



National Credit Union Administration
REGION V

**RECORD OF ACTION:
PROPOSED CONVERSION TO TRADE, INDUSTRY, OR PROFESSION**

FCU Name:	American Airlines	Charter Number	23957
Location:	DFW Airport, Texas	Total Members:	204,750
Assets:	\$3,985,246,229	Potential Members:	511,875
Shares:	\$3,618,190,677	Penetration Rate:	40%
Loans:	\$1,905,479,647	Last Exam:	December 31, 2002
SE/EX	Lindgren/Brog	CAMEL:	(b)(8)

The following documentation, required by Interpretive Ruling and Policy Statement 03-1, is provided in support of the application:

1. General Background

A group of American Airlines employees in Chicago chartered American Airlines Federal Credit Union (AAFCU) in 1936. Over the last 67 years AAFCU has grown into one of the largest credit unions in the nation. The credit union still serves the same group. The present field of membership consists of employees of AMR Corporation and its wholly owned affiliates who work in or are paid or supervised from Tulsa, Oklahoma or Fort Worth, Dallas, or Dallas-Fort Worth Airport, Texas; employees of majority owned subsidiaries of AMR Corporation or of its wholly owned affiliates; and employees of ONEX Food Services, LSG Lufthansa Services/Sky Chefs who work in or are paid or supervised from Arlington, Texas.

AAFCU's board of directors and senior management staff determined a conversion to a Trade, Industry, or Profession (TIP) field of membership serving the Air Transportation Industry would be the best strategy to offset AMR Corporation's instability and continuing employee reductions. The estimated potential membership of this group is 1,700,000.

The proposed TIP is within the delegated authority of the Regional Director since NWA Federal Credit Union has already received concurrence of the Office of General Counsel and the Office of Examination and Insurance for the exact same field of membership.

2. Trade, Industry, or Profession (TIP) Definition

A. TIP Wording: Employees of entities engaged in the Air Transportation Industry who work in the United States, meaning:

- employees of airlines;
- government employees who work directly in the administration, regulation, or security of airlines, airports, or air transportation; and
- employees who are located at an airport if they work directly with:
 - air transportation of freight;
 - air courier services;
 - airport and air transportation support and services, for example, janitorial services, airport baggage handling, aircraft cleaning, maintenance and repair services, and runway maintenance services; and
 - on board airline food services.

The Industry does not include employees of retail shops, restaurants, travel agencies, hotels, or car rental companies, even if located at an airport.

B. Compliance with IRPS 03-1: The TIP was approved for NWA Federal Credit Union on November 26, 2003, by the Regional Director after this office received concurrence of the Office of General Counsel and Office of Examination & Insurance.

C. Verification of Member Eligibility: AAFCU will verify membership using one or more of the following:

- ✓ airline badge/company identification,
- ✓ pay statement,
- ✓ airport badge,
- ✓ verification letter from the employer, and/or
- ✓ signed member statement.

3. Business Plan

In compliance with IRPS 03-1, AAFCU developed a Business Plan for the conversion to a TIP field of membership. As noted above, TIP common bonds will generally include a geographic limitation, but as noted in IRPS 03-1 "except for credit unions currently serving a national field of membership or operating in multiple states." AAFCU has a strong nationwide presence and is well-positioned to serve this field of membership.

Presently, AAFCU operates branches at sixteen airports from Boston to Honolulu. Additionally, the credit union operates 18 service facilities at off-airport locations. Service facilities have been strategically positioned in airports and other areas convenient to the membership. In many locations, AAFCU is the only credit union on-site at the airport. This package contains a map noting the locations of offices within the continental United States. The map illustrates excellent coverage across the country. Initially, the credit union will focus on serving the new field of membership at airports where it already has a presence. AAFCU believes growth from the TIP field of membership will allow

(b)(4)

Supplementing its own service facilities, AAFCU members may also access their accounts through the nationwide network of Credit Union Service Centers. Members may utilize one of the more than 1,000 service centers to cash checks, deposit funds, make a loan payment, purchase money orders, and more. Members may also conveniently access their accounts using one of the many credit union owned ATMs located across the country or through the CUHere/CU24 ATM Network. AAFCU offers many other remote modes of service, such as checking, on-line banking with bill payment, e-mail/messaging programs, on-line forms (including membership applications), Phone LoAAns, on-line loan requests, and Call24 toll-free automated response phone system.

(b)(4),(b)(8)

AAFCU's board will monitor many of these benchmarks on a quarterly basis.

4. Credit Union's Current Financial Condition

A. FPR Trends & Financial Statements: AAFCU's financial statements and trends display a healthy institution with good capital, sound asset quality, and strong earnings.

B. Last Examination: The last examination revealed no material weaknesses or concerns. Accordingly, AAFCU earned a CAMEL 1 rating.

C. Field Recommendation: The field fully supports the proposal. The district examiner believes the conversion will be beneficial to AAFCU. She specifically noted the increased amount of risk associated with a concentration of members employed by one airline in today's environment.

AAFCU is a financially sound institution with the ability to serve the TIP.

