

ABCU & IFCU Merger

Information Meeting

May, 2025



Welcome!



Agenda

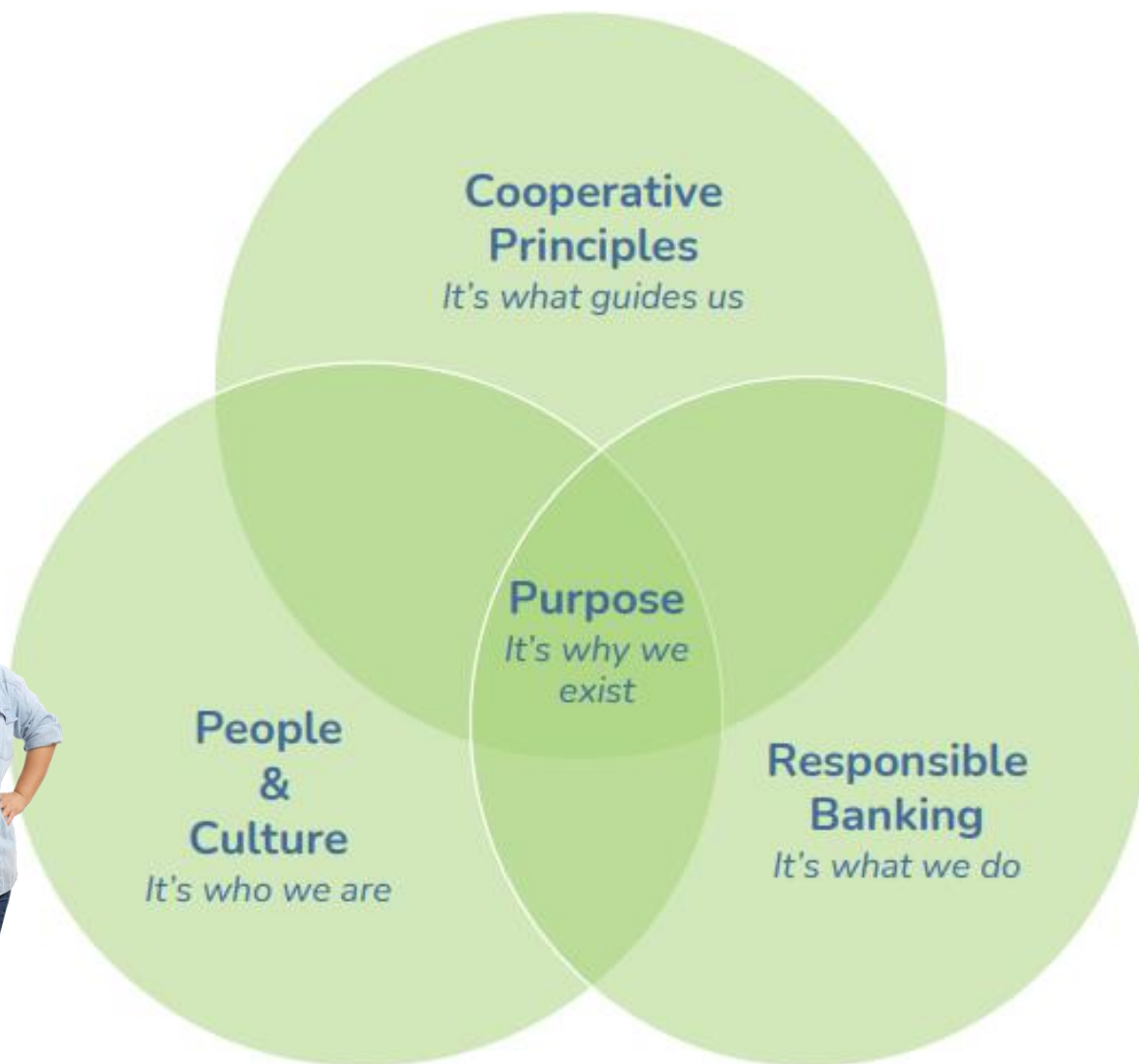
- Introduction from Board of Directors
- Disruption Continues - We Picked Growth!
- Why Did We Pick Federal Flexibility?
- Growth Update (2024 Focus)
 - Opportunity for Additional Growth!
- Value to IFCU
- Partnership Value



PURPOSE: IT'S WHY WE EXIST

To **simplify** banking for Canadians.





Committed to Cooperative Values

- ✓ Open and Voluntary Membership
- ✓ Democratic Member Control
- ✓ Member Economic Participation
- ✓ Autonomy and Independence
- ✓ Concern for Community
- ✓ Cooperation Among Cooperatives
- ✓ Education Training and Information



Governance



Russ Siemens

Board Chair



Michele Wilde

Vice Chair



Lisa Arora

Board Member



Joan Baer

Board Member



Brian Guillemine

Board Member



Daniel Johnson

Chief Executive Officer



Karen McBride

Board Member



Marty Meloche

Board Member



Peter Brown

Board Member



Liam Choo-Foo

Board Member



Meagan Cockrill

Board Member



Mike Davis

Board Member



Bruce Sack

Board Member



INNOVATION FEDERAL CREDIT UNION

Board of Directors



Governance

13 Member Board
(CEO is a Director).

Three-year
staggered terms.

Competency based
with all members
elected at large.

Directors can reside
across Canada with
at least half residing
in Saskatchewan.

Robust learning
and development
regime

Four Board
Committees
including one dedicated
to the Member Experience
& Community Involvement.





Strategy: Pillars and Foundation



MEMBER OBSESSED



THRIVING TEAMS



FINANCIAL STRENGTH



DIGITALIZATION



NATIONAL REACH



Member Obsessed

Creating effective, simple, and memorable experience to drive growth

Thriving Teams

Invest Into Our People to Create an Engaged Organization

Financial Strength

Operational Excellence and Efficiency

Digitalization

Continuously Digitalize our Business Model

National Reach

Federal Presence; Leverage Benefits of Federal Charter



Partnership Guiding Principles



**MEMBERSHIP
VALUE**



**COMMUNITY
VALUE**



**EMPLOYEE
VALUE**



**PARTNERSHIP
VALUE**



Questions for your Board of Directors?



Innovation is a **game-changing organization** that **rewrites traditional playbooks.**

We stand out and create disproportionate member value relative to our size and resources. We have big dreams and know how to get things done. Innovation has a palpable buzz and a breakaway business model with a spirited organizational culture.

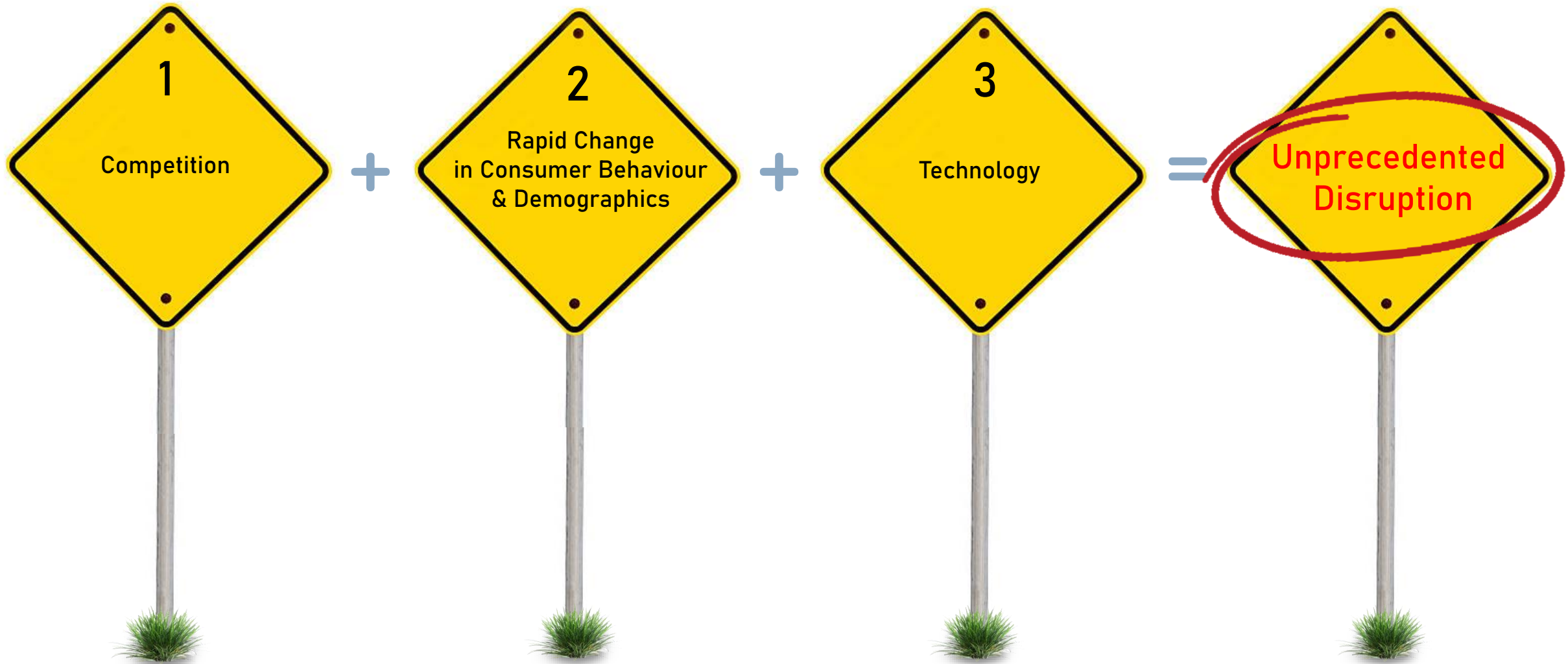


Why become a credit union that can operate beyond SK?





