



July 29, 2024

Name
Address
City, State ZIP

Dear McHenry Savings Bank Customer,

We are pleased to announce the acquisition of McHenry Savings Bank by Michigan State University Federal Credit Union (“**MSUFCU**”) through MSUFCU’s purchase and assumption of the assets and liabilities of McHenry Savings Bank. This letter serves to officially notify you about the acquisition of McHenry Savings 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**”). This transaction is expected to be completed on September 1, 2024. Conversion of the computer systems (the “system conversion”) will occur at a later date. 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 system conversion of your account. The system conversion of your account will be part of the integration of the McHenry Savings Bank and MSUFCU records and systems following the completion of the acquisition and has been tentatively scheduled for the second quarter of 2025. Additional information regarding the system conversion is included in the enclosed FAQ document. MSUFCU will provide you with additional information and instructions regarding the system conversion of your account as the date of the system 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 McHenry Savings Bank customers will be provided the opportunity to become members of MSUFCU effective upon completion of the acquisition. 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. In order to opt in, you will need to be within our field of membership and meet other member requirements. See the enclosed FAQ document for more information about how you may choose to join our field of membership and opt to become a member of MSUFCU, including at a branch, online, or by phone or mail. All McHenry Savings Bank deposits and loans will be transferred to MSUFCU at the completion of the acquisition even if the holder has not opted to become a member. That means that even if a McHenry Savings 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 McHenry Savings Bank customers who have opted in and do not currently 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 McHenry Savings 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. MSUFCU is currently in the process of acquiring and establishing additional branches in Cook and McHenry Counties in Illinois, including Algonquin State Bank's two branches. Upon completion of the acquisition, MSUFCU expects to have 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 a McHenry Savings Bank branch until your account has been converted to the records and systems of MSUFCU approximately eight (8) months after the acquisition is complete. This system conversion is expected to occur sometime in the second quarter of 2025. No branch of MSUFCU or McHenry Savings Bank will be closed in connection with the acquisition. After the system 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 system conversion is expected to occur in the second quarter of 2025. After the transfer of your accounts to MSUFCU, there will be no additional changes to your loans, loan servicing, banking products or services, or account numbers/structure until the system 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 system conversion.

Deposit Insurance (FDIC and NCUA)

All deposits at McHenry Savings 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 McHenry Savings Bank under the provisions of the Federal Deposit Insurance Act will continue until the deposits are transferred to MSUFCU. At all times during the transition, your deposits will be Federally 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. See the enclosed FAQ document for additional information about restructuring your deposits without penalty.

No Interruption in Service

McHenry Savings Bank's three existing branches will remain open to continue serving you during normal business hours. In addition, McHenry Savings Bank's ATMs will remain available, and you will continue to have access to property in your safe deposit box. Employees you know from McHenry Savings Bank will continue to serve you as employees of MSUFCU. MSUFCU expects to continue to offer substantially similar products and services offered by McHenry Savings 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 McHenry Savings Bank and would like to discuss the acquisition, please contact Arlene Stupienski, AVP, Retail Banking Manager, or Kathrine Pfister-Violett, AVP, Client Development & Treasury Solutions, at 815-385-3000.

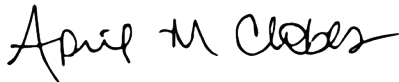
MSUFCU will continue to send communications detailing various aspects of the transition of your accounts, including detailed information regarding the system conversion of your account expected to occur sometime in the second quarter of 2025.

MSUFCU is thrilled to be joining with McHenry Savings 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

McHenry Savings Bank
815-385-3000

Sincerely,



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



Donald H. Wilson
McHenry Savings Bank
Chairman, President, and Chief Executive

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 McHenry Savings Bank: Answers to Frequently Asked Questions

Acquisition of McHenry Savings Bank by Michigan State University Federal Credit Union

1. What is happening?

The boards of McHenry Savings Bank and Michigan State University Federal Credit Union ("MSUFCU") have signed a definitive agreement for MSUFCU to acquire McHenry Savings Bank through MSUFCU purchasing the assets and assuming the liabilities of McHenry Savings Bank, subject to the 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 McHenry Savings Bank.

3. Why is McHenry Savings Bank choosing to sell?

McHenry Savings Bank's management and board determined that combining with a larger organization is the optimal strategy to serve its communities, customers, staff members, and shareholders today and well into the future. McHenry Savings Bank customers at the time the transaction is completed will have the opportunity to become members of MSUFCU and will have full access to MSUFCU's expanded branch network, enhancements in products and services, higher lending limits, and greater financial resources.

4. Why did McHenry Savings Bank choose MSUFCU?

In addition to the consideration offered by MSUFCU to McHenry Savings Bank, McHenry Savings 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 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, whereby each member is also an owner. Credit unions don't have stockholders electing their board of directors; the membership of credit unions elects the credit union board. This system may allow 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

McHenry Savings Bank's three branches, MSUFCU is currently in the process of acquiring and establishing additional branches in Cook and McHenry Counties in Illinois, including Algonquin State Bank's two branches. Upon completion of the acquisition, MSUFCU expects to have 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 McHenry Savings Bank?

