

2026 Annual Report



About CDIC

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 of failure, 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

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Corporation
50 O'Connor St.
17th Floor
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1200-79 Wellington St. W.
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1-800-461-CDIC (2342)

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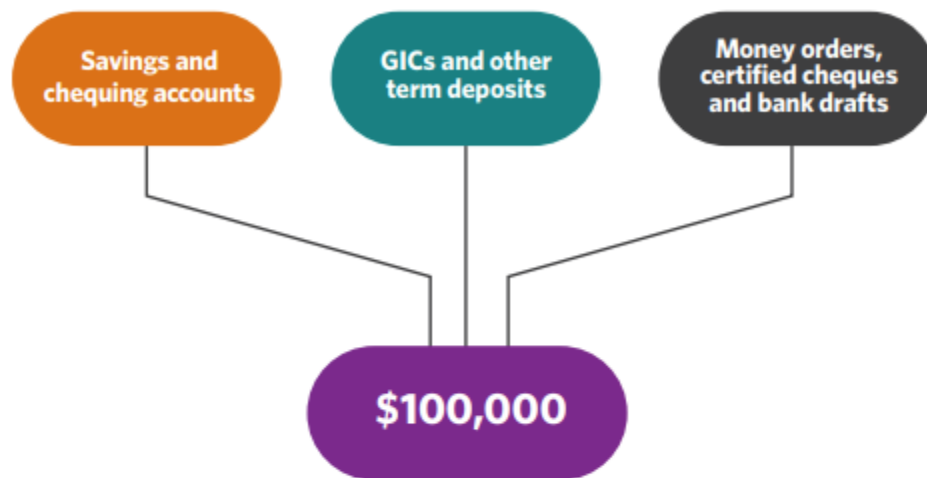
E-mail: info@cdic.ca



Catalogue number: CC391-1E-PDF 1700-9456

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	2026	2025	2024	2023	2022
Selected statement of financial position items (C\$ millions)					
Cash and investments	11,576	10,235	9,115	8,139	7,284
Provision for insurance losses	2,050	2,150	2,250	2,100	1,900
Retained earnings	9,497	8,060	6,849	6,031	5,383
Selected statement of comprehensive income items (C\$ millions)					
Premiums	1,158	986	891	815	772
Investment income	314	253	189	125	93
Total revenue	1,472	1,239	1,080	940	865
Operating expenses	76	87	86	81	68
(Decrease) increase in provision for insurance losses	(100)	(100)	150	200	(750)
Income tax expense	60	41	26	11	6
Total comprehensive income	1,437	1,211	818	648	1,541
Member institutions (number)					
Domestic banks and subsidiaries	55	51	53	53	53
Subsidiaries of foreign financial institutions	14	14	13	16	15
Domestic trust and loan companies and associations	13	16	15	15	15
Federally regulated credit unions	3	3	3	2	2
Total number of institutions	85	84	84	86	85
Total insured deposits ^a (C\$ billions)	1,290	1,241	1,182	1,082	1,025
Growth rate of insured deposits (%)	4	4.9	9.3	5.6	5.9

For the years ending March 31	2026	2025	2024	2023	2022
Ex ante funding (C\$ billions)	11.5	10.2	9.1	8.1	7.3
Basis points of insured deposits	90	82	77	75	71
Borrowing limit^b (C\$ billions)	38	36	35	32	30
Basis points of insured deposits	295	290	296	277	293
Permanent employees (number)^c	161	195	194	176	167

- a 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.
- b 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.
- c Represents the number of full-time, permanent employees at year-end.

Our year at a glance

In **2025/2026**, we welcomed the appointments of Gina Byrne as CDIC's Interim, **President and Chief Executive Officer (CEO)** and Martin Glynn as **Chair of the Board of Directors**.

We focused on three strategic objectives, with progress in these areas reinforcing Canadians' confidence in CDIC and the protection of their eligible deposits, while also undertaking additional actions to align with government priorities and expectations.

What was achieved?

Depositor trust and confidence

- CDIC's **Differential Premiums By-law**, which introduces a differential premiums system to enhance our effectiveness to determine risk-based premiums, took effect as of April 29, 2026.
- CDIC's membership increased to **85 members**. Deposits insured by CDIC increased **4.0%** year-over-year to **\$1,290 billion** as at April 30, 2025.
- As part of our **Public Awareness Strategy**, general public awareness of deposit insurance was above target at 69%.

Resolution readiness

- We oversaw Canada's six largest banks as they advanced testing of their **resolution capabilities**. We also tested the deposit data capabilities of member institutions and nominee brokers and continued to develop resolution plans for **small and mid-sized members** to enable early, decisive action to protect depositors, if required, and preserve financial stability.
- At the end of Q4, the **ex ante fund** reached **90 basis points** of insured deposits, exceeding the target of 85 basis points.
- We continued participating in the tri-agency **Data Collection Modernization** initiative, which aims to enhance our access to data and analytics.
- Our **Simulations Centre of Excellence** conducted four exercises with CDIC staff, external partners, and key stakeholders to continuously enhance CDIC's level of operational preparedness and resolution readiness.

Organizational strength

- We were named one of **National Capital Region's Top Employers** for the third consecutive year, reinforcing CDIC's reputation as an employer of choice and supporting our ability to attract top talent.

Government priorities

- We advanced **Budget 2025** priorities by contributing to legislative changes that support the entry and growth of federal credit unions, promoting a more competitive and innovative financial system.
- CDIC aligned with direction from the Minister of Finance and National Revenue to follow the spirit and intent of the Government's Comprehensive Expenditure Review (CER).
- We **renewed our corporate structure and resources** to strengthen efficiency, resilience, and our focus on readiness and protecting depositors.

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Message from the Chair

I am deeply honoured to have been appointed Chair of CDIC's Board of Directors in 2025 and humbled by the trust placed in me by the government of Canada. Having spent my career in the financial sector, I see this role as both a significant responsibility and an opportunity to give back.

CDIC plays a vital role in protecting depositors and supporting Canada's financial stability. I look forward to working with my fellow directors and CDIC's leadership team to advance this important mission.

Operating in a heightened risk environment is now the norm. Over the past year, economic uncertainty persisted, Canadians faced ongoing affordability pressures, and the financial sector continued to evolve. At the same time, non-financial risks such as cyber security grew in prominence. In this complex and rapidly changing environment, CDIC's readiness and reliability are essential.

Strong governance is critical for a crisis response organization like CDIC. The Board provides leadership and stewardship by setting strategic direction, holding the CEO accountable for delivering on CDIC's mandate, and ensuring the prudent use of financial resources. We also work to ensure the organization is well positioned to identify and respond to emerging risks and opportunities.

Two areas of Board focus are particularly important. First, our oversight of the Enterprise Risk Management Framework, which strengthens CDIC's ability to anticipate challenges and respond proactively. Second, our regular participation in crisis simulation exercises, which help ensure informed and timely decision-making under pressure.

In a complex environment, effective governance also depends on diverse perspectives. CDIC's Board brings together members from both the public and private sectors, enriching our discussions and strengthening our oversight.

I am confident that CDIC is well governed, well led, and well prepared for the challenges ahead. On behalf of the Board, I thank CDIC's management and employees for their dedication and professionalism.

Sincerely,



Martin J. G. Glynn
Chair of the Board

Message from the President and CEO

It has been 30 years since the last bank failure in Canada; a testament to the strength of our financial system. Yet, while bank failures remain rare, the environment in which we operate has never been more complex geopolitically.

CDIC's core mandate remains unchanged: to protect deposits in the event of a member institution failure and to serve as Canada's resolution authority. What has evolved is the breadth and intensity of the risks we must be prepared to manage. In 2025/2026, we continued to strengthen our readiness not only for member failure, but for a wide range of potential disruptions and crises that could test the financial system.

Looking ahead, we see both challenges and opportunities on the horizon. Major initiatives, such as implementation of our Differential Premiums Bylaw, our *ex ante* fund review and the federal government's review of deposit insurance, underscore the importance of being agile and well prepared.

Recognizing that the future will demand new capabilities from CDIC, we realigned our corporate structure to sharpen our focus on readiness while remaining cost-effective. This work was well progressed when the Government of Canada asked departments and agencies to reduce spending. CDIC made disciplined changes, stabilized our operations, and ensured we remained positioned to meet expectations without losing momentum.

After 18 years with CDIC and more than 30 years in the financial sector, it is a privilege to assume the role of President and Chief Executive Officer. I am proud of the professionalism, resilience, and commitment of our people, and confident in our ability to continue protecting depositors and contributing to Canada's financial stability, whatever challenges the future may bring.

Thank you for your trust.



Gina Byrne
President and Chief Executive Officer

Part 1 – Management's Discussion and Analysis

Operating environment

We continually assess opportunities and challenges within the economic, financial, and regulatory landscape. By doing so, we can better address emerging risks and strengthen our ability to safeguard depositors while promoting financial stability. Collaboration with domestic and international partners further enhances our effectiveness in addressing the complexities of today's financial landscape.

