

December 31, 2024
Unaudited

Quarterly Financial Report Third Quarter



cdic 
Canada Deposit
Insurance Corporation

Canada

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Narrative discussion

Third quarter – fiscal 2024/2025

This narrative discussion was prepared in accordance with the *Treasury Board Standard on Quarterly Financial Reports for Crown Corporations* (the “Treasury Board Standard”). It is not intended to be a full “Management’s Discussion and Analysis”. Disclosures and information in the Canada Deposit Insurance Corporation’s 2024 Annual Report are assumed to apply to the current quarter unless otherwise updated.

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

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

Financial highlights

For the third quarter ended December 31, 2024, the Canada Deposit Insurance Corporation (“CDIC” or “the Corporation”) recognized a net income of \$182 million, based on premium revenue of \$246 million, investment income of \$66 million, an increase to the provision for insurance losses of \$100 million, operating expenses of \$20 million and an income tax expense of \$10 million. For the same period in the prior year, CDIC recognized a net income of \$241 million, based on premium revenue of \$223 million, investment income of \$49 million, operating expenses of \$23 million and an income tax expense of \$8 million.

For the nine-month period ended December 31, 2024, CDIC recognized a net income of \$685 million, based on premium revenue of \$740 million, investment income of \$184 million, an increase to the provision for insurance losses of \$150 million, operating expenses of \$60 million and an income tax expense of \$30 million. For the same period in the prior year, CDIC recognized a net income of \$474 million, based on premium revenue of \$668 million, investment income of \$134 million, an increase to the provision for insurance losses of \$250 million, operating expenses of \$62 million and an income tax expense of \$16 million.

The Corporation’s \$740 million in premium revenue for the nine-month period ended December 31, 2024, represents an increase of \$72 million over the same period in the prior year. The increase was primarily due to growth in insured deposits and changes in premium categorization of certain member institutions.

The Corporation’s \$184 million in investment income for the nine-month period ended December 31, 2024, was \$50 million higher than in the same period in the prior year. The increase was mainly due to growth in the investment portfolio (\$10,168 million and \$9,064 million as at December 31, 2024, and 2023, respectively) and an increase in the weighted average effective yield on investments (2.71% and 2.39%, as at December 31, 2024, and 2023, respectively).

The Corporation’s operating expenses for the nine-month period ended December 31, 2024, were \$60 million, \$3 million lower than for the same period in the prior year. The decrease is primarily due to lower professional fee spend offset by an increase in personnel and data processing costs.

The provision for insurance losses as at December 31, 2024, is \$2,400 million, \$150 million higher than the balance as at March 31, 2024 primarily due to an increase in exposure to losses.

CDIC’s total assets as at December 31, 2024, were \$10,234 million, an increase of \$1,099 million from March 31, 2024, mainly driven by the growth in CDIC’s investment portfolio.

CDIC established a near-term *ex ante* fund target to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year-end. As at December 31, 2024, CDIC’s *ex ante* funding (\$9,934 million) represented 80 basis points of insured deposits (\$1,241 billion). The near-term *ex ante* fund target remains on track to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year-end.

Risk analysis

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

As part CDIC's Enterprise Risk Management (ERM) framework, management is continually assessing and evaluating the risk mitigation strategies for significant risks facing the Corporation. Key risks that may materially affect CDIC's ability to deliver on its strategic objectives are identified in CDIC's 2024 Annual Report and remain the most significant risks.

Changes in operations, personnel and programs

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

Operations There were no significant changes during this quarter.

Board of
Directors,
Officers and
Personnel

Board of Directors

Effective November 7, 2024, Shereen Miller was appointed Commissioner of the Financial Consumer Agency of Canada for a term of five years.

In her capacity as Commissioner, Ms. Miller is an *ex officio* Director on CDIC's Board of Directors.

Financial results

Three-month period ended December 31, 2024, compared to three-month period ended December 31, 2023

The following table sets out CDIC's comparative results for the three-month period ended December 31, 2024, and 2023.

