HONDA
Federal Credit Union

60th Annual Meeting Agenda

Wednesday, September 30, 2026
5:00 pm EST/2:00 pm PST
Studio 540, Honda Campus, Torrance CA
Live Broadcast to Virtual Attendees:

Agenda

- Call to Order
- Determination of Quorum
- Welcome Remarks – Dave Cottone
- Approval of Minutes – September 24, 2025
- Introduction of the Board of Directors
- Reports
    - Chairman's Report – Carl Coe
    - Treasurer's Report – Charles Harmon
    - Supervisory Committee Report – Stephen Rader
    - CEO Message – Ken Fischbach
- Old Business
- New Business
- Announcement of Election Results – Steven Nicholson
- Adjournment

2025 ANNUAL MEETING MINUTES

CALL TO ORDER

Mr. Coe called the annual meeting of the Membership of Honda Federal Credit Union to order at 1:01 pm PST on Wednesday, September 24, 2025, from Torrance, CA. and a virtually on Microsoft Teams.

DIRECTORS PRESENT

Carl Coe, Chairman
Allison Neumann, Vice Chairwoman
Steve Nicholson, Secretary
Charles Harmon, Treasurer
Paul Blumfield, Director
Bruce Garfield, Director
Stacie Carper, Director
Fred Payne, Director
Stephen Rader, Supervisory Committee Chairman
Gary Higgins, Supervisory Committee Member

QUORUM

With 76 members in attendance virtually and in-person. Mr. Cottone determined that a quorum was present, in accordance with the Bylaws of Honda Federal Credit Union (HFCU), at least 15 members constitutes a quorum: calling this meeting to Order.

Mr. Cottone described the virtual poll and in-person voting process to accept the Minutes of the last year's Annual Meeting, and questions process, which will be answered by CEO, Ken Fishbach. In addition, Mr. Cottone recognized Mr. Coe's professional background and years of service.

MINUTES

Mr. Harmon made a motion to approve the Minutes of the 2024 Annual Meeting held on September 25, 2024. The motion was seconded by Ms. Carper and carried by vote of the membership present. Mr. Cottone announced closing of the voting poll and shared that the members have voted to accept the Minutes of the 2024 Annual Meeting.

Mr. Coe made welcoming remarks and introduced the Board of Directors and Supervisory Committee Chairman to the members.

CHAIRMAN'S REPORT

Chairman Coe mentioned highlights from the year:

- Year-end cash stood at $1.81 million, a $64 million increase from the prior year.
- At the close of the business year, the Credit Union had $548 million in mortgage loans.
- The Credit Union originated $25 million in new home loans for 102 members.
- The Credit Union funded $58 million in real estate loans for 478 members.
- Provided with over 5,000 members with financing to purchase, or refinance, vehicle loans, totaling $110 million.
- At the end of the business year, the Credit Union had $240 million in auto loans, up $3 million from last year.
- The Visa loan portfolio grew by $1 million to $55 million.
- Other lending products grew by $2 million to $55 million.
- Credit Union lending increased 6% from the prior fiscal year.
- End of year loan-to-share ratio was 86.6%, down 3.6%.
- Credit Union branches performed over 188,000 transactions, opened 2,730 new member accounts, and funded 2,836 loans for $38 million.
- Members performed over 300,000 ATM withdrawals during the year for $71 million.
- 52,000 ATM deposits took place for a total of $24 million.
- The Contact Center received over 185,000 calls and performed over 85,000 transactions.

Chairman Coe shared the theme for the Board and Management team's strategic dialogue for the coming year: "Deliver New/Enhanced Services Designed to Provide an Exemplary Member Experience."

TREASURER'S REPORT

Mr. Harmon presented the Treasurer's report, highlighting the following points:

- Total Revenue increased by $7.2 million for the year as interest income gained by 6.9 million and non-interest income gained by $0.3 million.

- Cost of Operations increased by 5.27% from the prior year, driven by compensation and outsourcing expenses.
- The Credit Union paid out $3 million less in Dividends to its Members, as compared to the prior fiscal year passing on the benefits of higher market rates to our members.
- The amount in regulatory reserves set aside in 2025 to cover prospective Loan Losses declined by $1.2 million reflecting a change in methodology which required additional reserves to be set aside in the previous year.
- Net Income increased by $7.4 million year over year and was below budget by $2.9 million.
- Capital Reserves remained stable at $99 million, which resulted in a Capital to Asset Ratio of 8.37% (GAAP) and a Regulatory Capital Ratio of 9.09%.
- Honda FCU continued to remain a “Well Capitalized” Credit Union, well above the minimum regulatory threshold of 7.0%.

SUPERVISORY COMMITTEE REPORT

Supervisory Committee Chairman, Mr. Rader, delivered the following report:

- The Supervisory Committee is an essential part of the Credit Union’s management, required by the Federal Credit Union Act and most credit union laws. The Supervisory Committee’s major responsibilities are to ensure internal and annual audits are performed, and that any findings are resolved and appropriate changes are implemented in a timely manner.
- The Committee is also responsible for overseeing periodic member account verifications at least once every two years, reviewing performance of the officials and employees, and making recommendations to HFCU Board of Directors for improvements in the safety and soundness of the Credit Union. In addition, the Supervisory Committee ensures that proper practices and procedures are in place, safeguarding and protecting the interests of the members, assets and financial soundness of the Credit Union.
- Further, the Committee employs certified public accountants and other qualified persons to perform audits and account verifications.
- On behalf of the Supervisory Committee, Mr. Rader shared with the Supervisory Committee, is pleased to report that all results of audits performed and reviews of Honda Federal Credit Union’s practices and procedures during the 2025 Fiscal Year would support that the Credit Union is managed and operated in a financially safe and sound manner.

CEO REPORT

- Mr. Fischbach, CEO, briefly introduced the Credit Union's Senior Management Team and provided an overview of Fiscal year 2025 and the return to profitability, stable capital market conditions and shifting fortunes for the world economy around international trade.
- HFCU has fortified the balance sheet, expanded a very strong cash position, managed a high-quality investment portfolio, and took many steps to reduce interest rate risk which had caused some challenges in fiscal year 2024.
- The Credit Union continues to innovate with digital products and services to support better access, and 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.
- We are grateful for our member's business and the trust they provide us to serve their financial needs. 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 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.

OLD BUSINESS

There was no old business to report.

NEW BUSINESS

There was no new business to report.

ELECTION RESULTS

Ms. Carper, Nominating Committee Chairman, noted three vacancies on the HFCU Board of Directors. The Nominating Committee nominated three members and recognized that the membership did not present other nominees via petition. In accordance with the Bylaws, the three members nominated by the Nominating Committee were declared duly elected. Newly elected Board members were as follows:

- Charles Harmon
- Stephen Roberts
- Steve Nicholson

Mr. Cottone noted to the audience of attendees that the meeting would now be open to address questions to be answered by Mr. Fischbach. Mr. Cottone proceeded to share and answer various questions that were submitted.

ADJOURNED

Chairman Coe adjourned the meeting at pm 4:38 pm EST/ 1:38 pm PST