



HAWAII STATE

FEDERAL CREDIT UNION

86th Annual Meeting Minutes

The **86th Annual Meeting** of the Hawaii State Federal Credit Union was called to order by Chair Kaulana Park at Hawaii Pacific University in Honolulu, Hawaii 96813, at 4:02 p.m. on Tuesday, March 22, 2023. Members could participate in person or remotely by conference call. Pursuant to Article IV, section 5 of the Bylaws, a quorum was present.

Chair Park directed the members' attention to the proposed standing rules for the business meeting which was available for review on HSFCU's website to aid in conducting the meeting in a fair and expeditious manner. There being no objections, these rules were adopted for the meeting.

Chair Park proceeded with the approval of the minutes for the 85th Annual Meeting held on March 22, 2022, which was available for review on HSFCU's website. The minutes were approved as written.

Chair Park introduced the 2022 Board of Directors: Ryan Morita, Vice Chair; Mark Yamakawa, Treasurer; Marion Higa, Secretary; Directors Monica Toguchi Ryan; John Katahira, and Terrence Aratani, who were recognized for their service as members of the Board. Chair Park extended his appreciation to the Board of Directors.

Chair Park introduced the members of the 2022 Supervisory Committee, who were responsible for ensuring the safety and soundness of HSFCU. Chair Susan Ee, Secretary Judy Dang, and members Gordon Fukumoto, Katrina-Ann Kapa Oliveira, and Stanley Sawai were recognized for their service as members of the Supervisory Committee. Chair Park extended his appreciation to the Supervisory Committee.

Chair Park proceeded to the next order of business, the financial statement and other reports contained in the business meeting materials. He asked if there were any questions and there were none.

Chair Park reflected on the past year, highlighting the following:

- Coming off of the pandemic was not an easy task. He mentioned this was his first year as Chairman and he was fortunate to have the knowledge of the previous Chairs.
- He noted HSFCU was now the largest credit union in the state of Hawaii, and noted its humble beginnings as the credit union for employees of the Territory of Hawaii.
- He congratulated President Andrew Rosen, and Executive Vice Presidents Craig Warren and Carol Higa, and the employees. many that were present. He noted that while HSFCU's financial growth prospered, HSFCU remained steadfast to always keeping members at the forefront of everything HSFCU does while adapting to the changing times to meet the evolving needs of members and the community.
- On behalf of the Board of Directors, Chair Park thanked the members of HSFCU for their ongoing support and trust for the stewarding of their financial affairs. He noted HSFCU is dedicated to providing exceptional service and lives by its motto, "Always Right By You."

Chair Park called upon Executive Vice President and Chief Operating Officer, Craig Warren. COO Warren reported on the current “State of Affairs” of HSFCU, highlighting the following:

- Safety and Soundness
 - He reassured members that HSFCU is profitably strong, and members’ money is safe, with applicable federal insurance.
 - HSFCU is a not-for profit cooperative, owned by the members. For 87 years HSFCU has maintained a conservative business model taking care of people in Hawaii and the local community.
 - HSFCU takes pride in its financial stability and success, which has helped HSFCU grow to \$2.3 billion in assets and 125,000 members.

- 2022 Results
 - 2022 was a good year, with increased assets, loans, deposits, net worth, and membership.
 - HSFCU is the fastest growing credit union in Hawaii.
 - HSFCU opened three new popular store branches.
 - HSFCU was recognized as a “Best Place to Work” for the 11th straight year.
 - HSFCU has maintained stellar member service.

- What will happen in 2023?
 - Better deposit rates
 - More technology, such as P2P payments, digital issued credit cards, more ITMs, improved online and mobile functionality.
 - New products, such as credit cards, mortgages, and adjustable-rate mortgage options.
 - Continued great service levels and member growth.
 - Opening of new headquarters at 333 Queen Street, with more convenient ground floor branch, employee collaboration areas, health and wellness attributes, and improved technology that will allow HSFCU to be able to better serve members.

- What makes us different? Why choose a credit union?
 - Not for profit
 - Ownership with every member having an equal vote
 - Board representation
 - Member eligibility
 - Financial education
 - Social perks – people helping people
 - Lower loan rates, higher deposits, lower fees
 - Exceptional servicing

COO Warren thanked the volunteers of Hawaii State FCU.

Chair Park called upon John Katahira, member of the Nominating Committee. Member John Katahira recognized Chair Elliot Hatico and Monica Toguchi Ryan for their service.

Nominating Committee Member John Katahira announced that there were six nominees for five open director positions for the 2023 Board of Directors. Due to the expansion of the Board from seven to nine members in 2023, three seats will carry a full three-year term, one seat will carry a two-year term, and one seat will carry a one-year term. Nominees with the greatest number of votes will serve the longest terms, provided that directors who are currently serving three consecutive terms will serve the shortest terms. All

positions will start in March 2023. This year's nominees were Mark Yamakawa, Kaulana Park, Grant Tanimoto, Joshua Strickler, Dawn Kurisu, and Terrence Aratani.

Chair Park announced the three board members elected to three-year terms, Mark Yamakawa, Dawn Kurisu, Grant Tanimoto, and thanked them for their commitment and continued service. Kaulana Park will serve a two-year term, and Terrence Aratani will serve a one-year term.

Chair Park directed the members' attention to the proposed retention of ballots for one month. There being no objections, the ballots will be retained for one month.

Chair Park asked if there was any new business. No new business was brought to the floor.

On behalf of the Hawaii State FCU Board of Directors, Chair Park thanked the members who were there in person and also by teleconference.

The meeting adjourned at 4:27 p.m.