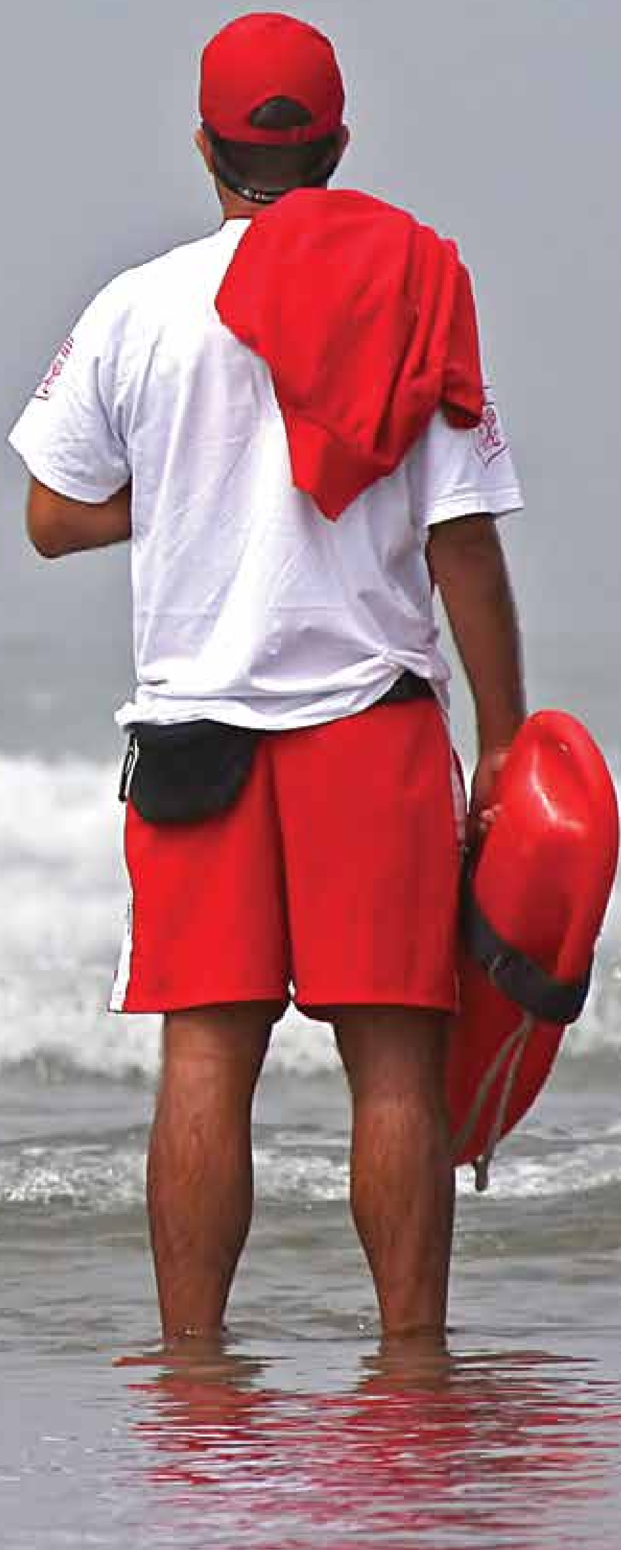
CDIC
Canada Deposit
Insurance Corporation

SUMMARY OF THE CORPORATE PLAN

2015/2016 to 2019/2020

Including a Summary of the 2015/2016 Operating and Capital Budgets, and Borrowing Plan



Canada

CDIC's five-year Plan at a glance

Our operating environment

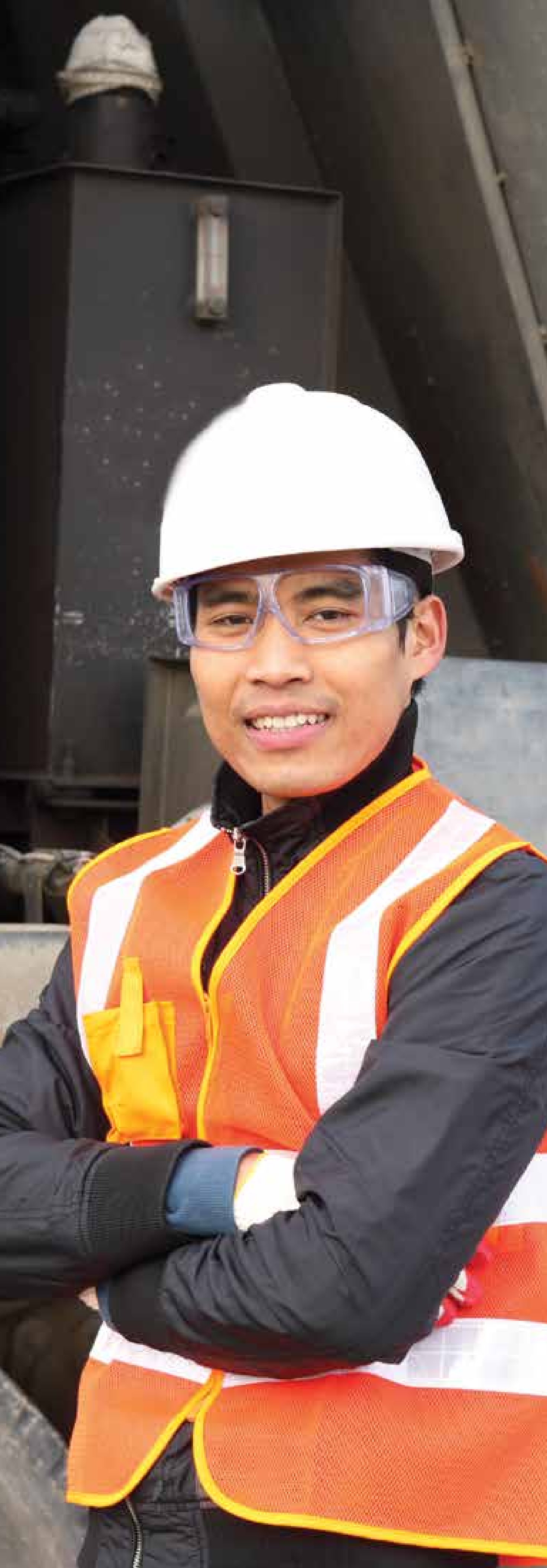
Overall, CDIC's membership continues to experience strong results. Nevertheless, a potential slowdown in the Canadian housing market and elevated consumer debt levels remain areas of concern for CDIC, as both could have a significant impact on CDIC's membership performance, especially for smaller and mid-sized members. CDIC continues to build its readiness to intervene in the event of a member institution failure, regardless of size or complexity. We continually monitor economic and membership trends, and stay abreast of emerging issues in the regulatory environment that may have an impact on depositors, on CDIC's membership, or directly on the Corporation.

CDIC's three corporate strategies and supporting initiatives

Modernize CDIC's deposit insurance program—To continue to enhance its deposit insurance program, CDIC will: roll out a payout transformation plan with a focus on the latest payment methods and channels, and communications with depositors; update risk assessment processes; actively participate in the Government's deposit insurance review and implement required changes; develop intervention plans for selected members; and implement a new three-year public awareness strategy.

Build preparedness to resolve domestic systemically important banks—Canada's domestic systemically important banks (D-SIBs) provide financial services critical to Canadians and the broader economy. To enhance its preparedness to respond to the failure of one of these members, CDIC will: work closely with banks to develop credible resolution strategies; continue to work with other federal safety net agencies to enhance Canada's resolution framework; augment its internal resources to strengthen D-SIB resolution preparedness and accelerate resolution planning; further develop CDIC's operational playbook, detailing roles, responsibilities and key decisions in a D-SIB resolution and validating the process through testing. CDIC will also establish an outreach program to engage with key domestic and international resolution authorities and regulators, and establish agreements aimed at information sharing and coordination.

Foster an environment of innovation and excellence—To support the delivery of its mandate and the two strategies above, CDIC will: implement its new three-year talent management strategy with a focus on succession planning, empowering business leaders, and attracting, developing and retaining a well-trained and engaged work force; continue to develop CDIC's Emerging Risk function; implement a new investment management model and enhance investment management practices; reinforce and centralize financial management processes and controls; strengthen CDIC's information management program; and implement an information systems strategic plan, with a focus on efficient service delivery, updated intervention systems and strengthened security.



Financial and resource plans

2015 premium rates

Approved premium rates for the 2015/2016 fiscal year are as follows:

Category 1	4.5 basis points of insured deposits
Category 2	9.0 basis points of insured deposits
Category 3	18.0 basis points of insured deposits
Category 4	33.3 basis points of insured deposits

