



# PUSH THE LIMITS

**2022**  
**ANNUAL  
REPORT**

Federally Insured by NCUA | Equal Housing Lender

# Chairman & CEO's Message



Edward Yuen  
Chairperson

In 1955, the University of Hawai'i Federal Credit Union's founders envisioned a financial cooperative of people helping people navigate life's financial journeys. As we reflect on 2022 and begin the new year, we are proud that their vision continues to hold true.

Although we grew stronger in 2022, the year did not pass without its challenges. Inflation, volatile markets, and rising interest rates impacted communities and financial institutions worldwide. Looking ahead, we recognize the economic uncertainty may continue. However, please know that with these potential storm clouds on the horizon, you can rest assured your financial well-being remains our focus and that your credit union is well-prepared to endure any headwinds.



Travis Bow  
President & CEO

Thanks to your loyal support, UHFCU ended 2022 with a net worth of 11.44%, well above what regulators consider "well-capitalized," and finished the year with \$6.9 million in net income. We also grew deposits by 3.3% and loans by 15.7% while welcoming nearly 1,600 new members to our family.

We continued to make selective investments in technology, focusing on improving and streamlining the member experience – partnering with FinTech companies to deliver fast, secure, and personalized loan decisions or launching a brand new, highly-rated Online and Mobile Banking service, and offering contactless Debit Cards.

And we have more market-leading member benefits on the way in 2023! Among our many technology initiatives, we will enhance our lending process with artificial intelligence (AI)-based underwriting to uncover untapped credit opportunities and increase loan accessibility. And we will expand our footprint by constructing our new branch in Kapolei Commons.

We are excited about these initiatives and their long-term impacts on financial habits and well-being. The part that UHFCU plays in helping to build a better financial future for our members and local communities is a source of pride and purpose for us, and we hope it is for you as well. Thank you for helping to ensure we are always "the smarter way to bank" for our community in the years to come.

Mahalo,

Edward Yuen  
Chairman of the Board

Travis Bow  
President and Chief Executive Officer



## Member Voices

*"Mahalo UHFCU for treating us like family. Very happy to be a member."*

*"Customer service is outstanding, but I hardly ever need to call them since the new online banking platform was launched!"*

*"UHFCU is the greatest thing that has happened in the Manoa Marketplace."*

## 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, 2022 and 2021 (unaudited)

	12/31/2022	12/31/2021
<b>Assets</b>		
Cash & Equivalents	\$ 23,722,869	\$ 46,317,917
Investments	440,573,292	475,655,547
Loans	264,080,446	228,196,903
Less Allowance for Loan Losses	(4,484,183)	(5,696,554)
Property & Equipment	14,730,757	14,272,330
Other Assets	33,878,062	32,143,797
<b>Total Assets</b>	<b>\$ 772,501,243</b>	<b>\$ 790,889,940</b>
<b>Liabilities, Shares &amp; Equity</b>		
Accounts Payable & Other Liabilities	\$ 3,847,899	\$ 2,786,784
Members' Shares	731,522,863	708,045,984
Members' Equity	37,130,481	80,057,172
<b>Total Liabilities, Shares &amp; Equity</b>	<b>\$ 772,501,243</b>	<b>\$ 790,889,940</b>

## Statement of Income

For the years ending December 31, 2022 and 2021 (unaudited)

	12/31/2022	12/31/2021
Interest Income	\$ 16,387,211	\$ 13,138,088
Interest Expense	2,857,261	2,660,694
<b>Net Interest Income</b>	<b>13,529,950</b>	<b>10,477,394</b>
Less: Provision for Losses	261,503	(441,659)
<b>Net Interest Income After Provision for Losses</b>	<b>13,791,453</b>	<b>10,035,735</b>
<b>Operating Expenses</b>	<b>9,487,143</b>	<b>9,140,766</b>
<b>Other Income</b>		
Other Operating Income	2,158,212	2,583,437
Other Non-Operating Income (Expense)	451,066	213,879
<b>Net Income</b>	<b>\$ 6,913,588</b>	<b>\$ 3,692,286</b>

## Treasurer's Report

I am honored to provide our members with an outstanding 2022 Treasurer's Report for the University of Hawai'i Federal Credit Union. UHFCU continued to serve as our members' financial resource and trusted partner while achieving another strong year financially – finishing with net income of \$6.9 million and net worth of 11.4%. Among the highlights:

- Loans grew by \$36 million to \$264 million.
- Deposits increased by \$23 million to \$732 million.

Despite a rising rate environment, we grew loans by 16% thanks largely to streamlined lending processes and attractive rates. The consumer loan growth primarily stemmed from member demand for Home Equity Lines of Credit and Personal Loans. UHFCU also continues to pay better deposit rates than most other institutions – resulting in a 41% increase in our Certificate deposits. In addition, we accomplished these milestones while managing operating costs to maintain our expense ratio near an industry low of only 1.2%.

UHFCU continues to thrive and provide valuable financial services to our members throughout Hawai'i and worldwide. Our loyal membership and your extensive use of our products, services, and automated delivery channels help provide the foundation for UHFCU to be one of the most successful and financially sound credit unions in the nation. Thank you for your membership with UHFCU.

Mahalo,

Barbara Kawamoto  
Board Treasurer

### “ Member Voices

“New app is clean and simple to use. I like the fact that I can view my statements and bill pay on the mobile app without logging on to the web. I can even block my debit card, add alerts, and customize the layout of my accounts all on the mobile app. Cool new features!”

## 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 2022, 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

- PO Box 22070  
Honolulu, HI 96823-2070
- [memberservices@uhfcu.com](mailto:memberservices@uhfcu.com)
- (808) 983-5500
- [www.uhfcu.com](http://www.uhfcu.com)

## Branches

**McCully Branch**  
2019 South King Street  
Honolulu, HI 96826

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

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

Please visit [UHFCU.com](http://UHFCU.com) or call (808) 983-5500 for current hours.