SAN FRANCISCO FEDERAL CREDIT UNION

ANNUAL REPORT

2023

SAN FRANCISCO
FEDERAL CREDIT UNION

FROM OUR BOARD AND CEO

On behalf of our esteemed Board of Directors and the team members at San Francisco Federal Credit Union, we are thrilled to present our Annual Report for 2023.

Throughout the year, our unwavering commitment to serving our members remained steadfast, driving our focus on enhancing member benefits and ensuring the continued financial success and stability of our organization. We are proud to report that the credit union thrived, reaffirming our position as a trusted financial partner within our community.

In 2023, the credit union continued to expand its reach, welcoming new members into our family. Through strategic initiatives aimed at member acquisition and retention, we were able to grow our net worth ratio from 8.91% in 2022 to 9.67%, reaching new milestones and further solidifying our trusted presence with our membership and the communities we serve. We are pleased to announce that our membership now stands at 45,903, a testament to the trust and confidence you have placed in us.

Furthermore, our commitment to elevating customer service remained paramount. We understand the importance of providing exceptional service to our members, and we continuously strive to exceed your expectations. By investing in our team and fostering a culture of excellence, we ensure that in every interaction the credit union strives to be nothing short of exceptional. We continued to invest in technology and innovation. By enhancing our digital capabilities and implementing robust fraud protection measures, we ensure the security and convenience of our members' financial transactions.

One aspect of our organization that we take immense pride in is the diversity of our leadership and team members. At San Francisco Federal Credit Union, we believe that our leaders and colleagues should reflect the world we see around us every day. We are proud to have a Board of Directors and Supervisory Committee that are incredibly diverse, not just in terms of ethnic and cultural background, but also in the expertise each individual brings to guiding the credit union. This diversity of thought and experience enriches our decision-making processes, ensuring that we are better equipped to meet the diverse needs of our members and community.

Looking ahead, we are excited about the opportunities that lie ahead for the credit union. Your trust and loyalty inspire us to push the boundaries of excellence, and we are honored to be your financial partner of choice.

In closing, we extend our heartfelt gratitude to each and every one of you for your continued support. Together, we will navigate the road ahead with confidence, knowing that San Francisco Federal Credit Union is here to support you every step of the way.

Luenna Kim
Board Chair

Ray Shams
Interim CEO

Statements of Financial Condition

(unaudited)

	December 31, 2023	December 31, 2022
ASSETS		
Cash and Cash Equivalents	3,625,494	3,121,508
Corp Credit Union and Federal Reserve Deposits	85,102,614	32,710,219
Total Cash, Cash Equivalents and Other Deposits	**88,728,108**	**35,831,727**
Investment Securities	882,007,003	648,777,905
Other Investments	22,828,523	28,422,416
Total Investments	**904,835,526**	**677,200,321**
Loans to Members	446,766,486	492,415,902
Less: Allowance for Credit Losses	(24,822,180)	(26,729,629)
Net Loans	**421,944,306**	**465,686,273**
Land and Building	2,935,380	2,943,908
Furniture and Equipment	612,887	1,014,161
Total Fixed Assets	**3,548,267**	**3,958,069**
NCUSIF Deposit	10,074,691	10,945,756
Accrued Income Receivable	4,165,386	3,725,249
Prepaid Expense and Other Assets	52,581,939	57,275,904
TOTAL ASSETS	**$ 1,485,878,223**	**$ 1,254,623,299**
LIABILITIES AND EQUITY		
Regular Shares	316,528,186	363,513,596
Share Checking	218,882,875	230,393,187
Money Market Shares	264,751,711	311,183,197
Share Certificates	148,753,614	164,561,582
I.R.A. Shares	37,874,001	41,148,310
Nonmember Shares	71,603,000	31,526,000
Total Shares	**1,058,393,387**	**1,142,325,872**
Other Liabilities/Dividends Payable	9,767,725	6,462,378
Notes Payable	300,000,000	20,000,000
Total Other Liabilities	**309,767,725**	**26,462,378**
TOTAL LIABILITIES	**1,368,161,112**	**1,168,788,250**
Economic Reserves	40,000,000	40,000,000
Undivided Earnings	98,678,231	39,476,066
Accumulated Unrealized Gains (Losses)	(20,961,120)	6,358,983
TOTAL MEMBER'S EQUITY	**117,717,111**	**85,835,049**
TOTAL LIABILITIES AND MEMBER'S EQUITY	**$ 1,485,878,223**	**$ 1,254,623,299**