Economic environment

In 2025/2026, Canada's economy remained stable but fragile amid heightened uncertainty. After a prolonged period of monetary tightening, Bank of Canada held the policy rate at 2.25%.¹ While lower borrowing costs offered some relief for households and businesses, housing activity remained subdued and constrained by affordability and uncertainty. Inflation² had been close to target but increased in the near term due to higher energy prices, which continue to weigh on household purchasing power.

GDP growth projections remained modest,³ the housing market continued to be subdued, and labour market conditions softened, with unemployment remaining elevated.⁴ At the same time, higher prices for food, energy, and other essentials, driven in part by energy price increases, were weighing on household purchasing power, placing pressure on many households, particularly those more sensitive to cost-of-living increases.

Adding to these domestic pressures were external risks. The tariff developments between the United States and Canada throughout 2025 complicated the economic landscape, disrupting supply chains and shifting demand. This economic volatility directly impacted economic growth, as well as business and consumer confidence. It also increased the risk of more credit defaults and business bankruptcies. We monitored these risks closely. Despite these challenges, Canada's financial system remains strong.

Regulatory 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

¹ Bank of Canada maintains policy rate at 2¼% - Bank of Canada

² The Daily — Consumer Price Index, March 2026

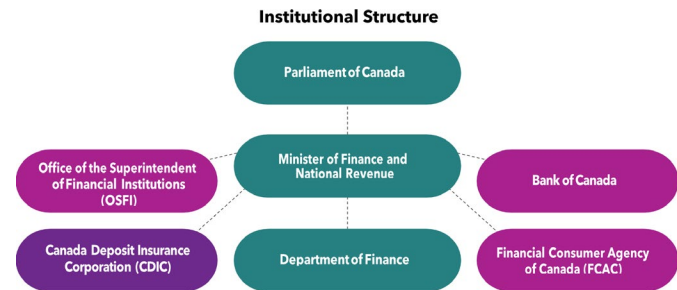
³ The Daily — Gross domestic product, income and expenditure, fourth quarter 2025

⁴ The Daily — Labour Force Survey, March 2026

(OSFI), and the Financial Consumer Agency of Canada (FCAC). Collectively, these agencies work together to oversee members, detect and address risks early within the Canadian banking system, and consider economic vulnerabilities and public policy options to support financial system stability. For instance,

in November 2025, CDIC conducted a tabletop exercise with our financial safety net partners to test the agencies' response and coordination to a member failure, engaging over 30 participants and observers from across these agencies. We periodically run these exercises to test and advance our readiness to respond to troubled members.

We also regularly engage with our partners on deposit insurance and resolution best practices. In October 2025, CDIC hosted the third annual Federal-Provincial Deposit Insurance Forum, which focused on “Working Together to Strengthen Canada’s Deposit Insurance System”. This forum brought together federal and provincial deposit insurers to strengthen collaboration, share expertise, and discuss regulatory developments.



International leadership

On the global stage, we worked closely with international partners to support strong and effective deposit insurance and resolution frameworks worldwide. Through long-standing engagement with peer institutions and multilateral bodies, we contributed Canadian expertise to global discussions on financial stability and crisis preparedness. As a founding member of the International Association of Deposit Insurers (IADI), we played an important role in developing, and more recently updating, the IADI Core Principles for Effective Deposit Insurance Systems and continued to participate in policy and technical work to address emerging risks. CDIC also serves on IADI’s Executive Council and participates actively in IADI governance and forums, including annual conferences, policy panels, and technical committees focused on issues such as digital innovation and depositor behaviour.

Beyond IADI, we engaged with international partners through the Financial Stability Board and the Bank for International Settlements, including participating in resolution-focused groups that support cross-border coordination and crisis readiness. We also worked directly with international resolution authorities to share practical experience and strengthen operational preparedness. Together, these engagements help strengthen global cooperation on bank resolution while ensuring Canada remains aligned with evolving international best practices.

Regulatory environment

During 2025/2026, we continued to advance the implementation of changes to the Differential Premiums System (DPS) following a comprehensive review and public consultation, with by-law amendments registered in August 2025 and coming into force in April 2026.

In support of the federal government's Budget 2025 priority to foster a more competitive and innovative financial system, we contributed to legislative changes aimed at facilitating the entry and growth of federal credit unions. Amendments to the *Canada Deposit Insurance Corporation Act* support amalgamations and asset acquisitions involving federal credit unions and clarify the application of transitional deposit insurance coverage and premium treatment in these transactions. These amendments:

- ensure that CDIC's transitional coverage measures apply when one or more provincial credit unions amalgamate with, or are acquired by, a federal credit union; and
- clarify that, in such transactions, only new deposits insured by CDIC are subject to a new premium charge.

Innovation and awareness

The financial sector continues to evolve as digitalization and innovation, including the growing use of artificial intelligence and new financial technologies, reshape how people manage and interact with their money. We saw continued growth in fintech companies, as well as an increase in partnerships between these firms and CDIC members to expand product offerings. While innovation can offer greater convenience and new opportunities for depositors, it also introduces new risks, particularly around understanding when and how deposit protection applies. Ensuring depositors receive clear and accurate information remains essential to supporting informed financial decision-making.

Our focus is to ensure that members and non-members do not misrepresent our protection when they offer financial products to clients.

The *CDIC Deposit Insurance Information By-law* (DIIB) 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. In 2025/2026 we concluded consultations related to the DIIB, supporting continued transparency and alignment with member and stakeholder expectations.

Keeping pace with changes in the financial sector also means ensuring the federal deposit insurance framework continues to adequately protect depositors and support financial stability. CDIC's 2023 Deposit Insurance Study confirmed that the framework remains strong overall, while identifying areas where certain depositor groups could benefit from additional protection. CDIC shared its findings with the Department of Finance, which announced a review of the federal deposit insurance framework in Budget 2024. CDIC welcomes this review and remains ready to implement any changes directed by the Minister of Finance and National Revenue, as needed. In parallel, CDIC continues to assess coverage options and operational implications associated with digital innovation.

CDIC's Differential Premiums System

In 2025/2026, following a comprehensive review of CDIC's differential premiums system (DPS), amendments made to the *Differential Premiums By-law* (By-law) were registered in August 2025 and will come into force in April 2026. Changes to the By-law reflect the evolving supervisory, risk, and operating environment for members and aim to improve the risk sensitivity of the framework and minimize cross-subsidization of risk.

Key framework changes

- Number of premium categories increased from four to five (came into force in 2025).
- Increase in frequency of premium risk assessment from annual to semi-annual.
- DPS scorecard's quantitative criteria updated to reflect financial regulatory sector developments.
- Liquidity and funding-related metrics added to quantitative criteria.
- CDIC Risk and Resolvability rating added to qualitative criteria.
- Updates to premium assessment policy for new members.
- Updates made to simplify certain requirements and ease the administrative burden.

The review was conducted in consultation with members, industry stakeholders, and domestic regulatory partners. The result represents the most significant changes to the framework since its inception and will help ensure it continues to fulfill its core objective: to send an early warning signal, with financial consequences, to the management and board of directors of a member institution concerning the risk (i.e., likelihood of failure and resolvability) they pose to CDIC.

Public awareness is the cornerstone of our work to preserve public confidence in CDIC and federal deposit insurance. Research shows that awareness of CDIC more than doubles the likelihood that someone will stay with their bank during a crisis. It also inspires confidence in Canada's banking system, which in turn reduces the risk of bank runs.⁵ Our own research shows that 85% of people who are aware of CDIC are more likely to bank with a CDIC member, compared to 54% of those who are not aware. In 2025/2026, CDIC

⁵ A bank run happens when a large number of depositors rush to withdraw their money from a financial institution at the same time because they fear the bank may fail or become insolvent.

implemented year three of its three-year public awareness strategy, and the years of investment in public awareness created momentum, culminating in exceptional awareness levels in 2025. Awareness among women, a key demographic, reached 62%, the top end of CDIC's target range. Lastly, at 69%, general public awareness of deposit insurance was above CDIC's 60-65% target range.

Our people and culture

CDIC takes pride in our people and fostering a strong and inclusive workplace culture. For the third consecutive year, we were named one of the National Capital Region's Top Employers. This recognition reflects our commitment to a culture and a work environment where employees can grow, thrive, and bring their full selves to work.

Workplace environment

Over the past year, CDIC undertook a careful and thorough review of how we can further strengthen our effectiveness and deliver on our mandate as efficiently as possible. As part of this work, we aligned our structure and resources to ensure the organization is well positioned to address emerging risks, while remaining focused on our core mandate. As a result of this review, headcount reduced by 14%, generating associated personnel cost savings of \$3M. These changes reflect our commitment to building an efficient, resilient, and forward-looking organization that remains focused on depositors, the stability of the financial system, our mandate, and maintaining public trust.

Membership

Every federally regulated financial institution in Canada that takes retail deposits is a CDIC member. Our members include banks, federally regulated credit unions, and trust and loan companies. As of March 31, 2026, we had 85 members.

As a resolution authority, we are responsible for handling the failure of our members, from the smallest to the largest.

We have the authority to intervene using a range of resolution tools and powers under the *Canada Deposit Insurance Corporation Act*. Depending on the scenario, we can assist or force the sale of a troubled member, provide financial assistance to a failing member or reimburse insured deposits directly to depositors, 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").

