



ANNUAL REPORT





Making Financial FREEDOM a
Reality.

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REPORT TO OUR MEMBERSHIP

Last year, our resilience was evident as we delivered many wins for the Credit Union and our members. At the same time, we navigated some new challenges introduced in 2023. Fundamentally, we officially closed out the public health emergency prompted by COVID-19 that significantly impacted our lives. For a moment, it looked like we traded a health crisis for a financial crisis illustrated by a series of regional bank failures that threatened to disrupt the financial system. Complicating matters was the downgrade to U.S. long-term credit ratings due to disagreement over the debt ceiling and the volatility that it created in financial markets. Inflation persisted, causing continued economic headwinds for our membership and the communities we serve. We also endured the most aggressive tightening of interest rates by the Federal Reserve in more than four decades.

On a positive note, the economy avoided a recession last year, and forecasts are promoting the possibility of a 'soft landing' characterized by a balance of inflation, employment, and economic growth. Meaningful traction in the fight against inflation is increasing hopes for a reduction in costs for our basic needs. The good news is that your Credit Union, financial cooperative and partner, experienced success in various ways throughout 2023. Most importantly, American Eagle is on a sound financial foundation and continues to receive positive feedback from our regulators, even in this dynamic environment. We are also listening to you for ways to increase our relevance and impact your lives, working shoulder-to-shoulder with you to help deliver financial freedom.

Our highly engaged team shows up every day in our culture, proud to serve as a trusted resource.

In 2023, we experienced another solid financial year by meeting the financial needs of the communities that we serve. Our membership grew to over 183,000 members in our five-county footprint—covering Hartford, Tolland, Middlesex, New Haven, and Hampden—in Connecticut and Massachusetts. We acquired \$177.3 million in deposits, and assets increased by \$190.8 million, landing us on the doorstep of \$2.7 billion in total assets. Significantly, our deposit pricing strategy enabled us to enrich our members with \$27.4 million in interest income in 2023! Not surprisingly, advocacy in the marketplace for American Eagle is apparent in the feedback garnered from our membership through quarterly satisfaction surveys, which compare favorably versus market competition. Through your engagement with American Eagle and the financial solutions we provided to the community, we generated \$12.7 million in net income and an annual return-on-assets of .50%.

As a result of the Credit Union's performance last year, we received various awards in recognition of outstanding achievement in several categories. This list of accolades serves as another indicator of the impact we continue to make in the communities we serve. American Eagle was awarded 1st Place for Best Credit Union by *The Hartford Courant* for the 8th consecutive year! Notably, the Risk and Insurance Management Society highlighted our approach to risk mitigation and protecting the membership with the Enterprise Risk Management Global Award of Distinction. In addition, we were recognized by the Credit Union National Association (CUNA) with the Louise Herring Philosophy-in-Action Member Service Award for our Simple Checking account, designed to create and increase consumers' access to the financial system with favorable terms.

Moreover, CUNA also awarded us the Dora Maxwell Award for our Cash Back to the Community Program, supported by \$111,000 in contributions last year and \$409,000 since the program's inception. In 2023, Cash Back to the Community winners, nominated and voted on by our field of membership, included Boomer's Best Buddies Rescue, Connecticut Humane Society, East Haven Food Pantry, Enfield Loaves & Fishes, Everybunny Counts Rabbit Rescue, Hartford Gay Men's Chorus, Iwo Jima Memorial Historical Foundation, Literacy Volunteers of Central Connecticut, No Animal Left Unfed, PaperHouse Productions, Protectors of Animals, and Southington West Little League. Finally, the *Hartford Business Journal* celebrated Teresa Knox, Executive Vice President, Chief Operations and Experience Officer, as a prominent C-Suite leader in our local community!

As you can see, there is significant energy, effort, momentum, and impact at the Credit Union. We are designed to serve you and the local community in order to deliver financial freedom through effective budgeting, financial planning, borrowing, saving, and investment strategies. Our highly engaged team shows up every day in our culture, proud to serve as a trusted resource. We have a deliberate focus on leadership to create stability amidst uncertainty, spark meaningful change, influence positive outcomes, develop and enrich others, and create the right conditions to reach our fullest potential and bring our mission to life. Remember, you are an owner of the Credit Union, and everything we do is intended to raise up individuals, families, and larger communities. Know that we are grateful for your membership and appreciate the trust you place in us each day.

We look forward to starting another exciting chapter in our collective story in 2024!

Warm regards,



Raymond C. Gandy III
Chairman, Board of Directors



Howard Brady
President & Chief Executive Officer

COMMUNITY OUTREACH

The year 2023—with inflationary pressures—continued to offer challenges for our members and the organizations that serve those throughout our community. Committed to the principles of caring, trust, and dependability, American Eagle Financial Credit Union stepped up efforts to provide support to a number of nonprofit and municipal organizations. These efforts were augmented by the generous contributions of our dedicated employees and our membership as a whole. During the year 2023, \$166,977.40 in donations and sponsorships was made to 104 organizations in our community. Our field of service includes Hartford, Middlesex, New Haven, and Tolland counties in Connecticut as well as Hampden County in Massachusetts.



