

Making Financial **FREEDOM** a

Reality.



2020

ANNUAL REPORT





REPORT TO OUR MEMBERSHIP



REPORT TO OUR MEMBERSHIP	2-3
COMMUNITY OUTREACH	4-5
REPORT OF THE SUPERVISORY COMMITTEE	6-7
BOARD OF DIRECTORS, OFFICERS, AND VOLUNTEERS	8-9
FINANCIAL STATEMENTS	10-11

The year 2020 was like no other in recent memory and was a year that challenged our members, their families, our employees, and our Credit Union as we'd never experienced before. And while the COVID pandemic has not yet been eradicated, we look now with anticipation toward more positive outcomes on our societal health and the promise of recovery for our local and national economies.

The Credit Union quickly responded and has continued to adjust to the unfolding pandemic environment; first, with a focus on health and safety and, then, with a suite of member-centered actions to get everyone through the financial fallout that was so extensive in Connecticut and beyond. Having to make frequent and mandated changes to our branch delivery solutions, the timely introduction of our appointment scheduling and branch visit tools proved to be a winner for our membership. Members can arrange telephone appointments, as always, along with in-branch appointments at convenient times with limited density and careful social distancing requirements in place. Our commitment to our membership remains focused on providing sound financial services and solutions in an environment that ensures protection and safety.

While the pandemic and social gathering rules made it more challenging to visit the branches, our membership really responded with the use of our digital and electronic banking tools to get routine banking done in a contact-less way. In 2020, we updated online and mobile banking services to include functional and security improvements, and our membership responded with significant increases in use of these tools to pay bills, transfer money, get balances, and do so in a safe and secure manner. On that same theme, in 2020 we upgraded our online and mobile account opening solution that makes it even easier to virtually open a new, or add an additional, account with us. Using a number of new account funding options, it's an easy, safe, and convenient way to grow your relationship with American Eagle.

Reflecting on this past year for American Eagle Financial Credit Union, it was definitely one of resilience. There are many positive indicators of solid performance to report. Membership continues to grow—reaching a record level of 157,426 total members. This can be attributed to new initiatives across our market where our field of membership includes Hartford, Tolland, Middlesex, and New Haven counties in Connecticut as well as Hampden County in Massachusetts. The Credit Union continues to attract members through a robust array of financial products and services—from competitive loan and mortgage options to attractive credit card choices and a variety of short- and long-term savings tools. Our community giving, outreach, and financial literacy activities, even in COVID times, have enabled us to attain better business results across our footprint.

During 2020, American Eagle Financial Credit Union achieved several significant fiscal milestones. Total assets ended at \$2.19 billion, a new record and an increase of \$140 million; shares increased by \$139 million. Likewise, our outstanding loan balances increased by \$38 million for a total of \$1.62 billion. Fixed-rate first mortgage lending led the charge, with over 25%—or \$142 million—in growth. Softness in the economy led to some contraction in credit card spending and in new and used auto sales financing.

The economic fallout from the pandemic caused all loan and share rates to drop precipitously early in the year, and that caused our financial outcomes to miss original projections. Lower investment returns on our excess cash and record low loan rates made for a vicious cycle of loan refinancing in 2020. That, combined with the generous give-backs we extended to our membership, led to our modest Net Income of just over \$2 million last year. This was the year to do all that we could to help our members battle the health crisis and the financial fallout and, while it was costly, we managed to grow our Net Worth and protect against the anticipated fallout of the ongoing economic headwinds of joblessness and health concerns. Strong and prudent adjustments were made to help offset the temporary hit to our earnings and we are well-structured for better outcomes in 2021 as a result of our decisions in 2020.

This past year, we were also able to relocate our East Hartford Main Street branch down the block to a new facility with drive-through video banking options and a lobby that commemorates our neighbor's history in aviation lore. In addition, we renovated our busy Manchester branch for better enjoyment for our membership and the team there. Lastly, American Eagle deployed a new mobile worker platform to ensure continuous, ongoing, and safe working practices that will support ongoing operations during snowstorms, power outages, and a pandemic such as COVID-19.

