

Creating Opportunity

Concentra explores bank continuance

Concentra®

OUR CHALLENGE

Given the increasingly competitive financial services environment, it is an opportune time for Concentra to consider changing its status from a retail association to that of a bank.

Concentra recently reviewed its corporate legal structure to determine how to best achieve its long term objectives as the national wholesale and trust company serving the credit union system.

The review concluded that the system and its members would be better served by Concentra continuing as a bank under the *Bank Act* rather than remaining a retail association under the *Co-operative Credit Associations Act (CCAA)*.

Concentra would have the capacity to expand the wholesale finance and trust services it currently provides for credit unions across Canada while improving its ability to access the capital markets.

THE OPPORTUNITY

Transitioning to bank status provides Concentra with the opportunity to:

- access more capital as a bank rather than as a co-operative retail association to better meet the emerging business needs of credit unions,
- increase market recognition of Concentra's role by players in the financial markets and strategic partners as a bank is well understood, while a retail association is not,
- leverage off the work and efforts of other banks relating to compliance with new rules and regulations,
- reduce the cost incurred to maintain licensing in all provincial jurisdictions, and
- expand the scope of trust services available through Concentra Trust.

Concentra is Canada's leading provider of wholesale finance and trust solutions to credit unions from coast to coast. We provide leadership, expertise and financial clout to improve financial performance, diversify risk, and meet member needs.

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MORE VALUE FOR CREDIT UNIONS

By converting to a bank, Concentra strengthens its capacity to deliver solutions that improve financial performance, diversify risk and meet member needs. Specifically, Concentra will have access to a wider depth and breadth of market structures that build scale and scope, improving capability to fuel credit union growth. This includes:

- accessing greater funding opportunities,
- increasing scale and scope of commercial and residential asset solutions, and
- attracting capital, both from within the credit union system and from outside of the system for the benefit of credit unions.

WHAT TO EXPECT

The proposed change in corporate legal structure will not result in changes to the wholesale finance and trust services currently provided to credit union clients. Economic ownership of Concentra will remain the same as will Concentra's commitment to the credit union system.

Concentra is in the early stages of analyzing the impact of a continuance under the *Bank Act* and is currently engaged in preliminary consultations with key stakeholders to create awareness and identify impacts.

On completion of the consultation process with our stakeholders and regulators, Concentra will seek approval from its members and shareholders for continuance under the *Bank Act*. Pending this approval, Concentra will submit an application to the regulatory authorities for continuance.

For more information, please contact:

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Our brand promise:
COMMITTED TO CREDIT UNION SUCCESS

BUILD
market relevance

CHANGE
to meet market demands

GROW
relationships / mutual value

OUR ADVANTAGE

Market Driven Flexible
Proven Solutions National Reach
Co-operative Values

STRATEGIC PRIORITIES

- Corporate legal structure
- Consolidation and partnerships for wholesale and trust
- Capital attraction and management
- Technology enhancements that support the business
- Scalable and profitable growth across all business lines
- Culture and leadership