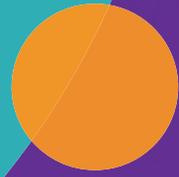


December 31, 2025  
Unaudited

# Quarterly Financial Report

## Third Quarter



Canada

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## Narrative discussion

### **Third 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 third quarter ended December 31, 2025, the Canada Deposit Insurance Corporation (“CDIC” or “the Corporation”) recognized a net income of \$282 million, based on premium revenue of \$289 million, investment income of \$82 million, an increase to the provision for insurance losses of \$50 million, operating expenses of \$24 million and an income tax expense of \$15 million. For the same period in the prior year, CDIC recognized a net income of \$182 million, based on premium revenue of \$246 million, investment income of \$66 million, an increase to the provision for insurance losses of \$100 million, operating expenses of \$20 million and an income tax expense of \$10 million.

For the nine-month period ended December 31, 2025, CDIC recognized a net income of \$1,044 million, based on premium revenue of \$868 million, investment income of \$229 million, a decrease to the provision for insurance losses of \$50 million, operating expenses of \$57 million and an income tax expense of \$47 million. For the same period in the prior year, CDIC recognized a net income of \$685 million, based on premium revenue of \$740 million, investment income of \$184 million, an increase to the provision for insurance losses of \$150 million, operating expenses of \$60 million and an income tax expense of \$30 million.

The Corporation’s \$868 million in premium revenue for the nine-month period ended December 31, 2025, represents an increase of \$128 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 \$229 million in investment income for the nine-month period ended December 31, 2025, was \$45 million higher than in the same period in the prior year. The increase was mainly due to growth in the investment portfolio (\$11,497 million and \$10,168 million as at December 31, 2025, and 2024, respectively) and an increase in the weighted average effective yield on investments (2.98% and 2.71%, as at December 31, 2025, and 2024, respectively).

The Corporation’s operating expenses for the nine-month period ended December 31, 2025, were \$57 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 offset by an increase in personnel costs. The increase in personnel costs relate to non-recurring organizational restructuring expenses.

The provision for insurance losses as at December 31, 2025, is \$2,100 million, \$50 million lower than the balance as at March 31, 2025, primarily due to decreased probabilities of default offset by an increase in exposure to losses.

CDIC’s total assets as at December 31, 2025, were \$11,563 million, an increase of \$1,317 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 December 31, 2025, CDIC’s *ex ante* funding represented 87 basis points of insured deposits. CDIC committed to a review of the *ex ante* fund upon achieving the 85-basis-point target. As the target has been exceeded, the Corporation is undertaking a review of its 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

On December 19, 2025, Nick Leswick was appointed as Deputy Minister for the Department of Finance, effective January 12, 2026.

Effective December 31, 2025, Helen Ray del Val resigned from CDIC's Board of Directors.

### Officers

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 December 31, 2025, compared to three-month period ended December 31, 2024

The following table sets out CDIC's comparative results for the three-month period ended December 31, 2025, and 2024.

(C\$ thousands)	For the three-month period ended		Variance	
	December 31		Increase (Decrease)	
	2025	2024	(\$)	(%)
Premium revenue	289,071	246,291	42,780	17%
Investment and other income	81,640	65,751	15,889	24%
Increase in the provision for insurance losses	50,000	100,000	(50,000)	(50%)
Operating expenses	23,541	19,972	3,569	18%
Income tax expense	15,249	9,921	5,328	54%
<b>Net income</b>	<b>281,921</b>	<b>182,149</b>	<b>99,772</b>	<b>55%</b>

#### 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.

Premium revenue of \$289 million was recorded during the three-month period ended December 31, 2025, compared to \$246 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 \$82 million in investment income for the three-month period ended December 31, 2025, was \$16 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 (2.98% and 2.71%, as at December 31, 2025, and 2024, respectively).

