



**American Eagle**  
Financial Credit Union

FOCUSED ON THE FUTURE

'18  
ANNUAL REPORT

  
**American Eagle**  
Financial Credit Union

# REPORT TO OUR MEMBERSHIP



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## The year 2018 reflected exceptionally high levels of performance in lending and asset growth.

Membership continued its steady rise in 2018 as our market presence and outreach expanded within Connecticut and with our members across the country. American Eagle FCU is the largest credit union in the state based on our total membership and is the largest community-based credit union in the state as well. We continue to upgrade and invest in better solutions and expand our footprint physically and digitally to provide you with better service and improved financial outcomes.

In the area of financial performance, we are pleased to report that the Credit Union ended the year with \$13 million in net income. This resulted in American Eagle FCU having total reserves of over \$165 million. Total assets at year-end were \$1.81 billion, an increase of \$153 million. This was largely due to share growth of \$162 million, a record for American Eagle and testimony to your continued trust and engagement as members. Additional initiatives contributed to these financial results, including strong loan demand, careful expense control, and several market rate increases that bolstered investment returns.

Our loan balances finished the year at \$1.5 billion, an increase of \$138 million in loans outstanding over 2017. Real estate loan demand for both fixed-rate and adjustable-rate mortgages continued at a steady pace in 2018 and we had increases in outstanding balances in those areas. Consumer lending for auto loans, personal loans, and Visa® credit cards also had a solid year as many took advantage of our great deals through our franchise auto dealer network, our branch network, or through our online loan application. As a state-chartered community credit union, we are subject to accountability for community re-investment and lending results and make it our mission to serve all borrowers fairly. Our success in lending helps to improve our financial stability, thus enabling investments in technology enhancements that provide more convenience to you, our members.

A significant and transformational commitment we made in 2017, and completed in 2018, was to purchase and redevelop a prominent riverfront property at 333 East River Drive in East Hartford for our new headquarters. We celebrated the project's progress by hosting the annual Riverfront Recapture "Big Mo" event in September, one of the most popular and fun fundraising events in the Hartford area each year. We sold our former headquarters building at 417 Main Street in East Hartford. Our branch and drive-through operations continue there. In 2018, we identified two new locations for branch services and, in 2019, we will be opening new full-service branches: Avon at West Avon Road (in the spring) and North Haven on Rt. 5 (in late summer). This will extend our community branch network to 15 locations in central Connecticut.

In 2018, we completed the first phase of a multi-part upgrade to our Member Sales & Service Center technology. We deployed the new solution in November. When you call, you will experience better navigation, receive better service using our call-back feature, and have faster resolution to any service needs you have. We will continue to enhance the solution with web chat and other tools in the spring of 2019 and beyond. Also in 2018, we kicked off a major technology and process change initiative to update our core data processing system with a commitment for deployment in 2020.

American Eagle FCU received a number of distinctions in the past year, including *Hartford Magazine* Best Credit Union, *Hartford Business Journal* Best Professional Services, 2018 Best Places to Work Winner, and other industry and national recognitions. These citations and awards, while not our goal, are testimony to you, our valued members. We want to express our gratitude to you, our loyal members, and your families, friends, and co-workers for your continued support and use of the Credit Union's products and services. We are here to serve you, and we want to hear your feedback on how we are doing.

These citations and awards, while not our goal, are testimony to you, our valued members.

We work diligently every day to ensure the safety, soundness, and regulatory compliance of American Eagle. Whether it is implementing the latest electronic security tools, training our staff, or making sound lending and investment decisions, we do our best to be prudent. These efforts would not be possible without the dedication and oversight of our Board of Directors and Committee volunteers, for whom we remain grateful. We are equally appreciative of the expertise and commitment of our talented Credit Union employees and thank them for their diligence and hard work this past year.

We remember our roots. Since our founding in 1935, American Eagle Financial Credit Union has demonstrated its commitment to providing members with exceptional member service and outstanding value. We strive to continue our quest for excellence in delivering on our shared values of caring, trust, and dependability.

