

## CONSOLIDATED BALANCE SHEET

Hawaiian Financial Federal Credit Union  
and Subsidiary HTFCU Financial Services LLC  
As of December 31, 2022 and 2021

ASSETS	2022 (Unaudited)	2021
Loans	\$531,780,924	\$351,720,393
Allowance for Loan Losses	(4,110,298)	(4,573,989)
Net Origination Fees	(1,067,635)	(2,307,898)
Cash and Cash Equivalents	60,848,548	107,820,727
Investments	326,825,152	430,888,281
NCUA Share Insurance Fund	7,605,540	7,425,373
Building & Land, Leasehold Improvements	13,848,317	14,061,957
Furniture & Equipment- Net	438,984	603,078
Accrued Interest Receivable	2,248,847	1,799,903
Other Assets	4,676,507	7,527,297
<b>TOTAL ASSETS</b>	<b>\$943,094,886</b>	<b>\$914,965,122</b>
LIABILITIES	\$ 36,277,393	\$ 7,893,843
MEMBERS' SHARES	828,781,466	806,859,080
MEMBERS' EQUITY	\$ 78,036,027	100,212,199
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 943,094,886</b>	<b>\$914,965,122</b>

## Loan Review Committee Report

Anabel Lindsey, Chairman

We held 268 meetings during 2022, and the committee granted 1059 loans totaling \$324,405,775. We strive to accommodate your loan requests while adhering to sound credit lending practices. Loans are made within limits of prudence and safety in order to protect the deposits of all members.

Your Loan Review Committee takes pride in meeting your financial needs. We look forward to serving you in 2023. 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.

## BOARD & COMMITTEES

### Board of Directors

Chairman.....	Glen Moribe
Vice Chairman.....	William Pimental
Treasurer.....	Gerald Noda
Secretary.....	Wanda Beppu
Directors.....	Calvin Choy
.....	Deborah Lau Okamura
.....	Donald S. Bowman

### Committees

#### ASSET/LIABILITY COMMITTEE

Chairman.....	Norman Okimoto
Members.....	Calvin Choy
.....	Gerald Noda
.....	Wanda Beppu
.....	Wendy Cheung

#### HUMAN RESOURCES COMMITTEE

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

#### LOAN REVIEW COMMITTEE

Chairman.....	Anabel Lindsey
Members.....	Carey Thomas
.....	Delbert Kamikawa
.....	Duane Omori
.....	Laurie Awa
.....	Wendy Cheung
Board Liaison.....	Gerald Noda

#### SCHOLARSHIP COMMITTEE

Chairman.....	Gerald Noda
Members.....	Anna Aarii
.....	Deborah Lau Okamura
.....	Gerry Sagucio
.....	Gordon Tom
.....	Norman Okimoto
.....	Paulette Ito

#### SUPERVISORY COMMITTEE

Chairman.....	Daniel Masutomi
Members.....	Dianne Sinco
.....	Gerry Sagucio
.....	Jason Fujita
.....	Lorna Pang

#### CUSO BOARD OF DIRECTORS

President.....	Gerald Noda
Vice President.....	Glen Moribe
Secretary/ Treasurer.....	Norman Okimoto

#### INFORMATION TECHNOLOGY STEERING COMMITTEE

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

#### NOMINATING COMMITTEE

Chairman.....	Wanda Beppu
Members.....	Deborah Lau Okamura
.....	Donald S. Bowman

#### STRATEGIC MARKETING COMMITTEE

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

#### VENDOR RISK MANAGEMENT COMMITTEE

Chairman.....	Calvin Choy
Members.....	Anna Aarii
.....	Gordon Tom
.....	Norman Okimoto
.....	Wendy Cheung

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



**Hawaiian Financial**  
Federal Credit Union

## 2022 ANNUAL REPORT

### A Message from the Chairman of the Board

Glen Moribe, Board Chairman

Aloha Members,

At HIFICU, our focus has always been to serve our valued members with the utmost level of commitment, and our mission to offer competitive products—like our 4.00% share certificate special—is still top priority today. In 2023, we will continue to work to bring you value for all your money needs from a financial institution you can trust.

