HONDA
Federal Credit Union

60th Anniversary

2026 ANNUAL REPORT

BETTER TOGETHER SINCE 1966

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HONDA
Federal Credit Union

CELEBRATING 60 YEARS

In 2026, Honda Federal Credit Union proudly celebrates 60 years of serving Members, HFCU Associates and their families. Since 1966, we have remained committed to providing trusted financial support, meaningful service and a strong connection to the communities we serve. As we honor this milestone, we also look ahead with gratitude, purpose and continued dedication to our Members.

Mission Statement

To improve the financial well-being of our Members, HFCU Associates, and their families.

Together, We're Better.

CEO MESSAGE

NAVIGATING ECONOMIC UNCERTAINTY AND MEMBER NEEDS

Our Annual Meeting presents a terrific opportunity to share Honda Federal Credit Union's performance with our Members and Honda Stakeholders. Fiscal year 2026 brought strong profitability, relatively supportive capital market conditions, and strong credit performance. HFCU grew our balance sheet, our lending, and our Capital across the year. We continue to help members purchase homes and vehicles while supporting strong payment products. HFCU continued to prosper and serve as a dependable financial partner, helping our members build a solid foundation to secure their financial future.

HFCU continues to demonstrate a very strong cash position, managed a high-quality investment portfolio, while managing interest rate risk. The Credit Union remains "Well Capitalized" maintaining strong relationships with the Federal Reserve Bank, Federal Home Loan Bank, and the National Credit Union Administration's regulatory function.

The Credit Union continues to innovate with digital products and services to support better access, and operational efficiency while reducing risk to our members and HFCU. Constantly evolving fraud prevention strategies, and technologies have been deployed to protect our members from nefarious actors.

KEN FISCHBACH
CHIEF EXECUTIVE OFFICER
Honda Federal Credit Union

We are grateful for our members' business and the trust they provide us to serve their financial needs. We are thankful for our talented and committed staff. Together, we serve with passion and act with integrity to build relationships that create financial freedom. Our Mission is to improve the financial well-being of our Members, HFCU Associates, and their families.

It is also important to recognize Honda's leadership, providing unwavering support in our efforts to serve our members, Honda associates, and their families. For 60 years this relationship has prospered and endured.

We look forward to a successful fiscal year 2027!

TIMELINE

FOUNDATION & GROWTH

1966

Honda Federal Credit Union is founded on August 18 as American Honda Employees Federal Credit Union, serving Honda associates, family members, credit union employees and American Honda retirees from its location in Gardena, California.

1979

Honda of America Manufacturing opens in Ohio, and the Marysville Motorcycle Plant begins production of the CR250R. Honda also introduces the Prelude and its memorable "We make it simple" advertising campaign.

1985

The Credit Union opens the Marysville Plant Branch in Ohio and is renamed Honda Federal Credit Union. Membership reaches 4,500, with assets totaling $10 million.

1986

Acura division begins sales with the Legend Sedan and Integra.

1988

Honda FCU opens the Anna Branch in Ohio and introduces "Audrey," its telephone teller. Members also gain access to new services, including credit cards, ATMs and checking accounts.

1990 Honda FCU opens the East Liberty Branch in Ohio. Honda also begins exporting U.S.-made products to Japan, including the Accord Coupe and Goldwing.

1994 Honda FCU strengthens its relationship with Honda and introduces the Visa® Business Credit Card program. The Credit Union grows to $88 million in assets and 20,500 members.

1996 Honda FCU opens the Russells Point Branch in Ohio. Honda begins automatic transmission production at Russells Point, and the 1996 Civic becomes the first vehicle certified as a Low Emission Vehicle.

1998 Honda FCU launches Internet Home Banking and opens Call Centers in California and Ohio. The Credit Union reaches $185 million in assets and serves 30,000 members.

2001 Honda FCU opens the Alabama Branch to serve associates in the region. The same year, Honda begins production of the Odyssey and V6 engines in Lincoln, Alabama.

