

# 2010

## Annual Report



CHARTER OAK  
CREDIT UNION

# Chairman and CEO's Report

2010 was a banner year for Charter Oak Federal Credit Union.

The year was propelled by the innovation of new mortgage lending products, development of a member rewards program and educating new members that we provide *Relationships Beyond Banking*. The opportunities seized in these tough economic times allowed us to do what credit unions do best - give back to our members. It also enabled us to provide our members with an option to improve their quality of life and give them the resources they needed to keep ahead of the economic storm that has impacted so many.

## **We are pleased to highlight some of our 2010 accomplishments:**

- Charter Oak is the number one mortgage lender in Eastern Connecticut! Charter Oak closed more mortgages than any other bank or financial institution in Eastern Connecticut during 2010.
- Originated more than 1,000 mortgages totaling in excess of \$132 million in New London and Windham counties.
- In late 2009, we introduced our Accelerator mortgage product which was designed for those looking to re-finance and pay down their debt instead of investing in low-yielding certificates or stocks. Finding a niche in the marketplace, this product has been an overwhelming success. The Accelerator mortgage product accounted for more than 61 percent of our mortgage activity in 2010.
- The credit union's deposits grew in 2010 by 4.6% to \$546 million and our loan portfolio also increased 4% to \$488 million.
- Charter Oak's overall capital rose \$6 million to \$63 million in 2010 - far exceeding the \$45 million in capital that represents a well-capitalized institution by regulatory standards. Overall capital is also a prime indicator of financial strength.



- Introduced Gold Rewards, our new member rewards program. Charter Oak deposited \$100 into 2,610 member accounts, giving back a total of \$261,000 to those who qualified. The reward was a total surprise to these well-deserving members. We received tremendous positive feedback for helping members during this difficult economic time.
- Continued our goal of educating youth through financial literacy by opening our second high school branch at Killingly High School in Windham County.
- Our commitment to the communities in which we serve remained as strong as ever! In 2010, Charter Oak contributed \$160,000 to nearly 270 deserving organizations across 40 towns in New London and Windham Counties. Employees tallied over 820 volunteer hours.

We are proud of our staff and of our membership and thank you for a successful 2010. We have very high hopes for 2011 and remain confident that the economy will continue its recovery and Charter Oak will continue to thrive and grow.

Pierre Brochu  
*Chairman of the Board*

Brian A. Orenstein  
*Chief Executive Officer*

# Doing what we do best Rewarding our members



In 2010 we introduced our member rewards program... Gold Rewards! Gold Rewards is designed to benefit our members who maintain important account relationships with us. We decided to kick off the program by sending a surprise cash bonus to 2,610 credit union members which totaled \$261,000. Here is what some of our members had to say about receiving their surprise bonus...

*We would like to express our thanks to COFCU management for creating and implementing the Gold Rewards Program. As credit union members for over 40 years, we can honestly say this is one of the best things the credit union has done for its membership in many years.*

*Love the Gold Member status from Charter Oak. No more foreign ATM fees and \$100 bonus. Also doing a refinance of our mortgage. No closing costs was the key. Big difference from all other options out there. Savings of about \$2,500 to \$3,000 in fees.*

*It was a surprise, a very nice surprise – our appreciation.*

*Please know that your exceptional customer service and member services are the reasons we continue to be loyal members.*

Gold Rewards is much more than no ATM fees, special gold rates and loan discounts. As you can see, it is a program that sets us apart from other types of financial institutions. Cementing our philosophy as a credit union, Charter Oak is honored to be giving back to those who have helped us grow into a strong, well respected organization.

If you are not a Gold Rewards member, find out how you can become one. It is worth its weight in gold!

# Relationships *Beyond Banking*

Charter Oak is committed to giving back to those who live or work in New London and Windham Counties. Our Community Giving Program grew tremendously in 2010 through a combination of increased funding, greater community visibility at local community events, broader funding distribution throughout our 80-town field of membership and a tremendous boost in employee volunteerism. Combining our charitable efforts with volunteer work has helped our Community Giving Program branch out in Eastern Connecticut to reach more individuals, community groups and organizations than ever before! Thanks to our Community Involvement Team –a group of dedicated employees who are passionate about volunteering and helping those in need, Charter Oak can be found at opening day ceremonies at local baseball fields, festivals, charitable walks, yard cleanups and more. Driven by the credit union philosophy of “people helping people,” Charter Oak employees volunteered over 820 hours in 2010. Now that’s something to celebrate!



