

AMALGAMATION INFORMATION SESSION

strengthening our roots for a brighter community



WELCOME

- Members of Oak Bank Credit Union
- Members of Sunova Credit Union
- Community members
- Staff + board members of Oak Bank Credit Union
- Staff + board members of Sunova Credit Union



HERE TO ANSWER YOUR QUESTIONS

Oak Bank Credit Union

Leanna Beasant

Chief Executive Officer

Sunova Credit Union

Ed Bergen

President + Chief Executive Officer



AGENDA

Oak Bank Credit Union

- Background
- Mission, vision, core values

Sunova Credit Union

- Background
- Purpose statement and culture code

- Why consider an amalgamation?
- Member, staff, and community benefits
- Key stats: stronger together
- Timeline
- The vote
- FAQ



OAK BANK CREDIT UNION



OAK BANK CU BACKGROUND

- Incorporated in 1946
- 9791 members
- 3 branches
 - Oakbank
 - Birds Hill
 - Dugald
- 37 staff and eight board members



MISSION, VISION, CORE VALUES

- To provide our members with proven financial tools, delivered using trusted technology to enable greater financial control. To offer convenience, whilst supplying attentive and valued personalized service.
- To play a prominent role in ensuring the financial success of you, our members and our communities. We envision a future where your finances are at your fingertips, giving you the same consistent and personalized service no matter how you choose to interact with us.
- Trust, security, accessibility, reliability, convenience, community, support, cooperation.



SUNOVA CREDIT UNION



SUNOVA CU BACKGROUND

- Incorporated in 1955
- 35,366 members
- 13 branches, corporate office, and virtual branch: Hubert Financial
- Contact center: Help HQ
- 3 Brio Insurance branches
- 10 commercial properties
- 232 staff (199 Sunova, 33 Brio Insurance)
- 6 board members



PURPOSE STATEMENT

Be the very best at creating memorable, meaningful, and lasting connections with our customers, our communities, and each other.



BRAND POSITION

From our core to outside our front door, relationships are at the heart of all we do.

where relationships matter **most**.



CULTURE CODE

Do good. Be a reflection of what you'd like to see in others. Say what you mean, and mean what you say. Establish honest, comfortable, and open relationships where we support each other and our communities, embrace individuality, and create a positive, meaningful workplace.

Be better. Grow. Evolve. Be better. Be open to learning and improvement, professionally and personally.

Own it. Own your actions and your attitude. Embrace the journey, and know we're all in it together.



CULTURE CODE

Move forward. Change is constant; encourage it and embrace it. Be inspired; be passionate; and never be satisfied with status quo. We will accomplish more because we believe in ourselves, our organization, and the worth of what we do.

Create fun. Our organization is not average, and neither are you. Actively embrace and help continually advance our unique culture where individuality, passion, and determination are celebrated. Work hard and play hard, not just for your benefit but also for the benefit of others. Our work environment is what you make it.



KEY STATS LOOKING FORWARD

	CU SYSTEM DEC 2017	OBCU Actual* DEC 2017	OBCU Budget DEC 2018	OBCU Project DEC 2019	OBCU Project DEC 2020
Asset growth	4.94%	4.83%	4.73%	5.47%	5.57%
Loan growth	7.18%	6.49%	4.97%	5.05%	5.16%
Deposit growth	4.04%	2.78%	7.04%	5.51%	5.53%
Net income (post) % assets	0.50%	0.26%	0.29%	0.30%	0.38%
Equity % assets	6.63%	5.86%	5.86%	5.84%	5.89%

*unaudited

KEY STATS LOOKING FORWARD

	CU SYSTEM DEC 2017	Sunova Actual* DEC 2017	Sunova Budget DEC 2018	Sunova PROJECT DEC 2019	Sunova PROJECT DEC 2020
Asset growth	4.94%	14.85%	7.69%	7.00%	7.00%
Loan growth	7.18%	16.48%	8.14%	6.50%	6.50%
Deposit growth	4.04%	8.58%	7.31%	6.80%	6.80%
Net income (post) % assets	0.50%	0.45%	0.34%	0.47%	0.47%
Equity % assets	6.63%	5.69%	5.61%	6.01%	6.08%

*unaudited

WHY CONSIDER AN AMALGAMATION?

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WHY CONSIDER AN AMALGAMATION?

- Increase product and service offering, and expand community support.
- Enter a new geographical market area.
- To increase capital and non interest revenue, and improve liquidity.
- Greater economies of scale.
- Stronger position to meet regulatory requirements.
- Increase ability to attract / retain talent.



WHY ARE
SUNOVA AND
OAK BANK
A GOOD FIT?