TIMELINE

EXPANSION & MILESTONES

2002

Honda FCU opens the Timmonsville Branch in South Carolina, expanding convenient financial services to associates working at Honda's ATV manufacturing operations in the area.

2004

Honda FCU opens its first community branch in Marysville, Ohio, featuring state-of-the-art advanced banking technology. The Credit Union continues to grow, reaching $363 million in assets and 46,000 members.

2006

Honda FCU celebrates its 40th anniversary and continues expanding products and services for members. Honda R&D Americas also opens the Acura Design Studio in Torrance and the Advanced Design Studio in Pasadena, California.

2008

Honda opens its Indiana plant in Greensburg, where Civic Sedan production begins. Honda FCU continues serving associates as Honda's manufacturing presence expands across the United States.

2022

Honda FCU remodels the Marysville Community Branch, updating the location to provide members with a refreshed and modern environment for in-person financial services.

2023

Honda FCU expands into North Carolina, opening two of three planned branch offices and extending convenient access to financial services for Honda associates in the state.

2024

Honda FCU opens its third North Carolina branch office, completing the expansion begun in 2023. The Torrance Branch at the American Honda campus is also remodeled.

2026

Honda Federal Credit Union celebrates its 60th anniversary, marking six decades of serving Honda associates, their families and communities while continuing to evolve to meet our members' financial needs.

CHAIRMAN'S REPORT

For 60 years Honda Federal Credit Union has helped its members build stronger financial futures. Today we celebrate that remarkable legacy.

We closed the year with assets of $1.20 billion—an increase of $20 million over the previous year. Total loan balances reached $927 million, up $37 million. Last year, we committed to expanding our lending efforts, and these results demonstrate that we achieved that objective. As we look ahead, meeting our members' borrowing needs will continue to be one of our highest priorities.

At year end, cash stood at $152 million, down $29 million from this time last year. The decline in the cash balance reflects our budgeted projections and is an indication of our goal to put money to work for the benefit of our members. The credit union maintains a strong liquidity position.

At the close of the business year, we had $565 million in mortgage loans, an increase of $17 million from the prior year. Additionally, our real estate team implemented a new loan processing system to provide our members with a better home loan experience from application to loan closing.

We served 152 members with new home loans during the year, totaling $42 million. In total, we served 613 members with real estate loan products during the year, funding $85 million in loans. Additionally, we partnered with Honda and assisted with 14 relocation mortgage loans for $6 million.

We provided 5,000 members with financing to purchase or refinance new and used vehicles during the year, totaling over $134 million. At the end of the business year, we had $251 million in auto loans, up $11 million from the previous year.

At year-end, Visa® credit card balances totaled $58 million, an increase of $3 million over the previous year. We also enhanced the experience for Honda FCU Visa Gold cardholders by making rewards easier to access and redeem directly through digital banking. This improvement reflects our continuing commitment to providing members with greater convenience and value.

We had another $58 million in other lending products, up an additional $3 million from last year. Overall, lending increased by 4% from the previous year, well within the industry average for loan growth.

Our loan-to-share ratio is 90%, up 3.4% from last year. To put this in perspective, for every dollar deposited at HFCU, 90 cents is put back to work serving members via member loans. The ratio for the credit union industry is 81%.

Our default rate is extremely low. At year end, our loan loss ratio was a mere 0.23%. The loan loss ratio for the credit union industry is 0.79%. This is compared to a loan default rate for the banking industry of over 2.64%.

During the year, our branches completed over 177,000 transactions; opened 2,900 new member accounts; processed 3,800 loan applications; and funded 2,800 new loans for a total of $45 million.

Additionally, our members made over 296,000 ATM withdrawals during the year for $70 million. Our ATMS accepted over 51,000 deposits for $24 million. In the upcoming year, we plan to replace all of our ATMs to increase our services and improve your member experience.

Our Contact Center handled more than 145,000 calls and completed over 66,000 transactions during the year. The team also processed more than 4,000 loan applications and funded over 3,900 loans totaling $57 million. While our call abandonment rate was just 6%, we recognize the importance of improving accessibility and responsiveness. Because the Contact Center is the primary point of engagement for many of our members, we continue to invest in both its technology and its people.

