

CARING **TRUST**  
DEPENDABILITY

**2014**  
ANNUAL REPORT



  
**American Eagle**  
Financial Credit Union

# REPORT TO OUR MEMBERSHIP



...with our member-supported charter conversion from federal to state, we changed our name and expanded our field of membership to include individuals and businesses in New Haven County.

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The year 2014 was one of sustained momentum and achievement for American Eagle Financial Credit Union. Notably, with our member-supported charter conversion from federal to state, we changed our name and expanded our field of membership to include individuals and businesses in New Haven County.

Following 24 years as President and CEO as well as 42 years of total service, William Dokas retired. Under his leadership, the Credit Union grew from \$270 million to over \$1.3 billion in assets while evolving into a full-service, member-owned cooperative serving members across a network that includes 13 community branches in Hartford, Middlesex, and Tolland counties.

Bill's contributions to the Credit Union were significant and he created a legacy that will endure for years to come, building an exceptionally strong organization and attracting a talented and experienced workforce. He championed the vision of being "our community's first choice in financial services" as the organization continued to enhance and deliver competitive financial products and services.

In the area of financial performance, we are pleased to report that the Credit Union ended the year with \$3.3 million of net income. Members' retained earnings were 9.46% of assets that totaled \$1.36 billion at year end. Loan balance growth increased over 16%, providing for steady earnings and better engagement by the membership. Membership increased by 12,000 in 2014 to more than 105,000 members and, in June, American Eagle Financial Credit Union opened its newest full-service community branch in Newington.

Throughout the year, we launched several new products and updated features to existing services. In partnership with Credit Union Student Choice, we introduced undergraduate and consolidation student loans offering flexible, affordable solutions to the widening gap that rising tuition and limited federal aid has created for many students. Deposit On-The-Go was added to our mobile banking application. This enables the convenience of depositing checks via mobile device along with paying bills, transferring funds, receiving mobile alerts, and other useful features.

In 2014, AEFCU launched a new "design-your-own-credit-card" product that gives members the option of customizing their Visa® Platinum and Platinum Rewards credit cards with their image for a small fee. We introduced the Visa Signature card, the Credit Union's first credit card equipped with an embedded microprocessor chip for enhanced security. We also enhanced our Visa card rewards programs with additional options for using earned points for travel, merchandise, and cash credit. Members using any of our Visa products can choose to receive text message or e-mail alerts when there is a purchase transaction, account notification, or account change.

Mindful of not only our members' desire for convenience, but the environment as well, we continued to add "envelope-less"

deposit modules at our branch ATMs this past summer. This enhancement speeds up deposit transactions and gives members an image of deposited items.

Providing our members with the highest measure of security for their financial transactions while safeguarding the confidentiality of their personal information is one of the Credit Union's foremost commitments. We are constantly monitoring and adding new security features, making sound investments to rigorously protect the integrity of our systems. We will continue to make strategic investments in technology that will deliver value over the long term, be responsive to the needs of our multigenerational members, and offer peace of mind. At the same time, we are committed to building relationships and providing to our members educational opportunities that focus on financial literacy, particularly for young adults.

During the summer of 2014, American Eagle Financial Credit Union rolled out a new branding campaign that featured member testimonials, our employees, and some of the communities we serve. Called "Something Bigger," we spotlighted in a series of television commercials how the Credit Union plays a role throughout each financial phase of our members' lives. Internally, we continued our commitment to ongoing professional development. We introduced the "Inspire Program," which focuses on extensive staff training designed to further optimize the service we provide to our members.

Earning our members' trust in the safety and security of their financial institution is an objective we take very seriously. These efforts would not be possible without the dedication and oversight of our Board 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 also express gratitude to our loyal members and their families and friends for their continued support and use of the Credit Union's products and services.

Since our founding in 1935, American Eagle Financial Credit Union has demonstrated its commitment to providing members with exceptional customer service, outstanding value, and a comprehensive array of products and services. We strive to continue our quest for excellence in delivering on our shared values of caring, trust, and dependability. We look forward to serving the financial needs of our membership this year and in the years ahead.

