

Annual Report 2011



*This credit union is
federally insured by the
National Credit
Union Administration.*

Chairman's Report



*Moses M. Spence
Chairman of the Board*

It is my honor and pleasure to serve as Chairman of the Board of Directors for Atlanta Postal Credit Union. In 1925, U.S. Postal Service employees established APCU. Our founders had one vision – to provide affordable financial services to fellow employees and their families. APCU is a member-owned, not-for-profit financial cooperative, created for working people in need of a safe and sound place to save and borrow money. We operate solely for our members' benefit.

For businesses, consumers, and our nation, as a whole, 2011 was a challenging year as the country's economy continued in turmoil, consumer confidence

stayed very low; new, more aggressive government regulations were imposed on financial institutions and all-time low interest rates prevailed. The Credit Union was not sheltered from the effects of these economic challenges. But despite these outside pressures, we are pleased to report that Atlanta Postal Credit Union recorded another year of stable performance. APCU maintained assets of just under \$2 billion and served the financial needs of more than 99,000 members. A summary of APCU's 2011 financial results is included in this Annual Report.

The measure of any organization's success is not determined by any single year's results. Success 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 while providing service at levels members expect and deserve. The success APCU enjoyed in 2011 can only be attributed to the professionalism and dedication of our Board members, volunteers, and staff; and the loyalty and support of our members.

At APCU, we remain committed to keeping the credit union sound and strong. 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 87 years.

We sincerely value our relationship with you and thank you for choosing Atlanta Postal Credit Union as your financial institution.

President/CEO Report

Atlanta Postal Credit Union is dedicated to helping members realize their financial goals. Whether those goals include reducing debt, buying a new or pre-owned vehicle, purchasing a new home or vacation home, saving for higher education, or planning for retirement; APCU stands ready and able to assist members through every major event in their lives.

With the unsettling fluctuations in the stock market, the unprecedented national debt, financial institution failures, and the crippling unemployment rates, concern is widespread among citizens across the country. We understand our members share this concern and need to know how APCU is fairing during these turbulent times. As outlined in the Annual Report, we are happy to let members know that Atlanta Postal Credit Union is handling the financial industry challenges very well.

Did the financial unrest that plagues the nation impact APCU? Of course it did. Some of our members fell on difficult times. The good news is that most of the members who struggled financially elected to repay what they owed the credit union. They did so because they understood the important benefits the credit union brought to their families. As a result, we have experienced low delinquencies, and the reserve we have built in anticipation of possible loan losses continues to be fully funded and in accordance with industry regulations.

We have all experienced the effects of the extraordinary low interest rates during the past year. Unfortunately, projections are that rates will continue to be low well into 2013. Low interest rates have adversely impacted savings and retirement plans. To counteract this impact on APCU members, the Board of Directors elected to continue to pay consistently higher rates on your savings, checking, certificates and Individual Retirement Accounts throughout the year. As a result, our dividend rates continued to be some of the best rates available anywhere. And, our members enjoyed added safety and security with share insurance coverage provided by the National Credit Union Administration (NCUA), an agency of the United States government, in an amount up to \$250,000.

I would like to extend my sincere thanks to the credit union's Board, committee volunteers, management, and staff for their full support and dedication during this past year. As we look ahead to 2012, each of us will remain focused on what we can do for our members. We will continue to direct our attention to delivering the highest quality services while maintaining and enhancing the credit union's financial strength, all to insure APCU remains your best choice for financial peace of mind now and in the years to come.

On behalf of Atlanta Postal Credit Union, I want to thank you for your business. It is a privilege to serve the financial needs of our members and their families.



*Donald A. DeCinque
President and Chief
Executive Officer*

Credit Committee Report

The Credit Committee of Atlanta Postal Credit Union is responsible for ensuring the credit union meets the loan needs of its members in an equitable manner. The Committee makes certain that loans are made prudently thereby safeguarding members' deposits and the Committee takes a leadership role in providing financial counseling to members.



*Katherine S. Brown
Credit Committee
Chairman*

This past year has proved to be exceptionally challenging in the lending area as overall loan growth among the nation's financial institutions slowed dramatically. Despite this national trend, APCU continued to extend credit to members so they were able to make the purchases they wanted and needed. The amount of the total loans outstanding as of December 31, 2011 was \$876,899,616.

During the previous twelve months, APCU remained focused on our guiding principal of "people helping people" by providing affordable financing rates for our members. To that end, we reduced our auto loan financing rates by ½% and offered a special rate on new and pre-owned recreational vehicle loans that was 3% lower than our normal rates. Members who had vehicles financed at institutions other than APCU were invited to take advantage of our lower rates by moving their loans to the credit union.

In 2011, the credit union introduced its new Skip-a-Payment program. Skip-a-Payment allows members to skip payments on certain consumer loans with the credit union up to twice a year. Members can choose whichever two months they like, as long as the months are not consecutive. This program helps free up the cash members need, when they need it most.

Significant Federal regulatory changes to the credit cards arena were implemented during 2011. These changes resulted in many financial institutions taking dramatic restructuring actions to offset the resulting loss of fee income. In contrast, the credit union has made every effort to keep the impact of the new regulations on our members at a minimum. For example, members were able to transfer balances up to their APCU Visa credit card limit at a rate that was 5% below their normal APCU credit card rate. And, there was no charge to members for taking advantage of this offer. We further enhanced the VISA Credit

Card program by offering double ScoreCard Rewards to members on purchases made during the 2011 holiday season and introduced ScoreMore merchant funded rewards. Members can shop with participating merchants and receive extra ScoreCard Reward Bonus Points. ScoreCard points can be redeemed for valuable name brand merchandise, adventure trips and travel.

