



Proposal to Transfer Engagements to Credit Union Baywide

We have been talking to you for some time about the complexity of running a credit union in this risk-focused environment we now operate in.

In 1976 a biscuit tin and a notebook were more than enough to keep track of a firefighter's money. Today our organisation is increasingly under significant pressure from the Reserve Bank, Financial Markets Authority, and our Trustee Supervisor in regard to anti money laundering, audit, financial compliance, and many other boxes to tick in order to be able to provide the services we do.

The past three years have been the most difficult with regulators increasing compliance requirements to mitigate the risks within financial institutions. In the past three years Employees Credit Union, NZ Credit Union South, Aotearoa Credit Union, and NZCU Central have all transferred engagements (merged) with other credit unions in order to better share these requirements / costs or to address a weak financial position.

I am extremely proud of your board of directors and credit union staff, who have worked valiantly to keep us running in an increasingly challenging environment.

Unfortunately, maintaining this is not possible moving forward and the board has had to make a very tough and courageous decision to propose a merger (transfer of engagement) with another credit union. Several credit unions showed keen interest in merging with us, and after careful consideration the board has voted unanimously to recommend to the membership that we transfer to NZCU Baywide.

Credit Union Baywide (CUB)

CUB is the largest credit union in New Zealand based on assets and has successfully completed transfers of engagements with several credit unions in the past few years. This gives the Board a lot of comfort about the future of financial services for firefighters. It has the resource capacity and expertise that best suits our organisation and significant assets to back that up. It has branches in 19 locations throughout New Zealand and a comprehensive remote channel offering internet, mobile and telephone banking.

What does this mean for you as a firefighter and NZFCU member?

- Improved internet and mobile banking.
- Retaining our identity on our cards and statement alongside the new entity's brand.
- Our branch in Petone will remain open for at least the next year and then be reviewed as part of CUB's annual network review.
- All current staff will be offered employment with CUB, and will have more time to focus on you, the member, with the majority of compliance and audit requirements being centralised to CUB's head office in Hastings.



Is my money safe?

NZFCU has accumulated reserves that provide protection for your funds and none of the issues outlined to you have arisen as a result of poor financial management. The majority of these issues are a result of the risk-focused market we now operate in.

Decision

Of course, as owners of your credit union, the ultimate decision will be yours.

All member-owners are invited to our upcoming special general meeting. This will allow you an opportunity to interact with your Board, and for you to formally vote on the transfer of engagements. The Special General Meeting has been scheduled for 2nd June 2021.

Also included with this document are:

- Notice of Special Meeting and Schedule 1 - Important Information
- Postal Voting Form
- Proxy Form
- Frequently Asked Questions and Answers (FAQs)

As owners of the New Zealand Firefighters Credit Union, we encourage you to be involved in this process and carefully read the enclosed information.

Thank you for your ongoing support and please do not hesitate to get in touch with me directly if you have any questions.

A handwritten signature in blue ink, appearing to read "CG", is positioned above the name of the signatory.

Craig Gold
Chair
New Zealand Firefighters Credit Union
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