

2021 ANNUAL MEETING AGENDA

1. Call Meeting to Order & Ascertain Presence of Quorum
2. Chairman's Announcements
3. Approval of Minutes for 2020 Annual Meeting
4. Accept Treasurer's Report for 2020
5. Accept Chairman & Board of Directors' Report for 2020
6. Accept Supervisory Committee's Report for 2020
7. Recognition of Volunteers
8. Unfinished Business
9. New Business: Approve Nominating Committee Report
10. Adjournment of Meeting

2020 SUPERVISORY COMMITTEE REPORT

The Supervisory Committee hired Kwok & Company, Certified Public Accountants to conduct a comprehensive annual audit of Maui County Federal Credit Union's (MCFCU) records and operations for the period ended September 30, 2020. The audit of MCFCU's books and records was performed in accordance with the audit guidelines and procedures recommended in the "Supervisory Committee Guide for Federal Credit Unions."

Based on the findings of the annual audit report, the Supervisory Committee would like to recognize the Board of Directors, management and staff of MCFCU for performing their duties in a commendable manner to keep your credit union in sound financial condition.

The Board of Directors, management and staff also deserve to be highly commended for their excellent effort in continuing to provide effective and outstanding services to the members of our credit union and to preserve the safety and soundness of MCFCU.

On behalf of all the members of the Supervisory Committee, we thank you for the opportunity to serve you.

Respectfully submitted,

Wesley Yoshioka,
Supervisory Committee Chair
Greg Takahashi

Nicklaus Tanaka
Rhonda Loo
Peter Hanano

FINANCIAL REPORTS

STATEMENT OF INCOME

Operating Income	2020	2019	Variance %
Loan Income	\$6,915,677	\$7,587,927	-8.86%
Investment Income	\$3,344,327	\$3,914,570	-14.57%
Other Operating Income	\$1,261,277	\$1,505,528	-16.22%
Total Income	\$11,521,282	\$13,008,026	-11.43%

Operating Expense	2020	2019	Variance %
Compensation	\$3,112,307	\$2,912,616	6.86%
Employee Benefits	\$1,001,128	\$769,857	30.04%
Travel & Conference	\$23,557	\$104,900	-77.54%
Dues	\$60,499	\$61,101	-0.98%
Occupancy Expense	\$612,269	\$558,727	9.58%
Office Operating Expense	\$825,575	\$747,188	10.49%
Education & Marketing	\$216,834	\$224,445	-3.39%
Loan Servicing	\$339,475	\$408,695	-16.94%
Outside Services	\$2,070,783	\$1,952,154	6.08%
Provision for Loan Losses	\$510,065	\$(289,665)	276.09%
Examination Fees	\$89,330	\$89,966	-0.71%
Misc. Operating Expenses	\$155,029	\$163,185	-5.00%
Total Expenses	\$9,016,852	\$7,703,166	17.05%

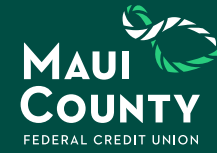
Net Operating Income	\$2,504,430	\$5,304,860	-52.79%
Gain/(Loss) on Sale of Assets	\$81,787	\$17,032	380.19%
Net Income before Dividends	\$2,586,216	\$4,742,561	-45.47%
Dividends - Shares	\$1,075,570	\$1,267,579	-15.15%
Net Income	\$1,510,647	\$3,474,982	-56.53%

STATEMENT OF CONDITION

Assets	2020	2019	Variance %
Net Loans	\$138,734,331	\$149,132,986	-6.97%
Receivables	\$14,817	\$16,940	-12.53%
Cash	\$13,103,867	\$5,626,695	132.89%
Investments	\$180,772,768	\$150,494,988	20.12%
Fixed Assets	\$11,753,888	\$9,217,161	27.52%
Other Assets	\$15,570,248	\$13,306,941	17.01%
Total Assets	\$359,949,919	\$327,795,710	9.81%

Liabilities	2020	2019	Variance %
Payables	\$682,872	\$140,105	387.40%
Other Liabilities	-\$6,598,271	\$136,842	-4921.80%
Total Liabilities	\$(5,915,399)	\$276,947	-2235.93%

Member Equity	2020	2019	Variance %
Shares & Certificates	\$313,163,070	\$275,757,664	13.56%
Reserves & Undivided	\$55,039,059	\$53,528,412	2.82%
Other Comprehensive Income	\$(2,336,811)	\$(1,767,313)	32.22%
Total Member Equity	\$52,702,248	\$51,761,098	1.82%
Total Liabilities & Equity	\$359,949,919	\$327,795,710	9.81%



Wailuku Branch

1888 Wili Pa Loop
Wailuku, HI 96793-1272

OFFICE HOURS

Monday to Friday
8:30 a.m. to 4:30 p.m.

