



**SUMMARY OF THE  
CORPORATE PLAN**

**2023/2024 to 2027/2028**

**Including a Summary of the  
2023/2024 Operating and Capital  
Budgets, and Borrowing Plan**

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## ABOUT CDIC

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The mission of the Canada Deposit Insurance Corporation (CDIC) is to serve Canadians by protecting deposits, by being prepared to resolve its member institutions, and by promoting financial stability.

Eligible deposits are automatically covered to a limit of \$100,000 per insured category at each CDIC member financial institution. Members include banks, federally regulated credit unions, as well as loan and trust companies.

We are funded by premiums paid by our member institutions and do not receive public funds to operate.

Since its creation by Parliament in 1967, CDIC has handled the failure of 43 member institutions, protecting \$26 billion in insured deposits held by more than 2 million Canadians. Throughout these 43 failures, the last in 1996, no Canadian has lost a single dollar of their insured deposits.

### CDIC's vision

**Earning the trust of Canadians as the global leader in deposit insurance and resolution.**

### For more information about CDIC

For more information, visit the CDIC website or consult CDIC's 2022 Annual Report at [www.cdic.ca](http://www.cdic.ca).

You can also reach CDIC by phone, e-mail 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)  
TTY: 1-800-465-7735  
Website: [www.cdic.ca](http://www.cdic.ca)  
E-mail: [info@cdic.ca](mailto:info@cdic.ca)



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**Part 1**  
**EXECUTIVE SUMMARY**

## **Part 1**

# **EXECUTIVE SUMMARY**

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The Canada Deposit Insurance Corporation (CDIC) helps safeguard the stability of the financial system by providing deposit insurance against the loss of eligible deposits at member institutions in the event of failure, and by ensuring the orderly resolution of troubled member institutions.

Canada's economy is facing continued headwinds due to global and domestic factors, including tighter monetary policy, rising interest rates, geo-political tensions, and low housing affordability. In 2022, this resulted in cost-of-living pressures and a decline in real and financial asset values. For Canadian businesses, the year ahead outlook is cautious. Businesses continue to navigate a tight labour market and worker skill shortages. Borrowing costs are on the rise. Real business investment in Canada continues to lag behind pre-pandemic levels. CDIC's member institutions are facing a period of economic uncertainty. However, member institutions are in stable financial condition due in part to capital and liquidity buffers and well-regulated funding standards for members. Nonetheless, CDIC will continue to focus on strengthening its readiness to respond to a variety of these circumstances and possible shocks to the financial system.

Alongside these conditions, the pace of digitalization and innovation in the financial sector is resulting in new financial products, services, and players, which are fundamentally changing the financial sector landscape. CDIC will work proactively to ensure that the deposit insurance, resolution frameworks, and operations remain fit for purpose. CDIC will also strive to increase awareness of deposit insurance to maintain depositor confidence and reinforce financial sector resilience as the landscape continues to evolve.

The digitalization of finance has implications for how Canadian depositors access their money and for the security of their data against cyber threats. To maintain depositor confidence, CDIC is transforming its technological capabilities to increase the speed, security, and convenience of access to insured deposits in the event of a member failure.

CDIC is also evolving its workplace to respond to changes in the operating environment. There has been an acceleration of technological and cultural changes for all organizations, with competition for talent at an all-time high.

CDIC will continue to implement strategies to attract and retain top talent including through Indigenous partnerships to ensure that its employees are representative of Canada's diverse population. As CDIC continues to experiment with a hybrid work model, CDIC will continue to adapt its technology, operations, and skills training across the organization to maintain flexibility for staff and capability to fulfill its mandate to serve Canadians.



CDIC will continue to embed Environmental, Social, and Governance (ESG) principles and initiatives into its operations to foster long-term sustainability and resiliency.

CDIC will focus on three strategic objectives for the 2023/2024 to 2027/2028 planning period, anchored to the Corporation's mandate as deposit insurer and resolution authority:

### **1—Be resolution ready**

Being resolution ready involves having the necessary processes, tools, systems, and financial capacity, as well as the right people to allow CDIC to resolve a member institution if necessary. This is important because CDIC's role within Canada's financial safety net intensifies during times of economic hardship or uncertainty and being resolution ready is a key element in promoting financial stability.

### **2—Reinforce trust in depositor protection**

Depositor confidence in the safety of their deposits is essential to CDIC's mission to serve Canadians, and for the stability of the financial sector. CDIC will reinforce trust in depositor protection by anticipating and responding to innovation in the financial sector to ensure that the deposit insurance and resolution frameworks, as well as CDIC's operations, remain fit for purpose to maintain depositor confidence.

### **3—Strengthen organizational resilience**

Strengthening organizational resilience involves addressing internal and external factors that can impact CDIC's technologies, people, and culture. CDIC will enhance the efficiency and effectiveness of its systems, technology, operations, and skills training to ensure that the Corporation can continue to fulfill its mandate while being prepared for the workplace of tomorrow.

In fiscal 2023/2024, CDIC's operating budget will be \$89.1 million, and its capital budget will be \$3.8 million.

CDIC maintains *ex ante* funding to cover possible deposit insurance losses. The amount of such funding is represented by the aggregate of CDIC's retained earnings and the provision for insurance losses. CDIC's *ex ante* fund totalled \$7.9 billion (73 basis points of insured deposits) as at December 31, 2022.

The Corporate Plan anticipates and responds to the evolving operating environment and risks facing CDIC and supports the Corporation's achievement of its mandate while striving to maintain Canadians' confidence that their eligible deposits are protected.





**Part 2**  
**OVERVIEW OF CDIC**

## **Part 2**

# **OVERVIEW OF CDIC**

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### **Mission and Mandate**

CDIC's mission is to serve Canadians by protecting deposits, by being prepared to resolve its member institutions, and by promoting financial stability.

The following four objects in the *Canada Deposit Insurance Corporation Act* (the CDIC Act) define CDIC's mandate:

- To provide insurance against the loss of part or all of deposits.
- To promote and otherwise contribute to the stability of the financial system in Canada.
- To pursue these objects for the benefit of persons having deposits with member institutions and in such a manner as will minimize the exposure of the Corporation to loss.
- To act as the resolution authority for its members.

### **CDIC's vision**

Earning the trust of Canadians as the global leader in deposit protection and in resolution.

### **CDIC's public policy role**

CDIC was established in 1967 by the CDIC Act and is a Crown corporation named in Part I of Schedule III of the *Financial Administration Act*. CDIC reports to Parliament through the Minister of Finance.

As Canada's federal deposit insurer, CDIC protects eligible deposits held at its member institutions. The maximum protection for eligible deposits is \$100,000 (principal and interest combined) per depositor, per deposit category, at each of its 86 member institutions. By safeguarding Canadians' deposits and acting as the resolution authority for its member institutions in the event of a failure, CDIC contributes to the stability of the financial system.

As the resolution authority and deposit insurer for its member institutions, CDIC works with its federal financial safety net partners—the Department of Finance, the Office of the Superintendent of Financial Institutions (OSFI), the Bank of Canada, and the Financial Consumer Agency of Canada (FCAC)—as well as domestic and international stakeholders, to respond in the event of member stress and to promote financial stability.





## CDIC's coverage

As at December 31, 2022, CDIC provides separate protection for eligible deposits in each of the following categories: deposits held in one name; joint deposits; trust deposits; Registered Retirement Savings Plans (RRSPs); Registered Retirement Income Funds (RRIFs); Tax-Free Savings Accounts (TFSA); Registered Disability Savings Plans (RDSPs); and Registered Education Savings Plans (RESPs).

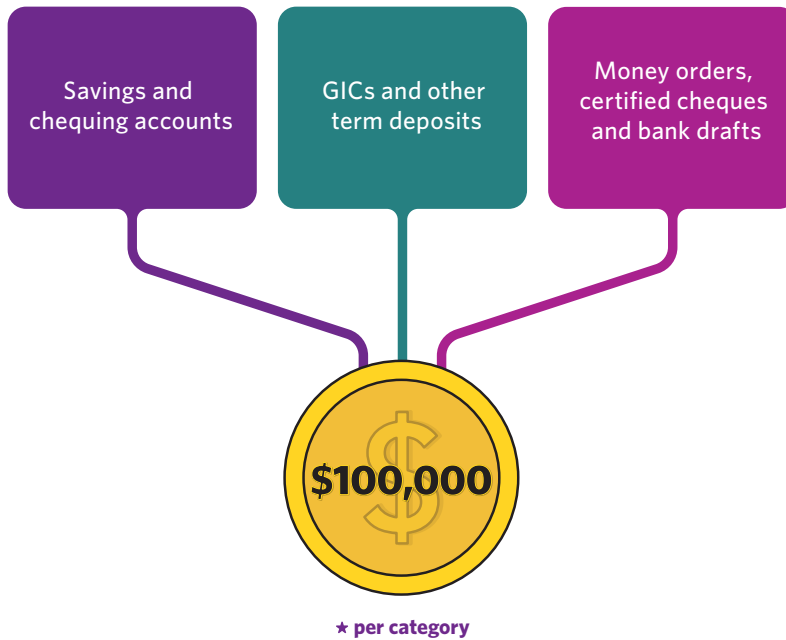
The federal government announced its intention to create the First Home Savings Account (FHSA) in Budget 2022. The *Fall Economic Statement Implementation Act, 2022* received Royal Assent on December 15, 2022, and enacts the legislative amendments necessary to introduce the FHSA, including amendments to the CDIC Act. Effective April 1, 2023, CDIC's deposit insurance coverage will expand to include separate coverage for eligible deposits held under the new FHSA category, with a separate coverage limit of \$100,000, as with other categories.




## Protecting your deposits: CDIC's coverage

As at April 1, 2023

Eligible deposits can be held in Canadian dollars  
or in a foreign currency, and include:



 **What's not covered?**

- Mutual funds
- Stocks and bonds
- Exchange Traded Funds (ETFs)
- Cryptocurrencies

## CDIC's membership and associated activities

As at December 31, 2022, CDIC had 86 member institutions, including: most domestic banks, many of the domestic banks' subsidiaries, some trust and loan companies, federally regulated credit unions, and some subsidiaries of foreign institutions. The table below shows the distribution of member institutions across the different types of institutions.

CDIC membership (as at December 31, 2022)	
Domestic banks and subsidiaries	53
Domestic trust and loan companies	15
Federally regulated credit unions	2
Subsidiaries of foreign institutions	16
<b>Total</b>	<b>86</b>

Canada's six largest banks are CDIC member institutions. Each has been designated by the Superintendent of Financial Institutions as a domestic systemically important bank (D-SIB), and two have been designated by the Financial Stability Board as global systemically important banks (G-SIBs).

To manage risks in its membership, CDIC conducts regular monitoring of its members using various sources of information, including financial reports from members, market data, and environmental scans. CDIC also relies on OSFI to conduct annual examinations of member institutions on its behalf. The Corporation works with the Department of Finance, the Bank of Canada, OSFI, and the FCAC to consider economic vulnerabilities and related public policy options to help support financial stability.

CDIC can undertake direct examinations of its members and works closely with its financial safety net partners in circumstances where member institutions pose a high level of risk to CDIC and the financial system.

CDIC has the authority to intervene and resolve a troubled member institution using either payout or non-payout resolution tools. Non-payout resolution options include, but are not limited to: assisting or forcing the sale of a troubled member; providing direct financial assistance; utilizing CDIC's powers to incorporate a bridge institution to continue operations of the non-viable member until a buyer can be found; and, in the case of a D-SIB, converting certain debt instruments into common shares to recapitalize the bank through a conversion of eligible debt (i.e., a "bail-in"), under CDIC's temporary control. Under the payout resolution option, in the event of a failure of a member institution, CDIC ensures that depositors have timely access to their insured deposits by providing prompt reimbursement.



