



February 13, 2023

Dear Powerco Federal Credit Union Member:

Please find included in this mailing a notice and ballot for your review and action. This ballot presents an exciting opportunity for all of us to vote on a new direction for Powerco Federal Credit Union (Powerco).

Over the last several years, the feedback we have received from the Powerco membership has clearly indicated a desire for better rates, low fees, additional products and services, and more full-service branches. It's the opinion of the Powerco Board of Directors that the best path for the future of Powerco lies in a merger with APCO Employees Credit Union (APCO).

Powerco and APCO have a strong financial foundation, and both serve employees of Southern Company and its affiliates and have many shared members, values, and approaches to serving their membership. Twice recognized by the Credit Union National Association as the nation's top credit union for delivering benefits to members, APCO serves 73,000 members, has 20 branch locations, and a 24/7 dedicated contact center to respond to member needs. Plus, APCO offers account access at over 5,600 shared branch locations and 30,000 ATMs throughout the United States.

APCO total assets are approximately \$3.5 billion, compared with Powerco total assets of approximately \$200 million. By merging Powerco's 15,000 members, the combined credit union will be poised to provide Powerco members enhanced customer service, greater investment in technology, higher savings rates, low fees, and a wider range of products and services to employees of Southern Company and its affiliated companies. Merging with APCO will allow for additional branch growth throughout Southern Company's territory, and your deposit accounts will continue to be safeguarded and federally insured, as they are now. Furthermore, Powerco will continue to be staffed with the same great team dedicated to providing exceptional member service. The Board of Directors of Powerco is confident this proposed merger presents a beneficial opportunity to ensure the long-term sustainability of Powerco and its membership. We encourage you to visit the links below to learn more about APCO Employees Credit Union as well as answer any questions you have about the merger and the merger process.

241 Ralph McGill Boulevard
Atlanta, Georgia 30308
(404) 506-3750 • (800) 633-5217
powerco.org



For more information, visit powerco.org/home/aboutus/merger or scan the QR Code below with your digital device.



To proceed with the merger a request was submitted, as required by the National Credit Union Administration (NCUA), for review and permission for us to proceed. The approval to merge was granted by the NCUA on January 26, 2023.

The Powerco Board of Directors is pleased to present you, our valued member, with the opportunity to vote on this very important recommendation. In order to finalize the merger, a membership meeting must be held to vote for and approve the merger with APCO Employees Credit Union. A membership meeting is currently scheduled for March 30, 2023, with a completed merger targeted by April 1, 2023. You have the option to vote early either electronically using the link below or you can vote early using the enclosed mail in ballot. You can also wait and vote at the membership meeting.

powerco.org/home/aboutus/merger

We recommend a YES vote on the ballot. It is truly a win-win for all of us!

Sincerely,
Janet Katzenberger
Powerco Board Chair

Daniel Blalock
Powerco CEO

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Atlanta, Georgia 30308
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powerco.org

Notice of Meeting of the Members of Powerco Federal Credit Union

The Board of Directors of Powerco Federal Credit Union have called a special meeting of the members of this credit union at Georgia Power Headquarters Kilowatt Room, 241 Ralph McGill Boulevard, Atlanta, Georgia, on March 30, 2023 at 3:00pm ET. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Powerco Federal Credit Union with and into APCO Employees Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of the Powerco Federal Credit Union be merged with and into the Continuing Credit Union. All members of Powerco 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 Powerco Federal Credit Union on the effective date of the merger.
2. To ratify, confirm and approve the action of the Powerco Board of Directors in authorizing the officers of Powerco 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 Powerco Federal 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 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://ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers>. You may also mail your comments to: National Credit Union Administration, Office of Credit Union Resources and Expansion, 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.

Other Information Related to the Proposed Merger:

The Powerco 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, follow as separate documents. In addition, the following information applies to the proposed merger.

