#### Notice of Special Meeting of the Members on Proposal to Merge allU.S. Credit Union

On October 8, 2021, the Board of Directors of your credit union approved a proposition to merge allU.S. Credit Union (allU.S.) with Pentagon Federal Credit Union (PenFed). You are encouraged to attend a special meeting of your credit union on August 1, 2022 at 5:00pm PST, either in person at 1410 N. Main St., Salinas, CA 93906 or virtually, in accordance with the instructions in the Voting Information section below.

# **Purpose of the Meeting**

The meeting has two purposes:

- 1. To consider and act upon a proposal to merge our credit union with PenFed, the continuing credit union.
- 2. To approve the action of the Board of Directors of our credit union in authorizing the officers of the credit union, subject to member approval, to carry out the proposed merger.

If this merger is approved, our credit union will transfer all its assets and liabilities to PenFed. As a member of our credit union, you will become a member of PenFed. On the effective date of the merger, you will receive shares in the continuing credit union for the shares you own now in our credit union.

# **Other Information Related to the Proposed Merger**

The directors of the participating credit unions 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.

The directors of the participating credit unions have concluded that the proposed merger is desirable for the following reasons:

In today's landscape of digital transformation coupled with evolving technology, regulatory compliance, and increasing cybercriminal threats, our Board of Directors evaluated strategic possibilities to assure that you, our member, will continue to receive the full range of products and services you deserve.

To ensure continuity of operations while seeking to expand product offerings and improve services, we have been diligently searching to find alternatives. A merger with PenFed meets the full range of our objectives: growth of membership, expansion of product offerings, infusion of investment in IT cybersecurity, improved training, and enhanced community service. After considering alternatives, we determined that a merger with PenFed is in the best interest of our members.

### Net Worth

The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. allU.S. has a higher net worth to assets ratio than PenFed.

### Share Adjustment

allU.S.' Board of Directors has determined to distribute a \$250 special dividend from a portion of allU.S.' net worth (approximately \$1,000,000) to its eligible members in the merger. Eligible members are defined as those natural person members having at least one share in their regular savings account and who continue to be a member in good standing as of the date the capital distribution is paid. A member is not in good standing and is ineligible to receive the bonus dividend if they have caused the credit union a loss due to loan and/or share charge-offs or have a loan and/or a VISA credit card account that is 60-days or more past due.

## Merger-Related Financial Arrangements

allU.S.' Board of Directors has also paid special attention to the protection of its highly valued employees. I am very happy to inform you that all full-time allU.S. employees will be retained. A major aspect of our decision to partner with PenFed pertains to its best-in-class employee benefits. PenFed is a national destination employer that offers competitive benefits to all employees, including individual and family health, vision, and dental insurance, 401(k) matching, life insurance, education assistance and other typical benefits. allU.S. employees offered employment with PenFed will be eligible to participate in these benefits in accordance with the terms and conditions of the benefit plan documents. The amount of such benefits is incalculable at this time as they are dependent on the employees' corresponding elections.

NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials have received or will receive in connection with the merger. No merging credit union official will receive an increase in his or her compensation.

PenFed will provide allU.S.' Chief Executive Officer, Patrick Redo, with a three-year guarantee of employment. In addition, Loan Manager, Robin Ceralde, and Operations Manager, Chantal Alcantar, will each receive a three-year guarantee of employment. If termination of employment by either party occurs after twelve (12) months from the merger completion date, each employee can receive a maximum of twenty-four (24) months of their current annual salary as severance.

After the twelfth month (12th) of employment following the merger completion date and for each successive month, up to the thirty-sixth (36<sup>th</sup>) month of employment, one (1) month of severance pay will be deducted from the total twenty-four (24) month severance guarantee available to these three employees.

- Patrick Redo's annual salary is \$168,979.20; maximum one-time payout if employment is terminated by either party would be \$337,958.40
- Robin Ceralde's annual salary is \$68,577.60; maximum one-time payout if employment is terminated by either party would be \$137,155.20
- Chantal Alcantar's annual salary is \$54,059.20; maximum one-time payout if employment is terminated by either party would be \$108,118.40

The aforementioned severance packages may result in a one-time payment of \$583,232.00

#### Changes to Services and Member Benefits

| Business Checking/Savings Accounts       | Courtesy Pay Overdraft Protection |
|--|-----------------------------------|
| Christmas Club Accounts                  | MoneyDesktop Account Aggregation  |
| TicketsatWork Discount Admission Tickets |                                   |

