

Notice of Meeting of Members of Galveston School Employees FCU

February 24, 2024

The Board of Directors of Galveston School Employees Federal Credit Union have called a special meeting of the members of this credit union at Alamo School Cafeteria 5200 Ave N ½ Galveston, TX 77552 on February 24, 2024 at 10:00am. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Galveston School Employees FCU (GSEFCU) with and into Coastal Community FCU (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the GSEFCU will be merged with and into the Continuing Credit Union. All members of GSEFCU 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 GSEFCU 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 GSEFCU, 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 GSEFCU 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://www.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 GSEFCU. 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 because it is a necessity for the credit union to be able to continue to serve our member base. Coastal will bring many products and services to our member base that because of economic conditions we would not be able to provide. GSEFCU membership deserves a strong, competitive credit union to serve their needs well into the future. The merger with Coastal Community FCU gives our members this option.

As of August 31, 2023, the preliminary potential combined financials of both credit unions are:

<u>Financial Data</u>	<u>Coastal Community</u>	<u>GSEFCU</u>	<u>Combined</u>
Total Loans	\$ 52,245,311	\$ 1,669,238	\$ 53,914,549
Total Deposits	\$ 84,309,482	\$ 2,241,263	\$ 86,550,745
Total Assets	\$ 93,602,563	\$ 2,576,677	\$ 96,179,240
Total Equity	\$ 8,736,469	\$ 271,879	\$ 9,008,348
Net Worth Ratio	9.32%	10.55%	9.35%

The combined financials are an estimate and do not reflect actual balances at the time of the merger.

It is for these reasons that the Board of Directors believes merging into Coastal Community FCU is in the best interest of the members.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. GSEFCU has a slightly higher net worth ratio than Coastal Community.

Share adjustment or distribution: The net worth of each credit union is similar. Consequently, no share adjustment is included in this merger. The share par value of GSEFCU and Coastal Community FCU is the same (\$5.00)

Locations of merging and continuing credit union: GSEFCU's main office at 5200 Ave N 1/2, Galveston, TX 77552 will remain open for a period of time following the merger. Coastal Community FCU has the following locations.

- 2302 Church St, Galveston, TX 77550 (Main)
- 6811 Stewart Rd, Galveston, TX 77551 (Stewart Rd)
- 6708 Gulf Frwy, La Marque, TX 77568 (La Marque)
- 7002 Fauna St, Houston, TX 77061 (CE Branch)

Changes to services and member benefits: GSEFCU's main office will remain open for a period of time. Upon closure of that location all services will have to be conducted at one of the above locations. All GSEFCU members will be able to access their accounts at any Coastal Community locations referenced above.

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 mail or bring it to:

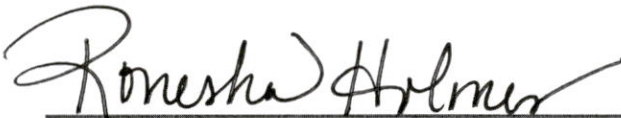
GSEFCU
PO Box 3429
Galveston, TX 77552

Or bring to: GSEFCU
5200 Ave N 1/2
Galveston, TX 77551

To be counted, your Ballot must be received by February 24th at 10:00am. You may also cast your vote in-person at the meeting.

BY THE ORDER OF THE BOARD OF DIRECTORS:


Tommie D. Boudreaux
Board President


Ronesha Holmes
Treasurer/ Manager

Ballot for Merger Proposal

Name of Member: _____

Account Number: _____

Your credit union must receive this ballot by February 24, 2024 at 10:00am. Please mail or bring it to:

GSEFCU
Attn: Merger Ballot
PO Box 3429
Galveston, TX 77552

Or bring to:
GSEFCU
5200 Ave N ½
Galveston, TX 77551

I have read the Notice of Special Meeting for the members of Galveston School Employees FCU. 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)