

2021

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# ANNUAL REPORT



**Hawaiian Financial**  
Federal Credit Union

*for life ...*

# A Message from the Chairman of the Board

Aloha Members,

While the effects of the pandemic were still an ever-present factor in 2021, I am proud to say that your Credit Union managed to forge ahead with confidence and purpose by meeting or exceeding our goals in taking care of all your money needs. As ever, we were driven by our mission of being “people helping people,” and making it the guiding principle behind every decision we make.

In April, our Credit Union converted to a new core system, which will help us operate more efficiently when processing your transactions. The preparation for converting to a new core system was a considerable undertaking which took many months of careful planning. Our fundamental goal was to minimize the impact this process would have on our members. We are still rolling out the features and appreciate your support and understanding as we continue to build a system that will better serve you in the months and years ahead.

We are always striving to offer you expanded products and services, but we also try to improve existing ones to increase the value of your membership with us. We began offering digital Visa card issuance, which allows you to get a replacement Visa credit card immediately on your mobile device, which you can begin using right away via your digital wallet, even before your physical replacement card arrives. In September, we launched our prepaid Visa cards, which are ideal for travel, or for students going to college on the mainland.

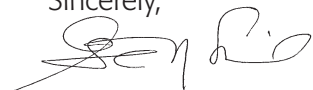
It was our great pleasure to welcome members of Kuakini Medical & Dental FCU (KMDFCU) into our financial ‘ohana as the merger with HIFICU became official in November. This provided an expanded range of services to KMDFCU members, while making an additional branch available in a convenient location for all members to do their transactions.

Giving back to the communities we serve is of great importance to us. In August, our Credit Union announced the establishment of the Hawaiian Financial Federal Credit Union Scholarship Program. In its inaugural year, the program helped 30 Hawaii students with their higher education pursuits. We look forward to continuing the annual program and are excited for the opportunity to help Hawaii’s students achieve their academic goals.

With your continued loyalty and support, our Credit Union had another year of robust financial performance. We remain on solid footing and are well-positioned for continued growth. For the sixth time in the last seven years, DepositAccounts.com named HIFICU among the top 200 Healthiest Credit Unions in America. DepositAccounts.com recognizes the top 200 credit unions and banks across the nation to give consumers a way to evaluate the financial health of their institution. The list empowers consumers to make informed financial decisions.

On behalf of my fellow Board members and HIFICU staff, I offer my sincere gratitude. We are honored to be your trusted financial partner.

Sincerely,



Glen Moribe  
Board Chairman

# Consolidated Income Statements

**Hawaiian Financial Federal Credit Union  
and Subsidiary HTFCU Financial Services LLC  
Years Ending December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>INTEREST INCOME</b>		
Interest on Loans	\$ 13,957,359	\$ 16,524,362
Income From Investments	5,227,252	4,733,243
Other Operating Income	12,630,027	8,965,872
<b>Total Operating Income</b>	<b>\$ 31,814,638</b>	<b>\$ 30,223,477</b>
Less: Dividends Paid To Members	2,775,582	4,006,493
<b>Income Before Operating Expenses</b>	<b>\$ 29,039,056</b>	<b>\$ 26,216,984</b>
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	\$ 10,796,449	\$ 9,158,559
Office Operations	2,426,992	2,379,785
Office Occupancy	1,819,342	1,176,288
Loan Servicing	1,438,477	1,282,989
Provision for Loan Losses	(1,786,885)	362,850
Professional & Outside Services	2,192,355	1,972,720
Annual Meeting Expense	22,541	85,454
Members' Services	2,436,309	2,163,209
Publicity and Promotional	1,176,199	924,344
Other	500,583	475,655
<b>Total Operating Expenses</b>	<b>\$ 21,022,362</b>	<b>\$ 19,981,853</b>
<b>NET INCOME</b>	<b>\$ 8,016,694</b>	<b>\$ 6,235,131</b>

