MINUTES

The 52nd Annual Meeting of the Membership of Amplify Credit Union was held the evening of Thursday, May 23, 2019, in the Community Room at the Esperanza Branch, 2800 Esperanza Crossing, Bldg. 2, Austin, TX 78758
Registration commenced at 6:00 p.m. It was followed by the business meeting at 6:30 p.m.

CALL TO ORDER: At 6:30 p.m., Mr. Willie Everett, Chairman of the Board of Directors, called the Annual Meeting to order. Mr. Everett welcomed Members to the meeting. He stated the meeting would be conducted according to Robert’s Rules of Order, that the recording secretary would be Ms. Delores Stoner and that there would be no questions from the floor.

RECOGNITION AND INTRODUCTION OF VOLUNTEERS: Mr. Everett introduced and thanked the Board of Directors and asked those who were present to stand when their names were called, beginning with the officers. Those present were Mr. Ron Gregg, Vice-Chairman; Mr. Sam Robertson, Secretary; Mr. Allen Jensen, Treasurer; Mr. Sandy Dochen, Director; and Mr. Mike Parker, Director. Mr. Everett then introduced the Audit Committee members. Those present were Ms. Louise Hmci, Chairperson, as well as Ms. Tracy Cornelius and Mr. Gordon Fossum.

Mr. Everett then introduced the Nominating Committee members. Those present were Mr. Leslie Lenn, Chairman and Mr. Mark Northrup.

DETERMINATION OF QUORUM: Mr. Everett asked Ms. Cornelius, Secretary of the Audit Committee to verify there was a quorum for the conduct of business at the meeting. Ms. Cornelius verified a quorum was present.

APPROVAL OF 2018 ANNUAL MEETING MINUTES: Mr. Everett asked for a motion for the acceptance of the minutes of the 2018 Annual Meeting. A motion was made and seconded to accept the minutes, and the motion was unanimously approved.

CHAIRMAN’S REPORT: Mr. Everett addressed the Membership, at the conclusion of which he introduced Mr. Paul Trylko, President/CEO.

PRESIDENT’S REPORT: Mr. Trylko addressed the Membership and opened by reviewing some of the Credit Union’s accomplishments during 2018. He then introduced Ms. Cornelius.

AUDIT COMMITTEE’S REPORT: Ms. Cornelius, Secretary of the Audit Committee, gave the Audit Committee report.

NOMINATING COMMITTEE’S REPORT: Mr. Leslie Lenn, Chairman of the Nominating Committee reported the Nominating Committee interviewed four candidates and placed three names in nomination for the three vacant board positions. The nominations are Ms. Joyce J. Smith, Mr. Sandy Dochen and Mr. Lemuel Williams. In addition to those recommended by the nominating committee, members had the opportunity to place other names in nomination by petition. No additional nominations were received.

ANNUAL ELECTION RESULTS: Mr. Everett announced since there were no other nominations, and in accordance with the By-laws of Amplify Credit Union, a ballot election was not necessary. He stated Ms. Smith, Mr. Dochen, and Mr. Williams were elected for three-year terms to Amplify’s Board of Directors by acclamation and general consent.

ADJOURNMENT: Mr. Everett stated that since there had been no items submitted for new business, he asked for a motion to adjourn the business meeting. A motion was made and seconded to adjourn the business meeting, and the motion was unanimously approved. The meeting adjourned at 6:52 p.m. Mr. Everett thanked everyone for attending and turned the meeting over to management for prize drawings.
Dear Members,

As we reflect on the performance of Amplify Credit Union over the past year, we do so with the knowledge that 2020 has already presented unforeseen challenges for our organization and our community. Nevertheless, it is important to recognize our collective accomplishments in 2019, many of which have played an important role in ensuring the financial security of our members in the year to come.

Undoubtedly, the biggest changes of 2019 were the departures of President/CEO Paul Trylko and COO Nancy Ballman. After decades of leadership for our credit union, both Paul and Nancy spent the year preparing their respective teams for a smooth transition between leaders. On behalf of everyone at Amplify, we wish Paul and Nancy happy and well-earned retirements.

