



# 2023 ANNUAL REPORT

*Life matters.*

## 2023 BOARD OF DIRECTORS



**Harlan Y.  
Kimura**  
CHAIR



**Stevette  
Santiago**  
VICE CHAIR



**Alan M.  
Schlissel**  
TREASURER



**Jean  
Miyahira**  
SECRETARY



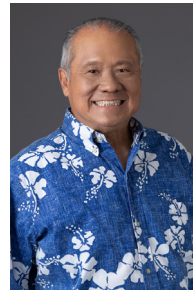
**Roberta  
Mayor**  
DIRECTOR



**Paul  
Mow**  
DIRECTOR



**Rita  
Ornellas**  
DIRECTOR



**Ethan  
Tomokiyo**  
DIRECTOR



**Terry  
Visperas**  
DIRECTOR

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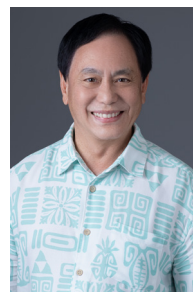
## 2023 SUPERVISORY COMMITTEE



**Denise  
Yoshida**  
CHAIR



**Elton  
Kinoshita**  
VICE CHAIR



**Russell  
Suzuki**  
SECRETARY



**Brian  
Hallett**  
MEMBER



## A Message from our **PRESIDENT & CEO**

# *Aloha!*

We've always been focused on the mission here at HawaiiUSA Federal Credit Union. And 2023 was pivotal in that continued belief of investing in systems and our people, especially when times are difficult. Last year showed just how resilient our state is when it comes to adversity and how our organization can use our resources to help those who need it the most.

The Maui wildfires prompted us to reflect on life's fragility. We immediately initiated action to provide relief to affected communities. HawaiiUSA created a Maui Fire Relief Fund that was used to provide food, housing, and essential services. Mahalo to all of you, our members, who donated to this fund. We far exceeded our original goal of \$100,000: we received \$156,074 in donations. With HawaiiUSA's \$50,000 contribution, we donated a total of \$206,074 to The Maui Strong Fund, administered by the Hawai'i Community Foundation. HawaiiUSA also donated \$50,000 to the Hawaii Credit Union League for relief and recovery efforts of impacted Valley Isle credit unions.

After months of extensive planning and a coincidental, but timely launch, HawaiiUSA introduced the Life Matters Collective soon after the Maui wildfires. This is an inaugural partnership showcasing both long-standing business members and valued community partners. The Collective debuted a new collaboration with Kahului-based Maui 'Oma Coffee Roasting Company, and together we created a custom coffee blend named Imua, which means to "move forward together." Proceeds from coffee purchases go to a selected Maui nonprofit, Imua

Family Services, to help with its organizational mission of helping children in need.

We take our role as community advocates seriously and the Life Matters Collective allows us to create positive opportunities for our communities. We were also fortunate to have our continued partnership with Chaminade University in hosting financial education workshops for K-12 teachers, which we completed for the second year in a row last summer. Financial education remains a top priority for HawaiiUSA, and we look forward to sustaining our highly successful teacher stipend program and college scholarships as well.

There are many new things on the horizon to celebrate growth and innovation at HawaiiUSA. At the end of 2023 we launched our new website with additional functionalities and a fresh design to make the website easy to navigate. Additionally, we just opened our newest location and most unique branch to date in the vibrant and ever-growing Kakaako community. Called the Kakaako Financial Center, the new concept features Interactive Teller Machines (ITM) to handle normal banking transactions, offering a virtual version of the banking experience. We look forward to continuing our commitment to serving existing members, supporting small business growth, and cultivating new community initiatives in Kakaako, with this innovative branch design and service model.

2023 was all about our people - staff and members. We invested in building our team from the executive level and throughout our workforce and I'm proud to say that our "Life matters" mission is why our nearly 400 employees continue to work at HawaiiUSA. That gratitude is returned through quality member services to our 131,691 members statewide and evident in how our team shows up every day to ensure our culture of financial wellness is strengthened. Thank you all for your support and we look forward to a fruitful 2024.

**Greg Young**  
PRESIDENT & CEO



## A Message from our **2023 BOARD CHAIR**

MAKAUKAU? AE!!!

That is the message Maui is sending to the World. They are Ready!!! Ready to Serve and Ready to Work!!!

We have all been affected, one way or the other, by the devastation of the Maui Wildfires last August. Days after that tragic event HawaiiUSA jumped into action and created the Maui Fire Relief Fund. Partnering with our Loyal and Caring Members, your Credit Union was able to raise over \$206,000 for The Maui Strong Fund administered by the Hawaii Community Foundation to help the families affected by this disaster. Separately, HawaiiUSA also donated \$50,000 to the Hawaii Credit Union League to assist the impacted credit unions on Maui. On top of all of that, your Credit Union worked directly with our Maui Members and deferred their loan obligations; “No Questions Asked!!!” That is our Life Matters Commitment; What Matters to You, Matters to Us at HawaiiUSA.