Three Key Disruptors



Why become a credit union that can grow outside of SK?

Member Perspective

- Shared success – Responsible Banking
 - Continued focus on outstanding products and services
 - No fee account
 - Member Rewards
 - Community investment
 - New technology
- Better solutions:
 - Easily maintain relationships with members who leave province
 - New members - market directly to non-members across Canada
 - Connect wherever you are



Why become a credit union that can grow outside of SK?

Owner / CU perspective

- Allows us to live up to our purpose
- Ensures long term success:
 - Eliminates boundaries, levels playing field, keep pace
- National reach with a local heart:
 - Maintain local roots and cooperative values
- Remain financially strong
- Greater flexibility to manage risk
 - Funding and growth assurance



Why become a credit union that can grow outside of SK?

Employee Perspective

- Growth: = more opportunities
- Transition is digital in nature resulting in more options for current locations
- Career, training, and development opportunities.
- Culture of collaboration, growth mindset and diversity & inclusion
- Flexible work environment
- Fast paced, innovative and results-oriented



Status update on federal flexibility

When Innovation picks growth to combat disruption, great things happen.



Growth = Organic & Mergers

- **Three-layered expansion strategy**

- Digital first
- Feet on the ground
- Physical location (on/beside a university)

- **Three focus segments to share our DX**

- Indigenous
- University / college
- New to Canada

- **Geographically**

(areas of Canada with low CU market penetration)

- Ontario
- Alberta
- Northwest Territories

- **Mergers**

- IFCU is a result of over 20 credit unions merging over time

With most Innovation transactions now being digital, our mandate and technology strategy remains designed to benefit all members, no matter what banking channel they choose.





MEMBER OBSESSED



We Grow Locations, Not Close Them

25

advice centre locations



2023



28

advice centre locations



2024



30

advice centre locations



Post merger



Innovation Opens Modern Advice Centre and Cowork Space in Saskatoon

co
work
space



Second Northern Advice Centre Officially Opens



Membership Growth



59,470
members



2023



67,562
members



2024



~75,000
members



+

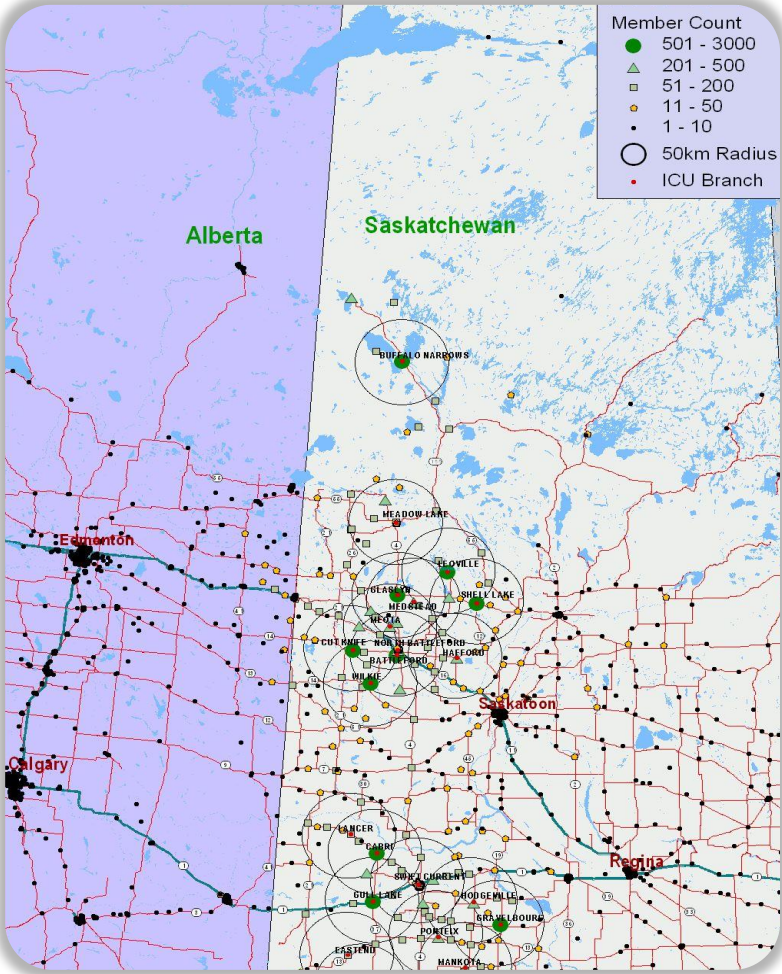


Post merger



Members Alberta

Digital Member Growth by Province



Interesting Facts



There are more people within 50 kms of ABCU's locations than in all of SK



Beaumont, AB is one of Canada's fastest growing cities



Responsible Banking™



Save

Save anywhere from \$300/year to \$540/year in bank fees with our business account.



Earn

Earn cash dividends by doing your everyday banking. The more you bank with us, the more you benefit.



Give

Your business helps us support your community in the form of scholarships, sponsorship, and grants.





Save

42,041

members have a No-Fee Bank Account



Earn

\$48.6 million

paid to members since 2007



Give

\$10.4 million

given back to our communities since 2007



\$5,270,892

Being an Innovation member means sharing in our success. For simply doing business with us, we approved \$5,270,892 in member distributions in 2024 – an increase of **24.3%** over 2023.



Member Rewards

There are three facets of the Member Rewards program: Save, Earn, and Give.

Save

Members save on fees - as much as \$11/month – with our No-Fee Bank Account.

Earn

Members earn quarterly profit-sharing dollars paid to their Member Rewards Accounts based on the business they do with us. In 2024, we returned over \$3.4 million to members in the form of allocations.

Over \$1.4 million was also paid to members in the form of dividends, based on the amount of equity members have.

Our Monthly Transaction Rewards - based on digital transaction activity - returned \$0.4 million to members, while our youth dividend (for members 18 years old and under) totaled \$0.1 million.

Give

Our members help us support our communities. Because we share our profits, their business helps us give back to the communities we serve.



Innovation continues to demonstrate our commitment to Truth and Reconciliation – and the Truth and Reconciliation Commission’s Call to Action #94 - through the work we do.

5.38%

of Innovation staff has self-declared as Indigenous, with representation at all levels of the company – from Board of Directors to front line roles.



innovation
INDIGENOUS CONNECTIONS

In collaboration with Jade Roberts, a Saskatchewan-based First Nations artist, Innovation created a logo representing the Indigenous Connection Strategy and Connector Group. The logo honours and respects existing and new relationships with Indigenous peoples, communities, businesses and organizations.

26

Twenty-six Indigenous communities and organizations were supported in 2024 through the Indigenous Community Development Fund. A primary focus of the fund is to support important cultural celebrations such as Pow Wows.



2:36



PERSONAL BUSINESS WEALTH ABOUT US




Log in


Menu

\$5 Million!



Legacy & Development Grant Fund

Innovation Introduces \$5 Million Legacy & Development Grant Fund

JULY 04, 2023

INNOVATION FEDERAL CREDIT UNION





THRIVING TEAMS





#InnovationNation

Our ability to work together makes even our biggest ideas
believable and ultimately achievable.

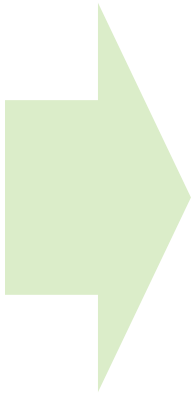
Growth = jobs

450

employees



2023



508

employees



2024



550

employees



Post merger





\$945,308

2024 learning & development spend



24

summer
students
hired in 2024

Investing in Our Employees

As an employer, Innovation Federal Credit Union is recognized for progressive policies such as competitive fixed and variable compensation, flexible benefit plans, flexible work schedules, supporting volunteer work, employee wellness plans, and educational support. We work to ensure our employees are proud, feel valued, and are actively engaged in the achievement of our corporate vision.

Development Index

85.45%



employee participation in professional development



Female Leadership Representation

61.7%

Leadership Team Representation

81 Total Leadership Team Members
50 Female / 31 Male



33.3%

Female Board Representation

12 Total Board Members
4 Female / 8 Male

Employee Resource Groups



Innovation's Employee Resource Groups (ERGs) are voluntary, employee-led groups that serve to foster a diverse, inclusive workplace aligned with our purpose, values, and goals. By encouraging open dialogue, ERGs play a crucial role in driving cultural transformation, enhancing employee engagement, and helping to create an environment where everyone feels valued and empowered to bring their whole selves to work. We created two Employee Resource Groups in 2024 – Women in Leadership (EmpowHER) and The Indigenous Group (TIG).

