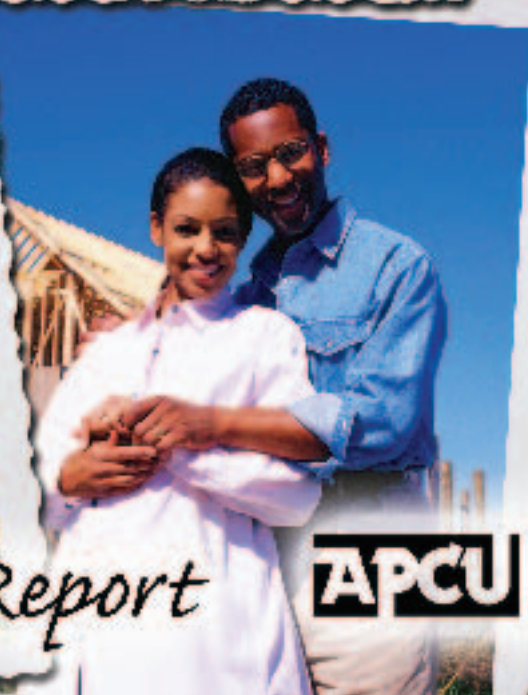




*You and APCU...
Picture the Possibilities.*



2003 Annual Report

APCU

**ATLANTA
POSTAL
CREDIT UNION**

Chairman's Report

Chairman's Report

Moses M. Spence, Chairman of the Board

2003 was another year of financial turmoil as the economy remained unsettled and interest rates hit lows not seen in more than 40 years. While the Credit Union felt its share of the impact from this ongoing economic downturn, we are pleased to report that Atlanta Postal Credit Union recorded another year of solid performance and sustained growth. Despite the downturn, APCU grew to over \$1.4 billion in assets and served the financial needs of more than 88,000 members. A summary of APCU's 2003 financial results is included in this Annual Report.

As a Credit Union, we know the true measure of our organization's success does not reside in any single year's results. It is our ability to be here for you when you need us, in good times and in difficult times, now and in the future. From our perspective, it is all about keeping our members first. This means offering members unbeatable rates on loans and deposits, service fees that are low and in some cases non-existent and providing service at a level you expect and deserve. We have made every effort to achieve these objectives year after year.

On a sad note, we lost two of our active directors and one of our retired directors in 2003. Mr. George W. Harper became a member of APCU in 1948. He was appointed to the Supervisory Committee in 1964 and served as a member of the Board of Directors from 1982 until his death on January 8, 2003. Mr. Harper also was a member of APCU's Personnel Committee and was APCU's Chaplain.

Mr. O. A. Williams, Jr. passed away October 9, 2003. Mr. Williams retired from APCU's Board in 2002 after serving for over 40 years. He was named Director Emeritus in January 2003. Mr. Williams also served as Chairman of the Credit Union's Field Activities Committee.

Retired Board member, T. J. Lindsey, died August 20, 2003. Mr. Lindsey joined our Board in 1965 and served as Secretary of the Board until 1979.

In addition, W. Dan Honea retired from the Board in March 2003 after fifteen years of service. Mr. Honea served as Chairman of the Board from 1993 until 2001.

These gentlemen were loyal and dedicated volunteers who gave of their time, wisdom and insight helping APCU remain a "member-centered" financial institution. We sincerely appreciate the enormous contributions each has made to the Credit Union and are grateful for their many years of service.



"This is our little pride and joy. We just signed him up for Credit Union membership. We're saving now so we'll be ready to pay for his college education. APCU's higher interest rates will help us get there."

The Board of Directors, volunteers, managers and staff remain committed to keeping APCU a sound and strong Credit Union. We want you to feel confident that APCU will always put your best interests in the forefront. The year 2003 demonstrated once again that the values upon which Atlanta Postal Credit Union was established – long-term stability, fiscal strength, integrity and service excellence – remain a solid foundation for growth regardless of the economic climate. These values have served us well for nearly 80 years. For this reason, we can say with confidence that Atlanta Postal Credit Union is the financial partner you and your family need to gain greater financial security and peace of mind.

We thank you for your continued support and look forward to a prosperous 2004.



"Me and a brand new car. I just can't believe it. With APCU's low payments and great rates I can afford my dream car even on my tight budget."



