

2022 ANNUAL REPORT

**MAINTAINING STABILITY FOR  
A SUSTAINABLE FUTURE**



**American Eagle**  
Financial Credit Union



# REPORT TO OUR MEMBERSHIP

## In a word, 2022 was fluid.

And incredibly rewarding. We don't have to look very far to find evidence of volatility, uncertainty, and impact on the global stage or in our local community. The Russia and Ukraine conflict continues with effects on the worldwide economy, inflation is here with price increases for our most fundamental needs, and rising interest rates landed with seven rate hikes by the Fed along with corresponding impacts to financial markets as well as reductions in household cash flows. Simply stated, the conditions last year provided next-level challenges for our membership and community. It is easy to see the environment has become increasingly dynamic, which is a call to action for American Eagle. Most importantly, we are providing stability during a time of uncertainty for our field of membership when it matters most. Through this work, we are delivering on our mission to create financial freedom for our marketplace. And we are proud that despite the historic headwinds in the environment, we have meaningful traction in our business, highlighted by record financial and operational outcomes.

The first order of business last year was to engage, align, and guide our team through the leadership transition in 2022. The extensive work with our Board of Directors, Senior Leadership Team, and team members across the Credit Union landscape was evident with a focus on leadership, culture, and strategy. We have a strong culture operating with an emphasis on sparking meaningful change, enriching others, and influencing positive outcomes for our members. Moreover, purposeful work continues in diversity, equity, and inclusion—inside and outside the Credit Union. In addition, we realigned the organization to advance our digital and data capabilities to effectively anticipate and deliver on the financial needs of the communities we serve. Everything we do at the Credit Union is designed to impact and advance our membership. This deliberate and thoughtful approach sets the table for our future success, and it showed up in our results last year.

We experienced our best financial year ever by meeting the financial needs of the communities that we serve. Our membership grew to over 180,000 members in our five-county footprint—covering Hartford, Tolland, Middlesex, New Haven, and Hampden—in Connecticut and Massachusetts.

Similarly, we delivered \$703 million in loan production and \$179 million in net loan growth in service to our members. Assets increased \$153 million, which propelled us to \$2.5 billion in total assets, a significant milestone for the institution. It is essential to note that asset quality remains a strength for the institution. Equally important, advocacy in the marketplace for American Eagle is evident in the feedback garnered from our membership through quarterly satisfaction surveys. As a result of our success, we generated \$26.5 million in net income, highlighted by an annual return-on-assets of 1.09%.

The Credit Union also received various awards for outstanding achievement in several categories during the year. For the first time, we took 1st place for Best Credit Union and Best Community Bank, awarded by the *Hartford Courant*. We received similar recognition in the Best of *Berlin Citizen* and the Best of *Southington Citizen*. In addition, our passion for our members shows up in the Louise Herring

Philosophy-in-Action Member Service Award provided to us last year for the impact of our Credit-Builder program, designed to support members in establishing and re-establishing credit. This vital program establishes the foundation for members' financial success and serves as a catalyst for financial freedom. Our team also received accolades for our cybersecurity awareness and posture in protecting members' personal information.

In a dynamic landscape with multiple threats, information security and protecting you is a top priority. Finally, our Marketing Team was highlighted for Excellence in Public Relations in the way we tell the American Eagle story and raise awareness for the value we create for our membership and the marketplace.

The aforementioned financial and operational outcomes are an important part of success and ensure our ability to make future investments—in people, process, and technology—to enhance the member experience, deliver on our mission, and do more for the communities we serve. As the largest community-based credit union in Connecticut, we take great pride in giving back and enriching others, illustrated by \$106,090 in donations to other nonprofit businesses through our Cash Back to the Community program. Every time our members use their debit or credit cards, we give to a worthy organization. In addition, our team at the Credit Union donated more than 300 hours of volunteerism at the local level to positively impact our community.

I hope you share the excitement and pride in *our* collective results detailed in this report. The examples mentioned above are excellent indicators of how we are making an impact and bringing our mission to life. It is critical to highlight that, as a member, you are an owner

## I hope you share the excitement and pride in *our* collective results detailed in this report.

and an important stakeholder at the Credit Union. This aspect of membership is an essential element in the Credit Union difference that highlights that everything we do is for *you*, our members. Know that every decision we make has our membership at the center—we are very proud to serve you.

As we turn the page and focus on 2023, we continue to work hard to engage our membership, include others, deepen relationships, and anticipate your financial needs. Moreover, we are supporting the communities we serve through this inflationary cycle, focusing on budgeting, protecting consumer credit, and providing higher deposit rates for members seeking investments with safe and solid returns. Know that our team is ready to address any concerns you may have in the new year and provide solutions for you. The future is bright at American Eagle, and we look forward to another prosperous and rewarding year in our work. We hope to see you soon in our community!