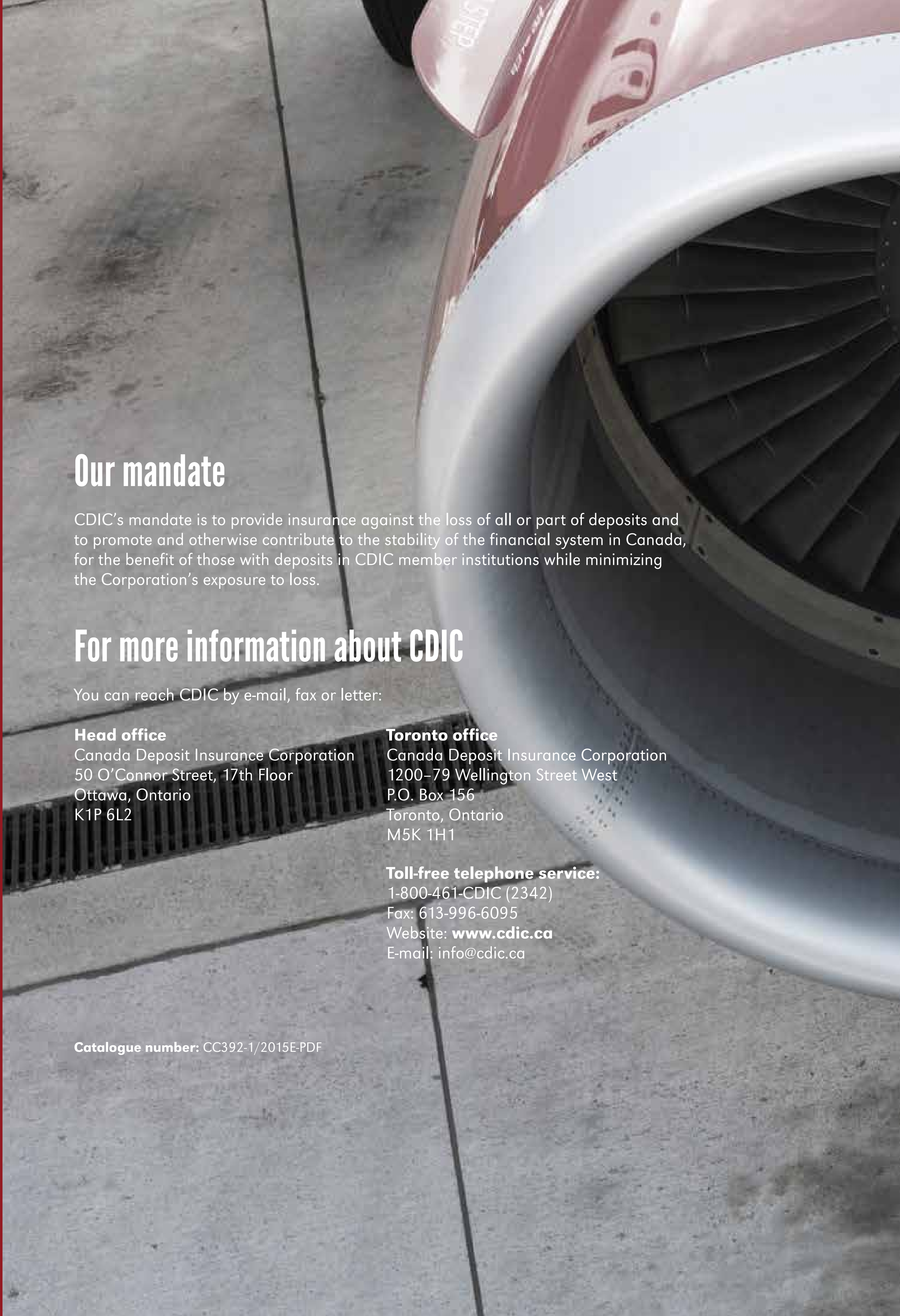
Key planning assumptions

The Plan reflects the following key assumptions:

- An increase to premium rates such that the Category 1 rate (the base rate) will increase from 4.5 basis points (the 2015/2016 base rate) by 1 basis point per year for the following three years.
- No failures will occur during the planning period but the provision for insurance losses will increase in conjunction with an assumed 3.5% annual growth in insured deposits.
- Average yield on cash and investments of 1.3% for 2015/2016, rising gradually to a yield of 1.5% in 2019/2020.

Forecast

Based on the assumptions above, for 2015/2016, CDIC projects net income after income taxes to be $320 million, based on total revenue of $413 million (consisting of $371 million in premium revenue, and interest revenue of $42 million). Our Plan projects net operating expenses of $44 million in 2015/2016. Capital expenditures are expected to be approximately $1.3 million.



Our mandate

CDIC's mandate is to provide insurance against the loss of all or part of deposits and to promote and otherwise contribute to the stability of the financial system in Canada, for the benefit of those with deposits in CDIC member institutions while minimizing the Corporation's exposure to loss.

For more information about CDIC

You can reach CDIC by e-mail, fax or letter:

Head office
Canada Deposit Insurance Corporation
50 O'Connor Street, 17th Floor
Ottawa, Ontario
K1P 6L2

Toronto office
Canada Deposit Insurance Corporation
1200–79 Wellington Street West
P.O. Box 156
Toronto, Ontario
M5K 1H1

Toll-free telephone service:
1-800-461-CDIC (2342)
Fax: 613-996-6095
Website: **www.cdic.ca**
E-mail: info@cdic.ca

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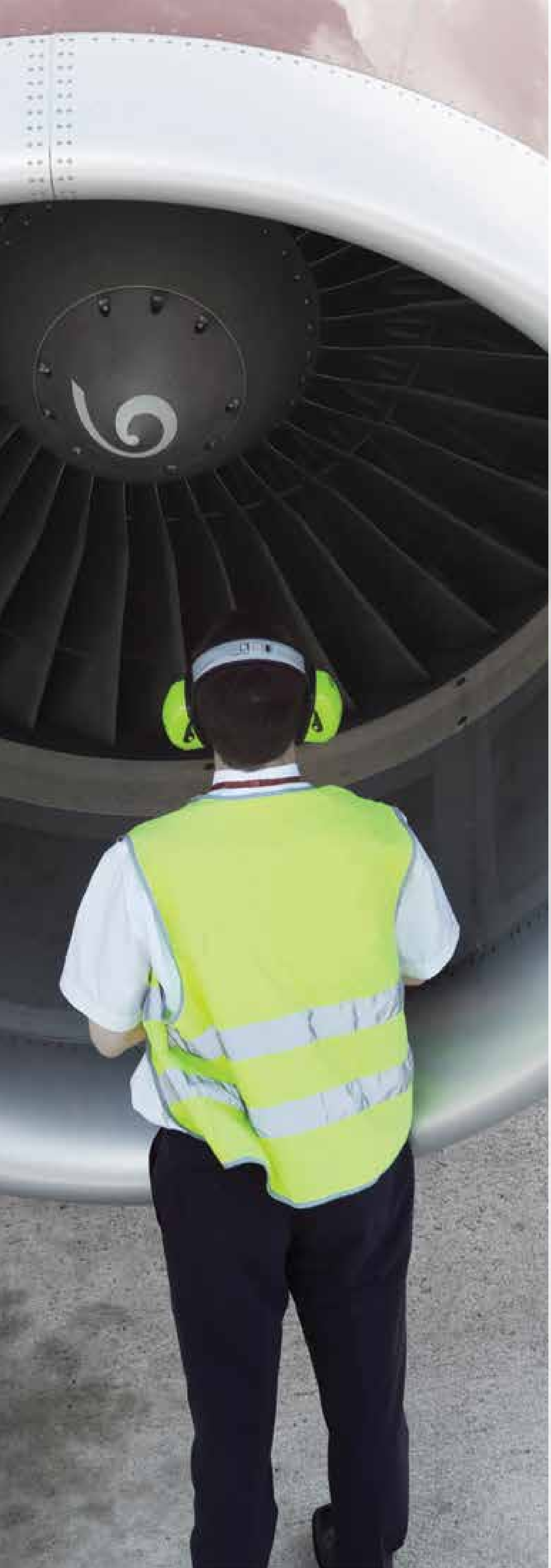

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1 ABOUT CDIC

WHO WE ARE

The Canada Deposit Insurance Corporation (CDIC) was established in 1967 by the *Canada Deposit Insurance Corporation Act* (the *CDIC Act*). The Corporation is an agent of Her Majesty in right of Canada and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation reports to Parliament through the Minister of Finance.

The Corporation is funded by premiums that are assessed on the insured deposits of member institutions as at April 30 of each year. CDIC utilizes a differential premiums structure consisting of four premium rate categories.

WHAT WE DO

CDIC insures eligible deposits made at banks and other financial institutions that are CDIC members. We work for Canadians—by insuring their savings in case a financial institution fails. CDIC helps keep Canada's financial system strong.

CDIC's deposit insurance protection

$100,000 deposit insurance coverage

What's covered?

CDIC insures eligible deposits held in each member institution up to a maximum of $100,000 (principal and interest combined) separately in each of the following:

- deposits held in one name
- joint deposits
- trust deposits
- Registered Retirement Savings Plans (RRSPs)
- Registered Retirement Income Funds (RRIFs)
- Tax-Free Savings Accounts (TFSAs)
- deposits held for paying taxes on mortgaged property

What's an eligible deposit?

Eligible deposits include:

- savings accounts and chequing accounts
- term deposits, such as Guaranteed Investment Certificates (GICs), of five years or less
- money orders, travellers' cheques and bank drafts issued by CDIC members, and cheques certified by CDIC members
- debentures issued by loan companies that are CDIC members

Deposits must be payable in Canada, in Canadian currency.

What's not covered?

CDIC deposit insurance does not protect all accounts and financial products. For example, mutual funds, stocks, and foreign currency deposits, including those in U.S. dollars, are not covered by CDIC.

See CDIC's website at **www.cdic.ca** for details.

CDIC actively manages deposit insurance risk

To manage its insurance risk, CDIC conducts regular risk assessments of its members and carries out ongoing monitoring of their financial results. In support of this process, CDIC relies on the Office of the Superintendent of Financial Institutions (OSFI) and the Autorité des marchés financiers (AMF) to conduct annual examinations of member institutions on its behalf.

In certain situations, CDIC conducts special and preparatory examinations of troubled member institutions to assess the Corporation's exposure to loss and to ensure its full preparedness to protect depositors.

The last member failure occurred in 1996. In total, there have been 43 member failures since 1967.

OUR MEMBERS

CDIC membership is limited to Canadian chartered banks, trust and loan companies, federally regulated credit unions, as well as retail associations governed by the *Cooperative Credit Associations Act*. At December 31, 2014, member institutions numbered 79.

OUR BOARD OF DIRECTORS AND EXECUTIVE TEAM

The Corporation's affairs are governed by a Board of Directors comprised of the Chairperson, five other private sector Directors, the Governor of the Bank of Canada, the Deputy Minister of Finance, the Commissioner of the Financial Consumer Agency of Canada, the Superintendent of Financial Institutions, and a Deputy Superintendent or an officer of the Office of the Superintendent of Financial Institutions.

CDIC's Board has four standing committees—the Audit Committee, the Human Resources and Compensation Committee, the Governance and Nominating Committee, and the Executive Committee. For additional information on these committees and on how CDIC is governed, please see our website at **www.cdic.ca**.