Saturday

9:00 a.m. to 1:00 p.m.

Kahului Branch

270 Dairy Rd., #146
Kahului, HI 96732-2986

OFFICE HOURS

Monday to Friday
9:00 a.m. to 5:00 p.m.

PHONE

(808) 244-7968

FAX

(808) 242-1690

NEIGHBOR ISLANDS

(800) 783-6597

Lahaina Branch

270 Lahainaluna Rd
Lahaina, HI 96761-1525

OFFICE HOURS

Monday to Friday
8:30 a.m. to 4:30 p.m.

Board of Directors

Edwin Okubo, Chairman

Frederico Asuncion,

Vice Chairman

Karen Oura,

Secretary & Treasurer

Richelle Lu, Director

Robert Kawahara, Director

Glenn Okimoto, Director

Kirsten Szabo, Director

WEBSITE

mauicountyfcu.org

TELLER TONE SERVICE

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2020 annual report



MAUI
COUNTY
FEDERAL CREDIT UNION

2020 ANNUAL MEETING MINUTES

WELCOME BY CHAIRMAN: Chairman Edwin Okubo introduced himself and welcomed the members to the meeting.

CALL TO ORDER AND ASCERTAIN PRESENCE OF QUORUM: The meeting was called to order by Chairman Okubo at 5:30 p.m. on Thursday, March 12, 2020 at the Wailuku Community Center. Chairman Okubo reported that approximately 36 members were in attendance and that a quorum was present for the meeting. He also informed the members that under our credit union's by-laws, a minimum of 15 members need to be present to have a quorum for the meeting.

CHAIRMAN'S ANNOUNCEMENTS: Chairman Okubo made the following announcements:

1. He reported that the MCFCU sold approximately 510 tickets for the 2020 annual meeting to our members. However, all of the members who had purchased tickets for the annual meeting were contacted by telephone, and informed that the 2020 annual meeting will be held with a minimum quorum, to avoid a large gathering which may result in someone contracting the coronavirus.

The members who had purchased tickets for the 2020 annual meeting were also provided with information on when and how they would be able to pick-up their Hawaiian food dinner from the Poi By The Pound restaurant or get a cash refund. These members were also informed that the door prizes that are normally given out during the annual meeting will be given out during the 2021 annual meeting.

2. He reported that thanks to the hard work of the credit union's management, staff and volunteers, and the loyalty of our members; the credit union had another very successful year in 2019. He also reported on the following:

- The credit union had a net income of \$3,474,982;
- Total assets increased by 1.59% to \$327,795,710;
- The delinquent loans to total loans ratio is a manageable 2.62%;
- The net charge-offs to average loan ratio was a low 0.25%;
- The credit union's net worth to total assets ratio increased from 15.51% to 16.33%;
- The credit union's membership has grown to 19,531 members;

and stated that all of these factors contributed to the credit union being in a very strong financial position.

3. He reported that as stated in the 2019 annual report, MCFCU is in the process of developing a new cooperative headquarters

and Wailuku branch office building in the Kehalani Village Center, because MCFCU has out-grown the current Wailuku branch office at the Wailuku Millyard.

4. He requested that the members review the 2019 annual report which was distributed to the members, because during the business portion of the meeting, the members will be asked to approve the Minutes of the February 28, 2019 annual meeting, accept the Treasurer's financial reports, accept the Chairman and Board of Directors' report and accept the Supervisory Committee's report.

5. For the last announcement, Chairman Okubo acknowledged the service of the following former volunteers of the MCFCU:

Mr. Clifford Zane - Who served as a member of the Board of Directors for 19 years and as its Vice-Chairman for the last 6 years.

Mr. Robin Tanaka - Who served as a member of the Supervisory Committee for 8 years and as its Chairman for the last 6 years.

Mr. Ralph Nagamine - Who served as a member of the Supervisory Committee for 6 years.

and asked the members to join him in thanking Cliff, Robin and Ralph for their many years of dedicated service to the MCFCU.

The following items were acted upon during the business portion of the annual meeting:

APPROVAL OF MINUTES: Chairman Okubo requested a motion to approve the Minutes of the February 28, 2019 annual meeting. Upon motion duly made and seconded, it was unanimously voted to approve the Minutes of the February 28, 2019 annual meeting.

ACCEPTANCE OF THE TREASURER'S REPORTS: Chairman Okubo requested a motion to accept the Treasurer's financial reports for 2019. Upon motion duly made and seconded, it was unanimously voted to accept the Treasurer's financial reports for 2019.

