

Hawaii Credit Unions: The Real Story

Tax-paying Hawaii banks compete head to head with tax-exempt credit unions. Although they portray themselves as mom and pop shops for people of modest means, today credit unions are a \$2.4 trillion industry, with many indistinguishable from banks. The BIG difference—they don't pay federal income taxes, depriving the U.S. Treasury of nearly \$3.95 billion every year.

Who Pays the Taxes?

Taxes Paid in 2025

HI Credit Unions

\$0

HI Banks

\$140,294,000

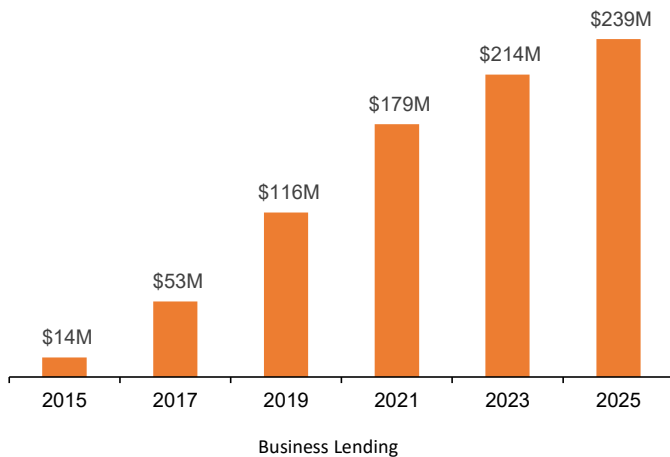
*Includes all applicable federal, state and local, and foreign income taxes

Hawaii State Federal Credit Union

would have paid \$5.5 million in taxes during 2025, had it paid its fair share.

Indistinguishable from Banks

Hawaii State Federal Credit Union used its tax advantage to aggressively expand its business lending at an annual rate of 33% since 2015.

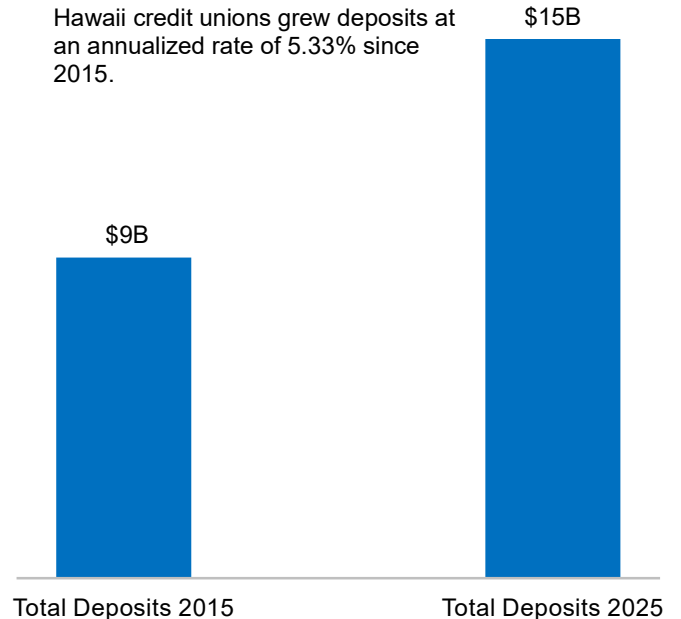


Larger than Hawaii Banks

Hawaii State Federal Credit Union, with \$2.9 billion in assets, is the largest credit union in Hawaii, larger than 33% of Hawaii headquartered banks.

Hawaii Credit Unions Leverage Their Tax Exemption to Grow Deposits

Hawaii credit unions grew deposits at an annualized rate of 5.33% since 2015.



Large Credit Union Auto Lenders

Four of the top seven Hawaii-headquartered auto lenders are credit unions.

Institution	Auto Loans (\$000)
Gather Federal Credit Union	113,938
Honolulu Federal Credit Union	96,965
HFS Federal Credit Union	82,843
Aloha Pacific Federal Credit Union	68,212