

**For Immediate Release**

**September 21, 2007**

**Credit union centrals of B.C. and Ontario  
extend closing date for merger**

Credit Union Central of British Columbia and Credit Union Central of Ontario today announced that the closing of the transaction to combine their organizations has been extended to year-end.

The transaction had been scheduled to close on October 1. Shareholders of the two organizations had approved the combination on June 22, subject to the fulfilment of various conditions.

While most conditions have been met, recent problems in the financial markets make it difficult to complete the relative valuation of each organization for the purpose of closing the transaction. The extension of the closing date will give the parties time to address this issue, while merger preparations continue.

"We look forward to closing the transaction once the outstanding issues have been resolved," said Daniel Burns, chairperson of B.C. Central. "Preparations to integrate our organizations are well under way, and we will continue to work diligently toward a smooth transition."

"Keeping focused on the many tasks involved in uniting our organizations will remain our highest priority," said Sheena Lucas, chair of Ontario Central. "Our vision and goal remain the same – a larger organization with greater capacity to meet the future needs of a growing credit union system."

The difficulties in valuation result from each central's investments in non-bank asset-backed commercial paper (ABCP), which has become illiquid in light of global credit conditions.

B.C. Central holds \$23 million in non-bank ABCP within its \$5.1 billion in assets. Ontario Central's holdings of non-bank ABCP amount to \$161 million, within its assets of \$2.4 billion. These investments do not affect the ability of the two centrals to meet their member credit unions' liquidity needs, but the current trading halt in these securities agreed to under the Montreal Proposal makes it impossible to quantify the relative value of each central with certainty.

Measures to restructure the market for Canadian non-bank ABCP are under way, involving a national committee of financial institutions, pension funds and corporate investors. The process could take several months to complete.

The combined organization, to be named Central 1 Credit Union, will provide payments, treasury, Internet banking and trade services to more than 200 credit unions in B.C. and Ontario, from offices in Vancouver and Mississauga.

The two centrals announced the proposal to combine their organizations on October 6 last year, with a long-term vision that other provincial centrals would join later to create a single national organization serving credit unions from coast to coast.

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