5. Regional Recommendation

The documentation cited above demonstrates this request meets the requirements of the Chartering and Field of Membership Manual. The Air Transportation Industry qualifies as a TIP as defined and the credit union established its ability to serve a nationwide field of membership. Therefore, it is recommended this request be forwarded to the Office of General Counsel and the Office of Examination and Insurance for concurrence.

Based on the information noted above, I recommend approval of this action:

Ken J. Vlah
Insurance Analyst

12/5/03
Date

Concur:

Do Not Concur:

Robert J. DeCunto
Director of Insurance

12/5/03
Date

Concur:

Do Not Concur:

ARD - Operations

Date

Concur:

Do Not Concur:

Joe A. Walo
Regional Director

12-5-03
Date

Financial Information

ID Number	508429	23957	Date of Birth	7/7/2003			
Company	AMERICAN AIRLINES			Age	22	Marital Status	Single
Address	P. O. BOX 619001, MD 2100			Number of Dependents	6	BROG, VICKI	
City	DFW AIRPORT	State	TX	Sex	H	Lindgren, Larry	
Zip	75261-9001			Number of Children	0		
Phone	(817) 963-6000			Occupation	Trade, Industry, or Profession		

FFY (Year)	Capital	Delinquency	Indicators	Ratio	Ratio
6/30/2003	8.90	0.66	0.59	109.21	8.28
12/31/2002	8.75	0.56	1.08	109.10	8.17

	\$3,967,563,080		204,955
	\$3,596,404,679		512,388

		10			27
Effective Date		3/26/2003	Effective Date		6/12/2003
Effective Date		12/31/2002	Effective Date		3/31/2003

(b)(8)

CU#	23957	CU Name	AMERICAN AIRLINES	Prefix	SDW
Report#	508429	Industry	TRADE, INDUSTRY, OR PROFESSION	State	
EXTRINSIC DATA					
Group Name, Location and Postal	Rate	Num. of Groups	FDIC	Status	
	Member Groups	CU	Location		

AIR TRANSPORTATION INDUSTRY 1700000 0 N
DALLAS-FT. WORTH , TX
AIRPORT

Employees of entities engaged in the Air Transportation Industry who work in the United States, meaning: employees of airlines; government employees who work directly in the administration, regulation, or security of airlines, airports, or air transportation; and employees who are located at an airport if they work directly with: air transportation of freight;
 air courier services; airport and air transportation support and services, for example, janitorial services, airport baggage handling, aircraft cleaning, maintenance and repair services, and runway maintenance services; and on board airline food services.
 The industry does not include employees of retail shops, restaurants, travel agencies, hotels, or car rental companies, even if located at an airport.

Does overlap harm outweigh benefit? (Y, N, N/A)

Does the group have the ability to form a CU? (Y, N, N/A)

Is the group within the service area? (Y, N, N/A)

Type of Group: OCCUPATIONAL **Confirmation No** 0

Type of Association: **Bylaws Date:**

- 1.) Do members pay dues?
- 2.) Do members participate in the furtherance of the goals of the association?
- 3.) Do members have voting rights?
- 4.) Does the association maintain a membership list?
- 5.) Does the association sponsor other activities?
- 6.) Does the association have an authoritative definition of who is eligible for membership eligibility requirements?
- 7.) Does the association hold periodic member meetings?

	Y	0	0	0
TOTALS	N	1700000	0	1
	D	0	0	0
	W	0	0	0
	P	0	0	0

Friday, December 05, 2003

Application Number	23957	Applicant Name	AMERICAN AIRLINES	Applicant Type	SDW
Request Number	508429	Request Category	TRADE, INDUSTRY, OR PROFESSION	Request Status	

Does the applicant and its partners within the 12 months preceding the filing of this application? (7-1, 127)

(b)(8) . No indication of any material safety and soundness concerns.

Is the CU adequately capitalized? (Y, P, N) Y

Net worth is adequate at 8.17.

Does the CU have adequate liquidity and management resources? (Y, P, N) Y

CU has the resources and requisite management skills to expand the FOM.

See ROA>>>>

Approve

Reviewer: _____ Date: _____ APRV DEF DEN PEND W/DRN

Director of Insurance: _____ Date: _____ APRV DEF DEN PEND W/DRN

Deciding Official: _____ Date: _____ APRV DEF DEN PEND W/DRN

Deciding Official: _____ Date: _____ APRV DEF DEN PEND W/DRN

Friday, December 05, 2003

AMENDMENT TO CHARTER

American Airlines Federal Credit Union
Charter No. 23957

WHEREAS, formal request has been submitted by the officials of this Federal Credit Union that the following amendment to its charter be approved:

Section 5 of the Charter shall be amended to read as follows:

"The field of membership shall be limited to those having the following common bond:

1. Employees of entities engaged in the Air Transportation Industry who work in the United States, meaning:
 - employees of airlines;
 - government employees who work directly in the administration, regulation, or security of airlines, airports, or air transportation; and
 - employees who are located at an airport if they work directly with:
 - air transportation of freight;
 - air courier services;
 - airport and air transportation support and services, for example, janitorial services, airport baggage handling, aircraft cleaning, maintenance and repair services, and runway maintenance services; and
 - on board airline food services.