## CDIC's financial structure

CDIC does not receive funding from the Government to operate. CDIC is funded by premiums that are assessed on the insured deposits of member institutions. If needed, the Minister of Finance may lend money to CDIC from the Consolidated Revenue Fund (see **Appendix C—Borrowing Plan**).

CDIC applies a differential premium structure that currently classifies each member into one of four premium categories based on quantitative and qualitative factors to determine premiums. CDIC assesses premiums on the insured deposits of member institutions as at April 30 each year. Premium revenues contribute directly to CDIC's *ex ante* fund, which covers losses in the event of a member failure (see "*ex ante* fund" discussion below).

CDIC's operating expenses are generally paid for by the revenue CDIC earns on its investment portfolio. CDIC is subject to federal income tax, with CDIC's primary source of taxable income being its interest income.



**Part 3**  
**OPERATING ENVIRONMENT**



## **Part 3**

# **OPERATING ENVIRONMENT**

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This chapter describes factors in CDIC's external and internal operating environments, and the risks that the Corporation currently faces. These, together with CDIC's mandate, inform CDIC's strategic objectives and direction.

### **External environment**

#### **Economy**

The Canadian economy continues to face material headwinds due to global and domestic factors, posing an elevated likelihood of continued economic slowdown into 2023. Over the past year, most central banks globally, including the Bank of Canada, have tightened monetary policy to help bring consumer price inflation closer to target. Despite this effort, consumer prices in Canada continue to rise at a pace beyond the Bank of Canada's 2% target for inflation. Rising interest rates have also meant higher debt servicing costs, low housing affordability, and a decline in real and financial asset values. This is putting strain on consumer confidence and household budgets.

Globally, the latter half of 2022 witnessed widespread downward revisions to growth prospects. Economic outlooks indicate that global economic activity is experiencing a broad-based and sharper than expected slowdown, with inflation higher than seen in several decades. Cost-of-living pressures, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the global growth outlook.<sup>1</sup>

Canadian businesses continue to navigate a tight labour market and worker skill shortages. Borrowing costs are rising. While global materials, transportation, and producer prices are showing signs of having peaked, they remain well above pre-pandemic levels. Real business investment in Canada continues to lag behind pre-pandemic levels while surveys show that businesses are cautious about prospects for future growth.

#### **Membership**

Generally, CDIC's membership has adequate levels of capitalization, funding and liquidity as it is entering this period of economic uncertainty.

In addition to monitoring financial risks, CDIC also continues to monitor non-financial risks, such as climate and cyber, that may impact members.

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<sup>1</sup> Reference: International Monetary Fund *World Economic Outlook Report*.



## Part 3 OPERATING ENVIRONMENT

CDIC will continue to focus on strengthening its capacity for early risk identification and resolution preparedness activities to maintain heightened readiness. CDIC is also reviewing its differential premium system and *ex ante* funding framework (See **Part 4**). These activities ensure that CDIC is prepared to respond to the uncertain economic risk environment, and support financial system resilience and stability.

### Digitalization of the financial sector

In addition to the current economic environment, there are shifts within the financial industry. The pace of digital change and financial innovation by members and non-members is transforming members' business strategies, products, and services. For example, the increasing use of self-directed online banking and investing provide increased speed and convenience for Canadian depositors, but may also impact depositor behaviour and their understanding of what deposit products are insured by CDIC.

The pace of change and new technology adoption in the financial sector is also leading to growth in the number of new financial intermediaries.

In this complex environment, CDIC must anticipate and respond to the digitalization of the financial sector to ensure that the deposit insurance and resolution frameworks remain fit for purpose. Over the planning period, CDIC will assess opportunities to continue to modernize the federal deposit insurance framework, and deepen public understanding of deposit insurance protection.

CDIC is also leveraging financial innovation for its own operational tools and processes. CDIC is modernizing its capabilities to reimburse and communicate with depositors in the event of a member failure. In such an event, the timely and accurate payout of insured deposits, along with enhanced depositor communication, will help maintain stability in the financial sector and reinforce the confidence of depositors in CDIC (see the **Part 4 discussion of Payout Modernization**). CDIC also continues to move forward with its Enterprise Technology Strategy to support CDIC's own digital transformation and enhanced cyber posture.

### Depositor awareness

Increased awareness of deposit protection plays an important role in promoting financial stability by strengthening trust in the banking system.<sup>2</sup>

CDIC will sharpen its focus on consumer awareness to help Canadians make informed decisions about the safety of their deposits at CDIC member institutions. CDIC has an ongoing and comprehensive strategy to raise public awareness and deepen the public's understanding of CDIC deposit protection. The strategy helps reduce the risk of confusion about what is covered by CDIC and what is not, helps Canadians make informed financial decisions, and improves their financial resiliency.

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<sup>2</sup> Research conducted by Douglas Diamond and Philip Dybvig, and recognized by the 2022 Nobel Prize in Economic Sciences, underscores the value of deposit insurance and public awareness of deposit insurance in supporting financial stability and economic growth. See [nobelprize.org/uploads/2022/10/popular-economicsciencesprize2022.pdf](https://nobelprize.org/uploads/2022/10/popular-economicsciencesprize2022.pdf)

### Part 3 OPERATING ENVIRONMENT

CDIC also collaborates with its federal safety net partners, domestic and international financial sector regulators, and industry to ensure that Canadians continue to have confidence in CDIC to protect their deposits.

#### Sustainability

Climate change represents a risk to all aspects of the economy, including the financial sector and CDIC's member institutions. CDIC will continue to monitor and proactively assess how climate-related risks could impact member institutions and, in turn, CDIC's exposure to risk.

Consistent with evolving best practices and guidance and in response to direction from the Government, CDIC is examining opportunities to further incorporate Environmental, Social, and Governance (ESG) principles within the organization through greening its operations, an inclusive employment experience, and strong governance practices and policies. CDIC will continue work to articulate its ESG priorities and actions under an ESG strategy. This strategy and framework will include CDIC's compliance with reporting requirements related to the Task Force on Climate-related Financial Disclosures (TCFD).

#### Risk environment

##### Management of Enterprise Risk

CDIC's Enterprise Risk Management (ERM) program is governed by an Enterprise Risk Management Framework (below), which provides employees with a common understanding of how to manage risk, supported by the right information to mitigate concerns and maximize opportunities in an effective and consistent manner. The Framework is reviewed by senior management and approved annually by the Board of Directors. The Framework encompasses four defining components, centered around a strong, entity-wide risk culture:





CDIC employs a risk management governance structure that emphasizes and balances strong central oversight and control of risk with clear accountability for, and ownership of, risk within business lines. The Board oversees CDIC's ERM program, and the Board's risk oversight mandate is accomplished through its Risk Committee. The Management Risk Committee (MRC) provides oversight of governance, risk and control matters and supports Management's accountability to guide, challenge, and advise decision makers.

## Key risks to CDIC

CDIC actively monitors risks that are present within the current operating environment. Key risks are those that may materially affect CDIC's ability to deliver on its strategic objectives. They are subject to greater oversight from the MRC and Risk Committee of the Board, with mitigation activities/management action plans defined and monitored. CDIC has identified and has plans in place to mitigate key risks:

- **Preparedness risk:** The ongoing changes to the financial sector, along with non-financial risks such as cyber threats and climate change could impact CDIC's state of readiness. This risk is expected to be mitigated through CDIC's strategies to *Be Resolution Ready* and *Reinforce Trust in Depositor Protection*. Initiatives include supporting CDIC's continuous monitoring of its membership and environment and strengthening its readiness to respond to a variety of scenarios.
- **Strategic risk:** The changing environment due to financial innovation (e.g., evolution of products and new technology-focused deposit taking) could pose a challenge in achieving the Corporation's strategies and related initiatives. As part of its Reinforce Trust in Depositor Protection strategy, CDIC will continue its ongoing collaboration with its financial safety net partners in respect of various financial sector issues. For example, over the planning period CDIC will assess opportunities to continue to modernize the federal deposit insurance framework, and deepen public awareness of deposit insurance protection, to ensure that the current deposit insurance framework continues to adequately respond to the evolving financial sector landscape.
- **Operational risk:** Top operational risks include cyber threats and risks associated with technology infrastructure. Operational risk is expected to be mitigated through CDIC's strategies to Strengthen Organizational Resilience and Reinforce Trust in Depositor Protection. For example, CDIC has an ongoing Cyber Security Strategic Plan, and delivery of the Payout Modernization project will ensure timely access to insured funds in the event of a member failure.
- **Organizational risk:** The Corporation is facing a competitive labour market. Organizational risk is expected to be mitigated through CDIC's strategy to Strengthen Organizational Resilience by continuing to adapt its employment brand awareness, skills training, and employee value proposition to ensure that CDIC can continue to fulfill its mandate through its work force planning framework as part of CDIC's Workplace of Tomorrow strategy.

## Internal corporate environment

### People and culture

With competition for talent at an all-time high, CDIC is developing new strategies to attract top talent in a tight labour market with fewer qualified candidates available, while also retaining and engaging existing staff. As with other organizations, CDIC's employee value proposition is core to its employer brand. The Corporation is in the process of reconceiving its employee value proposition to better position CDIC to align with changing candidate and employee expectations. In addition, CDIC is striving to enhance psychological health and safety in the workplace, focusing on augmented mental health supports, targeted education sessions for leaders in creating safe spaces, and tools and resources for employees to build their knowledge of various aspects of psychological support in virtual work environments. As the organization continues experimenting with a hybrid work environment—a combination of in-office and remote work—CDIC will continue to adjust its systems, premises, and processes. Ensuring that it offers a flexible, inclusive work experience and environment will allow CDIC to better serve Canadians and help to attract and retain a talented, diverse team.

CDIC is also conducting a total rewards review to ensure that it continues to meet the needs of its employees and positions CDIC to attract and retain top talent. CDIC regularly gauges employee engagement through surveys and focus groups to ensure concerns are addressed and that opportunities for improvement are pursued so that CDIC nurtures an inclusive and supportive culture.

CDIC's Management is committed to retaining talent through high-calibre leadership that puts people first. This is central to the promises and commitments of the organization's culture framework.

*CDIC's talented staff puts Canadians at the heart of everything and is guided by its cultural framework*

### **Our promises**



### ***Our leadership commitments***

- See the big picture
- Put people first
- Understand and manage risk
- Set a clear course
- Agile and resilient
- Bold and courageous

### ***Values and ethics code for the public sector***

Respect for democracy, respect for people, integrity, stewardship, excellence

## Diversity, equity, and inclusion

CDIC is dedicated to having a work force that is representative of the Canadians it serves. Diverse voices make CDIC a better organization. The Corporation recognizes that building an inclusive environment requires leadership from CDIC executives. Executive leadership share a common performance objective in this regard and CDIC already meets or exceeds representation of women and visible minorities in its work force, with 67% of its Corporate Officers identifying as women. It also has initiatives in place to build representation in other designated groups. Inclusion will remain at the heart of CDIC's strategy for the Future of Work (see the "Diversity, inclusion, accessibility, and employment equity" section of **Appendix E** for more information).

### Self-Reported Gender and Diversity at CDIC



Data are collected through a voluntary self-identification form available to all employees. This graphic is based on survey responses from CDIC employees collected in Q2 of fiscal 2022/2023.

## Staffing levels

To achieve its strategic objectives in the face of continued uncertainty in CDIC's operating and risk environment, CDIC will further strengthen resource levels.

