

September 30, 2025
Unaudited

Quarterly Financial Report Second Quarter



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Narrative discussion

Second quarter – fiscal 2025/2026

This narrative discussion was prepared in accordance with the *Treasury Board Standard on Quarterly Financial Reports for Crown Corporations* (the “Treasury Board Standard”). It is not intended to be a full “Management’s Discussion and Analysis”. Disclosures and information in the Canada Deposit Insurance Corporation’s 2025 Annual Report are assumed to apply to the current quarter unless otherwise updated.

The condensed financial statements are unaudited and have been prepared in accordance with the Treasury Board Standard.

This narrative discussion and the accompanying financial statements were reviewed and approved by CDIC’s Audit Committee.

Financial highlights

For the second quarter ended September 30, 2025, the Canada Deposit Insurance Corporation (“CDIC” or “the Corporation”) recognized a net income of \$386 million, based on premium revenue of \$290 million, investment income of \$78 million, a decrease to the provision for insurance losses of \$50 million, operating expenses of \$17 million and an income tax expense of \$14 million. For the same period in the prior year, CDIC recognized a net income of \$278 million, based on premium revenue of \$246 million, investment income of \$63 million, operating expenses of \$20 million and an income tax expense of \$11 million.

For the six-month period ended September 30, 2025, CDIC recognized a net income of \$762 million, based on premium revenue of \$579 million, investment income of \$148 million, a decrease to the provision for insurance losses of \$100 million, operating expenses of \$33 million and an income tax expense of \$31 million. For the same period in the prior year, CDIC recognized a net income of \$502 million, based on premium revenue of \$494 million, investment income of \$119 million, an increase to the provision for insurance losses of \$50 million, operating expenses of \$40 million and an income tax expense of \$20 million.

The Corporation’s \$579 million in premium revenue for the six-month period ended September 30, 2025, represents an increase of \$85 million over the same period in the prior year. The increase was due to growth in insured deposits and changes in premium categorization of certain member institutions.

The Corporation’s \$148 million in investment income for the six-month period ended September 30, 2025, was \$29 million higher than in the same period in the prior year. The increase was mainly due to growth in the investment portfolio (\$10,875 million and \$9,643 million as at September 30, 2025, and 2024, respectively) and an increase in the weighted average effective yield on investments (2.95% and 2.68%, as at September 30, 2025, and 2024, respectively).

The Corporation’s operating expenses for the six-month period ended September 30, 2025, were \$33 million, \$6 million lower than for the same period in the prior year. The decrease is primarily due to lower data processing and professional fee spend.

The provision for insurance losses as at September 30, 2025, is \$2,050 million, \$100 million lower than the balance as at March 31, 2025, primarily due to decreased probabilities of default and a decrease in exposure to losses.

CDIC’s total assets as at September 30, 2025, were \$10,902 million, an increase of \$656 million from March 31, 2025, mainly driven by the growth in CDIC’s investment portfolio.

CDIC established a near-term *ex ante* fund target to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year. As at September 30, 2025, CDIC’s *ex ante* funding (\$10,872 million) represented 84 basis points of insured deposits (\$1,291 billion). The Corporation is expecting to achieve the near-term 85 basis point target in the second half of the current fiscal year. With the progression to achieving the near-term target, the Corporation is reviewing funding requirements to determine an updated fund size target and corresponding timeframe to achieve.

Risk analysis

In addition to monitoring the risks faced by CDIC's membership that drive changes in the provision for insurance losses, Management utilizes an Enterprise Risk Management (ERM) program to identify and manage its key corporate risks. The ERM program guides the development of our corporate strategies, decision making and the allocation of resources, and includes an assessment of key risks which is updated quarterly.

As part of the ERM framework, management is continually assessing and evaluating the risk mitigation strategies for significant risks facing the Corporation. Key risks that may materially affect CDIC's ability to deliver on its strategic objectives are identified in CDIC's 2025 Annual Report and remain the most significant risks.

Changes in operations, personnel and programs

The following describes any significant changes in operations, personnel and programs that have occurred during the current quarter.