The Industry does not include employees of retail shops, restaurants, travel agencies, hotels, or car rental companies, even if located at an airport. (December 6, 2003);

2. employees of this credit union;
3. persons retired as pensioners or annuitants from the above employment;
4. spouses of persons who died while within the field of membership of this credit union;

American Airlines Federal Credit Union
Charter No. 23957
Page 2

5. members of their immediate families and households;
6. organizations of such persons; and
7. corporate or other legal entities in this charter."

AND WHEREAS, the amendment is in the best interests of the members and is not inconsistent with Law,

NOW, THEREFORE, pursuant to the provisions of the Federal Credit Union Act, the foregoing submitted amendment of the charter of the above Federal credit union is hereby approved this 6th day of December 2003, subject to adoption by the board of directors in accordance with the Federal Credit Union Bylaws.

Jane A. Walters
Regional Director

At a meeting held on _____ the above amendment to the charter was adopted by the board of directors in accordance with the Federal Credit Union Bylaws.

Presiding Officer

Secretary



TIP Business Plan

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(b)(4)

(b)(4)

(b)(4)

(b)(8)

(b)(4)

(b)(4)

American Airlines Federal Credit Union

Faith Lleva Anderson
Writer's direct dial
817-931-7004
Writer's facsimile
(817) 931-6855

e-mail address:
faith.anderson@aacreditunion.org

Also admitted in Wisconsin

11/17/03 PM 2:10 RCVD

November 12, 2003

Robert J. LeConte
Department of Insurance
National Credit Union Administration
4807 Spicewood Springs Road, Suite 5200
Austin, Texas 78759

RE: Air Transportation TIP

Dear Bob:

Just for your information, we continue to make material progress in our 2003 projects related to our application on the Air Transportation Industry TIP Field of Membership.

(b)(4)