Respectfully submitted,

*MP Allen*

Mark Allen  
Chairman, Board of Directors

*Dean Marchessault*

Dean Marchessault  
President & Chief Executive Officer

# COMMUNITY OUTREACH

**BEST OF  
Hartford  
MAGAZINE  
2018  
WINNER**



American Eagle is committed to improving the quality of life of the people and families in the communities we serve. In 2018, we continued to focus our monetary and volunteer resources in the areas of education and youth, basic human needs, and community development.

### Donations and Sponsorships

American Eagle established a Donor-advised Fund at the Hartford Foundation for Public Giving in 2010 to foster charitable giving and community outreach. Since its inception, the fund has awarded nearly \$250,000 in charitable grants to nonprofit organizations. The fund balance at year-end totaled approximately \$150,000.

We funded nearly 100 schools, nonprofits, and civic organizations directly through the Credit Union or the Donor-advised Fund in 2018.

Among the organizations we supported were: Adelbrook Learning Center, Chambers of Commerce (family festivals and concerts), Children's Miracle Network, Community Renewal Team, CT Credit Unions' Financial Reality Fairs, East Hartford High School Academy of Finance, East Hartford Rotary Club, Foodshare, Goodwin College, Greater New Haven NAACP, Junior Achievement, Klingberg Family Centers, Manchester Community College, Middlesex Community College, Project Safe Graduation, Riverfront Recapture, The Salvation Army, UCONN Foundation, and the United Way.



### In-kind Donations

American Eagle donated used, but functional, items to schools and nonprofits during the Credit Union's corporate office consolidation and relocation. Rather than dispose of chairs, computer monitors, printers, and office supplies that were no longer needed, we found homes where these items could be put to use. Recipients included East Hartford Community Shelter, East Hartford High School, East Hartford Veterans Crossing, East Hartford YMCA, Hartford Public Schools, Klingberg Family Centers, and The Salvation Army.

### Employee Volunteerism and Community Events

Employee volunteerism is one of the most rewarding ways to give back to the community. In 2018, employees volunteered 400 hours of community service.

In the spring, employees taught Junior Achievement and joined the United Way to read to elementary school students. We teamed up with the CT Credit Union League to guide over 300 high school students in managing their personal finances. In addition, employees volunteered at our most successful Paper Shred and Electronic Recycling Day to date.

In March and August, American Eagle hosted two successful blood drives with the American Red Cross, earning the Credit Union "Premier Status" as a Red Cross top donation site.

In the summer, American Eagle volunteers and participants braved the elements at the rain-shortened mini-golf fundraiser at Putter's Paradise in Berlin. Employees also assembled school supplies into backpacks for the Backpack for Kids program. As the holidays approached, we helped Foodshare with their Thanksgiving Turkey Drive and partnered with the U.S. Marines Toys for Tots program to collect toys for needy families. We closed out the year by accepting and sorting food and toy donations for The Salvation Army/WTIC NewsTalk 1080 Holiday Store.

Our emphasis on financial education was a yearlong mission. Credit Union employees taught classes and gave presentations on personal finance topics including savings, checking, electronic services, budgeting, credit, lending, and fraud prevention to adults and students from middle school through college. We also sponsored the nationally known Banzai financial literacy program in 14 high schools.

