PRESS RELEASE
Under embargo – May 10, 2024

Results for the first quarter of 2024

AN ACTIVE AND INVOLVED GROUP. Last March, Desjardins Group released its *Social and Cooperative Responsibility Report* and its *2023 Climate Action at Desjardins Report*.

Desjardins posts outstanding results and continues to support members and clients in their projects

Lévis, May 10, 2024 – For the first quarter ended March 31, 2024, Desjardins Group, North America's largest financial cooperative group, recorded surplus earnings before member dividends of $855 million, up $513 million from the same quarter of 2023. All business segments contributed to these outstanding results, including higher insurance revenue, lower incurred claims in Property and Casualty Insurance, and an increase in the net insurance finance result due to favourable trends in financial markets. Of particular note is the Personal and Business Services segment's strong performance, driven by growth in net interest income related primarily to business growth and a reduction in non-interest expense due to rigorous expenditure management.

For the first quarter of 2024, the provision for member dividends stood at $110 million, an increase of $4 million or 3.8%, compared to the corresponding period of 2023. Sponsorships, donations and scholarships amounted to $27 million, of which $11 million came from caisse Community Development Funds.

"For the first quarter of 2024, Desjardins posted outstanding financial results, due to strong performance by all our business segments," said Guy Cormier, President and Chief Executive Officer of Desjardins Group. "I'm proud of our results and the hard work put in by everyone across our organization. Our financial solidity allows us to proactively meet the needs of members, clients and communities. Moreover, Desjardins presents capital ratios and credit ratings that are among the best in the industry."

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 $187 million to 833 projects related to the GoodSpark Fund.

Last March, Desjardins Group released its *Social and Cooperative Responsibility Report* and its *2023 Climate Action at Desjardins Report*. The cooperative produces these documents to report on its progress in integrating environmental, social and governance (ESG) criteria into its business model and operations, and on how it is increasingly taking the risks and opportunities associated with climate change into account.

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 its own capital investments in three key carbon-intensive sectors: energy, transportation and real estate.

Governance

At the annual general meeting (AGM) of the Federation on March 24 and 25, 2023, delegates from Desjardins caisses in Québec and 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 which had been held for almost 30 years.

The separation of these roles came into effect on March 23, at the end of the 2024 AGM. This marked the beginning of the shift to a new governance model. To this end, Guy Cormier became president and CEO under the new model. In addition, the board of directors will elect a new Chair in May 2024.

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 of the ways that Desjardins made a positive difference in people's lives in the first quarter of 2024.

Giving back to the community

- Desjardins Group was once again recognized as one of Canada's best employers, earning several major awards. *Forbes* magazine and Mediacorp ranked Desjardins as one of Canada's Best Employers in the banking and finance industry in 2024. In addition, Desjardins Group is once again one of the country's greenest employers according to Mediacorp's ranking.
- Renewal of a partnership with *La Ruche* (in French only) to support local entrepreneurs, organizations and citizens and advance promising projects that stimulate the economy and vitality of Quebec and its regions through crowdfunding.
- Desjardins earned an MSCI ESG (in French only) of AAA. This is the highest possible rating from MSCI, which is internationally recognized in ESG. This places Desjardins among the top 5% of financial institutions in the world in terms of ESG.

Innovating

- On March 27, 2024, Desjardins Group, through its subsidiary Desjardins General Insurance Group Inc., announced that it had entered into definitive agreements to acquire all of the issued and outstanding shares of The Insurance Company of Prince Edward Island. This acquisition will help diversify its insurance offer and better meet the needs of businesses.
- Desjardins received five awards at the annual Fundata Canada Inc. FundGrade A+® Awards ceremony for sustained performance in 2023. The FundGrade A+® Awards celebrate Canadian funds that posted the best risk-adjusted returns and maintained high FundGrade scores throughout an entire calendar year.