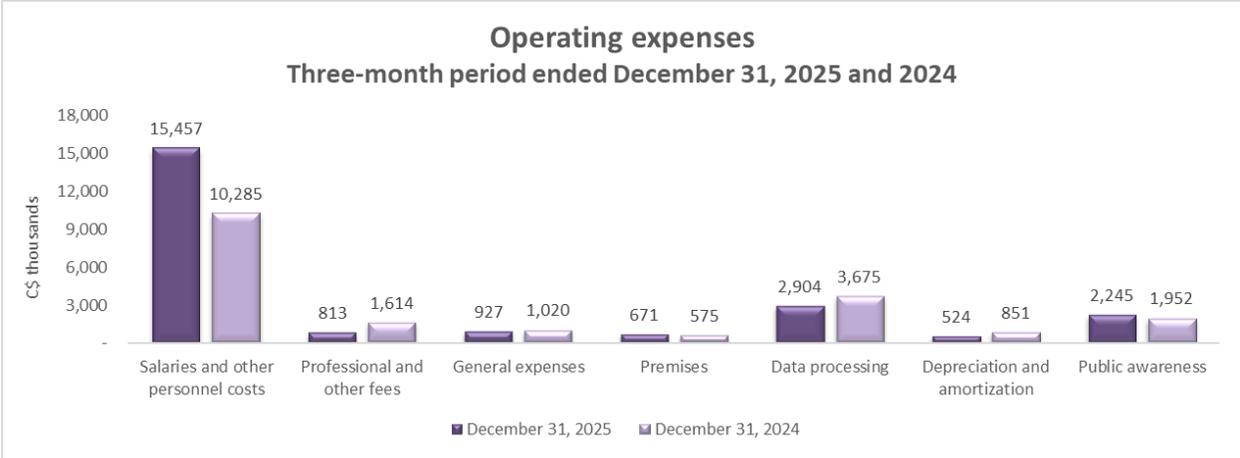
#### Provision for insurance losses

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 increased from the previous quarter by \$50 million to \$2,100 million as at December 31, 2025, primarily due to an increase in exposure to losses, offset by decreased probabilities of default.

**Operating expenses**



The Corporation’s operating expenses for the three-month period ended December 31, 2025, were \$24 million, \$4 million higher than for the same period in the prior year. The increase in personnel costs relates to non-recurring organizational restructuring expenses. The increase in personnel costs was offset by lower professional fee and data processing spend during the quarter.

**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 December 31, 2025, the Corporation recognized an income tax expense of \$15 million.

## Nine-month period ended December 31, 2025, compared to nine-month period ended December 31, 2024

The following table sets out CDIC's comparative results for the nine-month period ended December 31, 2025, and 2024.

(C\$ thousands)	For the nine-month period ended		Variance	
	December 31		Increase (Decrease)	
	2025	2024	(\$)	(%)
Premium revenue	868,230	740,181	128,049	17%
Investment and other income	229,424	184,345	45,079	24%
(Decrease) increase in the provision for insurance losses	(50,000)	150,000	(200,000)	(133%)
Operating expenses	56,939	59,701	(2,762)	(5%)
Income tax expense	46,639	30,216	16,423	54%
<b>Net income</b>	<b>1,044,076</b>	<b>684,609</b>	<b>359,467</b>	<b>53%</b>

### Premium revenue

Premium revenue of \$868 million was recorded during the nine-month period ended December 31, 2025, compared to \$740 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.

