

## 2010 IN REVIEW

We know that many members ended 2010 with concerns about the current economic conditions and the threat of job loss. Despite these economic challenges, Nashville Post Office Credit Union has stayed focused on our members' needs and provided them with a strong and financially sound institution.

Throughout 2010, the credit union continued to maintain strong financial and regulatory ratios. Despite government mandated insurance premiums and assessments, your credit union continued to post positive earnings. In addition to state regulatory reviews, the credit union underwent annual and quarterly outside Independent Audits, which received high ratings. The credit union continues to be classified by the NCUA as a "well capitalized" credit union, which ranks us among the most financially sound credit unions in Tennessee.

The credit union experienced a decrease in assets in 2010. This was due to the credit union participating in a federally backed investment and loan program which matured in January 2010. Although we had the decrease due to the special government program, we experienced a growth of over 3 million in assets since December 2008.

As part of legislation in 2010, the deposit insurance coverage increase of \$250,000.00 provided by the NCUSIF was made permanent. This provides increased coverage for current or additional deposits. Structuring your accounts can provide even greater coverage.

We have continued to enhance the services we provide to our members as well as constantly upgrading our internet security for maximum protection. Our Virtual Branch Internet home banking continues to be a very popular service with our membership. In 2010 we had 702,143 transactions totaling over 5 million in dollar volume. Members also continue to take advantage of our Bill Pay and e-statements.

Board Member, Joyce Ryan notified the Board of Directors in November that she would be retiring from the Board effective February 2011. Mrs. Ryan served on the Board five years. The Board of Directors and staff would like to thank Mrs. Ryan for her dedicated service to the credit union.

We are looking forward to 2011, and we remain dedicated to our mission and to the philosophy of "People Helping People". Thank you for choosing Nashville Post Office Credit Union as your financial institution. Your continued support has made the credit union what it is today.

*"Serving  
Our Members  
Since 1925"*



**NASHVILLE**  
Post Office Credit Union

**Statement of Condition**  
December 31, 2009 & 2010

## STATEMENT OF CONDITION DECEMBER 31, 2009 & 2010

<b>ASSETS</b>	<b>DECEMBER 31, 2009</b>	<b>DECEMBER 31, 2010</b>
Loans	\$37,459,312.37	\$34,770,149.04
Allowance for Loan Loss	<247,867.74>	<245,985.94>
Cash on Hand and in Banks	387,120.75	447,953.65
Investments	50,476,989.97	30,109,918.12
Furniture & Fixtures	56,080.78	59,130.39
Land & Building	3,054,793.53	3,017,590.53
Other Assets	1,164,057.57	1,264,217.48
<b>TOTAL</b>	<b><u>\$92,350,487.23</u></b>	<b><u>\$69,422,973.27</u></b>
<b>LIABILITIES</b>		
Notes and Interest Payable	\$24,495,825.76	\$0.00
Accounts Payable	14,323.38	564,538.02
Dividends Payable	4,571.97	165.39
Share, Christmas Club, Vacation Club & Escrow	15,709,156.88	17,264,868.01
IRA's	7,284,364.01	7,475,969.52
Members' Certificate of Deposits	31,834,132.44	31,017,732.96
Statutory Reserves	1,679,137.86	1,679,137.86
Undivided Earnings	10,498,197.07	10,557,747.19
Other Liabilities	1,148,813.11	1,335,681.32
Allowance For Investments/Pension	<318,035.25>	<472,867.00>
<b>TOTAL</b>	<b><u>\$92,350,487.23</u></b>	<b><u>\$69,422,973.27</u></b>

### CHANGES IN VARIOUS ACCOUNTS AND OTHER STATISTICAL INFORMATION DECEMBER 31, 2009 AND 2010

<b>ACCOUNTS</b>	<b>2009</b>	<b>2010</b>	<b>CHANGE</b>	<b>%</b>
Assets	\$92,350,487.23	\$69,422,973.27	-\$22,927,513.96	-25%
Loans	37,459,312.37	34,770,149.04	-2,689,163.33	-7%
Investments	50,476,989.97	30,109,918.12	-20,367,071.85	-40%
Share & Other Accts	15,709,156.88	17,264,868.01	1,555,711.13	10%
IRA's	7,284,364.01	7,475,969.52	191,605.51	3%
Members C.D.'s	31,834,132.44	31,017,732.96	-816,399.48	-3%
Undivided Earnings	10,498,197.07	10,557,747.19	59,550.12	1%
Gross Income	3,970,088.35	3,497,736.10	-472,352.25	-12%
Expenses	3,838,492.17	3,438,185.98	-400,306.19	-10%
Net Income	131,596.18	59,550.12	-72,046.06	-55%
Number of Members	4,944	4,859	-85	-2%
Number of Loans	2,851	2,777	-74	-3%