



More places, same faces.

January 19, 2024

Valued Hoosier Hills Credit Union Member,

By now you have heard the exciting news about our proposed merger with Columbus, IN-based Centra Credit Union. We are thrilled with the level of support and passion we have received surrounding our partnership! As promised, we are here to answer your questions, address your concerns and keep you informed about this process every step of the way. To that end, we would like to answer additional questions that have arisen since our announcement.

1. Why merge with another credit union? Hoosier Hills is already competitive.

Hoosier Hills Credit Union has always been focused on delivering the most competitive offers possible to our Members, and that will continue. Mergers can be initiated for many reasons. The primary reason in our case is to create a collaboration that brings Members greater value than what is possible as separate organizations. When two strong, like-minded, and growing credit unions such as Hoosier Hills and Centra merge, the resulting economy of scale enables the combined credit union to compete at an even greater level, invest in technology, leverage best practices, and increase resources that combine the best aspects of their institutions. The unified credit union can spread the cost of doing business across a larger footprint, which drives down the cost per Member, and increases the value we are able to deliver across all aspects of the business.

2. Is this merger happening because Hoosier Hills needs financial help? Is the institution in poor financial shape and in need of rescue?

No – Hoosier Hills Credit Union is financially strong and growing. This merger is a strategic choice, which is different than a merger due to financial difficulty. Consider this:

- In 2021, 2022, and 2023, Hoosier Hills had the highest 3 years of annual net income in our history, allowing us to increase stability and weather the economic turbulence that caused many financial institutions to suffer
- As of 3rd quarter 2023, our year-over-year net worth (capital) percentage grew at a rate that outpaced the average for all Indiana credit unions and remains well-capitalized by NCUA definition
- As of 3rd quarter 2023, our year-over-year deposit growth was nearly 7 times greater than the average for all Indiana credit unions
- As of 3rd quarter 2023, our year-over-year Membership growth is over 100 times greater than the average for all Indiana credit unions
- Our Members love us and have consistently placed us in the top 25th percentile when recommending us to their friends, family, or colleagues – and often place us even higher – in the top 10th percentile

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For those interested in a deep dive into the Hoosier Hills Credit Union financial condition, visit <https://mapping.ncua.gov/ResearchCreditUnion>. Search for us by name (Hoosier Hills Credit Union) or by charter number (60768), then, in the top right-hand corner, select the period you would like to view.

For those interested in our Bauer Financial Rating, visit <https://www.bauerfinancial.com/star-ratings/?ref=#2-loadhere>. Select “Credit Union Rating” at the top, then enter “Indiana” into the State box, or “Hoosier Hills Credit Union” into the Institution Name box and select “Submit.” The resulting list is alphabetical – scroll down to see our rating.

3. Who will benefit when this merger goes through?

In a not-for-profit financial cooperative where the Members are our owners, the Members are the beneficiaries of every action we take – there are no stockholders. Additional beneficiaries include our Team Members (who are also Members) by way of professional growth opportunities, streamlined processes, best practices and additional resources to do their jobs, and our local Communities, by way of additional outreach and financial support. We would be required by NCUA regulation to publicly disclose any material benefits (or compensation) received by Board Members or the Executive Team resulting from this partnership. There are no disclosures necessary in this partnership because there is nothing to report.

4. Will our funds continue to be insured in the combined organization?

Yes! Credit unions have their own federally insured fund, administered by the National Credit Union Administration (NCUA). As a Member, your single ownership accounts will continue to be protected up to \$250,000 by the NCUA, with an additional \$250,000 in Excess Share Insurance coverage beyond the standard NCUA coverage at no cost to you. You will find additional information on NCUA and ESI coverage on our website: <https://hoosierhills.com/accounts-cards/deposit-insurance/ncua-and-excess-share-insurance/>

5. Why were the rates for Hoosier Hills Credit Union and Centra Credit Union not listed in the Member FAQs so we can see how they compare for the sake of transparency?

As individual credit unions, Hoosier Hills and Centra have offered the most competitive rates possible and are transparent in all things, especially loan and deposit rates, which are always available, updated and published on our websites. One of the many benefits of this partnership is the resulting scale that will enable us to offer more market competitive rates than we could individually.

6. Is anyone losing their job or are any Service Centers closing because of this merger?

No Team Members will lose their jobs because of this merger, and no Service Centers will close because of this merger. This was very important to both the Hoosier Hills and Centra Boards of Directors as well as to the Executive Teams. Our Members will be able to conduct their financial transactions at the same Service Centers they always have and will continue to receive the same friendly service from the familiar faces they know and have come to trust.

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7. How do Hoosier Hills employees feel about this partnership?

We respect our employees' opinions and feelings. Their authenticity, passion, and personal perspectives are part of what make our Member experience spectacular. When we shared the details of the merger, our Team Members naturally had lots of questions, which we answered. After understanding the benefits this partnership will bring to our Members, Communities and Team Members, they responded in an incredibly positive way. Their support has been made evident by the likes, reshares and reposts of our social media channels and the positive buzz throughout our organization.

The next time you're in a Service Center, ask a Team Member about his or her thoughts on the partnership. Team Members are also Hoosier Hills Members, and just like everyone else, will have the opportunity to vote when the time arrives. We have faith that their understanding of the merger benefits will be evident when they cast their votes. It's our hope that all Members will understand these benefits after reading the facts and getting their questions answered. Please don't hesitate to reach out with additional questions or concerns. We want you to be informed and are here to serve you.

8. Can I vote on this merger?

Yes, Members will have an opportunity to cast their vote on this partnership. Once the date and time of the vote is determined, notice will be posted. As a Member-owned financial cooperative, your vote matters and is important to us! We appreciate your passion and want to hear from you.

9. How is this different from the other consolidations we have seen in our Communities?

Credit unions are different. We don't have stockholders, and we care about so much more than just the bottom line. In fact, it's the care we show for our Members and Communities that enables our growth, which allows us to return profits back to those same Members and Communities! The credit union motto is "People Helping People," and that's what we do, every single day. Our mission is to make a positive difference in our Members' lives and in their Communities.

It's worth sharing that between our two organizations, over the past several years we've opened Community branches in Greendale, Nashville, Charlestown, Salem, and Corydon...places where other financial institutions have packed up and moved on. We know access to financial resources and wellness is what empowers our Members and Communities, and our commitment is to continue to invest in our footprint, including in rural markets, to build an even more robust financial Community, with people at the center.

It is our goal and promise throughout this entire process to keep you informed every step of the way, and to minimize any disruption to you. Your experience and satisfaction are important to us. Regular updates will be shared, and any changes will be well-planned and communicated in advance. If at any time you have questions or concerns, we invite you to reach out via email at info@hoosierhills.com, or by calling our Contact Center at 800.865.2612.

Thank you for Membership, for your passion for what we do, and for joining us in support of our growing credit union family.

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