

2020



MAKING A DIFFERENCE
TOGETHER



ANNUAL
REPORT

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Chairman and President's Message to Our Members

On behalf of your Board of Directors and the rest of your Corporate America Family Credit Union (CAFCU) family, we thank you for your membership and support for your credit union. Since our founding over 80 years ago, CAFCU has focused on providing the tools, resources and expertise to empower our members to succeed financially. 2020 had a defining impact on all our lives, proving adversity can be a catalyst of value for incredible human ingenuity. When the pandemic and the following economic downturn hit, we were quick to adapt our operations, practices and offerings to help our employees and members overcome these new challenges. With the support of our members and the commitment of our employees, your credit union is stronger than ever.

People Helping People

We provided stability and support for our members and our employees in the safest and securest ways possible. We reimagined how and where we worked, cared for our colleagues, and supported our members in need during this uncertain time. We remained dedicated to offering our members financial relief options and hardship assistance to ensure they could stay in their homes, keep their vehicles and provide flexibility for their budget. Nearly 1,100 COVID-19 related loan extensions, totaling over \$14.4 million, were provided to members experiencing a hardship. To provide further relief, several service and account fees were suspended or waived.

Support also meant adapting to meet the changing needs of our members. We did our best to be available when our members needed us most. As call volumes rose, we reallocated our resources to manage wait times. We reconfigured branches to serve our members who needed an in-person experience. We also increased flexibility around self-service options, including remote deposits. Our credit union met the challenges of the year head-on. We kept our focus on serving our members and ended the year with impressive growth.

Growth, Progress and Strength

In 2020, CAFCU remained resilient under stress and continued to deliver solid financial performance. We enthusiastically worked with members to save them thousands of dollars by refinancing their auto loans from other financial institutions that charged higher rates. We provided over \$33 million in mortgage loans to help our members purchase their dream homes or refinance their current homes to ensure lower interest rates and lower monthly payments.

At CAFCU, we believe that our financial strength is illustrated by growth and stability. Despite the economic challenges of 2020, our businesses continued to experience growth in key areas.



We enrolled nearly 3,700 new members, our total loans to members grew by over \$45 million, and our total assets now exceed \$765.7 million. Our acquisition of Ben Franklin Bank was completed, adding two new branches, and increasing our resources to better serve our members. The acquisition also expanded our product mix to include business accounts and loans. We upgraded our online and mobile banking systems to make remote account services easier to use, while improving functionality and increasing account security. We completed upgrades to our interactive personal teller machines (PTMs) and ATM infrastructure, while adding new PTMs across our branch network.

Even though we faced many challenges due to the pandemic, such as not being able to have in-person company sponsorship meetings — CAFCU still managed to gain 9 new Sponsor Companies, 2 of which have at least 250 employees, and 1,625 potential members. We responded quickly to the in-person restrictions and created online appointment scheduling so that current

and potential Sponsor Companies could schedule a virtual meeting with our Business Development team members. We hosted many virtual events and provided resources to their employees, which included financial wellness eNewsletters, webinars, interactive digital educational content and virtual financial 1-on-1 coaching appointments. These efforts put valuable financial wellness tips and educational information in front of thousands of our sponsor company employees and our members, enabling us to enroll many new members.

Serving our Members

With our members at the center of all our decisions, we continued to implement innovative product offerings, finding new and better ways to meet our members' needs. We introduced new products and convenient services, such as CAFCU's Card Control app. This app helps members control their CAFCU debit and credit cards through their mobile device, making it easy to set alerts, monitor usage and manage their finances while on the go. We modernized our online banking transactions by introducing Zelle® as an option to safely, securely, and quickly send money. CAFCU proudly partnered with the Banzai Online Financial Literacy Program to provide engaging and relevant financial education to teachers and students in our communities.

New digital features were added to our website as convenient services to our members, including a website chat box and a "What would you like to know – Ask us" feature. These new features allow our members to get instant responses to their concerns or questions and are now an integral part of the online banking experience

with CAFCU. Our website was continually enhanced throughout the year to increase the member experience, including a Covid-19 resource page with branch updates, financial assistance information, and educational resources.

