



Southern Energy
CREDIT UNION

Annual Report

2024

Board of Directors

Officers



Greg Shipp
Chairman



Allison Boone
Vice Chairperson



Dan Blalock
Treasurer



Celia Yates
Secretary

Directors



Robert B. Roy



Constantine Sfakianos



Carlton Stephens



John Valekis



Mark Wilkinson

Advisory Board



Chris D'Andrea



Shannon Garmon



Antyne James



Billy Gober

Director Emeritus

Supervisory Committee



Carissa Ledbetter
Chairperson



Greg Bass
Member



Ann Wilkinson
Member



Erin Autrey



Amy Giles

Advisory Supervisory Committee

President / CEO



Derrick E. Ragland Jr.

2024

HIGHLIGHTS

\$3.4 Billion

In Assets



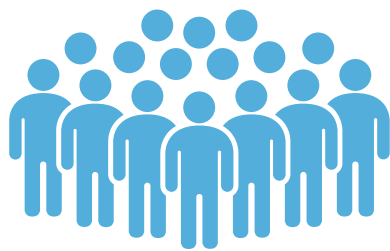
78%

Net Promoter Score
Measuring Member Satisfaction



28 Locations

Across 3 States

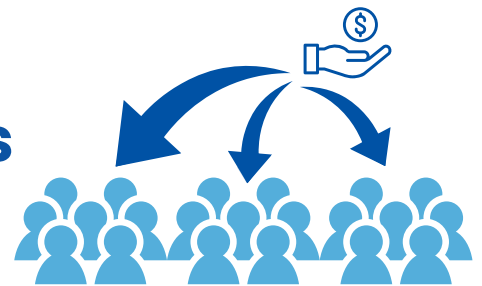


85,252 Members

Record-Setting

\$79 Million in Dividends

Paid to Members



Mission Statement

At Southern Energy Credit Union, we power our members' financial success with personalized service, trusted solutions, and a commitment to their long-term growth.

Vision Statement

We power our members' financial success at every stage of life.

Report of the President

As I look back on 2024, I couldn't be more proud of all that we've accomplished over the last year. It's 2025, and we are now Southern Energy Credit Union. I'm honored to share with you what pivotal highlights over the last year led us to this landmark change and the milestones we're inspired to achieve with you from here.

"Growth" has defined much of our momentum as a Credit Union over the last two years. In April of 2023 we announced a merger with Powerco Federal Credit Union, and in January of this year we announced a second merger with Mutual Savings Credit Union – both of which were based in Georgia. Following those successful mergers, we now serve 90,000 members in branches across Alabama, Georgia and Mississippi.

As we listened to feedback from new Board Directors and Volunteers, as well as our new employees and members in Georgia and Mississippi, it became clear that along with this growth, we were being given an opportunity for transformation. For over 70 years we've been proud to serve members as APCO Employees Credit Union. However, as we planned for what would come next, it felt like the right time to reshape our brand in a way that positioned our Credit Union for success, not only for the next year, but for the next 70. We seized the opportunity we were given and began planning for what became Southern Energy Credit Union with the intention of uniting the three credit union memberships and our collective Credit Union team under a single cohesive identity, while reinforcing our long-standing dedication to powering the financial success of Southern Company employees, retirees, and their families.

As we planned for this rebrand, it was imperative that the new look and brand experience feel like the next step in our Credit Union's progression instead of a total change. Southern Energy Credit Union was intentionally designed to feel familiar. From the selection of the name to the new colors and logo, our goal was for this transformation to celebrate our recent expansion and authentically reflect our members – those who have been with us since the beginning and those who may just be getting to know us.

As Southern Energy, we are dedicated to empowering our members' financial success at every stage of life, and we're moving into the future with a strong foundation built on superior financial performance and reliability. We finished 2024 with \$3.45 billion in assets and over \$900 million in loans. In addition to a strong balance sheet, I'm proud to present the strategic progress and following

accomplishments your Credit Union achieved in the last year:

- Delivered a record-setting \$79 million in dividends and interest to members
- In April, we successfully migrated Powerco legacy data to the Credit Union's core operating system and transitioned participating members to their new Digital Banking platform.
- Expanded members' access to their money with the addition of 8 new Credit Union branches now operating on the same network, with two more coming in 2025
- Launched the Credit Union's first Money Market Account
- Raised over \$75,000 for charity through our Credit Union Foundation's Golf and Topgolf Tournaments
- Hosted our first 'Bite of Reality' Financial Literacy event with Citizens of Georgia Power
- Donated over \$25,000 to Charity Events, hosted by Southern Company Service Organizations like the Alabama Power Service Organization, Citizens of Georgia Power, and Mississippi Power Community Connections
- Hosted 19 seminars and webinars for over 470 members on financial planning, retirement, and more through our Investment Services program.

