



## 2022 ANNUAL REPORT

*Life matters.*

## 2022 BOARD OF DIRECTORS

**Harlan Y. Kimura**  
Chair

**Rita S. Ornellas**  
Vice Chair

**Alan M. Schlissel**  
Treasurer

**Roberta Mayor**  
Secretary

**Jean H. Miyahira**  
Director

**Paul Mow**  
Director

**Stevette Santiago**  
Director

**Ethan Tomokiyo**  
Director

**Terry Visperas**  
Director

## 2022 SUPERVISORY COMMITTEE

**Denise Yoshida**  
Chair

**Reed Hisamoto**  
Secretary

**Elton Kinoshita**  
Member



## A Message from our President & CEO

# *Aloha!*

This year has been one of growth and opportunity for HawaiiUSA Federal Credit Union (HawaiiUSA). Since 2020, we have been on an upward trajectory to ensure that our members are receiving the best services and products to help make their lives easier in this ever-changing world. Our Life matters promise continues to inspire how we do business and how we serve the community.

In October, I completed my first year as HawaiiUSA's president and CEO and I have learned so much about what our members value, what our employees value, and what value we bring to the broader community. What I found to be the common thread between these areas is that people thrive when they feel supported. This realization has continued to motivate me in this role and I am very grateful for the opportunity to serve our members and this organization.

HawaiiUSA's commitment to education and financial wellness was at the forefront this year with many new and ongoing initiatives. Since 1990, we've awarded 540 scholarships for a total of \$803,500.00 and we launched our current scholarship application period on December 1. We also forged a new partnership with Chaminade University, hosting financial education classes for K-12 teachers this summer. Giving educators the tools they need to teach young people about money and financial literacy is one way we can inspire financial wellness in their futures. Our relationships with Hawaii's schools continue with current and new Student Operated Credit Unions (SOCUs) on K-12 campuses statewide. These pop-up credit unions allow students to learn hands-on how to work and perform financial transactions in a real world setting.

This year we also strengthened our digital and technological capabilities to ensure our internal and external processes are faster, more intelligent, and more efficient than ever before. To keep up with the fast-paced momentum of technology, HawaiiUSA has ensured that our members and business partners are afforded the best technology when it comes to their banking needs.

We are committed to remain a high-performing quality organization that serves our 135,000 members and 400+ employees with professionalism and gratitude. Thank you for your continued support as we forge into 2023 together.

Greg Young  
President & CEO



## A Message from our 2022 Board Chair

Aloha Fellow HawaiiUSA Members!!!

It has been just over a year since our Credit Union announced its new President and CEO, Greg Young, as Karl Yoneshige's replacement after he served 20 years leading HawaiiUSA through phenomenal growth and countless achievements. In the March 2022 issue of Hawaii Business Magazine, Greg was named as one of the 20 people to lead Hawaii for the next 20 years. Look at the performance of HawaiiUSA last year and you will agree that Greg continues to build upon the Life Matters Promise to our 135,000+ Members. We are also the only local credit union to be recognized in the Forbes America's Best Credit Unions list five years in a row.

Technology is an integral part of our daily life and something we cannot live without. That's why HawaiiUSA is making significant financial commitments to enhance every part of its operations to improve our Members' Financial Wellbeing. Our Credit Union will always be here for You delivering the products and services You want and need, when You want or need them, and how or where You want and need them. That is HawaiiUSA's Pledge to You!!!

The economists and other pundits tell us that we will continue to experience inflation and a possible recession that the Federal Reserve is trying to avoid. Whatever the future holds for our Members, one thing is certain; HawaiiUSA will always be here to assist in every life event You have. That is our Life Matters Commitment to You!!!

Continue to look for new products and services offered by HawaiiUSA at its 14 locations throughout the major Islands. With our Credit Union's new and improved digital banking platform HawaiiUSA is able to serve our Members anywhere their travels take them, as long as they have Internet Access. That's Life Matters!!!

Visit our Website at [www.hawaiiusafcu.com](http://www.hawaiiusafcu.com) and be amazed at everything HawaiiUSA has to offer You.

