Desjardins | 125 YEARS OF AMBITION

Financial Report

Second quarter of 2025

Desjardins Group posts surplus earnings of $900 million for the second quarter of 2025 and surpasses $500 billion in assets

MESSAGE FROM SENIOR MANAGEMENT

Lévis, August 12, 2025 – For the second quarter ended June 30, 2025, Desjardins Group, North America's largest financial cooperative group, recorded surplus earnings before member dividends of $900 million, compared to $918 million for the comparable period of 2024. This decrease in surplus earnings was primarily due to an increase in the provision for credit losses, due in particular to unfavourable developments in the economic outlook, related to the potential impact of trade disruptions. However, the Personal and Business Services segment benefited from higher net interest income, mainly tied to growth in the loan portfolio, which, among other things, allowed the Group to surpass $500 billion in assets. To support this sustained growth, Desjardins Group expanded its presence on international financing markets by issuing subordinated debt in Swiss francs and yen. Lastly, it should be noted that non-interest expense increased due to investments aimed at supporting business growth and enhancing the services offered to members and clients.

This result reflects the contribution of $370 million made by the Personal and Business Services segment. The Property and Casualty Insurance segment contributed $307 million to surplus earnings, and the Wealth Management and Life and Health Insurance segment, $226 million.

The provision for member dividends totalled $113 million for the second quarter of 2025, up $3 million compared to the corresponding quarter of 2024. The amounts returned in the form of sponsorships, donations and scholarships rose to $34 million, compared to $33 million for the same period in the previous year, of which $17 million was from the caisses' Community Development Fund. In addition to this, commitments of $8 million were made for the second quarter of 2025 in connection with the GoodSpark Fund, which seeks, in particular, to provide social and economic support to the regions. Since 2017, Desjardins Group has made commitments totalling $219 million to the GoodSpark Fund.

Desjardins Group maintains strong capitalization levels, in accordance with Basel III rules. As at June 30, 2025, its Tier 1A and total capital ratios were 22.9% and 25.5%, respectively, compared to 22.2% and 24.2%, respectively, as at December 31, 2024.

In June and July 2025, Fitch and DBRS respectively confirmed the ratings assigned to instruments issued by the *Fédération des caisses Desjardins du Québec*, while maintaining their outlook as "stable."

"This year, in the 125th anniversary year of its founding, Desjardins has surpassed $500 billion in assets, demonstrating its ambition and how it has stayed close to members and clients," said Guy Cormier, President and CEO of Desjardins Group. "Desjardins continues to deliver remarkable performance. These results demonstrate the financial solidity of our cooperative model, as well as the unwavering commitment of our teams to supporting our members and clients. I wish my successor, Denis Dubois, the very best for continued growth and development of Desjardins Group."

ENHANCED DISCLOSURE TASK FORCE RECOMMENDATIONS INDEX

Disclosures made under the 32 recommendations of the Enhanced Disclosure Task Force (EDTF), established by the Financial Stability Board, are presented in the 2024 Annual Report and the Interim Financial Report for the second quarter of 2025, as well as in Supplemental Financial Information and the Pillar 3 Report, which are available on Desjardins Group's website at www.desjardins.com/ca/about-us/investor-relations. Supplemental Financial Information and the Pillar 3 Report are not incorporated by reference in this Management's Discussion and Analysis (MD&A).

Below is a summary of disclosures under the EDTF recommendations aimed at enhancing risk disclosure and transparency, and the location of the disclosures (page number):

				Second quarter of 2025		
Type of risk	Recom-mendation	Disclosure	2024 Annual Report	Interim Financial Report	Supplemental Financial Information	Pillar 3 Report
General	1	Summary of risk information	XXXIII	Current page		
	2	Risk terminology, risk measures and key parameters	55-61, 106-113	52-59	11	98-101
	3	Top and emerging risks	45, 52-55, 61-86	11, 33		
	4	New regulatory ratios	45-47, 79, 81-83, 219, 220	29-31, 40, 42-44		
Risk governance, risk management and business models	5	Organizational risk management structure	55-61			
	6	Risk management culture	57-61			
	7	Risks from business model and risk appetite	12, 26, 30, 34, 38, 44, 48-50, 55-62			
	8	Stress testing	44, 56, 61, 62, 76, 77			
Capital adequacy and risk-weighted assets	9	Minimum regulatory capital requirements	45	29		16-18, 91, 92
	10	Reconciliation of the accounting balance sheet and the regulatory balance sheet	46-48, 219, 220	30		20, 21, 33, 34, 91
	11	Movements in regulatory capital	46-48	31		
	12	Capital management and planning	44-50	28-32		
	13	Risk-weighted assets by business segment	49, 62			6-9
	14	Breakdown of capital requirements by type of risk and by calculation method	48, 49, 63, 64, 67, 68, 76, 77	30-32		6-8, 10
	15	Credit risk	48-50	30-32		63-66, 69
	16	Movements in risk-weighted assets by type of risk	49, 50	31, 32		6-10, 63
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	20	Residual contractual maturities of assets, liabilities and off-balance sheet commitments	82-85, 226-229	43-49		
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	23	Market risk factors	74-78, 203-207	36-40		87
	24	Assumptions, limitations and validation procedures for market risk models	76, 77	38, 39		
	25	Extreme loss measures	44, 56, 76, 77			
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	27	Policy for identifying gross credit-impaired loans	69, 127-147			
	28	Reconciliation of gross credit-impaired loans and allowance for credit losses	43, 44, 69-73, 127-147, 161-168	27, 34, 74-80		48-62
	29	Counterparty risk related to derivatives	73, 74, 208-217			70-82
	30	Credit risk mitigation techniques	68, 73, 74, 208-217			38-42, 88
Other risks	31	Management of other risks	48-50, 52-55, 59-62, 86-93	32, 33		
	32	Publicly known risk events	86-88, 224, 225			

MANAGEMENT'S DISCUSSION AND ANALYSIS

Desjardins Group (hereinafter also referred to as Desjardins) comprises the Desjardins caisses in Québec and Caisse Desjardins Ontario Credit Union Inc. (the caisses), the *Fédération des caisses Desjardins du Québec* (the Federation) and its subsidiaries, and the *Fonds de sécurité Desjardins*.

The Management's Discussion and Analysis (MD&A) dated August 12, 2025, presents an analysis of the results of and main changes to Desjardins Group's balance sheet for the period ended June 30, 2025, in comparison with prior periods. Desjardins Group reports financial information in compliance with *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* (Regulation 52-109) prescribed by the Canadian Securities Administrators (CSA). Unlike the Federation, Desjardins Group is not a reporting issuer, on a combined basis, under this or any other applicable securities regulation. Pursuant to Decision No. 2021-FS-0091 of the *Autorité des marchés financiers* (AMF) dated April 23, 2021, the Combined Financial Statements and MD&As of Desjardins Group are to be filed by the Federation in place of the Consolidated Financial Statements and MD&As of the Federation, in order to meet its financial disclosure obligations as a reporting issuer under *Regulation 51-102 respecting Continuous Disclosure Obligations* of the CSA, and the Federation will maintain controls and procedures with respect to the Combined Financial Statements and MD&As of Desjardins Group in compliance with Regulation 52-109. Since April 23, 2021, and pursuant to the AMF and CSA decision, the Federation has used the financial statements and MD&As of Desjardins Group for all relevant purposes under the applicable securities regulations. Information on the controls and procedures with respect to the Combined Financial Statements and MD&As of Desjardins Group may be found in the "Additional information" section of this MD&A.

This MD&A should be read in conjunction with the unaudited Condensed Interim Combined Financial Statements (the Interim Combined Financial Statements), including the notes thereto, as at June 30, 2025, and Desjardins Group's 2024 Annual Report (the 2024 Annual Report), which contains the MD&A and the audited Annual Combined Financial Statements (the Annual Combined Financial Statements).

Additional information about Desjardins Group is available on the SEDAR+ website at www.sedarplus.com (under the *Fédération des caisses Desjardins du Québec* profile). The Annual Information Form of the Federation (under the *Fédération des caisses Desjardins du Québec* profile) can be found on SEDAR+ as well. Further information is available on the Desjardins website at www.desjardins.com/ca/about-us/investor-relations. None of the information presented on these sites is incorporated by reference into this MD&A.

The Annual and Interim Combined Financial Statements have been prepared by Desjardins Group's management in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the accounting requirements of the AMF, which do not differ from IFRS. IFRS represent Canadian generally accepted accounting principles (GAAP). These 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 have been applied as described in Note 2, "Accounting policies," to the Annual Combined Financial Statements.

This MD&A was prepared in accordance with the regulations in force on continuous disclosure obligations issued by the CSA. 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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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Desjardins Group's public communications include from time to time oral or written forward-looking statements, within the meaning of applicable securities legislation, particularly in Québec, Canada and the United States. Forward-looking statements are found in this MD&A and may also be incorporated in other filings with Canadian regulators or in any other communications. In addition, Desjardins Group's representatives may make oral 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, its strategies to achieve them, its results and its financial position, economic as well as financial market conditions, the outlook for the Québec, Canadian, U.S. and global economies, and the regulatory environment in which we operate. Such forward-looking statements are typically identified by words or phrases such as "target," "objective," "timing," "outlook," "believe," "predict," "foresee," "expect," "intend," "have as a goal," "estimate," "plan," "forecast," "anticipate," "aim," "propose," "should" and "may," words and expressions of similar import, and future and conditional verbs, in all grammatical variants.

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, including those in this MD&A. 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 actual future results, conditions, actions or events may 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 MD&A include those discussed in the "Risk management" section of Desjardins Group's 2024 annual MD&A and this MD&A for the second quarter of 2025, 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 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, geopolitical uncertainty, artificial intelligence and data risk. In addition, there are factors related to the trade dispute with the United States and the impact that tariffs on certain Canadian exports as well as any resulting retaliatory tariffs could notably have on goods and services, businesses in certain industries, and the Canadian economy. Also of note are factors related to general economic and business conditions in 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; 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 unexpected changes in consumer spending and saving habits, the potential impact of international conflicts on operations, public health crises, such as pandemics and epidemics, or any other similar events 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 about these factors is found in the "Risk management" section of Desjardins Group's 2024 annual MD&A and of this MD&A for the second quarter of 2025.

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 about these and other factors is found in the "Risk management" section of Desjardins Group's 2024 annual MD&A and of this MD&A for the second quarter of 2025.

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 2024 annual MD&A and of this MD&A for the second quarter of 2025, and can be updated in quarterly MD&As filed thereafter. Readers are cautioned to consider the foregoing factors when reading this section. To determine 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 judgments, and identified upside and downside risks for the domestic and global economies. In light of the changing circumstances of the U.S. trade dispute and the resulting impact on the Canadian economy, financial market conditions, commercial operations, and Desjardins Group's financial results and financial position, there is greater uncertainty about our economic assumptions than in previous periods, as these assumptions are based on uncertain future developments and it is difficult to predict how significant the long-term impact of U.S. tariffs will be.

Any forward-looking statements contained in this MD&A 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.

NON-GAAP 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 those used by Desjardins Group below:

- Non-GAAP financial measures.
- Non-GAAP ratios.
- Supplementary financial measures.

Non-GAAP financial measures and ratios

Non-GAAP financial measures and ratios used by Desjardins Group, and which do not have a standardized definition, are not directly comparable to similar measures used by other companies, and may not be directly comparable to any GAAP measures. Regulation 52-112 states, among other things, that any ratio with at least one non-GAAP financial measure meets the definition of a non-GAAP ratio. These non-GAAP financial measures and ratios may be useful to investors, among others, in analyzing Desjardins Group's overall performance or financial position. They are defined as follows:

Net interest margin

Net interest margin, which is a non-GAAP ratio, is used to measure the profitability of core interest-bearing assets, net of financing cost. It is equal to net interest income on core assets expressed as a percentage of average core interest-bearing assets.

Average interest-bearing assets is a non-GAAP financial measure that reflects Desjardins Group's financial position and is used to exclude assets not generating net interest income from average assets. Average interest-bearing assets consist of securities, including those borrowed or purchased under reverse repurchase agreements, cash and deposits with financial institutions, as well as loans. Average interest-bearing assets do not include life and health insurance and property and casualty insurance assets as well as all other assets not generating net interest income.

Average core interest-bearing assets is a non-GAAP financial measure that is used to exclude assets related to trading activities from average interest-bearing assets, when calculating net interest margin.

Net interest income on core assets is a non-GAAP financial measure that is used to exclude net interest income generated by non-core assets from net interest income.

The table below presents the reconciliation of non-GAAP financial measures with financial measures presented in accordance with GAAP in the Combined Financial Statements and used to calculate net interest margin.

Net interest margin

	For the three-month periods ended			For the six-month periods ended	
(in millions of dollars and as a percentage)	**June 30, 2025**	March 31, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Average assets – as presented	**$ 494,600**	$ 479,444	$ 440,084	**$ 486,714**	$ 434,369
Less: Assets not generating net interest income	**94,235**	92,439	87,819	**93,651**	86,436
Average interest-bearing assets	**400,365**	387,005	352,265	**393,063**	347,933
Less: Assets related to trading activities	**41,800**	39,566	30,199	**40,187**	28,659
Average core interest-bearing assets	**$ 358,565**	$ 347,439	$ 322,066	**$ 352,876**	$ 319,274
Net interest income – as presented	**$ 2,024**	$ 1,967	$ 1,861	**$ 3,991**	$ 3,594
Less: Net interest income from non-core assets	**(13)**	2	(9)	**(11)**	(37)
Net interest income on core assets	**$ 2,037**	$ 1,965	$ 1,870	**$ 4,002**	$ 3,631
Net interest margin[(1)]	**2.28%**	2.29%	2.34%	**2.29%**	2.29%

[(1)] Corresponds to an annualized calculation that takes into account the number of days in the period concerned.

Net interest margin – Personal and Business Services

The Personal and Business Services segment's net interest margin, which is a non-GAAP ratio, is used to measure the profitability of core interest-bearing assets, net of financing cost. It is equal to net interest income on core assets expressed as a percentage of average core interest-bearing assets.

Average core interest-bearing assets is a non-GAAP financial measure that reflects the Personal and Business Services segment's financial position and is used to exclude assets not generating net interest income and certain other assets from average assets, when calculating net interest margin. The Personal and Business Services segment's average core interest-bearing assets include securities, cash and deposits with financial institutions, as well as loans, and excludes assets related to trading activities as well as assets related to capital market and liquidity management activities, and all other assets not generating net interest income.