The following table outlines any increases in service fees:

| Service Fee               | PenFed         | allU.S.      |
|---------------------------|----------------|--------------|
| ATM Balance Inquiry       | \$1.00/inquiry | Free         |
| Outgoing Wires - Domestic | \$25.00/wire   | \$20.00/wire |
| Check Stop Payment        | \$20.00/item   | \$15.00/item |
| Loan Subordination        | \$150.00       | \$75.00      |

Because PenFed is a healthy, financially sound credit union, the amount a member has on deposit at allU.S. before the merger will result in an equal amount on deposit at PenFed after the merger and no adjustment in the accounts of any member will be required.

#### Branch Locations

PenFed intends to maintain allU.S.' current branch, located at:

• 1410 N. Main St., Salinas, CA 93906

PenFed has 45 branches nationwide, with one branch in California:

• 9494 Miramar Road, San Diego, CA 92126

PenFed's main office is located at:

• 7940 Jones Branch Drive, McLean, VA 22102

## California Financial Code, Section 15201(b)

California Financial Code Section 15201(b) provides that the Board of Directors may apply to the Commissioner of Financial Protection and Innovation for approval of a merger in accordance with a plan of merger approved by a majority of the board of directors of each credit union that is a party to the merger, even though less than a majority of the outstanding members of a

disappearing credit union has voted to approve the merger. In order to approve a merger in such a case, the Commissioner must find, upon the written and verified application filed by the board of directors, that: (1) notice of the meeting called to consider the merger, or the ballot for written vote on the merger, was mailed to each member entitled to vote on the merger; (2) the notice or ballot disclosed the purpose of the meeting or the written vote; (3) the notice or ballot informed the membership that approval of the merger might be sought pursuant to Financial Code Section 15201(b); and (4) a majority of the votes cast were in favor of the merger.

This notice is to advise you that the purpose of the membership meeting scheduled for August 1, 2022 is to vote on the question of whether this credit union should merge with and into Pentagon Federal Credit Union.

Further, this is to advise you that the Board of Directors will make an application under Financial Code Section 15201(b) for approval of the merger in the event that a majority of all members of this credit union do not vote to approve the merger, in person or by ballot.

#### Voting Information

Please be assured that you are our valued member, and we have every confidence that you will be pleased by the level of commitment, service, and value that you will receive from PenFed. We strongly believe that the proposed merger will provide our membership improved services, access to a more robust and competitive product offerings, and an online and mobile banking experience that allU.S. is currently not able to offer you, our valued member.

The merger must have the approval of a majority of members of the credit union who vote on the proposal. The Board of Directors 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 may submit them to the National Credit Union Administration (NCUA) at <u>https://www.ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers</u> or National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428. The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

The independent firm CUBallot will serve as the Teller of Election and will attest to the balloting process and results.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting, in-person or virtually, please complete the ballot, and return it to the Teller of Election using the enclosed self-addressed and prepaid envelope provided no later than 5:00pm PST on August 1, 2022. To be counted, your ballot must reach us by the date and time announced for the meeting. <u>Ballots will not be accepted at the allU.S. branch location</u>. If you intend to vote in-person at the Special Meeting, CUBallot will provide a mechanism at the meeting to vote electronically. The in-person Special Meeting will take place at allU.S.' office at 1410 N. Main St., Salinas, CA 93906.

The Special Meeting will also be simulcast live, accessible through <u>alluscu.com</u> by clicking the "Vote Now" button. Members will be able to hear and read information about the proceedings

during the live meeting. You can vote online at <u>alluscu.com</u> and select the "Vote Now" button and follow the directions inside.

Pressing the "Vote Now" button at <u>alluscu.com</u> is a means to facilitate the voting process:

- Votes will be tallied by an independent third party.
- Voting members will be validated as members of allU.S. for votes to count.
- A record of all votes will be kept including member validation information. The independent third party will validate membership using non-public member information and for any ballot duplication.

#### Directions for Attending Virtual Special Meeting

To attend the virtual Special Meeting, please visit:

<u>https://alluscu.com/</u> and click on the "Vote Now" button.

