

Anheuser-Busch Employees' Credit Union  
American Eagle Credit Union  
Purina Credit Union

# ASSIST EMPOWER INSPIRE



## 2018 ANNUAL REPORT

## LETTER FROM YOUR CEO

Last year proved to be a record year of change and transition as we took bold steps forward to better serve and empower our members. Our single biggest project in 2018 was the move to our new headquarters building and the sale of our old home.

As our members' trusted financial partner, we strive to provide experiences that empower members to achieve their goals. The new headquarters solidifies this commitment to our members and our community and creates a first-class working environment for employees, provides new technology infrastructure and enhances the high level of service our members enjoy and expect.

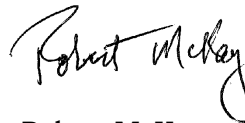
Your Credit Union's focus on "member-first" lending continues to meet members where they are in life and inspire them to achieve financial success whether that be with a new home, new auto, college tuition, a dream vacation, debt consolidation, and the list goes on. As your "hometown, home loan provider," mortgage lending in particular continues to grow and remains a key strategic focus. By offering real solutions for real lending needs, this year your Credit Union assisted more than 18,000 members, originating its largest number of loans ever in one year.

As financial needs evolve and as technology evolves, your Credit Union continues to evolve. This year our senior leadership team expanded to include a chief information officer, we converted our ATMs to become EMV chip-enabled, rolled out mobile and online

banking enhancements, and introduced an online loan acceptance application affording members the convenience of accepting loan pre-approvals with just a few clicks via their smartphone and desktop devices.

Our promise to assist, empower and inspire members is bolstered by our engaged employees and by technology and innovation. This year your Credit Union performed an extensive audit of its numerous data systems and a comprehensive review of core system providers to replace our legacy system. We are excited about the next-generation technology efficiencies, capabilities and member-centric service that our selection, Keystone by Corelation, will bring as our new core system solution. The system conversion will be a substantial project in 2019, culminating with a system conversion in March 2020.

All of these initiatives and enhancements to serve you are possible with your continued support and feedback. We listen and learn from you. Thank you for allowing us to be your trusted financial partner.



Robert McKay  
*Chief Executive Officer*



## BUILDING TOWARD THE FUTURE

The new headquarters building is an investment in our employees, our members and the community. This state-of-the-art facility represents our commitment to growth, ensuring we have the right people, the right tools and the right technologies in place to meet the challenges of the future.

## LETTER FROM YOUR CHAIRMAN

Your Credit Union continues to position itself for the challenges of the future, while fulfilling our mission of empowering members' lives. From the strategic move to the new headquarters building to selecting a new core system that will afford next-generation capabilities and service, our desire to provide the best experience for you, our members, drives all that we do.

The desire to assist, empower and inspire members' lives is what drives our employees every day. Management and staff alike continue to focus on and live out our newly defined Core Values – Value Diversity, Act with Integrity, Serve with Excellence, Take Ownership – in all that they do.

In 2018, your Credit Union formed a Diversity and Inclusion Council, inviting dedicated members of staff, management and the board of directors to champion the effort. I am proud to be a member of this Council. By incorporating diversity and inclusion into the overall corporate strategy and decision making, discovering opportunities to serve as ambassadors in the communities we serve and engaging in development opportunities that provide personal and professional growth, we are building stronger connections, a stronger Credit Union and a stronger community.

As a cooperative institution, we know people seek connection with the community to which they belong to give greater meaning to their personal efforts. In 2018, your Credit

Union continued to make available paid volunteer hours as a benefit to each employee. Throughout the year, our employees performed more than 835 hours of service within the communities in which they live. On October 8, 2018, your Credit Union took service to a new level when more than 300 St. Louis area employees rallied together to perform ABECU's first annual "Service Day" in the metropolitan area.

It is my honor to serve you on behalf of your board of directors, management and staff. We thank you for trusting us as we continue to put your needs first to achieve your goals and dreams.



Ron Kraus  
*Chairman of the Board of Directors*



## FIRST ANNUAL SERVICE DAY

Your Credit Union has a long history of community service, enhancing the lives of those who need a helping hand. In 2018, we took our service initiatives to a new level with our first annual Service Day. On Columbus Day, our more than 300 co-workers banded together to serve 35 St. Louis area organizations. It was truly an empowering day of outreach, supporting the communities we serve.