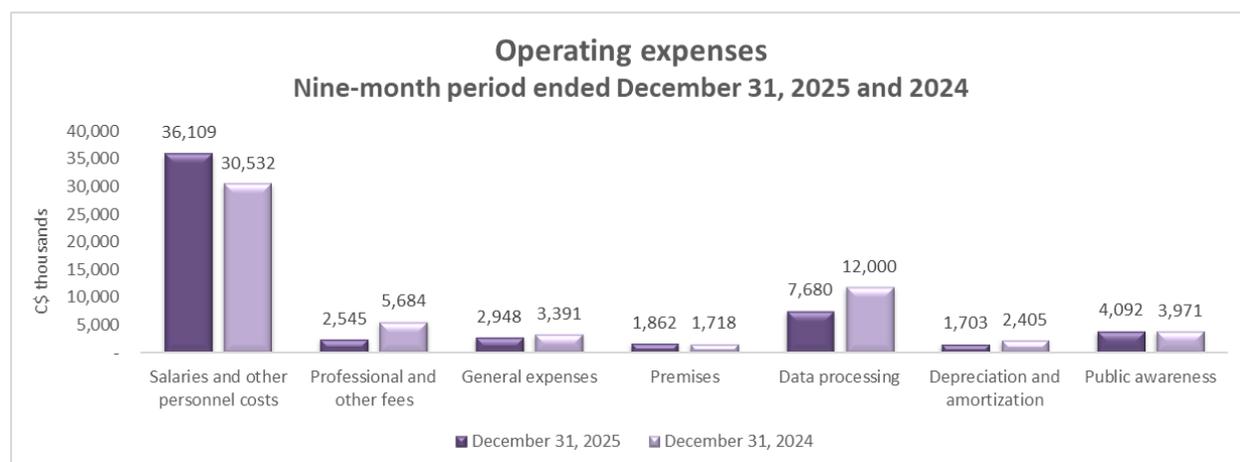
### Investment income

The Corporation's \$229 million in investment income for the nine-month period ended December 31, 2025, was \$45 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 \$50 million to \$2,100 million during the nine-month period as at December 31, 2025, primarily due to decreased probabilities of default offset by an increase in exposure to losses.

## Operating expenses



The Corporation's operating expenses for the nine-month period ended December 31, 2025, were \$57 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 offset by an increase in personnel costs. The increase in personnel costs relate to non-recurring organizational restructuring expenses.

## 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 nine-month period ended December 31, 2025, the Corporation recognized an income tax expense of \$47 million, \$16 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	314	296	18	6%
(Decrease) increase in the provision for insurance losses	(50)	50	(100)	(200%)
Operating expenses	77	82	(5)	(6%)
Income tax expense	59	54	5	9%
<b>Net income</b>	<b>1,386</b>	<b>1,139</b>	<b>247</b>	<b>22%</b>

## 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 \$314 million, compared to the planned amount of \$296 million, an increase of \$18 million due to higher investment balances than planned.

### Provision for insurance losses

The forecasted provision for insurance losses is \$100 million lower than plan, primarily due to lower probabilities of default relative to what was assumed at the time the plan was developed.

### Operating expenses

Operating expenses are currently forecasted to be \$77 million, \$5 million lower than planned, primarily due to lower data processing and professional fee spend offset by an increase in personnel costs.

## 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 \$11,204 million as at December 31, 2025, or 87 basis points of insured deposits.

## Available liquid funds

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

(C\$ millions)	December 31, 2025	March 31, 2025
<i>Available liquid funds:</i>		
Cash	54	13
Fair value of high-quality, liquid investment securities	11,593	10,355
<i>Availability of borrowings:</i>		
Borrowings authorized under the CDIC Act	38,000	36,000
<b>Total available funds</b>	<b>49,647</b>	<b>46,368</b>

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 December 31, 2025, the Corporation can borrow up to \$38 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.



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Gina Byrne  
President & Chief Executive Officer



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Jordan Rosenbaum  
Chief Financial Officer

Ottawa, Canada  
February 12, 2026

Ottawa, Canada  
February 12, 2026

## Condensed financial statements and notes

### Condensed statement of financial position

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

	Notes	December 31, 2025	March 31, 2025
<b>ASSETS</b>			
Cash		54,435	13,398
Investment securities	3	11,496,713	10,221,103
Trade and other receivables		-	355
Prepayments		2,403	2,166
Right-of-use assets	4	5,549	5,142
Property, plant & equipment		2,982	3,175
Intangible assets		195	414
Deferred tax asset		678	626
<b>TOTAL ASSETS</b>		<b>11,562,955</b>	<b>10,246,379</b>
<b>LIABILITIES</b>			
Trade and other payables		45,857	11,073
Current tax liability		15,406	17,340
Lease liabilities	4	6,525	6,266
Deferred premium revenue		289,411	-
Employee benefits		1,409	1,429
Provision for insurance losses	5	2,100,000	2,150,000
<b>Total liabilities</b>		<b>2,458,608</b>	<b>2,186,108</b>
<b>EQUITY</b>			
Retained earnings		9,104,347	8,060,271
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>11,562,955</b>	<b>10,246,379</b>

