

HAWAIIAN FINANCIAL FEDERAL CREDIT UNION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

ASSETS	2024	2023
Cash & Cash equivalents	\$ 143,472,936	\$ 67,554,651
Investments	266,278,870	297,195,237
Loans to Members, less allowance for loan losses	577,950,507	566,956,195
Property and Equipment, net	14,561,611	15,041,578
National Credit Union Share Insurance Fund Deposit	7,870,356	8,290,044
Other Assets	10,297,696	8,201,580
TOTAL ASSETS	\$ 1,020,431,976	\$ 963,239,285
LIABILITIES & EQUITY		
LIABILITIES		
Members’ Shares	\$ 925,268,178	\$ 867,480,749
Accounts Payable and Other Liabilities	4,622,110	7,865,328
TOTAL LIABILITIES	\$ 929,890,288	\$ 875,346,077
Members’ Equity	\$ 90,541,688	\$ 87,893,208
TOTAL LIABILITIES & EQUITY	\$ 1,020,431,976	\$ 963,239,285

Loan Review Committee Report

Anabel Lindsey, Chairman

We held 263 meetings during 2024, and approved 639 loans totaling \$112,561,885. 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 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 2025. 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.....Ken Miyasato
Secretary.....Gerry Sagucio
Directors.....Calvin Choy
.....Deborah Lau Okamura
.....Gerald Noda

Committees

ASSET/LIABILITY COMMITTEE
Chairman.....Norman Okimoto
Treasurer.....Ken Miyasato
Members.....Calvin Choy
.....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.....Wendy Cheung
.....Duane Omori
.....Laurie Awa
.....Delbert Kamikawa
.....Edson Toma
Board Liaison.....Gerald Noda
Alternate.....Calvin Choy

SCHOLARSHIP COMMITTEE
Chairman.....Gerald Noda
Members..Deborah Lau Okamura
.....Gerry Sagucio
.....Lorna Pang
.....Norman Okimoto
.....Paulette Ito
.....Gordon Tom

SUPERVISORY COMMITTEE
Chairman/
Secretary.....Daniel Masutomi
Members.....Dianne Sinco
.....Francis Alueta
.....Lorna Pang

CUSO BOARD OF DIRECTORS
President.....Ken Miyasato
Vice President.....Glen Moribe
Secretary/
Treasurer.....Norman Okimoto

INFORMATION TECHNOLOGY STEERING COMMITTEE
Chairman.....Ken Miyasato
Members.....Gerry Sagucio
.....Wanda Beppu
.....Norman Okimoto
.....Wendy Cheung
.....Derek Kato
.....Gordon Tom

NOMINATING COMMITTEE
Chairman.....Calvin Choy
Members.....Donald S. Bowman
.....Gerry Sagucio
.....William Pimental

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

VENDOR RISK MANAGEMENT COMMITTEE
Chairman.....Calvin Choy
Members.....Norman Okimoto
.....Wendy Cheung
.....Gordon Tom

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



Hawaiian Financial
Federal Credit Union

2024 ANNUAL REPORT

A Message from the Chairman of the Board

Glen Moribe, Board Chairman

Aloha Members,

As we look back on an exciting and productive 2024, I want to extend my deepest mahalo to each of you, our valued members, for your unwavering support and loyalty. The trust and commitment you have demonstrated in your credit union are the foundation for all of our accomplishments this year. The volunteers and staff are truly grateful to have you as part of our Credit Union 'ohana.

In 2024, we continued offering our certificate specials with rates as high as 5.00% APY, providing you with exceptional savings opportunities. As a result, we paid out a record \$16.0 million in member share dividends, a 41.6% increase over 2023. We also continued our tradition of supporting our keiki and future leaders through our Scholarship Program, awarding \$2,000 scholarships to 20 deserving students to help them achieve their higher education dreams.

