

MINUTES OF THE 64th ANNUAL MEETING OF FIRST COMMONWEALTH FEDERAL CREDIT UNION

Preliminary – To be approved at 2024 Annual Meeting

First Commonwealth Federal Credit Union's 64th Annual Meeting was held on Wednesday, April 19, 2023. Chairman William Ehritz called the meeting to order at approximately 5:10 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 63rd Annual Meeting and to dispense with the reading of those minutes. A motion was made by Deborah Gross and seconded by Joan Kisslinger to approve the minutes of the 63rd Annual Meeting and to dispense with the reading of those minutes. All agreed; motion carried.

Chairman's Report – William Ehritz

Good afternoon, everyone! As Chairman of First Commonwealth Federal Credit Union's board of directors it is a privilege to represent over 77,000 members and 1,950 employer partners who have chosen the credit union to be their trusted financial partner.

I'm pleased to report that we delivered solid performance results in 2022 by continuing to effectively serve our members and support our communities across the Lehigh Valley. You'll find details of our Statements of Income and Financial Condition outlined within our 2022 Annual Report.

I'm also happy to share that we're on track to meet our long-term objectives outlined in our 5-year strategic plan.

As we set our sights on 2023 and beyond, we heightened our focus on two strategic imperatives:

1. Delivering more value to our members, which we will execute in large part through our newly launched Benefit Checking Program AND
2. Serving the underserved communities across the Valley
 - There is much potential for us to address the many needs of our neighbors in the community who lack access to basic financial services that many take for granted.
 - We can and we will make a difference through financial literacy, household budgeting, and products & services that help put our underserved neighbors on a path to financial stability & wellness.

Despite significant market volatility driven by inflation, rising interest rates, and other external forces such as the recent bank failures, First Commonwealth continues to be a safe and sound financial institution.

Here are just some of the ways that we ensure our continued safety, stability, and financial soundness:

- Your deposits are insured up to \$500,000 through a combination of NCUA insurance and private deposit insurance we purchase on behalf of our members

- This coverage is DOUBLE what you receive at the vast majority of other financial institutions
- We're very well capitalized at over 10% Net Worth vs. NCUA's definition of being well-capitalized at 7% or higher.
- And we continue to maintain substantial liquidity reserves to meet both short and long-term obligations.
- We do not have concentration risk (*meaning we don't have too many members in any one industry, and we diversify our concentration across multiple products, industries, and membership to limit potential risks*).
- Additionally, we have rigorous governance and oversight protocols in place to review and effectively manage risk through our:
 - Supervisory Committee
 - Loan Committee
 - Finance Committee
 - Risk Committee and ALCO (*Asset & Liability Management Committee*) – where we continuously do stress testing, and liquidity testing on a monthly and quarterly basis.

Unlike a bank, that 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

The theme of uncertainty we've seen since 2020 carried into 2022. However, please know that your credit union continued to thrive!

I am proud and humbled to share a few of our many accomplishments from 2022:

- We began 2022 on a high note – with over \$1 billion in assets, which is a remarkable milestone in our more than 60 years of history!
- With the integration of Baker Federal Credit Union into First Commonwealth, we welcomed over 4,500 members and the Phillipsburg Financial Center. This merger expanded our footprint and reach beyond Pennsylvania into the state of New Jersey.
- Despite rising interest rates, we supported our members with significantly more loans last year. And we intend to do the same in 2023.
- In 2022, we also gave back to our communities more than ever before, and we launched two new corporate social responsibility initiatives that supported charitable organizations, and the small, locally owned businesses that surround our 12 financial centers.

- As a not-for-profit financial cooperative, it is our team's goal to attain key financial targets to ensure the long-term viability of the credit union. I can confidently continue to say, your credit union remains strong and continues to grow!

Looking forward, we'll continue to focus on our strategic imperatives, which in 2023 include:

- Developing programs specifically tailored to support underserved members and communities.
- Offering the right mix of products and services that provide the highest value to our members. Rewarding our engaged members through our new loyalty program, Benefit Checking.
- Offering comprehensive and progressive solutions to our business members, and
- Continuing to align ourselves with community organizations that are important to you, our members.

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, Our Associate Board of Directors, our Supervisory Committee, and First Commonwealth's employees for their commitment to our mission of empowering the 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, **THANK YOU** for your membership. 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. Members of the committee were acknowledged earlier.

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 the Credit Union.

Report of Election/Election Results

Peter Hance, Secretary, reported on this year's election. There were three nominees for three positions on the Board of Directors. Each are for a three-year term. Nominees for the Board of Directors are:

Vincent Gorman
Peter Hance
Gary Matika

Since the nominees are running unopposed, Pete cast one vote for each of the 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:

Jacob Bruce (Nazareth HS)
Cathlene Moatz (Kutztown Area HS)
Caitlin Kirk (Northern Lehigh HS)
Natalie Mack (Emmaus HS)
Chantall Perira-Eras (Louis Deiruff HS)
Reshma Beraj (Emmaus HS)
Jack Nemshick (Weatherly Area HS)
Alyssa Rachwal (Liberty HS)
Danielle Dougherty (Northern Lehigh HS)
Sophie Steirer (Northampton HS)

Bill Ehritz extended a congratulations to all the scholarship recipients and then entertained a motion for adjournment. A motion was made by Jeffrey Zettlelmoyer and seconded by Julie Moakley to adjourn First Commonwealth's 64th Annual Meeting. All agreed; motion carried.

Meeting adjourned 5:31 p.m.

William Ehritz, Chairman

Peter Hance, Secretary

Sharon L. Borgman, Recording Secretary