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

## Condensed statement of comprehensive income

For the three and nine-month periods ended December 31, 2025, and 2024 (C\$ thousands)

	Notes	For the three-month period ended December 31		For the nine-month period ended December 31	
		2025	2024	2025	2024
<b>REVENUE</b>					
Premium		289,071	246,291	868,230	740,181
Investment income		81,620	65,751	229,402	184,343
Other income		20	-	22	2
		370,711	312,042	1,097,654	924,526
<b>EXPENSES</b>					
Operating expenses	6	23,541	19,972	56,939	59,701
Increase (decrease) in the provision for insurance losses	5	50,000	100,000	(50,000)	150,000
		73,541	119,972	6,939	209,701
Net income before income taxes		297,170	192,070	1,090,715	714,825
Income tax expense		15,249	9,921	46,639	30,216
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>281,921</b>	<b>182,149</b>	<b>1,044,076</b>	<b>684,609</b>

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

## Condensed statement of changes in equity

For the three and nine-month periods ended December 31, 2025, and 2024 (C\$ thousands)

### FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31

	Retained earnings and total equity
<b>Balance, September 30, 2025</b>	<b>8,822,426</b>
Total comprehensive income	281,921
<b>Balance, December 31, 2025</b>	<b>9,104,347</b>
<b>Balance, September 30, 2024</b>	<b>7,351,683</b>
Total comprehensive income	182,149
<b>Balance, December 31, 2024</b>	<b>7,533,832</b>

### FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31

<b>Balance, March 31, 2025</b>	<b>8,060,271</b>
Total comprehensive income	1,044,076
<b>Balance, December 31, 2025</b>	<b>9,104,347</b>
<b>Balance, March 31, 2024</b>	<b>6,849,223</b>
Total comprehensive income	684,609
<b>Balance, December 31, 2024</b>	<b>7,533,832</b>

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

## Condensed statement of cash flows

For the three and nine-month periods ended December 31, 2025, and 2024 (C\$ thousands)

	For the three-month period ended		For the nine-month period ended	
	December 31		December 31	
	2025	2024	2025	2024
<b>OPERATING ACTIVITIES</b>				
Total Comprehensive Income	281,921	182,149	1,044,076	684,609
Add (deduct) items not involving cash:				
Depreciation and amortization	524	851	1,703	2,405
Loss on disposal of property, plant and equipment	1	-	1	-
Investment income	(81,620)	(65,751)	(229,402)	(184,343)
Interest expense on lease liabilities	30	29	82	92
Income tax expense	15,249	9,921	46,639	30,216
Employee benefit expense	30	31	91	92
Defined benefit payment	-	-	(111)	(49)
Change in working capital:				
Decrease in trade and other receivables	792	44	355	1,343
(Increase) decrease in prepayments	(509)	177	(237)	(289)
Increase in trade and other payables	36,364	25,673	34,784	20,913
Increase in deferred premium revenue	287,675	244,752	289,411	246,291
Increase (decrease) in the provision for insurance losses	50,000	100,000	(50,000)	150,000
Interest received	70,939	59,154	194,626	169,544
Interest paid on lease liabilities	(30)	(29)	(82)	(92)
Income tax paid	(11,569)	(7,057)	(48,624)	(32,483)
Net cash generated by operating activities	649,797	549,944	1,283,312	1,088,249
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment and intangible assets	(29)	(7)	(386)	(19)
Purchase of investment securities	(935,072)	(860,267)	(3,011,014)	(2,594,910)
Proceeds from sale or maturity of investment securities	324,320	341,845	1,770,180	1,544,575
Net cash used in investing activities	(610,781)	(518,429)	(1,241,220)	(1,050,354)
<b>FINANCING ACTIVITIES</b>				
Principal payment of lease liabilities	(318)	(411)	(1,055)	(1,049)
Net cash used in financing activities	(318)	(411)	(1,055)	(1,049)
Net increase in cash	38,698	31,104	41,037	36,846
Cash, beginning of period	15,737	17,562	13,398	11,820
Cash, end of period	<b>54,435</b>	<b>48,666</b>	<b>54,435</b>	<b>48,666</b>

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 February 12, 2026.

