

2021
ANNUAL REPORT

**Continuing our
digital journey.**



CHARTER OAK
CREDIT UNION

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Charter Oak Federal Credit Union Snapshot

Members *do* bank better at Charter Oak!

Since 1939, we've been proudly serving eastern Connecticut with 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 \$1.55 BILLION

DEPOSITS \$1.37 BILLION

LOANS \$851 MILLION

Assets, Deposits, and Loans as of December 31, 2021

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

Our COVID-19 Response

Keeping our members and employees safe throughout the COVID-19 health crisis continued as our top priority in 2021. Charter Oak took numerous preventive actions during this global pandemic and cautiously adjusted when we thought it was appropriate.



Among our safety requirements for members and employees:



Wear mandatory face coverings



Practice social distancing



Use hand sanitizer



Plexiglass shields for Tellers and Member Service Representatives

We continue to 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 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.



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: 206

CharterOak.org
860.446.8085 | 800.962.3237

Chairman & CEO's Report: The Year in Review

The year 2021 continued to bring 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 leading mortgage lender in eastern Connecticut.

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

- 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, launching in 2022, 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, resources and preparation throughout 2021 to

2021 was a year of significant achievements, from our strong balance sheet and superior asset quality to once again being a leader in mortgage lending in eastern Connecticut.

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 \$767,000 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 880 donations to more than 270 charities and non-profits.



- Our commitment to the communities we serve in eastern Connecticut strengthened as our total giving – from sponsorships to scholarships – exceeded \$514,000.

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.

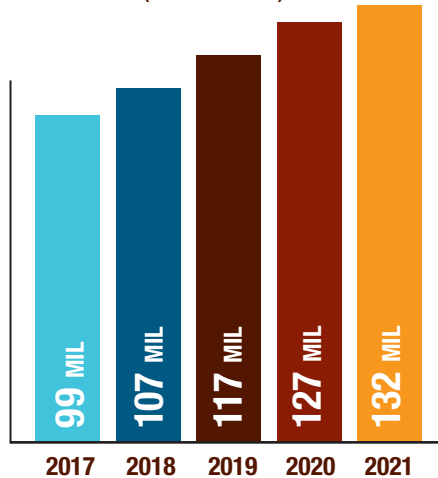


CharterOak.org - Advancing Digital Banking to the Next Generation

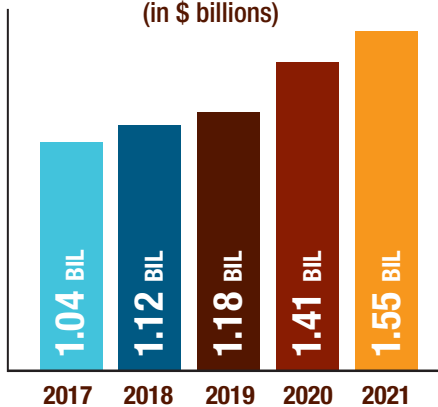
Guy Henry
Chairman of the Board

Brian A. Orenstein
President and Chief Executive Officer

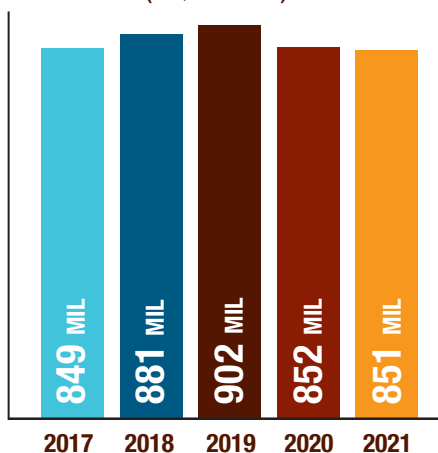
MEMBERS EQUITY (in \$ millions)



TOTAL ASSETS (in \$ billions)

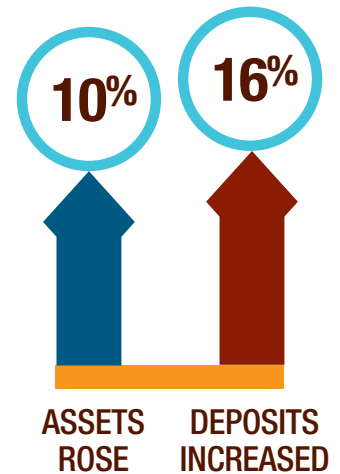


TOTAL LOANS (in \$ millions)