# BY ORDER OF THE BOARD OF DIRECTORS:

Rebert Dagle Flaber I

May 31, 2022

Robert Vanderslice, Chairman, Board of Directors

Date

#### COMBINED STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2021

| Less     (25):35:174)     (200:500)     200.500     200.500       Loars Held for Sale     3.910.277.179     18.680.864     (204,356)     2.35       Loars Held for Sale     3.910.277.179     14.919.943     2.3       Cash     5.54.603.847     13.374.944     (1.000.000)     5.3       Land & Building (net)     209.603.366     3.617.163     3       Other Fixed Assets (net)     2.38,876.854     676.947     667.620     1.5       TOTAL ASSETS     32,520.025.379     51.890.689     (5,114,514)     32.5       LIABILITIES AND EQUITY     456.004.680     388,199     100,000     6.3       A Other Labilities     5.648.911.076     5.6     5.6       A Other Jabilities     5.332.520.025.379     51.890.689     (24.57.776)     1.5       Total Assets     32,520.025.379     51.890.689     (5,114,514)     32.5       LiABILTIES AND EQUITY     456,004.680     388,199     100,000     6.3       Regulatory/Statutory Reserves     9.09.002     44,507.976     600,000     23.1       Total Liabilities  | Total Loans Outstanding<br>Less) Allowance for Loan Losses<br>Vet Loans<br>Joans Held for Sale<br>nvestments<br>Jash<br>Jash<br>Juher Fixed Assets (net)<br>ntangibles & Goodwill (net)<br>All Other Assets | (251,355,174)<br>23,497,284,959<br>3,910,277,179<br>2,348,431,901<br>554,803,847<br>299,803,366<br>236,714,675<br>143,832,608<br>1,528,876,854 | (200,500)<br>18,680,864<br>   | 200,500<br>(204,958)<br>(1,000,000)<br>(1,000,000)<br>(4,577,176) |           | (251,355,174<br>23,515,760,865<br>3,910,277,179<br>2,363,351,844<br>567,178,791<br>303,494,539<br>237,261,483                                     |
|---|---|--|---|---|-----------|---|
| L(ass) Allowance for Loan Losses     [251,355,174]     [200,500]     200,500]     200,500]     202,500]       Loans Held for Sale     3,910,277,179     18,680,864     (204,595]     235       Loans Held for Sale     3,910,277,179     14,919,943     .     236       Loans Kelding (net)     298,933,56     3,601,183     .     236       Loan & Building (net)     298,933,56     3,601,183     .     22       Loan & Suiding (net)     236,714,675     546,808     .     .       Linaptible & Cookill (net)     143,82,008     .     .     .       All Other Assets     1,528,876,884     676,947     .     .     .       Cotal Liabilities     5,864,911,076     .     .     .     .     .       Chal Liabilities     6,331,201,870     388,199     100,000     6,3     .       Chal Liabilities     5,286,911,070     388,199     100,000     6,3     .       Chal Liabilities     6,331,201,870     388,199     100,000     6,3     .       Chal Liabilities <t< td=""><td>Less) Allowance for Loan Losses<br/>Vet Loans<br/>Joans Held for Sale<br/>nvestments<br/>Jash<br/>Jand &amp; Building (net)<br/>Dther Fixed Assets (net)<br/>ntangibles &amp; Goodwill (net)<br/>NII Other Assets</td><td>(251,355,174)<br/>23,497,284,959<br/>3,910,277,179<br/>2,348,431,901<br/>554,803,847<br/>299,803,366<br/>236,714,675<br/>143,832,608<br/>1,528,876,854</td><td>(200,500)<br/>18,680,864<br/></td><td>200,500<br/>(204,958)<br/>(1,000,000)<br/>(1,000,000)<br/>(4,577,176)</td><td></td><td>\$ 23,767,116,039<br/>(251,355,174<br/>23,515,760,865<br/>3,910,277,179<br/>2,363,351,844<br/>567,178,791<br/>303,494,539<br/>237,261,483<br/>139,255,432</td></t<>  | Less) Allowance for Loan Losses<br>Vet Loans<br>Joans Held for Sale<br>nvestments<br>Jash<br>Jand & Building (net)<br>Dther Fixed Assets (net)<br>ntangibles & Goodwill (net)<br>NII Other Assets           | (251,355,174)<br>23,497,284,959<br>3,910,277,179<br>2,348,431,901<br>554,803,847<br>299,803,366<br>236,714,675<br>143,832,608<br>1,528,876,854 | (200,500)<br>18,680,864<br>   | 200,500<br>(204,958)<br>(1,000,000)<br>(1,000,000)<br>(4,577,176) |           | \$ 23,767,116,039<br>(251,355,174<br>23,515,760,865<br>3,910,277,179<br>2,363,351,844<br>567,178,791<br>303,494,539<br>237,261,483<br>139,255,432 |