(C\$ thousands)	For the three-month period ended		Variance	
	December 31		Increase (Decrease)	
	2024	2023	(\$)	(%)
Premium revenue	246,291	222,847	23,444	11%
Investment income and other income	65,751	49,500	16,251	33%
Increase in provision for insurance losses	100,000	-	100,000	100%
Operating expenses	19,972	23,251	(3,279)	(14%)
Income tax expense	9,921	7,806	2,115	27%
Net income	182,149	241,290	(59,141)	(25%)

Premium revenue

Premiums charged to member institutions are based on the total amount of insured deposits held by member institutions as at April 30 each year and are calculated annually in accordance with the *CDIC Act* and CDIC's *Differential Premiums By-law*. For 2024/2025, the approved Category I rate (the base rate) is 7.5 basis points of insured deposits, unchanged from the 2023/2024 base rate. CDIC's premium revenue for fiscal 2024/2025, established from the Insured Deposits as at April 30, 2024, is estimated to be \$986 million. The amount recognized as premium revenue in each quarter represents one-fourth of the annual assessed amount.

Premium revenue of \$246 million was recorded during the three-month period ended December 31, 2024, compared to \$223 million for the same period in the prior year, an 11% increase.

Premium rates are a key determinant of the length of time it will take to reach the Corporation's *ex ante* fund target. CDIC established a near-term *ex ante* fund target to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year-end. The near-term target guides CDIC's annual premium rate setting and related communication to member institutions on forward premium levels.

Investment income

The Corporation's \$66 million in investment income for the three-month period ended December 31, 2024, was \$16 million higher than in the same period in the prior year. The increase was mainly due to growth in the investment portfolio and an increase in the weighted average effective yield on investments.

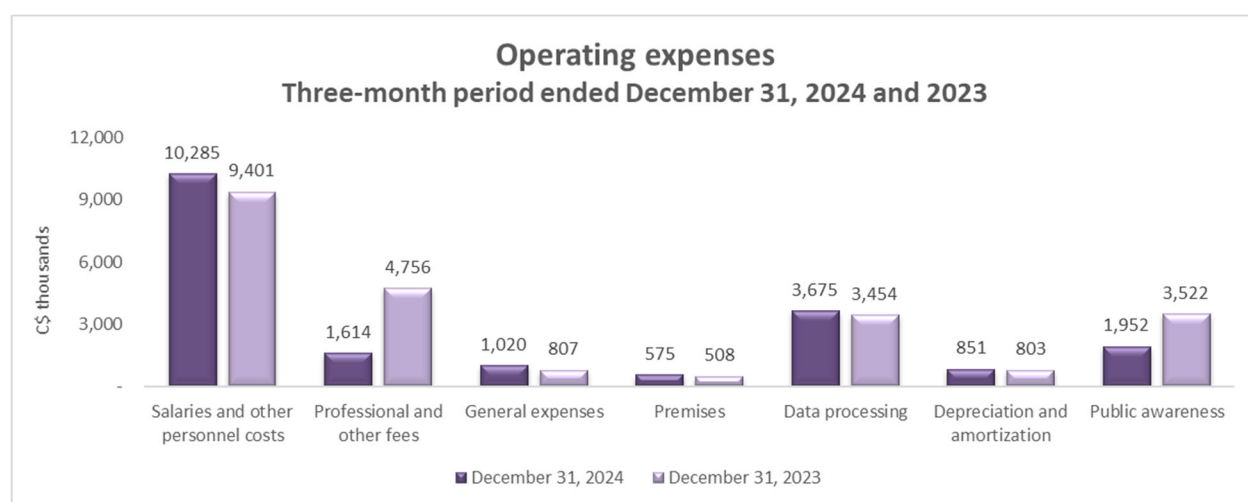
Provision for insurance losses

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

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

CDIC’s provision for insurance losses increased from the previous quarter by \$100 million to \$2,400 million as at December 31, 2024, primarily due to an increase in exposure to losses.

Operating expenses



The Corporation’s operating expenses for the three-month period ended December 31, 2024, were \$20 million, \$3 million lower than for the same period in the prior year, primarily due to decreased spending on professional fees and timing of public awareness spend, offset by an increase in personnel costs.