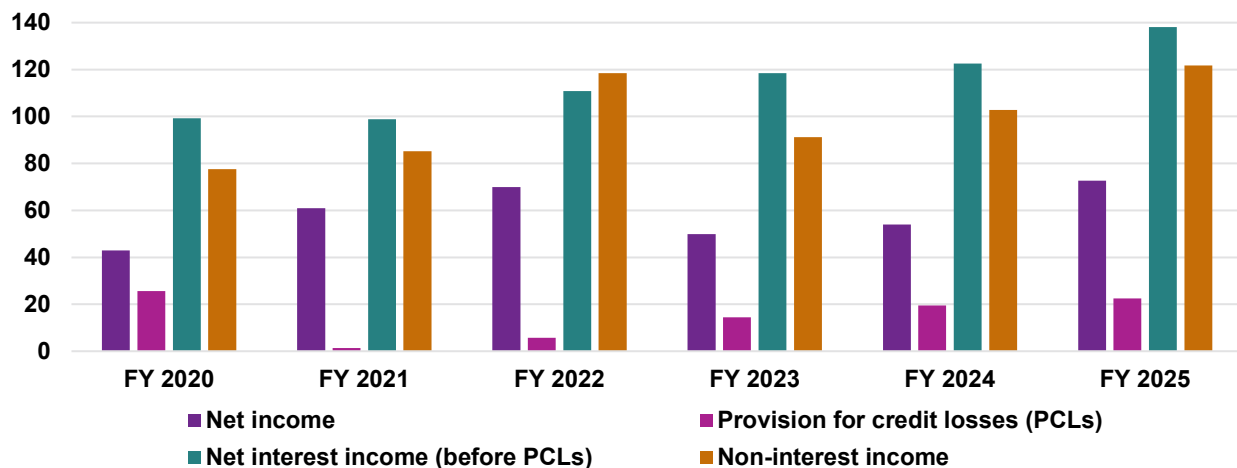
Insured deposits

As of April 30, 2025, the annual date on which insured deposits are calculated for insurance premiums, deposits insured by CDIC increased by 4.0% year-over-year to \$1,290 billion. Insured deposits continue to be a highly valued, cost-effective, and stable source of funding for our members.

Member financial results

The financial condition of the membership remains stable, with members maintaining adequate capital and liquidity. From a macroeconomic perspective, tightening financial conditions, household debt, and geopolitical tensions continued to subject the banking sector to risk, underscoring 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.

**Net income and provisions for CDIC
2020-2025 (C\$ billions)**

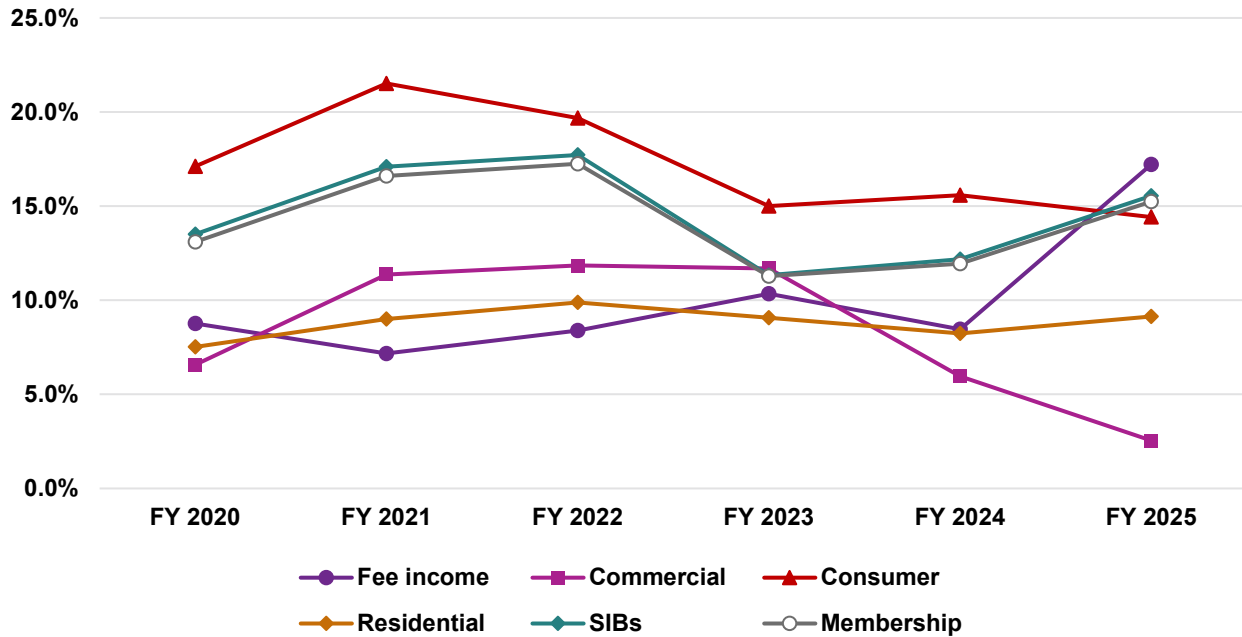


Our members earned a total net income of \$72.9 billion in 2025. Membership profits improved despite higher provisions for credit losses (PCLs). Net interest margins decreased year-over-year while non-interest expenses remained elevated. PCLs of \$22.7 billion increased 15.2% year-over-year, driven mainly by deteriorating macroeconomic conditions and higher impaired loans.

Net interest income increased by 12.7% (\$15.6 billion) in 2025 as lower interest expense on deposits partially offset the decline in interest income. Non-interest income increased

18.3% (\$18.9 billion), driven by higher trading revenue and increased other income, reflecting growth in commissions and fees.

Return on average shareholders' equity (ROAE) by peer group, 2020-2025

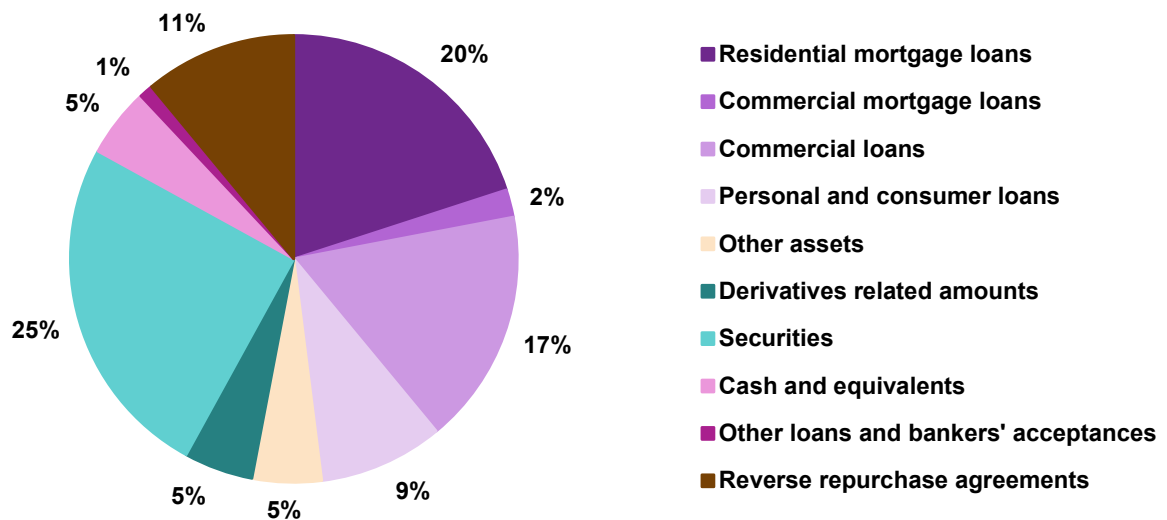


The membership's return on average shareholders' equity (ROAE), a broad-based measure looking at institutions' profitability, was 15%, up from 12% last year. ROAE increased across the membership except for the Consumer and Commercial peer groups. Consumer peer group net income was impacted by higher non-interest expenses despite marginally higher net interest income, while the Commercial peer group was affected by lower interest earned on loans. Relative to other peer groups, the D-SIB members experienced a stronger increase in ROAE as falling interest rates reduced interest paid on deposits and supported higher commissions and fees. As shown in the graph above, the ROAE varies by peer group, due to the type of lending and the degree of leverage utilized.

