



CDIC
Canada Deposit
Insurance Corporation

**Canada Deposit Insurance Corporation
2007 Annual Public Meeting**

Remarks from

Guy L. Saint-Pierre
President and CEO
Canada Deposit Insurance Corporation

And

Bryan P. Davies
Chair, Board of Directors
Canada Deposit Insurance Corporation

-CHECK AGAINST DELIVERY-

*Vancouver, British Columbia
September 25, 2007*

CDIC 2007 Annual Public Meeting – Tuesday, September 25, 2007

Floata Seafood Restaurant

Vancouver, BC

12:00 until 1:30 p.m.

M. CLAUDIA MORROW: Good afternoon and welcome everyone. My name is Claudia Morrow and I am the Vice-President of Corporate Affairs, General Counsel and Corporate Secretary of CDIC.

It's great to see you all here. Whether you know a lot about what we do at CDIC, or very little, we hope that you will find our presentations informative and interesting.

Before we begin though, I'd like to mention a couple of procedural items:

CDIC offers all its services in both official languages - English and French; however, we will only be speaking in English during our presentations today.

There is simultaneous translation available from English into French and from English into Cantonese. The headsets on your chairs can be used to hear the simultaneous translation. French translation is available on dial number 2 and Cantonese is on dial number 1. If you would like assistance with your headset, please simply raise your hand and one of our volunteers will be with you shortly.

The headsets will be picked up by our volunteers before lunch today.

JEFFREY WU: I join Claudia in welcoming you to this special occasion. We are pleased to see you here today. The headsets on your seats can be used to hear simultaneous translation from English to Cantonese on dial number 1.

M. CLAUDIA MORROW: You will soon hear from our guest speaker, Maggie Ip of S.U.C.C.E.S.S. and then from the Chair of CDIC's Board of Directors, Bryan Davies. Next, you will hear from our President and CEO, Guy Saint-Pierre.

Following the presentations, you will have the opportunity to ask questions. We will conclude by completing draws for 8 lucky prizes. All winners must be here in order to claim their prize, otherwise we will draw another number.

And now it is with great pleasure that I present our guest speaker, Maggie Ip, Vice Chair of S.U.C.C.E.S.S., a non-profit charitable association promoting the well-being of Canadians and immigrants here in Vancouver. Mrs. Ip has been actively involved in the Chinese community for many years and is a former Vancouver City councillor.

MAGGIE IP: Good afternoon everyone. It is my great honour to be here today to take part in Canada Deposit Insurance Corporation or CDIC's 2007 Annual Public Meeting, and its first Annual Public Meeting to be held in western Canada.

What you are about to hear today is what exactly CDIC does, what is covered and what is not, and how you can ensure that your savings are suitably protected.

Let's give a round of applause to Mr. Bryan Davies, Chair of CDIC's Board of Directors, and Mr. Guy Saint-Pierre, President and CEO, who came all the way from Ottawa for today's meeting. Welcome to beautiful British Columbia!

M. CLAUDIA MORROW: Thank you Mrs. Ip for your kind words of welcome. I now have the pleasure of introducing you to the Chair of CDIC's Board of Directors, Bryan Davies.

BRYAN P. DAVIES: Good afternoon and welcome to the second Annual Public Meeting of the Canada Deposit Insurance Corporation or "CDIC" as we are often called.

It is my pleasure to host today's meeting on behalf of CDIC's Board of Directors. I would like to thank Mrs. Ip for her generous words of welcome and all of the assistance provided by

S.U.C.C.E.S.S. in helping us with our Annual Public Meeting. Our sincere thanks also to the following people, whom I would ask to please stand as their names are announced:

- Carole Lee, President, Linacare; and
- all of the branch managers of the six banks located in Vancouver's Chinatown, namely:
 - Ms. Agnes Tam of BMO Bank of Montreal;
 - Mr. Barney Tzau of CIBC;
 - Ms Joanna Kong of HSBC Bank of Canada;
 - Mr. Gus Stassinopoulos of Royal Bank of Canada;
 - Mr. Francis Yu of Scotiabank; and
 - Mr Alan Au of TD Canada Trust.

We truly appreciate all of the help you have given us by telling people all about today's event.

It is an honour for me to have the opportunity to be here in Vancouver and to share with you information about CDIC. We came to Vancouver because, while CDIC is based in Ottawa, we work to protect the savings of all Canadians across the country. We appreciate that Ottawa is a long way to drop in for a visit. So we wanted to come to you. We wanted to give you a chance to hear about what we do, and as important, we wanted to hear from you. This meeting gives us an opportunity to talk with each other, and for us to be open and accountable to you, the Canadians that we work for.

We felt it is important to explain who we are and what we do because we know there is a considerable lack of awareness about deposit insurance. CDIC's research shows that new Canadians and seniors have the most questions about deposit insurance—so we are here, in Vancouver, to meet with Canadians of all ages—who live and work in the heart of Chinatown.

