



2020

Annual Report



REPORT 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 2020. Despite the year being incredibly challenging, we are proud to report that the organization continues to operate in a financially sound manner. San Francisco Federal Credit Union finished 2020 with more than 49,000 members, \$668.6 million in loans, \$1.1 billion in member shares, and \$1.2 billion in assets.

In 2020, we welcomed 2,400 new members and funded \$26.0 million dollars in consumer loans. We dove deep to help our members, who were challenged with natural disasters, unemployment, and the pandemic. During these unprecedented times, we lowered rates on our consumer personal loans, debt consolidation loans and credit cards. We also helped thousands of members by offering relief in the form of a 60-day loan deferment on all loan types and we honored requests to reverse late fees. For those impacted by the wildfires, we offered a 60-month unsecured loan up to \$5,000 with a 0% interest rate. Our Platinum Visa® Credit Card continues to offer the lowest rate in the nation, with last year's total cash reward payout of \$355,000 being issued directly to members.

This year presented an opportunity for tremendous growth for the organization, both in terms of technology (see page 7) and branch representation, with a completed merger with Bay Area Educators Credit Union providing us with a 7th branch and 1,439 additional members.

We recognize 2020 presented many 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.



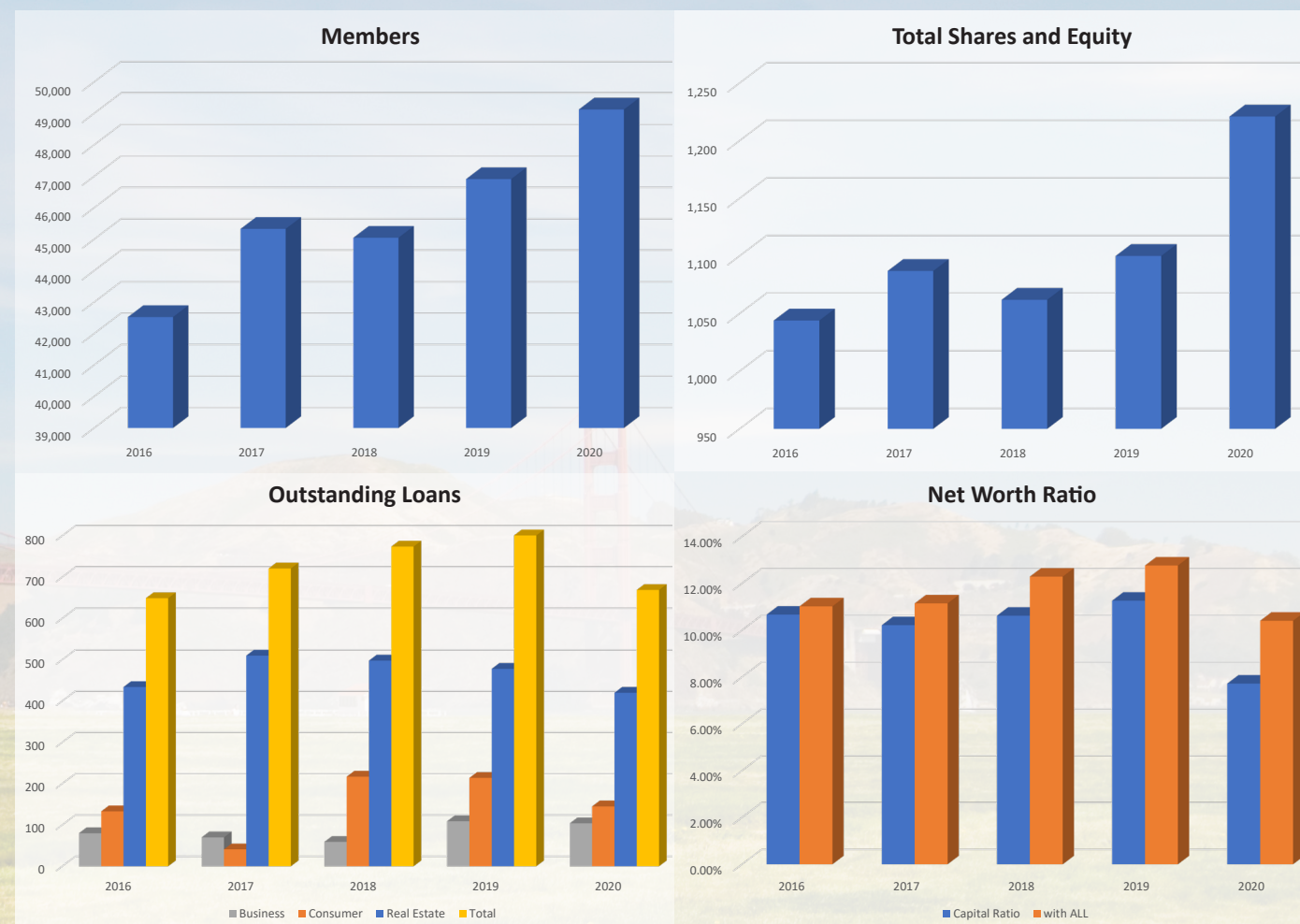
Kevin Kone
Kevin Kone
Chairman,
Board of Directors