| Vel Lans     23.497.294.990     10.680.964     (204.989)     225       Description     2.348.431.901     14.919.943     23       Description     2.348.431.901     14.919.943     23       Sand     5.94.003.847     13.374.944     (10.00.00)     5       Sand     5.94.003.847     13.374.944     (10.00.00)     5       Sand & Building (net)     228.014.675     546.808     22.5       Sand & Studing (net)     143.832.606     67.647     (67.620     1.5       NIC Mer Assets     1.528.876.864     67.6447     (67.620     1.5       Statistics     1.528.976     600.000     4     2.5       LIABLITIES AND EQUITY     Statistics     5.88.199     100.000     6.3       Statistics     1.028.7114 <td>Vet Loans<br/>Loans Held for Sale<br/>nvestments<br/>Cash<br/>Land &amp; Building (net)<br/>Dther Fixed Assets (net)<br/>ntangibles &amp; Goodwill (net)<br/>All Other Assets</td> <td>23,497,284,959<br/>3,910,277,179<br/>2,348,431,901<br/>554,803,847<br/>299,803,356<br/>236,714,675<br/>143,832,608<br/>1,528,876,854</td> <td>18,680,864<br/>14,919,943<br/>13,374,944<br/>3,691,183<br/>546,808<br/>676,947</td> <td>(204,958)<br/></td> <td></td> <td>23,515,760,865<br/>3,910,277,179<br/>2,363,351,844<br/>567,178,791<br/>303,494,539<br/>237,261,483</td>   | Vet Loans<br>Loans Held for Sale<br>nvestments<br>Cash<br>Land & Building (net)<br>Dther Fixed Assets (net)<br>ntangibles & Goodwill (net)<br>All Other Assets  | 23,497,284,959<br>3,910,277,179<br>2,348,431,901<br>554,803,847<br>299,803,356<br>236,714,675<br>143,832,608<br>1,528,876,854                  | 18,680,864<br>14,919,943<br>13,374,944<br>3,691,183<br>546,808<br>676,947 | (204,958)<br>   |           | 23,515,760,865<br>3,910,277,179<br>2,363,351,844<br>567,178,791<br>303,494,539<br>237,261,483   |
| cons Held for Sale     3.910.277.179     - <td< td=""><td>Loans Held for Sale<br/>nvestments<br/>Cash<br/>and &amp; Building (net)<br/>Dther Fixed Assets (net)<br/>ntangibles &amp; Goodwill (net)<br/>All Other Assets</td><td>3,910,277,179<br/>2,348,431,901<br/>554,803,847<br/>299,803,356<br/>236,714,675<br/>143,832,608<br/>1,528,876,854</td><td>14,919,943<br/>13,374,944<br/>3,691,183<br/>546,808<br/>676,947</td><td>(1,000,000)</td><td></td><td>3,910,277,179<br/>2,363,351,844<br/>567,178,791<br/>303,494,539<br/>237,261,483</td></td<>  | Loans Held for Sale<br>nvestments<br>Cash<br>and & Building (net)<br>Dther Fixed Assets (net)<br>ntangibles & Goodwill (net)<br>All Other Assets  | 3,910,277,179<br>2,348,431,901<br>554,803,847<br>299,803,356<br>236,714,675<br>143,832,608<br>1,528,876,854                                    | 14,919,943<br>13,374,944<br>3,691,183<br>546,808<br>676,947               | (1,000,000)   |           | 3,910,277,179<br>2,363,351,844<br>567,178,791<br>303,494,539<br>237,261,483   |
| nestments     2.348 431 901     14.919 943     .     23.23       Cash     554.903 847     13.374.944     (1,000,000)     55       Card & Building (net)     298.903.356     3.601.183     .     .       Other Fixed Assets (net)     238.714.675     546.008     .     .       NI Other Assets     1,528.876.854     676,947     667,620     1.5       TOTAL ASSETS     32.520,025.379     51.890,689     (5,114.514)     32.5       LIABILITIES AND EQUITY     Accounts Payable     456,004.680     388,199     100,000     6.3       All Other Liabilities     5,666,911.076     .     .     .     .       Stal Shares     23.087.981.502     44.507.976     600,000     23.1       Stal Shares     29.090.466     430.481     (430.481)     .       Vei Income     90.900.466     430.481     .     .       Avaluet In Mergers     776.085.811     .     .     .       Dividende Payable     2.968.571.570     6.464.081     (5.284.081)     .       Copretensiv   | nvestments<br>Zash<br>and & Building (net)<br>Dther Fixed Assets (net)<br>ntangibles & Goodwill (net)<br>III Other Assets   | 2,348,431,901<br>554,803,847<br>299,803,356<br>236,714,675<br>143,832,608<br>1,528,876,854   | 13,374,944<br>3,691,183<br>546,808<br>676,947                             | (1,000,000)<br>-<br>-<br>(4,577,176)                              |           | 2,363,351,844<br>567,178,791<br>303,494,539<br>237,261,483  |
