



ANNUAL REPORT 2023



Letter From Chairman and CEO

Dear Valued Members,

We are pleased to report that 2023 was another year of success and growth at First Commonwealth. Despite the challenges posed by rising inflation and interest rates, we continued to exceed the milestones we put in place and achieved our strategic objectives. This success was made possible by an organization-wide effort to align with the cooperative principles that guide us as a credit union, including Member Economic Participation, Concern for the Community, and Diversity, Equity, and Inclusion, among others. Led by our esteemed Board of Directors, Associate Board, Supervisory Committee, and dedicated employees, we ensure your credit union's enduring strength and dependability. Our focus remains to provide our members, business partners, and employers with a wealth of resources and opportunities to persevere rather than be concerned with our bottom line.

With that said, we did enjoy a very prosperous and fulfilling 2023. This was primarily due to your commitment and our ability to support your financial ambitions. One of our key accomplishments was the continuous growth of our \$1.2 billion in total assets while expanding our membership to over 81,000 members and 2,400 employer partners.

We are proud to have launched our new Benefit Checking product, which offers cash back on everyday transactions and is designed to work for you, our members. With no monthly fees for enrolling with eStatements and no minimum balance requirements, Benefit Checking celebrates your engagement with First Commonwealth. A tiered reward structure allows our members to enjoy the benefits of their commitment to our products.

In addition to our product innovations, we remained committed to delivering financial education in our underserved communities. That's why we partnered with the Lehigh Valley Community Foundation to bring dozens of financial education seminars to students and their families at Raub Middle School in the heart of Allentown. With 41 Financial Wellness Counselors on board supporting this initiative, we have made strides in creating a community where everyone has the tools to succeed.

Our merger with Bellco Federal Credit Union will expand our footprint in the Berks County region, where we are excited to serve the community in 2024. We are committed to successfully integrating Bellco Federal Credit Union under the First Commonwealth brand, growing our membership by over 13,000 members and \$173.4 million in assets. This will afford us two new, yet well-established, financial centers in Sinking Spring and Wyomissing, PA. We are excited to provide quality member service and financial coaching within the area, while also expanding our total number of locations from twelve to fourteen.

First Commonwealth's success and achievements over the last year were made possible by your commitment and support. Your membership allows us to remain at the forefront of product innovation, expand our community efforts, and pursue new and exciting partnerships.

On behalf of our Board of Directors, Associate Board, Supervisory Committee, and Executive Leadership Team, we are grateful for the tremendous value you bring to our organization, and we look forward to continuing to serve you in the years to come. Thank you for your loyalty and for choosing First Commonwealth as your trusted financial partner. If you have any questions or feedback throughout your pursuit of financial happiness, please know that we are a mere call or visit away.

With gratitude,



William Ehritz
William Ehritz

Chairman, Board of Directors



Donna LoStocco
Donna LoStocco

President and CEO



Board of Directors and Officers

As a not-for-profit financial cooperative, First Commonwealth has a volunteer Board of Directors, Associate Board, and Supervisory Committee who are responsible for the oversight of the credit union's long-term strategy and ensuring we are financially sound, safe, and secure.

Each year, our dedicated volunteers give their personal time to guide the organization's strategic direction, participate in conferences and governmental affairs, and stay abreast of industry needs.

Board of Directors



William Ehritz
Chairman



Eric Schantzenbach
Vice Chairman



Amanda Seddon
Treasurer



Peter Hance
Secretary



Ngozi Bell
Director



Vince Gorman
Director



Juan Martinez
Director



Gary Matika
Director



Ritchey Ricci
Director



Eugene Auman
Director - Emeritus



Stephen Besz
Director - Emeritus

Supervisory Committee



Steven Farnesi
Chairman



Julie Moakley
Member



James Steele
Member



Sundar Vedantham
Member



David Zullo
Member

The Supervisory Committee is a statutorily required committee for all federally chartered credit unions and its members are appointed by the Board of Directors. Its primary oversight functions are:

- › To ensure First Commonwealth's financial statements accurately represent the condition of the credit union.
- › To confirm that operations comply with all applicable laws and regulations.
- › To ensure internal controls are in place in all departments.
- › To verify members' accounts match the credit union's records.

These functions are performed by the Internal Audit department and outside independent firms contracted by the Supervisory Committee. The internal auditor is responsible for conducting internal operational audits, compliance reviews, and reporting findings to the Supervisory Committee.

The certified public accounting firm of Clifton Larson Allen LLP (CLA) was contracted to perform the annual audit of First Commonwealth's 2023 financial statements and issued an unmodified opinion. Based on CLA's opinion and the work of Internal Audit, the Supervisory Committee believes the records of the Credit Union accurately reflect the strong financial condition of the Credit Union.