CDIC's work force is expected to increase from 220 employees to 230 permanent and term positions in 2023/2024.

Strengthening CDIC's work force is necessary to further its three strategic objectives and to support several transformational multi-year priorities such as Payout Modernization (see the **Part 4 discussion of Payout Modernization**). CDIC will augment resources in key areas such as valuation and stress testing, non-financial risk analysis, and resolution planning. Resources will also be added to continue to strengthen CDIC's cyber posture consistent with its Cyber Security Strategy.

## Workplace

In June 2022 CDIC launched its hybrid work environment experimentation phase, keeping employee health and safety top of mind. Offices have been adapted to support different activities with seamless virtual connectivity allowing for continued flexibility and new ways of collaborating. CDIC will continue to monitor and be prudent and responsive to the health environment.

## Cyber security

The number and complexity of cyber threats is increasing. The rise of security threats is a long-term trend that will continue to create risks. CDIC's Cyber Security Strategic Plan will ensure CDIC is ready to fulfil its mandate securely, resiliently, and with the full confidence of its safety net partners, members, and depositors.

## OAG Special Examination

The Office of the Auditor General (OAG) conducted a Special Examination of CDIC during the 2019/2020 fiscal year. A Special Examination is required at least once every 10 years under the *Financial Administration Act*. A Special Examination considers whether a Crown corporation's systems and practices provide reasonable assurance that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively. The report by the OAG affirms that CDIC has good practices for corporate governance, strategic planning, risk management, and managing its operations. There were no significant deficiencies noted and CDIC responded with Management action plans to three OAG recommendations for improvement. The improvements have since been implemented for each of the three recommendations. The full OAG report is posted on our website at [www.cdic.ca](http://www.cdic.ca).

## Performance against past Plan

These current strategic objectives were the foundation of CDIC's previous Corporate Plan 2022/2023 to 2026/2027:

- Be resolution ready
- Reinforce trust in depositor protection
- Strengthen organizational resilience

Ten initiatives associated with these three strategic objectives were established for the 2022/2023 fiscal year; the ten initiatives are on track to be completed as planned. CDIC's Corporate Scorecard (see **Appendix F**) provides further detail.



**Part 4**  
**OBJECTIVES AND ACTIVITIES**



## **Part 4**

# **OBJECTIVES AND ACTIVITIES**

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CDIC's decision making is driven by its mandate, its operating environment, and the key risks it faces. In response to these factors, CDIC will continue its focus on strategic and operational priorities, while proactively preparing and adapting to shifts in the economic, financial, environmental, and social landscape to deliver a fit-for-purpose deposit insurance and resolution regime.

CDIC will pursue the following strategic objectives:

- 1. Be resolution ready**
- 2. Reinforce trust in depositor protection**
- 3. Strengthen organizational resilience**

### **1. Be resolution ready**

Being resolution ready involves having the necessary processes, tools, systems, and financial capacity, as well as the right people, to allow CDIC to resolve a member institution if necessary. This is important because CDIC's role within Canada's financial safety net intensifies during times of economic hardship or uncertainty, and being resolution ready is a key element in promoting financial stability.

In the face of continued economic uncertainty, CDIC will maintain its focus on being ready for a resolution. This strategic objective is underpinned by three key initiatives:

#### **a) Early and continuous identification of risks and financial conditions of member institutions**

The pandemic and associated economic uncertainty highlighted the importance of effective forward-looking risk assessments, *ex ante* resolution planning, and the need to respond swiftly to unprecedented events. In 2023/2024, CDIC will continue to strengthen its capacity for the early identification of risks, including emerging non-financial risk factors, among member institutions.

A multi-year data testing and compliance initiative is underway for members and nominee brokers. This project will validate that data and record-keeping requirements are being met among member institutions and nominee brokers to ensure fast and accurate insurance payout, if required.



### **b) Strengthen resolution frameworks, policies, and plans**

Resolution planning strengthens Canada's preparedness to withstand future shocks to the stability of the financial sector. CDIC remains committed to identifying and assessing resolution tools, policies, and mechanisms to strengthen the current resolution framework.

CDIC's focus will be on adapting resolution plans as members and the operating environment change, and on improving capabilities. In the absence of actual member failures, simulations and testing exercises provide an effective means for CDIC to evaluate and enhance its response readiness.

The successful execution of any one of CDIC's tools and its response plans will rely upon effective cooperation with many external stakeholders. Future testing exercises will continue to be expanded to include external stakeholders outside of the federal financial safety net with an emphasis on information sharing amongst participants.

### **c) Modernize the funding and premium framework for deposit insurance and resolution**

CDIC's funding and premium framework is an important stability-enhancing feature of the Canadian financial system. CDIC will implement a renewed Differential Premium System (DPS) and *ex ante* funding framework, following the comprehensive review and stakeholder engagement in 2022/2023. This project has two goals: first, to ensure that the DPS incentivizes appropriate behaviours of member institutions through classification of members on the basis of the risk they represent to the *ex ante* fund and CDIC's ability to execute its functions; and, second, to ensure that the *ex ante* fund target remains appropriate. In 2023/2024, CDIC will work with the Department of Finance on amending the *Canada Deposit Insurance Corporation Act* and by-laws to reflect these changes. It is intended that the new DPS framework will be in effect by 2026/2027.

## **2. Reinforce trust in depositor protection**

Depositor confidence in the safety of their deposits is essential to the resilience of the financial sector. CDIC will reinforce trust in depositor protection by anticipating and responding to innovation in the financial sector to ensure that the deposit insurance and resolution frameworks, as well as CDIC operations, remain fit for purpose to maintain depositor confidence.

This strategic objective responds to factors related to maintaining member institution and depositor confidence and to the increased digitalization of the financial sector. CDIC's work to reinforce trust in depositor protection among Canadians and within the financial system is underpinned by three key initiatives:





**a) Anticipate and respond to digitalization and transformation of financial services**

CDIC must anticipate and respond to digitalization and financial innovation to ensure the deposit insurance and resolution frameworks remain fit for purpose, maintain depositor confidence, and reinforce financial sector resilience.

CDIC is participating with the Department of Finance and other financial sector agencies in the Government of Canada's financial sector review on the digitalization of money, announced in Budget 2022. Deposit insurance coverage and eligibility of digital products is a component of this review.

CDIC is also undertaking a study of the deposit insurance framework to ensure that protection is keeping pace with the evolving savings needs and expectations of Canadian depositors. CDIC will undertake research and stakeholder engagement to assess opportunities to continue to modernize the federal deposit insurance framework, and deepen public understanding of deposit insurance protection.

Canadians utilize a wide array of service providers and products to conduct their banking and savings activities. Ensuring that Canadians have a clear and consistent understanding on how best to protect their savings contributes to greater stability and peace of mind. As a result, CDIC will review its disclosure framework to strengthen its efficiency and effectiveness. The objective of CDIC's disclosure framework is to ensure that there are no false, deceptive, or misleading disclosures made—including by third-party intermediaries—with respect to CDIC membership or eligibility of deposit products for CDIC coverage.

**b) Advance the multi-year Payout Modernization project**

CDIC is itself embracing technological advances to further improve its capability to deliver fast, convenient payouts to depositors in the event of a member failure.

The Payout Modernization project is an ongoing multi-year initiative that CDIC began in 2019. The project will allow CDIC to increase the speed and means by which depositors can access their insured funds in the event of a member failure. It will also enable CDIC to support new digital channels for communicating with depositors and member institutions. In addition, the project will enhance the systems and processes that are the foundation for data compliance by member institutions and CDIC's ability to determine deposit insurance coverage quickly.

When the project is completed, depositors, member institutions, and nominee brokers will be able to communicate with CDIC and share/receive data more quickly, easily, and securely. CDIC will have a state-of-the-art ability to reimburse insured depositors if a member institution is closed, and depositors will have access to a portal allowing them to direct their insured funds within one business day of a member failure.



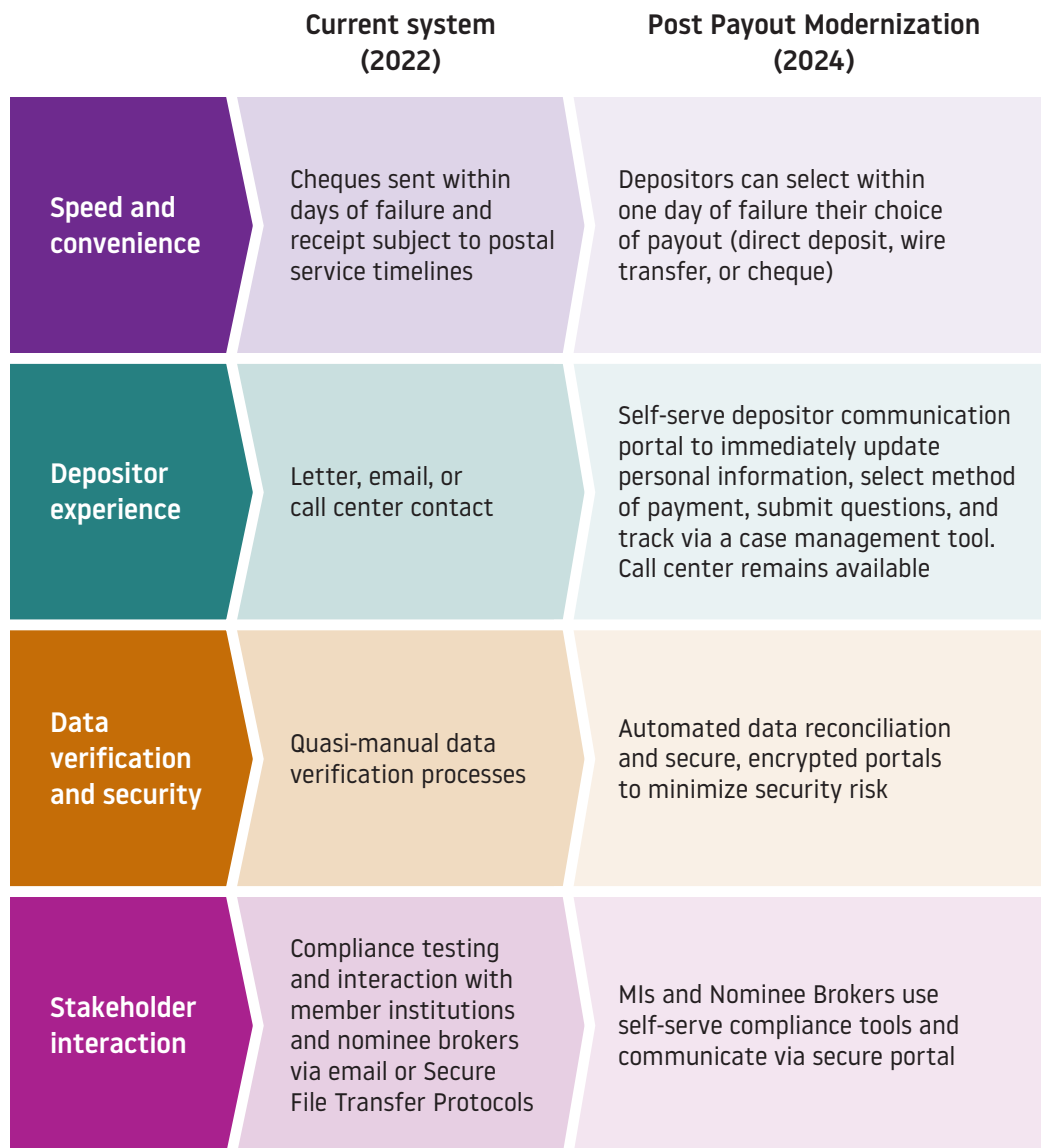
**Part 4**  
**OBJECTIVES AND ACTIVITIES**

The improvements being implemented as part of the Payout Modernization project will meet insured depositor expectations of fast payments. This supports depositor confidence in the safety of their savings, and in turn promotes financial stability.

