



FOR IMMEDIATE RELEASE

Two local credit unions in merger discussions

New, truly local, credit union will serve residents and businesses in all major Niagara communities

Tuesday, January 28th, 2014

Niagara – Barrie Golding, Chair of the Board of Fort Erie Credit Union and Reg Sonnenberg, Chair of the Board of PenFinancial Credit Union announced today that they have officially entered into formal discussions to pursue a merger of the two Niagara based financial institutions.

The merger of PenFinancial and Fort Erie Credit Unions represents a significant strategic initiative for both. The merged credit union would have over \$430 million in assets, 94 employees and 8 branches in St. Catharines, Niagara Falls, Welland and Fort Erie serving close to 19,000 members. If approved by the membership, the merged credit union will strategically position the new organization as a significant competitor in Niagara's financial services industry.

Mr. Golding and Mr. Sonnenberg issued the following joint statements in support of the decision:

“This is an excellent strategic fit for our credit unions as it will strengthen our like-minded goal of growing a strong yet nimble, innovative and caring financial institution that is genuine and accessible to everyone. All of our decisions will continue to be made locally, and all of our investments will help to grow strong and vibrant Niagara communities. Our Board and Management Teams truly believe that in order to provide the best, most comprehensive and competitive products and services to our members, enhance career opportunities for our employees and increase our support and involvement within the community, a merger is the most logical and sound business decision to ensure our continued success in these vital areas.”

“We are committed to growing a credit union that is firmly planted here in Niagara. We share over 100 years of combined service to the residents of Niagara and amalgamating our resources and our markets furthers our vision of being the best financial institution in the Niagara Region.”

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Rebecca Havill, Chief Executive Officer of Fort Erie Credit Union, states that, “Both organizations have a history of delivering high quality local service and are known for having a strong personal connection with the members and communities that we serve across the Niagara Region. We believe that a merger of the Fort Erie and PenFinancial Credit Unions will position PenFinancial to deliver even greater value to our members and employees in the future.”

Bob Watson, Chief Executive Officer of PenFinancial Credit Union notes that, “Our focus is going to be organic growth. It will be a strong and steady journey with opportunities to expand in the Niagara Region, and to retain our credit union’s position as a truly local alternative to provincial and federal financial institutions. We are confident in our business model and we have an excellent proposition for our members, our employees, and for the businesses and communities that we serve.”

The merger is subject to the normal conditions of due diligence, business case analysis, regulatory approvals and voting by the members of both credit unions. It is hoped that the merger will be finalized on July 1st, 2014.

When the two credit unions officially merge this summer, the new credit union will adopt the PenFinancial Credit Union name and brand that supports the goal of providing excellent financial services to residents across the Niagara Peninsula.

PenFinancial Credit Union has been nurtured for almost 60 years right here in Niagara. With over 16,000 members, and \$375 million in assets, their roots are firmly planted in Niagara soil. With 6 branches in St. Catharines, Niagara Falls and Welland, one Commercial Business Centre, Credential Securities and a Central Services office, the credit union employs 80 residents from across Niagara.

Fort Erie Community Credit Union is a similar, full service financial institution with two branches serving over 2,800 residents in the Fort Erie community for over 62 years. With over \$54 Million in assets, and 14 employees, Fort Erie Community Credit Union is committed to serving the financial needs of its member-owners and improving the economic and social environment of the communities they serve.

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