Our theme this year, "Preparing for the Next 60 Years," reflects our commitment not only to honor HFCU's proud history, but also to build an even stronger future. We are actively exploring new ways to enhance the HFCU experience and better serve the evolving needs of our members.

One of the board's most important responsibilities is appointing the Supervisory Committee. Under the capable leadership of its chair, the committee provides independent oversight, engages auditors, and ensures that members have a trusted avenue for raising questions or concerns. Its work plays an essential role in safeguarding the integrity and financial soundness of HFCU.

We continue to seek quality products and services that meet our members' evolving needs, while delivering a level of service that exceeds the standards set by our strongest peers. Whether providing a loan for an unexpected expense, offering financial guidance as a member approaches retirement, or helping someone secure a competitive rate on a vehicle loan, Honda Federal Credit Union makes a meaningful difference for our members, the Honda Companies, and the communities we serve.

It has been both an honor and a privilege to serve you. On behalf of our board of directors and the entire HFCU management team, thank you for your trust, confidence, and loyalty throughout the past 60 years. We look forward to serving you for many years to come.

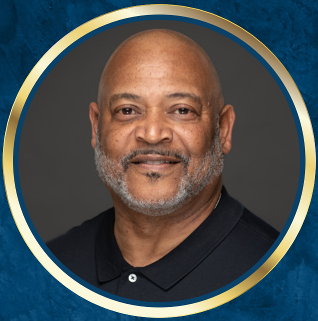
CARL R. COE
CHAIRMAN
Board of Directors

TREASURER'S REPORT

The management team and your Board continue to work to provide the best possible services while concentrating on the fundamentals: controlling operating expenses, managing risk effectively and managing capital in a disciplined manner, all while continuing to deal with changes in the regulatory environment, security issues and the economy. This requires a unique balance within the management of the credit union, which has served the team well to enable the credit union to continuously achieve our service levels and financial goals.

Honda Federal Credit Union will continue to strive to meet the ever-changing range of member needs for our field of membership across the country as we move ahead, as well as ensure all transactions are safe and secure. Security of your financial transactions is paramount. At the same time, we will continue to support the Honda Companies with services to assist them with their business needs. We realize that maintaining a high level of member service and adding new services when possible is crucial to our continued success. Finally, and most importantly, we understand the importance of financial soundness as a means to ensure that continued success.

The management team, supported by the Board of Directors, continues to work diligently to ensure the organization is among the best in the industry. Honda Federal Credit Union continues to post positive financial earnings and contribute to our capital base to ensure financial soundness as indicated by the results included in this report.



CHARLES HARMON

TREASURER
Board of Directors

Honda Federal Credit Union's Board of Directors and the management team continue to focus on meeting our members' financial needs and supporting them by providing excellent products and outstanding customer service while ensuring the credit union is maintaining a strong financial position.

SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee is an essential part of the credit union's management. A Supervisory Committee is required by the Federal Credit Union Act and most state credit union laws. The Supervisory Committee's major responsibilities are to ensure that internal and annual audits are performed, any findings are resolved and appropriate changes are implemented in a timely manner. It is also responsible for overseeing periodic member account verifications at least once every two years, reviewing the performance of the officials and employees and making recommendations to the Board of Directors for improvement in the safety and soundness of the credit union.

In short, the Supervisory Committee is responsible for ensuring that practices and procedures are in place, which safeguard and protect the interest of the members and the assets and financial soundness of the credit union.

In order to carry out its responsibilities, the Supervisory Committee employs certified public accountants and other qualified persons to perform audits and account verifications.

STEPHEN RADER
CHAIRMAN
Supervisory Committee

The Supervisory Committee is pleased to report that the results of audits performed and reviews of Honda Federal Credit Union's practices and procedures during the 2026 fiscal year would support that the credit union is being managed and operated in a financially safe and sound manner.