"It seems that we worked and planned for this day forever. Now we are enjoying life to the fullest. Thank goodness we put our retirement savings in our Credit Union. Our money is safe and we earn great dividends."

President's Report

President's Report

Donald A. DeCinque, President

For over 78 years, Atlanta Postal Credit Union has worked diligently to establish a tradition of providing the very highest caliber of service to its members. The Board of Directors and staff recognize the Credit Union's continued success depends upon our ability to focus on and give individual financial support to our entire membership. Two key elements to the Credit Union's success include the ability to manage the Credit Union in a fiscally responsible manner and to continually improve the services we offer for our members' benefit.



"Kids, toys, pets, car seats and groceries. Our new family minivan can hold it all! Thanks APCU!"

Financially, the Credit Union continued to experience sound growth in 2003. We are proud of our position as the 45th largest credit union in the nation. We also have the distinction of being in the top ten of the largest credit unions in capital to assets, operating expenses to average assets, and number of members to employees. These figures demonstrate that while we continue growing at a healthy pace, we are able to control expenses and operate the Credit Union efficiently. Because of this, we were able to pay above market rates on deposits and offer low rates on loans.

While we are happy with the financial achievements the Credit Union experienced during the past year, we are even more pleased with the improvements made to service levels, security, and products offered. We established and staffed a Loan Call Center locally to better serve our

members and expedite loan request processing. We moved our computer operations to a new, more secure off-site location in 2003. And last year saw the introduction of free online bill payment for members.

We take this opportunity to once again renew our commitment to our membership to provide excellent service. In making this pledge, we remain mindful that every member's individual financial success is essential to the Credit Union's continued success. We acknowledge with grateful appreciation the business afforded us by each of our 88,816 members. It is our sincere desire to remain the institution of choice for our members and their families now and in the years to come.



"Graduation Day! Without the help of APCU's student loan officers this day may have never arrived. Our daughter's future has never been brighter. We owe a lot to our Credit Union."

"Talk about easy! We're a busy working couple and just didn't have time to shop for the car we needed. The Credit Union's Autofinder rep did all the work for us. He even negotiated a great deal and saved us tons of money."



Share Accounts · Holiday Club
Accounts · Vacation Club
Certificates ·
Retirement
· Share Draft
Accounts · Visa® Check
Vehicle Loans ·
Recreational Vehicle Loans ·
Secured Loans ·
Watercraft Loans · Mortgage
Loans · Signature Loans ·
Student Loans · Key Cards · Key
Teller · Internet Branch · Visa®
Credit Cards · Share Accounts ·
Holiday Club Accounts ·
Vacation Club Accounts ·
Certificates · Individual
Retirement Accounts · Share
Draft Checking Accounts · Visa
® Check Cards · Vehicle Loans ·
Recreational Vehicle Loans ·
Share Secured Loans ·
Watercraft Loans · Mortgage
Loans · Signature Loans ·

Credit Committee Report

Credit Committee Report

Katherine S. Brown, Chairman

Atlanta Postal Credit Union makes funds available to all members in the form of loans. Credit Union management is challenged with developing and offering a wide range of loan programs while providing outstanding service and the lowest financing rates possible.

During the course of any year, APCU processes literally thousands of loan requests and 2003 was no exception. It is the Credit Committee's responsibility to insure each and every member request is handled in an equitable manner and loan decisions are made in accordance with APCU's loan policies. To this end, the Committee meets regularly to review member applications and audit the decisions of our lending staff.

While the uncertainty of the economy resulted in fewer loan requests than in previous years, members continued to look to APCU for money to purchase homes, vehicles, recreational vehicles and to consolidate bills. In meeting the financing needs of thousands of members, the Credit Union ended 2003 with total outstanding loans in the amount of \$486,319,967.

During the past twelve months, six major vehicle sales were held for members. Special financing rates were offered at these sales.

With mortgage rates at the lowest levels in decades, consumers nationwide sought to lock in to the extraordinarily low rates. APCU met the demand by adjusting mortgage rates down to very competitive levels. Further, because the Credit Union does not charge discount points or application fees, members were able to refinance homes and purchase new homes cost-effectively.

