

COREPLUS FEDERAL CREDIT UNION
87th Annual Meeting
May 28, 2024
202 Salem Turnpike | Norwich, CT 06360

President/CEO Raymond J. Currier welcomed members to the 87th Annual Meeting.

As presiding officer, Currier officially called the 2024 Annual Meeting to order at 8:00 AM.

R. Currier acknowledged Members of the Board as well as Members of the Supervisory Committee with a slide listing all by name.

He reviewed the Bylaws governing a quorum and requested attendees to remain until adjournment. Mr. Currier determined a quorum (at least 15 members) was present.

Attendance was 19 in-person and 14 via Zoom for a total of 33 attendees. Directors in Attendance were J. Swift, N. Bulkeley, L. Fusaro, Sr., D. Moorehead, and J. Luis. Supervisory Committee Members in Attendance were K. Levy, J. McElhaney, B. Crouch.

Currier thanked Attorney Michael Bonnano for serving as Parliamentarian.

Currier noted that copies of the 2023 Annual Report, Community Impact Report, as well of Minutes of the 2023 Annual Meeting are available in print copy for those in attendance here as well as posted on our website CorePlus.org.

Motion to waive reading of the Minutes of the 2023 Annual Meeting, none opposed, motion carried.

Currier shared the 2023 Supervisory Committee Report. Motion by W. Scholl, seconded by M. Martellotta to approve the Supervisory Committee Report, none opposed, motion carried.

Motion to approve individuals nominated for election to Supervisory Committee, Clinton Christensen and Joyce McElhaney, none opposed, motion carried and nominees declared elected to the Supervisory Committee by acclamation.

Notice of Elections:

The Nominating Committee appointed by Board Chair Jean Swift consists of directors; David Moorehead, Jesse Luis and Louis Fusaro, Sr. Nancy Bulkeley has been nominated for re-election of a 3-year term. As there were no petition nominations received by the secretary, and no objections to the candidates Mr. Currier declared the nominee to be elected to the board of directors by acclamation.

There being no further New Business or Old Business, Mr. Currier introduced Chief Financial Officer, Echo Johnson.

E. Johnson presented the 2023 Financial Review:

2022 was a year of growth for CPCU, while 2023 focused on balance sheet management as well as liquidity. Inflation caused many to spend down savings to meet day-to-day obligations, causing a 6.85% decline in Share Savings and Checking accounts.

Rates remained high throughout the year resulting in 37% Share Certificate and IRA growth and 11.63% of income returned to members as dividends.

With liquidity being an area of focus, we managed loan volume so that it was in line with our cash position.

Overall loan growth was minimal at less than 1% while member loans increased by 4.18%. We used cash from the paydowns of participation loans to fund organic loan volume.

Overall member shares grew by a modest 0.90% with funds shifting from savings and checking accounts into interest bearing certificates. This change increased our dividend expense by 178% compared to last year. We paid out over \$2 million in dividends in 2023.

Due to the high-rate environment, we earned more in interest income, but we also paid out more in dividends and borrowing expenses. Our net interest income for 2023 was \$11.9 million, \$2.3 million more than 2022. Our operating expenses also increased, especially allowance for loan losses; funds put aside for possible loan charge offs. Net operating expenses in 2023 were \$10.4 million compared to \$7.5 million in 2022. This resulted in net income of \$1.5 million and an ROA 0.46%.

While core net income was down \$600k from the previous year, we managed the balance sheet conservatively to make sure that we are in a good financial position for the future.

Our Net Worth Ratio was 8.52% at year-end and we continue to be a well-capitalized, well-managed institution.

Johnson thanked our members for trusting us to be their primary financial institution and introduced Meg Martellotta, Vice President of Operations.

M. Martellotta gave an overview of 2023 accomplishments:

In 2023 we introduced new products and services and worked to increase digital offerings while fostering a positive workplace culture to serve members and communities. Deposits were a focus for 2023, with high time deposit rates. CorePlus stayed aware of competitor rates and introduced new terms to stay competitive. In August we introduced the Kasasa Saver Account, which is a liquid option, offering rates of up to 4% when paired with Kasasa Checking. For our community partners in the non-profit space, we built a Non-Profit Money Market Account that pays up to 3.5%. We also started offering the HUD 184 Tribal Loan, a mortgage product specific to members of a federally recognized tribe. We also introduced Early ACH, allowing us to post payroll direct deposits up to 2 days early.

In 2023 we started the framework for several investments in technology that came into fruition earlier this year, including Digital Wallets, Video Chat, and Online Appointment Scheduling. Reputation Management allows members to review the service received by our retail staff. We are now offering Secure Chat through our website as an alternative form of communication.

We were named a Top Workplace for 2023 by the Hartford Courant for the 3rd year in a row. We were voted Best Credit Union in the New London Day's Best of the Best Readers' Choice Awards. This was our fifth time in the running but our first-time taking 1st place. We were also awarded the second-place Dora Maxwell Social Responsibility Community Award from the CT Credit Union League for our participation in the Salvation Army Angel Tag Program. Additionally, we were named the Best of 2023 Gold and Top Lender in the Commercial Record Print Shop.

Our Community Engagement Report highlights our community involvement efforts throughout the year. To name a few, we launched our first Annual Backpack Drive in 2023. We expanded our partnership with Salvation Army to continue the Angel Tag Program and added ringing the bell and accepting cash donations as well. We participated in the Stonington Police Department Stuff a Cruiser Gift Drive. Employees also worked on Habitat for Humanity builds.