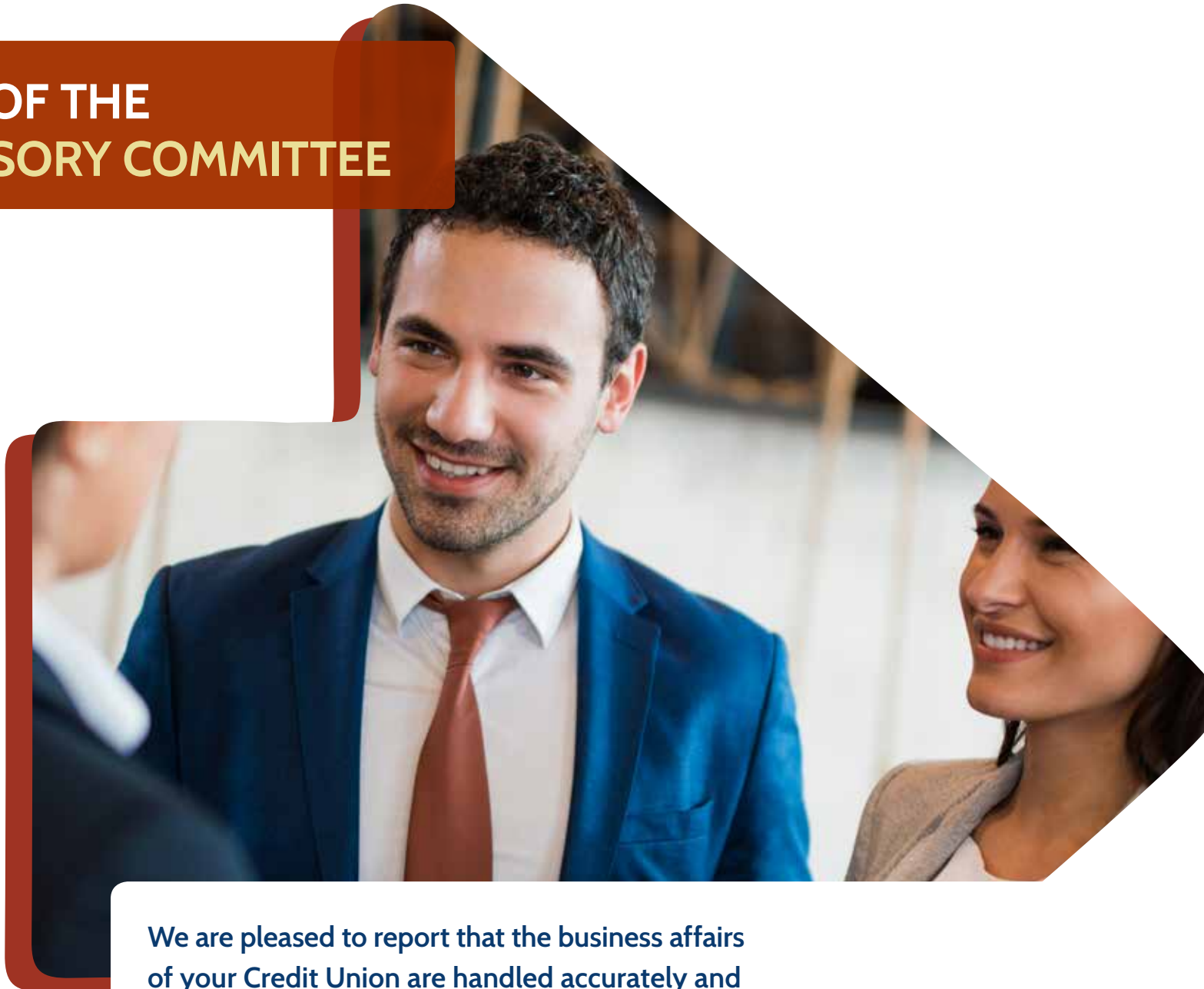
### Fundraising Initiatives

Our ability to make meaningful monetary contributions each year is closely related to the success of our employees' and company fundraising efforts, which, in 2018, totaled \$56,738. This included \$11,914 from employee payroll deductions and \$5,957 in company matching donations contributed to the United Way. Also, \$18,300 raised from the Putt Putt for Charity mini-golf was placed into the American Eagle Fund. Employees contributed another \$20,500 from our popular "Friday Jeans" days. These funds were awarded to the United Way, Credit Union Legislative Action Committee, American Eagle Fund, and Riverfront Recapture.

