



Notice of Special Meeting of the Members of

Enterprise Credit Union

The Board of Directors of Enterprise Credit Union approved a proposition to merge with Credit Union 1 and have called a special meeting of the members of this credit union at Enterprise Credit Union located at 15850 W. Bluemound Road, Brookfield, Wisconsin 53005 on Thursday, July 25, 2024, at 10:00 am.

Purpose of the Meeting:

1. To consider and act upon a proposal to merge Enterprise Credit Union with Credit Union 1, (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of Enterprise Credit Union will be merged with and into the Continuing Credit Union. All members of Enterprise 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 Enterprise 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 Enterprise Credit Union, subject to approval of members, to carry out and execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of Enterprise 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 submit them to the National Credit Union Administration (NCUA) at the following link:

<https://www.ncua.gov/support-services/credit-union-resources-expansion/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 Enterprise Credit Union

The NCUA will post comments received from members on its website, along with the members' name, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger

The Board of Directors has carefully analyzed the assets and liabilities of the participating credit unions and appraised each credit union's share values. The appraisal of the share values appears on the attached individual and consolidated financial statements of the participating credit unions. In addition, the following information applies to the proposed merger:

Reasons for merger: The Board of Directors concluded that the proposed merger is desirable and in the best interest of members because Credit Union 1 operates with the technology and systems that align with our members' needs. Their internal core values align with our own and give us confidence our membership will experience a much-needed upgrade in the quality of service we are unable to provide in this economic environment. We believe a synergy exists between the two credit unions and this partnership will benefit all involved.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Enterprise Credit Union has a higher net worth ratio than Credit Union 1.

Share adjustment or distribution: Enterprise 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 Enterprise Credit Union's net worth is unnecessary because the members of Enterprise Credit Union will have a host of updated services and options with Credit Union 1 that we are unable to provide in this economic environment.

Locations of merging and continuing credit union: Enterprise Credit Union main office at 15850 W. Bluemound Road, Brookfield, WI 53005 will remain open and become a part of Credit Union 1's nationwide branch locations. The continuing credit union branch locations will be as follows:

1. 15850 W. Bluemound Road, Brookfield, WI 53005 (ECU Branch)
2. 604 13th Avenue East, Bradenton, FL 34208
3. 680 Union Street, Hobart, IN 46342

4. 200 E. Champaign Avenue, Rantoul, IL
5. 828 S. Wolcott, Chicago, IL (UIC)
6. 750 S. Halsted, Room 220C, Chicago, IL (UIC)
7. 9441 Kedzie Avenue, Evergreen Park, IL
8. 4749 Lincoln Mall Drive, Ste. 101, Matteson, IL
9. 863 N. Milwaukee Avenue, Unit 500, Vernon Hills, IL
10. 450 E 22nd Street, Suite 250, Lombard, IL (Corporate Headquarters)
11. 6 West North Avenue, Suite 100, Northlake, IL
12. 2466 W. Wabash, Suite 240, Springfield, IL
13. 2032 N. Halsted, Chicago, IL
14. 1140 East Howard Street, B3, South Bend, IN (Notre Dame)
15. 2651 Paseo Verde Parkway, Henderson, NV (West Operations Center)
16. 1237 Clairmont Road, Decatur, GA (East Operations Center)

ATM information: Please see www.creditunion1.org for ATM related information.

Changes to services and member benefits: In addition to your current service(s), you will have expanded service offerings in the form of consumer and commercial lending, which includes real estate lending services. In addition, a refreshed and recently updated online and mobile banking platform.

Effective date of merger: The proposed effective date of this merger shall be November 29, 2024, or such earlier or subsequent date as approved by the Parties, Directors, Division of Financial Institutions for the State of Illinois and the Wisconsin Department of Financial Institutions or the National Credit Union Administration or any successor agency thereto.

Employee Representation: Employees of Enterprise Credit Union will be offered employment with Credit Union 1.

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. The following individuals have received or will receive merger-related financial arrangements as follows:

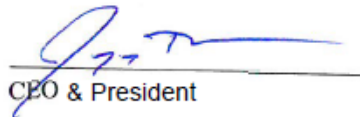
Based upon the valuable institutional knowledge, skills, and experience of Jeff Bashaw, President and CEO of Enterprise Credit Union, and his continued contributions to the best efforts and success of the merger post-merger, he will be provided a one-time retention bonus of \$100,000 at close of merger. In addition, he will be offered post-merger employment with Credit Union 1 with an annual base salary that will increase his current total compensation by \$38,000 for a minimum of ten years, unless terminated for cause. The CFO of Enterprise Credit Union, after numerous years of service, has determined she will

retire after the merger. To ensure an orderly transition through the merger and conversion of records and for her continued contributions and best efforts to the success of the merger, she will be paid a one-time retention and severance bonus of \$110,000.

Please note that the proposed merger must be approved by the majority of the 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 Enterprise Credit Union, Attn: Supervisory Committee, 15850 W. Bluemound Road, Brookfield, WI 53005.

To be counted, your Ballot must be received by Thursday, July 25, 2024, at 10:00am.