Martellotta noted that our full Community Impact Report can be found at any of our branches as well as online, adding that although 2023 was a great year, we are already tracking for 2024 to be better.

R. Currier thanked M. Martellotta, asked if there were any questions for E. Johnson or M. Martellotta. As there were none, he went on to give an overview of priorities for 2024 and beyond:

Data and reputational security: The cyber security landscape is changing at a fast pace. The security of member information as well as uninterrupted access to member-facing systems such as our website are always top priority for management and the Board. We continue to invest in technology to ensure your security and access. Staff is regularly trained in data and reputational security. Unfortunately, we continue to see too many instances of members falling victim to fraud whether it be a pop-up on their computer claiming their computer has a virus and to call the number on the screen, romance scams, lottery scams, and many others. Members are often instructed to provide a certain story to our staff and send funds via Western Union, Money Order, Gift Cards, or cash by Fed Ex. Our staff are trained to ask questions and may seem intrusive, but this training has saved our members hundreds of thousands of dollars in losses on an annual basis. Some members still fall victim. Never, under any circumstances share your login credentials or passwords with anyone. Never login to your accounts while in a co-browsing session. Nothing regarding your computer is so urgent it needs to be dealt with instantly. Unplug your computer, take some time and seek assistance if you receive a pop-up or any demands and report any suspicious activity to CorePlus. We would be happy to have our Security department take a look at it. In

2024, member education around fraud is a priority for CorePlus. Members can expect to see more communications regarding this topic, as well as fraud prevention seminars and continued questioning from our staff for transactions that don't fit normal patterns of behavior.

CorePlus is certainly one of the most progressive financial institutions in Eastern CT when it comes to investments in digital technology. This year, we've added mobile wallets (Apple Pay, Samsung Pay and Google Pay), we are an early adaptor for Fed Now real time payments network. Through our website, members can schedule an appointment at any of our branches, rather than driving to the branch and finding a long wait. We now have video chat and co-browsing technology. Our investments in digital provide convenience for members and are helping us to attract a younger demographic. We want our members to be able to conduct their business anywhere, with convenience.

Recent physical infrastructure investments include the addition of two EV Charging stations at our East Lyme branch. We're currently looking at a plan to add EV Charging stations to our Norwich location. This year we will be updating the lobby of our Plainfield branch. In Norwich, we'll be updating the facade of the building to be more inviting.

Growth is important to the longevity of our credit union. Management and the Board recognize that as our membership ages, it's important to provide relevant services to the next generation of members. Our investments in digital technology are one piece of serving a younger demographic. We're also reaching a younger demographic through changes in our marketing. In 2024, CorePlus joined the TikTok community with short financial services videos aimed at Gen Z and Gen Alpha. We've hired a social media influencer to promote our brand to their audience of followers and are seeing positive results.

We recognize that we can do more to serve a broader demographic in our own communities. In order to be successful with this initiative, we need to have a workforce that is representative of the community. Currier pointed out that diversity was started here about 19 years ago by Former President, Warren P. Scholl, in attendance today, who started the diversity partnership program with NFA, which has been instrumental in building diversity at CorePlus. Continuing to build on this and working toward having a staff who represents our communities continues to be a priority in 2024.

We believe that community involvement is necessary to promote our brand awareness and it's important to give back to the community that has made CorePlus so successful. Our staff are volunteering at Habitat for Humanity, filling bags with food for distribution in conjunction with UCFS, providing backpacks to children in need, sponsoring community activities, volunteering on the Boards of local non-profits and so much more. This year, in conjunction with our annual report, we have our first ever Community Impact Report that highlights the good work we're doing in our community. In 2024 and beyond we will continue to grow our support of community both in financial contributions and staff volunteerism.

When it comes to your money and the need to receive sound financial advice, it's important that you interact with knowledgeable and well-trained staff that go above and beyond to serve you. We take this very seriously at CorePlus and we're committed to ensuring we have a healthy workplace culture and a comprehensive training program for our employees. It's important to us that our staff look forward to coming to work and serving our membership. CorePlus staff received over 1200 hours of training in 2023. This doesn't include participation in the various Chamber of Commerce Leadership programs and specialty training schools outside of the credit union. In 2024, we'll be expanding our training program with the addition of a second trainer to increase the availability of training content and training opportunities. The credit union will continue to invest in outside training opportunities and professional certifications. This year, our Director of Compliance became a certified compliance officer by going to school and passing an examination. This year our VP of Operations graduates from a comprehensive management school that required written reports, oral presentations, and testing. We'll be sending a second staff person to begin this arduous three-year program, and there are many more examples. All of this translates into better service for you, our members.

CorePlus will remain focused on balancing a healthy bottom line and return to members. CorePlus remains very competitive with our dividend and loan rates. Our earnings are used to support our investments in technology, both to protect member data and provide cutting edge digital technologies. Our earnings support growth in capital that is necessary for the safety and soundness of our credit union. By the end of 2024 we are budgeted to have our capital surpass 9.00% which is well above the 7.00% minimum required by the National Credit Union Administration.

Currier asked for questions. As there were none, he thanked members for joining us.
Motion to adjourn by E. Johnson, seconded by M. Martellotta.
Meeting officially adjourned at 8:25 AM.

Minutes Written by:
Elizabeth Williams, Executive Administrator

Reviewed by:	Secretary,	Chair,
	E-SIGNED by David Moorehead	E-SIGNED by Nancy Bulkeley
	on 2024-07-01 16:03:35 EST	on 2024-07-03 14:10:23 EST
	David Moorehead	Jean Swift