

Delivering exceptional service to United States Postal Service employees and their families since 1925.

Annual Report • 2004

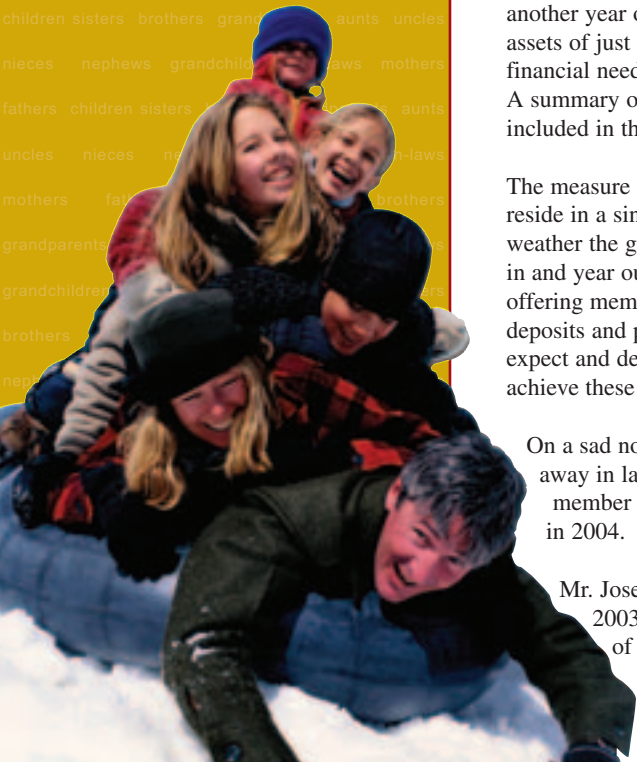


Atlanta Postal Credit Union

mothers • fathers • children • sisters • brothers • grandparents • aunts • uncles • nieces • nephews • grandchildren • in-laws

Chairman's Report

Moses M. Spence
Chairman of the Board



2004 was a challenging year as the economy began to slowly recover from 2003's turmoil and all-time low interest rates. The Credit Union was not sheltered from the effects of the sluggish economy. But despite these outside factors, we are pleased to report that Atlanta Postal Credit Union recorded another year of solid performance. APCU maintained assets of just under \$1.5 billion and served the financial needs of more than 90,000 members. A summary of APCU's 2004 financial results is included in this Annual Report.

The measure of any organization's success does not reside in a single year's results. It is the ability to weather the good times and the difficult times, year in and year out. For APCU this means continually offering members unbeatable rates on loans and deposits and providing service at a level members expect and deserve. We have made every effort to achieve these objectives in 2004.

On a sad note, two of our retired directors passed away in late 2003 and 2004. We also lost a past member of the Credit Union's Credit Committee in 2004.

Mr. Joseph H. Butler passed on December 29, 2003. Mr. Butler served on APCU's Board of Directors from 1979 until 1986.

Mr. George A. Fowler served on the Credit Union's Board of Directors from 1976 until 1988. He was the Chairman of the Board from 1982 until 1985. Mr. Fowler died January 19, 2004.

Andrew L. Kee served on Atlanta Postal's Credit Committee for over 21 years from 1958 through 1979. He also served as Chairman of the Credit Committee for several years. Mr. Kee died on November 9, 2004.

These gentlemen were loyal and dedicated volunteers who gave freely of their time, wisdom and insight. We sincerely appreciate the enormous contributions each has made to the Credit Union and are grateful for their many years of service.

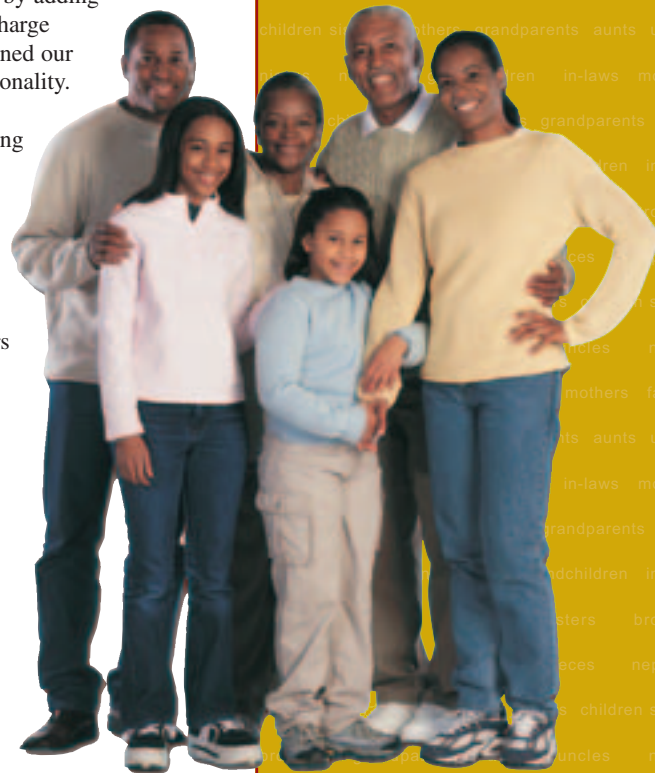
The Board of Directors, volunteers, managers and staff remain committed to keeping APCU a sound and strong Credit Union. We will always put our members' best interests in the forefront. The values upon which Atlanta Postal Credit Union was established - long-term stability, fiscal strength, integrity, and service excellence - remain our operating foundation. These values have served us well for 80 years.

