

A stated meeting of the Board of Directors of the Federal Reserve Bank of Philadelphia was held on June 20, 2024, at 10:00 a.m.

Present were:

| <u>Directors</u> | <u>Bank Staff</u> | |
|------------------|-------------------|-----------|
| Ibargüen | Harker | Hayes |
| Black | Rentezelas | Jones |
| Fry | Adamczyk | McClarren |
| Klein | Armenter | O'Donnell |
| Lo | Bush | Reilly |
| Maher | Carrizo-Beren* | Sanches |
| Matlock-Turner | Chazin | Silverman |
| Perkins* | Chonofsky | Smith |
| Snyder | Connelly | Spaniel |
| | Gallo | Tarlin |
| | Harris | |

**virtual*

Minutes of Previous Meetings

The directors approved the minutes of the Board of Directors' meeting and Executive Session meeting held on April 18, 2024, the Executive Committee meetings held on May 2, May 30 and June 6, 2024, and the Electronic Executive Committee meeting held May 16, 2024.

Executive Report

First Vice President Rentezelas congratulated Ms. Bush, manager of the Audit Department as the Conference of General Auditors (COGA) Award for Excellence recipient.

Credit Discount Report

During the nine-week period ending June 12th, the daily average for primary credit in the Third District was \$41.3 million. During this period, thirty-nine institutions had primary credit loans. One institution had secondary credit loans and no seasonal credit loans were extended during the same period.

At the System level, for the same nine-week period, the daily average was \$6.5 billion for primary credit and a minimal amount for secondary and seasonal credit.

On March 12, 2023, the Board of Governors announced the Bank Term Funding Program to make additional funding available to eligible depository institutions to help assure banks have the ability meet the liquidity needs of all their depositors. This program ended on March 11, 2024. As of June 12th, a total of \$759.6 billion in BTFP advances have been extended under the program with \$107.7 billion currently outstanding for 1,042 institutions. For the Third District, a total of \$2.4 billion in BTFP advances are currently outstanding for 36 institutions.

Report of the Audit Committee

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Page 3 of 6

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Report of the Management and Budget Committee

Mr. Maher, chair of the Management and Budget Committee provided a report during the executive session.

Dividend Resolution

Ms. Reilly, Chief Financial Officer, brought forward the resolution to pay the semi-annual dividend to the member banks.

The directors unanimously approved the following resolution.

DIVIDEND RESOLUTION

WHEREAS, Section 7 of the Federal Reserve Act provides that "after all necessary expenses of a Federal Reserve Bank have been paid or provided for, the stockholders of the Bank shall be entitled to receive an annual dividend on paid-in capital stock of-

i. In the case of a stockholder with total consolidated assets of more than \$12.517¹ billion, the smaller of-

- the rate equal to the high yield of the 10-year Treasury note auctioned at the last auction held prior to the payment of such dividend; and
- 6 percent; and

ii. in the case of a stockholder with total consolidated assets of \$12.517 billion or less, 6 percent."

THEREFORE, BE IT RESOLVED, that a six month dividend for the period ending June 30, 2024 at the rate prescribed by the Federal Reserve Act on the paid-in capital stock, payable on the 28th day of June 2024, be and is hereby declared to all stockholders on record of this Bank as shown by the books on that date, and that the officers of the Bank be and are hereby authorized and directed to pay and distribute to the said stockholders the dividend so declared.

Report on Economic Developments

Dr. Armenter, Executive Vice President and Director of Research reported disinflation appears to be resuming after 24Q1 bump. Balanced labor markets may be around the corner. Consumer spending appears to be losing momentum. Shelter inflation and goods inflation, excluding food and energy is decreasing. The education and health care sectors are providing the most jobs. There is a slow rise in the unemployment rate. Retail sales were below expectations in May. Industrial production is moving sideways.

Presentation on Quantum Computing

Dr. Sanches, Quantum Computing Director provided background on Philadelphia's Quantum Experience Center, technology overview, risks, opportunities and collaborations and policy setting input. The goals of the Quantum Experience Center are to assure the Federal Reserve System leverages quantum and advanced computing technology effectively and safely, and to mitigate associated cybersecurity risks.

Mses. Bush and Gallo, Dr. Sanches and Mr. Tarlin left the meeting.

Discussion of Business and Financial Conditions

Directors provided reports on their perception regarding pressures on prices paid and received by their businesses and area contacts. General comments include price increases from vendors is smaller, customers would be happy with prices that are in place today, costs remain "subdued"; however, import pricing is less than domestic pricing, and freight increases continue.

Having no further business, the meeting was adjourned at 11:30 a.m.

Linda O'Donnell
Assistant Corporate Secretary