Net interest income on core assets is a non-GAAP financial measure that is used to exclude net interest income generated by non-core assets from net interest income.

The table below presents the reconciliation of non-GAAP financial measures with financial measures presented in accordance with GAAP in the Combined Financial Statements and used to calculate net interest margin for the Personal and Business Services segment.

Net interest margin – Personal and Business Services

	For the three-month periods ended			For the six-month periods ended	
(in millions of dollars and as a percentage)	**June 30, 2025**	March 31, 2025	June 30, 2024[1]	**June 30, 2025**	June 30, 2024[1]
Average assets – as presented	**$ 380,871**	$ 364,460	$ 338,568	**$ 372,719**	$ 334,958
Less: Assets not generating net interest income	**6,976**	6,506	8,797	**6,921**	7,499
Average interest-bearing assets	**373,895**	357,954	329,771	**365,798**	327,459
Less: Assets related to trading activities	**43,839**	39,174	26,923	**41,387**	24,813
Less: Other deductions[2]	**56,545**	52,934	54,018	**54,583**	55,450
Average core interest-bearing assets	**$ 273,511**	$ 265,846	$ 248,830	**$ 269,828**	$ 247,196
Net interest income – as presented	**$ 1,920**	$ 1,818	$ 1,777	**$ 3,738**	$ 3,455
Less: Net interest income from non-core assets	**117**	121	125	**238**	204
Net interest income on core assets	**$ 1,803**	$ 1,697	$ 1,652	**$ 3,500**	$ 3,251
Net interest margin – Personal and Business Services[3]	**2.64%**	2.59%	2.67%	**2.62%**	2.64%

(1) Some data have been restated to conform with the current period's presentation.
(2) From assets related to capital market and liquidity management activities.
(3) Corresponds to an annualized calculation that takes into account the number of days in the period concerned.

Loss ratio – Expense ratio – Ratio of losses on onerous contracts – Combined ratios

The following non-GAAP ratios, which are net of reinsurance, are used to analyze the performance of the Property and Casualty Insurance segment and more specifically:

- Loss ratio (undiscounted): Used as a measure of business quality.
- Expense ratio: Used as a measure of the effectiveness of non-interest expense management, excluding certain items such as non-interest expense related to claims.
- Ratio of losses on onerous contracts: Used as a measure of the effect of onerous contracts on profitability.
- Combined ratio (discounted and undiscounted): Used as a measure of business profitability, excluding the effect of the net insurance finance result and certain other income.

The loss ratio is equal to the net claims expenses expressed as a percentage of net insurance revenue. Net claims expenses is a non-GAAP financial measure, which is used to exclude policy costs and acquisition costs, as well as the effect of the loss component on onerous contracts and the effect of discounting net liabilities for incurred claims, and to take into account incurred claims and costs of ceded claims.

Net insurance revenue is a non-GAAP financial measure. It is used to exclude premiums paid related to reinsurance activities and is the denominator in calculating the following ratios: loss ratio, expense ratio and ratio of losses on onerous contracts.

The loss ratio is comprised of the following ratios:

- Current year loss ratio, which is the loss ratio excluding catastrophe and major event claims expenses for the current year as well as claims expenses for changes in prior year claims, net of related reinsurance held.
- Loss ratio related to catastrophes and major events, which is the loss ratio including catastrophe and major event claims expenses for the current year, net of related reinsurance held.
- Ratio of changes in prior year claims, which is the loss ratio including changes in prior year claims, net of related reinsurance held.

The expense ratio is equal to non-interest expense, excluding non-interest expense related to claims and certain items, expressed as a percentage of net insurance revenue. Non-interest expense excluding non-interest expense related to claims and certain items is a non-GAAP financial measure. It is used to consider all expenses excluding investment management fees and some other specific items.

The ratio of losses on onerous contracts is equal to the effect of the loss component on net onerous contracts expressed as a percentage of net insurance revenue. The effect of the loss component on net onerous contracts is a non-GAAP financial measure, which is used to include losses and reversals of losses on net onerous contracts, as well as decreases in the loss component related to past services, net of reinsurance.

The combined ratio is equal to the sum of the loss ratio, the expense ratio and the ratio of losses on onerous contracts.

The discounted combined ratio is equal to the combined ratio, including the effect of discounting net liabilities for incurred claims.

The following table presents the reconciliation between non-GAAP financial measures and the financial measures presented in accordance with GAAP in the Combined Financial Statements and used to calculate the loss ratio, the expense ratio, the ratio of losses on onerous contracts, and the combined ratios for the Property and Casualty Insurance segment.

Loss ratio – Expense ratio – Ratio of losses on onerous contracts – Combined ratios

(in millions of dollars and as a percentage)	For the three-month periods ended June 30, 2025	March 31, 2025	June 30, 2024[1]	For the six-month periods ended June 30, 2025	June 30, 2024[1]
Insurance revenue – as presented	**$ 1,985**	$ 1,931	$ 1,790	**$ 3,916**	$ 3,539
Less: Premiums paid related to reinsurance activities[2]	**102**	96	84	**198**	169
Net insurance revenue	**$ 1,883**	$ 1,835	$ 1,706	**$ 3,718**	$ 3,370
Insurance service expenses – as presented	**$ 1,486**	$ 1,790	$ 1,297	**$ 3,276**	$ 2,789
Less: Policy costs and acquisition costs	**389**	360	343	**749**	682
Less: Effect of loss component on onerous contracts	**46**	165	(22)	**211**	70
Less: Effect of discounting net liabilities for incurred claims	**(75)**	(69)	(83)	**(144)**	(161)
Less: Incurred claims and costs of ceded claims[2]	**21**	48	56	**69**	150
Net claims expenses[3]	**$ 1,105**	$ 1,286	$ 1,003	**$ 2,391**	$ 2,048
Gross non-interest expense – as presented	**$ 305**	$ 276	$ 268	**$ 581**	$ 516
Less: Non-interest expense related to claims[4] and certain items[5]	**119**	110	109	**229**	216
Plus: Acquisition costs and certain policy costs included in insurance service expenses	**321**	301	287	**622**	570
Non-interest expense excluding non-interest expense related to claims and certain items	**$ 507**	$ 467	$ 446	**$ 974**	$ 870
Effect of loss component on onerous contracts	**$ 46**	$ 165	$ (22)	**$ 211**	$ 70
Less: Effect of loss component on ceded onerous contracts[2]	**(1)**	9	(5)	**8**	(2)
Effect of loss component on net onerous contracts	**$ 47**	$ 156	$ (17)	**$ 203**	$ 72
Loss ratio[3]	**58.7%**	70.1%	58.8%	**64.3%**	60.8%
Expense ratio	**26.9**	25.4	26.1	**26.2**	25.8
Ratio of losses on onerous contracts	**2.5**	8.5	(1.0)	**5.5**	2.1
Combined ratio[3]	**88.1**	104.0	83.9	**96.0**	88.7
Discounted combined ratio	**84.1**	100.3	79.0	**92.1**	83.9

(1) Some data have been restated to conform with the current period's presentation.
(2) These items are included under "Net reinsurance service income (expenses)."
(3) Data or undiscounted ratio, therefore excluding the effect of discounting net liabilities for incurred claims.
(4) Represents non-interest expense directly related to claims adjustments, which are presented under "Insurance service expenses."
(5) From investment management fees and certain other specific items.

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 amount returned to members and the community, a non-GAAP financial measure, is used to present the overall amount returned to the community and is composed of member dividends, as well as sponsorships, donations and scholarships.

More detailed information about the amount returned to members and the community may be found in the "Financial highlights" table on page 10 of this MD&A.

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 52 to 59.

CHANGES IN THE REGULATORY ENVIRONMENT

Desjardins Group closely monitors regulations for financial products and services, as well as new developments, particularly in fraud, corruption, tax evasion, privacy protection, money laundering, terrorist financing, and domestic and international economic sanctions in order to mitigate any negative impact on its operations, and aims to comply with best practices in this regard. Additional information can be found in the "Regulatory environment" section of Desjardins Group's 2024 annual MD&A. Further information about regulatory developments is provided in the "Capital management" section and "Risk management" section of this MD&A for the second quarter of 2025.

Since the release of Desjardins Group's 2024 annual MD&A, the changes in the regulatory environment described below must also be considered:

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)

Major amendments to the PCMLTFA and its regulations were announced on July 10, 2019. These amendments, which came into force between 2021 and 2024, mainly affected Desjardins Group's record-keeping and reporting requirements. Significant work has been done to implement these changes and will continue to be done for improvement purposes.

Moreover, since 2024, Desjardins Group has been subject to new reporting and correspondent banking relationship requirements, in addition to having to pay an assessment to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to cover examination fees. Desjardins Group has also been required to submit Suspicious Transaction Reports since August 19, 2024, where there are reasonable grounds to suspect that there has been actual or attempted economic sanctions evasion.

In addition, new amendments to the PCMLTFA announced by the Department of Finance Canada came into force in April 2025, and others will come into force in October 2025. These amendments relate, in particular, to information sharing between reporting entities, the requirement to report any listed person or entity property to FINTRAC, the inclusion of new reporting entities, and the reporting of discrepancies in beneficial ownership. Desjardins Group is continuing its work to comply with the requirements coming into force in October 2025.

Lastly, the tabling in the House of Commons of federal Bill C-2, *An Act respecting certain measures relating to the security of the border between Canada and the United States and respecting other related security measures*, on June 3, 2025 gives concrete expression to several priorities put forward by the Department of Finance in the 2024 Fall Economic Statement. Bill C-2 includes legislative and regulatory amendments to impose stricter penalties for violations of the PCMLTFA and to strengthen compliance by reporting entities, in particular by significantly increasing administrative monetary penalties. Desjardins Group will closely monitor the progress of this Bill until it is passed and comes into force.

Artificial Intelligence (AI)

Following industry consultations on the AMF's *Issues and Discussion Paper – Best practices for the responsible use of AI in the financial sector*, the AMF issued the *Guideline for the Use of Artificial Intelligence* on July 3, 2025 in order to set out its expectations for the measures that a financial institution must take to properly supervise and manage the risks in using Artificial Intelligence Systems. A consultation is currently underway and Desjardins will actively take part in the information sessions to be held over the coming months. It plans to draft its comments, which must be filed by no later than November 7, 2025.

Environmental, social and governance (ESG) factors

Regulatory and standard-setting authorities continue to clarify their ESG expectations by developing frameworks and standards:
- Following the international publication of IFRS S1 and IFRS S2 by the International Sustainability Standards Board (ISSB) in June 2023, the Canadian Sustainability Standards Board (CSSB) issued on December 18, 2024 Canadian Sustainability Disclosure Standard (CSDS) 1, *General Requirements for Disclosure of Sustainability-related Financial Information*, and CSDS 2, *Climate-related Disclosures*.
- In the first quarter of 2025, the AMF and the Office of the Superintendent of Financial Institutions (OSFI) released a new version of their climate risk management guidelines. The amendments include the postponement of the implementation date for reporting Scope 3[1] greenhouse gas emissions, in order to be aligned with CSDS standards. Desjardins Group continues to monitor developments in these standards.
- The Financial Services Regulatory Authority of Ontario (FSRA) has included climate risk management in its *Operational Risk and Resilience Guidance* for credit unions and caisses populaires. FSRA also assesses its ESG initiatives (in particular regarding climate risk) as an integral part of its resilience rating.
- On April 23, 2025, the CSA announced that it was pausing its work on the development of a new mandatory climate-related disclosure rule and amendments to the existing diversity-related disclosure requirements. This was being done to support Canadian markets and issuers in view of recent economic and geopolitical events in the United States and globally.

Desjardins Group continues to monitor developments in this file closely and responds, where relevant, to consultations on the subject directly or through industry associations. Desjardins is also ensuring that it follows sound practices in ESG integration, monitoring and disclosure. This disclosure is reflected in the annual Social and Cooperative Responsibility report, which is aligned, in particular, with the standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). It is also included in the *Climate action at Desjardins* report, structured according to the AMF's and the OSFI's climate risk management disclosure guidelines. The key points of this disclosure, together with the recommendations in these guidelines, are summarized in Section 4.2.10 "Environmental, social and governance (ESG) risk" of Desjardins Group's 2024 annual MD&A.

Competition Act

On June 5, 2025, the Competition Bureau Canada issued its final guidelines on environmental claims following a public consultation. These guidelines are intended to help businesses ensure compliance with the *Competition Act* when filing their claims. The guidelines therefore set out the concepts used in the *Competition Act* and show how they apply, in particular, through hypothetical scenarios. As a result, the guidelines do not add any new requirements but clarify instead the expectations formulated in the *Competition Act*. Desjardins Group is taking action to comply with these requirements.

Complaint processing

The *Regulation respecting complaint processing and dispute resolution in the financial sector* came into force on July 1, 2025. The aim of this new regulation is to reduce the response time faced by Québec consumers when filing their complaints with financial institutions and insurers, as well as to harmonize the complaint handling process within the various organizations regulated by the AMF. The new requirements particularly reduce complaint handling time from 90 to 60 days, and the Regulation provides for administrative penalties in the event of default. With the harmonization and streamlining work done over the past few months and the implementation of a new complaint management tool, Desjardins Group now complies with the new requirements.

[1] Indirect greenhouse gas emissions resulting from the company's value chain operations but not included in Scopes 1 and 2.

Self-reporting and Cooperation Policy

On May 20, 2025, the AMF adopted a *Self-reporting and Cooperation Policy that* applies to breaches of, or incidents of non-compliance with, the *Act respecting the regulation of the financial sector* or any of the laws administered by the AMF. It provides for a possibility of sanction relief and offers clear guidance to promote proactivity and proceed with self-reporting.

Bill 92, An Act to amend various provisions mainly with respect to the financial sector

Bill 92, *An Act to amend various provisions mainly with respect to the financial sector*, which was assented to on June 4, 2025, aims to promote integrity in the financial sector and maintain public trust. It introduces a new penalty system for financial institutions of up to $2 million for each day of non-compliance. It also allows anyone to apply to the Financial Markets Administrative Tribunal to obtain such a penalty. Bill 92 has also provided for the creation of the *Chambre de l'assurance* as a result of the amalgamation of the *Chambre de la sécurité financière* and the *Chambre de l'assurance de dommages*. The new penalties that can be imposed on anyone who contravenes or aids in contravening any provision of the *Insurers Act*, the *Act respecting financial services cooperatives* and the *Trust Companies and Savings Companies Act*, therefore directly affect Desjardins Group's operations.

