

Annual Report | 2010



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



Chairman's Report



*Moses M. Spence
Chairman of the Board*

2010 was another year of financial turmoil as the economy remained unsettled and interest rates hit lows not seen since the Great Depression. 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. Despite the downturn, APCU ended the year with assets over \$1.9 billion and served the financial needs of almost 100,000 members. A summary of APCU's 2010 financial results is included in this Annual Report.

In the face of the challenging environment today, Atlanta Postal Credit Union remains well capitalized, with an average capital ratio that is considerably

higher than that which is required by regulators. This means that the credit union is well positioned to do what we do best: help people in times of need.

How did the credit union navigate to avoid the problems that other financial institutions have experienced? The answer lies in APCU's strong policies and procedures. For example, APCU did not participate in the activities that caused the economic problems facing our Nation, namely subprime mortgage lending. The one key reason is that APCU knew that ultimately these mortgages would not be in our members' best interests.

Also, the credit union is a portfolio lender. That means we hold on to the loans we originate instead of selling them to outside investors. In our history, the credit union has held on to 100% of the loans we originated. So, we care deeply about the financial performance of those loans and the members to whom the loans were made.

In normal times, the difference between credit unions and other players in the financial marketplace isn't quite as obvious to most people. In the current economy, the credit union difference is more visible to everyone — APCU exists for the sole benefit of each and every member.

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 2010 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 86 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 2011.

President/CEO Report



*Donald A. DeCinque
President and Chief
Executive Officer*

We are pleased to provide you with Atlanta Postal Credit Union's 86th Annual Report.

In 2010, the credit union continued to grow at a steady pace. With assets very close to \$2 billion, we remained among the largest and strongest credit unions in the nation.

We have experienced incredibly low interest rates over the last 24 months. Unfortunately projections are that rates will continue to be at record lows in the year ahead. Despite this trend, the Board of Directors elected to continue to pay consistently higher rates on savings, checking, certificates and Individual Retirement Accounts than other financial institutions throughout 2010. In addition to the credit union's interest rates being among the best available anywhere, our members' could feel secure because their funds on deposit with APCU were covered by the National Credit Union Share Insurance Fund, an agency of the United States government, in an amount up to \$250,000.

We established another convenient Atlanta area branch location in October 2010. The new branch, our South DeKalb Mall Branch, is located in the Gallery at South DeKalb mall in Decatur, GA. The new branch not only serves APCU members, it also provides access to members of other credit unions who participate in the Credit Union Service Center system.

Since 1925, Atlanta Postal Credit Union has served as a financial haven where members and their families worldwide were able to place their hard-earned money and know that those funds are secure. APCU is dedicated to helping members realize their financial goals. Whether those goals include reducing debt, saving for higher education, buying a new or pre-owned vehicle, purchasing a new home or vacation home; or planning for retirement, APCU stands ready and able to assist members through every major event in their lives.

I extend sincere thanks to the Board, committee volunteers, management and staff for their full support and dedication during this past year. As we look ahead to 2011 each of us will remain focused on what we can do for our members. We will continue delivering the highest quality services while maintaining and enhancing the credit union's financial strength, all to ensure APCU remains our members' best choice for financial peace of mind now and in the years to come.

Credit Committee Report

The mission of the Credit Committee is to make certain 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.



*Katherine S. Brown
Credit Committee
Chairman*

Despite the slower than normal loan demand being experienced by financial institutions across the nation, APCU handled almost 23,000 loan requests in 2010. We ended the year with total loan balances outstanding of \$833,421,023.

It is the Credit Committee's responsibility to make certain each and every one of our members' requests are 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.

During the past year, APCU offered low, affordable financing rates to our members. In addition, we continued to promote our various loan programs by offering special incentives to members. For example, members who financed the purchase of a new or pre-owned vehicle with APCU or refinanced a vehicle loan from another institution were given a 1% rebate on the total dollar amount of their loan up to \$500. Another promotion offered members a 1% rate reduction on new or pre-owned vehicle loans. This special offer could be combined with a 1% rate reduction offer from the credit union's auto buying service, CU CarFinders, resulting in very economical financing rates as low as 1.99%.

