

Merger FAQ for Alabama Rural Electric Credit Union (ARECU) Members

Why is ARECU pursuing a merger with AlabamaONE Credit Union?

Very simply, we want to provide our members the best value from your credit union while ensuring we continue to grow and thrive. Partnering with AlabamaONE will leverage the combined financial strength of \$660 million in assets, \$200 million in available lending capacity, and \$70 million in capital reserves to expand services, products, branch locations, and technology offered to our members, cooperatives, and businesses statewide.

Jeff Hodges, Chairman of Alabama Rural Electric Credit Union, said of the merger, “In our discussions with the AlabamaONE TEAM, we immediately saw the benefits and opportunities to offer a full-scale and modern banking experience to our members. Through the partnership with AlabamaONE, we saw an opportunity, at the right time, to provide our members throughout Alabama an elevated level of service and convenience unachievable with our current technology. And more importantly, AlabamaONE recognized and embraced the value of our credit union – such that we will continue to operate as Alabama Rural Electric Credit Union, a division of AlabamaONE.”

Loo Whitfield, Chairperson of AlabamaONE, also said of the partnership, “AlabamaONE is extremely pleased to welcome Alabama Rural Electric Credit Union to the AlabamaONE family! AlabamaONE has made substantial investments over the last two years in upgrading its digital banking technology and member experience. This partnership with Alabama Rural Electric Credit Union is immediate evidence these investments are paying off. While enjoying a state-of-the-art mobile banking experience and wide array of service offerings, Alabama Rural Electric members will also see our earnest commitment to promoting financial wellness among our members and youth through this partnership.”

Who is AlabamaONE Credit Union?

AlabamaONE has over \$630 million in assets and \$70 million in capital. AlabamaONE is a full-service financial institution, serving over 60,000 members in Tuscaloosa, Pickens, Mobile, Jefferson, and 18 other counties, including Fayette, Lamar, Walker, Bibb, Hale, Greene, Washington, Baldwin, Monroe, Escambia, Choctaw, Clarke, Wilcox, Marengo, Sumter, Morgan, Montgomery, and Shelby. Chartered in 1951, it is a member-owned organization with each member sharing equally in that ownership.

Are both credit unions financially strong?

Yes. Both credit unions are operating independently and are well capitalized. Members can access the annual call reports of both ARECU and AlabamaONE by visiting <https://mapping.ncua.gov/ResearchCreditUnion.aspx>.

How will members benefit?

A merger will provide the resources to better serve your financial needs through added branches and ATMs, robust online and mobile technologies, new products and services, and highly competitive rates. While nothing will change until member approval is received, this partnership will mean we can better anticipate and meet all of your financial needs.

What is the deadline my ballot is due?

To be counted, your ballot must be received no later than April 1, 2020 and mailed to the following address:

Alabama Rural Electric Credit Union
Attn: Ballot for Merger Proposal
340 TechnaCenter Drive
Montgomery, Alabama 36117

There was a special dividend mentioned in the merger packet sent by mail. What does this mean for each member?

As a part of the merger, all ARECU members in good standing as of September 30, 2019 will be paid a special dividend. This special dividend will be based on the member's combined balance of loans and deposits as of September 30, 2019. Each member will receive a minimum of \$10 with the potential for much higher based on your investment in ARECU. Special dividends will be paid within 30 days after final regulatory approval is received (by July 2020).

Will my accounts be insured?

As a member of ARECU, your deposits are covered by Excess Share Insurance (ESI) for up to an additional \$250,000 over the \$250,000 insured by the NCUA.

Will I still receive personalized service?

One reason our two credit unions are pursuing this merger is to better serve our members. You will continue to receive the same personalized service you do today. The phone number to contact us will not change. You may continue to reach us at 334.215.RECU (7328) or toll-free 800.381.RECU.

Will the merger affect membership eligibility?