After years of anticipation, Amplify Credit Union also crossed a major milestone in 2019. For the first time in the credit union’s history, we amassed more than $1 billion in member assets. Crossing this landmark is a testament to the hard work of our entire credit union team. It also speaks to our increased visibility as a future-focused financial institution our friends and neighbors can trust.

In April, the credit union also completed its much-anticipated core banking system upgrade. Thanks to the months of preparation undertaken by our dedicated staff, the Amplify team was able to complete this conversion on-time and under budget. With a new core banking system in place, we will continue to offer the most up-to-date digital products and services to our members.

As we look to meet the lending needs of our community, Amplify also added key leadership to our commercial and residential mortgage teams. This included the addition of Alan Jewells as the new Vice President of Commercial Lending and Bob Almand as our first Assistant Vice President of Third Party Lending. The latter hire coincided with the launch of our dedicated Third Party Lending channel, allowing Amplify’s lending team to work directly with mortgage brokers and lenders throughout Texas.

Finally, building off the work done in 2018, Amplify expanded our “Safe Place to Call Home” efforts. This included more donations than ever to our signature partners at Caritas of Austin, Saint Louise House, and the American Red Cross. Together, our team also donated almost 1,000 hours as volunteers to assist our partners in their ongoing campaigns.

While these accomplishments made 2019 one of our most successful years to date, our future-focused approach as a credit union also built a foundation that will keep us steady during these uncertain times. We work hard every day to earn the trust of our members, and we are proud to stand alongside you as your financial partner for whatever lies ahead.

Sincerely,

WILLIE E. EVERETT
Chair, Board of Directors

KENDALL GARRISON
President/CEO
CHIEF FINANCIAL OFFICER REPORT

Amplify earned over $5.0M of Net Income in 2019, our ninth consecutive year of strong profitability. Net Income was down from $7M in 2018 due to increased investments in systems and people. As you may recall, we converted to a new, digital-first core financial system in April of 2019, which necessitated these increased investments. This new core system will better serve our 60,000 members for the next generation; thus, we believe that this was money well spent, even though it reduced our results in 2019. Assets grew to $994M in 2019, an increase of $36M or +4% over 2018.

Financial results for 2019 were led by continued strong lending. Total annual loan production reached a record level of over $500M of new loans added to the books. This high loan production in 2019 led to net loan growth (after loan payoffs and sales) of $30M from the prior year. Loan growth was driven by real estate lending, consumer lending, and business lending. Additionally, we had about $1M of reduced lower loan loss provisions in 2019 than the prior year.

Amplify continues to lend to members at a higher rate than most other banks and credit unions. At the end of 2019, we had $800M in net loans and $803M in deposits, which equates to a near 100% loan-to-deposit ratio. This represents a higher percentage than other local credit unions, and we are well above national credit union and bank lending averages. It also demonstrates our firm commitment to lending to our members and supporting the Central Texas community. In the last three years, we have loaned well over $1B to our members. We have also loaned over $5B through 500,000+ loans to our members since our inception in 1967.

Net Income for 2019 was led by loan and investment income growth of $2.3M over 2018. In turn, we paid over $2.0M more to our members in higher share dividends and interest income than in 2018. Service and Fee income grew by over $1.3M from the prior year, with virtually all of that growth attributable to fee income earned on loan sales and servicing for other financial institutions. Fees from our members declined by $260k or 9% from the prior year.

Operating Expenses were up nearly 15% over 2018. We increased investments in people and systems consistent with implementing a new core financial system and becoming a $1B asset credit union. However, we expect operating expenses to decline in 2020 as we leverage efficiencies from the new system. Our system investments have already paid off by enabling our workforce of nearly 200 to work from home in 2020, much sooner and more seamlessly than peers. And our new system has served our members well with increased digital-first usage of mobile and online banking services.