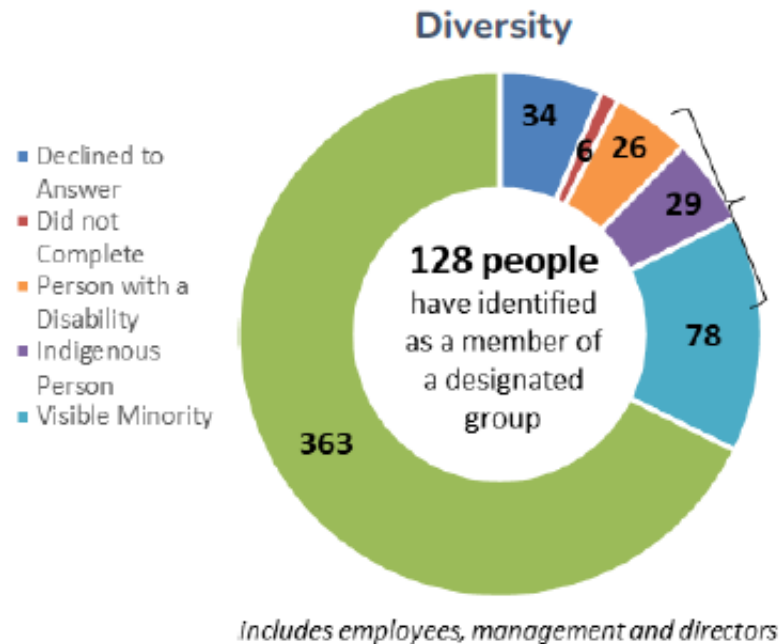


Innovation continues its prosperous partnership with the Canadian Centre for Diversity and Inclusion (CCDI). We also provide and support diversity learning opportunities for staff and have created a company-wide diversity celebration calendar.

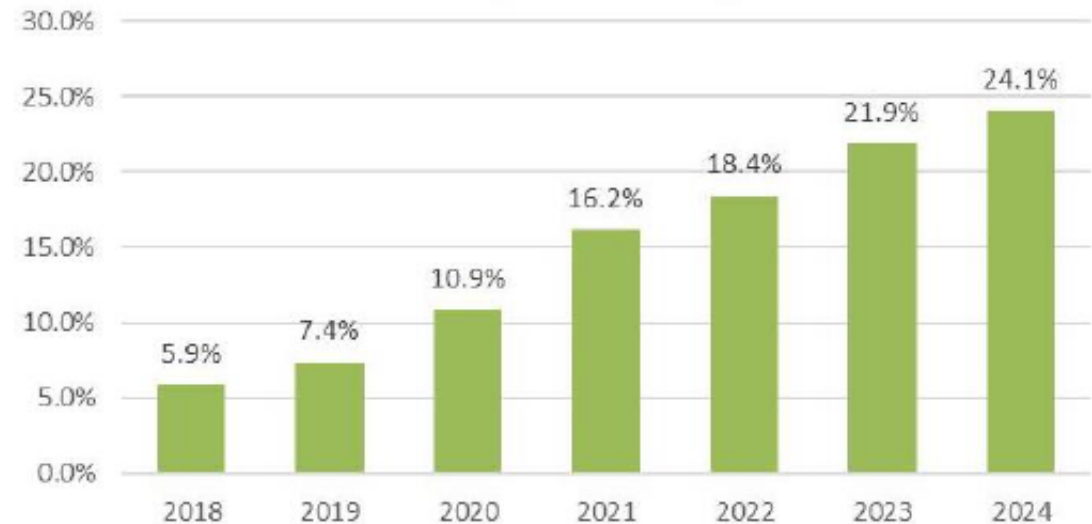


24.11%

of Innovation staff identify as a member of a designated group: visible minority, Indigenous or person with a disability.



% of Organization Identifying as Part of a Designated Group

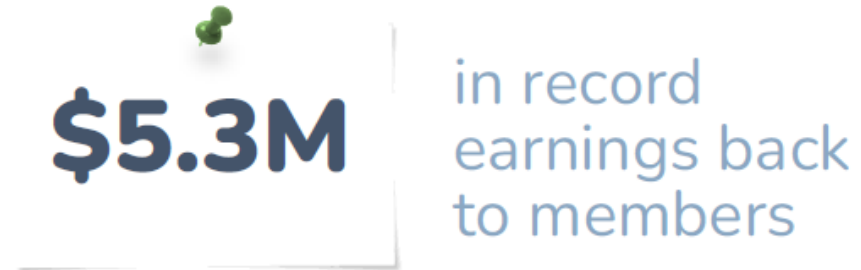
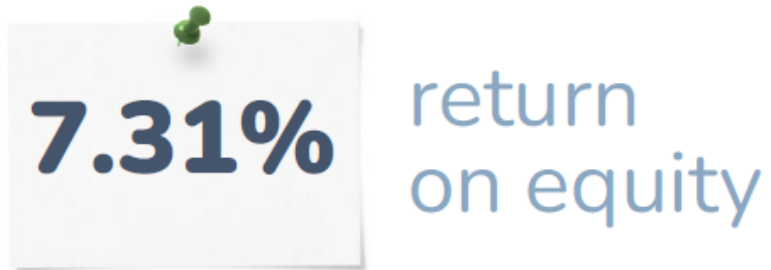




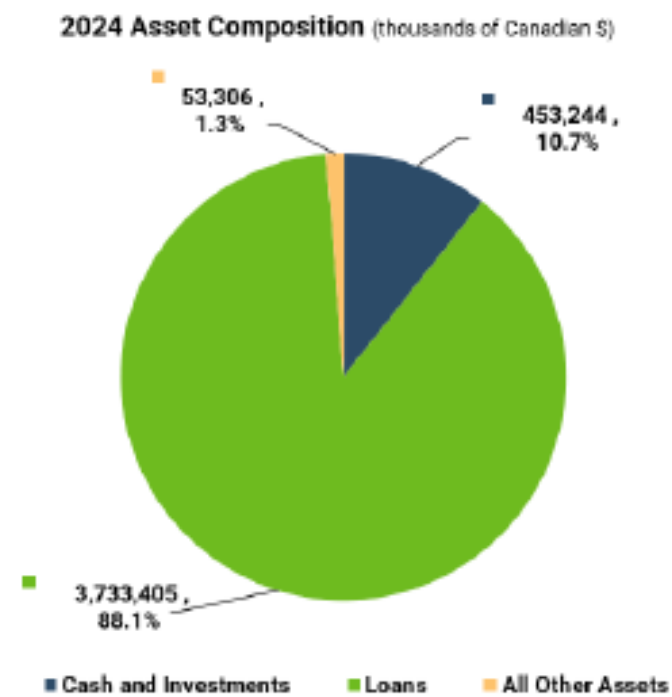
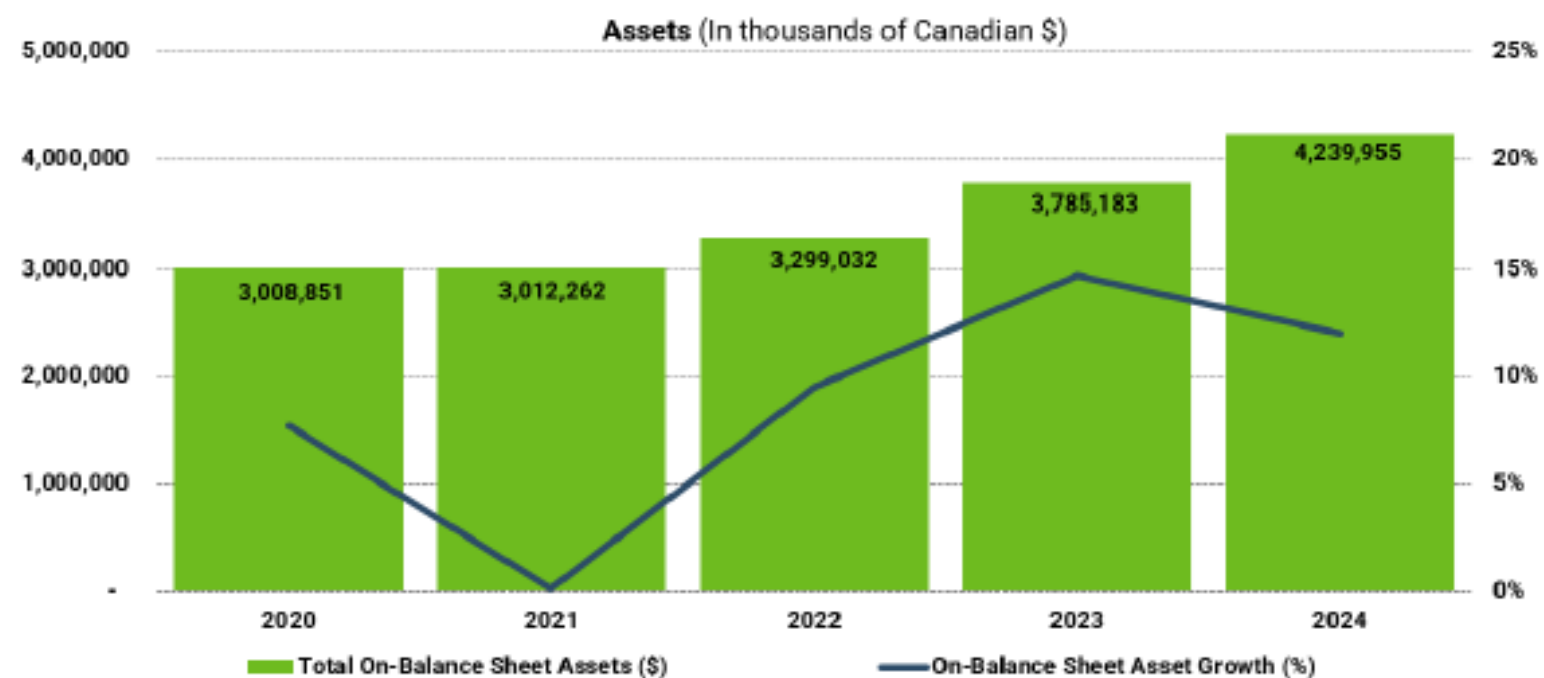
FINANCIAL STRENGTH



