



Merger of Operations Between United Employees Credit Union Limited and DUCA Frequently Asked Questions for DUCA Members

Below you will find common questions and answers related to the merger of operations between **United Employees Credit Union Limited (United)** and **DUCA Financial Services Credit Union Ltd.**

This transaction signifies DUCA's commitment to growth and a promising future for our credit union, Members, and employees. We look forward to expanding our footprint in two highly desirable locations, growing our Member base, and enhancing support in the communities we serve. Overall, this transaction will serve the mighty purpose of helping people and businesses **Do More, Be More and Achieve More!**

We are committed to keeping up **regular and open communication**, including listening and responding to your questions, comments, and concerns.

A. The Transaction

1. What is a Merger of Operations?	<p>A merger of operations is when two companies decide to join forces to become stronger and more successful by combining their resources, knowledge, and efforts.</p> <p>In this case, United is joining DUCA, and United locations will become DUCA locations through this transaction.</p> <p>United members will become DUCA members with their loans and deposits to be owned and serviced by DUCA.</p> <p>United will cease to operate as a standalone credit union post closing and the legal entity will be dissolved in due course.</p>
2. Is United joining DUCA or is DUCA joining United?	<p>United Employees Credit union is joining DUCA via a merger of operations. Both United locations will become DUCA branches.</p>
3. Why is this transaction taking place?	<p>The decision to pursue the transaction was made after careful analysis and consideration by the Board of Directors and senior management.</p> <p>Given the ever-evolving regulatory environment and higher capital and liquidity requirements to run a credit union, and due to United's smaller size, it has become increasingly difficult for United to provide lending solutions to their Members. Similarly, it will be increasingly difficult for United to support ongoing investments in technology, risk, and governance to keep up with the increasingly complex operating and regulatory environment. Through this transaction, United Members will become DUCA Members and have access to a larger branch network, a wider range of products, improved technology,</p>

	increased financial stability, increased value, and enhanced community support.
4. How does this transaction fit with DUCA's strategic priorities?	This transaction is another step in DUCA's ongoing growth and development. We look forward to expanding our footprint in two highly desirable locations, growing our Member base, and enhancing support in the communities we serve. Overall, this will serve the mighty purpose of helping people and businesses Do More, Be More and Achieve More!
5. What approval was required for this transaction?	We received approval from DUCA and United's Board of Directors as well as the approval from the Financial Services Regulatory Authority of Ontario (FSRA). The transaction also required a United Member vote which took place on November 27, 2023. United Members voted in favour of the Merger of Operations.
6. When is the transaction expected to close?	The transaction closed on December 21, 2023, marking a significant step forward for both credit unions. As of December 21, United begins operating as DUCA Financial Services Credit Union Ltd. and we begin a transition period where we will be merging our systems and processes. The anticipated completion of the transition period is set for Q2 2024.
7. Why is a DUCA Member vote not required?	A DUCA Member vote is not required because the purchase is less than 15% of the value of DUCA's total assets (Credit Unions and Caisses Populaires Act, 2020, S.O. 2020, c. 36, Sched. 7 (ontario.ca) , Section 174).
8. How can I learn more about United?	<p>Established in 1944, United Employees Credit Union was formed under the co-operative principles of people helping people. United currently serves many employee groups across the GTA including Canada Post, the Federal Civil Servants, Brewers Retail and Warehousing, Purolator Canada, Colgate-Palmolive Canada, the Independent Order Foresters (IOF), and the George Weston/Loblaws Group of Companies. United has two branch locations in Leslieville and Mississauga that serve approximately 3,000 Members and offers a range of products and services including chequing and savings accounts, GIC's and term deposits, loans, and mortgages. Their on-balance sheet asset size is \$49 million (as of June 2023).</p> <p>You can learn more about United on their public website at www.unitedcu.com.</p>
9. Where can I view United Corporate Reports?	https://www.unitedcu.com/corporate-reports/

B. Member Impacts

1. What are the advantages of this merger of operations for DUCA Members?

DUCA Members can anticipate several key benefits:

Expanded Accessibility: DUCA Members will benefit from an expanded branch footprint and ATM network, ensuring greater convenience and accessibility to financial services.

Economies of Scale: The merged entity will benefit from operational efficiencies, cost savings, and economies of scale, allowing us to offer more competitive rates and fees to Members and enhance our support in the communities we serve.

Increased Market Presence: By combining our resources and expertise, we will strengthen our market position and increase our overall competitiveness and long-term financial stability.

Community Impact: The combined entity will continue to prioritize community involvement and support, reinforcing our dedication to making a positive difference in the communities we serve, and shaping a better financial future for all.

2. What are the disadvantages associated with this merger of operations for DUCA Members?

There are no disadvantages to DUCA Members as a result of this merger of operations. We are expanding our footprint; this is a benefit to our Members given the expanded accessibility and allows us to enhance support in the communities we serve. Overall, this transaction will strengthen DUCA's market position and create more opportunities for future growth.

3. What impact does this merger of operations have on DUCA's value?

DUCA's value remains intact. The merger of operations with United does not involve any material expense for DUCA, instead it adds to DUCA's income and profitability this year and strengthens our capital. Overall, the merger strengthens our financial position and creates more opportunities for future growth.

4. How many assets/liabilities are brought forward by United?

United's on-balance sheet asset size is \$49 million (as of June 2023). You can learn more about United on their public website at www.unitedcu.com.



5. Do we continue to use the same DUCA website and branches?

Yes, nothing is changing with respect to how you currently access DUCA services.

6. Can DUCA Members bank at United branches or vice versa?

Not yet. There is an ongoing transition period for system integration and staff training, expected to conclude by Q2 2024.

During this transition period, it will be business as usual for Members. You can continue to access your banking services and branches as you normally would, experiencing no disruption to your day-to-day banking activities.

7. Will this impact any of the products I currently have with DUCA?

This merger of operations has no impact on the products you hold with DUCA.

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C. Questions & Feedback

1. How can I stay aware of updates?

Please watch for updates on our website and via email communication.

2. Who do I contact if I have questions or want to provide feedback?

DUCA Member inquiries will be processed through the same channels we use today. Please call our Member Connect call center at 1-866-900-3822 or email us at duca.info@duca.com.
