

CORPORATE AMERICA



FAMILY










CREDIT UNION

2015 ANNUAL REPORT





2015 Annual Report Contents

 CHAIRMAN & PRESIDENT'S REPORT	PAGE 2
 SUPERVISORY COMMITTEE'S REPORT	PAGE 3
 COMPARATIVE FINANCIAL STATEMENTS	PAGE 4
 TREASURER'S REPORT	PAGE 5
 BRANCH LOCATIONS.....	PAGE 6
 BOARD OF DIRECTORS.....	PAGE 7
 ABOUT CORPORATE AMERICA FAMILY CREDIT UNION.....	PAGE 8



Chairman & President's Report

YEAR IN REVIEW

2015 was a very good year for Corporate America Family Credit Union (CAFCU). We performed well in nearly every aspect of our business with our focus on stability, growth and quality. Our commitment to serving our members is unparalleled. Empowering the financial success of our members was our highest priority, as it will continue to be going forward.

On top of technology

We are determined to bring the latest in powerful, secure, user-friendly technology to our members. The CAFCU Mobile Banking App continues to grow and adapt to the times with new features and a simple and intuitive interface. An important addition to the app is the ability to apply for a loan, which opens the door to ultra-convenient, 24/7 loan applications in the palm of our members' hands.

Another cutting-edge addition to our technology lineup is the newly-issued credit cards that take advantage of EMV technology. These cards feature an embedded microchip that encrypts card information into a one-time use code; this code is virtually impossible to counterfeit. Overall, in-store transactions are much more secure with these chip-enabled cards.

And CAFCU's integration with ApplePay™ is a big step forward in our constant pursuit of top-of-digital-wallet status.

Increasing our delivery channels

It wasn't just in the virtual world that CAFCU made strides in 2015. In support of the credit union movement and in the spirit of cooperation, CAFCU now offers Shared Branching services to guest members. Also, we merged with two other credit unions, Panduit Employees CU and Valley Bell CU, which allows us to serve a great many new members.

The partnership with Panduit, Inc. in Tinley Park, IL meant a new on-site branch dedicated to their employees. Response to the move has been positive, and Panduit management has been enthusiastic in their cooperation with our efforts to empower their employees' financial success. Additionally, the merge with Valley Bell Credit Union afforded us the opportunity to move our Elgin, IL branch to that building, which means members are now able to enjoy the convenience of drive-thru service.



Raising awareness, taking action

2015 saw a considerable increase in the connections made with members via email. The messages included educational articles, promotions and alerts. This cost-effective practice has been received very well, and we will continue sending relevant information to our members on a regular basis.

Additionally, we launched the CAFCU Member Activation Program, which strives to keep members apprised of the many legislative issues important to our credit union. Emails that focus on these important issues are sent to our members, and we request they contact their legislators. It is through this kind of grassroots action that a strong future for credit unions can be ensured!

Members Roadside Advantage

An important component of offering good service is promoting peace of mind. To that end, CAFCU has kicked off 2016 with a partnership with Road America to offer Member's Roadside Advantage, which means that members who choose to participate in this program will receive tremendous benefits when they navigate the roadways. Towing Assistance, Battery Service, Flat Tire Assistance, Lock-out Assistance, Collision Assistance... these are just a few of the services offered.

Looking out for you

CAFCU takes security, compliance and regulatory matters very seriously. We continually strive to anticipate risks and address any issues before they arise. Identity theft, credit card fraud, phishing scams and all types of cybercrime are a constant threat to the financial security of all consumers, and we are constantly working to protect our members.

Finally, although the last year went well and the future looks bright, none of it would be possible without our members, who have proven to be loyal, money-smart, conscientious, and proud of the organization we have built together. It is to you, the member, that we say thank

2015 Highlights

We launched additional products and services customized to our members' financial needs and lifestyles.

Notable Growth

- › Membership grew by over 2,000 members.
- › Loans grew by over 35 million dollars.

Making A Meaningful Difference

- › Nearly 1,350 members took advantage of BALANCESM.

Protecting Our Members

Easing financial burdens for our members during difficult times.

