



## Message from the Chair

During the last year, Canada's economy could be described as fragile. Interest rates stayed high, per capita GDP declined, housing costs kept rising, and there were volatile events around the world. This heightened risk environment has become the new norm. Despite this, CDIC delivered on its mandate and proved that it's always ready to act. In today's uncertain and rapidly changing world, such steadfastness is paramount.

The year began following the largest period of stress the U.S. and European banking systems have experienced since the 2007–2008 global financial crisis. Witnessing the failure of numerous banks south of the border, and how they were handled by authorities, was unnerving but insightful. Once again, Canada's financial system remained reassuringly strong and resilient. The events reminded people that in the unlikely event their bank fails, CDIC stands ready to protect their insured deposits up to \$100,000 per eligible category, per member institution.

Although the banking crisis remained outside of Canada's borders, CDIC never let down its guard. We saw these banking failures as an opportunity to learn from the experience and adapt the lessons to our own unique context. This report describes how CDIC protected depositors and promoted financial stability in the face of these external shocks and pressures. It explains how we fine-tuned our resolution planning and testing, systems, and policies in the wake of the international banking crisis. It also outlines the high level of engagement and cooperation among financial safety net members, made up of five federal organizations—CDIC, the Department of Finance, the Office of the Superintendent of Financial Institutions, the Bank of Canada, and the Financial Consumer Agency of Canada. An excellent example of this is CDIC's Board of Directors, which includes representatives across our financial safety net.

The Board was more engaged than ever in confronting last year's challenges and planning for future ones. We participated in a wide range of tabletop exercises and simulations. We advanced CDIC's Enterprise Risk Management framework to better identify preparedness, strategic, operational, and organizational risks. We also launched an Environmental, Social, and Governance (ESG) Strategy to enrich the organization's business lines, from workplans to work culture.

One of my priorities as Chair of the Board is to ensure effective governance. Maintaining diversity and fresh perspectives within our Board, including a balance between public and private sector members, is of utmost importance. I'm pleased to share that we welcomed three new private sector directors this year: Jeff Heath, a former treasury and risk management executive; Helen del Val, mediator, adjudicator, and retired lawyer; and Tashia Batstone, President and CEO of FP Canada. They have each been appointed for a four-year term.

Two of our Board members have also been reappointed, each for a three-year term: Martin Castonguay, a retired Chartered Professional Accountant, and Andrew Kriegler, President and CEO at Canadian Investment Regulatory Organization. I'm grateful for their continued insights and expertise.

I would also like to thank our outgoing directors—Judith Robertson, former Commissioner of the Financial Consumer Agency of Canada, and David Dominy, Chairman and CEO of 3D Capital Inc.—for their invaluable contributions over the last several years and wish them all the best in their future endeavours.

As I reflect on the past year, I'm particularly grateful for the hard work and dedication of CDIC's employees. I also want to extend a special thank you to President and CEO Leah Anderson for her steady leadership. It's a unique challenge to prepare for a financial crisis you hope never comes. The past year has demonstrated that CDIC not only has the right people, but that they're ready to protect depositors in any environment.

Warm regards,



Robert O. Sanderson