

2025 Annual Report



Canada

About CDIC

CDIC's vision: Guaranteeing the safety of your insured deposits to protect financial futures in Canada.

The Canada Deposit Insurance Corporation (CDIC) was established as a federal Crown corporation in 1967 by an act of Parliament.

Our mission is to protect depositors. We provide deposit insurance, resolve our member institutions in the event they fail, and promote and contribute to financial stability.

CDIC automatically protects eligible deposits up to \$100,000 per insured category, at each member institution. Our members include banks, federally regulated credit unions, and trust and loan companies. We have handled 43 member failures to date, protecting \$26 billion in insured deposits held by more than two million depositors. The last member failure was in 1996.

Our operations are 100% funded by premiums paid by our members.
We do not receive any public funds to operate.

For more information about CDIC

Visit our website at www.cdic.ca. You can also reach us 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
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P.O. Box 156
Toronto, Ontario
M5K 1H1

Toll-free telephone service:

1-800-461-CDIC (2342)

TTY: 1-800-465-7735

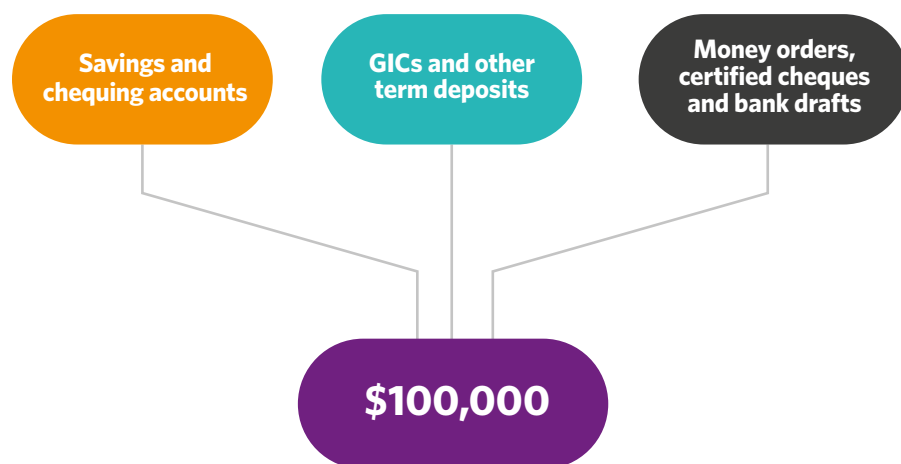
Website: www.cdic.ca

E-mail: info@cdic.ca

Catalogue number: CC391-1E-PDF

CDIC Deposit Insurance Coverage

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



* per category

One name *

More than
one name *

In trust *

FHSA *



* RESP

* RDSP

* RRIF

* RRSP

* TFSA

 COVERED



What's not covered?

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

Five-year financial and statistical summary

For the years ending March 31	2025	2024	2023	2022	2021
Selected statement of financial position items (C\$ millions)					
Cash and investments	10,235	9,115	8,139	7,284	6,493
Provision for insurance losses	2,150	2,250	2,100	1,900	2,650
Retained earnings	8,060	6,849	6,031	5,383	3,842
Selected statement of comprehensive income items (C\$ millions)					
Premiums	986	891	815	772	739
Investment income	253	189	125	93	90
Total revenue	1,239	1,080	940	865	829
Operating expenses	87	86	81	68	60
Increase (decrease) in provision for insurance losses	(100)	150	200	(750)	400
Income tax expense	41	26	11	6	7
Total comprehensive income	1,211	818	648	1,541	362
Member institutions (number)					
Domestic banks and subsidiaries	51	53	53	53	53
Subsidiaries of foreign financial institutions	14	13	16	15	15
Domestic trust and loan companies and associations	16	15	15	15	15
Federally regulated credit unions	3	3	2	2	2
Total number of institutions	84	84	86	85	85
Total insured deposits¹ (C\$ billions)	1,241	1,182	1,082	1,025	968
Growth rate of insured deposits (%)	4.94%	9.29%	5.60%	5.91%	13.63%
Ex ante funding (C\$ billions)	10.2	9.1	8.1	7.3	6.5
Basis points of insured deposits	82	77	75	71	67
Borrowing limit² (C\$ billions)	36	35	32	30	28
Basis points of insured deposits	290	296	277	293	289
Permanent employees (number) ³	195	194	176	167	165

¹ Insured deposits are calculated as at April 30 of each year. The amounts presented for the years ended March 31 are therefore reflective of the prior year's April 30 calculation and include insured deposits of new member institutions during the fiscal year, where applicable.

² Under the CDIC Act, CDIC has the authority to access additional funds through borrowing, subject to ministerial approval. The borrowing limit is indexed to the growth of the volume of insured deposits.

³ Represents the number of full-time, permanent employees at year end.

Our year at a glance

In 2024/2025, we focused on three strategic objectives:

- Depositor trust and confidence
- Resolution readiness
- Organizational strength

Fulfilling these objectives allows us to maintain people's trust and confidence in CDIC and the protection of their eligible deposits.

What was achieved?

We anticipated and adapted to an ever-changing financial landscape to maintain the trust and confidence of depositors and to promote financial stability.

- We concluded our Deposit Insurance Study, affirming the robustness of our coverage framework while identifying targeted enhancements to strengthen protection for specific depositor groups. Our study findings have been submitted to the Department of Finance for broader policy deliberation.
- For the first time ever, awareness for women—our key demographic—reached 60%, which is the upper limit of our target range (55-60%). We also maintained general public awareness of deposit insurance above target at 68%.
- Our Differential Premiums By-law was amended to expand the premium categories from four to five to better differentiate members based on the relative risks they pose to CDIC.
- We enhanced our education efforts with fintech companies⁴ to bolster their understanding of proper disclosure of CDIC deposit protection.
- Our CEO led a review of the International Association of Deposit Insurers' (IADI) international standard for deposit insurance systems to ensure it remains relevant and effective in the face of today's rapidly changing financial environment.

⁴ Note: "fintech" is short for financial technology companies.

Our year at a glance

We strengthened our member risk assessment and resolution planning to protect depositors amid growing market uncertainty.

- Our Simulations Centre of Excellence conducted six exercises with both internal and external participants to enhance our resolution readiness.
- We oversaw Canada's six largest banks as they made progress on testing their resolution capabilities in case of failure. We also developed resolution plans for our small and mid-size members that would allow us to act early and quickly to protect depositors, if needed, and to preserve financial stability.
- We continued actively participating in the tri-agency Data Collection Modernization initiative, led by the Office of the Superintendent of Financial Institutions (OSFI) and in collaboration with the Bank of Canada, to modernize regulatory data collection. This initiative aims to enhance data quality, governance, and analytics by transitioning from the legacy regulatory reporting system to a modernized platform that supports more granular, timely, and comprehensive filings.
- We enhanced our ability to stress-test the liquidity and solvency stress-testing of our members so we can better assess their resilience to adverse economic and financial conditions.
- We tested the ability of our members and nominee brokers to provide timely and accurate data on request—critical for facilitating prompt and accurate payouts of insured deposits, when required.

We strengthened our organizational capability to address factors that can impact our environment, including our technology and risk management.

- Through our Enterprise Risk Management (ERM) program, we strengthened and centralized the governance oversight of risk, refined our risk management and reporting tools to better inform strategic decision making, and introduced risk metrics to measure adherence to the risk appetites set by our Board of Directors.

Our ability to achieve our vision is made possible through our people and strong, inclusive culture.

- We met or exceeded our representation targets for women, visible minorities and people with disabilities, with 67% of our corporate officers identifying as women.
- Our employees certified us a Great Place to Work® for the third consecutive year. We were also named a Top Employer in the National Capital Region for the second time in a row in early 2025.

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Messages from the Chair & the COO



Message from the Chair

This marks my final message to you as Board Chair—a moment that fills me with profound pride and gratitude. Since 2016, I've had the privilege of serving this organization through periods of significant transformation and change. What strikes me the most is CDIC's evolution and accomplishments during these eventful years.

Between 2016 and 2025, we navigated significant challenges as an organization and as a country: the 2017 housing market volatility, the unprecedented COVID-19 pandemic in 2020, the subsequent inflation surge and dramatic interest rate adjustments, and the 2023 international banking crisis. All along, the financial services landscape has been evolving, requiring us to continually adapt to fulfill our mandate.

During my nine-year tenure, CDIC was designated the resolution authority and granted bail-in power for Canada's largest banks. Our coverage was expanded to include foreign currency deposits and deposits with terms greater than five years. Separate coverage was added for Registered Education Savings Plans and other categories. Finally, our deposit insurance framework was strengthened to protect beneficiaries of trust and nominee-brokered deposits. Going forward, we will continue to advocate to the Government of Canada for improvements that reflect today's economic realities and serve your best interests.

This is CDIC's story: consistent deposit protection amid an ever-changing environment. When your needs change, so do we. When financial uncertainties peak, we stand firm, ensuring you can trust the safety of your insured savings.

I'm particularly proud that, today, we are an operationally strong and risk-intelligent organization. Our robust risk framework now guides all aspects of our work—a critical development in today's heightened risk environment. This transformation has strengthened our ability to anticipate and address emerging challenges before they impact depositors. It also allows us to act earlier and proactively employ a broader range of solutions.

The openness and transparency between our Board and management team has been instrumental to our success. It's what allows our Board to effectively fulfill our core responsibility year-over-year: to hold management accountable for achieving our mandate while providing strategic guidance. This foundation of trust and collaboration proved invaluable earlier this year when we faced the difficult decision to end our Payout Modernization Project. The open dialogue between our Board and management ensured that we carefully weighed all the data, perspectives, and long-term implications to make the best decision for CDIC's future.

I extend my deepest gratitude to my fellow Board members, whose wisdom and dedication have been invaluable. CDIC could not have accomplished everything it has without their willingness to engage in frank and constructive manner during our deliberations.

This year, we welcomed a new private sector director, Tanya van Biesen. Tanya currently serves as President and CEO of VersaFi, Canada's leading organization for the advancement of women in finance. We also welcomed Shereen Benzvy Miller, the new Commissioner for the Financial Consumer Agency of Canada (FCAC), to our Board. I'm confident the Board will benefit from their respective insights and expertise. I would also like to thank the Interim FCAC Commissioner, Werner Liedtke, and our former private sector member, Linda Caty, for all their contributions. I wish them all the best in their future endeavours.

To our extraordinary team across the organization: you are the reason for CDIC's success. I've watched with admiration and gratitude as you have turned obstacles into opportunities over these nine years. During this time, I worked alongside four different CEOs, each bringing a unique perspective that advanced CDIC's readiness to face challenges head-on. As our leadership evolved, I witnessed your growth—not only in numbers but in your willingness to challenge conventional thinking on resolution and other important matters. Your hard work and willingness to go the extra mile have given depositors peace of mind during times of uncertainty.

While all good things must come to an end, I leave with complete confidence in CDIC's strength and readiness to navigate whatever challenges lie ahead. It has truly been an honour.

Sincerely,



Bob Sanderson
Chair of the Board of Directors

Message from the Chief Operating Officer

In a year marked by market volatility and economic uncertainty, CDIC remained steadfast in protecting your insured deposits and maintaining financial stability. This allowed families, businesses, and individuals to navigate challenging times with one less worry.

Despite shifting interest rates, rising unemployment and inflation pressures, Canada's financial system remained a safe place to put your money thanks to robust regulation and oversight. This stability was evidenced by CDIC's member institutions, who maintained strong capital positions and liquidity levels throughout the year.

Our dedication to preparedness proved essential. When market turbulence intensified, we doubled down on simulation exercises that tested our resolution capabilities. This ensured we remained ready to protect your deposits even as financial headwinds grew stronger.

Understanding that your awareness of deposit insurance goes hand in hand with your confidence in the financial system, we successfully bridged an important awareness gap for women through our Public Awareness Strategy. We also maintained the general public's awareness above our target levels.

As part of our commitment to protect your deposits, we completed our Deposit Insurance Study, launched in 2023. Our findings confirmed the robustness of our coverage framework and identified improvements to better protect certain depositors. The growing volume of deposits across our membership makes deposit insurance more important than ever.

Not everything worked out as planned. Following a comprehensive review, we ended our Payout Modernization Project once it was determined the solution was not meeting our requirements. This was a large and complex technology initiative that aimed to enhance our communications and payout capabilities during a bank failure. While this was a challenging decision, it provided valuable insights that will strengthen and guide our future initiatives. Meanwhile, we will continue to use and bolster our current payout system, which provides prompt and secure reimbursement of insured deposits in case of a member failure.

Collaboration was essential to navigating this dynamic environment. Domestically, we continued to work closely with members of Canada's financial safety net and our provincial regulatory partners. On the global stage, CDIC remained an active participant in international forums like the International Association of Deposit Insurers (IADI) and the Financial Stability Board (FSB). These relationships enabled us to adopt best practices and gain valuable and early insights into evolving trends and risks, ultimately contributing to a more resilient financial system that better serves you and protects your deposits.

Our internal culture and employer brand continued to flourish. CDIC was certified a Great Place to Work® for the third consecutive year and named a Top Employer in the National Capital Region for the second year in a row. This strong foundation allowed us to continue attracting top talent and empower our team to innovate and excel even during periods of external pressure.

This report reflects not just what we have done, but who we are as an organization. It is a testament to our adaptability, resilience and unwavering commitment to protect you in an ever-changing environment. As we navigate the future together, we remain committed to safeguarding what matters most to you. Thank you for your continued trust and confidence—it is a privilege to serve you.

Sincerely,



Gina Byrne
Chief Operating Officer



Part 1 Management's Discussion and Analysis



Operating and corporate environment

CDIC continually assesses opportunities and challenges within the economic, financial and regulatory landscape. This allows us to respond to emerging risks and, ultimately, strengthen our position to protect depositors and promote financial stability. Collaborating with domestic and international partners is essential for navigating today's complex financial landscape.

Economic Environment

In 2024/2025, Canada's economy presented a mixed picture. After a prolonged period of monetary tightening, interest rates began to ease from their multi-year highs. This move provided relief for homeowners who are renewing their mortgages, homebuyers, and businesses seeking capital. Simultaneously, inflation—which had been the primary concern driving those high interest rates—stabilized.

Meanwhile, another troubling reality emerged: household debt and unemployment surged to the highest levels since the pandemic. Overall economic activity remained subdued. Higher borrowing costs, increased business insolvencies⁵, and weak demand all stifled investment. Looking ahead, the Bank of Canada forecasts modest economic growth of 2% in 2025 and 2.5% in 2026.⁶

The tariff developments between the United States and Canada in early 2025 added new complexity to the economic landscape. The implementation of targeted tariffs on Canadian goods, particularly the aluminum, steel and auto industries, has created uncertainty for exporters, manufacturers, and individuals alike. The longer-term impact on Canada's economy and financial sector will depend on the extent and duration of the tariffs.⁷

The overall financial condition of CDIC's members remained acceptable during this period, with adequate levels of capitalization, funding, and liquidity. However, signs of stress in the financial sector grew more visible, particularly in residential and commercial real estate. These sectors will require effective risk management and oversight by our members. The number and range of non-financial risks our members face, such as cyber vulnerabilities, are also becoming increasingly relevant.

CDIC continues to anticipate and closely monitor the impacts of these emerging risks on our members and stands ready to protect depositors, if necessary.

Industry Collaboration

CDIC is one of the pillars of Canada's financial safety net, along with the Department of Finance, the Bank of Canada, the Office of the Superintendent of Financial Institutions (OSFI), and the Financial Consumer Agency of Canada (FCAC). We work closely with these agencies to oversee our members, detect and address risks early within the Canadian banking system, and consider economic vulnerabilities and public policy options to support financial system stability.

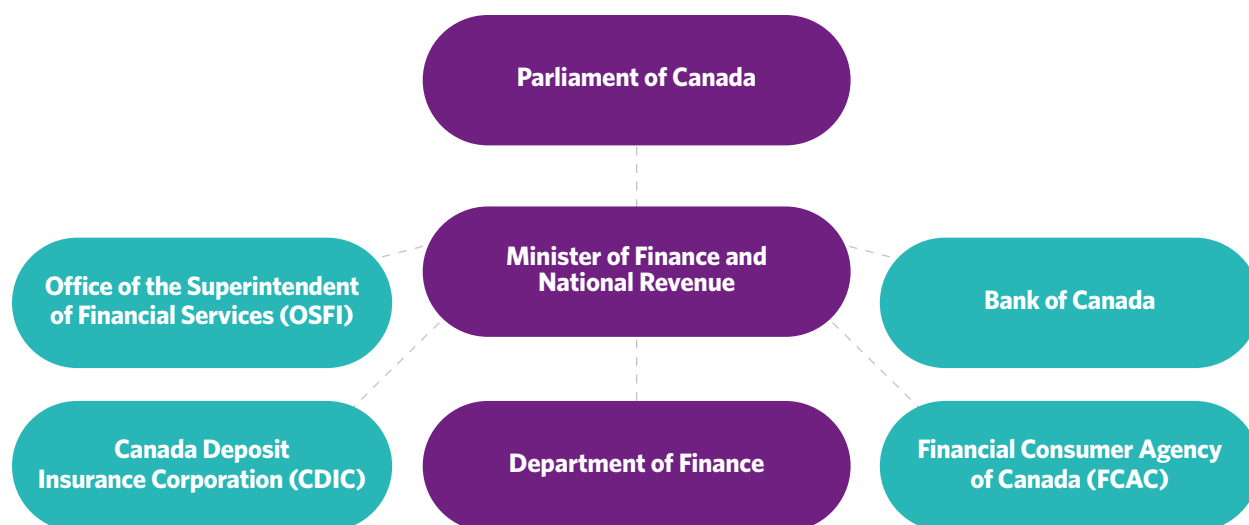
We also regularly engage with our provincial regulatory partners on deposit insurance and resolution best practices. In October 2024, CDIC and the Autorité des marchés financiers (AMF) co-hosted the second annual Federal-Provincial Deposit Insurance Forum. Participation from the heads of provincial deposit insurers resulted in a robust exchange of insights and best practices on deposit insurance and resolution in today's evolving risk environment. The next forum will take place in Ottawa in fall 2025.

