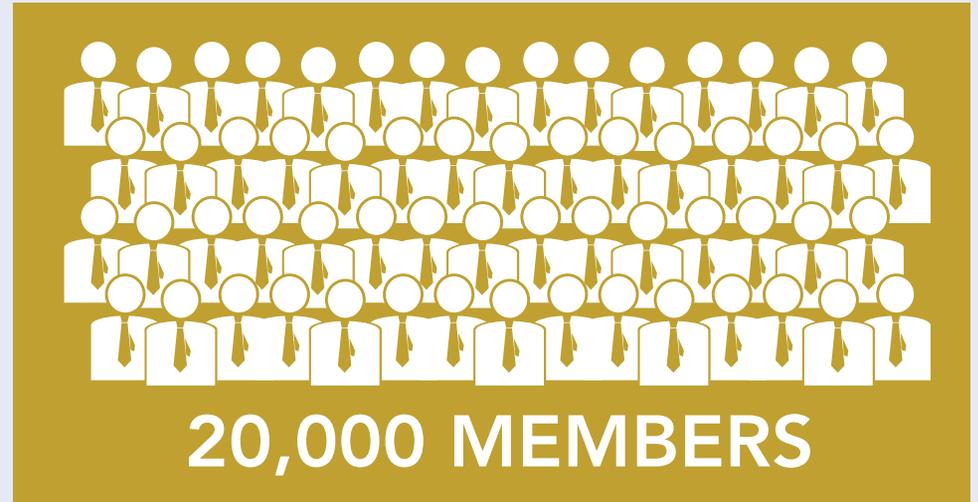
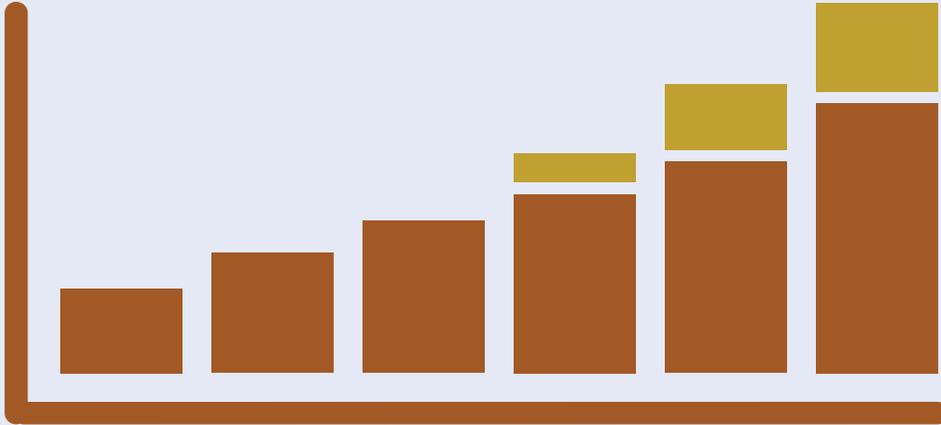


REACHING NEW MILESTONES

\$400 MILLION IN ASSETS



\$1 BILLION IN TOTAL MEMBER LOANS



NEW ONE-YEAR RECORDS:

1,207 VEHICLE LOANS



\$70 MILLION IN TOTAL LOANS



2015
ANNUAL REPORT

BOARD OF DIRECTORS

John Tochko, Chair

Rosalyn Furukawa, Vice Chair

Robert Miller, Treasurer

Charlene Husted, Recording Secretary

Philip Albert, Director

Sarah Cooke, Director

Laura Davis, Director

Peter Newman, Director

Brian O'Connor, Director



Robert Miller
Treasurer

SUPERVISORY COMMITTEE

Karen Brown, Chair

Don Henderson

Rachel Rakes



Karen Brown
Chair

ASSOCIATE VOLUNTEERS

Tim McIntyre



A MESSAGE FROM OUR PRESIDENT & CHAIRMAN

APL Federal Credit Union turned 61 in 2015, and the Board of Directors and senior management are pleased to announce that the Credit Union appears to be getting better with age. Perhaps there have been more significant years in APL FCU's history – such as 2001, when we were granted the community charter for Howard County – or years when we had higher net income or opened more new memberships. By almost any measure however, 2015 was one of the most successful years in our Credit Union's history, as we set several new loan records and reached multiple historic milestones.