Operations There were no significant changes during this quarter.

Board of
Directors,
Officers and
Personnel

Board of Directors

Effective September 5, 2025, Martin Glynn was appointed as Chair of the Board of Directors for a five-year term, in the place of Robert Sanderson whose term ended.

Officers

Leah Anderson, President and Chief Executive Officer, retired effective September 30, 2025.

Effective October 1, 2025, Gina Byrne was appointed as President and Chief Executive Officer on an interim basis, for an eighteen-month term or until such a time as a new President and Chief Executive Officer is appointed, whichever occurs first.

Financial results

Three-month period ended September 30, 2025, compared to three-month period ended September 30, 2024

The following table sets out CDIC's comparative results for the three-month period ended September 30, 2025, and 2024.

| (C\$ thousands) | For the three-month period ended September 30 | | Variance Increase (Decrease) | |
|--|--|----------------|---------------------------------|------------|
| | 2025 | 2024 | (\$) | (%) |
| Premium revenue | 289,598 | 246,291 | 43,307 | 18% |
| Investment and other income | 77,766 | 63,031 | 14,735 | 23% |
| Decrease in provision for insurance losses | (50,000) | - | (50,000) | - |
| Operating expenses | 17,241 | 20,339 | (3,098) | (15%) |
| Income tax expense | 14,441 | 10,753 | 3,688 | 34% |
| Net income | 385,682 | 278,230 | 107,452 | 39% |

Premium revenue

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*. For 2025/2026, the approved Category I rate (the base rate) is 7.5 basis points of insured deposits, unchanged from the 2024/2025 base rate. CDIC's premium revenue for fiscal 2025/2026 is estimated to be \$1,158 million. The amount recognized as premium revenue in each quarter represents one-fourth of the annual assessed amount.

Premium revenue of \$290 million was recorded during the three-month period ended September 30, 2025, compared to \$246 million for the same period in the prior year, an 18% increase. Growth in insured deposits and changes in premium categorization of certain member institutions contributed to the increase in premium revenue.

Investment income

The Corporation's \$78 million in investment income for the three-month period ended September 30, 2025, was \$15 million higher than in the same period in the prior year. The increase was mainly due to growth in the investment portfolio and an increase in the weighted average effective yield on investments (2.95% and 2.68%, as at September 30, 2025, and 2024, respectively).

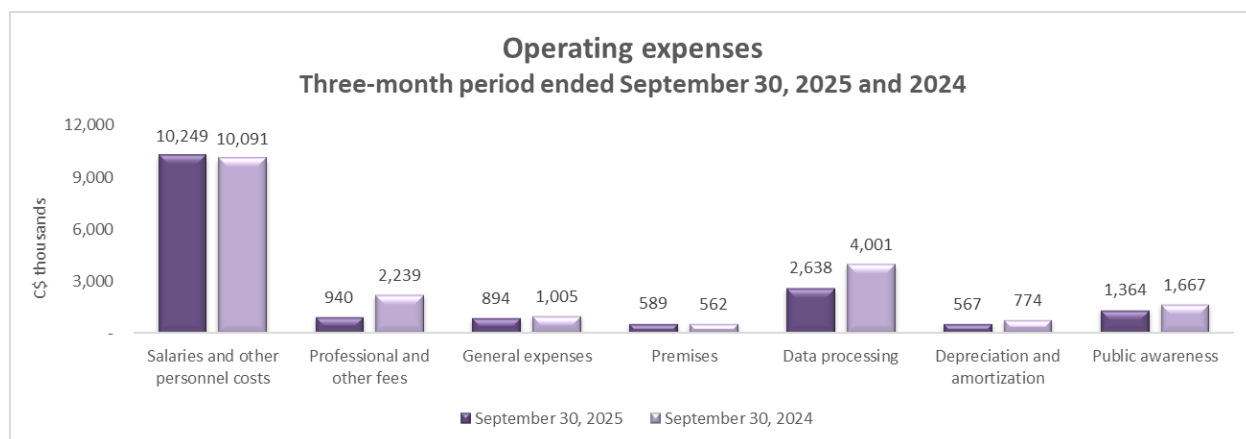
Provision for insurance losses

The provision represents Management's best estimate of the losses it expects to incur as a result of insuring deposits and in its role as resolution authority. The adequacy of the provision is assessed on a quarterly basis and, if necessary, adjustments are recorded.