Look for American Eagle and all 300 employees to work as one team to deliver more philanthropy, volunteerism, financial education, and community involvement throughout 2019.



## REPORT OF THE SUPERVISORY COMMITTEE



**We are pleased to report that the business affairs of your Credit Union are handled accurately and comply with State and Federal regulations.**



During the year, the Supervisory Committee, appointed by the Board of Directors, has represented the membership of the Credit Union. The Committee, together with the Credit Union's internal audit staff, performs a variety of audits to ensure that effective controls are in place to protect your assets. We are pleased to report that the business affairs of your Credit Union are handled accurately and comply with State and Federal regulations.

For the year ended December 31, 2018, the Credit Union's independent auditors, Doeren Mayhew CPAs and Advisors, performed a comprehensive annual audit. This year, as in the past, an unqualified opinion was issued on the financial statements of the Credit Union. This means that the financial statements fairly represent the financial results achieved during 2018 and that the practices and procedures followed are in accordance with generally accepted accounting principles.

The operations of the Credit Union are under continual review by the internal audit staff working under the direction of the Supervisory Committee and your Board of Directors. The audit staff conducts internal audits and reviews the adequacy and effectiveness of policies and procedures within your Credit Union.

The Supervisory Committee is available to assist individual members in resolving any questions or problems they may have regarding their accounts or transaction activity. Please mail questions or concerns directly to the Supervisory Committee, P.O. Box 280128, East Hartford, CT 06128-0128. Upon receipt of a member's written request, the Committee will investigate and work with management to resolve issues of concern as fairly and expeditiously as possible.

Respectfully submitted,

Handwritten signature of Michael Rogers in black ink.

