

December 2023
FINANCIAL CONDITION REPORT



CorporateAmerica
CREDIT UNION

*DIFFERENT **STARTS HERE***™

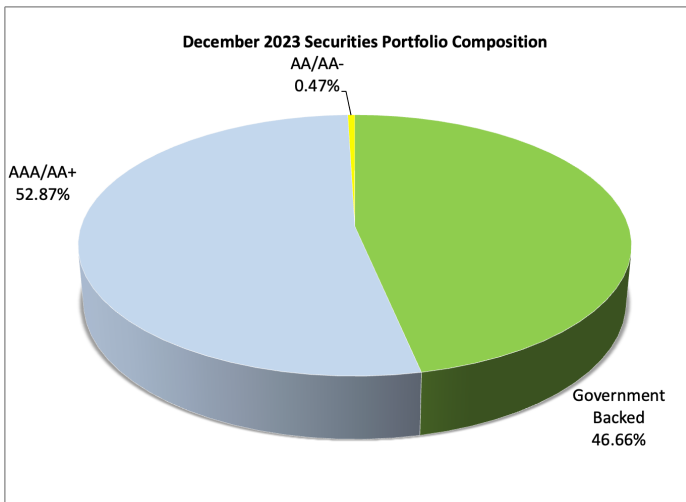
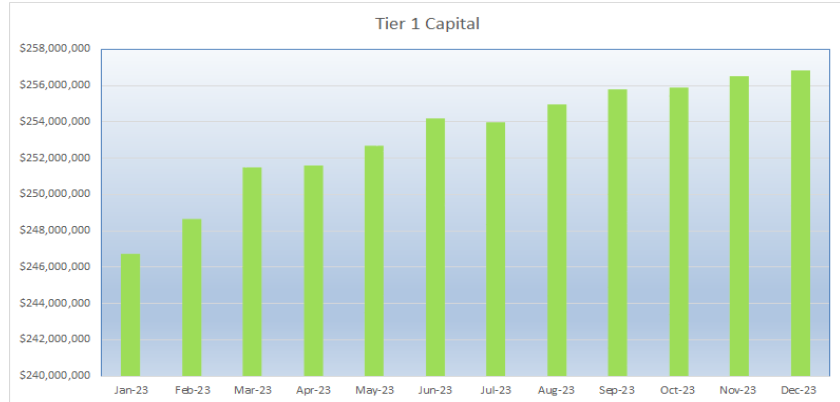
Measurement	December 2023	September 2023	Policy/Regulation Limit
Tier 1 Capital (Regulatory)	8.74%	8.63%	4.00%
Tier 1 Risk-Based Capital Ratio	28.53%	31.87%	4.00%
Total Risk-Based Capital Ratio	28.68%	32.05%	8.00%

Capital

As of December 2023, Corporate America Credit Union (“CACU”) continues to exceed minimum capital requirements. As of December 31st, our Tier 1 Capital Ratio is 8.74% 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.

Tier 1 Capital Growth

During the fourth quarter of 2023, Corporate America added \$1.1mm to Tier 1 Capital, ending December 2023 with \$256.9mm. This capital growth was accomplished while providing all members another month of free services and bonus dividend on perpetual contributed capital (PCC). Over the entirety of 2023, Tier 1 Capital increased \$11.1mm, members were given 4 months of free services, and PCC paid an effective rate of 6.50%.



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 December, 46.66% of the portfolio is government backed, 52.87% is rated AAA/AA +, and 0.47% is rated AA/AA-.

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 December 31st, 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	December 2023	September 2023	Policy/Regulation Limit
Max % Decline NEV (up 300 bp)	-15.65%	-15.46%	-20.00%
Base NEV	7.15%	7.40%	3.00%
Minimum NEV Ratio	6.13%	6.37%	2.00%

Measurement	December 2023	September 2023	Policy/Regulation Limit
WAL Financial Assets	1.28	1.44	2.00
AWAL Financial Assets	1.59	1.77	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 December 2023, we remain within policy/regulatory limit as shown in the table to the left.

Liquidity

As of December 2023, total advised lines of credit to member credit unions were approximately \$3.6 billion. Combining cash held, tested sources of liquidity and liquid marketable securities, \$3.2 billion could be raised in a short period of time, if needed, to address a severe liquidity event.