In arriving at its estimate, Management considers the key inputs of its provisioning methodology: the exposure to losses, the probability of default derived from actual default statistics, expected loss given default, supervisory information, economic indicators, and CDIC's specific knowledge of the risk profile of its members.

CDIC's provision for insurance losses decreased from the previous quarter by \$50 million to \$2,050 million as at September 30, 2025, due to decreased probabilities of default and a decrease in exposure to losses, partially offset by the impact of a decrease in the discount rate.

Operating expenses



The Corporation's operating expenses for the three-month period ended September 30, 2025, were \$17 million, \$3 million lower than for the same period in the prior year. The decrease is primarily due to lower data processing and professional fee spend.

Income taxes

The Corporation is subject to federal income tax. The Corporation's primary source of taxable income is its interest income from its investment portfolio. From this amount, allowable expenditures are deducted in order to arrive at its net income for tax purposes. Under the provisions of the *Income Tax Act*, the Corporation's premium revenue is not taxable and the change in the provision for insurance losses is not deductible for tax purposes.

For quarterly reporting, CDIC uses an effective tax rate to compute its tax liability or tax asset in accordance with *IAS 34 – Interim Financial Reporting*. During the three-month period ended September 30, 2025, the Corporation recognized an income tax expense of \$14 million, \$4 million higher than in the same period in the prior year.

Six-month period ended September 30, 2025, compared to six-month period ended September 30, 2024

The following table sets out CDIC's comparative results for the six-month period ended September 30, 2025, and 2024.

| (C\$ thousands) | For the six-month period ended | | Variance | |
|---|--------------------------------|----------------|---------------------|------------|
| | September 30 | | Increase (Decrease) | |
| | 2025 | 2024 | (\$) | (%) |
| Premium revenue | 579,159 | 493,890 | 85,269 | 17% |
| Investment and other income | 147,784 | 118,594 | 29,190 | 25% |
| (Decrease) increase in provision for insurance losses | (100,000) | 50,000 | (150,000) | (300%) |
| Operating expenses | 33,398 | 39,730 | (6,332) | (16%) |
| Income tax expense | 31,390 | 20,294 | 11,096 | 55% |
| Net income | 762,155 | 502,460 | 259,695 | 52% |

Premium revenue

Premium revenue of \$579 million was recorded during the six-month period ended September 30, 2025, compared to \$494 million for the same period in the prior year, a 17% increase. Growth in insured deposits and changes in premium categorization of certain member institutions contributed to the increase in premium revenue.

