



Stanford
FEDERAL CREDIT UNION

2024 ANNUAL REPORT

Federally Insured by NCUA

PRESIDENT & BOARD CHAIR'S REPORT



Joan Opp, President/CEO

2024 was a really good year for Stanford FCU in an environment where many financial institutions struggled. We exceeded our deposit growth targets, maintained solid net worth, and delivered strong earnings. Assets, membership and our loan portfolio all grew last year as we managed our operating expenses and returned strong value to members. We continue to focus on ensuring that we are a safe and secure institution you can trust.



Dr. Shirley Everett,
Board Chair

Our Board and Executive Management team strive to be the main financial institution for our members, offering comprehensive day-to-day financial services. We aim to provide innovative, user-friendly products and services that bring great value to our members.

In an environment with strong competition for deposits, we achieved 6.2% deposit growth, one of the highest in the credit union space in Silicon Valley. This was accomplished by offering competitive rates to our engaged members. Engaged members (Partner and Ambassador) receive top-of-the-market rates, while all members receive competitive rates.

To be your day-to-day partner, we aim to be the financial institution you use for everyday transactions—whether buying food, fueling your car, taking vacations, or dining out—using your account with us through debit card, credit card, Venmo, Zelle® or other transfer methods. We have focused on features that provide value when you spend. In January, we enhanced the Ambassador credit card bonus, making it possible to earn up to 5% cash back from spending. Additionally, we partnered with Prizeout to offer cash back on purchases at hundreds of retailers (e.g., Amazon, Airbnb, Home Depot, Delta Airlines). Members can purchase retailer cards from our application for immediate use and receive cash back. These are some examples of the features added to your “spend”.

We aim to simplify business interactions by automating self-service features and expanding member service functions. We’ve added a new alert system for personalized alerts, chat, call-back options during hold times, and Zoom appointments with representatives. Our goal is to ensure members can easily connect with us for issue resolution, consultations, or any service needs.

The Treasurer’s report below highlights strong financial performance. In 2024, our membership increased by 3.23%, bringing our total membership to just over 91,000 members. Despite lower loan demand compared to previous years, we concentrated on expanding our HELOC program to provide solutions for second homes, investment properties, and ADUs (Accessory Dwelling Units), resulting in HELOC loan growth exceeding 30%.

Our mission is to enhance your financial well-being. We are grateful that you chose Stanford Federal Credit Union as your financial partner, and we look forward to saying YES to your success in 2025!



Jessica Kennedy,
Chair

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee provides oversight of financial reporting and compliance activities and reports to Stanford FCU's Board of Directors. The Committee's primary responsibilities are:

- ◆ Determining that management has maintained effective internal controls to achieve the credit union's financial reporting requirements;
- ◆ Ensuring that accounting records accurately reflect the credit union's operations and results;
- ◆ Reviewing the policies and control procedures established by the Board of Directors;
- ◆ Ensuring that management practices and policies continue to safeguard member assets; and
- ◆ Assessing the policies and control procedures that safeguard against errors, conflicts of interest, and fraud.

Based on the financial statements included in this report and the Committee's oversight work, I can confidently report that Stanford FCU was financially sound and operated in compliance with all state and federal regulations during 2024. This assessment is supported by the regulatory examination performed by the National Credit Union Administration (NCUA), as well as independent financial and internal audits performed by reputable accounting firms. The Committee also welcomes and reviews member comments and inquiries regarding Stanford FCU's operations and policies. Members may contact us at supervisorycommittee@sfcu.org.

TREASURER'S REPORT

2024 was another solid financial year for Stanford FCU, as supported by the audited financial statements. Net income for the year ending December 31, 2024 was \$36.49 million with a return on assets (ROA) of 0.86%. Operating expenses were once again low as we continue to manage expenses as a strength of our financial performance. Our fee income remains well below our peers, as value to members is a strategic priority.

The gross loan portfolio increased \$71 million and ended 2024 with a balance of \$3.28 billion (net of allowance). Stanford FCU funded new loans of over \$564 million, including \$478 million in residential mortgages and home equity loans, \$61 million in new consumer loans, and \$24 million in new business loans. The level of funding indicates we were there to support the borrowing needs of thousands of members.

