

Minutes

The 57th Annual Meeting of the Membership of Amplify Credit Union was held on Wednesday, April 17, 2024, at 5:00 PM.

1. Call to Order

Chair Kendel Martin called the 2024 Members Annual Meeting to order at 5:00 pm, stated that a quorum of members was present and that no questions would be taken during the meeting.

Chair Kendel Martin introduced herself and stated the purpose of the Members Annual Meeting. She then introduced and thanked the 2023-2024 Amplify Board of Directors, 2023-2024 Audit Committee members, and the 2023 Nominating Committee members.

2. Action: Consider, discuss, and approve the 2023 Annual Meeting Minutes¹:

Chair Kendel Martin stated that a motion to approve the 2023 Annual Meeting Minutes was made and seconded. No discussion: motion carried.

3. Chairman's Report

Chair Kendel Martin reported on Amplify's continuation to change the conversation around banking both in Texas and the broader United States through our fee-free banking, affordable housing, and support of Texas families. CEO Kendall Garrison talked about the economic challenges we faced in 2023.

4. Audit Committee Report

On behalf of Audit Committee Chair, Lemuel Williams, Board Chair Kendel Martin reported the credit union is a sound financial institution and that primary duty of the Audit Committee is to engage a third-party accounting firm to conduct the credit union's annual audit of its consolidated financial statements. Amplify retained Doeren Mayhew CPAs to conduct this audit and received an unmodified opinion.

5. Nominating Committee Report

On behalf of the 2023 Nominating Committee Chair, Lemuel Williams, Board Chair Kendel Martin reported that the the Nominating Committee reviewed the application for current board member Willie Everett, who is seeking another term. The Nominating Committee unanimously approved Willie Everett for another term. 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.

Chair Kendel Martin declared by general consent and acclamation that Mr. Willie Everett would hold a three-year term on the Amplify Credit Union Board of Directors.

There being no further business, Chair Kendel Martin adjourned the board of directors at 5:15 pm.

Amplify Mission Statement

Our MISSION is to improve the lives of our members and the strength of our communities through our PURPOSE of helping members accumulate and reinvest savings within the community, allowing us to achieve our VISION of being a leader in Central Texas and of contributing to the long-term sustainability of the region.

¹Materials available upon request

Chairman & CEO Letter

Dear Members,

Over the past few years, Amplify and its members have learned to live with economic uncertainty. But as we reflect on 2024, the stories that come to mind are not ones about shifting marketplaces, but celebrations of community – and the role Amplify has played in reinvesting in the organizations and nonprofits that help make Central Texas such an incredible region to call home.

As we have in previous years, Amplify grew our influence in the region through our message of affordability. In May, we hosted our second-annual Affordability Summit, with guests from the Downtown Austin Alliance, Austin ISD, and Mayor Kirk Watson as the featured speaker. This event allows Amplify to foster conversations about the intersections of housing and affordability in Austin, as well as speak to how our work as a commercial lender and a mortgage lender help put more families into more homes across the region.

We were also proud to announce a new partnership with financial technology company Greenlight to offer their award-winning debit card to Amplify families at no cost. We know that responsible money management begins in childhood, and Greenlight's parental controls and educational resources ensure that our families have the opportunity to build good behaviors together.

But our most important accomplishment of 2024 was the launch of fee-free commercial banking. Under the guidance of our new VP of Commercial Banking, businesses and nonprofits of every size can now enjoy the benefits of our full suite of treasury management services with no fees. And thanks to the hard work of our commercial banking team, we have had a stronger presence in the community than ever before, proudly sponsoring events like the Bastrop Regional Business Summit, the Williams County Growth Summit, and AFP's Annual Philanthropy Day Awards.

And speaking of nonprofits: even when times are turbulent, our commitment to our community remains as constant as ever. Our Community Care Hours (CCH) program remains a standout in our industry, with 126 employees volunteering a total of 2,436 hours of community service in 2024. The greatest beneficiaries of these hours were organizations like St. Louise House, Our Shared Kitchen, and Caritas of Austin, each of whom provide valuable resources for individuals and families experiencing homelessness in our community.

We may be biased, but we sincerely believe these past three years of fee-free banking serve as a model – for Central Texas and beyond – of how financial institutions can put their mission first without sacrificing the bottom line. And with this year already underway, we look forward to sharing even more of the big moves Amplify will make in the years ahead.

Kendel Martin
Chairman of the Board

Kendall Garrison
President & Chief Executive Officer

Chief Financial Officer Report

In 2024, Amplify maintained its steadfast commitment to supporting our members despite the persistent challenges of inflation and elevated long-term interest rates affecting the economy. By offering fee-free checking, savings, and business banking accounts, we ensured accessible financial services for all. Further, the credit union remained dedicated to supporting our members through a robust set of mortgage products, consumer loans, and business lending services.