STATEMENTS OF FINANCIAL CONDITION

For the years ended June 30, 2026 & 2025

	2026	2025
ASSETS		
Cash and cash equivalents	$ 153,803,929	$ 180,886,503
Investment debt securities — available-for-sale	76,764,719	73,328,528
Investment in equity securities	6,316,900	6,316,900
Loans to members, net of allowance for credit losses — loans	931,399,296	889,546,461
Accrued interest receivable	3,055,092	2,754,254
Premises & equipment	6,147,837	7,261,950
Operating lease right-of-use assets	86,511	588,830
Prepaid expenses and other assets	10,448,782	14,192,652
Share insurance deposit	9,010,674	9,113,565
Mortgage servicing rights	175,101	237,722
Foreclosed and repossessed assets	180,265	103,704
TOTAL ASSETS	**$ 1,197,389,105**	**$ 1,184,331,069**
LIABILITIES & EQUITY		
Liabilities:		
Members' share and savings accounts	$ 989,736,477	$ 981,919,378
Non-members' share accounts	45,556,000	49,785,000
Notes payable	-	-
Operating lease liabilities	96,715	646,084
Accounts payable and other liabilities	57,604,263	52,884,454
TOTAL LIABILITIES	**1,092,993,455**	**1,085,234,916**
Commitments and contingent liabilities		
Members' equity, substantially restricted		
Unappropriated (undivided earnings)	111,201,410	107,630,786
Accumulated other comprehensive loss	(6,805,761)	(8,534,633)
TOTAL MEMBERS' EQUITY	104,395,650	99,096,153
TOTAL LIABILITIES & MEMBERS' EQUITY	**$ 1,197,389,105**	**$ 1,184,331,069**

Non audited financials

STATEMENTS OF OPERATIONS

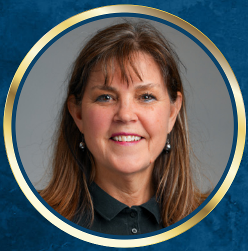
For the years ended June 30, 2026 & 2025

		2026		2025
INTEREST INCOME				
Loans	$	50,672,612	$	47,795,856
Investments		7,989,533		9,232,641
TOTAL INTEREST INCOME		58,662,145		57,028,497
INTEREST EXPENSE				
Members' share and savings accounts		15,758,922		19,213,929
Non-members' share accounts		2,229,863		2,522,960
Borrowed funds		208,194		1,634
TOTAL INTEREST EXPENSE		18,196,979		21,738,523
NET INTEREST INCOME		40,465,166		35,289,973
PROVISION FOR CREDIT LOSSES		3,486,000		2,740,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES		36,979,166		32,549,973
NON-INTEREST INCOME				
Service charges and other income		13,117,459		14,449,869
Gain on sale of loans		37,582		488,204
Gain on servicing assets		21,953		33,275
Net loss on sales/redemptions of debt securities — available-for-sale		-		-
Non-operating income		836,239		919,916
TOTAL NON-INTEREST INCOME		14,013,233		15,891,264
NON-INTEREST EXPENSE				
General and administrative expenses				
Compensation and benefits		25,959,062		25,799,028
Office operations		11,006,664		12,057,734
Outsourced services		6,746,689		5,937,547
Other expenses		3,700,677		178,755
TOTAL NON-INTEREST EXPENSES		47,413,092		43,973,064
NET INCOME (LOSS)	**$**	**3,579,307**	**$**	**4,468,173**

BOARD OF DIRECTORS

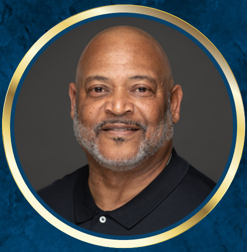
CARL COE
CHAIRMAN

Carl is currently Chairman of the Board of Honda Federal Credit Union. Actively involved with the credit union since inception of the first Ohio Branch, he has served on the Marysville Advisory Board, the Loan Review Committee and as Chairman of the Supervisory Committee. At Honda, Carl managed the Purchasing Warranty Group, including the department's multi-million dollar budget. He has served as Marysville City Council President, Vice President of Main Street Marysville, Chairman of Public Affairs, as a member of the Marysville Environmental Commission, the county Central Committee, and on the Charter Review Board. He has received the Kiwanis Layman's Award for "Outstanding Contributions to His Community."



