

Dear Prime Care Credit Union Member,

Since our founding in 1970, Prime Care Credit Union Inc (PCCU) has existed to provide members of the healthcare community with quality products and services at attractive rates, with the personal service and care that comes with being a member-owned institution. Your board of directors is committed to seeing that your credit union membership continues to provide meaningful value to you and the rest of our members.

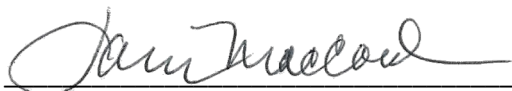
After careful consideration, the board has concluded that our members would be best served by partnering with the Healthcare Systems Federal Credit Union (HSFCU) via a member approved merger. HSFCU currently serves healthcare workers in Virginia, the District of Columbia and Maryland, including members of Sentara at its' northern Virginia location. Management of the two credit unions have long been engaged in conversations regarding the potential of HSFCU to assist PCCU in better serving its members. The Boards of the two credit unions determined that a merger would be in the mutual best interests of the membership and would meet the credit union's goals of:

- Continuing to focus on the financial wellness of Healthcare Workers
- Expanding product and service offerings
- Providing enhanced access via virtual and electronic channels
- Maintaining a locally serviced and staffed Credit Union

A membership vote is required for this to move forward, and we request your support at a special Membership Meeting for this purpose on March 15, 2023, as outlined in the enclosed notice. The projected date for the merger to occur is April 1<sup>st</sup>, 2023. Federal and State Regulators have already given their approval for the merger.

We know change can be difficult, but we are excited about the opportunities that this merger brings to our members. Prime Care Credit Union and Healthcare Systems Federal Credit Union are committed to providing a smooth transition and to seeing that our members are well taken care of throughout this process and far into the future.

On behalf of your Board of Directors, we hope that you will vote "YES" to support this merger as the best path forward to ensure that your future financial needs are met.



Board Chairman  
Jim MacCord

## Notice of Meeting of the Members of Prime Care Credit Union Inc

The Board of Directors of Prime Care Credit Union Inc (PCCU) have called a special meeting of the members of this credit union at 600 Gresham Dr. Norfolk, VA 23507 on March 15, 2023 at 3:30 pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Prime Care Credit Union Inc with and into Healthcare Systems Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the Prime Care Credit Union Inc will be merged with and into the Continuing Credit Union. All members of Prime Care Credit Union Inc 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 Prime Care Credit Union Inc 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 Prime Care Credit Union Inc, 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 Prime Care Credit Union Inc 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/services/Pages/resources-expansion/comments-proposed-merger.aspx> or mail to: NCUA - Office of Credit Union Resources and Expansion 1775 Duke Street Alexandria, VA 22314 RE: Member-to-Member Communication for Prime Care Inc. 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 for a number of reasons.

The Prime Care Credit Union Inc. has been serving the employees of Sentara Health System since 1970. It is a smaller credit union that has continued to serve a core group of loyal members well. Capital constraints have not allowed the credit union to expand its services beyond basic savings and loan products. Not having the capacity to meet demand for online services, expanded credit product offerings and other financial services has limited the credit union's ability to grow and is eroding its

membership base. Additionally, increased regulatory requirements have made it challenging for the credit union to address all areas of regulatory concern.

Healthcare Systems FCU currently serves healthcare workers in Virginia, the District of Columbia and Maryland, including members of Sentara at its' northern Virginia location. Management of the two credit unions have long been engaged in conversations regarding the potential of HSFCU to assist PCCU in better serving its members. The Boards of the two credit unions determined that a merger would be in the mutual best interests of the membership.

**Net worth:** The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. PCCU has a worth ratio higher than Healthcare Systems Federal Credit Union.

	Healthcare FCU	Prime Care CU Inc	Combined
Assets (in thousands)	109,139	26,127	135,263
Liabilities (in thousands)	102,868	23,318	126,186
Net Worth Ratio	8.71%	9.86%	8.93%

Prime Care Credit Union Inc 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 Prime Care Inc's net worth is unnecessary because the difference is not significant and will be offset by merger related costs and infrastructure enhancements.

**Locations of merging and continuing credit union:**

All of Prime Care Credit Union Inc's branch locations, including the main office, will remain open. PCCU's branch locations are:

- Main office at 600 Gresham Dr, Norfolk, VA 23507
- 2800 Godwin Blvd. Suffolk VA 23434
- 830 Kempsville Road, Norfolk VA 23502

In addition, PCCU members will benefit from the Healthcare Systems FCU branches at:

- 3300 Gallows Road - Support Services Building Falls Church, VA 22042
- 4320 Seminary Road Alexandria, VA 22304
- 8640 Sudley Rd., Medical Building 2 Manassas, VA 20110

Members will also have access to over 6,000 credit union shared branch locations nationwide through HSFCU's participation in the CO-OP Shared Branch Network.

**Changes to services and member benefits:**

Members of Prime Care Inc. will not lose any member benefits or services. In fact, the merger will allow members greater choice and flexibility in products, services and access.

**Member Approval and Ballot:**

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:

**CU Ballot – Election Processing**  
**P.O. Box 3156**  
**Dublin, OH 43016-9842**

To be counted, your Ballot must be received by March 15, 2023 at 3:30 pm. You may also cast your vote electronically at the meeting. Branches cannot accept ballots or mail ballots for members. Additional information is also available at [www.primecarecu.org](http://www.primecarecu.org)

BY THE ORDER OF THE BOARD OF DIRECTORS:



Chairman  
Jim MacCord

January 5, 2023

1/5/23

Date

# Ballot for Merger Proposal

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

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

Your credit union must receive this ballot by 3:30 pm March 15<sup>th</sup>, 2023

Please mail your ballot to:

**CU Ballot – Election Processing  
P.O. Box 3156  
Dublin, OH 43016-9842**

You may also cast your vote electronically at the meeting. Branches cannot accept ballots or mail ballots for members.

I have read the Notice of Special Meeting for the members of Prime Care Credit Union Inc. .  
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)