



CORPORATE AMERICA FAMILY CREDIT UNION
2009 ANNUAL REPORT

C O N T E N T S

Report of the Chairman & President

Supervisory Committee Report

Comparative Financial Statement

Treasurer's Report

Branch Locations

Board of Directors

History of Corporate America Family CU

YEAR IN REVIEW

This past year marked a significant milestone for Corporate America Family Credit Union, as we celebrated our 70th anniversary. On behalf of our staff and board of directors, we would like to thank you for allowing us the opportunity to serve as your financial institution.

While the year began with economic uncertainty, it progressed into a renewed sense of financial awareness. We found members taking a proactive approach to their finances through resources such as the educational videos found on our website and financial advice from BALANCESM. Your willingness to communicate your financial needs through our member relationship survey has provided us with recommendations and valuable insight to improve your financial experience with us. While Corporate America Family Credit Union was not immune to the economic downturn, the experience has helped us enhance our ability to meet future challenges.

Our 2009 results are strong, given the current challenges in the financial services industry. The credit union remained profitable and we have strong capital. We adhere to fiscally sound investing and prudent lending practices which have given us a solid financial foundation.

CONVENIENCE

We continuously improve on how we serve you and we showed this in a number of important ways. First, we enhanced a number of web modules such as the ability to communicate with the credit union securely through Communications Center, updated a number of key Online Account Access features like bill pay and added the ability to activate debit/credit cards online to allow you even more convenient access to your accounts.

Second, we made it easier for members to do business with Corporate America Family Credit Union through mobile and phone channels. In 2009, more than 1,500 members embraced mobile banking which allows members to check balances, transfer funds, pay bills, and find branches and ATMs from anywhere on a mobile device. We also updated MARTI, our automated telephone teller, to enhance service and ease of use for members.

In 2010, we will continue to focus on our core values of member service and operational efficiency to provide you the best possible member experience. In your commitment to the credit union and our commitment to you, we look to remain a consistent and grounded financial institution.

With our Strategic Plan in place, we will continue to develop new and innovative products and services to help you reach your financial goals. We will continue to improve upon existing technology to enhance your experience and interactions with the credit union, whether in branch, on-line or through your mobile device.

Ultimately, the success of the credit union hinges on the support of our members, which membership has done for more than seventy years. We are happy to serve you as members of Corporate America Family Credit Union and look forward to making the coming year an even greater success.

>> 2009 HIGHLIGHTS

More Web Services

We enhanced our Bill Pay Center with improved technology and usability and gave members the ability to send secure messages through Communications Center. We also added IRA Retirement Central and the ability to activate debit/credit cards through Online Account Access.

More ATMs

We increased our number of surcharge-free ATMs to over 49,000, giving you greater access to your accounts.

Costanzo Maestranzi
Chairman of the Board

Peter Paulson
President & CEO



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 August 19, 2009 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, 2009, and the results of its operations and the changes in its financial position for year then ended, in conformity with generally accepted accounting principles applied on a consistent basis. In addition, the Supervisory Committee has contracted compliance consultants to perform quarterly assessments.



Thomas Rieck
Supervisory Committee

COMPARATIVE FINANCIAL STATEMENT

BALANCE SHEET

As of December 31, 2009 and 2008
in thousands of dollars

Assets

	2009
Cash in Banks	\$ 2,388
Loans to Members (Note 1)	340,547
Allowance for Loan Loss	(5,728)
Investments (Note 1)	195,792
Other Assets	17,524
Total Assets	\$ 550,523

2008

	\$ 5,428
	405,071
	(5,520)
	81,976
	17,846
Total Assets	\$ 504,801

Liabilities & Equity

Members' Shares (Note 2)	\$ 309,784
Share Certificates (Note 1 & 2)	155,783
Other Liabilities	19,540
Reserves	65,416
Total Liabilities & Equity	\$ 550,523

	\$ 299,923
	139,172
	6,458
	59,248
Total Liabilities & Equity	\$ 504,801

INCOME STATEMENT

2009

Revenues

Interest on Loans	\$ 26,892
Investment Income	2,586
Fee Income	7,218
Other Income	1,119
Total Revenues	\$ 37,815

2008

	\$ 32,140
	2,104
	7,822
	679
Total Revenues	\$ 42,745

Expenses

Dividends on Share Accounts	\$ 2,545
Dividends on Share Certificates	4,626
Loan Loss Provision Expense	3,451
Compensation & Benefits	12,168
Office Expenses	6,591
Membership Benefits	1,579
Other Expenses	1,410
Total Expenses	\$ 32,370

	\$ 4,481
	6,467
	1,791
	12,729
	6,771
	5,709
	1,934
Total Expenses	\$ 39,822

Net Income

	\$ 5,445
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	\$ 2,923
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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, 2009 - Loans	311.3	321.2
Investments	105.6	106.2
2 Year Share Certificates	37.2	35.1
Dec. 31, 2008 - Loans	376.5	375.9
Investments	17.3	17.6
2 Year Share Certificates	37.1	34.3

(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.