APCU's Home Equity Line of Credit (HELOC) program was introduced late in 2002 and is now available everywhere across the U.S. (except Texas). The HELOC program provided members with the money needed to consolidate debt, make large purchases, send children to college, etc. and allowed members to take advantage of the unique tax savings potential of HELOCs.

Almost one third of all loan applications came to APCU via the Internet and APCU's Minute Money Loan online application program. The Internet application process met the needs of many members because of 24-hours a day, 7 days a week availability. And because the Internet application process is fully automated, costs to the Credit Union were reduced. This cost savings was passed back to members in the form of lower rates.



"He's already a member of APCU's Looney Tunes Saving Club. It's designed just for kids his age. Every week he puts money from his allowance away for a rainy day. Grandma and Grandpa help, too."

It has been a demanding year for the Credit Committee. Your Committee members will continue to provide exceptional financial support to you and your family now and in the future. We thank you for your business and sincerely appreciate the confidence you continue to show in us.



"We named her "Wind's Will". It's been a lifelong dream to own a sailboat we could all enjoy. Now our dream has come true thanks to our Credit Union."



"The new addition to our home will be ready just in time for our new addition to the family. A second mortgage loan from APCU made it possible."



Supervisory Committee Report

Supervisory Committee Report

James L. Cabe, Chairman

The primary function of the Supervisory Committee is to safeguard the assets of Credit Union members. The Committee confirms and validates that the financial information provided to the Board of Directors and displayed for members' review accurately reflects the fiscal condition of the Credit Union. Furthermore, the Supervisory Committee insures the Credit Union is in compliance with all established state and federal laws as well as the Credit Union's Bylaws.

APCU's Bylaws mandate that the Supervisory Committee complete a comprehensive audit of Credit Union operations every year. To this end, the Committee retained the services of Mauldin and Jenkins, Certified Public Accountants and Consultants, to conduct the 2003 audit. The preliminary findings of the examination are very positive and consistent with APCU's history of judicious financial management.

In addition to the annual audit of operations, Mauldin and Jenkins performed a review of our online transaction system, the Internet Branch, as well as our computer and software systems. The conclusions drawn from this review were also positive.

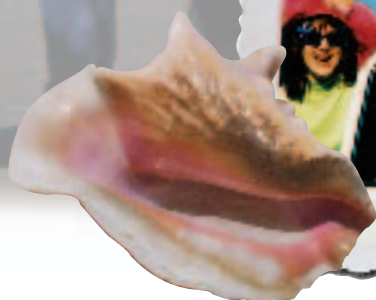
The Credit Union's regulatory agencies, the Georgia Department of Banking and Finance and the National Credit Union Administration, conducted their examinations in October 2003. Both agencies reported excellent results to the Board of Directors.

As Supervisory Committee Chairman, I am pleased to report that the Board of Directors continue to make sound business decisions and establish strong policies designed to preserve members' assets. President DeCinque and his staff performed their duties diligently and professionally while keeping safety and soundness in the forefront.

I extend my gratitude to each and every member of the Supervisory Committee for their hours of hard work and for their personal commitment and dedication to the Credit Union. As a committee, we appreciate the opportunity to serve the members of Atlanta Postal Credit Union and look forward to carrying out our responsibilities again in 2004.



"Now that I have a bit more time on my hands I can pursue my real passion. Getting a loan from APCU was quick and easy. I applied online at 1:00 AM and got an answer at 1:01 AM. Now that's service."



"My little girl is all grown up and ready to start a new life and family of her own. She and her husband will get lots of great gifts today, but I'm giving her a gift that will last them a lifetime—membership in Atlanta Postal Credit Union."

Share Accounts · Holiday Club
Accounts · Vacation Club
Accounts · Certificates ·
Individual Retirement
Accounts · Share Draft
Checking Accounts · Visa Check
Cards · Vehicle Loans ·
Recreational Vehicle Loans ·
Secured Loans ·
Watercraft Loans · Mortgage
Loans · Signature Loans ·
Key Bank Branch · Visa
Internet Branch · Visa
Credit Cards · Share Accounts ·
Holiday Club Accounts ·
Vacation Club Accounts ·
Certificates · Individual
Retirement Accounts · Share
Draft Checking Accounts · Visa
Check Cards · Vehicle Loans ·
Recreational Vehicle Loans ·
Share Secured Loans ·
Watercraft Loans · Mortgage
Loans · Signature Loans ·