# Consolidated Balance Sheet

**Hawaiian Financial Federal Credit Union  
and Subsidiary HTFCU Financial Services LLC  
As of December 31, 2021 and 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
Loans	\$ 351,720,393	\$ 369,547,954
Allowance For Loan Losses	( 4,573,989)	( 6,819,448)
Net Origination Fee	( 2,307,898)	( 2,242,640)
Cash and Cash Equivalents	107,820,727	99,382,279
Investments	430,888,281	260,058,899
NCUA Share Insurance Fund	7,425,373	6,005,552
Building & Land, Net	14,061,957	14,433,400
Furniture, Equipment & Improvements, Net	603,078	764,490
Accrued Interest Receivable	1,799,903	1,557,653
Other Assets	7,527,297	43,607,927
<b>TOTAL ASSETS</b>	<b>\$914,965,122</b>	<b>\$786,296,066</b>
<b>LIABILITIES</b>	<b>\$ 7,893,843</b>	<b>\$ 4,613,167</b>
<b>MEMBERS' SHARES</b>	<b>806,859,080</b>	<b>684,145,551</b>
<b>MEMBERS' EQUITY</b>	<b>100,212,199</b>	<b>97,537,348</b>
<b>TOTAL LIABILITIES, SHARES &amp; EQUITY</b>	<b>\$914,965,122</b>	<b>\$786,296,066</b>

# Minutes of the 84th Annual Meeting

March 27, 2021

## **Call to Order**

The 84<sup>th</sup> Annual Meeting was called to order by Chairman Glen Moribe at 5:00 p.m. Secretary Wanda Beppu ascertained the presence of a quorum with 34 members present. The final count at the end of the meeting was 56 members.

The minutes of the March 14, 2020 Annual Meeting were approved as circulated. Moribe introduced a slide show of the credit union Board of Directors and committee members.

**Board of Directors and Board Advisor:** Chairman Glen Moribe, Vice Chairman William “Primo” Pimental, Treasurer Ken Miyasato, Secretary Wanda Beppu, Directors Calvin Choy, Gerald Noda, Michael Yee and Board Advisor Donald “Scotty” Bowman.

**Supervisory Committee:** Chairman Daniel Masutomi, members Deborah Lau Okamura, Dianne Sinco, Gerry Sagucio and Lorna Pang.

**Loan Review Committee:** Chairman Anabel Lindsey, members Wendy Cheung, Duane Omori, Laurie Awa, Delbert Kamikawa, Board Liaison Michael Yee and alternate Gerald Noda.

**Asset/Liability Committee:** Chairman Norman Okimoto, members Ken Miyasato, Calvin Choy, Michael Yee and Wanda Beppu.

**Human Resources Committee:** Chairman Ken Miyasato, members Calvin Choy, Wanda Beppu and Michael Yee.

**Nominating Committee:** Chairman Gerald Noda, members Donald “Scotty” Bowman, William “Primo” Pimental and Calvin Choy.

**Information Technology Steering Committee:** Chairman Ken Miyasato, members Glen Moribe, Wanda Beppu, Norman Okimoto, Anna Arii, Paulette Ito, Wendy Cheung, Anabel Lindsey, Tammy Toyama, Derek Kato, Gordon Tom and David Curre.

**Vendor Risk Management Committee:** Chairman Michael Yee, members Norman Okimoto, Anna Arii, Wendy Cheung and Gordon Tom.

**CUSO Board of Directors:** President Ken Miyasato, Vice President Glen Moribe and Secretary/Treasurer Norman Okimoto.

Moribe welcomed everyone to the 84<sup>th</sup> Annual Meeting. He thanked everyone for taking time out of their busy schedule to attend the credit union’s first virtual annual meeting. Moribe mentioned he will be doing a combined Chairman’s Message, President’s Message and Treasurer’s Report.

Moribe said 2020 was a very challenging and unprecedented time for everyone due to the COVID-19 pandemic. He mentioned it was a little over a year ago when the pandemic started changing all our lives. Moribe shared the credit union was proactive in creating a safe environment in accordance with government guidelines for employees and members. He reported the credit union also kept as many branches open as safely possible and employees physically came in to work to take care of all members’ financial needs. Moribe said the credit union’s online

## MINUTES OF THE 84TH ANNUAL MEETING (CONT'D)

banking platform and mobile app were also available twenty-four hours a day, seven days a week. He mentioned to help members, we offered loan extensions, mortgage assistance programs and other member accommodations to lessen the financial impact of the pandemic. Moribe shared the credit union partnered with the City & County of Honolulu to disburse funds from the Small Business Relief & Recovery Fund, which assisted businesses adversely affected by the pandemic.