Respectfully submitted,



Angela F. Bull  
Chairman, Board of Directors



Dean Marchessault  
President & Chief Executive Officer

## COMMUNITY OUTREACH



Direct donations of \$7,000 were awarded by American Eagle to two organizations, while 84 non-profit organizations received \$50,209 during 2014.

Giving back to the community is the way American Eagle Financial Credit Union operates every day. Through our involvement in the community over the past year, our employees taught financial literacy classes to students, supported local charities, and held fundraising events that inspired others to give back to our communities. Our ongoing commitment to Hartford, Middlesex, and Tolland counties is strong, and we are proud to be a part of the communities we serve.

Teaching financial literacy is one of our most important community outreach objectives. Throughout 2014, our employees helped teens and young adults learn about saving, spending, and managing money. Financial education classes were taught at local high schools, colleges, and community organizations, including Conard High School in West Hartford, CREC magnet schools (located in Bloomfield, East Hartford, Hartford, and West Hartford), East Hartford High School, Glastonbury High School, Rockville High School, South Windsor High School, Middlesex Community College, and Wesleyan University in Middletown as well as The Boys and Girls Clubs of Hartford.

American Eagle employees helped over 1,000 high school students learn some of the realities of living on their own at Credit Union League of Connecticut-sponsored financial reality fairs held at Central Connecticut State University and the Connecticut State Capitol Legislative Office Building in Hartford. During these 2.5-hour, hands-on experiences, juniors and seniors from area schools identified their career choices and starting salaries. Using a budget sheet, they learned to live within their monthly salary while paying for such basics as housing, utilities, transportation, clothing, and food and not-so-basics like entertainment and travel. Employees helped students learn how to balance their budgets and develop sound financial habits.

American Eagle employees enjoyed sharing the joy of reading with local pre-school and elementary school children in East Hartford and Hartford public schools. In addition, employees taught the Junior Achievement curriculum to Manchester elementary and middle school students.

Our Credit Union strives to cultivate a workplace where employees give generously of their time, skills, and expertise. In 2014, a total of 140 employees volunteered more than 1,500 hours in the communities we serve. Employees participated in 50 community volunteer projects, including Amazing Grace Food Pantry in Middletown, American Red Cross blood drives (East Hartford, Farmington, and West Hartford), Adelbrook's Taste of Cromwell, Food Share Turkey Campaign in Bloomfield, CRIS Radio in Windsor,

Hebron Fair, Klingberg Family Centers' Vintage Motorcar Festival in New Britain, Manchester Community College Evening of Fine Wines Scholarship Fundraiser, Middlesex Community College's Scholarship 5K and 10K Road Race, Rebuild Together in Manchester, Toys for Tots in Southington, United Way Day of Caring at the Newington Senior & Disabled Center and Challenge Course, United Way Tax Assistance in Middletown, and the WTIC-AM/Salvation Army Holiday Store in Glastonbury.

During the Credit Union's two free electronic recycling and paper shred events, Iron Mountain shredded 38,000 pounds of paper and SpaceFitters recycled over 21,000 pounds of electronics, including computers, printers, and televisions. Over 900 members and nonmembers participated in these drive-through events.

In 2014, the Credit Union provided \$88,000 in support to 116 nonprofit organizations. More than \$27,000 was raised during six fundraising events and contributed to the American Eagle Financial Credit Union Fund at the Hartford Foundation for Public Giving. Thirteen grants totaling \$30,833 were awarded from the Credit Union Fund to Academy of Biomedical Sciences in Newington, Enfield Loaves and Fishes Soup Kitchen, Foodshare in Bloomfield, Lucy Robbins Welles Library Technology Learning Space in Newington, Operation Fuel in Hartford, Plainville Community Food Pantry, Rebuilding Together in Manchester, Salvation Army Holiday Store in Hartford, South Windsor Public Education Fund, Town of Cromwell Food Pantry, Town of East Hartford Special Programs, Town of Newington Youth Adventures Program, and United Way of Central and Northeastern Connecticut.