| Zash     554,803,847     13,374,944     (1,000,000)     5       and & Building (net)     298,033,356     3,691,183     3     3       Dther Fixed Assets (net)     236,714,675     546,008     -     (4,577,176)     1       UtOther Assets     1,528,876,854     676,947     667,620     1,5     -       TOTAL ASSETS     32,520,025,379     51,890,689     (5,114,514)     32,5       LIABILITIES AND EQUITY     Vaccounts Payable     100,206,114     -   | Cash<br>and & Building (net)<br>Dther Fixed Assets (net)<br>ntangibles & Goodwill (net)<br>All Other Assets   | 554,803,847<br>299,803,356<br>236,714,675<br>143,832,608<br>1,528,876,854  | 13,374,944<br>3,691,183<br>546,808<br>676,947                             | (1,000,000)<br>-<br>-<br>(4,577,176)                              |           | 567,178,791<br>303,494,539<br>237,261,483   |
| and & Building (net)   299,803,356   3.691,183   -   3     Thangbles & Goodwill (net)   238,714,675   546,808   -   -   -   -   -   1   1   1   1   1   1   3   -   <   | and & Building (net)<br>Dther Fixed Assets (net)<br>ntangibles & Goodwill (net)<br>III Other Assets   | 299,803,356<br>236,714,675<br>143,832,608<br>1,528,876,854   | 3,691,183<br>546,808<br>676,947   | (4,577,176)   |           | 303,494,539<br>237,261,483  |
| Other Fixed Assets (net)     236,714,675     546,808     .     21       ntangibles & Goodwill (net)     143,832,008     .   | Dther Fixed Assets (net)<br>ntangibles & Goodwill (net)<br>All Other Assets   | 236,714,675<br>143,832,608<br>1,528,876,854  | 546,808<br>676,947  | (4,577,176)   |           | 237,261,483   |
| Intengibles & Goodwill (net)   143,832,608   -   (4,577,176)   1     VII Other Assets   1,528,876,854   676,947   667,620   1,5     TOTAL ASSETS   32,520,025,379   51,890,689   (5,114,514)   32,5     LIABILITIES AND EQUITY   vocunts Payable   456,004,680   388,199   100,000   4     Vivocunts Payable   10,286,114   -   -   5,8     Vivocunts Payable   6,331,201,870   388,199   100,000   6,3     Total Liabilities   6,331,201,870   388,199   100,000   6,3     Total Chabilities   6,331,201,870   388,199   100,000   6,3     Total Liabilities   6,331,201,870   388,199   100,000   6,3     Vibrome   2,3087,981,502   44,507,976   600,000   23,1     Vibrome   2,3989,571,570   6,464,0811   -   -   -     Undrealized Holding Gain(Loss)   (11,250,225)   99,952   (01,228,239,294)   -   -   -     Unrealized Holding Gain(Loss)   (11,250,225)   99,952   (99,952)   (01,277,771   23,458,049,878   -  | ntangibles & Goodwill (net)<br>All Other Assets   | 143,832,608<br>1,528,876,854   | 676,947   |   |           |   |
| NI Other Assets     1,528,876,854     676,947     667,820     1,5       TOTAL ASSETS     32,520,025,379     51,890,689     (5,114,514)     32,5       LIABILITIES AND EQUITY     456,004,680     388,199     100,000     4       Videndis Payable     10,286,114           Videndis Payable     5,864,911,076           Videndis Payable     6,331,201,870     388,199     100,000     6,3       Oral Liabilities     6,331,201,870     388,199     100,000     6,3       Oral Shares     23,087,981,502     44,607,976     600,000     23,1       Vigulta Couries     90,900,466     430,481     (430,481)        Individed Earnings     2,969,571,570     6,464,081     (5,284,081)        Jonated Equity     2,762,389           Jonated Equity     2,762,389            Ottal Liabilitities & EQUITY     \$ 32,520,025,379     \$ 51,890,689<   | Il Other Assets   | 1,528,876,854  |   |   |           | 139,255.432   |
