

## NOTICE OF MEETING OF THE MEMBERS OF ST. ELIZABETH CREDIT UNION

The Board of Directors of St. Elizabeth Credit Union has agreed to join forces with First Commonwealth FCU. Therefore, the board has called a special meeting of all Members to be held:

**Thursday, February 15, 2024 @ 6:30 P.M. EST**  
**St. Peter RC Church**  
**4 South 5<sup>th</sup> Street**  
**Coplay, PA 18037**

**The purpose of the Special Meeting & Member Action is:**

1. To consider and act upon a plan and proposal for merging St. Elizabeth Credit Union with and into First Commonwealth Federal Credit Union (Continuing Credit Union) all assets and liabilities of St. Elizabeth Credit Union will be merged with and into First Commonwealth FCU. All members of St. Elizabeth Credit Union will become members of First Commonwealth FCU and will be entitled to and will receive shares in First Commonwealth FCU for the shares they own in St. Elizabeth Credit Union on the effective date of the Merger.
2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of St. Elizabeth Credit Union, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of St. Elizabeth Credit Union encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed mail ballot to vote on the proposed Merger. You may also cast your in person at the meeting.

If you wish to submit comments about the Merger to share with other members, you may submit them to the National Credit Union Administration (NCUA) at <https://www.ncua.gov/support-services/credit-union-resources-expansion/resources/comments-proposed-credit-union-mergers>

or mail to:

NCUA, Credit Union Resources and Expansion  
1775 Duke Street  
Alexandria, VA 22314

RE: Member-to-Member Communication for merging St. Elizabeth Credit Union with and into First Commonwealth Federal Credit Union

The NCUA will post comments received from members on its website, along with member's name, subject to the limitations and requirements of its regulations.

**Other Information Related to the Proposed Merger:**

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the Credit Unions and the value of shares in both Credit Unions. The financial statements of both Credit Unions, as well as the projected combined financial statements of the Continuing Credit

Union, follow as separate documents. In addition, the following information applies to the proposed Merger.

### **Reasons for Merger**

Assessing the needs of our members over the years, St. Elizabeth Credit Union sought opportunities to offer better physical infrastructure, additional products and services which include Checking Accounts and a more modern and competitive banking service platform. First Commonwealth FCU shares St. Elizabeth's vision for delivery of innovative products and services with consideration for the financial well-being of our members and our community.

If approved the merger between St. Elizabeth Credit Union and First Commonwealth FCU will provide members with additional branch locations, more comprehensive and user-friendly digital services, and a wider array of loan products with more tailored terms administered with greater efficiency.

### **Net Worth**

St. Elizabeth Credit Union does have a higher net worth than First Commonwealth Federal Credit Union. Upon the merger, the net worth of St. Elizabeth Credit Union will transfer to First Commonwealth Federal Credit Union

### **Share Adjustment or Distribution**

#### **Member dividend:**

St. Elizabeth Credit Union's Board of Directors has determined to distribute a portion of its net worth back to its members. St. Elizabeth Credit Union will distribute a bonus dividend of 1.40% based on share balances or \$107,000 in total dividend, whichever is less. St. Elizabeth CU has a higher net worth than the First Commonwealth FCU after the merger dividend is paid. This determination was made due to the numerous new and improved products and services that will be available to all members after the merger. These services will include Certificate of Deposits which offer much higher rates, a robust Digital Banking Program, as well as Benefit Checking where members will earn monthly cash back based on usage.

<b>Credit Unions at 09/30/2023</b>	<b>Total Net Worth</b>	<b>Total Assets</b>	<b>Net Worth Ratio</b>
First Commonwealth FCU	\$116,611,593	\$1,170,396,196	10.55%
St. Elizabeth CU	\$2,390,678	\$10,172,897	23.50%
<b>Combined CU</b>	<b>\$119,002,271</b>	<b>\$1,180,569,093</b>	<b>10.08%</b>

### **Locations of Merging and Continuing Credit Union**

The one location of St. Elizabeth Credit Union will remain open post-merger. All First Commonwealth Federal Credit Union locations and ATMs will remain open post-merger. The following branch locations will serve members following the merger:

Allentown Financial Center – 450 Union Blvd, Allentown, PA 18109

Bethlehem Financial Center – 5500 Crawford Dr, Bethlehem PA 18017

Downtown Allentown Financial Center – 840 W Hamilton St Ste 122 Allentown, PA 18101

Easton Financial Center – 4300 William Penn Highway, 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 Lehigh, PA 18235  
Northampton Financial Center – 1903 Main Street, Northampton PA 18067  
Northwood Financial Center – 3515 Nazareth Rd Easton PA 18045  
Phillipsburg Financial Center – 501 Baltimore St Phillipsburg NJ 08865  
Trexler Financial Center – 6084 Hamilton Blvd Allentown, PA 18106  
Whitehall Financial Center – 2752 MacArthur Rd Whitehall, PA 18052

### **Changes to Services and Member Benefits**

St. Elizabeth Credit Union member deposits are currently federally insured up to the NCUA limit of \$250,000. First Commonwealth offers additional non-federal share insurance coverage through American Excess Share Insurance of \$250,000. Deposits at First Commonwealth FCU are covered up to \$500,000 per member. After the merger, the deposits of St. Elizabeth Credit Union members will be insured up to \$500,000 per member.

### **Merger-Related Financial Arrangements**

NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger. There are no financial arrangements related to the merger and no material retention agreements, or compensation agreements related to the merger.

### **Merger Approval and Ballot**

The proposed merger must have the approval of the majority of members who vote. Enclosed with this Notice of Special Meeting is the Ballot for Merger Proposal. Please complete the Ballot and return it to:

CU Ballot — Election Processing  
P.O. Box 3156  
Dublin, OH 43016-9842

**To be counted, your ballot must be received by Noon, February 15, 2024 EST.** Mail ballots **received** after this date and time will not be counted. You may also cast your vote in person at the meeting before 6:30 P.M. EST Thursday February 15<sup>th</sup>.

BY THE ORDER OF THE BOARD OF DIRECTORS

*Robert Hauke Jr.*

12/11/2023

President

Date