Corporate America Family Credit Union (CAFCU) ended 2009 in a very strong financial position. The credit union finished the year with a Net Worth to Total Asset Ratio of 11.9%. In addition CAFCU earned a respectable 1.0% return on Total Assets. When compared to other financial institutions CAFCU maintains a relatively strong financial position in these challenging times.

During 2009, CAFCU earned \$5.4 million. Net income increased by \$2.5 million, or 86% from the previous year. The increase in net income was primarily attributed to a lower provision for National Credit Union Share Insurance Fund (NCUSIF) Premiums of \$4.0 million, lower dividend expense of \$3.8 million, and lower operating expenses of \$1.2 million. These favorable items were offset by lower revenues of \$4.9 million and a higher loan loss provision expense of \$1.7 million. The favorable dividend expense reflects the overall lower rates in the market place. Lower revenues are primarily due to lower loan balances in most of the CAFCU loan portfolios, lower returns on investments and lower fee income. The higher provision for loan loss reflects increased loan write-offs due to overall economic conditions. Although the NCUSIF provision did not materialize to the extent anticipated, additional write-offs of capital in Corporate Credit Unions accounted for a substantial amount of the remaining reserve established.

Total reserves increased by \$6.2 million, or 10.0%. The increase in reserves resulted primarily from a strong net income for the year. The strong equity position underscores the credit union's position as an exceptionally safe depository for members' savings.

Total assets, of \$550.5 million, increased by \$45.7 million, or 9.0%, in 2009. This increase was due to an increase in investments of \$113.8 million offset by a decrease in loans of \$64.5 million. Indirect loan balances attributed a significant portion of the loan decrease. However, regular consumer loan balances also decreased as the economy sank into the recession. The increase in investment reflects the overall softness in the loan market.

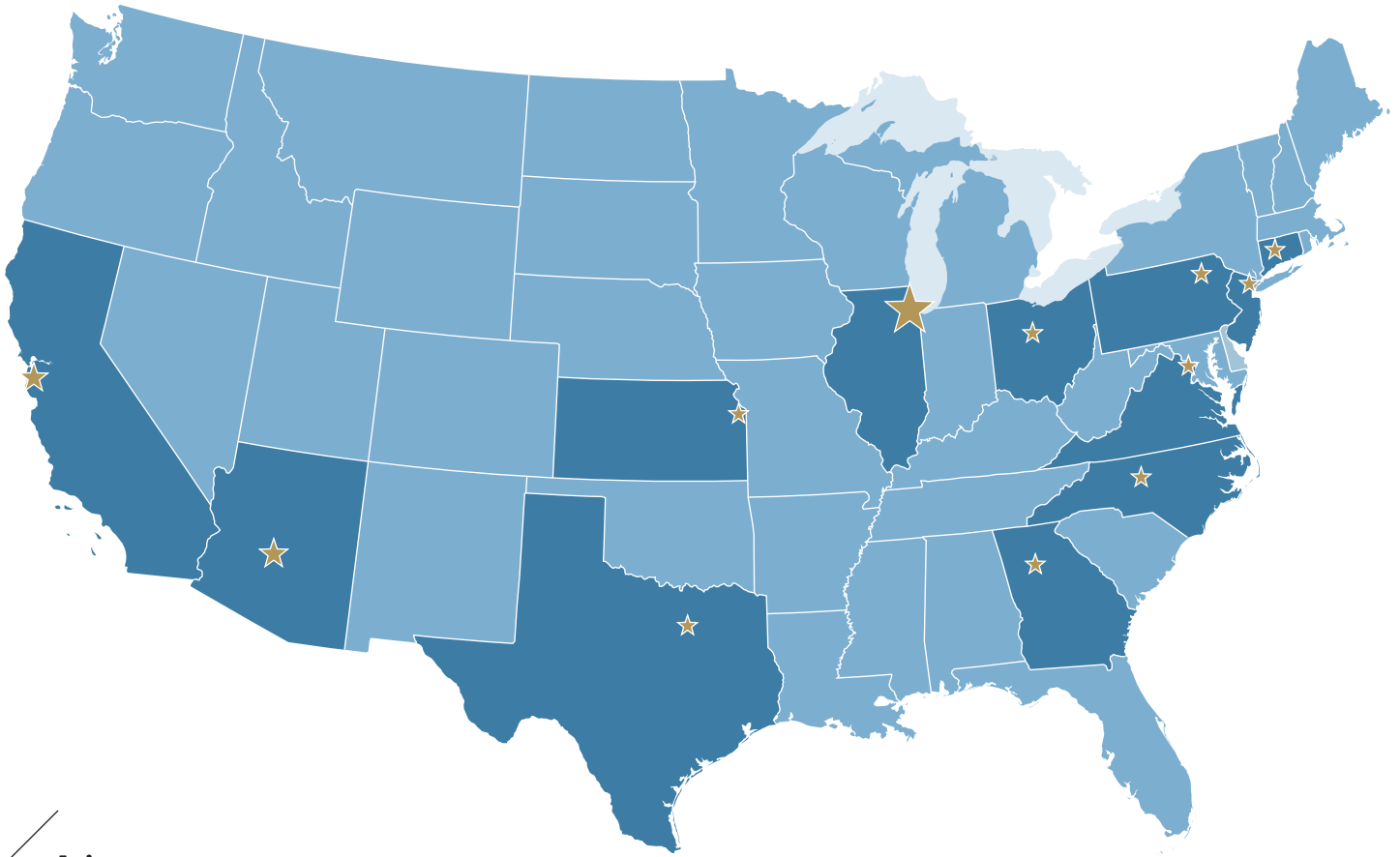
During 2009 CAFCU experienced an increase of \$26.5 million in savings. This was a 6% increase from the prior year. The change in total deposits was due to a \$16.6 million increase in share certificates and a \$9.9 million increase in member shares.

