pay your Charter Oak mortgage, view your e-Statement, or update your alert settings from the convenience of your mobile device.



Turn your debit card on and off, create a travel note, even request a limit change.



Move money between your accounts at Charter Oak and other banks.



View your credit card and other external banking accounts.



Receive texts or emails to safely validate riskier transactions.



Reset your own password if you get locked out or forget your password.



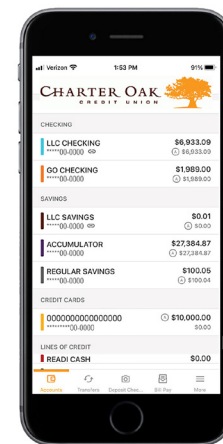
Set up alerts to let you know when important transactions post or if your balance is low.

Charter Oak's Online Banking solution offers you an expanded suite of services that makes your online banking experience easier, more convenient, and more efficient – all at the touch of your fingertips!

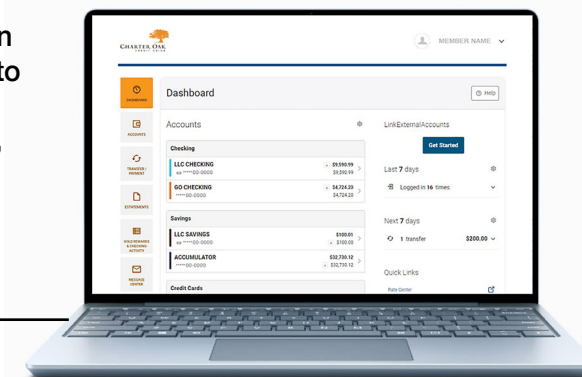
WELCOME TO THE NEXT GENERATION OF DIGITAL BANKING

Charter Oak's Online Banking solution offers our members a bigger and even better electronic banking experience! There's more features, more options, and greater customization that lets you do digital banking your way – with a platform that meets your needs on your time. Whenever. Wherever.

With our state-of-the-art Online Banking, you're able to meet all your banking needs digitally. Charter Oak's digital banking system has it all – with easy, convenient, member-friendly features!



Our new Online Banking solution offers our members a smartphone snapshot of all their accounts - color coded by product - and their thumb-friendly widgets let members toggle from the latest update on their accounts to funds transfer, mobile deposit, Bill Pay, and much more.



We offer great banking options for our members on the device of their choice. It's accessible from their desktop, laptop, smartphone, or other mobile device. Whether it's a click or a tap, eBanking with Charter Oak is quick, easy, and convenient!



SINCE 2010, CHARTER OAK IS EASTERN CT'S MORTGAGE LEADER

Looking for a mortgage? Thinking about refinancing? Finally deciding to take care of that nagging home repair that just can't wait any longer?

Then come to Charter Oak, eastern Connecticut's mortgage leader! We're eastern Connecticut's Number 1 mortgage lender* for 11 consecutive years. We've originated nearly 11,000 mortgages to happy homeowners in New London and Windham counties combined since 2010 with a total value approaching \$1.4 billion.

Since 2010 more homebuyers have come to the mortgage experts at Charter Oak than any of our competitors.

That includes lenders like the giant national banks and huge mortgage companies as well as the other local banks, credit unions, and financial institutions serving eastern Connecticut. It's an enviable record, and it's unmatched by any other lender – since 2010.

So look to the leader in lending – Charter Oak – for all your mortgage needs. From a mortgage for your first home to a refinancing option to save you money or a home equity line of credit to give you the funds you need to spruce up your home – we've got the mortgage you need!

*Source: The Warren Group, Peabody, MA. 2010-2020 data for New London, Windham counties combined. Includes all residential mortgages with a value between \$1 and \$25,000,000.

Charter Oak Offers the Right Products to Fit Your Needs!

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

Homeowners Agree. Charter Oak is the Mortgage Expert!

“We highly recommend you to all our friends! Member service is the BEST! They go over and beyond to make your experience an AWESOME one!”

“Each of the mortgage specialists we spoke with during the process was knowledgeable, friendly, helpful and made the whole process very easy.”

