

Results for the second quarter of 2024



AN ACTIVE AND INVOLVED GROUP. Desjardins Group is continuing its partnership with the Government of Québec to make more than 1,750 affordable housing units available throughout Québec by the end of 2025.

Desjardins posts excellent results for the second quarter of 2024

Lévis, August 9, 2024 – For the second quarter ended June 30, 2024, [Desjardins Group](#), North America's largest financial cooperative group, recorded surplus earnings before member dividends of \$918 million, up \$365 million from the same quarter of 2023. This increase was mainly due to the results of the Property and Casualty Insurance segment, owing to fewer claims combined with higher revenues from automobile and property insurance. In addition, we would like to highlight the very good performance by the Personal and Business Services segment stemming from higher net interest income, mainly tied to business growth, and lower non-interest expense. Overall, for Desjardins Group as a whole, non-interest expense was comparable to that of the second quarter of 2023 due to rigorous expenditure management.

For the second quarter of 2024, the provision for member dividends totalled at \$110 million, an amount comparable to that recorded in the corresponding period of 2023. Sponsorships, donations and scholarships amounted to \$33 million, of which \$16 million came from caisse Community Development Fund.

"I am proud of these results for the second quarter of 2024, with surplus earnings before member dividends of \$918 million, up \$365 million from the same period of 2023," said Guy Cormier, President and Chief Executive Officer of Desjardins Group. "These results reflect the same upward trend as in the first quarter. As a result, Desjardins can give back to the community, in particular through our involvement in a partnership with the Québec government to make available more than 1,750 affordable housing units."

For the first six months ended June 30, 2024, Desjardins Group recorded surplus earnings before member dividends of \$1,773 million, up \$878 million from the same period of 2023. All business segments contributed to these excellent results, including the Property and Casualty Insurance segment due to fewer claims and higher insurance revenue. There was also growth in the net insurance finance result in both life and health insurance and property and casualty insurance. In addition, surplus earnings growth was recorded in the Personal and Business Services segment, owing to higher net interest income, particularly as a result of business growth. We should also note that the increase in non-interest expense was limited as a result of measures deployed across the organization to improve efficiency and effectiveness.

Supporting a green economic and social recovery

Desjardins is contributing to regional development and the economy through the GoodSpark Fund, which has set aside \$250 million to stimulate social and economic activity in communities.

Since 2017, Desjardins Group has committed a total of \$198 million to 874 projects related to the GoodSpark Fund.

In particular, Desjardins is still working to implement the climate goal announced in 2021. The goal is to achieve, by 2040, net zero emissions in its operations, its supply chain, its lending activities and investments in three key carbon-intensive sectors: energy, transportation and real estate.

In addition, Desjardins has once again been ranked as one of [Canada's Best 50 Corporate Citizens](#) by Corporate Knights, a leading Canadian media and sustainable-economy research centre. According to this renowned organization, these corporations invest seven times more in sustainable investments than the average Canadian company.

Governance

At the annual general meeting (AGM) of the Federation held on March 24 and 25, 2023, delegates from Desjardins caisses in Québec and the Desjardins Ontario Credit Union voted to [separate the roles](#) of chair of the board of directors from the role of president and CEO of Desjardins Group, positions that had been held together for almost 30 years.

At the end of the 2024 AGM, on March 23, 2024, this [new governance model](#) came into effect, resulting in the separation of the two positions' roles and responsibilities. Guy Cormier continues to carry out the role of President and Chief Executive Officer entrusted to him by the Board of Directors, and in May 2024, [Louis Babineau](#) became the Chair of the Board of Directors under this new governance model for leadership at the head of Desjardins Group.

Doing what's best for members and clients

Desjardins is involved in people's lives, whether by supporting community initiatives related to diversity, inclusion, cooperation, financial literacy and healthy living, or by offering innovative financial solutions to meet their needs. Here are some ways that Desjardins made a positive difference in people's lives in the second quarter of 2024.

Giving back to the community

- Desjardins Group is continuing its partnership with the Québec government to make more than 1,750 affordable housing units available by the end of 2025. This includes the four affordable housing projects in [Gatineau](#) (in French only), [Varenes](#) (in French only), [Drummondville](#) (in French only) and [Alma](#) (in French only) that were announced in the second quarter of 2024, for a total of 238 units.
- Desjardins granted \$940,000 to [Moisson Rive-Sud](#) (in French only) for its food assistance hub project. The new facility will triple the organization's storage space and enable it to provide a robust, efficient and innovative food security ecosystem to the most vulnerable citizens.
- Desjardins Group President and Chief Executive Officer, Guy Cormier continued a series of visits he began last fall to Québec chambers of commerce. In May and June 2024, he visited those in [Rive-Sud de Montréal](#) (in French only) and [Sorel-Tracy](#) (in French only) to discuss leadership and solidarity, especially with young entrepreneurs.

