

BOARD OF DIRECTORS

Theodore Wong, *Chair*
Carol Sam, *Vice Chair*
Catherine Breen, *Secretary*
Harry J. Quinn, *Treasurer*
Bernard Crotty, *Director*
Henry Low, *Director*
John L. Martin, *Director*
Grant Mickins, *Director*
Felton J. Williams, CCD, CUDE, *Director*

SUPERVISORY COMMITTEE

William Smith, *Chair*
Patrick Cox
Lawrence F. Doyle
Robert C. Evans
Susan Maher

ADMINISTRATION

Steven Stapp
President & Chief Executive Officer
Stephen B. Ho
Executive Vice President & Chief Operating Officer
Jude A. Gogan, *Vice President, Financial Services*
Michael Lam, *Vice President, Information Systems*
Richard E. Herbert, *Controller*
Warren Alderson, *Service Center Manager*
Bernadette Bardine, *Branch Manager – Geary*
Bert Lee, *Financial Services Manager – Golden Gate*
Elaine Lee, *Marketing Manager*
Liz Malone, *Member Services Manager*
Richard Moscardini, *Branch Manager – Lakeside*
Linda Seals, *Collections Manager*
Peter Tam, *Training/Support Manager*
Gregory Toler, *Human Resources Manager*
Louisa Tong, *Electronic Processing Center Manager*
Kenny Yip, *Real Estate Loan Manager*



annual report

2008



Report OF THE DIRECTOR

2008 will be remembered as a year marked with turmoil in the financial world. The year included a series of unfortunate events, from homeowners being forced out, to Americans seeing their 401(k)s shrink, to millions of Americans losing their jobs. Our heart goes out to everyone affected during these troubled times, and we will help anyway we can.

Despite the current economic situation, San Francisco Federal Credit Union remains safe, secure, and strong. For more than a decade, San Francisco Federal Credit Union has received the “5 Star Superior” rating from the Bauer Financial Group, which is the highest rating possible in the financial industry. The consistency with which we receive this honor indicates the level of safety and stability we have achieved at our credit union. In addition, we continue to maintain strong reserves in both capital and the allowance for loan loss that insulate the Credit Union from downward economic cycles.

In 2008, San Francisco Federal Credit Union’s membership held steady with 30,000 members, while assets grew by \$41 million, to a total of \$653 million. Members continued to invest their funds in our annual spring and fall certificate programs and used our popular services such as Balance, Personal Auto Shopper, and Enterprise Car Sales.

During the first quarter of 2008, we introduced a new service: email marketing — in our ongoing efforts to “go green.” Members can now receive marketing promotions by email. Our e-Statement enrollment remained strong. The number of members who signed up to receive statements electronically increased by 66% over 2007.

Our commitment to support the community remained true in 2008. Throughout 2008, we supported national and local organizations such as the American Cancer Society’s Making Strides For Breast Cancer Walk, AIDS Walk SF, Larkin Street Youth Services, and the Women’s Community Clinic, just to name a few.

Under the new leadership of Steven Stapp, who was named President and Chief Executive Officer of San Francisco Federal Credit Union in August, we will continue to offer our members “*Smart banking. Real value.*” and will strive to improve and expand our services.

On behalf of the Board of Directors, Management Team, and Staff at San Francisco Federal Credit Union, we would like to thank our members for their support and patronage.

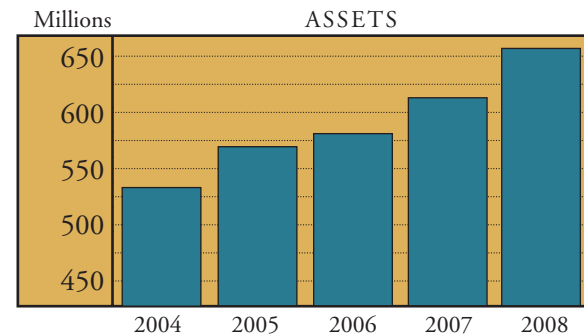
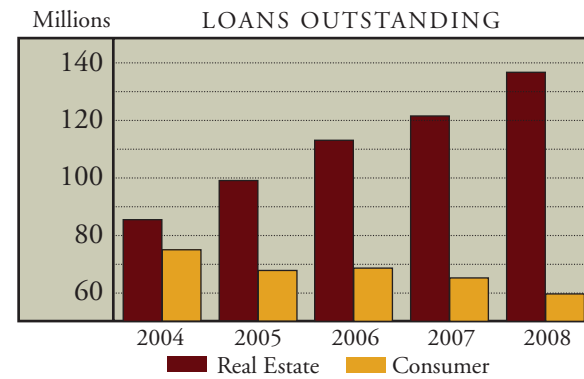
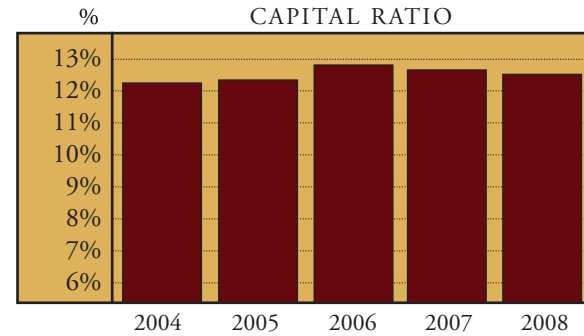
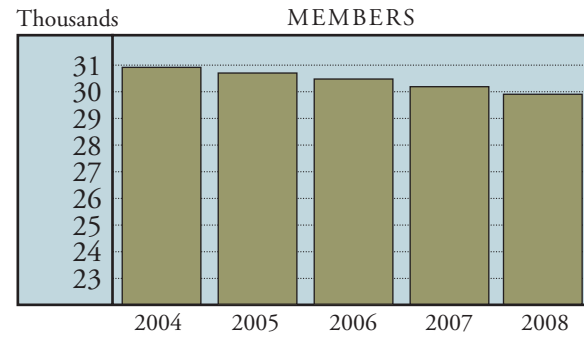
Theodore Wong
Chair, Board of Directors
Harry J. Quinn
Treasurer, Board of Directors
Steven Stapp
President and Chief Executive Officer