Statements of Income

(unaudited)

	Year Ended 2023	Year Ended 2022
Interest on Loans	22,301,760	19,711,203
Income from Investments	36,292,842	15,461,802
Total Interest Income	**58,594,602**	**35,173,005**
Dividends on Shares	5,459,050	2,417,898
Interest on Borrowings	7,225,783	439,699
Total Interest Expense	**12,684,833**	**2,857,597**
Net Interest Income	**45,909,769**	**32,315,408**
Provision for Credit Losses/Loan Losses	(1,484,088)	721,374
Net Interest Income after Provision for Credit Losses	**44,425,681**	**33,036,782**
Fee Income	1,876,172	1,891,400
Other Operating Income	5,032,052	2,931,509
Non Operating Income	0	1,252,203
Total Non Interest Income	**6,908,224**	**6,075,112**
Employee Compensation and Benefits	10,642,141	10,131,744
Training and Conference	85,131	38,574
Office Occupancy	1,652,973	1,881,468
Office Operations	8,037,785	8,333,093
Educational and Promotional	335,176	447,570
Loan Servicing	1,199,180	1,004,080
Professional and Outside Services	2,776,343	2,223,707
Examination and Supervision Fees	218,381	218,858
Total Operating Expenses	**24,947,110**	**24,279,094**
Net Income (Loss) before Non Operating Gain (Loss)	**26,386,795**	**14,832,800**
Other Non Operating Gains (Loss)	0	0
Net Income	**26,386,795**	**14,832,800**

SAN FRANCISCO
FEDERAL CREDIT UNION

LEADERSHIP

Board of Directors

Luenna Kim
Board Chair

Benjamin Kurko
Board Vice Chair

David Heubner
Treasurer

William Lee
Secretary

Dr. Katrina Williams
Board Member

Michael Lopez
Board Member

Patrick Cox
Board Member

Richard Frattarelli
Board Member

William Smith
Board Member

Supervisory Committee

Chanda Ikeda
Committee Chair

Andrea Caporale
Committee Member

Andrew Murrell
Committee Member

Linda Mason
Committee Member

Theresa Rutherford
Committee Member

Senior Leadership Team

Ray Shams
Interim CEO

Kirsten Madsen
Chief Operating Officer

Peter Minford
Chief Financial Officer

Janaki Rao
Chief Technology Officer

OUR MISSION

To make financial lives easier for our members and their families by offering professional and authentic advice that makes members feel comfortable and supported.

Supervisory Committee

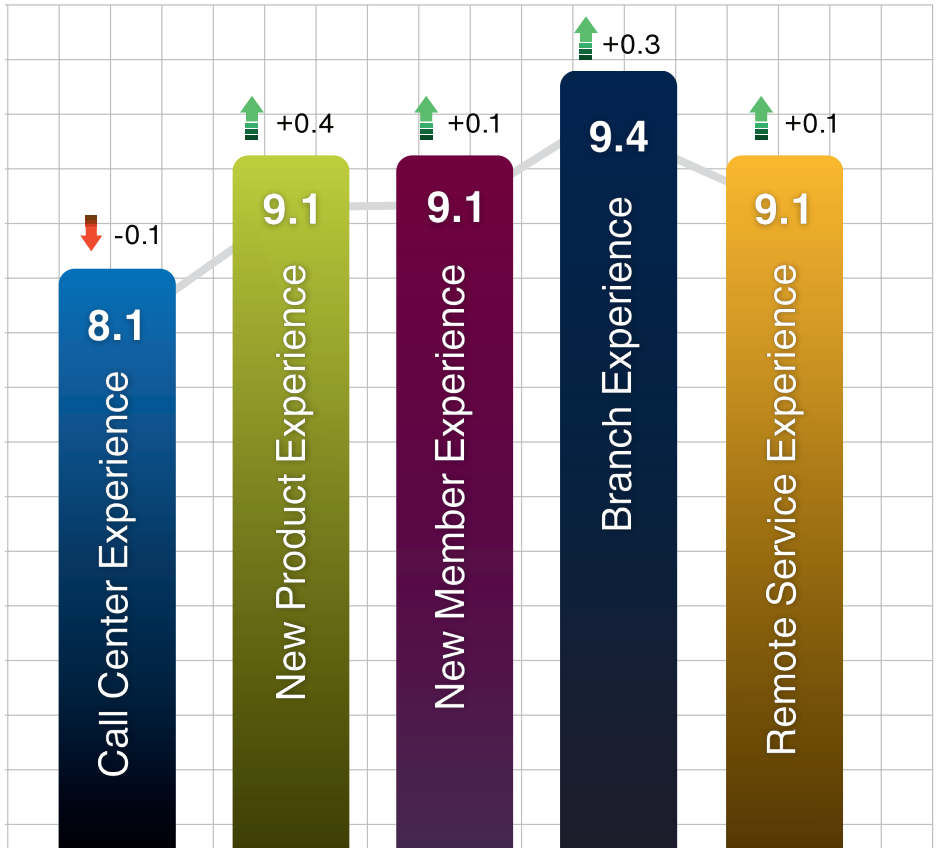
The Supervisory Committee is responsible for ensuring the financial condition of the credit union is accurately and fairly presented in all our financial statements. The committee also ensures that management practices and procedures are sufficient to safeguard members' assets. To accomplish these responsibilities, the committee retained CliftonLarsonAllen LLP, Certified Public Accountants, to perform an audit of our financial statements for the fiscal year ending September 30, 2023, and met regularly with management during the year to review current operations. We are pleased to report the credit union is in a good financial position and doing well.