In 2010 the credit union instituted a more flexible Visa Platinum Credit Card program that allows our loan professionals to approve more members for an APCU credit card, even if the members may have experienced some credit performance issues in the past. We further enhanced the Visa Credit Card program by offering double ScoreCard Rewards Bonus Points to members on purchases made during the 2010 holiday season. And while other financial institutions were seeking ways to add new fees on cardholders' accounts, APCU's credit card account fees did not change. The credit union's credit card program still offers straightforward rates, easy repayment terms, and fees that members can understand.

Unfortunately, as a consequence of the faltering economy, some Atlanta Postal Credit Union members have experienced financial challenges resulting in delinquent accounts. While working very closely with these members, we have aggressively managed all delinquent accounts. Our goal is always to protect credit union assets while providing our membership with the support they need during difficult times. As a result, APCU's charge-off rate is significantly below the national average for credit unions of our size.

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, unparalleled by any other financial institution. We sincerely want to be the institution our members call first when they need to borrow money.

As Chairman of the Credit Committee, I am privileged to work this four other hard-working volunteers: George Lamar, Pat Little, J.T. Middlebrooks, and Roy Rainwater. We greatly appreciate the time and talent given by these individuals. They are each truly dedicated to improving the financial strength of every credit union member.

On behalf of the Credit Committee, I wish to express our appreciation for your support. Your Committee members pledge to continue providing exceptional 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.



Supervisory Committee Report

The key function of the Supervisory Committee is to make certain Atlanta Postal Credit Union (APCU) adheres to established state and federal laws and credit union Bylaws. The Committee frequently consults with compliance, accounting and financial regulatory specialists to insure the integrity of the credit union is protected from compromise.



*H. Preston Mulkey
Supervisory Committee
Chairman*

Given the economic challenges that continued to present themselves in 2010, the Committee's responsibility to scrutinize and validate the policies, procedures and outcomes of credit union operations intensified for members of the Committee. The task at hand was and continues to be to confirm that the financial information reported to the Board of Directors and members accurately reflects the fiscal condition of the credit union.

The Bylaws under which APCU operates directs the Supervisory Committee to complete a comprehensive audit of credit union operations every year. To comply with this directive, the Committee retained the services of Mauldin and Jenkins, Certified Public Accountants and Consultants, to conduct the 2010 audit. The preliminary report by the auditors is consistent with the credit union's long history of prudent financial management. The final audit report is being prepared but the initial findings reveal no major irregularities.

The Georgia Department of Banking and Finance (GDBF) along with the National Credit Union Administration (NCUA) conducted their annual audits of the credit

union's operations in November and December 2010. The reports from these audits indicate that no major discrepancies exist.

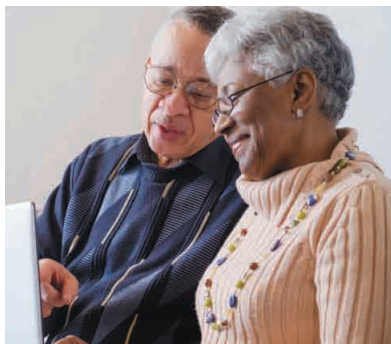
As Supervisory Committee Chairman, I am pleased to report that your Board members continue to make sound business decisions and establish strong policies designed to preserve members' assets. In addition, President/CEO DeCinque and his staff performed their duties diligently and professionally while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

I am fortunate to have had four highly qualified individuals serve with me on the Supervisory Committee. The dedicated members are: Herbert W. MacNabb, Roy L. Matthews, H. David (Jabo) Patterson, and Robert L. Harris, CPA. I want to recognize each Committee member for his performance above and beyond expectations this past year and I extend a sincere "thank you" for the numerous hours expended by each individual performing his duties and obligations.

