



Member Introduction + FAQs

CONNECTING MANITOBA: INTRODUCTION

The Boards of Directors of Access Credit Union and Amaranth Credit Union are pleased to share that our respective leaders initiated discussions in January 2022 regarding a potential merger between Amaranth Credit Union and Access Credit Union.

The two credit unions have worked together to complete initial reviews that clearly indicate such a partnership would provide great value for Amaranth members, employees, and communities. These discussions began when Amaranth recognized that change was necessary for continued growth and maintaining value for members in an increasingly competitive environment. Access today has sought unique solutions to address the emerging challenges that were influencing the future path forward. These challenges include growing expenses, new technologies, enhanced competitive environment, and a global change in banking behaviors.

Over the next couple of months, we will develop a detailed business case for each credit union Board to review. If the Boards approve the Business Case, then Access' Board, can by resolution, approve an Amalgamation Agreement on behalf of the Access membership. Only the Amaranth membership will vote.

As part of our continued due diligence, Amaranth Credit Union will encourage broad participation by engaging employees and members prior to making any formal decision. We will be conducting surveys and town hall meetings, with many opportunities for questions and shared input.

OUR EMPLOYEES:

By joining Access, the credit union will allow Amaranth staff to develop their careers across a broader network, offering an added variety of positions and more specialized roles. As a larger and stronger credit union, employees will have greater opportunities for personal advancement without the need to relocate. Staff will have access to additional team members trained for back-up support and coverage during vacations or in an emergency. As well, the combined credit union will have increased capacity for ongoing learning and development and can further invest in training, tools, and resources for all employees to be successful in their roles and careers.

OUR MEMBERS:

Members of the two credit unions would enjoy:

- the added convenience of more branches while maintaining the branch in Amaranth;
- the expertise and knowledge of our combined staff; as well as
- enhanced products, services, and technological solutions.

A stronger credit union would achieve greater efficiencies by eliminating duplicated costs incurred by Amaranth Credit Union continuing to operate as a stand-alone organization, and by taking advantage of more economies of scale. These additional efficiencies would result in the credit union being in a resilient financial position long-term. This would allow for continued future investments, modern technological solutions, highly competitive rates for our members, and the ability for the credit union to pay out patronage to the collective membership in the future.

OUR COMMUNITIES:

The new credit union will be stronger financially than Amaranth Credit Union is individually and have the capacity to support communities with new services and resources, such as enhanced online and mobile services. It will also have the resources and capacity to serve larger businesses than is possible today. This will allow our members to have more of their financial services needs met by their *local* credit union, adding convenience and accessibility. We see our purpose as being higher than simply making a profit; we are about people and relationships, not just a place to obtain financial services. We have a responsibility to act in our members' best interests every day. We will use our local knowledge to provide valued solutions to our members. Our combined credit union will not only continue the community involvement and support each organization is known for, but will grant us the opportunity to broaden our impact together.



LOOKING AHEAD

The shared future vision is a credit union that fully demonstrates the cooperative principles, is operationally competitive, and differentiated through its commitment to member wellbeing via trusted advice, service, and community support. If this vision is successfully implemented, specific financial, member, staff and community goals will be realized.

ORGANIZATION SUMMARY

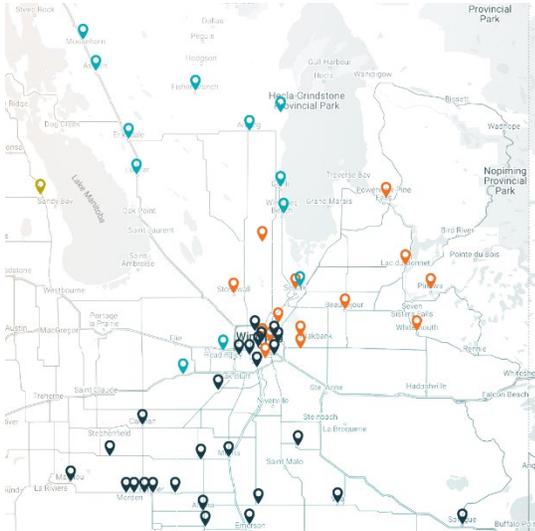
Here's a snapshot of where we are today as two individual credit unions, and what the new combined organization would look like.

	COMBINED	ACCESS	AMARANTH
Balance sheet assets	\$10.1B	\$10.1B	\$18M
Canadian CU ranking	6	6	N/A
MB CU system ranking	1	1	N/A
Members	161,236	160,000	1,236
Employees	910 FTE	900 FTE	10 FTE
Branches	53	52	1
Subsidiaries	Insurance, Real Estate, and Virtual Banking Divisions	Interlake Agencies Ltd (Real Estate and Insurance) Brio Insurance AcceleRate Financial & Hubert Financial – Virtual Banking Divisions	None

Note: Data in table as of July 1, 2022

BRANCH NETWORK

The new credit union created by Access and Amaranth will have branches across Manitoba.



The new credit union also operates insurance offices throughout Winnipeg, southern Manitoba, and the Interlake.



General Questions

MEMBER FAQ

Why is Amaranth exploring the possibility of merging?