See the following infographic for a summary of the Payout Modernization project.

## Payout Modernization Project

The Payout Modernization Project will enable CDIC to send depositors their money faster if their Member Institution (MI) is closed. Depositors and industry will also be able to communicate with CDIC, and share and receive data, more quickly, easily, and securely.



### **c) Launch renewed three-year Public Awareness Strategy and foster stakeholder partnerships**

Awareness of deposit protection and confidence in it serve to protect the stability of the financial system and the savings of Canadian depositors.

CDIC will launch a new three-year Public Awareness Strategy with the goal of maintaining awareness of deposit protection in Canada within the 60%–65% target range. The Strategy will have a renewed focus on increasing awareness among women and other key demographic groups whose awareness levels currently lag behind others. When depositors are confident that their savings are protected, they trust the security of the financial system which in turn reinforces financial stability.<sup>3</sup>

CDIC will also foster partnerships, building on its strong relationships with external stakeholders, to deepen Canadians' knowledge of deposit insurance coverage and CDIC's mandate. A better understanding of deposit insurance is particularly important given the pace of financial innovation and the introduction of new products in the market. When Canadians make informed choices about their savings it is good for both the individual and the financial system as a whole. CDIC will continue to communicate which products are eligible for deposit insurance coverage, so that depositors can make informed choices about the safety of their money.

## **3. Strengthen organizational resilience**

Strengthening organizational resilience involves addressing internal and external factors that can impact CDIC's operating environment, including its technologies, people, and culture. CDIC will enhance the efficiency and effectiveness of its systems, technology, operations, and skills training to ensure that it can continue to fulfill its mandate while being prepared for the workplace of the future. This objective is underpinned by four key initiatives:

### **a) Growing our people and culture**

The COVID-19 pandemic accelerated fundamental shifts in how people work, what they want from their workplaces, how organizations need to adapt, and what it means to lead.

To support staff, nurture its culture, and ensure CDIC has the people required to deliver on its objectives, CDIC will build employment brand awareness both internally and externally to attract and retain top talent. Through its work force planning framework, the goal is for CDIC to view itself and its culture through fresh eyes to stay in step with changes in the work environment while remaining true to CDIC's values, and culture. In 2023/2024, CDIC will continue using internships to create a talent pipeline and to increase access to talent with diverse backgrounds and skill sets. CDIC aims to hire a minimum of two Indigenous students for work placements in fiscal 2023/2024.

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<sup>3</sup> See [nobelprize.org/uploads/2022/10/popular-economicsciencesprize2022.pdf](https://nobelprize.org/uploads/2022/10/popular-economicsciencesprize2022.pdf)



## **Part 4**

### **OBJECTIVES AND ACTIVITIES**

With the goal of ensuring that the Corporation is representative of the Canadian population, CDIC's longer-term focus is to foster strategic partnerships with organizations that specialize in promoting diversity, and with accessibility panels to ensure that CDIC bridges any expertise gaps in a tight labour market.

As staff return to the office during an experimentation phase of a hybrid work environment, CDIC will continue to deploy new collaborative technologies and training programs to support flexibility and to enhance effectiveness and uphold CDIC's culture in a reimagined workspace.

#### **b) Enhance cyber security maturity**

Throughout the COVID-19 pandemic, CDIC strengthened its cyber security and information technologies to enable a successful transition to a remote work environment. In a hyper-connected world where CDIC systems are accessible anytime, anywhere, cyber security threats will continue to grow and become increasingly complex.

To augment CDIC's cyber defence and response capabilities in the face of this risk environment, CDIC is mid-way through its three-year cyber strategy (2021/2022 to 2023/2024). As part of this strategy, CDIC has and will continue to implement prioritized enhancements to cyber risk defences.

#### **c) Establish Environmental, Social, and Governance (ESG) principles and framework**

CDIC is committed to maintaining sustainability practices and embedding ESG principles in its operations and activities. In the spirit of improving its environmental performance, and in support of Canadian and industry-wide sustainability goals, CDIC will continue in 2023/2024 to report on sustainability measures and climate-related disclosures that are consistent with the Task Force on Climate-related Financial Disclosures standards.

#### **d) Continue to implement a multi-year Enterprise Technology Strategy**

CDIC's ongoing hybrid workplace experiment requires that CDIC continue to evolve its operations and approach to meet the challenges of a changing operating environment. In response, CDIC will move forward with the next phase of its Enterprise Technology Strategy, launched in 2021/2022, to ensure it has appropriate, modern infrastructure that is aligned to intergovernmental digital-first approaches to supporting the organization's delivery of its mandate.

As part of this work, CDIC will continue Cloud migration activities and technology operating model review. This initiative will support day-to-day interactions and services across the Corporation to enhance organizational resiliency, resource optimization, and improved service levels.





**Part 5**  
**FINANCIAL OVERVIEW**

## **Part 5**

# **FINANCIAL OVERVIEW**

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The focus of the financial plan is to ensure that CDIC has the capacity, skills, and resources to carry out its mandate effectively. It reflects the operating environment, key corporate risks, strategies, and initiatives that CDIC will undertake to achieve its desired outcomes.

The projected condensed consolidated statement of financial position, statement of comprehensive income, statement of changes in equity, and statement of cash flows are presented in **Appendix B**. These projected financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The key elements of CDIC's financial plan are: its insured deposit levels; *ex ante* funding level and target; provision for insurance losses; deposit insurance premiums paid by members; investment revenue; and operating and capital budgets. Each element is discussed below.

A member institution failure or intervention, legislative change, or any other unplanned significant initiative that would have an impact on CDIC's resources has not been reflected in the financial plan.

If CDIC were required to intervene in the affairs of a member institution, Board approval may be sought for additional resources and budget.

### **Government expenditure reduction expectations**

The CDIC Board initially approved the 2023-2024 financial plan for CDIC's 2023-2024 Corporate Plan in December 2022. CDIC submitted its 2023-2024 Corporate and Financial Plan to the Minister of Finance in February 2023 for approval.

The 2023 federal budget proposed to “reduce spending on consulting, other professional services, and travel by roughly 15 per cent of planned 2023-2024 discretionary spending in these areas”; “to phase in a roughly 3 per cent reduction of eligible spending by departments and agencies by 2026-2027”; and to “work with federal Crown corporations to ensure they achieve comparable spending reductions.”<sup>4</sup>

During the preparation of CDIC's original expenditures plan for 2023-2024, CDIC management undertook a thorough business planning exercise which included a comprehensive review of priorities, costs, resources, and reallocation opportunities.

In line with the 2023 federal budget announcement, CDIC has undergone an expenditure reduction exercise. The adjustments to CDIC's spending plan as a result of the Government's expenditure reduction expectations can be found in **Figure 7 of Appendix B – Financial statements and budgets**.

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<sup>4</sup> “Budget 2023”: [budget.canada.ca/2023/pdf/budget-2023-en.pdf](https://budget.canada.ca/2023/pdf/budget-2023-en.pdf)

## **Insured deposits**

CDIC's members report their insured deposits each year as at April 30. Any growth in insured deposits impacts all the key areas of CDIC's financial plan. The assumed growth for the planning period is affected by a variety of factors, including: overall economic conditions; interest rates; disposable income growth; and the way in which income and financial savings are allocated by consumers among a variety of financial instruments. For fiscal 2023/2024, the assumed annual growth in insured deposits is 5.7%.

## ***Ex ante* funding and liquidity**

CDIC maintains *ex ante* funding to cover possible losses from resolving member institutions. The amount of *ex ante* funding is represented by the aggregate of CDIC's retained earnings and its provision for insurance losses. CDIC established a near-term *ex ante* fund target to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year. This near-term target will guide CDIC's annual premium rate setting and related communication to member institutions on forward premium levels.

CDIC will review the prudence of the near-term target in the context of prevailing risk factors at the earliest of either when the target of 85 basis points is exceeded or within five years.

Investment revenue is derived from CDIC's investment portfolio, which is invested in low-risk, highly liquid debt securities issued by the Government of Canada and qualifying provinces.

Funding is also available through CDIC's authority to borrow under the CDIC Act. As at December 31, 2022, CDIC may borrow up to \$32 billion, subject to approval by the Minister of Finance. This borrowing limit is adjusted annually on December 31 to reflect the growth in insured deposits. Supplemental borrowing, if required, could be authorized by the Governor in Council and the Minister of Finance out of the Consolidated Revenue Fund, if, in the Minister's opinion, it is necessary to promote the stability or maintain the efficiency of the financial system in Canada. Supplemental borrowing could also be authorized by Parliament through an appropriation act.

It is assumed that no borrowing will be necessary during the planning period.

## **Provision for insurance losses**

The provision for insurance losses represents CDIC's best estimate of future losses that are likely to occur as a result of insuring deposits held by member institutions. The provision is estimated by assessing the aggregate risk of CDIC's member institutions based on: (i) the exposure to losses; (ii) the expectation of default derived from probability statistics; (iii) an expected loss given default; and (iv) CDIC's specific knowledge of its members. The 2023/2024 to 2027/2028 Corporate Plan assumes no failures of CDIC members during the planning period as any costs associated with

such an event would depend on the circumstances at the time. The provision for insurance losses has been forecasted to increase in conjunction with the forecasted growth in exposure. All other inputs into the provision for insurance losses are based on information as at December 31, 2022.

## Premiums

Premiums charged to member institutions are based on the total amount of insured deposits held by member institutions as at April 30 each year and are calculated annually in accordance with the CDIC Act and CDIC's *Differential Premiums By-law*. CDIC estimates that premium revenue will increase 5.6% for fiscal 2023/2024 to \$861 million.

A review of the differential premiums system (DPS) is ongoing. Revisions to the DPS may result in changes to premium rates in the future. Notwithstanding, premium rates for the 2023 premium year (CDIC's fiscal 2023/2024) are expected to be as follows:

Premium Category	Premium Rate
Category 1	7.5 basis points of insured deposits
Category 2	15 basis points of insured deposits
Category 3	30 basis points of insured deposits
Category 4	33.3 basis points of insured deposits

## Investment revenue

Significant financial risks that arise from transacting and holding financial instruments include credit, liquidity and market risks. Formal policies are in place to manage all significant financial risks to which CDIC is exposed. The policies are reviewed annually to ensure that they continue to be appropriate and prudent and that they comply with the Minister of Finance's *Financial Risk Management Guidelines for Crown Corporations*.

CDIC's investment portfolio consists of high-quality liquid investments on which interest income is earned. Investment revenue estimates during the planning period range from \$174 million to \$309 million, based on an assumed average yield on cash and investments of 2.2% for fiscal 2023/2024, followed by increases in yield to 2.4% in fiscal 2027/2028.





## Operating budget

CDIC does not receive funding from the Government to operate. CDIC is funded by premiums that are assessed on the insured deposits of member institutions.

The fiscal 2023/2024 operating budget shows expenditures of \$89.1 million, up from the \$82.6 million for fiscal 2022/2023 that CDIC forecasts as at December 31, 2022. Planned operating expenditures have increased mainly due to an increase in personnel and operating costs to support CDIC key initiatives.

For fiscal 2023/2024 the work force is estimated to be 230 positions made up of 199 permanent and 31 term positions.

