

2022

ANNUAL REPORT



SAN FRANCISCO
FEDERAL CREDIT UNION

LETTER FROM THE BOARD OF DIRECTORS

On behalf of our Board of Directors and Credit Union staff, we are pleased to present the Annual Report for 2022. We are proud to report that the organization continues to operate in a financially sound manner.

San Francisco Federal Credit Union (SFFedCU) finished 2022 with over 47,750 members, \$1.25 billion in assets, and record profitability of over \$14.5 million. Our Net Worth Ratio recovered from the previous year's taxi medallion deflation from 7.37% to 8.91%. We continue to focus on improving our Net Worth Ratio in 2023 to ensure the Credit Union can weather any downturn in the economy.

Over the past year, the Credit Union accomplished many notable successes due to the hard work of our Credit Union Staff and Leadership, including:

- Starting the year with another merger, a merger with Redwood City's My Credit Union, which will add over 1,900 new members.
- Improving our technology and strengthening our fraud protections. This includes partnering with Visa and providing new debit cards with the ability for contactless debit transactions for our members.

- Earning a "Bestie" award, that is, being voted the best Bank/Credit Union by readers of the San Francisco Bay Area Reporter.
- Continuing to strengthen the Credit Union's financial position, to ensure a solid foundation for growth over the coming year and beyond.

We recognize 2022 continued to present challenges for our community and membership, and we are thankful for your trust and loyalty in our ability to meet your financial needs. We are honored to serve you every day and look forward to standing by you as your valued financial partner.



Todd Rydstrom
Board Chair



Jonathan P. Oliver
President & CEO



STATEMENTS OF FINANCIAL CONDITION
(UNAUDITED)

ASSETS	December 2022	December 2021
Loans to Members	492,415,902	512,987,308
Loan Loss Allowance	(26,729,629)	(28,418,408)
Net Loans Outstanding	465,686,273	484,568,900
Cash and Cash Equivalents	4,812,527	2,463,880
Other Investments	28,422,416	149,000
UST/Agency Notes	647,086,887	152,910,074
Corporate FCU Deposits	32,710,219	587,998,719
Land and Building	2,943,908	3,227,505
Furniture and Equipment	1,014,161	1,348,169
NCUSIF Deposit	10,945,756	10,731,710
Accrued Income Receivable	3,725,249	1,855,511
Prepaid Expense/Other Assets	57,275,903	53,907,379
TOTAL ASSETS	1,254,623,299	1,299,160,847
LIABILITIES AND EQUITY		
Other Liabilities/Dividends Payable	6,462,378	14,816,376
Notes Payable	20,000,000	0
Total	26,462,378	14,816,376
Regular Shares	363,513,596	360,467,564
Share Checking	230,393,187	217,245,060
Money Market Shares	311,183,197	324,646,882
Terms Account Shares	164,561,582	197,796,533
I.R.A. Shares	41,148,310	42,676,171
Shares of Nonmembers	31,526,000	46,540,000
Total Shares	1,142,325,872	1,189,372,210
Economic Reserve	40,000,000	40,000,000
Retained Earnings	39,476,066	48,613,278
Regular Reserve	6,358,983	6,358,983
Total	85,835,049	94,972,261
TOTAL LIABILITES AND MEMBER EQUITY	1,254,623,299	1,299,160,847

STATEMENTS OF INCOME
(UNAUDITED)