Strong, Stable Growth and Earnings

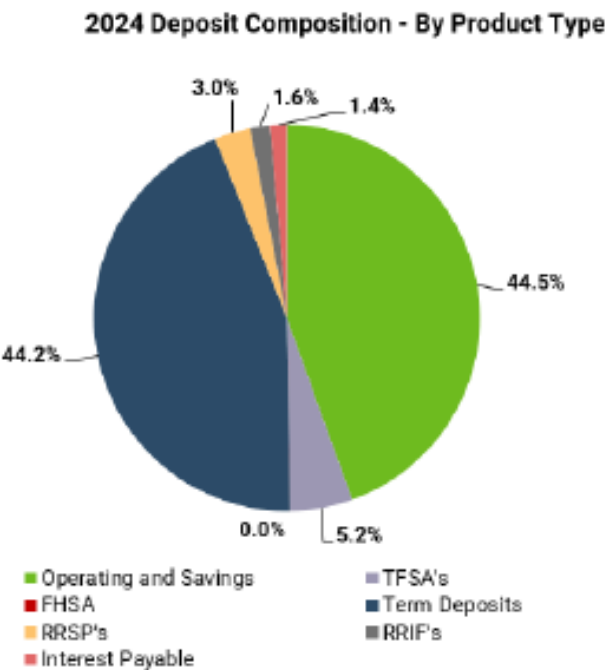
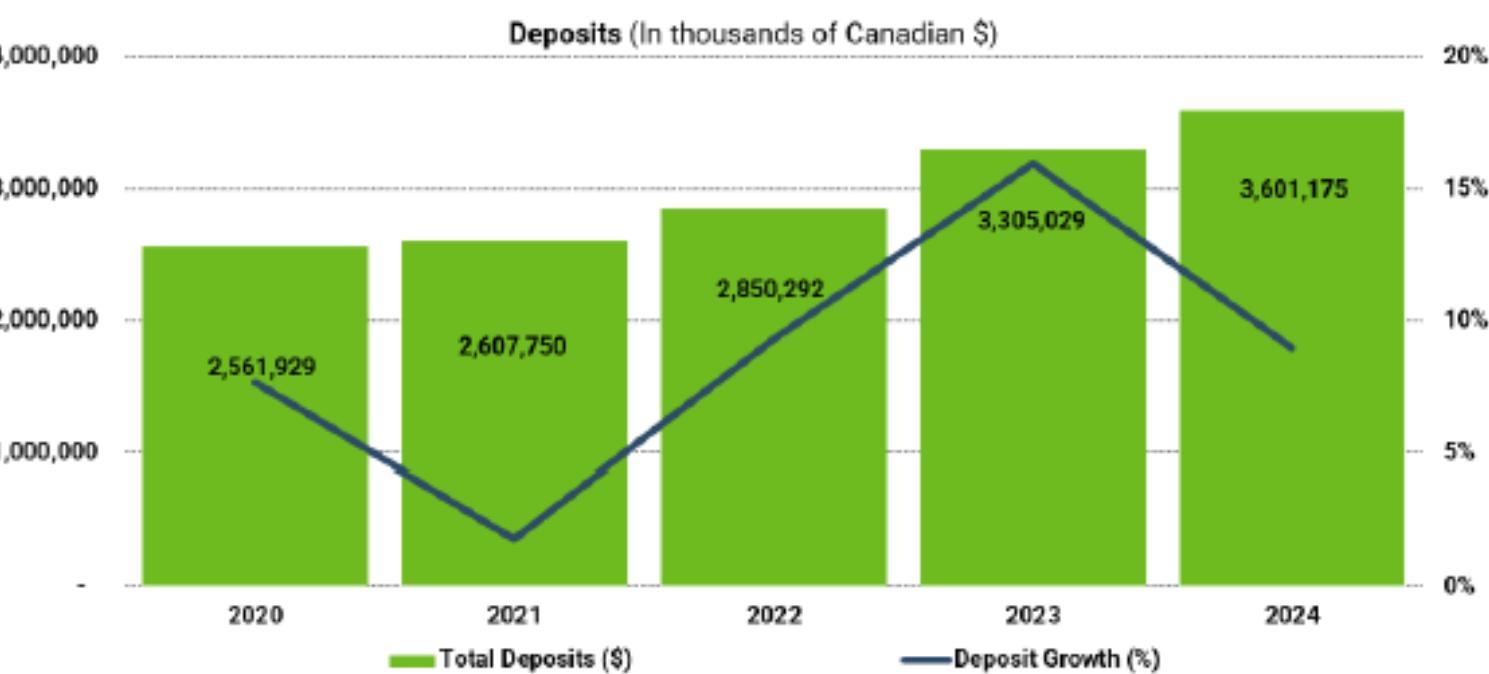