⁵ Insolvency Statistics in Canada – December 2024; CAIRP: Q4 2024 Canadian Insolvency Statistics | CAIRP

⁶ Monetary Policy Report – July 2024 (bankofcanada.ca)

⁷ Navigating tariff uncertainty – Bank of Canada

Institutional Structure



International Leadership

On the global stage, we demonstrated leadership by continuing to advance the International Association of Deposit Insurers' (IADI) key priorities. In March 2023, CDIC's President and CEO Leah Anderson was appointed Chair of the High-Level Steering Group entrusted with reviewing and revising IADI's *Core Principles for Effective Deposit Insurance Systems*. The purpose of the review was to ensure the international standard for deposit insurance systems remains relevant and effective in the face of today's rapidly changing financial environment. Consensus on the revisions was achieved at IADI's Annual General Meeting in November 2024. Public consultations are taking place in the spring of 2025.

Most recently, CDIC co-authored an IADI research paper titled "Testing for Crisis Preparedness and Management" in March 2025.⁸ The paper explored how deposit insurers globally use testing exercises such as simulations to prepare for crises, with a spotlight on case studies from six different countries, including Canada. CDIC is also leading an IADI working group tasked with developing a report on the impact of key emerging trends, such as depositor behaviour and artificial intelligence, on deposit insurance. The findings of the report will guide future IADI research.

To continually advance our resolution preparedness, CDIC participates in various multilateral working groups. For example, as an active member of the Financial Stability Board (FSB), we support their ongoing work to ensure there is an effective resolution framework for the global banking sector. Our contributions over the past year focused on addressing lessons learned from the 2023 banking failures in the United States and Switzerland.

Regulatory Environment

During 2024/2025, CDIC continued to operationalize changes to its Differential Premiums System (DPS)—the result of a review and consultation in 2022/2023. The DPS is a key part of our funding framework. It determines the annual premiums paid by member institutions to CDIC based on their risk rating. Our review focused on two key goals. First, to ensure the DPS continues to incentivize good practices by classifying members according to the risk they represent to our deposit insurance fund and our ability to execute our functions. Second, to ensure our deposit insurance fund target remains appropriate.

The first phase of changes, which include increasing the number of premium categories from four to five, came into force April 1, 2025. The framework changes pertaining to the modernized quantitative and qualitative criteria will be implemented in the 2026 premium year. This work will enhance our effectiveness in determining risk-based premiums and sending an early warning signal—with financial consequences—to our members' management and boards of directors concerning the risk they pose to CDIC.

⁸ Testing of Crisis Preparedness and Management: Overview, Practices and Experiences - IADI | International Association of Deposit Insurers

Innovation and Awareness

The financial sector is in a constant state of evolution. Digitalization and financial innovation, including the role of artificial intelligence, self-directed financing, and automation, continue to challenge traditional business models of banking and influence the way people interact with and manage their money. We have seen growth in fintech companies in recent years, including an increase in our members partnering with them to support their product offerings. While these new financial products and services offer depositors speed and convenience, they also introduce new risks. To bolster understanding about proper disclosure of CDIC deposit protection, we enhanced our monitoring and education efforts with fintech companies over the past year. Our focus is to ensure they do not misrepresent our protection when they offer financial products to clients.

CDIC's Deposit Insurance Study

In 2024, we concluded our Deposit Insurance Study (DIS), launched in February 2023, to assess the robustness of our coverage framework and alignment with depositors' evolving needs and expectations.

Primary research themes

- Changes to the deposit environment
- Structure and coverage of CDIC's deposit insurance framework, including the \$100,000 limit
- Consumer awareness and understanding of deposit insurance
- Impact of 2023 banking failures in the United States and Europe

Key findings

- CDIC's current coverage framework is strong, but improvements could be made to better protect certain depositors
- Number of deposits have increased across our members, including the total volume of uninsured deposits
- Almost all retail and small business depositors are fully protected by CDIC (96% and 95%, respectively)
- As more people retire and transfer wealth between generations, more individuals will temporarily hold large amounts of money during major life events, like selling a home or receiving an inheritance
- To feel protected during negative financial situations, depositors want more personalized information on how their deposits are protected
- Depositors look to their financial institutions/advisors first as a trusted source of their deposit protection

Our study findings have been submitted to the Department of Finance for broader policy deliberation. Any changes to the federal deposit insurance framework are in the purview of the Minister of Finance and National Revenue.

We conducted our research and analysis in close collaboration with our members, industry stakeholders, and domestic and international regulatory partners. The scope of the study was significant, analyzing some 120 million accounts and 70 million deposits across our membership.

Part 1: Management's Discussion and Analysis

The *CDIC Deposit Insurance Information By-law* exists to provide depositors with clarity and understanding about federal deposit protection. It prohibits anyone from making false, deceptive, or misleading representations about what is and is not covered, or who is a CDIC member. Our members are also required to display our purple lock logo on their branch doors, ATMs, and mobile banking applications. This logo lets customers and depositors know that the establishment they are conducting their business in is, in fact, a CDIC member.

CDIC also invests in public awareness of deposit protection to help people make informed financial decisions. Studies show when people know their deposits are protected, they are less likely to withdraw their money in the event of a bank failure or financial crisis. Awareness of deposit coverage, in turn, supports public confidence in Canada's financial sector and promotes overall financial stability. Our own research also shows that people who have heard of CDIC are 85% more likely to deposit their money at a financial institution that has our protection.

In 2024/2025, CDIC implemented year two of its three-year public awareness strategy, with a focus on increasing awareness among women. As of March 31, 2025, awareness of CDIC or federal deposit protection among the general public was 68%, above our target range of 60-65%. This was also the first year that women, a key audience, were not only within our target range of 55-60%, but at the upper limit with awareness at 60%.

While we made significant strides across multiple initiatives this past year, we did face some challenges. In late 2024, we decided not to move forward with our Payout Modernization Project once it was determined the solution was not meeting our requirements. Our organization will continue to use and bolster our current payout system, which provides fast, accurate, and secure reimbursement of insured deposits in case of a member failure. We also remain ready to protect depositors through other powers and tools.

Workplace environment

CDIC takes pride in our people and our ability to nurture a strong and inclusive culture—together. This plays a pivotal role in staff retention and engagement.

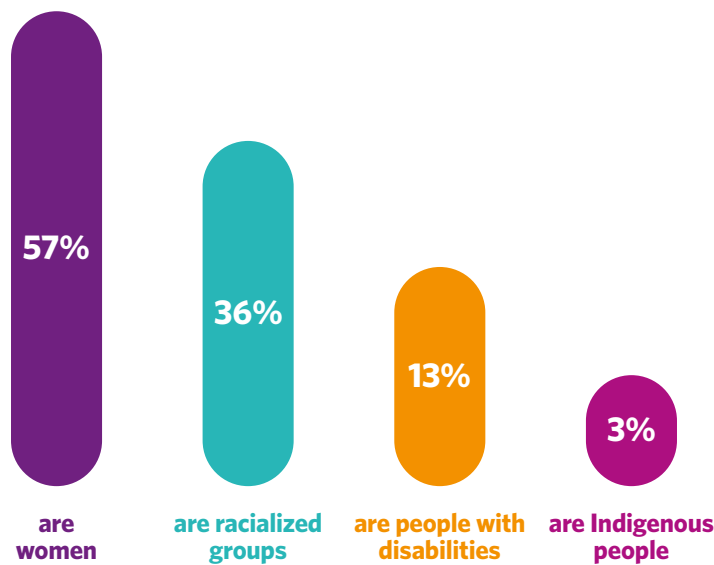
Over the past year, we supported more professional development opportunities and capacity-building across the organization. We hosted an Employee Summit in October 2024 centered around the theme “working as one.” Our employees also supported each other and the communities in which we work through volunteer and fundraising activities.

Our people and culture work is based on employee feedback through surveys and townhalls to strengthen organizational culture, promote open communication, and identify opportunities for improvement. We are proud to note that, for the third consecutive year, our employees certified us a Great Place to Work®. We were also named one of the National Capital Region's Top Employers for the second year in a row in early 2025. Nurturing an employer brand of distinction enables us to attract top talent from across the country.

Diversity, Equity, and Inclusion Strategy & Accessibility

CDIC is dedicated to having a workforce that is representative of the people we serve. Diversity makes us a better organization. Our Diversity, Equity, and Inclusion (DEI) Strategy guides our efforts to foster a diverse, equitable, and inclusive workplace.

Self-Reported Gender and Diversity at CDIC



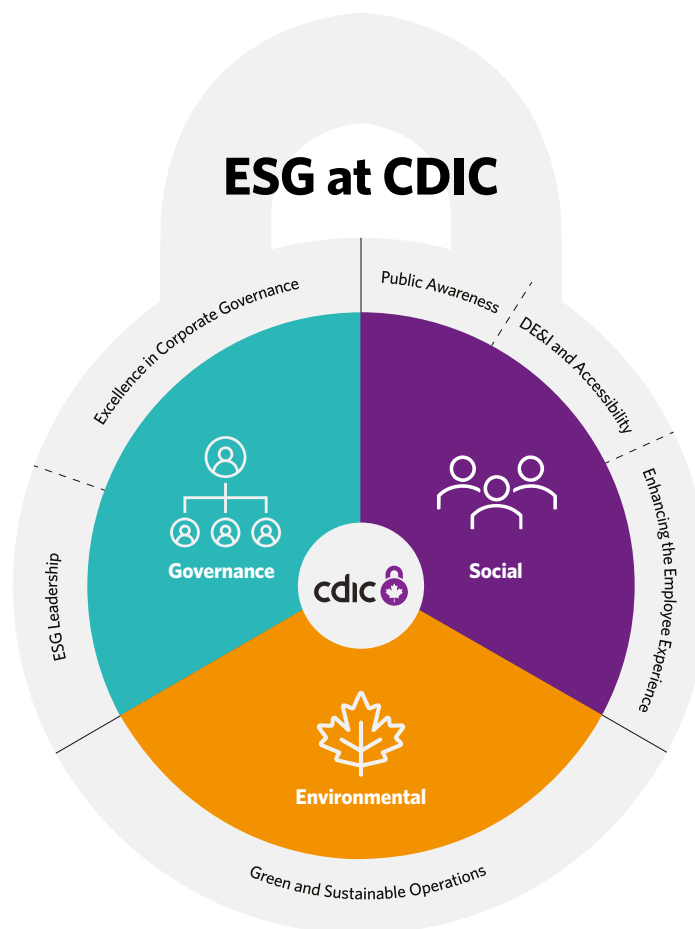
Data are collected through a voluntary self-identification form available to all employees.
This graphic is based on self-identification responses from CDIC employees collected for the period ending in Q2 of fiscal 2024/2025.
Individuals may be counted in one or several equity groups.

We have initiatives in place to build representation in other employment equity groups. For example, we have an Inclusion Advisory Panel (IAP) that is led by employees, for employees. The group’s role is to influence organizational policies and processes, promote the recruitment and retention of diverse candidates, and enhance inclusion and cultural awareness. We also have targeted mentorship programs for official languages and Black, Indigenous, and People of Colour (BIPOC) employees.

In 2024, CDIC launched a new Accommodation Policy and related Accessibility Passport to make our workplace more accessible. The policy outlines our processes and procedures for accommodating employees. It also establishes accountability among supervisors, employees, and People & Culture regarding accessibility. The passport enables employees to identify any barriers they encounter and request the adaptive tools and accommodations they need to succeed in their jobs. Use of the passport is voluntary and confidential.

Digital accessibility is another area where we continue to make strides. In May 2024, we launched our new CDIC.ca website using the most up-to-date accessibility standards. Users with disabilities can now customize their experience with the AccessiBe widget. A broad range of our public-facing documents and videos are also now more accessible through plain language, accessible PDFs, closed captions, and transcripts.

Environmental, Social and Governance Strategy



Environmental

We track our environmental impact to inform opportunities that could strengthen the sustainability of our operations over time.

Social

We foster an engaged, high-performing and representative workforce through our DEI Strategy. We help people make informed financial decisions through our Public Awareness Strategy and Financial Literacy Month activities that promote open and honest conversations about money. We also actively support the communities in which we work through volunteering and fundraising.

Governance

We strengthen our governance so we can continue to effectively fulfill our mandate. This includes continuously reviewing and updating our policies and processes to ensure they reflect best good governance practices.

Membership

Every federally regulated financial institution in Canada that takes retail deposits must be a CDIC member. Our members include banks, federally regulated credit unions, and trust and loan companies. As of March 31, 2025, we had 84 members.⁹

As a resolution authority, we are responsible for handling the failure of our members, from the smallest to the largest. Our number one priority in the event of a failure is to protect depositors by ensuring they have access to their insured funds, while contributing to financial stability.

We have the authority to intervene using a range of resolution tools and powers under the CDIC Act. Depending on the scenario, we can assist or force the sale of a troubled member, provide direct financial assistance, or create a bridge bank to continue operations of the non-viable member until a buyer can be found. In the case of a domestic systemically important bank (D-SIB), we can temporarily take control of the bank and recapitalize it by converting certain debt instruments into common shares (i.e., a "bail-in"). If a member closes, we promptly reimburse depositors their insured money.

Risk and Data Assessments

CDIC monitors the health and risks of our members on an ongoing basis. This gives us the foresight we need to ramp up our preparedness planning. We assess the health of our members based on a mix of quantitative and qualitative criteria, including member financial reports, market data, and environmental scans.

Over the last year, we continued to modernize our data collection and analytics capabilities, in partnership with the Office of the Superintendent of Financial Institutions (OSFI) and the Bank of Canada, to strengthen the early identification of risks within our membership and across the financial system. As part of this effort, we enhanced our ability to stress-test the liquidity and solvency of our members so we can better assess their resilience to adverse economic and financial conditions.

Alongside risk assessments, we also routinely test the ability of our members and nominee brokers to comply with our data and record-keeping requirements. Having timely and up-to-date data is critical for facilitating a prompt and accurate payout of insured deposits, when required. In 2024/2025, we conducted extensive data testing for nearly 80 members to confirm they can provide prescribed information on request. We also performed baseline data testing for 80% of nominee brokers.

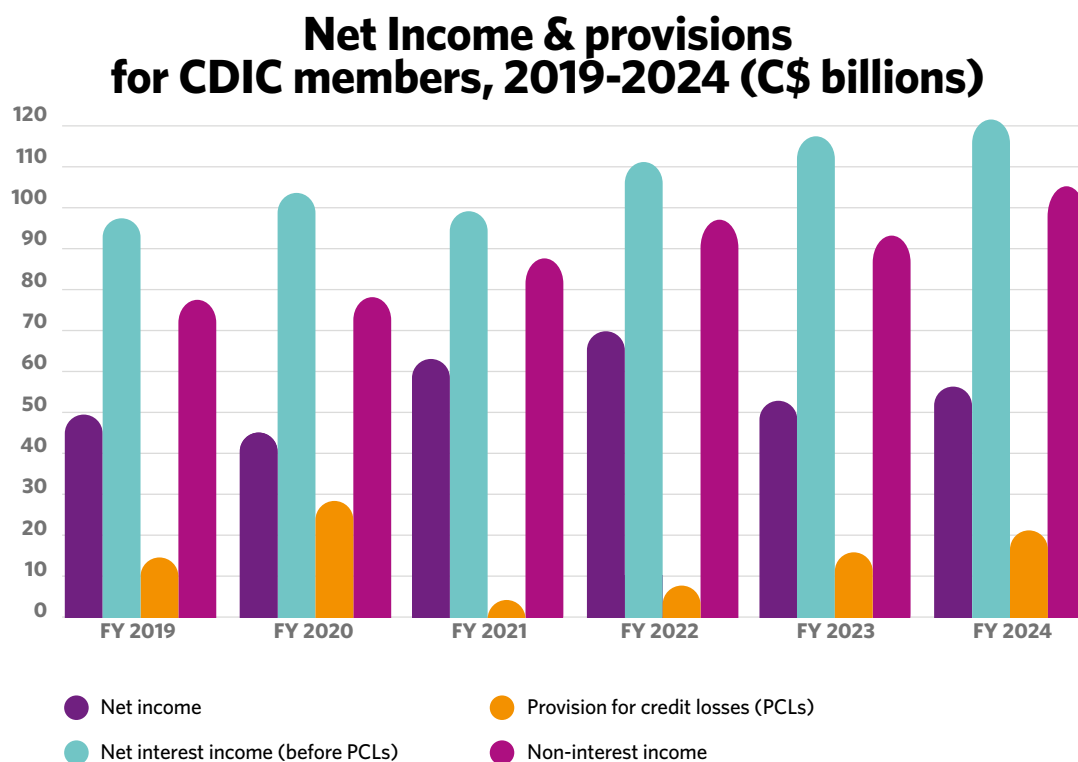
Our team continuously monitors and oversees the resolution capabilities of our members. In 2024/2025, Canada's six largest banks continued to make progress on testing their resolution capabilities. This allows them to demonstrate they can execute their resolution plan during a failure, including the operational aspects of bail-in. We also developed resolution plans for our small and mid-size members that would allow us to act early and quickly to protect depositors and preserve financial stability, if needed.