Moribe shared financially the credit union continues to be one of the strongest and best credit unions in the State. He reported assets increased \$113.1 million to \$786.3 million, our net worth ratio was 12.3% and our net income was \$6.2 million. Moribe mentioned we continued to offer competitive rates on member share deposits and kept loan rates low. He shared we introduced a new online appointment booking system, free financial seminars, Visa gift cards, personalized debit cards, and members can now add HIFICU's credit card and debit card to their digital wallet for use with Apple Pay, Samsung Pay and more. Moribe said to make it easier for people to join the credit union, we expanded our field of membership to include those who live, work and worship in Maui County.

At this time, Moribe gave extra thanks for all the dedicated and hardworking employees who came to work every day to take care of members during this pandemic. He then recognized eighteen employees who reached milestone years of service this past year.

### 5 YEARS

- Andreas Cravalho, Loan Officer
- Diane Bumanglag, Teller
- Linette Natividad, Marketing Assistant
- Ma Carla Ayres, Teller
- Robert Oda, Senior Membership Development Specialist
- Shaye Matsumoto, Accountant

### 10 YEARS

- Edross Carillo, Senior Teller

### 15 YEARS

- Brenlyn Madriaga, Branch Manager
- Gene Boyd, Electronic Support Services Supervisor
- Vicky Masumoto, Assistant Member Services Supervisor

### 20 YEARS

- Danette Hurst-Garcia, Senior Teller
- Duane Omori, Loan Payment Services Supervisor
- Katherine Dembinski, Accounting Supervisor

### 25 YEARS

- Cellina Garcia, Branch Manager
- Laurie Awa, Loan Supervisor

### 30 YEARS

- Debbie Greenwood, Senior Loan Officer
- Delbert Kamikawa, Senior Loan Officer
- Norman Okimoto, President

## MINUTES OF THE 84TH ANNUAL MEETING (CONT'D)

Moribe then shared a few remarks. He said he continues to be truly humbled to be the Chairman, and to be part of this incredibly successful, progressive, and special credit union. Moribe mentioned 2020 was an extremely difficult year for everyone, and he witnessed firsthand how awesome the credit union was in helping members, keeping everyone safe, implementing new programs, while being financially strong and successful.

In closing, Moribe thanked everyone for the privilege of serving as Chairman. He mentioned we all need to continue taking extra precautions to be safe during this pandemic. Moribe said hopefully we can physically celebrate together for our annual meeting and dinner next year in 2022. He thanked everyone for taking the time to participate in this virtual annual meeting.

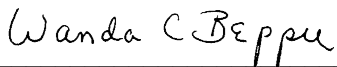
There was no unfinished or new business.

At this time, Moribe called upon Gerald Noda, Nominating Committee Chairman. Noda reported there was no election by ballot this year because there were two candidates for two vacancies. He declared the candidates elected by general consent per Article VI, Section 2 of our Bylaws. Noda then introduced the newly elected directors: Wanda Beppu and Michael Yee.

Moribe stated, "We are now at the end of our agenda." Seeing no objections from the members who attended virtually, the meeting was adjourned.

### **Adjournment**

The meeting was adjourned at 5:16 p.m.



Wanda C. Beppu, Secretary



Glen Y. Moribe, Chairman

# Supervisory Committee Report

Daniel Masutomi, Chairman

The Supervisory Committee, as a key link between elected officials and the membership, is responsible for determining that the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements, and the management practices and procedures are sufficient to safeguard member's assets.

The Committee reviewed the Credit Union's financial performance, attended the monthly Board of Director's meetings, provided assistance to any members with questions, and engaged an independent certified public accounting firm to conduct a formal audit of the Credit Union's operations and accounting records. The audit determines the reliability and integrity of financial and operating information, and ensures compliance with policies, plans, procedures, laws and regulations which could have a significant impact on the Credit Union. It also evaluates whether the established system of internal control provides reasonable assurance that goals are met economically.

The Committee is happy to report that the financial condition of the Credit Union is accurately and fairly represented in the Credit Union's financial statements and that management practices and procedures are sufficient to safeguard member's assets.

We wish to thank the Board of Directors and the Credit Union staff for their support and you, the members, for the privilege of serving as your representative during 2021.