Income taxes

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

For quarterly reporting, CDIC uses an effective tax rate to compute its tax liability or tax asset in accordance with *IAS 34 – Interim Financial Reporting*. During the three-month period ended December 31, 2024, the Corporation recognized an income tax expense of \$10 million, \$2 million higher than in the same period in the prior year.

Nine-month period ended December 31, 2024, compared to nine-month period ended December 31, 2023

The following table sets out CDIC's comparative results for the nine-month period ended December 31, 2024, and 2023.

(C\$ thousands)	For the nine-month period ended		Variance	
	December 31		Increase (Decrease)	
	2024	2023	(\$)	(%)
Premium revenue	740,181	667,981	72,200	11%
Investment and other income	184,345	134,369	49,976	37%
Increase in provision for insurance losses	150,000	250,000	(100,000)	(40%)
Operating expenses	59,701	62,452	(2,751)	(4%)
Income tax expense	30,216	16,397	13,819	84%
Net income	684,609	473,501	211,108	45%

Premium revenue

Premium revenue of \$740 million was recorded during the nine-month period ended December 31, 2024, compared to \$668 million for the same period in the prior year, an 11% increase.

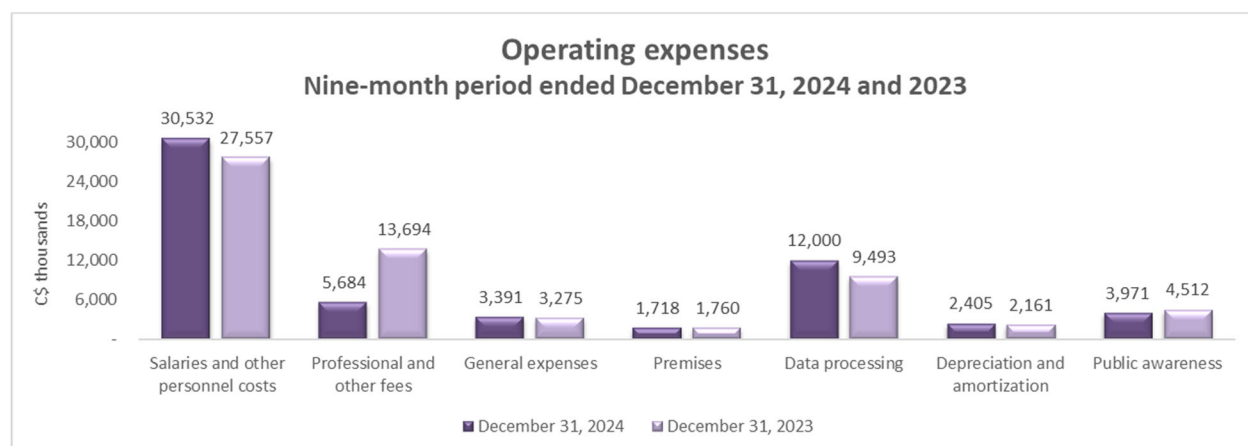
Investment income

The Corporation's \$184 million in investment income for the nine-month period ended December 31, 2024, was \$50 million higher than in the same period in the prior year. The increase was mainly due to growth in the investment portfolio (\$10,168 million and \$9,064 million as at December 31, 2024, and 2023, respectively) and an increase in the weighted average effective yield on investments (2.71% and 2.39%, as at December 31, 2024, and 2023, respectively).

Provision for insurance losses

CDIC's provision for insurance losses increased by \$150 million to \$2,400 million during the nine-month period ended December 31, 2024 primarily due to an increase in exposure to losses.

Operating expenses



The Corporation's operating expenses for the nine-month period ended December 31, 2024, were \$60 million, \$3 million lower than for the same period in the prior year. The decrease is primarily due to lower professional fee spend offset by an increase in personnel and data processing costs.

Income taxes

As described previously, CDIC uses an effective tax rate for quarterly reporting to compute its tax liability or tax asset in accordance with *IAS 34 – Interim Financial Reporting*. During the nine-month period ended December 31, 2024, the Corporation recognized an income tax expense of \$30 million, \$14 million higher than in the same period in the prior year.