Insured deposits

As of April 30, 2024, (the annual date on which insured deposits are calculated for insurance premiums), deposits insured by CDIC increased by 4.9% year-over-year to \$1,241 billion. Insured deposits continue to be a highly valued, cost-effective and stable source of funding for our members.

⁹ This reflects the amalgamation between NBC and CWB, which took place on February 1, 2025, as well as the addition of Santander Consumer Bank on March 5, 2025.

Member financial results

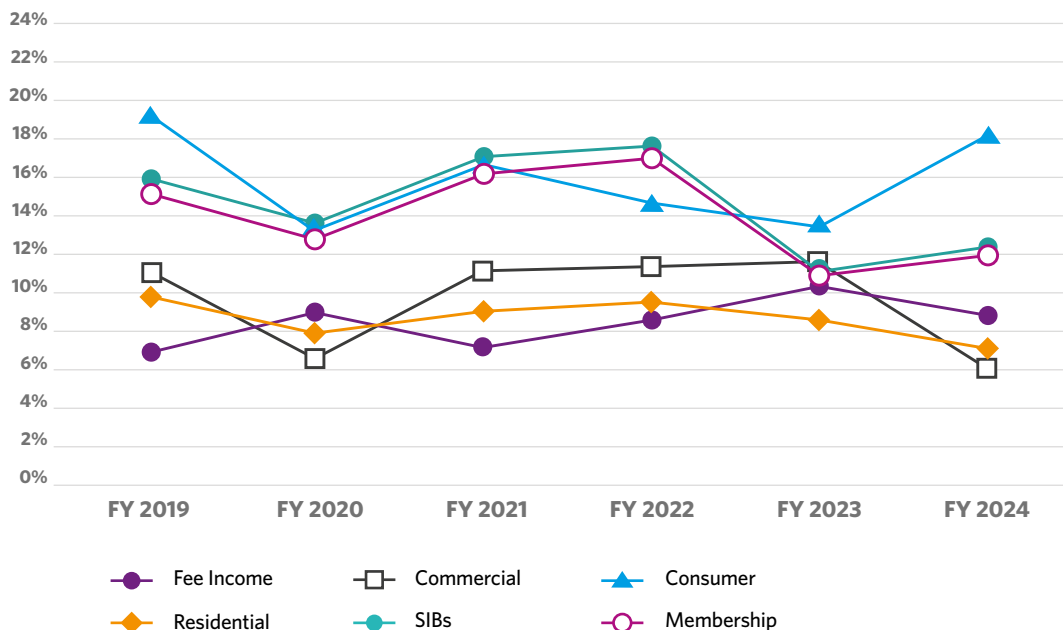


CDIC's members delivered acceptable financial results, maintaining adequate capital and liquidity ratios. From a macroeconomic perspective, tightening financial conditions, household debt, and geopolitical tensions continued to subject the banking sector to risk. These risks underscored the importance of continually monitoring the risk environment and assessing the data quality of our members. This enables us to respond rapidly if our members experience financial difficulty.

Our members earned a total net income of \$54.4 billion in 2024. Membership profits improved despite higher provisions for credit losses (PCLs). Net interest margins decreased year-over-year while non-interest expenses remained elevated. PCLs of \$19.8 billion increased 34.7% year-over-year, driven mainly by deteriorating macroeconomic conditions.

Net interest income increased by 3.4% (\$4.1 billion) in 2024 as higher loan volumes were offset by a decline in net interest margins. Non-interest income increased 12.5% (\$11.5 billion), driven largely by revenue from trading.

Return on average shareholders' equity (ROAE) by peer group, 2019-2024

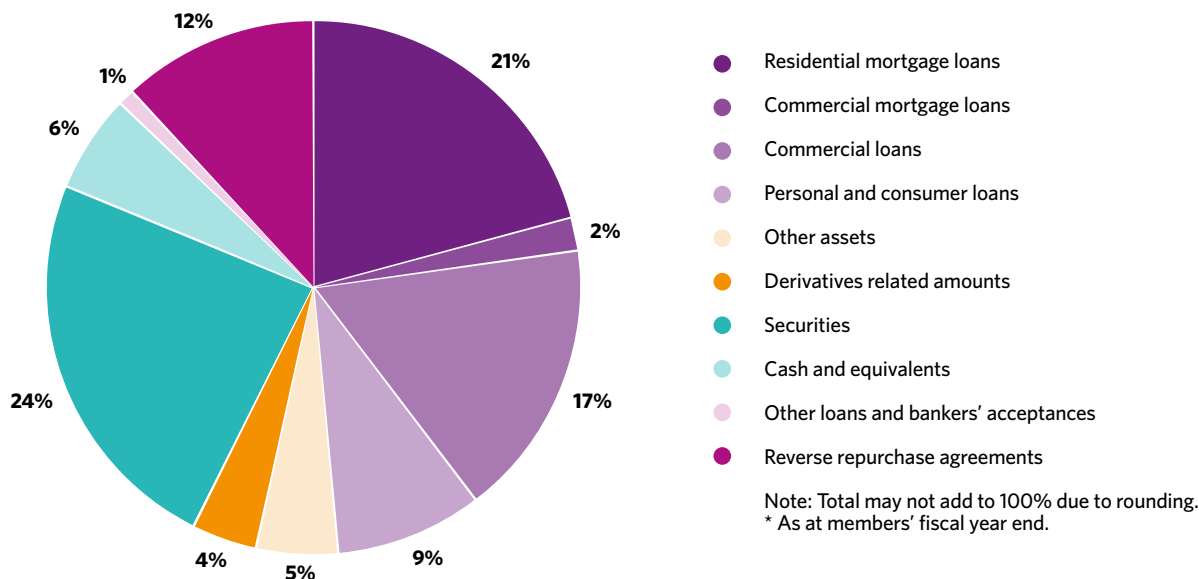


The membership's return on average shareholders' equity (ROAE), a broad-based measure looking at institutions' profitability, was 12%, up from 11.3% last year. ROAE decreased across the membership outside of consumer and D-SIB peer groups, as net income was impacted by higher provisions for expected credit losses and by climbing impairments. Relative to other peer groups, the D-SIBs and commercial members saw ROAE stabilization on falling interest rates. As shown in the graph above, the ROAE varies by peer group, due to the type of lending and the degree of leverage utilized.

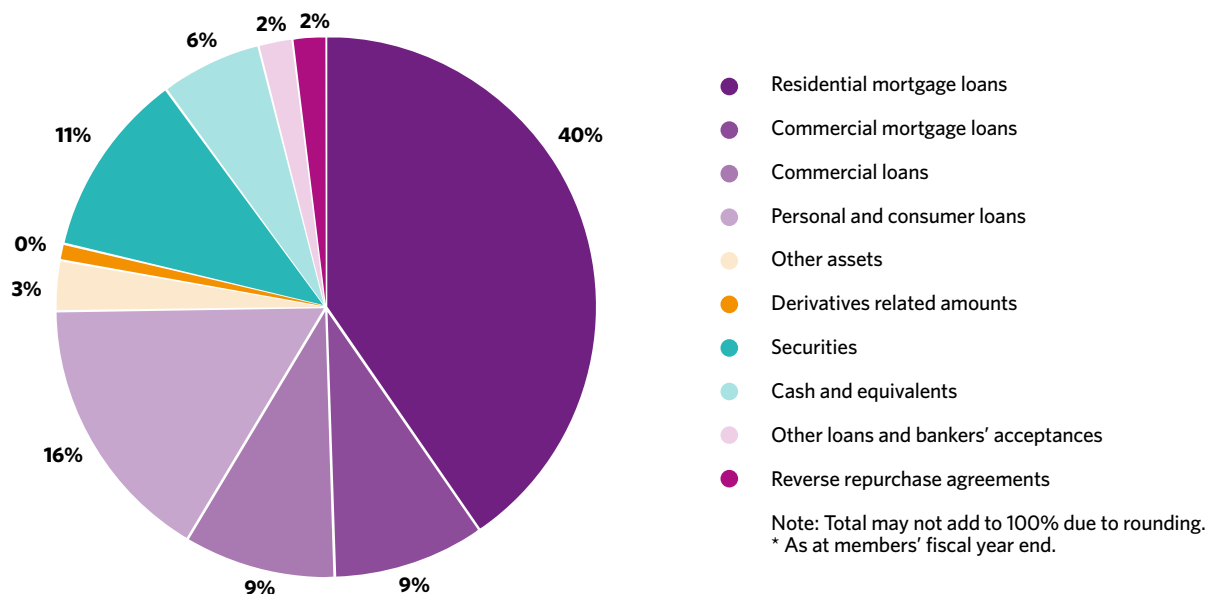
Asset composition, growth and quality

Our membership's total asset base grew 4.7% year-over-year to \$8.9 trillion, driven by the increase in residential mortgages, securities, commercial loans, and personal and consumer loans. Residential mortgages, one of the largest asset classes on our members' balance sheets, totalled approximately \$1.9 trillion, or 21% of their on-balance sheet assets. Other significant asset classes included securities (23% of total assets, 24% of which were Canadian government-issued securities), commercial loans (17%), personal and consumer loans (9%), and reverse repurchase agreements (11%).

Asset mix—DSIBs peer group (%), 2024* (C\$8.6 trillion)



Asset mix—all other peer groups (%), 2024* (C\$327 billion)



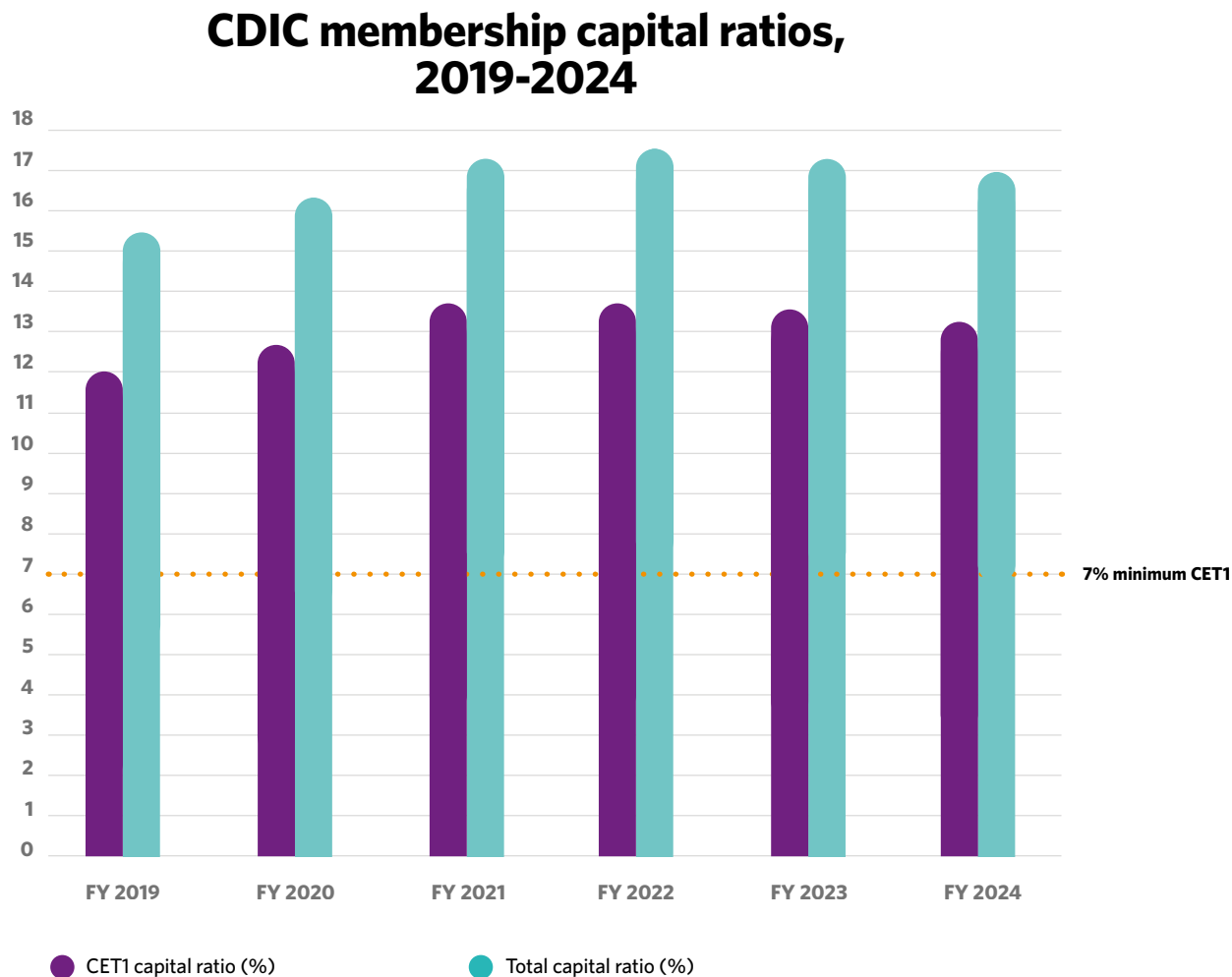
The D-SIB peer group is broken out from the rest of our membership due to its size and the disproportionately large impact these institutions have on the overall composition of the Canadian financial sector. The D-SIB peer group also has a diversified asset composition with a lower reliance on residential mortgage lending relative to our other members.

The overall performance of our membership's assets in 2024 deteriorated compared to last year, with the gross impaired loan ratio increasing to 0.58% of total loans (2023: 0.45%).

Liquidity levels

Overall, members maintained a satisfactory level of liquid assets as of March 31, 2025. They all complied with the regulatory expectations set out in OSFI’s Liquidity Adequacy Requirements. Viewed on a combined basis, these metrics and assessments, which include several qualitative considerations, provide us with broad and deep perspectives on the liquidity adequacy of our members. We expect members to maintain a satisfactory level of liquidity throughout 2025.

Capital ratios



Overall membership capital levels throughout 2024 remained well above the Basel III minimum requirements. The membership’s average Common Equity Tier 1 (CET1) capital ratio was 13.4% at each member’s Q4 2024 (relative to the OSFI minimum requirement of 7.0%), down from 13.6% at each member’s Q4 2023. The average total capital ratio for the membership was 16.9%, down from 17.1% in 2023.

Further, under the terms of OSFI’s Leverage Requirements Guideline, all institutions are required to maintain a capital adequacy leverage ratio that meets or exceeds 3.0%. As of each member’s Q4 2024, the average leverage ratio of the membership was 4.4%.

Management of enterprise risk

CDIC employs a robust Enterprise Risk Management (ERM) framework that emphasizes and balances strong central oversight and control of risk, with clear accountability for and ownership of risk across business lines. Our Board of Directors oversee our ERM program through its Risk Committee. CDIC's Management Risk Committee (MRC) serves as our main oversight committee. Its primary function is to help management identify, assess, manage, and monitor key risks.

Over the past year, we continued to refine our policies, processes and controls to ensure our risks are aligned with our corporate strategies and the risk appetites set by the Board. Our top risks are informed by both internal and external factors and regularly reviewed, assessed, and monitored to ensure they remain within an acceptable level.

Key risks to CDIC

CDIC actively identifies and monitors risks that are present and emerging within our external and internal operating environment. Key risks are those that may materially affect our ability to deliver on our mandate and are subject to greater oversight from our MRC and Board Risk Committee. Our key risks include:

- **Preparedness risk:** Continuous changes in the financial sector, business models and risk profiles of our members, could have an impact on our readiness to payout insured deposits or act as a resolution authority. This risk is mitigated through our *Resolution Ready and Depositor Trust and Confidence* strategies. Initiatives include continuous monitoring of our members and environment, maintaining strong collaboration with financial safety net partners (including our partnership with safety net partners to modernize data collection capabilities), and strengthening our readiness to respond to a variety of crisis scenarios through simulation exercises.
- **Strategic risk:** Changes in the environment, including the digitalization and transformation of financial services, could affect the way in which we achieve our strategic objectives and related initiatives. As part of our *Depositor Trust and Confidence* strategy, we will continue our ongoing collaboration with financial safety net partners to address various financial sector issues. This includes assessing opportunities to continue modernizing the federal deposit insurance framework and deepening public awareness of deposit insurance.
- **Operational risk:** Top operational risks include cyber threats, which are increasing in frequency and sophistication against government agencies using advanced tools and technology; risks associated with the use of third parties in key business processes and technology; and people risk related to maintaining talent and resource capacity to deliver on strategic initiatives. Operational risks are mitigated through our *Depositor Trust and Confidence* and *Organizational Strength* strategies. For example, we continue to strengthen our cyber resilience and organizational strength through our Cyber Security Strategy, Cloud Migration Strategy, and pursue initiatives to improve employee engagement and our value proposition.

Simulations

In addition to having strong risk management practices, we conduct simulations on a wide range of crisis scenarios through our Simulation Centre of Excellence to evaluate and enhance our readiness. We were among the first in the world to establish a Simulations Center of Excellence back in 2019. In the absence of bank failures, simulations provide a safe and controlled environment to ensure our plans and people are always ready.

While exercises focus primarily on our resolution tools, we also regularly test our corporate risks through exercises that target our business continuity planning, cyber response and third-party practices. In 2024/2025, our Centre conducted six testing exercises with both internal and external participants.

Performance against Plan – Corporate scorecard – 2024/2025
(as of March 31, 2025)

The Corporate Scorecard reflects updates of progress, as at Q4 (March 31, 2025), made towards CDIC’s planned initiatives and activities as laid out in the 2024/2025 to 2028/2029 Corporate Plan. It groups initiatives according to our three strategic objectives.