In 2000, CDIC conducted a survey and determined that less than one-half of Canadians knew about deposit insurance. Since that time, we have pursued a variety of initiatives, including running advertisements in newspapers and on television to expand awareness, and we are making progress in increasing the number of people who know about CDIC and

understand what types of deposits are covered by our insurance. But we know more needs to be done. Meetings like this help us spread the news.

I would like to spend a few moments to discuss CDIC's role in the Canadian financial system and what we do.

CDIC was created as a Crown corporation by the federal Parliament in 1967, so we are celebrating our 40th anniversary this year.

Fortunately, in Canada we have strong institutions and failures do not happen very often. Since 1967, though, CDIC has protected more than **\$25 billion** dollars in deposits at **43** different failed institutions. There have been some **2 million** depositors who directly experienced a bank failure and were glad that CDIC was there to protect them.

As with any insurance, all of us hope we will never need it, but it's good to know it's there.

All of us at CDIC have one key objective – to protect the savings of Canadians.

CDIC insures Canadians' savings in case their bank or other CDIC Member Institution fails or goes bankrupt. What this means is that most of your savings at your bank are probably insured by CDIC if that bank becomes insolvent. My colleague, Guy Saint-Pierre, will talk more about what is, and what is not, insured.

It is important for you to know that you automatically have CDIC deposit insurance if you bank with one of our member institutions:

- You do not need to apply for or fill in any forms for coverage; and
- You do not have to pay any special premium or fee.
- Banks and other financial institutions that are members of CDIC pay us premiums to cover our costs.

While in the past, CDIC has been called upon to assist depositors at 43 failed institutions, I would note that we have not had any failures for over 10 years now.

We have seen some recent market volatility both in Canada and other countries. You may also have seen people lined up outside their bank branches in the United Kingdom, trying to get access to their money. I can tell you that the Canadian financial sector continues to be very strong. However, in the event of any problems, CDIC is there to protect your savings so that: you don't have to line up outside your bank; so that you have confidence that you will receive your CDIC-protected savings back; and so that you know CDIC will get your money to you as soon as possible.

It is important, though, to remember that CDIC deposit insurance does not cover all savings. Guy will talk about that in a moment.

So while the Canadian financial system is strong, CDIC is there to do a job for your benefit and to make sure that you have confidence when you are dealing with your bank.

At CDIC, we work with government regulators to constantly monitor the financial health of our member banks. We are ready to help if a bank starts to have trouble. CDIC either finds solutions to keep it going, or we work to make sure that people receive their deposit insurance as soon as possible if the bank fails.

We take our commitment to paying deposit insurance as fast as possible very seriously. We understand that Canadians will still need to pay rent and to buy groceries.

CDIC exists to give people confidence in the Canadian financial system and so that, in the unlikely event of a bank failure, they will have access to their money. We want Canadians to have as much confidence that a dollar in their bank is as safe as a dollar in their wallet.

Before turning the microphone over to our President and CEO, I want to mention one other point, and also wish to introduce the members of our Board who were able to join us here today.

CDIC is **one of 5 federal agencies** that make up Canada's financial safety net, the organizations designed to protect Canada's strong economy. The others are:

- the Financial Consumer Agency of Canada (FCAC);
- the Office of the Superintendent of Financial Institutions (OSFI);
- the Bank of Canada; and,
- Finance Canada.

Each of these organizations is represented on CDIC's Board of Directors. We are also very fortunate to have 5 other Directors drawn from the private sector from across Canada. CDIC's Directors are the people responsible for overseeing CDIC and directing its activities.

I would like to introduce the members of the CDIC Board of Directors who are here today. Let me start with our Directors drawn from the private sector. I'll ask each Director to stand briefly as I mention their name.

- Tracy Bakkeli from Regina;
- Grant Morash from Halifax; and
- Shelley Tratch from right here in Vancouver. Shelley deserves our special thanks for all of her help with today's Annual Public Meeting.

Among our public sector members are:

- Pierre Duguay from the Bank of Canada;
- Jim Callon from the Financial Consumer Agency of Canada; and
- Serge Dupont from Finance Canada.

I would like to take this opportunity to thank all our Board members for their hard work and commitment to CDIC and Canadian depositors. We are privileged to have such a strong and dedicated group of talented people on our Board.

I would now like to introduce Guy Saint-Pierre. Guy has been with CDIC for over 20 years and has been the President and CEO since May 2005.

GUY L. SAINT-PIERRE: Thank you, Bryan. I am very happy to be here with all of you today.

I am pleased to have the opportunity this afternoon to discuss some details about CDIC deposit insurance and exactly what CDIC covers. For CDIC to **contribute to the people's confidence in Canada's financial system**, Canadians must first know it exists. They must then know what it covers, and I must stress, **what deposit insurance does not cover** - to make informed decisions about their investments and savings.

As you've heard there are some basic questions you have to ask yourself about deposit insurance – if deposit insurance is important to you. Increasingly, we are finding that we need to ask Canadians this simple question: **“Do you think you are protected when, in fact, you are not?”**

Some of the important facts I'd like to review with you are the following.

