



Notice of Special Meeting of the Members of Financial Access Federal Credit Union

The Board of Directors of Financial Access Federal 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 Financial Access Federal Credit Union located at 604 13th Avenue East, Bradenton, FL 34208 on Tuesday April 2, 2024, at 5:00 pm.

Purpose of the Meeting:

1. To consider and act upon a proposal to merge Financial Access Federal Credit Union with Credit Union 1, (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of Financial Access Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Financial Access 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 Financial Access 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 Financial Access Federal 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 Financial Access 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 submit them to the National Credit Union Administration (NCUA) at the following link:

<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 Financial Access Federal 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. Financial Access Federal Credit Union has a higher net worth ratio than Credit Union 1.

Share adjustment or distribution: Financial Access 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 Financial Access Federal Credit Union's net worth is unnecessary because the members of Financial Access Federal 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: Financial Access Federal Credit Union main office at 604 13th Avenue East, Bradenton, FL 34208 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. 604 13th Avenue East, Bradenton, FL 34208 (FAFCU Branch)
2. 1370 W. Court Street, Kankakee, IL 60901
3. 680 Union Street, Hobart, IN 46342
4. 200 E. Champaign Avenue, Rantoul, IL (Corporate Headquarters of CU1)
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 (Midwest Operations Center)
11. 6 West North Avenue, Suite 100, Northlake, IL
12. 2466 W. Wabash, Suite 240, Springfield, IL
13. 2032 N. Halsted, Chicago, IL
14. 322 W. University Drive, Macomb, IL (WIU)
15. 1140 East Howard Street, B3, South Bend, IN (Notre Dame)
16. 2651 Paseo Verde Parkway, Henderson, NV (West Operations Center)
17. 1237 Clairmont Road, Decatur, GA (East Operations Center)
18. 5671 Peachtree Dunwoody, Suite 150, Atlanta, GA (Emory Hospital)

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.

Employee Representation: Employees of Financial Access Federal Credit Union will be offered employment with Credit Union 1.

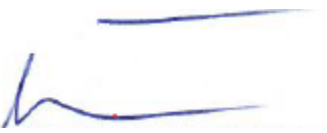
Merger-related financial arrangements: NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger. The following individuals have received or will receive merger-related financial arrangements as follows:

Based upon the valuable institutional knowledge, skills, and experience of Sherod Haliburton, President and CEO of Financial Access Federal Credit Union, and his continued contributions to the best efforts and success of the merger post-merger, he will be provided a merger bonus of \$125,000 payable as follows: \$25,000 at close of merger and \$100,000 to be paid in \$25,000 increments over the four (4) years post-merger. In addition, he will be offered post-merger employment with Credit Union 1 with an annual base salary of \$200,000 for a minimum of eight years. Due to the merger's change in control, Sherod Haliburton's existing split dollar life insurance plan will vest. The value of the split dollar life insurance plan is one million five hundred thousand dollars a majority of which has been already funded by Financial Access Federal Credit Union.

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 Financial Access Federal Credit Union, Attn: Supervisory Committee, PO BOX 45 BRADENTON, FL 34206-0045.

To be counted, your Ballot must be received by Tuesday April 2, 2024 at 5:00pm.

BY ORDER OF THE BOARD OF DIRECTORS:



President

1/22/24
Date

Balance Sheet
As of September 30, 2023

	<u>CU1</u>	<u>FAFCU</u>	<u>Combined</u>
Current Assets:			
Total Loans	\$ 1,163,641,063	\$ 13,006,374	\$ 1,176,647,437
Deferred Costs/Fees	5,973,200	-	5,973,200
Allowance	(12,206,891)	(308,640)	(12,515,531)
Total Loans (Net)	1,157,407,372	12,697,734	1,170,105,106
Cash	273,567,117	4,759,949	278,327,066
Investments	73,002,414	16,761,797	89,764,211
Other Assets	90,493,081	1,669,874	92,162,955
Total Current Assets:	1,594,469,984	35,889,354	1,630,359,338
Fixed Assets Net	19,637,158	848,049	20,485,207
Total Assets	<u>1,614,107,142</u>	<u>36,737,402</u>	<u>1,650,844,544</u>
Current Liabilities:			
Accounts Payable	55,759,818	578,342	56,338,160
Notes Payable	65,119,043	2,168,870	67,287,914
Members Equity:			
Regular Shares	413,297,165	15,522,510	428,819,675
Money Market Shares	134,491,481	846,091	135,337,573
High Yield Savings	224,696,760	-	224,696,760
Checking	313,989,335	7,677,709	321,667,045
Certificates	241,340,444	2,495,770	243,836,213
IRA Shares and IRA Certificates	33,616,036	896,729	34,512,766
Total Shares:	1,361,431,222	27,438,810	1,388,870,031
Reserves	17,531,207	503,641	18,034,848
Undivided Earnings	102,482,936	6,205,587	108,688,523
Unrealized G/L - AFS	-	(103,694)	(103,694)
Net Income	11,782,917	(54,155)	11,728,762
Total Capital:	131,797,060	6,551,379	138,348,439
Total Liabilities	<u>\$ 1,614,107,142</u>	<u>\$ 36,737,402</u>	<u>\$ 1,650,844,544</u>

Income and Expense Statement
Year-to-Date September 2023

	<u>CU1</u>	<u>FAFCU</u>	<u>Combined</u>
Loan Income	\$ 43,520,546	\$ 547,662	\$ 44,068,207
Investment Income	8,399,995	464,165	8,864,160
Other Income	<u>15,923,542</u>	<u>990,701</u>	<u>16,914,244</u>
Total Income	67,844,083	2,002,527	69,846,610
Compensation/Benefits	29,580,166	869,528	30,449,694
Meetings, Travel & Conference	861,124	8,991	870,115
Office Occupancy	-	80,729	80,729
Office Operations	11,632,344	161,815	11,794,158
Educational & Promotional	2,143,150	100,730	2,243,880
Loan Servicing Expense	3,443,735	91,297	3,535,031
Professional Services	2,340,073	526,501	2,866,574
Provision for Loan losses	(2,259,642)	(28,295)	(2,287,937)
Member Insurance	-	-	-
Operating Fees and Association Dues	-	24,089	24,089
Depreciation & Amortization	2,058,964	-	2,058,964
Misc Operating Expenses	<u>90,047</u>	<u>(106)</u>	<u>89,941</u>
Total Operating Expenses	49,889,960	1,835,280	51,725,240
Operating Income/(Loss) Before Dividends	<u>17,954,122</u>	<u>167,248</u>	<u>18,121,370</u>
NCUA Stabilization	-	-	-
Gain/(Loss) on Disposition of Assets	-	-	-
Other Non-Operating Income/(Loss)	<u>6,984,969</u>	<u>38,084</u>	<u>7,023,053</u>
Income/(Loss) Before Dividends	24,939,092	129,163	25,068,255
Dividend Expenses	11,538,476	61,349	11,599,825
Interest on Borrowed Money	<u>1,617,699</u>	<u>(901)</u>	<u>1,616,798</u>
Net Income	<u>\$ 11,782,917</u>	<u>\$ 68,715</u>	<u>\$ 11,851,631</u>
Probable Asset/Share Ratio	1.10	1.24	1.10
Net Capital/Asset Ratio	9.39%	17.83%	9.57%
Net Capital/Asset Ratio (excluding AFS)	9.39%	18.12%	9.57%
Delinquency Ratio	1.37%	0.13%	1.35%

Ballot for Merger Proposal

Name of Member: _____

Account Number: _____

Financial Access Federal Credit Union must receive this ballot by Tuesday April 2, 2024, at 5:00 pm.

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

Financial Access Federal Credit Union
Attention: Supervisory Committee
PO BOX 45
Bradenton, FL 34206-0045

I have read the Notice of Special Meeting for the members of Financial Access 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.

Signed: _____

Member's Name

Date: _____