This proposed partnership is a cultural and geographic fit that will create enhancements for members of MSUFCU and McHenry Savings Bank customers. The transaction will add three 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 McHenry Savings Bank's holding company, McHenry Bancorp, Inc. have approved the proposed purchase, the proposed acquisition remains subject to customary closing conditions. Assuming that all applicable closing conditions are satisfied or waived, both McHenry Savings 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 McHenry Savings Bank customers will be provided the opportunity to become members of MSUFCU effective upon completion of the acquisition. In order to become a member of MSUFCU, McHenry Savings Bank customers must fall within MSUFCU's "field of membership." There are a number of ways to qualify for MSUFCU's field of membership and become a member of MSUFCU. In particular, you are eligible to become a member if you are an alumnus/alumna, student, donor, faculty, or staff member of Michigan State University. If you do not otherwise fall within MSUFCU's field of membership at the time of the transaction, then you automatically will be eligible to become a member of MSUFCU as a result of MSUFCU making a donation to the MSUFCU Desk Drawer Foundation on your behalf at no cost to you. 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.

All new MSUFCU members will be required to have a share account with a balance of at least \$5.00, as are all members. The share account is a savings account. For any McHenry Savings Bank customer who has opted to become a member and 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 McHenry Savings Bank customer who has opted to become a member and 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. Any such \$5.00 deposit by MSUFCU will be treated as a gift and is not subject to any conditions whatsoever. For any McHenry Savings Bank 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 McHenry Savings Bank deposits will be transferred to MSUFCU at the completion of the acquisition even if the holder has not opted in.

After the transfer of your account to MSUFCU, 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 FAQ section under the heading "System Conversion" below for additional information regarding changes that will occur following the conversion to MSUFCU's records and systems (the "system conversion").

10. When will the former McHenry Savings Bank customers be able to use MSUFCU's existing 24 branches?

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

11. 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 system conversion that is expected to occur sometime in the second quarter of 2025. The three McHenry Savings Bank branches will remain open following the acquisition to serve you. No branches of McHenry Savings 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 "System Conversion" below for additional information regarding changes that may occur in connection with the system conversion. We will share information on the full suite of additional products and services that will become available.

12. Will my current products and services change?

MSUFCU expects to continue to offer substantially similar, or a greater variety of, products and services as McHenry Savings Bank after the transition. Presently, McHenry Savings Bank offers checking accounts, savings accounts, CDs, money market accounts, and IRAs. Similar deposit products are presently offered at MSUFCU. McHenry Savings Bank does not offer One-Year Add-On Certificates, Savings Builder (blended rate) accounts, or Coverdell Education Savings Accounts, while MSUFCU does. In the lending area, the product offerings by MSUFCU will be more robust. Presently, McHenry Savings Bank does not offer credit cards, while MSUFCU does and also offers a wider variety of mortgage loans generally. McHenry Savings Bank does not emphasize certain consumer-related loans such as car loans or holiday loans. MSUFCU does. At least initially, the hours of operations of the McHenry Savings Bank branches will most likely remain the same.

13. How will my FDIC deposit insurance at McHenry Savings Bank transition to NCUA deposit insurance at MSUFCU?

After the closing date, your deposits will be federally 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 McHenry Savings 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 nca.gov and the FDIC's website at fdic.gov where more detailed information about share and deposit insurance can be found.

14. What will happen with the existing McHenry Savings Bank branches?

McHenry Savings Bank's three branches will remain open and become full-service MSUFCU branches. You will need to continue to use these branches until after the system conversion, expected to occur sometime in the second quarter of 2025. See the FAQ section under the heading "System Conversion" below for additional information regarding changes that will occur following the system conversion.

15. Will there be a name change?

Immediately upon the completion of the transaction, all signage and references to McHenry Savings Bank will be relabeled with MSUFCU's name and logo.

16. What will happen to McHenry Savings Bank employees?

McHenry Savings Bank employees will continue their dedicated service to their customers in their current roles. MSUFCU intends to align McHenry Savings Bank employees' 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 substantial career growth and advancement potential.

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

A few benefits include:

- 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 system conversion. Additional information about your account and benefits at MSUFCU will be provided as the system conversion nears.

System Conversion

18. When will the system conversion take place?

The system conversion has been tentatively scheduled for the second quarter of 2025. Instructions on implementing the system conversion, 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.

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

In the months ahead, the system conversion of accounts to MSUFCU's records and systems, expected to occur in the second 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 any transition as smooth as possible so that you experience no interruptions in accessing your accounts.

20. 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).

21. 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.

22. 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 system conversion. More details will be included in future correspondence.

23. 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 system conversion expected to occur in the second quarter of 2025, so that when the system conversion occurs you will have card(s) ready to be activated and used.

24. How will this affect my loan payments?

You will continue to make loan payments to McHenry Savings Bank, 353 Bank Drive, McHenry, IL 60050, until system conversion. Following the system conversion, you can make loan payments online, 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.

25. Will beneficiaries transfer with account(s)?

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

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

Until the system conversion, you will need to conduct in-person banking at the three existing McHenry Savings Bank branches. Following the system conversion, 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.

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

After closing of the acquisition, McHenry Savings Bank customers will be able to use ATMs at the former McHenry Savings Bank branches with their McHenry Savings Bank ATM and debit cards fee-free without interruption. Following the system 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 all of its current branches. 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.

28. 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.

29. Where can I learn more about MSUFCU and be updated about the transaction with McHenry Savings Bank?

Access MSUFCU's website at msufcu.org.