Bill C-8, An Act respecting cyber security, amending the Telecommunications Act and making consequential amendments to other Acts

On June 18, 2025, the federal Minister of Public Security tabled Bill C-8, *An Act respecting cyber security, amending the Telecommunications Act and making consequential amendments to other Acts* (Bill C-8), which largely mirrors the provisions of Bill C-26, *An Act respecting cyber security, amending the Telecommunications Act and making consequential amendments to other Acts*, introduced in 2022, but abandoned when Parliament was prorogued in January 2025. The purpose of this Bill is to amend the *Telecommunications Act* and to enact the *Critical Cyber Systems Protection Act* (CCSPA). Bill C-8 proposes a regulatory framework aimed at proactively strengthening the cyber security of critical infrastructure in federally regulated sectors such as telecommunications, energy, transportation, and banking, clearing and insurance systems. In particular, it provides for identifying critical systems, establishing a cybersecurity program and communicating it to regulatory bodies, implementing measures to mitigate supply chain risks, reporting any incidents involving a critical cyber system to federal authorities and regulatory bodies within the required time frame, and introducing significant penalties. Even though Desjardins Group, as a Québec financial cooperative, is primarily subject to provincial regulations, some of its entities, including Desjardins Trust and certain insurers, are federally regulated financial institutions and could be subject to CCSPA requirements if they are designated as critical cyber system operators. Desjardins Group is closely monitoring developments in the federal legislative framework and continues to proactively integrate cybersecurity best practices into its risk management framework.

DESJARDINS GROUP PROFILE

Desjardins Group is the largest financial cooperative group in North America, with assets of $501.3 billion. As at June 30, 2025, the organization included 198 caisses in Québec and Caisse Desjardins Ontario Credit Union Inc., the *Fédération des caisses Desjardins du Québec* and its subsidiaries, and the *Fonds de sécurité Desjardins*. A number of its subsidiaries and components are active across Canada, and Desjardins Group maintains a presence in the United States through Desjardins Bank, National Association, and Desjardins Florida Branch.

Through its Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance business segments, Desjardins Group offers a full range of financial services to members and clients designed to meet their needs. As one of the largest employers in the country, Desjardins Group capitalizes on the skills of more than 57,200 employees and the commitment of nearly 2,300 directors in the caisse network.

The Federation is a cooperative entity that is responsible for assuming orientation, framework, coordination, treasury and development activities for Desjardins Group and acts as a financial agent on Canadian and foreign financial markets. It provides its member caisses with a variety of services, including certain technical, financial and administrative services. It acts as a monitoring and control organization for the caisses, and its mission includes risk management and capital management for Desjardins Group, as well as ensuring the financial soundness and sustainability of the Desjardins Cooperative Group (composed of the Desjardins caisse network in Québec, the Federation and the *Fonds de sécurité Desjardins*), pursuant to the *Act respecting financial services cooperatives* (AFSC). The Federation is, among other things, the treasurer and official representative of Desjardins Group with the Bank of Canada and the Canadian banking system. The Federation also has the right to participate in the Visa Inc. and MasterCard Inc. payment systems in Canada on behalf of Desjardins Group. In addition, it manages majority interests in joint-stock companies through holding companies.

The AFSC provides that the entities comprising the Desjardins Cooperative Group may be amalgamated into a single legal entity to be wound up, as these entities cannot be wound up in any other manner. It should be mentioned that Caisse Desjardins Ontario Credit Union Inc. is excluded from this amalgamation-liquidation provided for in the Act.

Summary additional information about the entities that are not part of the Desjardins Cooperative Group or the subsidiaries of the entities that comprise it but that are included in Desjardins Group's financial statements may be found under "Additional information required pursuant to the AMF's Decision No. 2021-FS-0091."

FINANCIAL HIGHLIGHTS

(in millions of dollars and as a percentage)	As at or for the three-month periods ended June 30, 2025	March 31, 2025	June 30, 2024[1]	As at or for the six-month periods ended June 30, 2025	June 30, 2024[1]
Results					
Net interest income	**$ 2,024**	$ 1,967	$ 1,861	**$ 3,991**	$ 3,594
Insurance service result	**593**	290	620	**883**	1,029
Net insurance finance result	**312**	174	237	**486**	547
Net insurance service income	**905**	464	857	**1,369**	1,576
Other income	**1,162**	1,251	1,035	**2,413**	2,147
Total net revenue	**4,091**	3,682	3,753	**7,773**	7,317
Provision for credit losses	**203**	210	87	**413**	220
Non-interest expense					
Gross non-interest expense	**2,950**	2,736	2,697	**5,686**	5,253
Non-interest expense included in insurance service expenses[2]	**(259)**	(233)	(250)	**(492)**	(495)
Net non-interest expense	**2,691**	2,503	2,447	**5,194**	4,758
Income taxes on surplus earnings	**297**	231	301	**528**	566
Surplus earnings before member dividends	**$ 900**	$ 738	$ 918	**$ 1,638**	$ 1,773
Contribution to surplus earnings by business segment[3]					
Personal and Business Services	**$ 370**	$ 399	$ 436	**$ 769**	$ 820
Wealth Management and Life and Health Insurance	**226**	168	246	**394**	419
Property and Casualty Insurance	**307**	34	294	**341**	574
Other	**(3)**	137	(58)	**134**	(40)
	$ 900	$ 738	$ 918	**$ 1,638**	$ 1,773
Return to members and the community[4]					
Member dividends	**$ 113**	$ 113	$ 110	**$ 226**	$ 220
Sponsorships, donations and scholarships[5]	**34**	26	33	**60**	60
	$ 147	$ 139	$ 143	**$ 286**	$ 280
Indicators					
Net interest margin[4]	**2.28%**	2.29%	2.34%	**2.29%**	2.29%
Return on equity[6]	**8.9**	7.8	10.2	**8.3**	10.0
Credit loss provisioning rate[6]	**0.28**	0.28	0.13	**0.28**	0.17
Gross credit-impaired loans/gross loans[6]	**0.82**	0.83	0.77	**0.82**	0.77
Liquidity Coverage Ratio[7]	**161**	172	160	**161**	160
Net Stable Funding Ratio[7]	**131**	131	129	**131**	129
Productivity index – Personal and Business Services[6]	**72.3**	70.4	71.6	**71.4**	71.2
Insurance and annuity premiums – Wealth Management and Life and Health Insurance[6]	**$ 1,570**	$ 1,688	$ 1,970	**$ 3,258**	$ 3,742
Total contractual service margin (CSM) – Wealth Management and Life and Health Insurance[8]	**2,554**	2,578	2,587	**2,554**	2,587
Direct premiums written – Property and Casualty Insurance[6]	**2,243**	1,671	2,082	**3,914**	3,638
On-balance sheet and off-balance sheet					
Assets	**$ 501,254**	$ 487,946	$ 444,348	**$ 501,254**	$ 444,348
Loans, net of allowance for credit losses	**306,274**	296,328	276,996	**306,274**	276,996
Deposits	**320,919**	309,379	290,085	**320,919**	290,085
Equity	**40,315**	39,371	36,488	**40,315**	36,488
Assets under administration[6]	**630,427**	614,643	557,902	**630,427**	557,902
Assets under management[6]	**111,505**	107,029	88,202	**111,505**	88,202
Average assets[6]	**494,600**	479,444	440,084	**486,714**	434,369
Capital measures					
Tier 1A capital ratio[9]	**22.9%**	22.4%	21.2%	**22.9%**	21.2%
Tier 1 capital ratio[9]	**22.9**	22.4	21.2	**22.9**	21.2
Total capital ratio[9]	**25.5**	25.3	23.2	**25.5**	23.2
TLAC ratio[10]	**33.2**	33.1	30.9	**33.2**	30.9
Leverage ratio[9]	**7.5**	7.6	7.6	**7.5**	7.6
TLAC leverage ratio[10]	**10.6**	11.0	10.9	**10.6**	10.9
Risk-weighted assets[9]	**$ 150,888**	$ 151,882	$ 147,074	**$ 150,888**	$ 147,074
Other information					
Number of employees (full-time equivalent)	**52,517**	51,406	50,665	**52,517**	50,665

(1) Some data have been restated to conform with the current period's presentation.
(2) Represents the non-interest expense directly related to the fulfillment of insurance contracts presented under "Insurance service result."
(3) The breakdown by line item is presented in Note 11, "Segmented information," to the Interim Combined Financial Statements.
(4) For more information about non-GAAP financial measures and non-GAAP ratios, see "Non-GAAP and other financial measures" on pages 5 to 7.
(5) Including $17 million from the caisses' Community Development Fund ($13 million for the first quarter of 2025, $16 million for the second quarter of 2024, $30 million for the first six months of 2025 and $27 million for the first six months of 2024).
(6) For further information about supplementary financial measures, see the Glossary on pages 52 to 59.
(7) In accordance with the *Liquidity Adequacy Guideline* issued by the AMF, see the "Risk management" section.
(8) Total CSM of $2,809 million ($2,795 million as at June 30, 2024) presented net of reinsurance for a total of $255 million ($208 million as at June 30, 2024). 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* issued by the AMF for financial services cooperatives in particular; see the "Capital management" section.
(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., see the "Capital management" section.

SIGNIFICANT EVENTS

Desjardins Group has announced the appointment of its new President and CEO

On June 2, the Board of Directors announced the appointment of Denis Dubois as the next President and CEO of Desjardins Group, effective September 2, 2025. He will succeed Guy Cormier, who has held this position since March 2016. Mr. Cormier will ensure a seamless transition in leadership, supporting Denis Dubois and the Board of Directors as a strategic advisor from September 2, 2025, to March 2026.

ECONOMIC ENVIRONMENT AND OUTLOOK

Global economy

Since the beginning of 2025, the path taken by global economy has been largely in reaction to the Trump administration's trade policy in the United States. The introduction of the first tariffs and fears of widespread U.S. trade barriers gave a boost to exports from several countries in the first quarter of 2025, including Canada. On the other hand, U.S. imports fell in the second quarter, and many countries recorded declines in exports to the U.S. in the same period. As U.S. tariff policy may still be subject to change, the global economy will also be sensitive to upcoming announcements. Economic growth is nevertheless expected to slow in most countries over the coming quarters. This political and economic instability will also have repercussions in the eurozone, especially as the appreciation of the euro is not helping exporters. European growth could nevertheless gradually benefit from the spillover effects of the European Union's rearmament plan, which aims to mobilize significant funds to strengthen the defence capabilities of member states. Global real GDP is expected to grow by 2.5% in 2025 and 2.6% in 2026.

United States

The U.S. economy suffered a rare contraction in early 2025. Real GDP fell by 0.5% on an annualized basis in the first quarter. Ahead of the imposition of new tariffs, a larger share of domestic demand was met by imports. The opposite effect was noted during the second quarter as imports declined. These movements are clearly the result of the back-and-forth in the positions taken by the Trump administration on tariffs, particularly those toward China. Even though real GDP rallied in the second quarter, consumer and business confidence remains low due to the uncertainty created by the White House's trade and fiscal policies. Inflation expectations are high, but the real and direct effects of tariffs on consumer prices are not yet apparent. Growth for 2025 as a whole is expected to be 1.3%. The U.S. Federal Reserve should begin a series of key interest rate cuts starting in September. Real U.S. GDP growth in 2026 is forecast at 1.4%.

Canada

The Canadian economy had a relatively good start to 2025 as some activities were moved up to avoid the new tariffs introduced in both the United States and Canada. Due to several headwinds, the rest of the year looks much more challenging, and a sharp slowdown in growth is expected. First, the trade war with the United States will significantly slow trade beginning in the spring, with negative consequences for real Canadian GDP. Growing uncertainty for both consumers and businesses is also expected to dampen consumer spending and investment growth. Second, new federal immigration measures are provoking a sharp slowdown in population growth, as expected, that will dampen some domestic spending. Lastly, the wave of mortgage renewals at higher interest rates could lead some households to reduce discretionary spending. That said, federal income tax cuts, combined with accelerated government spending on infrastructure and defence, should partially offset the negative effects of such headwinds. Real GDP in Canada could grow by 1.4% in 2025 and 2026.

Québec

Economic activity in Québec is gradually beginning to slow. Following sustained growth in 2024, real GDP continued to expand in early 2025, driven in particular by higher exports as businesses sped up deliveries in anticipation of the new tariffs. The labour market and the real estate sector continue to show greater resilience than expected. However, most net job creation is concentrated in sectors that are heavily dependent on public spending, such as health, education and public administration, suggesting that growth may soon slow. As Québec is more exposed to trade tensions than the Canadian average, this vulnerability could result in virtually no real GDP growth in the spring and summer. However, several factors should mitigate the slowdown. In the short term, public investment—particularly that put forward under the Québec Infrastructure Plan and future Hydro-Québec projects—will help dampen the economic shock, especially in goods-producing sectors. In the medium term, Québec's relative growth could be limited by structural constraints. These include unfavourable demographics, marked by a stagnating labour force, and the province's fiscal restraint, which limits government flexibility. These factors are likely to further curtail economic activity, particularly in those regions already facing labour shortages.

REVIEW OF FINANCIAL RESULTS

ANALYSIS OF RESULTS

Surplus earnings

Comparison of the second quarters of 2025 and 2024

For the second quarter ended June 30, 2025, Desjardins Group recorded surplus earnings before member dividends of $900 million, compared to $918 million for the comparable period of 2024. This decrease in surplus earnings was primarily due to an increase in the provision for credit losses, due in particular to unfavourable developments in the economic outlook, related to the potential impact of trade disruptions. However, the Personal and Business Services segment benefited from higher net interest income, mainly tied to growth in the loan portfolio. Lastly, it should be noted that non-interest expense increased due to investments aimed at supporting business growth and enhancing the services offered to members and clients.

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, a mission it continued to strive to achieve in the second quarter of 2025.

- A total of $147 million was returned to members and the community,[1] compared to $143 million in the second quarter of 2024.
  - The provision for member dividends totalled $113 million for the quarter ended June 30, 2025, up $3 million from the corresponding quarter of 2024.
  - An amount of $34 million was returned in the form of sponsorships, donations and scholarships, compared to $33 million in the same period last year, including $17 million in the second quarter of 2025 and $16 million in the second quarter of 2024 from the caisses' Community Development Fund.
- Commitments of $8 million were made in the second quarter of 2025 with regard to the GoodSpark Fund, which seeks in particular to provide social and economic support to the regions. Since 2017, Desjardins Group has made commitments totalling $219 million.

