

Dear Federal Employees (Kingston) Credit Union Member,

Federal Employees (Kingston) Credit Union was established in 1948 with the reputation of satisfying our member needs by offering a broad range of quality products, unmatched service, and value regardless of where our members live or how they communicate with us.

Your membership in Federal Employees (Kingston) Credit Union has always been and remains important to the board, the management, and the staff.

The Federal Employees (Kingston) Credit Union remains a financially healthy, safe credit union. This letter will help answer some questions members affected by the Barriefield branch closing may have.

One of the Board of Directors primary responsibilities is to ensure sound governance practices are in place to ensure the financial health of our credit union. Sometimes this requires hard decisions to be made based on whether each branch is, or has the potential for, sustaining itself financially. A branch that can't sustain itself, one that may be convenient for a small number of members, can significantly affect the credit union's overall ability to provide better long term benefits to all members.

With the assistance of the Management, the Board of Directors undertook a thorough review of the Barriefield branch, including number of members actually visiting and using the services compared to the resources and operational expenses needed to operate the branch. This included a realistic assessment of our ability to grow in the market into the future.

Based on the information gathered, in an effort to strengthen our operations and continue to offer the best services to our members, the Board of Directors decided to consolidate our member service operations and close the Barriefield branch located at 760 Highway 15, Unit 12, Kingston, Ontario effective May 28, 2010 at 5:00 p.m. All memberships and accounts from the Barriefield branch will automatically be transferred to our Main branch. All staff from the Barriefield branch will be relocated to the Main and Amherstview branch.

The Board made this decision on the condition that no staff positions be eliminated, meaning all Barriefield branch staff be reassigned or relocated to our two other branches.

The following two branches offering 24 hour ATM access and full branch services will remain unaffected by this change:

Main Branch
(Princess and University)
464 Princess Street
Kingston, ON K7L 1C2
(613) 548-4094

Amherstview Branch
(Loyalist Plaza)
501-4499 Bath Road
Amherstview, ON K7N 1A6
(613) 634-3875

Your accounts and deposits are safe and remain insured for at least \$100,000.00 by Deposit Insurance Corporation of Ontario. Everything you normally do with all your financial service needs with us will continue, the only change being where you visit our branch to do your business. For members who did not use the Barriefield branch regularly, you likely won't notice any change.

The Board and Management realize this will be an inconvenience to some of members. We value your loyal membership and appreciate your support and invite you to preserve your valuable relationship with the Federal Employees (Kingston) Credit Union. We are committed to providing you with what you have always relied on at your Credit Union – great rates, low fees, and excellent service.

Many of our members are increasingly banking with their computers and phones and through direct deposits of their pay or retirement income and avoiding trips to branch locations.

You can continue to do your credit union business using a surcharge-free ATM network branded with "The Exchange" at over 2,400 ATMs located at 230 different Canadian participating financial institutions nationwide and with us:

- **On-line** at www.fedemkcu.com with 24 hour account access and many options.
- **By phone** with a member service representative at (613) 548-4094 or (613) 634-3875
- **By mail** to Federal Employees (Kingston) Credit Union addressed to either Main or Amherstview branch.

All electronic services such as ATMs, debit cards, payroll deductions, direct deposits, credit cards, chequing, loans, and investments, will not be affected by the Barriefield branch closing. Area ATMs branded "Interac," "AccuLink," "Plus," "Cirrus" and "The Exchange" will continue to provide any cash need you may have.

We sincerely apologize for any inconvenience this change may cause to any of our members. We look forward to continuing to be your credit union, and again reaffirm the Federal Employees (Kingston) Credit Union remains a financially healthy, safe credit union.

Sincerely,

Justin Chenier
Chair
Board of Directors