The budget related to Director and Officer compensation and expenses is estimated at \$2.7 million for fiscal 2023/2024 (this excludes performance pay, as this is budgeted at the corporate level and is highly dependent on corporate and personal performance factors).

CDIC participates in the federal public service pension and benefits plans. Employees of CDIC are not unionized.

Operating expenditures are planned and projected to decrease in the fiscal years following 2023/2024. The decrease is largely attributable to the Payout Modernization initiative (see **Part 4**) moving into an ongoing maintenance phase from the current build phase.

A summary of the operating budget for the full planning period is included in **Appendix B, Figure 5**.

## Capital budget

The budget for capital expenditures in fiscal 2023/2024 is \$3.8 million, down from the \$5.1 million for fiscal 2022/2023 that CDIC forecasts as at December 31, 2022. The year-over-year decrease is primarily attributable to a decrease in Payout Modernization-related costs, partially offset by an increase in capital expenditures to support a hybrid workplace which has been delayed over time due to the pandemic. Capital expenditures are planned and projected to decrease in the fiscal years following 2023/2024.

Capital budgets are summarized in **Appendix B, Figure 6**.



## Fiscal 2021/2022 actual to Plan

### Statement of financial position

**Total assets** as at March 31, 2022, were \$7,304 million, \$22 million (0.3%) higher than the planned amount of \$7,282 million. This increase is primarily due to higher than planned premium revenue, which also contributed to the increase in investment securities.

**Total liabilities** as at March 31, 2022, were \$1,921 million, \$798 million (29%) lower than the planned amount of \$2,719 million. The decrease is mainly due to the variance in the provision for insurance losses.

### Statement of comprehensive income

Actual **net income** for fiscal 2021/2022 was \$1,541 million, compared to planned net income of \$671 million, a favourable variance of \$870 million (130%) due to a lower than planned provision for insurance losses and higher than planned premiums and investment income.

## Fiscal 2022/2023 forecast to Plan

This section includes future-oriented financial information that is based on certain assumptions as at December 31, 2022. Actual results may differ from the forecasted information presented and such differences may be material. Forecasted net income for fiscal 2022/2023 is \$646 million, compared to planned net income of \$723 million, summarized as follows:

<i>(C\$ millions)</i>	2022/2023		Variance Increase (Decrease)	
	Forecast	Planned	(\$)	(%)
Premium revenue	815	822	(7)	(1%)
Investment and other income	125	89	36	40%
Increase in provision for insurance losses	200	100	100	100%
Operating expenses	83	88	(5)	(6%)
Income tax expense	11	—	11	100%
<b>Net income</b>	<b>646</b>	<b>723</b>	<b>(77)</b>	<b>(11%)</b>



## APPENDICES

## Appendix A CORPORATE GOVERNANCE STRUCTURE

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CDIC is committed to a strong governance framework. This Appendix presents information about the CDIC Board of Directors, including its Committees and Director attendance, and outlines how CDIC works to meet the public's expectations of good governance.

CDIC completed a comprehensive review of the Corporation's governance structure and practices in early 2022 to ensure they continue to be forward-looking and worthy of the public's trust. The review has resulted in innovative changes to CDIC's Board and Committee Charters, its Governance Framework, by-laws and risk policies.

### More about governance

For additional information on how CDIC is governed, including Board and committee Charters and Directors' biographies, please visit [www.cdic.ca](http://www.cdic.ca).

### Board of Directors

CDIC's Board of Directors is made up of:

- A Chairperson
- Six other private sector Directors
- And six *ex officio* Directors:
  - The Chief Executive Officer (CEO) of CDIC
  - The Governor of the Bank of Canada
  - The Deputy Minister of Finance
  - The Commissioner of the Financial Consumer Agency of Canada (FCAC)
  - The Superintendent of Financial Institutions
  - A Deputy Superintendent of Financial Institutions or another officer of the Office of the Superintendent of Financial Institutions (OSFI) as appointed by the Minister of Finance

In accordance with the CDIC Act, the *ex officio* Directors, apart from the CEO and the Deputy Superintendent of Financial Institutions, may designate individuals as Alternates, who are deemed to be members of the Board of Directors when acting on their behalf.

In 2022, the CDIC Act was amended to include the CEO as a Director on the Board. This amendment aligns with best practices and with the Boards of other Crown corporations and financial institutions. The CDIC Act was also amended to add an additional private sector Director to the Board's composition, to maintain the balance between public and private sector Directors.

**Appendix A**  
**CORPORATE GOVERNANCE STRUCTURE**

CDIC’s Board of Directors is responsible for the overall stewardship of the Corporation and ensures that significant business risks are identified and well managed. The Board’s commitment to effective stewardship and its overall mandate are outlined in its Charter. An overview of the composition of CDIC’s Board of Directors and of its supporting committees follows.

**Board of Directors composition**

*as at December 31, 2022*



**Robert O. Sanderson**  
Chair  
June 2016–July 2025

**Private sector Directors**



**J. Martin Castonguay**  
Chartered Professional Accountant  
Montréal, Québec  
May 2019–May 2023



**Linda Caty**  
Lawyer  
Carignan, Québec  
June 2018–June 2024



**David Dominy**  
Business Executive  
Edmonton, Alberta  
June 2018–June 2022  
*Continues in office until an appointment is made*



**Andrew Kriegler**  
Financial Executive  
Toronto, Ontario  
Sept 2018–Sept 2022  
*Continues in office until an appointment is made*

**Vacant**

*\*Wendy Millar resigned effective June 18, 2021.*

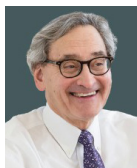
**Vacant**

*\*Position added in 2022 via CDIC Act amendment.*

**Ex officio Directors**



**Tiff Macklem**  
Governor  
Bank of Canada  
Effective June 2020



**Michael Sabia**  
Deputy Minister, Finance  
Effective December 2020



**Judith Robertson**  
Commissioner  
FCAC  
Effective August 2019



**Peter Routledge**  
Superintendent of Financial Institutions  
OSFI  
Effective June 2021



**Ben Gully**  
Deputy Superintendent  
OSFI  
Effective October 2022



**Leah Anderson**  
President and CEO  
CDIC  
Effective June 23, 2022

**Alternates (for ex officio Directors)**



**Carolyn Rogers**  
Senior Deputy Governor  
Bank of Canada  
*Designated as Alternate: June 2022*



**Isabelle Jacques**  
Assistant Deputy Minister, Finance  
*Designated as Alternate: September 2021*



**Frank Lofranco**  
Deputy Commissioner  
FCAC  
*Designated as Alternate: September 2021*

## Board committees

Three standing committees support the Board in its activities: the Audit Committee, the Governance and Human Resources Committee, and the Risk Committee.

### Audit Committee

The Audit Committee assists with; the Board's oversight of the integrity of CDIC's financial statements; the financial reporting process; the oversight of annual operating and capital budgets, including the budgeting for significant projects; the systems of internal accounting and financial controls; the performance of CDIC's internal audit function; and the performance of any special examinations pursuant to the *Financial Administration Act*.

#### **Composition**

- **J.M. Castonguay (Chair)**—Member since June 2019; Chair since August 2021
- **D. Dominy**—Member since August 2018
- **A. Kriegler**—Member since September 2018; Chair from April 2019 to August 2021
- **J. Robertson**—Member since September 2019

### Governance and Human Resources Committee

The Governance and Human Resources Committee assists with the Board's oversight of corporate governance issues, ensuring that appropriate processes, structures and information necessary for effective direction are in place to contribute to the success of CDIC. This includes oversight of Director education and learning opportunities to ensure Board members are aware of emerging trends in governance and can adapt appropriately. The Committee also assists with; succession planning for the Board Chairperson, private sector Directors, the President and CEO, and senior Management; the review and recommendation of annual objectives for, and the performance and annual evaluation of, the President and CEO; and key human resources and compensation policies, processes and strategies, including those relating to employee business conduct and ethical behaviour. The Committee was recently given responsibility for the organization's approach to Environmental, Social, and Governance commitments.

#### **Composition**

- **L. Caty (Chair)**—Member since March 2019; Chair since August 2021
- **J.M. Castonguay**—Member since September 2019
- **D. Dominy**—Member since March 2019; Chair from March 2019 to August 2021
- **P. Routledge**—Member since August 2021
- **R.O. Sanderson**—Member since March 2019

## Risk Committee

The Risk Committee assists with the Board's oversight of CDIC's Enterprise Risk Management Framework as well as CDIC's identification, assessment, management and recording of key risks. This includes financial, operational, reputational, and strategic risks which could impact CDIC's ability to carry out its mandate.

### ***Composition***

- **A. Kriegler (Chair)**—Member since September 2018; Chair since January 2023
- **L. Caty**—Member since March 2019
- **B. Gully**—Member since October 2022
- **D. Dominy**—Member since March 2019
- **T. Macklem**—Member since July 2020

## Board and committee meetings and attendance

(April 1 to December 31, 2022)

Board members' attendance at the Board and committee meetings in respect of which they are members is summarized below.

	Board committees			
	Board of Directors <sup>b</sup>	Audit Committee <sup>c</sup>	Governance and Human Resources Committee	Risk Committee
<b>Number of meetings<sup>a</sup></b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Attendance</b>				
<b>Private sector Directors</b>				
R.O. Sanderson — Chair	9	4	3	3
J.M. Castonguay	9	4	3	N/A
L. Caty	9	N/A	3	3
D. Dominy	9	4	3	3
A. Kriegler	9	4	N/A	3
<b>Ex officio Directors (Alternates)</b>				
Bank of Canada: T. Macklem (TM) (S. Kozicki [SK] C. Rogers [CR]) <sup>d</sup>	6 (TM) 6 (SK) 3 (CR)	N/A	N/A	1 (TM)
Canada Deposit Insurance Corporation: L. Anderson	9	4	3	3
Department of Finance: M. Sabia (MS) (I. Jacques [IJ])	(MS) 7 (IJ)	N/A	N/A	N/A
Financial Consumer Agency of Canada: J. Robertson (JR) (F. Lofranco [FL])	9 (JR) 8 (FL)	4 (JR)	N/A	N/A
Superintendent of Financial Institutions: P. Routledge	8	N/A	3	N/A
Deputy Superintendent of Financial Institutions: B. Gully <sup>e</sup>	3	N/A	N/A	1
<b>Directors who departed during the year</b>				
Deputy Superintendent of Financial Institutions: J. Hubbs <sup>f</sup>	5	N/A	N/A	2

<sup>a</sup> Also includes meetings attended virtually.

<sup>b</sup> Includes, but is not limited to Board Tabletop Simulation Sessions and a Board Strategic Planning Session.

<sup>c</sup> The Chair is invited to Audit Committee and Risk Committee meetings as an observer but is not a Committee member.

<sup>d</sup> C. Rogers was appointed as Alternate effective June 23, 2022. S. Kozicki's term as Alternate ended on September 29, 2022.

<sup>e</sup> B. Gully was appointed to the Board effective October 15, 2022.

<sup>f</sup> J. Hubbs retired from OSFI effective October 14, 2022, and by consequence, ceased to be a director on CDIC's Board.



## Corporate Officers

CDIC has six Corporate Officers. The President and CEO is appointed by the Governor in Council, which also approves compensation for this position. CEO performance objectives are set and evaluated annually by the Board of Directors and submitted to the Minister of Finance. The Board of Directors appoints the remaining five Corporate Officers. The Board also approves the salary range for these individuals.