Report OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is responsible for ensuring that the financial condition of the Credit Union is accurately and fairly presented in all of the Credit Union's statements. The committee also ensures that management practices and procedures are sufficient to safeguard members' assets. To accomplish these responsibilities, the committee retained McGladrey & Pullen, LLP, Certified Public Accountants, to perform an audit of our financial statements for the year ending September 30, 2008. We are pleased to report that they rendered an unqualified opinion on our financial statements. In layman's terms, we received a clean bill of health. The Supervisory Committee met regularly with management during the year to review current operational procedures. One of the committee's major areas of concern is member satisfaction. If you have any questions about your statements or accounts at the Credit Union, please call our Service Center at (415) 775-5377, option 4. If your question is not resolved to your satisfaction, you may send a letter to the attention of the Supervisory Committee:

San Francisco Federal Credit Union
P.O. Box 426679
San Francisco, CA 94142.

William Smith
Chair, Supervisory Committee



Statements OF FINANCIAL CONDITION

ASSETS	December 2008	December 2007
Loans to members	197,018,953	187,084,690
Loan loss allowance	(2,387,661)	(2,032,953)
Net loans outstanding	194,631,292	185,051,737
Cash on hand and bank	1,509,239	1,064,832
GNMA & Other investments	2,205,449	7,013,899
UST/Agency Notes	62,922,310	66,954,248
Wescorp FCU deposits	380,669,883	342,018,591
Land & building	1,088,062	1,111,795
Furniture & equipment	242,621	333,102
NCUSIF deposit	4,649,245	4,376,224
Accrued income receivable	2,733,742	2,835,787
Prepaid exp/other assets	2,753,769	1,427,502
TOTAL ASSETS	653,405,612	612,187,717

LIABILITIES AND EQUITY

Other Liabilities	3,326,164	4,358,361
Regular shares	53,957,537	53,165,918
Share checking	39,828,489	39,787,577
Money market shares	243,400,267	200,972,496
Term account shares	200,011,359	208,822,592
I.R.A. shares	31,852,831	27,563,812
Total	569,050,483	530,312,395
Economic reserve	40,000,000	40,000,000
Retained earnings	34,669,982	31,157,978
Regular reserve	6,358,983	6,358,983
Total	81,028,965	77,516,961
TOTAL LIABILITIES AND MEMBER EQUITY	653,405,612	612,187,717

Statements OF INCOME

	Year 2008	Year 2007
Interest on loans	12,803,864	12,908,968
Income from investments	18,906,155	18,626,378
Fee Income	2,704,292	2,656,335
Other operating income	389,115	241,779
Total gross income	34,803,426	34,433,460
Dividend on shares	16,732,577	19,258,056
Interest Expense	166,576	0
Total cost of funds	16,899,153	19,258,056
Provision for loan losses	1,757,355	778,795
Income after cost of funds & provision for loan losses	16,146,918	14,396,609
Employee compensation & benefits	7,743,276	6,369,542
Training and conference	187,982	153,977
Office occupancy	468,727	419,477
Office operations	2,398,527	2,528,434
Educational and promotional	283,845	256,539
Loan servicing	291,648	292,590
Professional services	179,793	178,084
Member insurance	46,584	42,084
Examination, supervision fees	136,500	117,247
Total operating expenses	11,736,882	10,357,974
Net operating income	4,410,036	4,038,635
Rental Income	19,740	26,496
Rental expenses	0	0
Net rental income	19,740	26,496
NET INCOME	4,429,776	4,065,131