| TOTAL ASSETS     32,520,025,379     51,890,689     (5,114,514)     32,55       LIABILITIES AND EQUITY     Accounts Payable     10,286,114     -   |   |  |   | 667,620   |           |   |
| LIABILITIES AND EQUITY     Ascounts Payable     10,286,114     10,29     10,0000     6,33       Total Shares     23,087,981,502     44,507,976     6000,000     23,18     23,18     23,18     23,18     23,18     23,18     23,18     23,18     23,18     23,18     23,18     23,18     23,11     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,111     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14     24,14 <t< td=""><td>TOTAL ASSETS</td><td>32,520,025,379</td><td>51 800 680</td><td></td><td></td><td>1,530,221,421</td></t<>   | TOTAL ASSETS  | 32,520,025,379   | 51 800 680  |   |           | 1,530,221,421   |
| Accounts Payable     456,004,680     388,199     100,000     4       Dividends Payable     10,286,114     -     -     5,88       Mid Other Labilities     5,864,911,076     -     -     5,88       Fotal Labilities     6,331,201,870     388,199     100,000     6,33       Total Shares     23,087,981,502     44,507,976     600,000     23,1       Regulatory/Statutory Reserves     90,900,456     430,481     -     -       Vel Income     -     -     -     -       Jordived Earnings     2,969,571,570     6,464,081     (5,284,081)     -       Onded Equity     2,762,389     -     -     -       Jorealized Holding Gain(Loss)     (11,250,225)     99,952     (99,952)     (0       OUTAL LIABILITIES & EQUITY     \$ 32,520,025,379     \$ 51,890,689     \$ (5,114,514)     \$ 32,5       A: Current and less than 2 months     1,776,060     23,458,049,876     1,711     18,852,965     1,777,771     23,4       A: Loss than 12 months delinquent     1,516     56,464,487     2 <td< td=""><td></td><td></td><td>51,050,003</td><td>(5,114,514)</td><td></td><td>32,566,801,554</td></td<>  |   |  | 51,050,003  | (5,114,514)   |           | 32,566,801,554  |
| Dividends Payable     10,286,114     -     -     -     -     5,8       Total Liabilities     5,864,911,076     -     -     -     -     5,8       Total Liabilities     6,331,201,870     388,199     100,000     6,3       Total Liabilities     6,331,201,870     388,199     100,000     6,3       Regulatory/Statutory Reserves     90,900,456     440,0481     (430,481)     -       Vel Income     -     -     -     -     -       Jndivided Earnings     2,969,571,570     6,464,081     (5,284,081)     2,99       Static Comprehensive Income     (29,237,994)     -     -     -       Other Comprehensive Income     (29,237,994)     -     -     -       Other Comprehensive Income     (29,237,994)     -     -     -     -       Other Status     (11,250,225)     99,952     (99,952)     (0     -       OUTSTANDING     No.     Amount     No.     Amount     No.     Amount       A Corrent and less than 2 months     1,776,0   | LIABILITIES AND EQUITY  |  |   |   |           |   |
| VII Other Liabilities     5,864,911,076   | Accounts Payable  | 456,004,680  | 388,199   | 100,000   |           | 456,492,879   |
| Fotal Liabilities     6,331,201,870     388,199     100,000     6,3       Total Shares     6,33,087,981,502     44,507,976     600,000     23,1       Regulatory/Statutory Reserves     90,900,456     430,481     (430,481)  | Dividends Payable   | 10,286,114   |   |   |           | 10,286,11   |