Depositor trust & confidence		
Strategic Outcome: CDIC deposit protection ensures the safety of insured deposits		
Initiative	2024/2025 activity/outcome	End of Year Update
CDIC anticipates and responds to the evolving financial sector risk environment and savings needs of depositors.	Strategic policy development is undertaken to ensure CDIC deposit insurance and coverages remain relevant to depositors’ needs.	In Spring 2025, we shared key findings from focus groups with depositors on how to improve the clarity and accessibility of deposit insurance information. These insights were submitted to the Department of Finance to support its broader Deposit Insurance Review (DIR). Further action on the DIR is expected after the 2025 federal election.
People are aware of deposit insurance protection and can make informed decisions about their deposits.	Maintain a high-level of public awareness of deposit insurance to reduce the risk of bank runs and promote financial stability.	Awareness of deposit protection reached 68% among the general public in 2024/2025. This result is above our target of 60% – 65%.

Part 1: Management's Discussion and Analysis

Resolution readiness Strategic Outcome: CDIC is prepared to execute the orderly resolution of Member Institutions to protect depositors and contribute to financial stability		
Initiative	2024/2025 activity/outcome	End of Year Update
CDIC identifies risks within the membership and the financial system and is ready to resolve member institutions for the benefit of depositors.	Strengthened data analytics promote the identification and surveillance of risks within the membership and across the financial system, and increase resolution readiness.	CDIC took key steps to strengthen data analytics and improve risk monitoring. Updated risk assessment methods are now in use. A combined solvency and liquidity stress test was completed to inform future risk assessments. These efforts enhance our ability to detect risks and support resolution readiness.
	Enhanced testing of deposit data at member institutions and nominee brokers and compliance programs support efficient payout capability for depositors.	CDIC advanced its testing and compliance efforts to support efficient depositor payouts. We relaunched Nominee Broker Data Requirements (NBDR) testing and completed more than 75% of member compliance plans on time, strengthening our payout readiness as per our plans.
	Resolution plans remain current.	CDIC completed all resolution plans for higher-risk small and medium-sized banks (SMSBs), ensuring plans remain current. We also completed a crisis skills survey and used it to shape a new Crisis Resource Training Plan, with three Crisis Leadership Training sessions set to launch in Q1 2025.
	CDIC's risk-based simulation plan validates CDIC's level of preparedness and facilitates continuous improvement.	2024/2025 activities completed, CDIC conducted six simulation exercises. Participation rates remained above target, particularly following the Q3 payout simulation. These exercises support our risk-based simulation plan by validating preparedness and driving continuous improvement.
	Operationalize / implement the new Differential Premiums System (DPS) framework.	CDIC advanced implementation of the new Differential Premiums System (DPS) framework. In Q4, we obtained ministerial approval for the five-category framework, and shared the updated forms and guidance with industry.
CDIC provides depositors with fast and efficient access to their deposits in the event of a member failure.	CDIC has a modern platform for paying depositors.	Following a comprehensive review, we ended our Payout Modernization Project once it was determined the solution did not meet our requirements. CDIC will continue to use and bolster our current payout system, which provides fast, accurate, and secure reimbursement of insured deposits in case of member failure. We remain ready to protect depositors through our other powers and tools.

Part 1: Management’s Discussion and Analysis

Organizational strength		
Strategic Outcome: CDIC is a resilient organization and an employer of choice		
Initiative	2024/2025 activity/outcome	End of Year Update
CDIC reflects the people it serves and is an employer of choice.	CDIC’s employment brand builds awareness both internally and externally to attract and retain top talent.	CDIC maintained strong talent management performance in 2024/2025. We achieved Great Place to Work® recertification in October 2024. These results reflect a strong employer brand that allows us to attract and retain top talent.
	CDIC’s inclusive culture is fostered through continued focus on psychological safety, accessibility, diversity, and collaboration.	We continue to foster an inclusive culture, with an inclusion score of 90% and strong representation in three of the four employment equity categories. We are also expanding our outreach efforts, including through partnerships with Indigenous recruiting firms to strengthen representation and broaden recruitment reach.
CDIC’s enterprise technology and cyber capabilities are resilient.	CDIC has a secure and resilient cyber security program to manage cyber risks.	CDIC continued efforts to support a secure and resilient approach to managing cyber risks.

Strategic response – a look ahead to 2025/2026

CDIC's decision-making is driven by our mandate, operating environment, and top risks. Sometimes this means pivoting or introducing new initiatives as we adapt to changes in the economic, financial, environmental, and regulatory landscape. Other times it means doubling down on our existing strategic and operational priorities. Looking ahead, we will continue to pursue our current three strategic objectives, as set out in our 2025/2026 to 2029/2030 Corporate Plan:

1. Depositor trust and confidence

The trust and confidence of depositors in the safety of their money is essential to the stability of the financial sector. We will continue to reinforce depositor trust and confidence by anticipating and responding to environmental changes and financial innovation, and by maintaining a high level of public awareness and understanding about our protection. This work is underpinned by two key outcomes:

- 1) CDIC deposit insurance guarantees the safety of insured deposits.
- 2) CDIC deposit protection is understood and trusted by depositors.

2. Resolution readiness

At its core, being resolution ready means having skilled people with access to the right data, systems and practices to execute a swift and orderly resolution of a failing member. Our role as a resolution authority is especially important during times of economic hardship or uncertainty. This strategic objective is grounded in two key outcomes:

- 1) CDIC's availability of, and access to, tools, and data enhances its risk assessment and planning processes.
- 2) CDIC's preparedness practices are proactive and agile, allowing it to respond effectively to emerging member risks.

3. Organizational strength

Our organizational strength is built on a foundation of effective leadership, strong teamwork, and a resilient infrastructure. This involves staying on top of any internal and external factors that may impact our operating environment. We remain committed to continuous improvements to our systems, technologies, operations, and skills-training to ensure we can continue to fulfill our mandate and remain agile in today's rapidly changing context. This objective is underpinned by three key outcomes:

- 1) CDIC's employees develop and thrive in a dynamic operating environment.
- 2) CDIC fosters a strong, inclusive culture for its employees.
- 3) CDIC is an organization with resilient people, operational processes and technology in place to mitigate enterprise risk and improve effectiveness.

2025/2026 to 2029/2030 financial plan

The financial projections included in CDIC's 2025/2026 to 2029/2030 Corporate Plan are based on a number of assumptions and estimates available at the time of developing the Plan and, accordingly, actual results may vary materially from the figures below. Key financial assumptions include the following:

- A growth of 5% in insured deposits during fiscal 2025/2026.
- Investment income is based on an assumed average yield on cash and investments of 3% for fiscal 2025/2026.
- No member institution failures during the planning period.
- The provision for insurance losses is forecasted to increase at a similar rate to that of the assumed growth in insured deposits, although other inputs into the calculation, such as the default probabilities, were kept constant.

2025/2026 fiscal year

Total comprehensive income is planned at \$1,139 million for the 2025/2026 fiscal year.

Total revenues are planned to be \$1,325 million in the 2025/2026 fiscal year, including \$1,029 million of premium revenue and \$296 million of investment income.

Planned **premium revenue** of \$1,029 million is \$43 million higher than fiscal 2024/2025 premium revenue of \$986 million. The increase is a result of the expected growth in insured deposits.

Expected **investment income** of \$296 million is \$43 million higher than investment income of \$253 million in fiscal 2024/2025, resulting from the growth in the investment portfolio due to higher premium revenue.

Operating expenses are planned to be \$82 million in fiscal 2025/2026, compared to \$87 million actual operating expenses in fiscal 2024/2025.

Cash and investments are planned to be \$11.4 billion at the end of the 2025/2026 fiscal year.

The **provision for insurance losses** is expected to increase by \$50 million in the 2025/2026 fiscal year based on the calculations using assumptions as at September 30, 2024.

The near term **ex ante fund** target remains on track to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year. With the current progression to achieving the near-term 85 basis point target, the Corporation is reviewing funding requirements to determine an updated fund size target and corresponding timeframe to achieve.

Financial overview

This section of CDIC's Management's Discussion and Analysis provides a narrative context in which to interpret the Corporation's financial position, financial performance, and cash flows. It should be read in conjunction with CDIC's fiscal 2024/25 financial statements and notes.

CDIC's statutory objects are to:

- Provide insurance against the loss of part or all of deposits in member institutions.
- Promote and otherwise contribute to the stability of the financial system in Canada.
- 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.
- Act as the resolution authority for its member institutions.

The Corporation's financial position, financial performance and cash flows are influenced by the pursuit of these objects.

Basis of preparation

As a publicly accountable corporation, CDIC prepares its financial statements using International Financial Reporting Standards (IFRS Accounting Standards) as per the requirements of the Canadian Accounting Standards Board.

The Corporation's financial statements do not reflect the assets, liabilities or operations of failed member institutions in which CDIC has intervened but does not have control.

Financial highlights

CDIC earned total comprehensive income of \$1,211 million for the year ended March 31, 2025.

Premium revenue was \$986 million for the year, an increase of \$95 million (11%) from the previous fiscal year. The increase in premium revenue was mainly due to growth in insured deposits and changes in premium categorization of certain member institutions.

Investment income was \$253 million for the year, an increase of \$64 million (34%) from the previous fiscal year. The increase was mainly due to growth in the investment portfolio.

Operating expenses were \$87 million for the year, \$1 million (1%) higher than the previous fiscal year, primarily due to higher personnel costs and the disposal of intangible assets from ending the payout modernization project offset by lower professional fee spend.

The Corporation's asset base continued to grow during the year. Total assets were \$10.2 billion as at March 31, 2025, an increase of \$1.1 billion (12%) over the previous fiscal year. The majority of the Corporation's assets are investment securities, which was the primary driver of the total asset increase from the previous fiscal year.

The Corporation's provision for insurance losses was \$2.15 billion as at March 31, 2025, \$100 million (4%) lower than the previous fiscal year. The decrease in the provision is primarily due to a decrease in probability of defaults offset by an increase in exposure to losses and the impact of discounting.

The Corporation's premium revenue is not taxable for income tax purposes. However, investment income is subject to income taxes. Income tax expense was \$41 million for the year, an increase of \$16 million (61%) higher than the previous fiscal year, mainly due to an increase in investment income.

The Corporation's *ex ante* funding is designed to cover possible deposit insurance losses. The balance stood at \$10.2 billion or 82 basis points of insured deposits as at March 31, 2025.

Part 1: Management's Discussion and Analysis

Statement of financial position

Assets

The total assets of the Corporation increased to \$10.2 billion as at March 31, 2025, from \$9.1 billion as at March 31, 2024, representing an increase of 12%. The following table summarizes CDIC's assets.

As at March 31 (C\$ thousands)	2025	2024
Cash	13,398	11,820
Investment securities	10,221,103	9,102,982
Trade and other receivables	355	1,348
Prepayments	2,166	1,979
Right-of-use assets	5,142	6,281
Property, plant and equipment	3,175	3,509
Intangible assets	414	7,123
Deferred tax asset	626	—
Total assets	10,246,379	9,135,042

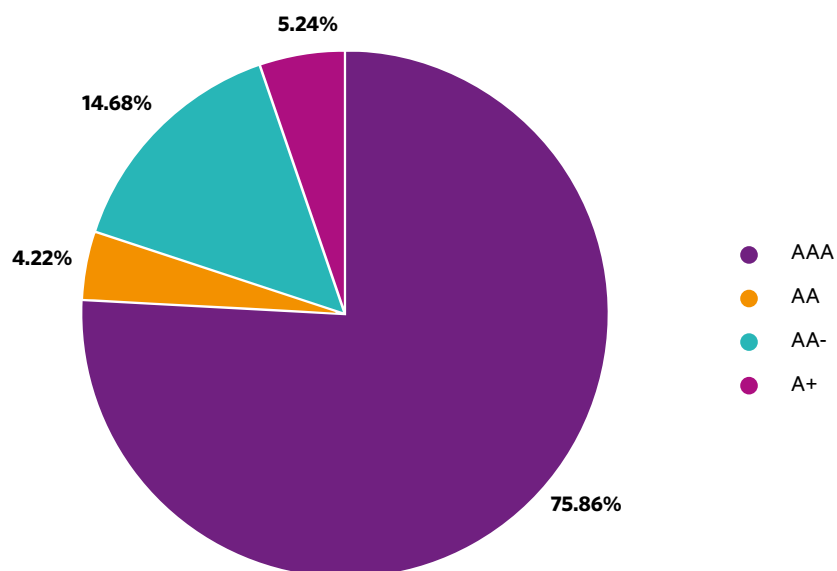
Investment securities

CDIC's \$10.2 billion investment portfolio forms the majority of its assets. The Corporation's investment strategy is based on two key principles:

- Limit credit and market risk to preserve capital.
- Use the investment portfolio as a funding source for intervention activities.

These principles require that CDIC maintain a conservatively structured portfolio. CDIC's treasury activity follows the *Financial Risk Management Guidelines for Crown Corporations* issued by the Minister of Finance and National Revenue. CDIC's Board financial risk policies further limit risk by setting a maximum amount and term that can be invested in each qualifying instrument.

Investment securities credit profile, as at March 31, 2025



CDIC is restricted under these policies to the obligations of the Government of Canada and agent Crowns and the obligations of provincial governments or municipal financing authorities. Investment securities are restricted to securities having a minimum credit rating of A- with a term no greater than five years. The Corporation invests in a ladder-style structure, requiring investments to be distributed evenly, within tolerance bands, over five, one-year time rungs.

CDIC's investments as at March 31, 2025, carry a weighted average effective yield of 2.75% (March 31, 2024: 2.44%).

Part 1: Management's Discussion and Analysis

Liabilities

The total liabilities of the Corporation decreased to \$2.2 billion as at March 31, 2025, from \$2.3 billion as at March 31, 2024, representing a decrease of 4%. The following table summarizes the liabilities of the Corporation.

As at March 31 (C\$ thousands)	2025	2024
Trade and other payables	11,073	12,213
Current tax liability	17,340	14,120
Lease liabilities	6,266	7,558
Employee benefits	1,429	1,343
Provision for insurance losses	2,150,000	2,250,000
Deferred tax liability	—	585
Total liabilities	2,186,108	2,285,819

Provision for insurance losses

CDIC's provision for insurance losses is estimated based on a number of assumptions. The \$2.15 billion provision for insurance losses as at March 31, 2025, represents CDIC's best estimate of the future losses it is likely to incur as a result of resolving non-viable member institutions.

The decrease of \$100 million in the provision is primarily due to a decrease in probability of defaults offset by an increase in exposure to losses and the impact of discounting.

The derivation of default probabilities includes both historical and forward-looking perspectives of potential for failure. Moody's Investors Service and Standard & Poor's default statistics are used to derive an historically based view of default. Moody's Analytics, a provider of market-based quantitative credit risk products for financial institutions and credit risk investors, is used to provide a forward-looking perspective of the probability of default estimate.

The Corporation calculates its expected losses as a result of any member institution failures on a present value basis. The loss given default is expressed as a percentage of exposure to losses and reflects: (i) the cumulative unweighted average of losses sustained from member institution failures in Canada since 1987, plus an adjustment for measurement uncertainty; and (ii) recent losses sustained in other jurisdictions.

Ex ante funding

Sound funding arrangements are critical to the effectiveness of a deposit insurance system and the maintenance of public confidence. CDIC has developed an *ex ante* funding strategy to cover possible deposit insurance losses. The amount of such funding is represented by the aggregate of the Corporation's retained earnings and its provision for insurance losses. CDIC's funding strategy involves the accumulation of resources during strong economic times to address future potential losses, avoiding as much as possible significant increases in premium rates during periods of economic stress when CDIC's member institutions are dealing with financial headwinds.

The Corporation has determined that it is prudent to maintain an amount of advance or *ex ante* funding to absorb losses.

The actual level of *ex ante* funding as at March 31, 2025, was \$10.2 billion, or 82 basis points of insured deposits. As noted in the previous section, the near-term *ex ante* fund target remains on track to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year.

CDIC primarily utilizes two methodologies to assess the optimal level of *ex ante* funding. The first of these is referred to as "discretionary analysis." Under this methodology, the Corporation considers the profile of its membership and determines the ability of a specific level of funding to address the hypothetical failure of member institutions.

The second methodology is referred to as "loss estimation." This methodology utilizes statistical techniques to estimate theoretical loss scenarios. Multiple loss scenarios are developed that permit a calibration of funding levels. The inputs to a loss estimation scenario include the level of insured deposits, probability of default statistics and loss given default assumptions.

Ex ante funding comprises one component of CDIC's entire funding envelope. The Corporation maintains an investment portfolio roughly equivalent to the *ex ante* fund and, in addition, has the ability to borrow from the Government of Canada or from capital markets. The borrowing limit increases with the growth in insured deposits and, as at March 31, 2025, CDIC had the legislative authority to borrow up to \$36 billion, subject to ministerial approval. Supplemental borrowing, if required, could be authorized either by Parliament through an appropriation act, or by the Governor in Council and the Minister of Finance and National Revenue if, in the Minister's opinion, it is necessary to promote the stability or maintain the efficiency of the financial system in Canada. If such additional borrowing is obtained by the Corporation to resolve a member institution failure, the borrowed amount will be recovered by levying higher premium revenue from CDIC's member institutions.

The following table sets out the liquid funds available to CDIC as at March 31, 2025.

As at March 31 (C\$ millions)	2025	2024
<i>Available liquid funds:</i>		
Cash	13	12
Fair value of high quality, liquid investment securities	10,355	8,894
<i>Availability of borrowings:</i>		
Borrowings authorized under the CDIC Act	36,000	35,000
Total available funds	46,368	43,906

Part 1: Management's Discussion and Analysis

Statement of comprehensive income

CDIC's total comprehensive income for fiscal 2024/2025 totalled \$1,211 million, an increase of \$392 million from 2023/2024. The Corporation's financial performance is summarized in the following table.