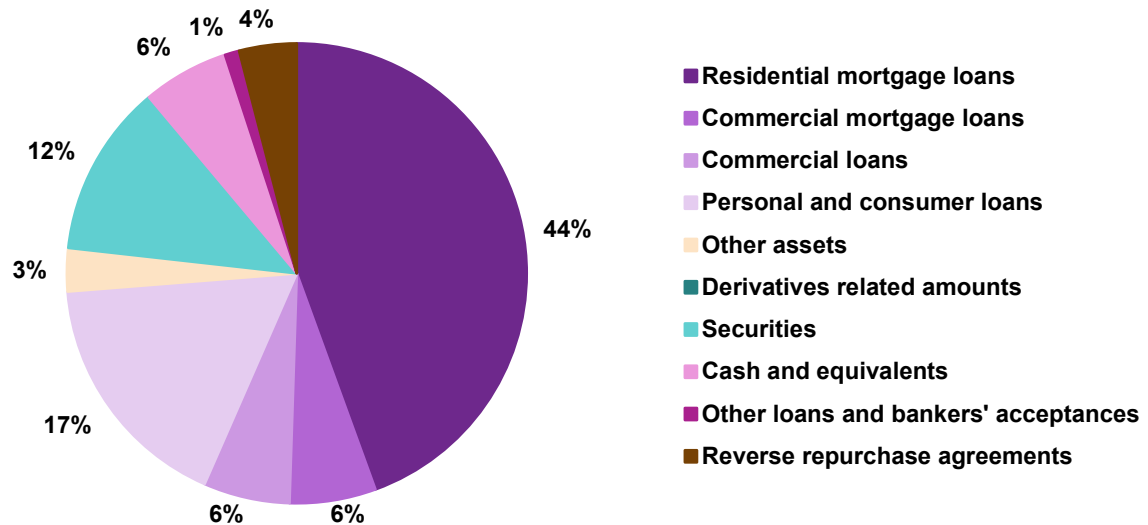
Asset composition, growth, and quality

Our membership's total asset base grew 6.1% year-over-year to \$9.4 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 \$2.0 trillion, or 21% of their on-balance sheet assets. Other significant asset classes included securities (25% of total assets, 24% of which were Canadian government-issued securities), commercial loans (18%), personal and consumer loans (9%), and reverse repurchase agreements (11%).

Asset mix - DSIBs peer group (%), *2025 (C\$9.05 trillion)



Asset mix - all other peer groups (%), *2025 (C\$328 billion)



Note: Total may not add to 100% due to rounding.

** As at member's fiscal year end.*

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 2025 deteriorated compared to last year, with the gross impaired loan ratio increasing to 0.71% of total loans (2024: 0.58%).

Liquidity levels

Overall, members maintained a satisfactory level of liquid assets as of March 31, 2026. They all complied with the regulatory expectations set out in OSFI's Liquidity Adequacy Requirements. Taken together, these metrics and assessments, including qualitative factors, provide a comprehensive view of our members' liquidity adequacy.

Capital ratios

Overall membership capital levels throughout 2025 remained well above the Basel III minimum requirements. The membership's average Common Equity Tier 1 (CET1) capital ratio was 13.5% at each member's Q4 2025 (relative to the OSFI minimum requirement of 7.0%), up from 13.4% at each member's Q4 2024. The average total capital ratio for the membership was 17.4%, up from 16.9% in 2024.

Enterprise risk management

CDIC's enterprise risk management (ERM) program is guided by a Board-approved Enterprise Risk Management Policy and a supporting framework that establish the governance structure and processes that promote a risk-aware culture fostering accountability, informed judgment, and constructive challenge. Our risk management program is designed to support the achievement of the Corporation's mandate and strategic objectives by enabling the identification, assessment, monitoring, and management of current and emerging risks across the organization. These practices align with Board-approved Risk Appetite Statements, which articulate the levels and types of risk we are willing to accept in pursuit of our strategic priorities and to help safeguard our ability to operate effectively in a dynamic environment. Accountability for risk management is reinforced through a three lines of defence model that clearly distinguishes risk ownership, independent oversight and challenge, and assurance activities.

The Management Risk Committee and Board Risk Committee oversee our risk profile, emerging risks, and mitigation strategies. These committees are supported by regular, structured reporting on key risks, risk indicators, and alignment with risk appetite and tolerances.

Key risks to CDIC

CDIC proactively identifies and monitors current and emerging risks within our external and internal operating environment. Key risks are those that may materially affect our ability to deliver on our mandate and strategic objectives and therefore receive heightened oversight from senior management and the Board.

Our primary key risks include:

- **Preparedness risks** related to inadequate preparation to deliver deposit insurance or act as the resolution authority for our members. Changes in the financial sector, including evolving business models and member risk profiles, could have an impact on our readiness to pay out insured deposits or act as a resolution authority. We manage this risk through a structured framework to guide timely and proportionate preparedness activities. Our preparedness activities are supported by close coordination with financial safety net partners and regular testing through simulation exercises.
- **Strategic risks** arise from changes in the external environment, as well as our ability to develop and execute effective strategies and maintain relevance. 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. We manage this risk by working closely with stakeholders to monitor and respond to emerging issues across the sector. This includes assessing opportunities to evolve the federal deposit insurance framework through the Deposit Insurance Review, advancing enhancements to the Differential Premiums System, and monitoring and assessing implications related to tokenized deposits through regular engagement with fintechs and other external stakeholders.

- **Operational risks** are those arising from people, as well as inadequate or failed internal processes and systems, including those triggered by external events. Key operational risks include cyber threats, which are increasing in frequency and sophistication against government agencies; risks associated with the use of third parties in key business processes and technology; and people risk related to maintaining talent with the right skill set and resource capacity to deliver on current and future strategic initiatives. We manage these risks through continued learning of emerging cybersecurity technology trends, implementing a third-party risk program, talent cross-training and developing talent, and regularly conducting simulations to bolster business resilience.
- **Financial risks** associated with the availability and management of financial resources that could impair our ability to fulfill our mandate. Financial risk is mitigated through sound financial planning and oversight to ensure we maintain sufficient resources to operate and respond in the event of a member intervention or failure. This includes maintaining adequate *ex ante* funding and liquidity, setting and collecting risk-based premiums, and managing the investment portfolio within approved limits. In addition, we manage credit, liquidity and market risks through formal financial risk management policies that are regularly reviewed to ensure they remain prudent and aligned with applicable guidance.

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 Centre of Excellence in 2019. In the absence of bank failures, simulations provide a safe and controlled environment to ensure our plans and people are always ready. Exercises focus primarily on testing and rehearsing our resolution tools, but we also regularly test our corporate risks through exercises that target our response to operational events (e.g. related to cyber risk, business continuity, or third-party practices). In 2025/2026, our Centre conducted four testing exercises with both internal and external participants.

2025/2026 Performance against plan

(as at March 31, 2026)

The Corporate Scorecard reflects progress, as at Q4 (March 31, 2026), made towards CDIC's planned initiatives as laid out in our 2025/2026 to 2029/2030 Corporate Plan. It groups initiatives according to our three strategic objectives.

DEPOSITOR TRUST AND CONFIDENCE	
Strategic outcome: CDIC deposit protection ensures the safety of insured deposits	
Initiative	Year-end update
CDIC deposit insurance guarantees the safety of insured deposits.	We advanced key initiatives to strengthen preparedness across the system, including implementing changes to the Differential Premiums Framework, conducting data capability testing for Member Institutions and Nominee Brokers, and providing timely input to support the federal government's Deposit Insurance Review.
CDIC deposit protection is understood and trusted by depositors.	We strengthened public trust in CDIC deposit protection by completing the final year of our Public Awareness Strategy, achieving high awareness levels, and advancing enhancements to the disclosure framework for intermediaries and member institutions to support informed depositor decision-making.

RESOLUTION READINESS

Strategic outcome: CDIC is prepared to execute the orderly resolution of Member Institutions to protect depositors and contribute to financial stability.

Initiative	Year-end update
CDIC's availability of and access to tools, data and modelling enhance its member risk assessment and planning processes.	We advanced CDIC's risk assessment and planning capabilities by progressing collaborative implementation of new regulatory data collection technology with OSFI and the Bank of Canada, and by advancing initiatives to modernize our platforms to ensure alignment with business needs and future data, analytics, and security requirements.
CDIC's preparedness practices are proactive and agile, allowing it to respond effectively to emerging member risks.	We advanced our preparedness to respond to emerging member risks through advancements on resolution planning, testing, and executing simulations to validate crisis readiness and support continuous improvement across the organization.

ORGANIZATIONAL STRENGTH

Strategic outcome: CDIC is a resilient organization and an employer of choice

Initiative	Year-end update
CDIC's employees develop and thrive in a dynamic operating environment.	We continued the execution of year two of our three-year People Strategy, with a focus on our talent, employee engagement, and organizational resilience. Progress toward targets in our People Strategy included being named as a National Capital Region Top Employer.
CDIC fosters a strong, inclusive culture for its employees.	We advanced an inclusive workplace culture by bolstering Indigenous and accessibility-focused initiatives and fostering employee connection and belonging through the launch of a CDIC-specific land acknowledgement, targeted Indigenous student outreach, and employee engagement activities led by our Inclusion Advisory Panel.
CDIC is an effective and efficient organization with resilient people, operational processes, and technology in place to mitigate enterprise risk and improve effectiveness.	We strengthened our organizational resilience and risk management by prioritizing cyber security and implementing new technology innovations in a risk-informed manner that ensures we are achieving our business outcomes.