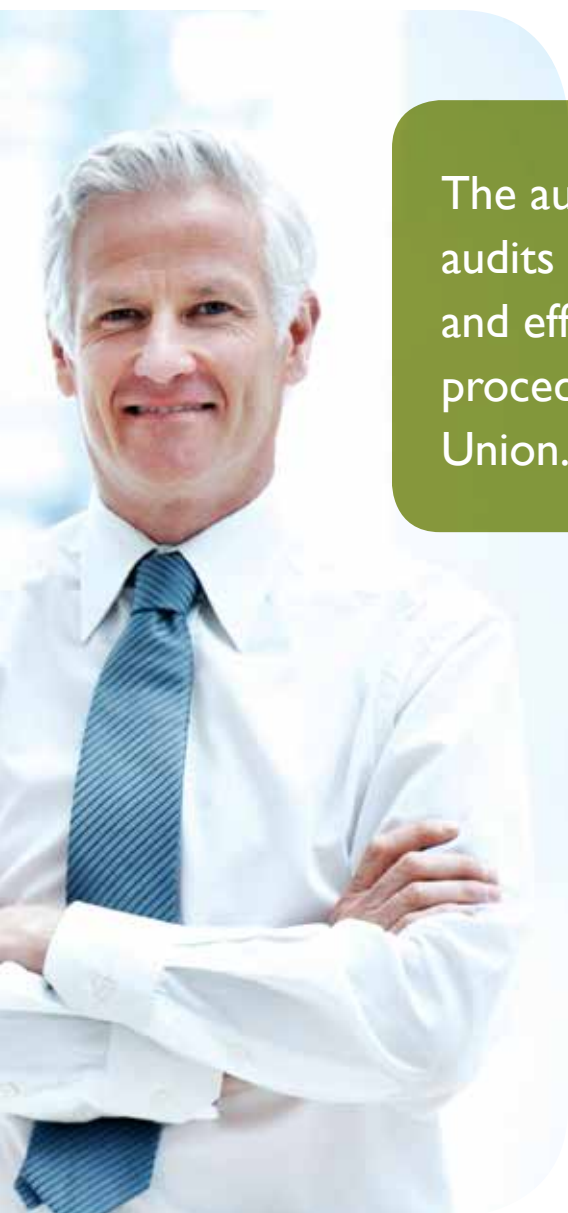
Money was also raised for the Credit Union Fund from such activities as the in-branch Wings for Charity Fundraiser and Dining for Charity fundraisers at Sakura Japanese restaurant in Glastonbury and the Vernon Diner. The annual Putt Putt for Charity golf event in Berlin raised over \$19,000 for the Fund. Additional monies were raised through employee volunteer efforts at the Hebron Lions' Harvest Fair and through internal computer equipment sales and battery returns.

Direct donations of \$7,000 were awarded by American Eagle to two organizations, while 84 nonprofit organizations received \$50,209 during 2014. For the past 79 years, American Eagle Financial Credit Union has played a leadership role in the communities we serve. The Credit Union strives to be a good neighbor and we value the efforts of our employees who join together to help our communities grow with us.



# REPORT OF THE **SUPERVISORY COMMITTEE**





The audit staff conducts internal audits and reviews the adequacy and effectiveness of policies and procedures within your Credit Union.

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 federal regulations.

For the year ended December 31, 2014, the Credit Union's independent auditors, Orth, Chakler, Murnane & Co., 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 2014, and that the practices and procedures followed are in accordance with generally accepted accounting principles.

The operations of the Credit Union are under daily 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 attempt to resolve issues of concern as fairly and expeditiously as possible.