Mahalo, and Aloha,

**Harlan Y. Kimura**

Chair, Board of Directors



## Supervisory Committee's Report

**Denise Yoshida, Chairperson, reported the following:**

The Supervisory Committee (SC) of HawaiiUSA Federal Credit Union (FCU) consist of five (5) volunteer Credit Union members, appointed by the Credit Union's Board of Directors. The SC's goals are to ensure that:

**1. Management's financial statements present fairly the financial condition of the Credit Union.**

The SC hired Kwock and Company CPAs to perform the December 31, 2022 annual independent audit of HawaiiUSA FCU's financial statements in accordance with the AICPA generally accepted auditing standards and National Credit Union Administration Supervisory Committee regulatory requirements.

**2. The Board of Director's policies are carried out and management practices and procedures safeguard the assets of the Credit Union members.**

The SC reviewed and approved the Internal Audit plan, which included audits over the internal control structure of HawaiiUSA FCU. The audits included a review of various Board of Director and management policies and procedures to ensure that the internal controls were in place and operating effectively to mitigate risks.

# Condensed Statements of Financial Condition

December 31,

## ASSETS

|   | <u>2022</u>             | <u>2021</u>             |
|---|-------------------------|-------------------------|
| Cash and cash equivalents               | \$ 39,036,255           | \$ 46,615,427           |
| Investments                             | 827,005,006             | 904,567,401             |
| Loans, less allowance for credit losses | 1,249,461,432           | 1,022,170,605           |
| Accrued interest receivable             | 7,055,368               | 5,408,741               |
| Premises and equipment, net             | 60,690,274              | 46,109,881              |
| NCUSIF deposit                          | 19,508,143              | 18,721,675              |
| Monetary control reserve deposit        | 66,161,250              | 261,474,804             |
| Other assets                            | 10,382,871              | 13,841,541              |
| <b>TOTAL ASSETS:</b>                    | <b>\$ 2,279,300,599</b> | <b>\$ 2,318,910,075</b> |

## LIABILITIES AND MEMBERS' EQUITY

### LIABILITIES:

|  |                         |                         |
|--|-------------------------|-------------------------|
| Members' shares                              | \$ 2,070,985,870        | \$ 2,064,869,018        |
| Accounts payable and other liabilities       | 71,155,171              | 25,446,033              |
| <b>TOTAL LIABILITIES</b>                     | <b>2,142,141,041</b>    | <b>2,090,315,051</b>    |
| <b>MEMBERS' EQUITY</b>                       | <b>137,159,558</b>      | <b>228,595,024</b>      |
| <b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b> | <b>\$ 2,279,300,599</b> | <b>\$ 2,318,910,075</b> |

The condensed financial information for fiscal years 2022 and 2021 has been presented in summary format. A full set of the audited financial statements and the related footnote disclosures is available for view in our branches and is available upon request.

# Condensed Statements of Income

|   | December 31,         |                      |
|---|----------------------|----------------------|
|   | <u>2022</u>          | <u>2021</u>          |
| <b>INTEREST INCOME</b>                                | <b>\$ 69,412,190</b> | <b>\$ 58,343,087</b> |
| <b>INTEREST EXPENSE</b>                               | <b>2,501,732</b>     | <b>2,368,489</b>     |
| Net interest income                                   | 66,910,458           | 55,974,598           |
| Provision for credit losses                           | (5,172,504)          | (1,479,776)          |
| Net interest income after provision for credit losses | 72,082,962           | 57,454,374           |
| <b>NON-INTEREST INCOME:</b>                           |                      |                      |
| Service fees  | 17,935,406           | 16,774,844           |
| Other income  | 930,429              | 6,301,148            |
| <b>TOTAL NON-INTEREST INCOME</b>                      | <b>18,865,835</b>    | <b>23,075,992</b>    |
| <b>NON-INTEREST EXPENSE:</b>                          |                      |                      |
| Compensation and employee benefits                    | 34,332,801           | 31,900,805           |
| Office occupancy                                      | 7,753,343            | 7,086,701            |
| Office operations                                     | 16,844,649           | 15,528,282           |
| Loan servicing  | 3,645,090            | 3,089,639            |
| Professional and outside services                     | 4,132,668            | 3,513,606            |
| Education and promotion                               | 1,464,221            | 1,732,855            |
| Other expense   | 1,164,432            | 802,282              |
| <b>TOTAL NON-INTEREST EXPENSE</b>                     | <b>69,337,204</b>    | <b>63,654,170</b>    |
| <b>NET INCOME</b>                                     | <b>\$ 21,611,593</b> | <b>\$ 16,876,196</b> |

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