

September 2022

FINANCIAL CONDITION REPORT



CorporateAmerica
CREDIT UNION
DIFFERENT STARTS HERE™

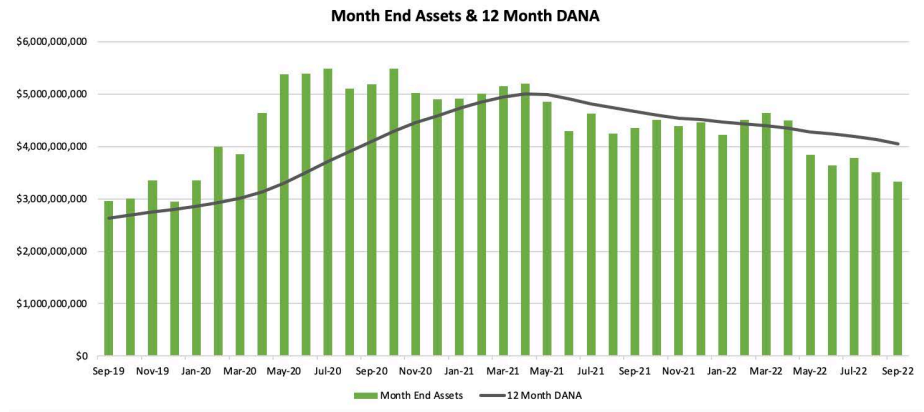
Measurement	September 2022	June 2022	Policy/Regulation Limit
Tier 1 Capital (Regulatory)	5.94%	5.60%	4.00%
Tier 1 Risk-Based Capital Ratio	18.03%	16.83%	4.00%
Total Risk-Based Capital Ratio	18.22%	17.00%	8.00%

Capital

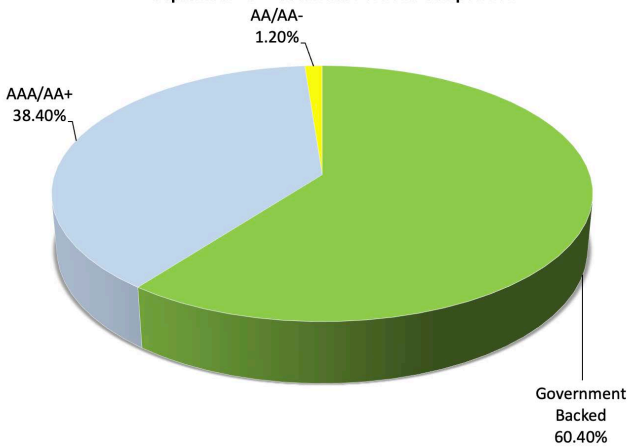
As of September 2022, Corporate America Credit Union (“CACU”) continues to exceed minimum capital requirements. As of Friday, September 30th, our Tier 1 Capital Ratio is 5.94 % and remains above the regulatory requirement of 4.00%. Both the Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio exceed the minimum requirements. This is primarily due to the higher concentration of government and agency holdings within the investment portfolio that carry a 0% to 20% risk weighting.

Total Assets and 12-month DANA

Corporate capital ratios are calculated using total capital divided by 12-month DANA, which is the trailing 12 months daily average net assets. During 2020, the extraordinary amount of government stimulus greatly influenced the balance sheet growth. At year end 2019, total assets stood near \$3 billion and by May of 2020 total assets broke through the \$5 billion level. Balance sheet growth outpaced retained earnings growth during 2020. Since that time, CACU has been very successful in growing this ratio with retained earnings, a successful capital offering and some reduction in the size of the balance sheet. The results can be seen in the tremendous growth in the capital ratio which currently stands at 5.94%.



September 2022 Securities Portfolio Composition



Asset Quality

Corporate America’s investment strategy is one of purchasing high quality permissible securities with senior cash flow structures to provide competitive returns. CACU conducts detailed due diligence in assessing credit risk in non-government guaranteed positions. At the end of September, 60.40% of the portfolio is government backed, 38.40% is rated AAA/AA +, and 1.20% is rated AA/AA-.

Measurement	September 2022	June 2022	Policy/Regulation Limit
Max % Decline NEV (up 300 bp)	-3.23%	-2.58%	-20.00%
Base NEV	7.10%	6.45%	3.00%
Minimum NEV Ratio	6.97%	6.37%	2.00%

Net Economic Value (NEV)

The Corporate’s interest rate risk exposure is measured by using net economic value (NEV) and a NEV ratio. The primary risk measurement is the decline of net economic value in the up 300 basis point scenario. As of Friday, September 30th, we remain within regulatory limits as evidenced in the table to the right. Interest Rate Risk is monitored and reported to the board on a monthly basis.

Measurement	September 2022	June 2022	Policy/Regulation Limit
WAL Financial Assets	1.65	1.79	2.00
AWAL Financial Assets	2.14	2.28	2.25

Weighted Average Life (WAL)

Weighted Average Life (WAL) of Financial Assets measures the life of all assets including investment, loans and cash. Adjusted Weighted Average Life (AWAL) is adjusted for a 50% slowdown in prepayments on investments. As of September 2022, we remain within policy/regulatory limit as shown in the table to the left.

Liquidity

As of September 2022, total advised lines of credit to member credit unions were approximately \$2.8 billion. Combining cash held, tested sources of liquidity and liquid marketable securities, \$3.0 billion could be raised in a short period of time, if needed, to address a severe liquidity event.