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Ontario

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

SYSTEM RELEASE

December 20, 2007

Number 57

To all Boards of Directors, Managers and CEOs

DICO Financial Results

The Deposit Insurance Reserve Fund is estimated to be \$105.8 million or 57 basis points of insured deposits at the end of 2007. This is slightly behind target due to the failure of three credit unions and projected insurance losses of \$11.0 million (before recoveries) during the year. Net operating expenses are 6% under budget.

2008 Premiums

After considering all the factors that affect premium rates, including achieving our fund target of 60 bp 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 2008.

DICO published a Consultation Paper on the Differential Premium System and an Estimated Premium Calculation Tool in November, 2007 following a comprehensive review of the Deposit Insurance Reserve Fund strategy and the differential premium system. When comments are received from our stakeholders (by January 31, 2008) DICO will review them in detail and make its final recommendations to the Ministry of Finance.

Office of the Ombudsman

As announced earlier, DICO' Board of Directors has created the new Office of the Ombudsman and is currently seeking qualified candidates for the position. Details of the position and the application process are available on our Website at www.dico.com

Stakeholder survey

Members of DICO's Board of Directors will be conducting an informal survey of a sample group of our industry stakeholders. If they contact you please take a few moments to provide your feedback and comments on DICO.

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 2008.



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!