Innovating

- On May 31, 2024, Desjardins Group, through Desjardins General Insurance Group Inc., confirmed closure of the transaction announced in March 2024 to acquire all the issued and outstanding shares of [The Insurance Company of Prince Edward Island](#). This acquisition will enable Desjardins to diversify its insurance offer and better meet the insurance needs of businesses.
- On June 4, 2024, Desjardins presented an [economic web conference](#) (in French only) with Jimmy Jean, Vice-President and Chief Economist of Desjardins Group, and Emna Braham, Executive Director of the Institut du Québec, to demystify the economy and the effects of interest rates on individuals and businesses.

Financial highlights

Comparison of second quarter 2024 with second quarter 2023:

- Surplus earnings before member dividends of \$918 million, up \$365 million.
- Total net revenue of \$3,753 million, up \$514 million or 15.9%:
 - Net interest income of \$1,861 million, up \$195 million or 11.7%, due to growth in the average outstanding loan portfolio.
 - Insurance service result of \$620 million, up \$332 million, mainly due to the decrease in expenses related to claims and the increase in automobile and property insurance income in the Property and Casualty Insurance segment.
 - Net insurance finance result of \$237 million, up \$60 million, mainly due to the gain on disposal of buildings in the Wealth Management and Life and Health Insurance segment.
 - Other income of \$1,035 million, down \$73 million.
- Provision for credit losses of \$87 million, up \$21 million from the corresponding period of 2023.
- Gross non-interest expense of \$2,697 million, comparable to the amount recorded for the second quarter of 2023.
- \$143 million returned to members and the community,⁽¹⁾ an amount comparable to that recorded in the second quarter of 2023.

⁽¹⁾ For additional information on supplementary financial measures, see "Non-GAAP Financial Measures and Other Financial Measures" on page 5.

Other highlights:

- Tier 1A capital ratio⁽¹⁾ of 21.2%, compared to 20.4% as at December 31, 2023.
- Total capital ratio⁽¹⁾ of 23.2%, compared to 21.9% as at December 31, 2023.
- Total assets grew 5.1% since December 31, 2023, for a total of \$444.3 billion as at June 30, 2024.
- Legislative covered bond program:
 - Issuance of £750 million on April 12, 2024.
 - Issuance of 440 million Swiss francs on April 18, 2024.
 - Issuance of €1.0 billion on May 30, 2024.
- Issuance, on May 15, 2024, of CA\$1.0 billion in Non-Viability Contingent Capital (NVCC)-eligible notes under the Canadian NVCC Subordinated Notes program.
- In June and July 2024, the Fitch and DBRS rating agencies, respectively, affirmed the ratings of instruments issued by the Fédération des caisses Desjardins du Québec while maintaining the outlook at "stable".

Comparison of first half 2024 with first half 2023:

- Surplus earnings before member dividends of \$1,773 million, up \$878 million.
- Total net revenue of \$7,317 million, up \$1,411 million or 23.9%:
 - Net interest income of \$3,594 million, up \$387 million or 12.1%, due to growth in the average outstanding loan portfolio.
 - Insurance service result of \$1,029 million, up \$632 million, mainly due to the decrease in expenses related to claims and the increase in automobile and property insurance income in the Property and Casualty Insurance segment.
 - Net insurance finance result of \$547 million, up \$247 million, due to a gain on disposal of buildings and favourable trends in financial markets.
 - Other income of \$2,147 million, up \$145 million or 7.2%, mainly due to the \$56 million increase in revenues related to the activities acquired from Worldsource⁽²⁾ and the increase in income from brokerage and investment fund revenues, related in particular to the good performance of capital markets.
- Provision for credit losses of \$220 million, up \$49 million compared to the corresponding period of 2023.
- Gross non-interest expense of \$5,253 million, up \$228 million, compared to the first six months of 2023, of which \$69 million was due to expenses related to the activities acquired from Worldsource. Measures rolled out to improve efficiency and effectiveness, including reduced fees, made it possible to limit the increase in other items included under this heading to \$159 million, or 3.3%.
- \$280 million returned to members and the community,⁽³⁾ similar to the amount returned in the first six months of 2023.

