# 2025 Highlights

| | | | |
|---|---|---|---|
| 8.86% Deposit Growth | 6.24% Loan Growth | $56,126,142 Processed Mortgage Loans | 3.07% Member Growth |
| 1,486 Volunteer Hours | 45 Community Organizations Assisted | $136,582 Community Donations | 36,827 Active Online & Mobile Banking Users |


## BALLOT

## Comparative Statement of Financial Condition

| Assets | | December 31, 2025 | | December 31, 2024 |
|---|---|---|---|---|
| Loans to Members | $ | 477,738,222.68 | $ | 449,802,989.03 |
| Less Allowance for Losses | | (5,740,209.09) | | (5,429,714.15) |
| Cash & Equivalents | | 65,522,269.53 | | 55,710,486.42 |
| Investments | | 314,478,224.13 | | 275,474,085.50 |
| Other | | | | |
| Accrued Income Receivable | | 2,672,729.74 | | 2,441,550.68 |
| Property and Equipment, Net Depreciation | | 23,143,206.23 | | 18,709,190.43 |
| National Credit Union Share Insurance Fund | | 7,757,922.53 | | 6,971,807.76 |
| Other Assets | | 19,852,947.70 | | 22,029,792.35 |
| **Total Assets** | $ | 905,425,313.45 | $ | 825,710,188.02 |
| **Liabilities, Shares, and Equity** | | **December 31, 2025** | | **December 31, 2024** |
| Accounts Payable & Other Liabilities | $ | (6,543,681.43) | $ | 2,150,306.15 |
| Member Shares | | 815,798,615.05 | | 749,411,635.58 |
| Equity | | | | |
| Reserves | $ | 2,652,060.02 | $ | 2,652,060.02 |
| Undivided Earnings | | 109,849,251.33 | | 97,278,324.80 |
| Unrealized Gain(Loss) on AFS Securities | | (16,169,322.52) | | (24,132,017.53) |
| Accumulated and Other Comprehensive Income | | (161,609.00) | | (1,650,121.00) |
| Total Equity | $ | 96,170,379.83 | $ | 74,148,246.29 |
| **Total Liabilities, Shares, & Equity** | $ | 905,425,313.45 | $ | 825,710,188.02 |


## Comparative Statement of Income

| Interest Income | | December 31, 2025 | | December 31, 2024 |
|---|---|---|---|---|
| Interest on Loans | $ | 30,463,921.66 | $ | 27,473,655.56 |
| Loan Interest Rebate | $ | (1,326,325.26) | $ | - |
| Investment Income | | 12,585,638.00 | | 8,898,815.68 |
| Total Interest Income | $ | 41,723,234.40 | $ | 36,372,471.24 |
| **Interest Expense** | | | | |
| Dividends to Members | | 12,081,250.52 | | 10,693,633.94 |
| Interest on Borrowed Money | | 7,134.27 | | 8,694.52 |
| Total Interest Expense | $ | 12,088,384.79 | $ | 10,702,328.46 |
| **Net Interest Income** | $ | 29,634,849.61 | $ | 25,670,142.78 |
| **Non-Interest Income** | | 6,286,685.46 | | 5,467,358.59 |
| **Non-Interest Expense** | | | | |
| Employee Compensation | $ | 6,820,367.60 | $ | 6,640,725.49 |
| Employee Benefits | | 1,390,540.70 | | 1,406,313.19 |
| Travel and Conference | | 234,158.35 | | 170,671.88 |
| Association Dues | | 70,945.21 | | 67,643.28 |
| Office Occupancy | | 1,338,025.23 | | 1,202,670.67 |
| Office Operations | | 2,856,091.65 | | 2,664,897.79 |
| Educational & Promotional | | 954,756.46 | | 952,329.90 |
| Loan Servicing | | 3,140,671.77 | | 2,722,027.85 |
| Prof. & Outside Services | | 1,694,283.32 | | 1,412,246.49 |
| Provision for Loan Losses | | 1,768,807.49 | | 867,937.50 |
| Operating Fees | | 146,135.93 | | 138,224.82 |
| Annual Meeting | | 37,551.63 | | 21,439.76 |
| Direct Cost of Services to Members | | 3,170,572.19 | | 2,515,768.24 |
| Misc. Operating Expenses | | 139,560.92 | | 97,782.80 |
| Total Non-Interest Expense | $ | 23,762,468.45 | $ | 20,880,679.66 |
| **Income from Operations** | | 12,159,066.62 | | 10,256,821.71 |
| **Non-Operating Gain/ (Loss)** | | 411,859.91 | | (204,100.20) |
| **Net Income** | $ | 12,570,926.53 | $ | 10,052,721.51 |