Strategic response – a look ahead to 2026/2027

Looking ahead, we will focus on the core activities, capabilities, and disciplines that underpin public trust in CDIC and ensure we are ready to deliver on our mandate. We will pursue four strategic priorities, as set out in our 2026/2027 to 2030/2031 Corporate Plan:

1. Advance crisis readiness

As Canada's resolution authority, we must maintain readiness to resolve our member institutions. Our role as a resolution authority is especially important during times of economic hardship or uncertainty. Over the planning period, we will strengthen operational readiness by maintaining credible resolution plans and ensuring a prudent *ex ante* fund that can support CDIC's response to member resolution, if necessary, while maintaining funding adequacy and minimizing disruption to the broader financial system.

2. Preserve public confidence

In today's heightened risk environment, it is vital that depositors have a high level of awareness about CDIC and federal deposit protection to reduce the risk of bank runs and maintain trust and confidence in Canada's financial sector. We will continue to preserve public confidence by anticipating and responding to environmental changes and innovation, and by maintaining a high level of public awareness and understanding about our protection.

3. Elevate the use of data

A clear understanding of deposit trends is essential to fulfilling our mandate and anticipating shifts in the financial environment. By enhancing our data and analytics tools and data management capabilities, we will build a clearer, timelier picture of deposits at our member institutions, strengthen decision-making, and improve early identification of emerging risks.

4. Evolve the deposit insurance framework

Digital innovation is rapidly transforming the financial sector and how people manage their money. CDIC's deposit insurance framework must keep pace with these changes to ensure depositors remain adequately protected and financial stability is maintained. Throughout the planning period, we will assess operational impacts of any changes to the deposit insurance framework and develop an implementation plan to ensure policies, systems, and communications are updated.

2026/2027 to 2030/2031 financial plan

The financial projections included in CDIC's 2026/2027 to 2030/2031 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 3% in insured deposits during fiscal 2026/2027.
- Investment income is based on an assumed average yield on cash and investments of 3% for fiscal 2026/2027.
- No member institution failures are assumed during the planning period.

2026/2027 fiscal year

Total comprehensive income is planned at **\$1,153 million** for the 2026/2027 fiscal year.

Total revenues are planned to be **\$1,400 million** in the 2026/2027 fiscal year, including **\$1,034 million** of premium revenue and **\$366 million** of investment income.

Planned **premium revenue** of **\$1,034 million** is **\$124 million** lower than fiscal 2025/2026 premium revenue of **\$1,158 million**, as fiscal 2025/2026 primarily due to changes in premium categorization of certain member institutions.

Expected **investment income** of **\$366 million** is **\$52 million** higher than investment income of **\$314 million** in fiscal 2025/2026, resulting from the growth in the investment portfolio due to the investment of premiums received.

Operating expenses are planned to be **\$74 million** in fiscal 2026/2027, compared to **\$76 million** actual operating expenses in fiscal 2025/2026. The fiscal 2026/2027 budget decreased mainly due to a decrease in personnel costs due to organizational restructuring, partially offset by an increase in data processing costs as a result of the advancement of the data collection modernization project.

Cash and investments are planned to be **\$12.8 billion** at the end of the 2026/2027 fiscal year due to the investment of premiums received.

The **provision for insurance losses** is planned to be **\$2.15 billion** at the end of the 2026/2027 fiscal year based on assumptions as at September 30, 2025.

The near-term **ex ante fund** target was established to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year-end. As at March 31, 2026, the **ex ante fund** was

\$11.5 billion, representing 90 basis points of insured deposits. CDIC committed to a review of the *ex ante* fund upon achieving the 85-basis-point target. As the target has been exceeded, the Corporation is undertaking a review of its funding requirements to determine an updated fund size target.

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 2025/26 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 \$1,437 million for the year ended March 31, 2026.

Premium revenue was \$1,158 million for the year, an increase of \$172 million (17%) from the previous fiscal year. The increase in premium revenue is due to growth in insured deposits and changes in premium categorization of certain member institutions.

Investment income was \$314 million for the year, an increase of \$61 million (24%) from the previous fiscal year. The increase was mainly due to growth in the investment portfolio and a higher weighted average yield.

Operating expenses were \$76 million for the year, a decrease of \$11 million (13%) from the previous fiscal year, primarily due to the decommissioning of the payout modernization project in the previous year, partly offset by higher personnel costs related to non-recurring organizational restructuring expenses.

The Corporation's asset base continued to grow during the year. Total assets were \$11.6 billion as at March 31, 2026, an increase of \$1.4 billion (14%) 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 \$2.05 billion as at March 31, 2026, \$100 million (5%) lower than the previous fiscal year. This decrease is primarily due to a decrease in probability of defaults and the impact of discounting, partially offset by an increase in exposure.

The Corporation's premium revenue is not taxable for income tax purposes. However, the investment and other income is subject to income taxes. Income tax expense was \$60 million for the year, an increase of \$18 million (43%) 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 \$11.5 billion or 90 basis points of insured deposits as at March 31, 2026, an increase of 8 basis points from March 31, 2025.

Statement of financial position

Assets

The total assets of the Corporation increased to \$11.6 billion as at March 31, 2026, from \$10.2 billion as at March 31, 2025, representing an increase of 14%. The following table summarizes CDIC's assets.

Assets as at March 31

(C\$ thousands)	2026	2025
Cash	16,990	13,398
Investment securities	11,558,984	10,221,103
Trade and other receivables	133	355
Prepayments	2,255	2,166
Right-of-use assets	5,249	5,142
Property, plant and equipment	2,785	3,175
Intangible assets	138	414
Deferred tax asset	823	626
Total assets	11,587,357	10,246,379

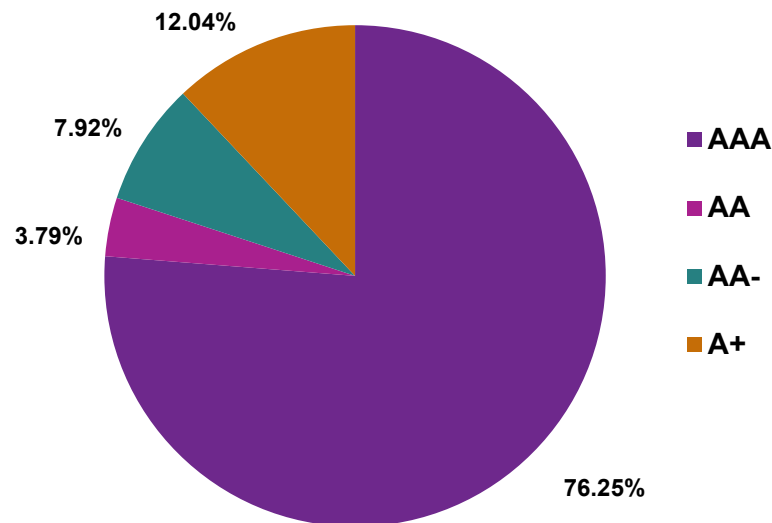
Investment securities

CDIC's \$11.6 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, 2026



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, 2026, carry a weighted average effective yield of 3.01% (March 31, 2025: 2.75%).

Liabilities

The total liabilities of the Corporation decreased to \$2.1 billion as at March 31, 2026, from \$2.2 billion as at March 31, 2025, representing a decrease of 4%. The following table summarizes the liabilities of the Corporation.

Liabilities as at March 31

(C\$ thousands)	2026	2025
Trade and other payables	16,025	11,073
Current tax liability	17,093	17,340
Lease liabilities	6,209	6,266
Employee benefits	921	1,429
Provision for insurance losses	2,050,000	2,150,000
Total liabilities	2,090,248	2,186,108

Provision for insurance losses

CDIC's provision for insurance losses is estimated based on a number of assumptions. The \$2.05 billion provision for insurance losses as at March 31, 2026, represents CDIC's best estimate of the future losses it is likely to incur as a result of resolving non-viable member institutions. The provision decreased by \$100 million in 2025/2026 due to a decrease in probability of defaults and the impact of discounting, partially offset by an increase in exposure.

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. During 2022/2023, the Corporation conducted a review of the *ex ante* funding framework and established a near-term fund target to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year-end. The actual level of *ex ante* funding as at March 31, 2026, was \$11.5 billion, or 90 basis points of insured deposits. CDIC committed to a review of the *ex ante* fund upon achieving the 85-basis-point target. As the target has been exceeded, the Corporation is undertaking a review of its funding requirements to determine an updated fund size target.

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, 2026, CDIC had the legislative authority to borrow up to \$38 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.

Liquid funds available to CDIC as at March 31

(\$C millions)	2026	2025
Available liquid funds:		
Cash	17	13
Fair value of high quality, liquid investment securities	11,608	10,355
Availability of borrowings:		
Borrowings authorized under the CDIC Act	38,000	36,000
Total available funds	49,625	46,368

Statement of comprehensive income

CDIC's total comprehensive income for fiscal 2025/2026 totaled \$1,437 million, an increase of \$226 million from 2024/2025. The Corporation's financial performance is summarized in the following table.

Comprehensive income for the year ended March 31

(\$C thousands)	2026	2025
Revenue		
Premium	1,157,641	986,472
Investment income	314,054	252,744
Other	24	6
Expenses		
Operating expenses	75,648	86,598
Decrease in the provision for insurance losses	(100,000)	(100,000)
Income tax expense	59,622	41,555
Net income	1,436,449	1,211,069
Other comprehensive gain (loss), net of tax	389	(21)

(\$C thousands)	2026	2025
Total comprehensive income	1,436,838	1,211,048

Premium revenue

In the 2025/2026 fiscal year, premium revenue increased by \$172 million (17%) to \$1,158 million. Growth in insured deposits contributed to the increase in premium revenue. Insured deposits increased to \$1.290 trillion as at April 30, 2025, from \$1.241 trillion as at April 30, 2024, an increase of 4%.

