



BUILDING A STRONG FOUNDATION

2025 ANNUAL REPORT

HONDA
Federal Credit Union



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HONDA
Federal Credit Union

CEO MESSAGE

NAVIGATING ECONOMIC SHIFTS AND MEMBER NEEDS

Our Annual Meeting presents a great opportunity to share Honda Federal Credit Union's performance with our Members and Honda Stakeholders. Fiscal year 2025 brought a return to profitability, stable capital market conditions, and shifting fortunes for the world economy around international trade. Despite volatility, HFCU has continued to prosper and serve as a reliable financial partner, helping our Members build a strong foundation to secure their financial future.

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 remains "Well Capitalized," maintaining strong relationships with the Federal Reserve Bank, the Federal Home Loan Bank and the National Credit Union Administration's regulatory function.



KEN FISCHBACH
CHIEF EXECUTIVE OFFICER
Honda Federal Credit Union

As interest rates rose, we rewarded our members with higher dividends, particularly on certificates of deposit accounts. HFCU has also maintained a competitive position in Home and Auto lending. 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 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 2026!





**Building Strong
Financial Foundations
since 1966!**

Discover how Honda FCU
grew from a single branch in
Gardena, California, to serving
over 63,000 members nationwide.

**Learn more about our history and
meet our leadership!**

HFCU MEMBER PHILOSOPHIES

The Principles that guide our commitment to members' financial wellbeing

Financial Freedom

We support your financial dreams with individualized solutions. Whether that's buying your first home, driving off in a new car, or putting your kids through college, we are here for you every step along the way.

Exemplary Service

You work hard for what you earn. Our Team works hard to ensure that our service exceeds your expectations. If you visit us in branch, online, or by phone, our friendly, knowledgeable staff stands ready to take care of you and your family's financial needs.

Member Experience

We strive to make every member experience an exceptional one, to make access easy, solutions simple and to instill in each member a sense of belonging, a sense of family.

Membership Matters

You are more than a member of the credit union, you are an owner. Therefore, all of our profits are reinvested in you and your family through better rates and additional services: making it easier to achieve your financial goals.

Cooperative Opportunity

We understand that everyone walks a different path in life. So we've made it our mission to provide the opportunity for everyone to experience exceptional financial products and services to the benefit of our members and our communities.





MISSION STATEMENT

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

Together, we're better.





CHAIRMAN'S REPORT

At year end, cash stood at \$181 Million, up \$64 million from this time last year. While we work to maintain a strong liquidity position, this figure is above our targets. Under normal market conditions, our goal is to put money back to work for you, our valued members. Circumstances, however, required a controlled shift from our typical cash management strategy.

At the close of the business year, we had \$548 million in mortgage loans, a decrease of \$27 million from the prior year. With falling interest rates, we expect to turn those numbers around in 2026.

We served 102 members with new home loans during the year, totaling \$25 million. In total, we served 478 members with real estate loan products during the year, funding \$58 million in loans. Additionally, we partnered with Honda and assisted with 22 relocation mortgage loans for \$7.4 million.

We provided over 5,000 members with financing to purchase or refinance new and used vehicles during the year, totaling over \$110 million. At the end of the business year, we had \$240 million in auto loans, up \$3 million from the previous year. This is another area we plan to improve this year.

At the end of the year, we had \$55 million in Visa loans, up \$1 million from last year. We had another \$55 million in other lending products, up an additional \$2 million from last year.

Overall, lending increased by 6% from the previous year. As mentioned, it was a challenging year. Higher rates make borrowing more expensive for our members. We are increasing our efforts to improve lending.

Our loan-to-share ratio is 86.6%, down 3.6% from last year. To put this in perspective, for every dollar deposited at HFCU, 86.6% is put back to work serving members via member loans. The ratio for the credit union industry is 84%.

Our default rate is extremely low. At year end, our loan loss ratio was a mere 0.28%. The loan loss ratio for the credit union industry is 0.80%. This is compared to a loan default rate for the banking industry of over 2.76%.

During the year, our branches performed over 188,000 transactions; opened 2,730 new member accounts; processed 3,407 loan applications; and funded 2,836 new loans for a total of \$38 million.

Additionally, our members performed over 302,000 ATM withdrawals during the year totaling \$71M. Our ATMs accepted 51,294 deposits for a total of \$24M.

Our Contact Center received over 185,000 calls and performed 85,156 transactions. With the volume of calls, we experienced a call abandon rate of 6%. Our new Chief Retail Officer Carrie Robertson is doing an outstanding job with the Contact Center. We understand and appreciate it is some members' primary interface with us.

