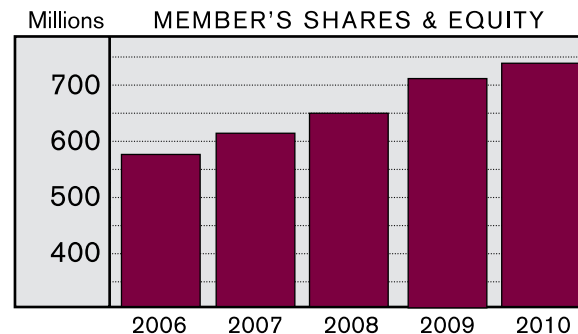
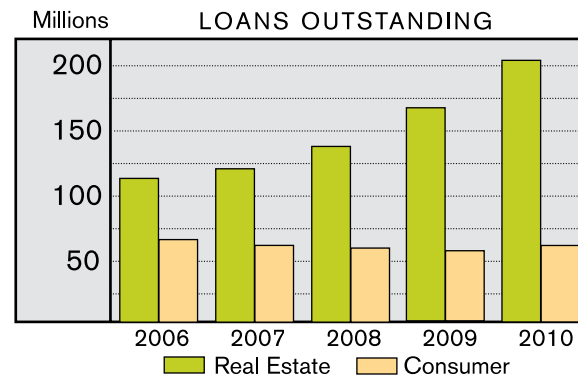
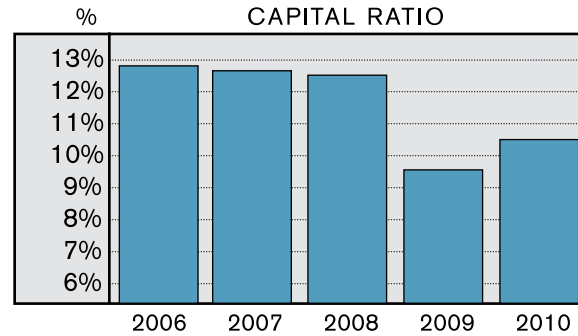
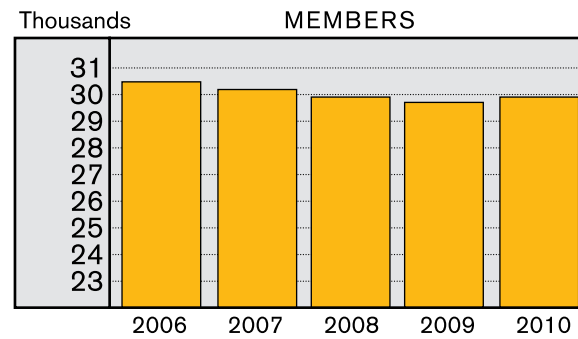


Report of the Supervisory Committee

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, 2010. 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.

Susan Maher
Chair, Supervisory Committee



Statements of Financial Condition

	December 2010	December 2009
ASSETS		
Loans to members	264,029,794	226,320,093
Loan loss allowance	(4,601,951)	(4,318,393)
Net loans outstanding	259,427,843	222,001,700
Cash on hand and bank	1,966,682	1,715,807
GNMA & Other investments	100,726	101,081
UST/Agency Notes	244,377,529	97,830,206
Wescorp FCU deposits	244,722,404	381,685,142
CU System Invest Program	0	100,000,000
Land & building	1,047,377	1,067,720
Furniture & equipment	174,680	199,417
NCUSIF deposit	6,198,933	5,705,052
Accrued income receivable	2,122,776	2,420,634
Prepaid exp/other assets	17,524,162	16,098,055
TOTAL ASSETS	777,663,112	828,824,814
LIABILITIES AND EQUITY		
Other Liabilities	5,801,309	4,972,650
CU SIP/Notes Payable	30,000,000	120,000,000
Total	35,801,309	124,972,650
Regular shares	62,931,009	59,958,536
Share checking	48,538,405	46,804,520
Money market shares	302,404,074	272,747,601
Term account shares	205,768,594	208,105,785
I.R.A. shares	40,194,219	37,807,981
Total	659,836,301	625,424,423
Economic reserve	40,000,000	40,000,000
Retained earnings	35,666,519	32,068,758
Regular reserve	6,358,983	6,358,983
Total	82,025,502	78,427,741
TOTAL LIABILITIES AND MEMBER EQUITY	777,663,112	828,824,814