⁽¹⁾ In accordance with the *Capital Adequacy Guideline* for financial services cooperatives issued by the *Autorité des marchés financiers* (AMF).

⁽²⁾ On March 1, 2023, through Worldsource Group of Companies Inc. (formerly 9479-5176 Québec Inc.), a wholly-owned indirect subsidiary of the Federation, Desjardins Group acquired, among others, all the outstanding shares of IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc. and Worldsource Securities Inc. (collectively designated as "Worldsource").

⁽³⁾ For additional information on supplementary financial measures, see "Non-GAAP Financial Measures and Other Financial Measures" on page 5.

Non-GAAP financial measures and other financial measures

To measure its performance, Desjardins Group uses different GAAP (International Financial Reporting Standards (IFRS)) financial measures and various other financial measures, some of which are non-GAAP financial measures. *Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure* (Regulation 52-112) provides guidance to issuers disclosing specified financial measures, including the following measures used by Desjardins Group:

- A non-GAAP financial measure;
- Supplementary financial measures.

Non-GAAP financial measure

The non-GAAP financial measure, used by Desjardins Group in this press release, and which does not have a standardized definition, is not directly comparable to similar measures used by other companies, and may not be directly comparable to any GAAP measure. It is defined as follows:

Return to members and the community

As a cooperative financial group contributing to the development of communities, Desjardins Group gives its members and clients the support they need to be financially empowered. The amounts returned to members and the community, a non-GAAP financial measure, are used to present the overall amount returned to the community and are composed of member dividends, as well as sponsorships, donations and scholarships.

More detailed information about the amounts returned to members and the community may be found in the "Financial Highlights" table on the following page.

Supplementary financial measures

In accordance with Regulation 52-112, supplementary financial measures are used to show historical or expected future financial performance, financial position or cash flows. In addition, these measures are not disclosed in the financial statements. Desjardins Group uses certain supplementary financial measures, and their composition is presented in the Glossary on pages 51 to 58 of the MD&A for the second quarter of 2024.

FINANCIAL HIGHLIGHTS

(in millions of dollars and as a percentage)

	As at and for the three-month periods ended			As at and for the six-month periods ended	
	June 30, 2024	March 31, 2024	June 30, 2023 ⁽¹⁾	June 30, 2024	June 30, 2023 ⁽¹⁾
Results					
Net interest income	\$ 1,861	\$ 1,733	\$ 1,666	\$ 3,594	\$ 3,207
Net insurance service income	857	719	465	1,576	697
Other income	1,035	1,112	1,108	2,147	2,002
Total net revenue	3,753	3,564	3,239	7,317	5,906
Provision for credit losses	87	133	66	220	171
Net non-interest expense	2,447	2,311	2,434	4,758	4,530
Surplus earnings before member dividends⁽²⁾	\$ 918	\$ 855	\$ 553	\$ 1,773	\$ 895
Contribution to surplus earnings by business segment⁽³⁾					
Personal and Business Services	\$ 459	\$ 401	\$ 302	\$ 860	\$ 496
Wealth Management and Life and Health Insurance	231	169	155	400	247
Property and Casualty Insurance	300	280	56	580	31
Other	(72)	5	40	(67)	121
	\$ 918	\$ 855	\$ 553	\$ 1,773	\$ 895
Returned to members and the community⁽⁴⁾					
Member dividends	\$ 110	\$ 110	\$ 109	\$ 220	\$ 215
Sponsorships, donations and scholarships ⁽⁵⁾	33	27	37	60	63
	\$ 143	\$ 137	\$ 146	\$ 280	\$ 278
Indicators					
Return on equity ⁽⁶⁾	10.2%	9.8%	6.8%	10.0%	5.6%
Credit loss provisioning rate ⁽⁶⁾	0.13	0.21	0.10	0.17	0.14
Gross credit-impaired loans/gross loans and acceptances ⁽⁶⁾	0.77	0.80	0.57	0.77	0.57
Liquidity coverage ratio ⁽⁷⁾	160	152	143	160	143
Net stable funding ratio ⁽⁷⁾	129	125	125	129	125
Productivity index – Personal and Business Services ⁽⁶⁾	70.8	70.3	78.9	70.6	80.5
Insurance and annuity premiums – Wealth Management and Life and Health Insurance ⁽⁶⁾	\$ 1,783	\$ 1,607	\$ 1,434	\$ 3,390	\$ 2,741
Total contractual service margin (CSM) - Wealth Management and Life and Health Insurance ⁽⁸⁾	2,587	2,630	2,643	2,587	2,643
Direct Written Premiums – Property and Casualty Insurance ⁽⁶⁾	2,082	1,556	1,910	3,638	3,350
On-balance sheet and off-balance sheet					
Assets	\$ 444,348	\$ 435,819	\$ 409,558	\$ 444,348	\$ 409,558
Net loans and acceptances	276,996	269,012	257,743	276,996	257,743
Deposits	290,085	281,189	265,539	290,085	265,539
Equity	36,488	35,169	32,943	36,488	32,943
Assets under administration ⁽⁶⁾	557,902	549,580	492,638	557,902	492,638
Assets under management ⁽⁶⁾	88,202	83,289	80,229	88,202	80,229
Capital measures					
Tier 1A capital ratio ⁽⁹⁾	21.2%	21.0%	20.9%	21.2%	20.9%
Tier 1 capital ratio ⁽⁹⁾	21.2	21.0	20.9	21.2	20.9
Total capital ratio ⁽⁹⁾	23.2	22.0	22.4	23.2	22.4
TLAC ratio ⁽¹⁰⁾	30.9	29.8	29.7	30.9	29.7
Leverage ratio ⁽⁹⁾	7.6	7.4	7.6	7.6	7.6
TLAC leverage ratio ⁽¹⁰⁾	10.9	10.4	10.6	10.9	10.6
Risk-weighted assets ⁽⁹⁾	\$ 147,074	\$ 142,266	\$ 135,499	\$ 147,074	\$ 135,499
Other information					
Number of employees	55,028	55,188	59,389	55,028	59,389

