

For Immediate Release

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**Credit union centrals of B.C. and Ontario
extend merger closing date to July 1, 2008**

Credit Union Central of British Columbia and Credit Union Central of Ontario today announced a further extension of the closing date for combining their organizations. The merger now is expected to close by July 1, 2008, subject to certain approvals.

On Sept. 21, the centrals announced that the original planned closing date for the transaction had been extended to year-end from Oct. 1, owing to valuation issues in the non-bank asset-backed commercial paper (ABCP) market.

Valuation of each central's holding of non-bank ABCP is essential to closing the transaction at fair market value. 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, but that initiative now is expected to continue into next year.

"We are eager to proceed with the merger," said Daniel Burns, chairperson of B.C. Central. "However, we recognize that the valuation issue must be settled, and that is going to take more time than first anticipated."

"Working together on this issue, we're confident we will develop a constructive solution that will enable the combination to close by July 1 next year," said Sheena Lucas, chair of Ontario Central.

As reported in September, 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 in any way affect the ability of the two centrals to meet their member credit unions' liquidity needs, but the current trading halt in these securities makes it impossible to quantify the relative value of each central with certainty.

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.

Burns noted that Don Rolfe had recently been appointed to serve as president and chief executive officer of B.C. Central and to continue in that role at Central 1 upon closing of the proposed combination with Ontario Central. Rolfe, who is currently chief executive of Credential Financial Inc. and The Ethical Funds Company, will assume the position on Feb. 15 next year.

"With a new CEO on board, we will continue to press forward with plans to integrate the operations of our centrals," Burns said.

The two centrals announced the proposal to combine their organizations on Oct. 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. Shareholders of the two organizations approved the combination on June 22 this year, subject to the fulfilment of various conditions.

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