Yes, in a great way! Together, AlabamaONE and ARECU will have a field of membership encompassing 57 counties throughout Alabama with an opportunity to serve over 500,000 households and 100,000 businesses within our merged field of membership which includes the employees and trustees of Alabama rural electric cooperatives, the family of Alabama rural electric cooperative employees, and the members of Alabama rural electric cooperatives. Our electric cooperative employees and member-customers across Alabama will have access to the latest online/mobile banking technology, affordable auto loan and mortgage products, aggressive rewards-driven credit cards, comprehensive insurance offerings, retirement/wealth advisory solutions, and financial wellness education.

Will the ARECU branch in Montgomery remain open?

Yes. The branch will remain open and operating hours will remain the same.

Will any of the employees of ARECU be laid off as a result of the merger?

No. The employees of ARECU will continue employment with ARECU and you will continue to receive the same personalized service you do today.

Can I use AlabamaONE branches now?

Not initially. We cannot integrate the operations of the two credit unions until after the proposed merger effective date expected for April 2020 and until the migration of both systems has occurred. This change will likely occur in late 2020 and we will notify members as soon as the branches are connected.

What about ATMs?

ARECU debit cards will work in all AlabamaONE ATMs eventually, but not yet. This technology cannot integrate the debit cards of the two credit unions until after the proposed merger effective date expected for April 2020 and until the migration of both systems has occurred. This change will likely occur in late 2020 and we will notify members as soon as the branches are connected.

Will my account or routing number change?

We are unsure, at this time, if changes to your account or routing numbers will occur. If there are any necessary changes, we will provide advanced notice of any change schedule to occur. It is our goal to minimize any impact to the account and routing numbers of our members.

Will my automatic bill payments, direct deposits, and automatic transfers change?

We are unsure, at this time, if changes to your automatic bill payments, direct deposits, and automatic transfers will be required. If there are any necessary changes, we will provide advanced notice of any change schedule to occur. It is our goal to minimize any impact to the accounts of our members.

What about my recurring transactions?

We are unsure, at this time, if changes to your recurring transactions will be required. If there are any necessary changes, we will provide advanced notice of any change schedule to occur. It is our goal to minimize any impact to the accounts of our members.

Will my online banking change?

Not initially. During the transition period, you will continue to use the same login credentials to access online banking. Over time, we will notify our members when the transition to AlabamaONE's online banking technology has taken place. At that time, you will be notified if there are any necessary changes to your online banking login and password.

Will my debit card still work?

Yes.

Will the terms of my existing ARECU accounts change?

Loans - Your existing loan contract will remain in effect until the loan is paid off.

Share Certificates - The terms of your existing share certificate will remain in effect until the maturity date.

Share, Checking, Club, and Money Market Accounts - Rates on these accounts will remain the same. These rates are subject to change at a later date based on market conditions.

Will the name of ARECU change?

No. We will continue operating as Alabama Rural Electric Credit Union, a division of AlabamaONE, thus preserving the heritage of our name and brand identity.

Will I still be able to use another credit union for shared branching?

Yes. Our members may still access our shared branching services at other credit unions.

What happens to the ARECU Board of Directors?

AlabamaONE Credit Union has honored our request to have (1) ARECU delegate on the AlabamaONE Board of Directors, as well as (1) ARECU delegate on the Supervisory Committee of AlabamaONE. Our board will continue to meet regularly as a committee to guide new opportunities in this new partnership.

What is the merger process and timeline?

The Alabama Credit Union Administration (ACUA) and National Credit Union Administration (NCUA) have approved our merger plans. With member support of the merger through the voting process, we anticipate a

close date in April 2020. The operating systems will be merged at a later date and members will be notified of any changes in advance.

What if I have additional questions?

We are here to answer your questions. Please do not hesitate to either credit union if you have any questions about this merger. You can reach us by contacting:

Alabama Rural Electric Credit Union
Phone: 334.215.RECU (7328) or toll-free 800.381.RECU
Email: arecumember.service@arecu.net
In Person: 340 TechnaCenter Drive Montgomery, Alabama 36117

AlabamaONE Credit Union
Phone: 800.225.0110
Email: marketing@alabamaone.org
In Person: 1215 Veterans Memorial Parkway Tuscaloosa, Alabama 35404