



Dear Partners Financial FCU Member:

This year, Partners Financial Federal Credit Union celebrates 65 years of service to the Metro Richmond community. We would like to extend our appreciation and gratitude to each member who has supported Partners Financial FCU, our growth and the credit union movement.

Although our Credit Union has evolved over the years, our philosophy remains rooted in strengthening our community by providing competitive rates on loans and deposit accounts, minimal fees, convenient access to accounts and personal service from people who truly care about your financial well-being.

With this in mind, the management and Board of Directors of Partners Financial Federal Credit Union have been in discussions with Argent Federal Credit Union, a local and financially strong credit union, to combine our resources. We believe that a merger of these two credit unions with the same Member-focused philosophy would be highly beneficial to both memberships.

Members will enjoy increased access and convenience with four additional local branches, a full-service call center and a dedicated e-Services department. Argent Federal Credit Union offers enhanced digital technologies and products, market-competitive pricing on deposit and loan products along with additional services, including financial counseling and debt management.

With expected combined total assets of \$500 million supporting over 35,000 members, the Continuing Credit Union will be better positioned to thrive in the increasingly competitive financial services industry. Additionally, we will continue to be staffed with the same great team dedicated to providing exceptional member service.

The Board of Directors of Partners Financial FCU is confident this proposed merger presents a beneficial opportunity to ensure the long-term sustainability of the credit union and its membership. Member deposits will continue to be insured for up to \$250,000 by the National Credit Union Administration, a Federal regulatory agency.

In order to finalize the merger, a membership meeting must be held to vote for and approve the merger with Argent Federal Credit Union. Please read the enclosed information regarding a special meeting on August 29 at 6:00 pm called by the Partners Financial Federal Credit Union Board of Directors.

Your Board recommends you vote **YES** to approve the merger!

Sincerely,

Lacy Whittaker
Board Chair
Partners Financial FCU

Johnna Muncy
CEO/President
Partners Financial FCU



Notice of Meeting of Members of Partners Financial Federal Credit Union



The Board of Directors of Partners Financial Federal Credit Union has called a special meeting of the members of this credit union at Biltmore Baptist Church, 1300 New York Ave., Glen Allen, Virginia, on Tuesday, August 29, 2023, at 6:00 pm ET.

The Purpose of This Meeting Is:

1. To consider and act upon a plan and proposal for merging Partners Financial Federal Credit Union with and into Argent Federal Credit Union (from here on referred to as the “Continuing Credit Union”), whereby all assets and liabilities of the Partners Financial Federal Credit Union will merge with and into the Continuing Credit Union. All members of Partners Financial Federal Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in Partners Financial Federal Credit Union on the effective date of the merger.
2. To ratify, confirm and approve the action of the Partners Financial Board of Directors in authorizing the officers of Partners Financial Federal Credit Union, subject to the approval of members, to do all things and to execute all agreements, documents and other papers necessary to carry out the proposed merger.

The Board of Directors of Partners Financial Federal Credit Union 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 <https://ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers>.

You may also mail your comments to:

NCUA – Office of Credit Union Resources and Expansion
1775 Duke Street
Alexandria, VA 22314

RE: Member-to-Member Communication for Partners Financial Federal Credit Union

The NCUA will post comments received from members on its website, along with members’ names, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger:

The Partners Financial Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, and the projected combined financial statement of the Continuing Credit Union, follow as separate documents. In addition, the following information applies to the proposed merger.

Reasons for Merger:

After thoughtful consideration, the Board and Management of Partners Financial Federal Credit Union believe a consolidation of resources with Argent Federal Credit Union will maximize member value and increase employee satisfaction.

The reality is the number of credit unions in America is shrinking. The ever-increasing competition for financial services continues to create challenges for small credit unions. A strategic merger with Argent Federal Credit Union, a local and financially strong credit union, will enable us to continue to provide competitive products and services in a positive work environment. As a result of the proposed merger, you will gain:

Enhanced Convenience and Access

More branch locations: Together Partners Financial federal Credit Union and Argent Federal Credit Union will have 8 locations throughout the local Richmond area. In addition, members will enjoy a dedicated full-service contact center and e-Services department.

Competitive Pricing and Services

Argent Federal Credit Union offers market-competitive pricing on deposit and loan products along with additional services, including financial counseling and debt management. The proposed merger will result in a larger organization with anticipated improved economies of scale, providing opportunities to return more member value with better rates and expanded product and services.

