

Better Together.



WHAT DOES THIS ANNOUNCEMENT MEAN?

This exciting announcement means that Member One and Virginia Credit Union (VACU) intend to merge, pending regulatory and membership approvals. This strategic merger represents a partnership between two healthy, well-performing Virginia credit unions, for the benefit of members, employees, and communities.

WHY DOES THE BOARD OF DIRECTORS RECOMMEND THE MERGER?

The board of directors (who represent the members) are confident that merging with VACU and combining our two credit unions provides the opportunity to achieve greater positive member, employee, and community impact and offers additional benefits to our members. The combined credit union builds an even stronger institution that is trusted, committed, and forward-thinking, while positioning us to serve members into the future.

In a rapidly evolving financial services industry, this merger would allow us to remain competitive and be more responsive to members' financial needs now and into the future.

HOW WOULD THIS MERGER BENEFIT MEMBER ONE MEMBERS?

A merger between Member One and VACU would provide the opportunity to achieve more positive member impact and value such as:

MORE MEMBER ACCESS

A larger branch footprint would allow us to have more impact on existing members. But bigger than that, through this partnership our field of membership would expand, and we would be able to serve more people and communities throughout the Commonwealth of Virginia providing them with access to top-notch financial products and services.

PRODUCTS/SERVICES

As a larger organization, we would ultimately gain economies of scale which will allow us to offer an even more robust product and service line, reduce costs, and return more value in the form of products, services, and community involvement (to name a few) to existing and future members.

MORE RESPONSIVE TO EVOLVING FINANCIAL NEEDS

This partnership would allow the credit union to better anticipate and meet the financial needs of members in a competitive financial services industry.



ENHANCED ELECTRONIC BANKING PRODUCTS

This partnership would allow us to constantly assess and improve our technology solutions and make sure we're providing "the best" digital banking solutions we can for members now and into the future.

MORE BRANCH LOCATIONS

Together we'd have 37 branches throughout the Commonwealth of Virginia.

SAME KNOWLEDGEABLE, FRIENDLY EMPLOYEES

The same friendly staff at our branches would continue to be available to serve members.

WHY IS MEMBER ONE MERGING?

Although mergers have not been our primary growth strategy, we have merged smaller credit unions into our organization in the past. Several years ago, we also formalized a merger strategy as part of our overall business plan which included scenarios for both merging and acquiring other financial institutions.

As a result of this partnership between our two organizations provides the opportunity to implement best practices to achieve more positive member, employee, and community impact and value. As the result of this partnership, our branch network would expand to 37 locations across the Commonwealth of Virginia. This partnership would also give us the ability to be more responsive to members' needs in a highly competitive industry that continues to evolve rapidly.

WHAT DOES "STRATEGIC" MERGER MEAN?

Mergers can be initiated for many reasons. The primary reason for a strategic merger is to better serve members by providing greater value than we could as separate organizations.

In this case, we are merging two healthy credit unions. The goal of both organizations is to build a combined entity that leverages best practices and achieves greater economies of scale to ensure we can continue to offer the best service, products, and technologies to members.

Employees benefit from strategic mergers as well, from a greater array of professional growth opportunities to establishing best practices, best systems, and best processes that help ensure they have more resources available to do their jobs.

DO BOTH CREDIT UNIONS SUPPORT THIS PARTNERSHIP?

Absolutely. We are very excited about this merger and the growth and benefits it will bring to our members, employees, and communities.

WHAT WILL THIS PARTNERSHIP DO FOR THE CREDIT UNIONS?

Overall, our combined assets would be approximately \$6.8 billion, serving close to 500,000 members with 37 branches throughout the Commonwealth of Virginia. With a competitive physical presence and our combined strengths in products, services, personnel, and technology, we would be able to better serve our members and our communities. It's important to add that while our new asset size is notable, our joint commitment and focus remains to provide the best member, employee, and community value as possible.



WHAT ARE THE ADVANTAGES OF BEING A LARGER CREDIT UNION?

Becoming a larger credit union would provide opportunities to leverage resources, position us for continued growth, and increase efficiencies. This would also allow us to provide even more value to members in the form of greater access to expanded products and services along with robust evolving technologies, all while continuing our current impactful community presence in the greater Roanoke area.

WOULD THERE BE AN ONGOING COMMITMENT TO MAKE AN IMPACT AT A LOCAL LEVEL (THE GREATER ROANOKE AREA)?

Both organizations have a history of making a difference in the communities they serve. The combined credit union would remain committed to making a difference in ALL the communities we serve together. The combined credit union would establish the Greater Roanoke Area Advisory Council (GRAAC) comprised of Member One executive team members and board members. The GRAAC would assist with community connections and provide direct input on ways to serve the local community and deepen our impact.