2025 Annual Report

# Growing Together

GATHER
Federal Credit Union

## Meeting Agenda

**I. Call to Order- Kent Kikuchi, Chair**
- A. Roll Call
- B. Approval of the Agenda
- C. Approval of Minutes of the 71st Annual Meeting of March 29, 2025

**II. Reports of Officials**
- A. Supervisory Committee
  Kamika Smith
- B. Nominating Committee
  Karen Henry
  1. Presents the following nominations:
     Board of Directors-3 Year Term:
     - Ms. Ashley M. Carvalho
     - Mr. George Burkhart
     - Mr. Ian Jung
- C. Chairman of the Board
  Kent Kikuchi
- D. President/CEO
  Tess Shimabukuro

**III. Unfinished Business**

**IV. New Business**
- A. Election of Officials

**V. Adjournment**

EQUAL HOUSING OPPORTUNITY



www.gatherfcu.org | 808.245.6791

## 2025 Annual Meeting Minutes

The 71st Annual Membership Meeting of Gather Federal Credit Union was convened at 1:05 p.m. on Saturday, March 29, 2025, at Smith's Kauai with Chairman Walton D.Y. Hong presiding.

ROLL CALL.

393 Members attended the meeting. A quorum was declared to be present. (Article IV, Section 5 of the Bylaws requires that 15 members be present).

**Agenda** – Mr. Hong stated a correction on the Annual Report agenda: replacing "Jeneva Coates" reporting on the Supervisory Committee Report, with Mr. Walter Kamika Smith III.

On motion duly made, seconded, and carried, the agenda was approved with the correction.

**Minutes** – On motion duly made, seconded, and carried, the minutes of the March 30, 2024, 70th Annual Membership Meeting, were approved.

Report of Officials

**Supervisory Committee**. Mr. Walter Kamika Smith III, Chair/Secretary of the Supervisory Committee, directed the membership to the Supervisory Committee report printed in the Annual Report for their review.

On motions duly made, seconded, and carried, the report of the Supervisory Committee was accepted.

**Nominating Committee**. Mr. George Burkhart, Chair of the Nominating Committee, presented the following nominations: Board of Directors-3 Year Term:

Ms. Sheryl Grady
Mr. Ken Shimonishi
Mr. Brent Mizutani

On motion duly made, seconded, and carried, the Nominating Committee Report was accepted.

**Chairman's Report**. Chairman Hong conveyed his pleasure and honor to address the Annual Membership Meeting of Gather Federal Credit Union.

Although it was 24 years ago, Chairman Hong felt like it was yesterday that he was at the Convention Hall presenting his report to the membership. He became part of the Board of Directors in 1988; then elected as Chairman in 1999. At that time, the credit union was known as Kaua'i Community Federal Credit Union with assets of $152 million and 24,000 members. There were only three offices: Lihu'e, Waimea, & Kapa'a. Since then, four additional offices were added: 'Ele'ele, Kukui Grove, Kōloa, and Walmart. The Lihu'e branch on Hardy Street has since been converted into an administrative office. And now we are at the home stretch of the opening of Kilauea Branch Office to better service the north shore area.

In 2018, there was the name change from Kaua'i Community Federal Credit Union and Chairman Hong remembers the name change to Gather Federal Credit Union, was met with skepticism. But having faith and trust in management, the directors supported management and today, the name Gather Federal Credit Union is readily recognized and respected, not only on state level, but also on national level.

Last year, Chairman Hong attended a credit union conference and had a conversation with a gentleman eating breakfast next to him. The gentleman was from Idaho and asked if he was from the credit union on the island where your membership constitutes more than half the population of the island.

In closing, Chairman Hong mentioned that over the years the board of directors were very fortunate to maintain a good working relationship with management. Chairman Hong feels confident that Gather Federal Credit Union will continue to grow and adequately address all matters of the membership, protecting their interests, and meeting their financial needs in the best way possible.

Chairman Hong thanked everyone for the confidence and support of the Board of Directors and management. He thanked Ms. Shimabukuro and the management team for the amazing job they have done over the years, making Gather Federal Credit Union recognized as a respected financial institution. He communicated that serving on the board was a distinct honor and privilege.

**President/CEO's Report.** Ms. Shimabukuro thanked Chairman Hong and welcomed everyone to the 71st Annual Membership of Gather Federal Credit Union.

Our credit union continues to be strong, safe and secure. We are happy to report positive financial, performance and operating results in 2024. Totaled more than $10 million with assets increasing to $825 million. Net worth, which is the key indicator of safety and soundness, at 12% of assets, and well above what is considered to be well capitalized. We now serve nearly 39,000 members. Our total loan growth registered at $36.9 million, and our savings grew by $66. 7 million in 2024. A testament to the oversight and good stewardship of our board, Gather is one of the most financially sound credit unions in the State of Hawai'i.

