

Stronger Together



The Boards of Directors of Community Credit Union, New Ross Credit Union and Victory Credit Union are recommending a merger of their three credit unions. This recommendation is based on the strength of the business case, and the opportunity to deliver enhanced services and financial sustainability for all members and communities we serve. We encourage all members to consider the benefits and hope to have your support.

Business Case Highlights

This merger recognizes and combines the strengths of each credit union. Working as one credit union, the organization can deepen its expertise and capacity to deliver competitive and cost-effective banking solutions to more members and communities.

Board Composition

The inaugural Board for the merged credit union will consist of 12 directors -- combining four representatives from the three partner organizations. Following the expiry of their respective terms, an election process will be initiated. The initial directors and other members who are interested in serving on the board will have the option to run for new standard three-year terms.



COMMUNITY



4 DIRECTORS



NEW ROSS



4 DIRECTORS

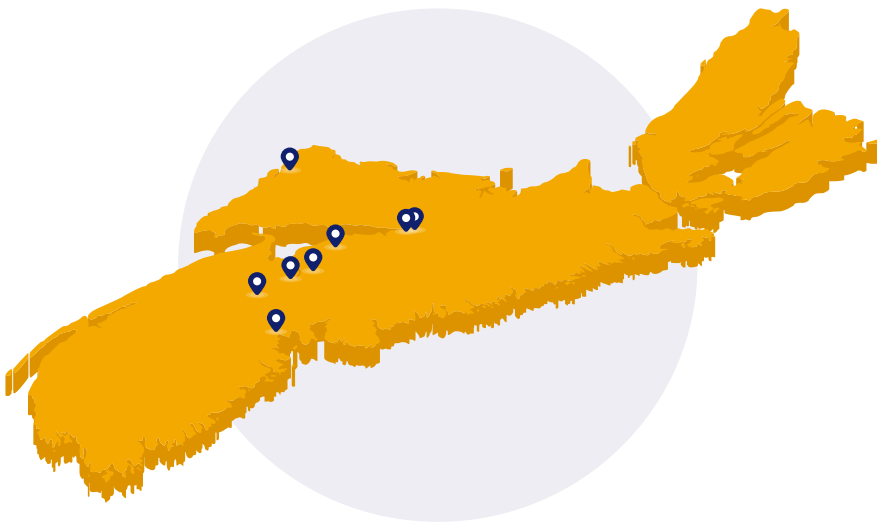


VICTORY



4 DIRECTORS

Member Service Network



Amherst
Brooklyn
Chester Basin
Kennetcook
Truro
Truro (Digital Innovation Centre)
New Ross
Windsor

CEO & Leadership Team

Subject to the merger receiving approval from the membership and regulator, Georg Oberprieler, CEO of Community Credit Union will be appointed CEO of the merged credit union. The organization structure and leadership leverages talent across the three organizations. Michael Wilcox, CEO/GM of New Ross Credit Union and Jim Riley, CEO/GM Victory Credit Union will transition to new leadership roles in the new organization. Both will continue to lead their respective credit unions through the merger process.

In recognition of the geographic scope and the importance of the communities it serves, the merged credit union will maintain a decentralized corporate structure. This means support services and corporate staff can work in various locations.

Credit Union Name

A new name will be selected for the merged credit union. The name selection process will begin following a positive member approval. There will be no changes to Branch names.

Due Diligence

The Board and management teams completed due diligence reviews of each other's operations to ensure full disclosure regarding the nature of the assets, liabilities, and risks. There were no areas of material risk or concern, and strong evidence that all three credit unions will benefit from the merger.

Member Service

The merged credit union will strengthen and evolve its service network to support business development, product development, and the delivery of valued personal member service, trusted advice, and local banking solutions.

- **Larger Service Network:** Members will access banking from a combined network of 8 service locations.
- **Enhanced Services:** Working together, the merged organization will expand its community and service offerings to include more flexible and integrated service solutions in more communities, and offer members enhanced digital, online, and mobile banking services.
- **Specialized Expertise:** The merged credit union will also have enhanced opportunity to further develop specialized expertise and capacity to grow commercial lending and wealth management services.



Member Benefits

- Access to a broader portfolio of banking solutions. This includes competitive service plans, enhanced lending and investment options, and specialized banking services.
- The merged credit union will ensure members continue to benefit from locally based banking and personalized service from the individuals they know and trust.
- Increased investments in digital banking services to bring more choice and convenience to members.
- Access banking services from a combined network of eight branches.

Community

- The merged credit union will build on employee volunteerism and the community relationships established by all three credit unions.
- Beyond the current programs and practices, one merged credit union with strong cooperative values enables greater opportunities to build awareness and partnerships to make a difference in more Nova Scotia communities. These opportunities may take the form of donations, sponsorships, and community investments.

Employees

- Employees can continue to work in their home communities and will not be required to relocate to take advantage of opportunities within the new credit union.
- Staffing levels will be maintained. It is anticipated that a few jobs will change, and employees impacted by changes will be provided opportunities and training to assume new roles.
- Investments will be made in professional development and learning opportunities to support career growth.
- The organization will foster a performance-driven and inclusive culture that recognizes and rewards collective contributions, results, and success.
- A larger organization enables staff to develop specialized expertise and enhance services provided to members.



Business Goals & Financial Benefits

The merged credit union will help members achieve their financial goals by providing advice and services that focus on their best interests. It will do this by maintaining an unwavering commitment to the principles and values that underpin the partners' shared co-operative approach to banking and goal of being the financial institution of choice in the communities served. The merged credit union will be market competitive in the products, rates, and fees it offers and differentiate itself based on the personal approach, convenient service and advice provided to members.

From a financial perspective, the proposed merger will have a positive influence on revenue growth, operational efficiency, sustainability, and member equity.

If approved, the legal date for the new credit union will be January 1, 2025. The credit union is expected to achieve the following by 2028.

- Total Assets: **\$505 Million**
- Overall Income: **\$5.2 Million**
- Return on Assets: **1.07%**
- Member equity remains strong at **7.2%**
- Efficiency improves with annual expense savings and additional revenue.

Why we are recommending this merger?

After reviewing the business case, the three credit union boards determined the merger will:

- Create a future state that has the potential to be better for all members.
- Build on each credit union's individual and combined strengths to maximize member offerings and benefits.
- Maintain an environment of respect for the successes and cultures that each partner credit union will bring to the new credit union.
- Build upon the goodwill of all community stakeholders involved.
- Create long-term value for the existing and future members.



Members will be asked to vote on the merger from **June 3 to June 14, 2024**.
Visit **StrongerTogether-CU.ca** to learn more.