History of premium rate changes

(shown as basis points of insured deposits)

1967	3.3
1986	10.0
1993	12.5
1994	16.7
1999	**Differential Premiums System**
1999/2000 to 2000/2001	Category 1 — 4.2 Category 2 — 8.3 Category 3 — 16.7 Category 4 — 16.7
2001/2002	Category 1 — 4.2 Category 2 — 8.3 Category 3 — 16.7 Category 4 — 33.3
2002/2003 to 2004/2005	Category 1 — 2.1 Category 2 — 4.2 Category 3 — 8.3 Category 4 — 16.7
2005/2006 to 2008/2009	Category 1 — 1.4 Category 2 — 2.8 Category 3 — 5.6 Category 4 — 11.1
2009/2010	Category 1 — 1.9 Category 2 — 3.7 Category 3 — 7.4 Category 4 — 14.8
2010/2011	Category 1 — 2.3 Category 2 — 4.6 Category 3 — 9.3 Category 4 — 18.5
2011/2012 to 2013/2014	Category 1 — 2.8 Category 2 — 5.6 Category 3 — 11.1 Category 4 — 22.2
2014/2015	Category 1 — 3.5 Category 2 — 7.0 Category 3 — 14.0 Category 4 — 28.0

CDIC Board of Directors

as at December 31, 2014

Bryan P. Davies
Chair of the Board
(Private Sector Director)

Private Sector Directors	*Ex Officio* Directors	Alternates (for *Ex Officio* Directors)
George Burger Business Executive Toronto, Ontario	**Stephen Poloz** Governor Bank of Canada	**Lawrence Schembri** Deputy Governor Bank of Canada *(Alternate for the Governor of the Bank of Canada)*
John McFarlane Lawyer Halifax, Nova Scotia	**Paul Rochon** Deputy Minister Department of Finance	**Rob Stewart** Assistant Deputy Minister Financial Sector Policy Branch Department of Finance *(Alternate for the Deputy Minister of Finance)*
Éric Pronovost Chartered Professional Accountant Trois-Rivières, Québec	**Jeremy Rudin** Superintendent of Financial Institutions Office of the Superintendent of Financial Institutions	
Shelley Tratch Lawyer Vancouver, British Columbia	**Lucie Tedesco** Commissioner Financial Consumer Agency of Canada	
Angela Tu Weissenberger Economist Calgary, Alberta	***Vacant*** Office of the Superintendent of Financial Institutions	

CDIC Executive Team

as at December 31, 2014

Michèle Bourque
President and Chief Executive Officer

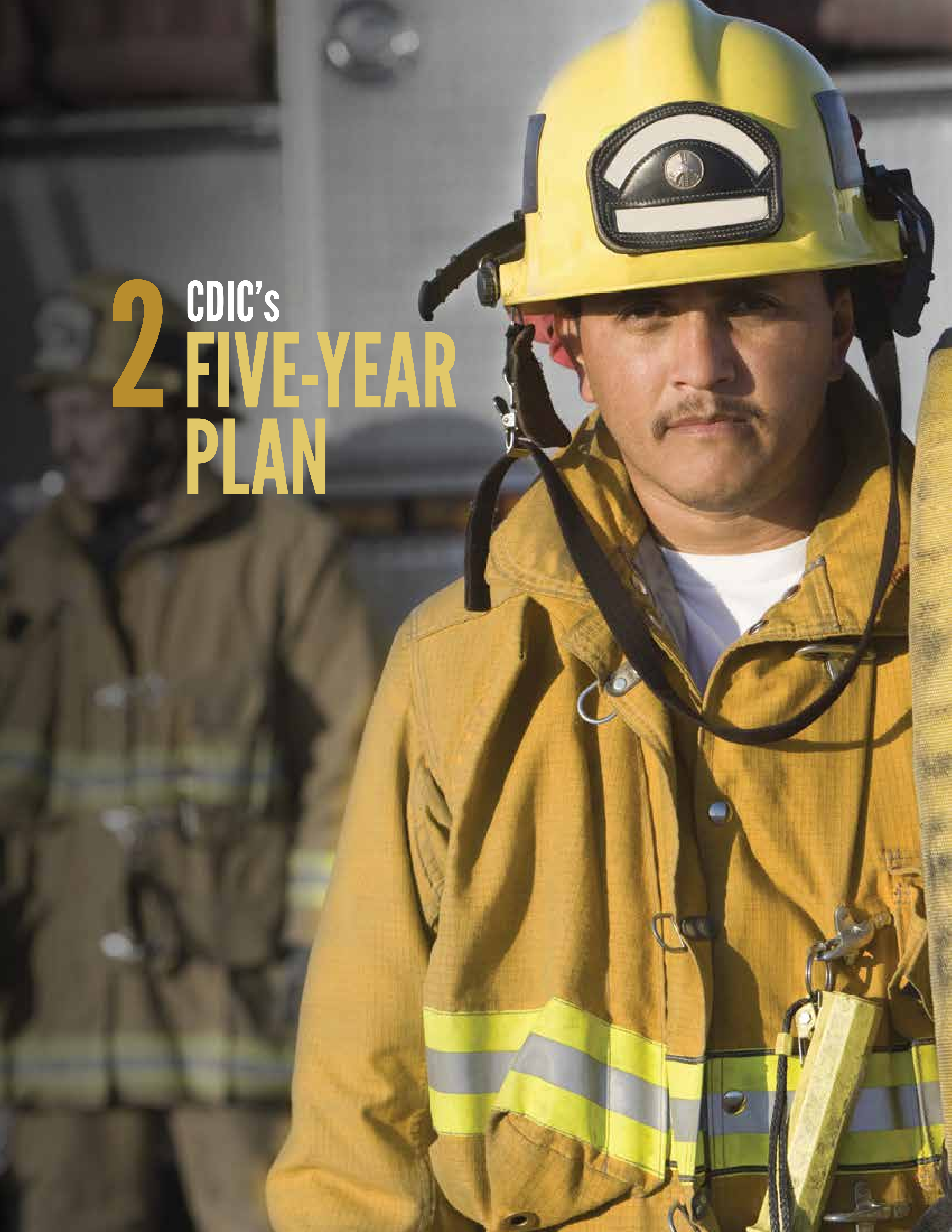
Karen Badgerow
Senior Vice-President
Insurance and Risk Assessment

Thomas J. Vice
Senior Vice-President
Complex Resolution

Dean A. Cosman
Vice-President
Finance and Administration, and Chief Financial Officer

M. Claudia Morrow
Vice-President
Corporate Affairs, General Counsel and Corporate Secretary

2 CDIC's FIVE-YEAR PLAN



OPERATING ENVIRONMENT

CDIC continually monitors economic and membership trends, and stays abreast of emerging issues in the regulatory environment that may have an impact on depositors, on CDIC's membership, or directly on the Corporation. Key factors and risks that CDIC has taken into consideration in developing its strategic objectives for 2015/2016 to 2019/2020 are discussed below.

Economic and regulatory environment

The financial sector continues to face challenges, both in Canada and internationally. Economic growth is impacted by external factors, including high government indebtedness outside of Canada, weak economic recoveries in Europe, and the risk of a slowdown in growth in emerging countries.

The Canadian economy has two main vulnerabilities: high household debt and high housing prices. Household debt has increased substantially during the past decade but appears to have stabilized. Housing prices remain elevated. In this economic environment, the federal government has taken measures to help mitigate the vulnerabilities of households (e.g., lower amortization periods and higher down payments). These measures are intended to curtail mortgage credit growth, and enhance the quality of borrowers; however, the risk of losses to households and to our members remains. In particular, the oil price decline could act as a potential trigger.

A review of Canada's deposit insurance program was announced in the Economic Action Plan 2014 (Federal Budget). Led by the Department of Finance, this comprehensive review encompasses critical aspects of CDIC's deposit insurance program.

The Government of Canada is proposing a bail-in regime for Canada's largest banks, which have been designated as domestic systemically important banks (D-SIBs) by the Office of the Superintendent of Financial Institutions (OSFI). Known as the Taxpayer Protection and Bank Recapitalization regime, it would allow for a non-viable D-SIB to be recapitalized through the conversion of certain liabilities into regulatory capital, and would occur in conjunction with other resolution measures while the bank is under temporary CDIC control. The bail-in regime aims to limit taxpayer and depositor exposure if a systemically important bank were to fail by ensuring that the bank's shareholders and creditors are responsible for bearing losses.

In 2013, the International Monetary Fund's (IMF's) Financial Sector Assessment Program reviewed Canada. Released in March 2014, the report highlights CDIC's strong collaboration with OSFI in the development of recovery and resolution planning for Canada's D-SIBs. Areas for improvement identified in the review include: stepping up the pace of building CDIC's *ex ante* funding; improving the collection and analysis of data to support depositor profiles; enhanced resolution powers (aligned with the Financial Stability Board's (FSB's) *Key Attributes of Effective Resolution Regimes for Financial Institutions* (the *Key Attributes*); and greater operational autonomy for CDIC. Internationally, G20 countries, including Canada, continue to implement the FSB's *Key Attributes*.

Membership environment

Overall, CDIC's membership continues to report strong results. As a group, members have met Basel III capital requirements since these came into effect in January 2013.

A potential slowdown in the Canadian housing market and elevated consumer debt levels remain areas of concern for CDIC, as both could have a significant impact on CDIC's membership performance, especially for smaller and mid-sized members. Moreover, the current low interest rate environment, combined with competitive pressures, are compressing interest margins, which may affect the profitability of member institutions—in particular, those with large lending portfolios.

Asset quality of the D-SIBs continues to be strong and profitability remains high. Nonetheless, continuous risk assessment and resolution planning regarding these institutions remain essential for CDIC, given the complex profiles and systemic importance of these members. Beyond the work of regulators, the resolution of a D-SIB requires the careful coordination of a broad array of financial system participants, including payment, clearing, and settlement systems.

CORPORATE RISKS

CDIC has in place an Enterprise Risk Management (ERM) program to identify and manage key risks that could prevent the Corporation from achieving its objectives. In our ERM framework, nine significant internal risks are discussed across four categories.

Based on our most recent self-assessment, Management has concluded that the overall risk faced by the Corporation remains acceptable; however, *insurance powers*, *intervention*, *technology*, and *people risks* have been assessed as cautionary. More specifically, the three most significant risks have been identified in our Plan and are discussed below.

1. Preparedness for a D-SIB resolution

While CDIC has made much progress in recent years to improve its ability to respond to a large bank failure, policy frameworks related to D-SIB resolution continue to evolve. A tabletop exercise, conducted by CDIC in March 2014, revealed gaps in CDIC's powers and processes as they relate to D-SIB resolution. This is expected to remain a key risk for the Corporation until a number of milestones are achieved, including: having robust resolution plans and strategies in place for all D-SIBs; CDIC's *ex ante* funding being closer to the 100 basis point minimum target; having intervention operational capabilities in place that are tested through tabletop exercises; the introduction of a bail-in regime; and having arrangements for coordination established with strategic foreign and domestic stakeholders in resolution. (*Reflected in overall cautionary ratings for insurance powers and intervention risks*.)