This year, we introduced an exciting new tool, MyCreditScore, designed to give you instant access to your credit score and provide valuable financial insights. With MyCreditScore, you can easily monitor your credit health and make confident, informed financial decisions. We are thrilled to offer this feature, empowering our members to take charge of their financial futures.

Another highlight of 2024 is the incredible honor of being voted 'Best Credit Union' in KITV's Best of Hawaii Viewer's Choice Awards. This recognition belongs to all of you – our amazing members – who continue to make us the best by choosing to grow and thrive with Hawaiian Financial Credit Union.

On a national level, we were recognized for the second year in a row as one of America's Best Regional Banks and Credit Unions. We were featured in the August/September issue of Forbes and Fortune magazines, and September/October issue of Entrepreneur magazine. At our annual meeting last year, I mentioned that at \$963.2 million in assets we were on our way to being a billion-dollar financial institution. I thought it would take us a few years to get there, but lo and behold we ended 2024 with \$1.02 billion dollars in assets, thanks to the team effort of you, our loyal members, hardworking staff and dedicated volunteers. We are the fourth credit union in Hawaii to reach this milestone.

As we look to the future, we remain committed to serving all your money needs and helping you reach your financial goals. Together, we will build on this momentum and continue to create a bright future for our entire HIFICU 'ohana.

Mahalo for your trust, support, and partnership. We look forward to another successful year ahead!

HAWAIIAN FINANCIAL FEDERAL CREDIT UNION AND SUBSIDIARY
CONSOLIDATED INCOME STATEMENT
YEAR ENDED DECEMBER 31

	2024	2023
INTEREST INCOME		
Loans to Members	\$ 25,550,448	\$ 23,322,377
Investments	7,541,593	6,407,505
Total Interest Income	\$ 33,092,041	\$ 29,729,882
INTEREST EXPENSE		
Members’ Share Dividends	\$ 16,025,810	\$ 11,317,897
Borrowed Funds	-	709,133
Total Interest Expense	\$ 16,025,810	\$ 12,027,030
Net Interest Income	\$ 17,066,231	\$ 17,702,852
Non-interest Income	\$ 7,792,272	\$ 6,958,887
NON-INTEREST EXPENSE		
Salaries and Benefits	\$ 8,873,320	\$ 9,654,398
Office Operations	2,614,665	1,956,356
Office Occupancy	1,235,666	915,894
Loan Servicing	1,167,247	778,342
Provision for Loan Losses	418,003	417,476
Professional & Outside Services	1,913,711	1,495,072
Education and Promotion	1,309,786	1,495,700
Member Services	2,173,853	1,854,261
Other	950,414	830,551
Total Non-interest Expense	20,656,665	19,398,050
NET INCOME	\$ 4,201,838	\$ 5,263,689

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 2024.

MINUTES OF THE
87th ANNUAL MEETING
March 9, 2024

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

Call to Order

The 87th Annual Meeting was called to order by Chairman Glen Moribe at 5:19 p.m. Secretary Wanda Beppu reported there was a quorum with 521 members present. The final count at the end of the meeting was 650 members.

The minutes of the March 25, 2023 Annual Meeting were approved as circulated. Chairman Moribe introduced the Board of Directors and their respective committees: Vice Chairman William “Primo” Pimental, Treasurer Gerald Noda, Secretary Wanda Beppu, and Directors Calvin Choy, Deborah Lau Okamura and Ken Miyasato.

Moribe then recognized the Asset/Liability Committee chaired by Norman Okimoto, Treasurer Gerald Noda and its members Calvin Choy, Wanda Beppu and Wendy Cheung. He also recognized the Loan Review Committee chaired by Anabel Lindsey, and its members Wendy Cheung, Laurie Awa, Duane Omori (not present) and Delbert Kamikawa with Gerald Noda as the Board Liaison and Ken Miyasato as the Alternate Board Liaison. There were no questions on the Loan Review Committee’s report located on the inside right panel of the annual report. Moribe next recognized the Supervisory Committee chaired by Daniel Masutomi, and its members Dianne Sinco, Gerry Sagucio and Lorna Pang. He referred the attendees to the Supervisory Committee’s report located on the inside left panel of the annual report. There were no questions received.