For the year ended March 31 (C\$ thousands)	2025	2024
Revenue		
Premium	986,472	891,089
Investment income	252,744	188,833
Other	6	232
Expenses		
Net operating expenses	86,598	85,638
(Decrease) Increase in the provision for insurance losses	(100,000)	150,000
Income tax expense	41,555	25,834
Net income	1,211,069	818,682
Other comprehensive (loss) income	(21)	28
Total comprehensive income	1,211,048	818,710

Premium revenue

In the 2024/2025 fiscal year, premium revenue increased by \$95 million (11%) to \$986 million. Growth in insured deposits and changes in premium categorization of certain member institutions contributed to the increase in premium revenue.

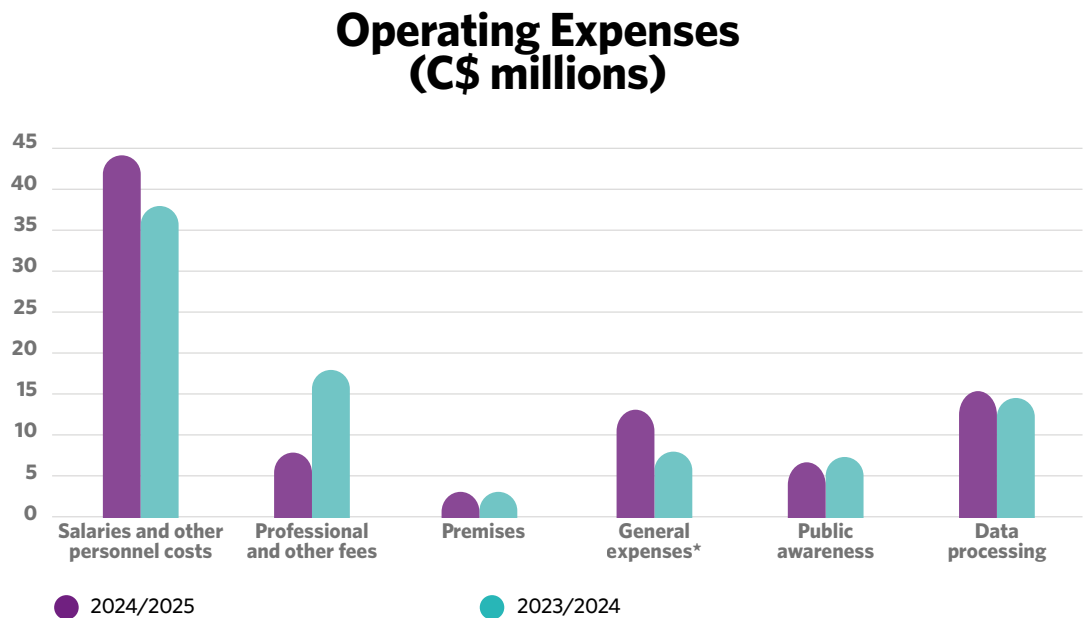
Premiums charged to member institutions are based on the total amount of insured deposits held by members as of April 30 each year and are calculated in accordance with the *CDIC Act* and the *CDIC Differential Premiums By-law*, which during the 2024/2025 fiscal year classified member institutions into one of four premium categories. Classification is based on a mix of quantitative and qualitative factors.

2024/2025 Premium rates, expressed as basis points of insured deposits, are presented in the following page.

Premium category (basis points of insured deposits)	2024/2025	2023/2024
Category 1	7.5	7.5
Category 2	15.0	15.0
Category 3	30.0	30.0
Category 4	33.3	33.3

Investment income

Investment income was \$253 million for the year, an increase of \$64 million (34%) from the previous fiscal year. The increase was mainly due to a higher average yield (2.75% and 2.44%, as at March 31, 2025, and 2024, respectively) and growth in the investment portfolio as a result of increased premium revenue.



*General expenses include depreciation and interest expense on lease liabilities.

Operating expenses were \$87 million for the year, \$1 million (1%) higher than the previous fiscal year, primarily due to higher salaries and personnel costs & the disposal of intangible assets from ending the payout modernization project offset by lower professional fee spend. The disposal of intangible assets from ending the payout modernization project is recorded in General expenses.

Income tax expense

The Corporation is subject to federal income tax. The Corporation’s source of taxable income is its interest income. From this amount, allowable expenditures are deducted 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. In addition, recoveries of amounts previously written off are not taxable because the Corporation did not previously claim a deduction for tax purposes.

The Corporation’s income tax expense increased by \$16 million (61%) to \$41 million in fiscal 2024/2025 from fiscal 2023/2024, mainly due to increased investment income.

Part 1: Management's Discussion and Analysis

Statement of cash flows

CDIC's cash flows are summarized in the following table.

For the year ended March 31 (C\$ thousands)	2025	2024
Increase in cash from operating activities	1,095,861	974,141
Decrease in cash from investing activities	(1,092,912)	(976,686)
Decrease in cash from financing activities	(1,371)	(1,347)
Net increase (decrease) in cash balance	1,578	(3,892)
Cash, end of year	13,398	11,820

Part 1: Management's Discussion and Analysis

Comparison with 2024/2025 to 2028/2029 Corporate Plan

The following discussion compares the Corporation's actual financial results for fiscal 2024/2025 with the Corporate Plan for the same year.

Statement of financial position

Total assets as at March 31, 2025, were \$10.2 billion, consistent with the planned amount.

Total liabilities as at March 31, 2025, were \$2.2 billion, \$0.4 billion lower than the planned amount of \$2.6 billion, mainly due to a lower provision for insurance losses than planned.

Statement of comprehensive income

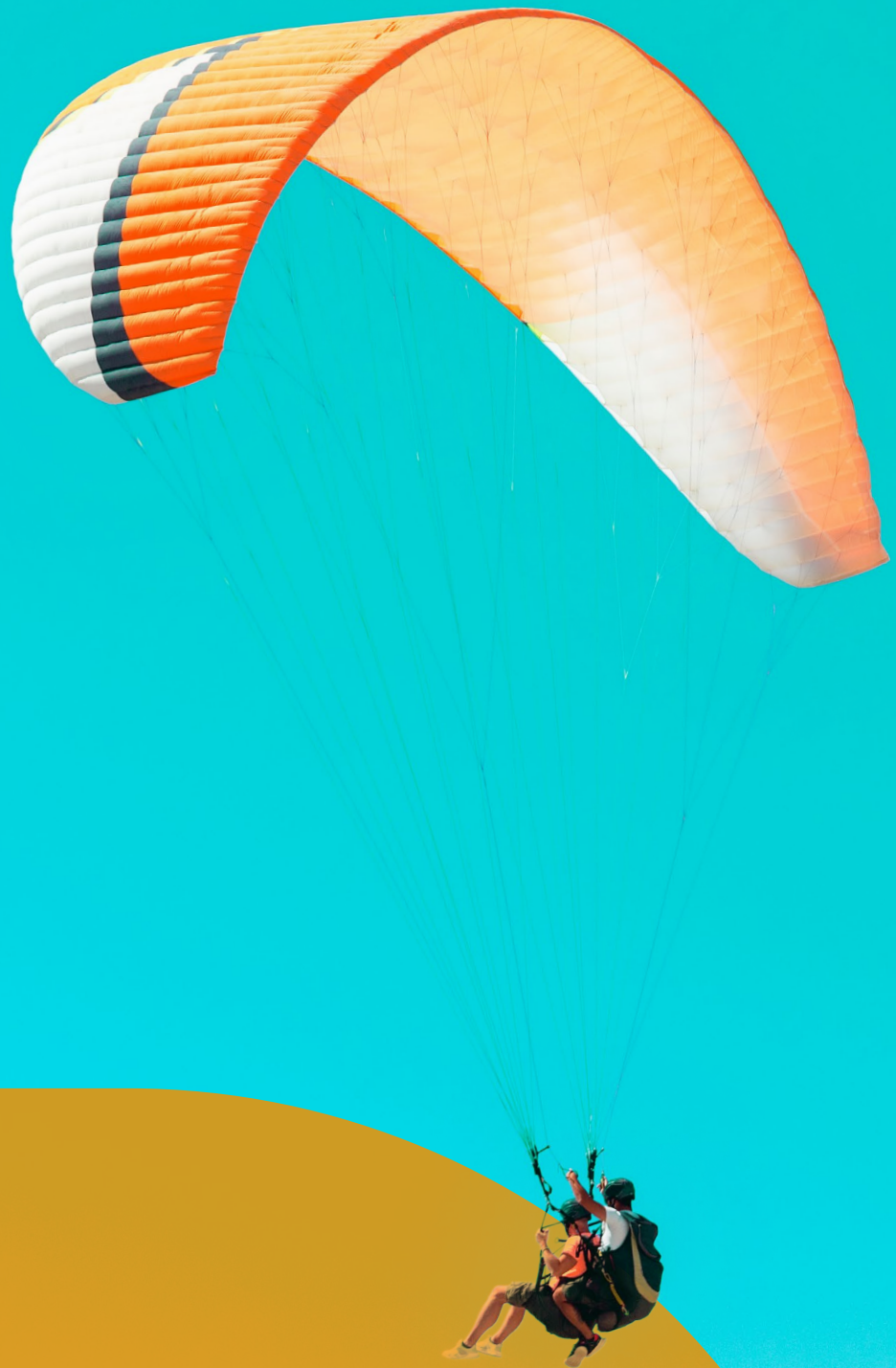
Total revenue during the year was \$1.2 billion, consistent with the planned amount.

Operating expenses for the year were \$87 million, \$3 million (3%) lower the planned amount of \$90 million.

Total comprehensive income for the year ended March 31, 2025, was \$1,211 million compared to planned total comprehensive income of \$928 million. The variance of \$283 million (6%) is mainly due to a decrease in the provision for insurance losses, higher than planned premium revenue offset by lower than planned investment income.

(C\$ millions)	2025/2026 Corporate Plan ^a	2024/2025 Actual Results	2024/2025 Corporate Plan ^a
Statement of financial position (as at March 31)			
Cash and investments	11,397	10,235	10,174
Capital assets	11	3	10
Right-of-use assets	4	5	5
Other current assets	—	3	—
Total assets	11,412	10,246	10,189
Trade and other payables	5	11	5
Provision for insurance losses	2,450	2,150	2,550
Lease liabilities	5	6	6
Other non-current liabilities	5	19	5
Retained earnings	8,947	8,060	7,623
Total liabilities and equity	11,412	10,246	10,189
Statement of comprehensive income (for the year ended March 31)			
Revenue			
Premiums	1,029	986	941
Investment and other income	296	253	273
	1,325	1,239	1,214
Expenses			
Net operating expenses	82	87	90
Increase (decrease) in provision for insurance losses	50	(100)	150
	132	(13)	240
Net income before income tax	1,193	1,252	974
Income tax expense	(54)	(41)	(46)
Total comprehensive income	1,139	1,211	928

^a The Corporate Plans 2024/2025 to 2028/2029 and 2025/2026 to 2029/2030 were developed based on information as at December 31, 2023, and September 30, 2024, respectively.



Part 2

Financial Statements

Management responsibility for financial statements

June 4, 2025

The accompanying financial statements of the Canada Deposit Insurance Corporation and the information related to the financial statements in this Annual Report are the responsibility of Management. The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements include some amounts, the most significant one being the provision for insurance losses, which are necessarily based on Management's best estimates and judgment.

The financial statements have been approved by the Board of Directors. Financial information presented elsewhere in this Annual Report is consistent with that contained in the financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, Management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are duly authorized, that assets are safeguarded, and that proper records are maintained in accordance with the *Financial Administration Act* and regulations, as well as the *Canada Deposit Insurance Corporation Act* and regulations, and by-laws of the Corporation. Internal audits examine and evaluate the application of the Corporation's policies and procedures and the adequacy of the system of internal controls. In addition, the internal and external auditors have free access to the Audit Committee of the Board of Directors, which oversees Management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the financial statements to the Board of Directors.

These financial statements have been audited by the Corporation's auditor, the Auditor General of Canada, and her report is included herein.



Gina Byrne
Chief Operating Officer



Jordan Rosenbaum
Chief Financial Officer



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Finance and National Revenue

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canada Deposit Insurance Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

Part 2: Financial Statements

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of Canada Deposit Insurance Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canada Deposit Insurance Corporation Act* and regulations, the by-laws of Canada Deposit Insurance Corporation, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of Canada Deposit Insurance Corporation that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in IFRS Accounting Standards as issued by the IASB have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for Canada Deposit Insurance Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable Canada Deposit Insurance Corporation to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Dennis Fantinic, CPA
Principal
for the Auditor General of Canada

Ottawa, Canada
4 June 2025

Canada Deposit Insurance Corporation

Statement of financial position

As at March 31 (audited) (C\$ thousands)	Notes	2025	2024
Assets			
Cash		13,398	11,820
Investment securities	4	10,221,103	9,102,982
Trade and other receivables		355	1,348
Prepayments		2,166	1,979
Right-of-use assets	5	5,142	6,281
Property, plant and equipment		3,175	3,509
Intangible assets	6	414	7,123
Deferred tax asset		626	—
Total assets		10,246,379	9,135,042
Liabilities			
Trade and other payables		11,073	12,213
Current tax liability		17,340	14,120
Lease liabilities	5	6,266	7,558
Employee benefits	15	1,429	1,343
Provision for insurance losses	7	2,150,00	2,250,000
Deferred tax liability		—	585
Total liabilities		2,186,108	2,285,819
Equity			
Retained earnings		8,060,271	6,849,223
Total liabilities and equity		10,246,379	9,135,042

Contingencies and commitments (Note 14)

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

Approved by the Board of Directors on June 4, 2025



Robert Sanderson
Chair, Board of Directors



J. Martin Castonguay
Chair, Audit Committee

Canada Deposit Insurance Corporation

Statement of comprehensive income

For the year ended March 31 (audited) (C\$ thousands)	Notes	2025	2024
Revenue			
Premium	11	986,472	891,089
Investment income	4	252,744	188,833
Other		6	232
		1,239,222	1,080,154
Expenses			
Operating expenses	12	86,598	85,638
(Decrease) increase in the provision for insurance losses	7	(100,000)	150,000
		(13,402)	235,638
Net income before income taxes		1,252,624	844,516
Income tax expense	10	41,555	25,834
Net Income		1,211,069	818,682
Other comprehensive income			
Items that will not be reclassified to net income:			
Actuarial (loss) gain on defined benefit obligations		(28)	37
Income tax effect		7	(9)
Other comprehensive (loss) income, net of tax		(21)	28
Total comprehensive income		1,211,048	818,710

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

Canada Deposit Insurance Corporation

Statement of changes in equity

For the year ended March 31 (audited) (C\$ thousands)	Retained earnings and total equity
Balance, March 31, 2023	6,030,513
Net income	818,682
Other comprehensive income	28
Total comprehensive income	818,710
Balance, March 31, 2024	6,849,223
Net income	1,211,069
Other comprehensive loss	(21)
Total comprehensive income	1,211,048
Balance, March 31, 2025	8,060,271

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

Canada Deposit Insurance Corporation

Statement of cash flows

For the year ended March 31 (audited) (C\$ thousands)	2025	2024
Operating Activities		
Net income	1,211,069	818,682
Adjustments for:		
Depreciation and amortization	3,006	2,952
Disposal of intangible assets	5,659	—
Investment income	(252,744)	(188,833)
Interest expense on lease liabilities	120	142
Income tax expense	41,555	25,834
Employee benefit expense	123	129
Change in working capital:		
Decrease (increase) in trade and other receivables	993	(876)
Increase in prepayments	(187)	(343)
Decrease in trade and other payables	(1,141)	(1,366)
(Decrease) increase in the provision for insurance losses	(100,000)	150,000
Investment income received	227,132	184,242
Employee benefit payment	(65)	(40)
Interest paid on lease liabilities	(120)	(142)
Income tax paid	(39,539)	(16,240)
Net cash generated by operating activities	1,095,861	974,141
Investing Activities		
Purchase of property, plant and equipment, and intangible assets	(404)	(1,974)
Purchase of investment securities	(3,205,583)	(3,033,722)
Proceeds from sale or maturity of investment securities	2,113,075	2,059,010
Net cash used in investing activities	(1,092,912)	(976,686)
Financing Activities		
Principal payment of lease liabilities	(1,371)	(1,347)
Net cash used in financing activities	(1,371)	(1,347)
Net increase (decrease) in cash	1,578	(3,892)
Cash, beginning of year	11,820	15,712
Cash, end of year	13,398	11,820

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

Notes to the financial statements

March 31, 2025

1—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.

In July 2015, the Corporation 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. The Corporation is in compliance with the directive.

In April 2024, the federal government announced, as part of Budget 2024, its intention to undertake a review of the federal deposit insurance framework. This work will be led by the Department of Finance Canada, in collaboration with CDIC and other financial sector agencies. The government is expected to hold consultations and explore what changes to the depositor protection framework, if any, are necessary to best support the evolving needs of Canadians and uphold financial stability.

These financial statements were approved and authorized for issue by the Corporation's Board of Directors on June 4, 2025.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and are presented in Canadian dollars (C\$).

The financial statements have been prepared on the historical cost basis, except for the lease liability (Note 5), provision for insurance losses (Note 7) and certain employee benefits (Note 15), which are measured at their present value. Historical cost is generally based on the fair value of the consideration given in exchange for assets and the amount of cash expected to be paid to satisfy a liability.

The material accounting policy information set out in Note 2 were consistently applied to all the periods presented.

2—Material accounting policy information

Judgments

The preparation of financial statements in accordance with IFRS Accounting Standards requires Management to exercise judgment in applying the Corporation's accounting policies. The following are the significant judgments made in the process of applying the Corporation's accounting policies.