I am pleased to say that in 2022 the Credit Union made significant strides in reaching out to the community with initiatives that made a real impact. We awarded scholarships to 30 Hawaii students in the inaugural year of our Scholarship Program, supporting their efforts to pursue higher education. We also launched the Get Your House In Order program, a multi-tiered campaign aimed at guiding Hawaii's families through the complexities of estate planning, getting organized and other important life issues.

Financially, your Credit Union remains strong. We are well capitalized, and our operational strategy keeps us on a solid path well into the future. Rest assured that your funds are safe and sound at HIFICU.

On behalf of our Board of Directors, it is our distinct honor to serve the members of Hawaiian Financial Federal Credit Union. We thank the management and staff for their steadfast commitment to service, and our members for their continued loyalty in having HIFICU as their trusted financial partner.

## CONSOLIDATED INCOME STATEMENTS

Hawaiian Financial Federal Credit Union  
and Subsidiary HTFCU Financial Services LLC  
As of December 31, 2022 and 2021

	2022 (Unaudited)	2021
<b>INCOME</b>		
Interest from Loans	\$15,793,987	\$ 13,957,359
Income from Investments	6,195,152	5,227,252
Other Operating Income	5,454,403	12,630,027
Total Interest Income	27,443,542	31,814,638
Less: Dividends Paid to Members	(3,032,010)	(2,775,582)
Income Before Operating Expenses	24,411,532	29,039,056
<b>OPERATING EXPENSES</b>		
Salaries, Benefits & Payroll		
Taxes	\$ 9,873,534	\$ 10,796,449
Office Operations	2,071,158	2,426,992
Office Occupancy	1,197,230	1,819,342
Loan Servicing	736,721	1,438,477
Provision for Loan Losses	(3,134,093)	(1,786,885)
Professional & Outside Services	1,189,725	2,192,355
Annual Meeting Expense	21,772	22,541
Members' Services	1,610,589	2,436,309
Publicity and Promotional	1,454,166	1,176,199
Miscellaneous Operating Expense	1,036,342	500,583
Total Operating Expenses	16,057,144	21,022,362
<b>NET INCOME</b>	<b>\$ 8,354,388</b>	<b>\$ 8,016,694</b>

## 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 2022.

# MINUTES OF THE 85th ANNUAL MEETING March 12, 2022

Glen Y. Moribe, Chairman  
Wanda C. Beppu, Secretary

## Call to Order

The 85th Annual Meeting was called to order by Chairman Glen Moribe at 5:02 p.m. Secretary Wanda Beppu reported there is a quorum with 50 members present. The final count at the end of the meeting was 67 members.

Moribe welcomed everyone to the 85th Annual Meeting. He thanked everyone for taking time out of their busy schedule to attend the credit union's second virtual annual meeting.

The minutes of the March 27, 2021 Annual Meeting were approved as circulated. Chairman Moribe introduced the Board of Directors, the Board Advisor and their respective committees: Vice Chairman William "Primo" Pimental, Treasurer Ken Miyasato, Secretary Wanda Beppu, Directors Calvin Choy, Gerald Noda, Michael Yee and Board Advisor Donald "Scotty" Bowman (not present).

Moribe next recognized the Supervisory Committee chaired by Daniel Masutomi, and its members Deborah Lau Okamura, Dianne Sinco, Gerry Sagucio and Lorna Pang (not present). Moribe referred the attendees to the Supervisory Committee's report included in the annual report distributed electronically in advance of the meeting. There were no questions received.

Moribe then recognized the Loan Review Committee chaired by Anabel Lindsey, and its members Wendy Cheung, Laurie Awa (not present), Duane Omori (not present) and Delbert Kamikawa (not present). He also recognized Michael Yee and Gerald Noda as the board liaison and alternate board liaison, respectively. There were no questions on the Loan Review Committee's report in the annual report.

Moribe mentioned he will be doing a combined Chairman's Message, President's Message and Treasurer's Report.

Moribe said 2021 was another challenging year for everyone due to the COVID-19 pandemic. He shared the credit union continued to be proactive in creating a safe environment in accordance with government guidelines for employees and members. Moribe reported the credit union kept as many branches open as safely possible and employees physically came in to work to take care of all members' financial needs. He said the credit union also continued to offer loan extensions, mortgage assistance programs and other member accommodations to lessen the financial impact of the pandemic. Moribe mentioned to enhance member benefits, we changed our core data system, introduced our digital Visa card, and launched our prepaid Visa cards.

