

**MINUTES OF THE ANNUAL MEETING OF THE AMERICAN HERITAGE
FEDERAL CREDIT UNION NO. 5621 HELD TUESDAY, APRIL 16, 2019
2068 RED LION ROAD, PHILADELPHIA, PA 19115**

Gary Weyhmuller, Vice Chairman of the Board, called the meeting to order.

Pledge of Allegiance / Moment of Silence

Roll Call of Officers:

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| Present: | James Brownlow, II Frank Di Domizio John Fafara Clara Glenn Cecilia B. Grady | Jennifer Hannigan Anthony Kuczykowski Juan Lopez Gary Weyhmuller | |
| Excused: | Daniel Jones Kenneth Wong | | |
| Guests: | Lauren Aliberto Amy Anderson Carol Amplo Tom Beck Margaret Blessington Joe Bohley Cecilia Buckley Flora Caranci Rosanna Carrasquillo Regina Cummings Joanne Daulerio Denise Davis Tom DeBolt Marylou Denzler Kathy DeRocini Karen Devine Kasandra Diaz Kevin DiBricida Denise Di Giuseppe Mike Dinneen Bryan Eichenbaum Brenda Fischer | Ahdriana Fleming Robin Forsberg TK Foulke Breana Galanaugh Brian Hahn Donna Handel Karen Hassett Mike Hefner Colleen Jones Sonia Kalathil Fawn Martin Scott McCaw Scott McKim Maria Murphy Theresa Nash Carolyn Palmer Gina Pelbano Karen Perri Clare Pfeil Colleen Punzo Joe Punzo | Katelyn Regitko Adam Remshifski Thalia Rosario Maryellen Rosengarten Kathleen Ruppert Melina Santiago Brian Schmitt Eric Schreiber Lynette Smart Dorian Smith Cristina Sofield Serena Stancati Brian Taggart Kevin Tressel Jerry Valencia Tim Volk Dione Weems Jennifer Weinert Stephanie Whittaker Sandra Williams-King Nicole Zieminski |

MINUTES OF THE ANNUAL MEETING – APRIL 17, 2018: The minutes of the 2018 Annual Meeting were read by Jennifer Hannigan. Motion was made by Jim Brownlow to accept the Minutes of the Annual Meeting held on Tuesday, April 17, 2018 as published; seconded by John Fafara and motion carried unanimously.

Gary Weyhmuller took a moment to thank Cecilia Grady for serving on the Board of Directors of American Heritage Federal Credit Union for 42 years. She served on the ALCO, Delinquency, Education, Budget, Personnel, Planning and Supervisory Committees. When she first joined the American Heritage Board of Directors, we were known as the Budd Workers Federal Credit Union, with one location, \$4 million dollars in assets and 4,000 members. We're proud that American Heritage was one of the first financial institutions in the United States to elect a woman to serve as Board Chair. Under her leadership, we became one of the largest, fastest-growing and most-respected financial institutions in our region. We are now a \$2.5 billion institution, with nearly 200,000 members and more than 35 branches. Ceil always ensured that American Heritage employees and members alike had the best resources available to deliver the Credit Union's mission. We recently announced the Cecilia B. Grady Annual Scholarship Program, which awards partial scholarships to 30 members who will be attending college. We also announced that our new Community Room will officially be dedicated as the "Cecilia B. Grady Community Room". Ceil always remained focused on the core mission of credit unions, which is "people helping people". Her dedication to financial literacy, education, and member satisfaction will be her legacy. On behalf of the Board, we are eternally grateful for your input on American Heritage Credit Union, our members and our community. Everyone in attendance applauded and gave a standing ovation to Ceil Grady in gratitude for all she has done for American Heritage Credit Union.