ALLISON NEUMANN
CHAIRWOMAN

Allison has worked at several Honda companies over the last 33 years and is currently an American Honda Motor Co. associate. As part of the Finance Division, Allison heads up the International Trade and Customs area focusing on importing and exporting operations, Free Trade Agreement analysis, and regulatory compliance for general trade matters. Allison has been an Honda Federal Credit Union member since the early 1990's and has been on the Board of Directors since December 2001, serving as Nominating Committee Chair and Vice Chair. She is involved in the Annual CUES training and has attended the Annual Government Affairs Conference.



CHARLES HARMON
TREASURER

Charles A. Harmon is currently Principal Owner of The Harmon Group LLC, a consulting firm combining cross-functional competencies in procurement and supply chain management. Prior to his retirement from American Honda Motor Co., Inc. in 2020, Mr. Harmon served as Senior Manager, Administration Division, where his responsibilities included oversight of AHM's Corporate Procurement, Corporate Services, Corporate Travel, and supply chain Procurement Inclusion & Diversity functions.

While Mr. Harmon has served as a HFCU Board Director since 2014, acting in his current capacity as Board Treasurer, during his career Mr. Harmon has served on and chaired several boards supporting procurement, philanthropic, and diversity & inclusion initiatives. Mr. Harmon attended California State University Fullerton and holds a Bachelor of Science in Business Management.

STEVEN NICHOLSON
SECRETARY

Steve Nicholson worked for American Honda Motor Co., Inc. for 37 years. He served in a variety of management positions until retiring as the National Sales Manager for the Powersports and Equipment Business Unit in Alpharetta, GA. Steve has been a member of Honda Federal Credit Union for 39 years and has served on the Board of Directors since 2006 where he currently serves as Board Secretary. Mr. Nicholson graduated from the University of Georgia with a Bachelor of Science degree in Mathematics.

BOARD OF DIRECTORS

PAUL BRUMFIELD
MEMBER

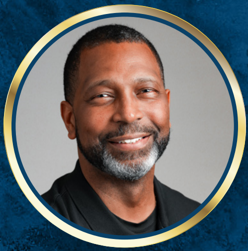
Paul has served on the Honda Federal Credit Union Board for more than twenty years and prior to that he served on the Supervisory Committee. During Paul's 16-years at Honda, he worked in Manufacturing and held various roles in Purchasing. Today he is an Executive Vice President at TS Tech Americas in Reynoldsburg, Ohio; Honda is one of the firm's largest customers. His role is one of oversight and support for both the Corporate Commercial Relations and Corporate Administration Divisions. Paul graduated from Wright State University with a Bachelor of Science in Accounting.

STACIE CARPER
MEMBER

Stacie is a United States Navy Veteran with a focus on military law. Since joining Honda of America Mfg., Inc. (HAM) in 1995, she has held diverse roles across the Law Division, Talent Management, Manufacturing and Plant Leadership. Stacie has led major initiatives in compliance, employee development, and operational efficiency. She currently heads the North American Regional Governance, Risk, Compliance & Ethics Office. Since 2017, Stacie has also served as a Board Director for the Honda Federal Credit Union, contributing to strategic governance.

BRUCE GARFIELD
MEMBER

Bruce Garfield began his career with Honda in 1997 at Honda North America Law Dept., where he worked on Trademarks, Logos and Corporate matters. In 2002, Bruce transferred to American Honda Motor Co., Inc. Auto Operations Product Planning department, then New Business Development, Alternate Fuels, Advertising and Corporate Marketing managing American Honda's brand licensing for the Auto Division as well as American Honda's brand guidelines and logo compliance. His last position was in the newly formed Merchandise Licensing & Brand Dept., formerly under Honda Patents & Technologies, now part of American Honda. Bruce received a Bachelor of Science in Business Administration, Marketing and Finance from Pepperdine University and legal education at Southwestern University School of Law.