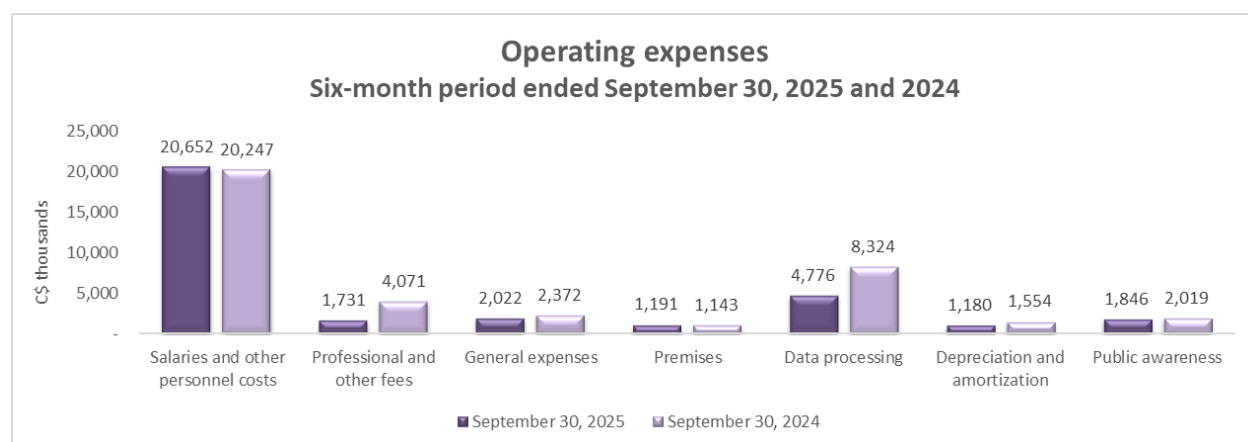
Investment income

The Corporation's \$148 million in investment income for the six-month period ended September 30, 2025, was \$29 million higher than in the same period in the prior year. The increase was mainly due to growth in the investment portfolio and an increase in the weighted average effective yield on investments.

Provision for insurance losses

CDIC's provision for insurance losses decreased by \$100 million to \$2,050 million during the six-month period as at September 30, 2025, primarily due to decreased probabilities of default and a decrease in exposure to losses.

Operating expenses



The Corporation's operating expenses for the six-month period ended September 30, 2025, were \$33 million, \$6 million lower than for the same period in the prior year. The decrease is primarily due to lower data processing and professional fee spend.

Income taxes

CDIC uses an effective tax rate for quarterly reporting to compute its tax liability or tax asset in accordance with IAS 34 – *Interim Financial Reporting*. During the six-month period ended September 30, 2025, the Corporation recognized an income tax expense of \$31 million, \$11 million higher than for the same period in the prior year.

Forecast results for fiscal 2025/2026, compared to Corporate Plan

This section includes future-oriented financial information that is based on certain assumptions. Actual results may differ from the forecasted information presented and such differences may be material.

| (C\$ millions) | 2025/2026 | | Variance | |
|---|--------------|--------------|-----------------------------|------------|
| | Forecast | Planned | Increase (Decrease) (\$) | (%) |
| Premium revenue | 1,158 | 1,029 | 129 | 13% |
| Investment income | 313 | 296 | 17 | 6% |
| (Decrease) increase in provision for insurance losses | (100) | 50 | (150) | (300%) |
| Operating expenses | 85 | 82 | 3 | 4% |
| Income tax expense | 57 | 54 | 3 | 6% |
| Net income | 1,429 | 1,139 | 290 | 25% |

Premium revenue

CDIC's 2025/2026 to 2029/2030 Corporate Plan (the "Corporate Plan") sets out planned premium revenue of \$1,029 million for fiscal 2025/2026, compared with Management's current forecasted revenue of \$1,158 million for the year, which is \$129 million higher than the Corporate Plan. The Corporate Plan was based on certain assumptions regarding increases in the level of insured deposits and the classification of members under the Differential Premiums System at the time the plan was developed. Results to date have differed from the assumptions, resulting in a variance between the planned and forecasted amounts.

Investment income

Forecasted investment income is \$313 million, compared to the planned amount of \$296 million, an increase of \$17 million due to higher investment balances than planned.

Provision for insurance losses

The forecasted provision for insurance losses is \$150 million lower than planned, primarily due to decreased probabilities of default and a decrease in exposure to losses compared to the assumptions at the time the plan was developed.

Operating expenses

Operating expenses are currently forecasted to be \$85 million, \$3 million higher than planned.

Ex ante funding

Sound funding arrangements are critical to the effectiveness of a deposit insurance system and the maintenance of public confidence. CDIC maintains *ex ante* funding to cover possible deposit insurance losses. The amount of such funding is represented by the aggregate of the Corporation's retained earnings and the provision for insurance losses.

CDIC's *ex ante* funding level was \$10,872 million as at September 30, 2025, or 84 basis points of insured deposits.

