

Membership Matters



From the Desk of Our President / CEO

On behalf of the Board of Directors and staff of Piedmont Advantage Credit Union (PACU), I extend a sincere thank you for your continued membership and patronage. Let's continue to pray, with pandemic restrictions eased, the worst is behind us and brighter days are ahead.

Your Credit Union is no stranger to challenges since forming 73 years ago to provide access to affordable credit to Piedmont Aviation and Piedmont Airlines employees. Thankfully, our field of membership has expanded over the years since the consolidation of the aviation industry. We've been around a long time, because compassionate employees and visionary board members have had a remarkable resolve to meet the many needs of our members and communities we serve during challenging times. This resolve also extends to the financial health of your Credit Union.

Therefore, as we enter the third year of the pandemic, we have taken steps to adjust our long-term growth strategy to include a Branch Realignment Plan, which we believe, will position your Credit Union for future growth and ongoing exceptional member service that you're accustomed to receiving.



Dion Williams, President / CEO

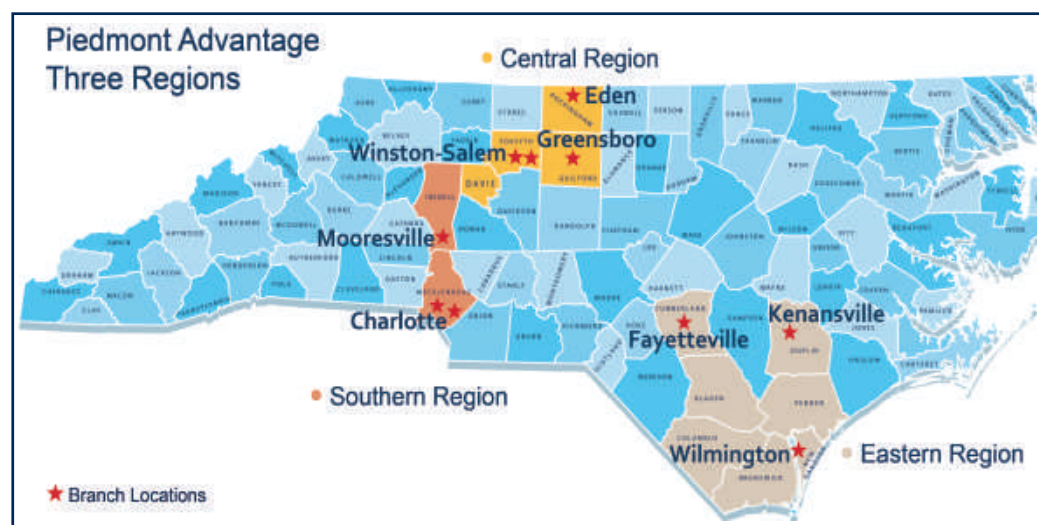
Background

Deposits increased more than \$100 million in a little over a year. Coupled with historically low interest rates and changing consumer habits in spending and borrowing, earnings did not keep pace with that growth. In prior messages, I have referred to the Credit Union's net worth as its "rainy day fund." To be considered well capitalized, a credit union's net worth ratio must be greater than 7%. Prior to the pandemic, PACU had a net worth ratio of approximately 10%. As of the end of 2021, the ratio had dipped just below 8%, largely attributed to the unprecedented growth in deposits.

The map below illustrates the current branch alignment of PACU. As you can see, we are spread out from central North Carolina to the eastern part of the state. Yet, using a round number, the eastern portion of the state represents only 10% of the membership and asset base of the Credit Union. The other 90% of our membership and assets are in the Triad and Charlotte

markets. You may also recall from previous messages that your Credit Union deploys its earnings in three ways:

1. Build reserves for rainy days.
2. Offer members low fees, higher dividends on deposits and lower rates on loans.
3. Invest in technology and infrastructure for the benefit of members.



