

Message From The Chairperson Of The Board



As the Chairperson of the Board of Directors, it is my pleasure to present the 2019 Annual Report to the members of SF Fire Credit Union.

It is with a profound sense of amazement that I recognize the 69th anniversary of our credit union. What an incredible journey it has been, dating back to our humble origins in a back office at 17 Engine in 1951, a location just steps away from our current Mint Plaza Branch. Existing within a community and financial services marketplace

that is in a constant state of evolution, we have not only survived, but thrived. Your loyalty and support continue to be a key factor to our success, and was reflected in our significant growth of both deposits (\$46M) and loans (\$121M) in 2019. Thank you for trusting us, and bestowing on us the privilege of being your financial institution of choice.

I am proud of the considerable progress that was made in modernizing the credit union's infrastructure this past year. The projects were undertaken with great care in order to maintain the service levels our members expect and deserve. I am pleased to report that we were successful in our efforts to do so. I am grateful for the continued patience and support of our membership during these times, and the hard work and commitment of our staff.

In closing, I would like to reassure all members of our connection to the core values of our founders. Our purpose as a member-owned financial cooperative is to provide the best value and highest service level possible, while maintaining the safety and soundness of our credit union. Our commitment to this remains steadfast.

John Sweeney
Chairperson, Board of Directors

Board Of Directors

John E. Sweeney Chairperson
Bridget O'Rourke Vice Chairperson
Brook Baker Secretary

Robert Cappa Director
Anthony Diluzio Director
Bob Olson Director
Kim Weiss Director

Audit Committee

Bridget O'Rourke Chairperson
Robert Cappa
John Diluzio

Leadership Team

Kathy Duvall Chief Executive Officer
John Basalla Senior Vice President of Audit & Risk
Blake Cairney Senior Vice President of Lending

Dawn Chute Senior Vice President of Human Resources
Glenn Gortney Senior Vice President of Brand Loyalty
Adam Jones Senior Vice President of Member Experience

Aaron Sato Senior Vice President of Accounting & Finance
Michael Williams Senior Vice President of Information Technology

2019 Annual Report

69th

Annual Meeting
Of The Members

Founded in 1951 by firefighters for firefighters,
we are a credit union dedicated to building
financial success in our community.

Message From The President & Chief Executive Officer



I'd like to welcome each of you to SF Fire Credit Union's 69th Annual Meeting. With this being my third meeting as CEO, I continue to be amazed and humbled by the number of members who make time in their busy lives to be here. It's indicative of your loyalty and support, which has and will always be key to our continued success and prosperity.

2019 was in fact a successful year at the credit union. Thanks to the trust you place in us to meet your banking and borrowing needs, we earned just under \$9.1 million in net income. This increased total capital reserves to \$128.4 million, and in turn increased our net-worth ratio to 9.20%. Our financial footing remains strong, and should assure members of our ability to not only invest in the products and services they need, but that we can adapt to and endure any changes in the economy.

Beyond our financial performance, there was progress and improvement in the level of service we provide and the ease of doing business with us. We continued to refine our Online and Mobile Banking systems, with enhancements such as the re-introduction of free FICO® Scores. We had a commitment to increase staffing levels and emphasis on employee training, with over fifty new employees being hired in 2019. We focused on the service levels provided by our Contact Center, with our average speed-to-answer decreasing from over two minutes to less than thirty seconds. We launched a new public website designed to make navigating and understanding the benefits of your membership easier. And in December, we ended the year with our tradition of supporting the San Francisco Firefighters Toy Program with a donation of \$25,000.

While I'm proud of our accomplishments in 2019, there's much work to do this year. We will continue to focus on improving service levels and making it easier to do business with us. We're entering the final phases of improvement and modernization to our internal systems, meaning those utilized by our employees (as opposed to member-facing systems such as Online and Mobile Banking). This modernization of internal systems will enable our employees to provide members better service, both in speed and accuracy, in the coming year and beyond.

I thank you again for your ongoing commitment to SF Fire Credit Union, and look forward to us all sharing a fantastic 2020 together.

Kathy Duvall

Kathy Duvall
President and Chief Executive Officer

Audit Committee Report

The Audit Committee independently evaluates the soundness of SF Fire Credit Union's operations and activities, ensuring that management implements sound internal controls and maintains practices and procedures that adhere to accepted general accounting principles. In doing so, they carry out the following primary responsibilities:

- Protection of members' funds and interests
- Safeguarding of assets
- Compliance with regulations, policies and procedures
- Reliability of financial records

The Committee meets regularly to review and discuss internal controls as well as auditing matters. It also retains an independent accounting firm to perform an annual financial audit and issue certified financial statements as they relate to the overall financial condition of SF Fire Credit Union. Our Audit Committee members are:

- Bridget O'Rourke
- Robert Cappa
- John L. Diluzio

As Chairperson of the Committee and based on the results of the 2019 annual audit performed by certified public accountants CliftonLarsonAllen LLP, I'm pleased to share our conclusion that SF Fire Credit Union has adequate financial controls and is financially sound. A copy of their audit is available upon member request.

Bridget A. O'Rourke

Bridget O'Rourke
Chairperson, Audit Committee

Financial Summary And Highlights

It is my pleasure to report that 2019 was another successful year for the credit union.

Our loyal members continue to show their commitment and support as deposits grew to over \$1.3 billion, a \$45.6 million or 3.8% increase over 2018. Our loan portfolio jumped to an all time high of \$1.1 billion, a \$121.3 million or 12.1% increase, driven by strong real estate loan growth of \$133.8 million or 17.6%. The significant growth in loans, coupled with a solid net worth position of \$128.4 million, underscores our long-term financial strength and stability.

This year's accomplishments are made possible because of you, and allows the credit union to continue improving service, offerings, and invest more in the community. Thank you for your membership and being part of the San Francisco Fire family. It is an honor and privilege to serve you.

Aaron Sato

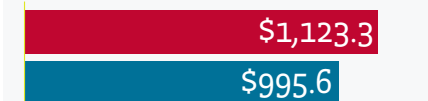
Aaron Sato
Senior Vice President
Finance & Accounting

2019
2018

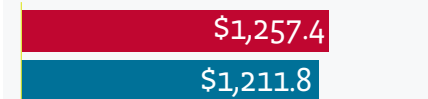
Total Assets (in millions)



Total Loans, Net (in millions)



Total Deposits (in millions)



Total Reserves (in millions)