LISTENING TO MEMBERS

At San Francisco Federal Credit Union, we prioritize the importance of member feedback in shaping our services. By actively listening to feedback and analyzing member ratings, we gain valuable insights into areas where we excel and areas that require improvement.

This feedback loop allows us to refine and elevate our products and services to better meet the needs and expectations of our valued members. Thank you for your continued support as we work together to shape the future of our credit union.

Below are the 2023 scores from our members, rated on a scale from one to ten, compared to 2022.



What members are saying

San Francisco Federal Credit Union completely satisfies all my current banking needs. I was treated with **courtesy** and **respect** by an institution that has demonstrated a commitment to providing the people of San Francisco with **first rate financial services** while striving to improve the quality of life for all the residents of this magnificent city!

- Stanford C.

All of the employees recognize and welcome their patrons with respect and they do a very great job at what they do. They welcome you in and really take the time out of their day to ask how the patron is doing regardless of whatever they're made like going through.

- Isabel A.

All the representatives have always been very knowledgeable, prompt and extremely friendly in all their services thru the years I have been doing my banking there! I have been a member for 40 years!

- Erlinda S.

SFFCU Is the best financial institution I've ever banked with.

- German G.

INVESTING IN THE COMMUNITY

As we review our ongoing commitment to supporting local communities, we are pleased to spotlight two initiatives aimed at nurturing the next generation.

Education is an invaluable asset, yet its ever rising costs pose significant challenges. At San Francisco Federal Credit Union, we recognize the importance of investing in the future, starting with education. Which is why we created our Youth Scholarship Program, established in 2000. Over the years, we've dedicated nearly $200,000 to assist high school seniors in San Francisco and San Mateo counties in pursuing their college or vocational school aspirations.

But it doesn't stop there. We're also committed to providing hands-on experience through our partnership with the Mayor's Youth Employment Education Program. Through internships, young adults get to roll up their sleeves and dive into the world of finance right here at the credit union. From learning the ins and outs of our operations to gaining valuable experience in our branch locations, these internships are shaping the leaders of tomorrow.

At San Francisco Federal Credit Union, we are not merely a financial institution; we are community builders. We are committed to investing our time and resources in the youth who will shape our future. By empowering them today, we are sowing the seeds for a brighter tomorrow for all.

BRANCHES

Golden Gate
770 Golden Gate Ave.
San Francisco, CA 94102

Burlingame
1811 El Camino Real
Burlingame, CA 94010

Excelsior
4800 Mission St.
San Francisco, CA 94112

Lakeside
2645 Ocean Ave., Ste. 1.
San Francisco, CA 94132

Redwood City
510 Veterans Blvd.
Redwood City, CA 94063

Richmond
4375 Geary Blvd.
San Francisco, CA 94118

Van Ness
851 Van Ness Ave.
San Francisco, CA 94109

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