

2016

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

Reaching
Your Financial
Goals

Annual Report



CEO's Letter



We are here to help you, our members, reach your individual financial goals, always with professional and personal

service, and to deliver outstanding growth for you, our member-owners. We listen to your hopes and desires, help you plan, and find the right mix of programs, products, and services to achieve your dreams. And most importantly, we continue to grow in a sustained and controlled way, all for you.

Your Credit Union remains solid and strong. Total assets exceed \$1.6 billion and record net income was achieved, making 2016 a success.

Consumer loans, the core of our business, helping members with home loans, credit cards, automobile, and student loans, grew 10.47% in 2016. Mortgage loans increased 8.4% over the previous year. Enhanced technologies improved quality control, operational efficiency, and member engagement. For example, we introduced DocuSign, a secure electronic signature option that provides members with a quick and easy loan application experience.

Business lending had another strong year with loan growth of 18%. We have broadened our focus to assist business owner members on their broad range of credit and account service needs.

The key measures of your Credit Union's performance improved in almost every category. Return on assets, in particular, exceeded our goals by more than 41% and is now equal to peer performance levels. Net worth ratio also improved, growing more than 10%. We are proud to share our successes with you because we realize we could not have achieved this growth without the loyalty and cooperative spirit of our members.

To ensure that we strategically maintain careful vigilance of our assets, we implemented our Enterprise Risk Management (ERM) system. We identified a comprehensive set of strategic and tactical risks across the organizations and implemented guidelines for future decision-making across all major risk categories. And, the final phase of our EMV conversion for debit cards equipped with computer chips and the technology to authenticate chip-card transactions was implemented during 2016.

We also want to share the good news that we have established the American Eagle Credit Union Foundation to support the dreams and aspirations of our members and the communities we serve. The concept of the Foundation grew out of our desire to have a greater impact on the pressing needs of our community for quality financial education as well as more opportunities to create wealth

through budgeting, savings, and investment.

Thank you for the trust you place in our leadership team. We take great pride in helping each of you achieve your financial goals.

Robert McKay
Chief Executive Officer

CONSUMER
LOANS GREW
10.47%
IN 2016

Credit Review Report

We are very proud to continue helping our members achieve their financial goals with high-quality loan products and personal service. When funds are needed for a new car, home, education, business expansion, or simply a much-deserved vacation, our loan programs have highly competitive rates and are easy to access with mobile and online services and multiple branches. The innovative Community Contributor Mortgage is designed for those who educate and keep us safe and well. Teachers, firefighters, law enforcement officers, current military members, civil service workers, and healthcare and emergency medical professionals are encouraged to enjoy the benefits of this program.

In 2016, the Credit Union's branch loans grew more than 13% while mortgage loans increased 8.4%. Mortgage originations for the year were up 30% over 2015, helping more members with their home ownership and home loan needs. Our delinquency and charge-off rates both performed better than plan, and comparable to credit unions in our peer group.

We continue to carefully manage and grow our loan assets to benefit all Credit Union members, adding technologies which make our services easier to use. Helping our members fulfill their dreams at every stage of their lives has always been our goal. We look forward to serving you in 2017 with programs designed for you, your family, and your business.

Clinton Laughlin, Chairman of the Credit Review

Chairman's Letter



As always, your Credit Union is committed to providing the best member experience possible. We continually

strive to improve how we serve you. This means making sure that we are using the best practices and technologies, implementing the newest design innovations at our branches, and creating optimal environments for our members whether they are online, on a mobile device, or at any of our many locations. This year, we completed a comprehensive analysis of our branch office procedures and design of our St. Louis branches and headquarters. Feedback from our members and these findings will lay the foundation for our overall branch transformation strategy over the next few years, ensuring that every experience with your Credit Union is a great one.

One of our key touch-points is our Member Contact Center. We implemented a new Interactive Voice Response (IVR) phone system in 2016 to better serve this

important channel. This allows us to substantially improve this important method of communication with our members.