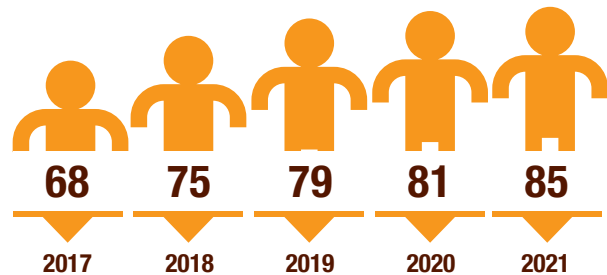
Charter Oak Is Strong, Safe and Secure

Charter Oak's financial performance during 2021 was impressive, from our growth in assets to \$1.55 billion to our increase in our deposits to \$1.37 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.

MEMBERSHIP GROWTH (in thousands)



Charter Oak Receives Top Honors



United Way
Community Partner
of the Year



Forbes Media
Best-In-State Credit
Union 2021



The Bulletin
Best Credit Union/
Best of Eastern CT 2021



The Day
Best Credit Union/
Readers' Choice
Award 2021

Digital Banking Upgrade Launches with Rave Reviews

Charter Oak's Online Banking solution was upgraded in March of 2021 bringing our members a bigger and even better electronic banking experience!

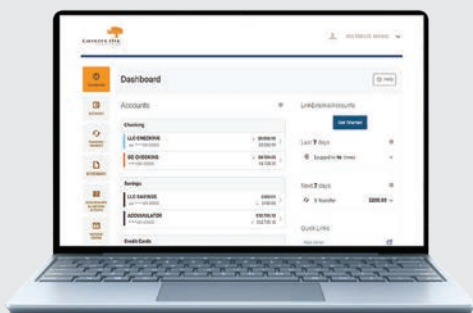
More features, more options, and greater customization lets you do digital banking your way – with a platform that meets your needs on your time. Whenever. Wherever.

Among the great 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.
- Open an additional account or apply for a loan.
- 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.

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!

Coming in 2022, our new Online Account Opening will allow anyone in our field of membership to join our credit union, day or night through the digital device of their choice – with 24/7 convenience and accessibility.



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!



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 transfer funds, mobile deposit, Bill Pay, and much more.

Learn More About Online Banking with Charter Oak!
Not an Online Banking Member? [Enroll Today!](#)
Call Us at 860.446.8085 or 800.962.3237. Or [Visit A Branch!](#)

Since 2010, Charter Oak Is Eastern CT's Leading Mortgage Lender

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

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



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!

Charter Oak offers the right products to fit your needs:

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

Then come to Charter Oak, eastern Connecticut's leading mortgage lender! We've originated over 12,000 mortgages to proud homeowners in New London and Windham counties combined since 2010 with a total value over \$1.5 billion.

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.



Homeowners Agree. Charter Oak is the Mortgage Expert!

"The mortgage professionals were extremely helpful and guided us thru the entire refi process – we would highly recommend COFCU and your team!"

"Found everything very efficient. Every professional involved along the way was excellent and attentive."

"Everyone was very professional and courteous with our Refinance arrangements. Thank you Charter Oak."

"Was very satisfied with the application process. simple, easy, very reasonable fees. Everyone in the mortgage department, was very helpful. I have been a client of yours for decades for reasons like these."

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

GOLD REWARDS

CONTINUES TO
SET NEW
RECORDS
YEAR AFTER YEAR



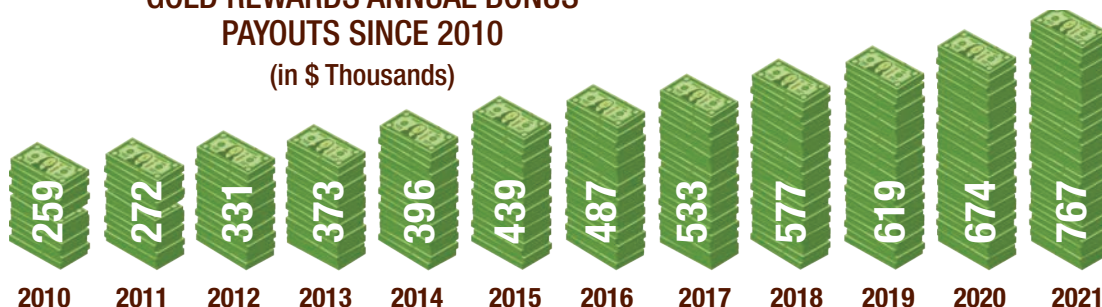
Since 2010, Charter Oak has rewarded our members who make our credit union their primary financial institution with the great benefits only available from our Gold Rewards Program, including an annual \$100 cash bonus to our qualified members.