Moribe said to give back to our community, the credit union started the Hawaiian Financial Federal Credit Union Scholarship Program. He reported the credit union helped 30 Hawaii students with their higher education pursuits.

Moribe then welcomed members of Kuakini Medical & Dental FCU (KMDFCU) into the credit union's financial ohana as of

same time, we increased share deposit rates several times so you could earn more on your deposits.

We constantly benchmark our rates to ensure they are among the best offered by local banks and credit unions. Our 15-month 4.00% Share Certificate special was a huge success, bringing in new money and members. We also lowered the minimum balance requirement to earn the promotional rate to \$2,000 so more could take advantage of this competitive rate.

Additionally in 2022, our mortgage department continued to help many of our members take advantage of the historic low interest rates to refinance their home, purchase a new home, or purchase an investment property.

For your convenience, our in-store Walmart branches at Fort Street, Kunia, Kapolei, Pearl City, and Kahului Maui remain open

November 2021. He shared KMDFCU members now have access to more products and services while their branch on Liliha Street gives another convenient location for all members to use.

Moribe shared financially 2021 was another amazing year as our credit union assets grew \$128.7 million to \$915.0 million, our net worth ratio was 11.5% and our net income was \$8.0 million. He mentioned we continue to be one of the strongest and best credit unions in the State. Moribe said for the sixth time in the last seven years, DepositAccounts.com named our credit union as one of the top 200 Healthiest Credit Unions in America and gave us an A+ rating.

At this time, Moribe recognized ten employees who reached milestone years of service this past year.

## 5 YEARS

- Melody Batocal, Branch Supervisor
- Alexis Hirabara, Senior Compliance Assistant
- Jonathan Kappas, Assistant Teller Supervisor
- Michael Miyashiro, Senior Accountant
- Aira Siapno, Senior Accountant

## 15 YEARS

- Lisa Carveiro, Mortgage Loan Specialist
- Marilyn Natividad, Part-Time Senior Teller

## 25 YEARS

- Wendy Cheung, SVP – Chief Financial Officer
- Lori Francisco, Senior Human Resources Assistant
- Karen Higa, Assistant Clearing Supervisor

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. These branches are staffed by our friendly employees to help you with your financial needs.

In 2022, the consolidated net income for our Credit Union was \$8.4 million, and our net worth ratio of 12.0% was one of the best in the State. The following summarizes and highlights the year's activity:

- Dividends paid to members totaled \$3.0 million
- Operating Expenses of \$16.1 million were 1.7% of Assets
- Members' Equity decreased \$22.2 million to \$78.0 million
- Assets increased \$28.1 million to \$943.1 million
- Shares increased \$21.9 million to \$828.8 million
- Loans increased \$180.1 million to \$531.8 million
- Investments decreased \$104.1 million to \$326.8 million

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 in 2023. He thanked everyone for taking the time to participate in this virtual annual meeting.

There was no unfinished or new business.

Moribe then called upon Michael Yee, Nominating Committee Chairman. Yee reported there was no election by ballot this year because there were three candidates for three vacancies. He declared the candidates elected by general consent per Article V, Section 1c of our Bylaws. Yee then introduced the newly elected directors: Deborah Lau Okamura, Gerald Noda and William "Primo" Pimental. Yee then recognized Ken Miyasato as the outgoing Board member.

Moribe then 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 5:14 p.m.

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## Treasurer's Report

Gerald Noda, Treasurer

As your Treasurer, I am pleased to report that Hawaiian Financial Federal Credit Union continued to be financially strong and healthy throughout 2022 and is well-positioned to sustain this performance in 2023 and beyond.

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. We continue to have strong reserves to fulfill the current and future needs of our members.

In 2022, the Federal Reserve Bank increased Federal Funds rate seven times to a range of 4.25% to 4.50% to stave off inflation and stabilize employment. Despite higher interest rates, our borrowing rates remained steady at affordable levels. At the

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 member 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.