We relocated the Los Angeles and Fairfield offices incorporating new branch design elements and updated technologies to improve speed and convenience for our members.

We heard from so many of you that convenience really matters. To give you more flexibility and control to use our broad range of services, we enhanced our online and mobile banking system. This year, we experienced 40% growth in the number of members actively using these services, which now include Apple/Android/Samsung Pay, MobiMoney digital controls for debit cards, and expanded credit card detail. Our members tell us that they enjoy the reliability and ease of these systems.

We implemented our newly redesigned website and digital marketing to provide a better online experience for our members. Now, our broad range of programs, such as financial education and planning, and our services including consumer loans, mortgages, deposit products, and services for businesses, are

right in one place and easy to access. Our members can see that your Credit Union is here to provide solutions to all your financial needs.

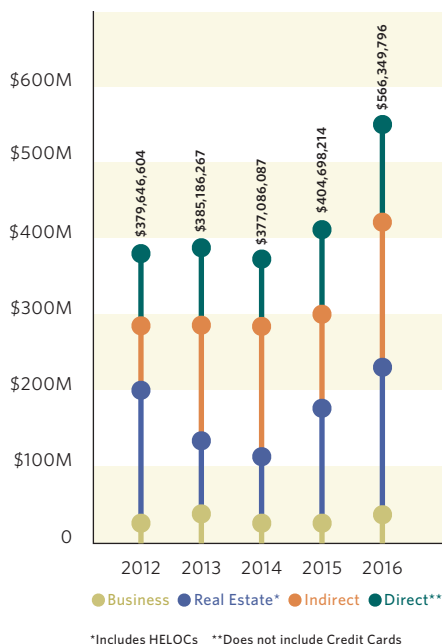
Once again, for the third year in a row, we are delighted to be recognized in the Top Places To Work Award from the St. Louis Post-Dispatch and Workplace Dynamics. We are very proud to achieve this honor.

And most importantly, we ended 2016 with a strong net worth and net income. Today, we have more than 120,000 members with \$1.6 billion in assets, and 29 branch offices across the United States.

On behalf of the Credit Union Board of Directors, Management, and Staff, thank you for the continued trust that you place in us for the financial needs of you and your family. As always, we will work to help each member succeed by remaining stable and strong, and adding new products, services, and technologies to help you plan and meet your goals.

Fred Kuhn, Chairman of the Board of Directors

LOAN ORIGINATIONS



Supervisory Committee Report

The Supervisory Committee is pleased to report that your Credit Union has achieved another year of solid financial integrity and accountability. Throughout 2016, the Supervisory Committee met with the external auditor (BKD LLP), the internal audit department, and Credit Union management to monitor financial information, internal controls, and policies. BKD LLP expresses an opinion on the Credit Union's financial statement based on accepted auditing practices. This committee reviews financial controls and practices to safeguard members' assets and provides an oversight role for the Board, Credit Union management, BKD LLP, and the internal audit department. The internal audit department evaluates the procedural, accounting, and control environment in compliance with policies and regulations. State and Federal representatives also conduct routine examinations of the Credit Union.

We look forward to serving you in 2017, and will continue to review and act on all internal and external audit and control issues in a timely manner. Thank you for your continued trust.

Mark Harris, Chairman of the Supervisory Committee

ASSETS

<i>December 31,</i>	2016	2015
Loans to members	\$ 1,363,989,010	\$ 1,239,953,689
Less allowance for loan losses	(11,912,001)	(13,144,212)
Net Loans	1,352,077,009	1,226,809,477
Investments	114,325,164	157,555,055
Interest bearing deposits	56,535,015	74,956,643
Cash and due from banks	12,224,030	12,712,015
Property and equipment	43,518,065	44,161,149
Share insurance deposit	13,058,806	12,651,081
Federal Home Loan Bank stock	2,703,100	2,338,100
Interest receivable	4,612,266	4,504,598
Other Assets	19,971,528	16,830,869
Total Assets	\$ 1,619,024,983	\$ 1,552,518,987

