



HOCU • P.O. Box 235862 Honolulu, Hawaii 96823 • 808-777-JOIN (5646) • Toll-Free 1-800-524-2261

2021-2022 ANNUAL REPORT HONOLULU FEDERAL CREDIT UNION

LIGHTING
THE PATH



CHAIRMAN AND PRESIDENT
REPORT

2021-2022

CHRISTOPHER JAY

MARK MUNEMITSU



With the backdrop of the pandemic, increased inflation and housing costs, and financial challenges for many individuals and businesses, 2021 was another difficult year. But despite these obstacles, Honolulu Federal Credit Union remained strong and fulfilled our members' needs. Among our accomplishments for the year:

- Our total assets topped \$360 million, and net income exceeded \$2.5 million
- Our membership grew by 6%
- The credit union completed its first-ever merger by welcoming **HONEA (HONolulu Engineers Area)** FCU to our 'Ohana
- We collaborated with members who were struggling financially to be sure that they rely on us as partners, rather than creditors
- Our team worked tirelessly to continue to provide services in a friendly and supportive manner, as evidenced by your overall high ratings in our member survey

The theme for HOCU's 85th annual meeting is "Lighting the Path". While the pandemic continues to challenge our world, we're prepared to guide our members towards a brighter future. Expect the same products and services, and even some new ones in the near future. We're reopening our Federal Building and Tripler branches, and currently planning a new location for our Fort Shafter branch. We appreciate your patience and respect for the COVID-19 protocols at our branches, which helps protect our staff, volunteers, members, and community.

There aren't many businesses in Hawaii that have been around for 85 years. HOCU, as one of the fortunate few, is grateful to our members, volunteers, staff, and business partners for their contributions to our success and stability. As we look to the future, our credit union remains committed to lighting your own path towards financial success.

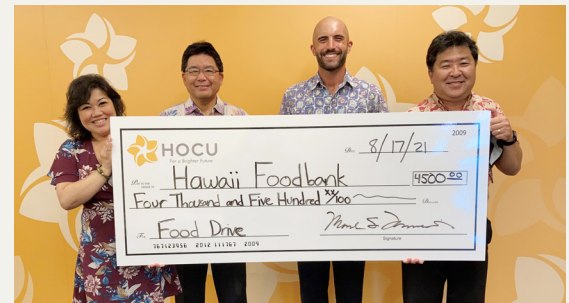
MAHALO.

CHRISTOPHER JAY
Chairman, Board of Directors

MARK MUNEMITSU
President/CEO

ANNUAL REPORT 2021-2022

While the pandemic continues to challenge our world, we're prepared to guide our members toward a brighter future.



TREASURER'S
REPORT
2021-2022

SUPERVISORY COMMITTEE
REPORT

Despite continuing challenges, HOCU ended 2021 on several high notes.

- Total assets of \$360.37 million, an increase of 19% over the previous year
- Total loans of \$209.98 million, which was 13% greater than December 2020
- Total shares of \$320.90 million, a rise of 20%
- Net income of \$2.53 million
- A net worth to total assets ratio of 10.55%

All these achievements were due in part to the credit union's merger with HONEA FCU on December 1st, but it cannot be understated that our members are the single largest reason for our success. And considering the declining number of credit

In accordance with the requirements of the National Credit Union Administration, an audit of Honolulu Federal Credit Union's financial statements for the period ending December 2020 was conducted by Kobayashi, Kanetoku, Doi, Lum & Yasuda, CPAs, LLC, which rendered a clean opinion. The audit for the period ending December 2021 has begun and copies of the audit will be available upon request.

On behalf of the members of the Supervisory Committee I would like to thank the staff, volunteers, and members of Honolulu Federal Credit Union for your support and a successful year.

ALBERT PANG
Chairman, Supervisory Committee

unions across the nation and the rise of alternative financial service providers, we cannot stress our appreciation for your patronage.

With the ongoing pandemic, we hope we can continue to provide uninterrupted services to you by offering new products and services, continuing our participation in the credit union shared-branching network, reopening our Federal Building and Tripler branches, and working with the Army to find a future location at Fort Shafter. Above all, our staff is committed to providing you with excellent service as we work together to achieve your financial goals.

