



ILLUMINATION

CHAIRMAN'S AND PRESIDENT'S REPORT

ALOHA! The year 2022 began optimistically as the number of COVID-19 cases decreased and restrictions were lifted, bringing life back to a new normal. However, pent-up demand caused high inflation rates, and the Federal Reserve raised interest rates seven times during the year. This left many feeling uncertain as loan rates deterred potential borrowers from purchasing real estate, automobiles and extending credit.

As we progress into 2023, we are still faced with a degree of doubt. Predictions of a potential recession, interest rate hikes, increases in the cost of goods and services, and the ongoing COVID-19 pandemic, are among the challenges that lay ahead. But rest assured your credit union is always here for you, shining like a beacon through these rough waters.

Despite the different world that lies ahead, HOCU will continue providing competitive loan and share rates that meet your financial needs. We still offer low fees that have remained unchanged for several years. Currently, we are working on several projects that will help us expand our reach and make it easier for current members to conduct business with us.

We would like to thank the HOCU staff and volunteers for their hard work and excellent service to our members. These are difficult yet interesting times, and HOCU will continue to be a guiding light as members seek to achieve their financial goals. We appreciate our members' trust in us and look forward to serving them even better this coming year.

MAHALO.



CHRISTOPHER JAY
Chairman,
Board of Directors



MARK MUNEMITSU
President/CEO





TREASURER'S REPORT

Despite several challenges in 2022 with inflation and rising interest rates the Honolulu Federal Credit Union (HOCU) continued to perform well:

- Total loans increased by 16.4% over the previous year
- Total shares grew by \$2.21 million
- Total assets rose by 4.3%
- Net income for the year was \$2.62 million, an increase of 3.7% from 2021
- The credit union's net worth remains strong at 11.26%

These excellent results are the combined efforts of our staff, volunteers and, above all, our loyal members who continue to support HOCU by choosing us as their financial partners; we hope to continue to secure your trust in us.

I would like to take this opportunity to recognize and thank Lydia Kauha, my predecessor as HOCU's treasurer, who passed away unexpectedly in June. Her leadership and guidance as a Board member for 35 years contributed greatly to our tremendous growth and success, and she will be missed.

It has been a very successful first 86 years for your credit union, and we thank you for the support and patronage. No matter what your financial needs and goals are, HOCU is ready to assist you with the attention that you deserve – with us, you're not just another customer, but a VIP. Tell your friends and family about the secret that is HOCU and how we make a difference in the lives of our members.

Mahalo,

DUDLEY KUBO

Secretary/Treasurer

SUPERVISORY COMMITTEE REPORT

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 2021 was conducted by Kobayashi, Kanetoku, Doi, Lum & Yasuda, CPAs, LLC, which rendered a clean opinion. The audit for the period ending December 2022 has begun and copies of the audit will be available upon request.

ANNIE FLETCHER

Chairman, Supervisory Committee

BOARD OF DIRECTORS

Christopher Jay
CHAIRMAN

Annie Fletcher Sandra Ng Dudley Kubo
Wyman Au Colin Chung Warren Nakamura

SUPERVISORY COMMITTEE

Annie Fletcher
CHAIRMAN

Albert Pang Randall Morita

SENIOR MANAGEMENT

Mark Munemitsu
PRESIDENT/CEO

Ross Inouye
SENIOR VICE PRESIDENT



FINANCIAL STATEMENT

HOCU FINANCIAL RATIOS

	2021	2022	% CHANGE
Average yield on loans	4.28%	4.24%	-0.93%
Average yield on investments	0.78%	1.67%	114.10%
Average yield paid on deposits	0.30%	0.33%	10.00%



DECEMBER 31, 2021 & 2022

Balance Sheet

ASSETS (in thousands)	2021	2022
Loans	167,187	244,485
Allowance for Loan Loss	(2,105)	(2,309)
Cash	1,957	2,170
Bank & S&L Investments	14,188	39,601
Other Investments	109,959	53,673
Fixed Assets	10,727	10,647
Accrued Income	709	958
Other Assets	14,957	11,840
TOTAL ASSETS	360,374	361,064

LIABILITY & EQUITY	2021	2022
Accounts Payable & Liabilities	1,481	1,503
Notes Payable	0	0
Dividends Payable	0	0
Shares	320,907	323,125
Regular Reserves	4,374	0
Undivided Earnings	33,654	40,657
Unrealized Loss in Long Term Investments	(42)	(4,221)
TOTAL LIABILITY & EQUITY	360,374	361,064

Statement of Income and Expenses

INCOME (in thousands)	2021	2022
Interest on Loans	8,460	9,638
Income from Investments	855	1,816
Other Income	1,650	1,696
TOTAL INCOME	10,966	13,149

EXPENSE	2021	2022
Salaries & Benefits	3,406	3,924
Office Occupancy and Operations	2,402	2,428
Professional and Outside	853	798
Loan Servicing	835	867
Provision for Loan Loss	(325)	664
Other Expense	381	328
TOTAL EXPENSE	7,553	9,009
Dividends	877	1,068
Other Non-Operating Gains and Losses	0	(444)
NET INCOME	2,535	2,629

PRODUCTS AND SERVICES

MEMBER ACCOUNTS

Share Savings Accounts
Kasasa Saver Accounts
Classic Share Draft Accounts
Kasasa Checking Accounts with Rewards
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/Photovoltaic Loans
Share Secured Loans
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
Student Loan Refinancing

CONVENIENT SERVICES

NextGen ATM with Shared Branching
In-Lobby Teller (ILT) with Shared Branching
Mobile Banking

24-Hour Online Banking
Popmoney Personal Payment Service
Online Bill Payment Service
Online Check Imaging
Apply for Loans Online 24/7
CO-OP Shared Branch & ATM Network
Payroll Deduction & Direct Deposit Services
Remote Deposit Capture
Instant Issue Debit Cards

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
Signature Guarantee Services

BUSINESS ACCOUNTS & OTHER SERVICES

Business Share Savings Accounts
Business Money Market Accounts
Business Checking Accounts
VISA Debit Check Cards
Mobile Banking
Automated Teller Machines (ATMs)
Business Certificates

LOCATIONS

MO'ILI'ILI BRANCH

2305 South Beretania Street
Honolulu, Hawaii 96826

FEDERAL BRANCH

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

AIRPORT BRANCH

Honolulu Main Post Office
3600 Aalele 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