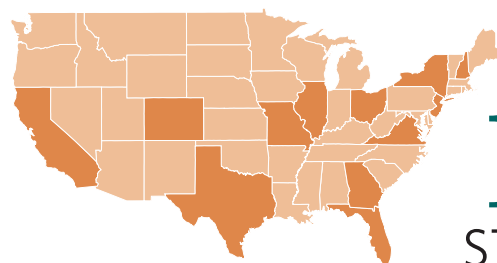
LIABILITIES AND MEMBERS' EQUITY

Shares and other savings accounts	\$ 1,416,902,554	\$ 1,370,678,311
Long term debt	21,000,000	15,000,000
Other liabilities	12,321,993	10,415,340
Total Liabilities	1,450,224,547	1,396,093,651
Regular reserves	2,491,285	2,491,284
Undivided earnings	167,626,205	155,887,694
Accumulated other comprehensive loss	(1,317,054)	(1,953,642)
Total Members' Equity	168,800,436	156,425,336
Total Liabilities and Members' Equity	\$ 1,619,024,983	\$ 1,552,518,987

120,000
MEMBERS

EMPLOYEES DONATE 100s
OF VOLUNTEER HOURS AND
1,000s OF DOLLARS TO
THOSE IN NEED

29 BRANCH
LOCATIONS



12
STATES

RECOGNIZED AS A TOP
3 PLACE TO WORK FOR
 CONSECUTIVE YEARS

\$1.6 BILLION IN ASSETS

78
 YEARS
 SERVING THE ST. LOUIS
 COMMUNITY

INCOME

<i>Year Ended December 31,</i>	2016	2015
Interest on loans to members	\$ 56,912,696	\$ 55,208,396
Interest on investments and interest bearing deposits	2,924,945	3,113,401
Total Interest Income	59,837,641	58,321,797
Dividend and interest expense	6,719,496	6,797,518
Net Interest Income	53,118,145	51,524,279
Provisions for loan losses	7,960,000	10,725,000
Net Interest Income after Provision for loan losses	45,158,145	40,799,279
Service fees and other income	21,874,917	21,970,267
Gross Income	\$ 67,033,062	\$ 62,769,546

EXPENSES

Salaries and employee benefits	27,708,895	25,338,572
Net occupancy expense	3,481,058	3,352,825
Equipment expenses	2,164,714	2,023,190
Data processing expense	3,188,383	3,488,481
Professional services	1,444,768	1,390,810
Advertising and promotion	1,289,530	1,248,446
Postage, printing and office supplies	979,823	993,900
Telephone	1,164,111	1,095,347
Insurance expense	647,988	862,223
Credit card expenses	3,358,654	3,288,487
Net loan expenses	3,855,581	3,504,299
ATM expenses	638,879	480,562
Termination of defined benefit plan	-	3,431,449
Other expenses	5,372,169	5,394,765
Total Expenses	55,294,553	55,893,356
Net Income	\$ 11,738,509	\$ 6,876,190