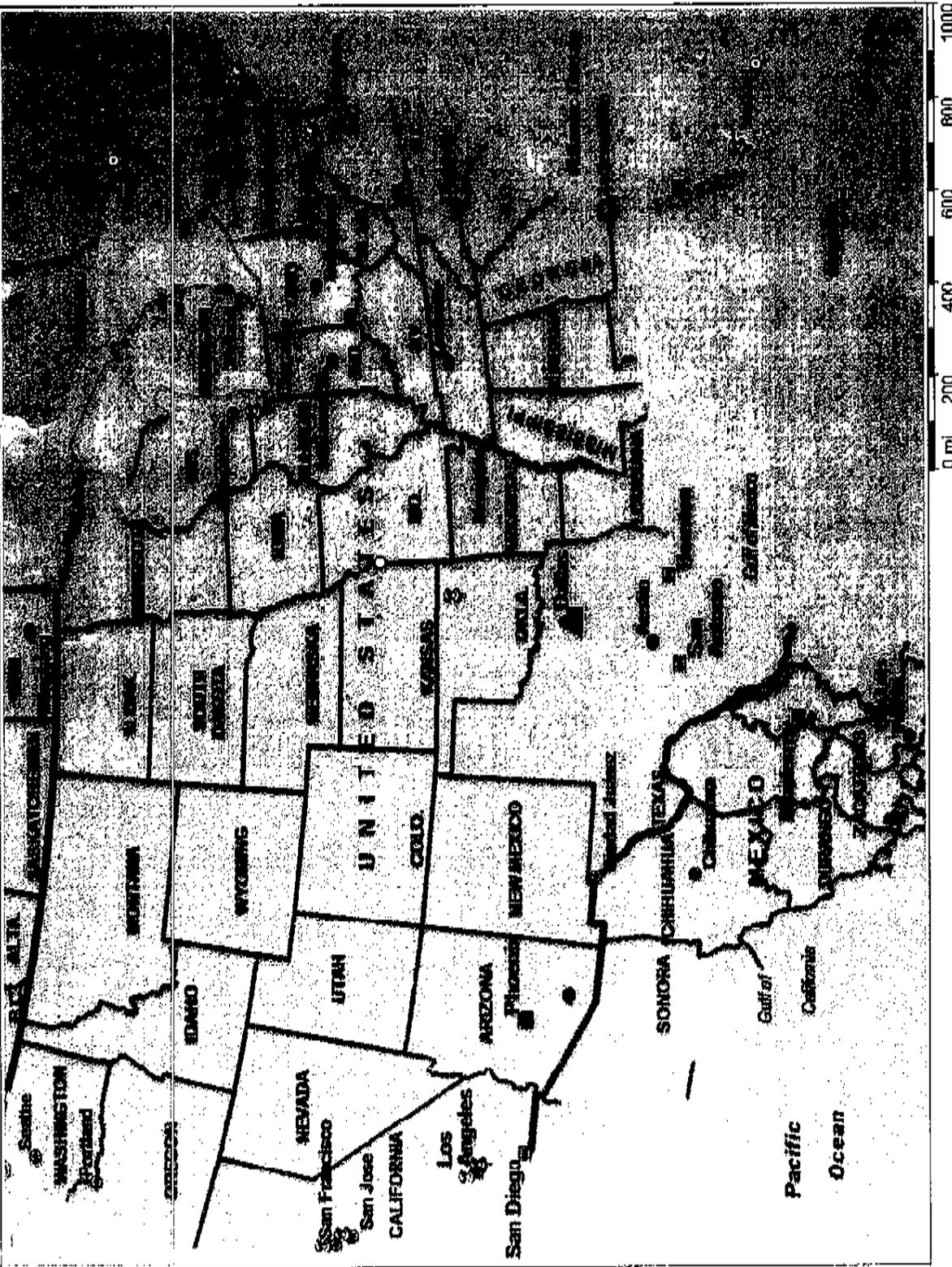


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(b)(4),(b)(8)

AAFCU Service Facilities



- Pushpins**
- Orlando - Potential Branch
- Phoenix - Potential Branch
- ▲ DFW - 10 Service Facilities
- Kansas City Branch
- Cincinnati Branch
- Charlotte Branch
- Hartford Branch
- Tucson Branch
- Tulsa Branch
- St. Louis Branch
- Orange County Branch
- San Jose Branch
- San Francisco Branch
- Chicago - 4 Branches
- Miami - 3 Branches
- Los Angeles Branch
- LaGuardia Branch
- JFK Branches
- Honolulu Branch
- Fort Lauderdale Branch
- Newark Branch
- Boston Branch
- Nashville Branch
- Arlington Branch

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**OCCUPATIONS IN THE
INDUSTRY**[\[About this section\]](#)[▲ Back to Top](#)

Although pilots and flight attendants are the most visible occupations in this industry, more than 40 percent of all employees in air transportation work in ground occupations (table 1). For example, ***aircraft mechanics and service technicians*** service, inspect, and repair planes, and ***reservation and transportation ticket agents and travel clerks*** make and confirm reservations and sell tickets to passengers.

Aircraft mechanics and service technicians may work on several different types of aircraft, such as jet transports, small propeller-driven airplanes, or helicopters. Many, however, specialize in one section of a particular type of aircraft, such as the engine or the hydraulic or electrical systems. In small, independent repairshops, mechanics and technicians usually inspect and repair many different types of aircraft.

Many mechanics and technicians specialize in scheduled maintenance required by the Federal Aviation Administration (FAA). Following a schedule based on the number of hours flown, calendar days, cycles of operation, or a combination of these factors, mechanics inspect the engines, landing gear, instruments, and other parts of aircraft and perform necessary maintenance and repairs.

Other employees interact with the public. ***Reservation and transportation ticket agents and travel clerks*** answer telephones, sell tickets, and make reservations for passengers on scheduled airlines. ***Customer service representatives*** assist passengers, check tickets when passengers board or disembark an airplane, and check luggage at the reception area and ensure that it is placed on the proper carrier. They also assist elderly or handicapped persons and unaccompanied children in claiming personal belongings and baggage, and in getting on and off the plane. They also may provide assistance to passengers who become ill or injured. ***Airline security representatives*** screen passengers and visitors to ensure that weapons and illegal or forbidden articles are not carried into restricted areas.

Airplane cargo agents take orders from shippers and arrange for transportation of their goods. ***Baggage handlers***, classified under ***laborers and freight, stock, and material movers, hand*** are responsible for loading and unloading passengers' baggage. They stack baggage on specified carts or conveyors to see that it gets to the proper destination and also return baggage to passengers at airline terminals upon receipt of their claim check. ***Aircraft cleaners*** clean aircraft interiors after each flight. Firms supplying air courier services that deliver individually addressed packages, letters, and parcels employ many ***truck drivers***, ***light or delivery services*** to deliver and pick up merchandise or to deliver packages within a specified area. The airline industry also relies on many management, professional, and administrative support workers to keep operations running smoothly.

Table 1. Employment of wage and salary workers in air transportation by occupation, 2000 and projected change, 2000-10 (Employment in thousands)			
Occupation	Employment, 2000		Percent change, 2000-10
	Number	Percent	
All occupations	1,281	100.0	24.9

Air Transportation

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Management, business, and financial occupations	67	5.2	32.7
Transportation, storage, and distribution managers	10	0.8	36.3
Professional and related occupations	37	2.8	35.1
Engineers	10	0.8	24.1
Service occupations	152	11.9	19.6
Baggage porters and bellhops	13	1.0	21.2
Flight attendants	124	9.7	18.4
Sales and related occupations	12	1.0	27.6
Office and administrative support occupations	307	23.9	18.4
First-line supervisors/managers of office and administrative support workers	14	1.1	36.0
Customer service representatives	48	3.8	40.9
Order clerks	11	0.9	-11.2
Reservation and transportation ticket agents and travel clerks	126	9.8	10.0
Cargo and freight agents	18	1.4	7.3
Stock clerks and order fillers	9	0.7	35.1
Office clerks, general	12	0.9	18.9
Installation, maintenance, and repair occupations	165	12.9	23.4
First-line supervisors/managers of mechanics, installers, and repairers	9	0.7	32.7
Aircraft mechanics and service technicians	110	8.6	21.1
Maintenance and repair workers, general	10	0.8	19.5
Production occupations	12	0.9	19.7
Transportation and material moving occupations	528	41.2	29.0
First-line supervisors/managers of helpers, laborers, and material movers, hand	11	0.9	24.0
First-line supervisors/managers of transportation and material-moving machine and vehicle operators	18	1.4	34.1
Airline pilots, copilots, and flight engineers	92	7.2	7.7
Commercial pilots	11	0.9	35.4
Truck drivers, heavy and tractor-trailer	20	1.6	61.1
Truck drivers, light or delivery services	143	11.2	41.9
Cleaners of vehicles and equipment	14	1.1	33.4
Industrial truck and tractor operators	12	0.9	25.3