Since 1953, our mission has been member centered. At Southern Energy Credit Union, we will continue working every day in the service of powering our members' financial success with personalized service, trusted solutions, and a commitment to their long-term growth.

I hope you are as excited as we are about the next evolution of our Credit Union. We will continue to act strategically in advancing the ways we provide financial products and services that benefit our members, while strengthening the partnerships that have defined our success. You are the reason we do what we do. We value your membership, and we look forward to a bright future together.

As always, thank you for allowing us to serve you.



Derrick E. Ragland Jr.
President / CEO

Report of the Chairman

Southern Energy Credit Union's Board of Directors joins our membership in celebrating another successful year in our Credit Union's history.

The strategic vision of your Credit Union's Board has always been member focused and centered around the long-term sustainability of our financial institution.

Two years ago, we announced an official merger with Powerco Federal Credit Union knowing it would be a win for the collective members, employees, and organizations served by both institutions. In April of last year, we completed the final phase of the merger with a successful system migration of legacy Powerco accounts.

Following the successful system integration, the Board of Directors, along with Credit Union Leadership, continued taking steps to pursue intentional growth built on shared beginnings and aligned values.

In October 2024, we announced a proposed merger with Mutual Savings Credit Union, based in Atlanta. The proposed announcement was followed by a vote of the Mutual Savings membership in December.

After an overwhelmingly positive vote of the Mutual Savings membership in December, the merger was made official on January 1, 2025, and Mutual Savings joined APCO. A little over one month later we announced the Credit Union's collective new beginning as Southern Energy.

The result of these successful mergers is that Southern Energy Credit Union members across Alabama, Georgia, and Mississippi can now expect the same personalized service from the same people you've come to know and trust, while accessing greater convenience, increased value, and an enhanced member experience.

Before I close, I would be remiss if I didn't mention accolades awarded to our President and CEO, Derrick Ragland in 2024.

The League Awards, *formerly The League of Southeastern Credit Unions Awards*, recognize credit union professionals for their impactful contributions to advance the credit union

movement in their state and/or the nation. In 2024, Derrick was named Alabama Professional of the Year at the Southeast Credit Union Conference & Expo in Orlando, Florida.

In addition to being named Professional of the Year, the Board of Directors honored Derrick and his contributions to our Credit Union by renaming the Tattersall branch as the Derrick E. Ragland, Jr. Building. This dedication, decided and unanimously approved by the Board, recognizes Derrick's career commitment to our Credit Union and members.

Derrick has shaped the future of our financial institution, and without his ambitious vision, the current path of Southern Energy Credit Union would not be possible.

On behalf of the Board of Directors and Volunteers of Southern Energy Credit Union, we want to thank our Executive Team, Derrick Ragland, Andy Rush, and Blane Mink, for their leadership in implementing the strategic goals that have led us to another successful year in 2024. To the employees, thank you for your continued service and enthusiasm through a year of change. To our members, thank you for growing with us as we implement new financial solutions in service of being Your Financial Power Source and, as always, for allowing us to serve you.



Greg Shipp
Chairman

Report of the Treasurer

I am pleased to report that Southern Energy Credit Union had a strong financial performance in 2024. Despite the challenges associated with our current higher interest rate environment, we continued to provide superior value to our members in the form of industry-leading returns matched with reliable financial products and services.

Southern Energy Credit Union finished 2024 with more than \$3.4 billion in assets, and \$8.5 million in net income. Operating expenses were just over \$14 million, which is 11.7% of gross income and considered low compared to most credit unions. Additionally, the Credit Union maintained a strong capital position achieving a net worth ratio of 14%. A credit union's net worth ratio is a key measure of stability and indicates a financial institution's financial strength. The National Credit Union Administration (NCUA) considers any credit union with a new worth ratio greater than 7% to be "well capitalized."

Despite slight cuts from the Federal Reserve, high financing costs continue due to the increases in interest rates over the last few years. To help our members overcome these hurdles, the Credit Union made affordable financing a top priority in 2024. Southern Energy Credit Union continued to offer some of the most competitive loan rates in the industry and issued over \$193 million in loans for the year. We are proud to partner with our members in buying their first home, purchase reliable transportation, consolidate debt, pay for education, and turn their financial dreams into reality.