We are honored to share that our industry peers, legislators, and communities have recognized CAFCU for our commitment to our continued financial education during Covid-19 and advocacy in the Credit Union Movement. As always, your credit union has remained passionate about empowering our members financially, including individuals and families across the nation, especially in their times of need. Throughout the year, we were honored that the Credit Union National Association showcased our educational pieces.

Our growth opportunities have paradoxically come because we focus on risk and resilience. We seek out structurally attractive business opportunities. Our underwriting assumes stress, even during good times. We conservatively manage our funding, capital, and liquidity. These long-standing choices continued to serve us well.



The Road Ahead

Looking forward, we are excited about the many upcoming developments that will drive progress. We will continue to enhance and strengthen our ability to engage our members and Sponsor Company employees remotely. We will continue to expand our digital access, providing more flexibility to our members' funds and accounts. We are excited about member service and account access enhancements, which include continual ATM network upgrades, the recent implementation of contactless or "tap to pay" feature for new debit and credit cards, the remodel of our Towanda, PA branch and the relocation of our Atlanta, GA branch. We will also enhance our product offerings by expanding our business banking services.

We will have continued focus on ensuring the highest security standards across all channels. Your credit union continues to focus on the electronic delivery of products and services, including more enhancements to our member-facing technologies to better your experience. We are confident in the

long-term positioning of our businesses and the strategic opportunities that are being created as the financial industry continues to transform.

As we look forward to 2021, your credit union is stronger than ever, and we are confident in the year ahead! CAFCU remains dedicated to empowering our members' financial success today, tomorrow and always. We are committed to offering the very best financial services, the latest technologies, and exceptional service that our members expect and deserve. CAFCU humbly stands with our communities and our members, as we have for the past 82 years. We are very grateful for all our members and honored to be able to help empower them financially. We are people helping people, and we are stronger together.

Thank you for being a part of the CAFCU family!

Peter Paulson
President & CEO

Costanzo Maestranzi
Chairman of the Board

2020 HIGHLIGHTS

NOTABLE GROWTH

- > Enrolled approximately 3,700 new members.
- > Grew loans by over \$45.5 million.
- > Booked over \$131.3 million in new loan business.

A MEANINGFUL DIFFERENCE

Nearly 1,000 members took advantage of BALANCE, our financial fitness partner, for services such as debt management, credit report review, budget counseling and student loan coaching.

PROTECTING OUR MEMBERS

Over \$157,000 in disability benefits were disbursed.

More than \$356,465 in involuntary unemployment benefits were paid.

Over \$43,580 in hospitalization benefits were disbursed.

Over \$220,830 in life benefits were paid.



28,947
Registered
eStatement
Users

36,027
Active Online
Account
Users

10,283
Live Chats
Initiated

25,380
Mobile
Banking
Users

8,171
Registered
Mobile
Deposit
Users

3,763
Active
Online Bill
Pay Users

1,248
Online & Phone
Membership
Enrollments

957
Online
Account
Enrollments

WE ARE PEOPLE HELPING PEOPLE

"I like being a member vs. just an account number. I am always impressed with the positive, friendly attitudes of the tellers."



CATHERINE

Empowered CAFCU Member

"The associates are so very friendly and very helpful. You have helped me to be stress-free from my debt. Thank You!"



JOYCE

Empowered CAFCU Member

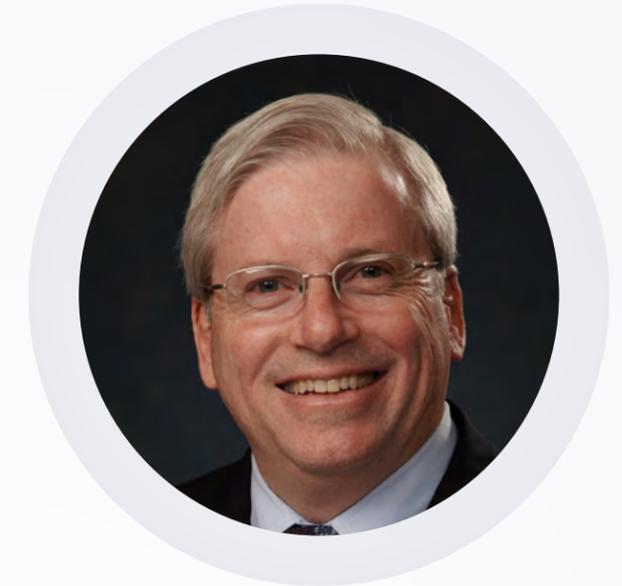
"Love CAFCU. I've spoken about how helpful and easy some of the things I've done with CAFCU are, and I recommend you to everyone."