Available liquid funds

The following table sets out the liquid funds available to CDIC.

| (C\$ millions) | September 30, 2025 | March 31, 2025 |
|--|--------------------|----------------|
| <i>Available liquid funds:</i> | | |
| Cash | 16 | 13 |
| Fair value of high-quality, liquid investment securities | 11,017 | 10,355 |
| <i>Availability of borrowings:</i> | | |
| Borrowings authorized under the CDIC Act | 36,000 | 36,000 |
| Total available funds | 47,033 | 46,368 |

CDIC's portfolio of investment securities is limited to high-quality, liquid securities: obligations of the Government of Canada and its agent Crowns, and obligations of Provincial Governments. Additional funds are available through CDIC's authority to borrow under the *CDIC Act*. As of September 30, 2025, the Corporation can borrow up to \$36 billion. The borrowing limit is adjusted annually on December 31 to reflect the growth of insured deposits. Supplemental borrowing, if required, could be authorized either by Parliament through an appropriation act, or by the Minister of Finance out of the Consolidated Revenue Fund.

Management representation

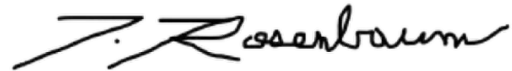
Management is responsible for the preparation and fair presentation of these condensed quarterly financial statements in accordance with the Treasury Board of Canada's *Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports*, and for such internal controls as Management determines is necessary to enable the preparation of condensed quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the condensed quarterly financial statements.

These condensed quarterly financial statements have not been audited or reviewed by an external auditor.

Based on our knowledge, these unaudited condensed quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation, as at the date of and for the periods presented in these condensed quarterly financial statements.



Gina Byrne
President & Chief Executive Officer



Jordan Rosenbaum
Chief Financial Officer

Ottawa, Canada
November 13, 2025

Ottawa, Canada
November 13, 2025

Condensed financial statements and notes

Condensed statement of financial position

As at September 30, 2025, and March 31, 2025 (C\$ thousands)

| | Notes | September 30, 2025 | March 31, 2025 |
|-------------------------------------|-------|--------------------|-------------------|
| ASSETS | | | |
| Cash | | 15,737 | 13,398 |
| Investment securities | 3 | 10,875,280 | 10,221,103 |
| Trade and other receivables | | 792 | 355 |
| Prepayments | | 1,895 | 2,166 |
| Right-of-use assets | 4 | 4,632 | 5,142 |
| Property, plant & equipment | | 3,121 | 3,175 |
| Intangible assets | | 252 | 414 |
| Deferred tax asset | | 678 | 626 |
| TOTAL ASSETS | | 10,902,387 | 10,246,379 |
| LIABILITIES | | | |
| Trade and other payables | | 9,493 | 11,073 |
| Current tax liability | | 11,728 | 17,340 |
| Lease liabilities | 4 | 5,625 | 6,266 |
| Deferred premium revenue | | 1,736 | - |
| Employee benefits | | 1,379 | 1,429 |
| Provision for insurance losses | 5 | 2,050,000 | 2,150,000 |
| Total liabilities | | 2,079,961 | 2,186,108 |
| EQUITY | | | |
| Retained earnings | | 8,822,426 | 8,060,271 |
| TOTAL LIABILITIES AND EQUITY | | 10,902,387 | 10,246,379 |

The accompanying notes form an integral part of these condensed financial statements.

Condensed statement of comprehensive income

For the three and six-month periods ended September 30, 2025, and 2024 (C\$ thousands)

| | Notes | For the three-month period ended September 30 | | For the six-month period ended September 30 | |
|---|-------|--|----------------|--|----------------|
| | | 2025 | 2024 | 2025 | 2024 |
| REVENUE | | | | | |
| Premium | | 289,598 | 246,291 | 579,159 | 493,890 |
| Investment income | | 77,764 | 63,029 | 147,782 | 118,592 |
| Other income | | 2 | 2 | 2 | 2 |
| | | 367,364 | 309,322 | 726,943 | 612,484 |
| EXPENSES | | | | | |
| Operating expenses | 6 | 17,241 | 20,339 | 33,398 | 39,730 |
| (Decrease) increase in the provision for insurance losses | 5 | (50,000) | - | (100,000) | 50,000 |
| | | (32,759) | 20,339 | (66,602) | 89,730 |
| Net income before income taxes | | 400,123 | 288,983 | 793,545 | 522,754 |
| Income tax expense | | 14,441 | 10,753 | 31,390 | 20,294 |
| TOTAL COMPREHENSIVE INCOME | | 385,682 | 278,230 | 762,155 | 502,460 |

The accompanying notes form an integral part of these condensed financial statements.