LYDIA KAUHA
Secretary/Treasurer

BOARD OF DIRECTORS

Christopher Jay
CHAIRMAN

Lydia Kauha Sandra Ng Dudley Kubo
Wyman Au Colin Chung Warren Nakamura

SUPERVISORY COMMITTEE

Albert Pang
CHAIRMAN

Annie Fletcher Marilyn Wong
Colin Chung

SENIOR MANAGEMENT

Mark Munemitsu Ross Inouye
PRESIDENT/CEO SENIOR VICE PRESIDENT

FINANCIAL STATEMENT 2021-2022

HOCU FINANCIAL RATIOS

	2020	2021	% CHANGE
Average yield on loans	4.31%	4.28%	-0.59%
Average yield on investments	1.00%	0.78%	-21.87%
Average yield paid on deposits	0.36%	0.30%	-17.07%

DECEMBER 31, 2020 & 2021

Balance Sheet

ASSETS (in thousands)	2020	2021
Loans	184,921	209,982
Allowance for Loan Loss	(2,586)	(2,105)
Cash	1,520	1,957
Bank & S&L Investments	2,774	14,188
Other Investments	92,083	109,959
Fixed Assets	11,219	10,727
Accrued Income	597	709
Other Assets	11,813	14,957
TOTAL ASSETS	302,341	360,374
LIABILITY & EQUITY	2020	2021
Accounts Payable & Liabilities	1,122	1,481
Notes Payable	0	0
Dividends Payable	0	0
Shares	266,532	320,907
Regular Reserves	3,504	4,374
Undivided Earnings	30,537	33,654
Unrealized Loss in Long Term Investments	646	(42)
TOTAL LIABILITY & EQUITY	302,341	360,374

Statement of Income and Expenses

INCOME (in thousands)	2020	2021
Interest on Loans	8,047	8,460
Income from Investments	771	855
Other Income	2,736	1,650
TOTAL INCOME	11,554	10,966

EXPENSE	2020	2021
Salaries & Benefits	3,283	3,406
Office Occupancy and Operations	1,810	2,402
Professional and Outside	741	853
Loan Servicing	771	835
Provision for Loan Loss	1,535	(325)
Other Expense	698	381
TOTAL EXPENSE	8,838	7,553
Dividends	1,026	877
Other Non-Operating Gains and Losses	0	0
NET INCOME	1,690	2,535

PRODUCTS AND
SERVICES
2021-2022



LOCATIONS

MEMBER ACCOUNTS

Share Savings Accounts
Kasasa Saver Accounts
Classic Share Draft Accounts
Kasasa Checking Accounts
ATM Cards
VISA Debit Check Cards
Money Market
Share Certificate Accounts
Super Share Certificate Accounts
Jumbo Share Certificate Accounts
Individual Retirement Accounts (IRAs)
Holiday Club Accounts

LOANS AND MORTGAGES

Auto Loans
Auto Green Loans
Solar Green Loans
Photovoltaic Green Loans
Share Secured Loans
Student Loan Refinancing
Signature (Personal) Loans
Bill Consolidation Loans
VISA Rewards Credit Cards
Home Equity Lines of Credit

Fixed Rate Home Equity Loans
First Mortgage Loans
Second Mortgage Loans

CONVENIENT SERVICES

NextGen ATM
In-Lobby Teller (ILT)
Mobile Banking
24-Hour Online Banking

Popmoney Personal Payment Service
Online Bill Payment Service
Online Check Imaging
24-Hour Apply for Loans Online
CO-OP Shared Branch & ATM Network
Payroll Deduction & Direct Deposit Services

VALUE PRODUCTS AND SERVICES

Financial Planning Accidental
Death & Dismemberment Insurance
Debt Protection
Wire Transfer Service
AutoSMART Online Auto Buying Resource
Guaranteed Asset Protection (GAP Plus)
Mechanical Repair Coverage
Safe Deposit Boxes
Notary Public Services
Medallion Signature Guarantee Services

**BUSINESS ACCOUNTS
& OTHER SERVICES**

Business Share Savings Accounts
Business Money Market Share Plus Accounts
Business Checking Accounts
VISA Debit Check Cards

Mobile Banking
Automated Teller Machines (ATMs)
Safe Deposit Boxes
Notary Public Services
Signature Guarantee Services
Wire Transfer Service
Business Certificates

MO'ILI'I LI' BRANCH

2305 South Beretania Street
Honolulu, Hawaii 96826

FEDERAL BUILDING BRANCH

Prince Kuhio Federal Building
300 Ala Moana Blvd., #1-137
Honolulu, Hawaii 96850

AIRPORT BRANCH

Honolulu Main Post Office
3600 Aolele Street
Honolulu, Hawaii 96820

TRIPLER BRANCH

Tripler Army Medical Center
Oceanside, VA Headquarters
E-Wing, Room 1-C100
Honolulu, Hawaii 96819

EWA BRANCH

91-1717B Fort Weaver Road
Ewa Beach, Hawaii 96706