- **Business segment contributions to surplus earnings**
  - Personal and Business Services: **Surplus earnings totalled $370 million,** down $66 million compared to the same period in 2024, mainly due to the following:
    - Increase in gross non-interest expense, reflecting investments made to support growth in operations and enhance the services offered to members and clients.
    - Increase in the provision for credit losses.
    - Partially offset by growth in net interest income and in other income related to business growth.
  - Wealth Management and Life and Health Insurance: **Surplus earnings totalled $226 million,** down $20 million, compared to the second quarter of 2024 due to the following:
    - Gain on the disposal in 2024 of the interest in Fiera Holdings Inc. and Fiera Capital LP.
    - Higher administration expenses and investments related to the continued implementation of strategic projects.

    This decrease was partially offset by the following:
    - Increase in the insurance service result, since the result for the previous period had been negatively affected by the updating of actuarial assumptions and the indexation assumption.
    - Increase in the net insurance finance result.
  - Property and Casualty Insurance: **Surplus earnings totalled $307 million,** up $13 million, compared to the second quarter of 2024. The change was due to the following:
    - Higher insurance revenue.
    - Increase in the net insurance finance result.
    - Partially offset by an increase in insurance service expenses.

- **Return on equity was 8.9%,** compared to 10.2% for the quarter ended June 30, 2024.

[1] For more information on non-GAAP financial measures, see "Non-GAAP and other financial measures" on pages 5 to 7.

The following table presents the calculation of return on equity.

Return on equity

(in millions of dollars and as a percentage)	For the three-month periods ended			For the six-month periods ended	
	June 30, 2025	March 31, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Surplus earnings before member dividends	**$ 900**	$ 738	$ 918	**$ 1,638**	$ 1,773
Non-controlling interests' share	**(33)**	(5)	(35)	**(38)**	(69)
Group's share before member dividends	**$ 867**	$ 733	$ 883	**$ 1,600**	$ 1,704
Average equity – Group's share	**$ 39,272**	$ 38,301	$ 34,898	**$ 38,777**	$ 34,423
Return on equity[(1)(2)]	**8.9%**	7.8%	10.2%	**8.3%**	10.0%

(1) For further information about supplementary financial measures, see the Glossary on pages 52 to 59.
(2) Corresponds to an annualized calculation that takes into account the number of days in the period concerned.

Comparison of the first six months of 2025 and 2024

For the first six months ended June 30, 2025, Desjardins Group recorded surplus earnings before member dividends of $1,638 million, down $135 million from the same period of 2024. This decrease in surplus earnings was primarily due to the results of the Property and Casualty Insurance segment, which were affected by higher claims expenses as a result of increases in both the frequency and the average cost of claims. There was also an increase in the provision for credit losses, due in particular to unfavourable developments in the economic outlook related to the potential impact of trade disruptions. However, the Personal and Business Services segment benefited from an increase in net interest income, related primarily to business growth. Lastly, we would like to point out that the increase in non-interest expense stemmed from investments aimed at supporting growth in operations and enhancing the services offered to members and clients.

- A total of $286 million was returned to members and the community,[(1)] up $6 million, compared to the first six months of 2024.
  - The provision for member dividends totalled $226 million, up $6 million, compared to the corresponding period in 2024.
  - An amount of $60 million was returned in the form of sponsorships, donations and scholarships, an amount that was relatively stable compared to the same period in 2024, including $30 million for the first six months of 2025 and $27 million for the first six months of 2024, from the caisses' Community Development Fund.
- Commitments of $9 million were made for the first six months of 2025 with regard to the GoodSpark Fund.

- **Business segment contributions to surplus earnings**
  - Personal and Business Services: **Surplus earnings totalled $769 million,** down $51 million, compared to the first six months of 2024, mainly due to the following:
    - Increase in gross non-interest expense reflecting investments made to support growth in operations and enhance the services offered to members and clients.
    - Increase in the provision for credit losses.
    - Partially offset by growth in net interest income and other income related to business growth.
  - Wealth Management and Life and Health Insurance: **Surplus earnings were $394 million,** down $25 million, compared to the corresponding period of 2024, mainly due to the following:
    - Decrease in the net insurance finance result owing to a less favourable adjustment made to the liability discount curve and developments in the financial markets.
    - Gain on the disposal in 2024 of the interest in Fiera Holdings Inc. and Fiera Capital LP.
    - Higher administration expenses and investments related to continued implementation of strategic projects.
    - Partially offset by the increase in the insurance service result, in particular due to a more favourable experience.
  - Property and Casualty Insurance: **Surplus earnings totalled $341 million,** down $233 million, compared to the corresponding period of 2024. The change was mainly due to the following:
    - Increase in insurance service expenses related in particular to the occurrence of five major events, while no catastrophes or major events occurred in the first six months of 2024.
    - Decrease in the net insurance finance result.
    - Partially offset by the increase in insurance revenue.

- **Return on equity was 8.3%,** compared to 10.0% for the six-month period ended June 30, 2024, in particular due to the decrease in surplus earnings, as explained above.

Net interest income

Comparison of the second quarters of 2025 and 2024

Net interest income is the difference between interest income earned on assets, such as loans and securities, and the interest expense related to liabilities, such as deposits and subordinated notes. It is sensitive to interest rate and volume fluctuations, funding and matching strategies, as well as the composition of both interest-bearing and non-interest-bearing financial instruments.

(1) For more information on non-GAAP financial measures, see "Non-GAAP and other financial measures" on pages 5 to 7.

Net interest income totalled $2,024 million, up $163 million, or 8.8%. This increase was due to growth in average residential mortgages and business loans outstanding, partly offset by the increase in average outstanding deposits.

- **Net interest margin[(1)] of 2.28%** for the quarter ended June 30, 2025, compared with 2.34% for the corresponding period of 2024. This decrease was primarily due to growth in the average volume of loans, partly offset by the growth in deposits, against a backdrop of lower rates compared with the corresponding quarter.

Comparison of the first six months of 2025 and 2024

Net interest income was $3,991 million, up $397 million, or 11.0%. This increase was due to growth in average residential mortgages and business loans outstanding, partly offset by the increase in outstanding deposits.

- **Net interest margin[(1)] of 2.29%** for the first six months ended June 30, 2025, the same ratio as in the corresponding period of 2024.

Net insurance service income

Comparison of the second quarters of 2025 and 2024

Net insurance service income stood at $905 million,[(2)] up $48 million, or 5.6%, compared to the second quarter of 2024. The change in this heading, which consists of the insurance service result and the net insurance finance result, was due to items from the following segments:

Wealth Management and Life and Health Insurance segment

- Insurance service result of $164 million, up $17 million, or 11.6%, mainly due to the following:
  - Unfavourable effect of the updating of actuarial assumptions in group retirement savings in the second quarter of 2024.
  - Favourable experience in individual insurance and more favourable experience in group insurance, particularly for accident-illness coverage.

  This increase was partly offset by the following:
  - Favourable adjustment to the indexation assumption in individual insurance and group retirement savings in the second quarter of 2024.
  - Less favourable experience in credit and direct insurance, particularly in disability loan and life loan insurance.

- Net insurance finance result of $178 million, up $11 million, or 6.6%, primarily due to the following:
  - Favourable developments in the financial markets, particularly in equity markets.
  - Losses incurred in the second quarter of 2024 following disposals of bonds.
  - Partially offset by an unfavourable adjustment made to the liability discount curve.

  It should be noted that the net insurance finance result in the second quarters of 2025 and 2024 included gains on disposals of buildings in similar amounts.

Property and Casualty Insurance segment

- Insurance service result of $417 million, down $42 million, or 9.2%.
  - Insurance revenue of $1,985 million, up $195 million, or 10.9%. Including ceded insurance revenue of $102 million, presented under "Net reinsurance service income (expenses)," the increase was $177 million, or 10.4%, mainly due to premium growth in automobile insurance, to business resulting from the acquisition, completed in 2024, of The Insurance Company of Prince Edward Island (ICPEI), and to premium growth in property insurance.
  - Insurance service expenses of $1,486 million, up $189 million, or 14.6%. By including ceded insurance service expenses of $20 million, presented under "Net reinsurance service income (expenses)," the increase was $219 million, or 17.6%, essentially due to the following:
    - Increase in claims expenses, mainly explained by the following:
      - Higher claims expenses related to catastrophes and major events compared to the corresponding quarter of 2024. The second quarter of 2025 was marked by three major events: water and wind damage in Ontario, wind damage in Québec and Ontario and a forest fire in Manitoba and Saskatchewan, while no catastrophes or major events occurred in the second quarter of 2024.
      - Less favourable impact of changes in prior year claims than in the comparable quarter of 2024, largely due to automobile insurance.
    - Unfavourable effect of the loss component on onerous contracts compared to a favourable effect in the corresponding quarter of 2024, mainly on account of higher losses and reversals of losses on onerous contracts in automobile insurance.

- Net insurance finance result of $115 million, up $57 million.
  - Net insurance investment income of $148 million, down $3 million, or 2.0%. This change was due to the following:
    - Decrease in the fair value of matched bonds compared to an increase in the corresponding quarter of 2024, due in particular to the effect on the market of higher medium-term interest rates in the second quarter of 2025, while they declined in the second quarter of 2024.
    - Lower interest income on fixed income securities than in the corresponding quarter of 2024.
    - Partially offset by higher net gains on shares than in the comparable quarter of 2024.
  - Net insurance finance expenses of $38 million, down $64 million. By including net reinsurance finance income of $5 million ($9 million in the second quarter of 2024), net insurance and reinsurance finance expenses totalled $33 million, down $60 million. This change was due in particular to the favourable impact of the increase in the discount rates used to measure net liabilities for incurred claims, whereas rates were lower in the comparable quarter of 2024.

(1) For more information on non-GAAP ratios, see "Non-GAAP and other financial measures" on pages 5 to 7.

(2) The difference between this result and the sum total of the segment results relates to intersegment transactions, which are eliminated in the Other category.

Comparison of the first six months of 2025 and 2024

Net insurance service income totalled $1,369 million,[1] down $207 million, or 13.1%, compared to the first six months of 2024. The change in this heading, which consists of the insurance service result and the net insurance finance result, was due to items from the following segments:

Wealth Management and Life and Health Insurance segment

- Insurance service result of $349 million, up $60 million, or 20.8%, due to the following:
  - Unfavourable effect of the updating of actuarial assumptions for group retirement savings in the first half of 2024.
  - More favourable experience in group insurance, mainly for accident-illness coverage, and in individual insurance.
  - Favourable experience in group retirement savings.
  - Partially offset by a favourable adjustment to the indexation assumption in individual insurance and group retirement savings in 2024.

- Net insurance finance result of $254 million, down $41 million, or 13.9%, largely due to the following:
  - Less favourable adjustment made to the liability discount curve.
  - Unfavourable effect of developments in the financial markets.

  It should be noted that the net insurance finance results for the first half of 2025 and 2024 included gains on the disposal of buildings in similar amounts.

Property and Casualty Insurance segment

- Insurance service result of $519 million, down $210 million, or 28.8%.
  - Insurance revenue of $3,916 million, up $377 million, or 10.7%. By including ceded insurance revenue of $198 million presented under "Net reinsurance service income (expenses)," there was an increase of $348 million, or 10.3%, mainly due to premium growth in automobile insurance, to business arising from the acquisition of ICPEI, and to growth in property insurance premiums.
  - Insurance service expenses of $3,276 million, up $487 million, or 17.5%. By including ceded insurance service expenses of $77 million presented under "Net reinsurance service income (expenses)," there was an increase of $558 million, or 21.1%, mainly on account of the following:
    - Higher claims expenses, mainly resulting from increases in both the frequency and the average cost of claims and primarily due to the following:
      - Higher claims expenses for the current year compared to those for the corresponding period of 2024 due to automobile and property insurance as well as business arising from the acquisition of ICPEI.
      - Higher claims expenses for catastrophes and major events compared to the corresponding period of 2024. The first half of 2025 was marked by five major events, while no catastrophes or major events occurred in the first half of 2024.
    - More unfavourable effect of the loss component on onerous contracts than in the comparable period of 2024, mainly on account of higher losses and reversals of losses on onerous contracts in automobile insurance.

- Net insurance finance result of $179 million, down $48 million, or 21.1%.
  - Net insurance investment income of $318 million, down $15 million, or 4.5%. This decrease was due to the following:
    - Lower net gains on shares than in the comparable period of 2024.
    - Partially offset by an increase in the fair value of matched bonds compared to a negative change in the comparable period of 2024, in particular due to the impact on the market of lower medium-term interest rates in the first six months of 2025, while rates increased in the comparable period of 2024.
  - Net insurance finance expenses of $156 million, up $40 million, or 34.5%. By including net reinsurance finance income of $17 million ($10 million for the comparable period of 2024), net insurance and reinsurance finance expenses were $139 million, up $33 million. This change was due in particular to the unfavourable impact of the lower discount rates used to measure net liabilities for incurred claims, whereas rates were higher in the corresponding period of 2024.

Other income

Comparison of the second quarters of 2025 and 2024

Other income stood at $1,162 million, up $127 million, or 12.3%, compared to the second quarter of 2024, due to the following:
- Increase in income related to growth in assets under management and under administration.
- Higher foreign exchange income due to fluctuations in the value of foreign exchange contracts.
- Increase in business volumes from credit card payment activities.
- Higher revenues from deposit and payment service charges.
- Partially offset by the gain on disposal of the interest in Fiera Holdings Inc. and Fiera Capital LLP recorded in other income in the second quarter of 2024.

Comparison of the first six months of 2025 and 2024

Other income stood at $2,413 million, up $266 million, or 12.4%, compared to the corresponding period of 2024, due to the following:
- Higher income as a result of growth in assets under management and under administration.
- Higher foreign exchange income due to fluctuations in the value of foreign exchange contracts.
- Lower net investment loss.
- Increase in income related to deposit and payment service charges.
- Higher business volumes in credit card payment activities.
- Partially offset by the gain on disposal of the interest in Fiera Holdings Inc. and Fiera Capital LP recorded in other income in the first half of 2024.

[1] The difference between this result and the sum total of the segment results relates to intersegment transactions, which are eliminated in the Other category.

Total net revenue

For the second quarter of 2025, **total net revenue amounted to $4,091 million,** up $338 million, or 9.0%, compared to that recorded for the same period in 2024.

