



WARRIORS FOR CHANGE



ANNUAL
REPORT 2019

Vision Statement

To be Hawai'i's most secure, progressive, and sought after financial institution with employees and volunteers who understand and anticipate our members' needs; building lifelong relationships, one member at a time.

Core Values



Mission Statement

To care for our members' needs with efficiency, integrity and respect. Deliver innovative and relevant products and services that provide value in a manner that encourages financial well-being for our members while maintaining the safety and soundness of our Credit Union.

Supervisory Committee Report

The Supervisory Committee is a group of volunteer-members serving a vital role to UHFCU. The Committee functions independently from the Board and Management. It oversees the integrity of the Credit Union's financial statements through an external audit firm and the effectiveness of risk management, control, and governance processes through the Internal Audit function.

For 2019, the Committee retained Richards & Associates, CPAs to conduct the annual financial statement audit. It performed the audit and reported an unqualified (clean) auditor's opinion like in previous years.

Internal Audit conducts audits on an ongoing basis, in accordance with a risk-based annual audit plan. It did not report any significant weakness in internal controls or other areas covered during its internal audits. We are confident that the Credit Union is operating in accordance with laws and regulations and protecting its assets at the best interest of the membership.

We express our appreciation to the employees, Management, and Board of Directors for their dedication to ensure the safety and soundness of UHFCU. We also thank all of our members for your contributions, support, and loyalty.

Sincerely,

Shareef Wang, Committee Chairperson
Marlene Mattos, Jodie Fujita, and Brandon Yoza

Contact

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 (808) 983-5500
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Branches

McCully Branch
2019 South King Street,
Honolulu, HI 96826
Mon to Thurs: 8:30am-5:00pm
Fri: 8:30am-6:00pm
Sat: 9:00am-1:00pm

Mānoa Campus Center Branch
2nd Level - Next to Food Court
Mon to Fri: 8:00am-4:00pm

Mānoa Marketplace Branch
2752 Woodlawn Drive, Suite 5-107,
Honolulu, HI 96822
Between Subway & Brug Bakery
M-Th: 8:30 am – 5 pm
F: 8:30 am – 6 pm
Sat: 9 am – 1 pm

West Oahu Campus Branch
Campus Center - 1st Level
Next to Student Services Office
Mon to Fri: 8:00am-4:00pm



Statement of Financial Condition

As of December 31, 2019 and 2018 (unaudited)

	12/31/2019	12/31/2018
Assets		
Cash & Equivalents	\$ 50,795,904	\$ 34,009,153
Investments	367,015,697	371,638,240
Loans	221,206,713	206,734,096
Less Allowance for Loan Losses	(5,080,036)	(5,634,874)
Property & Equipment	14,777,480	15,120,042
Other Assets	11,514,745	10,309,378
Total Assets	\$ 660,230,503	\$ 632,176,035
Liabilities, Shares & Equity		
Accounts Payable & Other Liabilities	\$ 2,544,124	\$ 2,844,535
Members' Shares	582,996,756	565,575,802
Member's Equity	74,689,623	63,755,699
Total Liabilities, Shares & Equity	\$ 660,230,503	\$ 632,176,035

Statement of Income

For the years ending December 31, 2019 and 2018 (unaudited)

	12/31/2019	12/31/2018
Interest Income	\$ 17,131,029	\$ 15,879,917
Interest Expense	4,036,513	2,893,671
Net Interest Income	13,094,516	12,986,246
Less: Provision for Losses	(752,999)	(9,255,265)
Net Interest Income After Provision for Losses	12,341,517	3,730,981
Operating Expenses	9,162,144	8,631,258
Other Income		
Other Operating Income	1,961,897	2,306,520
Other Non-Operating Income (Expense)	(87,592)	(1,033,494)
Net Income	\$ 5,053,678	\$ (3,627,251)

Treasurer's Report

The University of Hawai'i Federal Credit Union again achieved significant growth in 2019 – finishing with net income of \$5.1 million and an impressive 0.78% Return on Assets. Among the highlights:

- Total assets grew \$28 million, to \$660 million.
- Deposits increased \$17 million, to \$583 million.
- Loans grew by \$14 million, to \$221 million.

Our growth reflects our commitment to member service as well as our continuing efforts to offer rates that are among the most attractive in the local community. The continued low interest rate environment once again gave members the opportunity to take advantage of our lending products at exceptionally low rates.

Mortgage lending led our portfolio growth, increasing by \$11.3 million or 13.5% in balances. We also launched the Warrior Savings account, a unique product in our market that offers the exceptional rate of an online savings account along with the benefit of local access and service. This single account type garnered over \$27 million in deposits.

We appreciate your loyalty, and we are committed to showing it by adding more value in the ways that matter most to you and your family. Thank you for your membership with UHFCU.

Mahalo,

Barbara Kawamoto, Board Treasurer

Member Voices

"I joined in about 1980 and the CU has always been convenient and easy to get too. I like the lack of fees for services."

Chairman & CEO's Message



Edward Yuen
Chairperson

The University of Hawai'i Federal Credit Union's commitment to be Hawai'i's most secure, progressive, and sought-after financial institution continued to strengthen and solidify in 2019. We made significant strides on strategic initiatives that not only brought exceptional value to our 30,400 members but also support our long-term financial stability. This report is both a celebration of our recent successes and a sincere thank you for joining us in serving and inspiring our community.



Travis Bow
President & CEO

In 2019, we increased our assets by 4.4% (totaling more than \$660 million), saw loan totals climb 7.0%, and grew deposits by 3.1%. Once again, our focus on people-helping-people guided us. At a time when the local banks are offering savings accounts yielding an average of 0.02% APY, we dared to introduce a new, market-leading Warrior Savings account with a significantly better dividend rate.

We also continue to invest in the community, especially the community that started it all - the UH System. We teamed up with the University of Hawai'i to surprise a lucky student with tuition assistance. We also attended and supported student and faculty orientations on the various campuses as well as helped guide students along the way by providing financial education sessions.

We were also proud to be once again recognized as a finalist for the Honolulu Star-Advertiser's "Hawaii's Best" award for the second year in a row. And it doesn't stop there! We've planned even more exciting projects and service enhancements that will move us forward in the coming year. We appreciate your loyalty, and we are committed to showing it by adding more value in the ways that matter most to you and your family. Thank you for letting us be your financial institution of choice, and please know that UHFCU will always be there for you, our valued members.

Mahalo,

Edward Yuen
Chairman of the Board

Travis Bow
President and Chief Executive Officer

Member Voices

"CU is the best financial institution I have ever dealt with."

"Staff is always friendly and courteous. It is nice to be greeted in a friendly atmosphere."

"Superior in every way to a traditional bank."

UHFCU Board of Directors



Edward Yuen
Chairperson



Sylvia Higashi
Vice Chairperson



Barbara Kawamoto
Treasurer



Michael Unebasami
Secretary



David Ching



Kenji Sumida



Clifford Togo