- › Over \$158,044 in disability benefits were disbursed to members.
- › Members collected more than \$147,701 in involuntary unemployment benefits.
- › Our members' families received over \$231,600 in life benefits.

you very much and hope you will continue to spread the word about our wonderful credit union. Please refer us to your family, friends, and coworkers so that we may empower their financial success and continue to propel the credit union movement as a whole.

Peter Paulson
President & CEO

Costanzo Maestranzi
Chairman of the Board

Supervisory Committee's Report

The Supervisory Committee's responsibility is to serve Corporate America Family Credit Union members by ensuring that all credit union records are accurately and properly reported.

This committee fulfills its obligation to members by monitoring and auditing the activity of each credit union branch office and department for adherence to internal control procedures and Board Policy. This committee receives and reviews member inquiries and resolves any problems that may exist.

The committee also recommends policy changes to the Board of Directors for their approval. In addition, the financial statements of all merging credit unions are reviewed and special audits performed, as required, prior to merge dates.

The Supervisory Committee contracted Nearman, Maynard, Vallez, CPAs to perform an annual audit of the credit union. Their latest report, dated June 25, 2015, states that their audit was conducted according to auditing standards generally accepted in the United States of America. Nearman, Maynard, Vallez, CPAs concluded that the financial statements present fairly, in all material respects, the financial position of Corporate America Family Credit

Union as of March 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Corporate America Family Credit Union contracted CliftonLarsonAllen for quarterly compliance assessments, and CastleGarde, Inc for information technology assessments. These voluntary, proactive assessments demonstrate our dedication to address emerging compliance expectations and protect our members. The Supervisory Committee continues its devotion to addressing compliance and internal controls.



Thomas Rieck
*Chairman
Supervisory Committee*



Comparative Financial Statements

As of December 31, 2015 and 2014
in thousands of dollars

Statements of Financial Condition	Assets	2015	2014
	Cash in Banks	\$ 2,696	\$ 2,503
	Loans to Members (Note 1)	356,587	321,515
	Allowance for Loan Loss	(4,434)	(4,304)
	Investments (Note 1)	233,930	243,487
	Other Assets	14,286	13,695
	Total Assets	\$ 603,065	\$ 576,896
	Liabilities & Equity		
	Members' Shares (Note 2)	\$ 390,148	\$ 359,049
	Share Certificates (Note 1 & 2)	113,836	122,794
	Other Liabilities	4,832	4,723
	Reserves	94,249	90,330
	Total Liabilities & Equity	\$ 603,065	\$ 576,896

Statements of Income	Revenues	2015	2014
	Interest on Loans	\$ 19,561	\$ 18,926
	Investment Income	3,617	3,413
	Fee Income	7,501	7,185
	Total Revenues	\$ 30,679	\$ 29,524
	Expenses		
	Dividends on Share Accounts	\$ 548	\$ 540
	Dividends on Share Certificates	838	808
	Loan Loss Provision Expense	2,449	2,627
	Compensation & Benefits	13,686	12,858
	Office Expenses	7,337	7,054
	Membership Benefits	2,744	2,310
	Other Expenses	367	325
	Total Expenses	\$ 27,969	\$ 26,522
	Net Income	\$ 2,710	\$ 3,002

NOTES: FAIR VALUE OF FINANCIAL INSTRUMENTS

(1) Fair market value has been estimated using the discounted cash flow method for any class of financial instruments with a maturity or repricing term of greater than 12 months. The book value and fair market value of loans, investments, and share certificates with a maturity or repricing terms greater than 12 months were as follows:

	Book Value	Fair Market Value
Dec. 31, 2015 - Loans	330.0	338.2
Investments	185.4	184.7
2 Year Share Certificates	44.5	43.5
Dec. 31, 2014 - Loans	294.9	307.2
Investments	192.0	192.3
2 Year Share Certificates	45.0	44.1

(2) For member shares and one-year share certificates, book value represents fair market value. Member shares reprice monthly and constitute member ownership equity in the credit union.