At the end of October we surpassed 20,000 total members. It took 45 years – from 1954 to 1999 – to reach 10,000 members, but only 16 years to add the next 10,000. We also finished the year above \$400 million in assets, doubling the Credit Union's asset size in just over 12 years. In the beginning of November we reached a significant milestone in APL FCU's history, as we exceeded \$1 billion in total member loans since the Credit Union's founding.

To reach the \$1 billion loan figure, we generated a record \$70.4 million in new loans in just the past year alone. This helped raise APL FCU's total loans outstanding by a record \$18.1 million, from just over \$175.4 million at year-end 2014 to almost \$193.6 million at year-end 2015.

Auto loans were certainly the biggest driver of these record-setting results. For the year, we booked 1,207 auto loans for our members. This is 134 more loans than our previous record high of 1,073 set in 2004, and only the second time in the Credit Union's history that we surpassed 1,000 auto loans in a year.

We also added more than 250 new home equity lines of credit (HELOCs), helping to propel the Credit Union

past 2,000 total loans for the first time since 2007, prior to the start of the Great Recession. Total HELOC balances grew by \$4 million for the second straight year, accounting for more than 20% of our outstanding loan growth in 2015.

The unprecedented loan results helped APL FCU earn almost \$1.9 million in net income for the year. This marks the fifth straight year the Credit Union earned at least \$1.5 million. As in previous years, the bottom line did not rely on member fee income, as we continue to maintain the lowest fee structure of any full-service financial institution in the Howard County area.

Maintaining consistently strong earnings allows the board and senior management to plan for new services and upgrades that are not only beneficial to the membership, but play an integral part in APL FCU's overall management philosophy. Even with record-setting loan results and a strong balance sheet, we would not consider the year a total success unless we continued to improve the overall member experience.

In 2015, we met this goal by introducing a completely redesigned mobile banking app, completing a major upgrade to our computer systems to improve speed and reliability, and launching a large-scale project to replace all of our credit and debit cards with new EMV secure chip cards.

As we venture forth in 2016 and beyond, we will be vigilant to continually increase the value of your APL FCU membership. We know you have many financial institutions from which to choose and, on behalf of the Credit Union's entire staff and Board of Directors, we thank you for choosing APL Federal Credit Union. As always, we remain, **"At Your Service, In Your Community."**



A handwritten signature in black ink that reads "Jim Deegan". The signature is fluid and cursive.

Jim Deegan
President/CEO



A handwritten signature in black ink that reads "John Tochko". The signature is cursive and somewhat stylized.

