



**HAWAII STATE**

FEDERAL CREDIT UNION

*always right by you*

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ANNUAL REPORT 2025

## President's Message to Members

Over the past year, many families across Hawaii continued to face economic uncertainty and unexpected challenges. Most recently, the Kona low floods served as a reminder of how quickly circumstances can change for our communities and the people we care about most.

When these events impacted our members, Hawaii State FCU moved quickly to launch an Emergency Financial Assistance Program that provided timely relief and support to those affected. In moments like these, our responsibility extends beyond traditional banking. It means being responsive, compassionate, and prepared to stand alongside our members when they need us most.

That same commitment continues to guide our efforts to strengthen and improve the member experience. In 2025, we completed our merger with HMSA Employees Federal Credit Union and proudly opened a refreshed Ke'eaumoku Branch, expanding access and convenience while welcoming HMSA employees into HSFCU. We also launched a refreshed website and completed our debit card conversion as part of our ongoing efforts to make it easier for members to connect with us and confidently manage their finances.

The continued trust and support of our membership also allowed us to return \$36.5 million in dividends through competitive share rates and member benefits. As a member-owned financial cooperative, our success is shared directly with you, and we remain committed to helping members build long-term financial security and confidence at every stage of life.

As we mark 90 years of serving our members and communities, we look forward to commemorating this milestone through special anniversary events and experiences planned throughout the rest of the year. At the same time, we remain focused on the future and your evolving financial needs. The investments we are making today in technology and innovation are helping us evolve alongside our members. We remain committed to building relationships that enrich lives and long-term financial wellness for future generations.

On behalf of our entire leadership team and our dedicated employees, we thank you for your trust and support. We are honored to be part of your financial journey and look forward to serving you and your families for many more years.



Sincerely,

A handwritten signature in black ink that reads "Andrew Rosen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew Rosen  
President & CEO

## Message from the Board of Directors

Serving as Chair of the Hawaii State Federal Credit Union Board of Directors is a responsibility I approach with gratitude and humility. As volunteer board members, we remain focused on stewarding the credit union to help you achieve your financial goals.

In 2025, Hawaii State FCU continued to build on its commitment to our members and communities across Hawai'i. Our second annual HSFCU Cares Day brought together 264 employees who volunteered nearly 800 hours with nine nonprofit organizations across the state. We also launched *ABCs of Community*, an employee-driven initiative that encouraged team members to give back.

Our continued investment in organizations and programs aligned with our community impact areas - *financial education, basic needs and necessities, and support for kupuna* across Hawai'i resulted in the following community impacts this year:

**Total charitable giving:** Approximately \$380,000 invested in local community initiatives.

**Hawaii Resilience Fund:** Direct financial support to nonprofit organizations serving local communities during federal funding uncertainty.

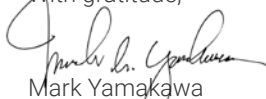
**Volunteer Income Tax Assistance (VITA):** Partnered with Goodwill Hawaii to complete 246 tax returns, served more than 80 HSFCU members, and helped secure more than \$90,000 in tax refunds for local households.

**Voices of Change:** Launched a podcast featuring influential leaders to inspire, educate, and encourage meaningful conversations around critical issues impacting Hawai'i.

This year, Hawaii State FCU celebrates its 90th anniversary - a milestone that reflects the trust our members have placed in us and the dedication of the employees, volunteers, and leaders who have helped shape this organization over nine decades. I am incredibly grateful to be part of an organization that makes a meaningful difference.

I would also like to recognize Monica Toguchi-Ryan for more than seven years of service on the Board of Directors. Her leadership, perspective, and dedication to our members - particularly small businesses - were greatly valued. On behalf of the Board of Directors, it is an honor to serve this organization and our members. We remain committed to helping ensure Hawaii State FCU stays strong for the next 90 years and beyond.



With gratitude,  
  
Mark Yamakawa  
Chairman of the Board

## Supervisory Committee Report

The Supervisory Committee is pleased to report that Hawaii State FCU continued to operate in accordance with sound financial principles and applicable laws and regulations in 2025.

The Supervisory Committee is comprised of volunteer credit union members appointed by the Board of Directors. Federal regulations require supervisory committees to ensure the board of directors and management of credit unions meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets.