Michael Rogers

*Chairman, Supervisory Committee*

# BOARD OF DIRECTORS

## Board Officers



**Mark P. Allen**  
Chairman of the Board  
Volunteer since 1998



**Michael P. DePasquale**  
First Vice Chairman  
Volunteer since 2002



**Raymond C. Gandy III**  
Second Vice Chairman  
Volunteer since 1997



**Allison W. Burch**  
Secretary  
Volunteer since 2009

## Directors



**Catherine M. Banbury**  
Director  
Volunteer since 1983



**Gerald Benedetto**  
Director  
Volunteer since 1981



**Angela F. Bull**  
Director  
Volunteer since 1998



**A. Lisa Burgarella**  
Director  
Volunteer since 1992



**Joseph R. Camposeo**  
Director  
Volunteer since 1977



**Michael W. Hawman**  
Director  
Volunteer since 1998



**Kenneth D. Stevenson, Jr.**  
Director  
Volunteer since 1992



**Joseph Ploszay**  
Associate Director  
Volunteer since 2010



**Michael Rogers**  
Associate Director  
Volunteer since 2010

# OFFICERS



**Dean Marchessault**  
President &  
Chief Executive Officer



**John C. Conant**  
Executive  
Vice President,  
Chief Finance & Risk  
Officer



**Howard Brady**  
Senior Vice President,  
Chief Lending Officer



**Susan M. Bushnik**  
Senior Vice President,  
Chief Talent Officer



**Jim Evans**  
Senior Vice President,  
Chief Information  
Officer



**Brian A. Kennedy**  
Senior Vice President,  
Chief Strategy Officer



**Teresa E. Knox**  
Senior Vice President,  
Chief Operations Officer



**Ann-Marie Katzer**  
Vice President,  
Retail Sales & Service



**Dara Macchi**  
Vice President,  
Marketing



**Patty Mason**  
Vice President,  
Real Estate Lending



**Larry W. Michaud, Jr.**  
Vice President,  
Finance



**Ann G. Riley**  
Vice President,  
Member Experience  
& Innovation



**Jeffrey Rindfleisch**  
Vice President,  
Consumer Lending &  
Collections



**Pamela R. Villanova**  
Vice President,  
Deposit Products &  
Service Delivery



**Chris A. Willey**  
Vice President,  
Enterprise Risk  
Management /  
Security Officer

## Volunteers

**Channasandra Nagaraj**  
Supervisory & Technology Committees  
Volunteer since 2010

**Mohammed Islam**  
Supervisory & Loan Advisory Committees  
Volunteer since 2016

## CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

(In thousands)	2018	2017
<b>Assets</b>		
Cash and Cash Equivalents	\$217,984	\$183,946
Loans to Members	1,495,130	1,357,382
Investment Securities	21,128	48,143
Other Assets	27,360	27,596
Premises and Equipment	29,862	22,701
National Credit Union Share Insurance Fund	14,168	13,491
Accrued Interest Receivable	4,366	3,791
<b>Total Assets</b>	<b>\$1,809,998</b>	<b>\$1,657,050</b>
<b>Liabilities and Members' Equity</b>		
Members' Shares	\$1,630,006	\$1,467,898
Notes Payable	-	20,000
Accrued Expenses and Other Liabilities	14,250	18,848
Dividends Payable	583	247
Members' Retained Earnings	165,159	150,057
<b>Total Liabilities and Members' Equity</b>	<b>\$1,809,998</b>	<b>\$1,657,050</b>

## CONSOLIDATED STATEMENT OF INCOME

(In thousands)	2018	2017
<b>Interest Income</b>		
Interest on Loans	\$56,149	\$48,198
Income from Investments	2,904	2,524
<b>Total Interest Income</b>	<b>59,053</b>	<b>50,722</b>
<b>Interest Expense</b>		
Dividends on Shares	9,099	5,199
Interest on Borrowed Money	290	675
<b>Total Interest Expense</b>	<b>9,389</b>	<b>5,874</b>
<b>Net-interest Income</b>	<b>49,664</b>	<b>44,848</b>
Provision for Loan Loss	4,030	4,625
<b>Net Income after Provision</b>	<b>45,634</b>	<b>40,223</b>
<b>Non-interest Income</b>		
Visa® Operating Income	3,880	3,839
Other	16,254	15,088
<b>Total Non-interest Income</b>	<b>20,134</b>	<b>18,927</b>
<b>Non-interest Expense</b>		
Compensation and Benefits	29,373	27,291
Office Operations	11,716	10,867
Office Occupancy	4,617	3,627
Loan Servicing	3,283	3,137
Other	3,776	3,352
<b>Total Non-interest Expense</b>	<b>52,765</b>	<b>48,274</b>
<b>Net Income</b>	<b>\$13,003</b>	<b>\$10,876</b>



**Bloomfield**

699 Cottage Grove Road  
Bloomfield, CT 06002

**Cromwell**

4 Hammerhead Place (Rt. 372)  
Cromwell, CT 06416

**East Hartford**

417 Main Street  
East Hartford, CT 06118

**Enfield**

201 Elm Street  
Enfield, CT 06082

**Farmington**

4 Farm Springs Road  
Farmington, CT 06032

**Glastonbury**

109 Sycamore Street  
Glastonbury, CT 06033

**Manchester**

304 Broad Street  
Manchester, CT 06040

**Newington**

3579A Berlin Turnpike  
Newington, CT 06111

**Plainville**

378 New Britain Avenue  
Plainville, CT 06062

**South Windsor**

530 Buckland Road  
South Windsor, CT 06074

**Southington**

888 Queen Street  
Southington, CT 06489

**Vernon**

455 Hartford Turnpike (Rt. 30)  
Vernon, CT 06066

**West Hartford**

1245 New Britain Avenue  
West Hartford, CT 06110

**Member Contact Center**

860.568.2020  
800.842.0145

**American Eagle Financial Center**

333 East River Drive  
East Hartford, CT 06108  
[americaneagle.org](http://americaneagle.org)



Federally insured by NCUA

  
**American Eagle**  
Financial Credit Union