#### **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 December 31, 2025 (C\$ thousands)	Amortized cost	Unrealized gain	Fair values			Total
			Level 1	Level 2	Level 3	
Bonds	11,496,713	95,862	8,834,595	2,757,980	-	11,592,575
<b>Total investment securities</b>	<b>11,496,713</b>	<b>95,862</b>	<b>8,834,595</b>	<b>2,757,980</b>	<b>-</b>	<b>11,592,575</b>

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
<b>Total investment securities</b>	<b>10,221,103</b>	<b>133,612</b>	<b>7,847,798</b>	<b>2,506,917</b>	<b>-</b>	<b>10,354,715</b>

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

(C\$ thousands)	December 31, 2025	March 31, 2025
AAA	8,771,258	7,753,833
AA	435,711	431,743
AA-	1,148,713	1,500,229
A+	1,141,031	535,298
<b>Total investment securities</b>	<b>11,496,713</b>	<b>10,221,103</b>
<b>Weighted average effective yield (%)</b>	<b>2.98</b>	<b>2.75</b>

The carrying amounts in the above tables include accrued interest.

The Corporation did not record any loss allowances on its investment securities as at December 31, 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 2031, respectively.

##### Carrying value of right-of-use-assets

<i>(C\$ thousands)</i>	Leased office space	Equipment	Total
<b>Balance, March 31, 2025</b>	<b>5,139</b>	<b>3</b>	<b>5,142</b>
Additions	1,310	4	1,314
Depreciation	(903)	(4)	(907)
<b>Balance, December 31, 2025</b>	<b>5,546</b>	<b>3</b>	<b>5,549</b>

##### Carrying value of lease liabilities

<i>(C\$ thousands)</i>	Leased office space	Equipment	Total
<b>Balance, March 31, 2025</b>	<b>6,263</b>	<b>3</b>	<b>6,266</b>
Additions	1,310	4	1,314
Finance charges	82	-	82
Lease payments	(1,133)	(4)	(1,137)
<b>Balance, December 31, 2025</b>	<b>6,522</b>	<b>3</b>	<b>6,525</b>

Interest expense on lease liabilities amounting to \$82 thousand was recorded in the statement of comprehensive income during the nine-month period ended December 31, 2025.

Cash payments for the interest portion of \$82 thousand and the principal portion of \$1,055 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>	<b>Provision for insurance losses</b>
<b>Balance, March 31, 2025</b>	<b>2,150,000</b>
Decrease in the provision	(50,000)
<b>Balance, June 30, 2025</b>	<b>2,100,000</b>
Decrease in the provision	(50,000)
<b>Balance, September 30, 2025</b>	<b>2,050,000</b>
Increase in the provision	50,000
<b>Balance, December 31, 2025</b>	<b>2,100,000</b>

## 6 - Operating expenses

The following table provides details of operating expenses of the Corporation for the three and nine-month periods ended December 31, 2025, and 2024.

<i>(C\$ thousands)</i>	For the three-month period ended		For the nine-month period ended	
	<b>December 31</b>		<b>December 31</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Salaries and other personnel costs	15,457	10,285	36,109	30,532
Professional and other fees	813	1,614	2,545	5,684
General expenses	897	991	2,866	3,299
Premises	671	575	1,862	1,718
Data processing	2,904	3,675	7,680	12,000
Depreciation and amortization	224	547	796	1,491
Depreciation on right-of-use assets	300	304	907	914
Interest expense on lease liabilities	30	29	82	92
Public awareness	2,245	1,952	4,092	3,971
<b>Total operating expenses</b>	<b>23,541</b>	<b>19,972</b>	<b>56,939</b>	<b>59,701</b>

## 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.