



The Boards of Directors at North Sydney and Sydney Credit Unions are recommending a merger. 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 served by these partner credit unions.

## Business Case Highlights

This merger recognizes the strengths each credit union brings to the partnership, a shared commitment to serving members, and making positive community impacts. Partnering to create one credit union enables new opportunities for growth and sustainability that brings benefits to all.

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### Credit Union Name

The name of the merged credit union will be Sydney Credit Union. North Sydney will become a new branch of Sydney Credit Union, known as the North Sydney branch.

### Board Composition

The merged organization will be led by a single board of directors and Sydney's current CEO, Carol Ripley. The leadership structure includes Branch Operations, Member Experience and Human Resources.

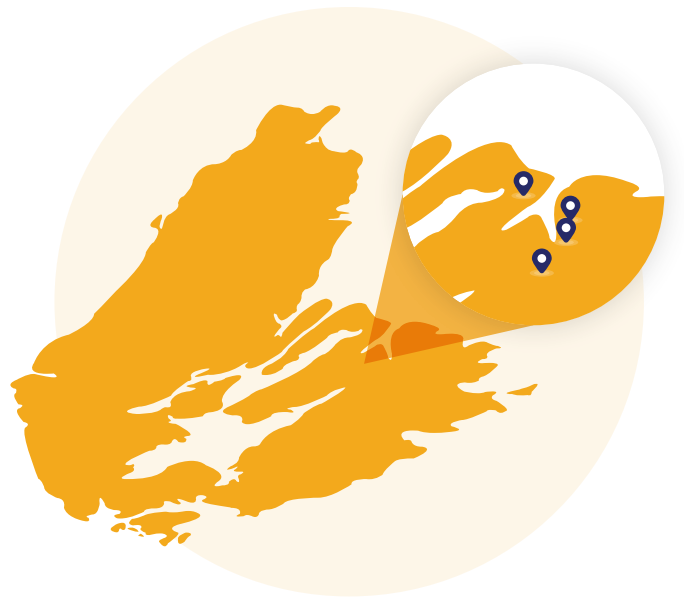
Given the proximity of the branches, the administration and corporate staff may work in different branch locations, but the administrative functions will be based in the Sydney River office.

The inaugural board will consist of 11 directors with representatives from both credit unions. These initial directors will serve a range of terms from one to four years. 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 3-year terms.

## Member Service

The merged credit union will strengthen and evolve its service network to support business development, product development, and the delivery of banking services to every member across all channels.

- Members will access banking from the combined network of four branch locations and digital banking services. The physical branch locations and staff will help to maintain local connections and knowledge within the communities served.
- There is a strong alignment in the current products and services offered by both partner organizations. The merged credit union will strengthen existing service networks to support business development, product development and the delivery of banking services across all channels. While the merger will not create immediate impact to the products and services, the future portfolio will deliver enhanced value to members.



**North Sydney**  
**Sydney**

**Sydney River**  
**Whitney**

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## 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. This ensures members can continue to benefit from locally based banking and personalized service from the individuals they know and trust.

- Sydney Credit Union manages a workplace environment that includes a unionized workforce for non-management staff. Subject to merger approval, North Sydney staff will be integrated with the unionized workforce, and compensation and benefits will be aligned.
- Staffing levels will be maintained. It is anticipated that some jobs may change, and employees impacted by changes will be provided opportunities and training to assume new roles.
- Investments 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.

## Community

The merged credit union will build on Sydney Credit Union's community investment approach and the community relationships established by both 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 CBRM. These opportunities may take the form of donations, sponsorships, and community investments.

## 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, with strong evidence that both credit unions will benefit from the merger.



## 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. 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.

A merged credit union offers an opportunity to improve revenue and surplus through efficient use of the combined balance sheet (e.g., better lending opportunities, utilizing excess liquidity, and improved balance sheet strategies). It also delivers a strong return on assets, operational efficiency, and equity position.

The new credit union is expected to achieve the following by 2027:

- Total Assets: **\$452.2 Million**
- Overall Income: **\$2.4 Million**
- Return on Assets: **0.55%**
- Efficiency improves with annual expense savings and additional revenue. The efficiency ratio is: **77.1%**
- Equity remains strong at **8.5%**

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## Why we are recommending this merger?

After reviewing the business case, the two 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.
- Preserve and builds upon the goodwill of all community stakeholders involved.
- Create long-term value for the existing and future members of both partner credit unions.

Members will be asked to vote on the merger from **September 11 to September 21**.  
Visit [togetherformembers.ca](https://togetherformembers.ca) to learn more about the merger and the voting details.