Jonathan Oliver
Jonathan Oliver
President & CEO

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, 2020 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.



STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

<i>ASSETS</i>	<i>December 2020</i>	<i>December 2019</i>
Loans	\$ 668,611,155	\$ 801,366,586
Loan loss allowance	(32,972,855)	(16,691,493)
Net loans outstanding	635,638,300	784,675,093
Cash on hand and bank	2,606,189	3,162,343
Other investments	1,342,000	0
UST/Agency Notes	111,959,342	123,071,984
Corp CU/FRB EBA Deposits	410,641,133	134,232,954
Land & building	3,745,961	2,374,831
Furniture & equipment	1,833,631	531,453
NCUSIF deposit	9,812,307	8,318,498
Accrued income receivable	2,314,066	2,886,763
Prepaid exp/other assets	48,575,177	51,121,255
TOTAL ASSETS	\$ 1,228,468,106	\$ 1,110,375,174

<i>LIABILITIES AND EQUITY</i>		
Other Liabilities/Div payable	\$ 5,983,848	\$ 9,804,211
Notes Payable	0	0
Total	5,983,848	9,804,211
Regular shares	307,722,842	236,909,931
Share checking	194,040,278	155,543,179
Money market shares	279,837,213	261,145,953
Term account shares	252,635,014	240,132,266
I.R.A. shares	45,096,280	41,522,497
Share of Nonmembers	46,540,000	39,536,000
Total	1,125,871,627	974,789,826
Economic reserve	40,000,000	40,000,000
Retained earnings	50,253,648	79,422,152
Regular reserve	6,358,983	6,358,985
Total	96,612,631	125,781,137
TOTAL LIABILITIES AND MEMBER EQUITY	\$ 1,228,468,106	\$ 1,110,375,174

STATEMENTS OF INCOME (UNAUDITED)

	<i>Year 2020</i>	<i>Year 2019</i>
Interest on loans	\$ 29,229,716	\$ 32,373,445
Income from investments	3,353,393	6,041,056
Fee income	1,587,796	2,090,389
Other operating income	2,439,037	2,750,104
Non operating income	910,173	1,824,198
Total gross income	37,520,115	45,079,192
Dividend on shares	5,960,818	4,701,512
Interest expense	0	508,576
Total cost of funds	5,960,818	5,210,088
Income after cost of funds	31,559,297	39,869,104
Provision for loan losses	25,538,709	0
Income after cost of funds and provision for loan losses	6,020,588	39,869,104
Employee compensation & benefits	14,993,336	15,516,453
Training and conference	66,683	181,918
Office occupancy	2,092,922	2,107,013
Office operations	6,268,475	5,967,992
Educational and promotional	384,397	494,228
Loan servicing	1,225,845	1,285,822
Professional and outside services	3,901,678	2,618,178
Examination and supervision fees	302,283	288,244
Total operating expenses	29,235,619	28,459,848
Net income (loss) before extraordinary items	(23,215,031)	11,409,256
Other non-operating gains/(losses)	(8,144,400)	2,473
Net income (loss) after extraordinary items	\$ (31,359,431)	\$ 11,411,729

BOARD OF DIRECTORS



Kevin Kone
Chairman



Todd Rydstrom
Vice Chairman



William Smith
Treasurer



Ben Kurko
Secretary



Carol Sam



Ted Wong



Patrick M. Cox



Luenna Kim



Jeannie Wong

SUPERVISORY COMMITTEE



William Lee
Chairman



David Huebner



Richard Frattarelli



Katrina Williams

SENIOR MANAGEMENT TEAM



Jonathan Oliver
*President &
Chief Executive Officer*



Michael Namba
Chief Financial Officer



Ray Shams
Chief Lending Officer



Carrie Pedraza
Chief Information Officer



Melissa Palwick
*Chief Member
Experience Officer*

"If your actions
inspire others to
dream more, learn
more, do more and
become more, **you**
are a leader."