| Otal Shares     23,087,981,502     44,507,376     600,000     23,1       tegulatory/Statutory Reserves     90,900,456     430,481     (430,481)     2,1       Individed Earnings     2,969,571,570     6,464,081     (5,284,081)     2,9       yoursed Equity     2,762,389     -     -     -       yoursed Equity     2,762,399     -     -     -       yother Comprehensive Income     (29,237,994)     -     -     -       yother Comprehensive Income     (12,50,225)     99,952     (99,952)     -     -       OTAL LIABILITIES & EQUITY     \$ 32,520,025,379     \$ 51,890,689     \$ (5,114,514)     \$ 32,5       CLASSIFICATION OF LOANS     PenFed     ALLUS     COMBINED       DUTSTANDING     No.     Amount     No.     Amount     No.     Arrent       . 2 to less than 2 months     9,570     153,818,697     2     2,505     9,572     1       . 1 to remore months delinquent     9,570     153,818,697     2     2,505     9,572     1       . 1 to remore months delinquent   | Il Other Liabilities  | 5,864,911,076  | -   | -   |           | 5,864,911,07  |
| Regulatory/Statutory Reserves   90,900,456   430,481   (430,481)  | otal Liabilities  | 6,331,201,870  | 388,199   | 100,000   |           | 6,331,690,069   |
| let Income  | otal Shares   | 23,087,981,502   | 44,507,976  | 600,000   |           | 23,133,089,478  |
| let Income  | Regulatory/Statutory Reserves   | 90,900,456   | 430,481   | (430,481)   |           | 90,900,456  |
| Equity Acquired in Mergers   78,095,811     Donated Equity   2,762,389     Other Comprehensive Income   (29,237,994)     Jnrealized Holding Gain(Loss)   (11,250,225)     Portal LIABILITIES & EQUITY   \$ 32,520,025,379     \$ 51,890,689   \$ (5,114,514)     CLASSIFICATION OF LOANS   PenFed     ALLUS   COMBINED     OUTSTANDING   No.     A. Current and less than 2 months     telinquent   1,776,060     23,458,049,878     2 to less than 6 months delinquent     9,570   153,818,697     2 to rore months delinquent   1,516     56,464,487     4. 20 rore months delinquent     949   80,307,071     4   25,894     953     2,701     2,777,771     2,8748,640,133     1,717     18,881,364     1,789,812     2,37,748,640,133  | Net Income  |  | -   | -   |           | -   |
| Donated Equity     2,762,389  | Individed Earnings  | 2,969,571,570  | 6,464,081   | (5,284,081)   |           | 2,970,751,570   |
| Other Comprehensive Income     (29,237,994)   | quity Acquired in Mergers   | 78,095,811   |   |   |           | 78,095,81   |
| Inrealized Holding Gain(Loss)   (11,250,225)   99,952   (99,952)   (11,451,41)     rotal LIABILITIES & EQUITY   \$ 32,520,025,379   \$ 51,890,689   \$ (5,114,514)   \$ 32,57     CLASSIFICATION OF LOANS   PenFed   ALLUS   COMBINED     OUTSTANDING   No.   Amount   No.   Amount   No.   Amount     a. Current and less than 2 months   1,776,060   23,458,049,878   1,711   18,852,965   1,777,771   23,459     b. 2 to less than 6 months delinquent   9,570   153,818,697   2   2,505   9,572   1     b. 6 to less than 12 months delinquent   1,516   56,464,487   4   25,894   953   2     b. 12 or more months delinquent   949   80,307,071   4   25,894   953   2     b. Total Loans   1,788,095   23,748,640,133   1,717   18,881,364   1,789,812   23,7  | Donated Equity  | 2,762,389  | -   | -   |           | 2,762,38  |
| Classification of Loans PenFed Allus Combined   No. Amount No. Amount No. Amount No. Arrount   a. Current and less than 2 months 1,776,060 23,458,049,878 1,711 18,852,965 1,777,771 23,45   b. 2 to less than 6 months delinquent 9,570 153,818,697 2 2 2,505 9,572 1   b. 4 to less than 12 months delinquent 949 80,307,071 4 25,894 953 2   b. 7 total Loans 1,788,095 23,748,640,133 1,717 18,881,364 1,789,812 23,7   | Other Comprehensive Income  | (29,237,994)   |   | -   |           | (29,237,99  |
| CLASSIFICATION OF LOANS     PenFed     ALLUS     COMBINED       OUTSTANDING     No.     Amount  | Inrealized Holding Gain(Loss)   | (11,250,225)   | 99,952  | (99,952)  |           | (11,250,225   |
