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**Ontario**

Deposit Insurance  
Corporation of Ontario

Société ontarienne  
d'assurance-dépôts

## SYSTEM RELEASE

December 20, 2006

Number 55

*To all Boards of Directors, Managers and CEOs*

### **DICO Financial Results**

We are pleased to report that the Deposit Insurance Reserve Fund is estimated to be \$96.7 million or 54 bp (basis points) of insured deposits at the end of 2006, slightly ahead of target despite projected insurance losses of \$4.0 million during the year. Net operating expenses are 7% under budget.

### **2007 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 2007. DICO has initiated a comprehensive review of the Deposit Insurance Reserve Fund strategy, differential premium system and premium rates which will be completed in 2007.

### **New Accounting Standards**

The Financial Services Commission of Ontario (FSCO) has recently published guidance regarding new accounting standards that become effective in the financial year beginning after October 1, 2006. A copy of this Guideline is attached together with further information regarding changes to DICO reporting requirements. Changes to the eMIR will be completed by January 15, 2007 to accommodate the additional reporting requirements. Copies of these documents are also available on DICO's website.

Institutions are requested to contact their Regional Manager if they have any questions concerning these changes.

### **Revised Capital and Lending Regulations**

We have been advised by the Government that the Revised Capital and Lending Regulations were approved. Detailed information on the changes concerning new capital and lending rules and their impact on our member institutions will be sent early next year. Copies of the new regulation are available on the Government website at

[http://www.e-laws.gov.on.ca/DBLaws/Source/Regs/English/2006/R06560\\_e.htm](http://www.e-laws.gov.on.ca/DBLaws/Source/Regs/English/2006/R06560_e.htm)

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 2007.



**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!***