-John Quincy Adams



A YEAR OF GROWTH

This year was about investing in and growing our infrastructure to better serve our members.

After 14 months of dedicated work, including a thorough review of our conversion data, we were able to successfully replace a 30-year old core processing system in late October. The new system, Keystone by Corelation, allows us to continue providing members with safe and secure banking while also dramatically increasing our ability to develop new products and services.

One of the key features of the new efficient person-centric core design is members can now see all their accounts at a glance. They can easily utilize single sign on functionality when accessing Online and Mobile Banking without having to remember multiple log-in IDs and passwords. The new system gives our staff a complete and real-time view of accounts for quicker member verification and faster information retrieval. The system also provides better fraud tracking and a stream-lined application process. Our new core is one of the best in the industry!

In April we launched a new and improved digital experience, offering better access and flexibility for members to manage their money whenever and wherever they choose. This upgrade provides an interface which is easier to use and provides improved functionality. More importantly, it uses a multi-factor authentication in order to provide the best security.

Besides technologically, we also grew in another way, through a merger with San Francisco Bay Area Educators Credit Union. This merger was approved in early spring by both the National Credit Union Administration (NCUA) and the Department of Business Oversight (DBO). San Francisco Bay Area Educators Credit Union was established in 1955, with the focus to provide financial support to teachers by offering competitive products and services. San Francisco Federal Credit Union shares the same principles which made us a great match. This merger supports our long-term strategic goals, allowing us to offer more products, services, and convenient branch locations.

“Incredible things in the
business world are never
made by a single person,
but by a team.”

-Steve Jobs



2,821
TOTAL CONSUMER
LOANS FUNDED,
TOTALING:
\$26.0 million

FUN FACTS & MEMBER BUZZ

40,158
FACEBOOK
REACTIONS, LIKES,
COMMENTS AND
SHARES



"Super great service [the representative] totally listened to all of our needs, gave us a better solution on...lowering our interest rate on our credit card."

~Peach P.

"Great credit union... [the representative] helped secure a personal loan so that I can pay off my high interest credit cards."

~Eileen M.

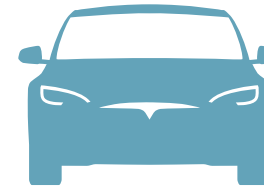
"San Francisco Fed CU went above and beyond the customer service call of duty to help relieve and organize my debt at a better rate just in time for the holidays. I really do appreciate excellent customer service!!!"

~Chaundra D

925
PERSONAL LOANS
FUNDED, TOTALING
\$9.0 million



715
VEHICLE LOANS
FUNDED, TOTALING
\$16.9 million



Overall Member
Satisfaction

91.5

New Product
Experience

95

New Member
Experience

91.8

Call Center
Experience

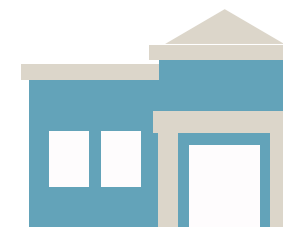
84.2

Branch
Experience

90.9

MEMBER SURVEY DATA

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



145
REAL ESTATE LOANS
FUNDED, TOTALING
\$73.4 million



127
BUSINESS LOANS
FUNDED, TOTALING
\$18.7 million

I have done two HELOCs with SFFedCU. They were great to work with: professional, responsive and thorough. I would recommend them to anyone. Am very happy with the process.

~William F.

BRANCHES

GOLDEN GATE

770 Golden Gate Avenue (at Gough)
San Francisco, CA 94102

RICHMOND

4375 Geary Boulevard (at 8th Avenue)
San Francisco, CA 94118

LAKESIDE

2645 Ocean Avenue, Suite 1 (at 19th Avenue)
San Francisco, CA 94132

BURLINGAME

1811 El Camino Real Avenue (at Trousdale)
Burlingame, CA 94010

EXCELSIOR

4800 Mission Street (at Onondaga)
San Francisco, CA 94112

VAN NESS

851 Van Ness Avenue, C1 (at Willow)
San Francisco, CA 94109

P 415-775-5377

www.SanFranciscoFCU.com



Federally insured by NCUA

