



CONNECTING MANITOBA

Alongside a business' commitment to achieving growth and sustainability comes an equal commitment to transformation and evolution. Whether it's new technology or exploring alternative financial solutions, or the quick pivots we all made to adapt our services through the ongoing COVID-19 pandemic, ongoing change and transformation is simply a part of life.

And, it's because of that ongoing commitment that we have accomplished so many great things, thanks to the power of our people and their resilience, determination, and dedication.

So, it's with our people in mind – both internally with our staff and externally with our members and our communities – that we are excited to announce that formal discussions are underway regarding a potential merger between Access Credit Union, Noventis Credit Union, and Sunova Credit Union.

Our respective leaders began discussions in January 2021 after each organization recognized that ongoing change was necessary for continued growth and to ensure ongoing value for our members in an increasingly competitive environment. Over the past few months, after many discussions and development of a concept paper that all three boards have approved, initial reviews and evaluation have revealed that this potential partnership is worth exploring.

HOW DO YOU FIND THE RIGHT 'FIT'?

There's no doubt that aligning with like-minded partners is key to success. Considering each organization has a history and values that are rooted in community and relationships, alongside forward-thinking ambitions focused on longevity, growth, and exceptional service experiences, our boards are confident that our three organizations align and complement one another nicely.

At the same time, each credit union also has unique differences – valued attributes, that, when blended together, will most certainly be welcome enhancements and admired differentiating factors for the future.

Over the next couple of months, a detailed business case will be developed for each credit union board to review and determine if they will move forward and recommend the proposed merger to our respective memberships.

As part of our continued due diligence, each organization will encourage broad participation by engaging with our employees and our members. Through ongoing dialogue, surveys, and 'town hall' meetings, we will take the next few months to gather feedback, questions, and input, which will be incredibly valuable as we determine our next steps and the boards prepare to make their decisions.

WHY? HOW WILL THIS BENEFIT US?

The boards have three primary audiences in mind when evaluating the benefits associated with this opportunity: our staff, our members, and our communities.

OUR EMPLOYEES:

As a result of the merger, all staff would have a place in the new organization and access to even greater opportunities for career advancement thanks to an increased variety of positions and more specialized roles. With an increased branch network, connecting us to many communities in Manitoba, and a leadership team that embraces flexible arrangements, there will be no shortage of opportunity for those who want it.

In addition, the new organization would offer increased capacity for ongoing learning and development with increased investment in training, tools, and resources to ensure employees are provided every opportunity to be successful and satisfied in their careers.



OUR MEMBERS:

An even stronger credit union will achieve greater efficiencies and long-term financial resilience by eliminating duplicated costs and taking advantage of more economies of scale. This will allow for continued investments in technology and enhanced service experiences, competitive rates, and the potential for a strong patronage program for our members.

Without the risk of losing valued relationships with existing staff, members would enjoy the added convenience of a larger branch network, access to the expertise and knowledge of our combined workforce, along with enhanced products, services, and technological solutions. While the exact specifics of the products and services members will have access to will be finalized after the new organization is formed, there's no doubt that the commitment to our membership and their banking experience is top of mind and one of the key drivers of this proposed collaboration.

OUR COMMUNITIES:

The new organization would be financially stronger than any of the credit unions individually, and would have the ability to support our communities with new services and resources, such as enhanced online and mobile services, and the resources and capacity to serve larger businesses than is possible today. This would allow our members (and all of our potential members!) to have more of their financial services needs met by their local credit union, with added convenience and accessibility.

As three individual credit unions, we all know our purpose goes beyond just making a profit; we are about people and we are about relationships. We always have been and know we always will be, as that commitment would remain a priority for the new organization. With our member's best interests at heart, we would continue to use our knowledge and commitment to community to provide valued solutions to our members each and every day.

And, maybe most importantly, our combined credit union would not only continue the community involvement and support each organization is known for, but, as a result of this merger, we would have a tremendous opportunity to broaden our impact and do (even more) good together.

LOOKING AHEAD

There are some unknowns and a lot that we will learn and discover along the way, but our respective boards and leadership teams are certain that this opportunity has presented a shared vision for the future absolutely worth exploring. We look forward to the discussions and dialogue and opportunities that lie ahead.

