



CORPORATE AMERICA
FAMILY CREDIT UNION



vision

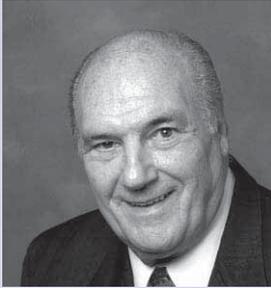
2006 Annual Report



OUR VISION

To make a *meaningful*
DIFFERENCE in
the financial lives of
our members.

Board of DIRECTORS 2006



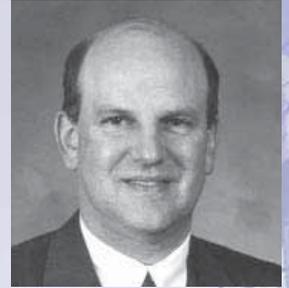
Costanzo Maestranzi
Chairman of the Board
Investment Committee
Political Action Committee
Nominating Committee



Maurice Thompson
Vice Chairman
Operations Committee
Nominating Committee



Ronald Kalisz
Treasurer
Investment Committee
Nominating Committee



Kenneth Naatz
Secretary
Investment Committee
Nominating Committee
Operations Committee



Richard Wellner
President
Investment Committee
Political Action Committee
Nominating Committee



John Blozis
Assistant Secretary
Supervisory Committee
Nominating Committee
Investment Committee



Donn Zawis
Investment Committee
Supervisory Committee



Lynn Fraas
Operations Committee
Membership Committee



Larry Page
Loan Committee
Investment Committee



Thomas Rieck
Political Action Committee
Supervisory Committee



Glenn Brown
Operations Committee
Loan Committee

REPORT *of the* Chairman & President

The vision of our organization has always been an important part of everything we do every day. Finding new and innovative ways to make a meaningful difference in the financial lives of our members is at the core of each staff member's passion to serve the membership.

In 2007, we will experience a new strategic vision as we welcome a new President/CEO. In January, Richard Wellner will be retiring after 33 years of service to the credit union. Richard has helped grow the credit union to more than a half-billion dollars in assets and nearly 90,000 members during his tenure. The credit union was able to offer more products and services than ever before and continues to be one of the most innovative credit unions in the country.

Peter Paulson, the credit union's Executive Vice President, was selected by the Board of Directors to succeed Richard upon his retirement. Peter has served as an employee in many capacities over the last 18 years, with the last eight in his current position. We anticipate a smooth transition from his duties as Executive Vice President to CEO, and are confident in his abilities to lead the organization while continuing to make a meaningful difference to our membership.

In order to continue serving members with the best possible products and services, it is imperative for the credit union to maintain and build upon a balanced portfolio. We continually look for products to help diversify our loan portfolio so that member needs are being met. One such product contributed to the first loss Corporate America has experienced in its 68-year history. We have been remarkably successful over the last 10-15 years. While we as a Board accept the credit for that success, we also accept the responsibility for the poor performance in 2006. Our indirect auto lending partner was asked to stop serving credit unions by NCUA, thus leading to the eventual bankruptcy of their organization. Our loan portfolio was affected by the bankruptcy which resulted in a large number of write-offs for 2006.

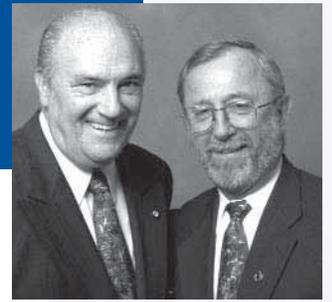
We have strong financial management practices that we adhere to in order to preserve our solid financial condition. Every program we participate in has risk associated with it. We try very hard to mitigate that risk; however, from time to time we must deal with a situation that may be beyond our control. No organization wants to be faced with a loss, but the prudent organizations prepare and are ready for them should they be faced with one. As part of our routine financial strategy, we build capital slowly to help prepare ourselves so that service to members does not suffer. The board and staff recognized and dealt with the problem and Corporate America remains well equipped to serve its member's financial needs well into the future. Rest assured that Corporate America will continue to be a financially strong and stable organization.

