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Forrest City, AR 72335  
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### Notice of Meeting of the Members of FCI Federal Credit Union

The Board of Directors of FCI Federal Credit Union have called a special meeting of the members of this credit union at 2500 Leopard Dr, Texarkana, TX on March 7th, 2024, at 4:30PM. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging FCI Federal Credit Union with and into Red River Employees Federal Credit Union (herein referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the FCI Federal Credit Union will be merged with and into the Continuing Credit Union. All members of FCI 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 FCI Federal Credit Union on the effective date of the merger.
2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of FCI 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 FCI 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> or mail to:

NCUA – Office of Credit Union Resources and Expansion  
1775 Duke Street  
Alexandria, VA 22314

RE: Member-to-Member Communication for FCI Federal Credit Union

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 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 Board of Directors has concluded that the proposed merger is desirable and in the best interests of members due to:

- Restricted field of membership.
- Lending constraints.
- Losses in net income.
- Erosion of capital and net worth.
- Decline in share deposits and growth.
- Increased operational cost.

Benefits:

- Wider breath of products and services.
- Increase in share rates.
- Larger loan base and products.
- Innovative technology-based solutions.
- Online and Mobile enhancement.
- Expanded hours of operation.
- Additional branch locations.

*Net Worth:* The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. FCI Federal Credit Union has a lower net worth ratio than Red River Employees Federal Credit Union.

*Share adjustment or distribution:* FCI 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 FCI Federal Credit Union's net worth is unnecessary because of the expanded products and services and interest rate offerings of Red River Employees Federal Credit Union being advantageous to members.

*Locations of merging and continuing credit union:*

- FCI Federal Credit Union
  - 2500 Leopard Dr, Texarkana, TX
  - 1400 Dale Bumpers Rd, Forest City, AR
- Red River Employees Federal Credit Union (in the surrounding communities of FCI Federal Credit Union locations)
  - 4400 South Lake Dr, Texarkana, TX
  - 4405 Summerhill Rd, Texarkana, TX
  - 4401 Texas Blvd, Texarkana, TX
  - 4714 W 7<sup>th</sup>, Texarkana, TX
  - 3501 Richmond Rd, Texarkana, TX
  - 405 Walton Dr, Texarkana, TX
  - 2105 A New Boston Rd, Texarkana, TX (Español)
  - 308 E Hoskins, New Boston, TX
  - 105 Loop 59, Atlanta, TX
  - 220 1<sup>st</sup> St, Clarksdale, MS



*Merger-related financial arrangements:* NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger. No individuals have received or will receive such compensation.

*Changes to service and member benefits:* Due to the close proximity of FCI Federal Credit Union's branch location at 2500 Leopard Dr Texarkana, TX and Red River Federal Credit Union's branch at 4400 South Lake Dr Texarkana, TX, there may be careful consideration in closing the Leopard Dr branch after the merger process and members have been given sufficient time to get acquainted with Red River Employees Federal Credit Union's products and services.

Please note that the proposed merger must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting, please complete the Ballot and return it to PO Box 7636, Texarkana, TX 75505. To be counted, your Ballot must be received by mail on March 6<sup>th</sup>, 2024, at 2:00PM.

BY THE ORDER OF THE BOARD OF DIRECTORS:



Board Chairman

12/27/23

Date

RED RIVER EMPLOYEES FEDERAL CREDIT UNION AND FCI FEDERAL CREDIT UNION  
CONSOLIDATING STATEMENT OF FINANCIAL CONDITION  
September 30, 2023

ASSETS	RREFCU	FCI FCU	COMBINED
Cash and cash equivalents	\$ 133,797,309	\$ 227,661	\$ 134,024,970
Investments	175,750,437	224,405	175,974,842
Loans receivable, gross	1,025,306,445	4,801,585	1,030,108,030
Allowance for Loan Losses	(11,572,124)	0	(11,572,124)
Loans receivable, net	<u>1,013,734,321</u>	<u>4,801,585</u>	<u>1,018,535,906</u>
Property and equipment	27,658,955	355,567	28,014,522
Share insurance deposits	9,632,370	55,882	9,688,252
Core deposit intangible	0	0	0
Goodwill	0	0	0
Other assets	<u>39,603,191</u>	<u>21,050</u>	<u>39,624,241</u>
	<u>\$ 1,400,176,583</u>	<u>\$ 5,686,150</u>	<u>\$ 1,405,862,733</u>

LIABILITIES AND MEMBERS EQUITY

Liabilities			
Members' shares	\$ 1,188,401,331	\$ 5,006,315	\$ 1,193,407,646
Borrowed funds	25,000,000	0	25,000,000
Accrued expenses and other liabilities	<u>8,197,386</u>	<u>57,135</u>	<u>8,254,521</u>
Total Liabilities	<u>1,221,598,717</u>	<u>5,063,450</u>	<u>1,226,662,167</u>

Commitments and contingent liabilities

Members' Equity			
Capital Acquired in Merger (FCI)	0	622,700	622,700
Retained earnings/Reserves	177,832,730	0	177,832,730
Capital Acquired from Merger (Lamar/NWLA)	3,178,774	0	3,178,774
Accumulated other comprehensive inc (loss)	<u>(2,433,638)</u>	<u>0</u>	<u>(2,433,638)</u>
Total members' equity	<u>178,577,866</u>	<u>622,700</u>	<u>179,200,566</u>
	<u>\$ 1,400,176,583</u>	<u>\$ 5,686,150</u>	<u>\$ 1,405,862,733</u>

Net Worth Ratio	12.70%	10.95%	12.65%
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www.fcifcu.com  
fcifcu@fcifcu.com

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## BALLOT FOR MERGER PROPOSAL

Name of Member: \_\_\_\_\_

Account Number: \_\_\_\_\_

Your credit union must receive this ballot by March 6, 2024, at 2:00PM CST if you deliver your ballot by mail or by March 7, 2024, at 4:30PM CST if you deliver your ballot at the Special Meeting.

If you plan to attend the Special Meeting, you can bring this ballot March 7, 2024, at 4:30PM CST to:

FCI Federal Credit Union  
2500 Leopard Dr  
Texarkana, TX 75501

If you will deliver your ballot by mail, we must receive this ballot by mail by March 6, 2024, by 2:00PM CST.

Mailing Address:

FCI Federal Credit Union  
PO Box 7636  
Texarkana, TX 75505

I have read the Notice of Special Meeting for the members of FCI 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)