



ANNUAL REPORT 2024



CHARTER OAK
CREDIT UNION

Members Bank Better.



Table of Contents

- 1 **Chairman & CEO's Report**
- 2 **Remaining a Strong Financial Institution**
- 3 **Gold Rewards & Leading Lender**
- 4 **Community Giving**
- 5 **Charter Oak Team 2024**
- 6 **Leading the Way - Corporate Security**
- 7 **Leading the Way - IT Security**

Mission Statement

We are committed to providing you with the best in financial service.

Charter Oak Federal Credit Union started out small in 1939, when most of the Credit Union business was run out of a lunchbox. Since that time, we've grown and changed, but one thing remains the same. We continue to make member service a number one priority.

We recognize the importance of our members. Once a member, you are a member for life and entitled to all the services Charter Oak offers. It is our dedication to members that keeps the Credit Union strong and operating efficiently.

As we approach our 86th year, we continue to reflect on the memories of the simpler days and strong relationships. We take great pride in the communities we serve and are proud that our field of membership has expanded, and our community has gotten bigger. We will continue to serve our members and their families as we have been doing for the past 85 years.

Our mission statement speaks to the core of our branding. We are a not-for-profit institution and are committed to providing members with the best in financial service.

Our mission statement reflects Charter Oak's dedication to introducing new products and services. In the years ahead, we are committed to bringing members and potential members exciting and new offerings that will ensure that the Credit Union continues to grow and is the financial institution of choice in eastern Connecticut.

Chairman & CEO's Report: The Year in Review

This year we celebrate our 86th year of providing financial products and services to the residents of eastern Connecticut. The loyalty and dedication of our members has allowed us to become the largest credit union in this part of the state and the third largest in Connecticut.

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In 2024 Charter Oak's balance sheet remained strong, the quality of our assets remained impressive, and our community involvement grew. We saw many significant achievements including:

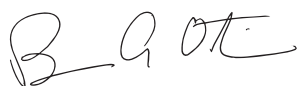
- Continuing to be a leading mortgage lender in eastern Connecticut – providing over \$118 million in home loans to members in 2024.
- Financing almost \$46 million in auto loans.
- Originating over \$25 million in business loans.
- Checking account members received over \$413,000 in ATM rebated fees to their checking accounts through our popular GO checking and Gold Rewards Programs.
- Gold Rewards member-appreciation program paid over \$860,000 in annual \$100 cash bonuses to qualified members, setting a record in bonus payouts.
- Community giving initiatives soared. This included sponsoring over 120 community events, awarding 54 grants to local non-profits and making our annual donation to 20 food pantries and food centers.
- Awarding \$2,000 scholarships to 50 deserving high school and college students, totaling \$100,000.
- We also matched our very generous members who made contributions to charities of their choosing through our Matching Gifts Program. Our members made 1,009 donations to charities and non-profits, totaling \$270,450. With our match, deserving charities received a total of \$540,900.
- Not only did we provide financial support in 2024 but we provided opportunities for our members to enjoy our community and family time as well. The Trailblazers, Charter Oak's volunteer group, dedicated over 280 hours to various initiatives including walks for causes, toy drives and youth programs. We participated in fairs and family days and hosted a family movie night, a summer concert and one of the most successful Trunk or Treat events in the area.

We are proud of these many achievements, yet none of this would be possible without the support and loyalty of our members and the hard work and dedication we see each day from our employees. Our Board of Directors, Supervisory Committee and employees pledge to continue to offer you the best in member service and the best in products and services that meet your financial needs for today and tomorrow.

Thank you for being a member of Charter Oak Federal Credit Union, where members really DO bank better!



Guy Henry
Chairman of the Board



Brian A. Orenstein
President and Chief Executive Officer



86 years later and we're still growing. We remain a strong financial institution.

What began with a lunchbox in a shipyard in 1939 has evolved into a proud history, steeped with many rich milestones over the decades. Through it all we've remained committed to our credit union roots, returning our earnings to our members through lower rates and fees on loans and higher yields on our deposits.