During 2006, membership held steady with nearly 90,000 members. Increased business development efforts allowed us to extend credit union services to 90 new sponsor companies this year. In total, the credit union now serves more than 700 sponsor companies across the country - the most in the history of the credit union.

Corporate America was able to expand its membership eligibility to ensure that those interested in participating in the credit union had the opportunity with the creation of our Fresh Start Savings program. In addition to Fresh Start Savings, our other Fresh Start programs offer those who do not have access to traditional financial services the means to build their financial future with products and services that meet their needs.

Looking ahead to 2007, we are confident in our ability to serve our membership. A continued focus on competitive pricing will provide even greater returns for members to ensure that we offer the products and services they need. After all, from our modest start in 1939 we have continued to prosper as an organization and we recognize that those successes are made possible by the support of our members. We are grateful for the opportunity to continue to serve the financial needs of our members and their families yesterday, today and tomorrow.

Best wishes for a happy and healthy 2007!



Costanzo Maestranzi
Chairman of the Board

Richard Wellner
President

SUPERVISORY Committee Report



A blue ink handwritten signature that reads "Donn Zawis". The signature is fluid and cursive.

Donn Zawis
Supervisory Committee

The Supervisory Committee's responsibility is to serve Corporate America 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 and procedure 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 has contracted with Selden Fox, Ltd. to perform an annual audit of credit union accounts. Their latest report dated July 17, 2006 states that their examination was made in accordance with generally accepted auditing standards. Selden Fox, Ltd. concluded that the financial statements present fairly the financial position of Corporate America Family Credit Union as of March 31, 2006, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

The Illinois Department of Financial and Professional Regulation and the National Credit Union Administration performed an examination of our sub-prime indirect auto loan portfolio in November 2006. No material deficiencies were cited. The Corporate America Supervisory and Loan Committees also performed a joint comprehensive internal review of the sub-prime indirect auto loan program and issued a report and recommendations to the Corporate America Board of Directors on December 20, 2006.

Comparative FINANCIAL Statement

(In thousands of dollars)

BALANCE SHEET

ASSETS	Revised 2006	As of December 31 2005
Cash in Banks	\$5,425	\$7,069
Loans to Members (Note 1)	442,734	451,764
Allowance for Loan Loss	(8,862)	(6,735)
Investments (Note 1)	76,119	107,017
Other Assets	39,221	62,673
Total Assets	\$554,637	\$621,788
LIABILITIES AND EQUITY		
Members' Shares (Note 2)	\$333,270	\$370,973
Share Certificates (Note 2)	162,696	172,540
Other Liabilities	6,626	4,875
Reserves	52,045	73,400
Total Liabilities and Equity	\$554,637	\$621,788

INCOME STATEMENT

REVENUES	2006	For the Year Ended December 31 2005
Interest on Loans	\$24,503	\$41,563
Investment Income	4,103	3,743
Fee Income	9,768	9,650
Total Revenues	\$38,374	\$54,956
EXPENSES		
Dividends on Share Accounts	\$7,657	\$6,956
Dividends on Share Certificates	7,388	5,260
Loan Loss Provision Expense	19,317	10,614
Salaries and Wages	13,658	14,482
Office Expenses	6,754	7,825
Membership Benefits	2,637	3,171
Other Income and Expenses	2,424	2,711
Total Expenses	\$59,835	\$51,019
NET INCOME	(\$21,461)	\$3,937

NOTES: FAIR VALUE OF FINANCIAL INSTRUMENTS

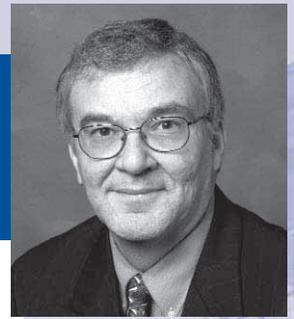
(1) Fair market value has been estimated using the discounted cash flow method for any class of financial instruments with a maturity or repricing terms of greater than 12 months.