On Oahu, HawaiiUSA just opened its newest branch in Kakaako featuring the delivery of financial services as you imagined it should be. Not only are we investing in “State of the Art Branches,” the Credit Union is integrating technological solutions into its systems to better assist our Members’ Journey in making their dreams come true. You will be amazed with these improvements, whether when visiting one of our 14 branches on all the major islands, or newly redesigned award winning Website.

In last year’s Annual Report, I mentioned it was just over a year since HawaiiUSA announced its new President and CEO, Greg Young. This past year, Greg completed assembling his Executive Leadership Team to lead our Credit Union into the future. He selected stellar candidates from the financial services industry, as well as other sectors of the economy, to form his Team that is “Second To None!!!” Look for the many products and services HawaiiUSA has, and will also be introducing in the coming months, available to our Members by any delivery channel they choose because that’s our Life Matters Commitment!!!

In Closing, HawaiiUSA’s Message to our Members is “We Are Ready!!! Ready to Serve and Ready to Work for 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) consists 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 engaged Kwock and Company CPAs to perform the annual independent audit of HawaiiUSA FCU's financial statements as of December 31, 2023, in accordance with the AICPA auditing standards generally accepted in the United States of America and the 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                                       | 2023                    | 2022                    |
|--|-------------------------|-------------------------|
| Cash and cash equivalents                    | \$ 44,123,769           | \$ 39,036,255           |
| Investments                                  | 780,447,790             | 827,005,006             |
| Loans, less allowance for credit losses      | 1,384,997,017           | 1,249,461,432           |
| Accrued interest receivable                  | 7,962,090               | 7,055,368               |
| Premises and equipment, net                  | 59,176,426              | 60,690,274              |
| NCUSIF deposit                               | 19,581,289              | 19,508,143              |
| Monetary control reserve deposit             | 90,914,567              | 66,161,250              |
| Other assets                                 | 10,102,135              | 10,382,871              |
| <b>TOTAL ASSETS:</b>                         | <b>\$ 2,397,305,083</b> | <b>\$ 2,279,300,599</b> |
| <b>LIABILITIES AND MEMBERS' EQUITY</b>       |                         |                         |
| <b>LIABILITIES:</b>                          |                         |                         |
| Members' shares                              | \$ 2,093,769,455        | \$ 2,070,985,870        |
| Accounts payable and other liabilities       | 53,376,828              | 51,155,171              |
| Notes payable                                | 90,000,000              | 20,000,000              |
| <b>TOTAL LIABILITIES</b>                     | <b>2,237,146,283</b>    | <b>2,142,141,041</b>    |
| <b>MEMBERS' EQUITY</b>                       | <b>160,158,800</b>      | <b>137,159,558</b>      |
| <b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b> | <b>\$ 2,397,305,083</b> | <b>\$ 2,279,300,599</b> |

The condensed financial information for fiscal years 2023 and 2022 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,         |                      |
|---|----------------------|----------------------|
|   | 2023                 | 2022                 |
| <b>INTEREST INCOME</b>                                | <b>\$ 85,669,108</b> | <b>\$ 69,412,190</b> |
| <b>INTEREST EXPENSE</b>                               | <b>16,010,659</b>    | <b>2,501,732</b>     |
| Net interest income                                   | 69,658,449           | 66,910,458           |
| Provision for credit losses                           | 9,677,085            | (5,172,504)          |
| Net interest income after provision for credit losses | 59,981,364           | 72,082,962           |
| <b>NON-INTEREST INCOME:</b>                           |                      |                      |
| Service fees  | 18,381,290           | 17,935,406           |
| Other income  | 4,332,519            | 930,429              |
| <b>TOTAL NON-INTEREST INCOME</b>                      | <b>22,713,809</b>    | <b>18,865,835</b>    |
| <b>NON-INTEREST EXPENSE:</b>                          |                      |                      |
| Compensation and employee benefits                    | 36,226,445           | 34,332,801           |
| Office occupancy                                      | 7,503,364            | 7,753,343            |
| Office operations                                     | 17,968,145           | 16,844,649           |
| Loan servicing  | 3,933,200            | 3,645,090            |
| Professional and outside services                     | 3,630,732            | 4,132,668            |
| Education and promotion                               | 1,501,448            | 1,464,221            |
| Other expense   | 1,114,137            | 1,164,432            |
| <b>TOTAL NON-INTEREST EXPENSE</b>                     | <b>71,877,471</b>    | <b>69,337,204</b>    |
| <b>NET INCOME</b>                                     | <b>\$ 10,817,702</b> | <b>\$ 21,611,593</b> |

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**HAWAIIUSAFCU.COM**



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**Insured by NCUA**