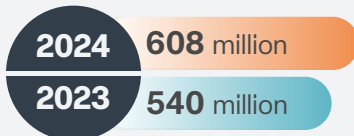
86 years later and we're still growing. Over 200 employees are proudly serving our 15 branches throughout New London and Windham counties. As we evolve with new technologies ensuring we're ahead of the industry curve, we continue to provide top notch products to all generations. Our members continue to benefit from a holistic approach to all their banking needs and service that is personal, friendly, and always with a smile.

Charter Oak continues to be safe, strong, and secure, with \$1.59 billion in assets and \$1.40 billion in deposits as of December 31, 2024. Our financial success is evident in the record-breaking performance of our loan portfolio, as well as steady deposits and continued growth in overall membership.

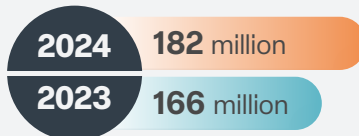
Your Credit Union continues to remain one of the strongest financial institutions in the country and a leading financial institution in eastern Connecticut. We are a safe and sound financial institution, with the strength as well as the flexibility to accommodate your financial needs, from lending products to savings and checking services.

We are grateful that you entrust your savings 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 safe, strong, and stable financial institution serving all of eastern Connecticut.

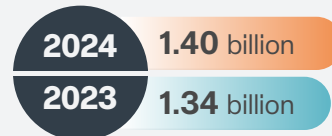
Investments



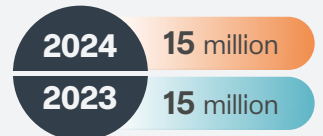
Regulatory Net Worth



Deposits



Net Income

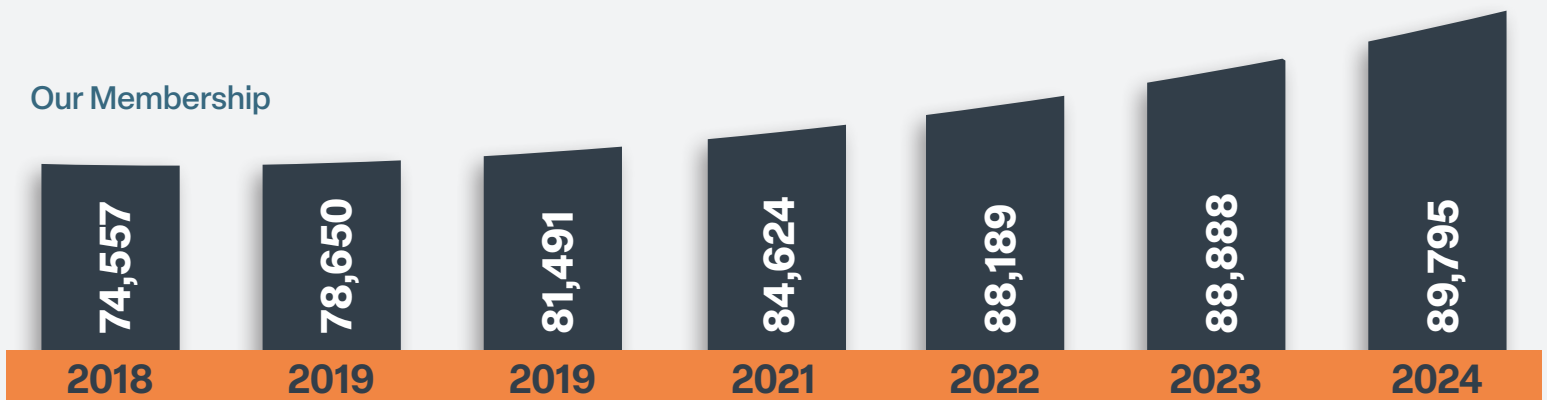


Net Worth Ratio

Our net worth ratio continues to remain strong, which exemplifies a strong and healthy credit union. This ratio is 11.34% at year-end 2024. The Net Worth Ratio is a key measurement of a financial institution's strength.

Condensed Financial Highlights in 000's.

Our Membership





Gold Rewards Continues to Grow!

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.