BY ORDER OF THE BOARD OF DIRECTORS:



CEO & President

4/29/2024

Date

NCUA 6305A

Balance Sheet
As of December 31, 2023

	<u>CU1</u>	<u>ECU</u>	<u>Combined</u>
Current Assets:			
Total Loans	\$ 1,193,091,978	\$ 19,135,713	\$ 1,212,227,691
Deferred Costs/Fees	5,493,713	-	5,493,713
Allowance	(12,716,923)	(46,322)	(12,763,245)
Total Loans (Net)	1,185,868,768	19,089,392	1,204,958,160
Cash	349,125,243	360,234	349,485,477
Investments	51,681,903	12,174,047	63,855,950
Other Assets	91,490,648	1,458,086	92,948,735
Total Current Assets:	1,678,166,562	33,081,759	1,711,248,321
Fixed Assets Net	20,862,106	67,761	20,929,867
Total Assets	1,699,028,668	33,149,520	1,732,178,188
Current Liabilities:			
Accounts Payable	63,556,814	248,070	63,804,885
Notes Payable	65,379,487	-	65,379,487
Members Equity:			
Regular Shares	442,629,781	17,579,458	460,209,239
Money Market Shares	125,446,815	1,626,896	127,073,711
High Yield Savings	233,713,435	-	233,713,435
Checking	334,578,603	9,240,148	343,818,752
Certificates	258,372,619	2,042,195	260,414,814
IRA Shares and IRA Certificates	42,428,301	813,195	43,241,497
Total Shares:	1,437,169,555	31,301,893	1,468,471,448
Reserves	17,531,207	1,651,452	19,182,658
Undivided Earnings	105,533,972	1,244,375	106,778,347
Unrealized G/L - AFS	-	(1,554,528)	(1,554,528)
Net Income	9,857,633	258,258	10,115,891
Total Capital:	132,922,812	1,599,557	134,522,369
Total Liabilities	\$ 1,699,028,668	\$ 33,149,520	\$ 1,732,178,188

Income and Expense Statement
Year-to-Date December 2023

	<u>CU1</u>	<u>ECU</u>	<u>Combined</u>
Loan Income	\$ 58,151,280	\$ 921,306	\$ 59,072,586
Investment Income	12,493,612	335,810	12,829,422
Other Income	<u>20,439,798</u>	<u>247,688</u>	<u>20,687,486</u>
Total Income	91,084,690	1,504,804	92,589,494
Compensation/Benefits	39,217,611	566,637	39,784,248
Meetings, Travel & Conference	1,461,687	15,702	1,477,389
Office Occupancy	-	110,500	110,500
Office Operations	16,202,245	207,236	16,409,481
Educational & Promotional	2,530,783	28,684	2,559,467
Loan Servicing Expense	4,434,959	111,904	4,546,863
Professional Services	3,211,379	68,035	3,279,414
Provision for Loan losses	(182,577)	30,189	(152,388)
Member Insurance	-	-	-
Operating Fees and Association Dues	-	20,332	20,332
Depreciation & Amortization	2,645,451	16,882	2,662,332
Misc Operating Expenses	<u>113,423</u>	<u>7,605</u>	<u>121,028</u>
Total Operating Expenses	69,634,963	1,183,704	70,818,667
Operating Income/(Loss) Before Dividends	<u>21,449,727</u>	<u>321,100</u>	<u>21,770,827</u>
NCUA Stabilization	-	-	-
Gain/(Loss) on Disposition of Assets	6,978,237	20,854	6,999,091
Other Non-Operating Income/(Loss)	<u>-</u>	<u>-</u>	<u>-</u>
Income/(Loss) Before Dividends	28,427,964	300,246	28,728,210
Dividend Expenses	16,387,048	41,969	16,429,017
Interest on Borrowed Money	<u>2,183,283</u>	<u>18</u>	<u>2,183,301</u>
Net Income	<u>\$ 9,857,633</u>	<u>\$ 258,258</u>	<u>\$ 10,115,891</u>
Probable Asset/Share Ratio	1.09	1.05	1.09
Net Capital/Asset Ratio	8.80%	4.83%	8.72%
Net Capital/Asset Ratio (excluding AFS)	8.80%	9.51%	8.72%
Delinquency Ratio	1.31%	0.33%	1.29%

Form 6311 - Probable Asset/Share Ratio
Proposed Merger between Enterprise Credit Union and Credit Union 1
As of December 31, 2023

	<u>Credit Union 1</u>	<u>ECU</u>	<u>Combined</u>
Additions:			
Cash	\$ 349,125,243	\$ 360,234	\$ 349,485,477
Loans (Net)	1,185,868,768	19,089,392	1,204,958,160
Investments	51,681,903	12,174,047	63,855,950
Fixed Assets	20,862,106	67,761	20,929,867
Other assets	91,490,648	1,458,086	92,948,735
Total (A)	1,699,028,668	33,149,520	1,732,178,188
Deductions:			
Notes Payable	65,379,487	-	65,379,487
Accounts Payable	63,556,814	248,070	63,804,885
Other recorded Liabilities	-	-	-
Contingent and/or Unrecorded Liabilities	-	-	-
Subsidiary Ledger Differences (Losses)	-	-	-
Other Losses	-	-	-
Total (B)	128,936,301	248,070	129,184,371
Net Value of Assets (A-B)	\$ 1,570,092,367	\$ 32,901,450	\$ 1,602,993,817
Total Shares	1,437,169,555	31,301,893	1,468,471,448
Probable Asset/Share Ratio	1.09	1.05	1.09

Ballot for Merger Proposal

Name of Member: _____

Account Number: _____

Enterprise Credit Union must receive this ballot by Thursday July 25, 2024, at 10:00 am.

Please mail it to the following address (or bring it to the Special Meeting):

Enterprise Credit Union
Attn: Supervisory Committee
15850 W. Bluemound Road
Brookfield, WI 53005

I have read the Notice of Special Meeting for the members of Enterprise 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.

Signed: _____

Member's Name

Date: _____