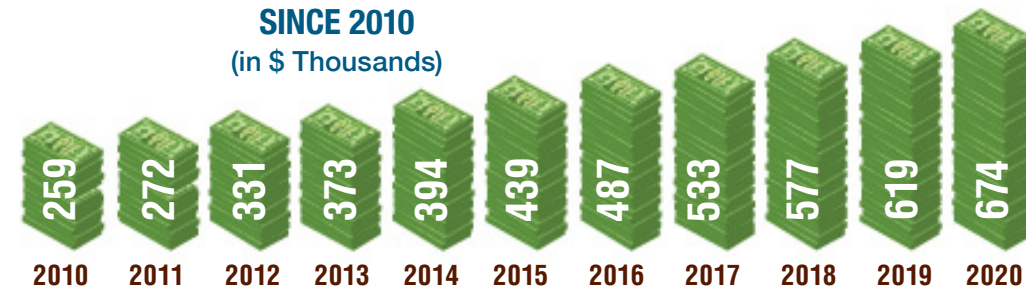
“Communication throughout the (mortgage) process was the best I have experienced and much better than my friends have experienced with other institutions.”

Talk To Our Mortgage Experts. Call 860.446.3047 or 800.962.3237, ext. 3047
View Our Extensive [Mortgage Offerings](#)
[Apply Today!](#) | [Stop By Any Branch!](#)



AT CHARTER OAK, LOYALTY HAS ITS GOLD REWARDS

GOLD REWARDS PAYOUTS SINCE 2010 (in \$ Thousands)



All figures are as of December for each year shown.

Qualifying is as Easy as 1-2-3! Here's How:

- Step 1** Maintain a Personal Checking Account, and
- Step 2** Have a Month-End Minimum Combined Deposit and Loan Balance of \$20,000 or More, and
- Step 3** 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.

Our Gold Rewards Members Say It Best!

“Thank you so much for the \$100 bonus. You and your competent staff are to be congratulated! You are a true community credit union.”

“Thanks for the \$100 cash bonus. I realize it is not something that is automatic, and I feel you truly appreciate my business.”

“Thank you for the \$100 bonus, and thank you for bringing a little sunshine into an otherwise cloudy time.”

Learn More About [Gold Rewards!](#)
Talk To Us! Call 860.446.8085 or 800.962.3237
[Stop By Any Branch!](#)

Since 2010, Charter Oak has rewarded our members who make our credit union their primary financial institution with the great benefits only available from our Gold Rewards Program, including an annual \$100 cash bonus to our qualified members.

In fact, over the past 11 years, we've paid out nearly \$5 million in annual \$100 cash bonuses and they're only available from Charter Oak. When's the last time you heard of a bank giving out an annual \$100 bonus? We're still waiting to hear.

So isn't it time you started enjoying all the great benefits that come with your Gold Rewards membership – including our annual \$100 year-end cash bonus. It's our special way of saying thank you during the holidays to our qualified Gold Rewards members.




A STRONG COMMITMENT TO OUR COMMUNITIES

Charter Oak donated a much-needed AED lifesaving device to the Poquonnock Bridge Fire Department in Groton as part of our Community Giving Program. Charter Oak President and Chief Executive Officer Brian A. Orenstein was thanked by grateful members of the fire department during a visit to their fire headquarters.

Since 1939, Charter Oak has proudly served our local communities in New London and Windham counties with the banking products and services they need. Over the past eight decades, the growth of our local communities has meant the growth of our credit union – and we are grateful for the support of our members who live in the many towns, cities, and villages that make up the great fabric of eastern Connecticut.

We've always believed in giving back, and through our Community Giving Program, we've given back in a variety of ways, from sponsorships and grants to scholarships and matching gifts to charities and non-profits. Since we expanded our Community Giving efforts across eastern Connecticut in 2009, Charter Oak has committed over \$3.5 million in giving to our communities, members, individuals and charities.

2020 Community Giving Highlights:

 Our community giving initiatives reached a new record of **over \$549,000**, which is the largest amount of giving in our history.

