Over the past year, CDIC’s risk environment has evolved a great deal. Canadians have generally avoided the worst economic outcomes that were forecast early in the COVID-19 pandemic; however, CDIC faces evolving risks in the environment and to our membership. These include tightening monetary policy, rising geopolitical tensions, climate and cyber risks, as well as the pace of innovation in the financial system.

While it is the responsibility of the Board of Directors to oversee corporate performance, it is also critical that we focus on emerging risks and anticipate challenges that CDIC could face in fulfilling its mandate to protect the savings of Canadians. As Directors, we also need to consider the needs of our fellow citizens who may be vulnerable, or less resilient, to events outside of their control that could put their financial security at risk. Risks to our members such as cyber attacks, for example, even if they are not traditionally financial in nature, can also affect depositors’ access to their funds. As these risks evolve, we may need to think more broadly about deposit protection.

Amidst this uncertainty, our Board of Directors and Management have continued to enhance CDIC’s readiness to act and to ensure that Canadians remain confident that their savings are protected.

Leadership plays a vital role in readiness and the overall success of the organization, and this year our Board was pleased to welcome Leah Anderson as our new President and CEO.

Prior to joining CDIC, Leah served as Assistant Deputy Minister, Financial Sector Policy Branch, at the Department of Finance. In this role, she worked on policy related to financial sector issues, including financial system stability, and federal financial sector framework policies that included a review of CDIC’s deposit insurance regime.

Leah’s wealth of knowledge and deep understanding of Canada’s financial system and the financial safety net, including as a former CDIC Alternate Board member, as well as her experience tackling complex and tough issues for the benefit of Canadians, makes her an invaluable addition to CDIC and we are fortunate to have her leading the organization.

Last year, the Board advanced its governance model, embarking on a large-scale review to ensure that decision-making processes and practices remain focused, agile and world class. This included the development of a corporate framework, setting the groundwork for CDIC’s governance vision; improved Board and Committee Charters; and a clearer delineation of accountabilities to build trust and transparency between the Board, Management, Parliament, and Canadian depositors.

In addition, the Government proposed an amendment to the Canada Deposit Insurance Corporation Act in Budget 2022 to strengthen governance by including the CEO as a full Board member. This measure ensures alignment with best practices and with the Boards of other Crown corporations and financial institutions. The amendment would also see an additional private sector Director added to the Board’s composition, to maintain the balance between public and private sector Directors.
It bears repeating here that the Board should maintain both backward- and forward-looking perspectives in its work. While we must ensure CDIC makes effective use of resources, it’s equally important that we keep our eyes on the horizon and listen closely to the views of our stakeholders, to ensure we have the tools necessary to fulfill our promises to Canadians.

Board members also contributed enthusiastically to preparedness by taking part in a range of simulations and testing exercises, providing us with the opportunity to enhance strategic decision making and mobilization in the heat of a crisis, when it is not always possible to get information that is perfect or complete.

These exercises are extremely valuable since, in a crisis, the Board and Management must work seamlessly together, with complete clarity of roles and responsibilities.

Ensuring all necessary processes, systems and robust relationships with partners and stakeholders are in place to respond effectively in a crisis are hallmarks of a safety net organization like CDIC. And, of course, akin to readiness, we will continue to enhance organizational resiliency through to a continued commitment to transforming CDIC’s culture, workplace and promises to Canadians.

Several membership changes to our Board occurred during the year.

In June 2021, our former President and CEO, Peter Routledge, was appointed Superintendent of Financial Institutions after 2½ years at the helm of CDIC. Peter is a transformative leader, and the Board and senior Executive Team are grateful for his vision and many contributions to advancing CDIC’s important work. Furthermore, CDIC will continue to benefit from Peter’s wisdom and experience, since as Superintendent he is an ex officio member of our Board. Welcome also to three new Alternate Board Members: Sharon Kozicki of the Bank of Canada, Isabelle Jacques of the Department of Finance, and Frank Lofranco of the Financial Consumer Agency of Canada. The Board will benefit greatly from their expertise and insights. The Board also thanks departing members Bank of Canada Deputy Governor Paul Beaudry and private sector Director Wendy Millar for their valuable contributions to our discussions.

In closing, I would like to thank my fellow Directors, and all employees at CDIC, for their professionalism, dedication and resilience as we navigate these changing times together. Canadians can rest assured their hard-earned savings are safe.

Robert O. Sanderson