Our Balance Sheet strengthened in 2019, reaching $994M in Assets at yearend. Our 2019 asset growth of $36M was driven by a $40M increase in Member Deposits. As mentioned earlier, dividends and interest paid to members increased by over $2M last year, and by over $3.5M over the previous two years. Strong deposits continue to drive strong lending, creating a virtuous cycle for our depositors, borrowers, and the Central Texas community.

Net Worth represents your member ownership equity in Amplify, and our net worth exceeded $93M at the end of 2019. Our net worth ratio (Net Worth / Assets) was 9.40% at yearend. Our strong balance sheet and net worth ratio continue to earn us a WELL CAPITALIZED rating by our regulators and high marks by financial rating firms Bankrate, Bauer, and Weiss.

Our financial strength will serve us well in 2020 as we manage through the Covid-19 pandemic. Our healthy net worth serves as a capital buffer for our balance sheet with potentially challenging income results ahead. Since Amplify was founded in 1967, the U.S. has experienced seven economic recessions. We survived those, and we will survive this one together. As a financial cooperative, this is what we do – we provide for our members, our employees, our stakeholders, and our community. As always, we sincerely thank you for your business with, and confidence in, Amplify Credit Union.

John Orton,
Sr. Vice President/CFO
AUDIT COMMITTEE REPORT
Joyce J. Smith, Chair, Audit Committee

One of the Audit Committee's primary duties is to engage a third-party accounting firm to conduct the credit union's annual audit of its consolidated financial statements. We retained Doeren Mayhew CPAs to conduct this audit. Amplify received an unmodified opinion. As noted in Doeren Mayhew's final report, "In our opinion, the consolidated financial statements [...] present fairly, in all material respects, the financial position of Amplify Credit Union and its subsidiaries as of December 31, 2019, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America." The members of the Audit Committee are pleased to volunteer our time for Amplify. We look forward to working with the Board and Management in the year ahead.

NOMINATING COMMITTEE REPORT
Leslie Lenn, Chair, Nominating Committee

The Nominating Committee interviewed two candidates and placed two names in nomination for the two vacant Board positions: Ms. Kendel Martin and Mr. Sam Robertson. In addition to those recommended by the Nominating Committee, members had the opportunity to place other names in nomination by petition. No additional nominations were received.

TREASURER OF THE BOARD REPORT
Allen Jensen, Treasurer, Board of Directors

Both Amplify Credit Union and Central Texas enjoyed another strong year in 2019, riding the economic wave of low unemployment, increased real estate values, and strong financial markets. Amplify delivered solid financial results for the ninth year in a row.

Net Income exceeded $5.0M for 2019, led by strong loan and fee income. Loans to Members totaled $800M, and Deposits totaled $803M at yearend 2019. Liquidity increased as well, with yearend Cash and Investments of $138M, representing 14% of our total assets. Total Assets ended the year at $994M, up $36M, or 4% from 2018. Our Net Worth Ratio at yearend was 9.40%, well above the 7.0% ratio required to be well-capitalized. Central Texas responded to our product and service offerings as we have near 60,000 members. We also remain a top-rated credit union by Bankrate, Bauer, and Weiss rating services, which rate banks and credit unions on financial strength.

Locally, unemployment was about 2.7% at the end of 2019, which was the lowest rate among big cities in Texas. Austin median home prices exceeded $400,000 in 2019, while Central Texas median home prices were over $300,000. Local homes available for sale continue to track at less than a three-month supply, significantly below a standard six-month supply. Austin continues to rate very highly in national surveys of best places to live and do business. At the conclusion of 2019, Zillow forecasted that Austin would be the number one real estate market in 2020.
FINANCIALS

STATEMENT OF INCOME (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET INTEREST INCOME</td>
<td>$31,197</td>
<td>$31,798</td>
<td>$33,012</td>
</tr>
<tr>
<td>SERVICE &amp; FEE INCOME</td>
<td>$13,462</td>
<td>$14,978</td>
<td>$16,289</td>
</tr>
<tr>
<td>OPERATING EXPENSES</td>
<td>$33,015</td>
<td>$36,517</td>
<td>$41,850</td>
</tr>
<tr>
<td>LOAN LOSS PROVISION</td>
<td>$5,504</td>
<td>$4,600</td>
<td>$3,700</td>
</tr>
<tr>
<td>OTHER GAINS/(LOSSES)</td>
<td>$182</td>
<td>$1,362</td>
<td>$1,305</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$6,322</td>
<td>$7,021</td>
<td>$5,057</td>
</tr>
</tbody>
</table>