Regards,

Raymond C. Gandy III  
Chairman, Board of Directors

Howard Brady  
President & Chief Executive Officer

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# COMMUNITY OUTREACH

Your Credit Union cares. American Eagle Financial Credit Union has a longstanding reputation for providing support that “enriches the lives of our members and communities to create a world where financial freedom is a reality.” Never has this been more important than during the challenging economic year of 2022. AEFCU, our employees, and our members provided more than \$206,000 in generous support to 100+ nonprofit organizations throughout Hartford, Middlesex, New Haven, and Tolland counties in Connecticut as well as Hampden County in Massachusetts. Central to our community engagement mission are the core values of *car*ing, *tru*st, and *de*pendability.



## Cash Back to the Community

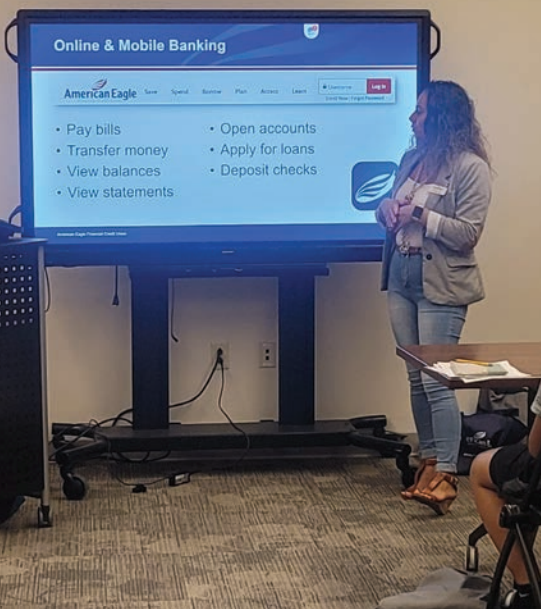
AEFCU’s Cash Back to the Community program once again delivered on its promise of helping nonprofit organizations. Voted on by members and the community-at-large, three entities earning the highest number of votes are selected each quarter to receive funds derived from one percent of the Credit Union’s Visa® interchange transaction fee (from every member use of an AEFCU Debit or Credit Card). During 2022, \$106,090 was awarded in quarterly amounts ranging from \$8,376 to \$9,201: Boxes to Boots, Connecticut Children’s Foundation, For All Ages, Free Center – Middletown, Girl Scouts of Connecticut, Hartford County 4-H Camp, Hartford Performs, Love Mom XOXO Foundation, Meriden Humane Society, Open Doors Outdoors, Southington North Little League, and The ARC of Connecticut. Since the program commenced in 2020, AEFCU has donated \$297,879.

## Grants

Since 2010, the Credit Union has awarded \$320,000 in grants that are managed and administered through the Donor-Advised Fund at the Hartford Foundation for Public Giving (HFPG); HFPG distributes monies from the Fund to nonprofit organizations as directed by AEFCU. During 2022, individual grants totaling \$20,000 were provided to organizations making a real difference in the lives of those they serve, including Gentle Love Diaper Pantry, Rise and Shine Foundation, and The Diaper Bank of CT. The Connecticut FoodCorps also received a grant; this organization partners with schools and communities to nourish kids’ health, education, and sense of belonging so that every child, in every school, experiences the joy and power of food. Additionally, local military families were supported through a \$2,500 grant to Easterseals Veterans Rally Point for a caregiver retreat program. Of special note, American Eagle donated \$10,116 to the Credit Unions Building Financial Independence fund providing Ukrainian humanitarian relief as part of a statewide response to the ongoing crisis in Ukraine. This fund, an initiative of the Credit Union League of Connecticut, has raised over \$100,000 in donations that directly support impacted Ukrainians and Ukrainian-Americans both at home and abroad—including incoming refugees.

## Employee Volunteerism

Our valued employees are very generous. During 2022, more than 60 employees helped organizations throughout our sphere of membership, contributing in excess of 300 hours to help such groups and causes as: The Salvation Army, Middletown Pride Festival, Boys & Girls Clubs of Hartford, CREC Impact Academy, Wesleyan University, The Food Bank of Western Massachusetts, Foodshare, East Hartford Hunger Action Team, Ronald McDonald House of Springfield, Neighborhood Housing Services of New Haven, Hands On Hartford, area hospitals and schools, and community financial education programs offered by AEFCU at our headquarters.



## Employee and Member Donations

American Eagle members and employees consistently demonstrated one of our corporate values of “caring” by donating nearly \$20,000 in 2022 to the United Way, Credit Unions Building Financial Independence Foundation, and the Credit Union League of Connecticut’s Charitable Foundation Raffle.

