



Ontario

Deposit Insurance
Corporation of Ontario

Société ontarienne
d'assurance-dépôts

Annual Information Meeting

May 2, 2018

Réunion d'information annuelle

Le 2 mai 2018

40th Anniversary
40^e anniversaire



Don Dalicandro

Chair of the Board, P. Eng., MBA, C.Dir.
Président du Conseil, ingénieur, MBA, C.Dir.

Agenda

Ordre du jour

- I. Board Overview
- II. Operational Overview
- III. Question and Answer Period

DICO's Board of Directors

Conseil d'administration de la SOAD



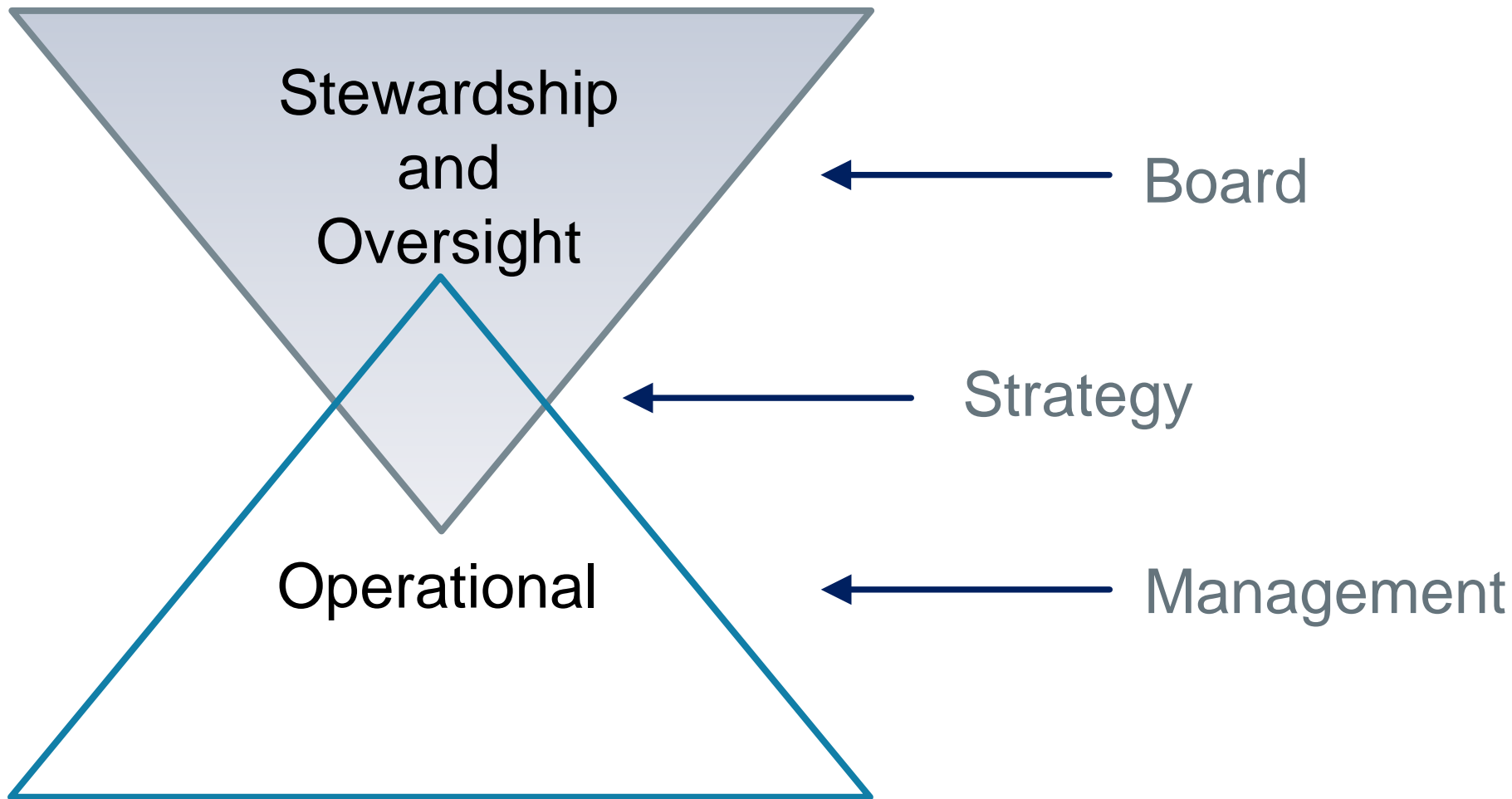
From L to R

Top Row: Don Dalicandro, Gail Di Cintio, Steve Blakely, John Ferreira, Jim Houston