Forecast results for fiscal 2024/2025, compared to Corporate Plan

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

(C\$ millions)	2024/2025		Variance	
	Forecast	Planned	Increase (Decrease) (\$)	(%)
Premium revenue	986	941	45	5%
Investment income	252	273	(21)	(8%)
Increase in provision for insurance losses	150	150	-	-
Operating expenses	87	90	(3)	(3%)
Income tax expense	43	46	(3)	(7%)
Net income	958	928	30	3%

Premium revenue

CDIC's 2024/2025 to 2028/2029 Corporate Plan (the "Corporate Plan") sets out planned premium revenue of \$941 million for fiscal 2024/2025, compared with Management's current forecasted revenue of \$986 million for the year, which is \$45 million higher than the Corporate Plan. The Corporate Plan was based on certain assumptions regarding increases in the level of insured deposits and the classification of members under the Differential Premiums System at the time the plan was developed.

Results to date have differed from the assumptions, resulting in a variance between the planned and forecasted amounts.

Investment income

Forecasted investment income is \$252 million, compared to the planned amount of \$273 million, a decrease of \$21 million, primarily due to lower forecasted yields on investments than planned.

Provision for insurance losses

The forecasted provision for insurance losses is consistent with the planned amount.

Operating expenses

Operating expenses are currently forecasted to be \$87 million, \$3 million lower than planned.

Ex ante funding

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

CDIC's *ex ante* funding level was \$9,934 million as at December 31, 2024, or 80 basis points of insured deposits. The near-term *ex ante* fund target remains on track to exceed 85 basis points of insured deposits by the 2026/2027 fiscal year-end.

Available liquid funds

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

<i>(C\$ millions)</i>	December 31, 2024	March 31, 2024
<i>Available liquid funds:</i>		
Cash	49	12
Fair value of high-quality, liquid investment securities	10,207	8,894
<i>Availability of borrowings:</i>		
Borrowings authorized under the CDIC Act	36,000	35,000
Total available funds	46,256	43,906

CDIC's portfolio of investment securities is limited to high-quality, liquid securities: obligations of the Government of Canada and its agent Crowns, and obligations of Provincial Governments. Additional funds are available through CDIC's authority to borrow under the *CDIC Act*. As of December 31, 2024, the Corporation can borrow up to \$36 billion. The borrowing limit is adjusted annually on December 31 to reflect the growth of insured deposits. Supplemental borrowing, if required, could be authorized either by Parliament through an appropriation act, or by the Minister of Finance out of the Consolidated Revenue Fund.

Management representation

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

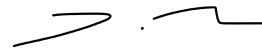
These condensed quarterly financial statements have not been audited or reviewed by an external auditor.

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



Gina Byrne
Vice President, Member Risk &
Resolution

Ottawa, Canada
February 13, 2025



Jordan Rosenbaum
Chief Financial Officer & Head,
Business Integration

Ottawa, Canada
February 13, 2025

Condensed financial statements and notes

Condensed statement of financial position

As at December 31, 2024, and March 31, 2024 (C\$ thousands)

	Notes	December 31, 2024	March 31, 2024
ASSETS			
Cash		48,666	11,820
Investment securities	3	10,168,116	9,102,982
Trade and other receivables		5	1,348
Prepayments		2,268	1,979
Right-of-use assets	4	5,446	6,281
Property, plant & equipment		2,973	3,509
Intangible assets	5	6,187	7,123
TOTAL ASSETS		10,233,661	9,135,042
LIABILITIES			
Trade and other payables		33,126	12,213
Current tax liability		11,859	14,120
Lease liabilities	4	6,588	7,558
Deferred premium revenue		246,291	-
Employee benefits		1,387	1,343
Provision for insurance losses	6	2,400,000	2,250,000
Deferred tax liability		578	585
Total liabilities		2,699,829	2,285,819
EQUITY			
Retained earnings		7,533,832	6,849,223
TOTAL LIABILITIES AND EQUITY		10,233,661	9,135,042

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

Condensed statement of comprehensive income

For the three and nine-month periods ended December 31, 2024, and 2023 (C\$ thousands)