Respectfully submitted,

Allison W. Burch  
Chairman, Supervisory Committee

# BOARD OF DIRECTORS



**Angela F. Bull**  
*Chairman of the Board*  
*Volunteer since 1998*



**Mark P. Allen**  
*First Vice Chairman*  
*Volunteer since 1998*



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



**Catherine M. Banbury**  
*Volunteer since 1984*



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



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



**Gerald Benedetto**  
*Volunteer since 1982*



**Stephanie Costello**  
*Associate Director*  
*Volunteer since 2009*



**Joseph Ploszay**  
*Associate Director*  
*Volunteer since 2010*



**Allison W. Burch**  
*Associate Director*  
*Volunteer since 2009*



**Janice Deskus**  
*Associate Director*  
*Volunteer since 2011*



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



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



**Raymond C. Gandy III**  
*Volunteer since 1997*



**Kenneth Wilczewski**  
*Volunteer since 1998*



# OFFICERS



**Dean Marchessault**  
President &  
Chief Executive Officer



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



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



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



**Edward H. Fox**  
Senior Vice President,  
Chief Lending Officer



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



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



**Howard Brady**  
Vice President,  
Real Estate Lending



**Michael C. Ferraro**  
Vice President,  
Consumer Lending



**Ann Marie Katzer**  
Vice President,  
Branch Sales & Service



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



**Kevin J. Murray**  
Vice President,  
Branch Operations &  
Administration



**Ann G. Riley**  
Vice President,  
Organizational  
Excellence



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



**Chris A. Willey**  
Vice President,  
Risk Management

# VOLUNTEERS

**Jeffrey Arakelian**  
Marketing Committee  
Volunteer since 2009

**Nagaraj Channasandra**  
Supervisory Committee  
Volunteer since 2010

**Vincent Mugavero**  
Marketing Committee  
Volunteer since 2010

**Michael Rogers**  
Supervisory Committee  
Volunteer since 2010



# CONSOLIDATED STATEMENT OF **FINANCIAL CONDITION**



(In thousands)

## Assets

	<b>2014</b>	<b>2013</b>
Cash on Hand & in Banks	\$22,904	\$76,817
Investment Securities	405,035	481,049
Loans to Members	884,043	760,850
Accrued Interest Receivable	4,011	4,131
Other Assets	10,014	7,335
Premises & Equipment	17,676	17,903
National Credit Union Share Insurance Fund	11,864	11,840
Total Assets	<u>\$1,355,547</u>	<u>\$1,359,925</u>

## Liabilities And Members' Equity

Members' Shares	\$1,195,061	\$1,199,737
Notes Payable	20,000	20,000
Dividends Payable	82	101
Accrued Expenses & Other Liabilities	12,145	11,506
Members' Equity	128,259	128,581
Total Liabilities & Members' Equity	<u>\$1,355,547</u>	<u>\$1,359,925</u>

# CONSOLIDATED STATEMENT OF INCOME

(In thousands)	2014	2013
<b>Interest Income</b>		
Interest on Loans	\$35,475	\$34,344
Income from Investments	4,048	4,934
Total Interest Income	39,523	39,278
<b>Interest Expense</b>		
Dividends on Shares	3,734	4,416
Interest on Borrowed Money	603	850
Total Interest Expense	4,337	5,266
Net Interest Income	35,186	34,012
Provision for Loan Loss	3,375	2,800
Net Income after Provision	31,811	31,212
<b>Non-Interest Income</b>		
Visa Operating Income	3,535	3,259
Other	11,609	12,407
Total Non-Interest Income	15,144	15,666
<b>Non-Interest Expense</b>		
Compensation & Benefits	24,242	24,052
Office Operations	9,857	8,564
Loan Servicing	3,636	3,076
Office Occupancy	2,752	2,512
Education & Promotion	1,080	813
Professional & Outside Service	1,005	924
Miscellaneous Operating	316	264
Travel & Conference	283	477
Operating Fees	264	231
Member Insurance	175	164
NCUA Premium Assessment	0	947
Impairment Loss on Investments	13	265
Total Non-Interest Expense	43,623	42,289
Net Income	\$3,332	\$4,589



**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, ext. 5101  
800.842.0145, ext. 5101

[americaneagle.org](http://americaneagle.org)



Equal Opportunity Lender



  
**American Eagle**  
Financial Credit Union