

CDIC's 2023 Annual Public Meeting

Protecting the Financial Future of Depositors

October 12, 2023

CHECK AGAINST DELIVERY

Speakers:

Angela Roberge, Moderator
Bob Sanderson, Chair of the CDIC Board of Directors
Leah Anderson, CDIC President and CEO

Angela Roberge

Good afternoon. Thank you for joining the Canada Deposit Insurance Corporation's Annual Public Meeting.

My name is Angela Roberge. I'm the Vice-President of Corporate Affairs at CDIC, and I will be your moderator today.

I would like to start by acknowledging that CDIC's headquarters rest on the unceded territory of the Anishinaabe Algonquin Nation. Wherever you find yourself today, I encourage you to think about the Indigenous Peoples who have called these lands home for time immemorial.

The theme of our meeting is "Protecting the Financial Future of Depositors." It's an opportunity for us to tell you how CDIC is protecting your deposits and promoting financial stability through deposit insurance and resolution preparedness in a complex and dynamic financial environment.

But first, I will go over a few housekeeping items, starting with the meeting platform. If you encounter any technical issues during the broadcast, click on the "Technical Support" link at the top right of your screen. To access floor audio without translation or interpretation, click the "Floor Audio" button on the bottom left, below the video window.

Simultaneous translation and interpretation are offered on both the English and French language feeds. To access sign language interpretation, click on the ASL or LSQ button.

You can submit questions for the Q & A portion of the event by typing them in the “Ask a Question” box on the right side of your screen. We will do our very best to get to all the questions today. If we don’t get a chance to answer your question during the meeting, we will post the questions and answers on our website, along with today’s webcast and speaking notes, in both official languages in the coming days.

In a few minutes, we will kick off our meeting with opening remarks from Bob Sanderson, CDIC’s Chair of the Board of Directors, and Leah Anderson, CDIC’s President & CEO. Following their remarks, Bob and Leah will answer your questions.

But first, let’s start with a short video that introduces you to CDIC and our role in the financial sector.

[Video: CDIC’s value proposition](#)

We will share a few more short videos throughout the meeting to illustrate CDIC’s work and activities.

Now, it’s my pleasure to introduce our first speaker: Bob Sanderson, CDIC’s Chair of the Board of Directors for the past seven years.

Prior to joining our Board, Bob’s career spanned four decades specializing in insolvency and restructuring. He is a fellow of both the Institute of Chartered Professional Accountants of Ontario and British Columbia, and the Insolvency Institute of Canada. He was also an invaluable member of CDIC’s Advisory Panel on Resolution.

Welcome, Bob.

Bob Sanderson

Thank you, Angela. Good afternoon, everyone.

On behalf of CDIC’s Board of Directors, I’d like to thank you for joining us today.

As Angela mentioned, I have been honoured to serve as Chair of the Board for the past seven years. The opportunity to contribute to Canada’s financial safety net is without parallel.

This past year—really, the last three years —have been marked by unprecedented change and uncertainty. Each of us across the country has been challenged in a variety of ways. And yet, throughout this period, CDIC remained agile and well-positioned to protect depositors and to promote the stability of Canada’s financial system. I am very proud of that.

The role of CDIC’s Board of Directors is to provide both leadership and stewardship of the organization. We approve the strategic priorities for the year – this is the foundation of the Corporate Plan. We hold CDIC’s CEO accountable for executing against the Corporate Plan and effectively fulfilling the corporation’s mandate, while ensuring the prudent use of resources. We also ensure that CDIC remains responsive to emerging risks and opportunities in our environment. This is of fundamental importance in today’s rapidly changing world.

The Board is involved in many aspects of CDIC’s work, but I will highlight just a few key areas.

First, we oversee CDIC’s Enterprise Risk Management Framework, which identifies preparedness, strategic, operational, and organizational risks. It also aims to foster a strong risk culture, where risks are seen as opportunities.

To ensure preparedness, the Board participates in simulations, which are conducted on a regular basis by CDIC’s Center of Excellence for Crisis Simulations. Simulations aim to test our management of resolution tools and response speed, decision-making, and overall coordination in a range of financial crisis scenarios. The Board participated in two simulations in the past year, including one that was not financial in nature.