Associate Board of Directors



Lizette Epps
Associate Director



David Hlavinka
Associate Director



Marilyn Morel
Associate Director



Executive Leadership Team

At First Commonwealth, our Executive Leadership Team is driven by our core mission of empowering your pursuit of financial happiness. With a deep commitment to innovation and forward-thinking, they are the guiding force behind our member-centric approach to banking.

Collaborating closely with our volunteer Board of Directors, Associate Board, and Supervisory Committee, our leadership team tirelessly ensures that our members' needs remain at the forefront of everything we do. By prioritizing your financial goals, we create a truly personalized banking experience that allows our members to capture their financial dreams with confidence and peace of mind.

Executive Leadership Team



Donna LoStocco
President and CEO



James Gagliano
Chief Experience Officer



Terry Grier
Chief Lending Officer



John Melcher
Chief Strategy Officer



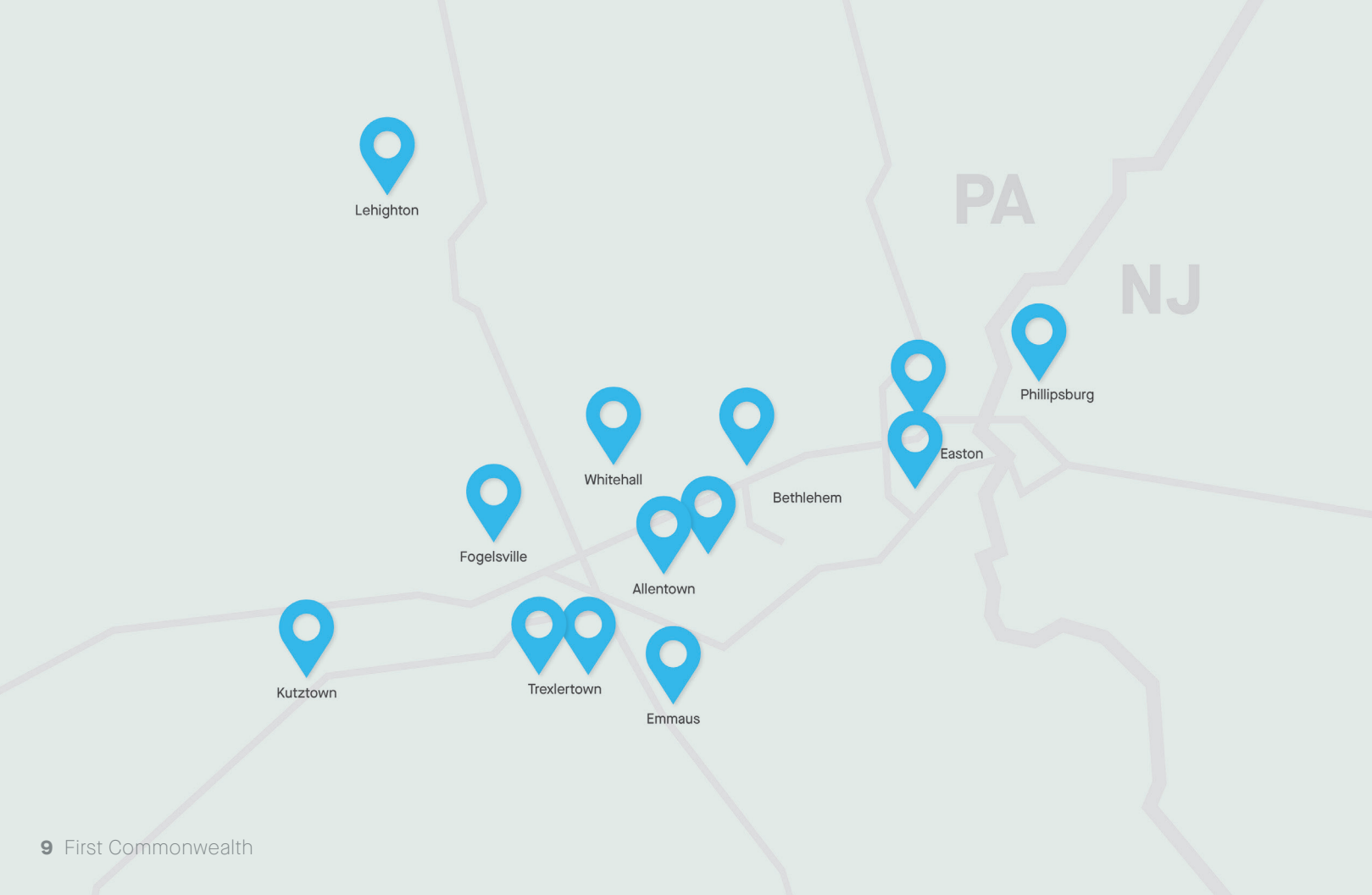
Kim Murray
Chief Financial Officer



Karla Trumbauer
Chief Information Officer



Statements of Income	2023	2022	Statements of Financial Condition	2023	2022
Interest Income			Assets		
Loans	\$48,485,504	\$38,741,212	Cash and Cash Equivalents	\$74,668,671	\$22,992,273
Securities, Interest Bearing Deposits, and Cash Equivalents	\$3,036,634	\$2,254,174	Securities - Available for Sale	\$126,257,289	\$139,178,245
Total Interest Income	\$51,522,138	\$40,995,386	Other Investments	\$1,200,621	\$3,037,864
			Loans, Net	\$932,471,591	\$881,917,832
Interest Expense			Accrued Interest Receivable	\$3,333,981	\$2,820,408
Members' Share and Savings Accounts	\$10,205,173	\$1,986,789	Foreclosed and Repossessed Assets	\$385,970	\$259,825
Interest on Borrowed Funds	\$2,210,957	\$415,315	Premises and Equipment, Net	\$35,099,282	\$35,271,360
Total Interest Expense	\$12,416,130	\$2,402,104	NCUSIF Deposit	\$9,621,527	\$9,625,797
Net Interest Income	\$39,106,008	\$38,593,282	Credit Union Owned Life Insurance	\$6,011,277	\$16,679,570
Provision for Possible Credit Losses	\$6,092,241	\$3,393,005	Other Assets	\$9,551,847	\$9,206,844
Net Interest Income After Provision for Credit Losses	\$33,013,767	\$35,200,277	Total Assets	\$1,198,602,056	\$1,120,990,018