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 classifies member institutions into one of five premium categories (2025: four categories). Classification is based on a mix of quantitative and qualitative factors.

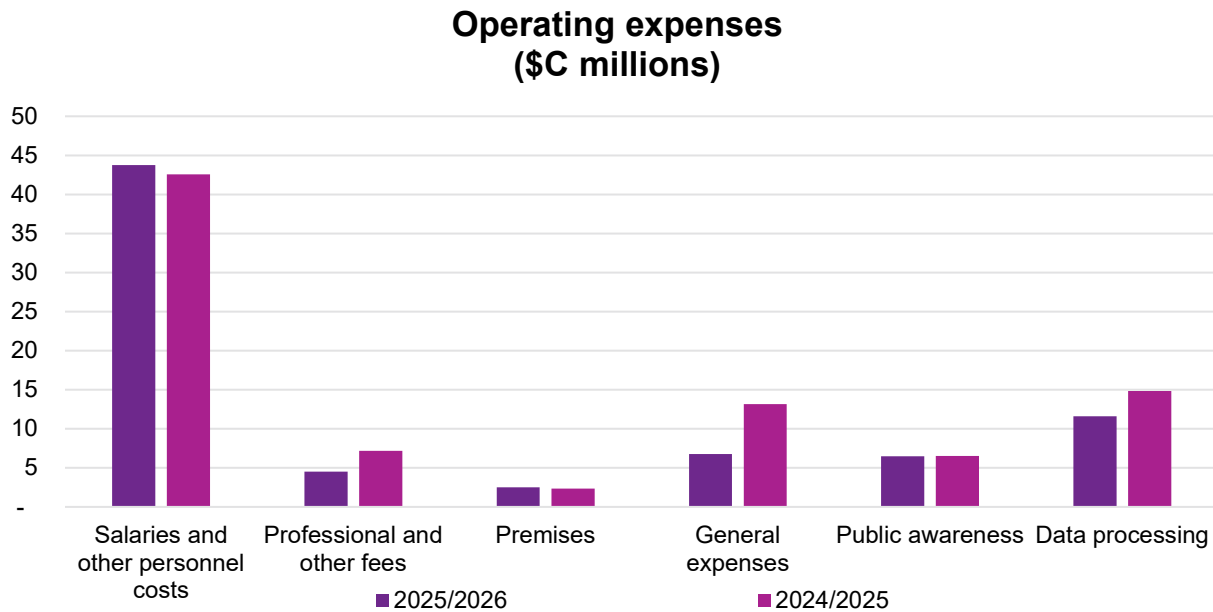
Premium rates, expressed as basis points of insured deposits, are presented in the following table.

Premium category (basis points of insured deposits)	2025/2026	2024/2025
Category 1	7.5	7.5
Category 2	9.0	15.0
Category 3	13.5	30.0
Category 4	24.3	33.3
Category 5	33.3	N/A

Investment income

Investment income was \$314 million for the year, an increase of \$61 million (24%) from the previous fiscal year. The increase was mainly due to a higher weighted average yield (3.01% and 2.75%, as at March 31, 2026, and 2025, respectively) and growth in the investment portfolio due to the investment of premiums received.

Operating expenses



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

Operating expenses decreased by \$11 million (13%) to \$76 million in fiscal 2025/2026 from fiscal 2024/2025. The decrease was primarily due to the decommissioning of the payout modernization project in the previous year, partially offset by higher personnel costs.

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.

The Corporation's income tax expense increased by \$18 million (43%) to \$60 million in fiscal 2025/2026 from fiscal 2024/2025, mainly due to increased investment income.

Statement of cash flows

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

For the year ended March 31

(C\$ thousands)	2026	2025
Increase in cash from operating activities	1,292,637	1,095,861
Decrease in cash from investing activities	(1,287,674)	(1,092,912)
Decrease in cash from financing activities	(1,371)	(1,371)
Net increase in cash balance	3,592	1,578
Cash, end of year	16,990	13,398

Comparison with 2025/2026 to 2029/2030 Corporate Plan

The following discussion compares the Corporation's actual financial results for fiscal 2025/2026 with the Corporate Plan for the same year.

Statement of financial position

Total assets as at March 31, 2026, were \$11.6 billion, \$0.2 billion higher than the planned amount of \$11.4 billion, mainly due to a higher level of investment securities than planned.

Total liabilities as at March 31, 2026, were \$2.1 billion, \$0.4 billion lower than the planned amount of \$2.5 billion, mainly due to a lower provision for insurance losses than planned.

Statement of comprehensive income

Total revenue during the year was \$1.5 billion, \$0.2 billion higher than the planned amount of \$1.3 billion, mainly due to higher premium revenue than planned.

Operating expenses for the year were \$76 million, \$6 million (7%) lower the planned amount of \$82 million, mainly due to lower data processing and professional fee spend offset by an increase in personnel costs related to non-recurring organizational restructuring expenses.

Total comprehensive income for the year ended March 31, 2026, was \$1,437 million compared to planned total comprehensive income of \$1,139 million. The variance of \$298 million (26%) is mainly due to a decrease in the provision for insurance losses and higher premium revenue than planned.

(C\$ millions)	2026/2027 Corporate Plan ^a	2025/2026 Actual results	2025/2026 Corporate Plan ^a
Statement of financial position <i>(as at March 31)</i>			
Cash and investments	12,799	11,576	11,397
Capital assets	4	3	11
Right-of-use assets	4	5	4
Other current assets	-	3	-
Total assets	12,807	11,587	11,412
Trade and other payables	5	16	5
Provision for insurance losses	2,150	2,050	2,450
Lease liabilities	5	6	5
Other non-current liabilities	5	18	5
Retained earnings	10,642	9,497	8,947
Total liabilities and equity	12,807	11,587	11,412
Statement of comprehensive income <i>(for the year ended March 31)</i>			
Revenue			
Premiums	1,034	1,158	1,029
Investment and other income	366	314	296
	1,400	1,472	1,325
Expenses			
Operating expenses	74	76	82
Increase (decrease) in provision for insurance losses	100	(100)	50
	174	(24)	132
Net income before income tax	1,226	1,496	1,193
Income tax expense	(73)	(60)	(54)

(C\$ millions)	2026/2027 Corporate Plan ^a	2025/2026 Actual results	2025/2026 Corporate Plan ^a
Other comprehensive gain, net of tax	-	1	-
Total comprehensive income	1,153	1,437	1,139

a The Corporate Plans 2025/2026 to 2029/2030 and 2026/2027 to 2030/2031 were developed based on information as at September 30, 2024, and September 30, 2025, respectively.

Part 2 – Financial Statements

Management responsibility for financial statements

June 15, 2026

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 (IFRS Accounting 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.

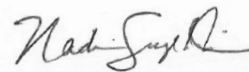
The financial statements have been approved by the Board of Directors. Financial information presented elsewhere in this Annual Report is consistent with that contained in the financial statements.

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
President and Chief Executive Officer



Nadine Saryeddine
Chief Risk 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 2026, 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 2026, 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.
- 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 directives issued pursuant to section 89 of the *Financial Administration Act* described in Note 1 to the financial statements.

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.



Jessie Foster, CPA, CA
Interim Principal
for the Auditor General of Canada

Ottawa, Canada
15 June 2026

Financial statements and notes

Canada Deposit Insurance Corporation

Statement of financial position as at March 31 (audited)

(C\$ thousands)	Notes	2026	2025
ASSETS			
Cash		16,990	13,398
Investment securities	4	11,558,984	10,221,103
Trade and other receivables		133	355
Prepayments		2,255	2,166
Right-of-use assets	5	5,249	5,142
Property, plant and equipment		2,785	3,175
Intangible assets		138	414
Deferred tax asset		823	626
TOTAL ASSETS		11,587,357	10,246,379
LIABILITIES			
Trade and other payables		16,025	11,073
Current tax liability		17,093	17,340
Lease liabilities	5	6,209	6,266
Employee benefits	14	921	1,429
Provision for insurance losses	6	2,050,000	2,150,000
TOTAL LIABILITIES		2,090,248	2,186,108
EQUITY			
Retained earnings		9,497,109	8,060,271
TOTAL LIABILITIES AND EQUITY		11,587,357	10,246,379

Contingencies and commitments (Note 13)

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

Approved by the Board of Directors on June 15, 2026



Martin J. G. Glynn
Chair, Board of Directors



Gina Byrne
President and Chief Executive Officer

Canada Deposit Insurance Corporation**Statement of comprehensive income for the year ended March 31
(audited)**