Cash Back to the Community

In its fourth year, the Credit Union’s “Cash Back to the Community” program remains very successful and popular. AEFCU’s largest giving program has awarded a total of \$409,000 since the program’s inception. For every transaction where a member uses their AEFCU Debit or Credit card, a percentage of that transaction fee is accumulated. Each quarter, members and the public are provided with an opportunity to nominate their favorite nonprofit or charitable organization to receive one-third of that quarter’s accumulated fees (the top three vote recipients). For 2023, these donations ranged from \$9,086 to \$9,486 each and were awarded to the following recipients: Boomer’s Best Buddies Rescue, PaperHouse Productions, Southington West Little League, Connecticut Humane Society, Literacy Volunteers of Central Connecticut, Enfield Loaves & Fishes, Iwo Jima Memorial Historical Foundation, No Animal Left Unfed, Everybunny Counts Rabbit Rescue, East Haven Food Pantry, Hartford Gay Men’s Chorus, and Protectors of Animals. A total of \$111,000 was provided in 2023 through “Cash Back to the Community.”

Grants

Each year, the Credit Union provides significant support in the form of donations and grants through its Donor-Advised Fund at the Hartford Foundation for Public Giving (HFPG). The Greystone Foundation, a charitable nonprofit in Avon, was the recipient of \$3,000 in 2023. Greystone provides monetary assistance and financial advice to individuals and families in need. Other organizations receiving support included Operation Fuel and the Community Renewal Team.

Employee Volunteerism

American Eagle Financial Credit Union cares deeply about the communities where our members live, work, and worship—and our employees care as well. During 2023, our valued employees contributed 609 volunteer hours to help causes and groups that included the Boys & Girls Club of Hartford, the Financial Reality Fair, United Way’s Read for the Record, Back to School Rally for East Hartford public schools, a Back-to-School Back Pack Drive in East Hartford, the Middletown Pride Fest, Ronald McDonald House, West Hartford Pride, and such veterans’ causes as Open Doors Outdoors and the Gobbler Farm Run. For the 2023 “Read Across America Day,” sponsored by the United Way, seven AEFCU volunteers participated at the Robert J. O’Brien STEM Academy in East Hartford, reading several books to students on Dr. Seuss’s birthday.



Corporate Donations

The Credit Union provided financial support to a number of organizations throughout our field of membership during the past year. Recipients included the Olive Branch (the Connecticut Department of Children and Families toy store), Juneteenth Parade in East Hartford, For All Ages (an organization supporting elder mental health), veterans’ programs sponsored by EasterSeals, the Boys & Girls Club of Hartford, the Collaboration of Minority Women Professionals, and financial support to assist with food insecurity over the holidays in every town in which an AEFCU branch is located. The Ronald McDonald House® of Springfield was the recipient of a cash donation that provided assistance to families in the form of lodging, meals, and other necessities while children are hospitalized.



Corporate Sponsorships

For the past 20 years, the Credit Union has sponsored the Salvation Army's Annual Holiday Store. AEFCU team members helped to staff the event on three days in December, accepting donations of toys, nonperishable foods, clothing, and toiletries. These goods are made available free of charge to people in need during the Salvation Army's annual one-stop shopping experience.

In-kind Donations

During 2023, the Credit Union continued its community support through in-kind donations that included tickets to Cirque Dreams Holiday to Amy's Angels Organization as well as a laptop computer provided to For All Ages, Inc. A teacher appreciation breakfast was hosted at East Hartford High School, cans were collected for Cans 4 a Cause (an ongoing annual activity), and American Eagle supported *The Hartford Courant's* Camp Courant program. Additional support was provided to the Benhaven Walk for Autism along with the Juneteenth Celebration in Bloomfield.

Community Events

Reflecting its deep commitment to promoting financial literacy, American Eagle has facilitated many financial education seminars free of charge to attendees. From serving high school students and young professionals to senior citizens, these in-person programs throughout the year have included such topics as Bank at Work, Elder Fraud, Budgeting Workshops, CREC Impact Academy, and Understanding & Building Credit. Especially popular are the comprehensive, first-time homebuyer seminars that AEFCU hosts several times each year; these seminars are open to the public at no cost. The Credit Union has also sponsored for many years an annual drive-thru paper shredding event that is free for all. This past June, the event was held at the Credit Union's Avon branch. In partnership with Connecticut Foodshare, an annual turkey drive was held at the Credit Union's East Hartford headquarters. Turkeys and nonperishable foods were donated by employees, members, community partners, and friends for distribution to those in need.



Awards and Recognition

American Eagle Financial Credit Union was recognized with multiple awards for excellence in community contributions and collaboration for the third consecutive year at APEX 2023, the Credit Union League of Connecticut's annual conference. AEFCU was the recipient of the Louise Herring Philosophy-in-Action Award, recognizing efforts to improve the quality of life for members, their families, and their communities, and the Dora Maxwell Award, honoring community relations work and an abiding commitment to charitable programs. The Credit Union was also named #1 Credit Union in the Best of Hartford 2023 *Hartford Courant* Readers' Poll.