John Tochko
Chair

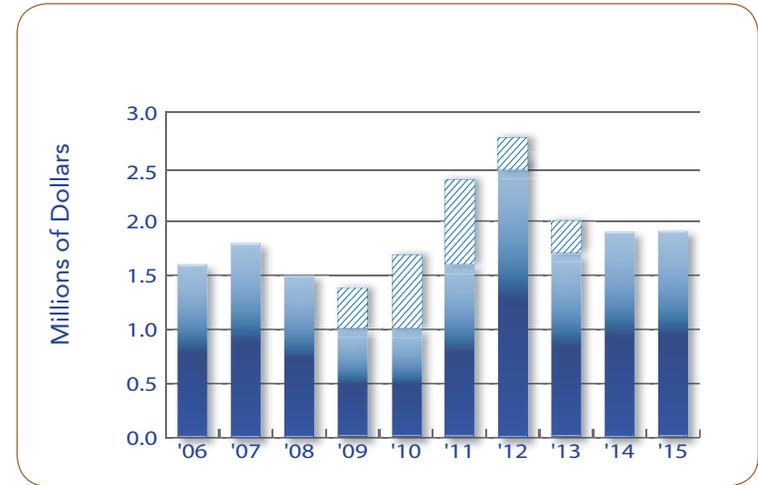
10-YEAR ANNUAL REPORT DATA

2006

ASSETS

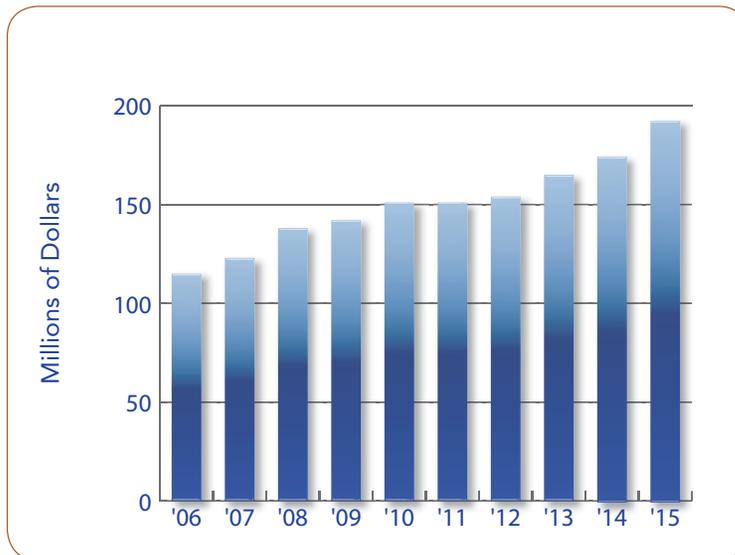


NET INCOME

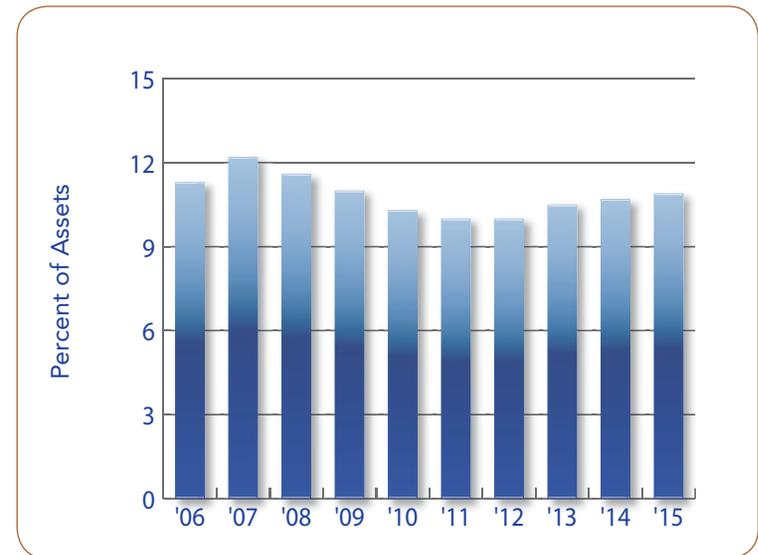


*2009 thru 2013 income shown before and after NCUA Stabilization Expense

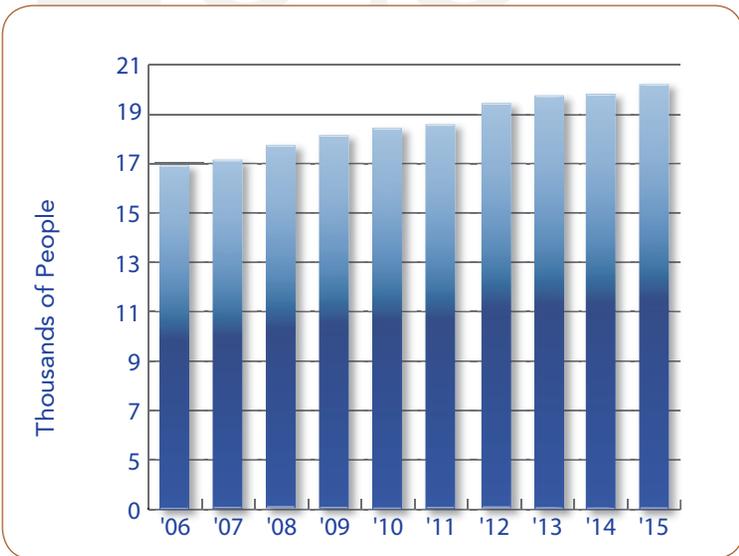
TOTAL LOANS



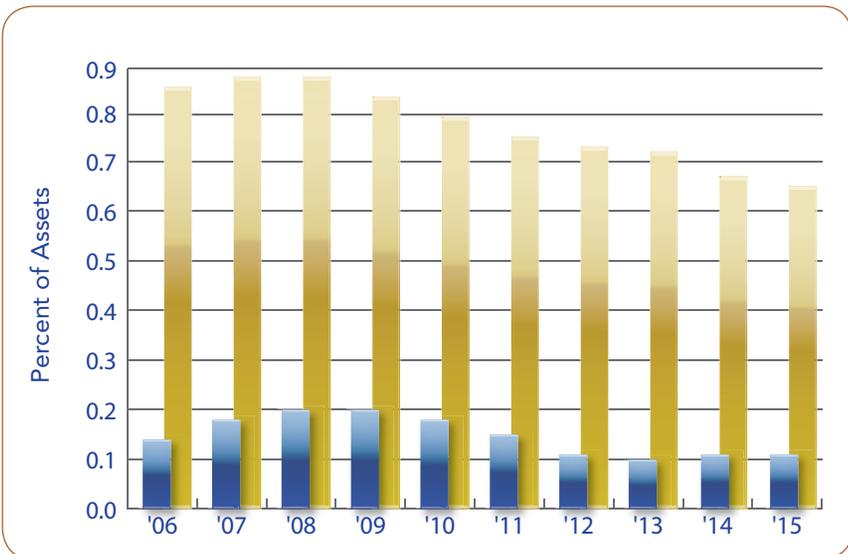
NET WORTH



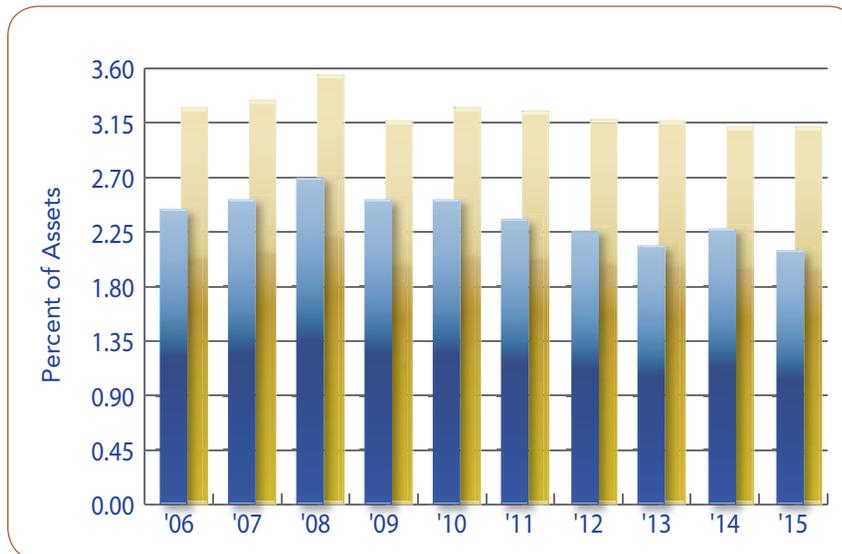
NUMBER OF MEMBERS



MEMBER FEE INCOME TO AVERAGE ASSETS



OPERATING EXPENSE TO AVERAGE ASSETS



■ APL Federal Credit Union ■ National Credit Union Average

STATEMENTS OF FINANCIAL CONDITION

ASSETS	<u>2015</u>	<u>2014</u>
Loans		
Loans to Members - Less Allowance for Loan Losses, and Net Deferred Loan Income	\$ 193,385,099	\$ 174,693,135
Loan Notes Receivable	0	0
Loans Net:	\$ 193,385,099	\$ 174,693,135
Other Assets		
Accounts Receivable	\$ 9,483	\$ 5,242
Cash	1,723,312	1,876,925
Investments	196,383,326	204,807,814
Accrued Income Receivable	611,441	631,830
Prepaid Expenses	356,325	241,271
Buildings & Land	9,394,404	9,588,783
Furniture & Equipment	787,076	762,563
NCUSIF Deposit	3,361,481	3,322,724
Other Assets	1,757,721	1,722,897
Total Assets:	\$ 407,769,668	\$ 397,653,184
LIABILITIES & EQUITY	<u>2015</u>	<u>2014</u>
Liabilities		
Accounts Payable	\$ 528,261	\$ 530,334