MARSHALL

Empowered CAFCU Member

Supervisory Committee's Report



The Supervisory Committee's responsibility is to serve Corporate America Family Credit Union (CAFCU) 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 July 16, 2020, 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 CAFCU as of March 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended are in accordance with accounting principles generally accepted in the United States of America.

CAFCU 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 A. Rieck

Thomas Rieck
Chairman
Supervisory Committee

COMPARATIVE FINANCIAL STATEMENTS

As of December 31, 2020 and 2019 in thousands of dollars

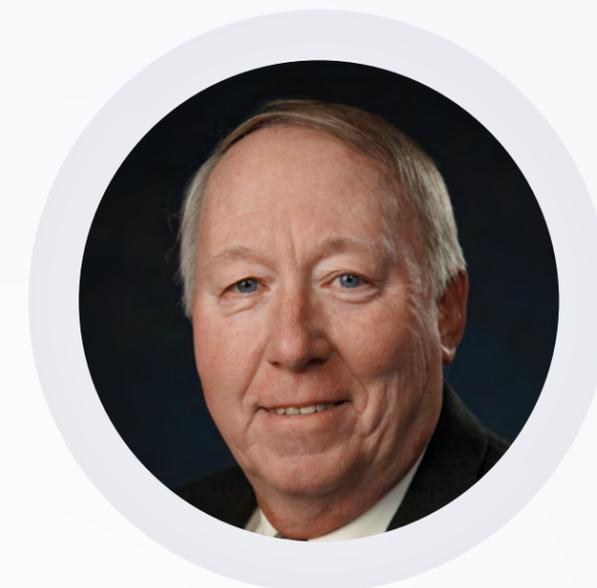
Statements of Financial Condition

Assets	2020	2019
Cash in Banks	\$2,796	\$2,277
Loans to Members	\$555,506	\$509,977
Allowance for Loan Loss	\$(4,258)	\$(5,329)
Investments	\$184,162	\$90,274
Other Assets	\$27,491	\$16,468
Total Assets	\$765,697	\$613,668
Liabilities & Equity		
Members' Shares	\$503,067	\$391,879
Share Certificates	\$135,268	\$86,838
Non-Member Deposits	\$5,260	\$10,018
Other Liabilities	\$13,979	\$19,323
Members' Equity	\$108,123	\$105,611
Total Liabilities & Equity	\$765,697	\$613,668

Statements of Income

Revenues	2020	2019
Interest on Loans	\$25,991	\$24,427
Investment Income	\$1,941	\$3,958
Fee Income	\$6,587	\$7,951
Total Revenues	\$34,519	\$36,336
Expenses		
Dividends on Share Accounts & Certificates	\$2,565	\$2,776
Loan Loss Provision Expense	\$827	\$2,912
Operating Expenses	\$29,673	\$27,365
Total Expenses	\$33,064	\$33,053
Net Income	\$1,454	\$3,284

Treasurer's Report



Corporate America Family Credit Union (CAFCU) navigated through unprecedented times during 2020 as we responded to the impact of the global pandemic. During the year, we also completed the acquisition of Ben Franklin Bank of Illinois (BFB) and began the process of integrating the two organizations. We were able to maintain our strong financial position during these turbulent times. The credit union finished the year with a Net Worth to Total Asset Ratio of 13.9%, lower than the prior year primarily due to the increase in assets from the BFB acquisition. CAFCU's Return on Average Assets was 0.21%. Loan growth was 8.9% primarily due to the acquisition. When compared to other financial institutions, CAFCU maintains a strong financial position.

During 2020, CAFCU's net income was nearly \$1.5 million. Total revenue decreased \$1.8 million due to the \$2.0 million decrease in investment revenue and the \$1.4 million decrease in fees, offset by the \$1.6 million increase in loan revenue. Provision expense decreased \$2.1 million while growing the loan portfolio. Operating expenses increased \$2.3 million.