Despite how anxious the environment was in 2020, our membership was very supportive of our efforts throughout the year—first, to protect everyone and, second, to demonstrate the compassion and empathy needed during such a trying time. The scores you gave us, for our branch service and loan services, were some of the highest we've seen, even during the height of the pandemic last year.

The Credit Union's mission statement captures our dedication to providing support in numerous ways to organizations in our field of membership. With the significant pressures of the pandemic on many families and groups, our efforts this year were more important than ever. Collectively, AEFCU contributed \$296,336 to more than 100 organizations serving many thousands of individuals. We are grateful to our generous employees who contributed volunteer hours and donations to this mission as outlined in our Community Outreach report. And we are pleased to report that Forbes named AEFCU to the 2020 "Best Credit Unions in CT" list.

Our dedicated team of employees, whether in our community branches, the East Hartford headquarters, or now working from home, is steadfast in its commitment to providing you with the very best levels of service, security, and care in supporting your financial service requirements. We are thankful for their diligence and hard work, especially during these particularly challenging times. We are equally appreciative of the skilled oversight of our volunteer Board of Directors and Committee volunteers. You can rely on your Credit Union to continue to uphold our shared values of caring, trust, and dependability in the year ahead.

Respectfully submitted,

Michael P. DePasquale	Dean Marchessault
Chairman, Board of Directors	President & Chief Executive Officer



COMMUNITY OUTREACH



“American Eagle Financial Credit Union is deeply vested in upholding its defined core values—caring, trust, and dependability.”



Despite the many challenges faced by our members and citizens throughout the communities we serve, the year 2020 demonstrated yet again the generosity of our employees and members. Combined with corporate donations, contributions totaling \$296,336 were made to 110 organizations throughout our service area. This includes Hartford, Middlesex, New Haven, and Tolland counties in Connecticut as well as Hampden County in Massachusetts.

The Credit Union’s “Cash Back to the Community” program was very popular and successful. This program allocates funds based on members’ use of their AEFCU Debit or Credit cards. Once each quarter, members nominate their favorite charitable organization and then all members and the public vote; the top three vote-earners every quarter receive one-third each of the accumulated funds. In 2020, recipients of one-time donations ranging from \$6,575 to \$8,026 each included Dog Star Rescue, Early Childhood Collaborative of Southington, Enfield Community Cat Project, Farmington Schools Friends of Music, Friends of Feeney, Furry Animals Being Saved Rescue, Healing Meals Community Project, Literacy Volunteers of Greater Hartford, Quinnipiac University Dance Marathon, Roaring Brook Nature Center, Seniors Job Bank of Greater Hartford, and TLC Foundation. A total of \$86,421 was given back to the community in these “Cash Back” donations.

The presence of COVID and numerous event cancellations and restrictions throughout most of 2020 did not dissuade our employees from stepping up and volunteering their time (nearly 200 hours). Highlights of this generosity included providing financial education classes, reading to elementary school students, sorting holiday gifts, and distributing food and Halloween candy. Groups benefiting from these efforts included



Community Renewal Team, CT River Valley Chamber of Commerce, CREC Impact Academy, CRIS Radio, East Hartford Hunger Action Team, Foodshare, Hanwha Aerospace USA, Junior Achievement of Southwest New England, Manchester Road Race, Pathways Academy of Technology & Design, The Salvation Army, Tri-County Alliance of Realtors, United Way of Central & Northeastern CT, and Wesleyan University.

The Credit Union consistently seeks to support programs that help people in three critical areas of need; these include basic human requirements, education and youth programming, and community development. Common to all initiatives is a desire to give back to those in the Credit Union’s field of membership, our local residents. A charitable foundation, the Hartford Foundation for Public Giving, plays an instrumental role in identifying and distributing funding provided by American Eagle Financial Credit Union. Among the organizations awarded grants through this Donor-Advised Fund are Diaper Bank of Connecticut, Diaper Bank of Springfield, Gentle Love Diaper Pantry, Hartford Communities That Care, and the Urban Leagues of Greater Hartford and Southern Connecticut. Grants providing support to veterans were made to Dogs4Vets, Bilingual Veterans Outreach Centers of Massachusetts, House of Heroes Connecticut, Middlesex Community College Foundation, and UConn Foundation.