	2022	2021
Interest on Loans	19,711,203	21,598,698
Income from Investments	15,461,802	2,548,766
Total Interest Income	35,173,005	24,147,464
Dividends on Shares	2,417,898	3,599,524
Interest Expense	439,699	2
Total Interest Expense	2,857,597	3,599,526
Net Interest Income	32,315,408	20,547,938
Provision for Loan Losses	(721,374)	(2,283,853)
Net Interest Income After Provision for Loan Losses	33,036,782	22,831,791
Fee Income	1,891,400	1,726,440
Other Operating Income	2,931,509	2,779,212
Non-Operating Income	699,865	793,629
Total Non-Interest Income	5,522,774	5,299,281
Employee Compensation and Benefits	10,131,744	11,943,476
Training and Conference	38,574	61,565
Office Occupancy	1,881,468	2,117,219
Office Operations	8,330,140	6,993,562
Educational and Promotional	447,570	297,306
Loan Servicing	1,004,080	1,247,547
Professional and Outside Services	2,223,707	4,361,566
Examination and Supervision Fees	221,811	261,737
Total Operating Expenses	24,279,094	27,283,978
Net Income Before Non-Operating Gain/(Loss)	14,280,462	847,094
Other Non-Operating Gain/(Loss)	552,338	0
Net Income	14,832,800	847,094

LEADERSHIP

BOARD OF DIRECTORS



Todd Rydstrom
Board Chairman



Luenna Kim
Board Vice Chair



David Huebner
Board Treasurer



William Lee
Board Secretary



Patrick Cox
Board Member



Kevin Kone
Board Member



Benjamin Kurko
Board Member



Michael Lopez
Board Member



William Smith
Board Member

SENIOR LEADERSHIP TEAM



Jonathan P. Oliver
President and CEO



Ray Shams
Chief Lending Officer



Carrie Pedraza
Chief Information Officer

SUPERVISORY COMMITTEE



Richard Frattarelli
Committee Chairman



Katrina Williams
Committee Member



Chanda Ikeda
Committee Member



Theresa Rutherford
Committee Member

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 RSM US LLP, Certified Public Accountants, to perform an audit of our financial statements for the fiscal year ending September 30, 2022 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.



OUR MISSION

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

- ✦ SERVE MORE
- ✦ OWN MORE
- ✦ PARTNER MORE
- ✦ BE MORE

OUR CORE VALUES



2022: THE NUMBERS

LOANS

3,300 Loans Funded for a total amount of \$166,686,028

Member Survey Scores (scored from 1 - 10)

Call Center Experience 8.2

New Product Experience 8.7

New Member Experience 9.0

Remote Service Experience 9.0

Branch Experience 9.1

MEMBER FEEDBACK

“ San Francisco Federal is the sort of company you create a Yelp review account just to leave a review. That’s just how amazing these guys are.
I had an amazing experience... and will probably be looking into banking with them, as my bank (looking at you Bank of America) which I have years of relationship never gave me such an intimate and personal positive experience.”

— Bruno B.

“ We wanted to take the opportunity to thank each and every one of you for helping us with our home refinancing. Thank you for your assistance throughout the loan process and for going above and beyond in all that you do. You guys made everything easy. We are very grateful for your assistance, patience and expertise.”

— Alberto and Lauriana E.

“ SFFedCU helped me out last week with a personal loan and [the representative] noticed that my credit card APR was 5.6%, which in my opinion I thought it was pretty good, but she went far beyond the line and lower my CC interest rate to a 3.2% That is totally amazing. She also was able to increase my credit limit... Thank you.”

— Ramon M.



COMMUNITY INVOLVEMENT

While the Credit Union does many things to support local communities, we want to highlight two ways in which we focus on youth.

Attaining a higher education gets more expensive every year, whether going in-state or out. San Francisco Federal Credit Union (SFFedCU) values education, which is why we established the Youth Scholarship Program. This program provides financial assistance to students who plan to continue education in college or vocational school programs. Since the program began in 2000, we have awarded nearly \$200,000 to high school seniors who live, go to school, or worship in San Francisco and San Mateo counties.

In addition to sponsoring the scholarship, we also partner with the Mayor's Youth Employment Education Program (MEEP) to offer internships. In this work-based learning program, the youth interns learn about how the Credit Union operates and have the opportunity to work in branch locations.

SFFedCU takes pride in investing time and resources in our youth, the future of tomorrow.



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., Suite 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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