As always, we are responsive to those members who, through no fault of their own, are experiencing a financial hardship during these difficult times. To aid our members, the credit union offers BALANCE, a free service that gives members access to professional financial counselors who can advise our members on everything from buying their first home to preventing foreclosure and avoiding bankruptcy.

In addition, the credit union works diligently with members to keep loan account delinquencies to a minimum. Our goal is always to protect credit union assets while providing our membership with the support they need during financially stressful times.

As Credit Committee Chairman, it is my pleasure to work with four highly skilled volunteers: George Lamar, Pat Little, J. T. Middlebrooks, and Roy Rainwater. Committee volunteers are truly dedicated to improving the financial strength of each credit union member. We are grateful for the time and talent given by these individuals.

On behalf of the Credit Committee, I wish to express our appreciation for your support. We are honored by the confidence you continue to show in us and look forward to serving you in 2012. Our members may be assured the Credit Committee, Loan Department and staff will continue to provide exceptional financial support now and in the future.



Supervisory Committee Report

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



*H. Preston Mulkey
Supervisory Committee
Chairman*

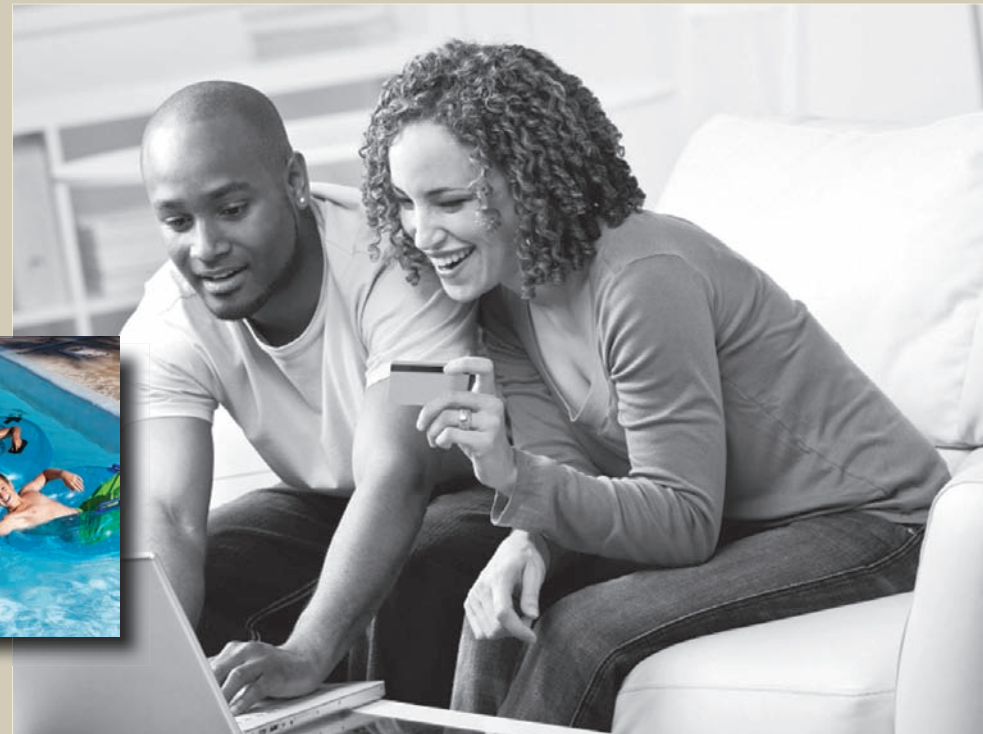
The Bylaws under which APCU operates directs the Supervisory Committee to complete a comprehensive audit of credit union operations every year. To comply with this directive, the Committee retained the services of Mauldin and Jenkins, Certified Public Accountants and Consultants, to conduct the 2011 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 irregularities.

The Georgia Department of Banking and Finance along with examiners from the National Credit Union Administration also conducted their annual examinations in October. Again no irregularities were noted and we received an excellent report from these regulatory agencies.

The Committee is pleased to report that the Board of Directors has worked diligently and performed its duties 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.

As Chairman, 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 the Committee members for their outstanding contributions this past year.

The Committee members sincerely appreciate the opportunity to have served and look forward to serving again in 2012.



Financials

Statement of Financial Condition as of December 31, 2011

Assets

Loans	\$ 876,899,616
Loan Reserves	(9,403,358)
Cash	4,401,822
Investments	1,062,319,970
Land and Buildings	0
Other Fixed Assets	1,167,944
Other Assets	37,386,591

Total Assets \$ **1,972,772,585**

Liabilities & Equity

Accrued Dividends Payable	\$ 263,118
Accounts Payable	8,273,289
Notes Payable	0
Shares and Deposits	1,737,724,866
Reserves	21,602,643
Undivided Earnings	204,908,669

Total Liabilities & Equity \$ **1,972,772,585**

Statement of Income as of December 31, 2011

Income

Interest on Loans	\$ 50,128,214
Income from Investments	14,194,767
Other Income	5,258,304

Total Gross Income \$ **69,581,285**

Distribution of Income

Dividends on Shares	\$ 9,919,157
Interest on Deposits	17,922,570
Interest on Borrowed Money	0
Required Reserve Transfer	0
Transfer to Undivided Earnings	7,743,646
Expenses	33,995,912

Total Income Distribution \$ **69,581,285**



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
H. 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, GA 30096
(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

Web Site: www.apcu.com

General E-Mail:
Info@apcu.com