Throughout 2020, the Credit Union provided sponsorships totaling more than \$92,000 to a variety of organizations creatively planning their outreach events during the pandemic. Groups with a variety of programs for families and children included Channel 3 Kid’s Camp, Adelbrook, Connecticut Children’s Medical Center, Enfield Little League, Autism Families CONNECTicut, Klingberg Family Centers, MARC of Manchester, Somers Little League, and Ulbrich Boys & Girls Club. Cultural and community programs were supported through sponsorships to such groups as Beth Shalom B’nai Israel Jazz Festival, Jolly Johns Keep You Truckin, Live Nation Entertainment, Riverfront Recapture, South Windsor Patriotic Commission, Spirit of Springfield, and West Hartford Community Interactive.

Chambers of Commerce throughout the Credit Union’s field of membership that received sponsorships included the following: Bloomfield, Connecticut River Valley, Greater Manchester, Middlesex County, Midstate, Newington, Plainville, Quinnipiac, South Windsor, Southington, Tolland County, and West Hartford. Education-related events receiving AEFCU sponsorships included Asnuntuck Community College Foundation, Goodwin University Foundation, Manchester Community College Foundation, North Haven Schools PTA, and West District Elementary School PTO.

Many community groups in the Credit Union’s field of membership were recipients of sponsorships for a variety of events. These organizations included Community Foundation of Middlesex County, Hartford Gay & Lesbian Health Collective, Neighborhood Housing Services, The Food Bank of Western Massachusetts, The Salvation Army, Avon Police Department, Credit Unions Building Financial Independence Foundation, Greater Hartford Association of Realtors, Home Builders & Remodelers Association of Central CT, Wintonbury Land Trust, Rotary Club of Avon-Canton, Rotary Club of East Hartford, and Tri-County Alliance of Realtors.

Augmenting donations, grants, sponsorships, and volunteerism, in-kind donations helped a number of organizations. These goods and services included computer equipment, merchandise, tickets, financial education classes, and use of the Credit Union’s community room (pre-COVID). Recipients included East Hartford Public Schools, Ulbrich Boys & Girls Club, Connecticut River Valley Chamber of Commerce, International Gay Bowling Organization, Pathways Academy of Technology & Design, CRIS Radio, Newington Chamber of Commerce, and Veterans Inc.

Our employees also provided financial support in donations totaling more than \$58,000 to such community organizations as American Eagle Fund at HFPG, CT Department of Children and Families, Cornerstone Foundation, Credit Union Legislative Action Council, Credit Unions Building Financial Independence Foundation, and Hands On Hartford. Financial support was also provided to the Hartford Foundation for Public Giving (COVID-19 Response Fund), Marine Toys for Tots Foundation, Southington Community Services, The Prosperity Foundation, United Way of Central & Northeastern CT, West Hartford Social Services, and Operation Fuel.

Some of the recipients of corporate donations from American Eagle included such educational institutions as Bristol Eastern High School, East Hartford High School Academy of Finance, Goodwin University Foundation, and Vance Elementary School as well as a range of community organizations—from the Connecticut Children’s Medical Center, Greater New Haven Chamber of Commerce, and The Food Bank of Western Massachusetts to the East Hartford Lions Club, Foodshare, and United Way of Central & Northeastern Connecticut.

American Eagle Financial Credit Union is deeply vested in upholding its defined core values—caring, trust, and dependability. A dedicated member of the community, AEFCU’s goal for 2021 is to enhance the communities we serve, support the volunteer efforts of its employees, and improve the quality of life for residents throughout our field of membership.





REPORT OF THE SUPERVISORY COMMITTEE

“The Committee, together with the Credit Union’s internal audit staff and external auditors, perform a variety of audits to ensure that effective controls are in place to protect your assets.”

During the year, the Supervisory Committee, appointed by the Board of Directors, provides membership with an independent appraisal of the safety and soundness of the Credit Union’s operations and activities in compliance with federal and state laws as well as the American Eagle Financial Credit Union bylaws.