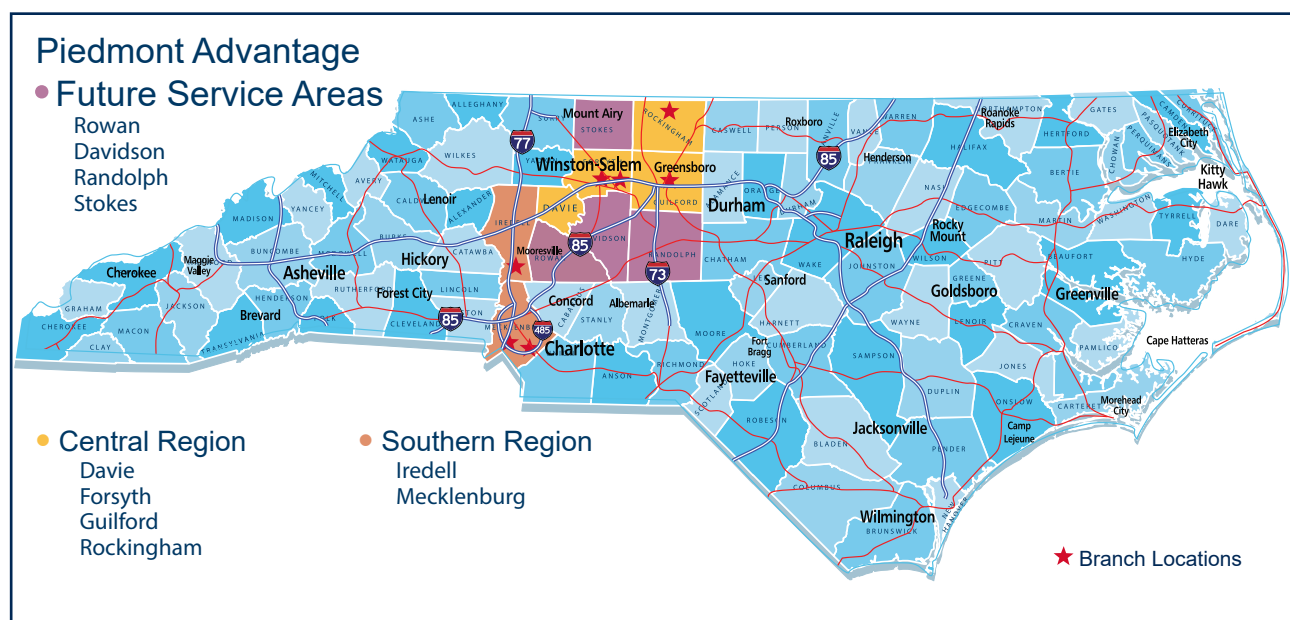
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During the pandemic, earnings were impacted and deposits grew at an unprecedented rate, which adversely impacted our reserves. Investments were made in technology and infrastructure, such as an enhanced credit and debit card program, upgraded ATM's, a relocated Greensboro branch, business services and an enhanced platform for account opening and loans. As always, every effort was made to provide the most competitive rate and fee structure for members throughout the pandemic.

Where the economic realities of the pandemic set in were in relation to plans to relocate branches in the Fayetteville and Wilmington markets. The impact to earnings and reserves made it no longer feasible to pursue those projects. Another challenge throughout the eastern part of the state was in terms of staffing. The majority of the PACU staff is in the Triad and Charlotte markets; thus, when there was a staffing shortage in the eastern part of the state due to the pandemic, it was a hardship to provide the coverage to meet the needs of members. Even within the Charlotte market, the Atrium branch in the Charlotte Douglas International Airport had to close for a period of time during the pandemic. With the background information provided, I now want to share the PACU Branch Realignment Plan that comes full circle to an exciting future growth plan!

Realigning for a Strong Future

With the unanimous support of the Board of Directors, Piedmont Advantage Credit Union has made the strategic decision to exit the eastern part of the state to focus our future growth on connecting the Triad to Charlotte markets, where approximately 90% of our members and assets are based and the Piedmont brand is strong.



Subject to the regulatory approval process, PACU is spinning off its Fayetteville and Kenansville markets to our shared branching partner, Bragg Mutual Federal Credit Union. Though the current PACU branch in Fayetteville is no longer operational, Bragg Mutual is well established in the Fayetteville market for the continued convenience of members. In Kenansville, Bragg Mutual will be assuming the current PACU branch location and members will enjoy seeing the familiar faces of PACU staff that will transition over to being Bragg Mutual team members. The completion date for this portion of the realignment plan is anticipated to be by the end of May.