Condensed statement of changes in equity

For the three and six-month periods ended September 30, 2025, and 2024 (C\$ thousands)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30

| | Retained earnings and total equity |
|------------------------------------|---------------------------------------|
| Balance, June 30, 2025 | 8,436,744 |
| Total comprehensive income | 385,682 |
| Balance, September 30, 2025 | 8,822,426 |
| | |
| Balance, June 30, 2024 | 7,073,453 |
| Total comprehensive income | 278,230 |
| Balance, September 30, 2024 | 7,351,683 |

FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30

| | |
|------------------------------------|------------------|
| Balance, March 31, 2025 | 8,060,271 |
| Total comprehensive income | 762,155 |
| Balance, September 30, 2025 | 8,822,426 |
| | |
| Balance, March 31, 2024 | 6,849,223 |
| Total comprehensive income | 502,460 |
| Balance, September 30, 2024 | 7,351,683 |

The accompanying notes form an integral part of these condensed financial statements.

Condensed statement of cash flows

For the three and six-month periods ended September 30, 2025, and 2024 (C\$ thousands)

| | For the three-month period ended | | For the six-month period ended | |
|---|----------------------------------|-----------|--------------------------------|-------------|
| | September 30 | | September 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| OPERATING ACTIVITIES | | | | |
| Total Comprehensive Income | 385,682 | 278,230 | 762,155 | 502,460 |
| Add (deduct) items not involving cash: | | | | |
| Depreciation and amortization | 567 | 774 | 1,180 | 1,554 |
| Investment income | (77,764) | (63,029) | (147,782) | (118,592) |
| Interest expense on lease liabilities | 25 | 31 | 52 | 63 |
| Income tax expense | 14,441 | 10,753 | 31,390 | 20,294 |
| Employee benefit expense | 30 | 31 | 61 | 62 |
| Defined benefit payment | (112) | (49) | (112) | (49) |
| Change in working capital: | | | | |
| Decrease in premiums receivable | 288,321 | 247,204 | - | - |
| (Increase) decrease in trade and other receivables | (786) | 20 | (437) | 1,299 |
| Decrease (increase) in prepayments | 616 | (345) | 271 | (466) |
| Decrease in trade and other payables | (21) | (1,261) | (1,580) | (4,759) |
| Increase in deferred premium revenue | 323 | 1,136 | 1,736 | 1,538 |
| (Decrease) increase in the provision for insurance losses | (50,000) | - | (100,000) | 50,000 |
| Interest received | 59,421 | 54,059 | 123,687 | 110,390 |
| Interest paid on lease liabilities | (25) | (31) | (52) | (63) |
| Income tax paid | (11,629) | (4,958) | (37,054) | (25,426) |
| Net cash generated by operating activities | 609,089 | 522,565 | 633,515 | 538,305 |
| INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment and intangible assets | (153) | (2) | (356) | (12) |
| Purchase of investment securities | (1,250,437) | (968,604) | (2,075,942) | (1,734,643) |
| Proceeds from sale or maturity of investment securities | 639,410 | 447,690 | 1,445,860 | 1,202,730 |
| Net cash used in investing activities | (611,180) | (520,916) | (630,438) | (531,925) |
| FINANCING ACTIVITIES | | | | |
| Principal payment of lease liabilities | (415) | (319) | (738) | (638) |
| Net cash used in financing activities | (415) | (319) | (738) | (638) |
| Net (decrease) increase in cash | (2,506) | 1,330 | 2,339 | 5,742 |
| Cash, beginning of period | 18,243 | 16,232 | 13,398 | 11,820 |
| Cash, end of period | 15,737 | 17,562 | 15,737 | 17,562 |

The accompanying notes form an integral part of these condensed financial statements.