Chairperson's Report – Gary Weyhmuller welcomed everyone to the 70th Annual Meeting of American Heritage Credit Union. As stated in the attached Chairperson's Report, American Heritage enjoyed another year of growth and services. We have 186,086 members and

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over 800 sponsor companies. In 2018, we launched several new services: overdraft privilege program, the Medical Professional mortgage product, and a high-yield savings account. We introduced ePay, person-to-person payments, debit card and credit card controls for users, a limited-time no-closing cost mortgage program, and Smart Pay. We installed the first drive-up Personal Automated Teller (PAT) unit. We merged Better Homes of American Heritage Federal Realty and Better Homes of First Heritage Financial Realty to become First Heritage Realty Alliance. We opened two new branches: CHOP Roberts Center on South Street and Moore Road in King of Prussia. This year, we added 36 new workplace partners and 16,791 new members joined the credit union. Two local credit unions, Holsey Temple FCU and Pannonia FCU merged with us, and we welcomed over 1,100 new members. American Heritage is the fifth largest credit union in Pennsylvania and we moved up nine places to become the 106th largest credit union in the nation and we are the 102nd largest credit union based on membership. In 2018, Forbes recognized American Heritage as the #1 Credit Union in Pennsylvania. We won the Philadelphia Business Journal's Best Place to Work contest in the extra-large category; the American Heart Association presented us with the Silver Level Fit Friendly and Bronze Level Workplace Health Achievement awards. We won the first-place Dora Maxwell Social Responsibility Community Service Award at both the state and national levels. CUNA recognized our Marketing Department with five Diamond awards, and our Investment & Retirement Center is ranked #3 in the country and ranked #1 in managed program. Giving back to the community is what makes American Heritage different. The Board awarded 25 scholarships to college-bound students, and forever going forward will be referred to as the Cecilia B. Grady scholarships. We supported many events in the community and committed to 70 Acts of Kindness. Our Community Room hosted 270 meetings in 2018. We hosted 11,000 attendees at Grand Illumination and another 4,000 viewed the event from our first-ever live streaming. Attendees brought one canned good with them which contributed to over 2,000 pounds of food collected for our Annual Food Drive. Gary thanked the President, the Senior Management Team and the staff. He cannot say enough about the Board of Directors which is comprised of volunteers for their service to the membership while keeping the Credit Union financially strong. Gary thanked the Supervisory, Loan Review and Delinquency Committees for their time and dedication. He thanked our workplace partners for their belief and support of American Heritage, and most of all, he thanked our members who have made the Credit Union the financial success it is today.

Motion was made by Bruce Foulke to accept the Chairperson's Report as published in the 2018 Annual Report; seconded by Clara Glenn, and motion carried unanimously.

President/Treasurer's Report – As mentioned in the attached President/Treasurer's Report, Bruce Foulke stated that he is proud to report the Credit Union grew 15% in 2018 to reach \$2.4 billion in assets, and we added 16,791 new members to the membership family. Our asset growth was \$313 million, our share growth was \$198 million, and our borrowing growth was \$105 million. We rolled out the 2.00% high-yield savings account, which attracted \$151 million, more than 500 new members to the Credit Union, and the share certificates grew by \$73 million. The loan portfolio, which experienced exceptional growth last year, thanks to our Lending Team, grew \$383 million dollars or 28.7%, to \$1.7 billion dollars: \$241 million in automobile loans; \$81 million in commercial loans; \$35 million dollars in first mortgages. During 2018, American Heritage recorded a total net income of \$125 million and \$75 million from interest on investments. Our operating expense was \$37 million and total expenses were at \$83 million. Our dividend expense, which we give back to members, was \$23.1 million resulting in net income for the year of \$18.5 million with our return on assets (ROA) at 0.82% and a net worth of 8.81%. We have other affiliates under the realm of American Heritage: American Heritage Realty, First Heritage Financial, Member Settlement Solutions, and Member Business Financial Services. We are a complex credit union, and 99% of the credit unions do not have CUSOs, but we look to them to supplement our income to the bottom line. Bruce extended special thanks to the Board of Directors, management and staff for their support, dedication and vision. He also expressed his sincere appreciation to the Credit Union members who place not only their money, but also their confidence in American Heritage. "We offer YOU the RIGHT solutions because you're FAMILY". Bruce thanked Ceil Grady and stated that it has been a pleasure working with her over the last 40 years.