(1) The data have been adjusted to conform to the current period's presentation.

(2) The breakdown by line item is presented in the Statement of Income in the Interim Combined Financial Statements.

(3) The breakdown by line item is presented in Note 11, "Segmented information" to the Interim Combined Financial Statements.

(4) For more information on non-GAAP financial measures, see "Non-GAAP financial measures and other financial measures" on page 5.

(5) Including \$16 million from the caisses' Community Development Fund (\$11 million for the first quarter of 2024 and \$15 million for the second quarter of 2023, \$27 million for the first six months of 2024 and \$23 million for the first six months of 2023).

(6) For additional information on supplementary financial measures, see "Non-GAAP Financial Measures and Other Financial Measures" on page 5.

(7) In accordance with the *Liquidity Adequacy Guideline* issued by the AMF.

(8) Total CSM of \$2,795 million (\$2,895 million as at June 30, 2023) presented net of reinsurance for a total of \$208 million (\$252 million as at June 30, 2023). Included in the line items "Insurance contract liabilities" and "Reinsurance contract assets (liabilities)" on the Combined Balance Sheets. For more information, see Note 7, "Insurance and reinsurance contracts," to the Interim Combined Financial Statements.

(9) In accordance with the *Capital Adequacy Guideline* for financial services cooperatives issued by the AMF.

(10) In accordance with the *Total Loss Absorbing Capacity Guideline* ("TLAC Guideline") issued by the AMF and based on risk-weighted assets and exposures for purposes of the leverage ratio at the level of the resolution group, which is deemed to be Desjardins Group, excluding Caisse Desjardins Ontario Credit Union Inc.

Strong capital base

Desjardins Group maintains strong capitalization levels, in accordance with Basel III rules. As at June 30, 2024, its Tier 1A and total capital ratios stood at 21.2% and 23.2%, respectively, compared to 21.0% and 22.0%, respectively, as at December 31, 2023.

Analysis of business segment results

PERSONAL AND BUSINESS SERVICES SEGMENT

Results for the second quarter

For the second quarter of 2024, surplus earnings before member dividends were \$459 million, up \$157 million from the same period in 2023, mainly due to the growth in net interest income and the decrease in non-interest expense following the implementation of measures to improve efficiency and effectiveness, affecting in particular spending on personnel. This increase in surplus earnings was offset by a higher provision for credit losses than in the corresponding period of 2023.

