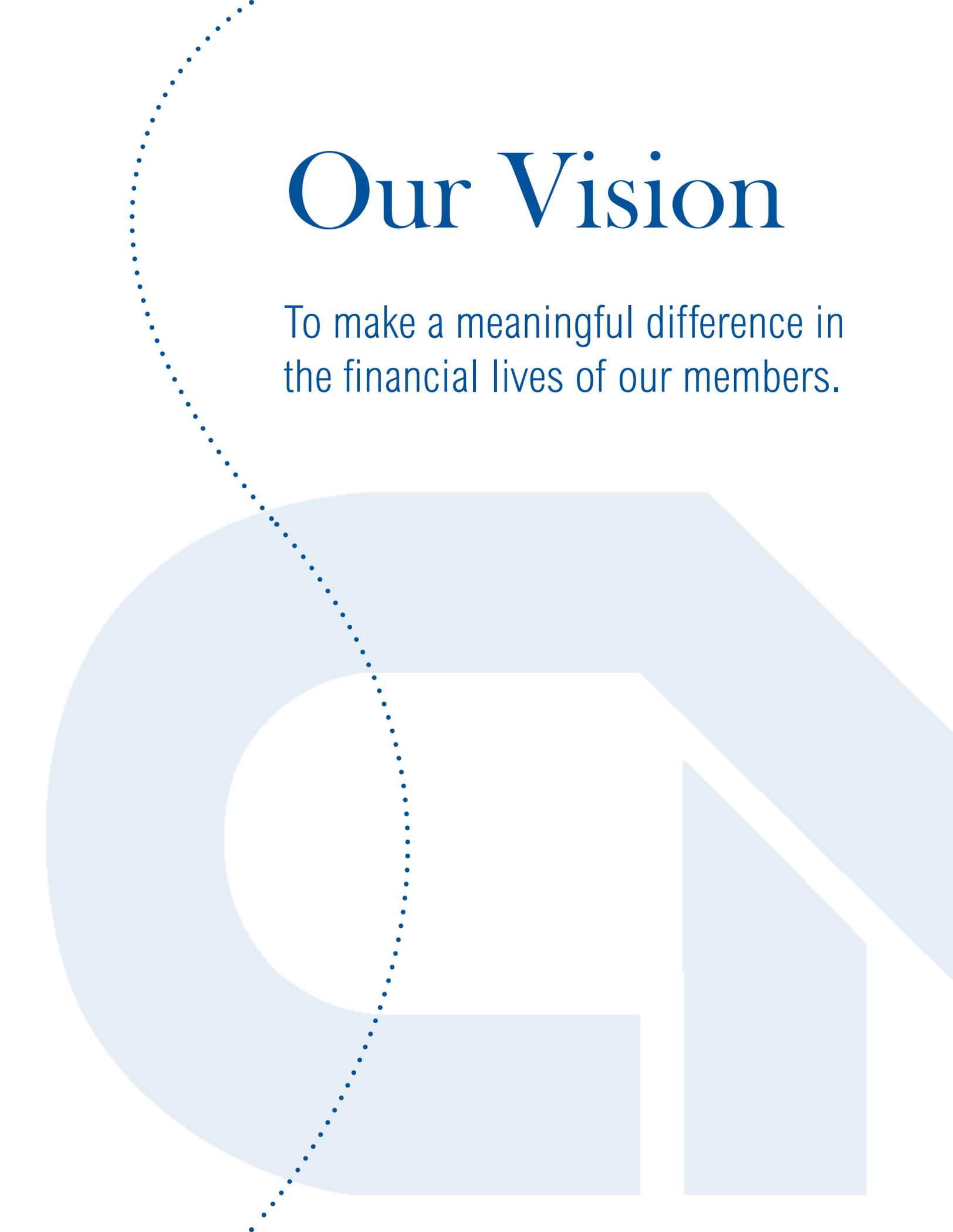


CORPORATE AMERICA FAMILY CREDIT UNION

Annual Report



2007

A decorative dotted line starts at the top left and curves downwards and to the right, passing through the text. In the background, there are large, light blue, stylized letters that appear to be 'Q' and 'A'.

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

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Report of the Chairman & President

At Corporate America, we get it.

We understand that positive results come in many forms, but the strategy that provides Corporate America with the best opportunities is steadfast commitment to you – our membership. Your active participation, along with teamwork and contributions from the dedicated staff and guidance from the Board of Directors, present Corporate America with continued success today and into the future.

2007 was a year in which Corporate America welcomed Peter Paulson in his new role as President/CEO. Peter's commitment to providing excellent member service was passed along to staff where it proved to be one of the credit union's greatest assets. This continued focus on professional development has allowed us to provide membership with unmatched service.

The year also marked a turning point for the credit union. After the indirect auto lending loss in 2006, Corporate America showed its resilience and achieved positive results while many financial institutions struggled in today's economic environment.

Our goals are your goals.