For the first six months of 2025, **total net revenue amounted to $7,773 million,** up $456 million, or 6.2%, compared to that recorded for the comparable period in 2024.

Provision for credit losses

Comparison of the second quarters of 2025 and 2024

The provision for credit losses was $203 million, compared to $87 million for the corresponding period of 2024. The provision for the second quarter of 2025 reflects an unfavourable migration in credit quality, an increase in volume and an unfavourable impact related to the updated economic outlook, mainly due to trade disruptions, affecting the business loan portfolios.

- Credit loss provisioning rate of 0.28% for the second quarter of 2025, compared to 0.13% for the corresponding period in 2024. This increase was due to a higher provision for credit losses, as mentioned above.
- Ratio of gross credit-impaired loans, as a percentage of the total gross loans portfolio, of 0.82%, compared to 0.77% as at June 30, 2024. This increase was due to a higher volume of gross impaired loans, mainly in the business loan portfolios.

The following table presents the calculation of the credit loss provisioning rate.

Credit loss provisioning rate

	For the three-month periods ended			For the six-month periods ended	
(in millions of dollars and as a percentage)	**June 30, 2025**	March 31, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Total provision for credit losses	**$ 203**	$ 210	$ 87	**$ 413**	$ 220
Provision for (recovery of) credit losses on securities	**(9)**	7	—	**(2)**	(9)
Provision for credit losses on loans and off-balance sheet items	**$ 212**	$ 203	$ 87	**$ 415**	$ 229
Average gross loans(1)	**$ 302,758**	$ 294,324	$ 274,197	**$ 298,811**	$ 271,836
Credit loss provisioning rate(1)(2)	**0.28%**	0.28%	0.13%	**0.28%**	0.17%

(1) For further information on supplementary financial measures, see the Glossary on pages 52 to 59.
(2) Corresponds to an annualized calculation that takes into account the number of days in the period concerned.

Comparison of the first six months of 2025 and 2024

The provision for credit losses totalled $413 million, compared to $220 million for the comparable period of 2024. The provision for the first six months of 2025 reflects an unfavourable migration in credit quality, a higher volume and an unfavourable impact related to the updated economic outlook, owing primarily to trade disruptions, affecting the business loan portfolios.

Desjardins Group has continued to present a quality loan portfolio in 2025.

- The credit loss provisioning rate was 0.28% for the first six months of 2025, compared to 0.17% for the corresponding period of 2024. This increase was due to a higher provision for credit losses, as mentioned above.
- The ratio of gross credit-impaired loans, as a percentage of the total gross loans portfolio, was 0.82% compared to 0.77% as at June 30, 2024. This increase was due to a higher volume of gross impaired loans, mainly in the business loan portfolios.

Gross non-interest expense

Comparison of the second quarters of 2025 and 2024

Gross non-interest expense totalled $2,950 million, up $253 million, or 9.4%, from the second quarter of 2024, due to increased spending on personnel, fees and technology to support growth in operations and enhance the services offered to members and clients.

Comparison of the first six months of 2025 and 2024

Gross non-interest expense totalled $5,686 million, up $433 million, or 8.2%, compared to the first six months of 2024, due to increased spending on personnel, fees and technology to support growth in operations and enhance the services offered to members and clients.

Income taxes on surplus earnings

Comparison of the second quarters of 2025 and 2024

Income taxes on surplus earnings after member dividends of $268 million, down $4 million, compared to the second quarter of 2024 due to the decrease in surplus earnings.

- Effective tax rate on surplus earnings after member dividends[1] of 24.7% for the quarter ended June 30, 2025, comparable to an effective tax rate of 24.5% for the corresponding period in 2024.

Comparison of the first six months of 2025 and 2024

Income taxes on surplus earnings after member dividends of $470 million, down $38 million, compared to the first six months of 2024, due to the decrease in surplus earnings.

- Effective tax rate on surplus earnings after member dividends[1] of 24.2% for the first six months of 2025, similar to the rate of 24.0% recorded for the same period in 2024.

RESULTS BY BUSINESS SEGMENT

Desjardins Group's financial reporting is organized by business segments, which are defined based on the needs of members and clients and the markets in which Desjardins operates, and on its internal management structure. Desjardins Group's financial results are divided into the following three business segments: Personal and Business Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance. In addition to these three segments, there is the Other category. This section presents an analysis of the results for each of these segments.

In 2025, some changes have been made to business segments to reflect how management assesses segment performance. This presentation reflects the revision of the method used to allocate non-interest expense to segments. As a result, some non-interest expense items were reclassified from the Other category to the Personal and Business Services segment, the Wealth Management and Life and Health Insurance segment and the Property and Casualty Insurance segment. Comparative figures have been restated to conform with the presentation for the current period.

Additional information about each business segment, particularly its profile, services, 2024 achievements and industry, can be found on pages 26 to 38 of Desjardins Group's 2024 annual MD&A.

Personal and Business Services

The Personal and Business Services segment is central to Desjardins Group's operations. With its comprehensive, integrated line of products and services designed to meet the needs of individual and business members, institutions, non-profit organizations and cooperatives, Desjardins Group is a leader in financial services in Québec and is present on the financial services scene outside Québec.

Desjardins's offer includes everyday financial management, savings products, payment services, financing, specialized services, access to capital markets, risk and development capital, business ownership transfers and advisory services, and through its distribution network, life and health insurance and property and casualty insurance products.

In addition, members and clients know that they can rely on the largest advisory force in Québec, made up of dedicated professionals who are there for them at every stage in their life or entrepreneurial journey.

To meet the constantly changing needs of its members and clients, Desjardins Group offers its services through the caisse network and the Desjardins Business centres, in person, by phone, online, via applications for mobile devices, and at ATMs.

[1] For further information about supplementary financial measures, see the Glossary on pages 52 to 59.

Personal and Business Services – Segment results

(in millions of dollars and as a percentage)	For the three-month periods ended			For the six-month periods ended	
	June 30, 2025	March 31, 2025	June 30, 2024[1]	**June 30, 2025**	June 30, 2024[1]
Net interest income	**$ 1,920**	$ 1,818	$ 1,777	**$ 3,738**	$ 3,455
Other income	**672**	670	598	**1,342**	1,196
Total net revenue	**2,592**	2,488	2,375	**5,080**	4,651
Provision for credit losses	**214**	201	86	**415**	228
Gross non-interest expense	**1,875**	1,752	1,701	**3,627**	3,313
Income taxes on surplus earnings	**133**	136	152	**269**	290
Surplus earnings before member dividends	**370**	399	436	**769**	820
Member dividends, net of tax recovery	**84**	84	81	**168**	162
Net surplus earnings for the period after member dividends	**$ 286**	$ 315	$ 355	**$ 601**	$ 658
Indicators					
Average assets[2]	**$ 380,871**	$ 364,460	$ 338,568	**$ 372,719**	$ 334,958
Average core interest-bearing assets[3]	**273,511**	265,846	248,830	**269,828**	247,196
Average gross loans[2]	**292,373**	284,197	265,180	**288,535**	262,942
Average deposits[2]	**226,917**	221,748	214,283	**224,604**	218,924
Net interest margin[3]	**2.64%**	2.59%	2.67%	**2.62%**	2.64%
Productivity index[2]	**72.3**	70.4	71.6	**71.4**	71.2
Credit loss provisioning rate[2]	**0.29**	0.29	0.13	**0.29**	0.17
Gross credit-impaired loans/gross loans[2]	**0.85**	0.86	0.80	**0.85**	0.80

[1] Some data have been restated to conform with the current period's presentation.
[2] For further information about supplementary financial measures, see the Glossary on pages 52 to 59.
[3] For more information about non-GAAP financial measures and non-GAAP ratios, see "Non-GAAP and other financial measures" on pages 5 to 7.

Comparison of the second quarters of 2025 and 2024

- **Surplus earnings before member dividends of $370 million,** down $66 million compared to the same period in 2024, mainly due to the following:
  - Increase in gross non-interest expense, reflecting investments made to support growth in operations and enhance the services offered to members and clients.
  - Increase in the provision for credit losses.
  - Partially offset by growth in net interest income and in other income related to business growth.

- **Net interest income of $1,920 million,** up $143 million, or 8.0%. This increase was primarily due to growth in average residential mortgages and business loans outstanding, partially offset by an increase in deposits.

- **Other income totalled $672 million,** up $74 million, or 12.4%, due to the following:
  - Decrease in other net investment loss.
  - Higher business volumes in credit card payment activities.
  - Increase in revenues from deposit and payment service charges.

- **Total net revenue of $2,592 million,** up $217 million, or 9.1%.

- **Provision for credit losses of $214 million,** compared to $86 million for the corresponding period of 2024. The provision for the second quarter of 2025 reflects an unfavourable migration in credit quality, an increase in volume and an unfavourable impact related to the updated economic outlook, mainly due to trade disruptions, affecting the business loan portfolios.

- **Gross non-interest expense of $1,875 million,** up $174 million, or 10.2%, as a result of an increase in investments for the continued implementation of strategic projects to support growth in operations and enhance the services offered to members and clients.

- **Net interest margin of 2.64%,** down 3 basis points compared to the corresponding period of 2024, in particular due to growth in the average loan volume, against a backdrop of lower rates compared to the corresponding quarter.

- **Productivity index of 72.3%,** compared to 71.6% for the second quarter of 2024.

Comparison of the first six months of 2025 and 2024

- **Surplus earnings before member dividends of $769 million,** down $51 million, compared to the first six months of 2024, mainly due to the following:
  - Increase in gross non-interest expense reflecting investments made to support growth in operations and enhance the services offered to members and clients.
  - Increase in the provision for credit losses.
  - Partially offset by growth in net interest income and other income related to business growth.

- **Net interest income of $3,738 million,** up $283 million, or 8.2%. This increase was mainly due to growth in average residential mortgage loans and business loans outstanding.

- **Other income totalled $1,342 million,** up $146 million, or 12.2%, mainly due to the following:
  - Decline in other net investment loss.
  - Higher income related to growth in sales by the caisse network of various Desjardins Group products.
  - Increase in income related to deposit and payment service charges.
  - Higher business volumes in credit card payment activities.

- **Total net revenue of $5,080 million,** up $429 million, or 9.2%.

- **Provision for credit losses of $415 million,** compared to $228 million for the comparable period of 2024. The provision for the first six months of 2025 reflects an unfavourable migration in credit quality, a higher volume and an unfavourable impact related to the updated economic outlook, owing primarily to trade disruptions, affecting the business loan portfolios.

- **Gross non-interest expense of $3,627 million,** up $314 million, or 9.5%, as a result of an increase in investments for the continued implementation of strategic projects to support growth in operations and enhance the services offered to members and clients.

- **Net interest margin of 2.62%,** down 2 basis points compared to the corresponding period of 2024, due in particular to the growth in average loan volume, against a backdrop of lower rates compared to the corresponding period of 2024.

- **Productivity index at 71.4%,** a ratio comparable to that for the first six months of 2024.

Wealth Management and Life and Health Insurance

The Wealth Management and Life and Health Insurance segment plays a leading role in developing the financial independence of Desjardins Group members and clients by helping them develop healthy financial habits.

The segment supports members and clients, individuals and businesses through various distribution networks and designs several lines of individual insurance (life and health) coverage as well as investment solutions. The segment also includes asset management and trust services. The Wealth Management and Life and Health Insurance segment is a Canadian leader in responsible investing and responsible insurance.

The Wealth Management and Life and Health Insurance segment's vast and diversified Canada-wide distribution networks are one of its greatest strengths:
- Desjardins caisse network;
- Desjardins specialized networks (Signature Service, Private Wealth Management, Securities and Online Brokerage);
- Desjardins agent network;
- Desjardins Financial Security Life Assurance Company partner networks (SFL Wealth Management, Desjardins Financial Security Independent Network and Desjardins Financial Security Investments);
- Insurance and investment solution networks (including subsidiaries of Worldsource Group of Companies Inc.);
- Actuarial consulting firms and brokers;
- Client Relations Centres and digital channels.

Wealth Management and Life and Health Insurance – Segment results

(in millions of dollars)	As at or for the three-month periods ended			As at or for the six-month periods ended	
	June 30, 2025	March 31, 2025	June 30, 2024[1]	**June 30, 2025**	June 30, 2024[1]
Net interest income	**$ 69**	$ 69	$ 69	**$ 138**	$ 126
Insurance service result					
Insurance revenue	**1,109**	1,086	1,085	**2,195**	2,111
Insurance service expenses	**(940)**	(889)	(945)	**(1,829)**	(1,824)
Net reinsurance service income (expenses)	**(5)**	(12)	7	**(17)**	2
	164	185	147	**349**	289
Net insurance finance result					
Net insurance investment income (loss)	**74**	439	307	**513**	73
Net insurance finance income (expenses)	**113**	(372)	(145)	**(259)**	244
Net reinsurance finance income (expenses)	**(9)**	9	5	**—**	(22)
	178	76	167	**254**	295
Net insurance service income	**342**	261	314	**603**	584
Other income	**695**	692	652	**1,387**	1,282
Total net revenue	**1,106**	1,022	1,035	**2,128**	1,992
Provision for (recovery of) credit losses	**(9)**	8	—	**(1)**	(2)
Non-interest expense					
Gross non-interest expense	**906**	878	835	**1,784**	1,682
Non-interest expense included in insurance service expenses[2]	**(83)**	(76)	(94)	**(159)**	(189)
Net non-interest expense	**823**	802	741	**1,625**	1,493
Income taxes on surplus earnings	**66**	44	48	**110**	82
Net surplus earnings for the period	**$ 226**	$ 168	$ 246	**$ 394**	$ 419
Indicators					
Contractual service margin (CSM)[3]					
Total CSM[3][4]	**$ 2,554**	$ 2,578	$ 2,587	**$ 2,554**	$ 2,587
CSM on new sales[3][5]	**45**	18	42	**45**	42
Net sales of savings products[6][7]	**1,766**	4,732	3,320	**6,498**	6,439
Insurance sales[7]	**182**	216	184	**398**	444
Group insurance premiums[7]	**1,110**	1,092	1,053	**2,202**	2,078
Individual insurance premiums[7]	**312**	315	293	**627**	583
Annuity premiums[7]	**148**	281	624	**429**	1,081

(1) Some data have been restated to conform with the current period's presentation.
(2) Represents the non-interest expense directly related to the fulfillment of insurance contracts presented under "Insurance service result."
(3) Included under "Insurance contract liabilities" and "Reinsurance contract assets (liabilities)" in the Combined Balance Sheets. For further information, see Note 7, "Insurance and reinsurance contracts," to the Interim Combined Financial Statements.
(4) Total CSM of $2,809 million ($2,795 million as at June 30, 2024) presented net of reinsurance for an amount of $255 million ($208 million as at June 30, 2024).
(5) CSM on new insurance business totalling $42 million ($41 million as at June 30, 2024) presented net of reinsurance for an amount of $(3) million ($(1) million as at June 30, 2024).
(6) Including $(82) million in segregated funds ($(78) million for the first quarter of 2025, $(73) million for the second quarter of 2024, $(160) million for the first six months of 2025 and $(159) million for the first six months of 2024).
(7) For further information about supplementary financial measures, see the Glossary on pages 52 to 59.

