

	2004	2005
ASSETS		
Cash on Hand & on Deposit	\$ 1,814,599	\$ 1,917,984
Personal Loans	\$ 100,411,128	\$ 107,732,463
Allowance for Loan Losses	\$ (773,501)	\$ (1,841,463)
Investments	\$ 6,065,228	\$ 5,142,410
Fixed Assets	\$ 4,465,821	\$ 4,251,805
Other Assets	\$ 2,360,975	\$ 3,386,736
Total Assets	\$ 114,344,250	\$ 120,589,935
LIABILITIES		
Other Liabilities	\$ (14,544)	\$ 1,158,235
Notes Payable	\$ 0	\$ 2,500,000
Total Liabilities	\$ (14,544)	\$ 3,658,235
EQUITY		
Shares held by Members	\$ 103,465,677	\$ 106,387,025
Regular Reserve	\$ 1,082,722	\$ 1,082,722
Undivided Earnings	\$ 9,839,725	\$ 9,490,807
Unrealized Gains (Losses)	\$ (29,331)	\$ (28,853)
Total Equity	\$ 114,338,793	\$ 116,931,701
TOTAL LIABILITIES & EQUITY	\$ 114,344,250	\$ 120,589,935
STATEMENT OF EARNINGS INCOME		
Loan Interest Income	\$ 7,510,159	\$ 7,684,469
Income from Investments	\$ 84,901	\$ 86,892
Other Income	\$ 588,418	\$ 855,525
Total Income	\$ 8,183,479	\$ 8,626,886
EXPENSE		
Operating Expense	\$ 4,233,995	\$ 4,503,269
Provision for Loan Losses	\$ 1,375,940	\$ 2,668,325
Interest/Borrowed Money	\$ 167	\$ 61,954
(Inc.)/Exp. Sale Fixed Assets	\$ (4,057)	\$ 0
Non Operating Income	\$ 0	\$ 0
Gain/Loss Sale of Investments	\$ 0	\$ 0
Total Expense	\$ 5,606,045	\$ 7,233,548
NET INCOME	\$ 2,577,435	\$ 1,393,338
DISTRIBUTION OF NET INCOME		
Dividends to Members	\$ 1,647,747	\$ 1,742,256
To Reserve and Undivided Earnings	\$ 929,687	\$ (348,918)
TOTAL DISTRIBUTION	\$ 2,577,435	\$ 1,393,338

The financial services industry is definitely a competitive one. Consumers have many choices when it comes to their finances and we take that fact seriously. At Great Basin Federal Credit Union we take pride in offering a wide range of products and services; what sets us apart, however, is our ultimate member service. From the Board of Directors, to the CEO, to our tellers, the philosophy of "people helping people" is not just a phrase, it's our heart and soul. We're different. We do not serve *customers*—we work for our *members*. And amidst the competitiveness in our industry, we have not lost focus on one of our primary goals which is to develop friendships with our members. That is why you can come into any of our branches and be greeted by the friendliest staff around.

2005 brought many changes for Great Basin Federal Credit Union. One of the largest was the closing of our Keystone branch in early July. This closure brought something to our attention - the more things change, the more they stay the same! Our member service continues to excel and our staff continues to set themselves apart from the rest. Our newest branch that opened in late 2004 has become a flourishing full service branch. Your Northwest branch is located on 9600 S. McCarran Blvd and has given Northwest Reno the opportunity to continue enjoying all of the excellent services and membership benefits that has become synonymous with Great Basin Federal Credit Union.

Another area in which Great Basin Federal Credit Union sets itself apart from all other financial institutions is in our continued commitment to our community. We were awarded 1st place for the Nevada 2005 Desjardins Youth Financial Education Award at the state level for bringing financial literacy to the youth of our community. In 2005, Our Youth Council conducted 18 class presentations reaching over 400 students in area high schools and middle schools. Custom classes on topics like budgeting, checking accounts, saving, investing, credit, car buying, and job preparation have set a precedent in the community for financial education and are making an impact on the young members of our society.

Our commitment to the community extends outside of financial education. We also spent much of 2005 working with several organizations within the community that stand for positive causes. For example, with the help of our membership, we raised over \$13,000 for the Children's Miracle Network; employees volunteered as mentors for the


"An Income of Her Own" event organized by our local Girl Scouts association. Many employees also spent their own time volunteering for the Food Bank of Northern Nevada as well as organizing holiday meals for fellow members and their families that were in need. These are just a few examples of the commitment we make to our community and our membership. We look forward to participating with these and other organizations in hopes of reaching new heights with respect to making a difference in the Washoe County community.

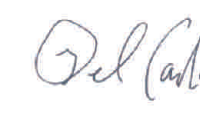
With the first part of 2006 already well on its way, we continue to look for innovative ways to set ourselves apart from other financial institutions and best serve the individual needs of our members. Although we look at this as healthy competition, it is important to keep in mind that credit unions as an industry continue to be targeted because of our differences when compared to banks. We hope that our philosophy and what credit unions stand for as a whole can continue to be an idea that is widespread through your support and commitment by educating elected officials and consumers.

Come in and enjoy the benefits of establishing a friendship with Great Basin Federal Credit Union, and witness for yourself what *sets us apart* from all other financial institutions. Here's to another great year!



Patty Downs
Chairperson, Great Basin Federal Credit Union Board of Directors


Patty Downs
Chairperson


Gino Del Carlo
CEO/President