Ms. Shimabukuro highlighted noteworthy accomplishments in 2024 and provided insight as to what was planned for 2025.

In closing, she thanked the board of directors and the staff for their continuous hard work and dedication as well as extending her appreciation to the membership.

**Unfinished Business.** There were none.

New Business

Suggestions/Actions Recommended by Membership. There were none.

**Election of Officials.** Chairman Hong called for nominations from the floor for the vacancies on the Board of Directors. There were none. There being no objections, the nominations were closed with the Secretary/Treasurer casting a unanimous ballot electing Ms. Sheryl Grady, Mr. Ken Shimonishi, Mr. Brent Mizutani to a three-year term on the Board of Directors.

**Adjournment.**

There being no further business, the meeting was adjourned at 1:28 p.m.

Respectfully Submitted,

Walton D.Y. Hong
Chairman of the Board

Brent Mizutani
Secretary/Treasurer

## Message from the President & Chairman of the Board

**Tess Shimabukuro**
President & CEO

**Kent Kikuchi**
Board of Directors Chairman

Since 1954, we have grown to serve more than 40,000 members across the island with 100 dedicated teammates. As a member-owned institution, increased member engagement has been a pivotal role in our growth. This allows us to provide competitive rates, product enhancements, along with advanced self-serve technological capabilities, all while investing in our local communities.

In 2025, Gather FCU celebrated the opening of our 7th branch in Kīlauea. We are now able to address the financial needs of members across most of our island communities.

The credit unions financial soundness continues to be excellent. In 2025 our net worth ratio of 12.43% was well above the 7% regulatory threshold for "well-capitalized" as defined by our regulators. Our earnings totaled $12.9 million in 2025. Assets increased to $905 million. Total loan growth registered at $28.1 million, and savings grew by $66.3 million.

With our strong capital position and our credit union philosophy of giving back to members, we were able to pay a 5% loan interest rebate back to our members at the end of 2025. Additionally, Our Share Certificate Specials throughout the year was met with tremendous enthusiasm from our members.

Our website now provides enhanced capabilities and is easy to navigate with information that is readily accessible to our members. As a part of the redesign, we added a 24/7 chat bot called Piko. Piko is your Digital Assistant.

Investing in technology remained a top priority to enhance the member experience. We launched contactless debit cards, a Buy Now Pay Later platform, a digital option for purchase cash back program, a self-serve account opening and management system, and we can now print credit cards in any of our branch offices. Additionally, starting in 2025, our members have access to a Financial Advisor.

Protecting against threats remained a critical priority. We advanced our fraud prevention program and maintained vigilance with cybersecurity and enhanced our capabilities to proactively counter emerging industry threats.

Gather FCU and its employees continue to meet members' needs and positively impact the local communities. Whether it's through top-notch technology, innovative ideas, sponsorships, volunteerism or maintaining a commitment to quality service, it's clear that Gather FCU prides itself on transforming the places and people it serves – always doing so as simply and personably as possible.

We are honored to play an instrumental role in guiding Gather FCU's strategic initiatives. Each and every day we are driven to unlock new financial opportunities for our communities, moving them forward.

On behalf of the Board of Directors and Gather FCU's dedicated team of employees, thank you for your membership and trust.

Respectfully Submitted,

**Tess Shimabukuro**
**President & CEO**

**Kent Kikuchi**
**Chairman of the Board**

## Supervisory Committee Report

**Walter Kamika Smith III**
Supervisory Committee Chairman

The Supervisory Committee, appointed by the Board of Directors, is responsible for the safety and soundness of the credit union by ensuring regulatory requirements are adhered to, via oversight of the Internal Audit Department.

The Committee engaged Baker Tilly to complete the Financial Statement audit for the period ending December 31, 2024, and I am pleased to report that the condition of the financial statements and Management practices remain sufficient to safeguard your assets. The Committee also approved a Risk-Based Audit Plan to assess the organization's effectiveness of oversight, compliance, and risk mitigation, and Internal Audit identified and reviewed key risks to ensure regulatory compliance and operational excellence.

As the pillars of our growth and the motivation behind our success, we thank you sincerely for your continued trust and membership. We also want to thank the Board of Directors, Management, and staff, whose hard work and diligence helped maintain the financial safety and soundness of your Credit Union.

We look forward to another year of representing our member-owners and working with Credit Union personnel to ensure you continue to receive superior member service.

Respectfully Submitted,

**Walter Kamika Smith III**
**Chairman of Committee**