We thank you for your continued support and look forward to a prosperous 2005.

to help our young members learn the importance of building a solid financial foundation for their future. We introduced Members Financial Services to offer a greater variety of financial services options to members. We enhanced our Visa Credit and Debit Card programs by adding Visa ScoreCard Rewards at no charge to our members. And we redesigned our Web site and improved its functionality.

We remain committed to providing excellent service and to the continued strengthening of the service standards our members have come to know and expect. We are indeed thankful for the loyalty, support and confidence each of our over 90,000 members has placed in us. We will do everything in our power to earn your business every day.

We are pleased with the financial achievements APCU enjoyed during the past year. We are proud of the improvements made to service levels and products offered. For example, we implemented a new Youth Membership Program



Credit Committee Report

Katherine S. Brown
Chairman

The mission of the Credit Committee is to insure the Credit Union is making the best use of members' deposits by lending those funds to fellow members. No matter what the need -from the purchase of a home to consolidating debts and everything in between- Atlanta Postal Credit Union makes funds available to all qualified members for any worthwhile purpose.

APCU handles literally thousands of loan applications every year. It is the Credit Committee's responsibility to make certain 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.

2004 was another year of economic uncertainty. This lack of consumer confidence in the economy resulted in fewer loan requests than previous years but 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 2004 with total outstanding loans in the amount of \$476,063,789.

During the year several loan promotions were conducted. An RV promotion with exceptional rates and repayment options was offered. We participated in five car sales featuring hundreds of new and pre-owned vehicles. We mailed pre-approved auto loan invitations to qualified members. Special financing rates were provided to members purchasing vehicles through the Credit Union's auto buying service. And parents of graduating high school seniors received information about APCU's Home Equity Line of Credit (HELOC) program and how it might serve as a funding source for upcoming educational expenses.

As we look toward the future, the Credit Committee, Loan Department and management staff will continue to seek new and innovative ways to assist members with their financing needs. Our objective remains constant – to provide financial support to our members, unsurpassed by any other financial institution. We sincerely want to be the institution members call first when they need to borrow money.

Your Committee members will continue to provide exceptional financial assistance 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.



Service employees and their families since 1925.

The principal function of the Supervisory Committee is to oversee the assets of Credit Union members. The Committee confirms and validates that the financial information reported to the Board of Directors and members accurately reflects the fiscal condition of the Credit Union. The Supervisory Committee also reviews APCU's policies and procedures to insure compliance with all established state and federal laws as well as the Credit Union's Bylaws.

A mandate in APCU's Bylaws directs the Supervisory Committee to complete a comprehensive audit of Credit Union operations every year. To comply with the mandate, the Committee retained the services of Mauldin and Jenkins, Certified Public Accountants and Consultants, to conduct the 2004 audit. The Supervisory Committee is pleased with the preliminary conclusions of the examination. The findings thus far are consistent with the Credit Union's long history of prudent financial management.

The Credit Union's regulatory agencies, the Georgia Department of Banking and Finance and the National Credit Union Administration, conducted their examinations in October 2004. Both agencies reported excellent results to the Board of Directors.

As Supervisory Committee Chairman, I am pleased to report that the Board of Directors has worked diligently and performed its duties and obligations in a conscientious manner. Additionally, President DeCinque and his staff carried out their duties attentively and professionally while keeping the safety and soundness of the Credit Union as top priorities. By making sound decisions, establishing straightforward operating policies, and remaining always mindful of our members' interest, each individual member of the Board and staff has fulfilled his/her obligation to the membership.

To the volunteers who serve on the Supervisory Committee, I extend my sincere gratitude for hours of hard work, personal commitment and dedication demonstrated throughout the year. 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 2005.



Supervisory Committee Report James L. Cabe Chairman

Statement of Financial Condition
 as of December 31, 2004

Assets	
Loans	\$ 476,063,789
Loan Reserve	(3,929,084)
Cash	2,733,209
Investments	977,657,215
Land and Buildings	154,338
Other Fixed Assets	2,397,097
Other Assets	33,069,636
Total Assets	\$ 1,488,146,200
Liabilities & Equity	
Accrued Dividends Payable	\$ 213,937
Accounts Payable	3,008,943
Shares & Deposits	1,299,278,255
Reserves	22,554,365
Undivided Earnings	163,090,700
Total Liabilities & Equity	\$ 1,488,146,200

Statement of Income
 as of December 31, 2004

Income	
Interest on Loans	\$ 32,373,037
Income from Investments	26,829,041
Other Income	3,507,128
Total Gross Income	\$ 62,709,206
Distribution of Income	
Dividends on Shares	\$ 21,909,668
Interest on Deposits	8,732,913
Required Reserve Transfer	500,694
Transfer to Undivided Earnings	10,886,603
Expenses	20,679,328
Total Income Distribution	\$ 62,709,206

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



Branch Listing

Delivering exceptional service to United States Postal Service employees and their families since 1925

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

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

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

mothers • fathers • children • sisters • brothers • grandparents • aunts • uncles • nieces • nephews • grandchildren • in-laws