With financing costs remaining elevated, it was important our members were also able to make the most of their savings. Your Credit Union offers some of the highest savings rates available so it's not surprising that dividends and interest on deposits paid to members rose to an all-time high of \$79 million for the year. Furthermore, Certificates of Deposit experienced growth for the second year in a row and increased by \$149 million compared to last year.

These measures show Southern Energy Credit Union's strength and allow us to continue to provide competitive lending and deposit products to help you achieve your financial goals.

As the Treasurer for Southern Energy Credit Union, thank you for continuing to choose Southern Energy Credit Union as your financial partner. Your support has allowed for the tremendous growth of our financial institution, and I look forward to our continued success in the years to come.

As always, thank you for allowing us to serve you.

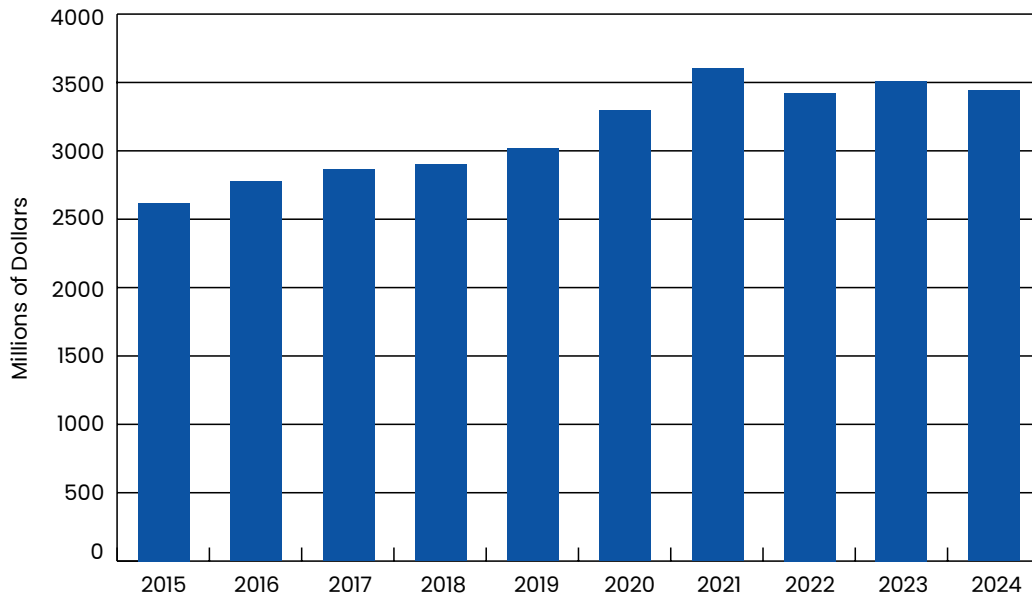


Dan Blalock
Treasurer

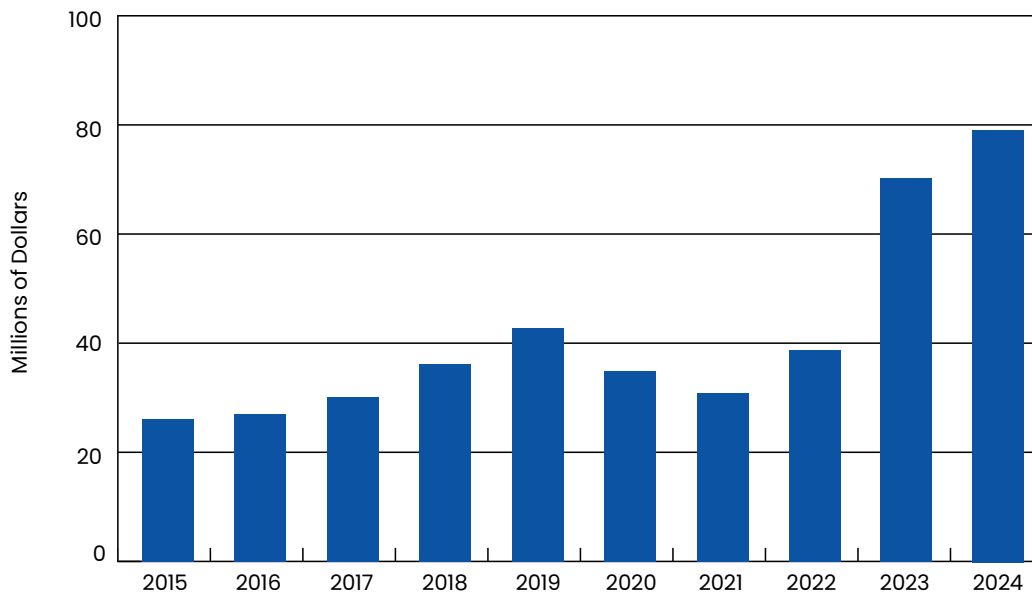
The following report, graphs, and summary financials provide additional detail of Southern Energy Credit Union results for the year.

