

September 12, 2014

VIA EMAIL

James McKenzie
Board Chair
Island Savings Credit Union

Dear Mr. McKenzie:

**Re: First West Credit Union and Island Savings Credit Union Transaction
Consent Decision Letter**

At its meeting of September 9, 2014 the Financial Institutions Commission (the Commission) met to consider the application by Island Savings Credit Union to transfer all of its assets and liabilities to First West Credit Union, according to an Asset Transfer Agreement submitted on August 26, 2014 and pursuant to 16(3)(a) of the Credit Union Incorporation Act. The Commission decided to consent to the proposed Asset Transfer Agreement. The Commission also decided, subject to approval by Island Savings Credit Union members and shareholders, to set the effective date of the Asset Transfer Agreement as January 1, 2015 or the date upon which the Commission receives the executed Asset Transfer Agreement, whichever is later.

This consent is subject to the condition, pursuant to section 94 of the Credit Union Incorporation Act and despite the rules of Island Savings Credit Union, that Island Savings Credit Union include ballots in the member and investor notice of resolution package. This is potentially the last decision that Island Savings Credit Union members and investors will make with regard to Island Savings Credit Union, and they should be afforded this additional level of opportunity to vote on this resolution, as opposed to only allowing voting by mailing in a request for a ballot or going to a branch in-person to vote. Therefore, the Commission considers it desirable to place this condition on its consent.

We remind you that the Commission's role and responsibility in considering this transaction is separate and different from that of the Directors of Island Savings Credit Union and First West Credit Union. Pursuant to section 16(3) of the Credit Union Incorporation Act, the Commission must consider whether the agreement contains the statutory content and only whether it is

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- Superintendent of Financial Institutions
 - Superintendent of Pensions
 - Superintendent of Real Estate
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contrary to the interests of either credit union or their respective members; not whether it is in the best interest of the credit unions, their members and shareholders. The responsibility to determine whether or not the transaction and agreement is in the best interest of a credit union and its members and shareholders, belongs to the Board of Directors. The Commission relies on the boards of the respective credit unions to fulfill this duty and seeks assurances that the appropriate level of analysis and due diligence was done.

We request that you attach a copy of this letter to the Notice of Special Resolution. We also request that wherever and whenever consent of the Commission is mentioned by either of the credit unions, that this letter be made available for reference or its content be recited.

Yours truly,

A handwritten signature in black ink, reading "Helen del Val". The signature is written in a cursive, flowing style.

Helen R. del Val
Chair, Financial Institutions Commission

cc: Shawn Neumann
Board Chair
First West Credit Union