At this time, Moribe called upon the President of the credit union, Norman Okimoto. Okimoto welcomed everyone to the 87th Annual Meeting. He shared our dinner is a sold-out event with over 1,000 people and said this is the largest credit union annual meeting event in Hawaii this year. Okimoto thanked the members for their support and for their presence. He said the credit union is regularly recognized as one of the strongest and best credit unions not only in Hawaii, but nationally as well. Okimoto announced we were honored and humbled by Forbes who recognized us in June 2023 as one of the top credit unions in the nation and state. He said the credit union follows the time-tested formula of making loans members can afford, offering great rates and services, and providing member assistance when necessary. Okimoto shared we participated in community efforts and provided financial relief to help those affected by the Maui wildfires.

Okimoto then welcomed the members of Kamehameha FCU into our growing financial ohana as of December 2023 and recognized all 17 credit unions who joined our Hawaiian Financial ohana over the years: American Trust FCU, Church of World Messianity FCU, Hawaii Teamsters FCU, Star Markets FCU, Central Oahu Community FCU, Waipahu FCU, Oahu Plumbing FCU, Aiea FCU, Halekulani FCU, Sheraton Hawaii FCU, Island Tradition FCU, ORAL FCU, Board of Water Supply FCU, Hawaiian Airlines FCU, Times FCU, Kuakini Medical & Dental FCU and Kamehameha FCU.

At this time, Okimoto recognized ten employees who reached milestone years of service this past year along with three employees with 30 or more years of service who retired in 2023.

- 5 Years
- Hollie Kamai, VP Electronic and Card Services
 - Patty Low, Loan Specialist
 - Yolanda Alejo, Accounting Assistant

- 10 years
- Holly Zukeran, Mortgage Underwriter

- 15 years
- Arnel Opriasa, Teller
 - Ellaine Rivera, Sheraton Branch Manager
 - Scott Lum, Systems Analyst
 - Sheri Higa, Compliance Officer
 - Stephen Shigetani, Assistant Teller Supervisor

- 25 years
- Gwen Gascon, Accountant

- Employees Who Retired With 30+ Years of Service:
- Debbie Greenwood, Senior Loan Officer
 - Debbie Hopkins, Loan Payment Services Representative
 - Renee Nakagawa, Kaimuki Branch Manager

In closing, Okimoto thanked all the volunteers and loyal credit union members for the privilege of serving them. He said we will continue to work hard to provide members with the best service, products and rates as possible.

Moribe then shared a few remarks. He welcomed everyone to our second in-person annual meeting since the COVID-related shutdown and shared the Board felt it was important to get together again and celebrate the success of the credit union. Moribe said he will be doing a combined Chairman’s Message and Treasurer’s Report.

Moribe shared the credit union continues to be very strong financially and experienced solid growth over the years. He reported 2023 was another successful year as assets grew \$20.1 million to \$963.2 million, net income was \$5.3 million and our net worth ratio was 12.5% at year end, which is one of the best in the state. Moribe said with the rise in inflation and interest rates in 2023, we continued to offer our 15-month CD specials which were hugely popular because the rates were one of the best in Hawaii. He mentioned we also kept the minimum balance requirement to open the promotional CD at \$2,000 so more members could take advantage of the great rates. Moribe shared the current CD special is for nine months with a rate of 4.75%. He reported the credit union paid out a record \$11.3 million in member share dividends in 2023 which represents an increase of \$8.3 million over 2022.

Moribe said the Board is extremely proud of the Forbes recognition we received in June that Okimoto mentioned. He shared the Board is always humbled by any national recognition the credit union receives, but it isn’t surprising because they witness how hard the volunteers and staff work to manage the credit union in a safe and sound manner while continuing to offer great rates, products and services. Moribe said he has been involved with the credit union for over 25 years and his heart is filled with

pride, gratitude and joy at the thousands of members the credit union has helped over the years to save money and make their dreams come true.

