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NAVIGATING THE WAVE

2020
Annual Report

HAWAII'S
BEST
2020
PEOPLE'S CHOICE AWARDS
Awarded by the *Star* Advertiser



Chairman & CEO's Message



Edward Yuen
Chairperson

Our mission is to care for our members' needs with efficiency, integrity, and respect. With the unexpected arrival of the COVID-19 pandemic, this mission was top-of-mind as we adapted to the new challenges our community and the world faced. In our best efforts to provide exceptional service to our membership, the UHFCU Board of Directors and staff accommodated those in need as one of the nation's first institutions to offer pandemic loan relief in the form of deferred payments, hardship loans, and waived fees. And, thanks to the generosity of you, our members, we raised \$23,657 through face mask sales and donations for the Aloha United Way (AUW).



Travis Bow
President & CEO

In addition to financial health, we also invested significant resources to protect your physical well-being. These state-of-the-art measures included advanced-technology 4-stage air filters, hydroxyl-generating air cleaners, Tersano's stabilized aqueous ozone, and Raileyes' TouchPoint medical-grade, self-cleaning film.

While we wore many hats in the past year, we managed to do it well, and our organization is as strong as it's ever been. In 2020, we increased our assets by 14.2% (totaling more than \$753 million), saw consumer loan totals climb 3.6%, and grew deposits by 14.0%. Solid financial results have enabled us to offer enhanced products and services to our members, such as expanding our branch network with a new branch in the Mānoa Marketplace. We also launched a free financial education app (Zogo) and member referral program while being selected as one of "America's Best-In-State Credit Unions" by Forbes Magazine and as a finalist for "Hawaii's Best" Credit Union for the third consecutive year.

As we move forward into 2021, we're excited to advance even further while remaining rooted in the commitment that a group of UH educators made in 1955. On behalf of every UHFCU employee, please accept our sincerest gratitude for your trust, loyalty, and continued support – we exist to serve YOU!

Mahalo,

Edward Yuen
Chairman of the Board

Travis Bow
President and Chief Executive Officer



Member Voices

"Always have great service at UHFCU. Love the new branch in Manoa Marketplace."

"CU employees treat members more than just members; but more like family. Great job."

"Mahalo for being there for me and helping me achieve my goals."

UHFCU Board of Directors



Edward Yuen
Chairperson



Sylvia Higashi
Vice Chairperson



Barbara Kawamoto
Treasurer



Michael Unebasami
Secretary



David Ching



Kenji Sumida



Clifford Togo

Statement of Financial Condition

As of December 31, 2020 and 2019 (unaudited)

	12/31/2020	12/31/2019
Assets		
Cash & Equivalents	\$ 44,323,141	\$ 50,795,904
Investments	459,969,780	367,015,697
Loans	229,168,166	221,206,713
Less Allowance for Loan Losses	(5,947,096)	(5,080,036)
Property & Equipment	14,740,150	14,777,480
Other Assets	11,419,165	11,514,745
Total Assets	\$ 753,673,305	\$ 660,230,503
Liabilities, Shares & Equity		
Accounts Payable & Other Liabilities	\$ 2,421,248	\$ 2,544,124
Members' Shares	664,722,753	582,996,756
Member's Equity	86,529,305	74,689,623
Total Liabilities, Shares & Equity	\$ 753,673,305	\$ 660,230,503

Statement of Income

For the years ending December 31, 2020 and 2019 (unaudited)

	12/31/2020	12/31/2019
Interest Income	\$ 15,243,030	\$ 17,131,029
Interest Expense	3,797,682	4,036,513
Net Interest Income	11,445,348	13,094,516
Less: Provision for Losses	(1,301,283)	(752,999)
Net Interest Income After Provision for Losses	10,144,065	12,341,517
Operating Expenses	9,187,248	9,162,144
Other Income		
Other Operating Income	1,621,759	1,961,897
Other Non-Operating Income (Expense)	(613,992)	(87,592)
Net Income	\$ 1,964,584	\$ 5,053,678

Treasurer's Report

Despite the challenge of a COVID-19 pandemic, the University of Hawai'i Federal Credit Union achieved growth in 2020 – finishing with net income of \$2.0 million and 0.28% Return on Assets. Among the highlights:

- Total assets grew by \$93 million to \$754 million.
- Deposits increased by \$82 million to \$665 million.
- Loans grew by \$8 million to \$229 million.

Any time you save, you get closer to reaching your financial goals. And by choosing UHFCU, you save money. We're proud to offer our members higher savings rates, lower loan rates, and lower-than-average fees compared to other Hawaii financial institutions.

We continued to see significant interest in our high-yield Warrior Savings account – garnering over \$26 million in deposits in 2020. Our lending portfolio was largely bolstered by member demand for home loans.

UHFCU strives to be our members' primary resource for their borrowing and saving needs. We remain committed to offering innovative products, services, and delivery channels that meet our members' needs and service experience expectations. Thank you for your membership with UHFCU.

Mahalo,

Barbara Kawamoto
Board Treasurer

“ Member Voices

“Access to online/mobile banking & transfer services to other family members in the credit union is very easy. The app & the website is also easy to navigate & work with.”

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 2020, the Committee retained Richards & Associates, CPAs to conduct the annual financial statement audit. It is currently performing the audit and the Committee is kept apprised by the auditors and expects 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 your 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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 memberservices@uhfcu.com

 (808) 983-5500

 www.uhfcu.com

Branches

McCully Branch
2019 South King Street
Honolulu, HI 96826

West Oahu Campus Branch
Campus Center - 1st Level
Next to Student Services Office

Mānoa Marketplace Branch
2752 Woodlawn Drive, Suite 5-107
Honolulu, HI 96822
Between Subway & Brug Bakery

Mānoa Campus Center Branch
2nd Level - Next to Food Court

Please visit UHFCU.com or call (808) 983-5500 for current hours.