

ANNUAL REPORT

2025



F3 CREDIT UNION
FAMILY • FRIENDS • FUTURE

INNOVATING FOR THE FUTURE
EMBRACING CHANGE

2025



CHAIRPERSON'S REPORT

We continue moving forward with our change to F3 Credit Union providing exceptional service and new products for our members.

F3 Credit Union continues to be a strong Financial institution. Our continued growth, our loan portfolio, and our well Capitalized position at 17.88%. Our total assets have increased to \$240,107,404.

Due to our excellent staff our audits are showing we are safe, strong and well managed.

I would like to thank our CEO, Fardad Khosravi and his staff for their hard work and professional service to our members.

The Board of Directors and Supervisory Committee are working with management supporting the vision, and direction of the Credit Union ensuring we continue moving in the right direction.

I also want to thank our members for your trust in F3. Your support is what makes us a success. We look forward to new products and services in the future.

Respectfully submitted,

Carol Croteau
Chairperson



SUPERVISORY COMMITTEE



REPORT

Having completed our first year as a community-based credit union, the Supervisory Committee thanks the Board of Directors, our CEO, Fardad Khosravi, and his management staff for their leadership in guiding us through this new financial environment.

We also commend the tireless efforts of the credit union employees whose contributions have been essential to our credit union's success as a community-based organization.

We are proud to report that we have received from our external auditor, Carroll and Associates, an unqualified report stating that in their audit of our records last year, there were no deficiencies in the reporting of our financial statements.

The committee strives to monitor the various processes involved in conducting business as a financial establishment, to ensure that our assets and liabilities are accounted for, investments are sound, and loans are handled in a timely manner.

In passing, we regret to relay to you the sad news that our former chairman of the supervisory committee, Joseph Meager passed away last year.

To our members, we thank you for your continuing support to our credit union, and we look forward to another year of continued success as your financial institution.

Respectfully submitted,
Julius Miel
Chairperson



JULIUS MIEL
CHAIRPERSON



DENISE ROCCHI
MEMBER



NECKI GOBLE
MEMBER

2025



TREASURER'S REPORT

The Board of Directors extends its sincere gratitude for the ongoing support and confidence of our membership. Your trust is fundamental to our achievements, and we remain committed to building a brighter future together.

During 2025, our total assets increased by 3%, rising from \$233,387,410 to \$240,107,404. We funded over \$37 million in loans, resulting in a total loan portfolio of \$108,926,770, and reported a net income of \$1,862,689.

F3's capital reached 17.88% which is over the 7% threshold the NCUA requires credit union must be to be in good standing. Our capital enables the credit union to give back to our members by lower interest rates for loans and higher deposit rates. This also enables the credit union to put more back into products and services.

Membership also rose, reaching 13,030.

To ensure future organizational strength, we expanded our field of membership to encompass anyone who lives, works, worships, or attends school within Santa Clara County. In anticipation of this growth, we upgraded our core operating system and enhanced our digital services to provide an efficient and seamless banking experience for all members.

Our annual external audit, conducted by Carroll & Associates LLP, confirmed that F3 Credit Union remains well-capitalized, financially secure, and strategically positioned for continued growth. The audit highlighted our robust risk management practices and dedicated leadership, reinforcing F3's standing as a trusted financial partner for our membership.

We anticipate another year marked by growth, innovation, and the advancement of financial empowerment for all who entrust their banking needs to F3 Credit Union. As we progress, our dedication to transparency, member service, and sound financial stewardship remains steadfast.

We continue to deliver innovative solutions tailored to the evolving needs of our community, anchored by the enduring values that have shaped F3 Credit Union's legacy. With the guidance of our leadership and the unwavering support of our members, we will uphold a culture of growth, resilience, and belonging for everyone who relies on us for their financial well-being.

Respectfully submitted,
Michael D. Medlin
Secretary / Treasurer



BALANCE SHEET

2025

2024

ASSETS

Loans	\$108,926,770	\$108,542,411
Allowance for Loan Loss	(\$1,423,054)	(\$1,478,420)
Investments	\$101,825,905	\$97,226,775
Cash and Equivalents	\$14,261,173	\$13,171,892
Other Assets	\$16,516,610	\$15,924,752

TOTAL ASSETS

\$240,107,404

\$233,387,410

LIABILITIES AND EQUITY

Member Shares	\$200,659,504	\$197,437,817
Accounts Payable	\$629,199	\$1,260,488
Reserves	\$42,926,524	\$41,063,834
Unrealized Gain/Loss	(\$4,107,823)	(\$6,374,729)

TOTAL LIABILITIES

\$240,107,404

\$233,387,410

STATEMENT OF INCOME

2025

2024

INCOME

Loan Income	\$6,234,671	\$5,859,799
Investment Income	\$4,593,765	\$4,719,122
Other Operating Income	\$1,330,879	\$1,286,197

TOTAL INCOME

\$12,159,314

\$11,865,118

EXPENSES

Operating Expense	\$6,247,087	\$6,392,565
Dividend Expense	\$2,629,060	\$2,571,680
Provision for Loan Loss	\$1,420,478	\$1,761,847

TOTAL EXPENSES

\$10,296,625

\$10,726,093

NET INCOME

\$1,862,689

\$1,139,026

CEO'S REPORT



In 2025, we marked a significant milestone with our transition from PPCU to F3 Credit Union—a name that reflects our enduring commitment to Family, Friends, and Future.

This rebranding represents not only a change in name, but also signifies our ongoing evolution into a modern, community-driven financial institution, while maintaining the core principles that define our organization.

As we move forward, our commitment to outstanding member service, the development of innovative products, and sound financial management continues to be unwavering.