Coverage is only available for eligible deposits at financial institutions that are members of CDIC. Since CDIC is the **federal** deposit insurer in Canada, there are various provincial credit unions and caisses populaires that are regulated by the provinces and are not members of CDIC. Generally, they have their own deposit insurance programs. You can recognize a bank is a CDIC member by the red and white CDIC decal on its door. You can pick up a brochure listing the CDIC members at the branches of our member institutions. Also, CDIC always maintains an up-to-date list of its member institutions on its website, “cdic.ca” or “sadc.ca”.

Since CDIC insures the amount payable **per** depositor, **per** member institution, you could have more than \$100,000 in coverage if you bank at more than one CDIC member institution. Just remember that your deposit insurance limits apply to **all** the accounts that you have with the **same** member institution. CDIC adds up all the accounts, so it makes no difference if you have an account at a Chinatown branch and a different account at a downtown branch of the **same** bank.

Another thing to remember is CDIC's coverage limit. In 2005, Parliament increased the deposit insurance coverage limit from \$60,000, to \$100,000 per person per member institution. It means that everyone banking in Canada now has from 1 to \$100,000-dollars of their eligible savings protected by CDIC. All amounts over \$100,000 dollars are **not** covered by CDIC. The increased limit represents the most important change to our deposit insurance program in recent years.

Accounts must be payable in Canada and in Canadian funds. For example, an account in Asia (even if it is deposited there with a related company of a CDIC member institution) would not be protected by CDIC.

Foreign currency accounts, such as accounts in US Dollars are also not covered, even if they are deposited here in Canada.

Eligible deposits come in many forms. The types of savings that CDIC covers include:

- savings accounts and chequing accounts;
- Guaranteed Investment Certificates (GICs) and other term deposits, provided they mature in 5 years or less; and other products

For example, if you have \$5,000 in a chequing account and \$5,000 in a savings account, both in your name at a CDIC member, then you will have \$10,000 insured by CDIC in case your bank fails.

It's important to remember that there are certain products or investments that CDIC does not insure. Even if they are purchased from a bank, **CDIC does NOT insure:**

- mutual funds and stocks
- GICs and other term deposits that mature in **more than 5 years**

In addition, CDIC deposit insurance does not protect against fraud, theft or scams.

What if you have more than \$100,000 in total eligible deposits? CDIC provides separate coverage in six different categories.

It's possible, for example, to have up to \$100,000 of your personal savings protected, as well as up to \$100,000 of the joint deposits that you hold with your spouse.

Certainly you can see that deposit insurance can be complex! To make it easier, we've prepared a short brochure that you will all receive when you leave. I encourage you to read it, call us or consult CDIC's website, or as our friends from your local bank branch will tell you, you can stop in and discuss it with them.

Before concluding, I would like to add that CDIC's work is achieved by the hard work and dedication of our employees and management team. I'd like to publicly introduce you to our senior members of the management team and would ask them to please stand as their names are announced:

- **Michele Bourque**, Vice-President, Insurance and Risk Assessment;
- **Tom Vice**, Vice-President, Finance and Administration and Chief Financial Officer;
and
- You have already met **Claudia Morrow**, Vice-President, Corporate Affairs, General Counsel and Corporate Secretary.

CDIC staff will be here to meet with you and answer your questions about deposit insurance.

I will turn it back to Claudia to open the floor for questions.

Thank you all very much.

M. CLAUDIA MORROW: We would now like to invite you to ask any question that you may have concerning CDIC.

There are handheld microphones available. For your convenience, we will bring the microphones to you and would ask that you use them so that your questions can be heard by everyone including the translators. Please raise your hand if you have a question. In addition, as our Chair mentioned, we would be happy to talk to you afterwards in private.

We encourage you to contact CDIC at any time with any other questions you may have by calling our 1-800 number, **1-800-461-CDIC (2342)**, or sending an email at the address located on our website. If you have not already picked up some copies, there will be some printed information for you to take with you and also additional information located at our Information Booth. If you have any questions, please do not hesitate to contact us.

This concludes the formal portion of the CDIC Annual Public Meeting.

We would like to once again say thank you to the branch managers, who assisted us with our Annual Public Meeting:

- Ms. Agnes Tam of BMO Bank of Montreal;
- Mr. Barney Tzau of CIBC;
- Ms Joanna Kong of HSBC Bank of Canada;
- Mr. Gus Stassinopoulos of Royal Bank of Canada;
- Mr. Francis Yu of Scotiabank; and
- Mr Alan Au of TD Canada Trust.

Thank you to Carole Lee and our Director from Vancouver, Shelley Tratch, and to all the people who helped with our Annual Public Meeting.

Thank you also to all the volunteers from SUCCESS who have helped us with today's event and to the Floata Seafood Restaurant, who have prepared a delicious lunch for us today.

Our volunteers and staff will now come around to collect the translation headsets. Please have them ready for collection.