To fulfill our responsibilities, we contracted the certified public accounting firm of Baker Tilly LLP to perform an independent audit of the Credit Union's financial statements as of December 31, 2025, the report of which may be viewed upon request. The Supervisory Committee also oversaw the Internal Audit function, which reviews various Credit Union operations and controls throughout the year; monitored the activities of the Board of Directors and management; investigated member complaints; verified member accounts; interacted with the National Credit Union Administration's (NCUA) examiners; and conducted special investigations or studies as considered necessary.



Sincerely,  
  
Judy Dang  
Chair of Supervisory Committee

## Financial Statements

### Statement of Financial Condition (Unaudited)

ASSETS	Dec. 31, 2025	Dec. 31, 2024
Cash and Cash Equivalents	\$ 273,255,589	\$ 378,962,446
Restricted Cash	12,215,335	15,000,000
Available for Sale	907,213,850	711,621,829
Other Investments	12,388,660	53,093,444
Loans to Members, Net	1,454,021,821	1,342,208,296
Accrued Income Receivable	10,155,489	7,557,468
Property and Equipment, Net	79,273,362	82,910,123
National Credit Union Share Insurance Fund (NCUSIF)	24,716,848	20,936,742
Company Owned Life Insurance	14,210,195	13,730,741
Other Assets	74,016,320	78,300,695
<b>TOTAL ASSETS</b>	<b>\$ 2,861,467,470</b>	<b>\$ 2,704,321,784</b>

LIABILITIES AND EQUITY	Dec. 31, 2025	Dec. 31, 2024
Members' Shares	\$ 2,560,297,990	\$ 2,401,345,872
Note Payable	–	60,000,000
Accounts Payable & Other Liabilities	45,235,784	45,716,470
<b>Total Liabilities</b>	<b>\$ 2,605,533,774</b>	<b>\$ 2,507,062,342</b>
Reserves and Undivided Earnings	\$ 262,521,838	\$ 228,677,625
Accumulated Other Comprehensive Income	(6,588,142)	(31,418,183)
<b>Total Equity</b>	<b>\$ 255,933,696</b>	<b>\$ 197,259,442</b>
<b>TOTAL LIABILITIES, SHARES &amp; EQUITY</b>	<b>\$ 2,861,467,470</b>	<b>\$ 2,704,321,784</b>

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## Financial Statements

### Statement of Income (Unaudited)

	Dec. 31, 2025	Dec. 31, 2024
<b>Interest Income</b>		
Interest on Loans	\$ 82,895,478	\$ 72,641,018
Income from Investments	43,446,944	24,512,486
<b>Total Interest Income</b>	<b>\$ 126,342,422</b>	<b>\$ 97,153,504</b>
<b>Dividends and Interest Expense</b>		
Dividends to Members	\$ 36,458,992	\$ 27,963,712
Interest on Borrowed Funds	384,733	160,481
<b>Total Interest Expense</b>	<b>\$ 36,843,725</b>	<b>\$ 28,124,193</b>
<b>Net Interest Income</b>	<b>\$ 89,498,697</b>	<b>\$ 69,029,311</b>
Provision for Loan Losses	\$ 4,105,010	\$ 5,020,050
<b>Net Interest Income after Provision for Credit Losses</b>	<b>\$ 85,393,687</b>	<b>\$ 64,009,261</b>
<b>Non-Interest Income</b>		
Credit and Debit Interchange	\$ 8,967,474	\$ 8,327,823
Fees and Charges	7,860,609	8,263,434
Gain on Sale of Loans, Net	230,422	233,080
Gain (loss) on Sale of Investments, Net	(183,112)	550,362
Gain (loss) on Sale of Property, Net	(501,056)	7,158,564
Other Income	9,125,092	6,996,974
<b>Total Non-Interest Expense</b>	<b>\$ 25,499,430</b>	<b>\$ 31,530,237</b>
<b>Non-Interest Expense</b>		
Compensation and Employee Benefits	\$ 43,540,054	\$ 42,089,481
Office Operations	12,831,948	10,290,417
Professional and Outside Services	8,286,838	7,437,700
Office Occupancy	6,756,120	6,717,660
Loan Servicing	5,075,339	4,454,966
Education and Promotional	3,276,576	2,344,324
Other Operating Expenses	4,851,222	3,829,376
<b>Total Non-Interest Expense</b>	<b>\$ 84,618,097</b>	<b>\$ 77,163,924</b>
<b>NET INCOME</b>	<b>\$ 26,275,020</b>	<b>\$ 18,375,574</b>

For a list of branches, visit  
**[www.HawaiiStateFCU.com/locations](http://www.HawaiiStateFCU.com/locations)**

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