



2012 Annual Report

Chairman's Message:

We've engaged in another year of economic recovery in Northern Nevada, and I'm pleased to report that Great Basin Federal Credit Union continues to see strong growth and performance. The merger with Sparks City Employees Federal Credit Union has proven to be of considerable benefit to Great Basin and its current members, as well as those that joined from Sparks City. Based on the growth we experienced in 2012, in particular the growth in Core Membership, it's no question we are a great resource for this community in need of fair, reliable and valuable financial services. The board and management continue to be committed to making decisions that benefit and serve the interests of our member-owners at all times.

On behalf of the Great Basin Board of Directors, we have been honored to serve our members in 2012, and we look forward to continued success and the opportunities that lie ahead in 2013.



Alfred Stoess
Board Chairman



Dennis Flannigan
President/CEO

President's Message:

The credit union continued to demonstrate its strength and stability through 2012 with solid profitability and reserve growth. The overall Northern Nevada economy is starting to see early signs of recovery with some employment gains and modest construction resuming. The consumer confidence that drives our members to buy new cars is still tenuous as Northern Nevada consumers are looking for more signs of stability and growth. Of real significance is that we are seeing more and more consumers leaving the large regional banks and becoming members of Great Basin to get a genuine banking value.

Our member growth has been substantial as consumers continue to seek out credit unions to avoid excessive fees. Much of our loan volume is to refinance existing car loans and mortgages with historic low rates. There is also the Affordable Housing Programs sponsored by the government that has allowed quite a number of members to refinance even though their current home's value is less than their mortgage. We have also added a new *Rebuild Together Loan Program* to help those members who need to rebuild their credit and prepare for their next car loan.

The low interest rates on deposits of the past few years are expected to be around at least through the end of 2014 and possibly beyond. Recently, we sought out new investment alternatives for our members and we were glad to welcome Steve Lindquist as a financial advisor with Cetera Financial Group. Just ask your branch staff to help you set up an introduction with Steve.

The credit union also installed new state of the art ATMs that allow for envelope-free deposits with cash or checks. They can also provide digital pictures of the checks you deposit on the receipt. We continue to enhance our advanced technology services with a robust home banking system and our mobile banking applications for your cell phones and tablets.

This past year also had the members of Sparks City Employees Federal Credit Union vote to merge with Great Basin and join our credit union family. The most important thing to the members and board of Sparks City was to be part of a local financial institution owned and operated by people in the community.

Early in 2013 we are introducing our newest venture of providing SBA business loans and other member business loan opportunities. This will be a great non-bank alternative for our budding entrepreneur and existing business members. Be sure to ask the branch staff about our business loan program.

On behalf of all of us at the credit union, thank you for your continued confidence and loyalty to Great Basin Federal Credit Union.

WHY JUST BANK WHEN YOU CAN BELONG.
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2012 Financial Report

STATEMENT OF FINANCIAL CONDITION	2011	2012
ASSETS		
Cash on Hand & on Deposit	\$ 4,916,999	\$ 7,630,590
Personal Loans	\$ 77,736,508	\$ 76,806,468
Business Loans	\$ 1,453,848	\$ 1,431,850
Allowance for Loan Losses	\$ (2,487,577)	\$ (1,918,615)
Investments	\$ 15,983,545	\$ 30,902,305
Fixed Assets	\$ 3,674,745	\$ 3,767,261
Other Assets	\$ 2,091,127	\$ 2,591,991
Total Assets	\$ 103,369,195	\$ 121,211,851
LIABILITIES		
Other Liabilities	\$ 1,086,677	\$ 978,478
Notes Payable	\$ 0	\$ 0
Total Liabilities	\$ 1,086,677	\$ 978,478
EQUITY		
Shares held by Members	\$ 94,683,600	\$ 109,854,459
Regular Reserve	\$ 1,490,051	\$ 1,730,725
Undivided Earnings	\$ 6,108,867	\$ 8,648,189
Unrealized Gains (Losses)	\$ 0	\$ 0
Total Equity	\$ 102,282,518	\$ 120,233,372
TOTAL LIABILITIES & EQUITY	\$ 103,369,195	\$ 121,211,851

STATEMENT OF EARNINGS	2011	2012
INCOME		
Loan Interest Income	\$ 5,354,226	\$ 4,886,594
Income from Investments	\$ 60,040	\$ 161,534
Other Income	\$ 1,394,539	\$ 1,539,592
Total Income	\$ 6,808,804	\$ 6,587,720
EXPENSE		
Operating Expense	\$ 3,761,029	\$ 4,113,496
Provision for Loan Losses	\$ 353,173	\$ 342,514
Interest/Borrowed Money	\$ 0	\$ 0
(Inc./)Exp. Sale Fixed Assets	\$ (40)	\$ 0
Non Operating Income	0	140,047
Gain/Loss Sale of Investments	\$ 0	\$ 0
Gain From Bargain Purchase	\$ 0	\$ (197,649)
Total Expense	\$ 4,114,162	\$ 4,398,408
NET INCOME	\$ 2,694,642	\$ 2,189,312
DISTRIBUTION OF NET INCOME		
Dividends to Members	\$ 608,486	\$ 346,987
To Reserve & Undivided Earnings	\$ 2,086,156	\$ 1,842,325

Credit unions are not-for-profit financial cooperatives run by volunteer boards of directors and supervisory committees that are elected by and from the membership. We are lucky to have this outstanding group of volunteers dedicated to the success of our credit union.

BOARD OF DIRECTORS



Alfred Stoess
Chairman



Jan Gilbert
Vice Chairman



Carol Ingalls
Secretary



Mike Cassingham
Member



Nick Barainca
Member

SUPERVISORY COMMITTEE



Kathleen Plambeck
Chairwoman



Tiffany Williamson
Member



Ron Korman
Member



Jessica Younger
Member

Your executive management includes the following individuals:

EXECUTIVE MANAGEMENT



Dennis Flannigan
President/CEO



Tony Lopez
VP/CFO



Jennifer Denoo
VP/COO



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