Volunteer Representation

In an effort to ensure a smooth transition, Argent Federal Credit Union will appoint two (2) current Partners Financial Federal Credit Union Board of Directors to serve on the Continuing Credit Union Board of Directors for terms that shall expire in three years from appointment.

Staffing and Personnel

Argent Federal Credit Union will **retain all current management and staff** of Partners Financial Federal Credit Union upon completion of the proposed merger. As an employer of choice, Argent Federal Credit Union offers exceptional benefits and employee development opportunities. With the addition of a dedicated Human Resources department, Information Technology department and Training department, staff will have access to more resources for increased growth and support.

Johnna Muncy, the current President/CEO of Partners Financial, will become a Vice President of the Continuing Credit Union. Jamie Ascioia, the current President/CEO of Argent Federal Credit Union, will continue to be the President/CEO of the Continuing Credit Union after the proposed merger.

If the merger is approved, your savings with the Continuing Credit Union will remain federally insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the National Credit Union Administration, and backed by the full faith and credit of the United States Government, just as they are now with Partners Financial Federal Credit Union.

Scholarship

The Continuing Credit Union will create an annual \$2,500 Educational Scholarship for a deserving graduating senior to honor the Partners Financial Federal Credit Union legacy.

Net Worth:

The net worth of a merging credit union at the time of a merger transfers to the Continuing Credit Union. Partners Financial Federal Credit Union does not have a higher net worth ratio than Argent Federal Credit Union.

Share Adjustment or Distribution:

Partners Financial Federal Credit Union will not distribute a portion of its net worth to its members in the merger. The Board of Directors has determined a share adjustment, or other distribution of Partners Financial Federal Credit Union is unnecessary because the net worth of the Continuing Credit Union is greater than Partners Financial Federal Credit Union’s current net worth.

Locations of Merging and Continuing Credit Unions:

All of Partners Financial Federal Credit Union branch locations, including the main office, will remain open.

- Main office branch:** 1200 New York Ave, Glen Allen, VA 23060
- Woodlake Branch:** 14901 Dogwood Villas Drive, Chesterfield, VA 23832
- Staples Mill Branch:** 8721 Staples Mill Road, Richmond, VA 23228
- Federal Building Branch:** 400 North 8th St., Suite 117, Richmond, VA 23219

Argent Federal Credit Union has the following locations:

- Main Office Operations Center:** 11651 Alliance Circle, Chester, VA 23831
- Chester Branch:** 11900 Chester Village Drive, Chester, VA 23831
- Route 1 Branch:** 5403 U.S. Route 1, North Chesterfield, VA 23234
- Oxbridge Branch:** 3611 Oxbridge Road, North Chesterfield, VA 23236
- Stonehenge Midlothian Branch:** 1901 Wal-Mart Way, Midlothian, VA 23113

In addition, Argent Federal Credit Union is a member of the nationwide CO-OP® Shared Branch network that will provide members with an additional 5,000 shared branch locations.

Member Approval and Ballot:

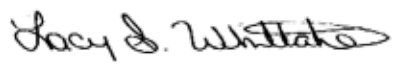
Please note that the proposed merger must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. The ballot distribution, collection, custody and tabulation will be conducted by an independent third-party company. If you cannot attend the meeting to personally deliver your ballot, please complete the ballot and return it in the enclosed, postage-paid envelope to the address below:

Partners Financial FCU
P.O. Box 2980
Henrico, VA 23228
Attention: Election Teller

To be counted, your ballot must be received by August 29, 2023, at 6:00 pm.

BY THE ORDER OF THE BOARD OF DIRECTORS:



3/27/2023

Lacy Whittaker
Partners Financial FCU Board Chair

Date

Partners Financial Federal Credit Union

Merging Credit Union

Statement of Financial Condition

December 31, 2022

Cash	\$	487,464
Cash on Deposit		1,483,133
Investments		25,319,593
Mortgage Loans	\$	16,397,232
Unsecured Loans		2,880,550
Vehicle Loans		40,349,095
Credit Card Loans		2,885,966
All Other Secured Loans		732,632
Total Loans	\$	63,245,475
Allowance		(91,791)
Net Loans	\$	63,153,684
Land & Buildings	\$	1,848,414
Other Fixed Assets		1,011,455
Accrued Interest		286,847
Other Assets		1,523,775
Total Assets	\$	95,114,365
Borrowings	\$	4,800,000
Other Liabilities		428,565
Total Liabilities	\$	5,228,565
Share Savings	\$	46,161,880
Share Clubs		19,850,620
Share Drafts		5,194,738
Money Management		2,700,692
IRA Accounts		9,334,462
Share Certificates		105,755
Total Shares	\$	83,348,147
Regular Reserves	\$	2,923,156
Undivided Profits		4,317,498
Other Comprehensive Income		-
Unrealized Gain (Loss) on AFS		(703,001)
Total Equity	\$	6,537,653
Total Liabilities, Shares and Equity	\$	95,114,365

