

grow.

2015 ANNUAL REPORT





2015 Annual Meeting Agenda

Call to Order
Ascertain quorum
Reading and approval of minutes
Report from Chairman of the Board
Report from President/CEO
Annual Audit report
Unfinished Business
New Business
Election of Board of Directors



Report of the Board of Directors and Management Year ending December 31, 2015


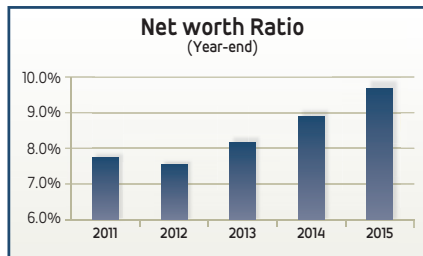


Dear Members,

We are pleased to present the 2015 Annual Report, which reflects another successful year for your credit union.

Our overall financial strength is measured in large part by the capital-to-assets ratio, referred to as the net worth ratio. During the year, First Basin's net worth ratio improved from 8.8% to 9.6% of assets, demonstrating your Board of Directors' commitment to consistently improve the safety and soundness of the institution.

The chart below illustrates the positive growth over the past five years.



First Basin's regulatory authority has determined that a ratio in excess of 7.0% represents a "well-capitalized" position, thus the current net worth position is considered healthy. In addition, an annual audit performed by Doeren Mayhew and an examination conducted by the Texas Credit Union Department both resulted in a determination that the credit union is in compliance with applicable laws, rules, and regulations, and that the policies, procedures, and internal control environment at First Basin ensures that the credit union is operating in a safe and reliable manner.

In addition to an improved net worth ratio, loan receivables at First Basin increased \$8.1 million to \$120.2 million at year-end. As in 2014, deposit growth was limited to improve the net worth ratio. As a result, total deposits in 2015 increased \$1.0 million to close at \$183.1 million.



Coupled with our financial accomplishments in 2015, First Basin introduced new products and services that have been well received – proprietary credit cards along with a new online banking system and mobile App. The First Basin Premier and Classic credit cards are considered “Best of Breed”, with market-competitive interest rates and reward programs. Our new online banking system and App enables our members to bank with us anytime, anywhere. The online banking platform offers many features and superior functionality, essentially putting a branch office that never closes at your fingertips.



In 2015 First Basin continued our commitment to the communities we serve. Whether through monetary support or volunteer work, First Basin participated with more than 70 community organizations or charitable events, including the American Cancer Society, Junior Achievement, Children's Miracle Network, Keep Andrews/Odessa/Midland Beautiful, Education Foundation, Leadership Odessa/Midland, Meals on Wheels, Midland Children's Rehabilitation Center, Permian Basin Rehabilitation Center, Permian Basin Fair, and United Way.



We are especially proud of our work with Junior Achievement. The cause for the lack of financial literacy among young adults can be traced to a lack of financial education. To minimize this issue, First Basin made a substantial commitment of staff volunteers and taught a Personal Finance course to more than 100 Midland Lee High School students. Expansion of the Junior Achievement program will include courses being facilitated by First Basin Credit Union at all Midland and Odessa high schools in 2016.

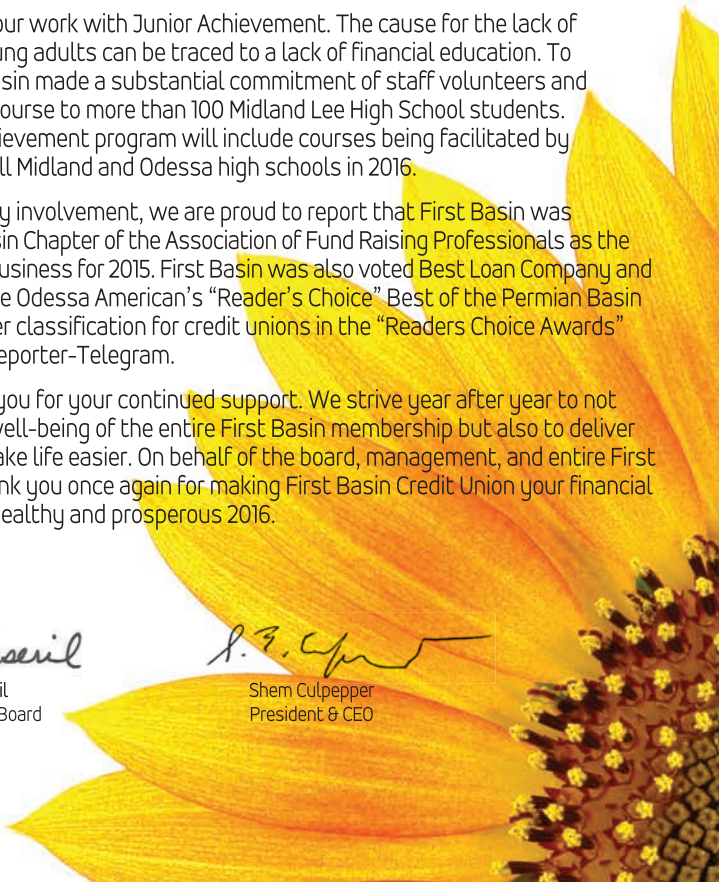
As a result of our community involvement, we are proud to report that First Basin was selected by the Permian Basin Chapter of the Association of Fund Raising Professionals as the Outstanding Philanthropic Business for 2015. First Basin was also voted Best Loan Company and Best Customer Service in the Odessa American's "Reader's Choice" Best of the Permian Basin awards, and received a Silver classification for credit unions in the "Readers Choice Awards" presented by the Midland Reporter-Telegram.