Your financial interests are something we consider and address daily. Our dedicated staff works to provide members with the best possible service and a superior banking experience.

It has been an honor and a privilege serving you. On behalf of the board of directors and the HFCU management team, thank you for your continued confidence and support.



A handwritten signature in black ink, reading "CARL R. COE".

CARL R. COE
CHAIRMAN
Board of Directors






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.

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.

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 D. Rader

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 2025 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, 2025 & 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 180,886,503	\$ 117,152,717
Investment debt securities – available-for-sale	73,328,528	83,492,756
Investment in equity securities	6,316,900	6,874,185
Loans to members, net of allowance for credit losses-loans	889,546,461	916,059,160
Accrued interest receivable	2,754,254	2,602,582
Premises & equipment	7,261,950	8,082,350
Operating lease right-of-use assets	588,830	1,064,085
Prepaid expenses and other assets	14,192,652	14,237,736
Share insurance deposit	9,113,565	8,691,981
Mortgage servicing rights	237,722	99,371
Foreclosed and repossessed assets	103,704	253,426
TOTAL ASSETS	\$ 1,184,331,069	\$ 1,158,610,349
LIABILITIES & EQUITY		
Liabilities:		
Members' share and savings accounts	\$ 981,919,378	\$ 968,572,769
Non-members' share accounts	49,785,000	50,331,000
Notes payable	-	-
Operating lease liabilities	646,084	1,151,792
Accounts payable and other liabilities	52,884,454	47,012,530
TOTAL LIABILITIES	1,085,234,916	1,067,068,091
Commitments and contingent liabilities		
Members' equity, substantially restricted		
Unappropriated (undivided earnings)	107,630,786	103,107,977
Accumulated other comprehensive loss	(8,534,633)	(11,565,719)
TOTAL MEMBERS' EQUITY	99,096,153	91,542,258
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 1,184,331,069	\$ 1,158,610,349

STATEMENTS OF OPERATIONS

For the Years Ended June 30, 2025 & 2024

	2025	2024
INTEREST INCOME		
Loans	\$ 47,794,812	\$ 45,884,246
Investments	9,232,641	4,267,685
TOTAL INTEREST INCOME	57,027,453	50,151,931
INTEREST EXPENSE		
Members' share and savings accounts	19,213,929	15,991,112
Non-members' share accounts	2,522,960	1,331,783
Borrowed funds	1,634	427,821
TOTAL INTEREST EXPENSE	21,738,523	17,750,716
NET INTEREST INCOME	35,288,930	32,401,215
PROVISION FOR CREDIT LOSSES	2,740,000	3,970,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	32,548,930	28,431,215
NON-INTEREST INCOME		
Service charges and other income	14,565,509	15,182,514
Gain on sale of loans	489,251	330,167
Gain on servicing assets	33,275	106,746
Net loss on sales/redemptions of debt securities – available-for-sale	-	0
Non-operating income	818,566	537,285
TOTAL NON-INTEREST INCOME	15,906,601	16,156,712
NON-INTEREST EXPENSE		
General and administrative expenses		
Compensation and benefits	25,799,028	25,057,319
Office operations	11,244,369	11,772,410
Outsourced services	5,937,547	5,467,774
Other expenses	5,277,359	4,726,121
TOTAL NON-INTEREST EXPENSES	48,258,303	47,023,624
NET INCOME (LOSS)	\$ 197,228	\$ (2,435,697)

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.



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.

BOARD OF DIRECTORS



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.



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
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.





Supervisory Committee

Stephen Rader, Chairman
Gary Higgins
Fred Lucci
Morgan Lincoln

Executive Management

Ken Fischbach, Chief Executive Officer

Management Team

Dave Cottone, Chief Experience 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
Janine Hattem, Human Resources Manager
Debbie Lim, Technology Manager

HONDA
Federal Credit Union



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

Greensburg Office

2740 N. Michigan Ave.
Greensburg, IN 47240

Honda Aircraft (HACI) Office

6430 Ballinger Road
Greensboro, NC 27410

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

Sweponville Office

3721 S. North Carolina Hwy 119
Sweponville, NC 27258

Timmonsville Office

1111 Honda Way
Timmonsville, SC 29161

Torrance Office

1919 Torrance Blvd.
Torrance, CA 90501



FIND AN ATM NEAR YOU!

TOGETHER, WE'RE BETTER.

Together, we lay the groundwork
for financial freedom.

HONDA
Federal Credit Union

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Torrance, CA 90502-1352

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hondafcu.org