As we celebrate our 15th year of recognizing our Gold Rewards members for their support and loyalty to Charter Oak, we are proud to have paid out over \$8.2 million in annual \$100 cash bonuses. In 2024, we paid out a record \$860,000 to our members. Charter Oak remains the only financial institution serving eastern Connecticut that consistently rewards their qualified members with an annual \$100 cash bonus.

This is our special way of saying thank you... it's just another reason **Members Bank Better!**

We remain a lender that's committed to the communities we serve.



It's a relationship that's **no risk...**

ALL REWARD

Business Banking and Lending remained strong through 2024 with \$26m in lending.

We continued to support our local businesses by financing more than double the amount of last year. Our business banking and lending team understands the local businesses in the communities we serve and worked hard to support them by providing products and services they have grown to rely on.

Our approach has allowed our members to focus on their business goals while having peace of mind when it comes to managing their banking needs.



Auto Lending

Many analysts predicted a challenging year for the auto industry and although financing was lower than the prior year, our lending team successfully navigated this unique landscape and found ways to support our members and the communities we serve.

Charter Oak still financed over \$45 million dollars in new and used vehicles. Consumers took advantage of our competitive rates, great terms, and vast network of preferred dealers.

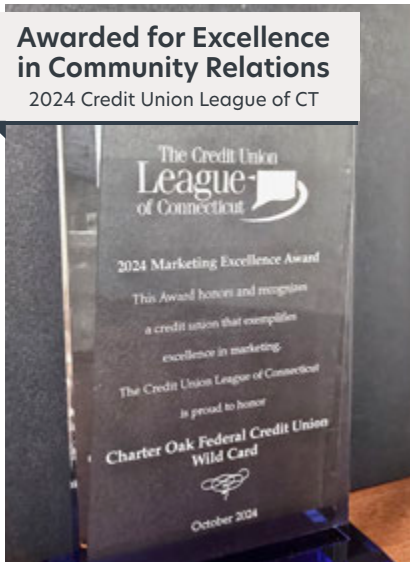


Mortgage Lending

2024 saw interest rates remain steady throughout the year as the Federal Open Market Committee continued to control inflation. Consumers continued to buy and sell homes, but the market saw the impacts of high interest rates overall. **Charter Oak continued to be a leading mortgage lender in eastern Connecticut, providing over \$118 million in home loans to members in 2024.**

Awarded for Excellence in Community Relations

2024 Credit Union League of CT



Com·mu·ni·ty

We're surrounded by it every day. Varying diversities, cultures, ethnicities, religions and ages. Living and working together to form the fabrics of everyday life.

Beneath the fabrics are those working to build relationships, strengthen their communities, support those in need... selflessly. People helping people. Going above and beyond to do their part for the greater good... of their communities.

These are the communities we proudly serve every day in New London and Windham Counties. Over the past eight decades, the growth of our local communities has paralleled the growth of our Credit Union. We deeply appreciate the support of our members and our employees.

From sponsorships, grants, and scholarships to matching gifts to charities and non-profits, we've always believed in giving back through our Community Giving Program. **Since 2009, our efforts have committed over \$3.5 million in giving to our communities, members, individuals, and charities.**

2024 community giving totaled more than **\$950,000.**

54 Grants to organizations including Always Home, Inc., Covenant Food Kitchen, New London Homeless Hospitality Center, Healing Therapies Thru Sharing, The Arc Eastern CT, Martin House, and Safe Futures were awarded. Recipients were chosen by the Grant Committee because they aligned with Charter Oak's mission of "Fostering economic development and social well-being in both New London and Windham counties."

We donated a total of \$100,000 in emergency grants to 20 food pantries and food centers serving those in need in New London and Windham counties.

Sponsored over 120 community events, collectively donating over 280 hours. *Walks for causes, toy drives and youth programs. A Winter Clothing Drive, in partnership with New London Homeless Hospitality Center, to collect new and lightly used winter apparel for adults in need was held, resulting in collecting enough items to support adults throughout the winter.*



Our Matching Gifts contribution was raised from **\$200,000** to **\$300,000**. Our Credit Union and generous members donated a combined **\$540,900** in matching gifts that **directly benefited charities and non-profits, including homeless shelters and food pantries.**

Charter Oak also awarded individual \$2,000 scholarships to 50 high school and college students in eastern Connecticut, **which provided \$100,000 in financial assistance** for students pursuing higher education.