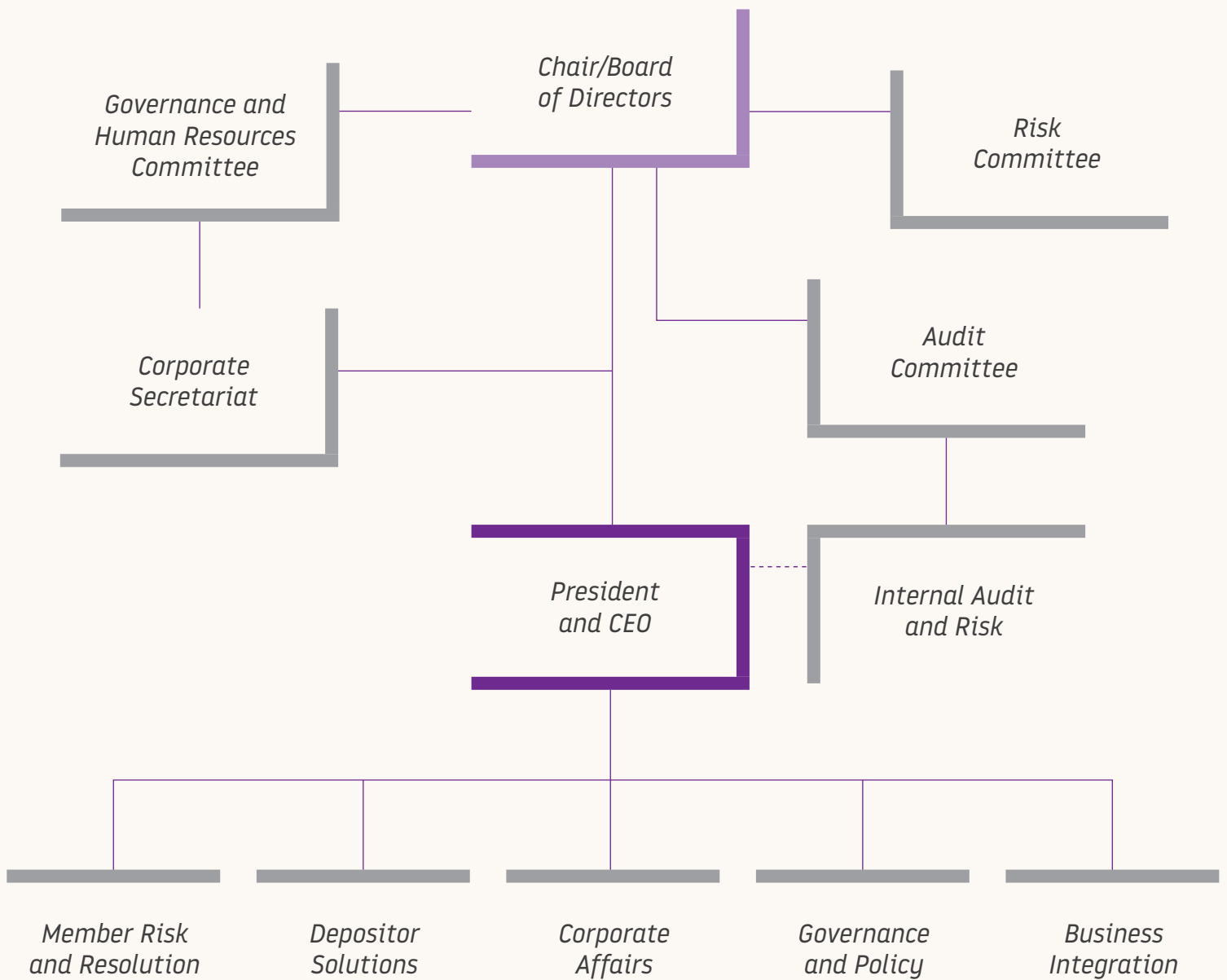
As at December 31, 2022, CDIC's Corporate Officers are:

- **Leah Anderson**, President and Chief Executive Officer<sup>5</sup>
- **Gina Byrne**, Vice-President, Member Risk & Resolution
- **Michael Mercer**, Vice-President, Depositor Solutions, Chief Data and Insurance Officer
- **Angela Roberge**, Vice-President, Corporate Affairs, & Chief of Staff
- **Jordan Rosenbaum**, Chief Financial Officer & Head, Business Integration
- **Christa Walker**, Chief Legal Officer, Corporate Secretary, & Head, Policy Integration

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<sup>5</sup> Leah Anderson was appointed President and CEO effective August 16, 2021. Ms. Anderson will serve as President and CEO for up to two years or until a new President and CEO is appointed, whichever comes first.

## CDIC's organizational structure



----- Denotes administrative reporting relationship

## Appendix B FINANCIAL STATEMENTS AND BUDGETS

CDIC's projected condensed consolidated statement of financial position, statement of comprehensive income, statement of changes in equity, and statement of cash flows are presented as Figures 1 to 4. These projected financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Figure 1

Projected condensed consolidated statement of financial position as at March 31 (C\$ millions)								
	Actual	Approved Plan	Forecast	Plan				
	2021/ 2022	2022/ 2023	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
<b>ASSETS</b>								
Cash	23	5	10	10	10	10	10	10
Investment securities	7,262	8,096	8,119	9,043	10,053	11,132	12,277	13,491
Capital assets	8	14	11	13	11	8	6	4
Right-of-use assets	9	6	8	6	6	4	3	2
Other assets	2	0	0	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>7,304</b>	<b>8,121</b>	<b>8,148</b>	<b>9,072</b>	<b>10,080</b>	<b>11,154</b>	<b>12,296</b>	<b>13,507</b>
<b>LIABILITIES</b>								
Trade and other payables	10	5	5	5	5	5	5	5
Provision for insurance losses	1,900	2,600	2,100	2,250	2,400	2,500	2,650	2,800
Lease liabilities	10	8	9	8	6	5	4	3
Other liabilities	1	5	5	5	5	5	5	5
Total liabilities	1,921	2,618	2,119	2,268	2,416	2,515	2,664	2,813
<b>EQUITY</b>								
Retained earnings	5,383	5,503	6,029	6,804	7,664	8,639	9,632	10,694
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,304</b>	<b>8,121</b>	<b>8,148</b>	<b>9,072</b>	<b>10,080</b>	<b>11,154</b>	<b>12,296</b>	<b>13,507</b>

Figure 2

**Projected condensed consolidated statement of comprehensive income  
for the year ended March 31**  
*(C\$ millions)*

	Actual	Approved Plan	Forecast	Plan				
	2021/ 2022	2022/ 2023	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
<b>REVENUE</b>								
Premium	772	822	815	861	912	954	996	1,040
Investment income	93	89	125	174	212	241	274	309
	865	911	940	1,035	1,124	1,195	1,270	1,349
<b>EXPENSES</b>								
Operating	68	88	83	89	81	80	78	80
(Decrease)/Increase in provision for insurance losses	(750)	100	200	150	150	100	150	150
	(682)	188	283	239	231	180	228	230
Net income before income taxes	1,547	723	657	796	893	1,015	1,042	1,119
Income tax (expense)/recovery	(6)	—	(11)	(21)	(33)	(40)	(49)	(57)
<b>NET INCOME</b>	<b>1,541</b>	<b>723</b>	<b>646</b>	<b>775</b>	<b>860</b>	<b>975</b>	<b>993</b>	<b>1,062</b>
Other comprehensive income	0	—	—	—	—	—	—	—
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,541</b>	<b>723</b>	<b>646</b>	<b>775</b>	<b>860</b>	<b>975</b>	<b>993</b>	<b>1,062</b>

Figure 3

**Projected condensed consolidated statement of changes in equity  
for the year ended March 31**  
*(C\$ millions)*

	Actual	Approved Plan	Forecast	Plan				
	2021/ 2022	2022/ 2023	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
<b>RETAINED EARNINGS AND TOTAL EQUITY</b>								
Balance at beginning of the fiscal year	3,842	4,780	5,383	6,029	6,804	7,664	8,639	9,632
Net income	1,541	723	646	775	860	975	993	1,062
Other comprehensive income	0	—	—	—	—	—	—	—
Total comprehensive income	1,541	723	646	775	860	975	993	1,062
<b>ENDING BALANCE</b>	<b>5,383</b>	<b>5,503</b>	<b>6,029</b>	<b>6,804</b>	<b>7,664</b>	<b>8,639</b>	<b>9,632</b>	<b>10,694</b>

Figure 4

<b>Projected condensed consolidated statement of cash flows for the year ended March 31</b> <i>(C\$ millions)</i>								
	<b>Actual</b>	<b>Approved Plan</b>	<b>Forecast</b>	<b>Plan</b>				
	<b>2021/ 2022</b>	<b>2022/ 2023</b>	<b>2022/ 2023</b>	<b>2023/ 2024</b>	<b>2024/ 2025</b>	<b>2025/ 2026</b>	<b>2026/ 2027</b>	<b>2027/ 2028</b>
<b>OPERATING ACTIVITIES</b>								
Net income	1,541	723	646	775	860	975	993	1,062
Add (deduct) items not involving cash:								
Investment income	(93)	(89)	(125)	(174)	(212)	(241)	(274)	(309)
Tax expense/(recovery)	6	—	11	21	33	40	49	57
Other	3	—	—	—	—	—	—	—
Change in working capital:								
(Decrease)/Increase in provision for insurance losses	(750)	100	200	150	150	100	150	150
Change in other working capital items	1	—	—	—	—	—	—	—
Interest received	133	89	125	174	212	241	274	309
Income tax paid	(6)	—	(11)	(21)	(33)	(40)	(49)	(57)
Net cash generated by operating activities	835	823	846	925	1,010	1,075	1,143	1,212
<b>INVESTING ACTIVITIES</b>								
Acquisition of property, plant and equipment, and intangible assets	(3)	(6)	(5)	(4)	(1)	(0)	(0)	(0)
Purchase of investment securities	(2,251)	(2,874)	(2,274)	(2,353)	(2,439)	(2,505)	(2,573)	(2,643)
Proceeds from sale or maturity of investment securities	1,439	2,051	1,421	1,433	1,431	1,431	1,431	1,432
Net cash used in investing activities	(815)	(829)	(858)	(924)	(1,009)	(1,074)	(1,142)	(1,211)
<b>FINANCING ACTIVITIES</b>								
Principal payment of lease liabilities	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Leasehold improvement allowance	1							
Net cash used in financing activities	0	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Net change in cash	20	(7)	(13)	—	—	—	—	—
Cash, beginning of year	3	12	23	10	10	10	10	10
<b>CASH, END OF YEAR</b>	<b>23</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

Figure 5

<b>Operating budget</b> (C\$ millions)								
	Actual	Approved Plan	Forecast	Plan				
	2021/ 2022	2022/ 2023	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
<b>OPERATING EXPENSES</b>								
Salaries and other personnel costs	31.4	35.4	34.5	41.5	42.0	42.0	41.6	43.0
Other operating expenses:								
Professional fees	17.0	27.5	24.1	19.5	10.0	8.9	9.0	9.2
General expenses	6.2	7.6	7.6	7.8	8.3	9.3	8.1	8.2
Premises	2.4	2.4	2.6	2.3	2.4	2.5	2.5	2.6
Public awareness	6.5	7.0	6.9	7.0	6.5	6.5	6.5	6.5
Data processing	4.5	8.3	6.9	11.0	11.4	10.8	10.4	10.6
<b>TOTAL OPERATING EXPENSES</b>	<b>68.0</b>	<b>88.2</b>	<b>82.6</b>	<b>89.1</b>	<b>80.6</b>	<b>80.0</b>	<b>78.1</b>	<b>80.1</b>

Figure 6

<b>Capital budget</b> (C\$ thousands)								
	Actual	Approved Plan	Forecast	Plan				
	2021/ 2022	2022/ 2023	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
Software development costs	704	3,338	3,548	935	—	—	—	—
Computer hardware	—	150	100	150	150	150	150	150
Furniture and equipment	—	1,200	1,200	200	200	100	100	100
Leasehold improvements	95	1,800	300	2,500	500	100	100	—
<b>TOTAL</b>	<b>799</b>	<b>6,488</b>	<b>5,148</b>	<b>3,785</b>	<b>850</b>	<b>350</b>	<b>350</b>	<b>250</b>

The operating and capital budgets do not include costs relating to the Data Collection Modernization (DCM) initiative, costs of which would be shared between CDIC, OSFI and Bank of Canada over the planning period.