Accrued Expenses	3,195,697	2,820,536
Other Liabilities	3,124,357	2,965,153
Total Liabilities:	\$ 6,848,315	\$ 6,316,023
Equity		
Savings	\$ 147,058,297	\$ 137,265,066
Checking	59,706,858	53,085,155
Preferred Money Market	69,750,897	68,935,023
IRA Money Market	4,907,197	5,431,079
IRA Certificates	16,939,515	18,454,003
Certificates of Deposit	63,442,769	69,074,053
Total Shares:	\$ 361,805,533	\$ 352,244,379
Reserves		
Regular Reserve	\$ 2,614,802	\$ 2,614,802
Undivided Earnings	39,784,023	37,874,403
Net Allowance to Adjust Investments to Fair Value	643,181	2,329,697
Other Comprehensive Income	(5,798,934)	(5,635,740)
Net Income (Loss)	\$ 1,872,748	\$ 1,909,620
Total Equity:	\$ 400,921,353	\$ 391,337,161
Total Liabilities & Equity:	\$ 407,769,668	\$ 397,653,184



STATEMENTS OF INCOME

STATEMENTS OF INCOME

	<u>2015</u>	<u>2014</u>
Operating Income		
Interest on Loans	\$ 1,728,686	\$ 1,556,848
Interest on Real Estate Loans	4,633,976	4,641,924
Net:	\$ 6,362,662	\$ 6,198,772
Income from Investments	2,648,935	2,823,679
Fees & Charges	430,620	434,285
Other Operating Income	1,605,141	1,521,577
Total Operating Income:	\$ 11,047,358	\$ 10,978,313
Operating Expenses		
Compensation	\$ 3,967,513	\$ 3,817,594
Employee/Retiree Benefits	2,325,937	1,770,895
