

MINUTES OF THE 65th ANNUAL MEETING OF FIRST COMMONWEALTH FEDERAL CREDIT UNION

Preliminary – To be approved at 2025 Annual Meeting

First Commonwealth Federal Credit Union's 65th Annual Meeting was held on Wednesday, April 17, 2024. Chairman William Ehritz called the meeting to order at approximately 5:05 p.m. with the Secretary, Peter Hance, taking a roll call to assure there was a quorum attending this virtual meeting.

After a quorum was declared, Bill then entertained a motion to approve the minutes of the 64th Annual Meeting and to dispense with the reading of those minutes. A motion was made by Jenn Weaver and seconded by Gary Matika to approve the minutes of the 64th Annual Meeting and to dispense with the reading of those minutes. All agreed; motion carried.

Chairman's Report – William Ehritz

As Chairman of First Commonwealth Federal Credit Union's Board of Directors it's an honor and a privilege to represent over 81,000 members and 2,400 employer partners who have chosen this credit union to be their trusted financial partner.

I'm pleased to report that we delivered solid performance results in 2023, growing our assets to ~\$1.2B by continuing to effectively serve our members and support our communities. You'll find details on our Statements of Income and Statements of Financial Condition outlined within our 2023 Annual Report.

In 2023 we launched Benefit Checking, which enables us to deliver more value to our members by offering cash back on everyday transactions and expanding your banking relationship with us.

Serving underserved communities and Low-to-Moderate Income members and prospective members in our communities was a major focus for us in 2023 and continues to be a priority in 2024.

We accomplish this in large part through delivering financial education in our underserved communities, such as partnering with the Lehigh Valley Community Foundation to bring dozens of financial education seminars to students and families at Allentown's Raub Middle School. We also had 47 certified Financial Wellness Counselors on our team at the end of 2023 and plan to have a minimum of 65 Financial Wellness Counselors by the end of 2024. These Financial Wellness Counselors are making a significant positive impact on the lives of our members and prospective members by helping them make the best decisions to manage their finances, consolidate high-interest debt, and plan for the future – *ultimately helping them achieve financial happiness.*

Despite the continued headwinds driven by heightened inflation and high interest rates, First Commonwealth continues to be a safe and sound financial institution.

A few of the ways that we ensured our continued safety, stability, and financial soundness include:

- We are well-capitalized at 9.81% net worth, which is greater than the NCUA's definition of well-capitalized (7%), and greater than the "9% or greater" net worth threshold for complex credit unions like First Commonwealth.
- We maintain substantial liquidity reserves to meet both short and long-term obligations.
- We continue to have a diversified balance sheet (*meaning we don't have high concentrations within an industry or product, but rather we are diverse across multiple products, industries, and membership which mitigates potential risks*).
- We have rigorous governance/oversight protocols in place to review & manage risk through our:
 - Supervisory Committee
 - Loan Committee
 - Finance Committee
 - Governance Committee
 - Risk Committee and ALCO (*Asset & Liability Management Committee*) – where we continuously do stress and liquidity testing on a monthly and quarterly basis.

In addition, we also offer \$250K in additional deposit insurance for our members across all deposit accounts, raising our share insurance coverage from the \$250,000 offered by the National Credit Union Administration to \$500,000.

Unlike a bank, which is accountable to its shareholders, credit unions are not-for profit cooperatives that are accountable to their members, and our goal at First Commonwealth is to keep the best interests of you, our members, in mind to ensure the long-term viability of your credit union.

On behalf of the First Commonwealth Federal Credit Union Board of Directors, our Associate Board of Directors, our Supervisory Committee, and our Employees, I want to thank you for your membership.

President's Report – Donna LoStocco

While First Commonwealth successfully navigated the headwinds that Bill mentioned, we also worked incredibly hard to deliver exceptional support to our members who were impacted and struggled to make ends meet. For example, we helped many members tap into the equity in their homes to consolidate their high-interest credit card debt

through a Home Equity Loan – often saving them hundreds of dollars in expenses per month. Additionally, through our First Front Door program we helped first-time homebuyers who would otherwise be priced out of the market due to historic high rates.

