

INCOME STATEMENT

December 2010

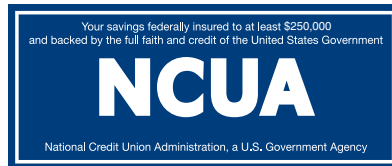
Income from Loans	3,083,893
Income from Investments	223,189
Other Income	1,031,067
Total Operating Income	4,338,149
Salaries/Benefits	1,331,907
Travel & Conference	17,400
Association Dues	20,738
Office Occupancy	80,133
Office Operations	490,341
Education/Promotion	61,371
Loan Servicing	99,016
Professional & Outside	510,353
Loan Loss Provision	1,269,233
Operating Fees	15,234
Other Expenses	167,424
Total Operating Expenses	4,063,150
Income before Dividends	274,999
Less Dividends	440,928
Less Other Non-Operating Exp.	0
Net Income/Reserves	(165,929)

BOARD OF DIRECTORS

<i>Jim Marinis</i>	<i>Chairman</i>
<i>Jess Cisneros</i>	<i>Vice Chairman</i>
<i>Charlie Slaton</i>	<i>Treasurer</i>
<i>Del Bryant</i>	<i>Secretary</i>
<i>Linda Bardere</i>	<i>Director</i>
<i>Denise Perez</i>	<i>Director</i>
<i>Edith Krache</i>	<i>Director</i>
<i>Ethel McAfee</i>	<i>Director</i>

SUPERVISORY COMMITTEE

<i>Diane Pearce</i>	<i>Chairperson</i>
<i>Carlene Simmons</i>	<i>Committee Member</i>
<i>Marcia Mulvaney</i>	<i>Committee Member</i>



NCUA AND AMERICAN SHARE INSURANCE

Deposit savings accounts are insured up to \$500,000. Your savings is federally insured to at least \$250,000 and backed by the National Credit Union Administration, a US Government Agency. The Board of Directors has chosen to provide an additional \$250,000 of savings protection to each qualifying account through American Share Insurance, a private deposit guaranty corporation.

We are an Equal Opportunity Lender and an Equal Housing Lender. We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.

San Bernardino School Employees Federal Credit Union
2441 North Sierra Way • San Bernardino, CA 92405
(909) 882-2911 • www.sbsefcu.org

2010 ANNUAL REPORT



*Serving the financial
needs of our Members
for 58 years*

BALANCE SHEET

MISSION STATEMENT: *To provide individualized financial services to the members of the San Bernardino School Employees Federal Credit Union. To encourage thrift by providing a source of credit and a safe and convenient place to accumulate savings. The Credit Union is dedicated to servicing the membership's best interest in a friendly and caring manner while preserving the membership's trust.*

Assets December 2010

Net Total Loans	41,847,281
Cash/Investments	16,104,835
Fixed Assets	758,895
Other Assets	2,631,724
Total Assets	61,342,735

Liability

Accounts Payable	294,548
Other Liabilities	196,323
Total Liabilities	490,871

Liability Shares / Equity

Regular Shares	15,038,301
Club Accounts	53,086
Share Drafts	8,536,617
Term Shares	14,357,541
IRA	5,609,687
Money Market	9,157,775
Total Savings	52,753,007
Regular Reserve	819,751
Undivided Earnings	7,278,013
Unreal G/L AFS Invest	1,093
Total Liabilities Share and Equity	61,342,735

Annual Overview of SBSEFCU

Since 1952, San Bernardino School Employees Federal Credit Union (SBSEFCU) has been providing beneficial financial services to school employees and their family members. With each passing year, the Credit Union has grown stronger financially, continues to enhance member convenience, and adds new services.

The Board of Directors and staff recognize that convenience to our member-owners is essential when choosing a financial institution. We also recognize that the Credit Union's firm commitment to continued safety and soundness provides our member-owners with an economic value and financial security in an uncertain economic landscape. Some of the contributing factors in the Credit Union's financial soundness are that SBSEFCU has no sub-prime loans, never invested in mortgage-backed securities, and is well reserved against potential adversities. The credit union's reserves are measured by the capital ratio of 13.3%, far exceeding the regulatory requirement of 7%.

Stability and growth, along with convenience and a positive service experience, are the benchmarks which help to assure your continued support. Member satisfaction levels have remained strong in 2010 according to the Member Excellence survey program.

It's important to note that your credit union's success is not by accident. It is a direct reflection of our member's participation and the credit union's commitment to offer products and services that meet member's needs. During 2010, the Credit Union ran many successful promotions ranging from our various auto refinance programs and holiday loan to our wildly successful Quick Cash Loan program. In addition, SBSEFCU continued to raise the bar in Member Service by expanding our call center hours to be more accessible and convenient for our membership. This is not a surprise. According to the Prime Performance 2010 Bank & Credit Union Satisfaction Survey released December 8, 2010, credit union and small bank customers indicated a higher customer satisfaction rating than those with mega banks. While it's fine to be included with small banks, let's not forget a very real and fundamental difference between banks and credit unions: regardless of size, credit unions are not-for-profit and operate under a cooperative structure.

During the last year SBSEFCU continued to find value in giving back to the community through giving and participating in various charities and community programs. SBSEFCU demonstrated community cooperative spirit through partnerships with Arrowhead United Way, Juvenile Diabetes Research Foundation (JDRF), and Children's Miracle Network. Arrowhead United Way is a volunteer organization which has supported health and human care services for over 115 years in the Inland Empire. Our partnership with the Arrowhead United Way allowed staff to show our community cooperative spirit by presenting at community financial literacy programs and supporting their food, clothing, and toy drives. As in the past, the staff and members of SBSEFCU also partnered with the Juvenile Diabetes Research Foundation to assist with fund raising efforts to help find a cure for Juvenile Diabetes through the Annual Walk and "sneaker" sales at our branch. We hope to continue to partner with these charitable organizations to help improve the quality of life in our community in year the years to come.

Moving into 2011, SBSEFCU will continue to strive to offer products and services that benefit our members. Remember – your credit union offers some of the most competitive interest rates when compared to other financial institutions. We have home loans, including FHA home loans, credit cards, car loans and we do refinancing on existing loans, too. I encourage you to check with us before you make any financial decisions. Also if you're not already familiar with our Quick Cash Loan program, check it out. This program was developed specifically to help our members through unexpected financial difficulties. Members can get up to \$500 the same day with no credit check. Finally, I would encourage you to share with your family and eligible co-worker's the benefits of membership with SBSEFCU.

I want to thank our Staff, Board of Directors, and Committee Members for the dedicated work this past year. Our goal is to provide you with individualized services and a safe place for you to save your hard-earned money, and to be your financial institution of choice. We want you to know that with SBSEFCU you have a "Future You Can Count On".

Debbie Barrera
Chief Executive Officer