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, 2006 -Loans	408.6	405.3
Investments	6.2	6.2
2 Year SCs	51.8	47.3
Dec.31, 2005 -Loans	364.1	358.9
Investments	29.5	29.4
2 Year SCs	67.5	62.2

(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



A handwritten signature in blue ink, appearing to read 'Ronald Kalisz'.

Ronald Kalisz
Treasurer

As reported in the Chairman's Report, 2006 was a very fiscally challenging year for Corporate America Family Credit Union. Losses from the Centrix Program negatively affected the financial performance for the year. This resulted in the first annual loss incurred by the credit union.

During 2006, Corporate America lost \$21.5 million. Net income decreased by \$25.4 million from the previous year. The decrease in net income is primarily attributed to the Centrix program. Total Revenues of \$38.4 million decreased by \$16.6 million or 30% from the previous year. This decrease is primarily due to less revenue generated by the program and additional premium amortizations that were required to be recognized during the year. Excluding the effect of the Centrix program, revenues would have been comparable to that of the previous year. Total Expenses of \$59.8 million increased \$8.8 million. Of this amount, \$8.7 million is due to the additional loan loss provisions taken on the Centrix program. Increases in Dividend expenses paid to members during the year were offset by reductions in administrative expenses and other income.

Total reserves at the end of 2006 were \$52.0 million. This is a decrease of \$21.4 million or 29% from the previous year. The total equity to asset ratio at the end of 2006 is 9.4%. Although this is a decrease of 2.4% over the previous year, it is a relatively healthy margin going forward.

Corporate America ended 2006 with Total Assets of \$554.6 million. This is a decrease of \$67.2 million or 11%. The decrease is driven by lower Investments - \$30.9 million, lower Other Assets - \$23.5 million and lower loan balances - \$9.6 million. The lower Loan Balance is due to a decrease in Centrix loans offset by increases in other Indirect Lending. The decrease in Investments is due to the decrease in Member Shares and the Other Assets is due to the amortization of Centrix premiums.

Total Deposits finished the year at \$496 million. This was a decrease of \$47.5 million or 9%. The change in deposits was due to a \$37.7 million decrease in Member Shares and a \$9.8 million decrease in Share Certificates.

In summary, 2006 was a challenging year as Corporate America dealt with the issues presented by the downturn of the Centrix program. The credit union looks forward to a year of improved financial performance in 2007.

Branch LOCATIONS

ARIZONA

Peoria
Scottsdale

CALIFORNIA

Foster City
Santa Clara

CONNECTICUT

Bristol
Terryville

GEORGIA

Atlanta

ILLINOIS

Burbank
Chicago (3)
Crystal Lake
Elgin (2)
Huntley
McHenry
Oak Brook
Rosemont
St. Charles
Schaumburg
Streamwood
Warrenville

KANSAS

Kansas City
Olathe

NEW JERSEY

Secaucus

NORTH CAROLINA

High Point

OHIO

Marion

PENNSYLVANIA

Towanda

TEXAS

Dallas

VIRGINIA

Sterling

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Monday through Friday
7 am-7 pm, CST

WEBSITE

www.cafcu.org

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We're part of the Shared Branching Network giving you access to your accounts and most financial transactions at more than 1,400 Credit Union Service Centers worldwide.

Our SERVICES

Savings

You'll enjoy consistently higher savings rates.

- **Share Accounts**
Dividend-earning savings account
- **Money Market Accounts**
Flexible tiered rates let you earn more money
- **Share Certificate Accounts**
Higher yield savings option
- **Individual Retirement Accounts**
Supplemental retirement options
- **Holiday Club Accounts**
Be ready for the season of giving
- **Specialty Savings Accounts**
Reach the savings goals you've set

Loans

Get the money you need for whatever you want.