Investment securities

The Corporation holds a significant amount of investment securities. Based on an analysis of the facts and circumstances, Management has determined that: (i) the investment securities are held in order to collect contractual cash flows; and (ii) the contractual terms of the investment securities give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Therefore, the Corporation measures the investment securities at amortized cost using the effective interest method.

The Corporation calculates a loss allowance for expected credit losses (ECLs) on investment securities that are measured at amortized cost. The measurement of ECLs on the Corporation's financial assets is an area that requires the use of complex models and significant assumptions and judgments that are driven by numerous factors, changes in which can result in different levels of allowances.

Elements of the ECL model that are considered accounting judgments and estimates include:

- Determining criteria for significant increase in credit risk.
- Developing appropriate models and assumptions for the measurement of ECLs.
- Determining the economic variables most highly correlated to CDIC's portfolios of financial assets.
- Establishing the number and relative weightings of forward-looking macroeconomic scenarios and their effect on economic inputs in the ECL model.

See "Financial instruments" below for further details.

Estimates and assumptions

The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of estimates and assumptions. Estimates and assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates or assumptions are revised, and any future periods affected.

Provision for insurance losses

Estimating CDIC's provision for insurance losses involves significant estimation and requires Management to make assumptions.

The provision for insurance losses represents CDIC's best estimate of the losses it is likely to incur as a result of resolving the failure of member institutions as at CDIC's financial position date. The provision is estimated by assessing the aggregate risk of the Corporation's members based on: (i) the exposure to losses; (ii) the expectation of default derived from probability statistics; (iii) an expected loss given default; and (iv) the Corporation's specific knowledge of its members. See "Provision for insurance losses" below for further details on how the provision is measured. See Note 7 for the Corporation's calculation of the provision for insurance losses.

Actual results could differ significantly from these estimates, including the timing and extent of losses the Corporation incurs as a result of future failures of member institutions. This could require a material adjustment to the carrying amount of the provision for insurance losses.

Capital assets

Capital assets, comprising property, plant and equipment, and intangible assets with finite useful lives, are depreciated or amortized over their useful lives. The carrying amounts of the Corporation's intangible assets are included in Note 6.

Financial instruments

Recognition and initial measurement

All financial assets and financial liabilities are recognized initially at fair value plus directly attributable transaction costs.

Purchases of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date that is, the date the asset is delivered to or by CDIC.

Part 2: Financial Statements

Classification

A) Financial assets

The Corporation's financial assets include cash, investment securities, and trade and other receivables. Subsequent to initial recognition, a financial asset is measured at amortized cost if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If a financial asset does not meet both of the conditions above, it is measured at fair value.

All of the Corporation's financial assets meet the conditions outlined above; therefore, they are measured at amortized cost.

B) Financial liabilities

The Corporation's financial liabilities include trade and other payables.

Subsequent to initial recognition, all of the Corporation's financial liabilities are measured at amortized cost.

Amortized cost measurement

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method or any difference between that initial amount and the maturity amount, and minus any reduction for impairment or non-collectability.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are categorized within a fair value hierarchy:

- *Level 1*—Fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*—Fair values are determined using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3*—Fair values are determined using inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Part 2: Financial Statements

Identification and measurement of impairment

The Corporation calculates a loss allowance for expected credit losses (ECLs) on investment securities and premiums receivable that are measured at amortized cost. CDIC recognizes 12-month ECLs for financial instruments unless there has been a significant increase in credit risk since initial recognition, in which case lifetime ECLs are recognized. The amount of ECLs, if any, is updated at each reporting date to reflect changes in credit risk since initial recognition and is disclosed in Note 4 in accordance with IFRS 7 *Financial Instruments: Disclosures*.

Expected credit loss approach and assessment

Investment securities

For investment securities, ECLs are the difference between all contractual cash flows that are due to the Corporation in accordance with the contract and all the cash flows expected to be received, discounted at the original effective interest rate. If a significant increase in credit risk has occurred since initial recognition, impairment is measured as lifetime ECLs. Otherwise, impairment is measured as 12-month ECLs, which represent the portion of lifetime ECLs expected to occur based on default events that are possible within 12 months after the reporting date. If credit quality improves in a subsequent period such that the increase in credit risk since initial recognition is no longer considered significant, the loss allowance reverts to being measured based on 12-month ECLs.

All the investment securities held by the Corporation are debt instruments, issued or guaranteed by the Government of Canada or provincial governments, with a minimum credit rating of A-.

Cash

Cash includes cash on hand and demand deposits.

Investment securities

Investment securities are debt instruments, issued or guaranteed by the Government of Canada or provincial governments. Investment securities are measured in the statement of financial position at amortized cost, plus accrued interest.

Interest income on investment securities is recognized using the effective interest method.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives, residual values and depreciation methods are reviewed annually at the end of the year, with the effect of any changes in estimate being accounted for on a prospective basis. The following useful lives are used in the calculation of depreciation:

- Leasehold improvements—the shorter of the term of the lease and the useful life of the leasehold improvement
- Furniture and equipment—five to ten years
- Computer hardware—three to five years

Depreciation expense is included in operating expenses in the statement of comprehensive income.

An item of property, plant and equipment is derecognized upon disposal or retirement when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item is determined as the difference between the net proceeds on disposal, if any, and the carrying amount of the asset and is recognized in the statement of comprehensive income when the item is derecognized.

Items of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in operating expenses in the statement of comprehensive income.

Intangible assets

The Corporation records an internally generated intangible asset arising from the development of software once a project has progressed beyond a conceptual, preliminary stage to that of application development. Development costs that are directly attributable to the design and testing of an application are capitalized if all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use.
- The intention to complete the intangible asset and use it.
- The ability to use the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of directly attributable costs incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally generated intangible assets are measured at cost less accumulated amortization and any impairment losses and are amortized on a straight-line basis over their estimated useful lives, which range from three to eight years. The estimated useful lives, residual values and depreciation methods are reviewed annually at the end of the year, with the effect of any changes in estimate being accounted for on a prospective basis. Amortization of intangible assets is included in operating expenses in the statement of comprehensive income.

An internally generated intangible asset is derecognized upon disposal or retirement when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item is determined as the difference between the net proceeds on disposal, if any, and the carrying amount of the asset and is recognized in the statement of comprehensive income when the item is derecognized.

The Corporation considers potential indicators of impairment at the end of each reporting period. If any indication of impairment exists, the recoverable amount of the asset is estimated to determine the extent of the loss. Intangible assets that are not yet available for use are tested for impairment annually, irrespective of the presence of indicators, by comparing carrying amounts to recoverable amounts. Impairment losses are included in operating expenses in the statement of comprehensive income.

Trade and other payables

Trade and other payables are measured at amortized cost in the statement of financial position. The carrying amounts of trade and other payables approximate fair value due to their short term to maturity.

Provision for insurance losses

Provisions are to be recognized when the Corporation has a present obligation as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Corporation has a stand-ready obligation to provide insurance against the loss of part or all of deposits in a member institution and to act as the resolution authority in the event of failure. The provision for insurance losses represents the Corporation's best estimate of the consideration required to settle this obligation and is determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The estimate takes into account the risks and uncertainties surrounding the obligation.

The Corporation's calculation of the provision for insurance losses, includes default probabilities with both historical and forward-looking perspectives of potential for failure. Moody's Investors Service and Standard & Poor's default statistics are used to derive an historically based view of default. Moody's Analytics, a provider of market-based quantitative credit risk products for financial institutions and credit risk investors, is used to provide a forward-looking perspective of the probability of default estimate.

The Corporation calculates its expected losses as a result of any member institution failures on a present value basis. The loss given default is expressed as a percentage of exposure to losses and reflects: (i) the cumulative unweighted average of losses sustained from member institution failures in Canada since 1987, plus an adjustment for measurement uncertainty; and (ii) recent losses sustained in other jurisdictions.

Increases to the provision for insurance losses are recognized as an expense in the statement of comprehensive income, while decreases to the provision are recognized as income in the statement of comprehensive income.

Premium revenue

Premium revenue is recognized at the fair value of the consideration received against deposit insurance services and reported as income proportionately over the fiscal year. Premiums are legislated by the CDIC Act and are determined annually based on the amount of insured deposits held by member institutions as at April 30 of the current fiscal year, and they are payable in two equal installments on July 15 and December 15.

Premium rates are fixed annually considering the Corporation's financial condition, the economic environment, the risk profile of the membership, and the actual and projected size of the Corporation's *ex ante* funding relative to the target level. No refunds are permitted under the CDIC Act except for instances of overpayment.

Leases

At the inception of a contract, the Corporation determines if a contract, or part of a contract, contains a lease. A contract contains a lease if it conveys the right to use an identified asset for a period of time in exchange for consideration. The Corporation uses the following criteria to assess whether a contract conveys the right to control the use of an identified asset:

- The Corporation has the right to obtain substantially all of the economic benefits from the use of the identified assets.
- The supplier does not have the substantive right to substitute the asset through the period of use.
- The Corporation has the right to direct the use of the identified asset.

For a contract that contains multiple lease components or one or more lease components and non-lease components, the Corporation allocates, at inception, the consideration in the contract to each lease or non-lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease component.

At the commencement of a lease, the Corporation recognizes a right-of-use asset and a lease liability.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date, and the cost of dismantling and removing the asset, including the cost of restoring the site less any lease incentives received. These recognized assets are depreciated on a straight-line basis over the shorter of its estimated useful life consistent with those of property, plant and equipment and the lease term, unless the Corporation is reasonably certain to obtain ownership of the leased asset at the end of the lease term.

Lease liabilities

Lease liabilities are measured at the present value of lease payments to be made over the lease term discounted using the interest rate implicit in the lease, unless it cannot be readily determined, in which case the Corporation's incremental borrowing rate is used. The lease payments include fixed payments less any lease incentives, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option or penalties for terminating a lease reasonably certain to be exercised or terminated by the Corporation. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured at amortized cost using the effective interest method. The carrying amount of the lease liability is remeasured to reflect any reassessment or lease modifications specified, or to reflect revised in-substance fixed lease payments.

Short-term leases and leases of low-value assets

The Corporation applies the short-term lease recognition exemption to contracts with no purchase option with a lease term of 12 months or less from the commencement date of the contract. The Corporation also applies the low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Public Service Pension Plan

All eligible employees of the Corporation participate in the Public Service Pension Plan, a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Pension Plan. Consequently, contributions are recognized as an operating expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

Income taxes

Income tax expense represents the sum of the current and deferred tax expenses.

Current tax is recognized in net income except to the extent that it relates to items recognized in other comprehensive income or directly in equity. The tax currently payable/receivable is based on taxable income for the year. Taxable income differs from income as reported in the statement of comprehensive income because of items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax is calculated using tax rates and income tax laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred tax relating to actuarial gains and losses on defined benefit obligations is recognized directly in retained earnings as other comprehensive income.

3—Application of new International Financial Reporting Standards (IFRS Accounting Standards)

IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18)

IFRS 18 *Presentation and Disclosure in Financial Statements* was issued by IASB in April 2024 and establishes new requirements to provide more transparent and comparable information about financial performance, including a defined structure for the income statement and additional disclosure information in the notes to the financial statements.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*, effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Corporation has decided not to early adopt IFRS 18 and is currently assessing the impact of the amendments on the Corporation's future financial statements.

4—Investment securities

Remaining term to maturity				
As at March 31, 2025 (C\$ thousands)	90 days or less	91 days to 1 year	1 to 5 years	Total
Bonds	802,949	1,372,640	8,045,514	10,221,103
Weighted average effective yield (%)	1.76	1.62	3.04	2.75
Total investment securities	802,949	1,372,640	8,045,514	10,221,103

Remaining term to maturity				
As at March 31, 2024 (C\$ thousands)	90 days or less	91 days to 1 year	1 to 5 years	Total
Bonds	748,779	1,203,888	7,150,315	9,102,982
Weighted average effective yield (%)	2.30	1.99	2.53	2.44
Total investment securities	748,779	1,203,888	7,150,315	9,102,982

The carrying amounts in the above tables include accrued interest. The Corporation did not recognize any fee income or expense for the year ended March 31, 2025 (2024: nil).

Fair value of investment securities

The following tables provide the estimated fair value of the Corporation's investment securities. Fair values are measured and disclosed in relation to the fair value hierarchy (as discussed in Note 2) that reflects the significance of inputs used in determining the estimates.

			Fair values			
As at March 31, 2025 (C\$ thousands)	Amortized cost	Unrealized gain	Level 1	Level 2	Level 3	Total
Bond	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

			Fair values			
As at March 31, 2024 (C\$ thousands)	Amortized cost	Unrealized loss	Level 1	Level 2	Level 3	Total
Bond	9,102,982	(208,690)	6,436,373	2,457,919	—	8,894,292
Total investment securities	9,102,982	(208,690)	6,436,373	2,457,919	—	8,894,292

The Corporation's total investment income was \$252,744 thousand for the year ended March 31, 2025 (2024: \$188,833 thousand).

The Corporation did not record any loss allowances on its investment securities at March 31, 2025 (2024: nil).

5—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. The Corporation also leases equipment under a five-year term ending in May 2025.

Carrying value of right-of-use assets

(C\$ thousands)	Leased office space	Equipment	Total
Balance, March 31, 2023	7,392	24	7,416
Depreciation	(1,214)	(10)	(1,224)
Additions	89	—	89
Balance, March 31, 2024	6,267	14	6,281
Depreciation	(1,207)	(11)	(1,218)
Additions	91	—	91
Terminations	(12)	—	(12)
Balance, March 31, 2025	5,139	3	5,142

Carrying value of lease liabilities

	Leased office space	Equipment	Total
Balance, March 31, 2023	8,792	24	8,816
Additions	89	—	89
Finance charges	142	—	142
Lease payments	(1,479)	(10)	(1,489)
Balance, March 31, 2024	7,544	14	7,558
Additions	91	—	91
Terminations	(12)	—	(12)
Finance charges	120	—	120
Lease payments	(1,480)	(11)	(1,491)
Balance, March 31, 2025	6,263	3	6,266

Part 2: Financial Statements

Interest expense on lease liabilities of \$120 thousand (2024: \$142 thousand) was recorded in the statement of comprehensive income during the year ended March 31, 2025. The Corporation recognized \$5 thousand related to short-term leases and the amount recognized for low-value assets during the year ended March 31, 2025 was insignificant. Cash payments for the interest portion of \$120 thousand (2024: \$142 thousand) and the principal portion of \$1,371 thousand (2024: \$1,347 thousand) of the lease liability were recognized in the statement of cash flows under operating activities and financing activities, respectively.

Maturity analysis for lease liabilities (undiscounted)

(C\$ thousands)	Leased office space	Equipment	Total
Not later than one year	1,387	2	1,389
Later than one year and not later than five years	4,612	—	4,612
Later than five years	557	—	557
Total	6,556	2	6,558

6—Intangible assets

Cost

(C\$ thousands)	Software	Software under development	Total
Balance, March 31, 2023	16,084	5,191	21,275
Additions—internal development	—	1,164	1,164
Transfers	2,909	(2,909)	—
Balance, March 31, 2024	18,993	3,446	22,439
Disposal of assets	(2,909)	(3,446)	(6,355)
Retirements	(1,355)	—	(1,355)
Balance, March 31, 2025	14,729	—	14,729

Accumulated amortization

	Software	Software under development	Total
Balance, March 31, 2023	14,341	—	14,341
Amortization	975	—	975
Balance, March 31, 2024	15,316	—	15,316
Amortization	1,050	—	1,050
Disposal of assets	(696)	—	(696)
Retirements	(1,355)	—	(1,355)
Balance, March 31, 2025	14,315	—	14,315

Carrying amounts

	Software	Software under development	Total
Balance, March 31, 2024	3,677	3,446	7,123
Balance, March 31, 2025	414	—	414

The disposal of intangible assets is attributed to ending the payout modernization project, once it was determined the solution was not meeting CDIC requirements.

7—Provision for insurance losses

The provision for insurance losses represents CDIC’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 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:

As at March 31 (C\$ thousands)	Provision for insurance losses
Balance, March 31, 2024	2,250,000
Decrease in provision	(100,000)
Balance, March 31, 2025	2,150,000

The decrease in the provision is primarily due to a decrease in probability of defaults offset by an increase in exposure to losses and the impact of discounting. The provision for insurance losses is calculated at its present value using a pre-tax, risk-free discount rate. The discount rate used in the calculation of the provision at March 31, 2025, was 2.61% (2024: 3.51%). The impact of the change in discounting during the year resulted in an increase to the provision of \$133 million (2024: \$91 million decrease), which is composed of an increase of \$102 million (2024: \$49 million decrease) due to the change in discount rate and an increase of \$31 million (2024: \$42 million decrease) due to the discounting impact of the increase in exposure to losses and decrease in probability of defaults.

Discount rate sensitivity analysis is performed by the Corporation as its impact on the provision for insurance losses is considered significant. An increase of 25 basis points in the discount rate will decrease the provision by \$26 million (2024: \$27 million decrease) while a decrease of 25 basis points in the discount rate will increase the provision by \$26 million (2024: \$28 million increase).

8—Financial instruments and financial risk management

Classification and measurement of financial instruments

The table below sets out the carrying amounts of the Corporation's financial assets and financial liabilities, all of which are measured at amortized cost in accordance with IFRS 9.

As at March 31 (C\$ thousands)	2025	2024
Cash	13,398	11,820
Investment securities	10,221,103	9,102,982
Trade and other receivables	355	1,348
Financial assets	10,234,856	9,116,150
Trade and other payables	11,073	12,213
Financial liabilities	11,073	12,213

See Note 4 for additional information on the maturity and composition of the Corporation's investment securities.