(C\$ thousands)	Notes	2026	2025
REVENUE			
Premium	10	1,157,641	986,472
Investment income	4	314,054	252,744
Other		24	6
		1,471,719	1,239,222
EXPENSES			
Operating expenses	11	75,648	86,598
Decrease in the provision for insurance losses	6	(100,000)	(100,000)
		(24,352)	(13,402)
Net income before income taxes		1,496,071	1,252,624
Income tax expense	9	59,622	41,555
NET INCOME		1,436,449	1,211,069
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to net income:</i>			
Actuarial gain (loss) on defined benefit obligations		518	(28)
Income tax effect		(129)	7
Other comprehensive gain (loss), net of tax		389	(21)
TOTAL COMPREHENSIVE INCOME		1,436,838	1,211,048

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, 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
Net income	1,436,449
Other comprehensive income	389
Total comprehensive income	1,436,838
Balance, March 31, 2026	9,497,109

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)	2026	2025
OPERATING ACTIVITIES		
Net income	1,436,449	1,211,069
<i>Adjustments for:</i>		
Depreciation and amortization	2,212	3,006
Disposal of assets	45	5,659
Investment income	(314,054)	(252,744)
Interest expense on lease liabilities	114	120
Income tax expense	59,622	41,555
Employee benefit expense	121	123
<i>Change in working capital:</i>		
Decrease in trade and other receivables	222	993
Increase in prepayments	(89)	(187)
Increase (decrease) in trade and other payables	4,952	(1,141)
Decrease in the provision for insurance losses	(100,000)	(100,000)
Investment income received	263,462	227,132
Employee benefit payment	(110)	(65)
Interest paid on lease liabilities	(114)	(120)
Income tax paid	(60,195)	(39,539)
Net cash generated by operating activities	1,292,637	1,095,861
INVESTING ACTIVITIES		
Purchase of property, plant and equipment, and intangible assets	(385)	(404)
Purchase of investment securities	(3,573,649)	(3,205,583)
Proceeds from sale or maturity of investment securities	2,286,360	2,113,075

(C\$ thousands)	2026	2025
Net cash used in investing activities	(1,287,674)	(1,092,912)
FINANCING ACTIVITIES		
Principal payment of lease liabilities	(1,371)	(1,371)
Net cash used in financing activities	(1,371)	(1,371)
Net increase in cash	3,592	1,578
Cash, beginning of year	13,398	11,820
Cash, end of year	16,990	13,398

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

Notes to financial statements

March 31, 2026

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 is being led by the Department of Finance Canada, in collaboration with CDIC and other financial sector agencies. The government is exploring what changes to the depositor protection framework, if any, are necessary to best support the evolving needs of Canadians and uphold financial stability.

In January 2026, the Corporation was issued a directive (P.C. 2026-0015) pursuant to section 89 of the *Financial Administration Act* to align its policies, guidelines, and practices with the “Buy Canadian Procurement Policy Framework” and the policy instruments issued under section 6 of that framework, as amended from time to time, in a manner consistent with its mandate, and to report on the implementation of this directive in the Corporation’s next corporate plan. Revisions to the Corporation’s Procurement and Contracting policy were approved by its Board of Directors and the Corporation has updated its processes and practices. Updates to written procedures are planned and the Corporation will report on the implementation of this directive in the next corporate plan.

These financial statements were approved and authorized for issue by the Corporation’s Board of Directors on June 15, 2026.

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 6) and certain employee benefits (Note 14), 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 6 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.

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.

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).

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 instalments 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, 2026

(C\$ thousands)	90 days or less	91 days to 1 year	1 to 5 years	Total
Bonds	1,056,945	1,398,504	9,103,535	11,558,984
Weighted average effective yield (%)	1.95	2.24	3.25	3.01

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

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, 2026 (2025: 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, 2026

(C\$ thousands)	Amortized cost	Unrealized gain	Level 1	Level 2	Level 3	Total
Bonds	11,558,984	48,574	8,841,764	2,765,794	-	11,607,558
Total investment securities	11,558,984	48,574	8,841,764	2,765,794	-	11,607,558

Fair values as at March 31, 2025

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

The Corporation's total investment income was \$314,054 thousand for the year ended March 31, 2026 (2025: \$252,744 thousand).

The Corporation did not record any loss allowances on its investment securities at March 31, 2026 (2025: 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 2031, respectively.

Carrying value of right-of-use assets

(C\$ thousands)	Leased office space	Equipment	Total
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
Depreciation	(1,201)	(6)	(1,207)
Additions	1,310	4	1,314
Terminations	-	-	-
Balance, March 31, 2026	5,248	1	5,249

Carrying value of lease liabilities

(C\$ thousands)	Leased office space	Equipment	Total
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
Additions	1,310	4	1,314
Terminations	-	-	-
Finance charges	114	-	114
Lease payments	(1,479)	(6)	(1,485)
Balance, March 31, 2026	6,208	1	6,209

Interest expense on lease liabilities of \$114 thousand (2025: \$120 thousand) was recorded in the statement of comprehensive income during the year ended March 31, 2026. The Corporation did not record any short-term leases during the year, and the amount recognized for low-value assets during the year ended March 31, 2026, was insignificant. Cash payments for the interest portion of \$114 thousand (2025: \$120 thousand) and the principal portion of \$1,371 thousand (2025: \$1,371 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
Within one year	1,380	4	1,384
One to five years	4,969	5	4,974
After five years	160	-	160
Total	6,509	9	6,518

6 – 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:

(C\$ thousands)	Provision for insurance losses
Balance, March 31, 2025	2,150,000
Decrease in provision	(100,000)
Balance, March 31, 2026	2,050,000

The decrease in the provision is primarily due to a decrease in probability of defaults and the impact of discounting, partly offset by an increase in exposure to losses.

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, 2026, was 3.09% (2025: 2.61%). The impact of the change in discounting during the year resulted in a decrease to the provision of \$42 million (2025: \$133 million increase), which is composed of a decrease of \$50 million (2025: \$102 million increase) due to the change in discount rate and an increase of \$8 million (2025: \$31 million increase) due to the discounting impact of the decrease in probability of defaults and increase in exposure to losses.

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 \$25 million (2025: \$26 million decrease), while a decrease of 25 basis points in the discount rate will increase the provision by \$25 million (2025: \$26 million increase).

7 – 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)	2026	2025
Cash	16,990	13,398
Investment securities	11,558,984	10,221,103
Trade and other receivables	133	355
Financial assets	11,576,107	10,234,856
Trade and other payables	16,025	11,073
Financial liabilities	16,025	11,073

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.

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)	2026	2025
AAA	8,813,906	7,753,833
AA	438,255	431,743
AA-	915,412	1,500,229
A+	1,391,411	535,298
Total investment securities	11,558,984	10,221,103

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, 2026 and 2025, 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.

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 \$38 billion (2025: \$36 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, 2026, and 2025, 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	2026	2025
25 basis point increase	\$66 million decrease	\$59 million decrease
50 basis point decrease	\$134 million increase	\$120 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.

8 – 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.

As at March 31, 2026, CDIC's *ex ante* funding represented 90 basis points of insured deposits. CDIC committed to a review of the *ex ante* fund upon achieving the 85-basis-point target. As the target has been exceeded, the Corporation is undertaking a review of its funding requirements to determine an updated fund size target and corresponding time frame to achieve.

Ex ante funding

As at March 31 (C\$ thousands)	2026	2025
Retained earnings	9,497,109	8,060,271
Provision for insurance losses	2,050,000	2,150,000
Total <i>ex ante</i> funding	11,547,109	10,210,271
Total basis points of insured deposits	90	82

9 – 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)	2026	2025
<i>Current income tax:</i>		
Current income tax expense	59,897	42,752
Adjustments in respect of current income tax of previous years	51	7
<i>Deferred tax:</i>		
Relating to the origination of temporary differences	(326)	(1,204)
Income tax expense recognized in net income	59,622	41,555

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)	2026	2025
Net income before income taxes	1,496,071	1,252,624
Expected income tax at the 25% federal tax rate (2025: 25%)	374,018	313,156
<i>Non-deductible adjustments:</i>		
Premium revenue	(289,410)	(246,618)
Decrease in non-deductible provision for insurance losses	(25,000)	(25,000)
Other	14	17
Income tax expense recognized in net income	59,622	41,555

10 – Premium revenue

Under CDIC's *Differential Premiums By-law*, members are classified into five different categories (2025: four categories) based on a system that scores them according to a number of criteria or factors.

The premium rates in effect for the 2025/2026 fiscal year are as follows:

Premium category for the year ended March 31 (basis points of insured deposits)	2026	2025
Category 1	7.5	7.5
Category 2	9.0	15.0
Category 3	13.5	30.0
Category 4	24.3	33.3
Category 5	33.3	N/A

Premium revenue of \$1,157,641 thousand was recorded during the year ended March 31, 2026 (2025: \$986,472 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.

11 – Operating expenses

The following table provides details of total operating expenses of the Corporation for the years ended March 31, 2026, and March 31, 2025.