	Notes	For the three-month period ended		For the nine-month period ended	
		December 31		December 31	
		2024	2023	2024	2023
REVENUE					
Premium		246,291	222,847	740,181	667,981
Investment income		65,751	49,497	184,343	134,364
Other income		-	3	2	5
		312,042	272,347	924,526	802,350
EXPENSES					
Operating expenses	7	19,972	23,251	59,701	62,452
Increase in the provision for insurance losses	6	100,000	-	150,000	250,000
		119,972	23,251	209,701	312,452
Net income before income taxes		192,070	249,096	714,825	489,898
Income tax expense		9,921	7,806	30,216	16,397
TOTAL COMPREHENSIVE INCOME		182,149	241,290	684,609	473,501

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

Condensed statement of changes in equity

For the three and nine-month periods ended December 31, 2024, and 2023 (C\$ thousands)

FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31

	Retained earnings and total equity
Balance, September 30, 2024	7,351,683
Total comprehensive income	182,149
Balance, December 31, 2024	7,533,832
Balance, September 30, 2023	6,262,724
Total comprehensive income	241,290
Balance, December 31, 2023	6,504,014

FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31

Balance, March 31, 2024	6,849,223
Total comprehensive income	684,609
Balance, December 31, 2024	7,533,832
Balance, March 31, 2023	6,030,513
Total comprehensive income	473,501
Balance, December 31, 2023	6,504,014

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

Condensed statement of cash flows

For the three and nine-month periods ended December 31, 2024, and 2023 (C\$ thousands)

	For the three-month period ended		For the nine-month period ended	
	December 31	December 31	December 31	December 31
	2024	2023	2024	2023
OPERATING ACTIVITIES				
Total Comprehensive Income	182,149	241,290	684,609	473,501
Add (deduct) items not involving cash:				
Depreciation and amortization	851	803	2,405	2,161
Investment income	(65,751)	(49,497)	(184,343)	(134,364)
Interest expense on lease liabilities	29	35	92	109
Income tax expense	9,921	7,806	30,216	16,397
Employee benefit expense	31	32	92	95
Defined benefit payment	-	-	(49)	(39)
Change in working capital:				
Decrease in trade and other receivables	44	32	1,343	301
Decrease (increase) in prepayments	177	(429)	(289)	(462)
Increase in trade and other payables	25,673	21,996	20,913	17,234
Increase in deferred premium revenue	244,752	219,665	246,291	222,847
Increase in the provision for insurance losses	100,000	-	150,000	250,000
Interest received	59,154	51,517	169,544	139,854
Interest paid on lease liabilities	(29)	(35)	(92)	(109)
Income tax paid	(7,057)	(2,814)	(32,483)	(13,427)
Net cash generated by operating activities	549,944	490,401	1,088,249	974,098
INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets	(7)	(301)	(19)	(1,551)
Purchase of investment securities	(860,267)	(890,004)	(2,594,910)	(2,539,658)
Proceeds from sale or maturity of investment securities	341,845	414,575	1,544,575	1,593,820
Net cash used in investing activities	(518,429)	(475,730)	(1,050,354)	(947,389)
FINANCING ACTIVITIES				
Principal payment of lease liabilities	(411)	(405)	(1,049)	(1,029)
Net cash used in financing activities	(411)	(405)	(1,049)	(1,029)
Net increase in cash	31,104	14,266	36,846	25,680
Cash, beginning of period	17,562	27,126	11,820	15,712
Cash, end of period	48,666	41,392	48,666	41,392

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

Notes to the condensed financial statements

I – General information

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

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

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

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

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.

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

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

Basis of preparation

These condensed quarterly financial statements, presented in Canadian dollars, have been prepared in accordance with the Treasury Board of Canada's *Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports* and do not include all the information required for full annual financial statements. These condensed quarterly financial statements should be read in conjunction with the audited financial statements as at and for the year ended March 31, 2024.

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

2 – Material accounting policy information

The accounting policies applied by the Corporation in these condensed quarterly financial statements are the same as those applied by the Corporation in its audited financial statements as at and for the year ended March 31, 2024.

Critical accounting judgments and key sources of estimation uncertainty

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

In preparing these condensed quarterly financial statements, the significant judgments made by Management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended March 31, 2024.

