

2021

Annual Report

HAWAII'S
BEST
PEOPLE'S CHOICE AWARDS
2021
Awarded by the Star Advertiser

RAYS OF LIGHT



 UNIVERSITY OF HAWAII
FEDERAL CREDIT UNION

The
smarter
way to **bank.**

Chairman & CEO's Message



Edward Yuen
Chairperson

On behalf of the University of Hawai'i Federal Credit Union, we're proud to present this 2021 Annual Report, which reflects the financial strength of our credit union. Our ability to weather — and in fact, excel — during the coronavirus pandemic and economic downturn was only possible because of you, our member-owners.

In 2021, we increased our assets by 4.9% (totaling \$791 million), grew deposits by 6.5%, and earned nearly \$3.7 million in net income. Once again, our focus on people helping people guided us as we made remarkable enhancements to serve our members better and further advance our standing as one of the strongest credit unions in the nation.



Travis Bow
President & CEO

We migrated our debit and credit cards to a new platform – improving the flexible rewards you earn with purchases. Plus, we launched the new Cash Wave Credit Card, with the best unlimited, no-category cash-back rate in town. We're also proud to continue to support the UH System we serve with our annual UH Manoa Scholarship Contest, UH Athletics sponsorship, and financial literacy efforts. In addition, we are honored to be recognized as a finalist for the Honolulu Star-Advertiser's "Hawaii's Best" award for the fourth year in a row.

And we're striving for more! We've planned additional exciting projects and service enhancements that will move us forward in the coming year, including rolling out new, cutting-edge Online and Mobile Banking services and strategically opening branches. In this regard, we are happy to announce that we have secured a location in Kapolei, which will enable us to better serve our West Oahu members in the near future.

Our goal is to be a supportive, empathetic partner who makes your life easier when you need help most. As we move forward into 2022, we will be here with you every step of the way to help navigate both expected and unexpected financial challenges – doing all we can to ensure we are always “the smarter way to bank.”

Mahalo,

Edward Yuen
Chairman of the Board

Travis Bow
President and Chief Executive Officer

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Member Voices

“The options to bank online or by mobile has been convenient during this pandemic.”

“UHFCU has all the online services you need and great in-person service.”

“Their staff is always so friendly and make you feel like you're a part of their ohana.”

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, 2021 and 2020 (unaudited)

	12/31/2021	12/31/2020
Assets		
Cash & Equivalents	\$ 46,317,917	\$ 44,323,141
Investments	475,655,547	459,969,780
Loans	228,196,903	229,168,166
Less Allowance for Loan Losses	(5,696,554)	(5,947,096)
Property & Equipment	14,272,330	14,740,150
Other Assets	32,143,797	11,419,165
Total Assets	\$ 790,889,940	\$ 753,673,305
Liabilities, Shares & Equity		
Accounts Payable & Other Liabilities	\$ 2,786,784	\$ 2,421,248
Members' Shares	708,045,984	664,722,753
Members' Equity	80,057,172	86,529,305
Total Liabilities, Shares & Equity	\$ 790,889,940	\$ 753,673,305

Statement of Income

For the years ending December 31, 2021 and 2020 (unaudited)

	12/31/2021	12/31/2020
Interest Income	\$ 13,138,088	\$ 15,243,030
Interest Expense	2,660,694	3,797,682
Net Interest Income	10,477,394	11,445,348
Less: Provision for Losses	(441,659)	(1,301,283)
Net Interest Income After Provision for Losses	10,035,735	10,144,065
Operating Expenses	9,140,766	9,187,248
Other Income		
Other Operating Income	2,583,437	1,621,759
Other Non-Operating Income (Expense)	213,879	(613,992)
Net Income	\$ 3,692,285	\$ 1,964,584

Treasurer's Report

Despite the continued challenge of the COVID-19 pandemic, the University of Hawai'i Federal Credit Union again achieved another strong year financially in 2021 – finishing with net income of \$3.7 million and net worth of 10.3%. Among the highlights:

- Total assets grew by \$37 million to \$791 million.
- Deposits increased by \$43 million to \$708 million.

We experienced tremendous growth in many areas while maintaining stability and financial strength. We provided outstanding service and exceptional value to our members despite a challenging interest rate environment by keeping our expense ratio significantly lower than our peers at 1.2%. We continued to see significant interest in our market-leading, high-yield Warrior Savings account – garnering over \$14 million in deposits in 2021. In addition, our lending portfolio was largely bolstered by member demand for home loans.

Challenges are almost always a given, and this year, we overcame many while moving the Credit Union forward. I am excited to see what successes we will have together in the coming year. Thank you for your membership with UHFCU.

Mahalo,

Barbara Kawamoto
Board Treasurer

“ Member Voices

“UHFCU is my first choice financial institution in Hawaii. The employees are professional and friendly, and very helpful. Branch location and hours are convenient and accessible, and the online banking system makes life easier.”

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 2021, 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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Honolulu, HI 96823-2070
- memberservices@uhfcu.com
- (808) 983-5500
- www.uhfcu.com

Branches

McCully Branch
2019 South King Street
Honolulu, HI 96826

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

Mānoa Marketplace Branch
2752 Woodlawn Drive, Suite 5-107
Honolulu, HI 96822

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