Argent Federal Credit Union

Continuing Credit Union

Statement of Financial Condition

December 31, 2022

Cash	\$	1,644,001
Cash on Deposit		8,250,344
Investments		124,230,300
Mortgage Loans	\$	39,274,841
Unsecured Loans		8,367,561
Vehicle Loans		144,113,646
Credit Card Loans		19,339,638
Business & Commercial Loans		32,141,290
Other Loans		245,248
Total Loans	\$	243,482,224
Allowance		(1,643,594)
Net Loans	\$	241,838,630
Land & Buildings	\$	8,571,922
Other Fixed Assets		899,556
Accrued Interest		836,322
Other Assets		20,308,545
Total Assets	\$	406,579,620
Borrowings	\$	20,000,000
Other Liabilities		3,440,583
Total Liabilities	\$	23,440,583
Share Savings	\$	147,386,004
Share Clubs		11,171,176
Share Drafts		73,075,819
Money Management		46,648,707
IRA Accounts		11,011,440
Share Certificates		67,856,759
Total Shares	\$	357,149,905
Regular Reserves	\$	3,081,262
Undivided Profits		30,440,166
Other Comprehensive Income		22,191
Unrealized Gain (Loss) on AFS		(7,554,487)
Total Equity	\$	25,989,132
Total Liabilities, Shares and Equity	\$	406,579,620

Consolidated Statement of Financial Condition



Argent Federal Credit Union - Continuing Credit Union

Partners Financial Federal Credit Union - Merging Credit Union

December 31, 2022

	Argent Book Value	Partners Fair Value	Combined
Cash	\$ 1,644,001	\$ 487,464	\$ 2,131,465
Cash on Deposit	8,250,344	1,483,132	9,733,476
Time and Other Deposits	11,703,000	9,984,808	21,687,808
AFS Securities	94,154,421	14,251,085	108,405,506
HTM Securities	18,372,880	-	18,372,880
All Other Investments	1,027,527	280,507	1,308,034
Total Loans	243,482,224	59,488,661	302,970,885
Allowance for Loan Losses	(1,643,594)	-	(1,643,594)
Repossessed Assets	66,448	-	66,448
Land and Building	8,571,922	2,319,100	10,891,022
Other Fixed Assets	899,557	454,128	1,353,685
All Other Assets	20,050,891	1,486,138	21,537,029
Core Deposit Intangible	-	3,505,658	3,505,658
Goodwill	-	1,826,741	1,826,741
Total Assets	\$ 406,579,621	\$ 95,567,422	\$ 502,147,043
Borrowings	\$ 20,000,000	\$ 4,801,776	\$ 24,801,776
Other Liabilities	3,440,583	428,565	3,869,148
Total Liabilities	\$ 23,440,583	\$ 5,230,341	\$ 28,670,924
Share Savings	\$ 147,386,005	\$ 46,161,878	\$ 193,547,883
Share Clubs	11,171,176	105,753	11,276,929
Share Drafts	73,075,819	19,850,620	92,926,439
Money Management	46,648,707	5,194,738	51,843,445
IRA Accounts	11,011,439	2,677,720	13,689,159
Share Certificates	67,856,760	9,230,930	77,087,690
Total Shares	\$ 357,149,906	\$ 83,221,639	\$ 440,371,545
GAAP Equity	\$ 25,989,132	\$ 7,115,442	\$ 33,104,574
Total Liabilities, Shares & Equity	\$ 406,579,621	\$ 95,567,422	\$ 502,147,043

Ballot for Merger Proposal



Name of Member: _____

Account Number: _____

Your credit union must receive this ballot by August 29, 2023.

Please bring the ballot to the Meeting of Members or mail to:

Partners Financial FCU
P.O. Box 2980
Henrico, VA 23228
ATTN: Election Teller

I have read the Notice of Meeting of Members of Partners Financial Federal Credit Union. The meeting will be held on the above date to consider and act upon the merger proposal described in the notice. I vote on the proposal as follows (check one box):

- Approve** the proposed merger and authorize the Board of Directors to take all necessary action to accomplish the merger.
- Do not approve** the proposed merger.

Member Signature

Date

Member Name (printed)