Asset Growth

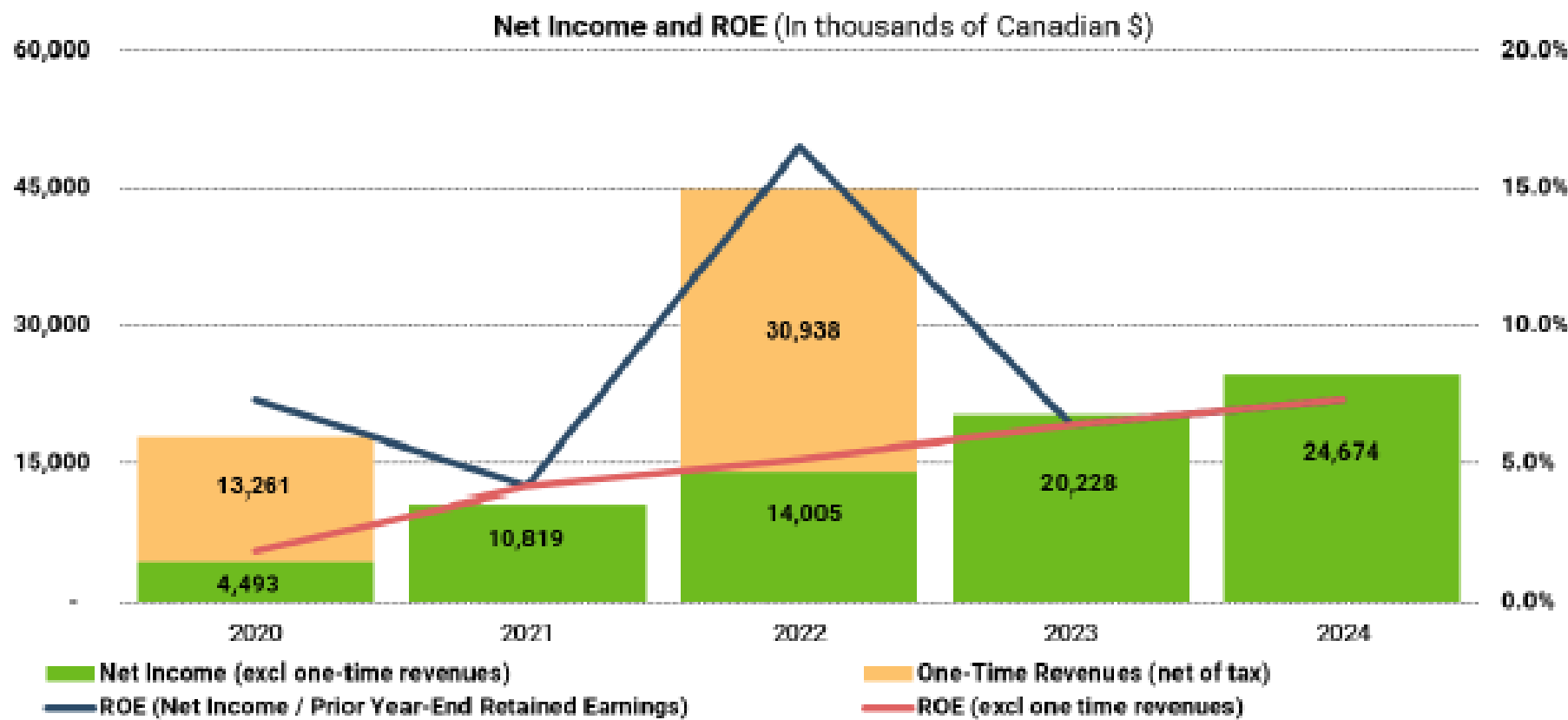


12.0% annual growth

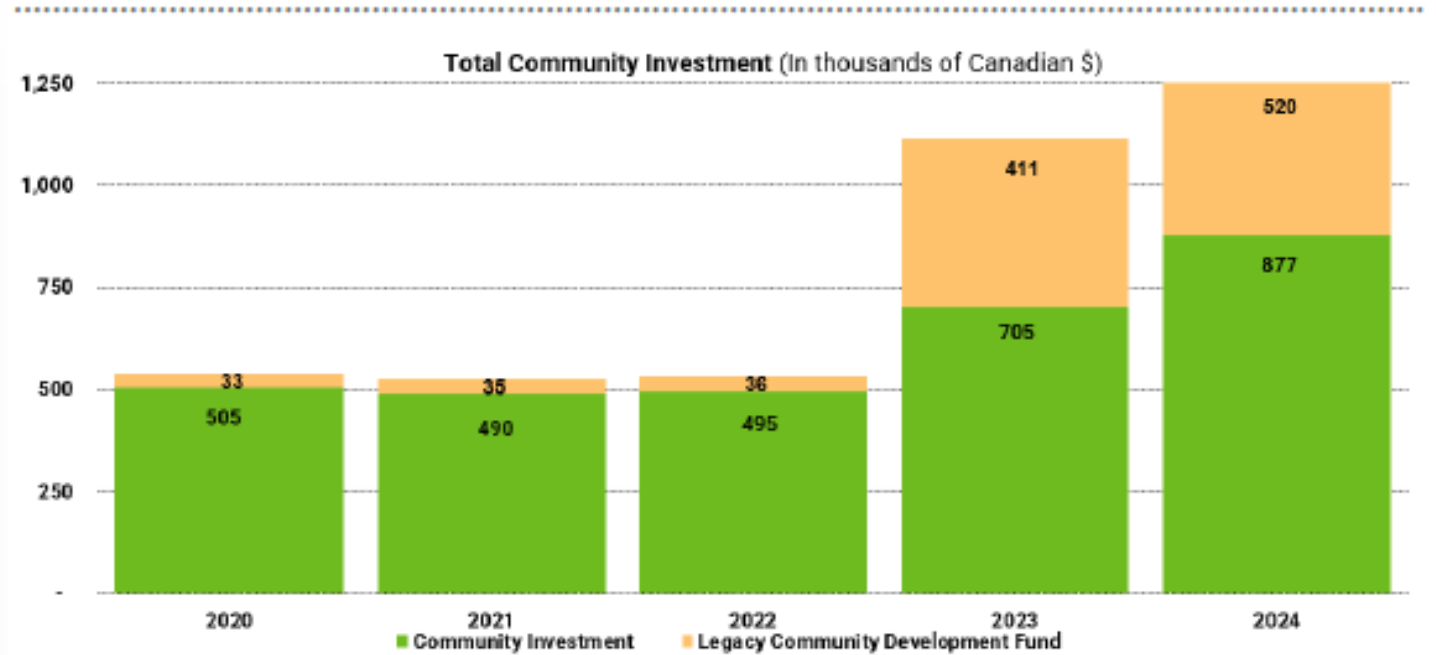
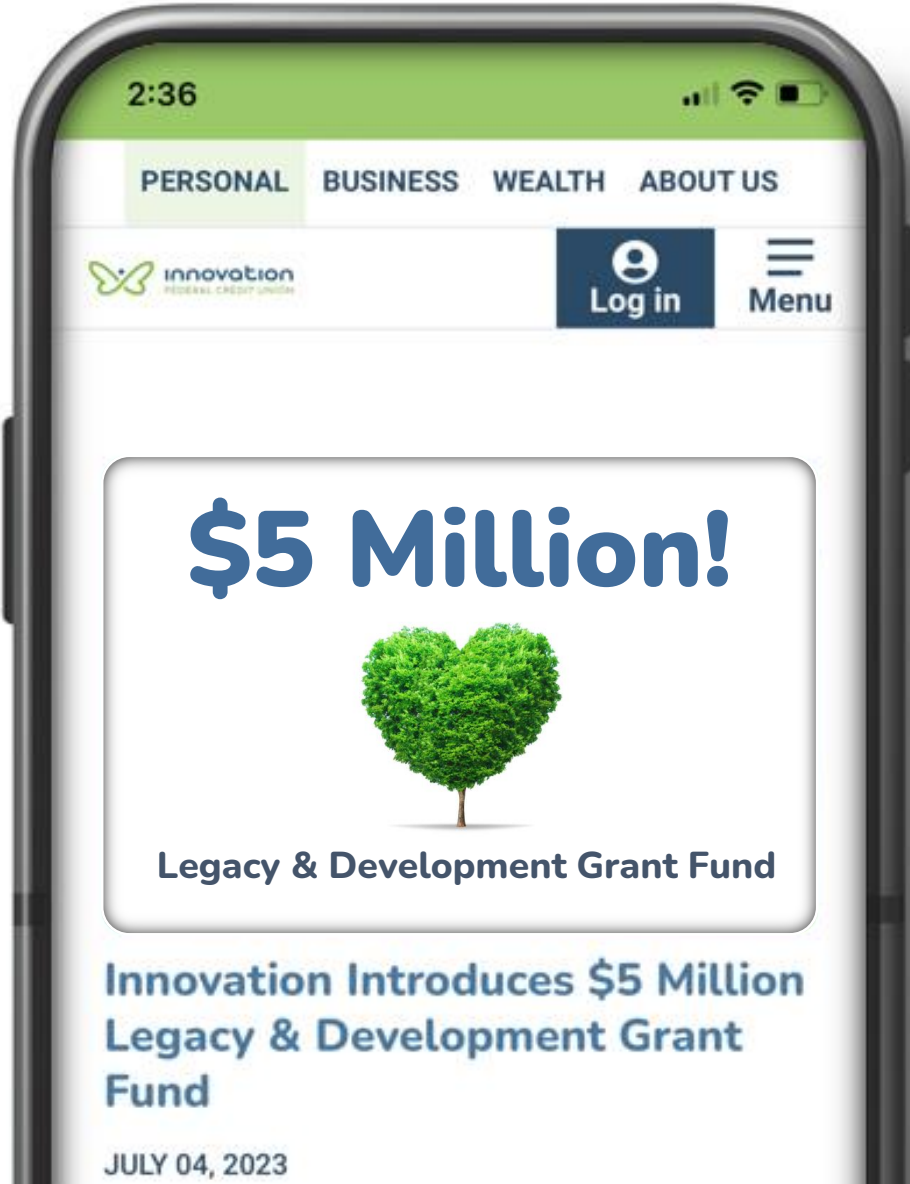
Deposit Growth



