



July 29, 2024

Name
Address
City, State ZIP

Dear Algonquin State Bank Customer,

We are pleased to announce the acquisition of Algonquin State Bank by Michigan State University Federal Credit Union ("MSUFCU") through MSUFCU's purchase and assumption of the assets and liabilities of Algonquin State Bank. This letter serves to officially notify you about the acquisition of Algonquin State Bank and the related change in deposit insurance coverage from the Federal Deposit Insurance Corporation (the "FDIC") to the National Credit Union Administration (the "NCUA"). We have included with this letter a chart comparing FDIC and NCUA insurance coverage, as well as a copy of the MSUFCU Privacy Notice.

This letter, and the enclosed insert with answers to frequently asked questions ("FAQ"), also provide information to help you navigate questions you might have about the acquisition and any changes in connection with the conversion of your account to the MSUFCU records and systems. The conversion of your account will be part of the integration of the Algonquin State Bank and MSUFCU records and systems following the completion of the acquisition and has been tentatively scheduled for the first quarter of 2025. Additional information regarding the conversion is included in the enclosed FAQ document. MSUFCU will provide you with additional information and instructions regarding the conversion of your account as the date of the conversion approaches.

Acquisition Date; Becoming a Member of MSUFCU

We expect to complete the acquisition on or about September 1, 2024, pending satisfaction or waiver of customary closing conditions and receipt of final regulatory approvals. All Algonquin State Bank customers will be provided the opportunity to become members of MSUFCU effective upon completion of the acquisition. You will be deemed part of MSUFCU's field of membership and eligible to become a member if you are an alumnus/alumna, student, donor, faculty, or staff member of Michigan State University, or alternatively, upon MSUFCU making a donation on your behalf to the MSUFCU Desk Drawer Foundation, which is MSUFCU's nonprofit charitable foundation that provides grants to the communities in which MSUFCU operates. If you have not already received a request to become a member of MSUFCU, we will soon be sending you materials for becoming a member, including an "opt-in" form and a self-addressed envelope for returning the form. See the enclosed FAQ document for more information regarding MSUFCU's field of membership and how you may choose to become a member of MSUFCU, by phone, at a branch, or online. All Algonquin State Bank deposits and loans will be transferred to MSUFCU at the completion of the acquisition even if the holder/borrower has not opted to become a member. That means that even if an Algonquin State Bank deposit holder or borrower does not submit opt-in materials prior to closing, their deposit accounts and loans will still transfer to, and continue to be serviced by,

MSUFCU at and following the closing, and the deposit accounts will remain fully insured by the NCUA.

All new MSUFCU members are required to have a share account with a balance of at least \$5.00. The share account is a savings account. MSUFCU will establish and fund the minimum share account for Algonquin State Bank customers who do not meet the share account requirement, as further discussed in the enclosed FAQ document.

Banking Locations and ATM Access

You may notice that the signage associated with Algonquin State Bank will transition to Michigan State University Federal Credit Union upon completion of the acquisition. MSUFCU is headquartered in East Lansing, Michigan, and currently has a total of 24 branches located throughout Michigan. We are currently in the process of acquiring and establishing additional branches in Cook and McHenry Counties in Illinois, including McHenry Savings Bank's three branches. Upon completion of the acquisition, MSUFCU expects to have approximately 35 branches, including 10 branches in Illinois. While you eventually will be able to conduct banking at all of MSUFCU's branches, after the acquisition you will need to conduct in-person banking at an Algonquin State Bank branch until your account has been converted to the records and systems of MSUFCU. This conversion of accounts is expected to occur sometime in the first quarter of 2025. No branch of MSUFCU or Algonquin State Bank will be closed in connection with the acquisition. After the conversion is complete, you will have full access to all of the combined institution's branches and all of the combined institution's ATMs. MSUFCU has surcharge-free ATMs at MSUFCU branches. MSUFCU members also have access to more than 5,600 CO-OP Financial Services Network shared branches and 30,000 CO-OP Financial Services Network surcharge-free ATMs located throughout the country. For a full list of MSUFCU's branches, hours, and available ATM locations, visit the MSUFCU website at msufcu.org/locations. See the enclosed FAQ document for additional information about branches and ATMs following the acquisition.