In fact, over the past 12 years, we've paid out over \$5.7 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.

GOLD REWARDS ANNUAL BONUS PAYOUTS SINCE 2010

(in \$ Thousands)



All figures are as of December for each year shown.

Our Gold Rewards Members Say It Best!

“Thank you so very much for the Gold Rewards \$100 cash bonus. This is a much appreciated and welcome gift.”

“Thank you for your thoughtfulness and the \$100 2021 Gold Reward Cash Bonus. We appreciate your gift.”

“Thank you for the \$100 bonus. Holiday shopping just got a bit easier.”

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

- 1 Maintain a Personal Checking Account, and
- 2 Have a Month-End Minimum Combined Deposit and Loan Balance of \$20,000 or More, and
- 3 Either Maintain a Recurring 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 About [Gold Rewards!](#)

Call Us at 860.446.8085 or 800.962.3237. Or [Visit A Branch!](#)

Giving Back to Our Communities

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.*

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 Communities Appreciate Our Support!

“Thank you so much for supporting our golf tournament fundraising. COFCU commitment to the communities in the NE is well known & appreciated.”

“Thank you so very much for your amazing generous hearts for those in need!”

In 2021, Our Community Giving Initiatives Reached Over
\$514,000

“Thank you so much for your generous support... your support truly makes a difference in the lives of hundreds of families throughout Southeastern Connecticut.”

Looking for more information about our Community Giving Efforts?

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

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



Robert E. Fitch High School
Marching Band



Robert E. Fitch High School
Marching Band

2021 Community Giving Highlights

- Our community giving initiatives reached over **\$514,000**.
- 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 benefitted over 250 charities and non-profits, including homeless shelters and food pantries.
- We donated a total of **\$83,000** 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.
- Sponsored **59 community events**.
- **23 organizations** received grants.
- Received the United Way **Community Partner of the Year Award**.

2021: A Year of Strength and Stability

Our Condensed Financial Highlights for 2021 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 continued to be 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, including our total assets and member deposits. Our financial guidance and close monitoring of our financial condition throughout 2021 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 is an important barometer of our overall financial health and strength. During 2021, our Net Worth Ratio remained solid, indicating our strong financial condition.

8.80% Net Worth Ratio

As of year-end 2021, Charter Oak's Net Worth Ratio stood at 8.80%. This key ratio is above our regulatory requirements and indicates that our credit union remains a well-capitalized credit union, which we believe is a strong vote of confidence in Charter Oak's overall financial strength.

CONDENSED 2021 FINANCIAL HIGHLIGHTS

	2021	2020
Cash and Other Assets	\$ 88,987,578	\$ 87,067,215
Loans to Members, Net	\$ 850,996,984	\$ 851,663,282
Investments	\$ 609,695,234	\$ 474,666,489
Total Assets	\$1,549,679,796	\$1,413,396,986
Members' Shares and Savings	\$1,369,780,642	\$1,183,268,513
Members' Equity	\$ 131,652,399	\$ 127,148,704
Other Liabilities	\$ 48,246,755	\$ 102,979,769
Total Liabilities and Equity	\$1,549,679,796	\$1,413,396,986
Income	\$ 53,078,006	\$ 51,710,640
Interest Expense	\$ 6,076,777	\$ 8,100,563
Operating Expenses and Provisions for Loan Losses	\$ 33,942,973	\$ 36,719,591
Net Income	\$ 13,058,256	\$ 6,890,486

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

Gary Brochu

Chairman

Supervisory Committee

Joyce Gresh

Supervisory Committee

Member

Rita Provatas

Supervisory Committee

Member

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.**

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)

VISIT ANY BRANCH, ONLINE, OR CALL

CharterOak.org | 860.446.8085 | 800.962.3237



CHARTER OAK
CREDIT UNION



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.