

INCOME STATEMENT

December 2011

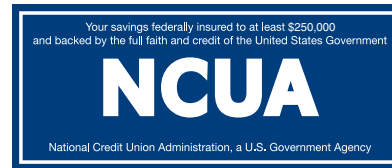
Income from Loans	2,807,818
Income from Investments	251,199
Other Income	1,376,577
Total Operating Income	4,435,594
Salaries/Benefits	1,231,054
Travel & Conference	20,256
Association Dues	19,623
Office Occupancy	77,465
Office Operations	466,422
Education/Promotion	55,615
Loan Servicing	91,710
Professional & Outside	504,762
Loan Loss Provision	898,914
Operating Fees	166,118
Other Expenses	51,384
Total Operating Expenses	3,583,323
Income before Dividends	852,271
Less Dividends	287,771
Other Non-Operating Inc (Exp.)	16,269
Net Income/Reserves	580,769

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>Brad McDuffee</i>	<i>Director</i>
<i>Ethel McAfee</i>	<i>Director</i>
<i>Melissa Anderson</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

2011 ANNUAL REPORT



*Serving the financial
needs of our Members
for 59 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 2011

Net Loans	347,732,682
Cash/Investments	22,337,952
Fixed Assets	762,057
Other Assets	2,635,488
Total Assets	60,468,179

Liability

Accounts Payable	262,120
Other Liabilities	172,053
Total Liabilities	434,173

Liability Shares / Equity

Regular Shares	15,311,396
Club Accounts	48,675
Share Drafts	9,003,923
Term Shares	13,011,235
IRA	5,275,923
Money Market	8,820,391
Total Savings	51,471,543
Regular Reserve	819,751
Undivided Earnings	7,741,247
Unreal Gn/Loss AFS Invest	1,465

**Total Liabilities Share
and Equity** **60,468,179**

Reflecting Back on 2011

As we reflect upon 2011 and we look ahead to 2012, we are proud to report that San Bernardino School Employees Federal Credit Union (SBSEFCU) has performed favorably given the many economical challenges financial institutions are facing today.

We are grateful for your loyalty and participation in utilizing the credit union's products and services. As a result of your support, the credit union's assets have grown to over \$60 million and continue to grow capital to over 14%, which is double what the regulatory agencies defined as "well capitalized". Growing the credit union's capital is a result of achieving sufficient earnings that contribute to supporting growth and protection against insolvency. This past year the credit union has implemented the Loan Service Center a call center to assist our members struggling with loss of income and experiencing financial difficulties.

It is important to understand that while the credit union is doing well, we are not losing sight of the challenges that lie ahead. SBSEFCU has always taken great pride in staying true to operating as a traditional credit union. We continue to rely on your participation in savings and borrowing as a means of generating the revenue necessary to continue to deliver the valuable products and services you've come to expect. As a result of current economic uncertainty and decreased consumer confidence, we recognize that you have many choices to fulfill

your borrowing needs. It is our hope in 2012, as you look for a financial institution to provide you with a loan or a safe place to keep your assets, that you consider your credit union first. Keep in mind your shares are insured up to \$500,000. Your accounts are federally insured up to \$250,000 and an additional \$250,000 through American Share Insurance.

Since our inception in 1952, our primary goal has been to serve the financial needs of our members. As 2012 unfolds, we will continue our commitment with renewed inspiration for our members that we serve – those who make a difference every day in the lives of our community.

A future you can count on... Is our continued promise to you our member-owners. The Board of Directors and management would like to thank you for your membership and support as we turn another successful year at SBSEFCU.

We are grateful for the privilege and opportunity to serve you, our member-owners and your families. I would like to thank our outstanding staff, Board of Directors, and Supervisory Committee members for their tremendous efforts.

Richard Holloway
Chief Executive Officer