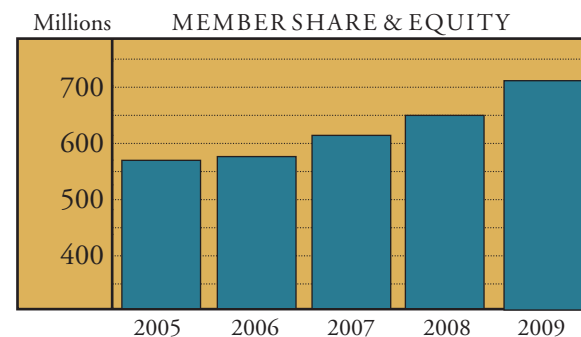
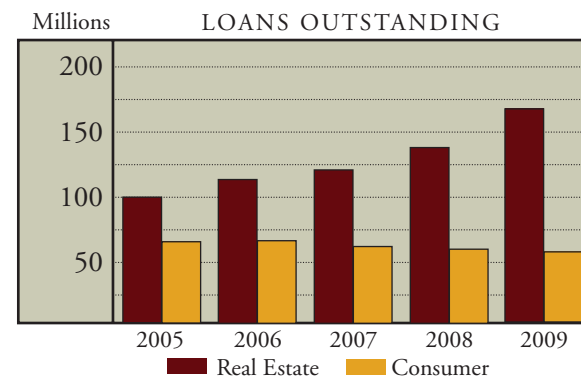
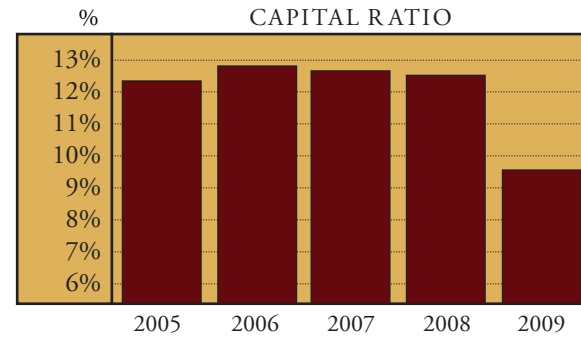
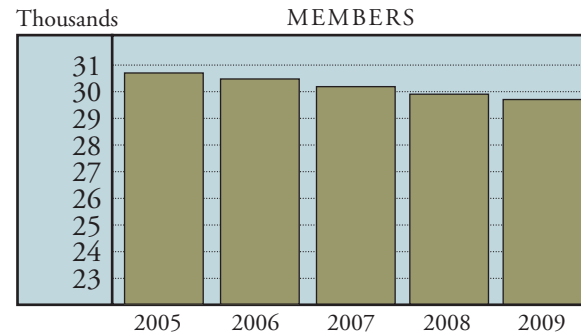


Report OF THE SUPERVISORY COMMITTEE

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, 2009. 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

ASSETS	December 2009	December 2008
Loans to members	226,320,093	197,018,953
Loan loss allowance	(4,318,393)	(2,387,661)
Net loans outstanding	222,001,700	194,631,292
Cash on hand and bank	1,715,807	1,509,239
GNMA & Other investments	101,081	2,205,449
UST/Agency Notes	97,830,206	62,922,310
Wescorp FCU deposits	381,685,142	380,669,883
CU System Invest Program	100,000,000	0
Land & building	1,067,720	1,088,062
Furniture & equipment	199,417	242,621
NCUSIF deposit	5,705,052	4,649,245
Accrued income receivable	2,420,634	2,733,742
Prepaid exp/other assets	16,098,055	2,753,769
TOTAL ASSETS	828,824,814	653,405,612

LIABILITIES AND EQUITY

Other Liabilities	4,972,650	3,326,164
CU SIP/Notes Payable	120,000,000	0
Total	124,972,650	3,326,164
Regular shares	59,958,536	53,957,537
Share checking	46,804,520	39,828,489
Money market shares	272,747,601	243,400,267
Term account shares	208,105,785	200,011,359
I.R.A. shares	37,807,981	31,852,831
Total	625,424,423	569,050,483
Economic reserve	40,000,000	40,000,000
Retained earnings	32,068,758	34,669,982
Regular reserve	6,358,983	6,358,983
Total	78,427,741	81,028,965
TOTAL LIABILITIES AND MEMBER EQUITY	828,824,814	653,405,612