*Employee volunteers support Nurses for Newborns.*



## CREDIT REVIEW REPORT

Your Credit Union helps members manage the financial resources that help them build better lives every day, at every age and every stage. Real people faced with real financial needs turn to us for our knowledge, expertise, and outstanding range of programs, products and services. Our solutions include exceptional loan products at competitive rates and our application and closing processes are member-friendly and convenient.

In 2018, member loans grew by nearly \$70 million. We assisted more than 18,000 members with loans for new homes, autos, motorcycles, and boats, for home renovations and college tuition, for dream vacations and day-to-day purchases, and so much more. We are pleased to help our members fulfill their needs while putting a great percentage of members' savings at work for the membership as a whole.

This year, we introduced a First Time Home Buyer mortgage that offers flexibility and opportunity for the newest of homeowners. We also launched digital preapproved loan offers, making it easier than ever for members to acquire the financing they want, quickly and securely, with just a few clicks within online banking.

Please remember your Credit Union is here to assist you with any financing need – big or small. Visit us online, via a phone call or at any of our branch locations. And, invite your family members to do the same. We look forward to serving you now and in the future.



Clinton Laughlin  
*Chairman of the Credit Review*



## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee monitors management practices to ensure the safety of members' assets, oversee the accuracy of financial statements, and fairly represent the Credit Union's financial condition. It services in an oversight role for the Board of Directors, the internal audit department, Credit Union management, and the external auditor (BKD LLP). Our internal audit department continues to evaluate procedural, accounting, and financial controls and determines compliance with policies and regulations.

After careful review, BKD LLP expresses an opinion on the Credit Union's financial statements, based on accepted auditing practices. In addition, routine audits of the Credit Union are conducted by State and Federal representatives. We are pleased to report that the Credit Union has achieved another year of solid financial integrity and accountability.

The Credit Union is operating as intended for the benefit of its members.

Finally, the Supervisory Committee serves as the members' representative to the Board of Directors to ensure that member interests are protected. Any member who experiences a problem, or feels an existing problem remains unresolved after management has become involved, may write to the Chairman of the Supervisory Committee, PO Box 13268, Saint Louis, MO 63157.



Mark Harris  
*Chairman of the Supervisory Committee*

# AMERICAN EAGLE CREDIT UNION FOUNDATION

The American Eagle Credit Union Foundation (AECUF) was created in 2016 to support the dreams and aspirations of Credit Union members and the communities we serve in the St. Louis area by providing financial education and empowerment opportunities. AECUF focuses on building financial knowledge and independence among young children and parents, middle school youth, first job and first banking relationships, and young adult transitions.

In 2018, AECUF hosted its 2nd annual trivia night fundraiser and sent its first holiday appeal to Credit Union members and friends of the Foundation. AECUF continued its support for Lift for Life Academy and awarded two additional grants to Kingdom House and Soulard School.



Throughout the year, AECUF celebrated many accomplishments including partnering with local groups for Money Smart and Urban League events, creating and delivering “Book Buddies” to youth in need at Annie Malone Children & Family Services and the YMCA, supporting the Credit Union’s annual college scholarship program for graduating high school seniors, and conducting its 2nd annual Dorm Essentials Drive for in-need college bound students.

## INSPIRE

### BOARD OF DIRECTORS

Ron Kraus, CHAIRMAN  
Mark Harris, VICE CHAIRMAN  
Jeffrey Knapper, SECRETARY/TREASURER  
Michael Chapman  
Andrew Dierkes  
James Fugel  
Beth Rickmann  
Sara Stobbs  
Brock Tuffli

#### BOARD ASSOCIATES

Clinton Laughlin  
Julia Mize

#### BOARD EMERITUS

Charles R. Klauke  
Fred Kuhn

### CREDIT REVIEW

Clinton Laughlin, CHAIRMAN  
Andrew Dierkes  
James Fugel  
Mark Harris  
Julia Mize  
Beth Rickmann

### SUPERVISORY COMMITTEE

Mark Harris, CHAIRMAN  
Charles R. Klauke  
Clinton Laughlin  
Julia Mize

### MANAGEMENT

Robert McKay, *Chief Executive Officer*  
Pier Y. Alsup, *Chief Community Engagement Officer*  
Michael Dougherty, *Chief Lending Officer*  
Ronald Kampwerth, *Chief Financial Officer*  
Tom Kraus, *Chief Operating Officer*  
Reggie Swanigan, *Chief Information Officer*  
Adrianne Thompson, *Chief Human Resources & Talent Development Officer*