Motion was made by Jennifer Hannigan to accept the President's Report as published in the 2018 Annual Report; seconded by Jim Brownlow; and motion carried unanimously.

Loan Review/Delinquency Committee Report – Clara Glenn reviewed the Loan Review/Delinquency Committee Report. For calendar year 2018, the Loan Review Committee and Loan Officers approved 31,742 loan applications for \$561.5 million in automobile, credit card, recreation vehicles, lines of credit, home equity lines of credit and loans as compared to \$27,065 and \$421.9 million, respectfully in 2017. Much of the growth in volume was within indirect auto loans. In addition to the Loan Committee, we originated 208 commercial and 703 mortgage loans for \$187.3 million and \$126.6 million, respectively. Overall, the loan portfolio grew by \$383.6 million or 28.7% to \$1.7 billion as of December 31, 2018. In terms of delinquencies, at year end 2018, we had 863 delinquent loans totaling \$9.2 million or 0.54% of total loans as compared to 939 delinquent loans totaling \$10.8 million, or 0.81% of total loans, at year end 2017. The net decrease in the number of delinquent loans of 76 consisted primarily of personal loans. The net decrease in the dollars of delinquent loans of \$1.6 million was due primarily to a reduction in personal loan delinquencies by \$1.3 million. The Loan Review/Delinquency Committee would like to express its thanks to the American Heritage Credit Union loan officers and asset recovery teams for providing us with vital information that enables us to make fair and just decisions on member applications for credit and applications. We hope you continue to take advantage of the services your credit union offers, and we pledge to serve your needs in the same manner and friendly atmosphere you have become accustomed to over the years.

Motion was made by Frank Di Domizio to accept the Loan Review/Delinquency Committee Report as published in the 2018 Annual Report; seconded by Jennifer Hannigan; and motion carried unanimously.

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Supervisory Committee Report – Frank Di Domizio reviewed the Supervisory Committee Report. As Chairman of the Supervisory Committee which is appointed by the Board of Directors in accordance with the Federal Credit Union Act ensures that your credit union conducts its operations and activities in a safe and sound manner. The Committee has the responsibility to review and evaluate the overall financial operations and performance of your credit union, including that of its management staff, to ensure that all the regulations, procedures, and policies that govern this institution are properly followed. It is with great pleasure that the Supervisory Committee report to you that the affairs of American Heritage Federal Credit Union during fiscal year 2018 have been conducted in a most satisfactory manner and in accordance with prescribed standards and accounting practices, and were found to be current, accurate, complete, and in balance. We wish to commend the President/CEO, the staff, and the Audit Department Staff for your dedicated, attentive, and courteous service to our members. The cooperation and assistance they have provided this committee is appreciated. We look forward to another year of great service to our members and assure you that you can expect the same high standard of service that you received in 2018.

Motion was made by Jim Brownlow to accept the Supervisory Committee Report as published in the 2018 Annual Report; seconded by John Fafara, and motion carried unanimously.

NOMINATING COMMITTEE REPORT: Jim Brownlow read the Nominating Committee Report. The Nominating Committee of American Heritage Federal Credit Union respectfully submits the names of the following candidates to serve on the Board of Directors: Frank Di Domizio, Bruce Foulke and Kenneth Wong.

Motion was made by Clara Glenn to accept the Nominations Report as published; seconded by John Fafara, and motion carried unanimously. These candidates ran unopposed; therefore, were automatically re-elected to the Board of Directors to serve for the years 2019-2022.

A motion was made by Jim Brownlow to accept the Committee reports in the 2018 Annual Report as printed; seconded by Jennifer Hannigan; and motion carried unanimously.

OLD BUSINESS: None

NEW BUSINESS: None

Motion was made by Frank Di Domizio to adjourn; seconded by John Fafara and motion carried unanimously.

There being no further business, meeting was adjourned at 8:46 AM.

Gary Weyhmuller
Vice Chairman

Jennifer Hannigan
Secretary