FRED PAYNE
MEMBER

Fred Payne is President & CEO of United Way of Central Indiana. Fred previously held a variety of leadership roles at Honda's Indiana Auto Plant for 9 years, including Chief Administrator, General Counsel, Business Development Manager, a member of the Company Operating Committee and represented IAP across North America on the Retirement & 401k and Inclusions Committees. Immediately prior to United Way, he served as Commissioner of the Indiana Department of Workforce Development and led Indiana's response to the extreme unemployment brought on by the COVID-19 pandemic. A 2022 Sagamore of the Wabash recipient, and recognized as one of Indiana's 250 Most Influential Leaders by the Indianapolis Business Journal, Fred currently serves on the following boards: Honda Federal Credit Union, Marian University, InVestEd, and the Indiana Economic Club.

BOARD OF DIRECTORS

STEPHEN ROBERTS
MEMBER

Stephen Roberts has served on the board since March 2019 and has provided key support for credit union IT & Cyber Security initiatives and oversight. He is a General Manager and Division Leader for Honda Motor Co.'s Global Information Security Division, responsible for cyber security and information security governance globally. Additionally, he is the Board of Directors Secretary for the Auto ISAC which addresses cybersecurity issues and opportunities within the automotive industry. He joined Honda 25 years ago and has led major business initiatives in Information Technology at American Honda Motor Co., Inc. and business transformation at American Honda Finance Co. Stephen received a Bachelor of Science in Electrical Engineering from Howard University, Master of Engineering (Electrical) from Cornell University, and a MBA from UCLA.

Supervisory Committee

Stephen Rader, Chairman
Gary Higgins
Fred Lucci
Morgan Lincoln

Executive Management

Ken Fischbach, Chief Executive Officer

Management Team

Dave Cottone, Chief Operating Officer
Jeanne Ozenne, Chief Technology Officer
Anthony Mak, Chief Financial Officer
Jennifer Tan, Controller
Carrie Robertson, Chief Retail Officer
Nick Focarett, Chief Lending Officer
Mary Anawalt, Corporate Business Officer
Alex Perez, Compliance Manager
Yolondra Findley, Human Resources Manager
Debbie Lim, Technology Manager

FIND AN **ATM** NEAR YOU!

SUPERVISORY COMMITTEE

STEPHEN RADER
SUPERVISORY COMMITTEE CHAIRMAN

Stephen Rader is a licensed CPA with nearly 15 years of experience across audit, corporate finance, and strategic planning. He began his career in audit at PricewaterhouseCoopers before spending eight years at Honda, where he held roles in corporate accounting and led the finance function for one of the company's largest indirect business units. He then stepped outside of Honda to join a growing pharmacy benefit optimizer, advancing to Director of FP&A. In 2024, Stephen returned to Honda in a leadership role, overseeing strategic planning, resource management, and portfolio services for the IT business unit. Stephen has served on the Honda Federal Credit Union Supervisory Committee since 2019 and was appointed Chairman in fall 2021.

BRANCH OFFICES

Anna Office
12500 Meranda Rd
Anna, OH 45302

Burlington Office
2989 Tucker St
Burlington, NC 27215

East Liberty Office
11000 St Rt 347
East Liberty, OH 43319

Greensboro Office
6430 Ballinger Rd
Greensboro, NC 27410

Greensburg Office
2740 N Michigan Ave.
Greensburg, IN 47240

Lincoln Office
1800 Honda Dr
Lincoln, AL 35096

Marysville Community Office
17655 Echo Dr
Marysville, OH 43040

Marysville Office
19775 St Rt 739
Marysville, OH 43040

Russells Point Office
6964 St Rt 235 North
Russells Point, OH 43348

Swepsonville Office
3721 S North Carolina Hwy 119
Swepsonville, NC 27258

Timmonsville Office
1111 Honda Way
Timmonsville, SC 29161

Torrance Office
1919 Torrance Blvd
Torrance, CA 90501

HONDA
Federal Credit Union

19191 S. Vermont Avenue, Suite 250
Torrance, CA 90502

1-800-634-6632
hondafcu.org

Together, we're better.