Statements of Income

	Year 2010	Year 2009
Interest on loans	13,756,336	12,675,430
Income from investments	10,597,679	16,186,239
Fee Income	2,619,653	2,688,968
Other operating income	282,538	292,540
Non-operating income	618,748	149,564
Total gross income	27,874,954	31,992,741
Dividend on shares	6,456,989	10,152,846
Interest Expense	48,572	578,446
Total cost of funds	6,505,561	10,731,292
Provision for loan losses	2,048,420	3,878,407
Income after cost of funds & provision for loan losses	19,320,973	17,383,042
Employee compensation & benefits	9,307,953	7,636,316
Training and conference	231,144	204,872
Office occupancy	461,040	654,644
Office operations	2,769,925	2,807,761
Educational and promotional	324,130	289,853
Loan servicing	417,538	355,505
Professional & outside services	293,419	294,116
Member insurance	51,084	42,084
Examination, supervision fees	170,772	155,556
Total operating expenses	14,027,005	12,440,707
Net income before NCUSIF Stabilization Expense	5,293,968	4,942,335
NCUSIF Stabilization Expense	1,696,208	1,574,190
Corp CU/Non-operating Expense	0	6,897,839
NET INCOME (LOSSES)	3,597,760	(3,529,694)

BOARD OF DIRECTORS

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

BOARD EMERITUS

Henry Low

SUPERVISORY COMMITTEE

Susan Maher, *Chair*
Patrick Cox
Robert C. Evans
Mara Rosales
William Smith

ADMINISTRATION

Steven Stapp
President & Chief Executive Officer
Stephen B. Ho
Executive Vice President & Chief Operating Officer
Jude A. Gogan
Senior Vice President of Financial Services
Michael Lam, *Vice President of Information Systems*
Rebecca Reynolds Lytle, *Vice President of Lending*
Mark Michaels, *Vice President of Strategic Development*
Richard E. Herbert, *Controller*
Warren Alderson, *Service Center Manager*
Bernadette Bardine, *Branch Manager – Geary*
Courtney Derby, *Membership Development Manager*
Rose Halford, *Products and Services Manager*
Bert Lee, *Financial Services Manager – Golden Gate*
Elaine Lee, *Marketing Manager*
Liz Malone, *Member Services Manager*
Richard Moscardini, *Branch Manager – Lakeside*
Kymberli Roberts, *Centralized Lending Manager*
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 2010

Report of the Director

We are extremely proud to report another year of solid performance and growth for the Credit Union.

In 2010, San Francisco Federal Credit Union's members' shares and equity grew to more than \$741 million, an increase of \$38 million from the previous year. In addition, Real Estate Loans grew to \$203 million- up \$34 million from last year. Along with this growth, San Francisco FCU remained safe and strong for our members. For the sixteenth straight consecutive year, we have maintained a "five stars" rating awarded by BauerFinancial, Inc. "Five stars" rating is the highest rating possible for safety and stability.

Many services and products were introduced in 2010 to provide our members and the San Francisco community more reasons to bank at San Francisco FCU. New products and services introduced include: Youth Accounts and financial education workshops, Mobile Banking, Taxi Medalion Loans, Coin Deposit Machine and an ATM near SFO's Business Center. Not only did we offer new products and services, we also improved on existing services such as our Bill Pay program and Online New Member Account Opening. These improvements have helped us keep our competitive edge in the financial services industry.

During 2010, San Francisco FCU touched the lives of many through our CommunityShare program. This program was established in 2002, where volunteer hours and a percentage of our earnings are given back to the San Francisco community. We are proud to announce that in

2010, San Francisco FCU and staff contributed over \$63,000 and volunteered 726 hours at local organizations. This is our highest totals to date. We are all very proud to have the passion and dedication of our staff to truly make a difference in our community.

As concerns about the economy continue to linger for many, we remain committed to providing our members with a financially safe, stable, consistent and trustworthy institution to serve their financial needs. There is much to look forward to in 2011. In the 4th quarter of 2010, we introduced San Francisco Federal Credit Union's new logo and updated our corporate colors to provide a fresh look. We will be taking a fresh look at everything we do, to serve our members and the San Francisco community better.

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.

Carol Sam
Chair, Board of Directors

Grant Mickins
Treasurer, Board of Directors

Steven Stapp
President and Chief Executive Officer