I am proud and humbled to share a few key accomplishments we achieved in 2023:

- Increased our focus on serving the underserved:
- Committed \$100,000 over three years to Raub Middle School (low-income area in Allentown)
- Participated in the family loan program from Norwescap in Warren County, NJ to grant low dollar loans to the underserved to meet expenses.
- Added to our underserved areas: Easton, Bethlehem, Allentown, Phillipsburg, and an application for Berks County was just recently approved.
- Participated in the Allentown and Easton affordable housing programs.
- Presented financial wellness programs to middle school students.

Our focus in 2024 includes, but is not limited to:

- Successful integration of St. Elizabeth Credit Union (*with Legal Day 1 now behind us as of 4/1*)
- Successfully integrating Bellco Federal Credit Union, which will further expand our footprint under the First Commonwealth brand in Berks County, adding an additional 13,000 members, ~ \$173M in additional assets, and two new to First Commonwealth, but well-established financial centers to serve our growing membership.
- Continuing to explore opportunities to make an impact in our underserved markets.
- Saying 'yes' to more borrowers through our progressive loan programs.
- Exploring the addition of a small retail location in Easton (banking desert).

Our commitment to you, our members, remains to be fiscally strong and safe, devoted to our mission, focused on meeting our growing membership's evolving needs, and continue to be an advocate for diversity, equity, and financial inclusion while delivering exceptional experiences.

I also want to thank our Board of Directors, Associate Board of Directors, Supervisory Committee, and First Commonwealth employees for their commitment to our mission of *empowering your pursuit of financial happiness!*

We know that you have many options when it comes to banking and financial services, and we do not take your membership for granted.

On behalf of the entire First Commonwealth Federal Credit Union team, Donna thanked everyone for their membership.

Donna stated that we look forward to continuing to be your trusted financial partner in the months and years to come!

Supervisory Committee Report –Steve Farnesi

Steve reported that the Supervisory Committee is a statutorily required committee for all federally chartered credit unions. It consists of member volunteers appointed by the Board of Directors.

Steve went on to say that it is the opinion of the Supervisory Committee that First Commonwealth continues to operate in a safe and sound manner, in compliance with all laws and regulations, and with appropriate internal controls in place. The Supervisory Committee further has concluded that the financial statements included in the Annual Report fairly represent the strong financial position of First Commonwealth Federal Credit Union.

Report of Election/Election Results

Peter Hance, Secretary, reported on this year's election. There were four nominees for positions on the Board of Directors. Three for three-year positions each and one one-year position. Nominees for the Board of Directors are:

Ngozi Bell
Juan Martinez
Ritchey Ricci
Eric Schantzenbach

Since the nominees are running unopposed, Pete cast one vote for each of the four nominees. Each were elected to a position on the Board of Directors. Congratulations!

Following the Report of Election, Donna presented a \$1,500 scholarship award to 10 high school seniors. These individuals displayed leadership qualities as well as a strong commitment to helping others in the community. Congratulations to the following recipients:

Ella Steirer from Northampton Area School High School
Adrian Pirog from Notre Dame High School
Chloe Shotko from Wilson Area High School
Maeleen West-Speigler from Freedom high School
Godoberto Rivera from Easton Are High School
Emma Crosson from Liberty high School
Thomas Seislove from Emmaus High School
Braydon Chwatek from Fleetwood High School
Olivia Wynn from Parkland High School
Reagan Lindaman from Lehigh Valley Charter High School

Bill Ehritz extended a congratulations to all the scholarship recipients.

Bill then entertained a motion for adjournment. A motion was made by John Melcher and seconded by Diane Besz to adjourn First Commonwealth's 65th Annual Meeting. All agreed; motion carried.

Meeting adjourned 5:26 p.m.

William Ehritz, Chairman

Peter Hance, Secretary

Sharon L. Borgman, Recording Secretary