Products and Services

Despite the acquisition, you will retain access to all of your deposit accounts and other banking products and services (such as debit cards, lines of credit, and other services). Until your account has been converted to MSUFCU's records and systems, all direct deposits (social security, payroll, etc.), automatic withdrawals or transfers, and any transactions (debit card transactions or checks) will continue to process and post to your account without further action by you. The conversion of accounts to the MSUFCU records and systems is expected to occur in the first quarter of 2025. There will be no additional changes to your loans, loan servicing, banking products or services, or account numbers/structure until the records and systems' conversion is completed. You will be provided a minimum of thirty (30) days prior notice of any scheduled account changes. See the enclosed FAQ document for additional information regarding products and services before and after the conversion of your account to MSUFCU's records and systems.

Deposit Insurance (FDIC and NCUA)

All deposits at Algonquin State Bank will be transferred to MSUFCU upon completion of the acquisition. After the closing date, all share and deposit accounts at MSUFCU will be federally insured by the NCUA and not by the FDIC. Your share and deposit accounts will continue to be federally insured up to \$250,000 for each account category through the NCUA. The insured status of deposits at Algonquin State Bank under the provisions of the Federal Deposit Insurance Act will continue until the deposits are transferred to MSUFCU. At no time during the transition from FDIC to NCUA will your deposits not be insured up to applicable limits. Enclosed with this letter is a chart comparing FDIC and NCUA insurance coverage. You may withdraw your funds and close your accounts at MSUFCU at any time if you choose.

No Interruption in Service

Algonquin State Bank's two existing branches will remain open to continue serving you during normal business hours. In addition, Algonquin State Bank's ATMs will remain available, and you will continue to have access to property in your safe deposit box. Employees you know from Algonquin State Bank will continue to serve you as employees of MSUFCU. MSUFCU expects to continue to offer substantially similar products and services offered by Algonquin State Bank. Customers will be given prior notice of any changes in products and services. Please see the enclosed FAQ document for any questions you might have about your account access. You can also learn more about MSUFCU and our products and services at msufcu.org. If you are a customer of Algonquin State Bank and would like to discuss the acquisition, please contact Karen Villafior, President of Algonquin State Bank, at 847-658-4535 or karen.villafior@algonquinstatebank.com.

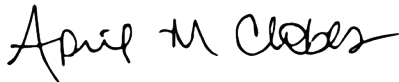
MSUFCU will continue to send communications detailing various aspects of the transition of your accounts, including detailed information regarding the conversion of your account to the records and systems of MSUFCU expected to occur sometime in the first quarter of 2025.

MSUFCU is thrilled to be joining with Algonquin State Bank, and we look forward to the chance to meet and get to know you soon. If you have any questions about the acquisition, please feel free to contact either financial institution:

Michigan State University Federal Credit Union
312-270-0204

Algonquin State Bank
847-658-4535

Sincerely,



April M. Clobes
Michigan State University Federal Credit Union
President and Chief Executive Officer



Daniel C. Morrissey
Algonquin State Bank
Chairman and Chief Executive Officer

Enclosures

NCUA and FDIC Insurance Compared						
Insurer	Single Account - one owner	Joint Account - more than one owner	Retirement Accounts - includes IRAs	Revocable Trust Accounts	Corporation, Partnership, and Unincorporated Association Accounts	Government Accounts
NCUA	\$250,000 per owner	\$250,000 per co-owner	\$250,000 aggregate for Roth and Traditional; \$250,000 for Keogh. All IRA coverage is separate and in addition to coverage for other credit union accounts.	\$250,000 per owner per beneficiary up to 5 beneficiaries (Coverdell Education Savings Accounts insured in this category.)	\$250,000 per corporation, partnership, or unincorporated association	\$250,000 per official custodian
FDIC	\$250,000 per owner	\$250,000 per co-owner	\$250,000 per owner	\$250,000 per owner per beneficiary up to 5 beneficiaries	\$250,000 per corporation, partnership, or unincorporated association	\$250,000 per official custodian

See NCUA's website at ncua.gov and FDIC's website at fdic.gov where more detailed information about share and deposit insurance can be found.