Figure 7

<b>Operating budget</b> <i>(C\$ millions)</i>					
	Plan				
	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
<b>TOTAL OPERATING EXPENSES (ORIGINAL PLAN SUBMITTED FEB 2023)</b>	89.6	82.5	82.5	81.3	83.3
<b>BUDGET REDUCTIONS</b>					
Reduction to Consulting, Travel, and Professional Fees	(0.5)	(1.4)	(1.5)	(1.5)	(1.5)
Reduction to Administrative Expenses	—	(0.5)	(1.0)	(1.7)	(1.7)
<b>TOTAL BUDGET REDUCTION</b>	<b>(0.5)</b>	<b>(1.9)</b>	<b>(2.5)</b>	<b>(3.2)</b>	<b>(3.2)</b>
<b>REVISED OPERATING EXPENSES</b>	<b>89.1</b>	<b>80.6</b>	<b>80.0</b>	<b>78.1</b>	<b>80.1</b>



## **Appendix C**

# **BORROWING PLAN**

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CDIC's funding activities are governed by section 10.1 of the *Canada Deposit Insurance Corporation Act* (CDIC Act) and section 127 of the *Financial Administration Act*. The activities must also comply with the Minister of Finance *Financial Risk Management Guidelines for Crown Corporations*.

Pursuant to section 10.1(1) of the CDIC Act, at the Corporation's request, the Minister of Finance may lend money to CDIC from the Consolidated Revenue Fund (CRF) on such terms and conditions that the Minister may establish. If needed, CDIC would access funds from the CRF through the Crown Borrowing Program, and in accordance with the *Crown Borrowing Program Standby Credit Facility Service Agreement* with the Department of Finance.

Section 10.1(2) of the CDIC Act provides that the Corporation can also borrow by means other than the CRF, including the issuance and sale of bonds, debentures, notes or any other evidence of indebtedness.

In accordance with section 127(3) of the *Financial Administration Act*, CDIC requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time, terms and conditions of the transaction. As at December 31, 2022, the Corporation may borrow up to \$32 billion, subject to approval by the Minister of Finance. This borrowing limit is adjusted annually on December 31 to reflect the growth in insured deposits. Supplemental borrowing, if required, could be authorized by the Governor in Council and the Minister of Finance out of the Consolidated Revenue Fund, if, in the Minister's opinion, it is necessary to promote the stability or maintain the efficiency of the financial system in Canada. Supplemental borrowing could also be authorized by Parliament through an appropriation act.

As at December 31, 2022, CDIC had no debt outstanding. The planning assumption is that no additional borrowing will be necessary; however, if an intervention were required for a failing member institution, or a member institution were to fail, then various funding options, including borrowing, would be available.

Funding of intervention strategies would require a case-by-case analysis to determine optimal funding strategies. CDIC's investment portfolio may be used as a first call upon liquidity, depending on the funding strategy. Considerations in developing a funding strategy would include, among others, future liquidity requirements and asset/liability matching.

## **Leases**

The *Crown Corporation General Regulations, 1995* requires CDIC to seek approval from the Minister of Finance on the specific terms and conditions of lease transactions that exceed the lesser of \$10 million or 5% of the total assets of CDIC.

CDIC does not have any new leases or renewals that exceed the ministerial threshold.

## **Appendix D**

# **COMPLIANCE WITH LEGISLATIVE AND POLICY REQUIREMENTS**

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CDIC has a compliance management process to ensure it adheres to its legal and other obligations. CDIC assesses compliance with these requirements and reports the results to the Board and its committees on an annual basis.

In July 2015, CDIC was issued a directive (P.C. 2015-1107) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives, and related instruments on travel, hospitality, conference, and event expenditures, in a manner that is consistent with its legal obligations. CDIC is in compliance with the directive.

### **Ethical behaviour and integrity**

Promoting ethical behaviour and integrity is an important focus for CDIC. Adherence to CDIC's codes and ethics-related policies is a condition of employment, as is adherence to the *Values and Ethics Code for the Public Sector*, which is fully integrated into CDIC policies. CDIC's codes and policies were renewed to align with CDIC's recent culture transformation and with the Board's revised charters. Directors and employees must confirm compliance with their respective codes annually, which includes compliance with the *Conflict of Interest Act* and similar laws. Compliance with the codes and other ethics-related corporate practices is reported to the Audit Committee, the Governance and Human Resources Committee, and the Risk Committee.

At CDIC we have a common purpose: to serve Canadians as one in an environment that embraces open dialogue, risk responsiveness, collaboration, and ethical behaviour. By nurturing a culture of working ethically and with integrity as described here, the Board can discharge its oversight duties in a manner that ensures Canadians' trust in CDIC and in the Board's oversight is well placed.

### **Access to Information Act and the Privacy Act**

The Chair of the Board has delegated the exercise of certain powers, duties and functions respecting the *Access to Information Act* and the *Privacy Act* to: the President and Chief Executive Officer; the Chief Legal Officer, Corporate Secretary and Head, Policy Integration (the Access to Information and Privacy ["ATIP"] Coordinator); and the Director, Legal Services. Access to information and privacy requests are directed to the ATIP Coordinator who ensures that they are processed in accordance with the provisions of each Act. CDIC submits reports to Parliament annually respecting the administration of the Acts.

## ***Official Languages Act***

As a Crown corporation, CDIC's Official Languages (OL) Policy complies with the *Official Languages Act*, the *Official Languages (Communications with and Services to the Public) Regulations*, and the *Treasury Board Policy on Official Languages*, including related directives. Through its Official Languages Program, CDIC strives to contribute to a rich, open, and diverse Canadian culture. CDIC works to provide an environment where all employees can work in their language of choice in providing services to Canadians in both official languages.

CDIC's OL Program designates an Official Languages Champion, who works with the President and CEO in overseeing the vision for the Program within the organization. CDIC's Official Languages Champion is the Vice-President, Corporate Affairs.

## ***Pay Equity Act***

CDIC consistently evaluates compensation policies and practices to ensure competitiveness and fairness, including internal equity. CDIC's job evaluation process has always been based on a pay equity compliant framework, and CDIC will continue to comply with the *Pay Equity Act* and its regulations.

## **Trade agreements**

CDIC complies with the *Canada Free Trade Agreement*, the *Canada–European Union Comprehensive Economic and Trade Agreement* and the *Canada–United Kingdom Trade Continuity Agreement*. CDIC's procurement and contracting policies ensure a process that is fair, open, and transparent, geographically neutral, free from perceived or actual preferential treatment and able to withstand public scrutiny.

## ***Employment Equity Act and Accessible Canada Act***

CDIC complies with the *Employment Equity Act* and the *Accessible Canada Act* as described in **Appendix E**: Government priorities and direction.

## Appendix E

# GOVERNMENT PRIORITIES AND DIRECTION

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### Transparency and open government

CDIC supports transparency regarding its role as deposit insurer and resolution authority by providing access to deposit protection and resolution information on its website and by conducting outreach activities in addition to adhering to statutory reporting processes.

As part of its commitment to transparency and accountability, CDIC:

- Submits formal reports to Parliament each year, including an **Annual Report** and a **Summary of the Corporate Plan**, which sets out a five-year plan of strategic objectives and the resources required to achieve them.
- Prepares **Quarterly Financial Reports**, which provide consolidated financial statements for the fiscal quarter and year to date.
- Reports compliance with the **Access to Information Act** and **Privacy Act** on its website.
- Regularly publishes reports on **travel and hospitality expenses** for all Officers, Chair of the Board, and private sector Directors. Information on the **total annual expenses for each of travel, hospitality and conference fees for the Corporation** is provided annually.
- Conducts quarterly surveys on public awareness of deposit protection and financial confidence, holds focus group sessions to assess marketing strategies, and conducts periodic public consultations on policy issues.

CDIC will continue to enhance the information it provides to the public to build trust and confidence in CDIC and its mandate to contribute to financial stability.

### Gender-based analysis plus (GBA+)

This analytical tool assesses how women, men, and gender-diverse people may experience policies, programs, and initiatives. The “plus” in “GBA+” acknowledges that GBA goes beyond biological (sex) and socio-cultural (gender) differences. GBA+ also considers many other identity factors such as race, ethnicity, religion, age, and mental or physical disability.

As a Crown corporation, CDIC conducts its mandate activities while ensuring that its obligations under the *Employment Equity Act* and the *Canadian Human Rights Act* are met. CDIC maintains an Employment Equity Plan that considers gender in its operations, among other things. Its ethics program includes gender equality and diversity training for both Directors and employees and is conducted regularly.

In support of its mandate, CDIC conducts a program to promote public awareness of CDIC deposit protection. While this program is aimed at all Canadians, it specifically targets groups that may be less aware of deposit protection, including younger Canadians and women. For example, CDIC's 2021 Annual Public Meeting focused on *Addressing the gender gap: The importance of raising public awareness of deposit insurance among women in Canada*.

In addition, CDIC conducts targeted qualitative research involving female audiences in both official languages to ensure our public awareness campaign messages reflect the concerns of Canadian women. CDIC also takes steps to ensure that its corporate reports, website and contact centre are accessible to all Canadians.

## **Diversity, inclusion, accessibility, and employment equity**

CDIC's Diversity, Equity and Inclusion (DEI) Strategy is designed to embed diversity, equity, and inclusion practices into CDIC's culture and workplace. The Strategy guides CDIC in meeting its employment equity legislative requirements, and compliance with the *Accessible Canada Act* provision to consult with diverse employees on topics related to inclusion, employment equity, and accessibility including seen and unseen barriers. CDIC seeks to ensure that opportunities are open to all, including the following designated groups: women, visible minorities, persons with disabilities, and Indigenous populations (See the "Diversity and employment equity at CDIC" table below for CDIC's representation in each of the four employment equity groups.)

CDIC's Employment Equity Plan is regularly updated. The Plan identifies key strategies and initiatives to ensure that CDIC's work force is representative of Canada's diverse population. In addition, CDIC develops a workplan every fiscal year to ensure that leadership objectives related to diversity, inclusion, and employee health are tracked and met.

As part of its Employment Equity Plan and to make its work force more accessible to designated groups, CDIC has undertaken significant efforts to reach out to various communities, agencies, and associations to increase awareness about CDIC and potential employment opportunities. This effort includes targeted recruitment in student programs, so that a pipeline of talent can be created that can seed change.

CDIC will continue to look for opportunities to support diversity through hiring strategies that promote gender balance, minority groups, and the use of Canada's official languages. CDIC's website reflects its commitment to diversity and accommodation of applicants.

## Appendix E GOVERNMENT PRIORITIES AND DIRECTION

CDIC is committed to developing and maintaining a diverse workforce reflective of Canadians and to sustaining a workplace culture that is inclusive, welcoming, and supportive. Putting people first as well as valuing diversity and linguistic duality are fundamental tenets of CDIC's cultural framework. CDIC's Inclusion Advisory Panel, which is comprised of employees at all levels of the Corporation, helps to inform CDIC's work on DEI, advise leadership, and champion a culture of inclusion.