WEALTH MANAGEMENT AND LIFE AND HEALTH INSURANCE SEGMENT

Results for the second quarter

For the second quarter of 2024, the segment posted \$231 million in net surplus earnings, up \$76 million from the same period of 2023. This increase was primarily due to a higher net insurance finance result owing to the gain on disposal of buildings and the favourable impact of hedging the interest rate risk, partly offset by the favourable adjustment made to liability discount curve parameters in the second quarter of 2023. In addition, growth was recorded in other income, stemming from the gain on disposal of the interest in Fiera Holdings Inc. and Fiera Capital L.P. This surplus earnings growth was offset by an increase in non-interest expenses, due to growth in assets under administration.

PROPERTY AND CASUALTY INSURANCE SEGMENT

Results for the second quarter

For the second quarter of 2024, the segment posted \$300 million in net surplus earnings, up \$244 million, from the same period of 2023. This increase was mainly due to a decline in the cost of claims stemming from a lack of catastrophes and major events, while the second quarter of 2023 was marked by two major events: an ice storm in Québec and Ontario and forest fires in Nova Scotia. The current year claims experience in automobile and property insurance was also lower than in the comparative period of 2023, in particular due to a reduced frequency of claims. In addition, there was an increase in insurance income in automobile and property insurance.

OTHER CATEGORY

[Results for the second quarter](#)

For the second quarter of 2024, the Other category posted a net deficit of \$72 million, compared to surplus earnings of \$40 million for the second quarter of 2023. The Other category includes treasury activities and those related to financial intermediation between the liquidity surpluses and needs of the caisses. It also includes investments in the continued implementation of Desjardins-wide strategic projects, which are aimed at creating innovative technological platforms, protecting privacy and improving business processes. The Other category also includes changes in contingency provisions for our operations, supplier agreements and the investment portfolio, as well as commitments made to the GoodSpark Fund, with the aim, in particular, of providing social and economic support to the regions.

[More detailed financial information can be found in Desjardins Group's interim Management's Discussion and Analysis \(MD&A\) for the second quarter of 2024, available on the Desjardins website or on the SEDAR+ website, at \[www.sedarplus.com\]\(http://www.sedarplus.com\) \(under the *Fédération des caisses Desjardins du Québec* profile\).](#)

About Desjardins Group

[Desjardins Group](#) is the largest cooperative financial group in North America and the sixth largest cooperative financial group in the world, with assets of \$444.3 billion as at June 30, 2024. It was named one of Canada's Best Employers by *Forbes* magazine and by Mediacorp. To meet the diverse needs of its members and clients, Desjardins offers a full range of products and services to individuals and businesses through its extensive distribution network, online platforms and subsidiaries across Canada. Ranked among the world's strongest banks according to *The Banker* magazine, Desjardins has some of the highest capital ratios and [credit ratings](#) in the industry.

Caution concerning forward-looking statements

Desjardins Group's public communications often include oral or written forward-looking statements, within the meaning of applicable securities legislation, particularly in Québec, Canada and the United States. This press release contains forward-looking statements that may be incorporated in other filings with Canadian regulators or in any other communications. In addition, Desjardins Group's representatives may make verbal forward-looking statements to investors, the media and others.

The forward-looking statements include, but are not limited to, comments on Desjardins Group's objectives regarding financial performance, priorities, vision, operations, targets and commitments, the review of economic conditions and financial markets, the outlook for the Québec, Canadian, U.S. and global economies, its results and its financial position, as well as on economic conditions and financial markets. Such forward-looking statements are typically identified by words or phrases such as "target," "objective," "believe," "expect," "count on," "anticipate," "intend," "estimate," "plan," "forecast," "aim," "propose," "should" and "may," words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements require us to make assumptions, and are subject to uncertainties and inherent risks, both general and specific. Desjardins Group cautions readers against placing undue reliance on forward-looking statements when making decisions since a number of factors, many of which are beyond Desjardins Group's control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the assumptions, predictions, forecasts or other forward-looking statements in this press release. Although Desjardins Group believes that the expectations expressed in these forward-looking statements are reasonable and founded on valid bases, it cannot guarantee that these expectations will materialize or prove to be accurate. It is also possible that these assumptions, predictions, forecasts or other forward-looking statements, as well as Desjardins Group's objectives and priorities, may not materialize or may prove to be inaccurate, and that future actual results, conditions, actions or events differ materially from targets, expectations, estimates or intentions that have been explicitly or implicitly put forward. Readers who rely on these forward-looking statements must carefully consider these risk factors and other uncertainties and potential events, including the uncertainty inherent in forward-looking statements.

