



Notice of Special Meeting of the Members of Illinois Community Credit Union

The Board of Directors of Illinois Community Credit Union approved a proposition to merge with Credit Union 1 and have called a special meeting of the members of this credit union with the special meeting to be held at The Freight Room, located inside The Dekalb County Community Foundation, whose address is 475 Dekalb Avenue, Sycamore, IL 60178 on Thursday, October 17, 2024, at 5:00 pm.

Purpose of the Meeting:

1. To consider and act upon a proposal to merge Illinois Community Credit Union with Credit Union 1, (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of Illinois Community Credit Union will be merged with and into the Continuing Credit Union. All members of Illinois Community 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 Illinois Community 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 Illinois Community 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 Illinois Community Credit Union encourages you to attend the meeting concerning the proposed merger. Illinois permits voting on merger proposals only at the meeting or by proxy. If you DO have a proxy on file at the credit union, to vote in FAVOR of the merger, you may attend and vote in person at the meeting or, do nothing and the Board of Directors will vote in favor of the merger in your stead. If you DO NOT have a proxy on file, you may attend the meeting to vote in person or find enclosed a proxy form which should be completed and returned as instructed, which designates the Board of Directors to vote your proxy. (Please note that a proxy form will only be enclosed if you DO NOT already have a proxy on file at the credit union).

To vote AGAINST the merger, you must either attend in person and vote at the meeting or designate another member who is attending the meeting as your proxy. If there is no proxy enclosed with this notice, you have a proxy on file with the credit union, and to vote NO, you must revoke that proxy by giving written notice to the board secretary Dana Crowley at 508 W. State Street, Sycamore, IL 60178. Then assign a new proxy to an attending member.

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 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 Illinois Community 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. Illinois Community Credit Union has a higher net worth ratio than Credit Union 1.

Share adjustment or distribution: Illinois Community 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 Illinois Community Credit Union's net worth is unnecessary because the members of Illinois Community 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: Illinois Community Credit Union's branch locations 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. 200 E. Champaign Avenue, Rantoul, IL
2. 828 S. Wolcott, Chicago, IL (UIC)
3. 750 S. Halsted, Room 220C, Chicago, IL (UIC)
4. 9441 Kedzie Avenue, Evergreen Park, IL

5. 4749 Lincoln Mall Drive, Ste. 101, Matteson, IL
6. 863 N. Milwaukee Avenue, Unit 500, Vernon Hills, IL
7. 450 E 22nd Street, Suite 250, Lombard, IL (Corporate Headquarters of CU1)
8. 6 West North Avenue, Suite 100, Northlake, IL
9. 2466 W. Wabash, Suite 240, Springfield, IL
10. 2032 N. Halsted, Chicago, IL
11. 1140 East Howard Street, B3, South Bend, IN (Notre Dame)
12. 2651 Paseo Verde Parkway, Henderson, NV (West Operations Center)
13. 1237 Clairmont Road, Decatur, GA (East Operations Center)
14. 680 Union Street, Hobart, IN 46342
15. 604 13th Avenue E, Bradenton, FL 34208
16. 15850 W. Bluemound Road, Brookfield, WI 53005 (pending merger preliminarily approved)
17. 4625 W. 107th Street, Oak Lawn, IL 60453 (pending merger preliminarily approved)
18. 6 W. Main Street, Plano, IL 6054 (ICCU)
19. 1500 Barber Greene Road, Dekalb, IL 60115 (ICCU)
20. 501 W. Main Street, Genoa, IL 60135 (ICCU Administrative Center)
21. 508 W. State Street, Sycamore, IL 60178 (ICCU)

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 is December 31, 2024, or such earlier or subsequent date as approved by the Parties, Directors, Division of Financial Institutions for the State of Illinois and the National Credit Union Administration or any successor agency thereto.

Employee Representation: Employees of Illinois Community 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.