Air Transportation

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Laborers and freight, stock, and material movers, hand	146	11.4	22.7
NOTE: May not add to totals due to omission of occupations with small employment.			

Flight crewmembers make up the remainder—about one-fifth—of air transportation employment, and include pilots and flight attendants. Pilots are highly trained professionals who fly airplanes and helicopters to carry out a wide variety of tasks. Although most are ***airline pilots, copilots, and flight engineers*** who transport passengers and cargo, others are *commercial pilots* involved in more unusual tasks, such as dusting crops, spreading seed for reforestation, testing aircraft, flying passengers and cargo to areas not serviced by regular airlines, directing firefighting efforts, tracking criminals, monitoring traffic, and rescuing and evacuating injured persons.

Except on small aircraft, two pilots usually constitute the cockpit crew. Generally, the most experienced pilot, or captain, is in command and supervises all other crewmembers. The pilot and copilot split flying and other duties such as communicating with air traffic controllers and monitoring the instruments. Some aircraft have a third pilot in the cockpit—the *flight engineer* or second officer—who assists the other pilots by monitoring and operating many of the instruments and systems and watching for other aircraft. Most newer aircraft are designed to be flown without a flight engineer.

Most airline flights have one or more ***flight attendants*** on board. Their most important function is assisting passengers in the event of an emergency. This may range from reassuring passengers during occasional encounters with strong turbulence to opening emergency exits and inflating escape chutes. More routinely, flight attendants instruct passengers in the use of safety and emergency equipment. Once in the air, they serve meals and snacks, answer questions about the flight, distribute magazines and pillows, and help care for small children and elderly and disabled persons. They also may administer first aid to passengers who become ill.

National Credit Union Administration

Individual Credit Union Data Summary & Reports

<p>Charter Number: 23957 Name: AMERICAN AIRLINES Address: P. O. BOX 619001, MD 2100 City, State, Zip: DFW AIRPORT, TX 75261-9001 Assets: \$3,985,246,229 Members: 204,750 Phone: 817-963-6000 Manager/CEO: TIPPETS, JOHN Year Chartered: 1982 Current Status: A - Active Credit Union Type: 1 - Federal TOM Code: 22 Low Income Designation: No Peer Group: 6 Last Updated: 02/28/03 Web Site URL: WWW.AACREDITUNION.ORG</p>	<p>This section contains: FPRs from December 2000 to Present FPR Ratios from December 2000 to Present and 5300 Call Reports from December 2000 to Present</p> <p>Choose a report: <input type="text" value="Financial Performance Report (FPR)"/></p> <p>Choose a report date: <input type="text" value="6/03"/> <input type="button" value="Go"/></p> <hr/> <p>This section contains: FPRs from June 1990 to September 2000 FPR Ratios from June 1990 to September 2000 and 5300 Call Reports from June 1990 to September 2000</p> <p>Choose a report: <input type="text" value="Financial Performance Report (FPR)"/></p> <p>Choose a report date: <input type="text" value="9/00"/> <input type="button" value="Go"/></p> <p style="text-align: right; font-size: small;">Why are there two sections?</p>
<p>NOTICE of update process: If corrections are required to the data on this page, the credit union must request a correction through their NCUA Regional Office. Email links to NCUA Regional Offices are provided on the Talk With NCUA page.</p>	

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[General Notice About Our Credit Union Data](#)

FPR Ratios - December 2002

Credit Union Name: **AMERICAN AIRLINES** Federal Charter/Certificate Number: **23957**

