

Message from the Chair



Canada's financial system is sound, resilient, and well-regulated. However, the events of the past year have reminded us that things can change in an instant. Canada's health organizations believe the worst of the pandemic is over, but Canadians from coast to coast to coast continue to feel the economic impact.

CDIC's risk environment also continues to evolve. The number and complexity of cyber threats facing financial institutions have increased. The ultimate impact of financial innovation, like open banking, fintech and stablecoin, is still unclear. And advances in technology and communications are occurring at light speed. The recent bank failures in the U.S. and Switzerland are a prime example of how quickly instability can take hold. This has prompted a wide-ranging conversation on deposit insurance.

These events and emerging trends have underscored the importance of CDIC's role in protecting the hard-earned savings of Canadians and promoting financial stability. Despite the evolving landscape, CDIC delivered on its principal corporate objectives in 2022/23, demonstrating it is well-positioned to handle any crisis.

The Board of Directors oversees CDIC and its ability to deliver on its mandate and meet Canadians' expectations. In these uncertain times, it is imperative that CDIC be a leading-edge organization. CDIC continued to make great strides over the past year to make its programs and practices even more responsive to changes and emerging risks. This includes modernizing its operations and exploring how financial innovation and technology impacts Canadian depositors, including enhancing effective communication channels. It also includes honing its readiness to respond quickly and seamlessly in the event of a bank failure or financial crisis.

As in previous years, the Board once again actively participated in a number of robust simulations and testing exercises. These exercises are extremely valuable as the Board and Management must work seamlessly together in a crisis, with complete clarity of roles and responsibilities. They also afford the Board the opportunity to share its expertise and perspectives.

Over the past three years, CDIC has embarked on the development and implementation of an Enterprise Risk Management (ERM) Framework. Significant progress has been made; there is still work to be done. By having a strong risk culture guided by the Framework, risks can be seen as opportunities.

The Board is also engaged to ensure CDIC's adoption of Environmental, Social and Governance (ESG) principles. CDIC has been developing its inaugural ESG Strategy, which will help communicate the many ESG-related activities underway at CDIC. In addition, the Board was pleased to meet with CDIC's employee-led Inclusion Advisory Panel to deepen its understanding of diversity, equity, and inclusion matters and to open the lines of communication at all levels.

In closing, I want to congratulate Leah Anderson on her appointment as CDIC's President and CEO for the next five years. She has led and steered this important organization on an interim basis since August 2021, during one of the most complex and challenging periods in the history of our country. On behalf of the Board, we look forward to working with her to build on CDIC's strong record as we face new challenges and opportunities in the coming years.

I also want to thank CDIC's employees for all their hard work and dedication. They are the foundation of this organization and proof that having the right people in the right roles at the right time is paramount. The Board has every confidence that, going forward, CDIC is well-positioned to protect the savings of Canadians in any environment.

A handwritten signature in black ink, appearing to read "Robert O. Sanderson", with a long, sweeping flourish extending to the right.

Robert O. Sanderson