STATEMENT OF CONDITION (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH &amp; INVESTMENTS</td>
<td>$109,353</td>
<td>$125,820</td>
<td>$137,598</td>
</tr>
<tr>
<td>NET LOANS</td>
<td>$743,658</td>
<td>$770,177</td>
<td>$800,083</td>
</tr>
<tr>
<td>OTHER ASSETS</td>
<td>$55,302</td>
<td>$61,531</td>
<td>$56,784</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$908,313</td>
<td>$957,528</td>
<td>$994,465</td>
</tr>
<tr>
<td>MEMBER DEPOSITS</td>
<td>$716,965</td>
<td>$764,030</td>
<td>$802,916</td>
</tr>
<tr>
<td>OTHER LIABILITIES</td>
<td>$108,189</td>
<td>$103,317</td>
<td>$98,106</td>
</tr>
<tr>
<td>MEMBER EQUITY</td>
<td>$83,159</td>
<td>$90,181</td>
<td>$93,443</td>
</tr>
<tr>
<td>TOTAL LIABILITIES &amp; EQUITY</td>
<td>$908,313</td>
<td>$957,528</td>
<td>$994,465</td>
</tr>
</tbody>
</table>

This report and related financial statements are true and correct to the best of our knowledge and belief, and present fairly the financial condition and statement of income for the periods covered.

John Orton, Sr. Vice President/CFO
Allen Jensen, Treasurer Board of Directors

The notes to the financial statements are an integral part of the financial statements. The financial statement notes are available by request or at goamplify.com/financialnotes
AMPLIFY LEADERSHIP

Board of Directors
Willie Everett, Chair (2021)
Ron Gregg, Vice Chair (2020)
Sam Robertson, Secretary (2020)
Allen Jensen, Treasurer (2021)
Sandy Dochen, Director (2022)
Joyce J. Smith, Director (2022)
Lemuel Williams, Director (2022)
Kendel Martin, Advisory Director (2020)

Audit Committee
Joyce J. Smith, Chair
Kendel Martin, Secretary
Sandy Dochen
** Louise Hrcir, Chair
** Tracy Cornelius, Secretary
** Gordon Fossum

Management Team
Paul Trylko, President & CEO
Kendall Garrison, Executive Vice President
Stacy Armijo, Sr. VP - Chief Experience Officer
Nancy Ballman, Sr. VP - Chief Operating Officer
Mike Koch, Sr. VP - Chief Lending Officer
* Charlotte Morrison, Sr. VP - Chief Information Officer
John Orton, Sr. VP - Chief Financial Officer

*Hired 2019 **Resigned 2019
2019 YEAR IN REVIEW

Together We Gave Back

$8.3 MILLION MEMBER BENEFIT
$5.0 MILLION growth in member equity
$534+ MILLION LOANS
6,430+ MEMBERS WERE HELPED WITH LOANS

SAINT LOUISE HOUSE

1 FURNISHED APARTMENT
13 DECORATED CHRISTMAS TREES
2 HOUSEHOLD SECRET SANTAS
20 TRUNK-OR-TREAT FAMILIES

NAMI WALK FOR MENTAL HEALTH

33 AMPLIFY WALKERS

AMERICAN RED CROSS

13 FIRE INJURIES PREVENTED

CARITAS OF AUSTIN

165 MEALS SERVED
946 POUNDS OF NON-PERISHABLE FOODS DONATED

OUR MISSION
To improve the lives of our members and the strength of our communities

OUR VISION
To be a leader within the Central Texas community, contributing to the sustainability of the region and creating a meaningful and positive social impact.

OUR PURPOSE
To provide our members an opportunity to accumulate savings, and to reinvest those savings in our borrowers and community.