Line Item	Dec 98	Dec 99	Dec 00	Dec 01	Dec 02	PEER Avg.	Peer +/-
Capital Adequacy:							
*Net Worth/Total Assets**	8.70	8.81	9.07	8.18	8.17	10.58	-2.39
Total Delinquent Loans/Net Worth**	3.15	3.08	2.47	2.99	3.28	3.13	0.15
Solvency Evaluation (Estimated)	109.68	109.51	110.34	109.23	109.10	112.58	-3.46
Classified Assets (Estimated)/Net Worth**	4.67	4.90	4.98	6.07	5.91	4.39	1.52
Asset Quality:							
*Delinquent Loans/Total Loans	0.58	0.54	0.40	0.49	0.56	0.53	0.03
*Net Charge-Offs/Average Loans	0.63	0.41	0.35	0.38	0.43	0.44	-0.01
Fair (Market) Value/Book Value (HTM Invest)	0.00	0.00	0.00	0.00	0.00	101.97	-101.97
Accum Unreal G/L on AFS/Cost of AFS	-0.29	-0.30	0.15	0.31	0.20	1.45	-1.25
Delinquent Loans/Assets	0.27	0.26	0.22	0.24	0.27	0.31	-0.04
Earnings:							
*Return On Average Assets	0.94	0.86	0.73	1.20	1.08	1.24	-0.17
Gross Income/Average Assets	7.26	6.96	7.47	6.80	5.13	6.77	-1.64
Yield on Average Loans	8.33	7.89	7.99	7.85	6.92	7.41	-0.49
Yield on Average Investments	5.66	5.79	6.56	4.94	2.65	3.55	-0.91
Cost of Funds/Average Assets	4.78	4.81	5.21	4.02	2.59	2.34	0.25
Net Margin/Average Assets	2.47	2.35	2.26	2.78	2.54	4.42	-1.89
Operating Expenses/Average Assets	1.19	1.24	1.31	1.27	1.23	2.93	-1.69
Provision for Loan & Lease Losses/Average Assets	0.34	0.26	0.23	0.36	0.26	0.29	-0.03
Net Interest Margin/Average Assets	2.14	1.99	1.87	2.38	2.11	3.41	-1.30
Operating Expenses/Gross Income	16.36	17.79	17.54	18.67	24.07	42.86	-18.79
Fixed Assets & OREOS/Total Assets	0.15	0.11	0.21	0.60	0.67	1.71	-1.04
Net Operating Expenses/Average Assets	0.89	0.89	0.93	0.88	0.83	2.32	-1.48
Asset Liability Management:							
Net Long-Term Assets/Total Assets	14.49	20.82	22.35	20.63	20.54	26.11	-5.57
Regular Shares/Total Shares & Borrowings	68.14	65.32	65.12	63.33	61.82	27.49	34.33
Total Loans/Total Shares	53.04	55.16	63.19	55.98	52.99	67.74	-14.75
Total Loans/Total Assets	47.38	49.15	55.85	50.44	48.09	58.57	-10.48
Cash + Short-Term Investments/Assets	49.31	49.70	42.91	48.13	40.64	18.23	22.40
Total Shares, Deposits and Borrowings/Earning Assets	90.53	94.28	89.70	91.72	92.47	92.68	-0.21
Reg Shares + Share Drafts/Total Shares & Borr	70.32	67.85	68.38	66.48	64.67	40.13	24.54
Borrowings/Total Shares and Net Worth**	0.00	0.00	0.00	0.02	0.00	1.85	-1.85
Productivity:							
Members/Potential Members	40.00	40.00	40.00	40.00	40.00	51.28	-11.28
Borrowers/Members	66.62	66.11	73.25	70.36	67.86	67.92	9.95
Members/Full-Time Employees	562	542	525	513	489	396	92
Average Shares per Member (\$)	\$11,945	\$12,747	\$12,393	\$15,134	\$17,216	\$9,062	\$8,154
Average Loan Balance (\$)	\$9,509	\$10,836	\$10,891	\$12,037	\$13,442	\$10,106	\$3,335
Salary and Benefits/Full-Time Employees (\$)	\$39,964	\$44,685	\$45,697	\$47,705	\$51,978	\$50,653	\$1,324
Other Ratios:							
Net Worth Growth	11.37	10.44	8.59	15.09	14.08	13.38	0.71
Market (Share) Growth	14.01	11.39	2.20	30.09	15.12	15.04	0.08
Loan Growth	0.79	15.84	17.09	15.21	9.00	8.41	0.58
Asset Growth	13.36	11.67	3.06	27.55	14.33	15.23	-0.90
Investment Growth	28.41	0.14	-3.06	43.04	19.59	27.04	-8.08

FPR Ratios for AMERICAN AIRLINES/23957 for Mar 2003

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FPR Ratios - March 2003

Credit Union Name: **AMERICAN AIRLINES** Federal Charter/Certificate Number: **23957**