Statements OF INCOME

	Year 2009	Year 2008
Interest on loans	12,675,430	12,803,864
Income from investments	16,186,239	18,906,155
Fee Income	2,688,968	2,704,292
Other operating income	292,540	408,855
Non-operating income	149,564	0
Total gross income	31,992,741	34,823,166
Dividend on shares	10,152,846	16,732,577
Interest Expense	578,446	166,576
Total cost of funds	10,731,292	16,899,153
Provision for loan losses	3,878,407	1,757,355
Income after cost of funds & provision for loan losses	17,383,042	16,166,658
Employee compensation & benefits	7,636,316	7,743,276
Training and conference	204,872	187,982
Office occupancy	654,644	468,727
Office operations	2,807,761	2,398,527
Educational and promotional	289,853	283,845
Loan servicing	355,505	291,648
Professional & outside services	294,116	179,793
Member insurance	42,084	46,584
Examination, supervision fees	155,556	136,500
Total operating expenses	12,440,707	11,736,882
Net income before NCUSIF Stabilization Expense	4,942,335	4,429,776
NCUSIF Stabilization Expense	1,574,190	0
Corp CU/Non-operating Expense	6,897,839	0
NET INCOME (LOSSES)	(3,529,694)	4,429,776

BOARD OF DIRECTORS

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

BOARD EMERITUS

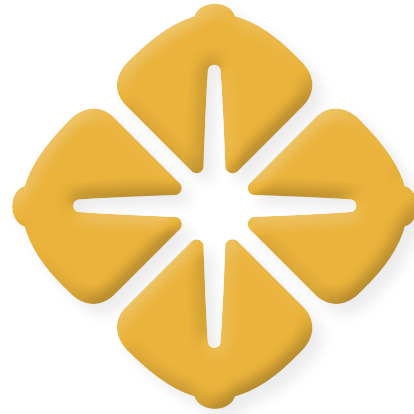
Henry Low

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, Financial Services
Michael Lam, *Vice President, Information Systems*
Rebecca Reynolds Lytle, *Vice President, Lending*
Mark Michaels, *Vice President, 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*
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

2009



Report OF THE DIRECTOR

Serving nearly 30,000 members in the Bay Area, San Francisco Federal Credit Union's member share and equity have continued to grow to more than \$704 million in 2009. Despite troubled economic times, with reports of 140 banks and 31 credit unions failing in 2009, San Francisco FCU remained safe and strong for our members. Furthermore, we were able to introduce new products, services and events to better serve them.

San Francisco FCU remains one of the safest and most sound financial institutions in the nation today. Here are several reasons why:

- For more than a decade, we have received a "5 Star Rating" from Bauer Financial Group, which is the highest rating possible awarded in the financial industry for safety and stability.
- We continue to maintain strong reserves in both capital and the allowance for loan loss that insulate the Credit Union from downward economic cycles.
- Our members' funds continue to be insured to at least \$250,000 by the NCUA's National Credit Union Share Insurance Fund (NCUSIF), which is backed by the full faith and credit of the U.S. government.

New products, services and events introduced in 2009 include: Health Savings Accounts, PayDay Plus Loans (in partnership with the City of San Francisco), financial education workshops (to help members manage their finances during these tough economic times), Auto and Homeowners Insurance through Liberty Mutual Insurance Company, envelope-less ATMs (including a new ATM at

Laguna Honda Hospital), Shred Day, and auto loan discounts. The new products, services and events have helped us keep our competitive edge in the financial services industry.

In the true spirit of the credit union philosophy of "people helping people," our commitment to the San Francisco community continued to extend beyond the financial services we offer. In 2009, San Francisco FCU donated \$45,000, and employees volunteered over 250 hours at local organizations. Throughout 2009, we supported organizations such as: Hospitality House, SF Food Bank, Richmond District Neighborhood Center, and Laguna Honda Hospital, just to name a few. We are proud to make a difference in the community where we live and work.

In 2010, we will continue to bring to our members and the San Francisco community "Smart banking. Real value." while maintaining, safety, security, convenience and a personal level of service that makes us unique.

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

John L. Martin
Treasurer, Board of Directors

Steven Stapp
President and Chief Executive Officer