

H-E-B Federal Credit Union
Annual Membership Meeting Minutes
Zoom Webinar/In-Person
April 23, 2024

Attendees: John Carroll, Gracie Toyosima, Mark Lewis, Mike Mims, and Lance Frantum, Executive Team Members: Don R. Ford, Natalie Jones, Dolores M. Huerta, Craig Savell, Laura Sparkman, Judy Jackson, Haru Bhagat, and Jessica A. Ruiz

Ms. Leija did not attend due to personal business.

Minutes prepared by: Jessica A. Ruiz

Credit Union Members and Partners: See attached roster and poll voting documents.

Meeting Minutes

Mr. Carroll called the meeting to order at 3:00 PM. Mr. Carroll began the meeting by welcoming members and Partners. Mr. Carroll introduced himself and each of the Board members and Mr. Ford introduced each of the Executive Team Partners.

Mr. Carroll asked if there are any changes to the 2022 Annual Meeting minutes. There was no request for changes. Mr. Carroll asked for a motion to approve the 2022 meeting minutes as presented. Mr. Castleberry motioned. Ms. Miller seconded. Motion carried.

BOARD CHAIR'S REPORT

Mr. Carroll presented the Board Chair's Report for 2023. Mr. Carroll stated it was a year of advancement for H-E-B Federal Credit Union. Assets normalized to pre-pandemic levels, and HEBFCU ended the year at \$208 million. Capital to assets, a measure of financial strength and security, rose to 16.83%, and HEBFCU remains one of the strongest credit unions in the industry. The credit union generated a return on assets of 1.01%. Mr. Carroll stated HEBFCU continues to serve the borrowing needs of the membership. Net loans to Members increased more than 3%, ending the year at \$133 million. Shares normalized in 2023, following the unprecedented growth experienced during the pandemic. HEBFCU ended the year at \$167 million. In the years ahead, HEBFCU will continue to accelerate innovation to enhance the Member experience. HEBFCU will continue to help Members navigate life-cycle challenges, weather uncertain economic periods, take advantage of the opportunity technology provides and fully

recognize the benefits of credit union membership. Mr. Carroll is pleased to conclude that HEBFCU is financially sound, effectively managed and dedicated to serving the needs of H-E-B Partners and their families. Mr. Carroll extended a sincere appreciation to Mr. Dobravolsky who retired from the Board. Mr. Dobravolsky joined the board of directors in 2012 and served as the Vice Chairman for the past three years. Mr. Carroll announced Ms. Jones to review the Treasurer's Report.

Treasurer's Report

Ms. Jones reviewed the 2023 Financial Highlights. They include the following key points:

- Total Assets – \$208M
- Loans – \$133M
- Member Shares – \$167M
- Total Income – \$12M
- Operating Expenses – \$8.6M
- Dividends – \$1.4M
- Capital Asset Ratio – 16.83%, *very well capitalized*
- Return on Assets – 1.01%
- Delinquency – 0.21%, 0.63% (Peer)
- Charge-Off – 0.12%, 0.33% (Peer)

Mr. Carroll in turn introduced Mr. Lewis, Board Secretary/Treasurer, who reviewed the Nominating Committee report with the Members.

Nominating Committee Report / Election Results

Mr. Lewis presented the results from the Nominating Committee. The Nominating Committee consists of the following members, Ms. Gemma Leija, Nominating Chair, Ms. Gabriela De Leon, General Manager, Plus Store – Laredo 8 and Justin Combs, Top Store Leader – Austin 16. Ms. Toyosima and Mr. Lewis were nominated to a three-year term. Mr. Frantum was nominated to a two-year term. All three candidates were elected by acclamation. There were no questions.

Mr. Carroll thanked the Members and Partners for being a part of H-E-B Federal Credit Union. There were no other items for discussion. Mr. Carroll asked for a motion to adjourn the Annual Membership meeting. Mr. Castleberry motioned. Ms. Miller seconded.

The Annual Membership meeting adjourned at 3:10 PM.

John Carroll, Board Chair

Mark Lewis, Secretary / Treasurer

Jessica A. Ruiz, Transcribed on 04.23.2024