Customers of Algonquin State Bank: Answers to Frequently Asked Questions

Acquisition of Algonquin State Bank by Michigan State University Federal Credit Union

1. What is happening?

The boards of Algonquin State Bank (the “Bank”) and Michigan State University Federal Credit Union (“MSUFCU”) have signed a definitive agreement for MSUFCU to acquire Algonquin State Bank through MSUFCU purchasing the assets and assuming the liabilities of Algonquin State Bank, subject to receipt of final regulatory approvals and satisfaction of customary closing conditions.

2. What is a “purchase and assumption” transaction?

A purchase and assumption transaction means a financial institution (credit union or bank) acquires another financial institution by purchasing its assets and assuming its liabilities. In this instance, MSUFCU is purchasing substantially all the assets and assuming substantially all the liabilities (including all deposits) of Algonquin State Bank.

3. Why is Algonquin State Bank choosing to sell?

The board of directors and senior management of the Bank regularly reviews and evaluates the business, strategic alternatives, and direction of the organization. In their recent reviews, the board of directors focused on succession planning and alternatives for ensuring that the Bank continues to provide the highest level of service excellence to its customers. The board of directors also considered the current competitive marketplace and increasing demands in the rapidly evolving financial services industry. In reviewing these matters, the board of directors considered the merits of various options, including engaging in a strategic transaction with a similarly aligned strategic partner. Based on the foregoing, the Bank’s management and board determined that combining with a larger organization is the optimal strategy to serve its multiple stakeholders today and well into the future. The Bank engaged in discussions with MSUFCU regarding its operations and strategic plans and determined that MSUFCU, like the Bank, is committed to providing the highest level of service to its customers and providing an excellent work environment for its employees. The Bank also determined that the proposed terms of the transaction are in the best interests of its shareholders. Algonquin State Bank customers, at the time the transaction is completed, have the opportunity to become members of MSUFCU and have full access to MSUFCU’s expanded branch network, enhancements in products and services, higher lending limits, and greater financial resources.

4. Why did Algonquin State Bank choose MSUFCU?

In addition to the consideration offered by MSUFCU to Algonquin State Bank, Algonquin State Bank’s management and board are impressed by MSUFCU’s commitment to exceptional member service and its investment in the people and communities it serves. This partnership is expected to benefit the Bank’s customers, employees, and shareholders, and provide a positive financial return to all members of MSUFCU following the transaction.

5. What is a credit union?

Credit unions are member-owned, not-for-profit financial institutions. That means each member is also an owner. Credit unions don't have outside stockholders making decisions. The membership of credit unions elects the credit union board. This system allows earnings to be returned to members with lower fees, higher rates on deposit accounts, and lower rates on loans and credit cards.

6. Who is MSUFCU?

MSUFCU is a federally chartered credit union, regulated by the National Credit Union Administration ("NCUA"). MSUFCU is headquartered in East Lansing, Michigan, and currently has a total of 24 branches located throughout Michigan. In addition to acquiring Algonquin State Bank's two branches, MSUFCU is currently in the process of acquiring and establishing branches in Cook and McHenry Counties in Illinois, including McHenry Savings Bank's three branches. Upon completion of the acquisition, MSUFCU expects to have approximately 35 branches, including 10 branches in Illinois. MSUFCU's mission is to assist our members in achieving financial well-being through innovative financial solutions that foster thriving communities and economic facilities.

7. Why is MSUFCU choosing to acquire Algonquin State Bank?

This proposed partnership is a cultural and geographic fit that will create enhancements for members of MSUFCU and Algonquin State Bank customers. The transaction will add two branches to MSUFCU's branch footprint in McHenry County, Illinois.