Treasurer's Report

Corporate America Family Credit Union (CAFCU) ended 2015 in a very strong financial position. The credit union finished the year with a Net Worth to Total Asset Ratio of 15.8%. In addition, CAFCU earned a respectable 0.46% Return on Average Assets. Loan growth was 11.0%. When compared to other financial institutions, CAFCU maintains a strong financial position.

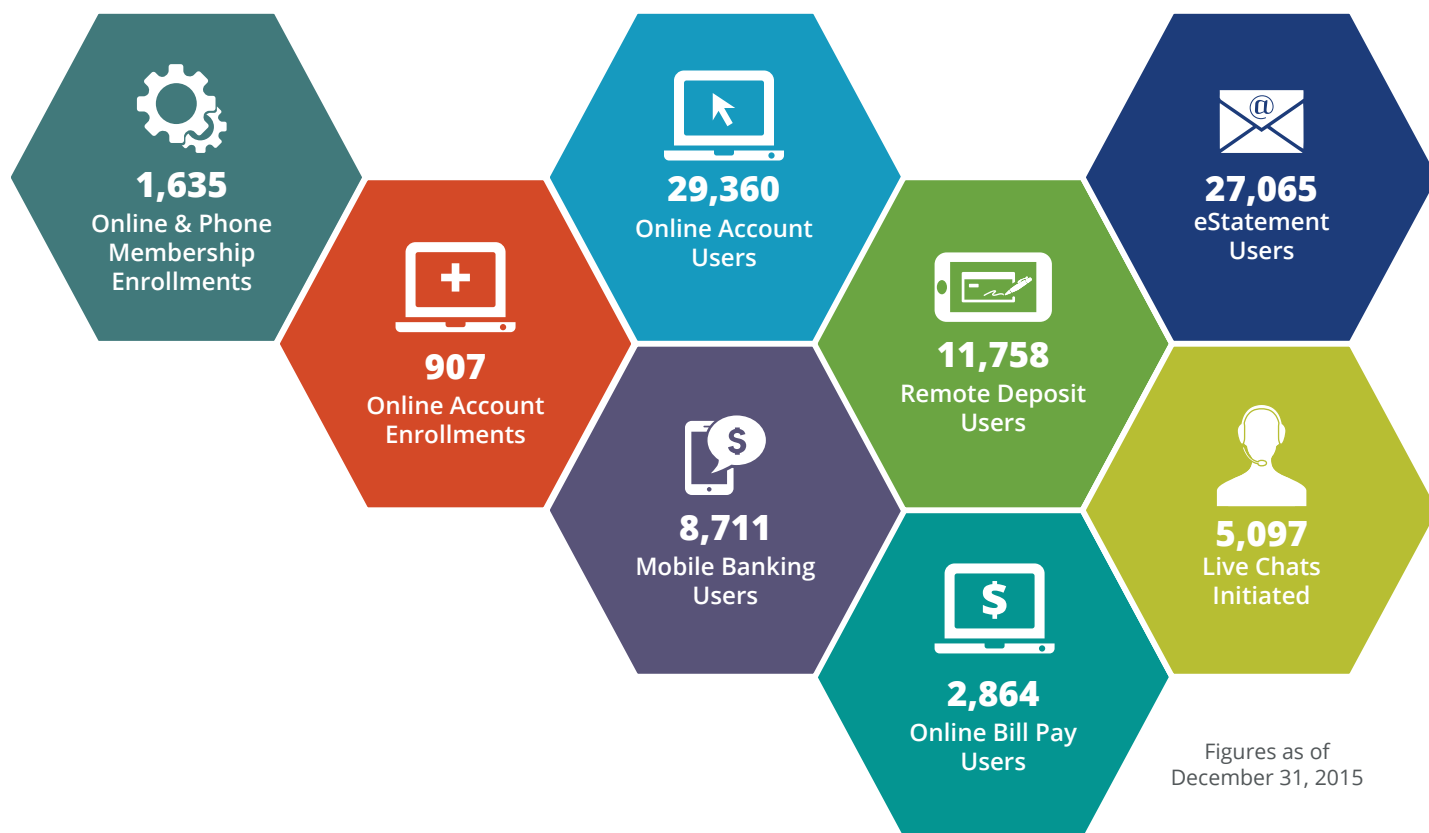
During 2015, CAFCU earned \$2.7 million. Loan revenue increased \$0.6 million. Interest and non-interest expenses were managed. Provision expense decreased \$0.2 million in 2015. Dividend expense was consistent with the prior year expense. The dividend expense reflects the overall lower rates in the market place. Operating expenses increased \$1.6 million.