Based upon their valuable institutional knowledge, skills, and experience and their continued contributions to the best efforts and success of the merger: Thor Dolan, President and CEO of Illinois Community Credit Union, under an employment agreement will be provided a one-time retention bonus of \$150,000 at close of merger. His annual base salary will increase his current annual compensation by \$33,724 and he will receive deferred compensation of \$50,000 to be paid at the end of five (5) years. Due to the change in control from the merger, his existing split dollar life insurance plan will vest to 100%. The value of the split dollar life insurance plan is up to \$71,250 per year for 20 years all of which has been prefunded by Illinois Community Credit Union and the premiums of which are secured by the death benefit pursuant to a collateral assignment of the plan

by Mr. Dolan. Brian Mann, the Executive Vice President and CFO of Illinois Community Credit Union, after numerous years of service, has determined he will retire after the merger. To ensure an orderly transition through the merger and conversion of records and for his continued contributions and best efforts to the success of the merger, as well as his years of service, under an employment agreement he will be paid a one-time retirement bonus of \$350,000 at his retirement and his current annual compensation will increase by \$14,230 until his retirement post-merger. Credit Union 1 will also pay Brian Mann's COBRA premiums through October of 2026 and the estimated value of the premiums for that time period is approximately \$80,000.

Please note that the proposed merger must be approved by the majority of the members who vote. If you cannot attend the meeting, please follow the directions for proxy voting on the first page of this notice.

BY ORDER OF THE BOARD OF DIRECTORS:

A handwritten signature in black ink, appearing to read "David Thurwanger", is written over the printed name.

David Thurwanger

Chairman, Illinois Community Credit Union

August 7, 2024

Date

NCUA 6305A

MERGER PROXY

I hereby delegate and appoint the members of the Board of Directors of: Illinois Community Credit Union, my proxy with full power to vote for me at the meeting to be held on the October 17, 2024 at 5:00 PM o'clock at The Freight Room, located inside The Dekalb County Community Foundation, whose address is 475 Dekalb Avenue, Sycamore, IL 60178, for the purpose of merging with Credit Union 1, hereby giving and granting to them my said proxy to act for and represent me at such meeting or any adjournment, as freely as I might do if I were personally present and acting in my own behalf.

Signed this _____ day of _____ 20_____

Signature: _____

Printed Name: _____

Account No.: _____

Balance Sheet
As of March 31, 2024

	<u>CU1</u>	<u>ICCU</u>	<u>Combined</u>
Current Assets:			
Total Loans	\$ 1,183,351,570	\$ 95,729,472	\$ 1,279,081,041
Deferred Costs/Fees	4,390,441	-	4,390,441
Allowance	(11,609,922)	(507,356)	(12,117,278)
Total Loans (Net)	1,176,132,089	95,222,116	1,271,354,204
Cash	321,488,173	12,560,195	334,048,367
Investments	49,180,847	727,034	49,907,881
Other Assets	118,295,903	10,015,408	128,311,311
Total Current Assets:	1,665,097,011	118,524,752	1,783,621,764
Fixed Assets Net	20,719,112	3,768,314	24,487,426
Total Assets	1,685,816,123	122,293,066	1,808,109,190
Current Liabilities:			
Accounts Payable	61,793,807	1,334,706	63,128,513
Notes Payable	50,138,224	-	50,138,224
Members Equity:			
Regular Shares	434,352,824	32,985,682	467,338,506
Money Market Shares	118,914,701	8,255,812	127,170,513
High Yield Savings	248,678,346	-	248,678,346
Checking	347,700,517	19,636,816	367,337,333
Certificates	248,459,198	39,931,672	288,390,870
IRA Shares and IRA Certificates	40,815,371	6,231,754	47,047,125
Total Shares:	1,438,920,957	107,041,736	1,545,962,693
Reserves	17,531,207	1,508,342	19,039,549
Undivided Earnings	115,391,605	12,616,132	128,007,737
Unrealized G/L - AFS	-	(12,881)	(12,881)
Net Income	2,040,324	(194,969)	1,845,355
Total Capital:	134,963,136	13,916,624	148,879,760
Total Liabilities	\$ 1,685,816,124	\$ 122,293,066	\$ 1,808,109,190