8. Is this a done deal? What must happen before the acquisition is complete?

While the board of directors of both institutions and the stockholders of Algonquin State Bank's holding company, First Algonquin Company, have approved the proposed purchase, the proposed acquisition remains subject to customary closing conditions and final regulatory approvals. Assuming that all applicable closing conditions are satisfied or waived, both Algonquin State Bank and MSUFCU intend to finalize the acquisition on or about September 1, 2024.

9. How can I become a member of MSUFCU? Is there a minimum share account balance?

All Algonquin State Bank customers will be provided the opportunity to become members of MSUFCU effective upon completion of the acquisition. There are a number of ways to qualify for MSUFCU's field of membership and become a member of MSUFCU. In particular, one is eligible to become a member if one is an alumnus/alumna, student, donor, faculty, or staff member of Michigan State University. In addition, you will also be within MSUFCU's field of membership and eligible to become a member as a result of a free membership donation to the MSUFCU Desk Drawer Foundation that MSUFCU will make in your name in connection with the transaction if you are not otherwise in MSUFCU's field of membership. The MSUFCU Desk Drawer Foundation is a nonprofit charitable foundation that provides grants to the communities in which MSUFCU operates. If you have not already received a request to become a member of MSUFCU, we will soon be sending you materials for becoming a member including an "opt-in" form and a self-addressed envelope for returning the form. You can also opt in to becoming a member by other methods that will be listed in the opt-in form, including by phone, online, or in person at one of our branches. Please note that you will receive a separate letter shortly with additional information on opting in to become a member of MSUFCU as noted above.

All new MSUFCU members are required to have a share account with a balance of at least \$5.00. The share account is a savings account. For any Algonquin State Bank customer who does not have a savings account at the time of closing, MSUFCU will open and fund

a non-transaction share account with a balance of \$5.00. For any Algonquin State Bank customer who has a savings account with a positive balance of less than \$5.00 at the time of closing, MSUFCU will increase the balance of such account to \$5.00. For any customer with a negative account balance on the closing date, MSUFCU may, in its sole discretion, notify the customer in an attempt to rectify the situation. If such account cannot be brought back into good standing, MSUFCU may notify the customer that it intends to cancel such account unless the balance is increased to \$5.00 within six months in accordance with MSUFCU's policy on negative accounts.

All Algonquin State Bank deposits will be transferred to MSUFCU at the completion of the acquisition even if the holder has not opted in.

There will be no additional changes in your account structure or servicing until systems integration is completed at a later date. You will be provided a minimum of thirty (30) days prior notice of any scheduled account changes. See the discussion under the heading "Account Conversion" below for additional information regarding changes that will occur following the conversion to MSUFCU's records and systems.

10. Can I close and transfer my deposit account?

You may transfer your accounts to another financial institution before or after the acquisition becomes effective – please note that an early termination fee may apply if you terminate a certificate of deposit prior to its stated maturity. Please contact us at 847-658-4535, by email at inquiries@algonquinstatebank.com, or by mail at 2400 Huntington Drive North, Algonquin, Illinois 60102, to discuss how to close your account and receive or transfer your funds and how to handle any loans if you have them.

11. When will the former Algonquin State Bank customers be able to use MSUFCU's existing 24 branches?

Until the conversion to MSUFCU's records and systems is complete, former Algonquin State Bank customers will need to conduct in-person banking at one of the existing Algonquin State Bank branches. The conversion will not occur until after completion of the acquisition and is expected to be completed sometime in the first quarter of 2025. After the conversion is complete, former Algonquin State Bank customers will have full access to all MSUFCU branches. See the FAQ section under the heading "Account Conversion" below for additional information regarding changes that will occur following the conversion to MSUFCU's records and systems.

12. When is the official records and systems conversion date?

It's still too early to be certain, but we expect that the conversion will occur sometime in the first quarter of 2025. MSUFCU will continue to send communications detailing various aspects of the transition of your accounts, including detailed information regarding the conversion of your accounts to the records and systems of MSUFCU and any accompanying changes to your accounts.

