



A Stable Financial Institution in your Community Since 1955

To My Fellow LCU Members:

I am writing to you on behalf of the elected Board of Directors and staff of Leyden Credit Union. After much thought and careful consideration, it has been decided that the best course of action to ensure the long term financial stewardship of the current Leyden Credit Union members is to merge with Partnership Financial Credit Union headquartered in Morton Grove, Illinois.

The impetus of the decision to merge was the notification that our CEO was planning on stepping down from his position and relocating. The Board secured a commitment from the CEO to stay on staff for 36 months (December of 2021) or until a replacement was secured or a successful merger was completed.

While reviewing our options, we came to agree with the industry assessment that in order to insure our survival long term, a credit union needs to get near the \$250 Million Asset threshold. While we survived the difficult economic times during the Corporate Credit Union meltdown and experienced considerable asset growth during consumer "flight to safety", our asset growth was due to Cash on Hand from member deposits. We've not be able to bring in proportional member loans to offset the additional member deposits. The overall effect of our members trusting us with their money was to drive down our Net Worth. We also saw three years of net annual losses due to the Real Estate bust with underwater foreclosures and short sales combined with loss of corporate credit union membership capital and NCUA Stabilization Fund Expense.

The credit union's net income has increased every year since 2012, with the exception of 2020. However, it's been done primarily on the backs of our depositors. While our rates have been no worse than our local bank competition, we want to be able to give back to both our depositors as well as our borrowers. Becoming part of a larger, growing institution will give our members a better chance of seeing better rates on both loans and shares.

While we looked at several different credit unions, we felt that the best fit for our membership was Partnership Financial. We have very similar origins and our Board and staff were very comfortable with the "old school" credit union feel of Partnership Financial. The two CEOs share similar philosophies regarding being member-centric and not being solely focused on the bottom line.

The plan is for our location to stay open and become the southernmost branch of what is a generally circular membership area. While the majority of our membership is located near our Franklin Park location, there should be a significant minority of our membership that would be able to take advantage of the other Partnership Financial locations. A large part of our fields of membership overlap, but as the surviving credit union, Partnership Financial will increase their field of membership with any townships that are south of Illinois Route 64 (North Avenue).

Sincerely,

A handwritten signature in black ink that reads "Rob Hjelmgren". The signature is fluid and cursive.

Rob Hjelmgren
Chairman of the Board