The credit union grew assets \$195.2 million and ended the year with \$4.3 billion in assets. Our year-end net worth ratio of 10.48% exceeded the NCUA's minimum requirement of 7.00% for a credit union to be considered well capitalized to ensure safety and soundness.



Tana Hutchison,
Treasurer

STATEMENTS OF FINANCIAL CONDITION

For the years ended December 31, 2024 and 2023

ASSETS	2024	2023
Cash and Cash Equivalents	\$ 580,302,230	\$ 453,783,007
Investments	406,582,931	394,806,082
Loans, Net of Loan Loss Allowance	3,282,504,976	3,214,129,245
Accrued Interest Receivable on Loans	13,307,506	12,149,222
Property & Equipment, Net of Depreciation	13,156,020	14,075,466
National Credit Union Share Insurance Fund Deposit	26,972,417	25,914,572
Other Assets	18,577,640	31,376,378
TOTAL ASSETS	4,341,403,720	4,146,233,972
LIABILITIES & EQUITY		
MEMBERS' SHARES		
Share Drafts	848,237,778	846,969,537
Regular Shares	549,017,311	563,955,980
IRA Shares	9,304,725	10,379,628
Health Savings Accounts	10,141,691	11,461,952
Share Certificates	1,443,699,955	1,212,933,995
IRA Certificates	39,305,505	39,274,041
Money Management Accounts	393,518,760	416,726,557
TOTAL MEMBERS' SHARES	3,293,225,725	3,101,701,690
Accrued Expenses and Other Liabilities	28,229,397	22,760,439
Borrowed Funds	585,000,000	625,000,000
TOTAL LIABILITIES	3,906,455,122	3,749,462,129
MEMBERS' EQUITY		
Retained Earnings, Substantially Restricted	454,875,674	418,390,368
Accumulated Other Comprehensive Income/(Loss)	(19,927,076)	(21,618,525)
TOTAL MEMBERS' EQUITY	434,948,598	396,771,843
TOTAL LIABILITIES & EQUITY	4,341,403,720	4,146,233,972

Certain prior year amounts have been reclassified to conform to the current year presentation of such items. These reclassifications did not result in any change to net income or members' equity.

STATEMENTS OF INCOME

For the years ended December 31, 2024 and 2023

INTEREST INCOME	2024	2023
Interest on Loans	\$ 147,773,501	\$ 128,426,334
Interest on Investments and Cash Equivalents	45,131,610	36,987,169
TOTAL INTEREST INCOME	192,905,111	165,413,503
INTEREST EXPENSE		
Dividends Paid on Members' Shares	78,624,926	52,992,058
Interest on Borrowed Funds	18,357,849	18,715,939
TOTAL INTEREST EXPENSE	96,982,775	71,707,997
NET INTEREST INCOME	95,922,336	93,705,506
Provision for Loan Losses Expense	6,600,000	4,800,000
NET INTEREST INCOME After Provision for Loan Losses	89,322,336	88,905,506
Other Non-Interest and Fee Income	12,255,727	9,385,136
TOTAL NET INTEREST AND FEE INCOME	101,578,063	98,290,642
GENERAL AND ADMINISTRATIVE EXPENSES		
Compensation and Benefits	40,458,998	37,480,767
Office Operations and Occupancy	13,325,108	12,234,481
Other Operating Expenses	11,308,651	10,703,148
TOTAL OPERATING EXPENSES	65,092,757	60,418,396
NET INCOME		
TOTAL NET INCOME	36,485,306	37,872,246
RETURN ON AVERAGE ASSETS	0.86%	0.93%
GENERAL CAPITAL REQUIREMENTS		
Amount Required to Be Classified as "Adequately Capitalized"	6.00%	260,484,223
Amount Required to Be Classified as "Well Capitalized"	7.00%	303,898,260
ACTUAL REGULATORY NET WORTH	454,875,674	418,390,368
	10.48%	10.09%

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