To improve our position in the marketplace, we relocated several locations across the nation, including branches in High Point, NC, Herndon, VA, Chicago and Crystal Lake, IL. As we continue to look for ways to develop financial opportunities for members, we added new products to our innovative portfolio of services. These include CU Money - a reloadable *VISA*[®] debit card to help control spending and maintain a budget as well as the addition of Health Savings Accounts - a special investment account that provides tax benefits in planning medical expenses for high deductible health plans.

We are members helping members.

As a not-for-profit financial cooperative, Corporate America understands that helping others is one of the most rewarding experiences and the foundation of our business. In 2007, the credit union continued its tradition of community involvement. The year marked many important contributions including the support of the Hope Group, Habitat for Humanity and Project Backpack, our annual nationwide school drive for less-fortunate families. The devoted staff also participated in charitable events throughout the year for many local causes.

We'll grow together.

Moving into 2008, we look forward to enhancing member relationships with the launch of our Member Loyalty Program. This program rewards members with discounted rates when you apply for vehicle and signature loans. We take into account many factors such as your length of membership, total loan and savings dollars and services per member. As each member has different needs and goals, we will continue to develop our products and services to fit your financial situation. As the financial industry changes we will continue to provide unmatched member service to give members the best opportunities to succeed.

Best wishes in 2008 and beyond!



Costanzo Maestranzi
Chairman of the Board

Peter Paulson
President/CEO

Supervisory Committee Report

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 McGladrey & Pullen, LLP to perform an annual audit of credit union accounts. Their latest report dated October 23, 2007 states that their examination was made in accordance with generally accepted auditing standards. McGladrey & Pullen, LLP concluded that the financial statements present fairly the financial position of Corporate America Family Credit Union as of March 31, 2007, 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.



Donn Zawis
Supervisory Committee

Comparative Financial Statement

In thousands of dollars

BALANCE SHEET

	As of December 31	
ASSETS	2007	2006
Cash in Banks	\$5,406	\$5,425
Loans to Members (Note 1)	458,856	442,734
Allowance for Loan Loss	(7,207)	(8,862)
Investments (Note 1)	41,725	76,119
Other Assets	28,337	39,221
Total Assets	\$527,117	\$554,637
LIABILITIES & EQUITY	2007	2006
Members' Shares (Note 2)	\$311,234	\$333,270
Share Certificates (Note 1 & 2)	153,880	162,696
Other Liabilities	5,996	6,626
Reserves	56,007	52,045
Total Liabilities & Equity	\$527,117	\$554,637

INCOME STATEMENT

	As of December 31	
REVENUES	2007	2006
Interest on Loans	\$34,898	24,503
Investment Income	2,734	4,103
Fee Income	9,250	9,768
Total Revenues	\$46,882	\$38,374
EXPENSES		
Dividends on Share Accounts	\$7,403	7,657
Dividends on Share Certificates	7,293	7,388
Loan Loss Provision Expense	4,148	19,317
Salaries & Wages	12,771	13,658
Office Expenses	6,603	6,754
Membership Benefits	2,454	2,637
Other Income & Expenses	2,259	2,424
Total Expenses	\$42,931	\$59,835
NET INCOME	\$3,951	(\$21,461)

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, 2007 - Loans	428.2	426.9
Investments	0.4	0.4
2 Year SCs	34.9	31.8
Dec. 31, 2006 - Loans	408.6	405.3
Investments	6.2	6.2
2 Year SCs	51.8	47.3

(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

The year 2007 was very challenging for Corporate America Family Credit Union (CAFCU) as it took appropriate steps to deal with the financial issues encountered in the previous year. The Centrix Program continued to negatively affect the financial performance for the year; however, its impact was dramatically reduced.

During 2007, CAFCU earned a net income of \$4.0 million. Net income increased by \$25.4 million from the previous year. The increase in net income was primarily attributed to reductions in loan loss provisions and amortization expenses associated with the Centrix Program as well as reductions in other expenses. Total Revenues of \$46.9 million increased by \$8.5 million, or 22.2% from the previous year. This increase was primarily attributed to fewer Centrix premium amortizations that were recognized during the year. Total Expenses of \$59.8 million decreased by \$16.9 million, or 28.3%. Of this amount, \$15.2 million was due to reduced loan loss provisions taken in 2007. Decreases in dividend expenses paid to members and operating expenses made up the remaining favorability.

Total reserves at the end of 2007 were \$56.0 million. This was an increase of \$4.0 million, or 7.6% from the previous year. The total equity to asset ratio at the end of 2007 was 10.6%. This was an increase of 1.2% over the previous year.

CAFCU ended 2007 with Total Assets of \$527.1 million. This was a decrease of \$27.5 million, or 5.0%. The decrease is driven by lower Investments, \$34.4 million, and lower Other Assets, \$10.8 million, offset by higher loan balances, \$16.1 million. The higher Loan Balance was due to increases in the Indirect Prime Auto Lending and The College Network loans offset by decreases in Centrix Loan balances. The decrease in Investments was due to the

change in total deposits. The change in Other Assets was due to the amortization of Centrix premiums and reduced receivables.

Total Deposits finished the year at \$465.1 million. This was a decrease of \$30.9 million, or 6.2%. The change in deposits was due to a \$22.0 million decrease in Member Shares and an \$8.8 million decrease in Share Certificates.