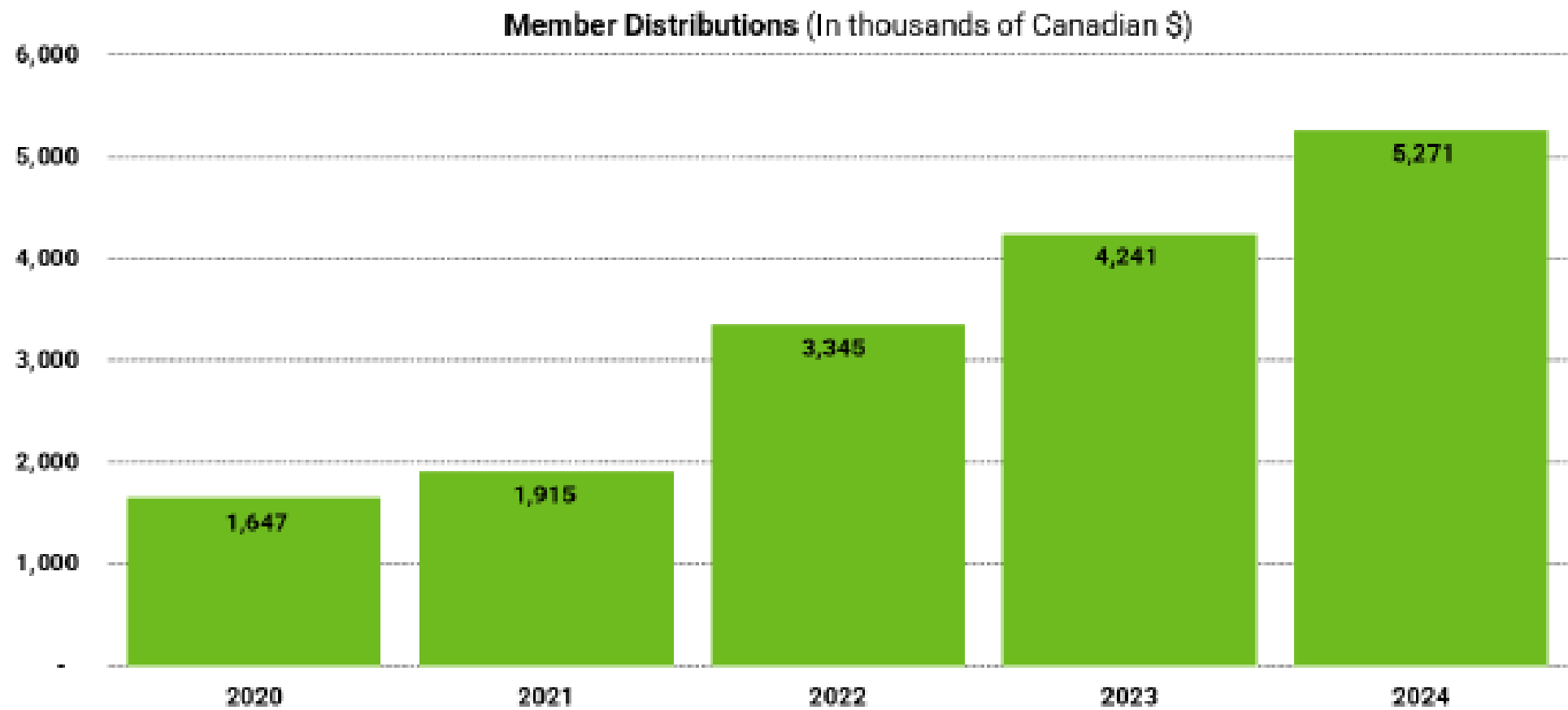
Profitability



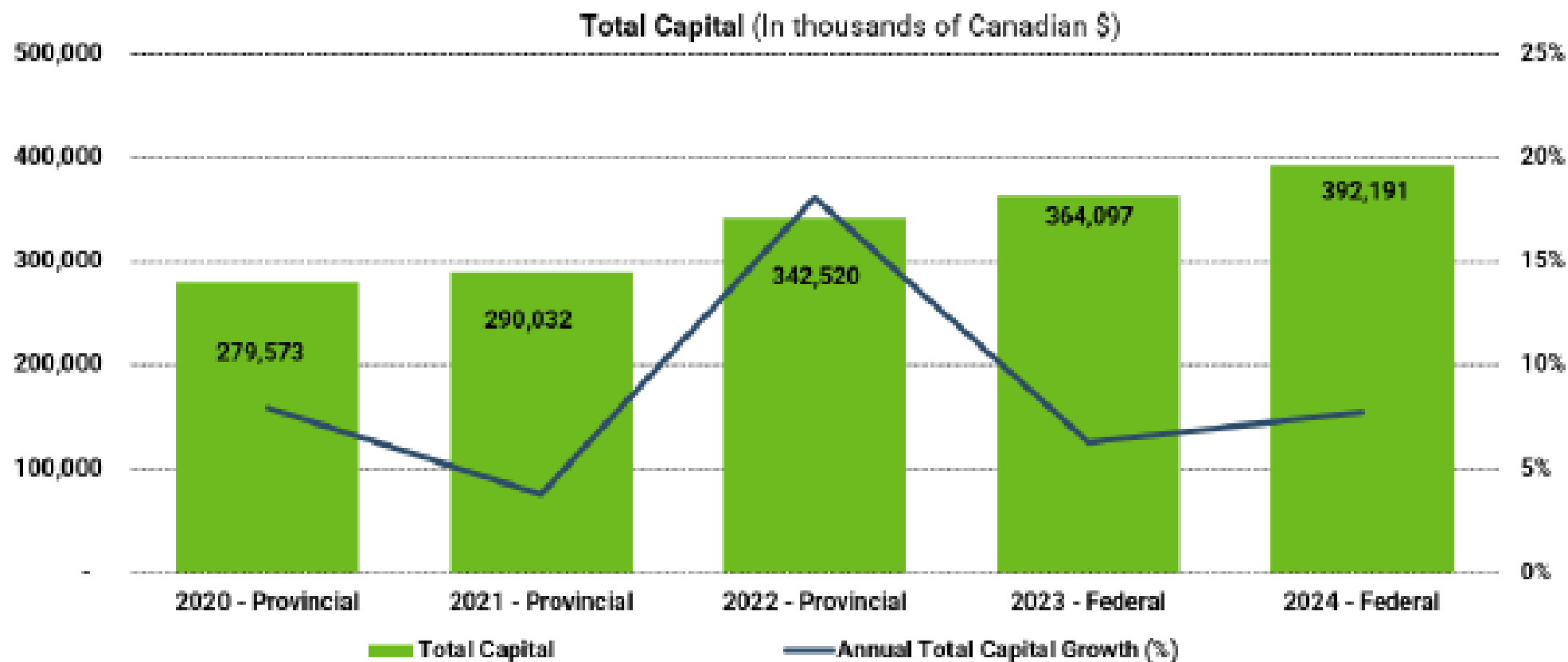
22.0% annual growth



Profitability



Capital Growth



7.7% annual growth

ABCU Innovation Federal Credit Union Merger



Issuer

Innovation Federal Credit Union

Banking Organizations

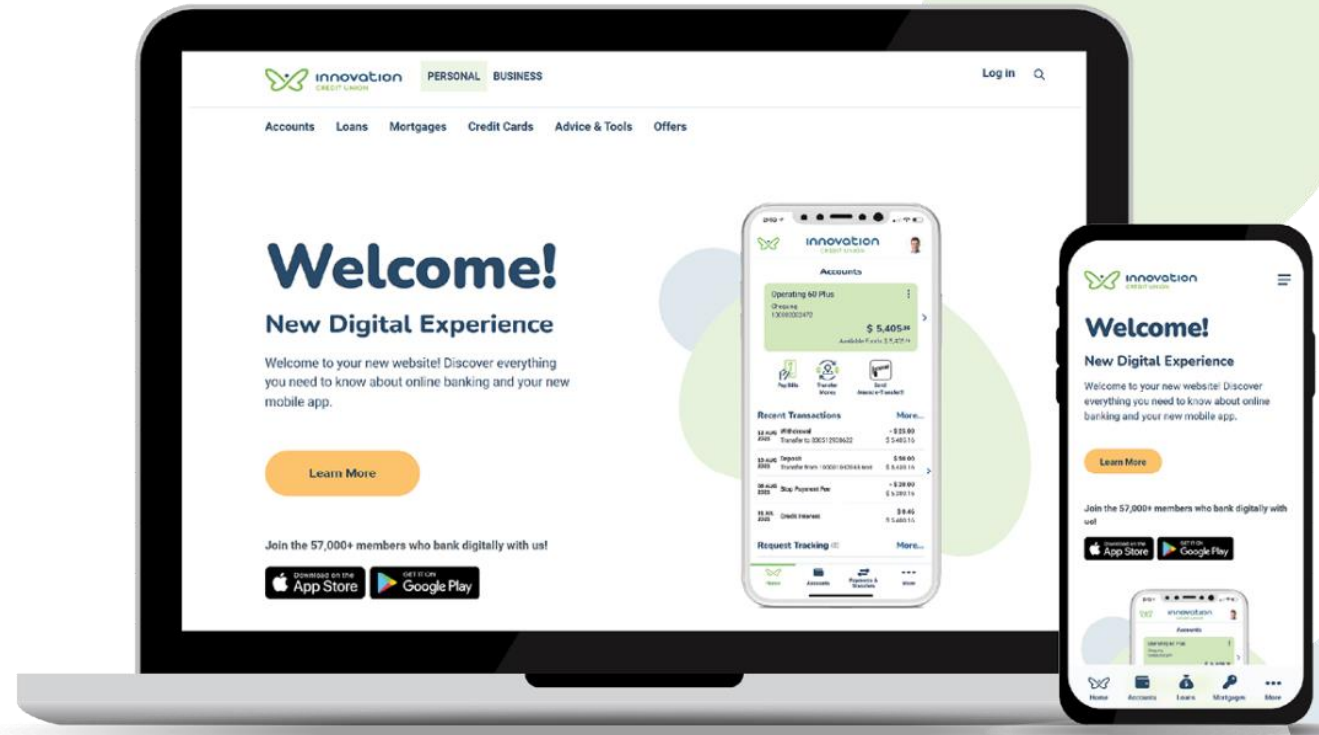
On April 15, 2025, DBRS Limited (Morningstar DBRS) confirmed its credit ratings on Innovation Federal Credit Union, including the Credit Union's Long-Term Issuer Rating of BBB (high) and Short-Term Issuer Rating of R-1 (low). The trend on all credit ratings is Stable.



