

MISSION STATEMENT

First Atlantic Federal Credit Union provides a range of financial and informational services to assist members in managing the economic parts of their lives.

BOARD OF DIRECTORS

Richard J. Caccamise, Ed.D.	Chairperson
Deborah F. Frank, Ed.D.	Vice Chairperson
Raoul C. Cordeaux	Treasurer
Victor J. Ferlise, Esq.	Secretary
Mary Jane Celli, Ed.D.	Member
Andrew R. D'Angelo	Member
Robert A. Marsh	Member
Kenneth R. Ebner, Ph.D.	Director Emeritus
Samuel M. Esposito	Director Emeritus

SUPERVISORY COMMITTEE

Charles W. Foster	Chairperson
Richard E. Kelly	Vice Chairperson
Geraldo J. Melendez, Ph.D.	Secretary

OFFICERS

E. John Culp, II

President and Chief Executive Officer

Anthony N. Fedina

Senior Vice President, Operations and Lending

John R. Feeney

Senior Vice President, Finance and Administration

Doris M. Smith

Senior Vice President, Compliance, Security and Internal Controls

Jennifer Goceljak

Vice President, Member Services

Edward G. Lenorth

Vice President, Internal Auditing

SERVICES

Deposit

Checking
Savings
Money Market
Traditional, Roth
and Coverdell IRAs
Certificates
Business Interest
Checking

Loans

Mortgages
Home Equity Loans
and Lines
Vehicle Loans
Personal Loans
and Lines
Secured Loans
Commercial
Mortgages
Business Loans and
Lines of Credit

Online

Online Banking
Online Bill Pay
Check Imaging
E-statements

CONTACT US

Headquarters

468 Industrial Way West
Eatontown, New Jersey 07724
732.380.3600

Telephone

732.380.3600, option 5
800.342.1184
(outside New Jersey)

Online

fafcu.com
service@fafcu.com

IN PERSON

Eatontown

468 Industrial Way West
Eatontown, NJ 07724

Fort Monmouth

1006 Alexander Avenue
Fort Monmouth, NJ 07703

Long Branch

226 Broadway
Long Branch, NJ 07740

Neptune

2070 Route 66
Neptune, NJ 07753

Oceanport

495 Oceanport Avenue
Fort Monmouth, NJ 07703

Toms River

1001 Fischer Boulevard
Toms River, NJ 08753

1580 Lakewood Road
Route 9 South
Toms River, NJ 08754

Horsham, Pennsylvania

298 Blair Mill Road, Suite 110
Horsham, Pennsylvania 19044

2007

Where We Live



ANNUAL REPORT



**CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER**

Dear Members,

I am pleased to report that 2007 has been a profitable and successful year for First Atlantic.

A large part of our success is attributed to our sound lending practices which led us to provide secure home loans that met the different needs, budgets and life stages of our members.

These loans featured some of the most competitive rates in our area. Coupled with a lending team comprised of knowledgeable real estate specialists we achieved over \$31M in real estate loans. We remain committed to offering loan products of all types that work in our members' best interests and help them make wise financial decisions.

We continued to provide deposit products that offered competitive rates and flexibility. Our Anniversary Checking account was the high-rate product of choice with almost \$20M in deposits at year end. We also gave our members a wide range of certificates that served their needs—whether they had a specific savings objective or sought tax benefits.

The upcoming months will be a very exciting time at First Atlantic. In the Spring of 2008, we're opening our newest service center on Route 9 in Toms River and look forward to expanding our service in Ocean County. We'll also be launching lending products to help businesses grow, further helping to strengthen our community.

As always, we wish to thank our members for continuing to be a part of the First Atlantic family and we are honored to serve you.

Sincerely,



Richard J. Caccamise, Ed.D.
Chairperson



E. John Culp, II
President and Chief Executive Officer

SUPERVISORY COMMITTEE ANNUAL REPORT

**To the Members and Board of Directors
First Atlantic Federal Credit Union**

The Supervisory Committee is responsible to insure First Atlantic Federal Credit Union practices and procedures are sufficient to safeguard member assets. To fulfill this responsibility, the Committee utilizes the results of the National Credit Union Administration (NCUA) Examination, engages certified public accounting firms for an annual audit and other audits, and participates in the overall First Atlantic Federal Credit Union Audit Plan.