# Loan Review Committee Report

We held 232 meetings during 2021 and approved 609 loans totaling \$131,108,759. We accomplished this by establishing lending authorizations for the loan staff and instituting policies and procedures for them to adhere to. We strive to accommodate your loan requests while adhering to sound credit lending practices. Loans are also made within limits of prudence and safety in order to protect the deposits of all members.

The aggregate number of loans granted by the staff and Committee totaled 2,188 loans amounting to \$294,967,916.

Your Loan Review Committee takes pride in meeting your financial needs. We look forward to serving you in 2022. Meeting our responsibilities would not have been possible without your support, the guidance and leadership of the Board of Directors, Asset/Liability Committee and credit union staff.



# Treasurer's Report

Ken Miyasato, Treasurer

As your Treasurer, I am pleased to report that Hawaiian Financial Federal Credit Union continued to be financially strong and healthy throughout 2021 and is well-positioned to sustain this performance in 2022 and beyond. Your credit union is well-reserved and we are committed to being the preferred provider for all of your financial needs.

In 2021, Hawaii's residents persevered through the second year of the COVID-19 pandemic, and our staff worked tirelessly to make it safe and convenient to handle all of your financial transactions both in person and online. Members safely interacted in person with our tellers and staff at all eleven branches on Oahu and Maui thanks to our COVID-19 health and safety protocols, and our Home Branching and MyMobile smartphone app provided a secure and convenient online tool to make transactions anywhere and anytime. Many of you used the MyMobile app's Remote Capture Deposit program to deposit checks 24x7 using your smartphone.

Our staff continued to support members needing financial relief through loan assistance programs and waiving replacement fees for ATM and debit cards.

In 2021, Kuakini Medical and Dental Federal Credit Union (KMDFCU) members voted overwhelmingly to merge with Hawaiian Financial Federal Credit Union. The merger was completed in November and provided an incredible opportunity to offer expanded financial services to the 2,200+ members of KMDFCU which included employees of Kuakini Medical Center, Fresenius Medical Care, retirees of Eastman Kodak Corporation, and Hawaii Dental Association staff. As part of the merger, the former KMDFCU branch on Liliha Street was added as a satellite branch for the convenience of the new members as well as those of you who live and work in the Liliha and Nuuanu neighborhoods. We warmly welcome KMDFCU's members to the Hawaiian Financial Federal Credit Union ohana.

Your credit union's staff, management, volunteers, and Board of Directors remain fully committed to the financial security and soundness of the deposits which you entrust with us. Hawaiian Financial Federal Credit Union continues to have strong reserves to fulfill the current and future needs of our members and was recognized nationally by DepositAccounts.com (a subsidiary of LendingTree) in its 2021 list of the Top 200 Healthiest Credit Union in America. Hawaiian Financial's A+ rating and No. 86 ranking were the sixth time in the last seven years that we made this prestigious list. We are humbled and honored to be recognized nationally, and our staff is committed to sustaining the highest standards of excellence on behalf of our members.

Despite 2021 interest rates across the financial industry remaining at historic lows, your credit union continued to offer competitive rates on your share deposits and kept loan rates low. We continuously benchmarked our rates to ensure they are among the best offered by Hawaii credit unions and banks. Additionally, our mortgage department's knowledgeable and helpful staff helped many members take advantage of the low interest rates to refinance their homes, purchase a new home, or even purchase an investment property.

For your convenience, in-store Walmart branches at Fort Street, Kunia, Kapolei, Pearl City, and Kahului Maui remain open for your convenience six days a week. They complement our Kalihi main branch and satellite branches at Kaimuki, Liliha, Honolulu Airport, Sheraton Waikiki and Wheeler. All eleven branches are staffed by our friendly employees to help you with your financial needs.

In 2021, the consolidated net income for our Credit Union was \$8.0 million, and our net worth ratio of 11.5% was one of the best in the State. The following summarizes and highlights the year's activity:

- Dividends paid to members totaled \$2.8 million
- Operating Expenses of \$21.0 million were 2.3% of Assets

## TREASURER'S REPORT (CONT'D)

- Contribution to Capital of \$2.8 million increased Members' Equity to \$100.2 million
- Assets increased \$128.7 million to \$915.0 million
- Shares increased \$122.7 million to \$806.9 million
- Loans decreased \$17.8 million to \$351.7 million
- Investments increased \$170.8 million to \$430.9 million

Please join me in sharing appreciation for the dedication and hard work by the credit union's staff, management, committee members, volunteers, and my fellow Board of Directors. They worked tirelessly to provide you with the best and safest customer service and a full portfolio of financial services. We remain committed to fulfilling our mission of "People Helping People." It is an honor and a privilege to serve as the Treasurer of your Credit Union.