We are committed to developing solutions that address the changing needs of our community, all while preserving the values that have served as the foundation of F3 Credit Union for the past 95 years.

Guided by our Board of Directors and supported by our members, we will continue to foster growth, resilience, and a strong sense of belonging for everyone who entrusts us with their financial well-being.

Looking ahead, we are pleased to introduce several new member-focused initiatives:

Savvy Money, a comprehensive financial wellness platform;

Eko Investments, which enables members to independently create and manage their stock portfolios with complete flexibility;

Kickstart, a suite of loans designed for first-time borrowers;

and the **NexGen Club**, which helps our younger generation establish a solid financial foundation.

The year 2025 was transformative, and we anticipate that 2026 will be equally impactful.

Our commitment to supporting your needs remains our greatest asset, and we deeply appreciate your continued trust and partnership.

Thank you—we look forward to maintaining and strengthening our relationship with you in the upcoming year.

Respectfully submitted,
Fardad Khosravi
President & CEO



CREDIT COMMITTEE



As we reflect on 2025, we want to start by thanking you-our members-for your trust and support.

Last year brought higher interest rates and elevated prices, making borrowing a bit more challenging. Through it all, your credit union remained focused on serving you responsibly and helping you reach your financial goals.

We maintained a steady loan portfolio of just under \$109 million, with a loan-to-asset ratio of 45.37% and loan-to-share ratio of 54.28%, balancing member borrowing with strong liquidity.

Delinquency remained low at 0.92%, net charge-offs were 1.36%, and our capital ratio rose to 17.88%. We also achieved a solid annualized return on average assets (ROAA) of 0.79%, demonstrating our ongoing financial strength.

On behalf of the Board, management, and staff, thank you for being part of our credit union family. As we approach our 100-year milestone, we remain committed to building a strong and sustainable financial future for generations to come.



ELSA PHAM
CHAIRPERSON



VIVIANA FARIAS
MEMBER



FARDAD KHOSRAVI
MEMBER

● 1879

New Automobile Loans
\$9,311,798
total

● 10491

Used Automobile Loans
\$28,230,207
total

● 329

Mortgage Loans
\$52,955,520
total

● 1773

Credit Cards
\$4,644,383
total

● 4454

Unsecured Loans
\$9,567,679
total

● 116

Other Secured Loans
\$6,950,389
total

● 9

Commercial Real Estate
\$5,452,187
total

● TOTAL
19,051 LOANS
\$108,926,770

ANNUAL MEETING MINUTES



MARCH 13TH, 2025

The meeting was called to order by Chairman Roger Somer at 7:02 p.m. A quorum of 49 members in good standing was present. Mike Medlin was appointed Parliamentarian and Paul Lindsley Sergeant-at-Arms. All Board members, Supervisory Committee members, and Credit Committee members were present. Former Supervisory Committee Chairman Joe Meagher had resigned due to health concerns and was thanked for his service.

The minutes of the 2024 Annual Meeting, published in the Annual Report brochure, were approved on a motion by Bob Scaletta, seconded by Mike Medlin.

Chairman Somer reviewed the economic environment and highlighted major 2024 accomplishments, including a name and logo change, conversion from a SEG to a community-chartered credit union, a core software conversion, and other initiatives that position the credit union for growth in 2025 and beyond.

CEO Fardad Khosravi reported that the credit union is well-capitalized, safe and sound, with strong liquidity, positive loan growth, competitive deposit and loan rates, and a strategic focus on expanding services, products, and promotions to the new field of membership in 2025. He introduced and thanked management and staff.

There was no unfinished or new business; new business submissions were required by February 10, 2025, and none were received.

Elections were conducted by white ballot following nominations led by Nominating Committee Chair Marie Furtado. Denise Rocchi and Necki Goble were elected to two open Supervisory Committee positions. Rick Silveria and Amritpal Singh were elected to two open Board of Directors positions. All motions carried unanimously.

Chairman Somer thanked attendees, the CEO, the Annual Meeting Committee, and staff. The next Annual Meeting will be held in March 2026, with date and location to be announced. The meeting was adjourned at 7:20 p.m. on a motion by Bob Scaletta, seconded by Carol Croteau.

Respectfully submitted,
Michael D. Medlin
Secretary / Treasurer



BOARD OF DIRECTORS



Carol Croteau
Chairperson



Robert Scaletta
Vice Chair



Michael Medlin
Secretary / Treasurer



Roger Somer
Director



Marie Furtado
Director



Rick Silveria
Director



Amritpal Singh
Director

EXECUTIVE TEAM



Fardad Khosravi
CEO



Paul Lindsley
CFO



David Clark
VP, I.T.



Elsa Pham
VP, Lending



Manie Kohn
VP, Marketing



Maryam Haider
VP, Operations / HR



Viviana Farias
AVP Operations

SUPERVISORY COMMITTEE



Julius Meil
Chairperson



Denise Rocchi
Member



Necki Goble
Member

San Jose Main

John Lombard
Helen Badal
Davinder Nijjar
GP Bains
Marcela Rivas

Oakland

Erin Sanchez
Greer Adams
Dawnele Dugan

San Francisco

Lilliani Ufau
John Paul Castillo
Jesse Perez

North San Jose

Foxy Goodwin
Leila Castillo
Quincy Luu

Operations

Shiva Ghanbari
Evelyn Cablayan
Dioscora Agustin (Jo)
Jericho Castro
Manuel Cobian
Caleb Silva

Loans

Monica Martinez
Imelda Lintag
Amayrany Hernandez

I.T.

Milad Saei
Stephanie Owens

Marketing / Business Development

R.J. Rimando
Doug Neubauer

Collections

Yvonne Duran



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