



Important Message to Members

Dear Member,

At Saint Matthew's Federal Credit Union, we have always been committed to meeting the financial needs of our members by offering convenient and affordable products and services.

That's why, a few months ago, Saint Matthew's Federal Credit Union began exploring opportunities and reached out to Chartway Federal Credit Union to offer the kind of access, products, and services needed to maintain a competitive edge in a progressively demanding market environment.

Why is Saint Matthew's Federal Credit Union pursuing a merger with Chartway Federal Credit Union?

Very simply, both Chartway Federal Credit Union and Saint Matthew's Federal Credit Union have a shared commitment to our team, members, and communities.

Following thorough research and consideration, Saint Matthew's Federal Credit Union identified an opportunity to join with Chartway Federal Credit Union – a local credit union recognized for its financial strength and strong cultural commitment to making life more affordable and strengthening the communities it serves.

Our top priority is to ensure that you have access to the kind of financial consistency you can depend on, along with access to products and services that will make your life more affordable. Chartway offers all of that *and* much more.

Who is Chartway Federal Credit Union?

Chartway Federal Credit Union is a \$2.3 Billion credit union driven by a desire to make life affordable for its members through solutions rooted in its member-first commitment. Chartway offers straightforward checking accounts, competitive rates, versatile savings products, and a full slate of Online, Mobile, Video, and Telephone Banking Services, including Mobile Deposit, Mobile Bill Pay, and Digital Wallets.

Guided by its Vision, Mission, and Values, Chartway has the honor of being one of the largest credit unions in the country. With membership concentrations in Virginia, Utah, and Texas, the organization is consistently recognized for its financial strength, its commitment to putting members first, and for its philanthropic efforts through the credit union's charitable arm, the We Promise Foundation, which has raised more than \$11 million to provide life-changing experiences that bring joy, hope, and smiles to children facing medical hardship or illness.

What are the benefits of this potential partnership?

SMFCU members will benefit from Chartway's expansive branch and Direct Teller/ATM network, access to affordable products and services, highly competitive rates, fewer fees, a 24/7 Member Solutions Center, and the latest Online, Mobile, Video, and Telephone Banking Services, including Mobile Deposit, Mobile Bill Pay, and Digital Wallets, as follows:

- 17 additional Chartway branches in Hampton Roads and more than 30 branches nationwide
- Nearly 30 additional ATM / Direct Teller locations in Hampton Roads and more than 60 total ATMs nationwide (plus thousands of surcharge-free ATMs through our CO-OP partnership)



Important Message to Members

- Direct Teller: an interactive ATM that allows you to connect with a live teller from the convenience of your car at many of our drive-thru locations.
- Credit Cards, Home Equity Loans, Mortgage Loans, Recreational Loans, and Personal / Student Loans
- Multiple Checking, Savings, and Certificate Account Options
- Online, Mobile, Video, and Telephone Banking
- Digital Wallet (Apple Pay, Android Pay, and Samsung Pay) and Electronic Bill Pay

Notice of Special Meeting of Members and Merger Ballot

Enclosed, please find a Notice of Special Meeting of Members and a Merger Ballot. You are invited to attend this special meeting on **Monday, November 16, 2020, at 6 PM ET**. As a result of the COVID-19 pandemic, the meeting will be hosted virtually.

To attend the virtual Special Meeting of the Members, please register in advance at the following address:

www.chartway.com/stmatthews

The purpose of this meeting will be to discuss the benefits and opportunities the merger with Chartway will bring. It is the recommendation of your Board of Directors that you vote "Yes" on the merger with Chartway Federal Credit Union.

When Might This Merger Occur?

If approved by the majority of the members who vote, the date for the merger would be December 31, 2020.

We are excited about this opportunity and appreciate your support and trust. Please rest assured that we are committed to ensuring this transition process goes smoothly for you and to supporting you every step of the way.

We look forward to seeing you on **Monday, November 16, 2020, at 6 PM ET**. For more information, please call us at (877) 589-4108, visit www.chartway.com/stmatthews, or stop by our branch location.