Reasons for merger: The Powerco Board of Directors has concluded that the proposed merger is desirable and in the best interests of members for a number of reasons, such as better pricing and services, additional products, enhanced convenience and account access and lower operating costs. The merged credit union will also achieve economies of scale which will permit it to better compete in the increasingly competitive financial services industry. By joining

together, Powerco Federal Credit Union and APCO Employees Credit Union will retain their members-first philosophy and be better positioned to serve members now and into the future. As a result, the Powerco Board of Directors has determined that the opportunity to merge with APCO Employees Credit Union is in the best interest of the members.

If the merger is approved by the members, your savings with APCO Employees Credit Union will remain federally insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the National Credit Union Administration, and backed by the full faith and credit of the United States Government, just as they are now with Powerco.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Powerco Federal Credit Union (12.43%) and APCO Employees Credit Union (12.39%) have almost identical net worth ratios.

Share adjustment or distribution: Powerco Federal Credit Union will not distribute a portion of its net worth to its members in the merger. The board of directors has determined a share adjustment, or other distribution of Powerco Federal Credit Union's net worth is unnecessary because APCO Employees Credit Union's net worth ratio is almost identical to Powerco Federal Credit Union. In addition, once all one-time merger costs (including early contract termination fees, integration costs for core banking and other data systems and write-downs of fixed and other assets to be retired) are accounted for, the Continuing Credit Union's extensive infrastructure and beneficial services and product offerings that will be available to Powerco Federal Credit Union members are taken into consideration, and the need for maintaining current net worth position due to the uncertainty of potential loan losses resulting from the current COVID-19 pandemic, the differences in the Credit Union's probable asset share ratios are negligible.

Locations of merging and continuing credit union: Powerco Federal Credit Union's main office at 241 Ralph McGill Blvd NE, Atlanta, GA 30308 will remain open following the merger, as will other Powerco branch locations. APCO Employees Credit Union has the following locations that will also be available to members of Powerco Federal Credit Union:

- Alabama Power Headquarters: 600 North 18th Street, Birmingham, AL 35203
- Energy Center Colonnade: 3535 Colonnade Parkway, Birmingham, AL 35243
- Main Office: 750 17th Street North, Birmingham, AL 35203
- Anniston: 925 Quintard Avenue, Anniston, AL 36201
- Chelsea: 370 Chelsea Crossroads, Chelsea, AL 35043
- Clanton: 1872 7th Street South, Clanton, AL 35045
- Dothan: 2220 Montgomery Highway, Dothan, AL 36303
- Gardendale: 949 Main Street, Gardendale, AL 35071
- Hoover: 4725 Chace Circle, Hoover, AL 35244
- Tattersall: 6400 Tattersall Park Drive, Hoover, AL 35242
- Hueytown: 2901 Allison-Bonnett Drive, Hueytown, AL 35023
- Jasper: 706 20th Avenue East, Jasper, AL 35501
- Jasper West: 2501 Highway 78 W, Jasper, AL 35501
- Mobile: 150 St. Joseph Street, Mobile, AL 36602
- West Mobile: 6396 Airport Blvd, Mobile, AL 36608

- Montgomery: 244 Dexter Avenue, Montgomery, AL 36104
- Pelham: 101 Huntley Parkway, Pelham, AL 35124
- Trussville: 151 Main Street, Trussville, AL 35173
- Tuscaloosa: 630 15th Street, Tuscaloosa, AL 35401
- Tuscaloosa Queen City: 915 Queen City Avenue, Tuscaloosa, AL 35401

In addition, APCO Employees Credit Union is a member of the nationwide CO-OP Shared Branch network that will provide members with an additional 5,000 shared branch locations and 30,000 ATM's nationwide.

Changes to services and member benefits: The credit unions have made no post-merger plans to reduce branch facilities, ATM network access, or existing accounts and services offerings currently offered or available to Powerco Federal Credit Union members. The continuing credit union may analyze the future branching and ATM network offering to members.