	2024	2023	Increase or (Decrease)	%
Total Assets	\$3,450,256,926	\$3,501,472,069	(\$51,215,143)	-1.46%
Member Loans	\$902,245,984	\$921,223,736	(\$18,977,752)	-2.06%
Shares	\$1,521,835,181	\$1,762,528,348	(\$240,693,167)	-13.66%
Certificates of Deposit	\$1,389,388,384	\$1,240,377,768	\$149,010,616	12.01%
Chek-Plus	\$270,392,331	\$261,345,895	\$9,046,436	3.46%
Reserves	\$463,401,151	\$454,861,923	\$8,539,228	1.88%
Undivided Earnings	\$20,000,000	\$20,000,000	0	0.00%
Number of Members	85,252	86,761	(1,509)	-1.74%

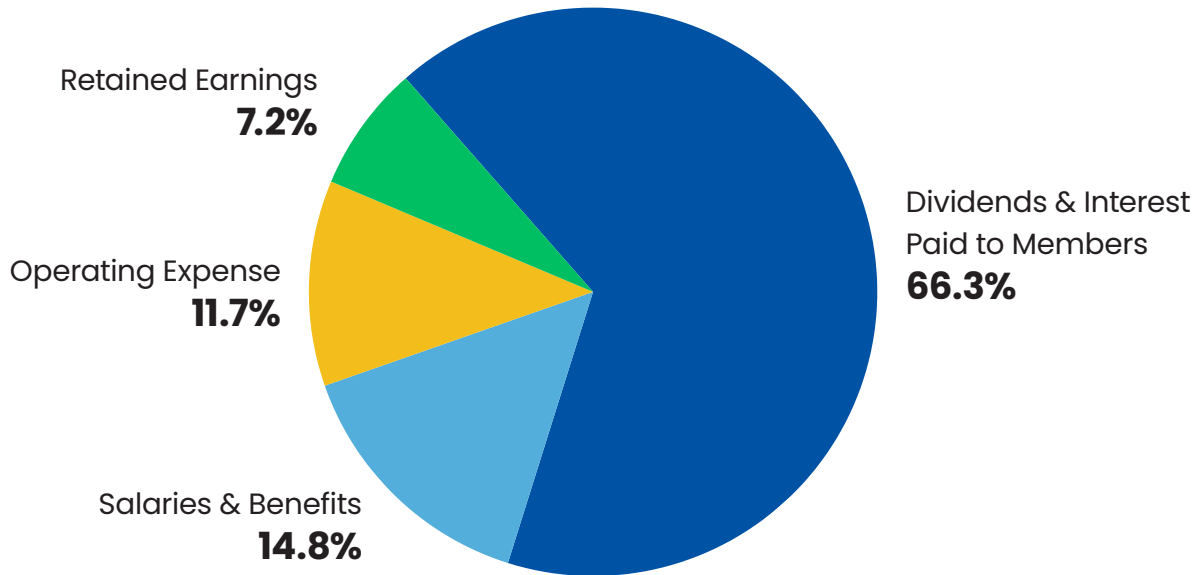
Assets



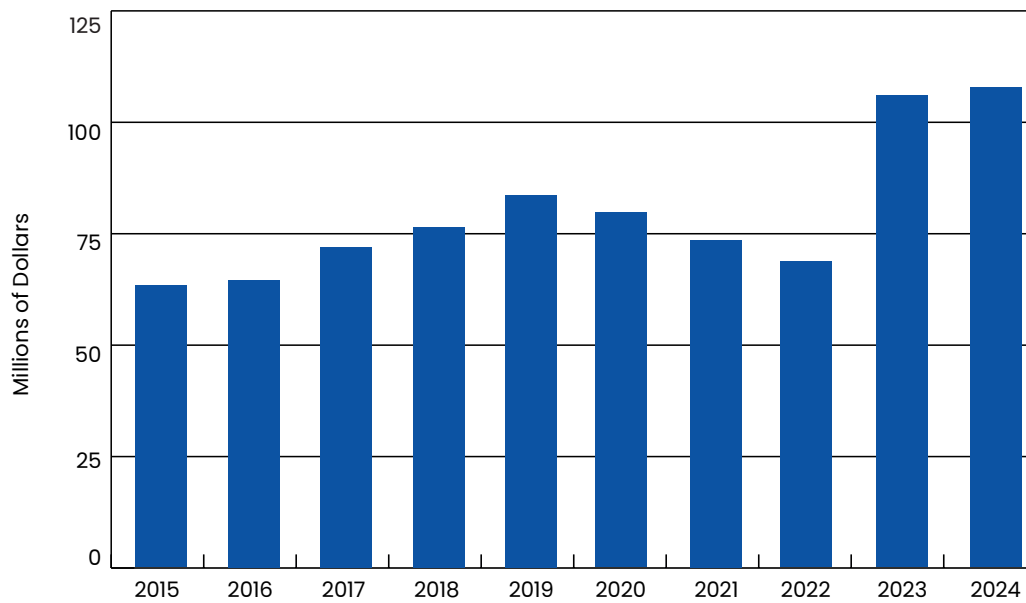
Dividends and Interest Paid to Members



Distribution of 2024 Gross Income



Gross Income



Condensed Statement of Financial Condition

Assets

	2024	2023	INCREASE (DECREASE)
Net Member Loans	\$899,428,979	\$918,256,693	(\$18,827,714)
Cash and Cash Equivalents	\$424,586,502	\$226,978,778	\$197,607,724
Federal Agency Securities	\$1,975,694,357	\$2,210,556,577	(\$234,862,220)
NCUA Insurance Deposit	\$26,024,737	\$27,023,241	(\$998,504)
Fixed Assets, Land and Building	\$27,164,977	\$26,328,236	\$836,741
Other Assets	\$97,357,374	\$92,328,544	\$5,028,830
TOTAL ASSETS	\$3,450,256,926	\$3,501,472,069	(\$51,215,143)

Liabilities and Members' Capital

Accounts Payable and Other Liabilities	(\$214,760,121)	(\$237,641,865)	\$22,881,744
Member Shares & Deposits	\$3,181,615,896	\$3,264,252,011	(\$82,636,115)
Regular Reserves	\$463,401,151	\$454,861,923	\$8,539,228
Undivided Earnings	\$20,000,000	\$20,000,000	0
TOTAL LIABILITIES AND CAPITAL	\$3,450,256,926	\$3,501,472,069	(\$51,215,143)

Condensed Statement of Income and Expense

Income

	2024	2023	INCREASE (DECREASE)
Interest on Loans	\$42,459,261	\$37,457,396	\$5,001,865