The factors that may affect the accuracy of the forward-looking statements in this press release include those discussed in the "Risk management" section of Desjardins Group's 2023 annual MD&A and of its MD&A for the second quarter of 2024, and include credit, market, liquidity, operational, insurance, strategic and reputation risk, environmental, social and governance risk, and regulatory risk.

Such factors also include those related to security (including cybersecurity) breaches, fraud risk, the housing market and household and corporate indebtedness, technological advancement and regulatory developments, including changes to liquidity and capital adequacy guidelines, and requirements relating to their presentation and interpretation, as well as interest rate fluctuations, inflation, climate change and geopolitical uncertainty. Furthermore, there are factors related to general economic and business conditions in the regions in which Desjardins Group operates; monetary policies; the critical accounting estimates and accounting standards applied by Desjardins Group; new products and services to maintain or increase Desjardins Group's market share; geographic concentration; acquisitions, joint arrangements and the ability to achieve the anticipated benefits; changes in the credit ratings assigned to Desjardins Group; reliance on third parties; the ability to recruit and retain talent; and tax risk. Other factors include interest rate benchmark reform, unexpected changes in consumer spending and saving habits, the potential impact of international conflicts on operations, public health crises such as pandemics and epidemics, including the COVID-19 pandemic, or any other similar disease affecting the local, national or global economy, as well as Desjardins Group's ability to anticipate and properly manage the risks associated with these factors despite a disciplined risk management environment. Additional information on these factors is available under the "Risk management" section of Desjardins Group's 2023 Annual Report and of its MD&A for the second quarter of 2024.

It is important to note that the above list of factors that could influence future results is not exhaustive. Other factors could have an effect on Desjardins Group's results. Additional information on these and other factors is found in the "Risk management" section of Desjardins Group's 2023 Annual MD&A and of its MD&A for the second quarter of 2024 and can be updated in subsequent quarterly MD&As.

The significant economic assumptions underlying the forward-looking statements in this document are described in the "Economic environment and outlook" section of Desjardins Group's 2023 MD&A and of its MD&A for the second quarter of 2024 and can be updated in the interim MD&As subsequently filed. Readers are cautioned to consider the foregoing factors when reading this section. To determine our economic growth forecasts in general, and for the financial services sector in particular, Desjardins Group mainly uses historical economic data provided by recognized and reliable organizations, empirical and theoretical relationships between economic and financial variables, expert judgment and identified upside and downside risks for the domestic and global economies.

Any forward-looking statements contained in this press release represent the views of management only as at the date hereof, and are presented for the purpose of assisting readers in understanding and interpreting Desjardins Group's financial position as at the dates indicated or its results for the periods then ended, as well as its strategic priorities and objectives as considered as at the date hereof. These forward-looking statements may not be appropriate for other purposes. Desjardins Group does not undertake to update any oral or written forward-looking statements that could be made from time to time by or on behalf of Desjardins Group, except as required under applicable securities legislation.

Basis of presentation of financial information

The financial information in this document comes primarily from the Annual and Interim Combined Financial Statements. Those statements have been prepared by Desjardins Group's management in accordance with IFRS issued by the International Accounting Standards Board (IASB) and the accounting requirements of the AMF, which do not differ from IFRS. IFRS represent Canada's GAAP. The Interim Combined Financial Statements of Desjardins Group have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting." All the accounting policies were applied as described in Note 2, "Accounting policies," to the Annual Combined Financial Statements except for certain comparative figures from the prior period, which have been restated to conform with the presentation of the Interim Combined Financial Statements for the current period. During the first quarter of 2024, a presentation accounting policy relating to interest income and interest expense recognized on the financial instruments of Desjardins Securities Inc. was changed, and these items are now presented under "Net interest income" instead of "Other income." This new presentation was considered preferable to provide reliable and more relevant information. As a result, for the six-month period ended June 30, 2023, a net amount of \$219 million has been moved in two gross amounts from "Other income" to interest income and interest expense, under "Net interest income" (\$103 million for the three-month period ended June 30, 2023), changing these line items by \$552 million and \$771 million, respectively, for the six-month period ended June 30, 2023, and by \$282 million and \$385 million, respectively, for the three-month period ended June 30, 2023. This change had no impact on total net revenue and net surplus earnings for the comparative period.

This press release has been prepared in accordance with the current regulations of the Canadian Securities Administrators (CSA) on continuous disclosure obligations. Unless otherwise indicated, all amounts are presented in Canadian dollars (\$) and are primarily from Desjardins Group's annual and interim combined financial statements.

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