Overall CAFCU had good financial results in 2009. The respectable net income and growth in reserves helps brace the credit union for the challenges of 2010. In addition, the credit union has significantly decreased the indirect loan portfolios that have contributed to large loan losses in previous years. We look forward to successfully meeting the challenges of the upcoming year.



Ron Kalisz
Treasurer

BRANCH LOCATIONS



Arizona

Peoria • Scottsdale

California

Foster City • Santa Clara

Connecticut

Bristol

Georgia

Atlanta

Illinois

Burbank • Chicago (2) •
Crystal Lake • Elgin •
Oak Brook • Rosemont •
St. Charles • Streamwood •
Warrenville

Kansas

Kansas City

North Carolina

High Point

New Jersey

Secaucus

Ohio

Marion

Pennsylvania

Towanda

Texas

Dallas

Virginia

Herndon

QUICK FACTS:

23 - Corporate America Family
Credit Union Branches

6,000 - Number of Shared Branches

49,000+ - Number of surcharge-free
ATMs available to members

LOCATOR SEARCH

Visit our website at www.cafcu.org to
find branch locations and over 49,000
surcharge-free ATMs nationwide.



Costanzo Maestranzi

Chairman of the Board
Investment Committee
Membership Committee
Nominating Committee



Donn Zawis

Vice Chairman
Membership Committee
Operations Committee



Ron Kalisz

Treasurer
Investment Committee
Membership Committee
Nominating Committee



John Blozis

Secretary
Investment Committee
Membership Committee



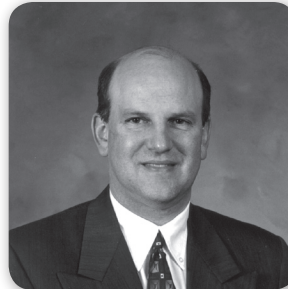
Glenn Brown

Assistant Secretary
Loan Committee
Membership Committee



Lynn Fraas

Director
Membership Committee
Operations Committee
Supervisory Committee



Kenneth Naatz

Director
Membership Committee
Supervisory Committee



Larry Page

Director
Loan Committee
Membership Committee



Peter Paulson

President
Investment Committee
Membership Committee
Political Action Committee



Thomas Rieck

Director
Membership Committee
Political Action Committee
Supervisory Committee



Maurice Thompson

Director
Membership Committee
Nominating Committee
Operations Committee

In 1939, an ambitious group of 15 employees from Automatic Electric Company each deposited \$5 into the Automatic Credit Union. Automatic Electric Company was later purchased by GTE Corporation, and the credit union changed its name to GTE Employees Federal Credit Union.

In the early 1980s, GTE Employees Federal Credit Union Board of Directors decided to safeguard the long-term security of the credit union by diversifying membership. In 1986, the credit union appropriately changes its name to Corporate America Federal Credit Union.

To ensure our ability to serve a diverse membership, in 1997, we changed the charter from a federal charter to a state of Illinois charter. To better reflect the new standing, the name was changed to Corporate America Family Credit Union.

We now serve over 70,000 members nationwide with 23 locations in small towns and major metropolitan areas.

QUICK FACTS:

\$550 million - Current Assets

1,725 - Mobile Banking users

700 - Active Sponsor Companies

DID YOU KNOW?

Corporate America recently partnered with The Arbor Day Foundation and PayItGreen.org for a greener future.

For every member that signs up for eStatements, a tree will be planted and money will be donated to help protect our environment.

Our goal is to plant 10,000 trees. Follow the progress on our website at www.cafcu.org/green.

Do your part and enroll in eStatements today.

We offer credit union services to a wide range of professionals & industries including: Telecommunications, Manufacturing, Hospitality, Health Services, Government and Municipalities, Construction, Transportation and Logistics, Retail, Wholesale and more.



www.cafcu.org • www.cafcu.mobi • 1-800-359-1939

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

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OUR
VISION



CORPORATE AMERICA
FAMILY CREDIT UNION

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