CDIC will continue building awareness through diversity and inclusion activities and education, including:

- Annual mandatory ethics training, comprising diversity and inclusion and attestation to its Code of Business Conduct and Ethical Behaviour
- Diversity as part of succession planning
- Roll-out of mandatory employee training regarding psychological safety, harassment, inclusion, and unconscious bias
- Reaffirming the commitment to reconciliation and collaboration with Indigenous peoples
- eLearning modules focused on raising awareness of Indigenous cultures in Canada
- Development of eLearning modules—Indigenous History, Black History, LGBTQ+, Women, Ableism
- Reinforcing the Official Languages Reward and Recognition Program

CDIC will continue to augment its recruitment strategy by:

- Targeting sources where diverse groups gather.
- Exploring paid internship partnerships for targeted groups with accredited institutions.
- Enhancing CDIC's "Careers" webpage to showcase diversity.

## Diversity and employment equity at CDIC

### All employees (including leadership)\*

Group	Target	FY 2021/2022
Women	50%	56%
Racialized people	17.8%	34%
People with disabilities	5.2%	17%
Indigenous people	5.1%	2%

### Leadership (VPs, Heads, Directors, and Managers)\*\*

Group	FY 2021/2022
Women	34%
Racialized people	20%
People with disabilities	8%
Indigenous people	2%

### Senior leadership (VPs and Heads)\*\*

Group	FY 2021/2022
Women	60%
Racialized people	10%
People with disabilities	5%
Indigenous people	10%

### Board of Directors\*\*\*

Group	FY 2022/2023
Women	36%
Racialized people	nil
People with disabilities	7%
Indigenous people	nil

Notes:

\* Data for the “All employees” table was collected through a 2021/2022 work force survey. This is a voluntary employee self-identification form available to all employees. At the time of the survey CDIC had 186 employees, and 137 FTE employees provided responses. The targets in the table above are based on data on Canadian workforce availability.

\*\* Data for the “Leadership and Senior Leadership tables” was extracted from CDIC’s 2021 Employment Equity Report. The Employment Equity report is prepared annually by CDIC on Employment Equity designated groups and submitted to Employment and Social Development Canada as part of CDIC’s compliance with the *Employment Equity Act*.

\*\*\* The Board is currently comprised of a Chair, ten Directors, and three alternates for a total of 14 directors. There are currently two vacancies on the committee and a full roster would comprise of 16 directors.

## Culture and safe workspace

CDIC is striving to enhance psychological health and safety in the workplace, focusing on psychological support as a key aspect of creating a positive work environment and a culture where people can do their best work. In experimenting with a hybrid work environment, CDIC is ensuring that employee health and safety remains a top priority.

How employees do their work is just as important as what they do. CDIC is ensuring that its values and competencies are ingrained in its people programs, ranging from performance management, and learning and development, to recruitment.

CDIC has no tolerance for harassment in the workplace or lack of respect for diversity and inclusion. Employees should always feel confident that they have a safe and healthy work environment in which to work so they can serve Canadians to the best of their abilities. CDIC continues to place focus on mental health and wellness as well as physical health and safety through education.

## Indigenous relations

CDIC has partnered with Indspire's Building Brighter Futures initiative to establish a bursary program providing financial assistance for Indigenous women in Canada who are pursuing higher education. Indspire is a national Indigenous registered charity that invests in the education of First Nations, Inuit, and Métis people for the long-term benefit of these individuals, their families and communities, and for Canada. CDIC works with Indspire to manage the application process for Indigenous students.

In total CDIC provides ten bursaries, five which are awarded to Indigenous students in the following fields related to CDIC's work. These include, but are not limited to: economics and finance, administration and operations, and information technology and cyber security.

Indspire oversaw and approved all messaging about the bursary and provided all the images for the website and application page.

CDIC will offer work placements to bursary recipients and actively conduct outreach with Indigenous Affairs groups at colleges and universities in the Toronto and Ottawa regions. By doing so, CDIC is building a future talent pipeline while supporting its commitment to diversity as well as reconciliation.

*“Thank you so much for the scholarship! I truly appreciate your generosity and am so grateful to have been selected. I am not sure if you understand the difference this is going to make in my life. I now have some hope for my future and can focus more on school and less on finances. I am going to make a difference and create change.”*

Testimonial from Indspire's Building Bright Futures bursary program recipient



## Sustainable development and greening government operations

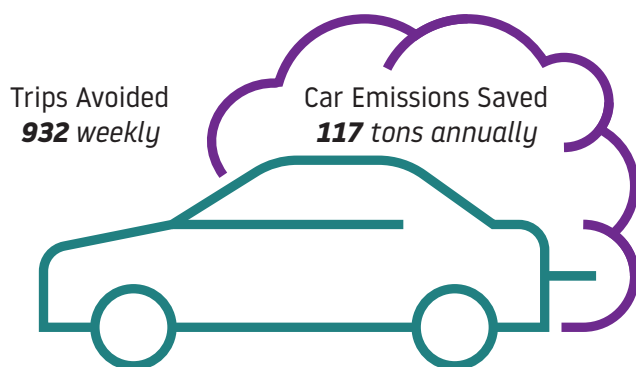
CDIC will continue working to articulate its Environmental, Social and Governance (ESG) priorities under a strategy that will include CDIC's compliance with reporting requirements related to the Task Force on Climate-related Financial Disclosures (TCFD) and the Treasury Board of Canada Secretariat (TBS) Greening Government Strategy.

To help organizations disclose climate-related risks and opportunities, the TCFD has developed a framework of recommendations and climate-related disclosures, as well as standardized metrics that organizations can use to report on their respective risks and opportunities. Crown corporations with assets over \$1 billion, including CDIC, have been asked by the federal government to develop TCFD reporting, which CDIC will begin doing in its 2023 Annual Report.

The TBS Centre for Greening Government is leading the Canadian Government's operational strategy on sustainability, and ensuring federal entities move towards becoming net-zero, resilient, and green over the long term. Crown corporations are being encouraged to adopt the Greening Government Strategy or an equivalent set of commitments. As part of its work to develop its ESG strategy, CDIC will incorporate guidance from the Centre as appropriate.

The Corporation continues to realize a reduced carbon footprint, primarily via a reduction in employee commutes gained by its ongoing experiment with a hybrid work environment. As at March 2021, hybrid work was estimated to have reduced CDIC's annual environmental impact by 117 tons of car emissions and 85 tons of building emissions.

### Environmental Impact



Building Emissions Saved  
**85 tons annually**



## Accessibility

CDIC is dedicated to being accessible to everyone. This includes making the Corporation's workplace, activities, and services accessible to people with disabilities. CDIC strives to be reflective of Canada's diversity and it reports annually on the number of CDIC employees with disabilities through the Corporation's employment equity reporting. CDIC recently expanded its work force self-identification survey to gain a better understanding of the range of disabilities, both visible and invisible of the Corporation's employees. CDIC offers a comprehensive disability management program comprising various at-work services, accommodation programs, flexible work arrangements, and robust health benefits including paramedical services.

CDIC understands that needs evolve over time and that people with disabilities are the experts in their own experience and accessibility needs. CDIC completed a series of consultations with an Accessibility Advisory Group, made up of people with disabilities. Their valuable input was used in creating the Corporation's first Accessibility Plan. Wherever possible, CDIC will address barriers as soon as it becomes aware of them, to ensure that the Corporation's practices and programs, and the physical environment are compliant with the *Accessible Canada Act*.

## Appendix F CORPORATE SCORECARD 2022/2023

As at September 30, 2022

Be resolution ready		
Initiative	2022/2023 activity/outcome	Q2 update
<b>Early and continuous identification of risks within the membership.</b>	Proactive risk identification including identification of environmental and emerging risk factors that could impact member institutions (e.g., climate, cyber, technology).	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
	Continue to develop and implement research-based stress-testing capabilities.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
<b>Modernize funding and premium framework for deposit insurance and resolution.</b>	Consult on the recommendations from the comprehensive review of CDIC's premium and <i>ex ante</i> funding framework.	<ul style="list-style-type: none"> <li>On track and ongoing. Stakeholder consultation was released in July 2022 and runs through to October 2022. Consultation results and next steps will be presented to the Board in December 2022.</li> </ul>
<b>Strengthen resolution frameworks, policies and plans.</b>	Credible resolution strategies and operational plans maintained at an individual member and system level to ensure that CDIC's resolution tools can be effectively implemented in response to different scenarios.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
	Conduct simulations and other exercises to enhance operational readiness across CDIC staff, key stakeholders, and standby firms.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
	Complete operationalization of recent deposit insurance framework changes for deposits held "in trust" by brokers in nominee name for their clients (Nominee Broker Deposits) by testing against revised data and compliance standards.	<ul style="list-style-type: none"> <li>On track and ongoing. Nominee broker pilot testing completed in Q2 and risk-based rollout to continue through Q3.</li> </ul>

<b>Reinforce trust in depositor protection</b>		
<b>Initiative</b>	<b>2022/2023 activity/outcome</b>	<b>Q2 update</b>
<b>Advance multi-year Payout Modernization project.</b>	Complete the development phase of the first software release of the Payout Modernization project. Begin the development phase for the second software release of the project.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
<b>Anticipate and respond to digitalization and transformation of financial services</b>	Impact of financial innovation and fintechs on the deposit insurance and resolution frameworks is assessed, and risks, gaps, and opportunities addressed.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
<b>Maintain public awareness and confidence.</b>	Maintain public awareness of CDIC protection within 60%–65% target range and evolve strategy to increase awareness among women.	<ul style="list-style-type: none"> <li>On track and ongoing. Public awareness is within the target range, after reaching a record level of 62.2% among Canadians. Awareness among women increased 7 percentage points to 53.2%.</li> </ul>

<b>Strengthen organizational resilience</b>		
<b>Initiative</b>	<b>2022/2023 activity/outcome</b>	<b>Q2 update</b>
<b>Enhance cyber security.</b>	Implement enhancements to cyber risk defences and broaden threat monitoring and incident response capabilities.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
<b>Continue to develop and implement multi-year Enterprise Technology Strategy.</b>	Ready CDIC's Cloud infrastructure for remaining migration of corporate workloads and data warehousing.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
	Undertake a review of CDIC's technology operations to support long-term cost optimization and resourcing model.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
<b>Prepare for the workplace of tomorrow including Future of Work.</b>	Review of employee benefits to determine fit for purpose in light of the workplace of tomorrow.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
	Conduct skills review.	<ul style="list-style-type: none"> <li>On track and ongoing. Includes mapping of critical roles and key skill gaps to ensure targeted training.</li> </ul>
	Support CDIC's hybrid model and transformed culture by continued experimentation of premises design, and deployment of further collaborative technologies and training.	<ul style="list-style-type: none"> <li>On track and ongoing. Survey results show 89% of staff are having a positive experience, with offices used for both collaboration and focussed work time.</li> </ul>
<b>Reinforce Environmental, Social, and Governance (ESG) principles within the organization and its activities.</b>	Identify measures to bolster sustainable practices and improve overall environmental performance.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> </ul>
	Promote a culture that is reflective of the Canadians it serves by executing a Diversity, Equity, and Inclusion strategy.	<ul style="list-style-type: none"> <li>On track and ongoing.</li> <li>Enhancement of current Diversity, Equity, and Inclusion strategy will incorporate feedback received from employee focus groups.</li> <li>Inaugural accessibility plan on track for Q3 completion.</li> <li>Education sessions planned for Q4 augmenting psychological safety supports within CDIC.</li> </ul>