# 2018 FINANCIAL STATEMENT

<b>ASSETS</b>	(dollars in thousands)	<b>December 31, 2018</b>	<b>2017</b>
Loans to members		\$ 1,475,332	\$ 1,441,782
Less allowance for loan losses		(12,640)	(14,191)
<b>Net Loans</b>		<b>1,462,692</b>	<b>1,427,591</b>
Investments		70,484	79,198
Interest bearing deposits		62,810	45,182
Cash and due from banks		13,564	11,488
Property and equipment		52,367	52,775
Share insurance deposit		14,240	13,650
Federal Home Loan Bank stock		3,394	2,783
Interest receivable		5,012	5,074
Other Assets		22,620	24,233
<b>Total Assets</b>		<b>\$ 1,707,183</b>	<b>\$ 1,661,974</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
Shares and other savings accounts		\$ 1,489,236	\$ 1,449,410
Long term debt		35,000	21,000
Other liabilities		15,475	33,824
<b>Total Liabilities</b>		<b>1,539,711</b>	<b>1,504,234</b>
Regular reserves		2,491	2,491
Undivided earnings		167,201	154,512
Accumulated other comprehensive income (loss)		(2,220)	737
<b>Total Members' Equity</b>		<b>167,472</b>	<b>157,740</b>
<b>Total Liabilities and Members' Equity</b>		<b>\$ 1,707,183</b>	<b>\$ 1,661,974</b>

ASSISTED  
**18,000<sup>+</sup>**  
 MEMBERS  
 — with —  
 HOME, AUTO  
 & EDUCATION  
 LOANS

“  
*We strive to be our members' trusted financial partner, empowering them to achieve their goals.*

Robert McKay, CEO

EMPOWER

# ASSIST

“

*Our place looks like a new facility, inside and out. Your volunteers were amazing. They were detailed in their tasks and worked quickly. It was fun to spend time with them.*

Deborah, THE SALVATION ARMY



Employee volunteers working at the Salvation Army Gateway Citadel.

<b>INCOME</b>	(dollars in thousands)	<b>December 31, 2018</b>	<b>2017</b>
Interest on loans to members		\$ 66,608	\$ 61,217
Interest on investments and interest bearing deposits		3,527	2,798
<b>Total Interest Income</b>		<b>70,135</b>	<b>64,015</b>
Dividend and interest expense		9,298	6,753
<b>Net Interest Income</b>		<b>60,837</b>	<b>57,262</b>
Provisions for loan losses		12,300	13,043
<b>Net Interest Income after Provision for loan losses</b>		<b>48,537</b>	<b>44,219</b>
Service fee income		23,515	21,460
<b>Gross Income</b>		<b>\$ 72,052</b>	<b>\$ 65,679</b>
<b>EXPENSES</b>			
Salaries and employee benefits		\$ 31,520	\$ 29,562
Net occupancy expense		4,141	3,475
Office operating expense		3,148	3,282
Data processing expense		5,211	4,643
Loan expenses		7,399	7,572
Other (see note)		7,944	30,259
<b>Total Non-Interest Expenses</b>		<b>59,363</b>	<b>78,793</b>
<b>Net Income/(loss)</b>		<b>\$ 12,689</b>	<b>(\$ 13,114)</b>

Note: Included in Other for 2017 are litigation expenses from a lawsuit settlement that the Credit Union agreed to in principal which arose from the Credit Union's repossession procedures. In 2018, the Credit Union paid the agreed amount and recovered approximately 30% through an insurance settlement.



423 Lynch Street, St. Louis, MO 63118 | [abecu.org](http://abecu.org) | [ameaglecu.org](http://ameaglecu.org) | [purinacu.org](http://purinacu.org) | 314-771-7700 | 877-325-CU4U



Federally insured by NCUA. We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act. Anheuser-Busch Employees' Credit Union (and its divisions) is an independent financial institution, chartered by the state of Missouri, which is owned and operated by its membership. The Credit Union is not a subsidiary of Anheuser-Busch Companies, Inc. or its divisions. NMLS #401252