Also subject to the regulatory approval process, PACU is spinning off its Wilmington market to Self-Help Credit Union. Self-Help is well established in the Wilmington market for the continued service of PACU members. The completion date for this portion of the realignment plan is anticipated to be by the end of April. Current Wilmington staff will have continued employment opportunities with Self-Help.

One final piece of the realignment plan is the consolidation of the Atrium branch in the Charlotte Douglas International Airport into our Boyer Street branch, which is less than two miles away. As mentioned earlier, the pandemic resulted in some periods of time in which the Atrium branch was not operational. Regrettably, the airport's lease agreement with a large national bank has led to barriers for your Credit Union in making essential upgrades and service delivery enhancements to continue operating this branch location.

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Although our Atrium Branch is closing, you will still have access to some financial services at the Charlotte Douglas International Airport. American Airlines Federal Credit Union, located in the baggage claim, is a shared branching partner and the PACU ATM located in AA Maintenance will remain in place for your use. Additionally, we will continue to pay any non-PACU ATM fees you may incur at the Charlotte Douglas International Airport. When you need assistance gaining access to affordable credit or our other products and services, your trusted, familiar Piedmont Advantage employee, Dorie Rickard, won't be far away at the Boyer Street branch as our newest Community Development Executive.

Once more, some difficult decisions were made resulting from the economic realities of the pandemic to ensure the viability of your Credit Union for future generations. Yet, this is not a contraction plan. Rather, it is a strategic realignment to facilitate future growth!

The immediate reduction in assets will improve the Credit Union's net worth ratio. The reduction in branches significantly lowers operating expenses on an annualized basis. This sets the stage for replenishing reserves, continued return to members through favorable rate and fee structures and continued investment in technology and infrastructure.

In fact, the next branch location in our Triad to Charlotte emphasis is already in the works. Mocksville will be the next PACU branch location, with the expectation of a late 2022 or early 2023 opening date. The branch network of the future, as indicated on the map, connects the Triad to Charlotte markets where the Piedmont brand is well recognized.

Our commitment to you, as member-owners of Piedmont Advantage Credit Union, is not just today or in the short-term. Rather, our commitment is to provide you a strong Credit Union for your children, grandchildren and many future generations as your financial partner for life. Simply Service is our way of life in meeting your needs today and well into the future. Thank you for the opportunity to serve you!

Upcoming Holiday Closings



Good Friday	4.15.22
Memorial Day	5.30.22
Juneteenth	6.20.22
Independence Day	7.4.22
Labor Day	9.5.22
Columbus Day	10.10.22
Veterans Day	11.11.22
Thanksgiving	11.24.22
Day After Thanksgiving	11.25.22
Christmas Day	12.26.22
New Year's Day	1.2.23

Board of Directors

The Piedmont Advantage Board of Directors represents the history and tradition of the Credit Union as well as a commitment to the members and communities we serve. Directors are volunteers and serve without compensation; so their time, talent and knowledge are shared with the Credit Union as a labor of love.

Tom Mekis, Chairman
Steve Gilliland, Vice Chairman
Mark Saunders, Secretary
John Reece, Treasurer

Darren Cranfill, Director
Justine Lerch, Director
Mark Linville, Director
Brian Myers, Director
George Price, Director

Ramon Hoots, Director Emeritus
Gene Sharp, Director Emeritus
Jim Taylor, Chairman Emeritus

Supervisory Committee

The Supervisory Committee ensures the Board safeguards assets and management complies with the organization's established policies. Committee members also are volunteers.

Toni Douglas
Diana Santos-Johnson



The Credit Union Mortgage Association (CUMA) has awarded Piedmont Advantage the Platinum Award for generating more than \$26 million in mortgage loan production in 2021.

CUMA partners with more than 90 credit unions nationwide to offer mortgage services and access to the secondary mortgage market and government-secured loans.

Congratulations to all of our teammates for making a difference in the lives of our members.

Break Free from Debt

Don't miss out on this limited-time solution to pay off and consolidate high interest credit card debt. **Offer expires April 30, 2022!**



Getting out of debt is not a one-step process. It requires making changes to how you spend and save.