The NCUA 2007 Examination process utilized stringent and comprehensive criteria. The federal examiners looked at both quantitative measurements as well as qualitative considerations in their examination.

Also, for the year ended December 31, 2007 Reinsel & Company, Certified Public Accountants, performed a comprehensive audit in accordance with generally accepted auditing standards as well as federal regulations governing credit unions.

The Committee believes that the above audits and examinations ensure First Atlantic member assets are properly safeguarded.

If you have a comment or suggestion, please e-mail the Committee at supcom@fafcu.com or write to:

**First Atlantic Federal Credit Union Supervisory Committee
P.O. Box 224
Fort Monmouth, NJ 07703**

Sincerely,



Charles W. Foster
Chairperson, Supervisory Committee

2008 NOMINATING COMMITTEE REPORT

Date: December 13, 2007

Nominating Committee: Raoul C. Cordeaux, Robert A. Marsh, Deborah F. Frank, Ed.D.

The Nominating Committee met to consider candidates for the three First Atlantic Board of Directors' seats effective with the May 15, 2008 Annual Meeting.

The Committee held a detailed discussion regarding First Atlantic's objectives of service to members, financial strength, competitive products, resumption of growth, First Atlantic's need to serve the area's "underserved residents" and preparing for the closing of Fort Monmouth.

The Committee reviewed the criteria essential for performance as a First Atlantic Director. This includes, but is not limited to, significant financial business acumen, willingness to expend a great deal of personal time for the non-paid volunteer position, community involvement, high level management experience,

strong analytical skills, high ethical and moral standards, and the willingness to make difficult decisions.

After discussion, RMS (Deborah F. Frank, Ed.D. and Robert A. Marsh) nominated present directors Victor J. Ferlise, Esq., Andrew R. D'Angelo and Mary Jane Celli, Ed.D. for three year terms as First Atlantic Directors. All were in favor.

The Committee continues to recognize that it is extremely difficult to obtain qualified individuals to give up significant amounts of their personal time to perform volunteer First Atlantic work. Therefore, the Board of Directors must expend an ever-increasing amount of time in continuing its search for potential Board of Directors and Committee members.



Raoul C. Cordeaux
Chairperson, Nominating Committee

STATEMENT OF FINANCIAL CONDITION

	<i>December 31,</i>	
	2007	2006
ASSETS		
Loans to members, net	\$ 168,300,131	\$ 197,021,524
Cash and cash equivalents . .	7,648,447	7,900,472
Interest bearing accounts . .	58,453,912	38,857,224
Securities available for sale .	13,167,995	29,508,306
Other assets	15,574,751	17,031,188
Total assets	<u>\$ 263,145,236</u>	<u>\$ 290,318,714</u>
LIABILITIES AND MEMBERS' EQUITY		
Members' share accounts . .	\$ 247,572,976	\$ 276,366,148
Other liabilities	4,242,761	3,932,143
Members' equity	<u>11,329,499</u>	<u>10,020,423</u>
Total liabilities and members' equity	<u>\$ 263,145,236</u>	<u>\$ 290,318,714</u>

STATEMENT OF INCOME

	<i>Year Ended December 31,</i>	
	2007	2006
Total interest income	\$ 16,545,201	\$ 17,345,649
Dividends on members' share accounts	<u>6,340,889</u>	<u>6,227,553</u>
Net interest income	10,204,312	11,118,096
Provision for possible loan losses	1,562,000	1,389,798
Non-interest income	3,324,253	3,005,887
Non-interest expense	<u>10,745,387</u>	<u>11,740,656</u>
Net income	<u>\$ 1,221,178</u>	<u>\$ 993,529</u>

Note: 2006 information has been restated.