The Committee, together with the Credit Union’s internal audit staff and external auditors, perform a variety of audits to ensure that effective controls are in place to protect your assets. The State of Connecticut Department of Banking Commission and the National Credit Union Administration (NCUA) also perform periodic examinations. The Committee reviews all audit reports and meets monthly to discuss audit results, audit recommendations for strengthening internal controls, and the status of management’s action on all prior audit recommendations. We are pleased to report that the business affairs of your Credit Union are handled accurately and in compliance with state and federal regulations.

The Supervisory Committee is also 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. Your comments help ensure that the American Eagle Financial Credit Union maintains the highest levels of service to its members.

For the year ended December 31, 2020, 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 2020 and that the practices and procedures followed are in accordance with generally accepted accounting principles in the United States of America.

Respectfully submitted,

Michael Rogers
Chairman, Supervisory Committee





Board Officers



Michael P. DePasquale
Chairman of the Board
Volunteer since 2002



Raymond C. Gandy III
First Vice Chairman
Volunteer since 1997



Michael W. Hawman
Second Vice Chairman
Volunteer since 1998



Allison W. Burch
Secretary
Volunteer since 2009

Directors



Mark P. Allen
Director
Volunteer since 1998




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




Kenneth D. Stevenson, Jr.
Director
Volunteer since 1992



Joseph Ploszay
Director
Volunteer since 2010



Catherine Banbury
Senior Associate Director
Volunteer since 1983




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




Khaled Ahmed
Vice President, Information Technology




Ann-Marie Katzer
Vice President, Retail Sales & Service



Dara Macchi
Vice President, Marketing



Patty Mason
Vice President, Real Estate Lending




Katherine Meyer
Vice President, Human Resources



Larry W. Michaud, Jr.
Vice President, Finance & Accounting



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 Committee
Volunteer since 2016



Consolidated Statement of Financial Condition

(In thousands)	2020	2019
Assets		
Cash and Cash Equivalents	\$361,027	\$327,179
Loans to Members	1,609,063	1,574,749
Investment Securities	132,741	64,938
Other Assets	31,173	28,872
Premises and Equipment	28,840	29,188
National Credit Union Share Insurance Fund	18,346	16,043
Accrued Interest Receivable	4,214	4,670
Total Assets	\$2,185,404	\$2,045,639
Liabilities and Members' Equity		
Members' Shares	\$1,988,069	\$1,849,254
Notes Payable	-	-
Accrued Expenses and Other Liabilities	7,521	11,243
Dividends Payable	291	724
Members' Retained Earnings	189,523	184,418
Total Liabilities and Members' Equity	\$2,185,404	\$2,045,639

Consolidated Statement of Income

(In thousands)	2020	2019
Interest Income		
Interest on Loans	\$61,790	\$61,171
Income from Investments	2,077	6,246
Total Interest Income	63,867	67,417
Interest Expense		
Dividends on Shares	12,386	16,487
Interest on Borrowed Money	37	13
Total Interest Expense	12,423	16,500
Net Interest Income	51,444	50,917
Provision for Loan Loss	8,037	4,065
Net Income after Provision	43,407	46,852
Non-interest Income		
Visa® Operating Income	3,269	3,839
Other	15,974	19,484
Total Non-interest Income	19,243	23,323
Non-interest Expense		
Compensation and Benefits	34,327	33,752
Office Operations	15,166	13,066
Office Occupancy	4,603	4,915
Loan Servicing	3,087	3,268
Other	3,332	4,343
Total Non-interest Expense	60,515	59,344
Net Income	\$2,135	\$10,831

Avon

427 West Avon Road
Avon, CT 06001

Bloomfield

699 Cottage Grove Road
Bloomfield, CT 06002

Cromwell

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

East Hartford

361 Main Street
East Hartford, CT 06118

Enfield

201 Elm Street
Enfield, CT 06082

Glastonbury

109 Sycamore Street
Glastonbury, CT 06033

Manchester

304 Broad Street
Manchester, CT 06040

Newington

3579A Berlin Turnpike
Newington, CT 06111

North Haven

84 Washington Avenue
North Haven, CT 06473

Plainville

378 New Britain Avenue
Plainville, CT 06062

Southington

888 Queen Street
Southington, CT 06489

South Windsor

530 Buckland Road
South Windsor, CT 06074

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



Federally insured by NCUA


American Eagle
Financial Credit Union

americaneagle.org