

DF Session 8: June 21, 2021 Breakout Group Notes

QUESTION: What keeps you up at night?

- Shares are a drain on the profits. 50% in Shares. Modest growth. If economy gets stronger, we want to last longer and be there for members in the future. – Profitability.
- Consolidation/Mergers.
- Think longer timeline if we want to survive.
- Risk Management due to COVID-19. Operational and Reputational Risk
- Cyber security and Cyber-attacks. Working from home, COVID-19, more things online. Smaller CU's not as prepared for cyber risks.
- Attracting young people to the CU
- Lack of understanding that members are owners. Younger members are not engaged at the Director level or at a grassroots member level
- Attendance at AGM's is an issue
- New Directors needing to adjust thinking from big bank to CU
- Mobile voting being used as a way to engage a younger membership, help with low AGM attendance
- Data breach impacts – ransomware
- Open Banking
- Succession Planning – Director Pool
- Low margins
- New Regulations
- Impact on bylaws
- Impact on governance
- IT capabilities vs breaches
- Viability of some credit unions due to pandemic
- Staying engaged in consultations with regulators - Ontario
- What happens to liquidity if/when it is moved out of the CU system investments?
- Regulator does not seem to understand that we are more than savings and loans and that we are disruptors to the banking system. How can we attract more clients and become even more relevant in the financial industry.
- With FSRA moving from policy based to principle based it will likely be a lot of work for CU directors and management. It could be a nightmare. Did feel it was a good move as it will allow the CU to determine their own destination and how to get to the goals.
- Changing board members – in last 3 years have 6 new board members and not being able to meet face-to-face with the new directors due to COVID restrictions.
- Loan portfolio, getting it back up in this low interest rate environment
- Loan competition with the banks - it takes the business from the CUs; doesn't like the move to principles-based, too much left to 'it depends'
- Ever increasing regulations and changing interpretations of the regulations; losing identity and distinctions of CU from other FIs
- FSRA doesn't want small CUs under \$1B, wouldn't approve mergers between small CUs, only encourage "mergers" of small with large CUs
- Move to open banking and the increased competition and ability to compete within a niche market and a number of other high tech niche players
- Cyber security