DIGITALIZATION



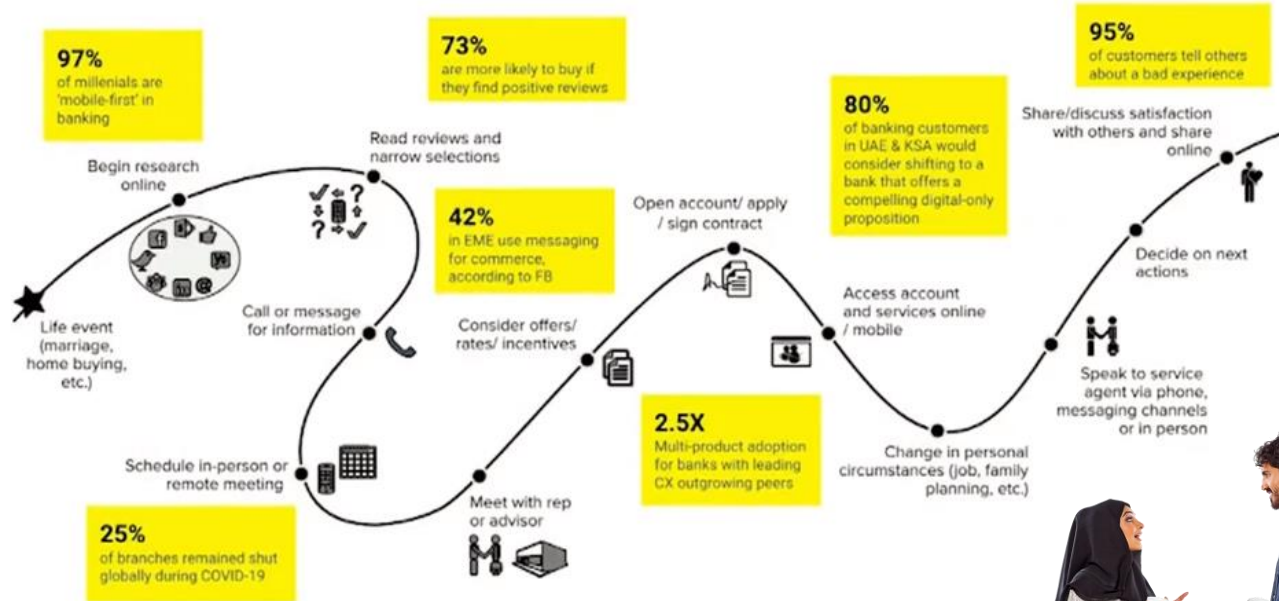
Why is digital transformation a priority?



Digitalization



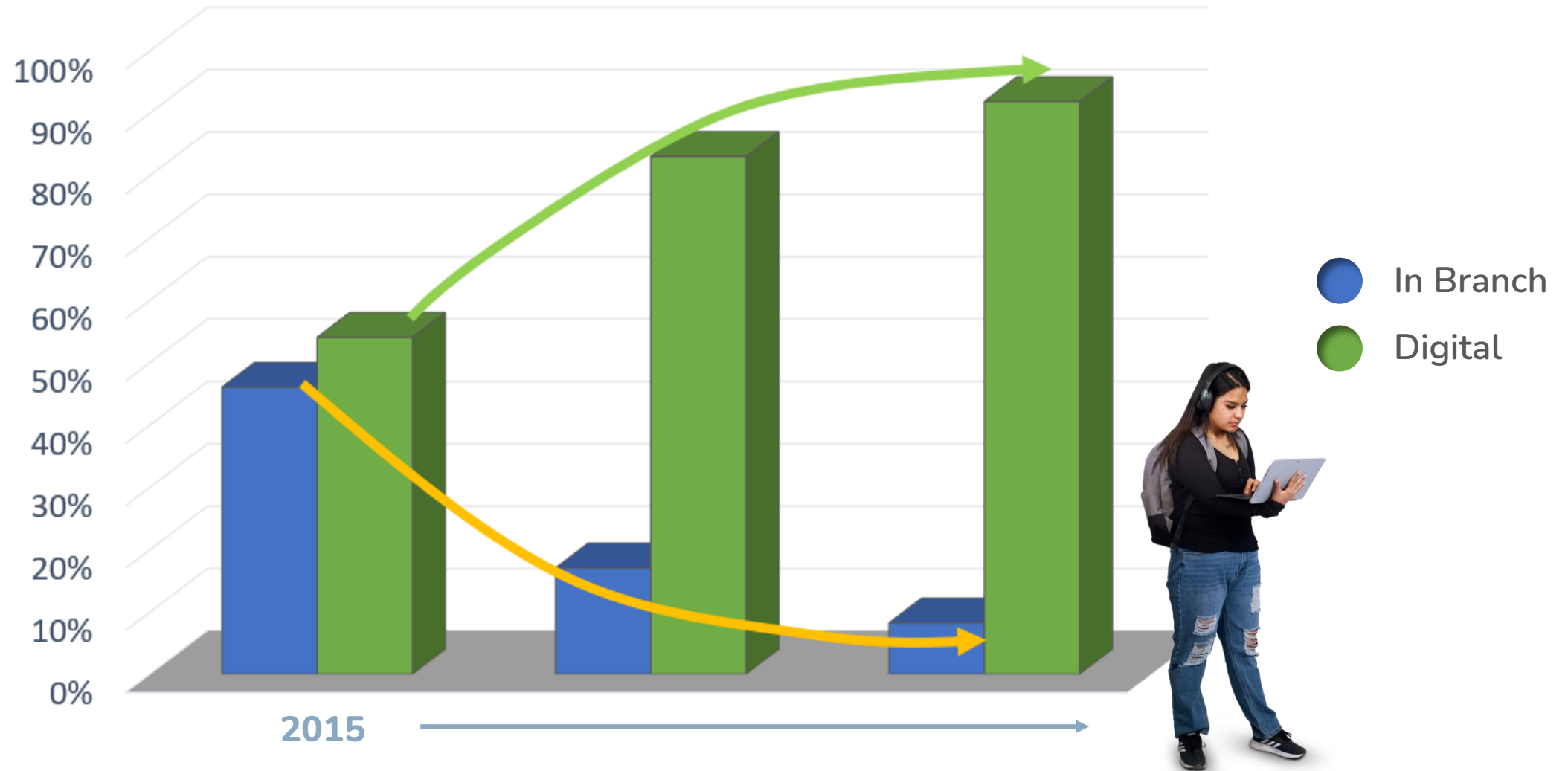
Evolving digital touchpoint landscape influence consumer decisions.



80%
of consumers
would consider
shifting to a bank
or credit union
with a compelling
digital-only
proposition.



Innovation Member Transaction Activity

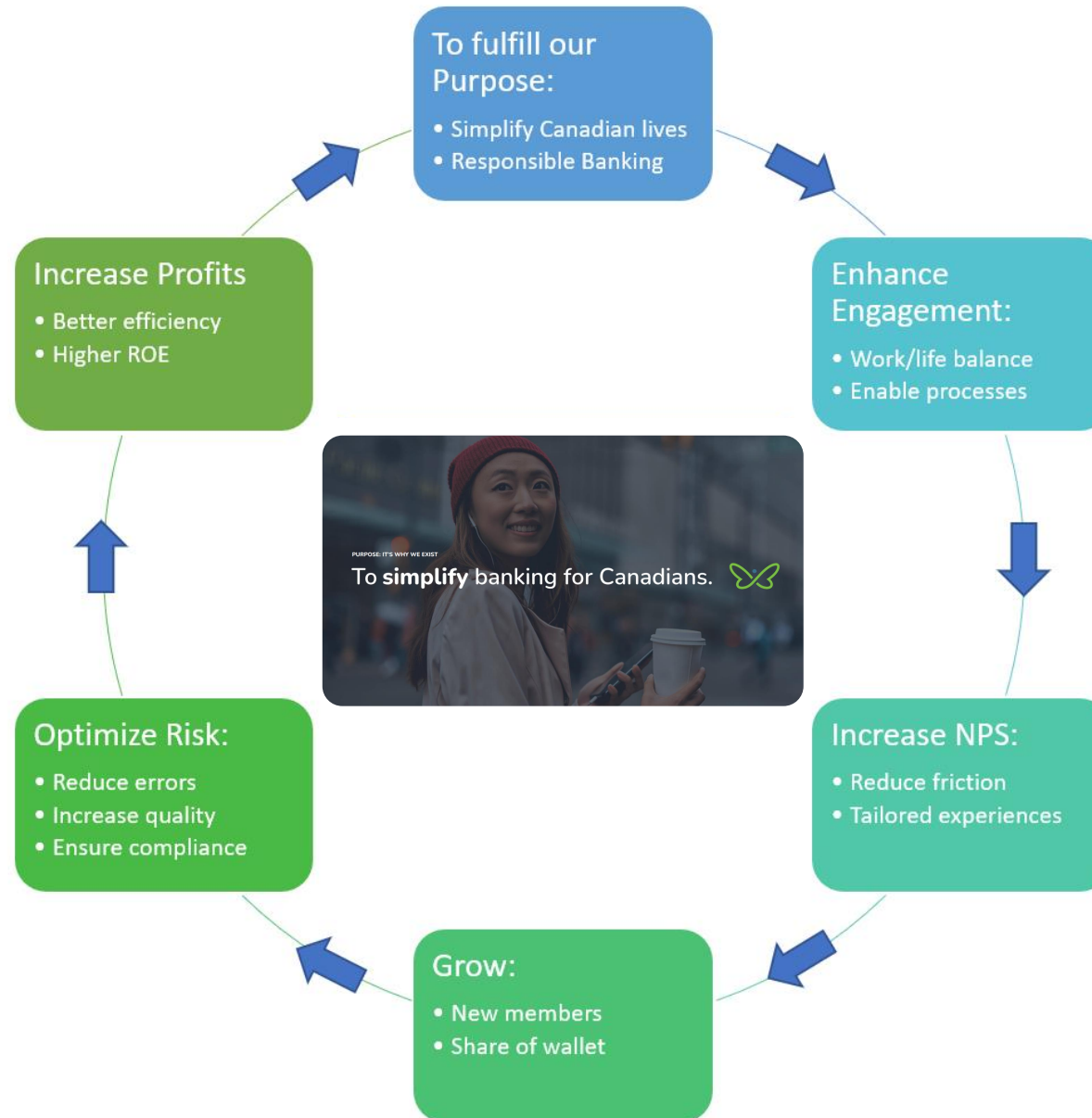


Overview of Mandate

Although majority of transactions are now digital, our mandate and technology strategy is **designed to benefit** all members, no matter what channel you choose.