Bottom Row: Helen Young, Carmen Rossiter, Monique Tremblay

Board and Management

Conseil et direction



2017 Highlights - Stewardship

2017 – *Faits saillants – Intendance*

Journey to Reengineer our Strategic Planning Process



2017 Highlights - Oversight

2017 – *Faits saillants – Surveillance*

- Enhanced Risk Focus – Internal
 - Examination Process
 - Information Technology
 - Resources
 - FSRA

2017 Highlights - Oversight

2017 – *Faits saillants – Surveillance*

- Enhanced Risk Focus – External
 - Sector Diversification of Revenue Strategies
 - Sector Funding Models
 - Information Technology and Fintech
 - Changing Economic Factors

2017 Highlights - Oversight

2017 – *Faits saillants – Surveillance*

- Governance Improvements
 - Streamlined Board Activities
 - Expanded Stakeholder Engagement
 - Continuous Learning and Assessment

Key Strategies for 2018

Principales stratégies pour 2018

- Strategic Process Reengineering Journey – Part Two
- Continuous Improvement of Governance Practices
- FSRA

Thank You

Merci

- President and CEO, Guy Hubert
- Senior Leadership Team
(Michelle Séguin, Randy Nanek, Brian Mullan)
- DICO Management and Staff

*Thank
You!*

Operational Overview

2017 Operational Overview

2017 – *Vue d'ensemble des opérations*