| OUTSTANDING     No.     Amount     No.     Amount     No.     Amount     No.     Amount       a. Current and less than 2 months     1.776,060     23,458,049,878     1,711     18,852,965     1,777,771     23,4       Jelinquent     1.776,060     23,458,049,878     1,711     18,852,965     1,777,771     23,4       J. 2 to less than 6 months delinquent     9,570     153,818,697     2     2,505     9,572     1       J. 6 to less than 12 months delinquent     1,516     56,464,487     2     1,516     1       J. 1 2 or more months delinquent     949     80,307,071     4     25,894     953     2       a. Total Loans     1,788,095     23,748,640,133     1,717     18,881,364     1,789,812     23,7   | OTAL LIABILITIES & EQUITY   | \$ 32,520,025,379  | \$ 51,890,689   | \$ (5,114,514)  |           | \$ 32,566,801,554   |
| a. Current and less than 2 months     belinquent   1,776,060   23,458,049,878   1,711   18,852,965   1,777,771   23,4     belinquent   9,570   153,818,697   2   2,505   9,572   1     b. 2 to less than 12 months delinquent   1,516   56,464,487   1   1,516   1     b. 4 to less than 12 months delinquent   1,516   56,464,487   1   1,516   1     b. 1 2 or more months delinquent   949   80,307,071   4   25,894   953   1     b. Total Loans   1,788,095   23,748,640,133   1,717   18,881,364   1,789,812   23,7   | CLASSIFICATION OF LOANS   | PenFed   | AL  | LUS   | CO        | MBINED  |
| a. Current and less than 2 months   1,776,060   23,458,049,878   1,711   18,852,965   1,777,771   23,45     Jelinquent   9,570   153,818,697   2   2,505   9,572   1     S 10 less than 12 months delinquent   1,516   56,464,487   1   1,516   1,516     S. 12 or more months delinquent   949   80,307,071   4   25,894   953     b. Total Loans   1,788,095   23,748,640,133   1,717   18,881,364   1,789,812   23,77  | OUTSTANDING   | No. Amount   | No.   | Amount  | No.       | Amount  |
| b. 2 to less than 6 months delinquent   9,570   153,818,697   2   2,505   9,572   1     b. 6 to less than 12 months delinquent   1,516   56,464,487   1,516   1,516   1,516     b. 1 2 or more months delinquent   949   80,307,071   4   25,894   953   23,748,640,133   1,717   18,881,364   1,789,812   23,7     MISCELLANEOUS INFORMATION   Image: constraint of the second seco   | a. Current and less than 2 months   |  |   |   |           |   |
| b. 2 to less than 6 months delinquent   9,570   153,818,697   2   2,505   9,572   1     b. 6 to less than 12 months delinquent   1,516   56,464,487   1,516   1,516   1,516     b. 1 2 or more months delinquent   949   80,307,071   4   25,894   953   23,748,640,133   1,717   18,881,364   1,789,812   23,7     MISCELLANEOUS INFORMATION   Image: constraint of the second seco   |   | 1.776.060 23.458.049.878   | 1.711   | 18.852.965  | 1.777.771 | 23,476,902,84   |
| a. 6 to less than 12 months delinquent   1,516   56,464,487   1,516   1,516     b. 12 or more months delinquent   949   80,307,071   4   25,894   953     b. Total Loans   1,788,095   23,748,640,133   1,717   18,881,364   1,789,812   23,748   | •   |  |   |   |           | 153,821,20  |
| 1.12 or more months delinquent     949     80,307,071     4     25,894     953       Total Loans     1,788,095     23,748,640,133     1,717     18,881,364     1,789,812     23,7       MISCELLANEOUS INFORMATION     Image: model of the second s |   |  |   |   |           | 56,464,48   |
| . Total Loans <u>1,788,095</u> <u>23,748,640,133</u> <u>1,717</u> <u>18,881,364</u> <u>1,789,812</u> <u>23,7</u><br>MISCELLANEOUS INFORMATION   | •   |  | 4   | 25,894  |           | 80,332,96   |
|   |   |  | - 1,717   | 18,881,364  |           | 23,767,521,49   |
| . Number of Members 2,553,760 3,926   | MISCELLANEOUS INFORMAT  | ION  |   | -   |           |   |
|   | . Number of Members   | 2.553.760  | 3.926   |   |           | 2,557,68  |
|   |   |  |   |   |           | 332,313,75  |
| Probable Asset/Share Ratio 1.134 1.157  |   | · · · · · · · · · · · · · · · · · · ·  |   | ·   |           | 1.13  |
|   | let Worth   | 9.65%  |   | 13.29%  |           |   |