Notes to the condensed financial statements

I – General information

The Canada Deposit Insurance Corporation (CDIC, or the Corporation) was established in 1967 by the *Canada Deposit Insurance Corporation Act* (the CDIC Act). It is a Crown corporation without share capital named in Part I of Schedule III to the *Financial Administration Act* and is funded by premiums assessed against its member institutions and investment income. The Corporation is subject to federal income tax pursuant to the provisions of the *Income Tax Act*. The address of the registered office is 50 O'Connor Street, 17th Floor, in Ottawa, Ontario.

The objects of the Corporation are: to provide insurance against the loss of part or all of deposits in member institutions; to promote and otherwise contribute to the stability of the financial system in Canada; to pursue these objects for the benefit of depositors of member institutions and in such manner as will minimize the exposure of the Corporation to loss; and to act as the resolution authority for its member institutions.

The Corporation has the power to do all things necessary or incidental to the furtherance of its objects, including, but not limited to: acquiring assets from and providing guarantees or loans to member institutions and others; making or causing to be made inspections of member institutions; acting as liquidator, receiver or inspector of a member institution or a subsidiary thereof; establishing a bridge institution and acquiring shares and/or assets and assuming liabilities of member institutions; and converting some of the debt of a failing domestic systemically important bank (D-SIB) into common shares in order to recapitalize the bank and allow it to remain open and operating.

The Corporation is an agent of His Majesty in right of Canada for all purposes of the CDIC Act. As a result, all obligations incurred by the Corporation in the course of carrying out its mandate are obligations of Canada.

These condensed quarterly financial statements were approved and authorized for issue by the Corporation's Audit Committee on November 13, 2025.

Basis of preparation

These condensed quarterly financial statements, presented in Canadian dollars, have been prepared in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports and do not include all the information required for full annual financial statements. These condensed quarterly financial statements should be read in conjunction with the audited financial statements as at and for the year ended March 31, 2025.

These condensed quarterly financial statements have been prepared on the historical cost basis, except for the lease liability, provision for insurance losses and certain employee benefits which are measured at their present value. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the amount of cash expected to be paid to satisfy a liability.

2 – Material accounting policy information

The accounting policies applied by the Corporation in these condensed quarterly financial statements are the same as those applied by the Corporation in its audited financial statements as at and for the year ended March 31, 2025.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of quarterly financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) requires Management to make judgments and estimations that affect the application of accounting policies and the reported amounts of assets and liabilities. Actual results may differ from these estimates.

In preparing these condensed quarterly financial statements, the significant judgments made by Management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended March 31, 2025.

3 - Investment securities

The following table includes the fair value measurement of the Corporation's investment securities.

| As at September 30, 2025 (C\$ thousands) | Amortized cost | Unrealized gain | Fair values | | | Total |
|--|-------------------|-----------------|------------------|------------------|----------|-------------------|
| | | | Level 1 | Level 2 | Level 3 | |
| Bonds | 10,875,280 | 141,617 | 8,370,115 | 2,646,782 | - | 11,016,897 |
| Total investment securities | 10,875,280 | 141,617 | 8,370,115 | 2,646,782 | - | 11,016,897 |

| As at March 31, 2025 (C\$ thousands) | Amortized cost | Unrealized gain | Fair values | | | Total |
|--------------------------------------|-------------------|-----------------|------------------|------------------|----------|-------------------|
| | | | Level 1 | Level 2 | Level 3 | |
| Bonds | 10,221,103 | 133,612 | 7,847,798 | 2,506,917 | - | 10,354,715 |
| Total investment securities | 10,221,103 | 133,612 | 7,847,798 | 2,506,917 | - | 10,354,715 |

The following table summarizes the credit quality of the Corporation's investment securities by credit rating.

| (C\$ thousands) | September 30, 2025 | March 31, 2025 |
|---|--------------------|-------------------|
| AAA | 8,272,809 | 7,753,833 |
| AA | 437,780 | 431,743 |
| AA- | 1,023,758 | 1,500,229 |
| A+ | 1,140,933 | 535,298 |
| Total investment securities | 10,875,280 | 10,221,103 |
| Weighted average effective yield (%) | 2.95 | 2.75 |

The carrying amounts in the above tables include accrued interest.

