

4711 Yonge Street
Suite 700
Toronto ON M2N 6K8
Telephone: 416-325-9444
Toll Free 1-800-268-6653
Fax: 416-325-9722

4711, rue Yonge
Bureau 700
Toronto (Ontario) M2N 6K8
Téléphone : 416 325-9444
Sans frais 1 800 268-6653
Télécopieur : 416 325-9722



Ontario

Deposit Insurance
Corporation of Ontario
Société ontarienne
d'assurance-dépôts

SYSTEM RELEASE

December 20, 2005

Number 53

To all Boards of Directors, Managers and CEOs

DICO Financial Results

We are pleased to report that the Deposit Insurance Reserve Fund is projected to reach \$85 million by the end of 2005, slightly ahead of target despite incurring insurance losses of \$3.1 million during the year. Net operating expenses are 10% under budget and 5% lower than for the same period in 2004. Investment yields have increased since the Ontario Financing Authority took over active management of the Fund in the fall of this year.

2006 Premiums

After considering all the factors that affect premium rates including achieving our fund target of 60 basis points of insured deposits by 2008, DICO's Board has recommended to the Minister of Finance that premium rates and premium classes should remain unchanged for 2006. The review of premiums scheduled for 2005 was deferred pending the outcome of the legislative review process. DICO will be initiating a comprehensive review of the Deposit Insurance Reserve Fund strategy, differential premium system and premium rates during 2006.

On-Site Verifications and Reviews

DICO is expanding its program of on-site verifications and reviews by implementing a new type of review in addition to those for commercial loans and smaller credit unions. These new reviews are designed to evaluate management of structural risks at member institutions. Several reviews have been completed in 2005 and this program will be expanded during 2006.

Website Updates

DICO's updated Risk Assessment Framework program is being implemented on an institution by institution basis. A copy of the Framework is available on our website. Our new peer reporting system which allows member institutions to select their own peer groups is operational and is also now available on our website. A User's Guide for the Member Institution Reporting System (MIRS) will be available shortly in the "What's New" section on our website.

On behalf of the Board and staff of DICO we would like to take the opportunity of thanking all of our member institutions for their support over the past year and reiterate our commitment to ensure the stability and success of the Ontario credit union and caisse populaire system during 2006.



SEASON'S GREETINGS AND HAPPY NEW YEAR!

from the Board and Staff of the Deposit Insurance Corporation of Ontario
Our very best wishes for a wonderful and prosperous holiday season!

Internet Home Page : <http://www.dico.com>; E-mail: info@dico.com • Page d'accueil Internet : <http://soad.com>; Courriel : info@Osoad.com

Ce communiqué est également disponible en français; pour obtenir un exemplaire veuillez téléphoner à Carmen Gheorghe à la SOAD en composant le (416)325-9444 (à Toronto) ou le 1-800-268-6653, sans frais d'interurbain