Total equity increased by \$3.9 million, or 4.3%. The increase in total equity resulted from a strong net income for the year and equity acquired with mergers, netted by the market value adjustment on investments. The strong equity position underscores the credit union's position as an exceptionally safe depository for members' savings. Total assets of \$603.1 million increased by \$26.2 million,

or 4.5%, in 2015. This increase was due to greater member share balances and strong total equity. CAFCU also experienced significant growth in consumer loan and real estate balances.

Overall CAFCU had strong financial results in 2015. The respectable net income and growth in reserves helps position the credit union for challenges in 2016. We look forward to serving our membership in the upcoming year.

John Blozis
Treasurer





Branch Locations



20
CAFCU branches
across 11 states



6,700+
Shared Branches
across the country



60,000+
Surcharge-free
ATMs nationwide



Download the **CAFCU Mobile Banking App** or visit www.cafcuh.org/locations to find branch locations and surcharge-free ATMs everywhere you go.

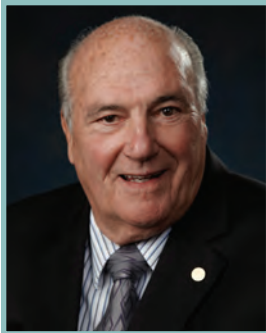


Corporate America [Family CU] has helped me obtain a loan and a credit card when no one else would, and they took time to personally understand my situation and worked with me to resolve any issues we had. **The services offered to me have been most helpful** in getting me back on track with my finances.

— Kathryn, Empowered member since 2013



Board of Directors



Costanzo Maestranzi
Chairman of the Board
Investment Committee
Nominating Committee



Kenneth Naatz
Vice Chairman
Secretary
Investment Committee



John Blozis
Treasurer
Investment Committee
Nominating Committee



Glenn Brown
Director
Membership Committee
Loan Committee



Paula Blonski
Director
Membership Committee
Supervisory Committee



Corporate America Family Credit Union's Board of Directors are elected by members and serve voluntarily on behalf of the membership to oversee the operations of the credit union.



Thomas Rieck
Director
Supervisory Committee
Political Action Committee
Nominating Committee



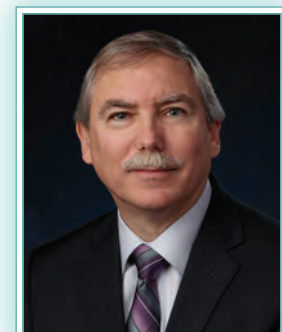
Tory Gum
Director
Supervisory Committee



Barbara Beckman
Director
Membership Committee



Peter Paulson
President
Investment Committee
Political Action Committee



Thomas Sheppard
Associate Director



About Corporate America Family Credit Union



Corporate America Family Credit Union is a not-for-profit, member-owned and directed financial cooperative dedicated to being the primary financial institution of its members. Since 1939, our goal has been to serve people. That service is our commitment to the financial wellness of our 70,000+ members nationwide.

Highlights in Our History





Making A Meaningful Difference



You have good customer service and cool online features.”

— **Dawn E.**, *Empowered member since 2011*



My experience with Corporate America [Family CU] has been fantastic since day one. I feel appreciated and respected as a customer.”

— **Robin M.**, *Empowered member since 1998*



The employees are friendly and helpful. I love the ease of online banking and their Money Manager tool.”

— **Michael G.**, *Empowered member since 1997*



I am a first-time homebuyer and found your online application to be very well designed, and your mortgage department has been professional, clear and prompt at every step.”

— **Kelly L.**, *Empowered member since 2004*



For the first time in my entire adult life, someone actually cares for me beyond what my credit looks like!”

— **Essenam A.**, *Empowered member since 2014*



connect with us



Online
www.cafcu.org



Phone
1-800-359-1939



**Mobile
Banking App**