



2023

ANNUAL
REPORT



The **smarter**
way to **bank.**

Federally Insured by NCUA | Equal Housing Lender

Chairman & CEO's Message



Edward Yuen
Chairperson

On behalf of the University of Hawai'i Federal Credit Union, we're proud to present this 2023 Annual Report, which reflects our credit union's financial strength. This report celebrates our recent successes and recognizes your vital role in helping us to serve and inspire our community.

In 2023, UHFCU boosted its assets by 14.4% (totaling \$884 million), increased consumer loan totals by 9.9%, and increased deposits by 4.6%. We made significant strides on strategic initiatives that brought exceptional value to our 33,380 members and supported our long-term financial stability.

We also achieved several significant milestones that underscore our commitment to our mission and vision. We enhanced our lending process through partnerships with FinTech companies to deliver fast, secure, and personalized loan offers. We also opened our new, highly-rated branch in Kapolei Commons to accommodate our growing membership in the Leeward community. These initiatives have strengthened our market position and culminated in being selected as a finalist for the Honolulu Star-Advertiser's "Hawaii's Best" award for the fifth time in six years.

We're proud to support the UH System we serve with our annual UH Manoa Scholarship Contest, UH Athletics sponsorship, and financial literacy efforts. Perhaps our crowning achievement – thanks mainly to your generosity – was raising over \$32,000 in donations to support the Maui Fire Relief Fund. Mahalo for your kindness and Aloha Spirit!

And it doesn't stop there! We've planned additional exciting projects and service enhancements to move us forward in the coming year, including rolling out a new, cutting-edge website and an enhanced online account opening process to make joining UHFCU easier than ever!

We appreciate your loyalty and 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

"UHFCU has an excellent reputation of being service oriented. The new online banking site for UHFCU is excellent."

"Had an amazing experience with UHFCU in Kapolei. All associates were extremely helpful and very pleasant."

"If you're looking for a trusted institution who cares about you and willing to listen, guide and educate you, this is where you should put your investment."

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, 2023 and 2022 (unaudited)

	12/31/2023	12/31/2022
Assets		
Cash & Equivalents	\$ 48,617,402	\$ 23,722,869
Investments	498,358,261	440,573,292
Loans	290,284,963	264,080,446
Less Allowance for Loan Losses	(3,136,431)	(4,484,183)
Property & Equipment	14,940,068	14,730,757
Other Assets	34,775,917	33,878,062
Total Assets	\$ 883,840,180	\$ 772,501,243
Liabilities, Shares & Equity		
Accounts Payable & Other Liabilities	\$ 76,140,188	\$ 3,847,899
Members' Shares	764,856,371	731,522,863
Members' Equity	42,843,693	37,130,481
Total Liabilities, Shares & Equity	\$ 883,840,180	\$ 772,501,243

Statement of Income

For the years ending December 31, 2023 and 2022 (unaudited)

	12/31/2023	12/31/2022
Interest Income	\$ 24,681,875	\$ 16,387,211
Interest Expense	11,059,165	2,857,261
Net Interest Income	13,622,710	13,529,950
Less: Provision for Losses	(550,575)	261,503
Net Interest Income After Provision for Losses	13,072,134	13,791,453
Operating Expenses	10,944,398	9,487,143
Other Income		
Other Operating Income	1,829,444	2,158,212
Other Non-Operating Income (Expense)	33,567	451,066
Net Income	\$ 3,990,748	\$ 6,913,588

Treasurer's Report

The University of Hawai'i Federal Credit Union achieved significant growth in 2023 – finishing with a net income of \$4.0 million and a healthy net worth of 10.4%. Among the highlights:

- Total assets grew by \$111 million to \$884 million.
- Loans grew by \$26 million to \$290 million.
- Deposits increased by \$33 million to \$765 million.

Despite a rising rate environment, we grew loans by 9.9% thanks largely to streamlined lending processes and attractive rates. The consumer loan growth primarily stemmed from member demand for Home Equity Lines of Credit, Mortgages, and Personal Loans. UHFCU also continues to pay better deposit rates than most other institutions – resulting in a 68.5% 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 1.3%.

As a member-owner of UHFCU, you belong to a strong, viable financial institution. With our soundness and stability, we are well-positioned in today's financial arena to meet your personal financial needs – now and in the future. I encourage you to take full advantage of your credit union membership and thank you for your continued support as we move forward to another successful year in 2024.

Mahalo,

Barbara Kawamoto
Board Treasurer



Member Voices

"I'm happy about the services and that the people working here try to get to know you and help you if they can. It's very different when you belong to a credit union vs going to a normal bank. This location (Kapolei Commons) is convenient if you're in the west side."

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 2023, 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 and Brandon Yoza

Contact

- PO Box 22070
Honolulu, HI 96823-2070
- memberservices@uhfcu.com
- (808) 983-5500
- 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
- Kapolei Commons Branch**
4450 Kapolei Pkwy #107
Kapolei, HI 96707

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