Education & Conference Expenses	59,000	56,146
Association Dues	19,787	17,371
Office Occupancy Expenses	381,582	391,078
Office Operations Expenses	1,106,898	1,094,050
Education & Promotional Expenses	177,713	180,541
Loan Servicing Expenses	411,960	328,608
Professional & Outside Services	448,855	428,449
Regulatory Fees	72,707	71,299
Annual Report & Meeting Expenses	2,785	400
Miscellaneous Operating Expenses	13,492	9,760
Share Draft Processing Expenses	54,214	50,142
Total Operating Expenses:	\$ 9,042,443	\$ 8,216,333
Provision for Loan Losses	\$ (105,900)	\$ (180,450)
Interest on Borrowed Money	0	0
Non-Operating Gains (Losses)		
Gain (Loss) on Investments	\$ 950,798	\$ 290,504
Gain (Loss) on Disposition of Assets	0	0
Other Non-Operating Income (Expenses)	(259)	(5,157)
Total Non-Operating Gains (Losses):	\$ \$950,539	\$ 285,347
Income (Loss) Before Dividends	\$ 2,849,553	\$ 3,155,777
Dividends	\$ (976,805)	\$ (1,246,157)
Net Income (Loss) Before NCUSIF Stabilization Expense:	\$ 1,872,748	\$ 1,909,620
NCUA Insurance Premium	0	0
NCUA Stabilization Expense	0	0
Net Income (Loss):	\$ 1,872,748	\$ 1,909,620



OUR MISSION

APL Federal Credit Union
is dedicated to providing
its members quality financial
services with a competitive
edge, while ensuring the safety
and stability of financial assets.

APLFCU.ORG