Guy Hubert

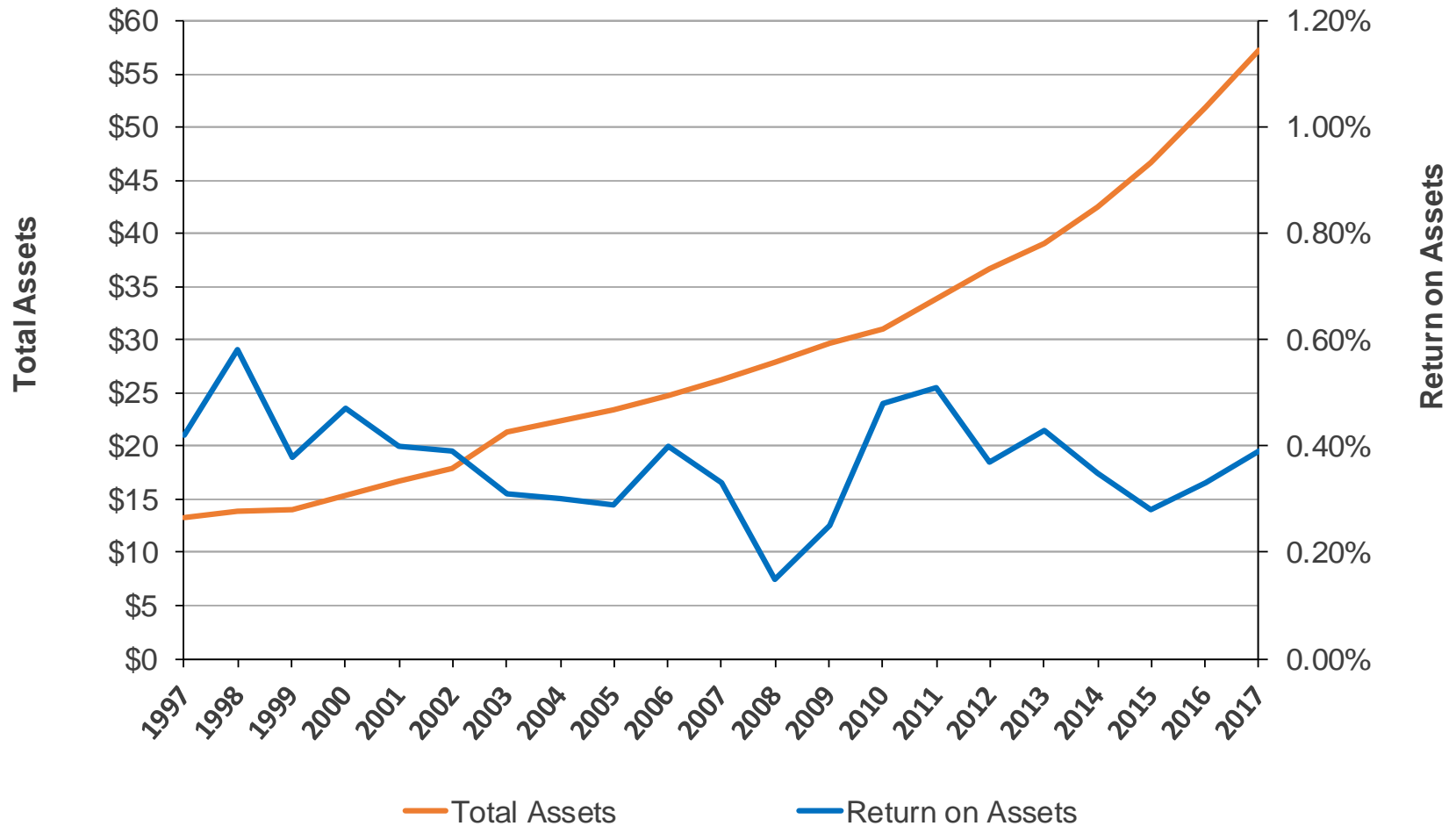
President and CEO

Président et chef de la direction



Sector Performance

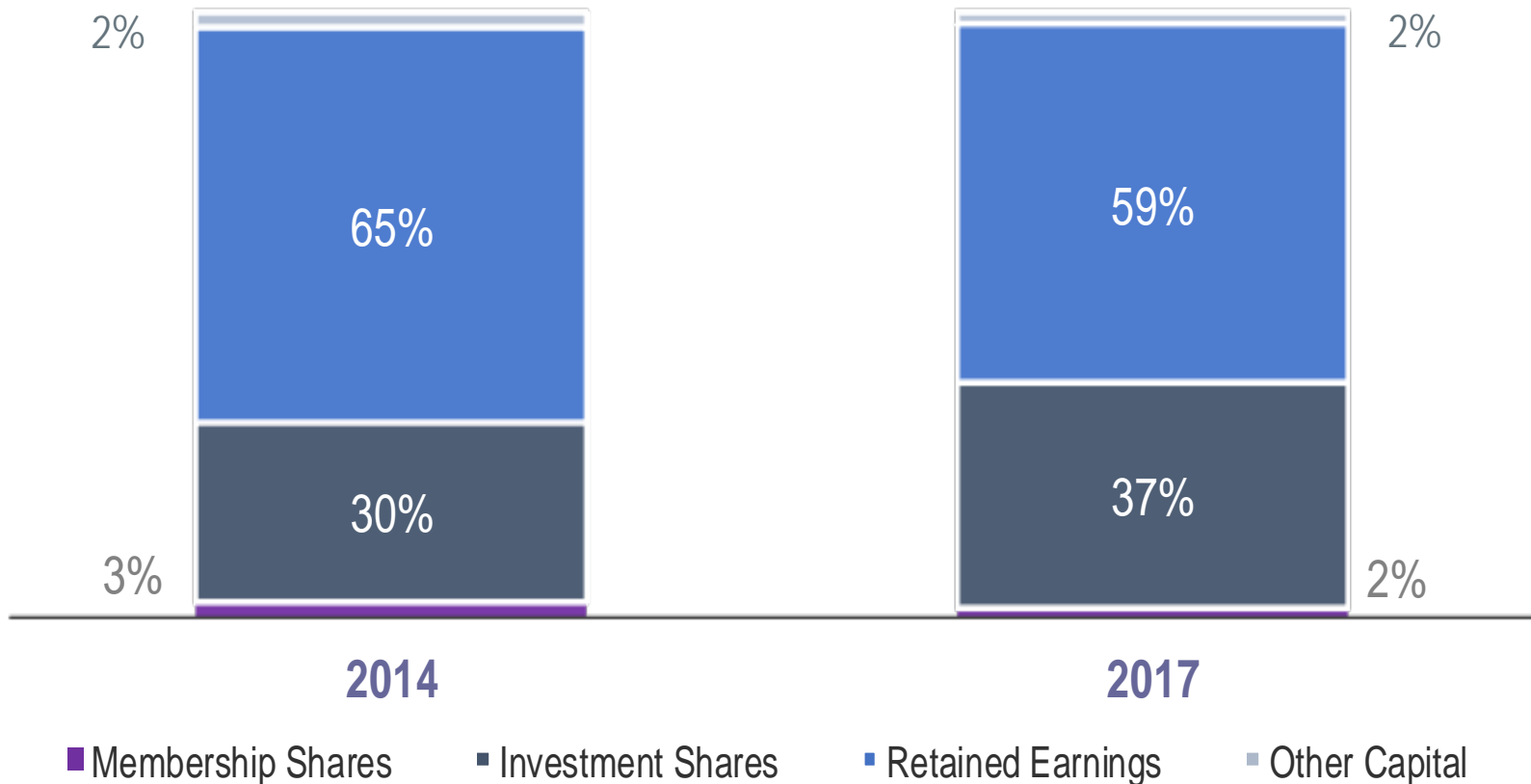
Rendement du secteur



Capital Composition

Composition du capital

Capital Composition 2014 vs 2017



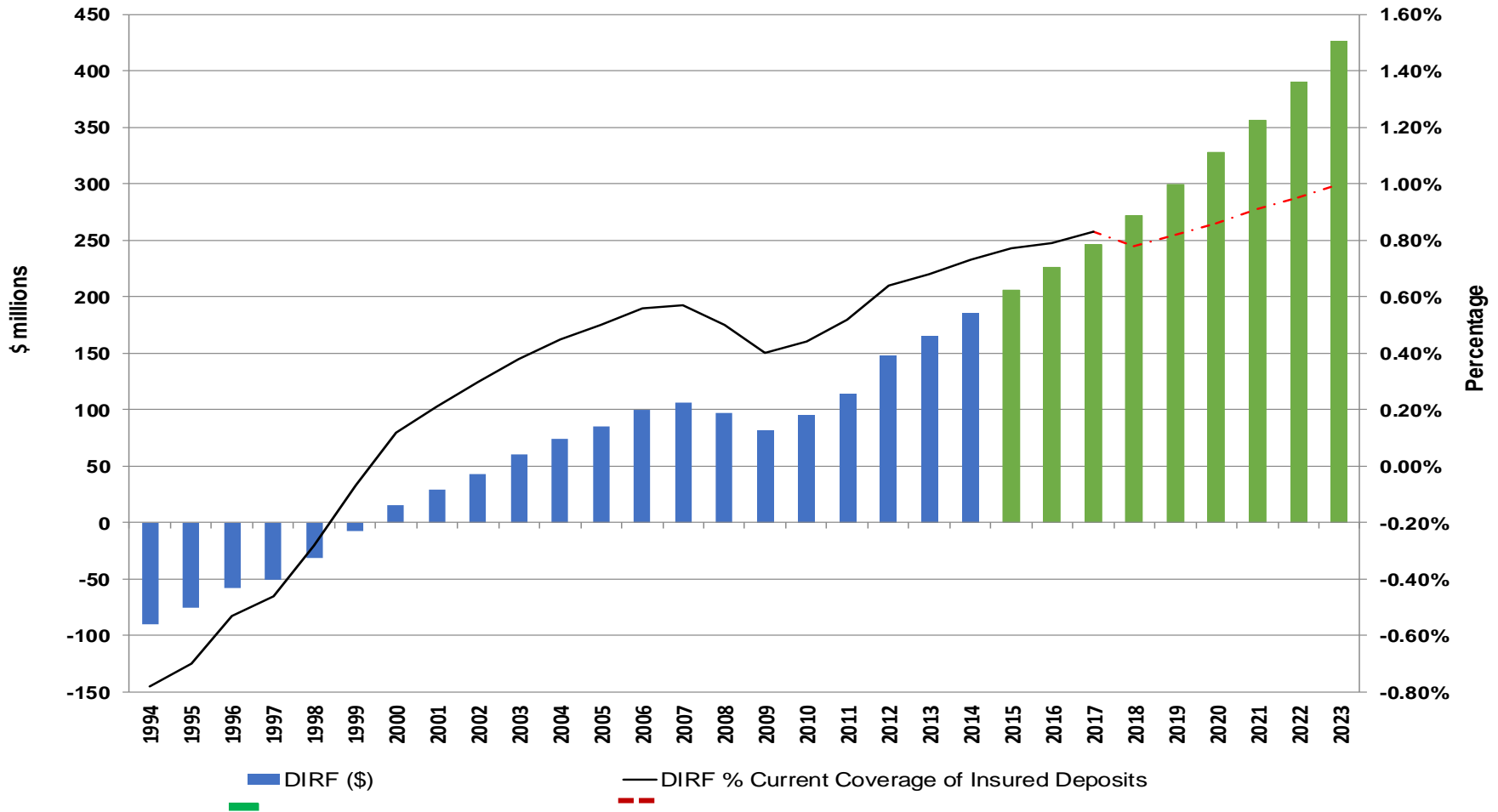
- Nine CU on the watchlist, no Supervision or Administration
- No new liquidation (3 finalized in 2017)
- Risk rating stable, slight up tic in “Moderate-High” and “High” category
- At \$100,000, insured deposits \$32B or 72% of total deposits

State of the DIRF

Fonds de réserve

DIRF Projections (\$)

