

2025 ANNUAL REPORT

REPORT TO THE MEMBERSHIP

In 2025, H-E-B Federal Credit Union – your trusted financial partner exclusively serving H-E-B Partners, Senior Partners, and their families – continued its strong performance with another successful year of financial growth. Closing the year with total assets of \$214.7 million, and an exceptional 11.38% annualized loan growth, we exceeded expectations through significant increases in both assets and loans to our Members. Our capital-to-assets ratio reached 18.34%, reinforcing H-E-B FCU’s position as one of the most well-capitalized credit unions in the industry.

Key Performance Highlights:

- Net Worth/Assets: 18.13% – Strong, well-capitalized
- Asset Quality: 0.24% delinquency – 51 basis points under the target ratio
- Net Charge-Off Ratio: 0.06%, – 69 basis points under the target ratio
- Return on Average Assets: 1.05%, – 94 basis points over the target ratio
- Net Operating Expenses: 3.75% – 20 basis points under the target ratio

Loan growth was a standout achievement in 2025. By focusing on responsible, member-centric lending, H-E-B Federal Credit Union helped Members reach important financial milestones—from homeownership to reliable transportation for everyday life. This sustained lending activity strengthened the Credit Union’s balance sheet while remaining firmly aligned with our mission to provide accessible, affordable financing.

What does this mean for our Members?

These results demonstrate our unwavering dedication to providing a financially strong and secure credit union while consistently delivering value to our Members.



John Carroll
Board Chair



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 fulfill our responsibilities over the past year, a comprehensive annual audit was conducted and presented to the Board of Directors.

After reviewing the operations of the credit union and the auditor’s report, it is our opinion that H-E-B FCU 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 H-E-B FCU is a financially sound organization dedicated to serving the membership.



William Padilla
Supervisory Committee Chair

Meet Your H-E-B FCU Board of Directors

John Carroll - Chair
Gracie Toyosima - Vice Chair
Mark Lewis - Secretary/Treasurer

Mike Mims - Director
Gemma Leija - Director
Lance Frantum - Director
Justin Combs - Director



Federal Credit Union

Statement of Financial Condition

For the period ending December 31, 2025

Assets

	<u>2025</u>	<u>2024</u>
Net Loans to Members	\$ 153,542,202	\$ 137,853,488
Cash on Hand	\$ 21,039,042	\$ 35,059,879
Investments	\$ 24,458,685	\$ 21,477,426
Furniture and Equipment	\$ 340,485	\$ 86,558
Reserve Deposits	\$ 1,594,057	\$ 1,567,898
Other Assets	\$ 13,749,875	\$ 13,124,349
Total Assets	\$ 214,724,347	\$ 209,169,599

Liabilities and Capital

Member Shares	\$ 170,311,655	\$ 166,794,510
Dividends and Interest Payable	\$ 231,098	\$ 198,650
Accounts Payable	\$ 5,219,181	\$ 5,702,575
Regular Reserves	\$ 1,961,918	\$ 1,961,918
Undivided Earnings	\$ 36,973,003	\$ 34,739,851
Accumulated Other Comprehensive Inc.	\$ 27,492	\$ (227,907)
Total Liabilities and Capital	\$ 214,724,347	\$ 209,169,599

Distribution of Income

Total Income	\$ 13,251,932	\$ 12,469,803
Operations	\$ 8,793,415	\$ 8,552,199
Dividends	\$ 2,090,365	\$ 1,780,906
Reserves and Undivided Earnings	\$ 2,233,152	\$ 2,061,698
Provision for Loan Losses	\$ 135,000	\$ 75,000

Treasurer's Report

For the period ending December 31, 2024

	<u>2025</u>	<u>2024</u>
Gross Income	\$ 13,251,932	\$ 12,469,803
Operating and Provision Expense	\$ 8,928,415	\$ 8,627,199
Net Income	\$ 2,233,152	\$ 2,061,698
Dividends	\$ 2,090,365	\$ 1,780,906
Total Undivided Earnings	\$ 36,973,003	\$ 34,739,851
Total Regular Reserves	\$ 1,961,918	\$ 1,961,918
Loan Loss Allowance	\$ 449,715	\$ 402,021
Total Capital	\$ 39,412,128	\$ 36,875,884
Total Assets	\$ 214,724,347	\$ 209,169,599
Total Shares	\$ 170,311,655	\$ 166,794,510
Number of Loans Outstanding	4,059	4,003
Amount of Loans Outstanding	\$ 153,991,917	\$ 138,255,509
Amount of Loans Delinquent	\$ 367,459	\$ 221,062
Number of Members	12,186	12,318
Number of Checking Accounts	7,223	7,313



Contact Us

San Antonio Branch Location
4630 North Loop 1604 West
Suite 101
San Antonio, TX 78249

Financial Service Center
P.O. Box 782529
San Antonio, TX 78278

Phone: 210-938-7850
Text: 210-938-7850
Email: members@hebfcu.org
Website: www.hebfcu.org



Meet Your H-E-B FCU Executive Team

Don R. Ford - Chief Executive Officer and President
Natalie Jones - Chief Operating Officer
Dolores M. Huerta - Chief Administrative Officer
Haru Bhagat - Vice President, Information Technology
Judy Jackson - Vice President, Marketing



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