Sincerely,

Christine Winner
Chairperson of the Board of Directors

JoAnne Siebels-Breen
Manager/Treasurer



Notice of Meeting of the Members of Saint Matthew's Federal Credit Union

On March 16, 2020 the Board of Directors of Saint Matthew's Federal Credit Union approved a proposition to merge with Chartway Federal Credit Union. To vote on this proposition, the Board of Directors of Saint Matthew's Federal Credit Union have called a Special Meeting of the Members on:

Monday, November 16, 2020, at 6:00 PM ET

Due to the extreme circumstances created by the COVID-19 pandemic, the National Credit Union Administration is allowing the Special Meeting to be held virtually to protect the health and safety of all members.

To attend the virtual Special Meeting, please register in advance at the link below:

www.chartway.com/stmatthews

The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Saint Matthew's Federal Credit Union with and into Chartway Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of Saint Matthew's Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Saint Matthew's Federal Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in Saint Matthew's Federal 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 Saint Matthew's Federal 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 Saint Matthew's Federal Credit Union encourages you to attend the virtual 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 ballot to vote on the proposed merger.

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/services/Pages/resources-expansion/comments-proposed-merger.aspx>

Or: Office of Credit Union Resources and Expansion (CURE), NCUA, 1775 Duke Street
Alexandria, VA 22314.

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



Notice of Meeting of the Members of Saint Matthew's Federal Credit Union

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 statement of the continuing credit union, are included at the end of this notice. In addition, the following information applies to the proposed merger.

The Board of Directors has concluded that the proposed merger is desirable and in the best interests of members because Chartway offers significantly more products and services than SMFCU is currently able to offer to members. Chartway has the resources and size to provide competitive rates, significant account access through multiple branch locations and state of the art technology, and more products and services to benefit members. Chartway has a history of strong financial performance and member service and is able to provide SMFCU members with extensive financial benefits. In addition to the many improvements in service, access, and products available to members through a merger with Chartway, it continues to be more difficult to find volunteers who wish to serve in such a time consuming role on the Board of Directors, putting the long term success of the credit union in question.

Benefits of the Merger with Chartway

As part of Chartway, SMFCU members would benefit from access to a larger branch and ATM network, convenient digital account services, affordable products, and more competitive rates. Some of the reasons to vote "Yes" for the merger are outlined below:

Expanded Products & Services

- 17 additional Chartway branches in Hampton Roads and more than 30 branches nationwide
- Nearly 30 additional Credit Union ATM / Direct Teller locations in Hampton Roads and more than 60 total ATM / Direct Teller locations nationwide
- CO-OP Shared Branch Network
- CU24 CO-OP Shared ATM Network
- All-Point ATM network
- Direct Teller: an interactive ATM that facilitates fast, accurate, and personal interactions using a live web camera at many drive-thru locations
- Multiple Checking Account, Savings Account, and Certificate Options
- Credit Cards, Home Equity Loans, Mortgage Loans, Recreational Loans, and Personal / Student Loans
- Auto, RV, Boat, and Motorcycle Loans
- Competitive Savings and Loan Rates
- Online, Mobile, Video, and Telephone Banking
- Digital Wallet (Apple Pay, Android Pay, and Samsung Pay)
- Electronic Bill Pay



Notice of Meeting of the Members of Saint Matthew's Federal Credit Union

More Branch Locations

SMFCU's main office located at 6477 College Park Sq., Ste. 200, Virginia Beach, VA, 23464, will remain open for a minimum of 60 days following the effective date of the merger on December 31, 2020. The main office location's lease expires October 31, 2021 and it has been decided that renewing the lease is not necessary, as Chartway has 17 branch locations in the Hampton Roads area to serve SMFCU members and an additional 30 branches nationwide. Below are the Chartway branch locations in proximity to SMFCU and the greater state of Virginia.