3 - Investment securities

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

As at December 31, 2024 (C\$ thousands)	Amortized cost	Unrealized gain	Fair values			Total
			Level 1	Level 2	Level 3	
Bonds	10,168,116	38,943	7,739,430	2,467,629	-	10,207,059
Total investment securities	10,168,116	38,943	7,739,430	2,467,629	-	10,207,059

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

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

<i>(C\$ thousands)</i>	December 31, 2024	March 31, 2024
AAA	7,716,498	6,596,557
AA	429,755	702,300
AA-	1,486,789	629,661
A+	535,076	1,174,464
Total investment securities	10,168,118	9,102,982
Weighted average effective yield (%)	2.71	2.44

The carrying amounts in the above tables include accrued interest.

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

4 - Right-of-use assets and lease liabilities

The Corporation leases office space in Ottawa and Toronto, the term of which ends in September 2030 and October 2026, respectively, each with an option to renew for an additional five years. The extension options for the Ottawa and Toronto offices are exercisable solely at the discretion of the Corporation. The Corporation also leases equipment under a five-year term ending in May 2025.

Carrying value of right-of-use-assets

<i>(C\$ thousands)</i>	Leased office		
	space	Equipment	Total
Balance, March 31, 2024	6,267	14	6,281
Depreciation	(904)	(10)	(914)
Additions	91	-	91
Terminations	(12)	-	(12)
Balance, December 31, 2024	5,442	4	5,446

Carrying value of lease liabilities

<i>(C\$ thousands)</i>	Leased office		
	space	Equipment	Total
Balance, March 31, 2024	7,544	14	7,558
Additions	91	-	91
Finance charges	92	-	92
Lease payments	(1,133)	(8)	(1,141)
Terminations	(12)	-	(12)
Balance, December 31, 2024	6,606	6	6,588

Interest expense on lease liabilities amounting to \$92 thousand was recorded in the statement of comprehensive income during the nine-month period ended December 31, 2024.

The amount recognized for short-term leases and low-value assets during the nine-month period ended December 31, 2024, was insignificant. Cash payments for the interest portion of \$92 thousand and the principal portion of \$1,049 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)

<i>(C\$ thousands)</i>	Leased office		
	space	Equipment	Total
Not later than one year	1,387	4	1,391
Later than one year and not later than five years	4,681	-	4,681
Later than five years	835	-	835
Total	6,903	4	6,907

5 - Intangible assets

<i>(C\$ thousands)</i>	Software	Software Under Development	Total
Balance, March 31, 2024	3,677	3,446	7,123
Amortization	(936)	-	(936)
Balance, December 31, 2024	2,741	3,446	6,187

6 - Provision for insurance losses

The provision for insurance losses represents the Corporation's best estimate of the future outflow of economic resources it expects to incur as a result of the Corporation's object to provide insurance against the loss of part or all deposits in member institutions and its role as the resolution authority of its member institutions. The estimate is based on an expected loss calculation and is subject to uncertainty surrounding the amount and timing of losses. As such, actual losses may differ significantly from estimates.

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

<i>(C\$ thousands)</i>	Provision for insurance losses
Balance, March 31, 2024	2,250,000
Increase in the provision	50,000
Balance, June 30, 2024	2,300,000
Increase in the provision	-
Balance, September 30, 2024	2,300,000
Increase in the provision	100,000
Balance, December 31, 2024	2,400,000

7 - Operating expenses

The following table provides details of operating expenses of the Corporation for the three and nine-month periods ended December 31, 2024, and 2023.

<i>(C\$ thousands)</i>	For the three-month period ended		For the nine-month period ended	
	December 31		December 31	
	2024	2023	2024	2023
Salaries and other personnel costs	10,285	9,401	30,532	27,557
Professional and other fees	1,614	4,756	5,684	13,694
General expenses	991	772	3,299	3,166
Premises	575	508	1,718	1,760
Data processing	3,675	3,454	12,000	9,493
Depreciation and amortization	547	497	1,491	1,243
Depreciation on right-of-use assets	304	306	914	918
Interest expense on lease liabilities	29	35	92	109
Public awareness	1,952	3,522	3,971	4,512
Total operating expenses	19,972	23,251	59,701	62,452

8 – Related party transactions

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