Financial Report

Statement of Financial Condition

as of December 31, 2003

Assets

Loans	\$ 486,319,967
Loan Reserve	(3,475,436)
Cash	3,383,262
Investments	932,061,513
Land and Buildings	166,374
Other Fixed Assets	2,883,149
Other Assets	23,527,000

<i>Total Assets</i>	<i>\$1,444,865,829</i>
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Liabilities & Equity

Accrued Dividends Payable	\$ 185,032
Accounts Payable	3,007,764
Shares & Deposits	1,257,866,624
Reserves	31,279,237
Undivided Earnings	152,527,172

<i>Total Liabilities & Equity</i>	<i>\$1,444,865,829</i>
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Statement of Income

as of December 31, 2003

Income

Interest on Loans	\$ 33,639,138
Income from Investments	28,289,743
Other income	3,269,610

<i>Total Gross Income</i>	<i>\$ 65,198,491</i>
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Distribution of Income

Dividends on Shares	\$ 23,357,426
Interest on Deposits	9,592,177
Required Reserve Transfer	435,007
Transfer to Undivided Earnings	12,288,654
Expenses	19,525,227

<i>Total Income Distribution</i>	<i>\$ 65,198,491</i>
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Branch Listing

Branch Listing

MAIN OFFICE

3900 Crown Road
Atlanta, GA 30380-0001
404-768-4126 Local
800-849-8431 Toll Free
404-669-2750 Fax

Office Hours

Monday-Friday
9:00 a.m.-4:00 p.m.

Telephone Service

8:30 a.m.-5:00 p.m.

DECATUR BRANCH

P.O. Box 803
Decatur, GA 30031
404-373-2646 Local
404-378-5642 Fax

Office Hours

Monday-Friday
9:00 a.m.-4:30 p.m.

Telephone Service

8:30 a.m.-5:00 p.m.

NORTH METRO BRANCH

Real Estate Department
P.O. Box 588050
North Metro, GA 30029-8050
770-921-7091 Local
800-849-8436 Toll Free
770-921-7186 Fax

Office Hours

Monday-Friday
9:00 a.m.-4:30 p.m.

Telephone Service

8:30 a.m.-5:00 p.m.

BULK MAIL CENTER

1800 James Jackson Pkwy., NW
Atlanta, GA 30369-9751
404-792-8560 Local
404-792-2512 Fax

Office Hours

Monday-Friday
9:00 a.m.-4:30 p.m.

Telephone Service

8:30 a.m.-5:00 p.m.

MACON BRANCH

VISA Department
900 Pio Nono Ave.
Macon, GA 31204-4059
478-746-4283 Local
800-849-8434 Toll Free
478-746-8999 Fax
800-654-7728 VISA Card Services

Office Hours

Monday-Friday
9:00 a.m.-4:30 p.m.

Telephone Service

8:30 a.m.-5:00 p.m.

Drive-Up Window Service

Monday-Friday
9:00 a.m.-4:30 p.m.

24-HOUR LENDING CENTER

800-371-6917

KEY TELLER SERVICE

In Atlanta - 404-763-APCU (2728)
In Georgia - 800-822-0251
Outside Georgia
800-849-APCU (2728)

INTERNET ADDRESS

Visit our Home Page at
<http://www.apcu.com>
e-mail: info@apcu.com

Board of Directors

Moses M. Spence, Chairman
Sam B. Dowdy, Secretary
Katherine S. Brown
James L. Cabe
Donald A. DeCinque
David Disharoon
Royce L. Jackson
H. Preston Mulkey
Bud Wilkinson
Jack M. Wheeler-Honorary
Director

Supervisory Committee

James L. Cabe, Chairman
Robert L. Harris, CPA
Herbert W. MacNabb
Roy L. Matthews
H. Preston Mulkey

Credit Committee

Katherine S. Brown, Chairman
George Lamar
Pat Little-Trever
J.T. Middlebrooks
Roy G. Rainwater

*"After months of looking we found the perfect home.
The first thing we did was to get pre-qualified at
Atlanta Postal. Knowing how much we could spend
and what our payments would be gave us real
peace of mind."*





Picture the Possibilities.



3900 Crown Road • Atlanta, GA 30380-0001 • www.apcu.com
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