For the year ended March 31 (C\$ thousands)	2026	2025
Salaries and other personnel costs	43,770	42,579
Professional and other fees	4,500	7,180
General expenses	4,439	10,018
Premises	2,513	2,332
Data processing	11,607	14,854
Depreciation and amortization	1,005	1,788
Depreciation on right-of-use assets	1,207	1,218
Interest expense on lease liabilities	114	120
Public awareness	6,493	6,509
Total operating expenses	75,648	86,598

In salaries and other personnel costs, the Corporation recognized termination costs of \$6.1 million (2025: \$2.4 million) related to non-recurring organizational restructuring expenses incurred during the year. As at March 31, 2026, the liability related to these termination costs was \$4.6 million (2025: \$2.1 million).

12 – 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, 2026, CDIC recognized an amount of \$3,435 thousand (2025: \$3,558 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 14 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)	2026	2025
Wages, bonuses and other short-term benefits	2,689	2,697
Post-employment benefits	623	661
Total key Management personnel remuneration	3,312	3,358

13 – Contingencies and commitments

CDIC is involved in various legal proceedings in the ordinary course of business. Management does not expect the outcome of any of these proceedings to have a material effect on the Corporation's financial position or results of operations.

The Corporation has commitments for contractual arrangements for services. As at March 31, 2026, these future commitments are \$24,819 thousand (2025: \$26,757 thousand)

14 – Employee benefits

For the year ended March 31 (C\$ thousands)	2026	2025
Defined benefit obligations	921	1,429
Employee benefits	921	1,429

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

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 that 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 President and 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 *Canada Deposit Insurance Corporation Act*, the *ex officio* directors, except for the President and 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*,⁶ CDIC held its Annual Public Meeting (APM) on November 18, 2025. President and CEO Gina Byrne was joined by Board Chair Martin Glynn to discuss how CDIC is protecting depositors and promoting financial stability through deposit insurance and resolution preparedness. The APM is an opportunity for CDIC to update its members and the public on its activities and to answer any questions.

⁶ Financial Administration Act, s. 113.1

Board of Directors composition ⁷ as of March 31, 2026



Martin Glynn

Chair

September 2025–September 2030

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–June 2026⁸



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. 2025⁸



Vacant

Ex officio directors



Tiff Macklem

Governor

Bank of Canada

Effective June 2020



Nick Leswick

Deputy Minister, Finance

Effective March 2026



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



Gina Byrne

President and CEO

CDIC

Effective October 2025

Alternates

(for ex officio directors)



Carolyn Rogers

Senior Deputy Governor

Bank of Canada

Designated as alternate:

June 2022



Julien Brazeau

Assistant Deputy

Minister, Finance

Designated as alternate:

June 2025



Frank Lofranco

Deputy Commissioner

FCAC

Designated as alternate:

June 2025

⁷ Helen Ray del Val resigned as a private sector director effective December 2025.

⁸ CDIC's board members are appointed by the Order in Council "at pleasure", meaning they may continue to sit as directors past their terms, until they resign or are replaced.

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
- **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; reviews and recommends the President and CEO's annual priorities and oversees their performance assessment; and oversees key human resources and compensation policies, processes, and strategies, including those relating to employee business conduct and ethical behaviour.

This committee is composed of:

- **T. Batstone (Chair)** Member since August 2023; Chair since August 2024
- **J.M. Castonguay** Member since September 2019
- **N. Leswick** Member since March 2026
- **A. Kriegler** Member since August 2023
- **M. Glynn** Member since October 2025
- **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 reporting of top risks. This includes any strategic, preparedness, operational, and financial risks that could impact CDIC's ability to carry out our mandate. The committee also oversees risks within the membership and recommends strategies for risk mitigation, preparedness, and resolution to the Board. This committee is composed of:

- **J. Heath (Chair)** Member since August 2023; Chair since June 2025
- **A. Kriegler** Member since March 2019; Past Chair
- **B. Gully** Member since July 2022
- **T. Macklem** Member since July 2020
- **T. van Biesen** Member since July 2024

Board and committee meetings and attendance

(April 1, 2025, to March 31, 2026)

	Board of Directors ^b	Audit Committee ^c	Governance and HR Committee	Risk Committee
Number of meetings ^a	10	7	4	4
Attendance				
Private sector directors				
M. Glynn — Chair ^d	3	5	3	3
T. Batstone	10	6	4	N/A
J.M. Castonguay	9	6	4	N/A
T. van Biesen	9	N/A	4	4
J. Heath	10	7	N/A	4
A. Kriegler	9	N/A	2	2
Ex officio directors (Alternates)				
Bank of Canada: T. Macklem (TM)	6 (TM)	N/A	N/A	3 (TM)
(C. Rogers [CR])	3 (CR)			2 (CR)
Canada Deposit Insurance Corporation: G. Byrne ^e	10	7	4	4
Department of Finance: C. Forbes [CF]; N. Leswick [NL] ^h (G. Johnson [GJ]; J. Brazeau [JB] ^f)	2 (GJ) 7 (JB)	N/A	4 (JB)	N/A
Financial Consumer Agency of Canada: S. Benzvy Miller (SBM) (F. Lofranco [FL])	8 (SBM) 2 (FL)	5 (SBM) 2 (FL)	N/A	N/A
Superintendent of Financial Institutions: P. Routledge	10	6	N/A	N/A
Deputy Superintendent of Financial Institutions: B. Gully	9	N/A	N/A	3
Directors who departed during the year				
R.O. Sanderson ^d	7	2	1	1
H. R. del Val ^g	9	4	N/A	3

- ^a Also includes meetings attended virtually.
- ^b Includes Board Tabletop Simulation Sessions and a Board Strategic Planning Session.
- ^c The Chair is invited to Audit Committee and Risk Committee meetings as an observer but is not a committee member.
- ^d On September 5, 2025, Martin Glynn was appointed by the Governor in Council for a five-year term, replacing R.O. Sanderson as Chair of CDIC's Board of Directors.
- ^e On September 5, 2025, Ms. Byrne was appointed by the Governor in Council as interim CEO, for an eighteen-month term or until such a time as a new President and Chief Executive Officer is appointed, whichever occurs first, effective October 1, 2025.
- ^f On June 25, 2025, Julien Brazeau was appointed as alternate Board member to the Deputy Minister of Finance, Chris Forbes. He was subsequently appointed as alternate Board member to Deputy Minister, Nicolas Leswick, on March 6, 2026.
- ^g H. R. del Val resigned as a director effective December 31, 2025.
- ^h Effective January 12, 2026, Nicholas Leswick was appointed as Deputy Minister of Finance, replacing C. Forbes.

Directors' fees

2025/2026 – Fees for private sector directors

Director	Fees
R.O. Sanderson	55,541.10
M. Glynn	76,561.64
J.M. Castonguay	25,560.00
A. Kriegler	16,320.00
J. Heath	30,180.00
H.R. del Val	17,070.00
T. Batstone	27,240.00
T. van Biesen	18,840.00
Total	267,312.74

Corporate officers

CDIC has six corporate officers. The President and CEO is appointed by the Governor in Council, which also approves compensation for the position. The CEO's 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, 2026, CDIC's corporate officers were:

- **Gina Byrne**, President and Chief Executive Officer
- **Samantha Rahim**, Vice-President, Technology and Data
- **Jordan Rosenbaum**, Chief Financial Officer

- **Sheila Salloum**, Vice-President, Member Risk and Resolution
- **Nadine Saryeddine**, Chief Risk Officer
- **Christa Walker**, Vice-President, Corporate Affairs, General Counsel and Corporate Secretary

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.

Appendix A – 2026 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 its operations. Our offices are located in LEED-certified buildings with easy access to public transportation. CDIC’s hybrid work options, combined with electronic records and paperless work, also put us on the path to becoming a more environmentally friendly workplace.

Pillar 1: Governance

CDIC has a well-established governance framework. CDIC’s Board of Directors is responsible for the overall stewardship of the Corporation and ensures that significant business risks and opportunities, including those related to climate issues, are identified and well managed. Oversight of this has been delegated 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 Enterprise Risk Management (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 mandate. As our understanding evolves around the materiality of climate-related risks to the execution of CDIC's mandate and operations, CDIC will consider how the unique characteristics of climate risk may be integrated into our ERM framework.

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	2025
Energy consumed in leased office spaces	51.2

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.

CDIC has calculated emissions associated with its investment holdings. CDIC's approach to calculating financed emissions associated with its investments is 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 include Green Bonds by approved issuers.

Financed emissions for the year ended March 31, 2025

Value of holding (\$CAD Billion)	Total carbon emissions (thousand tonnes of CO ₂ e)	Financed emissions per \$1,000 dollars invested
\$10.2	2,341	0.23

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.

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

Basis point: One basis point is equivalent to 0.01%.

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 a request by that person, including any interest that has accrued or which is payable to that person.

Domestic systemically important bank (D-SIB)⁹: 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.

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.D.). CDIC insures eligible deposits

⁹ 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.

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.

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.

Ex officio: Holding a second position or office by virtue of being appointed to a first position. 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.

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.

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.

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.

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.

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.

Payout: The process undertaken by CDIC to make deposit insurance payments to the insured depositors of a failed member institution.

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 into one of five premium categories. Institutions classified in the best premium category pay the lowest premiums.

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 from insuring deposits at member institutions.

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.

Tier 1 capital ratio: The ratio of a bank's core equity capital to its risk-weighted assets.