2. Cyber security

The number and sophistication of cyber attacks on organizations around the world continue to increase. This is of importance to CDIC, as we rely heavily on our information systems to deliver our mandate. A recent cyber security assessment indicated that CDIC's security technology is strong, but must be continuously monitored to ensure that it keeps pace in an evolving environment. The assessment also highlighted opportunities to enhance the Corporation's ability to identify and respond to potential cyber threats. CDIC is developing a plan to address these gaps. (*Reflected in overall cautionary rating for technology risk*.)

3. People—bench strength and succession planning

Though employee engagement levels remain near best in class, and turnover rates remain extremely low, attracting talent in the area of D-SIB resolution continues to be a challenge. Succession planning is also a priority to ensure that we are well-positioned for the future with succession candidates in place for key senior roles. CDIC is developing a recruitment strategy that will be implemented during the planning period to address these concerns. (*Reflected in overall cautionary rating for people risk*.)

Summary of Management's assessment of CDIC's significant risks

(as at December 31, 2014)

	Rating	Trend
Insurance risks		
Insurance powers risk: The risk that CDIC does not have the necessary powers to support the management of its insurance risk in accordance with CDIC's statutory objects.		Decreasing
Assessment risk: The risk that CDIC does not promptly or systematically identify member institutions that pose an unacceptable level of insurance risk.		Stable
Intervention risk: The risk that CDIC cannot or does not take timely and effective action with respect to an unacceptable level of insurance risk posed by a member institution, or with respect to failed member institutions.		Stable
Operational risks		
People risk: The risk resulting from inadequacies in competency, capacity or performance, or from the inappropriate treatment, of CDIC personnel.		Stable
Information risk: The risk that timely, accurate and relevant data and information are not available to facilitate informed decision making and/or the exercise of effective oversight.		Increasing
Technology risk: The risk that CDIC's technical systems and capabilities do not appropriately support the achievement of its statutory objects and the conduct of its affairs.		Stable
Process risk: The risk resulting from the incorrect execution of, a breakdown in, or a gap in, a policy, procedure or control respecting CDIC's processes.		Increasing
Financial risk		
Financial risk: The risk associated with managing CDIC's assets and liabilities, both on- and off-balance sheet.		Stable
Reputation risk		
Reputation risk: The risk of an event significantly affecting stakeholders' perceived trust and confidence in CDIC, and which could result in a financial and/or other loss to CDIC.		Increasing

LEGEND

Ratings:

Acceptable—meaning that the residual risk is acceptable and appropriate risk management practices are in place.

Cautionary—meaning that the residual risk warrants close monitoring and/or that previously identified initiatives to enhance the management of the risk are not yet fully implemented.

Serious concern—meaning that significant gaps may exist in risk management practices and controls and immediate action is required from Management.

Trends:

Stable—residual risk is not expected to change over the next year.

Decreasing—residual risk is expected to decline over the next year.

Increasing—residual risk is expected to increase over the next year.

STRATEGIC OBJECTIVES, AND KEY TARGETS AND INITIATIVES FOR THE PLANNING PERIOD

Given CDIC's current operating environment and risks, the Corporation has identified three strategic objectives for the planning period:

- Modernize CDIC's deposit insurance program
- Build preparedness to resolve domestic systemically important banks
- Foster an environment of innovation and excellence

The following key corporate targets and initiatives will be undertaken during the planning period to support each of the three strategic objectives outlined above and address the risks identified earlier in this section.

Modernize CDIC's deposit insurance program

Over the planning period, CDIC will enhance its deposit insurance program in response to advances in technology, changes in depositor expectations, and results of the deposit insurance review. The following initiatives will support this strategic objective and related targets.

Roll out a payout transformation plan focusing on payment channels and methods, and communications with depositors.

CDIC will continue to roll out its multi-year payout transformation plan. Introduced in 2013/2014, this initiative will enhance depositor reimbursement processes so that they continue to meet expectations and respond to advances in technology. The transformation will focus on areas such as: challenges related to the reimbursement of trust and registered accounts; payment channels; and communication approaches.

Corporate targets

- By the end of the planning period, CDIC has the capability to reimburse depositors in a manner (including speed, convenience, security and communication) that reflects depositor expectations and advancements in technology.
- By 2017/2018, build a more robust risk assessment process that leverages data analytics and intervention plans for selected members.
- Continue to participate in the Government's review of Canada's deposit insurance framework, putting forward (to the Department of Finance) sound recommendations to ensure adequate protection is provided to Canadians. This includes implementing any required changes to our program.
- Over the planning period, CDIC will leverage technology to promote awareness of CDIC, including communicating any changes arising from the deposit insurance review.

Review and update risk assessment processes, including enhancements to data collection and analysis.

CDIC will continue to review and update its risk assessment processes to ensure that the Corporation continues to monitor changes in the risk profile of its members effectively—and in the banking industry at large. Work will include enhancing risk assessment tools used to gather and report regulatory, financial, and market data for each of our members. CDIC's data analytics function will support these efforts, and will also address existing data gaps.

Actively participate in the deposit insurance review by providing input on CDIC's position and expert research, and implementing any required changes to our program.

To support the Government's comprehensive deposit insurance review, CDIC will undertake research, formulate policy positions, and complete impact assessments in various areas of our deposit insurance program.

Develop intervention plans for selected members, leveraging D-SIB resolution planning processes and preparedness.

Building on the Corporation's extensive work on resolution planning for its largest member institutions, in 2015/2016 CDIC will update its contingencies for failures by expanding the scope of its intervention and resolution planning to specific mid-sized member institutions. Planning efforts will require working directly with the banks and closely coordinating with OSFI.

Implement our new three-year public awareness strategy, which focuses on cost-effective activities, and which targets the general population (especially those aged 50 and over) and financial advisors.

In the first year of our new public awareness strategy (2015/2016), CDIC will continue to advertise broadly, both online and in print. Our strategy will shift to a more targeted approach for financial advisors who specialize in deposit products, and to the general population, especially those aged 50 and over. We will also address general awareness of CDIC among the Canadian public, implement a plan to communicate the Corporation's new role in large bank resolution, and conduct a review of the *Deposit Insurance Information By-law* to identify potential new ways for member institutions to inform their clients about deposit insurance.

Build preparedness to resolve domestic systemically important banks

CDIC's largest member institutions provide financial services critical to Canadians and to the broader economy. Given their role, we need to be prepared to resolve the failure of these large, complex members, should it be required, in an orderly fashion that preserves confidence in the financial system. CDIC's work is aligned with recent international guidance in this area. Over the planning period, the Corporation will focus effort on enhancing its capacity to respond to the failure of a domestic systemically important bank (D-SIB) through the following key initiatives.

Corporate targets

During the planning period, CDIC will:

- Develop and implement a multi-year plan to establish and validate robust resolution strategies for each D-SIB.
- Implement a multi-year plan outlining the initiatives and operational framework required to achieve appropriate preparedness for a D-SIB resolution.
- Deepen relationships with strategically important stakeholders, by engaging with domestic and international organizations necessary to the resolution of a Canadian D-SIB.

Advance the resolvability of D-SIBs by working closely with banks on the development of credible resolution plans and the assessment of various structural and operational simplification options.

CDIC plans to work closely with the banks to enhance their resolvability. This entails the identification of bank structural and operational gaps to resolution and of appropriate mitigants. We are currently conducting a pilot assessment with one D-SIB that will be rolled out to the remaining D-SIBs in 2015/2016.

Continue to work with other federal safety net agencies to enhance Canada's resolution framework.

Canada, like other G20 jurisdictions, is working on addressing "too big to fail" issues. CDIC works closely with the Department of Finance and other federal safety net agencies in an effort to ensure that the Corporation has the appropriate tools to meet its mandate. Currently, our focus is on the development of a bail-in regime announced by the Government in 2013. We will continue to advance this initiative, as well as other important policy initiatives, and we will work with our international counterparts and banks to identify and understand the relevant issues.

Augment resources to strengthen internal D-SIB resolution preparedness and accelerate resolution planning. This added capacity could be leveraged in other resolution scenarios.

Much work is still required in order to adequately prepare CDIC for a large bank failure, given the size and complexity of Canada's D-SIBs. In 2015/2016, we will continue to add resources to our Complex Resolution Division to accelerate work in this area.

Further develop our operational playbook, detailing roles, responsibilities and key decisions in a D-SIB resolution, and validate through internal and external simulation/testing exercises.

CDIC will continue to implement its preparedness plan to advance our operational readiness to resolve any one of our largest member institutions in the event of failure. Work will include developing the capabilities necessary to undertake a full balance sheet valuation in a short timeframe; developing an operational plan to deploy resources and funding quickly while working closely with banks to ensure continuity of critical infrastructure; and establishing cooperation protocols with relevant domestic and international regulators. We will update our D-SIB resolution playbook and, at least annually, will test its readiness through a simulation or tabletop exercise.

Establish and implement an outreach program to engage with key domestic and international resolution authorities, regulators, protection schemes, and financial market infrastructure organizations, and put in place bilateral agreements to encourage information sharing and coordination.

In an increasingly complex global and domestic financial environment, CDIC's collaboration with resolution authorities both at home and internationally is essential in a resolution scenario. We will continue to develop coordination protocols to strengthen our cooperative relationships with resolution authorities in regions where Canadian financial institutions have a significant presence. CDIC will host Crisis Management Groups; these bring together domestic and international authorities in resolution, and our D-SIBs, to advance resolution planning and preparedness. We will also continue to work with the Bank of Canada to operationalize resolution approaches for designated financial market infrastructures, as well as to develop coordinating protocols with provincial securities regulators and applicable financial services protection schemes.

Foster an environment of innovation and excellence

In order to fulfill its mandate, CDIC must effectively manage its resources to ensure they deliver the two strategies described above. Six key initiatives will support our efforts to foster an environment of innovation and excellence at CDIC.

Implement our new three-year talent management strategy focused on succession planning, empowering business leaders, and on attracting, developing and retaining a well-trained and engaged work force.

CDIC continues to experience demographic shifts in its work force, including expected retirements within senior roles. As we focus on challenges related to payout transformation and D-SIB resolution, we will build upon existing human resources programs, tools and processes to support the development of future business leaders, increase staff engagement and advance knowledge transfer.

Corporate targets

Throughout the planning period, CDIC will:

- Foster an environment of continuous improvement and innovation among its employees.
- Focus on recruitment, retention and succession planning for key roles within the Corporation.
- Stay abreast of environmental changes that affect the Corporation.
- Invest strategically in the Corporation's supporting functions while prudently managing its budget and key corporate risks.