DIRF Projections as a % of Current Insured Deposits



2017 Organizational Changes

2017 Changements organisationnel

- Continued organizational transition
- Enhanced skillset
- Cultural shift

2017 Highlights

2017 – *Faits saillants*

- Updated web-based reporting tool
- Benchmarked examination methodology
- Developed Liquidity & Securitization Guidance Notes
- Provided input to MOF on their consultation paper on Proposed Capital Adequacy Framework (Basel III)
- Operationalized changes to CUCPA

Legislative CUCPA Reviews

- Implementation: Phase 1 – Completed
- Phase 2 – TBD

Phase 1: Implemented January 1, 2018

- Increase deposit insurance coverage to \$250,000 (2018)
- Permit inter-provincial credit union loan syndications
- Permit wholly owned insurance brokerages
- Remove differentiated rules for smaller credit unions (Class 1 & 2)

Phase 2:

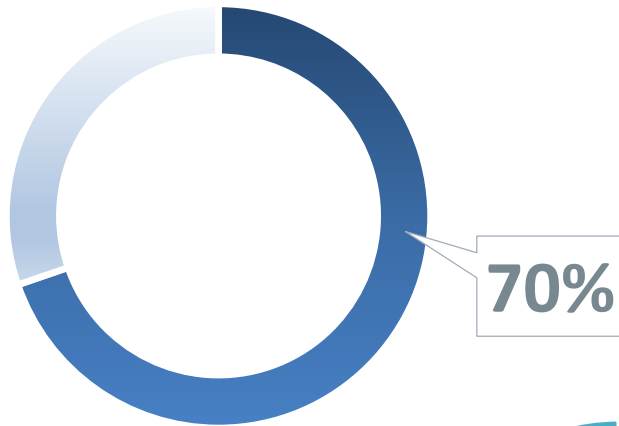
- Consideration of capital rules based on BASEL III principles
- Enhance corporate governance and consumer protection

Sector Developments

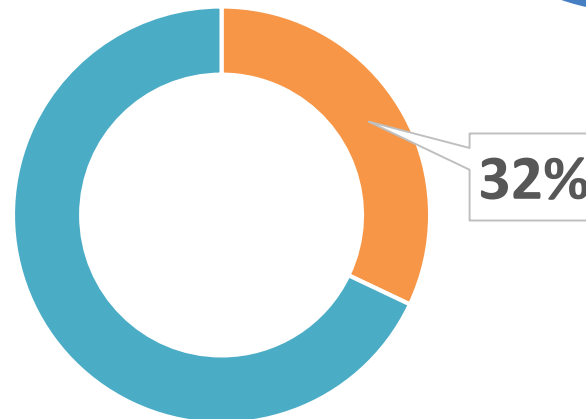
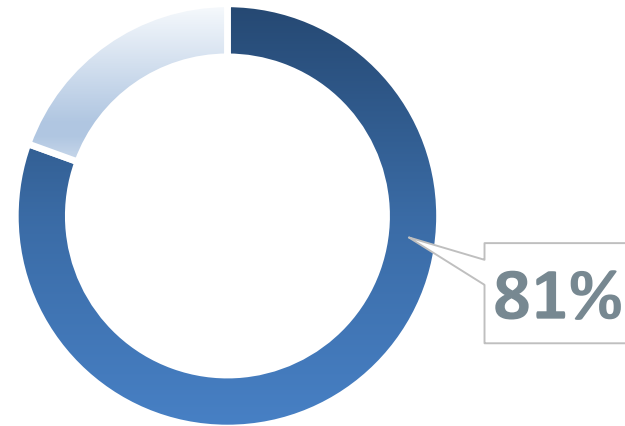
Développements du secteur

- Impact of funding model changes
- Banking platforms and data security
- Diversification of revenues
- Sustainability

CU's with IT Governance Policies



CU's with IT Security Policies



CU's that have experienced cyber security attacks

Key Strategies for 2018

Principales stratégies pour 2018

- Reframing our Resolution strategies
- Developing a Recovery Plan framework for credit unions
- Sector consultation – new Guidance Notes
 - Retail Mortgage Lending Guidance Note
 - IT Governance Guidance Note

Key Strategies for 2018

Principales stratégies pour 2018

- Implementing improvements to examination methodology
- Enhanced data analytics
- Continue providing assistance with Phase 2 of CUCPA review.
- Support FSRA-related transition activities.

Questions and Discussions

Questions et dialogue



Closing Remarks

Remarques de clôture



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Président du Conseil, ingénieur, MBA, C.Dir.

Thank you.

Merci.