## Corporate Donations

Each year, American Eagle directly supports nonprofit organizations and schools. Financial support totaling about \$15,000 was provided to fund such initiatives as youth programs, new technology, scholarships, school supplies, community-theater, and other causes in the community. During 2022, recipients included the Boys & Girls Clubs of Hartford, East Hartford High School Academy of Finance, Goodwin Foundation, the National Alliance on Mental Illness (NAMI of CT), Project Graduation high school events, Rise and Shine Foundation (partner with 96.5 WTIC-FM), Riverfront Recapture, and United Way of Central and Northeastern CT. Also receiving donations of \$2,500 each were organizations providing critical food, nutritional, and housing support services: Food Bank of Western Massachusetts (pantries, meal sites, shelters), Connecticut Foodshare, and Hands on Hartford (food, housing, health services). Healthcare institutions that received donations included CT Children’s Medical Center, Yale New Haven Hospital, and Baystate Medical Center.

## Corporate Sponsorships

Throughout 2022, the Credit Union supported more than 70 organizations through event sponsorships, contributing in excess of \$81,000. These causes included services for families, children, and youth as well as physical and mental health services; education, housing, food insecurity, diversity and inclusion, and veteran services; and events related to animal welfare, environmental, arts and entertainment, and sports. Some of the organizations supported include Armenian Open, Avon-Canton 40th Annual Rotary Golf Tournament, Bloomfield Leisure Services Summer Concert Series, Blue Hills Fire Department Juneteenth Celebration, Capital Community College Foundation Golf, Channel 3 Kids Camp, CONNCat Gala, CT Breast Health Initiative Race in the Park, Enfield Safe Harbor Warming Center, Girls Inc. of the Valley, Glastonbury Apple Harvest Festival, Greater Bristol NAACP MLK Jr. Breakfast, Greater New Haven NAACP, Hartford’s Camp Courant Arch Street Tavern Event, Keney Women’s Golf Club, Manchester Cruisin’ on Main Street, Middletown Pride, National Coalition 100 Black Women, Newington Knights Youth Football and Cheer, Salvation Army Holiday Store, Tolland Youth Football, United Way chapters, West Hartford Pride Month, and many school and community golf tournaments and little league groups. Additionally, AEFCU maintained business memberships and sponsored events with ten area Chambers of Commerce.

## In-kind Donations

Each year, AEFCU donates goods and services to a number of nonprofit organizations. During 2022, examples of the Credit Union’s in-kind philanthropy included delivery of gift baskets and complimentary tickets for American Eagle’s Magic of Lights event in East Hartford to patients and care staff at Connecticut Children’s Medical Center in



Hartford and Yale Children’s Hospital in New Haven. AEFCU partnered with the United Way as well as employees, members, and the public for the annual “Stuff the Bus” school supply drive. Tickets to Oakdale concerts were provided to the New Haven PRIDE Center, an appreciation breakfast was prepared for teachers at East Hartford High School, and cans were collected at headquarters and donated to Cans 4 a Cause. The Credit Union also contributed computer equipment, furniture, office supplies, holiday decorations, and gift cards to more than 20 organizations.

## Awards and Recognition

In 2022, American Eagle was recognized for excellence in several key areas by the Credit Union National Association and the Credit Union League of Connecticut at APEX 2022—Connecticut credit unions’ annual conference and award ceremony. This marked the second consecutive year that American Eagle FCU received multiple awards for distinguished service to their members, work within the community, and advocacy for credit unions. Honored were the following: cybersecurity awareness education, assistance to low-income households, and public relations. The *Hartford Courant* recognized AEFCU with first-place awards for Best Credit Union and Best Community Bank, augmenting awards earned from the *Berlin Citizen* and *Southington Citizen*.

**American Eagle remains deeply committed to sustaining our philanthropic efforts and broadening our reach within the diverse and inclusive communities we serve to best help others. Making a difference in the community: *We care.***



## REPORT OF THE SUPERVISORY COMMITTEE

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 with the internal audit staff 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 if members ever need assistance or experience difficulties that cannot be resolved through normal channels regarding their accounts or transaction activity. The Committee is made up of members just like you; they volunteer their time serving American Eagle Financial Credit Union members by acting as liaisons between you and your Credit Union. Please mail questions or concerns directly to the Supervisory Committee, P.O. Box 280128, East Hartford, CT 06128-0128.



**The Committee is made up of members just like you; they volunteer their time serving American Eagle Financial Credit Union members.**

For the fiscal year ended December 31, 2022, the Supervisory Committee engaged the services of Doeren Mayhew CPAs and Advisors to conduct an independent, comprehensive annual audit of the financial statements. Once again, as in the past years, an unqualified opinion was issued on the financial statements of the Credit Union. In other words, the Credit Union's members can be confident the Board of Directors, Supervisory Committee, and Executive Team are fulfilling their fiduciary responsibilities for sound fiscal stewardship of American Eagle Financial Credit Union.