The Committee members sincerely appreciate the opportunity to have served in 2010 and look forward to serving again in 2011.



Financials



Statement of Financial Condition as of December 31, 2010

Assets

Loans	\$ 833,421,023
Loan Reserves	(11,290,444)
Cash	4,077,144
Investments	1,079,369,327
Land and Buildings	0
Other Fixed Assets	1,503,053
Other Assets	32,393,983

Total Assets **\$ 1,939,474,086**

Liabilities & Equity

Accrued Dividends Payable	\$ 350,779
Accounts Payable	6,949,715
Notes Payable	0
Shares and Deposits	1,714,037,727
Reserves	20,970,842
Undivided Earnings	197,165,023

Total Liabilities & Equity **\$ 1,939,474,086**

Statement of Income as of December 31, 2010

Income

Interest on Loans	\$ 54,122,996
Income from Investments	20,732,837
Other Income	5,019,525

Total Gross Income **\$ 79,875,358**

Distribution of Income

Dividends on Shares	\$ 11,941,782
Interest on Deposits	24,867,348
Interest on Borrowed Money	92,072
Required Reserve Transfer	0
Transfer to Undivided Earnings	7,715,962
Expenses	35,258,194

Total Income Distribution **\$ 79,875,358**

Board of Directors

Moses M. Spence
Chairman of the Board

Katherine S. Brown
Director and Credit
Committee Chairman

Donald A. DeCinque
Director, Credit Union
President and CEO

David Disharoon
Director

Royce L. Jackson
Director and
Board Secretary

Roy L. Matthews
Director

J. T. Middlebrooks
Director

H. Preston Mulkey
Director and Supervisory
Committee Chairman

Bud Wilkinson
Director

Sam B. Dowdy
Director Emeritus

Supervisory Committee

H. Preston Mulkey, Chairman
Robert L. Harris, CPA
Herbert W. MacNabb

Roy L. Matthews
David 'Jabo' Patterson

Credit Committee

Katherine S. Brown, Chairman
George Lamar
Pat Little

J.T. Middlebrooks
Roy G. Rainwater

Branch Locations

MAIN OFFICE
3900 Crown Road
Atlanta, GA 30380-0001
(404) 669-2750 FAX

DECATUR BRANCH
520 W. Ponce DeLeon Avenue
PO Box 803
Decatur, GA 30031
(404) 378-5642 FAX

NORTH METRO BRANCH
Real Estate Department
Business Lending Department
1605 Boggs Road (Duluth)
P.O. Box 588050
North Metro, GA 30029-8050
(770) 921-7186 FAX

**NETWORK
DISTRIBUTION
CENTER BRANCH**
1800 James Jackson Pkwy., NW
Atlanta, GA 30369-9751
(404) 792-2512 FAX

IBEW Branch
501 Pulliam St., Ste 350
Atlanta, GA 30312-2749
(404) 223-3322 FAX

MACON BRANCH
VISA Department
515 Mulberry St., Ste 100
Macon, GA 31201-6306
(478) 746-8999 FAX
*Drive-Up Window Service
(this location only)*
Monday-Friday
9:00 a.m. - 4:30 p.m.

**SOUTH DEKALB MALL
BRANCH**
2801 Candler Road, Suite 81
Decatur, GA 30034
*Hours of Lobby Operation
(this location only)*
Monday-Friday
9:00 AM - 7:00 PM

CONTACT US
(404) 768-4126
(800) 849-8431
Hours of Lobby Operation
Monday-Friday
9:00 AM - 4:30 PM
Telephone Service
Monday-Friday • 8:30 AM - 5:00 PM

**24-HOUR LENDING
CENTER**
(800) 371-6917

VISA CARD SERVICES
(800) 599-7889 Member Services
(800) 325-3678 Lost or stolen
card assistance
only

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