WOULD I CONTINUE TO GET THE SAME SERVICE AND ATTENTION?

Yes. Both organizations are committed to providing high levels of service for members and this would continue to be a focus for the combined organization.

HOW WOULD MY ACCOUNTS BE AFFECTED?

There would be no effect to your account or account numbers at this time. Eventually, members from one credit union would need to convert to the other's core operating systems to enhance capabilities. This would not occur until sometime in 2025. As that time approaches, the credit union would work to ensure a seamless integration, and would communicate important dates, changes, and next steps to ensure members can continue to conduct business with minimal disruption.

WOULD MY RATES CHANGE?

The rates on fixed rate loans and certificates would remain the same until the end of their existing terms. Other products would adjust as normal due to market conditions.

WOULD MY ACCOUNTS CONTINUE TO BE INSURED?

Yes. Credit Union deposits would continue to be federally insured by the NCUA, meaning you have up to \$250,000 in protection for an individual account. The NCUA provides separate insurance coverage for deposits held in different ownership categories such as individual accounts, joint tenancy accounts, Individual Retirement Accounts (IRAs) and trust accounts.

WOULD YOU CLOSE BRANCHES?

At this time, there are no plans for any branch closures. In fact, this merger would provide the opportunity to expand our branch locations and enhance our digital member experience. VACU branches would not be available to Member One members immediately. As the merger progresses, we would announce when these locations would be available for Member One members.



WOULD ANY EMPLOYEES LOSE THEIR JOBS AS THE RESULT OF THE MERGER?

No. Both credit unions recognize the importance of retaining talented and dedicated employees and that a successful merger is dependent on retaining that talent and leadership.

HOW WOULD THIS MERGER BENEFIT CREDIT UNION EMPLOYEES?

As an organization grows, so does its workforce. We believe our ability to invest in the success of our people would expand as opportunities for professional growth and development increase. The member-facing staff in the locations you visit would remain in those locations unless they decide to explore a new opportunity.

WHY WAS VACU CHOSEN AS OUR MERGER PARTNER?

We wanted to find a partner that matches our passion, aligns closely with our mission, shares a dedication and loyalty to its membership and the communities they serve, and values employee commitment. Both credit unions share a deep dedication to team members, members, and community, and share a common vision for the future of the combined credit union.

WHO IS VACU?

Virginia Credit Union was originally chartered as State Employees' Credit Union Inc. in 1928. It was organized by a group of state employees to "accumulate and invest the savings of members and to make loans to members for provident purposes." To learn more about VACU, visit them online at vacu.org.

WHAT WOULD THE NAME OF THE CREDIT UNION BE?

Immediately following a successful merger process (i.e., legal day 1), we would be designated as "Member One, a division of Virginia Credit Union" or similar designation. As the combined credit union works to fully integrate systems, a thoughtful, independent, and expert analysis of brand would be conducted to determine the name of the combined organization.

WHO WOULD LEAD THE ORGANIZATION?

Chris Shockley will be the President/CEO of the combined organization. Frank Carter will continue to serve the combined credit union in an executive role until he retires.

WHO IS CHRIS SHOCKLEY?

Chris has been VACU's President & CEO since April of 2016.

Prior to that, Chris served as Executive Vice President at Virginia Credit Union since 2007. A native of Virginia, Shockley started work as a bank teller during college and worked for 14 years in retail banking in Virginia and North Carolina before moving to Virginia Credit Union.

Chris's commitments within the credit union industry include serving on the Board of PSCU and its Audit and Governance committee, as well as serving on the board with the Credit Union Service Company of Virginia. His extensive community involvements include chairing the Board of the Virginia Council on Economic Education as well as Board service with the YMCA of Greater Richmond and the MS Society of Virginia and West Virginia.

Chris holds a Bachelor of Science in Economics from Radford and an MBA from Liberty.



In 2019 under Chris's leadership, Virginia Credit Union committed \$5 million to fund two endowments at the Virginia Commonwealth University School of Business to promote financial wellness. The gift underscores Virginia Credit Union's focus on financial health and education for members and the community – something Chris is deeply passionate about personally as well. The credit union's free workshops and seminars have reached more than 60,000 individuals in 2021 with information on budgeting, saving, borrowing, and managing credit.

WHAT IS THE MERGER TIMELINE?

The board of directors of both credit unions enthusiastically voted in favor of the merger in December. Upon receipt of regulatory approval, Member One members will vote. The timeline for this is estimated to be this spring or summer. More information will be coming regarding the details of this vote. It is anticipated the merger would be finalized in mid-2024, with the goal of all systems being fully integrated in 2025.

As the merger process continues, Member One will keep members informed of progress, including sharing important notices, dates, and events. If you have questions that haven't been addressed in the frequently asked questions below, please email mergerinfo@memberonefcu.com.