Thank you to the amazing team for another great year!

The Charter Oak team embraces our core values of **Strength, Commitment, Value and Integrity**. The credit union way is people helping people, these aren't just words on paper, it's who we are and why our members continue to trust us with their financial needs.

With each year comes new challenges, and with those challenges, we take pride in how our employees continue to work together, in a thoughtful and collaborative environment that supports empowerment and growth.

Our members remain our priority and without the commitment from our team, we wouldn't be able to deliver the financial security with the products and services that they deserve.

Our entire retail department assisted our membership base of 89,795 and processed 9.9 million branch and electronic transactions.

Our Contact Center answered 110,350 calls. Our Deposit Operations, IT and Security teams worked together to combat the attempted fraud scams targeting our members. They continued to strengthen the protection of our members' accounts and effectively assisted those that were impacted.

Our team keeps it fun throughout the year... thank you!



What Our Members Are Saying



Mr. Aziz Serhan is absolutely outstanding. His customer service skills are highly resourceful, he is very honest, respectful, and extremely patient. I sincerely appreciate all he has done for me with accomplishing my financial goals.



Mike, Keiko and Stuart were fantastic to work with today. They helped with my need in a friendly and kind manner. They did not rush and made sure that I got the information that I needed. Charter Oak is a great place to bank!



The teller Maoly was absolutely amazing, she was awesome and was able to help out! So very grateful!

"I always have a great experience at this branch. I have been banking here for 40 years. Highly recommend!"

— D.L.

"Will meet all of your banking needs with a smile."

— S.L.

"Great Credit Union! The customer service agents are friendly, helpful and very knowledgeable on their products whether it be for my business or personal accounts!"

— S.W.



Leading the Way

 *safe • sound • secure*



In 2024, consumers reported losing more than \$1.03 trillion to fraud globally, as scams continue to increase in numbers and sophistication

Ensuring the safety of our members' hard-earned money is our top priority. As technology advances, so do the potential risks that could threaten the security of our members' finances. Fraud scams are increasing in numbers and sophistication, not just to financial institutions but to government agencies, non-profit organizations and all private sectors.

We are proud of our proactive approach in safeguarding our members, which motivates our team to think ahead, invest in state-of-the-art systems, and implement cutting-edge technologies to stay ahead of the curve.

How we help our members stay safe and secure:

- Implemented smart technology in online banking that monitors member trends.
- Smart technology can identify odd account behavior to protect from fraud.
- Seminars to educate members about threats and actions that can be taken to prevent being scammed.
- Fraud blogs released each month to assist with education.
- Assisting members to set up biometrics, 2 factor authentication and alerts on their online banking accounts.



Don't Become a Target.

Protect your Online Banking by setting up the recommended protections below.



Two-factor authentication is a security system that requires a password and an email or text code. It's designed to prevent unauthorized users from gaining access to an account with nothing more than a stolen password.



