

2021

ANNUAL REPORT



Dutch Point
CREDIT UNION

Your vision, our guidance.

2021 Treasurer's Report

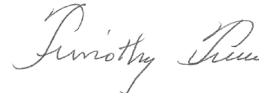
We are pleased to report the credit union experienced another year of solid financial results despite the continued impact of the pandemic and low interest rate environment. This can be attributed to our asset growth, strong mortgage lending, and a return of member spending. The overall strength of our asset base, the quality of our loan portfolio and the growth in our membership positions us for continued success.

- Dutch Point's total assets grew by \$37.066 million to \$439.785 million in 2021, up just over 9% from 2020. In comparison, the credit union's assets grew by \$63.956 million in 2020, or by nearly 19%. The credit union has grown an incredible \$101.022 million during the global pandemic.
- The loan portfolio increased by \$11.679 million, or 6.23% in 2021 to \$199.206 million. Member demand for mortgages continued to be strong in 2021, due to interest rates remaining low. The quality of the credit union's loan portfolio remains high with delinquency and charge-off loan ratios well below the industry average at .21% and .10%, respectively.
- Members' share deposits increased over 9.59% in 2021 to \$395.064 million, with the majority of the growth coming from regular share and money market accounts.

- Net Income for 2021 was \$2.471 million, representing a Return on Assets of .59%. The credit union's net worth increased to \$42.382 million. The credit union's net worth ratio decreased in 2021 from 9.66% to 9.41% due to an increase in our asset base. The DPCU Board of Directors and management team continue to maintain practices to ensure that the credit union remains healthy and well capitalized. The credit union net worth ratio is well above the 7.00% minimum capital level for "well capitalized credit unions" established by the National Credit Union Administration.

We want to thank you, our member owners, for your continued support during another unparalleled year. As we look to the future, I want to assure you that Dutch Point Credit Union is financially healthy and ready to take on the challenges that lie ahead. Thank you again for your support and membership.

Respectfully submitted,



Timothy Tuell
Treasurer

2021 Supervisory Committee Report

Dutch Point Credit Union's Supervisory Committee is appointed by your Board of Directors and is responsible for assuring the financial strength of the credit union through sound financial discipline.

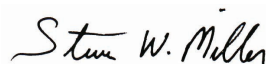
The Committee oversees a variety of audits and reviews to ensure compliance with state and federal regulations, credit union by-laws, and generally accepted accounting principles (GAAP). In addition, the Committee supervises an annual external audit of the financial records of the credit union, verifies member accounts, and reports the results to the Board of Directors.

The Certified Public Accounting firm of Doeren Mayhew CPAs and Advisors has been retained to perform a financial statement audit as of December 31, 2021.

It is the belief of the Supervisory Committee that Dutch Point Credit Union is financially solid and is being operated in a safe and sound manner.

The Committee appreciates your continued confidence in our oversight role. The support and cooperation from the Board of Directors, Management and Staff assists us in the performance of our duties and is greatly appreciated.

Respectfully submitted,



Steven W. Miller
Chairman



2021 Membership Report

Looking back on 2021, most businesses and consumers continued to feel uncertainty with the ongoing effects of the global pandemic. Our members, staff, and the communities we serve showed resilience and perseverance as we began to rebound. Our thoughts go out to those who may have experienced a personal loss and we continue to express our sincerest appreciation to the many front-line heroes that kept essential services available for the good of our community.

A key priority in 2021 was gaining greater knowledge of our members' ever-changing financial needs. Therefore, we conducted a comprehensive and independent survey to gain insight into how you feel about the quality of our service, as well as to understand the types of services you would like us to offer. Your candid feedback allowed us to identify some areas in which we can be better – such as ease of use of our website and mobile banking product, in-person standards, and convenience of hours. Overall, the survey participants gave us positive feedback and we scored very well on the credit union drivers of loyalty. This information was instrumental in the creation of our current business plan. We sincerely appreciate your feedback and thank you for your participation.

