

H-E-B Federal Credit Union
Annual Membership Meeting Minutes
Zoom Webinar/In-Person
April 25, 2023

Attendees John Carroll, Walter Dobravolsky, Doug Wallace, Mike Mims, Gracie Toyosima, and Gemma Leija

Mr. Lewis did not attend due to personal business.

Others present Lynn Kincaid, Don Ford, Natalie Jones, Dolores M. Huerta, Craig Savell
Laura Sparkman, Haru Bhagat, and Jessica Ruiz

Minutes prepared by Jessica Ruiz

Credit Union Partners and Members *See attached attendance roster and poll voting.*

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 Ms. Kincaid introduced each of the Executive Team Partners.

Mr. Carroll asked if there are any changes to the 2021 Annual Meeting minutes. There was no request for changes. Mr. Carroll asked for a motion to approve the 2021 meeting minutes as presented. Ms. Rodriguez motioned. Mr. Kincaid seconded. Motion carried.

BOARD CHAIR'S REPORT

Mr. Carroll presented the Board Chair's Report for 2022. Mr. Carroll stated it was a year of advancement for H-E-B Federal Credit Union. Mr. Carroll stated HEBFCU's assets normalized to pre-pandemic levels and ended the year at \$217.3 million. Capital to assets, a measure of financial strength and security, rose to 15.21%. HEBFCU remains one of the strongest credit unions in the industry. The credit union generated a return on assets of 0.79%. Always an important focus, HEBFCU continued to serve the borrowing needs of the membership this past year. Net loans to Members increased to \$129.2 million. Mr. Carroll stated shares normalized in 2022, following the unprecedented growth the credit union experienced during the pandemic. HEBFCU ended the year at \$181.4 million. Overall, HEBFCU performed well. Mr. Carroll was pleased to conclude that the credit union is financially sound, effectively managed and

dedicated to serving the needs of H-E-B Partners and their families. Mr. Carroll was pleased to announce Mr. Ford who reviewed the Treasurer's Report.

Treasurer's Report

Mr. Ford reviewed the 2022 Financial Highlights. They include the following key points:

- Total Assets – \$217M
- Loans – \$129M
- Member Shares – \$181M
- Total Income – \$9.5M
- Operating Expenses – \$7.3M
- Dividends – \$545K
- Capital Asset Ratio –15.21%, *very well capitalized*
- Delinquency – 0.04%, 0.51% (Peer)
- Charge-Off – 0.01%, 0.20% (Peer)

Mr. Carroll in turn introduced Mr. Dobravolsky, Board Vice Chair, who then reviewed the Nominating Committee report with the Members.

Nominating Committee Report / Election Results

Mr. Dobravolsky 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 Ms. Barbara Lewis, SME of CID Team. Ms. Leija, Mr. Wallace, and Mr. Mims were nominated to a three-year term. All three candidates were elected by acclamation. There were no questions.

Mr. Carroll announced that on May 1, 2023, Ms. Kincaid, H-E-B Federal Credit Union's President/Chief Executive Officer for the past 27 years will retire from the role and transition to serve the Board of Directors as Strategic Advisor. Mr. Carroll stated Ms. Kincaid joined HEBFCU in 1996 and successfully weathered challenging times as the credit union has grown to the \$216 million institution it is today. Mr. Carroll thanked Ms. Kincaid for many years of extraordinary leadership and dedication to the credit union for the better part of three decades.

Mr. Carroll stated Mr. Ford, HEBFCUs Chief Operating Officer of 26 years was promoted to the role of President in January 2023. Mr. Ford will assume the role of President/Chief Executive Officer on May 1, 2023. With 40 years of experience in the financial services industry, Mr. Ford is uniquely qualified to provide continued stability,

promote additional growth, and foster a culture of excellence for our Members and our Partners.

Mr. Carroll stated Ms. Jones joined HEBFCU in January 2023 and filled the position of Chief Operating Officer. Ms. Jones brings more than 15 years of financial industry and management experience to the credit union. Mr. Carroll stated Ms. Huerta formerly HEBFCUs Vice President of Member Service Support, has been promoted to the role of Chief Administrative Officer. Ms. Huerta has served the credit union for more than 28 years. Mr. Carroll extended a heartfelt thanks to Ms. Kincaid for her devoted leadership to H-E-B Federal Credit Union and congratulations to Mr. Ford, Ms. Jones, and Ms. Huerta.

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

The Annual Membership meeting adjourned at 3:12 PM.

John Carroll, Board Chair

Mark Lewis, Secretary/Treasurer

Jessica Ruiz, Transcribed on 04.25.2023