Locations



ST. LOUIS MAIN | 1001 Lynch Street, St. Louis, MO 63118 | 314-771-7700 | Jennifer Duncan, Manager
CRESTWOOD | 9895 Watson Road, Crestwood, MO 63126 | 314-835-2900 | Marta Kasprzak, Manager
CREVE COEUR | 12395 Olive Boulevard, Creve Coeur, MO 63141 | 314-720-7200 | Zayda Gutierrez, Manager
DES PERES | 2175 Barrett Station Road, St. Louis, MO 63131 | 314-821-2442 | Linda Rosso, Manager
FENTON | 304 Summit Road, Fenton, MO 63026 | 636-305-3900 | Terri Eatherton, Manager
FLORISSANT | 1075 N. Lindbergh, Florissant, MO 63031 | 314-972-5000 | Tom Christian, Manager
JEFFERSON COUNTY | 1334 Jeffco Boulevard, Arnold, MO 63010 | 636-282-7030 | Kelly Guenther, Manager
O'FALLON | 2531 Highway K, O'Fallon, MO 63368 | 636-980-9800 | Jennifer Begley, Manager
SHILOH | 1153 Blue Springs Plaza, Shiloh, IL 62269 | 618-628-4000 | Paul Martin, Manager
SOUTH COUNTY | 3805 Union Road, St. Louis, MO 63125 | 314-894-3555 | Tiffany Jernigan, Manager
SOUTH COUNTY | 12988 Tesson Ferry Road, St. Louis, MO 63128 | 314-467-1400 | Azra Schmidt, Manager
ST. LOUIS HILLS | 6600 Chippewa Street, St. Louis, MO 63109 | 314-832-8500 | Mark "Jasper" Pascua, Manager
PURINA CREDIT UNION | 901 Chouteau Avenue, St. Louis, MO 63102 | 314-657-9600 | Jennifer Duncan, Manager
BALDWINSVILLE | 2885 Belgium Road, Baldwinsville, NY 13027 | 315-635-3487 | Dean Carey, Manager
CARTERSVILLE | 100 Busch Drive NE, Cartersville, GA 30121 | 770-606-3240 | Jeannie Watkins, Manager
CEDAR HILL | 725 E. Belt Line Road, Cedar Hill, TX 75104 | 972-293-9506 | Rosie Magallon, Manager
COLUMBUS | 690 Schrock Road, Columbus, OH 43229 | 614-888-2299 | Teresa Evans, Manager
FAIRFIELD | 370 Chadbourne Road, Suite E, Fairfield, CA 94534 | 707-429-0105 | Elizabeth Valk, Manager
FORT COLLINS | 1520 East Mulberry, Suite 100, Fort Collins, CO 80524 | 970-221-4541 | Kathleen van Boord, Manager
HOUSTON | 775 Gellhorn (in A-B complex), Houston, TX 77029 | 713-676-0939 | Debbie Goddard, Manager
JACKSONVILLE | 155 Busch Drive, Jacksonville, FL 32218 | 904-751-3335 | Zonnetta Thomas, Manager
LOS ANGELES | 15804 Roscoe Boulevard, Van Nuys, CA 91406 | 818-779-1105 | Jill Melton, Regional Manager
MERRIMACK | 302A Mound Court, Merrimack, NH 03054 | 603-429-0434 | Sherri Kehnast-Cuipa, Manager
NEWARK | 200 US Highway 1 & 9, Newark, NJ 07114 | 973-824-7071 | Linda Campanelli, Manager
ORLANDO | 7007 Sea World Drive, Orlando, FL 32821 | 407-370-2406 | Julieta Urquiola, Manager
SAN ANTONIO | 10500 Sea World Drive, San Antonio, TX 78251 | 210-684-4811 | Felipe Guzman, Manager
SAN DIEGO | 500 Sea World Drive, San Diego, CA 92109 | 619-225-3230 | Teri Christensen, Manager
TAMPA | 3209 E. Busch Boulevard, Tampa, FL 33612 | 813-985-8552 | Bobbie Bertram, Regional Manager
WILLIAMSBURG | 243 McLaws Circle, Suite 100, Williamsburg, VA 23185 | 757-253-3894 | Tanisha Jones, Manager

Board & Management

BOARD OF DIRECTORS **Fred Kuhn**, Chairman | **Ron Kraus**, Vice Chairman | **Mark Harris**, Secretary/Treasurer | Michael Chapman, Andrew Dierkes, James Fugel, Jeffrey Knapper, Sara Stobbs, Brock Tuffli

BOARD ASSOCIATES Clinton Laughlin, Julia Mize, Beth Rickmann

BOARD EMERITUS Charles R. Klauke

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 Marketing Officer | **Michael Dougherty**, Chief Lending Officer | **Joel Huxley**, Chief Retail Officer | **Ronald Kampwerth**, Chief Financial Officer | **Adrienne Thompson**, Chief HR & Talent Development Officer