The Corporation did not record any loss allowances on its investment securities as at September 30, 2025 (March 31, 2025: nil).

4 - Right-of-use assets and lease liabilities

The Corporation leases office space in Ottawa and Toronto, the term of which ends in September 2030 and October 2026, respectively, each with an option to renew for an additional five years. The extension options for the Ottawa and Toronto offices are exercisable solely at the discretion of the Corporation.

Carrying value of right-of-use-assets

| <i>(C\$ thousands)</i> | Leased office space | Equipment | Total |
|------------------------------------|------------------------|-----------|--------------|
| Balance, March 31, 2025 | 5,139 | 3 | 5,142 |
| Additions | 93 | 4 | 97 |
| Depreciation | (603) | (4) | (607) |
| Balance, September 30, 2025 | 4,629 | 3 | 4,632 |

Carrying value of lease liabilities

| <i>(C\$ thousands)</i> | Leased office space | Equipment | Total |
|------------------------------------|------------------------|-----------|--------------|
| Balance, March 31, 2025 | 6,263 | 3 | 6,266 |
| Additions | 93 | 4 | 97 |
| Finance charges | 52 | - | 52 |
| Lease payments | (786) | (4) | (790) |
| Balance, September 30, 2025 | 5,622 | 3 | 5,625 |

Interest expense on lease liabilities amounting to \$52 thousand was recorded in the statement of comprehensive income during the six-month period ended September 30, 2025.

Cash payments for the interest portion of \$52 thousand and the principal portion of \$738 thousand of the lease liability were recognized in the statement of cash flows under operating activities and financing activities, respectively.

5 - Provision for insurance losses

The provision for insurance losses represents the Corporation's best estimate of the future outflow of economic resources it expects to incur as a result of the Corporation's object to provide insurance against the loss of part or all deposits in member institutions and its role as the resolution authority of its member institutions. The estimate is based on an expected loss calculation and is subject to

uncertainty surrounding the amount and timing of losses. As such, actual losses may differ significantly from estimates.

Changes in the provision for insurance losses are summarized as follows:

| <i>(C\$ thousands)</i> | Provision for insurance losses |
|------------------------------------|---------------------------------------|
| Balance, March 31, 2025 | 2,150,000 |
| Decrease in the provision | (50,000) |
| Balance, June 30, 2025 | 2,100,000 |
| Decrease in the provision | (50,000) |
| Balance, September 30, 2025 | 2,050,000 |

6 - Operating expenses

The following table provides details of operating expenses of the Corporation for the three and six-month periods ended September 30, 2025, and 2024.

| <i>(C\$ thousands)</i> | For the three-month period ended | | For the six-month period ended | |
|---------------------------------------|----------------------------------|---------------|--------------------------------|---------------|
| | September 30 | | September 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Salaries and other personnel costs | 10,249 | 10,091 | 20,652 | 20,247 |
| Professional and other fees | 940 | 2,239 | 1,731 | 4,071 |
| General expenses | 869 | 974 | 1,970 | 2,309 |
| Premises | 589 | 562 | 1,191 | 1,143 |
| Data processing | 2,638 | 4,001 | 4,776 | 8,324 |
| Depreciation and amortization | 264 | 470 | 573 | 944 |
| Depreciation on right-of-use assets | 303 | 304 | 607 | 610 |
| Interest expense on lease liabilities | 25 | 31 | 52 | 63 |
| Public awareness | 1,364 | 1,667 | 1,846 | 2,019 |
| Total operating expenses | 17,241 | 20,339 | 33,398 | 39,730 |

7 – Related party transactions

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Corporation has transacted with related parties through both the provision and receipt of various services. Such transactions were conducted in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.