Chartway Branch Locations

**Indicates branch locations in closest proximity to SMFCU membership*

Chartway Headquarters

5700 Cleveland Street
Virginia Beach, VA 23462

General Booth

2089 General Booth Blvd
Virginia Beach, VA 23454

Lynnhaven

100 Lynnhaven Pkwy
Virginia Beach, VA 23452

Holland

3841 Holland Road
Virginia Beach, VA 23452

Ferrell Parkway*

5004 Ferrell Pkwy, Ste. 100
Virginia Beach, VA 23464

Great Neck

1316 N Great Neck Road
Virginia Beach, VA 23454

Kellam Road

304 Kellam Road
Virginia Beach, VA 23462

Great Bridge

575 Cedar Road
Chesapeake, VA 23322

Greenbrier*

1405 Stephanie Way
Chesapeake, VA 23320

Newtown / Kempsville*

132 Kempsville Road
Norfolk, VA 23502

Hampton Blvd

4702 Hampton Blvd
Norfolk, VA 23508

C9 - Naval Station Norfolk

1731 Gilbert Street
Norfolk, VA 23511

Southern Shopping Center

865 Tidewater Drive
Norfolk, VA 23505

Raby Rd*

5670 Raby Rd
Norfolk, VA 23502

Harbour View

5836 Harbour View Blvd, Ste. 300
Suffolk, VA 23435

Additional Branch Locations Outside of Virginia

Grantsville

430 E Main Street
Grantsville, UT 84029

Cedar City

444 S Main St, Ste. B-2
Cedar City, UT 84720

Hurricane

85 N 200 W
Hurricane, UT 84737

Murray

5338 S College Drive
Murray, UT 84123

Tabernacle

333 E Tabernacle Street
Saint George, UT 84770

Sunset

1827 W Sunset Blvd
Saint George, UT 84770

Salt Lake Crossing

2210 South State Street
Salt Lake City, UT 84115

South Jordan

3557 W 9800 S
South Jordan, UT 84095

Stansbury

200 Millpond
Stansbury Park, UT 84074

Tooele

562 N Main Street
Tooele, UT 84074

Red Cliffs

1025 W Red Cliffs Drive
Washington, UT 84780

West Jordan

2089 W 9000 S
West Jordan, UT 84088

West Valley

4090 S 4800 W
West Valley, UT 84120

Champions

4373 FM 1960 West
Houston, TX 77068

Humble

9441 FM 1960 Bypass Rd W, Ste. 100
Humble, TX 77338



Notice of Meeting of the Members of Saint Matthew's Federal Credit Union

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. As of June 30, 2020, Saint Matthew's Federal Credit Union reported a net worth ratio of 15.75% and Chartway reported a net worth ratio of 8.64%.

Share adjustment or distribution: SMFCU will not distribute a portion of its net worth to its members in the merger. Due to the deteriorating equity position of the credit union, with monthly net losses year-to-date that are expected to continue throughout 2020, as well as the costs associated with the merger and integration, the Board of Directors has determined a share adjustment, or other distribution of SMFCU's net worth is not a prudent financial decision.

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.

In the event an employee of SMFCU does not continue employment with Chartway following the effective date of the merger on December 31, 2020, the following severance agreements were established in the terms of the merger proposal to thank these employees for their years of dedicated service to SMFCU. The severance agreements will be calculated on each employee's dedicated years of service.

Accumulated sick leave for SMFCU employees who had 10 years or more of service was paid to employees over a six-month period beginning February 2020 through July 2020. The SMFCU employee sick leave payouts were calculated by SMFCU with the percent of reimbursement based on years of service then applied to accumulated sick leave hours at the employee's current hourly rate.

The following details the specific financial arrangements those individuals have received or may receive, according to the specifications described above:

Name	Title	Years of Service	Description of Increase	Amount
JoAnne Siebels-Breen	Manager/Treasurer	18.1	Severance Sick Leave	\$26,000.00 \$19,536.00
Sharon Sivells	Member Service Representative	9.7	Severance Sick Leave*	\$11,308.00 \$3,644.37
Tiffany Turk	Member Service Representative	6.3	Severance	\$3,780.00

**Sick leave was calculated based on 10 years of service as employee will have 10 years of service as of the merger effective date December 31, 2020.*



Notice of Meeting of the Members of Saint Matthew's Federal Credit Union

In Conclusion

Your vote is important and we urge you to take a minute to complete, sign, and return the enclosed ballot. The proposed merger must have the approval of a majority of members of Saint Matthew's Federal Credit Union who vote on the proposal.

Enclosed with this Notice of Special Meeting is a **Ballot for Merger Proposal**. Please complete the ballot and return it in the included postage paid envelope **no later than Monday, November 2, 2020, in order for your vote to be received and counted by the meeting** on Monday, November 16, 2020, at 6 PM ET.

As always, we are here to answer any questions you may have. Please call us at (877) 589-4108, visit www.chartway.com/stmatthews, or stop by our branch location.