Respectfully submitted,

Michael Rogers  
Chairman, Supervisory Committee



## Board Officers



**Raymond C. Gandy III**  
Chairman of the Board  
Volunteer since 1997



**Michael W. Hawman**  
First Vice Chairman  
Volunteer since 1998



**Allison W. Burch**  
Second Vice Chair  
Volunteer since 2009



**Joseph Ploszay**  
Secretary  
Volunteer since 2010

## Directors



**Mark P. Allen**  
Director  
Volunteer since 1998



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



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



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



**Michael P. DePasquale**  
Director  
Volunteer since 2002



**Michael Rogers**  
Director  
Volunteer since 2010



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



**Catherine Banbury**  
Senior Associate Director  
Volunteer since 1983

## Officers



**Howard Brady**  
President &  
Chief Executive Officer



**Brian A. Kennedy**  
Executive Vice President,  
Chief Strategy &  
Revenue Officer



**Teresa E. Knox**  
Executive Vice President,  
Chief Operations &  
Experience Officer



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



**Ryan McEleney**  
Senior Vice President,  
Chief People Officer



**Dianna Wilson**  
Senior Vice President,  
Chief Lending Officer



**Ann-Marie Katzer**  
Senior Vice President,  
Retail Delivery



**Dara Macchi**  
Senior Vice President,  
Marketing &  
Data Analytics



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



**Pamela R. Villanova**  
Senior Vice President,  
Digital Solutions



**Khaled Ahmed**  
Vice President,  
Information Technology



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



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



**Ashley Rollins**  
Vice President,  
Consumer Lending



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

## Dedication & Leadership

Honoring American Eagle Financial  
Credit Union Retiree in 2022



**Gerald Benedetto**  
Director  
Served on the Board  
from 1981 until 2022

## Volunteers

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

**Mohammed Islam**  
Supervisory Committee  
Volunteer since 2016

**Hicham Elarabi**  
Supervisory Committee  
Volunteer since 2022

## CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

| (In thousands)                             | 2022        | 2021        |
|--|-------------|-------------|
| <b>Assets</b>                              |             |             |
| Cash and Cash Equivalents                  | \$223,392   | \$278,721   |
| Loans to Members                           | 1,850,179   | 1,669,010   |
| Investment Securities                      | 343,228     | 322,719     |
| Other Assets                               | 41,573      | 33,785      |
| Premises and Equipment                     | 24,545      | 27,080      |
| National Credit Union Share Insurance Fund | 20,554      | 20,171      |
| Accrued Interest Receivable                | 4,815       | 3,912       |
| Total Assets                               | \$2,508,286 | \$2,355,398 |
| <b>Liabilities and Members' Equity</b>     |             |             |
| Members' Shares                            | \$2,231,560 | \$2,141,254 |
| Notes Payable                              | -           | -           |
| Accrued Expenses and Other Liabilities     | 51,108      | 15,310      |
| Dividends Payable                          | 442         | 113         |
| Members' Retained Earnings                 | 225,176     | 198,721     |
| Total Liabilities and Members' Equity      | \$2,508,286 | \$2,355,398 |

## CONSOLIDATED STATEMENT OF FINANCIAL INCOME

| (In thousands)              | 2022     | 2021     |
|-----------------------------|----------|----------|
| <b>Interest Income</b>      |          |          |
| Interest on Loans           | \$61,770 | \$58,032 |
| Income from Investments     | 5,143    | 2,001    |
| Total Interest Income       | 66,913   | 60,033   |
| <b>Interest Expense</b>     |          |          |
| Dividends on Shares         | 5,414    | 5,244    |
| Interest on Borrowed Money  | 35       | 13       |
| Total Interest Expense      | 5,449    | 5,257    |
| Net Interest Income         | 61,464   | 54,776   |
| Provision for Loan Loss     | (700)    | 1,350    |
| Net Income after Provision  | 62,164   | 53,426   |
| <b>Non-interest Income</b>  |          |          |
| Gain on Visa Stock Sale     | 10,059   | -        |
| Visa® Operating Income      | 3,824    | 3,665    |
| Other                       | 18,323   | 16,883   |
| Total Non-interest Income   | 32,206   | 20,548   |
| <b>Non-interest Expense</b> |          |          |
| Compensation and Benefits   | 34,545   | 34,722   |
| Office Operations           | 17,889   | 17,870   |
| Office Occupancy            | 5,124    | 4,796    |
| Loan Servicing              | 3,889    | 4,057    |
| Loss on Mortgage Loan Sales | 2,379    | -        |
| Other                       | 4,015    | 3,341    |
| Total Non-interest Expense  | 67,841   | 64,786   |
| Net Income                  | \$26,529 | \$9,188  |

**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