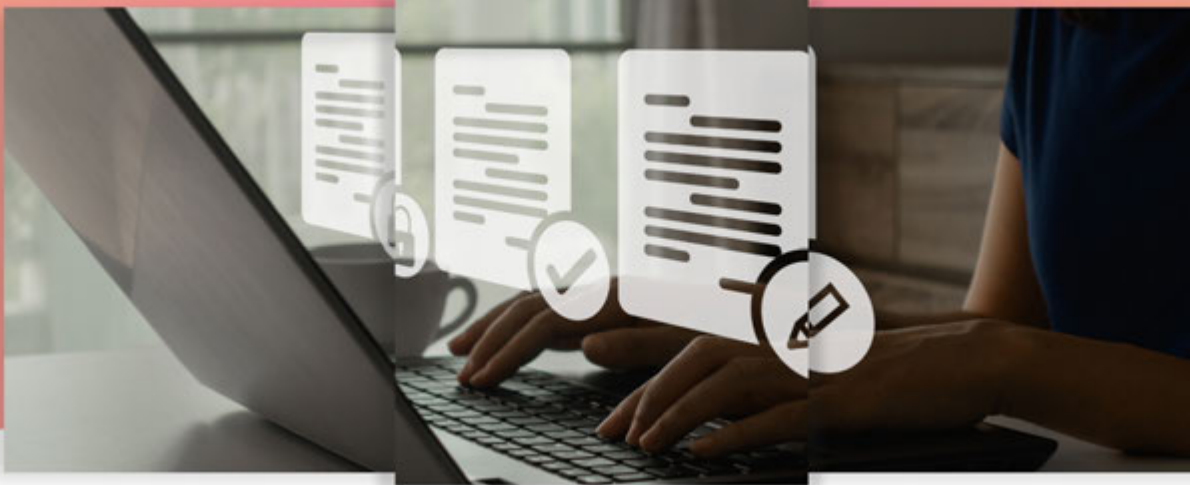
Fingerprint biometrics can be used to authenticate a person to ensure that a person is who they say they are. Adds an extra layer of security over password and token security measures.



Facial recognition can be used to verify the identity of an individual using their face. Ensuring that a person is who they say they are. Adds an extra layer of security over password and token security measures.



Account alerts can be set up to alert you of various types of activity on your accounts. Get notified of account logins, transfers, deposits, etc.



We set the standard for Credit Union IT Security.

Our organization prioritizes security and protection of its systems, infrastructure, and data. By implementing various measures and utilizing expert resources, we strive to maintain a strong defense against potential threats and breaches.

- Advanced security systems are in place to safeguard our entire network from unauthorized access and malicious activities.
- Proactive monitoring and response mechanisms help detect and address threats as they emerge, minimizing the risk of compromised information or system breaches.
- Regular employee training programs are conducted to ensure staff members are well-informed about potential risks and equipped with the knowledge to manage them effectively.
- By maintaining a comprehensive approach to security, we can confidently assure our members that our systems and data remain as secure as possible.

Datapoints from 2024:

- Over 6,150 attempted security breaches at our perimeter defenses, there were no successful breaches.
- Close to 20 billion events that generated over 110,000 alerts that generated over 350 tickets to be investigated. None of these issues were found to be malicious in nature.
- 230 incidents of brand impersonation on the web, all identified, monitored, and/or mitigated.
- Charter Oak processed over 1.925 million emails with around 516,000 marked as spam and over 8900 marked as malware / virus. No virus outbreaks or malware incidents during this period.
- Identified over 750 records on the internet black market containing member debit card information. All were sent through proper procedure for disposition.

Volunteers & Senior Staff

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

Member

Rita Provatas

Member

Joseph Romeo

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

Branches & Locations

**Branch & Headquarters**

1055 Hartford Turnpike, Waterford, CT 06385

Dayville

589 Hartford Pike
Dayville, CT 06241

Dayville, Killingly High School

226 Putnam Pike
Dayville, CT 06241

Electric Boat

50 Pequot Avenue
New London, CT 06320

Groton

32 Chicago Avenue
Groton, CT 06340

Groton, Fitch High School

101 Groton Long Point Road
Groton, CT 06340

Montville

601 Norwich / New London Turnpike (Rte. 32)
Montville, CT 06353

Mystic

4 Hendel Drive
Mystic, CT 06355

Niantic

335 Main Street
Niantic, CT 06357

Norwich

1 Connecticut Avenue
Norwich, CT 06360

Pawcatuck

20 Liberty Street
Pawcatuck, CT 06379

Putnam

7 Providence Pike
Putnam, CT 06260

Uncasville

1 Mohegan Sun Boulevard
Uncasville, CT 06382

Waterford

3 Boston Post Road
Waterford, CT 06385

Willimantic

893 Main Street
Willimantic, CT 06226



CHARTER OAK
CREDIT UNION

860-446-8085 | 800-962-3237

charteroak.org



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.