Continue to develop CDIC's Emerging Risk function, creating a stronger link with our Enterprise Risk Management function.

The Corporation requires a distinct function that will identify thematic and/or emerging threats with the potential to affect the viability of members or pose broader systemic risks. This new function will work collaboratively with our well-established Enterprise Risk Management (ERM) function to identify risks and their possible outcomes and impacts on the Corporation and our members.

Implement a new investment management model and enhance investment management practices.

Management will put in place new banking and custodial arrangements with the Bank of Canada in order to respond more rapidly in the case of a resolution. This will be accompanied by enhancements to the systems, processes and controls that support our investment management and funding practices, with the goal of strengthening CDIC's prudent and efficient management of *ex ante* funding.

Reinforce and centralize financial management processes and controls.

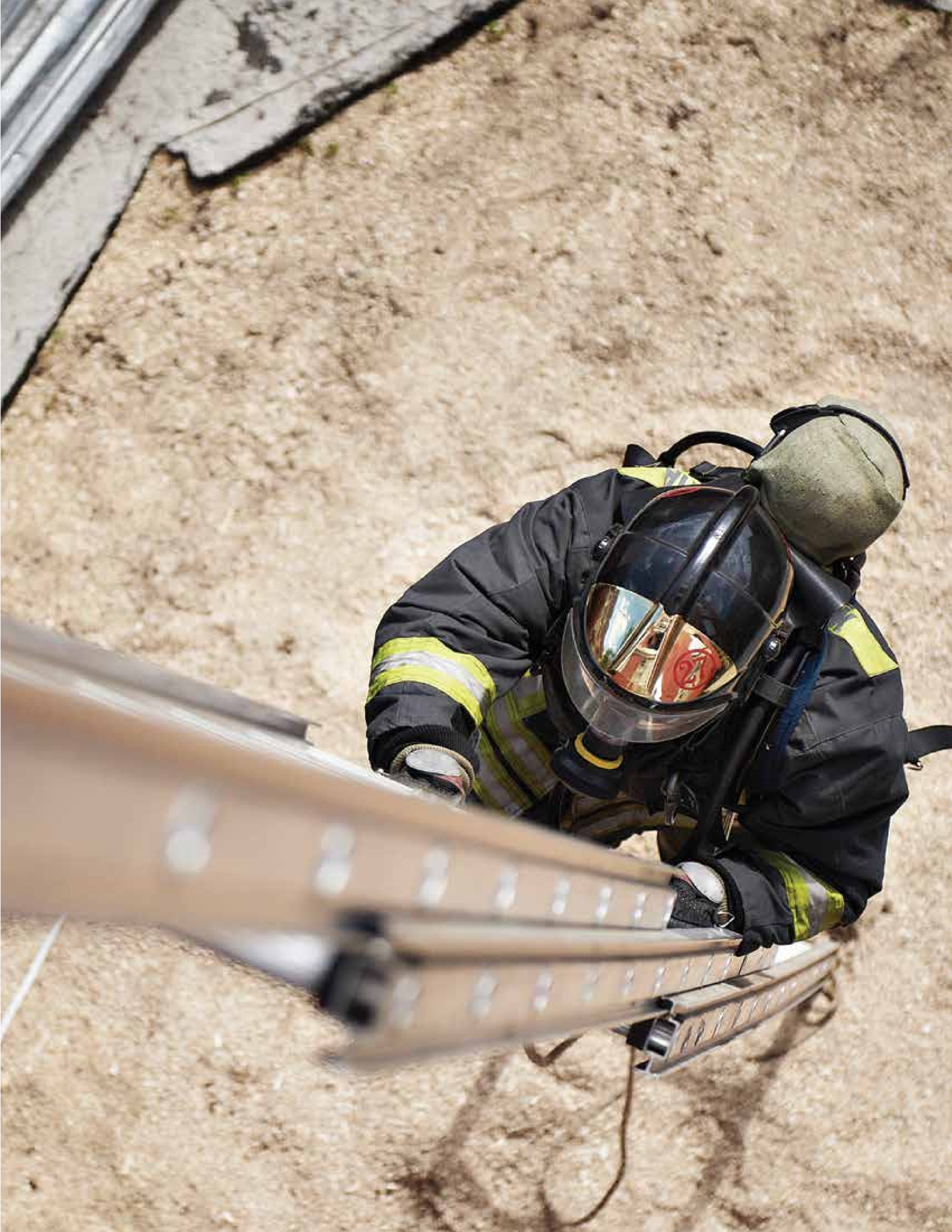
CDIC continually looks to refine its processes and controls to help ensure that our operations are cost-effective and managed within a strong internal control environment. Throughout the planning period, CDIC will assess its internal financial management processes and systems with the objective of further centralizing and consolidating financial reporting and controls.

Strengthen all aspects of CDIC's information management program.

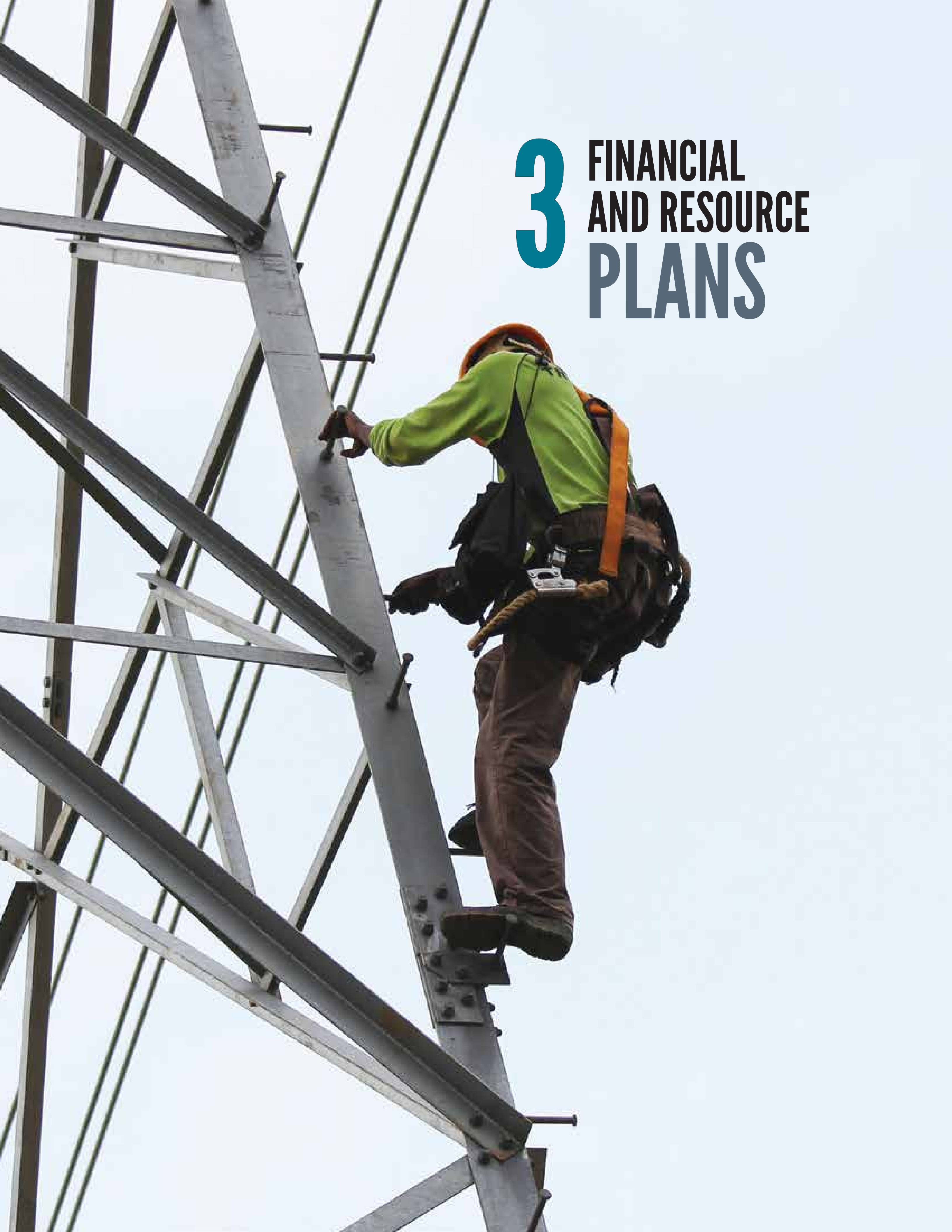
To improve the management of the Corporation's information assets, we developed a five-year information management strategic plan in 2013/2014. In 2015/2016, under this plan, our focus will be on ensuring legislative compliance with respect to the handling of corporate records through the use of improved automated tools and increased information management awareness at CDIC. The plan also aims to improve access to information and efficiency of information retrieval within the Corporation.

Implement our information systems strategic plan which focuses on ensuring efficiency of service delivery, updating intervention systems, and strengthening security.

CDIC adopted a new information systems services delivery model and governance structure in 2013/2014 to ensure resources and operational requirements are strategically aligned. To address the ever-growing information technology demands, we also updated our information systems strategic plan. The plan is centred on three key themes: supporting system requirements; optimizing information systems through the leveraging of strategic partnerships and managed service opportunities; and positioning information systems to proactively protect CDIC from cyber threats.



3 FINANCIAL AND RESOURCE PLANS



The Corporation's financial plan focuses on ensuring that we have the capacity, skills and resources available to effectively carry out our mandate.

We expect to maintain a stable financial position throughout the planning period; however, legislative requirements and other initiatives can have a significant impact on CDIC resources. If we are required to intervene in the affairs of a member institution, or if new initiatives need to be undertaken that cannot be absorbed by revising priorities, Board approval may be sought for additional resources and budget.

The financial and resource plans that follow reflect our operating environment and key risks, as well as the initiatives that the Corporation will undertake to achieve its objectives, as described in Part 2.

PLANNING ASSUMPTIONS

Ex ante funding

CDIC maintains *ex ante* funding to cover possible deposit insurance losses, and the amount of such funding is represented by the aggregate of the Corporation's retained earnings and its provision for insurance losses.

CDIC's minimum target level for its *ex ante* funding is 100 basis points of insured deposits which reflects the size and complexity of Canadian banks, as well as international best practices. This target is reviewed regularly to ensure that it remains appropriate. CDIC's *ex ante* funding level as at December 31, 2014, was 44 basis points of insured deposits.

