

# 2023 ANNUAL REPORT

# 2023

## Board of Directors

John Carroll	Chairman
Walter Dobravolsky	Vice Chairman
Mark Lewis	Secretary/ Treasurer
Lance Frantum	Director
Gemma Leija	Director
Michael Mims	Director
Gracie Toyosima	Director

## HEBFCU Management

Don R. Ford  
Chief Executive Officer  
and President

Natalie Jones  
Chief Operating Officer

Dolores M. Huerta  
Chief Administrative Officer

Craig Savell  
Senior Vice President

Haru Bhagat  
Vice President,  
Information Technology

Laura Sparkman  
Vice President, Marketing

## Agenda

- Welcome
- Introductions
- Review of the 2022 Annual Meeting
- Board Chairman's Report
- Treasurer's Report
- Nominating Committee's Report
- Election Results
- Adjournment

## Report to the Membership

H-E-B Federal Credit Union is proud to be the only financial institution chartered to serve H-E-B Partners and their family members. This exclusive bond strengthens our commitment to be our Members' financial institution of choice. Our primary purpose for 60 years has been to provide solutions that enhance our Members' financial well-being.

Each year brings new challenges and opportunities, and HEBFCU experienced a successful year in 2023. As expected, assets continued to normalize to pre-pandemic levels, and the credit union ended the year at \$208 million. Capital to assets, a measure of financial strength and security, was a strong 16.83%, and HEBFCU remains among the best-capitalized credit unions in the industry.

H-E-B Federal Credit Union generated a return on assets of 1.01%.

The credit union continues to perform well serving the borrowing needs of the membership. Net loans to Members increased more than 3% to \$134 million in 2023. This resulted in a loan to deposit ratio of 80.03%.

Management's ongoing commitment to loan quality resulted in very strong numbers. HEBFCU ended 2023 with loan delinquency of 0.21% and net charge-offs of 0.12%. By comparison, peer averages were 0.63% and 0.33%, respectively.

Shares also normalized in 2023, as consumers depleted excess deposits accumulated during the pandemic. The credit union ended the year at \$168 million. Even with deposits lower and loans higher, the credit union continues to maintain a very healthy liquidity position.

HEBFCU finished 2023 well-capitalized with 16.65% net worth, realizing an increase of approximately 170 basis points over the previous year.

Looking forward, we will work to maintain this level of performance and provide Members a financially strong credit union. We will continue to support Members with practical solutions that have value and are delivered with the same heartfelt commitment that created this credit union six decades ago.

As always, please know that we appreciate your business and the trust you have in us.



John Carroll  
Board Chairman



Don R. Ford  
Chief Executive Officer  
and President

## Supervisory Committee's Report

H-E-B Federal Credit Union's Supervisory Committee, appointed by the Board of Directors, is responsible for monitoring and evaluating the credit union's operations and compliance practices to safeguard the assets of the credit union. To discharge our responsibilities this past year, a comprehensive annual audit was completed and reported to the Board of Directors.

After reviewing the operations of the credit union and the auditor's report, it is our opinion that HEBFCU is being managed in compliance with the rules and regulations governing federal credit unions, the policies established by the Board of

Directors, and generally accepted accounting principles.

In summary, we consider the credit union financially strong and effectively managed. Your Supervisory Committee can report that HEBFCU is a financially sound organization dedicated to serving the membership.



William Padilla  
Chairman



**Federal Credit Union**

Partnering for your success.

## Statement of Financial Condition For the period ending December 31, 2023

	2023	2022
<b>Assets</b>		
Net Loans to Members	\$ 133,689,873	\$ 129,207,209
Cash on Hand	\$ 34,127,523	\$ 54,572,904
Investments	\$ 29,609,420	\$ 24,578,891
Furniture and Equipment	\$ 140,110	\$ 232,883
Reserve Deposits	\$ 1,679,255	\$ 1,779,156
Other Assets	\$ 8,740,240	\$ 6,926,588
<b>Total Assets</b>	<b>\$207,986,421</b>	<b>\$217,297,632</b>

### Liabilities and Capital

Member Shares	\$ 167,523,522	\$ 181,414,324
Dividends and Interest Payable	\$ 170,782	\$ 94,687
Accounts Payable	\$ 6,210,625	\$ 4,278,579
Regular Reserves	\$ 1,961,918	\$ 1,961,918
Undivided Earnings	\$ 32,678,153	\$ 30,575,232
Accumulated Other Comprehensive Inc.	\$ (558,580)	\$ (1,027,109)
<b>Total Liabilities and Capital</b>	<b>\$207,986,421</b>	<b>\$ 217,297,632</b>

### Distribution of Income

Total Income	\$ 12,099,412	\$ 9,531,224
Operations	\$ 8,563,247	\$ 7,253,762
Dividends	\$ 1,423,243	\$ 545,165
Reserves and Undivided Earnings	\$ 2,152,922	\$ 1,732,297
Provision for Loan Losses	\$ (40,000)	\$ -

## Treasurer's Report For the period ending December 31, 2023

	2023	2022
Gross Income	\$ 12,099,412	\$ 9,531,224
Operating and Provision Expense	\$ 8,523,247	\$ 7,253,762
Net Income	\$ 2,152,922	\$ 1,732,297
Dividends	\$ 1,423,243	\$ 545,165
Total Undivided Earnings	\$ 32,678,153	\$ 30,575,232
Total Regular Reserves	\$ 1,961,918	\$ 1,961,918
Loan Loss Allowance	\$ 372,774	\$ 516,420
Total Capital	\$ 34,454,265	\$ 32,026,461
Total Assets	\$ 207,986,421	\$ 217,297,632
Total Shares	\$ 167,523,522	\$ 181,414,324
Number of Loans Outstanding	4,040	4,211
Amount of Loans Outstanding	\$ 134,062,647	\$ 129,723,629
Amount of Loans Delinquent	\$ 276,006	\$ 53,553
Number of Members	12,628	13,055
Number of Checking Accounts	7,508	7,732

### San Antonio

4630 N Loop 1604 W, Suite 101  
San Antonio, TX 78249

### Financial Service Center

PO Box 782529  
San Antonio, TX 78278

Phone: 210.938.7850

Text: 210.938.7850

Email: [members@hebfcu.org](mailto:members@hebfcu.org)

[www.hebfcu.org](http://www.hebfcu.org)



Federally insured  
by NCUA



**Federal Credit Union**

*Partnering for your success.*