It’s also the responsibility of the Board to ensure our directors have the skills to effectively anticipate and respond to the evolving needs of CDIC and depositors. That means having a diversity of views and perspectives, including a balance between public and private sector members.

I am pleased to share that we welcomed three new private sector directors this year:

- Jeff Heath, a former treasury and risk management executive;
- Helen del Val, mediator, adjudicator, and retired lawyer; and
- Tashia Batstone, President and CEO of FP Canada.

They have each been appointed for a four-year term.

Two of our Board members have also been reappointed, each for a three-year term: Martin Castonguay, a retired Chartered Professional Accountant, and Andrew Kriegler,

President and CEO at Canadian Investment Regulatory Organization. I am confident the Board and CDIC Management will greatly benefit from their insights and expertise.

I would also like to wish former director David Dominy, Chairman and CEO of 3D Capital Inc., all the best in his new role on the Board of Directors of the Bank of Canada.

I encourage all of you tuning in today to use this opportunity to ask any questions you might have about CDIC, our Board, or deposit protection.

I will now turn to Leah Anderson, CDIC's President and CEO, to share her perspectives on the past year and what it means to stay on top of emerging risks and protect the financial future of depositors.

Leah has led CDIC through uncertain times on an interim basis since August 2021. I am pleased that this past August, her appointment as President and CEO was confirmed for the next five years. Prior to CDIC, Leah had a long and distinguished career as a senior executive at the Department of Finance.

Leah, over to you.

Leah Anderson

Thank you, Bob, for that introduction and your remarks. And thanks to our audience for joining us.

I want to start by reiterating CDIC's mission. Our number one priority is to protect your eligible deposits. Whether you are a student, a young professional, or a soon-to-be retiree, we know you work hard for your money. That is why we work hard to protect it.

We do this in three ways:

- we provide deposit insurance;
- we resolve our members financial institutions in the rare event they should fail;
and
- we promote financial stability.

We do each of these things in a way that minimizes the loss to CDIC.

As I reflect on the past year—not just as CDIC's President and CEO, but as a depositor myself—I am struck by the increasing pace of change in the financial sector, and the dynamic risk environment for CDIC's members. Financial sector risks include real estate values, borrowing costs, cyber attacks, and climate events.

At the same time, Canada is experiencing rapid innovation in financial services, products, providers, and payment channels. This presents new savings opportunities, but also new risks.

It's important for you to stay informed about which products are and aren't protected by deposit insurance. And for CDIC members and their intermediaries to help you navigate this information at the point of sale.

Arguably, the most significant events of the year—or the ones that got the most attention—were the bank failures in the United States and Europe. These events underlined the importance of strong and effective regulatory frameworks for financial institutions. They also heightened public interest in deposit insurance.

People want to know: Is my money protected? Does Canada have a strong and effective regulatory framework? Can a bank in Canada fail?

The answer to all those questions is “yes.”

Yes, your eligible deposits are always protected by CDIC. Yes, Canada has a strong regulatory and supervisory framework that supports the safety of our financial system. In fact, Canada's banking system has consistently been ranked as one of the soundest in the world.

And yes, a bank in Canada can fail. It hasn't happened in 27 years, but if a bank were to fail, CDIC is here to make sure you have timely access to your eligible deposits.

We worry about these things so you don't have to. CDIC works hard every day to protect you and to promote the stability of Canada's financial system. We focus on three strategic priorities.

Reinforce trust in depositor protection

Our first priority is to reinforce public trust in deposit protection. One of the ways we do this is through public awareness.

Research shows when you know your deposits are protected, you are less likely to withdraw your money if you are worried about the health of your bank or the financial system. Protecting your deposits, in turn, supports financial stability.

Our public awareness campaigns aim to clarify what is and isn't covered by CDIC. We use targeted ads and marketing to encourage you to deepen your understanding of deposit protection.

You may have seen ads like this on TV or social media.

[Videos: Public awareness ads](#)

This past year, public awareness of deposit insurance in Canada hit a record 64 percent.

That is great news for you because knowing your deposits are protected helps you make informed decisions about the safety of your money and where to invest it. It's great news for Canada because it contributes to financial resiliency in uncertain times. It's also great news for our members.