Total members' equity increased by \$2.5 million, or 2.4% to \$108.1 million. The increase in members' equity resulted from the \$1.5 million of net income for the year and the \$1.0 million increase in 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 \$765.7 million at the end of 2020, increased by \$152.0 million or 24.8% from the prior year. The increase was primarily due to the acquisition of the BFB assets and the increase in the balance of our investment portfolio. Total shares increased \$159.6 million or 33.3% primarily due to the BFB acquisition and the impact of the pandemic on member savings habits. Members' balances increased as the economy shutdown in response to the pandemic, reducing consumer spending, and as the federal government provided stimulus payments to assist Americans.

Given the events of 2020, we were able to remain financially strong and position ourselves for opportunities and challenges in the coming years. We look forward to providing excellent products and services to our membership in the upcoming year.

John Blozis
Treasurer

Our History...

1956

Automatic Electric was purchased by GTE Corporation — we changed our name to GTE Employees Federal Credit Union.

1997

Online Account Access became available to members.

We changed from a federal charter to a state charter — we changed our name to Corporate America Family Credit Union.

2010

Remote check deposits were introduced. Members have the ability to deposit checks anywhere, anytime using their mobile device.

2019

Corporate America Family Credit Union celebrates 80 years.

Social media was officially launched to reach a wider audience.

We enhanced our brand by updating our logo to fully utilize our acronym CAFCU.

1939

An ambitious group of 15 Automatic Electric Company employees each deposited \$5 into Automatic Credit Union.

1986

We began serving various sponsor companies and appropriately changed our name to Corporate America Federal Credit Union.

2008

Mobile Banking became available to members. Members have access to their accounts anytime, anywhere using their mobile device.

2014

Corporate America Family Credit Union celebrates 75 years. Our first Personal Teller Machines (PTMs) were installed at our Elgin, Illinois and Chicago, Illinois branches.

Credit Union Board of Directors



Costanzo Maestranzi
Chairman of the Board
Investment Committee
Nominating Committee



Thomas Sheppard
Vice Chairman
Loan Committee



John Blozis
Treasurer
Investment Committee
Nominating Committee



Kenneth Naatz
Secretary



Paula Blonski
Director
Membership Committee
Supervisory Committee



Glenn Brown
Director
Investment Committee
Loan Committee



Peter Paulson
President
Investment Committee
Political Action Committee



Thomas Rieck
Director
Political Action Committee
Supervisory Committee
Nominating Committee



W. Jeff Gott
Associate Director
Membership Committee
Supervisory Committee

CAFCU's Board of Directors is elected by members and serves voluntarily on behalf of the membership to oversee the operations of the credit union.

Responding to CHANGE

As your credit union we are here to be the stabilizing force in our members' financial lives, while ensuring that we are continuing to offer solutions to serve our members' evolving needs.

Banking Made Convenient for You



Access your accounts 24/7 with our Mobile Banking App and much more!



60,000+ Surcharge-free ATMs nationwide.



6,700+ Shared Branching locations across the country.

About Us

Our purpose is to serve people, and we're nearly **70,000 members strong and growing**. We embrace steady growth, and we have paid dividends every year since our beginning in 1939.

Our Values

At CAFCU, we're dedicated to providing the tools, resources and expertise that will empower you to achieve your financial goals and dreams. Plus, we collaborate with you to find the solution that's just right for you.

As a member, know we're here to empower your success — no matter where life takes you.



Profits made by credit unions are returned to members in the form of reduced fees, higher savings rates and lower loan rates.



Your vote counts. A volunteer board of directors is elected by members to manage the credit union.