Income from Investments	\$69,828,960	\$72,524,754	(\$2,695,794)
Non-interest Income	\$7,004,885	\$8,365,086	(\$1,360,201)
GROSS INCOME	\$119,293,106	\$118,347,236	\$945,870

Expenses

Dividends to Members	\$79,036,403	\$70,520,560	\$8,515,843
Salaries and Benefits	\$17,681,639	\$16,840,877	\$840,762
Provision for Loan Losses	\$577,000	\$449,351	\$127,649
Non-interest Expense	\$13,458,836	\$13,187,907	\$270,929
TOTAL EXPENSES	\$110,753,878	\$100,998,695	\$9,755,183
NET INCOME	\$8,539,228	\$17,348,541	(\$8,809,313)

Summary financials only. For more detailed financial statements, please visit one of our branch locations or call our Contact Center.

Report of the Loan Committee

Members of the Loan Committee for the year 2024:

- Derrick Ragland.....President/CEO
- Blane Mink.....Vice President/CFO
- Andy Rush.....Vice President/COO
- Preston Holder.....Loan Manager
- John Wheless.....Loan Supervisor

The total amount of loans approved in 2024 was \$193,768,799. The average amount per loan was over \$38,900. On average, each loan officer reviewed over 307 loan applications and approved \$5,536,251 in loans.

Report of the Supervisory Committee

The Supervisory Committee is responsible for providing oversight of the financial reporting process, the system of internal controls, and compliance with laws, regulations and enterprise risk management. The committee ensures internal controls are in place to protect the assets of Southern Energy Credit Union and its membership.

The Supervisory Committee accomplishes these objectives by working with the Internal Audit Supervisor to ensure internal controls are tested regularly and by engaging an independent public accounting firm to complete a comprehensive audit of the Credit Union's financial statements, as required by law.