Financial highlights

Comparison of first quarter 2024 with first quarter 2023:
- Surplus earnings before member dividends of $855 million, up $513 million.
- Total net income of $3,564 million, up $897 million or 33.6%:
  - Net interest income of $1,733 million, up $192 million or 12.5%, due to growth in average outstanding business and residential mortgage loans.
  - Insurance service result of $409 million, up $300 million due to increased insurance revenue and decreased expenses related to claims, mainly in the Property and Casualty Insurance segment.
  - Net insurance finance result of $310 million, up $187 million, due to favourable trends in financial markets.
  - Other income of $1,112 million, up $218 million or 24.4%, mainly due to the increase in revenues related to the activities acquired from Worldsource(1) of $119 million, as well as the increase in revenues from growth in assets under administration and assets under management.

- Provision for credit losses of $133 million, an increase of $28 million compared to the corresponding period of 2023.
- Gross non-interest expense of $2,556 million, up $211 million, compared to the first quarter of 2023, of which $120 million was due to expenses related to the activities acquired from Worldsource.(1) The 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 $91 million, or 3.9%.

(1) 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").

- $137 million returned to members and the community[1], including a provision for member dividends of $110 million and sponsorships, donations and scholarships of $27 million, up $5 million or 3.8% from the corresponding period of 2023.

Other highlights:
- Tier 1A capital ratio[2] of 21.0%, compared to 20.4% as at December 31, 2023.
- Total capital ratio[2] of 22.0%, compared to 21.9% as at December 31, 2023.
- Total assets grew 3.0% since December 31, 2023, for a total of $435.8 billion as at March 31, 2024.
- Multi-currency medium-term note program, subject to the bail-in regime:
  - Issuance of €1.0 billion on January 17, 2024.
  - Issuance of US$1.0 billion on January 26, 2024.
- Legislative covered bond program:
  - Issuance of GBP 750 million on April 12, 2024.
  - Issuance of 440 million Swiss francs on April 18, 2024.
- In March 2024, Moody's rating agency confirmed the ratings of the instruments issued by the *Fédération des caisses Desjardins du Québec*, while maintaining the outlook at "stable". This assessment reflects, among other things, the strong capitalization of Desjardins Group.

Non-GAAP financial measures and other financial measures

To measure its performance, Desjardins Group uses different GAAP (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 49 to 56 of the MD&A for the first quarter of 2024.

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(1) For additional information on supplementary financial measures, see "Non-GAAP Financial Measures and Other Financial Measures" on this page.
(2) In accordance with the *Capital Adequacy Guideline* for financial services cooperatives issued by the *Autorité des marchés financiers* (AMF).

FINANCIAL HIGHLIGHTS

(in millions of dollars and as a percentage)	As at and for the three-month periods ended		
	March 31, 2024	December 31, 2023[1]	March 31, 2023[1]
Results			
Net interest income	**$ 1,733**	$ 1,696	$ 1,541
Net insurance service income	**719**	918	232
Other income	**1,112**	924	894
Total net income	**3,564**	3,538	2,667
Provision for credit losses	**133**	231	105
Net non-interest expense	**2,311**	2,499	2,096
Surplus earnings before member dividends[2]	**$ 855**	$ 750	$ 342
Contribution to surplus earnings by business segment[3]			
Personal and Business Services	**$ 401**	$ 161	$ 194
Wealth Management and Life and Health Insurance	**169**	229	92
Property and Casualty Insurance	**280**	360	(25)
Other	**5**	—	81
	$ 855	$ 750	$ 342
Returned to members and the community[4]			
Member dividends	**$ 110**	$ 91	$ 106
Sponsorships, donations and scholarships[5]	**27**	38	26
	$ 137	$ 129	$ 132
Indicators			
Return on equity[6]	**9.8%**	8.6%	4.3%
Credit loss provisioning rate[6]	**0.21**	0.34	0.18
Gross credit-impaired loans/gross loans and acceptances[6]	**0.80**	0.74	0.50
Liquidity coverage ratio[7]	**152**	154	140
Net stable funding ratio[7]	**125**	124	127
Productivity index – Personal and Business Services[6]	**70.3**	79.8	82.2
Insurance and annuity premiums – Wealth Management and Life and Health Insurance[6]	**$ 1,607**	$ 1,446	$ 1,307
Total contractual service margin (CSM) - Wealth Management and Life and Health Insurance[8]	**2,630**	2,595	2,668
Direct Written Premiums – Property and Casualty Insurance[6]	**1,556**	1,645	1,440
On-balance sheet and off-balance sheet			
Assets	**$ 435,819**	$ 422,940	$ 398,604
Net loans and acceptances	**269,012**	265,935	252,401
Deposits	**281,189**	279,329	262,358
Equity	**35,169**	34,390	33,213
Assets under administration[6]	**549,580**	535,264	471,575
Assets under management[6]	**83,289**	81,551	79,390
Capital measures			
Tier 1A capital ratio[9]	**21.0%**	20.4%	19.9%
Tier 1 capital ratio[9]	**21.0**	20.4	19.9
Total capital ratio[9]	**22.0**	21.9	21.4
TLAC ratio[10]	**29.8**	29.4	29.3
Leverage ratio[9]	**7.4**	7.3	7.7
TLAC leverage ratio[10]	**10.4**	10.5	11.4
Risk-weighted assets[9]	**$ 142,266**	$ 140,481	$ 140,232
Other information			
Number of employees	**55,188**	56,165	59,384