Branch Locations



Arizona

Peoria

California

Santa Clara

Connecticut

Bristol

Georgia

Atlanta

Illinois

Arlington Heights

Burbank

Chicago

Crystal Lake

Elgin

Mt. Carmel

Oak Brook

Rolling Meadows

Rosemont

Streamwood

Tinley Park

Warrenville

Kansas

Kansas City

North Carolina

High Point

Ohio

Marion

Pennsylvania

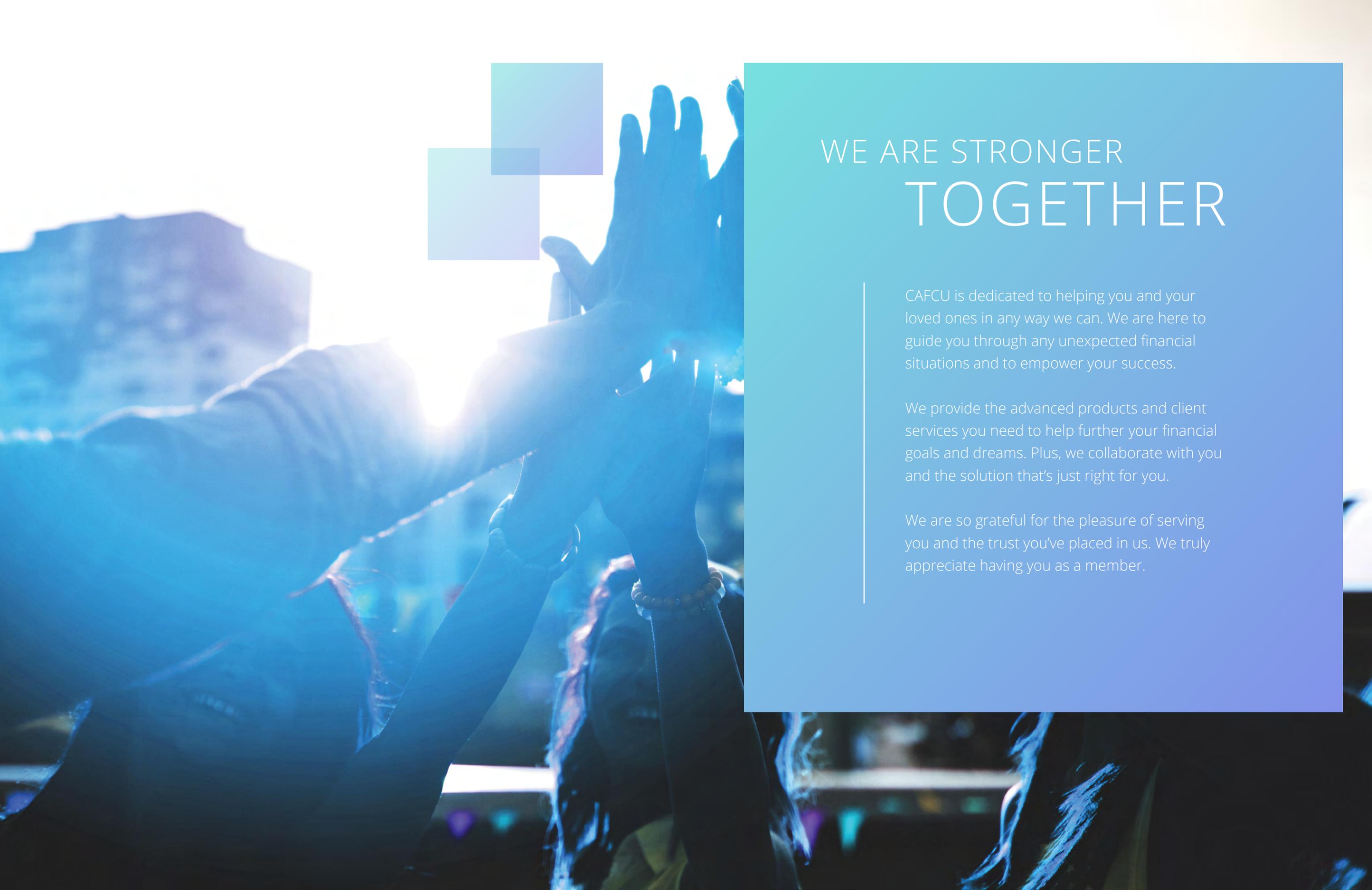
Towanda

Texas

Dallas

Virginia

Herndon



WE ARE STRONGER TOGETHER

CAFCU is dedicated to helping you and your loved ones in any way we can. We are here to guide you through any unexpected financial situations and to empower your success.

We provide the advanced products and client services you need to help further your financial goals and dreams. Plus, we collaborate with you and the solution that's just right for you.

We are so grateful for the pleasure of serving you and the trust you've placed in us. We truly appreciate having you as a member.

