

For immediate release
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Coastal Community and Island Savings Credit Unions Discontinue Merger Talks

VANCOUVER ISLAND, BC CANADA - Coastal Community Credit Union and Island Savings Credit Union have mutually agreed to discontinue discussions regarding the possible merger between the organizations.

Since the announcement of exploratory merger discussions in June 2008, the organizations held a series of preliminary discussions and developed various financial models with the goal of proceeding to formal talks through a signed memorandum of intent or MOI.

“Our talks progressed positively,” said John Newall, Chair of the Board of Coastal Community Credit Union. “Through discussions among our respective Board members and executive management, a common vision for a combined organization was developed and many elements of the MOI were agreed to. Over the course of these discussions, however, it became clear that the changing conditions of the marketplace needed to be carefully considered to ensure the ongoing viability of the merger process.”

Following an analysis of the financial models built on conservative assumptions about the Island’s future economy along with consideration of the world events impacting the banking industry, the credit unions concluded that moving forward with a merger might place excessive pressure on the financial resources of their organizations at a time of uncertainty.

“To ensure the continued strength of our two organizations, we agreed that the timing of a merger today may create unnecessary risk to the future strength of the business and that it would be prudent to discontinue discussions at this time,” said Garth Sheane, President and CEO of Coastal Community Credit Union. “While we regret this news, it is the right thing to do given the current environment. We are leaving the talks on extremely good terms and look forward to a better opportunity in the future to re-open them.”

Both Credit Unions continue to support the vision of a strong, Island-based Credit Union that can make decisions locally, and deliver products and services that meet and anticipate Islanders’ unique needs. They will continue to work to meet those needs as separate Credit Unions that respect each other's strengths and share a commitment to member service and our Island communities.

About Coastal Community Credit Union

Serving Island communities for more than 60 years, Coastal Community Credit Union is Vancouver Island's largest regionally-based credit union. With more than 80,000 members, over 600 employees, and over \$1.5 billion in assets, Coastal Community offers complete financial services and solutions through a growing network of personal banking, insurance, investment and business services centres across Vancouver Island. Passionate about the communities it serves, Coastal Community offers support to community organizations through various programs and dedicated employees. For more information, visit us on the web at www.cccu.ca.

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Media Contact:
Laurie Vosters
T: 250.716.28191
laurie.vosters@cccu.ca