ACCEPTANCE OF THE CHAIRMAN AND BOARD OF DIRECTORS' REPORT: Chairman Okubo requested a motion to accept the Chairman and Board of Directors' Report for 2019. Upon motion duly made and seconded, it was unanimously voted to accept the Chairman and Board of Directors' report for 2019.

ACCEPTANCE OF THE SUPERVISORY COMMITTEE'S REPORT: Chairman Okubo requested a motion to accept the Supervisory Committee's Report for 2019. Upon motion duly made and seconded, it was unanimously voted to accept the Supervisory Committee's report for 2019.

RECOGNITION OF VOLUNTEERS: Chairman Okubo introduced the following MCFCU volunteers on the Board of Directors and Supervisory Committee, and asked them to stand when their name is called:

The volunteers on the Board of Directors are:

Vice Chairman **Frederico Asuncion**
Secretary & Treasurer **Karen Oura**
Director **Richelle Lu**
Director **Robert Kawahara**
Director **Glenn Okimoto**
Chairman **Edwin Okubo**

The volunteers on the Supervisory Committee are:

Chairman **Wesley Yoshioka**
Committee Member **Greg Takahashi**
Committee Member **Kirsten Szabo**
Committee Member **Denise Thayer**
Committee Member **Nicklaus Tanaka**

Chairman Okubo then asked the members of the credit union to join him in thanking all of the volunteers on the Board of Directors and Supervisory Committee for their commitment and dedication to the credit union.

UNFINISHED BUSINESS: Chairman Okubo reported that there was no unfinished business to act on.

NEW BUSINESS: Chairman Okubo reported that there was one new business item to act on, which was the election of directors, and called on Director Richell Lu, Chair of the Nominating Committee to present the Nominating Committee's report.

Ms. Lu reported that the Nominating Committee was nominating Frederico Asuncion, Robert Kawahara and Edwin Okubo to serve on the Board of Directors for a term of two years.

Chairman Okubo thanked Ms. Lu for the report and requested a motion to approve the Nominating Committee's report. Upon motion duly made and seconded, it was unanimously voted to approve the Nominating Committee's report.

Chairman Okubo announced that with the approval of the Nominating Committee's report by acclamation, Frederico Asuncion, Robert Kawahara and Edwin Okubo have been elected to serve on the Board of Directors for a term of two years.

ADJOURNMENT OF MEETING: There being no other business for the meeting, Chairman Okubo adjourned the meeting at 5:41 p.m.

Respectfully submitted,

Edwin Okubo, Chairman
Karen Oura, Secretary & Treasurer

CHAIRMAN AND BOARD OF DIRECTORS' REPORT

In early 2020, the COVID-19 pandemic had spread to Hawaii and drastic emergency action was taken to slow the spread of the virus. From March 4, 2020 to December 16, 2020, Governor David Ige issued seventeen emergency proclamations in an effort to control the spread of the virus.

The emergency proclamations resulted in many of the businesses in Hawaii having to shut down at one time or another, and this caused many of our Maui County residents to lose their job(s) and their primary source of income.

The board of directors and management at the Maui County Federal Credit Union (MCFCU) quickly concluded that the credit union would have to provide special assistance to our members during this period of extreme stress and uncertainty.

Starting on March 4, 2020, MCFCU began offering the following special assistance programs:

1. Low Interest Disaster Relief Loan Program — This is a five-year loan program with a 1.375% interest rate.
2. Disaster Relief Loan Deferral Program — This program allows loan payments to be deferred, after the borrower signs an attestation that he/she has been negatively impacted financially due to COVID-19, and signs a deferral agreement specifying the number of months that the loan payment will be deferred.

The loan deferral program initially had a three month deferral period, but the board of directors increased the maximum deferral period to six months on April 28, 2020 and then to twelve months on August 25, 2020.

And management instituted the following safety measures at all of the branch offices:

- Social distancing
- Regularly sanitized high touch areas
- Taking staff temperatures
- Encouraging use of digital channels
- Provided hand sanitizers
- Installed sneeze guards
- Taking member temperatures daily and asking questions for prolonged visits

The board of directors and management of the MCFCU will continue to monitor the needs of our members, and will make every effort to provide the assistance that is needed during this difficult time.

Respectfully submitted,

BOARD OF DIRECTORS

Edwin Okubo, Chairman
Frederico Asuncion, Vice
Chairman
Karen Oura, Secretary &
Treasurer

Richelle Lu, Director
Robert Kawahara, Director
Glenn Okimoto, Director
Kirsten Szabo, Director