During 2021, we announced the retirement plans for Dutch Point Credit Union's President and CEO Francis R.N. Proto. Mr. Proto's contributions to the success of Dutch Point began in 1991 when he was hired as the vice president of Finance. Over the years, he was promoted several times, then in 2006 was named President and CEO, succeeding long-term President and CEO Dorothy J. Sullivan.

Dutch Point saw significant growth, in both assets and membership, throughout Mr. Proto's tenure. Today, the credit union's assets sit at \$425 million, with membership closing in on 24,000. Under his leadership, he oversaw our successful transition to a community-based credit union serving the counties of Hartford, Middlesex, New Haven, and New London, merged two credit unions, and added four new community branches to our branch network. He also expanded the credit union's product and service offerings by implementing new and more enhanced technologies, improved member financial transaction convenience, introduced the Dorothy J. Sullivan Scholarship Program, and increased staff participation in the credit union's fund-raising efforts to help our communities. Mr. Proto's first priority throughout his career was to live by the credit union philosophy of "people helping people," as that was the purpose of our existence and why credit unions still thrive today.

The Board of Directors also announced that Mr. Proto will be succeeded by Ms. J. Charlyn Tanner, currently the credit union's President. Ms. Tanner has been with the credit union for the past 17 years and is a seasoned professional with nearly 20 years of experience in the financial services industry. The Board is confident that her leadership and financial skills will continue to move Dutch Point forward on its current path of success.

Dutch Point strives to help our members achieve their financial goals. We have built a strong foundation at our organization so that when difficult times arise, you can rest assured that your credit union will be here for you - today, tomorrow and well into the future.

On behalf of the Board of Directors, I would like to thank our loyal members for their continued membership. We are honored to serve you each and every day.

Respectfully submitted,



Richard S. Zajack
Chairman of the Board



Francis R.N. Proto
CEO



2021 Financials

Statement of Financial Condition

Assets

As of December 31,	2021	2020
Cash and cash equivalents	\$ 45,288,506	\$ 59,816,068
Interest bearing deposits	8,200,000	13,452,460
Investments:		
Equity	8,547,519	7,589,788
Trading securities	440,260	782,959
Held-to-maturity	165,923,912	121,925,866
Loans to members, net of allowance for loan loss	200,481,574	188,617,337
Accrued interest receivable	828,207	789,717
Property and equipment	2,897,643	2,913,805
Prepaid and other assets	3,446,509	3,506,845
NCUSIF insurance deposit	3,730,421	3,324,470
Total assets	\$439,784,551	\$402,719,315

Liabilities and Members' Equity

As of December 31,	2021	2020
LIABILITIES:		
Members' share and savings accounts	\$395,063,984	\$360,478,809
Accounts payable and accrued liabilities	2,339,018	2,330,332
Total liabilities	397,403,002	362,809,141
Commitments and contingent liabilities	--	--
MEMBERS' EQUITY:		
Regular reserve	4,104,788	4,104,788
Undivided earnings	35,440,701	32,969,326
Equity acquired through merger	2,836,060	2,836,060
Accumulated other comprehensive Income/(loss)	--	--
Total members' equity	42,381,549	39,910,174
Total liabilities and members' equity	\$439,784,551	\$402,719,315

Statement of Income

For the years ended December 31,	2021	2020
INTEREST INCOME:		
Loans to members	\$ 7,627,658	\$ 8,156,506
Investments	1,428,664	1,998,594
Total interest income	9,056,322	10,155,100
INTEREST EXPENSE:		
Members' share and savings accounts	632,007	1,493,923
Net interest income	8,424,315	8,661,177
PROVISION FOR LOAN LOSSES:	29,628	619,893
Net interest income after provision for loan losses	8,394,687	8,041,284
NON-INTEREST INCOME:		
Fees and service charges and other	2,543,679	1,068,350
Interchange income	2,027,806	1,711,673
Total non-interest income	4,571,485	2,780,023
NON-INTEREST EXPENSE:		
Compensation and employee benefits	5,270,101	5,117,175
Office operating costs	4,315,546	4,143,743
Other	909,150	880,870
Total non-interest expense	10,494,797	10,141,788
Net income	\$ 2,471,375	\$ 679,519