BY ORDER OF THE BOARD OF DIRECTORS:

Christine Winner
Chairperson of the Board of Directors

September 23, 2020



**Chartway Federal Credit Union &
Saint Matthew's Federal Credit Union
Combined Statement of Condition
June 30, 2020**

Assets	Chartway FCU		SMFCU	Consolidated
Loans				
Total Loans	\$ 1,578,145,682	\$ 1,082,296	\$ 1,579,227,978	
Less Allowance for Loan Losses	(18,804,418.00)	(13,275.00)	(18,817,693.00)	
Net Loans	\$ 1,559,341,264	\$ 1,069,021	\$ 1,560,410,285	
Cash & Cash Equivalents	\$ 456,245,344	\$ 3,403,551	\$ 459,648,895	
Investments	88,580,361	1,096,651	89,677,012	
Land & Building (net)	40,157,493	-	40,157,493	
Other Fixed Assets	14,259,840	-	14,259,840	
NCUA Share Ins. Deposit	18,337,329	43,914	18,381,243	
Intangible Assets - Goodwill & CDI	71,797,027	-	71,797,027	
All Other Assets	97,625,266	52,439	97,677,705	
Total Assets	\$ 2,346,343,924	\$ 5,665,576	\$ 2,352,009,500	
Liabilities and Members' Equity				
Notes & Interest Payable	\$ 21,022,450	\$ -	\$ 21,022,450	
All Other Liabilities	20,816,915	7,446	20,824,361	
Shares:				
Prime Shares	\$ 597,765,790	\$ 2,967,752	\$ 600,733,542	
Money Market	319,039,833	-	319,039,833	
Share Draft	527,660,455	1,428,969	529,089,424	
IRA Shares	88,770,776	368,767	89,139,543	
Certificates	510,747,523	-	510,747,523	
Other Member Shares	52,210,440	-	52,210,440	
Non Member Deposits	3,470,060	-	3,470,060	
Total Deposits	\$ 2,099,664,877	\$ 4,765,488	\$ 2,104,430,365	
Total Liabilities	\$ 2,141,504,242	\$ 4,772,934	\$ 2,146,277,176	
Equity	\$ 204,839,682	\$ 892,642	\$ 205,732,324	
Total Liabilities and Members' Equity	\$ 2,346,343,924	\$ 5,665,576	\$ 2,352,009,500	



**Chartway Federal Credit Union &
Saint Matthew's Federal Credit Union
Combined Statement of Condition
June 30, 2020**

Income Statement	Chartway FCU		SMFCU		Consolidated
Operating Income					
Interest Income					
Interest on Loans	\$	37,808,806	\$	55,297	\$ 37,864,103
Interest-Bearing Deposits and Securities		1,615,769		23,624	1,639,393
Total Interest Income	\$	39,424,575	\$	78,921	\$ 39,503,496
Interest Expense					
Interest on Borrowed Money	\$	373,439	\$	-	\$ 373,439
Dividends		7,605,864		1,888	7,607,752
Total Interest Expense	\$	7,979,303	\$	1,888	\$ 7,981,191
Net Interest Income					
Provision Loan Loss	\$	7,292,785	\$	27,624	\$ 7,320,409
Net Interest Income after PLL	\$	24,152,487	\$	49,409	\$ 24,201,896
Non-Interest Income					
Fees and Service Charges	\$	6,309,235	\$	4,576	\$ 6,313,811
Miscellaneous Income		4,263,000		1,014	4,264,014
Total Non-Interest Income	\$	10,572,235	\$	5,590	\$ 10,577,825
Non-Interest Expense					
Salaries & Benefits	\$	18,236,061	\$	75,654	\$ 18,311,715
Occupancy		3,436,180		7,758	3,443,938
Operations		8,699,831		13,617	8,713,448
Loan Servicing		2,529,180		12,277	2,541,457
Professional & Outside		1,773,320		5,638	1,778,958
Other Operating Costs		2,761,287		2,985	2,764,272
Total Non-Interest Expense	\$	37,435,859	\$	117,929	\$ 37,553,788
Non-Operating Income (Expense)	\$	3,186,328	\$	-	\$ 3,186,328
Net Income	\$	475,191	\$	(62,930)	\$ 412,261