The Corporation's *ex ante* funding forms one part of CDIC's funding envelope. Additional funding is available through our authority to borrow under the *Canada Deposit Insurance Corporation Act* (the *CDIC Act*). As at December 31, 2014, the Corporation can borrow up to $20 billion. This borrowing limit is adjusted annually to reflect the growth in insured deposits. Supplemental borrowing, if required, could be authorized by Parliament through an appropriation act.

Premium rates

Premium rates are a key determinant of the length of time it will take the Corporation to reach its minimum target level of *ex ante* funding.

Management developed a Premium Rate and *Ex Ante* Funding Strategy (the Strategy) following discussions with CDIC's Board of Directors and consultation with member institutions and other interested parties. A key goal of the Strategy was to develop a plan that would result in a credible progression (10 to 15 years) to the 100 basis point minimum *ex ante* funding target.

The Strategy proposed five years of measured increases in premium rates until an approximate long-term average rate based on historical analysis (7.5 basis points for Category 1) is achieved. The first of these measured increases was approved for the 2014/2015 fiscal year (2014 premium year).

CDIC's 2015/2016 to 2019/2020 Corporate Plan reflects continuing with the proposed premium rate increases. *For planning purposes, we have assumed an increase to premium rates such that the Category 1 rate (the base rate) will increase by 1 basis point in 2015/2016 to 4.5 basis points, and by 1 basis point per year for three years, after which the premium rates would remain stable*.

Provision for insurance losses

The provision for insurance losses represents CDIC's best estimate of losses that are likely to occur as a result of insuring deposits of member institutions. It is estimated by assessing the aggregate risk of CDIC's members based on: (i) the level of insured deposits; (ii) the expectation of default derived from probability statistics and the Corporation's specific knowledge of its members; and (iii) an expected loss given default. *The Plan assumes that no failures of CDIC members will occur during the planning period, but that the provision for insurance losses will increase in conjunction with an assumed 3.5% annual growth in insured deposits*. Insured deposit growth is affected by a variety of factors including: overall economic growth; interest rates; disposable income growth; and the manner in which income and financial savings are allocated among a variety of financial instruments.

Investment revenue

CDIC's assets are dominated by high quality, liquid investments on which interest income is earned. *Investment revenue during the planning period is based on an assumed average yield on cash and investments of 1.3% for 2015/2016, rising gradually to a yield of 1.5% in 2019/2020*.

OPERATING BUDGET—2015/2016

In a continued effort to manage costs, the federal government announced cost containment measures for fiscal years 2014/2015 and 2015/2016. CDIC is a self-funded Crown corporation and does not receive government appropriations; however, we remain focused on balancing prudent financial management with the need to contribute to the Government's priorities. The approach taken in developing our 2015/2016 operating expense budget, similar to 2014/2015, was to absorb inflationary increases (e.g., salaries, rent, etc.) through reductions in other areas. For 2015/2016, CDIC plans to reduce variable expenses, such as travel, hospitality, consulting and advertising, to minimize the financial impact of new priorities on our operating budget.

In recent years, the federal government has announced several new measures that have had a significant effect on our deposit insurance program and our operations, including:

- a comprehensive review of Canada's deposit insurance framework (the deposit insurance review)
- rules to ease the transition of provincial credit unions into the federal regulatory framework by offering extended deposit insurance
- the intention to put in place a bail-in tool to assist in the orderly resolution of our domestic systemically important banks (D-SIBs)

In addition, CDIC is experiencing significant demographic shifts within its work force, including key senior employees who will be retiring within the next few years. CDIC's 2015/2016 operating expense budget of $44.3 million reflects the additional funding required to further our preparedness and resolution capabilities for our D-SIBs, and ensuring that we are well-positioned for the future with succession candidates in place for these key senior roles.

A summary of the operating budget for 2015/2016 is set out below (Figure 1).

Figure 1

2015/2016 operating budget
(in millions of Canadian dollars)

	2013/2014 Actual	2014/2015 Approved Plan	2014/2015 Forecast	2015/2016 Budget
OPERATING EXPENSES				
Salaries and other personnel costs	20.5	22.0	21.9	24.3
Professional fees	5.2	5.7	5.4	5.6
General expenses	4.5	6.3	5.8	6.1
Premises	3.6	3.5	3.4	3.6
Public awareness	2.7	3.0	3.0	2.7
Data processing	1.7	2.0	2.2	2.2
Total operating expenses	38.2	42.5	41.7	44.5
Less cost recovery (OSFI)	(0.2)	(0.2)	(0.2)	(0.2)
Net operating expenses	38.0	42.3	41.5	44.3

HUMAN RESOURCE REQUIREMENTS

For 2015/2016, the Corporation is planning for 137 permanent positions, compared to 131 in 2014/2015. Positions are being added to ensure CDIC is well-equipped to support D-SIB resolution planning, to strengthen its non-payout preparedness and for succession planning. This increase includes eight additional positions within CDIC's core functions, partially offset by a reduction of two positions within CDIC's back-office functions.

PROJECTED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND PAST RESULTS

Figures 2 to 5 (below) present CDIC's expected performance from 2014/2015 to 2019/2020, as well as actual results for the year 2013/2014.

Figure 2

Canada Deposit Insurance Corporation
Projected condensed consolidated statement of financial position
as at March 31 (in millions of Canadian dollars)

	2013/2014 Actual	2014/2015 Approved Plan	2014/2015 Forecast	Plan				
				2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
ASSETS								
Cash	1	1	1	1	1	1	1	1
Investment securities	2,760	3,006	3,050	3,415	3,835	4,355	4,980	5,635
Capital assets	13	13	12	10	10	10	10	10
Other assets	4	3	5	5	5	5	5	5
TOTAL ASSETS	2,778	3,023	3,068	3,431	3,851	4,371	4,996	5,651
LIABILITIES								
Trade and other payables	5	5	6	7	7	7	7	7
Provision for insurance losses	1,200	1,200	1,250	1,300	1,350	1,400	1,450	1,500
Other liabilities	4	3	11	3	2	3	3	3
Total liabilities	1,209	1,208	1,267	1,310	1,359	1,410	1,460	1,510
EQUITY								
Retained earnings	1,569	1,815	1,801	2,121	2,492	2,961	3,536	4,141
TOTAL LIABILITIES AND EQUITY	2,778	3,023	3,068	3,431	3,851	4,371	4,996	5,651

Figure 3

Canada Deposit Insurance Corporation
Projected condensed consolidated statement of comprehensive income
for the year ended March 31 (in millions of Canadian dollars)

	2013/2014 Actual	2014/2015 Approved Plan	2014/2015 Forecast	Plan				
				2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
REVENUE								
Premium*	192	250	279	371	418	511	609	631
Investment income	36	37	41	42	49	57	68	80
	228	287	320	413	467	568	677	711
EXPENSES								
Operating	38	42	42	44	45	46	47	48
Recovery of amounts previously written off	(12)	—	(3)	—	—	—	—	—
Increase (decrease) in provision for insurance losses	(50)	—	50	50	50	50	50	50
	(24)	42	89	94	95	96	97	98
Net income before income taxes	252	245	231	319	372	472	580	613
Income tax recovery (expense)**	—	1	1	1	(1)	(3)	(5)	(8)
NET INCOME	252	246	232	320	371	469	575	605
Other comprehensive income***	—	—	—	—	—	—	—	—
TOTAL COMPREHENSIVE INCOME	252	246	232	320	371	469	575	605

* The increase in premium revenue is primarily due to planned increases to premium rates and the assumed growth in insured deposits.

** The Corporation's primary source of taxable income is its interest income. From this amount, allowable expenditures are deducted in order to arrive at its net income for tax purposes. Under the provisions of the *Income Tax Act* the Corporation's premium revenue is not taxable.

*** Other comprehensive income includes items that will not be reclassified to net income, including the actuarial gain or loss on defined benefit obligations. These amounts are not material and, due to rounding, the amounts are shown as zero.

Figure 4

Canada Deposit Insurance Corporation
Projected condensed consolidated statement of changes in equity
for the year ended March 31 (in millions of Canadian dollars)

	2013/2014 Actual	2014/2015 Approved Plan	2014/2015 Forecast	Plan				
				2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
RETAINED EARNINGS AND TOTAL EQUITY								
Balance at beginning of the fiscal year	1,317	1,569	1,569	1,801	2,121	2,492	2,961	3,536
Total comprehensive income	252	246	232	320	371	469	575	605
Ending balance	1,569	1,815	1,801	2,121	2,492	2,961	3,536	4,141

Figure 5

Canada Deposit Insurance Corporation
Projected condensed consolidated statement of cash flows
for the year ended March 31 (in millions of Canadian dollars)

	2013/2014 Actual	2014/2015 Approved Plan	2014/2015 Forecast	Plan				
				2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
OPERATING ACTIVITIES								
Net income	252	246	232	320	371	469	575	605
Add (deduct) items not involving cash:								
Investment income	(36)	(37)	(41)	(42)	(49)	(57)	(68)	(80)
Tax expense (recovery)	—	(1)	(1)	(1)	1	3	5	8
Other	2	2	2	2	2	2	2	2
Change in working capital:								
Increase (decrease) in provision for insurance losses	(50)	—	50	50	50	50	50	50
Change in other working capital items	—	—	—	—	—	(1)	—	(1)
Interest received	36	39	41	42	49	57	68	80
Income tax (paid) received	—	—	1	1	(1)	(3)	(5)	(8)
Net cash generated by operating activities	204	249	284	372	423	520	627	656
INVESTING ACTIVITIES								
Acquisition of property, plant and equipment, and intangible assets	(4)	(2)	(2)	(1)	(2)	(2)	(2)	(2)
Purchase of investment securities	(6,082)	(4,800)	(4,700)	(4,800)	(5,300)	(6,000)	(6,800)	(7,800)
Proceeds from sale or maturity of investment securities	5,882	4,553	4,418	4,429	4,879	5,482	6,175	7,146
Net cash used in investing activities	(204)	(249)	(284)	(372)	(423)	(520)	(627)	(656)
Net change in cash	—	—	—	—	—	—	—	—
Cash, beginning of year	1	1	1	1	1	1	1	1
Cash, end of year	1	1	1	1	1	1	1	1

2013/2014 actual to Plan

Statement of financial position

Total assets as at March 31, 2014, were $2,778 million, substantially the same as the planned amount of $2,772 million.