ORGANIZATION SUMMARY

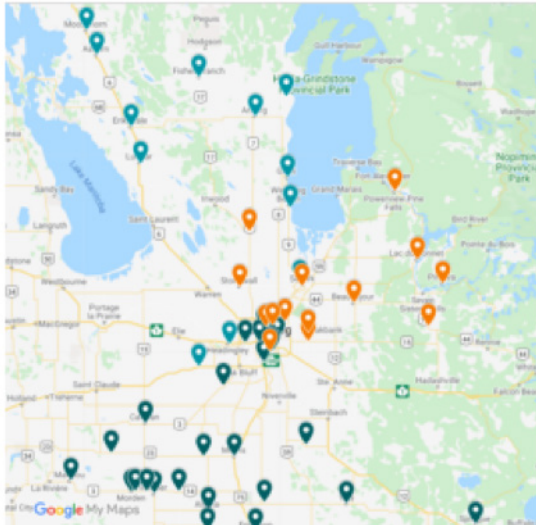
Here's a snapshot of where we are today as three individual credit unions, and what the new combined organization would look like.

	COMBINED	ACCESS	NOVENTIS	SUNOVA
Balance sheet assets	\$9.48B	\$6.03B	\$1.14 B	\$2.32B
Assets under management	\$10.07B	\$6.36B	\$1.23B	\$2.48B
Canadian CU ranking	6	12	43	27
MB CU system ranking	1	2	10	5
Members	169,700	92,000	28,000	49,700
Employees	796 FTE	396 FTE	150 FTE	250 FTE
Branches	52	26	12	14
Subsidiaries	The combined credit union will have a collection of subsidiary operations, Until further analysis is completed, it would be business as usual.	<u>Virtual division:</u> AcceRate Financial	<u>Real estate & insurance:</u> Interlake Agencies Ltd.	<u>Insurance:</u> Brio Insurance <u>Virtual division:</u> Hubert Financial
Efficiency	66.04%	63.05%	72.55%	68.16%
Equity	6.28%	6.47%	5.71%	6.09%
Loan portfolio	\$7.67B	\$4.79B	\$867M	\$2.01B
Capital adequacy	12.86%	12.55%	13.50%	13.52%

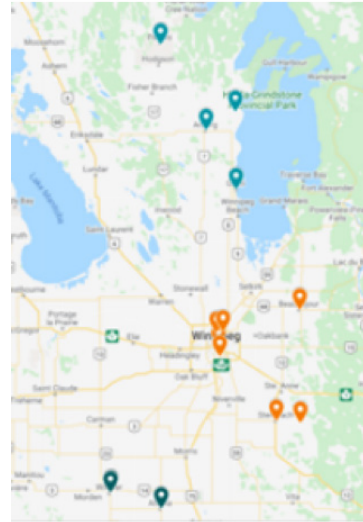
Note: Data in table as of June 30, 2021

BRANCH NETWORK

The organization, created by Access, Noventis and Sunova, will have branches across Manitoba, connecting our communities with even more locations and financial resources.



The three credit unions also operate insurance offices throughout Winnipeg, southern Manitoba, and the Interlake.



FOR ADDITIONAL INFORMATION:

Visit cusuccess.ca.

Frequently Asked Questions

Why are these credit unions exploring the possibility of merging?

While Access, Noventis, and Sunova are all financially strong, the boards of directors from each credit union recognize that ongoing change and evolution is necessary to ensure continued growth, in addition to maintaining value for members in an increasingly competitive and regulated environment. All three organizations have identified mergers as a key strategic objective for long-term success and sustainability, and, maybe most importantly, share similar values when it comes to people and our communities. Bringing three mature credit unions together is a testament to the strength of the partners and their commitment toward collaboration and a shared vision for the future.

Why merge? Isn't Noventis / Access / Sunova already making enough profit?

As costs of business increase, fewer resources can be dedicated to products and services that are important to employees, members, and our communities. By bringing together strong organizations, we can increase those investments while eliminating any duplication of business expenses that may have been restrictive previously. A great example would be technology that organizations would have had to purchase individually. With one organization, buying power is increased and there's no duplicated expense.

When did the three credit unions begin discussions?

Preliminary discussions began in January 2021 as a simple invitation to explore whether there would be interest in merging. Once each board determined there was interest, and after initial discussions provided a collaborative and positive business overview, we made these discussions public.

What are the timelines?

Over the next couple of months, the boards of directors and management will work on a business case with the goal of completing it by November 2021. If the three boards approve the business case, they will recommend the proposed merger to their respective memberships and seek approval in the winter of 2022. There will be many opportunities for staff and member engagement, so please stay tuned for more information on timelines as we work through the process and refine further details.