Line Item	Mar 02	Jun 02	Sep 02	Dec 02	Mar 03	PEER Avg.	Peer +/-
Capital Adequacy:							
*Net Worth/Total Assets	8.29	8.27	8.08	8.16	8.14	10.29	-2.15
Total Delinquent Loans/Net Worth	3.11	2.71	2.72	3.28	3.62	2.77	0.85
Solvency Evaluation (Estimated)	109.16	109.30	109.03	109.10	109.03	112.17	-3.15
Classified Assets (Estimated)/Net Worth	5.96	5.74	5.80	5.91	6.09	3.98	2.11
Asset Quality:							
*Delinquent Loans/Total Loans	0.51	0.45	0.46	0.56	0.62	0.47	0.15
*Net Charge-Offs/Average Loans	0.49	0.49	0.45	0.43	0.49	0.48	0.01
Fair (Market) Value/Book Value (HTM Invest)	0.00	0.00	0.00	0.00	0.00	101.68	-101.68
Accum Unreal G/L on AFS/Cost of AFS	-0.05	0.23	0.22	0.20	0.11	1.03	-0.93
Delinquent Loans/Assets	0.26	0.22	0.22	0.27	0.29	0.27	0.03
Earnings:							
*Return On Average Assets	1.16	1.04	1.04	1.08	0.75	1.16	-0.40
Gross Income/Average Assets	5.55	5.39	5.24	5.13	4.42	6.10	-1.68
Yield on Average Loans	7.20	7.04	7.04	6.92	6.41	6.94	-0.53
Yield on Average Investments	3.16	3.00	2.80	2.65	1.71	2.79	-1.07
Cost of Funds/Average Assets	2.82	2.83	2.70	2.59	2.19	1.90	0.30
Net Margin/Average Assets	2.73	2.59	2.54	2.54	2.23	4.20	-1.98
Operating Expenses/Average Assets	1.30	1.29	1.25	1.23	1.20	2.84	-1.63
Provision for Loan & Lease Losses/Average Assets	0.28	0.25	0.25	0.26	0.33	0.26	0.07
Net Interest Margin/Average Assets	2.32	2.15	2.13	2.11	1.74	3.19	-1.45
Operating Expenses/Gross Income	23.40	23.85	23.82	24.07	27.23	46.07	-18.84
Fixed Assets & OREOS/Total Assets	0.70	0.70	0.70	0.67	0.66	1.69	-1.03
Net Operating Expenses/Average Assets	0.92	0.90	0.86	0.83	0.74	2.26	-1.52
Asset Liability Management:							
Net Long-Term Assets/Total Assets	21.57	20.87	19.96	20.54	21.02	26.61	-5.60
Regular Shares/Total Shares & Borrowings	64.45	64.15	62.06	61.82	60.59	28.60	31.98
Total Loans/Total Shares	55.62	55.59	52.62	52.99	52.66	65.87	-13.21
Total Loans/Total Assets	50.23	50.10	47.75	48.09	47.81	56.96	-9.15
Cash + Short-Term Investments/Assets	48.32	48.41	49.36	40.84	37.39	19.21	18.18
Total Shares, Deposits and Borrowings/Earning Assets	91.85	91.64	92.29	92.47	92.43	92.73	-0.30
Reg Shares + Share Drafts/Total Shares & Borr	67.67	67.26	64.87	64.67	63.53	41.63	21.90
Borrowings/Total Shares and Net Worth**	0.01	0.00	0.00	0.00	0.00	2.00	-2.00
Productivity:							
Members/Potential Members	40.00	40.00	40.00	40.00	40.00	49.56	-9.56
Borrowers/Members	68.48	67.22	67.50	67.86	67.06	56.78	10.29
Members/Full-Time Employees	514	507	481	489	488	399	89
Average Shares per Member (\$)	\$15,370	\$15,695	\$16,818	\$17,216	\$17,671	\$9,206	\$ 8465
Average Loan Balance (\$)	\$12,482	\$12,981	\$13,110	\$13,442	\$13,877	\$10,316	\$ 3561
Salary and Benefits/Full-Time Employees (\$)	\$50,025	\$50,852	\$50,236	\$51,978	\$52,230	\$52,877	\$ -648
Other Ratios:							
Net Worth Growth	14.30	13.07	13.50	14.08	9.35	12.18	-2.82
Market (Share) Growth	9.84	10.56	16.37	15.12	10.70	22.35	-11.65
Loan Growth	7.29	9.17	7.44	9.00	8.20	5.25	2.94
Asset Growth	9.02	10.63	15.38	14.33	10.57	22.26	-11.70
Investment Growth	11.22	12.26	23.82	19.99	13.49	59.75	-43.27

Quarterly Financial Performance Report - March 2003

Credit Union Name: **AMERICAN AIRLINES**Federal Charter/Certificate Number: **23957**