13. Will there be an interruption of service?

We don't anticipate any interruptions of service, and no action is necessary on your part following the completion of the acquisition and prior to the conversion of your account to the records and systems of MSUFCU expected to occur sometime in the first quarter of 2025. The two Algonquin State Bank branches will remain open following the acquisition to serve you. No branches of Algonquin State Bank or MSUFCU will be closed in connection with the acquisition. In addition, you will continue to have uninterrupted access to the property in your safe deposit box. We do not anticipate disruption to the traditional banking business at this time, including your direct deposits, electronic banking activities, ATM/debit or similar transactions, or your transactions by

mail, safe deposit boxes, or paper-based checks. We do not anticipate any impact on receiving your periodic statements via your current method – paper or electronic – and will communicate delivery details as necessary. See the FAQ section under the heading “Account Conversion” below for additional information regarding changes that may occur in connection with the conversion to MSUFCU’s records and systems. We will share information on the full suite of additional products and services that will become available.

14. Will my current products and services change?

MSUFCU expects to continue to offer substantially similar, or a greater variety of, products and services as Algonquin State Bank after the transition. Presently, Algonquin State Bank offers checking accounts, savings accounts, CDs, money market accounts, and NOWs. Similar deposit products are presently offered at MSUFCU. Algonquin State Bank does not offer HSAs while MSUFCU does. In the lending area, MSUFCU will have a higher lending limit and the product offerings by MSUFCU will be more robust. MSUFCU offers a wider variety of mortgage loans generally. At least initially, the hours of operation of the Algonquin State Bank branches will most likely remain the same.

15. How will my FDIC deposit insurance at Algonquin State Bank transition to NCUA deposit insurance at MSUFCU?

After the closing date, your deposits will be insured by the National Credit Union Share Insurance Fund (“NCUSIF”) and not by the FDIC. All your current deposits will continue to be federally insured at MSUFCU up to \$250,000 for each account category through the NCUA—an agency of the federal government, which administers the NCUSIF. It is expected that Algonquin State Bank will hold no deposits and will immediately begin the process of terminating its deposit insurance after the closing of the acquisition. We have included a chart comparing FDIC and NCUA insurance coverage in the special insert enclosed with this FAQ. You can also visit the NCUA’s website at ncua.gov and the FDIC’s website at fdic.gov where more detailed information about share and deposit insurance can be found.

16. What will happen with the existing Algonquin State Bank branches?

Algonquin State Bank’s branches will remain open and become full-service MSUFCU branches. You will need to continue to use these branches until after the conversion of your account to the records and systems of MSUFCU, expected to occur sometime in the first quarter of 2025. See the FAQ section under the heading “Account Conversion” below for additional information regarding changes that will occur following the conversion to MSUFCU’s records and systems.

17. Will there be a name change?

Algonquin State Bank will become part of and assume the name Michigan State University Federal Credit Union.

18. What will happen to Algonquin State Bank associates?

Algonquin State Bank associates will continue their dedicated service to their customers in their current roles. MSUFCU intends to align Algonquin State Bank associates’ skills, abilities, and career goals with MSUFCU’s growing need to serve you. Bringing together two successful organizations, we will create an even more vibrant work environment with incredible career growth and advancement potential.

19. What are the benefits I will receive as an MSUFCU member?

A few benefits include:

- Attractive rates on loans and deposit accounts.
- Greater selection of loan products.
- Greater access to surcharge-free ATMs.
- FREE VISA® Debit Card.
- FREE Online Banking — Access your account anytime, anywhere.
- FREE Bill Pay — Pay your bills whenever you want, day or night, simply and securely.
- FREE Mobile Banking — Banking on the go! Search MSUFCU in your mobile app store.
- FREE GreenPath Financial Wellness — Achieve your financial goals with access to free personal finance information and counseling.
- Special Offers and Contests — Throughout the year we offer product specials and contests.
- Financial Education — Our award-winning team offers free financial education experiences on topics like budgeting, investing, credit, identity theft protection, and more!
- Community Events and Seminars — We offer seminars, community events, and youth member events, all free to our membership.