Total liabilities as at March 31, 2014, were $1,209 million, compared to the planned amount of $1,255 million. The variance was primarily due to an unplanned decrease of $50 million to the provision for insurance losses in the third quarter of 2013/2014 as the Corporate Plan had assumed no changes to the provision in 2013/2014.

Statement of comprehensive income

Total revenue during the year was $228 million, or $6 million below Plan. CDIC's primary sources of revenue are premiums and investment income:

- **Premiums:** Actual premium revenue was $192 million, compared to the planned amount of $195 million. Planned amounts were based on certain assumptions regarding the classification of members under the Differential Premiums system and members' eligibility for premium incentives for early compliance with CDIC's *Data and System Requirements By-law*,[1] as well as the growth in insured deposits. Actual results have differed slightly from the assumptions, resulting in the variance between the planned and actual amounts.
- **Investment income:** Actual investment income was $36 million, compared to the planned amount of $39 million. The Corporate Plan assumed a higher yield on the portfolio than was actually achieved.

Net operating expenses for the year were $38 million, or $4 million below Plan. This was mainly due to a slower pace of hiring than planned for vacancies within the Corporation.

Total comprehensive income for the year was $252 million, compared to planned total comprehensive income of $203 million, a positive variance of $49 million. This variance is mainly attributable to an unplanned decrease in the provision for insurance losses of $50 million.

2014/2015 forecast to Plan

Projected net income for 2014/2015 is $232 million, compared to a planned net income of $246 million. This $14 million negative variance is due to the following reasons:

- an increase in CDIC's provision for insurance losses of $50 million, due primarily to the increase in the level of insured deposits
- $29 million higher than projected premium revenue compared to the Plan, due to an increase in premium rates, changes to the categorization of certain members, and an increase in total insured deposits held at member institutions
- an additional $4 million in projected investment income due to the growth in investment securities
- a $3 million recovery of amounts previously written off for claims receivable from the estate of a failed member institution

1 The *Data and System Requirements By-law*, which came into effect January 1, 2011, outlines information and system requirements for members, to facilitate a fast insurance determination by CDIC.

The Corporation forecasts that its *ex ante* funding will grow to 45 basis points of insured deposits by the end of the fiscal year, compared to the minimum target range of 100 basis points.

Net operating expenses are forecast at $41.5 million, or $0.8 million below Plan. This projected variance is primarily due to lower than planned spending on non-personnel related expenses. CDIC's 2014/2015 operating expense budget of $42.3 million reflected funding required to continue to develop our large bank resolution capabilities, efforts to renew payout methods and supporting processes, and costs associated with enhancing our investment management processes as CDIC's fund continues to grow. The Corporation was able to absorb costs associated with these initiatives within its 2013/2014 budget of $42 million through reductions in other areas. The 2014/2015 budget reflected a $0.3 million increase to CDIC's public awareness budget to account for media inflation costs and to allow CDIC to continue its outreach activities. Other variable costs were held flat or have decreased from 2013/2014.

CAPITAL BUDGET—2015/2016

The budget for capital expenditures in 2015/2016 is $1.3 million. CDIC's capital budget for 2015/2016 is summarized in Figure 6, below.

Figure 6

2015/2016 capital budget
(in thousands of Canadian dollars)

	2013/2014 Actual	2014/2015 Approved Plan	2014/2015 Forecast	2015/2016 Budget
Furniture and equipment	378	100	170	100
Computer hardware	402	700	600	500
Software development costs	3,008	750	760	725
Leasehold improvements	161	300	120	—
Total	**3,949**	**1,850**	**1,650**	**1,325**

CDIC's capital budget is dominated by the capitalization of software development costs and hardware that meet specific criteria. Software development costs typically relate to the development of systems required to achieve our mandate. The $0.5 million decrease in the 2015/2016 capital budget is primarily due to the completion of two significant capital projects in 2014/2015 for CDIC: leasehold improvements; and CDIC's share of costs to redevelop the Tri-Agency Data Sharing System (TDS),[2] now called the Regulatory Reporting System (RRS).

2 The Tri-Agency Data Sharing System (TDS) is a shared system between the Office of the Superintendent of Financial Institutions, the Bank of Canada and CDIC, used to collect and share information from financial institutions.

BORROWING PLAN

As at December 31, 2014, CDIC had no debt outstanding.

Statutory borrowing authorities

Pursuant to section 10.1(1) of the *CDIC Act*, at the Corporation's request, the Minister of Finance can make loans to CDIC from the Consolidated Revenue Fund (CRF) on such terms and conditions that the Minister may establish. The *CDIC Act* also provides that the Corporation can borrow by means other than the CRF. Total principal indebtedness from all sources, as at December 31, 2014, is not to exceed $20 billion, or such greater amount as may be authorized by Parliament under an appropriation act. The *CDIC Act* also allows the Minister to charge CDIC a credit enhancement fee in respect of any borrowings.

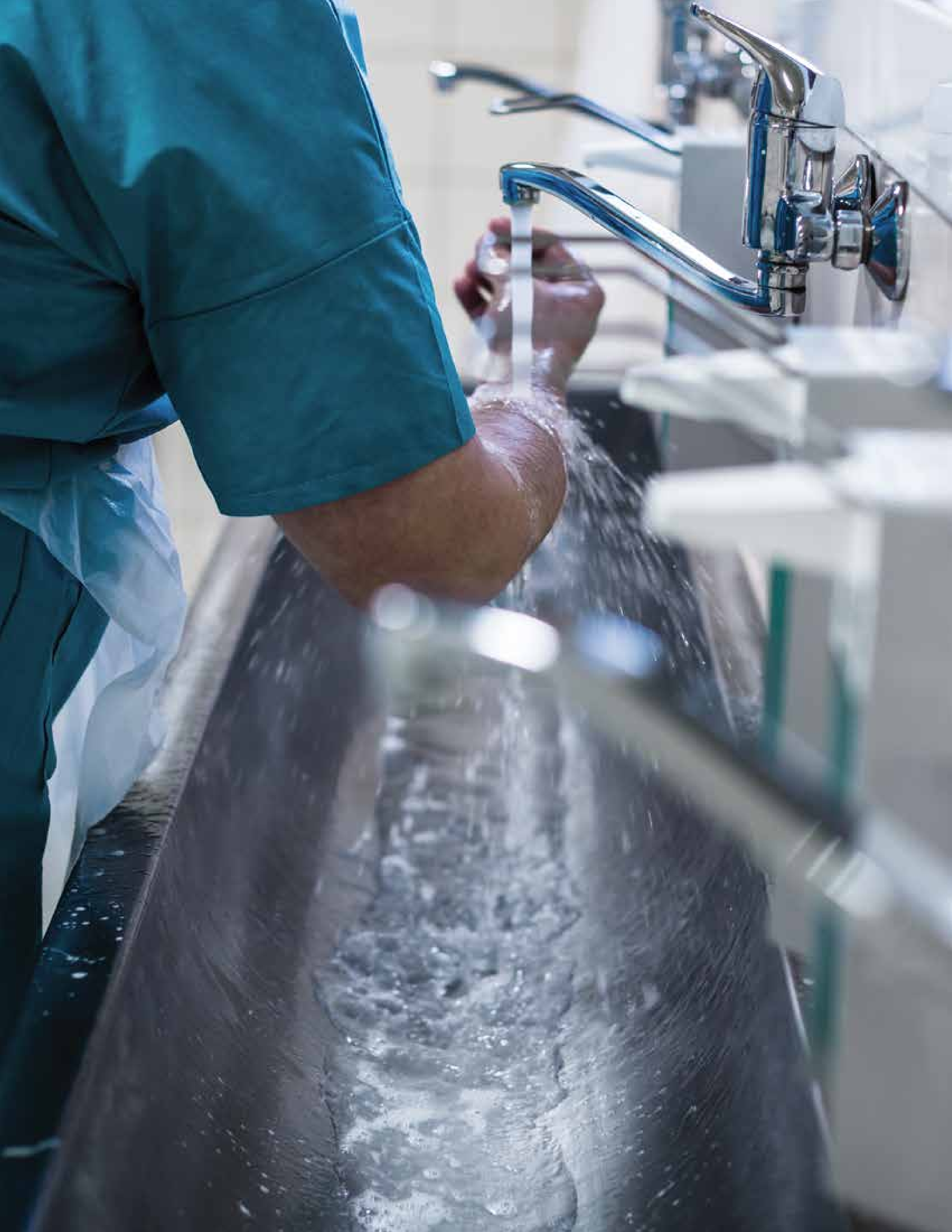
Borrowing approach

The planning assumption is that no borrowing will be necessary; however, if an intervention were required (or a member institution were to fail), various funding options would be available.