In summary, CAFCU has returned to profitability in 2007 while making significant progress in dealing with the issues presented by the downturn of the Centrix Program. The Credit Union looks forward to continue its improved financial performance in 2008.



Ron Kalisz
Treasurer

Branch Locations

ARIZONA

Peoria
Scottsdale

CALIFORNIA

Foster City
Santa Clara

CONNECTICUT

Bristol
Terryville

GEORGIA

Atlanta

ILLINOIS

Burbank
Chicago (2)
Crystal Lake
Elgin (2)
Huntley
McHenry
Oak Brook
Rosemont
Saint Charles
Streamwood
Warrenville

KANSAS

Kansas City
Olathe

NEW JERSEY

Secaucus

NORTH CAROLINA

High Point

OHIO

Marion

PENNSYLVANIA

Towanda

TEXAS

Dallas

VIRGINIA

Herndon

Member Service Center

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Monday through Friday

7 am - 7 pm, CST

Website

www.cafcu.org

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- **Money Market Accounts**
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- **Individual Retirement Accounts**
Supplemental retirement options
- **Health Savings Accounts**
Tax-deductible medical planning account*
- **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 for virtually any need
- **Special Homeowner Programs**
Low rates with potential tax benefits*

*Consult your tax advisor

Services

Handling your money is easy and convenient.

- **Member Loyalty Program**
Every member can get discounted rates on Vehicle & Signature loans
- **Premium Checking™**
More benefits & money-saving bonuses
- **Traditional Checking**
No fees, balance requirements or per-check charges
- **Overdraft Protection**
- **CU Money**
Pre-paid debit card to help manage spending
- **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
- **MARTI - 24-Hour Automated Telephone Teller**
24/7 touch-tone access to any transaction
- **BALANCEsm - A Financial Fitness Program**
Confidential, no-cost financial advice
- **Extended Warranty Coverage**
Supplemental coverage for more peace of mind
- **Vehicle GAP Coverage**
Pays the difference between your insurance payout and loan balance
- **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**
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e-Services

Anytime access at your fingertips.

- **On-line Account Access**
Review statements, check balances, transfer funds & more
- **On-line Loan Application**
Registered On-line Account Users just click and apply, any time
- **On-line Financial Magazine**
Financial resources 24/7
- **eStatements**
Monthly statements on-line
- **Monthly eNewsletter**
On-line news, education and exclusive offers

2007 Board of Directors



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



Peter Paulson
President
Investment Committee
Political Action Committee



John Blozis
Assistant Secretary
Investment Committee
Nominating Committee



Donn Zawis
Investment Committee
Supervisory Committee



Lynn Fraas
Operations Committee
Membership Committee
Supervisory Committee



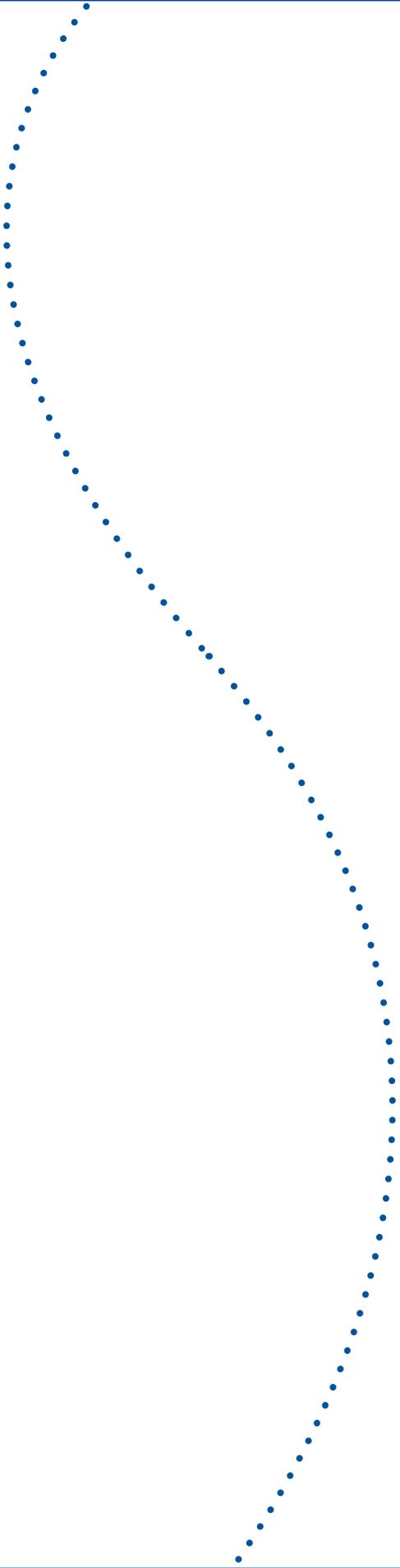
Larry Page
Loan Committee
Investment Committee



Thomas Rieck
Political Action Committee
Supervisory Committee



Glenn Brown
Operations Committee
Loan Committee



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