Line Item	March 2002		June 2002		September 2002		December 2002		March 2003	
	Amount	% Chg	Amount	% Chg	Amount	% Chg	Amount	% Chg	Amount	% Chg
ASSETS:										
Cash & Equivalents	168,446,147	29.9	141,908,360	-15.8	43,921,148	-69.0	64,275,512	46.3	80,309,081	24.9
Trading Securities	0		0		0		0		0	
Available for Sale Securities	1,509,405,341	0.3	1,589,198,062	5.3	1,878,989,490	18.2	1,895,669,810	0.9	1,943,208,117	2.5
Held-to-Maturity Securities	0		0		0		0		0	
All Other Invest	1,140,000	0.0	1,300,000	14.0	1,300,000	0.0	1,300,000	0.0	1,300,000	0.0
Loans Held for Sale	0		0		0		0		0	
Real Estate Loans	910,808,505	3.5	952,555,767	4.6	966,557,670	1.5	1,007,333,358	4.2	1,064,739,235	5.7
Unsecured Loans	259,364,509	-0.7	259,900,380	0.2	262,054,732	0.8	259,475,144	-1.0	250,989,458	-3.3
Other Loans	574,164,279	1.5	579,194,023	0.9	580,053,823	0.1	600,415,425	3.5	589,750,954	-1.8
TOTAL LOANS	1,744,337,293	1.8	1,791,650,170	2.7	1,808,666,226	0.9	1,867,223,927	3.2	1,905,479,647	2.0
(Allow. Ln & Lease Losses)	(17,144,891)	1.6	(16,998,440)	-0.9	(17,746,066)	4.4	(18,729,004)	5.5	(19,767,637)	5.5
Land & Building	1,711,330	0.0	17,503,171	922.8	18,944,611	8.2	18,638,082	-0.6	18,649,184	-1.0
Other Fixed Assets	22,588,604	20.5	7,491,127	-66.8	7,461,643	-0.4	7,218,797	-3.3	6,880,229	-4.7
NCUSIF Deposit	22,452,499	0.0	25,054,485	11.6	25,054,485	0.0	25,568,808	2.1	25,568,808	0.0
All Other Assets	19,615,147	-9.8	19,320,299	-1.5	21,177,483	9.6	21,299,580	0.6	23,618,800	10.9
TOTAL ASSETS	3,472,551,670	2.3	3,576,427,234	3.0	3,787,768,017	5.9	3,882,663,512	2.5	3,966,246,229	2.6
LIABILITIES & CAPITAL:										
Dividends Payable	23,997,946	-11.0	24,816,345	3.4	6,907,952	-72.2	7,402,558	7.2	7,589,599	2.5
Notes & Int. Payable	289,192	-67.8	0	-100.0	0		0		0	
Accts. Pay & Other Liab.	24,667,542	0.4	29,106,449	18.0	33,617,589	15.5	30,488,559	-9.3	32,910,070	7.9
Uninsured Sec. Capital	0		0		0		0		0	
TOTAL LIABILITIES	48,934,680	-6.2	53,922,794	10.2	40,526,541	-24.8	37,891,117	-6.5	40,499,669	6.9
Share Drafts	101,249,288	5.0	100,287,098	-1.0	96,585,805	-3.7	100,409,871	4.0	106,398,983	6.0
Regular Shares	2,021,484,580	4.2	2,067,376,068	2.3	2,132,842,583	3.2	2,178,488,389	2.1	2,192,165,436	0.6
All Other Shares & Deposits	1,013,702,759	-1.2	1,055,150,909	4.1	1,207,588,376	14.4	1,245,027,171	3.1	1,319,626,258	6.0
Total Shares & Deposits	3,136,436,627	2.5	3,222,814,075	2.8	3,437,016,763	6.6	3,523,825,431	2.5	3,618,190,677	2.7
Regular Reserve	61,769,233	0.0	61,769,233	0.0	61,769,233	0.0	61,769,233	0.0	61,769,233	0.0
Other Reserves	-697,357	-114.9	3,582,872	613.8	4,150,807	15.9	3,760,785	-9.4	2,054,747	-45.4
Undivided Earnings	226,108,487	4.6	234,338,260	3.6	244,306,673	4.3	255,316,946	4.5	262,731,903	2.9
TOTAL EQUITY	287,180,363	1.6	299,690,365	4.4	310,226,713	3.5	320,846,964	3.4	326,656,883	1.8
TOTAL LIAB. & EQUITY	3,472,551,670	2.3	3,576,427,234	3.0	3,787,768,017	5.9	3,882,663,512	2.5	3,966,246,229	2.6
INCOME & EXPENSE:										
Loan Income*	124,548,956	-0.8	123,313,074	-1.0	123,600,092	0.2	123,891,350	0.2	120,838,712	-2.5
Investment Income*	52,071,998	-23.7	50,187,660	-3.6	49,388,063	-1.6	47,246,958	-4.3	33,869,720	-28.3
Other Income*	14,039,976	16.0	14,359,682	2.3	14,700,539	2.4	15,489,858	5.4	19,207,980	24.0
Salaries & Benefits*	19,860,060	5.6	20,594,960	3.7	21,297,084	3.4	21,778,573	2.3	21,910,384	0.6
Total Other Oper. Exp.*	24,761,284	26.1	24,203,038	-2.3	23,416,883	-3.2	23,145,649	-1.2	25,443,292	9.9
Non-Oper. Income (Exp.)*	143,132	-91.7	602,800	321.1	307,548	-49.0	1,367,185	344.5	2,218,264	62.1
Prov. Loan/Lease Losses*	9,600,000	-12.4	8,800,000	-8.3	9,044,000	2.8	9,561,233	5.7	12,866,664	34.6
Cost of Funds*	96,845,204	-20.5	98,536,926	1.7	96,821,964	-1.7	94,367,083	-2.5	86,252,508	-8.6
Net Income*	39,737,512	9.1	36,328,302	-8.6	37,416,311	3.0	39,142,833	4.6	29,659,828	-24.2

March 2003

NCUA - FPR FINANCIAL HISTORY

* Annualization factor: March = 4; June = 2; September = 1.33; December = 1 (or no annualizing)

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