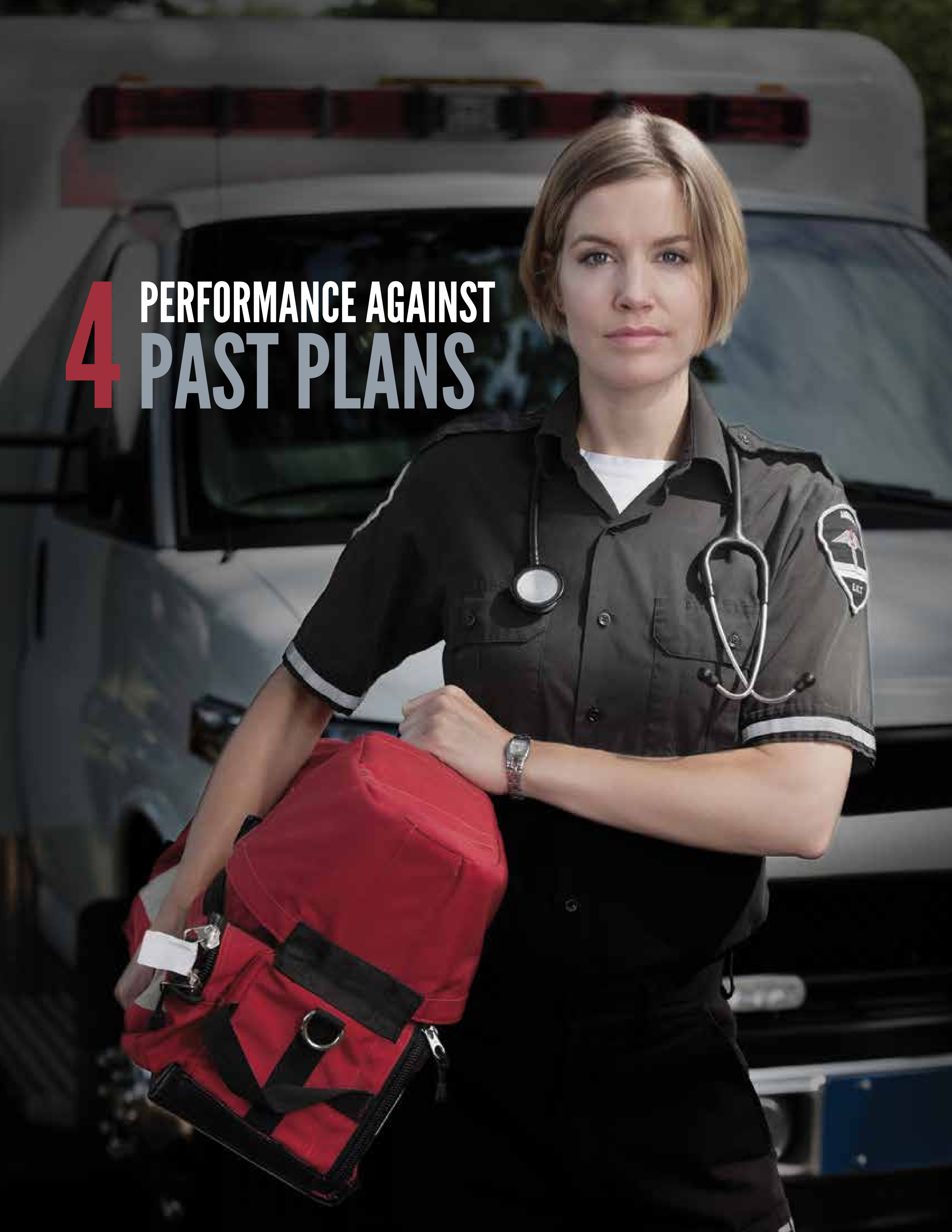
Funding of intervention strategies would require a case-by-case analysis to determine optimal funding strategies. CDIC's investment portfolio may or may not be used as a first call on liquidity, depending on the circumstances. Considerations in developing a funding strategy would include, among others, future liquidity requirements, asset liability matching, and unwanted market signalling that could result from the liquidation of CDIC's portfolio.

Line of credit

CDIC has in place credit facilities with its banker for up to $10 million for cash management purposes. The credit facility is specifically exempt from the credit enhancement fee that applies to other borrowings. CDIC does not anticipate drawing on its credit facility over the planning period. This line carries no cost to CDIC until it is used.



4 PERFORMANCE AGAINST PAST PLANS



CDIC's previous Corporate Plan (2014/2015 to 2018/2019) identified four corporate strategies that reflected the Corporation's assessment of its operating environment and risks, and that supported its business objects:

- Enable timely, convenient and secure access to insured deposits in the event of a member institution failure
- Build preparedness for complex resolutions
- Promote public awareness of CDIC
- Manage CDIC's strategic resources effectively

HIGHLIGHTS OF CDIC'S PAST PERFORMANCE

Key targets and supporting initiatives were identified to support these strategies. As detailed in the Corporate Scorecard on the following pages, progress against most of CDIC's corporate targets and initiatives is proceeding as planned, as at December 31, 2014, with the exception of the following initiatives:

- Refine and begin implementation of CDIC's payout transformation plan.
- Develop an operational framework to enhance CDIC's readiness for a large bank resolution.
- Enhance cooperation with foreign and domestic stakeholders in resolution.
- Expand and refine the approach to monitor changes to CDIC's environment and their potential impacts on the Corporation.

The Scorecard includes additional information on the status of these and other key corporate targets and initiatives.

CDIC'S CORPORATE SCORECARD—2014/2015 TO 2018/2019

(as at December 31, 2014)

Key corporate initiatives	Status ▲ ▼ ●	Update
Corporate strategy: Enable timely, convenient and secure access to insured deposits in the event of a member institution failure	**On track**	***Corporate target:*** *By the end of the planning period, CDIC has the capability to reimburse depositors in a manner (including speed, convenience, security and communication) that, to the extent possible, replicates depositors' existing banking experience.*
Refine and begin implementation of CDIC's payout transformation plan.	▼	Project has experienced some delays in defining the scope and objectives of the plan. More formal and robust project governance and project plans are now in place and slippage is expected to be recovered before March 31, 2015, as project plans are implemented.

LEGEND

▲ Planned progress on schedule and within budget
▼ Slippage in terms of time to completion, budget and/or target variances
● Cancelled or deferred

CDIC'S CORPORATE SCORECARD—2014/2015 TO 2018/2019 (continued)

(as at December 31, 2014)

Key corporate initiatives	Status ▲ ▼ ●	Update
Develop and "roll out" resolution planning for mid-sized members.	▲	CDIC has commenced drafting a resolution/intervention plan for one of our mid-sized members. Timing for completion is expected to be March 2015.
Participate in the review of Canada's deposit insurance program (the deposit insurance review), providing input on CDIC's position.*	▲	CDIC has undertaken research and formulated policy positions, and has also analyzed and taken steps to assess the impact of possible changes to Canada's deposit insurance framework. Work is underway to finalize various research papers, and to complete an extensive data analytics project.
Corporate strategy: Build preparedness for complex resolutions	**Behind schedule**	***Corporate target:*** *During the planning period, CDIC has improved the resolvability of large, complex member institutions by:* • *establishing robust resolution strategies and plans, including resolvability assessments and processes for updating them* • *having in place cooperation agreements with strategic foreign and domestic stakeholders in resolution* • *developing the necessary resources, processes and operational plans to ensure CDIC's internal preparedness*
Develop an operational framework to enhance CDIC's readiness for a large bank resolution.	▼	CDIC revised its three-year plan to devote additional resources and accelerate delivery on this multi-year initiative. Concurrent with CDIC's internal reviews, we engaged each of the six domestic systemically important banks (D-SIBs) to conduct their own current and target state resolution readiness assessment—their evaluations and proposed multi-year plans are due by March 2015. Current year preparedness milestones include completing a valuation plan and conducting a tabletop exercise. Both of these initiatives are due to be completed by March 2015.

* Not included within CDIC's 2014/2015 to 2018/2019 Corporate Plan; however, this is a significant initiative announced in the Economic Action Plan 2014 (Federal Budget) that has had an impact on CDIC resources.

LEGEND

▲ Planned progress on schedule and within budget

▼ Slippage in terms of time to completion, budget and/or target variances

● Cancelled or deferred

Key corporate initiatives	Status ▲ ▼ ●	Update
Enhance cooperation with foreign and domestic stakeholders in resolution.	▼	Work continues on establishing coordinating protocols with U.K. resolution authorities; however, resources at an international level are currently focused on meeting the Financial Stability Board (FSB) requirements related to global systemically important financial institutions (G-SIFIs). Internally, resources have been redirected to support policy work aimed at developing the resolution framework, including the bail-in regime. As the policy initiatives solidify, CDIC will redeploy resources to implement our domestic and international outreach plan.
Further develop resolution plans consistent with FSB and international best practices.	▲	Work with D-SIBs continues on operational continuity of key business lines. In support of the deposit insurance review, the banks have provided CDIC with detail on liability structure which is being used to inform resolution planning. A pilot resolvability assessment is underway with assessment criteria developed by CDIC in conjunction with the safety net agencies.
Corporate strategy: Promote public awareness of CDIC	**On track**	***Corporate target:*** *During the planning period, through its communications activities and advertising, CDIC will endeavour to ensure that at least one in two Canadians is aware of its deposit insurance program, and that one in five is aware of the $100,000 coverage limit.*
Complete implementation of CDIC's current public awareness strategy.	▲	Total awareness of CDIC declined slightly to 50% in December 2014 from 51% in December 2013, but remains in line with the corporate target. As per timing and deliverables of the public awareness strategy, CDIC continues to leverage its partnerships to reach its target audience. Activities have included paid advertising, social media, speaking engagements, conference sponsorships, financial advisor education, and distribution of multi-media tools.
Evaluate the effectiveness of CDIC's current public awareness strategy and develop a new strategy.	▲	The current strategy was reviewed, found to be effective overall, and formed the basis of a new long-term Public Awareness Strategy and Plan that was approved by the Governance and Nominating Committee and presented to the Board in fall 2014.

CDIC'S CORPORATE SCORECARD—2014/2015 TO 2018/2019 (continued)

(as at December 31, 2014)

Key corporate initiatives	Status ▲▼●	Update
Corporate strategy: Manage CDIC's strategic resources effectively	**On track**	***Corporate target:*** *Throughout the planning period, CDIC will stay focused on the prudent management of costs, while ensuring that the Corporation continues to have the necessary resources in core and supporting functions to stay abreast of environmental changes and effectively deliver its mandate.*
Expand and refine the approach to monitor changes to CDIC's environment and their potential impacts on the Corporation.	▼	An Emerging Risk group has been created; however, staffing vacancies have limited progress in this area.
Implement a formal work force training program for core functions.	▲	The training program was created at the end of fiscal 2013/2014 with a focus on knowledge transfer and skills development among employees in core areas. It is currently monitored by the Board's Human Resources and Compensation Committee. A payout simulation was conducted in October 2014 and was a key component of this program.
Enhance CDIC's investment management practices.	▲	Testing of systems and processes to support the transition of banking and custodial services to the Bank of Canada is nearing completion. Plans are on track to support the transition in the last quarter of the 2014/2015 fiscal year.
Complete implementation of CDIC's new information systems (IS) services delivery model.	▲	IS continues its efforts to roll out new tools and best practices to improve service management and operations. IS initiatives are now managed utilizing an enhanced governance model that supports the project intake and prioritization process.
Reinforce financial management processes and controls.	▲	At December 31, 2014, the Corporation is forecasting total annual operating expenditures of $41.5 million compared to a budget of $42.3 million ($0.8 million under budget). A review of current financial management processes (e.g., payables, estates) is underway. Centralization of financial reporting in the areas of IS and Communications has been completed, and other areas will be reviewed throughout the fiscal year. Testing of Internal Controls over Financial Reporting (ICFR) is also now being performed on a quarterly basis instead of annually.

LEGEND

▲ Planned progress on schedule and within budget

▼ Slippage in terms of time to completion, budget and/or target variances

● Cancelled or deferred