The success of our Matching Gifts Program continues to grow, and our credit union and generous members donated a combined **\$400,000 in matching gifts** that directly benefited over 280 charities and non-profits, including homeless shelters and food pantries.



 We donated a total of **\$107,000 in emergency grants** to food pantries and food centers serving those in need in New London and Windham counties.

Charter Oak also awarded individual **\$2,000 scholarships to 45 high school and college students** in eastern Connecticut, which provided \$90,000 in financial assistance for students pursuing higher education.



Our Pawcatuck Branch employees delivered pizzas to the Stonington Police Department during the COVID-19 crisis to show their appreciation for first responders. They also delivered pizzas to the Pawcatuck Fire Department as a sign of their appreciation for the firefighters.

We're proud to support the good works that are done each day across eastern Connecticut, and we'll continue to give back generously to our local communities. It's what we do as a credit union and it's what we believe in as the leading financial provider to all those who call eastern Connecticut their home.



Our employees dress casually each Friday to raise funds for the employee-led Community Outreach Committee, which distributes those funds to members in need or social service agencies throughout the year. Some Casual Day events feature various themes, and our employees are shown wearing the jerseys of their favorite football teams.

Charter Oak Receives Top Honors



2020: A Year of Strength and Stability

Our Condensed Financial Highlights for 2020 clearly show that Charter Oak remains a safe and sound financial institution, which has the strength as well as the flexibility to accommodate your financial needs, from lending products to savings and checking services.

Despite a local economy that was impacted by the COVID-19 crisis, our financial performance throughout the year remained strong and we showed growth in a number of important financial indicators, from our total assets to member deposits.

Our financial guidance and close monitoring of our financial condition throughout 2020 gives us the strength and stability to meet our members needs and ensure our continuing financial success.

Our Net Worth Is Strong:

Our Net Worth Ratio continues to remain strong which exemplifies a strong and healthy credit union. This ratio was 8.72% at year-end 2020. The Net Worth Ratio is a key measurement of a financial institution's strength.

CONDENSED 2020 FINANCIAL HIGHLIGHTS

	2020	2019
Cash and Other Assets	\$ 87,067,215	\$ 87,253,378
Loans to Members, Net	\$ 851,663,282	\$ 902,493,858
Investments	\$ 474,666,489	\$ 187,024,991
Total Assets	\$1,413,396,986	\$1,176,772,227
Members' Shares and Savings	\$1,183,268,513	\$ 936,016,156
Members' Equity	\$ 127,148,704	\$ 116,973,108
Other Liabilities	\$ 102,979,769	\$ 123,782,963
Total Liabilities and Equity	\$1,413,396,986	\$1,176,772,227
Income	\$ 51,710,640	\$ 52,465,554
Interest Expense	\$ 8,100,563	\$ 8,911,676
Operating Expenses and Provisions for Loan Losses	\$ 36,719,591	\$ 35,878,092
Net Income	\$ 6,890,486	\$ 7,675,786

8.72% Net Worth Ratio

Looking for more information about our Community Giving efforts?

Learn more about our [Community Grants Program](#) | or our [Community Sponsorships Program](#)

Learn more about our [Annual Scholarship Program](#)

Learn More! Call 860.446.8085 or 800.962.3237

Stop By Any Branch!

VOLUNTEERS

BOARD OF DIRECTORS

Guy Henry
Chairman of the Board

Barbara Gregg
Vice Chairperson

Paul McGlinchey
Treasurer

Paul Filippetti
Secretary

Wayne Burgess
Director

Brad Heil
Director

Annette Janovic
Director

SUPERVISORY COMMITTEE

Joyce Gresh
Chairperson
Supervisory Committee

Gary Brochu
Supervisory Committee
Member

Rita Provas
Supervisory Committee
Member

OUR EVOLVING DIGITAL JOURNEY

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

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)

MEMBERS BANK BETTER.

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

VISIT ANY BRANCH, ONLINE, OR CALL

CharterOak.org | 860.446.8085 | 800.962.3237



EQUAL HOUSING LENDER FEDERALLY INSURED BY NCUA



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**.