Fair value of financial instruments

With the exception of investment securities, the carrying amounts of the Corporation's financial instruments measured at amortized cost approximate their fair values. The fair values of the Corporation's investment securities are disclosed in Note 4.

Financial risk management objectives

The Corporation's assets consist primarily of its investment securities. CDIC's investment strategy is based on two key principles: providing liquidity for intervention activities; and limiting credit and market risk to preserve principal. CDIC has a comprehensive risk management framework to evaluate, monitor and manage its risks. All risks, financial and other, are managed in accordance with an Enterprise Risk Management (ERM) Framework.

Formal policies are in place for all significant financial risks to which CDIC is exposed. The policies are reviewed at least annually in order to ensure that they continue to be appropriate and prudent. Significant financial risks that arise from transacting and holding financial instruments include credit, liquidity and market risks.

Part 2: Financial Statements

Credit risk

Credit risk is defined as the risk of loss attributable to counterparties failing to honour their obligation to CDIC, whether on- or off-balance sheet. CDIC's maximum exposure to credit risk is the carrying amount of cash, investment securities, and trade and other receivables held in the statement of financial position. None of the trade and other receivables are past due.

CDIC's *Board Credit Risk Policy* sets out, among other things, that the Board of Directors shall approve investment dealers, securities vendors, agents acting on behalf of CDIC, and others with whom the Corporation is authorized to transact with respect to financial transactions. Investments are to be held with approved creditworthy counterparties that must have a minimum credit rating from an external credit rating agency (Standard & Poor's or Moody's). CDIC cannot exceed Board-approved limits for transactions, by transactor, either individually or on a combined basis.

The Corporation's financial risk policies limit investments to the obligations of the Government of Canada and agent Crowns and the obligations of provincial governments or municipal financing authorities. Risk is further limited by setting a maximum amount for each investment. In addition, CDIC adheres to the *Minister of Finance Financial Risk Management Guidelines for Crown Corporations* in order to minimize its credit risk.

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

As at March 31 (C\$ thousands)	2025	2024
AAA	7,753,833	6,596,557
AA	431,743	702,300
AA-	1,500,229	629,661
A+	535,298	1,174,464
Total investment securities	10,221,103	9,102,982

CDIC may at times intervene in one capacity or another, in providing financial assistance to a troubled financial institution, either in the form of a loan, by guarantee or otherwise. The Corporation could also have to make payment to insured depositors in the event of a member institution failure. The latter action results in claims receivable by the Corporation. Realization on its claims is largely dependent on the credit quality and value of assets held within the estates of failed member institutions, thus exposing CDIC to additional credit risk. The Corporation remains closely involved in the asset realization process of these failed institutions in order to mitigate credit risk and minimize any potential loss to CDIC. As at March 31, 2025 and 2024, respectively, CDIC has not provided any new financial assistance to a troubled financial institution either in the form of a loan, by guarantee or otherwise.

Part 2: Financial Statements

Liquidity risk

Liquidity risk is defined as the risk that funds will not be available to CDIC to honour its cash obligations, whether on- or off-balance sheet, as they arise.

Exposure to liquidity risk relates firstly to funding ongoing day-to-day operations. Potential cash requirements could also arise to fund payouts of insured deposits in the case of a member institution failure or to provide financial assistance for other member intervention activities. The Corporation's liquidity risk is subject to extensive risk management controls and is managed within the framework of policies and limits approved by the Board. The Board receives reports on risk exposures and performance against approved limits annually.

The *Board Liquidity Risk Policy* sets out, among other things, Management's responsibilities in managing the Corporation's portfolio of investment securities while respecting: 1) the parameters established under all of the financial risk policies; and 2) CDIC's mandate and statutory objects. The maturity profile of the portfolio is to be matched against maturing debt, if any, or any other cash outflow requirements and is also to comply with Board-approved term to maturity portfolio allocations.

The Corporation also has authority to borrow funds from the capital markets or from the Consolidated Revenue Fund. CDIC currently may borrow up to \$36 billion (2024: \$35 billion), subject to ministerial approval. Under the CDIC Act, the borrowing limit is adjusted annually to reflect the growth of insured deposits. If existing borrowing authorities are insufficient, CDIC could apply to Parliament, through an appropriation act. Further borrowing could also be provided through the *Financial Administration Act*, if necessary, to promote the stability or maintain the efficiency of the financial system in Canada. No amounts had been borrowed as at March 31, 2025 and 2024, respectively.

Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (due to changes in interest rates, foreign exchange rates and other price risks).

Principal exposures to market risk relate to the Corporation holding financial assets or liabilities where values are influenced by market conditions, such as its portfolio of investment securities. CDIC's main exposure to market risk is through interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk relating to its investment securities. CDIC manages its interest rate exposures with the objective of enhancing interest income within established risk tolerances while adhering to approved policies.

Since the Corporation’s investment securities are measured at amortized cost, changes in market interest rates do not have a significant impact on the Corporation’s net income. However, they would impact the fair value of CDIC’s investment securities. The Corporation manages this interest rate risk by obtaining fair value information for the investment securities for internal reporting and financial risk management purposes. Interest rate stress scenarios are performed on a regular basis on the Corporation’s investment securities to evaluate the potential impact of possible changes in market interest rates on the fair value of its investments. As a result, the Corporation obtains a clear picture of the extent of this Interest rate risk exposure. The Corporation reports interest rate risk on a quarterly basis to the Chief Financial Officer and annually to the Audit Committee of the Board.

The following table shows the estimated impact that a 25 basis point increase and a 50 basis point decrease in market interest rates would have had on the disclosed fair value of the Corporation’s investment securities at the end of the fiscal year.

For the year ended March 31	2025	2024
25 basis point increase	\$59 million decrease	\$50 million decrease
50 basis point decrease	\$120 million increase	\$102 million increase

Currency risk and other price risks

The *Board Market Risk Policy* sets out, among other things, Management’s responsibility not to expose the Corporation to any material equity, foreign exchange or commodity related positions. CDIC cannot engage in trading financial instruments other than to meet its liquidity requirements, which are funding day-to-day operations and funding intervention solutions respecting member institutions. Expanded coverage of insured deposits to include foreign currency deposits creates an indirect exposure to foreign exchange risk. Foreign currency deposits would be converted to Canadian dollars at prescribed rates on the date of a member failure and aggregated with other deposits to determine the quantum of insured deposits. Such exposure is unhedged. The Corporation’s exposure to other price risk and currency risk is insignificant.

9—Capital management

The Corporation's capital is comprised of *ex ante* funding. CDIC is not subject to externally imposed capital requirements. There has been no change in what the Corporation considers as capital, and management of capital was performed on a basis consistent with that of the preceding year.

The Corporation has determined that it is prudent to maintain an amount of advance or *ex ante* funding to absorb losses. The amount of such funding is represented by the aggregate of the Corporation's retained earnings and its provision for insurance losses. During the 2022/2023 fiscal year, the corporation conducted a review of the *ex ante* funding framework and established a near-term *ex ante* fund target to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year-end.

At March 31, 2025, the near term *ex ante* fund target remains on track to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year-end. With the current progression to achieving the near-term 85 basis point target, the Corporation is reviewing funding requirements to determine an updated fund size target and corresponding timeframe to achieve.

<i>Ex ante</i> funding	Actual	
As at March 31 (C\$ thousands)	2025	2024
Retained earnings	8,060,271	6,849,223
Provision for insurance losses	2,150,000	2,250,000
Total <i>ex ante</i> funding	10,210,271	9,099,223
Total basis points of insured deposits	82	77

10—Income taxes

The Corporation is subject to federal income tax. CDIC's primary source of taxable income is its interest income. 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. In addition, recoveries of amounts previously written off are not taxable since the Corporation did not previously claim a deduction for tax purposes.

The following table sets out details of income tax expense recognized in net income.

For the year ended March 31 (C\$ thousands)	2025	2024
Current income tax:		
Current income tax expense	42,752	25,391
Adjustments in respect of current income tax of previous years	7	15
Deferred tax:		
Relating to the origination of temporary differences	(1,204)	428
Income tax expense recognized in net income	41,555	25,834

The following table presents a reconciliation of the Corporation's recognized income tax expense to income tax expense based on the Canadian federal tax rate.

For the year ended March 31 (C\$ thousands)	2025	2024
Net income before income taxes	1,252,624	844,516
Expected income tax at the 25% federal tax rate (2024: 25%)	313,156	211,129
Non-deductible adjustments:		
Premium revenue	(246,618)	(222,772)
(Decrease) increase in non-deductible provision for insurance losses	(25,000)	37,500
Other	17	(23)
Income tax expense recognized in net income	41,555	25,834

11—Premium revenue

Under CDIC’s *Differential Premiums By-law*, members are classified into four different categories based on a system that scores them according to a number of criteria or factors.

The premium rates in effect for the 2024/2025 fiscal year are as follows:

Premium category		
For the year ended March 31 (basis points of insured deposits)	2025	2024
Category 1	7.5	7.5
Category 2	15.0	15.0
Category 3	30.0	30.0
Category 4	33.3	33.3

Premium revenue of \$986,472 thousand was recorded during the year ended March 31, 2025 (2024: \$891,089 thousand). Premium revenue is higher year over year mainly due to an increase in total insured deposits held at member institutions and changes in premium categorization of certain member institutions.

12—Operating expenses

The following table provides details of total operating expenses of the Corporation for the years ended March 31, 2025 and March 31, 2024.

For the year ended March 31 (C\$ thousands)	2025	2024
Salaries and other personnel costs	42,579	37,364
Professional and other fees	7,180	17,726
General expenses	10,018	4,414
Premises	2,332	2,371
Data processing	14,854	13,958
Depreciation and amortization	1,788	1,728
Depreciation on right-of-use assets	1,218	1,224
Interest expense on lease liabilities	120	142
Public awareness	6,509	6,711
Total operating expenses	86,598	85,638

13—Related party disclosures

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. The following disclosure is in addition to the related party disclosure provided elsewhere in these financial statements. All material related party transactions are either disclosed below or in the relevant notes.

During the year ended March 31, 2025, CDIC recognized an amount of \$3,558 thousand (2024: \$3,969 thousand) against pension expenses paid into the Public Service Pension Plan. All eligible employees of the Corporation participate in the Public Service Pension Plan, a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. See Note 15 for further details.

Key Management personnel

Key Management personnel include all members of the Board of Directors and Corporate Officers who have the authorities and responsibilities for planning, directing and controlling the activities of the Corporation.

Compensation of key Management personnel was as follows:

For the year ended March 31 (C\$ thousands)	2025	2024
Wages, bonuses and other short-term benefits	2,697	2,568
Post-employment benefits	661	720
Total key Management personnel remuneration	3,358	3,288

14—Contingencies and commitments

There were no claims pending against the Corporation as at March 31, 2025.

The Corporation has commitments for contractual arrangements for services. As at March 31, 2025, these future commitments are \$26,757 thousand (2024: \$29,285 thousand).

15—Employee benefits

For the year ended March 31 (C\$ thousands)	2025	2024
Defined benefit obligations	1,429	1,343
Employee benefits	1,429	1,343

The Corporation's employees receive a number of employee benefits, including membership in the Public Service Pension Plan and defined benefit plans. The defined benefit obligations are post-employment benefits that are outside of the Public Service Pension Plan.

Part 3

Corporate Governance



More about governance

For additional information on how CDIC is governed, including Board and committee charters and directors' biographies, please visit www.cdic.ca

CDIC is committed to a strong governance framework. This section of the Annual Report presents information about our Board of Directors, including its committees and director attendance. It also outlines how we work to meet the public's expectations regarding good governance.

As a Crown corporation with a public purpose at heart, we are committed to fulfilling our mandate in a manner that reflects the expectations of depositors, Parliament, and the Government of Canada. To this end, we continuously review and update our structure, policies and processes to reflect good governance and best practices.

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 and National Revenue

In accordance with the *CDIC Act*, the *ex officio* directors, except for the CEO and the Deputy Superintendent of Financial Institutions, may designate individuals as alternates. These alternates are deemed to be members of the Board of Directors when acting on their behalf.

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.

Annual Public Meeting

In accordance with the *Financial Administration Act* (FAA)¹⁰, we held our Annual Public Meeting (APM) as a live webcast on November 6, 2024. Under the theme "Our unwavering focus to protect depositors," CDIC's Board chair, president and CEO, and members of senior management discussed how we are protecting deposits and promoting financial stability in a dynamic and complex operating environment. The APM is an opportunity for us to update members of the public and stakeholders on our activities and to answer any questions they may have. We plan to hold our next APM in the fall of 2025.

¹⁰ Financial Administration Act, s. 113.1

Board of Directors Composition

as of March 31, 2025



Robert O. Sanderson
Chair
June 2016–June 2025

Private sector directors



Tashia Batstone
Chartered Professional Accountant
St. John's, NFLD
June 2023–June 2027



J. Martin Castonguay
Chartered Professional Accountant
Montréal, Québec
May 2019–May 2026



Tanya van Biesen
Financial Executive
Toronto, Ontario
June 2024–June 2028



Jeffrey Heath
Business Executive
Toronto, Ontario
May 2023–May 2027



Andrew Kriegler
Financial Executive
Toronto, Ontario
Sept 2018–Dec 2025



Helen Ray del Val
Lawyer
Vancouver, BC
June 2023–June 2027



Tiff Macklem
Governor
Bank of Canada
Effective June 2020



Chris Forbes
Deputy Minister
Finance
Effective Sept 2023



Shereen Benzvy Miller
Commissioner
FCAC
Effective November 2024



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 2022

Alternates (for ex officio directors)



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



Grahame Johnson
Assistant Deputy
Minister, Finance
Designated as alternate:
June 2023



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. The Board may also create ad hoc committees, as needed, to help fulfill its duties and to ensure a comprehensive review of key areas of interest or concern.

Audit Committee

The Audit Committee assists with the Board’s oversight of the integrity of CDIC’s financial statements, the financial reporting process, and annual operating and capital budgets. This includes:

- Budgeting for significant projects
- The systems of internal accounting and financial controls
- The performance of CDIC’s internal audit function
- The performance of any special examinations pursuant to the FAA

This committee is composed of:

- | | |
|---------------------------|---|
| ▪ J.M. Castonguay (Chair) | Member since June 2019; Chair since August 2021 |
| ▪ T. Batstone | Member since August 2023 |
| ▪ H. R. del Val | Member since August 2023 |
| ▪ J. Heath | Member since August 2023 |
| ▪ S. Benzvy Miller | Member since November 2024 |
| ▪ P. Routledge | Member since August 2024 |

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 CDIC’s success. This includes oversight of director education and learning opportunities so 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, 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
- Key human resources and compensation policies, processes and strategies, including those relating to employee business conduct and ethical behaviour
- CDIC’s Environmental, Social, and Governance commitments

This committee is composed of:

- | | |
|-----------------------|---|
| ▪ T. Batstone (Chair) | Member since August 2023; Chair since August 2024 |
| ▪ J.M. Castonguay | Member since September 2019 |
| ▪ R.O. Sanderson | Member since March 2019 |
| ▪ A. Kriegler | Member since August 2023 |
| ▪ C. Forbes | Member since August 2024 |
| ▪ T. van Biesen | Member since August 2024 |

Risk Committee

The Risk Committee assists with the Board’s oversight of CDIC’s Enterprise Risk Management Framework, as well as our identification, assessment, management and recording of top risks. This includes any strategic, preparedness, operational, and financial risks that could impact CDIC’s ability to carry out our mandate.

This committee is composed of:

- | | |
|-----------------------|---|
| ▪ A. Kriegler (Chair) | Member since March 2019; Chair since January 2023 |
| ▪ H. R. del Val | Member since August 2023 |
| ▪ B. Gully | Member since July 2022 |
| ▪ J. Heath | Member since August 2023 |
| ▪ T. Macklem | Member since July 2020 |
| ▪ T. van Biesen | Member since July 2024 |

Board and committee meetings and attendance

(April 1, 2024, to March 31, 2025)

	Board committees ^d			
	Board of Directors ^b	Audit Committee ^c	Governance and HR Committee	Risk Committee
Number of meetings ^a	12	6	5	4
Attendance				
Private sector directors				
R.O. Sanderson — Chair	12	6	5	4
T. Batstone	12	6	5	N/A
J.M. Castonguay	12	6	5	N/A
T. van Biesen ^e	8	N/A	3	3
H.R. del Val	9	6	N/A	4
J. Heath	12	6	N/A	4
A. Kriegler	11	N/A	5	4
Ex officio directors (Alternates)				
Bank of Canada: T. Macklem (TM) (C. Rogers [CR])	6 (TM) 4 (CR)	N/A	N/A	3 (TM) 1 (CR)
Canada Deposit Insurance Corporation: L. Anderson	8	4	4	3
Department of Finance: Chris Forbes (CF) ^d (G. Johnson [GJ])	10 (GJ)	N/A	5 (GJ)	N/A
Financial Consumer Agency of Canada: W. Liedtke (WL); Shereen Benzvy Miller (SBM) (F. Lofranco [FL])	6 (WL) 6 (FL) 4 (SBM)	1 (WL) 2 (SBM)	N/A	N/A
Superintendent of Financial Institutions: P. Routledge ^d	11	4 ^d	2	N/A
Deputy Superintendent of Financial Institutions: B. Gully	12	N/A	N/A	4
Directors who departed during the year				
L. Caty ^e	4	N/A	2	1

^a Also includes meetings attended virtually.

^b Includes special meetings, Board tabletop simulation sessions and a Board strategic planning session.

^c The chairperson is invited to Audit Committee and Risk Committee meetings as an observer but is not a committee member.