For more than 85 years, American Eagle Financial Credit Union has served the financial needs of its members and surrounding communities. AEFCU is dedicated to giving back and helping to support the financial needs of its members as well as the communities in which they live, work, and worship. The Credit Union remains steadfast in its mission of *"enriching the lives of our communities and creating a world where financial freedom is a reality."*





"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."

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee, appointed by the Board of Directors, provides the membership with an independent appraisal of the safety and soundness of American Eagle Financial Credit Union's (AEFCU) operations and activities. It does so in compliance with the Connecticut Banking Laws and Regulations, Federal Credit Union Act, and the Credit Union's 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, internal audit recommendations for strengthening internal controls, and the status of management's action on all prior internal audit recommendations. The Supervisory Committee ensures that American Eagle's financial statements provide a fair and accurate presentation of its financial condition and that management establishes and maintains sound internal controls to protect the assets of your Credit Union.

Throughout the year, the Committee reviews and works with management to respond to letters and emails it receives from the membership. Both the membership and the management of AEFCU benefit from this open communication because your individual concerns are addressed on a personal basis and your comments help to ensure that American Eagle Financial Credit Union maintains the highest level of service to its members. The Committee is made up of members just like you who volunteer their time serving American Eagle Financial Credit Union members by acting as the connection 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.

For the fiscal year ended December 31, 2023, the Supervisory Committee engaged the services of Doeren Mayhew CPAs and Advisors to conduct an independent, comprehensive annual audit of the financial statements. Based on the results of the Annual Report of Independent Auditors and the Examination Report of the CT Department of Banking Commission and National Credit Union Administration (NCUA), it is the opinion of your Supervisory Committee that American Eagle Financial Credit Union continues to be financially strong and well managed, with sound policies and programs. In other words, the Credit Union's members can be confident that the Board of Directors, Supervisory Committee, and Management 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

Volunteers

Channasandra Nagaraj
Supervisory & Cybersecurity Committees
Volunteer since 2010

Mohammed Islam
Supervisory Committee
Volunteer since 2016

Hicham Elarabi
Supervisory Committee
Volunteer since 2022



Officers



Howard Brady
*President &
Chief Executive Officer*



Dianna Wilson
*Senior Vice President,
Chief Lending Officer*



Patty Mason
*Vice President,
Real Estate Lending*



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



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



Devon O'Nalty
*Vice President,
Inclusion & Diversity*



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



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



Ann G. Riley
*Vice President,
Process Excellence*



Jim Evans
*Senior Vice President,
Chief Information Officer*



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



Ashley Rollins
*Vice President,
Consumer Lending*



Ryan McEleney
*Senior Vice President,
Chief People Officer*



Khaled Ahmed
*Vice President,
Information Technology*



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



CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

(In thousands)	2023	2022
Assets		
Cash and Cash Equivalents	\$643,993	\$223,392
Loans to Members	1,621,283	1,850,179
Investment Securities	343,312	343,228
Other Assets	40,003	41,573
Premises and Equipment	23,392	24,545
National Credit Union Share Insurance Fund	21,890	20,554
Accrued Interest Receivable	5,213	4,815
Total Assets	<u>\$2,699,086</u>	<u>\$2,508,286</u>
Liabilities and Members' Equity		
Members' Shares	\$2,408,887	\$2,231,560
Notes Payable	-	-
Accrued Expenses and Other Liabilities	50,830	51,108
Dividends Payable	1,769	442
Members' Retained Earnings	<u>237,600</u>	<u>225,176</u>
Total Liabilities and Members' Equity	<u>\$2,699,086</u>	<u>\$2,508,286</u>

CONSOLIDATED STATEMENT OF FINANCIAL INCOME

(In thousands)	2023	2022
Interest Income		
Interest on Loans	\$68,685	\$61,770
Income from Investments	21,819	5,143
Total Interest Income	90,504	66,913
Interest Expense		
Dividends on Shares	27,386	5,414
Interest on Borrowed Money	28	35
Total Interest Expense	27,414	5,449
Net Interest Income	63,090	61,464
Provision for Loan Loss	1,701	(700)
Net Income after Provision	61,389	62,164
Non-interest Income		
Other	17,563	18,323
Gain on Visa® Stock Sale	-	10,059
Visa Operating Income	3,810	3,824
Gain/(loss) on Mortgage Loan Sales	98	(2,379)
Total Non-interest Income	21,471	29,827
Non-interest Expense		
Compensation and Benefits	36,122	34,545
Office Operations	18,453	17,889
Office Occupancy	4,948	5,124
Other	4,658	4,015
Loan Servicing	5,660	3,889
Total Non-interest Expense	69,841	65,462
Net Income	\$13,019	\$26,529



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