Ken Miyasato  
Treasurer

# Board and Committees

## Board of Directors

Chairman.....	Glen Moribe
Vice Chairman.....	William Pimental
Treasurer.....	Ken Miyasato
Secretary.....	Wanda Beppu
Directors.....	Calvin Choy
.....	Gerald Noda
.....	Michael Yee

## Committee Members

### Supervisory Committee

Chairman.....	Daniel Masutomi
Members.....	Deborah Lau Okamura
.....	Dianne Sinco
.....	Gerry Sagucio
.....	Lorna Pang

### LOAN REVIEW COMMITTEE

Chairman.....	Anabel Lindsey
Members.....	Wendy Cheung
.....	Duane Omori
.....	Laurie Awa
.....	Delbert Kamikawa
Board Liaison.....	Michael Yee
Alternate.....	Gerald Noda

### ASSET/LIABILITY COMMITTEE

Chairman.....	Norman Okimoto
Treasurer.....	Ken Miyasato
Members.....	Calvin Choy
.....	Michael Yee
.....	Wanda Beppu

### HUMAN RESOURCES COMMITTEE

Chairman.....	Ken Miyasato
Members.....	Calvin Choy
.....	Wanda Beppu
.....	William Pimental
.....	Gerald Noda

### NOMINATING COMMITTEE

Chairman.....	Michael Yee
Members.....	Donald S Bowman
.....	Wanda Beppu
.....	Calvin Choy

**BOARD AND COMMITTEES (CONT'D)**

INFORMATION TECHNOLOGY STEERING COMMITTEE

Chairman.....Ken Miyasato  
Members.....Wanda Beppu  
.....Norman Okimoto  
.....Anna Arii  
.....Paulette Ito  
.....Wendy Cheung  
.....Anabel Lindsey  
.....David Curre  
.....Derek Kato  
.....Gordon Tom  
.....Tammy Toyama

STRATEGIC MARKETING COMMITTEE

Chairman.....William Pimental  
Members.....Ken Miyasato  
.....Deborah Lau Okamura  
.....Norman Okimoto  
.....Paulette Ito

VENDOR RISK MANAGEMENT COMMITTEE

Chairman.....Michael Yee  
Members.....Norman Okimoto  
.....Anna Arii  
.....Wendy Cheung  
.....Gordon Tom

SCHOLARSHIP COMMITTEE

Chairman.....Gerald Noda  
Members.....Deborah Lau Okamura  
.....Gerry Sagucio  
.....Anna Arii  
.....Gordon Tom  
.....Paulette Ito

CUSO BOARD OF DIRECTORS

President.....Ken Miyasato  
Vice President.....Glen Moribe  
Secretary/Treasurer.....Norman Okimoto

Note: Norman Okimoto is designated ex-officio member of all committees.

# Branch Locations

**Main Branch**

1138 North King Street  
(808) 832-8700

**Airport Branch**

277 Elliot Street  
(808) 835-3344

**Bishop Branch**

1177 Bishop St. 11th Floor  
(Restricted Access)  
(808) 521-1077

**Downtown Branch**

(located inside Fort St. Walmart)  
(808) 532-5300

**Kaimuki Branch**

1144 10th Avenue Suite 101  
(808) 735-6940

**Kapolei Branch**

(located inside Kapolei Walmart)  
(808) 380-7280

**Kuakini Branch**

1703 Liliha Street  
(808) 687-6280

**Kunia Branch**

(located inside Kunia Walmart)  
(808) 671-7788

**Maui Branch**

(located inside Maui Walmart)  
(808) 866-5288

**Mililani Branch**

(located inside Mililani Walmart)  
(808) 625-7179

**Pearl City Branch**

(located inside Pearl City Walmart)  
(808) 777-3060

**Sheraton Waikiki Branch**

2255 Kalakaua Avenue  
Suite 3505  
(808) 931-8000

**Wheeler Branch**

Wheeler AAF,  
1129 Wright Ave  
(808) 624-9801