To help ease the stress that comes with high-interest debt, consider our Debt Simplified Loan¹ that consolidates your debt into a special fixed APR as low as 7.00% and no higher than 9.00%.²

- You'll save money by replacing high-rate debt with a lower rate.
- You'll take a positive step toward improving your financial picture.
- You'll simplify your finances by having only one monthly payment.

Ready to get your Debt Simplified? Go to PACU.com/Simplify, call 800.433.7228 or visit your branch!

¹Available from 1.15.22 to 4.30.22. Loan proceeds must be used to pay off existing credit card debt and PACU will control and disburse loan proceeds accordingly. Maximum loan amount is \$10,000 and repayment term is one year per \$1,000 borrowed up to a maximum term of five years. Loan proceeds cannot be used to pay off existing PACU credit card debt and total combined PACU unsecured loans may not exceed \$30,000.

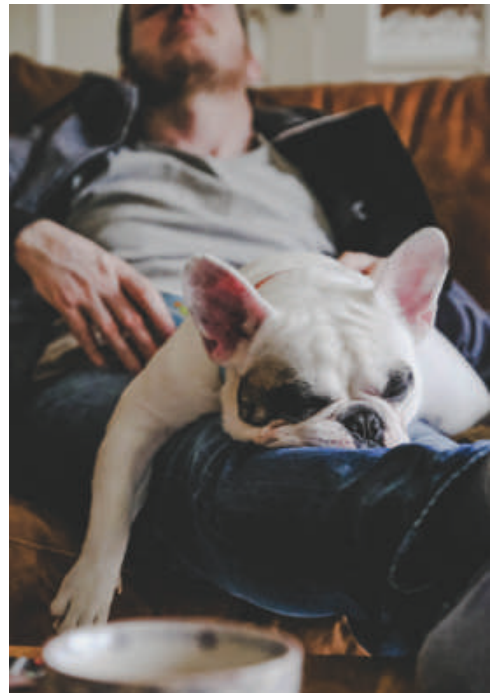
²APR (Annual Percentage Rate). Fixed rate between 7.00% APR and 9.00% APR depending on credit history and profile. All loans subject to credit approval; minimum credit score of 630 required to qualify.

8th Cooperative Principle adopted

In February 2022, the Board of Directors unanimously adopted a resolution in support of an 8th Cooperative Principle, Diversity, Equity and Inclusion, which states we are stronger when a proactive effort is put forth to engage everyone in governance, management and representation.

"Special thanks to our Diversity and Inclusion Committee for their engagement and collaboration on this important moment in Piedmont Advantage's history," said President / CEO Dion Williams.

To read this resolution and to learn more about our eight cooperative principles, go to PACU.com/Principles.

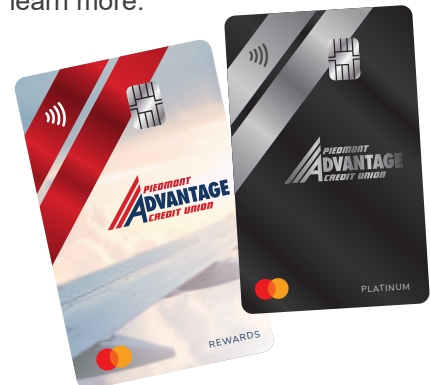


Relax with PACU's low, fixed rate products

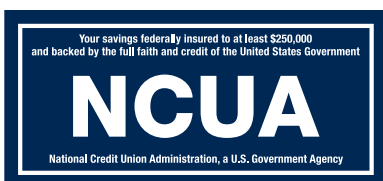
The Federal Reserve recently raised interest rates, a first since 2018. This decision raises rates on many mortgage and credit card products with variable-rates.

Our Liberty Loan* and Mastercards with low, fixed rates remain unchanged. If you're one of our many members who already has a Liberty Loan and one of our exceptional credit cards, you can relax even though the Federal Reserve has indicated it intends to raise rates several more times in the coming months.

If you're not a Liberty Loan or credit card account holder, go to PACU.com, call 800.433.7228 or visit your branch to learn more.



*Liberty Loan available only in NC and SC



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