(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 4.

(5) Including $11 million from the caisses' Community Development Funds ($22 million for the fourth quarter of 2023, $8 million for the first quarter of 2023).

(6) For additional information on supplementary financial measures, see "Non-GAAP Financial Measures and Other Financial Measures" on page 4.

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

(8) Total CSM of $2,844 million ($2,923 million as at March 31, 2023) presented net of reinsurance in the amount of $214 million ($255 million as at March 31, 2023). Included in "Insurance contract liabilities" and "Reinsurance contract assets (liabilities)" in 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 March 31, 2024, its Tier 1A and total capital ratios stood at 21.0% and 22.0%, respectively, compared to 20.4% and 21.9%, respectively, as at December 31, 2023.

Analysis of business segment results

PERSONAL AND BUSINESS SERVICES SEGMENT

Results for the first quarter

For the first quarter of 2024, surplus earnings before member dividends were $401 million, up $207 million from the same period in 2023, mainly due to an increase in net interest income related to the increase in loan volumes, an increase in other income, and a decrease in non-interest expense following measures taken to improve efficiency and effectiveness, affecting in particular spending on personnel. This increase in surplus earnings was offset by a higher allowance for credit losses compared to the corresponding period of 2023.

WEALTH MANAGEMENT AND LIFE AND HEALTH INSURANCE SEGMENT

Results for the first quarter

For the first quarter of 2024, the segment posted $169 million in net surplus earnings, up $77 million from the same period of 2023. This increase was primarily due to a higher net insurance finance result, in particular related to favourable developments in equity markets and the favourable impact of asset-liability management as a result of interest rate fluctuations. This increase was offset by a decrease in insurance activities as a result of a less favourable experience, partly offset by business growth. It should be noted that the group insurance experience was particularly favourable in the first quarter of 2023, including in long-term disability.

PROPERTY AND CASUALTY INSURANCE SEGMENT

Results for the first quarter

For the first quarter of 2024, the segment posted surplus earnings of $280 million, compared to a net deficit of $25 million for the same period of 2023. This increase was mainly due in particular to higher insurance revenue, in automobile and property insurance. In addition, the cost of claims fell as a result of a more favourable change in prior year claims, especially in property and automobile insurance. The claims experience in automobile and business insurance in the first quarter of 2024 was also lower than in the comparative period of 2023, due to a reduced frequency of claims as a result of milder weather conditions. This increase was also due to a significantly higher net insurance finance result.

OTHER CATEGORY

Results for the first quarter

For the first quarter of 2024, the Other category posted surplus earnings of $5 million, compared to $81 million for the same 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 first quarter of 2024, available on the Desjardins website or on the SEDAR+ website, at 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 fifth largest cooperative financial group in the world, with assets of $435.8 billion as at March 31, 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, as defined by 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 about 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 first 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 first 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 first 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 first 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 reclassified 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. has been changed, and these items are now presented under "Net interest income" instead of "Other income." This new presentation has been considered preferable to provide reliable and more relevant information. As a result, for the three-month period ended March 31, 2023, a net amount of $116 million has been moved in two gross amounts from "Other income" to interest income and interest expense, under "Net interest income," changing these line items by $270 million and $386 million, respectively. This change had no impact on total net income 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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