Comparison of the second quarters of 2025 and 2024

- **Net surplus earnings of $226 million,** down $20 million, compared to the second quarter of 2024 due to the following:
  - Gain on the disposal in 2024 of the interest in Fiera Holdings Inc. and Fiera Capital LP.
  - Higher administration expenses and investments related to the continued implementation of strategic projects.

  This decrease was partially offset by the following:
  - Increase in the insurance service result, since the result for the previous period had been negatively affected by the updating of actuarial assumptions and the indexation assumption.
  - Increase in the net insurance finance result.

- **Net interest income of $69 million**, stable compared to the comparative quarter.

- **Insurance service result of $164 million,** up $17 million, or 11.6%, mainly due to the following:
  - Unfavourable effect of the updating of actuarial assumptions in group retirement savings in the second quarter of 2024.
  - Favourable experience in individual insurance and more favourable experience in group insurance, particularly for accident-illness coverage.

  This increase was partly offset by the following:
  - Favourable adjustment to the indexation assumption in individual insurance and group retirement savings in the second quarter of 2024.
  - Less favourable experience in credit and direct insurance, particularly in disability loan and life loan insurance.

- **Net insurance finance result of $178 million,** up $11 million, or 6.6%, primarily due to the following:
  - Favourable developments in the financial markets, particularly in equity markets.
  - Losses incurred in the second quarter of 2024 following disposals of bonds.
  - Partially offset by an unfavourable adjustment made to the liability discount curve.

  It should be noted that the net insurance finance result in the second quarters of 2025 and 2024 included gains on disposals of buildings in similar amounts.

- **Other income of $695 million,** up $43 million, or 6.6%, primarily from the following:
  - Increase in income stemming from more assets under management.
  - Higher income from specialized networks, related to the increase in assets under administration.
  - Partially offset by the gain on disposal of the interest in Fiera Holdings Inc. and Fiera Capital LLP recorded in other income in the second quarter of 2024.

- **Total net revenue of $1,106 million,** up $71 million, or 6.9%.

- **Gross non-interest expense of $906 million,** up $71 million, or 8.5%. This increase was primarily due to the following:
  - Higher costs stemming from an increased transaction volume as a result of growth in assets under administration in the specialized networks.
  - Increased commission fees due to growth in assets under management.
  - Higher administration expenses and investments for the continued implementation of strategic projects.

  Note that a gross non-interest expense of $83 million was included under insurance service expenses, compared to $94 million for the second quarter of 2024.

Additional information related to certain indicators:

- **Contractual service margin (CSM)**
  - Total CSM of $2,554 million as at June 30, 2025, compared to $2,578 million as at March 31, 2025. This slight decline in total CSM was due to the following:
    - Effect of services rendered, mainly due to the creation of CSM upon transition to IFRS 17, "Insurance Contracts."
    - Impact of changes in the individual insurance product line.

    This decline was partly offset by the following:
    - Favourable impact of new sales in individual insurance.
    - Gains on guaranteed investment funds due to favourable economic conditions.
    - Effect of accretion expenses.

- **Business growth**
  - Decrease in net sales of savings products, mainly from the Desjardins Investment Savings Account, partially offset by an increase in those from market-linked guaranteed investments.
  - Decrease in insurance sales, mainly in group insurance, partially offset by an increase in those in credit and direct insurance.
  - Growth in insurance premiums, primarily in group insurance.
  - Decline in annuity premiums, mainly from group retirement savings, related to fewer new large groups.

Comparison of the first six months of 2025 and 2024

- **Net surplus earnings of $394 million,** down $25 million, compared to the corresponding period of 2024, mainly due to the following:
  - Decrease in the net insurance finance result owing to a less favourable adjustment made to the liability discount curve and developments in the financial markets.
  - Gain on the disposal in 2024 of the interest in Fiera Holdings Inc. and Fiera Capital LP.
  - Higher administration expenses and investments related to continued implementation of strategic projects.
  - Partially offset by the increase in the insurance service result, in particular due to a more favourable experience.

- **Net interest income of $138 million,** up $12 million, or 9.5%. This increase was mainly due to the following:
  - Increase in the average outstandings of the Desjardins Investment Savings Account.
  - Increase in the interest margin on securities.

- **Insurance service result of $349 million,** up $60 million, or 20.8%, due to the following:
  - Unfavourable effect of the updating of actuarial assumptions for group retirement savings in the first half of 2024.
  - More favourable experience in group insurance, mainly for accident-illness coverage, and in individual insurance.
  - Favourable experience in group retirement savings.
  - Partially offset by a favourable adjustment to the indexation assumption in individual insurance and group retirement savings in 2024.

- **Net insurance finance result of $254 million,** down $41 million, or 13.9%, largely due to the following:
  - Less favourable adjustment made to the liability discount curve.
  - Unfavourable effect of developments in the financial markets.

  It should be noted that the net insurance finance results for the first half of 2025 and 2024 included gains on the disposal of buildings in similar amounts.

- **Other income of $1,387 million,** up $105 million, or 8.2%, mainly due to the following:
  - Increased income from increased assets under management.
  - Higher income from specialized networks linked to increased assets under administration.
  - Partially offset by the gain on disposal of the interest in Fiera Holdings Inc. and Fiera Capital LP recorded in other income in the first half of 2024.

- **Total net revenue of $2,128 million,** up $136 million, or 6.8%.

- **Gross non-interest expense of $1,784 million,** up $102 million, or 6.1%, owing primarily to the following:
  - Higher costs due to an increased transaction volume as a result of growth in assets under administration in the specialized networks.
  - Increase in commission fees due to growth in assets under management.
  - Higher administrative expenses and investments for the continued implementation of strategic projects.

  Note that a gross non-interest expense of $159 million is included under insurance service expenses, compared to $189 million for the first six months of 2024.

Additional information for certain indicators:

- **Contractual service margin (CSM)**
  - Total CSM of $2,554 million as at June 30, 2025, compared to $2,585 million as at December 31, 2024. The slight decline in total CSM was due to the following:
    - Effect of services rendered, which mainly resulted from the creation of the CSM upon the transition to IFRS 17.
    - Impact of changes in the individual insurance product line.

    This decline was partially offset by the following:
    - Impact of new sales and a favourable experience in individual insurance.
    - Gains in guaranteed investment funds due to the favourable economic environment.
    - Impact of accretion expenses.

- **Business growth**
  - Increase in net sales of savings products, in particular from market-linked guaranteed investments, Desjardins Funds and exchange-traded funds, partially offset by a decrease in sales on the Desjardins Investment Savings Account.
  - Decrease in insurance sales, essentially from group insurance, partially offset by an increase in sales of credit and direct insurance.
  - Growth in insurance premiums, mainly in group insurance.
  - Decrease in annuity premiums, mainly in group retirement savings, related to fewer new large groups.

Property and Casualty Insurance

The Property and Casualty (P&C) Insurance segment offers insurance products providing coverage for the assets of Desjardins Group members and clients and guarding them against disaster. This segment includes the operations of Desjardins General Insurance Group Inc. and its subsidiaries, offering a personal line of automobile and property insurance products across Canada and also providing businesses with insurance products. Its products are offered in the Desjardins caisse network in Québec and at Caisse Desjardins Ontario Credit Union Inc. and the Desjardins Business centres, and are distributed through P&C insurance agents in a number of client care centres, as well as through an exclusive agent network, including over 450 agencies in Ontario, Alberta and New Brunswick. This exclusive agent network distributes P&C insurance and several other financial products. In addition, the insurance products offered by ICPEI are distributed by a network of independent brokers, mainly in Québec, Ontario, New Brunswick and Nova Scotia. The segment also offers advice and loss prevention services to members and clients to help them protect their assets and guard against the impact of weather and climate events. Members and clients also have access to a multitude of services online and via applications for mobile devices.

Desjardins General Insurance Group Inc., which has more than 3.7 million clients, markets its products to the Canada-wide individual and business market under the Desjardins Insurance banner, and to the group market—including members of professional associations and unions, and employers' staff—under the The Personal banner.

Property and Casualty Insurance – Segment results

(in millions of dollars and as a percentage)	For the three-month periods ended June 30, 2025	March 31, 2025	June 30, 2024[1]	For the six-month periods ended June 30, 2025	June 30, 2024[1]
Insurance service result					
Insurance revenue	**$ 1,985**	$ 1,931	$ 1,790	**$ 3,916**	$ 3,539
Insurance service expenses	**(1,486)**	(1,790)	(1,297)	**(3,276)**	(2,789)
Net reinsurance service income (expenses)	**(82)**	(39)	(34)	**(121)**	(21)
	417	102	459	**519**	729
Net insurance finance result					
Net insurance investment income (loss)	**148**	170	151	**318**	333
Net insurance finance income (expenses)	**(38)**	(118)	(102)	**(156)**	(116)
Net reinsurance finance income (expenses)	**5**	12	9	**17**	10
	115	64	58	**179**	227
Net insurance service income	**532**	166	517	**698**	956
Other income (loss)	**(2)**	(7)	(9)	**(9)**	1
Total net revenue	**530**	159	508	**689**	957
Provision for (recovery of) credit losses	**(2)**	1	1	**(1)**	(6)
Non-interest expense					
Gross non-interest expense	**305**	276	268	**581**	516
Non-interest expense included in insurance service expenses[2]	**(184)**	(164)	(164)	**(348)**	(322)
Net non-interest expense	**121**	112	104	**233**	194
Income taxes on surplus earnings	**104**	12	109	**116**	195
Net surplus earnings for the period	**$ 307**	$ 34	$ 294	**$ 341**	$ 574
Of which:					
Group's share	**$ 274**	$ 29	$ 259	**$ 303**	$ 505
Non-controlling interests' share	**33**	5	35	**38**	69
Indicators					
Direct premiums written[3]	**$ 2,243**	$ 1,671	$ 2,082	**$ 3,914**	$ 3,638
Loss ratio[4][5]	**58.7%**	70.1%	58.8%	**64.3%**	60.8%
Current year loss ratio[4][5]	**63.7**	73.4	69.8	**68.5**	69.6
Loss ratio related to catastrophes and major events[4][5]	**3.1**	2.8	—	**2.9**	—
Ratio of changes in prior year claims[4][5]	**(8.1)**	(6.1)	(11.0)	**(7.1)**	(8.8)
Expense ratio[4]	**26.9**	25.4	26.1	**26.2**	25.8
Ratio of losses on onerous contracts[4]	**2.5**	8.5	(1.0)	**5.5**	2.1
Combined ratio[4][5]	**88.1**	104.0	83.9	**96.0**	88.7
Discounted combined ratio[4]	**84.1**	100.3	79.0	**92.1**	83.9

(1) Some data have been restated to conform with the current period's presentation.
(2) Represents the non-interest expense directly related to the fulfillment of insurance contracts presented under "Insurance service result."
(3) For further information about supplementary financial measures, see the Glossary on pages 52 to 59.
(4) For more information about non-GAAP ratios, see "Non-GAAP and other financial measures" on pages 5 to 7.
(5) Undiscounted ratio, therefore excluding the effect of discounting net liabilities for claims incurred.

Comparison of the second quarters of 2025 and 2024

- **Net surplus earnings of $307 million,** up $13 million, compared to the second quarter of 2024. The change was due to the following:
  - Higher insurance revenue.
  - Increase in the net insurance finance result.
  - Partially offset by an increase in insurance service expenses.

- **Insurance service result of $417 million,** down $42 million, or 9.2%.
  - **Insurance revenue** of $1,985 million, up $195 million, or 10.9%. Including ceded insurance revenue of $102 million, presented under "Net reinsurance service income (expenses)," the increase was $177 million, or 10.4%, mainly due to premium growth in automobile insurance, to business resulting from the acquisition, completed in 2024, of ICPEI, and to premium growth in property insurance.

  - **Insurance service expenses** of $1,486 million, up $189 million, or 14.6%. By including ceded insurance service expenses of $20 million, presented under "Net reinsurance service income (expenses)," the increase was $219 million, or 17.6%, essentially due to the following:
    - Increase in claims expenses, mainly explained by the following:
      - Higher claims expenses related to catastrophes and major events compared to the corresponding quarter of 2024. The second quarter of 2025 was marked by three major events: water and wind damage in Ontario, wind damage in Québec and Ontario and a forest fire in Manitoba and Saskatchewan, while no catastrophes or major events occurred in the second quarter of 2024.
      - Less favourable impact of changes in prior year claims than in the comparable quarter of 2024, largely due to automobile insurance.
    - Unfavourable effect of the loss component on onerous contracts compared to a favourable effect in the corresponding quarter of 2024, mainly on account of higher losses and reversals of losses on onerous contracts in automobile insurance.

- **Net insurance finance result of $115 million,** up $57 million.
  - **Net insurance investment income** of $148 million, down $3 million, or 2.0%. This change was due to the following:
    - Decrease in the fair value of matched bonds compared to an increase in the corresponding quarter of 2024, due in particular to the effect on the market of higher medium-term interest rates in the second quarter of 2025, while they declined in the second quarter of 2024.
    - Lower interest income on fixed income securities than in the corresponding quarter of 2024.
    - Partially offset by higher net gains on shares than in the comparable quarter of 2024.
  - **Net insurance finance expenses** of $38 million, down $64 million. By including net reinsurance finance income of $5 million ($9 million in the second quarter of 2024), net insurance and reinsurance finance expenses totalled $33 million, down $60 million. This change was due in particular to the favourable impact of the increase in the discount rates used to measure net liabilities for incurred claims, whereas rates were lower in the comparable quarter of 2024.

- **Total net revenue of $530 million,** up $22 million, or 4.3%.