Income and Expense Statement

Year-to-Date March 2024

	<u>CU1</u>	<u>ICCU</u>	<u>Combined</u>
Loan Income	\$ 15,271,807	\$ 1,258,296	\$ 16,530,103
Investment Income	5,113,594	115,070	5,228,664
Other Income	<u>4,644,124</u>	<u>463,163</u>	<u>5,107,287</u>
Total Income	25,029,525	1,836,529	26,866,054
Compensation/Benefits	8,972,389	751,394	9,723,783
Meetings, Travel & Conference	117,097	15,240	132,337
Office Occupancy	1,585,666	95,701	1,681,367
Office Operations	3,234,261	190,730	3,424,991
Educational & Promotional	341,208	34,969	376,177
Loan Servicing Expense	812,473	255,185	1,067,658
Professional Services	877,133	89,716	966,849
Provision for Loan losses	691,478	72,500	763,978
Member Insurance	-	719	719
Operating Fees and Association Dues	-	10,315	10,315
Depreciation & Amortization	795,840	-	795,840
Misc Operating Expenses	<u>2,074</u>	<u>8,480</u>	<u>10,554</u>
Total Operating Expenses	17,429,621	1,524,949	18,954,570
Operating Income/(Loss) Before Dividends	<u>7,599,904</u>	<u>311,580</u>	<u>7,911,484</u>
NCUA Stabilization	-	-	-
Gain/(Loss) on Disposition of Assets	-	-	-
Other Non-Operating Income/(Loss)	<u>-</u>	<u>-</u>	<u>-</u>
Income/(Loss) Before Dividends	7,599,904	311,580	7,911,484
Dividend Expenses	5,006,087	511,102	5,517,189
Interest on Borrowed Money	<u>553,493</u>	<u>944</u>	<u>554,437</u>
Net Income	<u>\$ 2,040,324</u>	<u>\$ (200,466)</u>	<u>\$ 1,839,858</u>
Probable Asset/Share Ratio	1.09	1.13	1.10
Net Capital/Asset Ratio	9.28%	11.38%	9.43%
Net Capital/Asset Ratio (excluding AFS)	9.28%	11.39%	9.43%
Delinquency Ratio	1.14%	0.51%	1.09%

Form 6311 - Probable Asset/Share Ratio
Proposed Merger between Illinois Community Credit Union and Credit Union 1
As of March 31, 2024

	<u>Credit Union 1</u>	<u>ICCU</u>	<u>Combined</u>
Additions:			
Cash	\$ 321,488,173	\$ 12,560,195	\$ 334,048,367
Loans (Net)	1,176,132,089	95,222,116	1,271,354,204
Investments	49,180,847	727,034	49,907,881
Fixed Assets	20,719,112	3,768,314	24,487,426
Other assets	<u>118,295,903</u>	<u>10,015,408</u>	<u>128,311,311</u>
Total (A)	1,685,816,123	122,293,066	1,808,109,190
Deductions:			
Notes Payable	50,138,224	-	50,138,224
Accounts Payable	61,793,807	1,334,706	63,128,513
Other recorded Liabilities	-	-	-
Contingent and/or Unrecorded Liabilities	-	-	-
Subsidiary Ledger Differences (Losses)	-	-	-
Other Losses	<u>-</u>	<u>-</u>	<u>-</u>
Total (B)	111,932,030	1,334,706	113,266,736
Net Value of Assets (A-B)	<u>\$ 1,573,884,093</u>	<u>\$ 120,958,360</u>	<u>\$ 1,694,842,453</u>
Total Shares	1,438,920,957	107,041,736	1,545,962,693
Probable Asset/Share Ratio	1.09	1.13	1.10