To fulfill its duty, the Supervisory Committee retained the services of the CPA firm Pearce, Beville, Leesburg, Moore, P.C., independent external auditor, to perform the audit for the period ending June 30, 2024. The audit was concluded, and it confirmed the Supervisory Committee's position that the Credit Union meets the highest level of financial standards.

In addition to the CPA audit, the Alabama Credit Union Administration, and the National Credit Union Administration performed their annual examinations for the period ending March 31, 2024. The Supervisory Committee reviewed the results of these audits with the Board of Directors and President of the Credit Union. The examinations

found the Credit Union is financially secure and efficiently managed.

An additional function of the Supervisory Committee is to review past due loans and uncollectible accounts. During 2024, the Committee, with the assistance of the Credit Union's President and staff, reviewed outstanding loans and recommended to the Board of Directors that 284 loans totaling \$1,376,388.92 be charged to the Allowance for Credit Losses Account. The Board took affirmative action on the Committee's recommendations.

The Supervisory Committee confirms Southern Energy Credit Union is adhering to accepted accounting principles and regulations, while ensuring a positive member experience.

As always, thank you for allowing us to serve you.



Carissa Ledbetter
Chairperson

In Memoriam

We mourn the loss of three longtime members of our Credit Union family that we lost in 2024.



William "Bill" M. Bass

Mr. Bass was a loving husband, father and grandfather. He served his country by enlisting in the Air Force from 1950 to 1954 and was a graduate of Jacksonville State Class of 1957. Bill retired from Alabama Power Company in 1989 after 32 years of service and was a volunteer and Board Member of APCO Employees Credit Union for 40 years. Mr. Bass helped guide our Credit Union with a supportive spirit and unwavering dedication. His leadership was integral to our Credit Union's continued success and the joy he brought to our team was infectious. Mr. Bass will be deeply missed by those of us at the Credit Union and all those who were fortunate to know and love him.



Ethel "Joyce" Norwood

Joyce Norwood began her early education at Pine Hill High School and received an associate's degree from Concordia College. Joyce continued her studies at the University of Alabama at Birmingham where she received a certification in Office Administration. Joyce had a long career based in financial institutions and thoughtfully served APCO Employees Credit Union members for over 13 years. Joyce was a caring co-worker, a trusted friend, and most importantly, a protective and devoted mother. She will be missed by her family, friends, and all of us here at the Credit Union.



Bettina "Tina" Gayle Dillashaw

Tina Dillashaw was an unwavering light to all those who knew her. She was a loving wife to her husband Carl, and proud mother to Cameron. Tina began her career with APCO Employees Credit Union in 2012, and her lively personality and unshakable positivity was felt by our entire Credit Union family. She took pride in feeding those she cared for, protecting animals, and tending to her garden. Tina will be greatly missed by our Credit Union team and her loyal members. We join her family, and friends in grieving this loss.

Locations

Alabama

MAIN OFFICE

750 17th Street North
Birmingham, AL 35203

Anniston

925 Quintard Avenue

Chelsea

370 Chelsea Crossroads

Clanton

1872 7th Street South

Alabama Power

Corporate Headquarters

600 18th Street North

Dothan

2220 Montgomery Highway

Energy Center (Colonnade)

3535 Colonnade Parkway

Gardendale

949 Main Street

Hoover

4725 Chace Circle

Hueytown

2901 Allison-Bonnett Drive

Jasper

706 20th Avenue East

Jasper Central (Coming Soon)

410 9th Avenue

Jasper West

2501 Highway 78 West

Mobile

150 St. Joseph Street

Montgomery

244 Dexter Avenue

Pelham

101 Huntley Parkway

Tattersall

6400 Tattersall Park Drive

Trussville

151 Main Street

Tuscaloosa

630 15th Street

Tuscaloosa Queen City

915 Queen City Avenue

West Mobile

6396 Airport Boulevard

Georgia

Athens

285 Newton Bridge Road

Cobb

1501 Johnson Ferry Road

Forest Park

62 Lake Mirror Road

Georgia Power

Corporate Headquarters

241 Ralph McGill Boulevard NE

Henry County

2500 Patrick Henry Parkway

Savannah

3101 Kilowatt Drive

Southern Company

Corporate Headquarters

30 Ivan Allen Jr. Boulevard NW

Southern Company

Gas Headquarters

10 Peachtree Place NE

Mississippi

Gulfport

2201 17th Street