- **Gross non-interest expense of $305 million,** up $37 million, or 13.8%. This increase was primarily due to the following:
  - Higher salary expenses, due in particular to wage indexation.
  - Increased spending on technology.
  - Increase in investments related to the continued implementation of strategic projects.

  Note that a gross non-interest expense of $184 million was included in insurance service expenses, compared to $164 million for the second quarter of 2024.

Comparison of the first six months of 2025 and 2024

- **Net surplus earnings of $341 million,** down $233 million, compared to the corresponding period of 2024. The change was mainly due to the following:
  - Increase in insurance service expenses related in particular to the occurrence of five major events, while no catastrophes or major events occurred in the first six months of 2024.
  - Decrease in the net insurance finance result.
  - Partially offset by the increase in insurance revenue.

- **Insurance service result of $519 million,** down $210 million, or 28.8%.
  - **Insurance revenue** of $3,916 million, up $377 million, or 10.7%. By including ceded insurance revenue of $198 million presented under "Net reinsurance service income (expenses)," there was an increase of $348 million, or 10.3%, mainly due to premium growth in automobile insurance, to business arising from the acquisition of ICPEI, and to growth in property insurance premiums.
  - **Insurance service expenses** of $3,276 million, up $487 million, or 17.5%. By including ceded insurance service expenses of $77 million presented under "Net reinsurance service income (expenses)," there was an increase of $558 million, or 21.1%, mainly on account of the following:
    - Higher claims expenses, mainly resulting from increases in both the frequency and the average cost of claims and primarily due to the following:
      - Higher claims expenses for the current year compared to those for the corresponding period of 2024 due to automobile and property insurance as well as business arising from the acquisition of ICPEI.
      - Higher claims expenses for catastrophes and major events compared to the corresponding period of 2024. The first half of 2025 was marked by five major events, while no catastrophes or major events occurred in the first half of 2024.
    - More unfavourable effect of the loss component on onerous contracts than in the comparable period of 2024, mainly on account of higher losses and reversals of losses on onerous contracts in automobile insurance.

- **Net insurance finance result of $179 million,** down $48 million, or 21.1%.
  - **Net insurance investment income** of $318 million, down $15 million, or 4.5%. This decrease was due to the following:
    - Lower net gains on shares than in the comparable period of 2024.
    - Partially offset by an increase in the fair value of matched bonds compared to a negative change in the comparable period of 2024, in particular due to the impact on the market of lower medium-term interest rates in the first six months of 2025, while rates increased in the comparable period of 2024.
  - **Net insurance finance expenses** of $156 million, up $40 million, or 34.5%. By including net reinsurance finance income of $17 million ($10 million for the comparable period of 2024), net insurance and reinsurance finance expenses were $139 million, up $33 million. This change was due in particular to the unfavourable impact of the lower discount rates used to measure net liabilities for incurred claims, whereas rates were higher in the corresponding period of 2024.

- **Total net revenue of $689 million,** down $268 million, or 28.0%.

- **Gross non-interest expense of $581 million,** up $65 million, or 12.6%. This increase was mainly due to the following:
  - Higher salary expenses, particularly on account of wage indexation.
  - Increased spending on technology.
  - Increase in investments related to the continued implementation of strategic projects.

  Note that a gross non-interest expense of $348 million was included in insurance service expenses, compared to $322 million for the comparable period of 2024.

Other category

The Other category includes financial information that is not specific to a business segment. It mainly includes treasury activities and the results for the support functions provided by the Federation to Desjardins Group, including: finance, including treasury; operations; risk management, including compliance; human resources; marketing, communications, cooperation and the President's Office; Desjardins Group Security Office; legal affairs, including governance; and the Sustainable Development Office. It also includes all of Desjardins Group's IT operations. Non-interest expenses for support functions and Desjardins Group's IT operations are largely allocated to the various business segments.

The Other category also includes various adjustments required to prepare the Combined Financial Statements and intersegment balance eliminations.

Other category

	For the three-month periods ended			For the six-month periods ended	
(in millions of dollars)	**June 30, 2025**	March 31, 2025	June 30, 2024[(1)]	**June 30, 2025**	June 30, 2024[(1)]
Net interest income	**$ 35**	$ 80	$ 15	**$ 115**	$ 13
Net insurance service income	**31**	37	26	**68**	36
Other income (loss)	**(203)**	(104)	(206)	**(307)**	(332)
Total net income (loss)	**(137)**	13	(165)	**(124)**	(283)
Net non-interest expense	**(128)**	(163)	(99)	**(291)**	(242)
Income taxes on surplus earnings	**(6)**	39	(8)	**33**	(1)
Net surplus earnings (deficit) for the period	**$ (3)**	$ 137	$ (58)	**$ 134**	$ (40)

(1) Some data have been restated to conform with the current period's presentation.

Comparison of the second quarters of 2025 and 2024

- **Net deficit of $3 million** compared to $58 million from the second quarter of 2024.
  - In relation to treasury activities, market rate fluctuations as well as changes in hedging positions had an overall favourable effect on net interest income and net other investment income (loss) included under other income (loss).
  - Due to the activities and intersegment balance eliminations in the Other category, we believe that the comparability of the two periods' results is limited.

Comparison of the first six months of 2025 and 2024

- **Net surplus earnings of $134 million,** compared to a net deficit of $40 million for the first six months of 2024.
  - In relation to treasury activities, market rate fluctuations as well as changes in hedging positions had an overall favourable effect on net interest income and net other investment income (loss) included in other income (loss).

SUMMARY OF INTERIM RESULTS

The table below presents a summary of data related to the results for Desjardins Group's most recent eight quarters.

Results for the previous eight quarters

	2025		2024				2023	
(in millions of dollars)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net interest income	**$ 2,024**	$ 1,967	$ 1,962	$ 1,915	$ 1,861	$ 1,733	$ 1,696	$ 1,716
Insurance service result								
Insurance revenue	**3,041**	2,991	2,998	2,945	2,829	2,752	2,718	2,656
Insurance service expenses	**(2,362)**	(2,650)	(2,268)	(3,168)	(2,182)	(2,351)	(2,093)	(2,245)
Net reinsurance service income (expenses)	**(86)**	(51)	58	493	(27)	8	(47)	(20)
	593	290	788	270	620	409	578	391
Net insurance finance result								
Net insurance investment income (loss)	**241**	639	375	1,560	467	(39)	3,005	(1,363)
Net insurance finance income (expenses)	**76**	(487)	(309)	(1,463)	(244)	375	(2,780)	1,479
Net reinsurance finance income (expenses)	**(5)**	22	28	57	14	(26)	115	(65)
	312	174	94	154	237	310	340	51
Net insurance service income	**905**	464	882	424	857	719	918	442
Other income								
Deposit and payment service charges	**142**	137	138	134	129	126	134	119
Lending fees and card service revenues	**257**	262	278	260	238	262	185	258
Brokerage and investment fund services	**392**	391	367	374	363	376	347	339
Management and custodial service fees	**270**	248	261	219	222	199	207	192
Net other investment income (loss)	**(64)**	61	(101)	(60)	(61)	17	(65)	(30)
Foreign exchange income	**95**	97	80	66	47	48	59	47
Other	**70**	55	91	53	97	84	57	50
	1,162	1,251	1,114	1,046	1,035	1,112	924	975
Total net revenue	**4,091**	3,682	3,958	3,385	3,753	3,564	3,538	3,133
Provision for credit losses	**203**	210	272	105	87	133	231	127
Non-interest expense								
Gross non-interest expense	**2,950**	2,736	2,868	2,524	2,697	2,556	2,749	2,443
Non-interest expense included in insurance service expenses[(1)]	**(259)**	(233)	(209)	(235)	(250)	(245)	(250)	(240)
Net non-interest expense	**2,691**	2,503	2,659	2,289	2,447	2,311	2,499	2,203
Operating surplus earnings	**1,197**	969	1,027	991	1,219	1,120	808	803
Income taxes on surplus earnings	**297**	231	201	234	301	265	58	189
Surplus earnings before member dividends	**900**	738	826	757	918	855	750	614
Member dividends	**113**	113	107	110	110	110	91	106
Tax recovery on member dividends	**(29)**	(29)	(23)	(28)	(29)	(29)	(23)	(28)
Net surplus earnings for the period after member dividends	**$ 816**	$ 654	$ 742	$ 675	$ 837	$ 774	$ 682	$ 536
Of which:								
Group's share	**$ 783**	$ 649	$ 689	$ 664	$ 802	$ 740	$ 641	$ 520
Non-controlling interests' share	**33**	5	53	11	35	34	41	16

(1) Represents the non-interest expense directly related to the fulfillment of insurance contracts presented under "Insurance service result."

Quarterly income, expenses and surplus earnings before member dividends are affected by certain trends, including seasonal variations, and by changes in general economic conditions and the financial markets. In addition, following the transition to IFRS 17, "Insurance Contracts," on January 1, 2023, insurers' net surplus earnings have been more sensitive mainly to financial market changes, but also to interest rates, making the quarterly results more volatile compared to past quarterly results. For more information about quarterly trends, see pages 41 and 42 of the 2024 annual MD&A.

BALANCE SHEET REVIEW

BALANCE SHEET MANAGEMENT

Combined Balance Sheets

(in millions of dollars and as a percentage)	As at June 30, 2025		As at December 31, 2024	
Assets				
Cash and deposits with financial institutions	**$ 7,053**	**1.4%**	$ 5,977	1.3%
Securities	**105,380**	**21.0**	99,308	21.1
Securities borrowed or purchased under reverse repurchase agreements	**26,122**	**5.2**	23,666	5.0
Loans, net of allowance for credit losses	**306,274**	**61.2**	289,597	61.5
Segregated fund net assets	**30,721**	**6.1**	28,959	6.1
Derivative financial instruments	**8,629**	**1.7**	7,579	1.6
Other assets	**17,075**	**3.4**	15,856	3.4
Total assets	**$ 501,254**	**100.0%**	$ 470,942	100.0%
Liabilities and equity				
Deposits	**$ 320,919**	**64.0%**	$ 300,946	64.0%
Insurance contract liabilities	**34,679**	**6.9**	34,538	7.3
Commitments related to securities sold short	**15,062**	**3.0**	13,249	2.8
Commitments related to securities lent or sold under repurchase agreements	**23,888**	**4.8**	20,633	4.4
Derivative financial instruments	**6,949**	**1.4**	6,112	1.3
Segregated fund net liabilities – Investment contracts	**27,164**	**5.4**	25,329	5.4
Other liabilities	**27,436**	**5.5**	27,483	5.8
Subordinated notes	**4,842**	**1.0**	3,962	0.8
Equity	**40,315**	**8.0**	38,690	8.2
Total liabilities and equity	**$ 501,254**	**100.0%**	$ 470,942	100.0%

Assets

As at June 30, 2025, Desjardins Group's total assets stood at $501.3 billion, up $30.3 billion, or 6.4%, since December 31, 2024.

Desjardins Group's cash and deposits with financial institutions were up $1.1 billion, or 18.0%, and securities, including securities borrowed or purchased under reverse repurchase agreements, rose $8.5 billion, or 6.9%, reflecting liquidity management activities.

Desjardins Group's outstanding loan portfolio, net of the allowance for credit losses, increased $16.7 billion, or 5.8%, primarily as a result of residential mortgage loans, which were up $11.1 billion, or 6.2%. Business and government loans have climbed $5.7 billion, or 6.6%, since the end of 2024. Consumer, credit card and other personal loans outstanding were comparable to their December 31, 2024 level.

Information on the quality of Desjardins Group's credit portfolio can be found in the "Risk management" section, on pages 33 to 36 of this MD&A.

Segregated fund net assets rose $1.8 billion, or 6.1%, on account of the increase in the fair value of the portfolio as a result of financial market developments coupled with growth in contract holders.

Derivative financial instrument assets were up $1.1 billion, or 13.9%, owing primarily to financial market developments and the effect of exchange rate fluctuations.

Other assets rose $1.2 billion, or 7.7%, mainly as a result of higher amounts receivable from clients, brokers and financial institutions.

Liabilities

Desjardins Group's total liabilities amounted to $460.9 billion as at June 30, 2025, up $28.7 billion, or 6.6%, since December 31, 2024.

Outstanding deposits grew $20.0 billion, or 6.6%. The increase in business and government deposits, which comprised 47.5% of Desjardins Group's total deposit portfolio, was largely responsible for this growth. These deposits outstanding were up $13.1 billion, or 9.4%, owing primarily to the various securities issues in the Canadian and international markets, and growth in business member and client deposits. Personal deposits outstanding, which accounted for 52.3% of the total deposit portfolio, were up $6.4 billion, or 3.9%. Deposits from deposit institutions had risen $0.5 billion since the end of 2024.

Desjardins Group's insurance contract liabilities eased up $0.1 billion, or 0.4%.

Commitments related to securities sold short and lent or sold under repurchase agreements increased $5.1 billion, or 15.0%, to a volume of $39.0 billion.

Derivative financial instrument liabilities have risen $0.8 billion, or 13.7%, since December 31, 2024, owing primarily to financial market developments.

Segregated fund net liabilities for investment contracts were up $1.8 billion, or 7.2%, on account of the increase in the fair value of the portfolio as a result of financial market developments coupled with growth in contract holders.

Subordinated notes climbed $0.9 billion, or 22.2%, owing to an issue of $1,250 million on January 24, 2025, and two issues of 220 million Swiss francs and 20 billion yen on June 26, 2025 in non-viability contingency capital (NVCC)-eligible subordinated notes. On May 26, 2025, the Federation repurchased NVCC-eligible subordinated notes amounting to $1 billion and maturing on May 26, 2030, at a price equal to their par value, plus accrued and unpaid interest to May 26, 2025 exclusively.

Equity

Equity has increased $1.6 billion, or 4.2%, since December 31, 2024 due to net surplus earnings after member dividends totalling $1.5 billion for the first six months of 2025.

Note 22, "Capital stock," and Note 23, "Share capital," to the Annual Combined Financial Statements provide additional information about Desjardins Group's capital stock and share capital.

CAPITAL MANAGEMENT

Capital management is crucial to the financial management of Desjardins Group with an objective to ensure the financial soundness and sustainability of the Desjardins Cooperative Group. To help safeguard a capital level and structure that maintains the confidence of members and clients and optimizes financial capital costs, the organization has a target capital structure that takes into account the banking industry regulatory requirements, Desjardins Group's objectives for maintaining its credit ratings and the risk profiles of the organization and its components. The target structure is subject to change and is updated annually by the Board of Directors of the Federation based on changes in the above factors. Additional information on the Integrated Capital Management Framework can be found in Section 3.2, "Capital management," of Desjardins Group's 2024 annual MD&A.