January 2021	The Boards of Directors from all three credit unions began discussions and conducted initial reviews for a potential merger between our organizations.
September 2021	Public announcement that the three credit unions are in merger discussions.
September 2021 to November 2021	Members, staff, and our communities will be provided information, progress updates, and continuous opportunities for Q & A and two-way dialogue.
November 2021	The finalized business case will be presented to each credit union board for review and approval.
Late 2021 / Early 2022	If the business case is approved by each credit union board of directors, each board will sign an amalgamation agreement and recommend the proposed merger to their memberships. Members will be notified that a vote will occur.
Winter 2022	Members vote on the proposed merger as outlined in the amalgamation agreement.
Prior to July 1, 2022	Approval from regulators and Competition Bureau.
July 1, 2022	The journey as new Access Credit Union begins!

Have you decided what the name of the new credit union would be?

All three credit unions are well-respected and well-known organizations in their operating areas. After much discussion, all three boards identified the strength of the Access name and the applicability and relevance of their brand when reflecting on the mission, purpose, and shared values for all organizations. Each partner believes in providing opportunities for all members to achieve their financial goals and delivering accessible services that best meet those needs. And, while we will adopt the Access name, we are confident that many attributes of the Sunova and Noventis brands will integrate well into the brand for the 'new' Access, and the best elements of our respective cultures will live on as part of the new organization.

Will the new credit union pay patronage to the members?

While numerous details are still being worked out, it is agreed that the proposed new organization will focus on maximizing the ability to pay patronage to members, due in part to our values and a common belief that our members should share in our profits and be rewarded for their loyalty.

How will the new board be determined?

The inaugural board of directors for the new credit union would consist of six board members from Access, three from Noventis, and three from Sunova. The remaining current board members would retire from their respective boards prior to the effective date of the new entity. Each board would undergo a process to determine which of their directors would move forward to the new credit union board.

Who will lead the new organization?

As is the case in mergers, the senior-level structure forms part of the overall discussions and plans. Often the CEO decision is not determined until the business case phase; however, we had a unique opportunity to determine this decision early on. Ed Bergen, President and CEO of Sunova Credit Union, had previously informed the Sunova board of his intentions to retire in 2022. Ed has committed to continue to lead Sunova through the merger process and would plan to retire in the summer of 2022. Kevin McKnight, CEO of Noventis Credit Union would transition to a new role in the new organization and continue to lead Noventis through the merger process. Larry Davey, President & CEO of Access Credit Union, would become President & CEO of the new entity.

Will products and services change?

As we continue to build out our business case, we will do a thorough review of all credit union products and service plans. While the exact specifics of the products and services members will have access to will be finalized after the new organization is formed, there's no doubt that the commitment to our membership and their banking experience is top of mind and one of the key drivers of this proposed collaboration.

What will happen to the community programs that the credit unions are currently involved in?

Each board recognizes the importance of community investment and involvement, and supporting the ongoing sustainability and health of our communities. We believe there will be an opportunity to expand on the work that is already being done to have an even greater impact on the communities we are a part of.

What will happen to my branch?

Like any business, we will regularly review our operations and evaluate our combined branches to ensure that we continue to be accessible and are meeting the needs of our members.

Is my money safe?

All three organizations are in very strong financial positions and pose no risks to their members' funds.

Will there be layoffs as a result of the merger?

All employees are guaranteed positions with the new organization; however, some roles may change, retirements will occur and some positions may be added. With an organization this size, there will likely be additional opportunities that require more in-depth knowledge or specialization in order to serve members and internal staff effectively. We will work together to maximize training and development initiatives and to support any new career paths and opportunities.

Will my account number have to change?

At this point, it remains business as usual for all members. There will be many options to consider relating to our banking systems if the merger moves forward; however, ensuring minimal disruption to our membership will always be a top priority. We will provide updates as we know more.

Will this increase in size impact the service I receive?

The same great service you experience today will not change as a result of this proposed merger, and the size of the organization has no impact on the smiling faces you see! While you can continue to deal with the branch or staff you're most comfortable with, you'll also have access to an even larger branch network when needed. So, if you need to visit a branch while at the lake, our Interlake or Eastern branches will be there to help. Or, if you are in Winnipeg and need to stop by a branch, there will be multiple locations for your convenience. (And, you just might meet some new smiling faces along the way!) Our hope is that with our increased resources, we will be able to provide even more training opportunities and support for our extended frontline team.

Where will the head office and executive team be located?

All current corporate office and support headquarters locations will be maintained and used as 'home base' options for the executive team, alongside other flexible work options thanks to the use of technology. For legal purposes, our official head office will be the location of the Corporate Secretary.

I am currently a member of AcceleRate Financial / Hubert Financial for virtual banking services.

What will happen to these divisions?

The combined credit union will have a collection of subsidiary operations, such as AcceleRate Financial and Hubert Financial. For now, it will be business as usual for each division. In the event of a positive member vote, we will evaluate the services currently offered through the virtual divisions to determine how to maintain a high quality of service for members.