Moribe also extended a warm welcome to the members of Kamehameha FCU into the financial ohana as of December 2023. He mentioned we have a solid reputation of taking care of all members and staff, and accordingly more credit unions have chosen us to merge with than any other Hawaii credit union.

Moribe shared it is a priority for the credit union to do its part in the community. He mentioned for those affected by the Maui wildfires we offered financial relief, participated in efforts such as Kokua Maui and Kokua for Maui, and helped to rebuild lives that have been forever changed. Moribe said in 2023, our Scholarship Program awarded 20 scholarships of \$2,000 each to help Hawaii students. He mentioned we continued our popular Get Your House in Order education program to help Hawaii families through the complexities of estate planning, getting organized and other important life issues. Moribe said the four Ho’okele Guidebooks, videos and articles are available on the credit union’s website. He then shared in the community we supported Hawaii’s keiki with our School Tools Drive, hosted 200 Wheeler Elementary School students to teach them about credit unions and financial literacy, sponsored the Keiki Fun Zone at the Building Industry Association (B.I.A.) Show, and participated in the Hawaii Food Bank Food Drive. Moribe said we also supported the American Cancer Society, the Board of Water Supply water conservation week, the Kuakini Foundation, University of Hawaii athletics, Augie T’s B.R.A.V.E Foundation, and many other community events throughout the year.

Moribe said as Chairman of this truly special credit union that has led the way in Hawaii, he is always amazed at how much we have accomplished over our 87 years of existence. He shared we started humbly as the first chartered credit union on Oahu in 1936 with 65 members who deposited \$2,517 of their hard-earned money because they believed in the credit union and the motto of “people helping people.” Moribe said because of these 65 visionary pioneers, 87 years later in 2023, we ended with 55,664 members and \$963.2 million in assets.

In closing, Moribe thanked everyone for the privilege of serving as Chairman, for their loyal membership and for taking the time to attend the annual meeting. He then wished everyone a fun evening.

There was no unfinished or new business.

Moribe then called upon Wanda Beppu, Nominating Committee Chairperson. Beppu reported there was no election by ballot this year because there was one candidate for one vacancy. She declared the candidate elected by general consent per Article V, Section 1c of our Bylaws. Beppu then introduced the newly elected director: Gerry Sagucio.

Moribe then stated, “We are now at the end of our agenda.” Hearing no objections, the meeting was adjourned.

Adjournment

The meeting was adjourned at 5:38 p.m.

Wanda C Beppu
Wanda C. Beppu, Secretary

Glen Y. Moribe, Chairman

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 2024 and is well-positioned to sustain this performance in 2025 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 2024, the Federal Reserve Bank lowered the Federal Funds rate by one percent to a range of 4.25% to 4.50% to maintain economic growth and manage inflation. Despite the rate reductions, we continued to offer competitive rates on our 5 and 9-month Certificate of Deposit (CD) specials to give back to the membership. We also kept the minimum balance requirement to open the promotional CD at \$2,000 so existing and new members can take advantage of the exceptional rates.

Whether it was a new car or a new home, we made sure our loan rates were competitive and among the lowest in the state. Our Mortgage Department always go beyond the call and strives to make new purchase or refinancing of a home as seamless and stress-free as possible.

In 2024, the consolidated net income for our Credit Union was \$4.2 million, and our net worth ratio of 12.1% was one of the best in the State. The following summarizes and highlights the year’s activity:

- Dividends paid to members totaled \$16.0 million
- Non-interest Expense of \$20.7 million was 2.0% of Assets
- Members’ Equity increased \$2.6 million to \$90.5 million
- Assets increased \$57.2 million to \$1.0 billion
- Members’ Shares increased \$57.8 million to \$925.3 million
- Loans increased \$11.0 million to \$578.0 million
- Investments decreased \$30.9 million to \$266.3 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 friendliest 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.

