

May 14, 2020

Office of the Parliamentary Budget Officer
99 Bank Street, 9th Floor
Ottawa, Ontario K1A 0A9

Attention: Yves Giroux, Parliamentary Budget Officer

Dear Mr. Giroux:

Re: Information Request: IR0460

Thank you for your letter dated April 24, 2020, in which you requested the following information under section 79.4 of the *Parliament of Canada Act*:

Data regarding measures taken by your organization in response to COVID-19. Specifically, for each measure announced, as well as any future measures, I am seeking data on how this measure is being used (e.g. how many individuals/organizations are using the measure) and the associated dollar amounts.

For example, with the deferral of the annual deposit insurance premium:

- The number of individuals/businesses who are deferring their premium.
- The associated dollar amounts.
- The corresponding provisions for losses booked arising from the deferrals.

Canada Deposit Insurance Corporation (CDIC) is a federal Crown Corporation established by an Act of Parliament in 1967. CDIC is the deposit insurer and resolution authority for its member institutions. CDIC is funded through premiums paid by its member institutions, rather than by taxpayers. In 2019, annual premiums paid by CDIC member institutions totaled over \$668 million.

With respect to the measure referred to above, please note that the first installment of annual deposit insurance premiums is not due until July 15, 2020 and CDIC does not know yet which member institutions will decide to defer their annual premium payment. While CDIC therefore does not have the actual data requested at this time, our internal modeling, as reflected in the attached document, indicates that any deferral of premiums would not represent a significant opportunity cost, even in the extreme case where all member institutions decide to defer their deposit insurance premiums until the final acceptance date of December 15, 2020.

CDIC will provide your office with information on the number of member institutions that choose to exercise the option to defer premium payment until December 15, and as well on any material changes

to our modeling results should they arise, by July 22. It is not anticipated that relevant information will come in before that time.

Given the sensitive nature of this data, we request that the attached data be treated as confidential and CDIC does not consent to its public disclosure.

As announced by CDIC on March 24, 2020, CDIC has taken other measures¹ to support the confidence of Canadian depositors in the wake of the COVID-19 global outbreak, but these measures have no impact on the nation's finances or economy.

Please do not hesitate to contact me by email at proutledge@cdic.ca if you require further assistance.

Thank you again.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Routledge".

Peter Routledge
President & CEO

¹ <https://www.cdic.ca/newsroom/industry-news/cdic-takes-action-to-support-the-confidence-of-canadian-depositors-in-the-wake-of-covid-19-global-outbreak/>