Through these efforts, Amplify earned \$7.3M in Net Income during 2024, ending the year in a strong capital position demonstrated by a net worth ratio of 10.59%, which is well above the required rate needed to be considered well-capitalized by our regulators.

The Texas real estate market remains strong, but affordability due to high rates and constrained inventory is expected to be an ongoing challenge. Amplify's lending activity was limited again in 2024 to support our objective to increase liquidity levels while lowering our interest rate risk.

Total assets finished 2024 at \$1.31B, down from \$1.42B in the prior year, with the decrease of \$184M in loans held by the credit union (including loans held for sale) supporting a \$89M increase in cash and investments. After experiencing an 87% increase in non-member deposits during 2023 to fund rapid loan growth, in 2024 we allowed 11% of these deposits to run off which contributed to an overall deposit reduction of \$64M this year.

Interest income grew by approximately 3% but was offset by the rising cost of non-member deposits, resulting in a 12% decrease in net interest income. Non-interest income improved 13% year over year driven by growth in our loan servicing portfolio, and a significant improvement in the fair value of our mortgage servicing rights due to reduced loan prepayment expectations. We continued to manage operating expenses closely, holding the current year's increase to 2%, well below the 2024 inflation rate.

The credit quality of our loan portfolio remains outstanding as evidenced by provision for loan losses of just 0.03% of average assets, delinquencies of 0.30% and net loan charge offs of 0.07% of average loans, all well below peer industry averages.

The doubling of our liquidity levels during 2024 and reduced reliance on higher cost non-member deposits will continue to improve our net interest margin in 2025.

As always, we sincerely thank you for your business and confidence in Amplify Credit Union.

Paul Garrigues

Chief Financial Officer

Chief Financial Officer Report*



*In thousands

Committee Reports

Audit Committee Report

Lemuel Williams, 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 perform this audit. Amplify received an unmodified opinion. As noted in Doeren Mayhew's final report, "In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Amplify Credit Union and its subsidiaries as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended following accounting principles generally accepted in the United States of America (GAAP)."

Nominating Committee Report

Lemuel C. Williams, Veronica V. Stidvent, and Sandy Dochen (Nominating Committee)

The Nominating Committee interviewed three candidates and placed three names in nomination for the three vacant board of director positions: Mr. Sandy Dochen, Mrs. Shaku Selvakumar, 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.

Financials

STATEMENT OF INCOME (in thousands)

	2022	2023	2024
NET INTEREST INCOME	\$38,699	\$37,374	\$32,927
SERVICE & FEE INCOME	\$24,634	\$14,729	\$20,813
OPERATING EXPENSES	\$51,165	\$46,307	\$46,020
LOAN LOSS PROVISION	(364)	(926)	\$465
OTHER GAINS	-	-	-
NET INCOME	\$12,532	\$6,722	\$7,255

STATEMENT OF CONDITION (in thousands)

	2022	2023	2024
CASH & INVESTMENTS	\$146,762	\$176,051	\$263,256
NET LOANS	\$1,127,707	\$1,089,528	\$903,666
OTHER ASSETS	\$143,267	\$143,800	\$129,336
LOANS HELD FOR SALE	\$107,918	\$11,569	\$13,382
TOTAL ASSETS	\$1,525,654	\$1,420,948	\$1,309,640
MEMBERS DEPOSITS	\$1,026,039	\$1,022,951	\$958,560
OTHER LIABILITIES	\$388,133	\$275,524	\$223,569
MEMBER EQUITY	\$111,482	\$122,473	\$127,511
TOTAL LIABILITIES & EQUITY	\$1,525,654	\$1,420,948	\$1,309,640

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.

Paul Garrigues

Paul Garrigues, Chief Financial Officer

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

2024 - 2025 Board of Directors

Officers

Kendel Martin, Chair (2026)
Willie Everett, Vice-Chair (2027)
Shaku Selvakumar, Secretary (2025)

Directors

Sandy Dochen (2025)
Samuel E. Robertson (2026)
Veronica V. Stidvent (2026)
Lemuel C. Williams (2025)

Advisory Directors*

Helynn Nelson (2025)
Ashley Perryman (2025)

Director Emeritus*

Joyce Smith (2025)

Executive Review Committee

Kendel Martin, Chair
Willie Everett, Vice-Chair
Lemuel C. Williams, Director

Audit Committee

Lemuel C. Williams, Chair
Veronica V. Stidvent, Secretary
Sandy Dochen, Director

Executive Management Team

Kendall Garrison, President & CEO
Stacy Armijo, Chief Experience Officer
Kat Cuoco, SVP Enterprise Risk Management & Compliance**
Paul Garrigues, Chief Financial Officer***
Kristin Keller, SVP Real Estate Lending
Charlotte Morrison, Chief Information Officer
JC San Pedro, SVP Loan Administration
Angela Shaw, SVP Talent
Jackie York, Chief Financial Officer****

*Denotes non-voting

**Joined Executive Management in 2025

***Joined Executive Management in 2024

****Resigned in 2024