^d On July 22, 2024, the Board approved revised committee membership, which saw Tashia Batstone become Chair of the Governance and Human Resources Committee while Chris Forbes (alternate: Grahame Johnston) and Tanya van Biesen joined as members. Additional changes included Peter Routledge ceasing to be a member of the Governance and Human Resources Committee and becoming a member of the Audit Committee, and Tanya van Biesen joined as a member of the Risk Committee.

^e Tanya van Biesen was appointed to CDIC's Board of Directors on June 21, 2024, for a four-year term. With this appointment, Linda Caty resigned from CDIC's Board of Directors, effective June 21, 2024.

^f Werner Liedtke became a member of CDIC's Board upon his appointment as the interim Commissioner of the Financial Consumer Agency of Canada (FCAC) on April 12, 2024. On October 11, 2024, Shereen Benzvy Miller was appointed as FCAC Commissioner, effective November 7, 2024, and as such, Mr. Liedtke was deemed to have resigned from CDIC's Board of Directors.

Professional background of Board members — Expertise & experience

Board member	Education/ Designations	Accounting	Comms	Crisis	Financial Services	Governance/ Leadership	IT/Fintech	Law	M&A/ Insolvency	Regulatory	Risk Management	Talent Management	Other
Sanderson, Robert Chair, CDIC	BA, FCPA, FCA, FIC, FCIRP (ret)	✓		✓	✓	✓			✓	✓	✓	✓	
Anderson, Leah CEO, CDIC	MA		✓	✓	✓	✓				✓	✓	✓	
Batstone, Tashia CEO, FP Canada	BComm, MBA, CPA, ICD.D	✓	✓	✓	✓	✓				✓	✓	✓	
Benzvy Miller, Shereen Commissioner, FCAC	BA, MA, LLB			✓		✓	✓	✓			✓		Change Management
Castonguay, J. Martin Director	BSc, BComm, CPA, ICD.D	✓		✓	✓	✓			✓	✓	✓	✓	
del Val, Helen Director	BA, LLB			✓	✓	✓		✓		✓	✓	✓	
Forbes, Chris Deputy Minister, Department of Finance	BA, MA			✓	✓	✓				✓	✓	✓	
Gully, Ben Deputy Superintendent — OSFI	MA, MSc, PhD			✓	✓	✓				✓	✓	✓	
Heath, Jeff Director	BComm, CPA	✓		✓	✓	✓				✓	✓	✓	
Kriegler, Andrew President and CEO, CIRO	BSc, MBA	✓		✓	✓	✓				✓	✓	✓	
Macklem, Tiff Governor, Bank of Canada	BA, MA, PhD		✓	✓	✓	✓				✓	✓	✓	
Routledge, Peter Superintendent, OSFI	BA, MBA	✓	✓	✓	✓	✓			✓	✓	✓	✓	
Van Biesen, Tanya Director	BComm, MBA				✓	✓					✓	✓	Human Resources, Culture, Change Management

Directors' fees

2024/2025 — Fees for private sector Directors

R.O. Sanderson	145,000
J.M. Castonguay	26,400
L. Caty	8,910
A. Kriegler	33,540
J. Heath	39,420
H.R. del Val	24,300
T. Batstone	40,680
T. van Biesen	15,958
Total	334,208

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 and National Revenue. The Board of Directors appoints the remaining five corporate officers.

As of March 31, 2025, CDIC's corporate officers were:

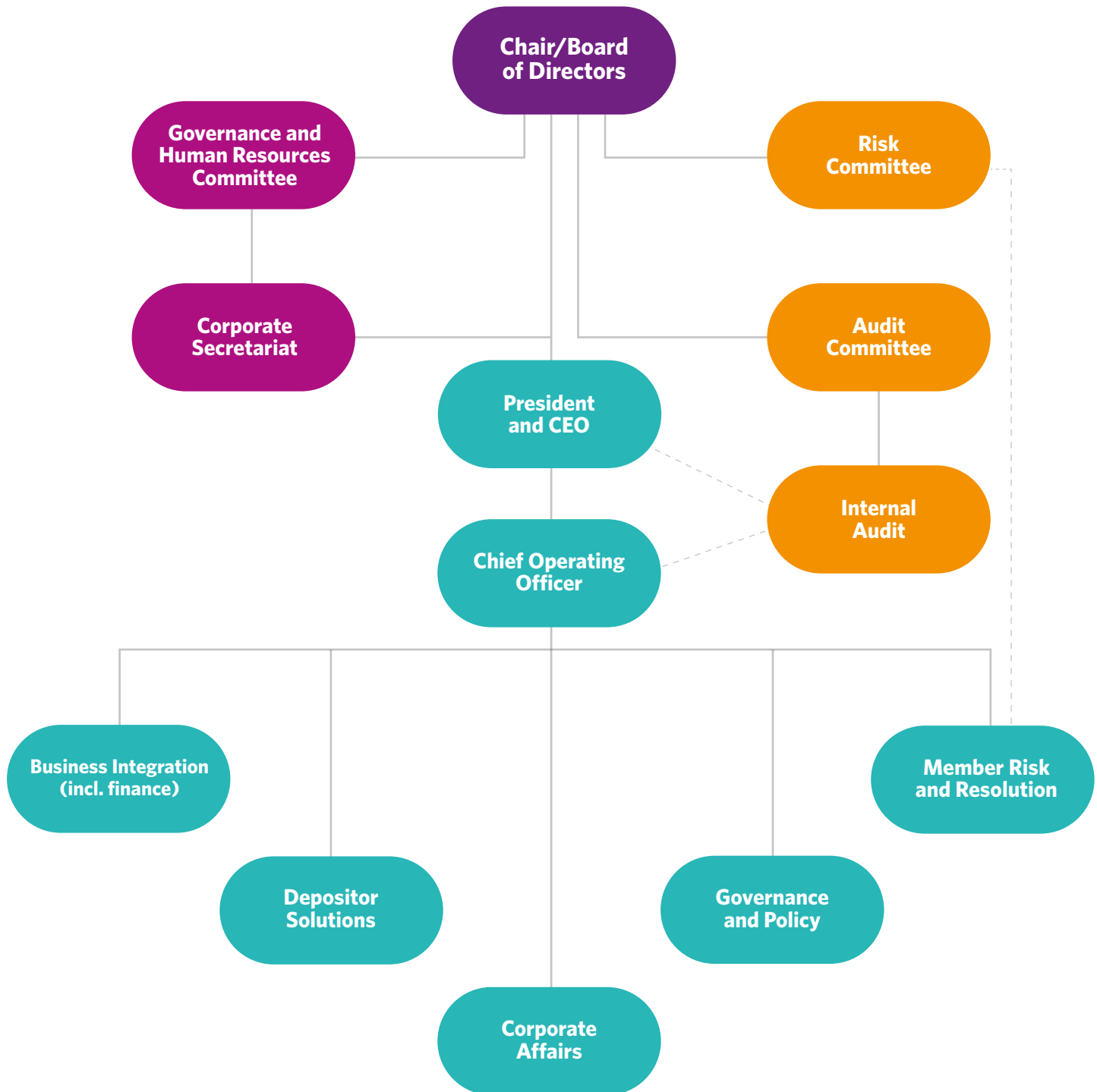
- Leah Anderson, President and Chief Executive Officer
- Gina Byrne, Chief Operating Officer¹¹
- Michael Mercer, Vice-President, Depositor Solutions
- Angela Roberge, Vice-President, Corporate Affairs, & Chief of Staff
- Jordan Rosenbaum, Chief Financial Officer & Head, Business Integration
- Christa Walker, Chief Legal Officer, Corporate Secretary, & Head, Policy Integration

Treasury Board directive on travel, hospitality, conference and event expenditures

Pursuant to Section 89 of the FAA, we align our 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 our legal obligations.

¹¹ Gina Byrne was appointed as COO on March 7, 2025. Prior to this, her title was Vice-President, Member Risk & Resolution.

CDIC's organizational structure



----- Denotes administrative reporting relationship

Appendix A—2025 Taskforce on Climate-related Financial Disclosures Report

Summary

The Task Force on Climate-Related Financial Disclosures (TCFD) was created by the Financial Stability Board and sets out a standardized framework for climate-related financial disclosures.

The TCFD published recommendations for disclosure with four core elements:

- 1) **Governance** - the organization's governance around climate-related risks and opportunities.
- 2) **Strategy** - the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.
- 3) **Risk Management** - the processes used by the organization to identify, assess, and manage climate-related risks.
- 4) **Metrics and Targets** - disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions. Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recognizing that reducing its climate-related impact is important, CDIC places a focus on environmental considerations in respect of our operations. Our offices are located in LEED certified buildings with easy access to public transportation. CDIC's hoteling model and hybrid work options, combined with our move towards electronic records and paperless work, also put us on the path to becoming a more environmentally friendly workplace. These activities will reduce CDIC's GHG emissions impact over the long term.

Pillar 1: Governance

CDIC has a well-established governance framework. Our 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 of Directors has delegated oversight of CDIC's ESG strategy and framework to the Governance and Human Resources Committee.

Pillar 2: Strategy

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 on its mandate as deposit insurer and resolution authority for CDIC member institutions.

Pillar 3: Risk Management

As outlined earlier in the annual report, CDIC employs an ERM governance structure that emphasizes and balances strong central oversight and control of risk with clear accountability for, and ownership of, risk.

CDIC prioritizes risk mitigation in areas of highest risk to the achievement of CDIC's mandate and continuity of business operations. At this time, climate risk has not been identified as a high or material risk to the execution of CDIC's public purpose mandate, or the continuity of its operations.

As our understanding evolves – via information, data and lessons learned – around the materiality of climate-related risks to the execution of CDIC's mandate and operations, CDIC's ERM framework will evolve with it and consider how the unique characteristics of climate risk may be integrated into our current ERM framework.

Appendix A—2025 Taskforce on Climate-related Financial Disclosures Report

Pillar 4: Metrics and Targets

We have measured our operational emissions by defining boundaries for our Scope 1, 2 and 3 GHG profile considering relevancy, data availability, and feasibility of performing the calculations. In summary:

Scope 1 Emissions are direct emissions generated from activities owned or controlled by an organization, such as fuel combustion. As CDIC does not own facilities or fleets, Scope 1 emissions are not applicable.

Scope 2 Emissions are indirect emissions generated from consumption of purchased electricity, heat, or steam. CDIC indirectly emits GHG emissions through the purchase of electricity, heating, and cooling from its leased office spaces in Ottawa and Toronto. CDIC’s Scope 2 operational emissions are calculated using electricity consumption (kWh), gas and fuel consumption (M3), chilled water use, and HVAC leaks data.

Total Carbon Emissions (tonnes of CO₂e)

For the year ended March 31, 2024

Energy consumed in leased office spaces	39.2
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Scope 3 Emissions are other indirect emissions from upstream and downstream activities that an organization contributes to but does not control. These could include supplier emissions, purchased goods and services, business travel and investments.

Development of CDIC’s Scope 3 emissions inventory (including, but not limited to purchased goods/services, capital goods and travel) is under development.

CDIC has separately calculated emissions associated with its investment holdings. CDIC’s approach to calculating financed emissions associated with its investments was in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard. The PCAF methodology provides a global, standardized GHG accounting and reporting approach, to enable financial institutions to assess and disclose the greenhouse gas emissions of loans and investments. CDIC’s investment portfolio is composed of Government of Canada Bonds, Canada Mortgage Bonds and Provincial Bonds. During the 2022/2023 fiscal year CDIC expanded its investment portfolio holdings to also include Green Bonds by approved issuers.

Financed Emissions for the year ended March 31, 2024

Value of Holdings (\$CAD Billion)	Total Carbon Emissions (thousand tonnes of CO ₂ e)	Financed Emissions per \$1,000 dollars invested
\$9.1	2,262	0.25

CDIC is not responsible for regulating climate risk at member institutions. As such, member institutions climate risk profiles and associated GHG emissions are out of scope and not contemplated under CDIC’s Scope 3 emissions.

Glossary

Bail-in: A tool that CDIC can use to resolve a domestic systemically important bank (D-SIB) if it fails or is about to fail. In a bail-in resolution, CDIC would take temporary control or ownership of a failing D-SIB and convert all or some of its eligible liabilities into common shares to recapitalize the bank and help restore it to viability. During a bail-in resolution, a D-SIB would remain open and operating, maintaining the services it provides to its customers. (*Régime de recapitalisation interne*)

Basel III: Refers to the Basel III Accord, which was developed by the Basel Committee on Banking Supervision, in a response to deficiencies in financial regulation revealed by the global financial crisis. It is meant to strengthen bank capital requirements and introduces new regulatory requirements on bank liquidity and bank leverage. (*Accord de Bâle III*)

Basis point: One basis point is equivalent to 0.01%. (*Point de base*)

Deposit: As defined in the *Canada Deposit Insurance Corporation Act* (the CDIC Act), a deposit is the unpaid balance of money received or held by a CDIC member institution from or on behalf of a person in the usual course of deposit-taking business for which the member:

- a) is obliged to give credit to that person's account or is required to issue an instrument for which the member is primarily liable; and
- b) is obliged to repay on a fixed day or on demand by that person or within a specified period following demand by that person, including any interest that has accrued or which is payable to that person. (*Dépôt*)

Domestic systemically important bank (D-SIB):¹² A bank designated by the Superintendent of Financial Institutions whose distress or failure could have significant adverse effects on the Canadian financial system. Banks designated as such are subject to more intensive supervision and additional requirements to minimize the likelihood of failure. (*Banque d'importance systémique nationale (BISN)*)

Eligible deposit: Eligible deposits are held at a CDIC member institution and can include: savings and chequing accounts; Guaranteed Investment Certificates (GICs) and other term deposits; and foreign currency (e.g., U.S.\$). CDIC insures eligible deposits separately (up to \$100,000, including principal and interest) for each of the nine insured categories. (Products that are not eligible deposits include, for example: mutual funds, stocks and bonds, Exchange Traded Funds (ETFs) and cryptocurrencies.) (*Dépôt assurable*)

Environmental, Social and Governance: ESG criteria are a set of principles that are being adopted by organizations and investors to foster long-term sustainability. These factors measure the sustainability and ethical impact of a business or company. (*Critères environnementaux, sociaux et de gouvernance (ESG)*)

Ex ante funding: The accumulation of a reserve or fund to cover deposit insurance claims in anticipation of the failure of a member institution which, in the case of CDIC, is the aggregate of the retained earnings and the provision for insurance losses. (*Financement ex ante*)

Ex officio: Holding a second position or office by virtue of being appointed to a first. For example, when individuals are appointed to certain senior Government positions (Governor of the Bank of Canada, Superintendent of Financial Institutions, Deputy Minister of Finance, or Commissioner of the Financial Consumer Agency of Canada), they automatically become members of CDIC's Board of Directors, and continue as Directors as long as they hold those positions. (*Nommé (ou membre) d'office*)

¹² The six designated D-SIBs are the Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and Toronto-Dominion.

Part 3: Corporate Governance

Global systemically important bank (G-SIB): A bank that is designated to be so interconnected to the world's financial markets that its failure could pose a threat to the international financial system. The Financial Stability Board, in consultation with the Basel Committee on Banking Supervision, designates banks with the highest systemic risk scores as G-SIBs, based on size, interconnectedness, substitutability, complexity and cross-jurisdictional activities. A G-SIB must meet a higher risk-based capital ratio to enhance its resilience and is subject to additional regulatory oversight and requirements for group-wide resolution planning and resolvability assessments. The resolvability of each G-SIB is reviewed annually using a high-level FSB Resolvability Assessment Process conducted by senior policy makers within the firms' Crisis Management Groups. (*Banque d'importance systémique mondiale (BISM)*)

International Association of Deposit Insurers (IADI): The Association supports the implementation of effective deposit insurance systems by offering technical assistance, conducting training programs, and sharing best practices. It helps member organizations design and enhance their deposit insurance frameworks, ensuring they align with international standards. (*Association internationale des assureurs-dépôts (AIAD)*)

International Financial Reporting Standards (IFRS): Standards for accounting and reporting, developed and revised by the International Accounting Standards Board (IASB) to support reliable and relevant reporting that is understandable and comparable across international jurisdictions. IFRS have increasingly replaced national financial reporting standards. (*Normes internationales d'information financière (IFRS)*)

Member institution: A bank, trust company, loan company, federal credit union, or an association governed by the *Cooperative Credit Associations Act* whose deposits are insured by CDIC. (*Institution membre*)

Nominee broker: A nominee broker is a type of financial broker who enters into an agreement or arrangement with a member institution to make deposits on behalf of another person and/or party, acting as their representative or nominee. (*courtier-fiduciaire*)

Payout: The process undertaken by CDIC to make deposit insurance payments to the insured depositors of a failed member institution. (*Remboursement des dépôts assurés*)

Premiums: The amount that is payable to CDIC by a member institution for deposit insurance coverage. It is calculated annually as a percentage of the total eligible insured deposits that are held by the institution as of April 30. CDIC has a differential premiums system in which institutions are classified in one of four premium categories. Institutions classified in the best premium category pay the lowest premiums. (*Primes*)

Provision for loss: The amount set aside on a balance sheet to provide for anticipated or possible loss or expenditure. CDIC maintains a provision for insurance losses that reflects the organization's best estimate of the losses it is likely to incur as a result of insuring deposits at member institutions. (*Provision pour pertes*)

Task Force on Climate-related Financial Disclosures (TCFD): The TCFD was created in 2015 by the Financial Stability Board to develop consistent climate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders. (*Groupe de travail sur la divulgation de l'information financière relative aux changements climatiques (GIFCC)*)

Tier 1 capital ratio: The ratio of a bank's core equity capital to its risk-weighted assets. (*Ratio de fonds propres de catégorie 1*)