Digital is
saving traditional

Moratorium on
Advice Centre closures





NATIONAL REACH



Flexibility to Grow Federally



Microsoft

(and powered by Microsoft)





Parachute
offers members debt
consolidation loans with
cash-back incentives.

Willful
makes it easy for members
to create a legal will online,
that includes an exclusive
20%-member discount.

Nesto
is Canada's trusted lender
for online mortgages.

ClearEstate
is a one-stop-shop
for members' estate planning
and settlement needs.



ABCU & IFCU Merger

Partnership Value



Value to Innovation

- **Serving you better**

Both Innovation and ABCU have a common desire to provide the best banking services possible to you and support your communities through a commitment to co-operative principles.

- **Alignment to strategy**

This new opportunity is expected to deliver direct benefits to stakeholders by combining ABCU's local presence and growth potential in Alberta with Innovation's digital platform and national reach.

- **Expand footprint into AB**

Innovation continues to attract members all over Canada with a growing membership in Alberta. The Alberta market has significant growth potential.

- **Credit Union growth**

The economy of scale ensures a more efficient use of resources resulting in improved financial results for the amalgamated credit union. This means giving back more to members and communities.



Partnership Value

- **Community**

Both credit unions are dedicated to community. The allocation of 2-4% of pretax profit and community legacy funds will ensure continued focus.

- **People**

Job guarantees, career growth, flexibility and culture of Collaboration, Growth Mindset, Innovation and Diversity & Inclusion.

- **Members**

Current member value will be enhanced with larger lending limits, Member Rewards and instant access to free banking.

- **Digital Investment**

Credit unions have similar strategy to technology partners.

- **Credit Union**

Build the scale to be innovative and grow while embracing disruption and leveraging the Co-operative Principles to bring Simplified Banking to all Canadians.



GUARANTEE



- We will **transform** and **grow** without violating the essence of being a credit union.
- We will **protect** and **cherish** being cooperative and our core values.
- **Respect** and **retain** those that made us successful.
- **Provide more opportunity** for our communities, regions and our people.



NEXT STEPS

ABCU & IFCU Merger

Proposed Merger Information Sessions



APR 29, 2025

Govt of Alberta
Act Revision



DEC 2023

MOU signed between IFCU and ABCU

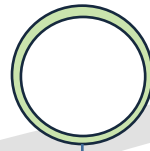
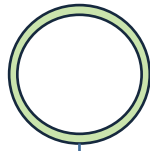


MAY 14, 2025

OSFI & CUDGC
Approval of Amalgamation Agreement

JUN 2025

ABCU Member
Voting



JUN 2025

IFCU member Voting

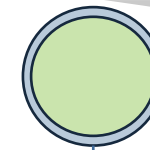


JUN to DEC 2025

OSFI review & potential
Recommendation
to MoF

APR 2026

Integration



Milestones and Deliverables

ABCU / IFCU Amalgamation Project

Innovation's Timeline to Inform and Vote



Information meetings

- | | | |
|-----------------|---|-----------------------|
| • May 20 | Swift Current Advice Centre Basement | 5:00 PM - 7:00 PM CST |
| • May 21 | Gravelbourg, Wheatland Pub and Eatery | 5:00 PM - 7:00 PM CST |
| • May 22 | North Battleford Advice Centre basement | 3:00 PM - 5:00 PM CST |
| • May 22 | Meadow Lake Advice Centre lobby | 7:30 PM - 9:30 PM CST |

June 3	Virtual	7:00 PM - 9:00 PM CST
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May 30	Notice of Meeting sent to members
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June 2 - 12	IFCU electronic voting period
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June 26	Annual General Meeting (in person voting at the start of the meeting)
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ABCU Path to Voting



April 29	Alberta Cabinet approves act changes (APPROVED)
April 30	Royal Assent (act is active) (APPROVED)
May 5	Alberta Treasury/CUDGC complete review of ABCU materials (APPROVED)
May 14	OSFI approve Amalgamation Agreement and Disclosure notice (APPROVED)
May 15 - 31	Notice of Meeting sent to members
May 23	Submit Disclosure Notice to Gazette
May 26 - June 12	ABCU information meetings <ul style="list-style-type: none">• Monday May 26th 3:00 PM – 5:00 PM Virtual• Thursday May 29th 5:00 PM – 7:00 PM Virtual• Wednesday June 4th 4:00 PM – 6:00 PM Beaumont• Thursday June 5th 4:00 PM – 6:00 PM Edmonton
May 3 - June 21	Publication of notice under Disclosure on Continuance Regulations
June 25	ABCU SGM



How can members vote?

You Can Vote Soon!

You will be able to vote on the Proposed Merger electronically between June 2, 2025, and June 12, 2025. This will be a Special Resolution approving the Proposed Amalgamation, the full text of which is set forth under the heading "Special Resolution".

The results of the voting will be presented at the Annual and Special Meeting at 7 PM (CST) on June 26, 2025.



When Innovation
picks growth to
combat disruption,
great things
happen.



Thank You

To learn more, please contact:



Russ Siemens

Board President

russ.siemens@innovationcu.ca

306.519.5471



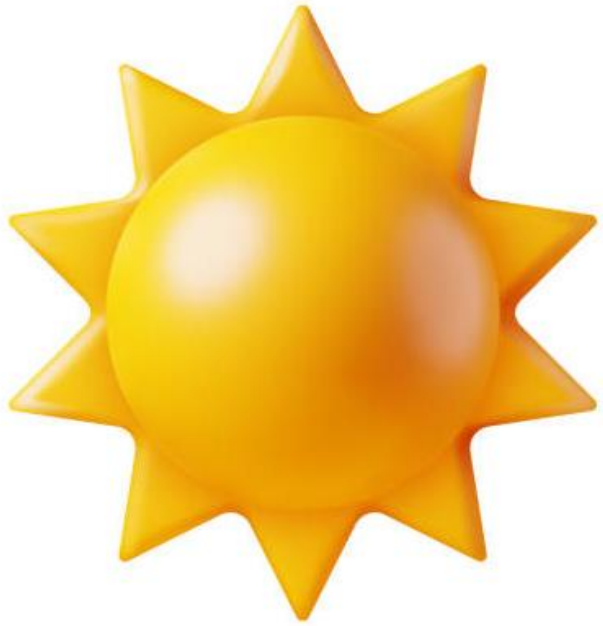
Dan Johnson

CEO

dan.johnson@innovationcu.ca

306.741.0708





The time to repair the roof
is when the sun is shining.

John F Kennedy



**Our system will grow great if leaders plant trees
whose shade they may never sit in...**

Greek Proverb



Strengthening your credit union.

We are the **first** federal credit union
headquartered in Saskatchewan –
and we are thrilled to bring
Responsible Banking™ to all of Canada.



When your credit union is growing...

In 2024, just over
\$343,000
was given to 28
deserving organizations
and community projects



26

Twenty-six Indigenous communities and organizations were supported in 2024 through the Indigenous Community Development Fund. A primary focus of the fund is to support important cultural celebrations such as Pow Wows.



\$64 million



Through our Diversified Banking team, Innovation committed to the facilitation of \$64 million for First Nations specific claims that have been created from historical grievances where the government failed to fulfill its obligation under the Treaties, the Indian Act, or other agreements. The goal of resolving these claims is to address past wrongs, renew relationships, and advance the reconciliation between Indigenous peoples and the Canadian government.

Lunch and Learns



65,000 meals thanks to you!

Thanks to your business, we've been able to donate 65,000 meals to organizations helping people facing food insecurity.



\$50,500

iButterfly Effect
Innovation Employee Matching Program

In support of health, education and poverty, our new employee matching program, the iButterfly Effect, gave back \$50,500 in 2024 – supporting the Canadian Mental Health Association, Saskatchewan Intercultural Association and Food Banks of Canada.



Innovation is proud to be the only Saskatchewan credit union recognized with earning the designation as an Imagine Canada certified company of the PRISM Network. This designation represents being a symbol of excellence in community impact within Canada.

Our credit union continues to contribute between 2% to 4% of our pre-tax profits annually to activities that support our communities.



\$76,000

awarded in
scholarships
that helped
60 students
with their
education
costs.



Canada's Financial Institutions Supervisory Committee



OSFI
Office of the
Superintendent
of Financial
Institutions



**Bank of
Canada**



**Department
of Finance Canada**



CDIC
Canada Deposit
Insurance
Corporation



FCAC
Financial Consumer
Agency of Canada