The competitive landscape in the Canadian financial services sector remains highly volatile, with expanding and tightening regulations, increasing member preferences, and growing competition. The Board of Directors from each credit union recognized that change was necessary to continue to grow and maintain value for members in the increasingly competitive and regulated environment. Both credit unions have identified mergers as a key strategic objective for long-term success and sustainability and share similar values when it comes to people and our communities. Merging with Access Credit Union will allow for Amaranth to offer new technologies to its growing membership, enables continued and expanded support for communities, and provides opportunities for employees.

When did the two credit unions begin discussions?

Preliminary discussions began in January 2022 as a simple invitation to explore whether there would be interest in merging. Once both Boards determined there was interest and 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 and management will be working on a business case with a goal to have it completed by late August 2022. If the two Boards of Directors approve the business case, Amaranth will recommend the proposed merger to the membership and seek membership approval in October 2022. Access membership will not need to vote. There will be many opportunities for staff and member engagement throughout the process. Please watch for more information on timelines as we work through the process and refine further details.

January 2022	The Boards of Directors of Access and Amaranth credit unions began discussions and conducted initial reviews for a potential merger between our organizations.
July 29, 2022	Public announcement that the two credit unions are in merger discussions.
July 2022 to October 2022	Communications framework will provide regular information, progress updates, and continuous Q & A opportunities. We will prioritize two-way dialogue throughout this initiative with both our members and employees.
Late August 2022	The finalized business case will be presented to each credit union board for review and approval.
October 2022	If the business case is approved by each credit union board of directors, each board will sign an amalgamation agreement and Amaranth will recommend the proposed merger to their membership. Amaranth members will be notified that a vote will occur. Access members do not need to vote.
October 20, 2022	Amaranth members vote on the proposed merger as outlined in the amalgamation agreement.
Prior to January 1, 2023	Approval from regulators and Competition Bureau.
January 1, 2023	Legal Merge date.

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

Amaranth Credit Union would adopt the strength of the Access name and the applicability and relevance of their brand when reflecting on the mission, purpose, and shared values for both organizations. Each partner believes in providing opportunities for all members to achieve their financial goals and delivering accessible services that best meet those needs.

Will the new credit union pay patronage to the members?

While numerous details are still being worked out, the boards of both organizations agreed the new credit union would focus on maximizing the ability to pay patronage to members as part of our cooperative values and a belief that our members should share in our profits. We believe the financial strength of the new entity will provide the ability to pay patronage and reward the loyalty of our members.

How will the new board be determined?

Access' Board will remain comprised of the current Directors and the existing terms will remain in place. The Board will appoint one Director from Amaranth for a term running from January 1, 2023 to the date of the Annual General Meeting in 2024.

Who will lead the new organization?

As is the case in mergers, the senior-level structure forms part of the overall discussions and plans. Larry Davey, President & CEO of Access Credit Union, would become the CEO of the new entity. Leona Asham, General Manager of Amaranth Credit Union, will share her plans to the Amaranth membership and employees shortly. Leona is committed to continuing to lead Amaranth Credit Union through this merger process.

What will happen to the Amaranth branch?

The Amaranth Credit Union branch would remain open. The Amaranth branch would be added to Access' existing 52-branch network, offering members local access to 53 branch locations throughout Manitoba.

Is my money safe? Are we in trouble?

Although Amaranth Credit Union remains financially stable today, the Boards have noted pressures associated with pending legislative requirements, including payments modernization costs (2022) and consumer-directed finance (open banking) conditions (2023). Amaranth has also identified challenges with keeping pace with technological investments and changing member needs.

Will there be layoffs as a result of the merger?

All employees are guaranteed positions in the new organization, however those positions may change, requiring more in depth knowledge or specialization in order to serve members and internal staff more effectively. We will work together to maximize opportunities for training and development which will result in some new career paths and opportunities.

Will my account number change?

While there are several options to consider, this process will be one of many aspects of the merger implementation. Until we advise you of something different, it will remain business as usual.

Will my services and products change?

Amaranth members will have access to Access Credit Union's competitive suite of products and services.

Larger credit unions are becoming too impersonal. Won't this just make you more like a bank as the largest CU in Manitoba?

The same great service you are provided today by staff in the Amaranth branch will not change as a result of this proposed merger. The size of the organization has no impact on the smiling faces you see! One of the added benefits is access to a larger branch network. For example, when you need to visit a branch while at the lake, our Interlake branches are there. Or, if you are in Winnipeg and need to visit a branch, there are multiple locations for your convenience. And you just might meet some new faces along the way. Our hope is that with our increased resources, we will be able to provide more training opportunities for our employees and more service support to our Member Service Representative team.

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

Each board recognizes the importance of community investment and the ongoing sustainability and health of our communities. Each organization gives back to the community through their corporate giving program, which includes donations and employee volunteerism. We believe there will be an opportunity to expand on the work that is already being done to have a greater impact on our communities. Amaranth's board also sees the strength of Access' patronage program and would allow for the new organization the ability to pay out patronage to the collective membership.

Where will the head office be? Where will the executive team be?

All current corporate offices will be maintained and headquartered for the executive team. Through the use of technology, they will have a flexible location appropriate to their role. For legal purposes, our official head office will be the location of the Corporate Secretary at Access' Stanley Business Centre located in Southern Manitoba.