Key Measurements

	<u>2021</u>	<u>2020</u>	<u>% Growth</u>
Total Assets	\$439.785 M	\$402.719 M	9.20%
Member Shares	\$395.064 M	\$360.479 M	9.59%
Member Loans	\$200.482 M	\$188.617 M	6.29%

M = Millions

The financial statements presented are unaudited as of the Annual Report publication date.



Board of Directors,
Committee Members and
Executive Officers

Board of Directors

Richard S. Zajack, Chairman
Michael E. Curtin, Vice-Chairman
Timothy Tuell, Treasurer
Francis R.N. Proto, Secretary
August L. DeFrance IV, Director
Roland Deslippe, Director
John L. Gombotz, Director
Steven W. Miller, Director
Marguerite Rose, Director

Supervisory Committee

Steven W. Miller, Chairman
Noel Aube, Member
Maisa Laham, Member

Nominating Committee

Noel Aube, Chairman
Steven Hussey, Member
Tracy Torbick, Member

Credit Union Executive Officers

Francis R.N. Proto, CEO
Charlyn Tanner, President
Michael Kleinschmitt, Chief Financial Officer
Anthony Sacchetti, Chief Member Experience Officer

Branch Locations

Wethersfield

195 Silas Deane Highway
Wethersfield, CT 06109
(main office)

Newington

465 Willard Avenue
Newington, CT 06111

Niantic

241 Main Street
Niantic, CT 06357

Bloomfield

1 Wintonbury Mall
Bloomfield, CT 06002

West Hartford

50 South Main Street (Town Hall)
West Hartford, CT 06107

Berlin

107 Selden Street
Berlin, CT 06037

Middletown

213 Court Street, Suite 101
Middletown, CT 06457

Waterford

Rope Ferry Road
(Dominion Energy)
Waterford, CT 06385
(restricted access)



Dutch Point
CREDIT UNION

Your vision, our guidance.

Serving Our Communities In 2021



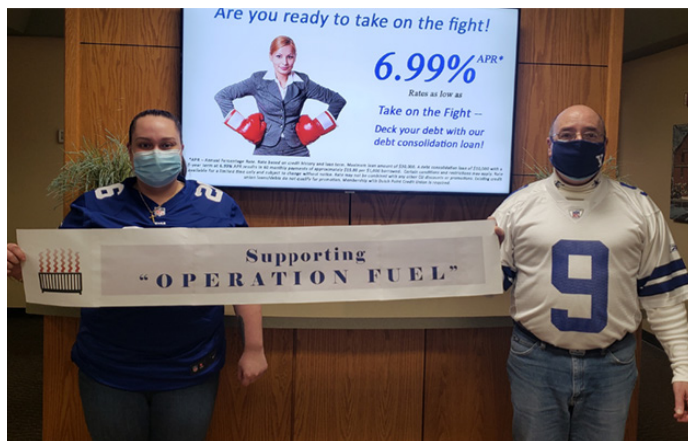
Dutch Point Credit Union helped Hartford Police Officer Jim Barrett with his fund-raising efforts to help Hartford's homeless.



DPCU staff participate in the Credit Union Kids@Heart fund-raising efforts and help support a local restaurant, The Charles, in Old Wethersfield.



Dutch Point Credit Union participates in Old Wethersfield's Scarecrows Along Main Street Halloween scarecrow contest.



Ashley Tanasi, Senior Member Service Representative, and Anthony Sacchetti, Chief Member Experience Officer, proudly display the credit union's fund-raising efforts for Operation Fuel.



Suzanne Murphy, DPCU VP of Compliance and Risk Management, brings food donations to the Town of Wethersfield as part of their annual food drive.