We know from recent research that depositors who know about CDIC are:

- 74 percent more willing to buy products from a bank with CDIC coverage; and
- 72 percent more likely to deposit money in a bank that is CDIC-protected.

That is why, during Financial Literacy Month this November, we will provide social media content to our members to help them promote their membership and inform depositors about CDIC protection.

Of course, reinforcing public trust in deposit protection is more than just awareness. It's also about having peace of mind that your insured money is accessible if your bank closes. That is why CDIC is developing a state-of-the-art payment system you can always count on for faster and easier payments of your protected deposits, if needed.

The first phase of the program moved into production this year. To tell you more, here is a short video from one of our team members.

[Video: PayMod](#)

Be resolution ready

Our second priority is to always be ready to resolve or handle the failure of one of our members.

CDIC works closely with The Office of the Superintendent of Financial Institutions and other financial sector agencies to detect problems before they become critical. And if one of our members does fail, we can take action in a number of ways, as you heard in our video.

Although the United States and Europe have different regulatory and supervisory contexts than Canada, the bank failures we saw earlier this year reminded us that we can

never be complacent. CDIC continues to be laser focused on “preparedness” – with an emphasis on assessing member and financial system risks and resolution planning to ensure your eligible deposits are protected in any crisis.

Bob mentioned our Center of Excellence for Crisis Simulations. We completed four simulations last fiscal year. In addition to the Board’s participation, we also included financial institutions and external experts in banking, law, and mergers and acquisitions to pressure-test a wide range of financial and non-financial crisis scenarios.

Simulations allow us to test our crisis management plans and tools in a safe environment, where we can identify opportunities for improvement so things go as smoothly as possible if one of our members fails.

There is no such thing as being too prepared when it comes to keeping your deposits safe.

Strengthen organizational resilience

Our third priority is organizational resilience. Our people are the foundation of everything we do. That is why we prioritize listening to our employees.

CDIC’s Diversity, Equity and Inclusion program and Accessibility Plan are grounded in employee and stakeholder feedback because we know inclusive cultures and diverse workforces lead to better decision-making and resiliency.

I am very proud that our workforce meets or exceeds the representation of women, racialized minorities, and persons with disabilities. And more than two-thirds of our Corporate Officers identify as women.

Last year, CDIC achieved a Great Place to Work Certification, which benchmarked us against best-in-class across the country. This certification confirmed what I already knew: CDIC is an employer of choice. We have been able to successfully attract top talent to join our team despite a tight labour market, while enhancing our culture and employee experience.

CDIC also strives to make a positive impact in our community by supporting initiatives that align with our values. This is a foundational component of our new Environmental, Social and Governance strategy.

Our partnership with Indspire is a great example – a national, Indigenous registered charity that invests in the education of First Nations, Inuit, and Métis people.

Since 2020, CDIC has supported Indspire’s “Building Brighter Futures” initiative to establish a bursary program that provides Indigenous women with financial assistance to pursue a higher education. CDIC has funded 25 bursaries to date. We are proud of this partnership and encourage our members and stakeholders to join us in supporting Indigenous education initiatives.

To tell you more about the bursary program, here are a few words from Indspire’s President and CEO, Mike DeGagné.

[Video: Indspire](#)

I hope this meeting deepens your understanding of CDIC, deposit protection, and what we do to promote financial stability in Canada.

As recent events have shown, there continue to be novel and unprecedented risks on the horizon. But rest assured, CDIC’s got you covered.

Angela Roberge

Thank you, Leah and Bob. What a busy and eventful year!

We have some time left for questions. Leah, I will start with you.

Q&A session

Conclusion

That concludes our 2023 Annual Public Meeting. Thank you to everyone who joined us this afternoon and to those who sent us questions.

As a quick reminder, we will post a recording of this meeting on our website in the next few days. For regular updates and information, follow us on social media.

One final note: if you could please take a moment to fill out a short survey that’ll appear on your screen once the broadcast ends, it would be much appreciated. Your feedback is important and will help us prepare for future events.

Thanks, everyone. Enjoy the rest of the afternoon.