- **New & Used Vehicle Loans**
The best rates to save you money
- **Home Equity Loans**
Whatever your needs, we've got the program
- **Mortgages**
Fixed & variable rates make home buying affordable
- **VISA® Credit Cards**
Low rates & rebates on interest paid
- **Quick Cash Line of Credit**
Hassle-free emergency cash
- **Signature Loans**
Flexible & convenient
- **Special Homeowner Programs**
Low rates with potential tax benefits*

e-Services

Anytime access at your fingertips.

- **On-line Account Access**
Review statements, check balances, transfer funds & more
- **On-line Loan Application**
Just click and apply
- **On-line Financial Magazine**
Financial resources 24/7
- **e-Statements**
Monthly statements on-line
- **e-Newsletter**
On-line news and exclusive offers

Services

Handling your money is easy and convenient.

- **Premium™ Checking**
More benefits & money-saving bonuses
- **Traditional Checking**
No fees, balance requirements or per-check charges
- **Overdraft Protection**
- **ATM Access**
Absolute convenience with the Corporate America ATM/Debit Card
- **EZ Advantage**
Automatic loan payment
- **Loan by Phone**
Call and apply 24/7 with quick approval
- **24-Hour Automated Telephone Teller-MARTI**
24/7 touch-tone access to any transaction
- **BALANCESM – A Financial Fitness Program**
Confidential, no-cost financial advice
- **Extended Warranty Coverage**
More peace of mind from Corporate America
- **Vehicle GAP Coverage**
Pays the difference between your insurance payout & loan balance
- **Discount Home & Auto Insurance**
Coverage that saves you more
- **Loan Payment Protection**
Pays for your loan if you're not able to
- **CarQuotes®**
Preferred dealer network
- **SMARTMOVE™**
Cash rebates & professional assistance when buying or selling real estate
- **Family Lifetime Membership**
Once a member, always a member

*Consult your tax advisor.



Corporate America Family Credit Union would like to thank
Richard K. Wellner for his 33 years of honorable service.

Corporate America Career Highlights:

- Richard Wellner originally joined the Board of Directors of GTE Employees Federal Credit Union in 1973 serving on the Supervisory Committee and the Education and Publicity Committees.
- Wellner was named General Manager of the credit union in 1975. The credit union's assets were \$16 million and served nearly 13,000 members. The total branch network consisted of 4 locations: Northlake, IL; Huntsville, AL; Waukesha, WI; and Genoa, IL.
- In 1982, Wellner's General Manager title changed to President. In just seven years, total assets had grown to \$55 million and the credit union served nearly 30,000 members through nine branch locations.
- In the 1980s under the direction of Wellner, the credit union began to serve multiple sponsor groups in an effort to safeguard the long-term security of the credit union. Out of that initiative grew one of Corporate America's core strategies of diversification where no branch constitutes the majority of shares, loans, or members, and no one sponsor company constitutes a majority.
- Under Wellner's direction, the credit union appropriately changed its name to Corporate America Federal Credit Union in 1986. To ensure the continued ability to serve the diverse membership, in 1997 it changed its charter from a Federal Charter to a state of Illinois charter. To better reflect its new standing, the name was changed to Corporate America Family Credit Union.
- During his tenure, Wellner has been an avid supporter of the credit union movement serving on many state and national committees representing credit union interests. He has served as a council member of the Filene Research Institute, as a Board member for Mid-States Corporate Federal Credit Union, Director and member of the Executive Committee of the Illinois Credit Union League (ICUL), Director of the ICUL Service Corp, and as an Advisory Board Member of the American Management Association.
- Under Wellner's direction, the credit union now serves nearly 90,000 members through 30 branch locations and boasts an asset size of more than a half-billion dollars.

Your dedication to membership, staff, family and friends will endure well into the future.

It's more than money.
It's your life.

Home, family, the future.
It's what gets us out of bed and out the
door every day. It's why we work.
At Corporate America, *we get it.*

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Once a member,
ALWAYS a member.





CORPORATE AMERICA
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