As always, we must thank you for your continued support. We strive year after year to not only improve the financial well-being of the entire First Basin membership but also to deliver products and services to make life easier. On behalf of the board, management, and entire First Basin staff, we want to thank you once again for making First Basin Credit Union your financial institution. We wish you a healthy and prosperous 2016.

Sincerely,

Julian Beseril
Chairman of the Board

Shem Culpepper
President & CEO



Report to Membership

First Basin Credit Union appreciates the commitment and dedication of the Board of Directors and presents them along with the expiration dates of their terms.

Julian Baseril	2/2016
Shem Culpepper	2/2018
Sam Gonzalez	2/2017
Rebecca Marler	2/2016
Jerome Reed	2/2018
Gary Windham	2/2017

In 2015 Director's meeting fees were \$300.00 per meeting and will be increased to \$400.00 in 2016. Since the last annual report, there have been no changes to the senior management staff of the credit union.

As we begin our 51st year of service, we renew our dedication to deliver excellent member service, products and services that accommodate your needs, competitive loan and dividend rates, and convenient branch and ATM locations.



Experience. Super. Power.

“Sunflowers are a symbol of adoration and we adore our members. Our strength comes from the more than 24,000 loyal members believing in First Basin over the past 50 years. We are determined to continue empowering our members to grow!”



INCOME AND EXPENSE YEAR-TO-DATE

	12/31/15	12/31/14
INTEREST INCOME		
INCOME, LOANS	7,015,516	5,860,765
INCOME, INVESTMENTS	238,226	546,963
TOTAL INTEREST INCOME	7,253,742	6,407,728
INTEREST EXPENSE		
TOTAL INTEREST, DEPOSITS	670,177	635,128
TOTAL INTEREST, BORROWINGS	40	70,983
TOTAL INTEREST EXPENSE	670,217	706,111
NET INTEREST INCOME	6,583,525	5,701,617
LOAN & LEASE LOSS EXPENSE	438,084	253,458
TOTAL LOSS PROVISION	438,084	253,458
NET AFTER LOSS PROVISION	6,145,441	5,448,158
NON-INTEREST INCOME		
SERVICE FEES	3,995,661	3,785,266
TOTAL OTHER INCOME	3,995,661	3,785,266
NON-INTEREST OPERATING EXPENSES		
TOTAL OPERATING EXPENSE	8,165,834	7,444,630
INCOME BEFORE EXTRAORDINARY ITEMS	1,975,268	1,788,794
EXTRAORDINARY ITEMS		
NCUSIF STABILIZATION ASSESSMENT	0	0
OTHER NON-OPERATING ITEMS	(2,566)	(226,759)
NET INCOME	1,977,834	2,015,554

STATEMENT OF CONDITION

ASSETS		
TOTAL LOANS TO MEMBERS	120,204,856	112,035,333
TOTAL ALLOWANCE FOR LOAN LOSSES	(972,396)	(1,066,251)
TOTAL LOANS PARTICIPATIONS	20,235,465	30,800,011
TOTAL RECEIVABLES	1,181,057	771,475
TOTAL CASH	6,847,732	6,059,055
TOTAL INVESTMENTS	49,945,552	45,956,363
TOTAL PREPAID AND DEFERRED EXPENSES	2,085,363	1,939,745
TOTAL FIXED ASSETS	5,916,621	5,759,791
TOTAL ACCRUED INCOME	524,489	551,602
TOTAL OTHER ASSETS	181,246	108,464
TOTAL ASSETS	206,149,986	202,915,588
LIABILITIES		
TOTAL ACCOUNTS PAYABLE	394,053	488,593
TOTAL NOTES PAYABLE	330,625	-
TOTAL CONTINGENTS PAYABLE	431,733	450,083
TOTAL OTHER LIABILITIES	2,142,400	2,068,341
TOTAL LIABILITIES	3,298,811	3,007,017
DEPOSITS		
TOTAL DEPOSITS	183,116,508	182,092,695
EQUITY		
TOTAL MEMBER CAPITAL	19,734,667	17,602,931
TOTAL LIABILITIES, DEPOSITS & EQUITY	206,149,986	202,702,643



MISSION STATEMENT

First Basin Credit Union will do whatever it takes to exceed members' expectations by providing professional financial solutions that place members' needs first.

Board of Directors

Julian Berseril – *Chairman*

Sam Gonzalez – *Vice Chairman*

Gary Windham – *Secretary/Treasurer*

Shem Culpepper

Rebecca Marler

Jerome Reed

Executive Management

Shem Culpepper – *President/CEO*

Cody Kidd – *Senior Vice President, Lending*

Tim O'Reilly – *Senior Vice President, Marketing*

Senior Management

Ana Gonzalez – *Vice President, Accounting*

Brad Stillwell – *Vice President, IT*

Julia Tarin – *Vice President, Branch Operations*