



Meridian Credit Union Limited
75 Corporate Park Drive
St. Catharines, Ontario
L2S 3W3

Jan 23, 2023

Financial Services Regulatory Authority of Ontario (“**FSRA**”)
5160 Yonge Street, 16th Floor
Toronto, Ontario
M2N 6L9

Re: Consultation on FSRA Proposed Differential Premium Score Methodology for Credit unions

Meridian Credit Union Limited (“**Meridian**”) welcomes this opportunity to participate in the above-noted consultation and to comment on FSRA’s proposed Differential Premium Score Methodology (the “**DPS**”).

With more than 75 years of banking history, Meridian is Ontario's largest credit union and the second largest in Canada, helping to grow the lives of 375,000 Members and customers. Meridian has \$28.3 billion in assets under management (as at December 31, 2021) and delivers a full range of financial services online, by phone, by mobile and through a network of 89 branches across Ontario, and business banking services in 15 locations.

Meridian supports the comments of the Canadian Credit Union Association in its letter to FSRA dated Jan 23, 2023 (the “**CCUA Submission**”).

Meridian understands FSRA’s approach in utilizing the Overall Risk Rating (“**ORR**”) in the DPS and FSRA’s overall shift to principles-based oversight.

Meridian supports the shift to using the ORR metric as an input into insurance premium calculations. However, we have noted the increased weighting placed on this input versus capital metrics for the purpose of calculating the Differential Premium B score. This represents a change from the weightings placed on governance versus capital inputs in current calculation; therefore, placing less reliance on objective criteria. Meridian submits for FSRA’s consideration whether it may be more appropriate to incorporate the ORR metric into the DPS with weightings more consistent with the current approach.

We hope our above comments will assist you in finalizing the DPS. Please let us know if you wish to discuss them further.

Sincerely,

Sunny Sodhi
Chief Strategy & Corporate Affairs Officer