			Liabilities and Members' Equity		
Non-Interest Income			Liabilities		
Service Charges and Fees	\$5,066,364	\$4,939,777	Members' Share and Savings Accounts	\$1,052,379,027	\$982,309,593
Other Non-Interest Income	\$8,936,449	\$9,629,543	Accrued Expenses and Other Liabilities	\$17,580,081	\$17,352,017
Net Gain on Sale of Investments	—	—	Borrowed Funds	\$27,000,000	\$28,700,000
Net Gain on Sale of Loans	\$272,077	\$206,879	Total Liabilities	\$1,096,959,108	\$1,028,361,610
Net Gain on Disposition of Assets	\$14,636	(2)			
Total Non-Interest Income	\$14,289,526	\$ 14,776,197	Members' Equity		
			Undivided Earnings	\$117,566,174	\$112,867,873
Non-Interest Expenses			Accumulated Other Comprehensive Loss	(15,923,226)	(20,239,465)
General and Administrative:			Total Members' Equity	\$101,642,948	\$92,628,408
Employee Compensation and Benefits	\$20,943,543	\$19,693,774			
Office Occupancy and Operations	\$13,599,737	\$13,764,225			
Other Operating Expenses	\$8,061,712	\$7,431,706			
Total Non-Interest Expense	\$42,604,992	\$40,889,705			
Net Income	\$4,698,301	\$9,086,769	Total Liabilities and Members' Equity	\$1,198,602,056	\$1,120,990,018



Locations

Allentown Financial Center
 450 Union Blvd.
 Allentown, PA 18109

Bethlehem Financial Center
 5500 Crawford Dr.
 Bethlehem, PA 18017

Corporate Headquarters
 6126 Hamilton Blvd., Suite 100
 Allentown, PA 18106

Downtown Allentown Financial Center
 840 W Hamilton St., Suite 122
 Allentown, PA 18101

Easton Financial Center
 300 William Penn Hwy
 Easton, PA 18045

Emmaus Financial Center
 1080 Chestnut St.
 Emmaus, PA 18049

Fogelsville Financial Center
 7627 Tilghman St.
 Allentown, PA 18106

Kutztown Financial Center
 15093 Kutztown Rd.
 Kutztown, PA 19530

Lehigh Financial Center
 1241 Blakeslee Blvd. Dr. E, Suite 22
 Lehigh, PA 18235

Northwood Financial Center
 3515 Nazareth Rd.
 Easton, PA 18045

Phillipsburg Financial Center
 501 Baltimore St.
 Phillipsburg, NJ 08865

Trexlertown Financial Center
 6084 Hamilton Blvd.
 Allentown, PA 18106

Whitehall Financial Center
 2752 MacArthur Rd.
 Whitehall, PA 18052





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Federally Insured by NCUA | An Equal Housing Lender | NMLS 595144
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