Member Approval and Ballot: Please note that the proposed merger must have the approval of the majority of members who vote. In accordance with its Bylaws, Powerco Federal Credit Union is conducting the member vote on the merger proposal both electronically and through a mail-in ballot to the Powerco Federal Credit Union members. The ballot distribution, collection, custody and tabulation will be conducted by an independent third party company, ESpace Communications (CU Ballot).

You have the option to vote early either electronically using the link below or you can vote using the mail in Ballot enclosed with this Notice of Special Meeting. You can also wait and vote at the membership meeting. If you cannot attend the meeting, please complete the mail in Ballot and return it using the stamped, addressed envelope enclosed. To be counted, your Ballot must be received by March 30, 2023 at 3:00pm ET. Branches cannot accept ballots or mail ballots for members.

To vote electronically, visit powerco.org/home/aboutus/merger

BY THE ORDER OF THE BOARD OF DIRECTORS:

DocuSigned by:

F83B60CAC7EA46A...

Janet Katzenberger
Powerco Board Chair

1/26/2023 | 4:44:35 PM EST

Date

COMBINED SUMMARY FINANCIAL STATEMENTS
APCO EMPLOYEES CREDIT UNION (CONTINUING CREDIT UNION) and
POWERCO FEDERAL CREDIT UNION (MERGING CREDIT UNION)
AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

COMBINED BALANCE SHEET

ASSETS	APCO ECU	POWERCO FCU	COMBINED
LOANS	\$ 792,564,032	\$ 86,373,372	\$ 878,937,404
CASH ON HAND AND IN BANKS	35,251,661	1,656,913	36,908,574
INVESTMENTS	2,554,578,722	110,094,013	2,664,672,735
ACCRUED INTEREST INCOME	11,427,606	292,128	11,719,734
PROPERTY AND EQUIPMENT	26,306,146	486,902	26,793,048
OTHER ASSETS	87,881,608	1,746,303	89,627,911
TOTAL ASSETS	\$ 3,508,009,775	\$ 200,649,631	\$ 3,708,659,406
LIABILITIES AND CAPITAL			
ACCOUNTS PAYABLE & ACCRUED EXPENSES	\$ 25,528,840	\$ 928,744	\$ 26,457,584
TOTAL MEMBER SHARE DEPOSITS	3,348,846,769	180,225,868	3,529,072,637
TOTAL LIABILITIES	3,374,375,609	181,154,612	3,555,530,221
CAPITAL			
TOTAL EQUITY	133,634,166	19,495,019	153,129,185
TOTAL LIABILITIES & EQUITY	\$ 3,508,009,775	\$ 200,649,631	\$ 3,708,659,406

COMBINED INCOME STATEMENT

	APCO ECU	POWERCO FCU	COMBINED
INTEREST INCOME	\$ 58,071,565	\$ 3,284,129	\$ 61,355,694
INTEREST EXPENSE	27,015,863	270,082	27,285,945
NET INTEREST INCOME	31,055,702	3,014,047	34,069,749
OTHER INCOME	5,484,179	1,284,348	6,768,527
OPERATING EXPENSES	17,277,624	3,633,649	20,911,273
NET INCOME	\$ 19,262,257	\$ 664,746	\$ 19,927,003

Ballot for Merger Proposal

Name of Member: _____

Account Number: _____

Your ballot must be received by March 30, 2023 at 3:00pm ET.

Please return your ballot via US mail in the enclosed business reply envelope or mail it to:

CUBallot – Election Processing
E Space Communications Inc.
P.O. Box 3156
Dublin, OH 43016-9842

I have read the Notice of Special Meeting for the members of Powerco Federal Credit Union. The meeting will be held on the above date to consider and act upon the merger proposal described in the notice. I vote on the proposal as follows (check one box):

Approve the proposed merger and authorize the Board of Directors to take all necessary action to accomplish the merger.

Do not approve the proposed merger.

Member Signature

Date

Member Name (printed)