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STRENGTHENING OUR ROOTS

- Committed to the communities that we serve.
- Long term sustainability due to asset size.
- More money to invest in our communities.
- A voice in the credit union system.
- Our members will continue to connect with the same staff on a day-to-day basis.



STRENGTHENING OUR ROOTS

- Access to the latest technology.
- Dedicated, loyal staff committed to making the merger a success.
- More opportunities for staff growth and promotion within.
- Improved efficiency with shared back office functions and specialists.
- Stronger retained earnings.



STRENGTHENING OUR ROOTS

We are different organizations, but ultimately, our goal is the same – to create memorable, meaningful, and lasting connections with our members, our communities, and with each other.



KEY STATS: CONSOLIDATED

As at December 2017*	Oak Bank	Sunova	Combined
Equity %	5.86%	5.69%	5.71%
Retained Earnings %	4.88%	3.81%	3.94%
Gross Financial Margin	1.76%	1.72%	1.73%
Personnel Costs	0.86%	1.02%	1.00%
Net Income %	0.26%	0.45%	0.42%
Asset Growth	4.83%	14.85%	13.53%
Efficiency	85.55%	69.90%	71.69%



*unaudited

HOW WILL
MEMBERS
BENEFIT?

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MEMBER BENEFITS

- Access to a larger branch network, a larger suite of products and services, and newer technology.
- More employees to help you, including those you already connect with.
- Access to better rates / pricing due to improved efficiencies.
- Long term sustainability.
- Dividends on both common and surplus share holdings.



TIMELINE

- February 2018: Amalgamation agreement signed by Board of Directors of Sunova and Oak Bank Credit Unions
- **March 2018: Information session**
- April 24, 2018: Oak Bank Credit Union AGM + Merger Vote
- April 26, 2018: Sunova Credit Union AGM + Merger Vote
- May 2018: Agreement to Competition Bureau for approval
- July 1, 2018: Proposed date of amalgamation
- July to November 2018: Banking system conversion



THE VOTE

- Oak Bank Credit Union assets are greater than 10% of the combined credit union assets, therefore BOTH credit union memberships will need to vote.
- No online voting or voting by proxy are permissible.
- Oak Bank Credit Union AGM: April 24 at 7:00 pm, SCI
- Sunova Credit Union AGM: April 26 at 7:00 pm, Gaffers Lockport
- Of the members present at the vote, we require a 2/3 majority so **please vote and have your voice heard.**



FAQ

What will the new credit union be called?

- The amalgamated credit union will be Sunova Credit Union.
- Corporate office will be based in Selkirk.



FAQ

What will happen to the two branches in Oakbank?

- Initially nothing; both branches will operate whilst the banking conversion is underway.
- Eventually operations will be moved to the Sunova Oakbank location next to One Insurance.
- Oak Bank Credit Union back office staff will move to Selkirk corporate office.



FAQ

What will happen to staff?

- There will be positions available for all staff within the amalgamated credit union.
- Member-facing staff (MSR, lenders) will remain in their current town locations, and back office staff will move to the Selkirk corporate office.
- Members will continue to have the same relationships with the staff they currently connect with.



FAQ

I'm an existing borrower, who will look after my lending?

- You will continue to connect with your current Oak Bank Credit Union or Sunova Credit Union staff member. Member facing employees will remain in their current town locations.



FAQ

What will happen to the Board of Directors?

- Following a successful merger vote, there will be:
 - Four remaining Sunova board members,
 - One Oak Bank Credit Union board member, who will have a seat on the board of the amalgamated credit union for a minimum period of three years, and
 - There will be two vacancies filled by the Sunova Credit Union board of directors election.
- This will equate to a board of seven members.



FAQ

Will my deposits still be protected if the credit union merges?

- Yes. The Deposit Guarantee Corporation of Manitoba guarantees the repayment of all deposits with Manitoba credit unions and caisses populaires, including accrued interest to the date of payout. It is not affected by a credit union or caisse populaire changing its name, amalgamating, or entering into similar types of arrangements.

Source: <http://depositguarantee.mb.ca/faq/>



FAQ

What will happen to our shares?

- Common shares in Sunova and Oak Bank Credit Union will be converted into common shares of the amalgamated credit union.
- Surplus shares in Sunova and Oak Bank Credit Union will be converted into surplus shares of the amalgamated credit union.
- New memberships will require 1 x \$5 share.
- Members will have the option to purchase additional voluntary common shares. Both common and surplus share holdings typically receive a dividend annually.



QUESTIONS?



WE'D LIKE TO HEAR FROM YOU!

- Chat with board members and staff from Oak Bank Credit Union and Sunova Credit Union.
- Share your thoughts and enter to win a prize!

