



February 6, 2017

To our members:

We, as your elected Board of Directors, are extremely pleased and excited to announce the proposition of a merger with neighboring North Star Community Credit Union. The Boards of Directors from both credit unions have mutually agreed that this partnership is a terrific opportunity to create more value for our combined membership.

We would like to explain why we are proposing this merger, which will have to be approved by the state and federal regulators and by a majority vote of the members of both credit unions. While **our credit union is financially strong**, the opportunities and efficiencies afforded by merging with a similarly sized organization are undeniable. A merger with North Star Community Credit Union would create a combined organization of almost \$300 million in assets. Both credit unions are seeking additional member benefit and we believe a merger will provide that benefit.

By combining the two credit unions, we will be able to service more markets and have more budget dollars to devote to the credit union and ultimately the membership. Each credit union has complementary loan portfolios and a merged credit union would create a more diversified, competitive credit union. A larger organization can leverage economies of scale, resulting in better employee benefits, more competitive rates, and more resources overall. Combined, we will be able to offer new products and services to meet all your banking needs, **while maintaining all of the same employees you have come to trust!**

What are the benefits of a merger between Northern Tier Federal Credit Union and North Star Community Credit Union?

- **Convenience:** members will now have access to a total of ten (10) branches. At our combined size we would be able to consider a call center with expanded hours, expanded branch operations in the Minot market and other improvements to be more convenient to our members.
- **Member Service:** as a larger organization, we will be able to invest more in providing even better service to our members.
- **Expanded/Improved products and services:** our larger size will allow us to consider many new and expanded products and services.
- **Technology:** Improved technology through the latest offerings in online and mobile banking.
- **More competitive loan and deposit rates for members:** by taking advantage of economies of scale on operating expenses, we will be able to pass those savings along to you, the members, through higher dividends, lower loan rates and reduced fees.
- **Employee Opportunities:** greater employee career growth opportunities and improved employee benefits as part of a larger organization.

A few key points on what you can expect should our merger succeed:

- We expect all branch locations to stay open.
- All of our wonderful staff will be retained.
- All accounts will transfer to the combined credit union.

What are next steps?

The Board of Directors and Management Teams of both organizations will begin the due diligence process. Upon the completion of successful due diligence, we will seek regulatory approval and an affirmative membership vote from both membership groups before moving forward with the merger.

We value you as our member and are committed to keeping you up-to-date on the progress of the partnership as it continues to develop. You may go to our website – www.ntiernd.org or stop by a branch for the latest updates.

If we move forward with the merger after the necessary approvals are in place, rest assured that you will receive the **same exemplary service from the same great employees** you have come to know from Northern Tier Federal Credit Union.

Sincerely,

Marvin Wierenga, Chairperson of the Board of Directors
Northern Tier Federal Credit Union

Darrell Roos, President/CEO
Northern Tier Federal Credit Union