*Decked in bright orange, Charter Oak made quite the impression this year at local holiday parades! Marching in the Columbus Day Parade in Pawcatuck, Norwich Winter Festival Parade, the Montville and Groton Holiday Light Parades and the Mystic Irish Parade, Charter Oak employees hit the streets to celebrate the season!*



*United Way Day of Caring. Charter Oak staff enjoyed a day of gardening at the Child & Family Agency's B.P. Leamed Mission in New London as part of the United Way of SECT's day of caring. Sprucing up flower beds and vegetable gardens, the day of volunteering served to kick off the United Way's Bring Two Campaign.*



*One of many organizations receiving funding in 2010, the Norwich Free Academy celebrated Charter Oak's gift to its Drug & Alcohol Free Post Prom Party! Committed to helping area high schools, Charter Oak offers financial literacy presentations, operates two high school branches and donates thousands of dollars to sports teams, yearbooks and graduation parties. We are committed to helping local teens achieve their goals!*

# Board of Directors and Committees



## Board of Directors

Left to Right

Brad Heil, *Director*, Paul McGlinchey, *Director*, Pierre Brochu, *Chairman*, Michael Malvinni, *Director*, Barbara Gregg, *Secretary/Treasurer*, Melvin Olsson, *Director*, Guy Henry, *Vice Chairman*

## Supervisory Committee

Paul McGlinchey,  
*Chairman*

Patricia Autencio  
John Grossomanides

Richard Muntimuri  
Wayne Burgess

## Branch Advisory Board Members

Joan Gardner, *Dayville*  
Jane Goldsmith, *Waterford*  
Thomas Holmgren, *Norwich*  
Sharon E. Peccini, *Groton*  
Kevin Powers, *Groton*

Lauren Rapp, *Pawcatuck*  
John Russell, *Groton*  
Bart Smith, *Dayville*  
Sheila R. Taurianen, *Norwich*  
Larry Theodore, *Pawcatuck*

## SCCT Management Committee

Brad Heil  
John Russell

Kevin O'Donnell  
Larry Bourland

Paul Filippetti



## Senior Staff

Left to Right

Brian A. Orenstein, *Chief Executive Officer*, Bradley Sullivan, *Senior Vice President/Chief Financial Officer*, Patricia Lima, *Senior Vice President/Chief Administration Officer*, Jeanne M. Mikula, *Senior Vice President/Chief Operating Officer*, Joseph Childress, *Senior Vice President/Chief Information Officer*, John Dolan, *Senior Vice President/Chief Lending Officer*.

## Condensed Financial Highlights

	2010	2009
<b>Cash and Other Assets</b>	\$ 20,156,235	\$ 23,920,626
<b>Loans to Members, Net</b>	\$ 477,348,120	\$ 459,327,620
<b>Investments</b>	\$ 156,194,238	\$ 139,956,178
<b>Total Assets</b>	\$ 653,698,593	\$ 623,204,424
<b>Members' Shares and Savings</b>	\$ 546,400,342	\$ 522,289,211
<b>Members' Equity</b>	\$ 63,342,919	\$ 57,468,152
<b>Other Liabilities</b>	\$ 43,955,332	\$ 43,447,061
<b>Total Liabilities and Equity</b>	\$ 653,698,593	\$ 623,204,424
<b>Income</b>	\$ 43,080,513	\$ 45,714,663
<b>Interest Expense</b>	\$ 8,132,869	\$ 11,469,455
<b>Operating Expenses and Provisions for Loan Losses</b>	\$ 30,006,721	\$ 29,168,359
<b>Net Income</b>	\$ 4,940,923	\$ 5,076,849

## Net Worth Ratio

Our net worth ratio continues to remain strong which exemplifies a strong and healthy credit union. This ratio is 9.37% at year end 2010. The Net Worth Ratio is a key measurement of a financial institutions' strength.

# Branch Locations

Main Office  
32 Chicago Avenue, Groton, CT

625 Long Hill Road  
Groton, CT

3 Boston Post Road  
Waterford, CT

20 Liberty Street  
Pawcatuck, CT

589 Hartford Pike  
Dayville, CT

335 Main Street  
Niantic, CT

One Connecticut Avenue  
Norwich, CT

893 Main Street  
Willimantic, CT

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

## High School Branch Locations

*(limited access)*

Robert E. Fitch Senior High School

Killingly High School



Federally Insured by NCUA



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CREDIT UNION

[www.CharterOak.org](http://www.CharterOak.org)  
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relationships *beyond* banking