Each of these benefits will be made available to you upon the conversion of your account to MSUFCU's records and systems. Additional information about your account and benefits at MSUFCU will be provided as the conversion nears.

Account Conversion

20. When will the account conversion take place?

The conversion of accounts to the MSUFCU records and systems has been tentatively scheduled for the first quarter of 2025. While access to some services may transition at different intervals leading up to and through the account conversion, there should be no impact to your ability to use your account up to and through conversion. Additional instructions on implementing the conversion to MSUFCU's records and systems, and any scheduled account changes (i.e., relating to direct deposit routing/account numbers and loan payments), will be provided together with a minimum of thirty (30) days prior notice.

21. Will my account number or account names change with the account conversion?

In the months ahead, the conversion of accounts to MSUFCU's records and systems, expected to occur in the first quarter of 2025, may require a change to account numbers. We will work to minimize any changes made to accounts as we understand that this type of change may cause disruption. We are committed to making the transition as smooth as possible so that you experience no interruptions in accessing your accounts.

22. Will I need to update my ACH (Automated Clearing House) transactions (social security, payroll, etc.)?

Following account conversion, you will need to contact any business that you provided your account information to for ACH payments or deposits and provide your updated routing number of 272479663 (for any consumer accounts you own) or 072486908 (for any commercial accounts you own).

23. What is MSUFCU's routing and transit number?

MSUFCU routing and transit number is 272479663 for your consumer accounts and 072486908 for your commercial accounts.

24. Will I still be able to use my current checks?

Yes, you will continue to be able to use your current checks following the closing of the acquisition. You will be provided with new checks with the MSUFCU name prior to or following account conversion. More details will be included in future correspondence.

25. Will I still be able to use my debit and ATM cards?

Yes, you will continue to be able to use your current cards following the closing of the transaction. You will receive new card(s) and instructions in advance of the conversion expected to occur in the first quarter of 2025, so that when the conversion occurs you will have card(s) ready to be activated and used.

26. How will this affect my loan payments?

You will continue to make loan payments to Algonquin State Bank, 2400 Huntington Drive North, Algonquin, IL 60102, until account conversion. Following conversion, you can make loan payments at any MSUFCU full-service branch, or by mail to 3777 West Road, East Lansing, MI 48823. Please visit msufcu.org/contact for more options.

27. Will beneficiaries transfer with account(s)?

Yes. Any previously designated beneficiaries will follow the account when integrated with MSUFCU's records and systems.

28. When will I be able to use MSUFCU's branches? What are MSUFCU's hours?

Until the conversion of your account, expected to occur in the first quarter of 2025, you will need to conduct in-person banking at one of the existing Algonquin State Bank branches. Following the conversion of your account, you will be able to conduct banking at all of the combined institution's branches. MSUFCU members also have access to more than 5,600 CO-OP Financial Services Network shared branches. For a full list of MSUFCU's branches and hours, visit the MSUFCU website at msufcu.org/locations.

29. When will I be able to use MSUFCU ATMs?

After closing of the acquisition, Algonquin State Bank customers will be able to use ATMs at the former Algonquin State Bank branches with their Algonquin State Bank ATM and debit cards fee-free without interruption. Following the account conversion, you will be able to use any branch or ATM within MSUFCU's network, using your new ATM or debit card. MSUFCU has surcharge-free ATMs at its branches, and MSUFCU members also have access to more than 30,000 CO-OP Financial Services Network surcharge-free ATMs located throughout the country. For a full list of MSUFCU's surcharge-free ATM locations, visit the MSUFCU website at msufcu.org/locations.

30. When will online/mobile access be available?

A detailed communication about initial access to MSUFCU's online/mobile banking will be sent in future correspondence.

31. Where can I learn more about MSUFCU and be updated about the transaction with Algonquin State Bank?

Access MSUFCU's website at msufcu.org.