The current situation and the forecasts show that, overall, Desjardins Group has a solid capital base that allows it to continue to be one of the best-capitalized Canadian financial institutions and meet its targets.

Regulatory framework

Desjardins Group's regulatory capital ratios are calculated in accordance with the *Capital Adequacy Guideline* issued by the AMF and applicable, in particular, to financial services cooperatives. The Guideline takes into account the global regulatory framework for more resilient banks and banking systems (Basel III) issued by the Bank for International Settlements.

Under this framework, a minimum amount of capital must be maintained on a combined basis by all the Desjardins Group components. Some of these components are subject to separate requirements regarding regulatory capital, liquidity and funding, which are set by regulatory authorities governing trusts, credit unions, insurers and securities, among other things. Desjardins Group oversees and manages the capital requirements of these entities to ensure efficient use of capital and continuous compliance with the applicable regulations.

In this regard, it should be mentioned that the life and health insurance subsidiary under provincial jurisdiction is subject to the *Capital Adequacy Requirements Guideline – Life and Health Insurance* issued by the AMF. The property and casualty insurance subsidiaries under provincial jurisdiction must comply with the *Guideline on Capital Adequacy Requirements – Property and Casualty Insurance* issued by the AMF. The property and casualty insurance subsidiaries under federal jurisdiction must comply with the OSFI's *Minimum Capital Test – Guideline*.

For the purpose of calculating capital, Desjardins Financial Corporation Inc., the holding corporation that mainly includes the insurance companies, was deconsolidated and presented as a Desjardins Group partial capital deduction under the rules for significant investments stated in the *Capital Adequacy Guideline*. Desjardins Financial Corporation Inc., is subject to the AMF's *Capital Adequacy Requirements Guideline – Life and Health Insurance*.

In addition, Desjardins Group has been required to maintain a minimum loss absorbing capacity at all times in order to support its internal recapitalization (bail-in) in the event of failure. Such capacity is composed of regulatory capital instruments and unsecured external long-term debt that meets the criteria under the *Total Loss Absorbing Capacity Guideline* (TLAC Guideline) issued by the AMF.

The following table presents a summary of the minimum regulatory ratios set by the AMF under Basel III.

Summary of ratios regulated by the AMF under Basel III

(as a percentage)		Minimum ratio	Capital conservation buffer		Minimum ratio including capital conservation buffer	Supplement applying to D-SIFIs(1)(2)		Minimum ratio including capital conservation buffer and supplement applying to D-SIFIs	**Capital and leverage ratios as at June 30, 2025**
Tier 1A capital ratio(3)	>	4.5%	2.5%	>	7.0%	1.0%	>	8.0%	**22.9%**
Tier 1 capital ratio(3)	>	6.0	2.5	>	8.5	1.0	>	9.5	**22.9**
Total capital ratio(3)	>	8.0	2.5	>	10.5	1.0	>	11.5	**25.5**
TLAC ratio(4)	>	21.5	N/A	>	21.5	N/A	>	21.5	**33.2**
Leverage ratio(5)	>	3.0	N/A	>	3.0	0.5	>	3.5	**7.5**
TLAC leverage ratio(6)	>	6.75	N/A	>	6.75	N/A	>	6.75	**10.6**

(1) Supplement applicable to Desjardins Group as a domestic systemically important financial institution (D-SIFI).

(2) At its discretion, the AMF may also set higher target ratios when warranted by circumstances. In this regard, the AMF could activate the countercyclical buffer when it considers that excess credit growth is associated with a build-up of system-wide risk. Based on this assessment, a countercyclical buffer requirement representing between 0% and 2.5% of total risk-weighted assets (RWA) will be put in place when circumstances warrant. This requirement will be lifted when the risk either crystallizes or dissipates.

(3) The capital ratios are expressed as a percentage of regulatory capital to risk-weighted assets.

(4) The TLAC ratio is expressed as a percentage of regulatory capital and TLAC-eligible instruments (as set out in the TLAC Guideline) compared to risk-weighted assets at the level of the resolution group, which is deemed to be Desjardins Group, excluding Caisse Desjardins Ontario Credit Union Inc.

(5) The leverage ratio is calculated by dividing Tier 1 capital by the exposure measure, which is an independent measure of risk and includes: (1) on-balance sheet exposures, (2) securities financing transaction exposures, (3) derivative exposures, and (4) off-balance sheet items.

(6) The TLAC leverage ratio is calculated by dividing the sum total of regulatory capital and TLAC-eligible instruments (as set out in the TLAC Guideline) by the exposure measure at the level of the resolution group.

Regulatory developments

Desjardins Group continues to monitor changes in capital requirements under the global standards developed by the Basel Committee on Banking Supervision (BCBS) and to assess their impact on the capital ratios and the leverage ratio. Additional information in this regard can be found in Desjardins Group's 2024 annual MD&A on page 45. The "Changes in the regulatory environment" section of this MD&A also presents additional details on regulation as it affects all Desjardins Group operations.

In February 2025, the AMF issued a new revision of the *Capital Adequacy Guideline* proposing, in particular, changes to the principles for non-viability contingent capital-eligible instruments as well as concordance and clarification changes. These changes became effective on January 1, 2025.

Compliance with requirements

As at June 30, 2025, the Tier 1A, Tier 1 and total capital ratios of Desjardins Group, calculated in accordance with Basel III requirements, were 22.9%, 22.9% and 25.5%, respectively. The leverage ratio was 7.5%.

As at June 30, 2025, the Tier 1A capital ratio was up 73 basis points compared to December 31, 2024, owing primarily to the increase in reserves and surpluses for the period combined with risk-weighted asset optimization initiatives.

In addition, the TLAC ratio and the TLAC leverage ratio were respectively 33.2% and 10.6% as at June 30, 2025.

Desjardins Group and all its components that are subject to minimum regulatory requirements with respect to capitalization were in compliance with said requirements as at June 30, 2025.

Regulatory capital and other TLAC instruments

The following tables present Desjardins Group's main capital components, regulatory capital balances and other TLAC instruments, as well as risk-weighted assets, regulatory ratios, and changes in regulatory capital and other TLAC instruments during the period.

Main capital components and other TLAC instruments

	Regulatory capital and other TLAC instruments			
	Total capital			
	Tier 1 capital		Tier 2 capital	Other TLAC instruments
	Tier 1A[(1)]	Tier 1B[(1)]		
Eligible items	• Reserves and undistributed surplus earnings • Eligible accumulated other comprehensive income • F capital shares	• Non-controlling interests[(2)]	• Eligible portion of allowance for credit losses • NVCC subordinated notes[(3)] • Eligible qualifying shares	• TLAC senior notes
Deductions	• Mainly significant investments in financial entities[(4)]	• Investment in preferred shares of a component deconsolidated for regulatory capital purposes	• Investment in preferred shares of a component deconsolidated • Subordinated financial instrument	
Regulatory adjustments	• Goodwill • Software • Other intangible assets • Net defined benefit plan assets • Deferred tax assets essentially resulting from loss carryforwards • Provision deficit • Gains and losses from fluctuations in the fair value of financial liabilities due to changes in the entity's credit risk • Equity investments in investment funds subject to the fallback approach			

(1) The Tier 1A and Tier 1B ratios are the equivalent of the financial institutions' CET1 and AT1 ratios for financial services cooperatives regulated by the AMF.

(2) The amount of non-controlling interests is determined, in particular, based on the nature of the operations and the capitalization level of the investee.

(3) These notes meet the Non-Viability Contingent Capital (NVCC) requirements of the *Capital Adequacy Guideline*. To be eligible, the notes must include a clause requiring the full and permanent conversion into a Tier 1A capital instrument at the point of non-viability.

(4) Represent the portion of investments in the components deconsolidated for regulatory capital purposes (mainly Desjardins Financial Corporation Inc.) that exceeds 10% of capital, net of regulatory adjustments. In addition, when the non-deducted balance, plus deferred tax assets, net of corresponding deferred tax liabilities, exceeds 15% of the adjusted capital, the surplus is also deducted from this capital. The net non-deducted balance is subject to risk weighting at a rate of 250%.

Regulatory capital and other TLAC instruments

(in millions of dollars and as a percentage)	As at June 30, 2025	As at December 31, 2024
Capital		
Tier 1A capital	**$ 34,543**	$ 33,157
Tier 1 capital	**34,543**	33,157
Total capital	**38,447**	36,269
Total loss absorbing capacity (TLAC) available[1]	**48,541**	47,797
Risk-weighted assets		
Credit risk	**$ 122,181**	$ 121,845
Market risk	**5,780**	4,901
Operational risk	**22,927**	22,875
Total risk-weighted assets	**$ 150,888**	$ 149,621
Total risk-weighted assets for TLAC ratio purposes[1]	**146,087**	145,372
Leverage ratio exposure	**463,163**	434,089
TLAC leverage ratio exposure[1]	**455,892**	427,337
Ratios		
Tier 1A capital ratio	**22.9%**	22.2%
Tier 1 capital ratio	**22.9**	22.2
Total capital ratio	**25.5**	24.2
TLAC[1]	**33.2**	32.9
Leverage ratio	**7.5**	7.6
TLAC leverage ratio[1]	**10.6**	11.2

(1) Data calculated at the level of the resolution group, which is deemed to be Desjardins Group, excluding Caisse Desjardins Ontario Credit Union Inc.

The Federation is able to issue non-viability contingent capital (NVCC)-eligible instruments on Canadian, U.S. and international markets. Should there be a trigger event as defined in the *Capital Adequacy Guideline*, these notes would automatically and immediately be converted into Tier 1A capital of the Federation.

The Federation issued NVCC securities totalling $4.8 billion as at June 30, 2025. On May 26, 2025, the Federation repurchased NVCC-eligible subordinated notes amounting to $1 billion and maturing on May 26, 2030, at a price equal to their par value, plus accrued and unpaid interest to May 26, 2025 exclusively.

Desjardins Group also issued TLAC-eligible debt to meet minimum requirements, for a total of $11.1 billion as at June 30, 2025.

Change in regulatory capital and other TLAC instruments
For the six-month period ended

(in millions of dollars)	June 30, 2025
Tier 1A capital	
Balance at beginning of period	**$ 33,157**
Increase in reserves and undistributed surplus earnings[1]	**1,590**
Eligible accumulated other comprehensive income	**382**
F capital shares[2]	**(100)**
Deductions	**(486)**
Balance at end of period	**34,543**
Total Tier 1 capital[3]	**34,543**
Tier 2 capital	
Balance at beginning of period	**3,112**
Eligible instruments	**880**
Eligible portion of allowance for credit losses	**36**
Deductions	**(124)**
Balance at end of period	**3,904**
Total capital	**$ 38,447**
Total capital for TLAC purposes[4]	**$ 37,488**
Other TLAC instruments	
Balance at beginning of period	**12,469**
TLAC senior notes	**(1,416)**
Balance at end of period	**11,053**
Total loss absorbing capacity (TLAC) available[4]	**$ 48,541**

(1) Amount including the change in defined benefit pension plans.
(2) On March 24, 2025, the Federation redeemed for cancellation 10 million F capital shares held in the Trust Fund.
(3) No Tier 1B capital instrument has been issued to date.
(4) Data calculated at the level of the resolution group, which is deemed to be Desjardins Group, excluding Caisse Desjardins Ontario Credit Union Inc.

Risk-weighted assets (RWA)

Desjardins Group calculates RWA for credit risk, market risk and operational risk.

Credit risk
- Desjardins uses the Internal Ratings-Based Approach for credit risk.
- This approach is used for retail exposures – Personal as well as for most exposures in the asset classes consisting of sovereign borrowers, financial institutions, businesses and SMEs similar to other retail client exposures.
- The Standardized Approach is used to measure the credit risk of certain exposures related to components of lesser importance, as well as asset classes that are not significant in terms of amount and perceived risk profile.

Market risk
- Desjardins Group uses the standardized approach framework for the calculation of market risk RWA.

Operational risk
- Desjardins Group uses the Standardized Approach to calculate operational risk.

Desjardins is also subject to an RWA floor. When the RWA modelled are lower than the RWA calculated using the Standardized Approach multiplied by a factor set by the AMF, the difference is added to the denominator of the regulatory capital ratio, as specified in the AMF's *Capital Adequacy Guideline*.

Movements in risk-weighted assets

RWA totalled $150.9 billion as at June 30, 2025, down $1.0 billion compared to the previous quarter.

For credit risk, changes in RWA for the second quarter of 2025 are divided into two segments: credit risk other than counterparty risk, and counterparty risk.
- Credit risk other than counterparty risk remained stable compared to the previous quarter.
- Counterparty risk reflected a net decrease amounting to $0.6 billion.

Market risk saw a net decrease in RWA totalling $0.3 billion. Operational risk decreased slightly.

OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of operations, Desjardins Group enters into various off-balance sheet arrangements, including assets under management and under administration on behalf of its members and clients, credit instruments, guarantees and structured entities, including securitization. Additional information is included in Section 3.3, "Off-balance sheet arrangements," of Desjardins Group's 2024 annual MD&A.

Note 13, "Interests in other entities," and Note 28, "Commitments, guarantees and contingent liabilities," to Desjardins Group's Annual Combined Financial Statements contain information about structured entities, credit instruments and guarantees, while Note 8, "Derecognition of financial assets," to the Annual Combined Financial Statements provides information about the securitization of Desjardins Group's loans.

Assets under management and under administration

As at June 30, 2025, Desjardins Group administered, on behalf of its members and clients, assets totalling $630.4 billion, for an increase of $29.5 billion, or 4.9%, since December 31, 2024. Financial assets entrusted to Desjardins Group as wealth manager amounted to $111.5 billion as at June 30, 2025, up $7.3 billion, or 7.0%, since December 31, 2024. The increase in assets under management and under administration resulted from growth in the volume of assets managed and administered, and higher asset values driven by financial market developments.

Assets under management and under administration by Desjardins Group are composed essentially of financial assets in the form of investment funds, securities held in custody and assets accumulated by pension funds. They do not belong to Desjardins Group, but to its members and clients and, as a result, they are not recognized on the Combined Balance Sheets. The Wealth Management segment is primarily responsible for the activities related to assets under management and under administration.

RISK MANAGEMENT

RISK MANAGEMENT

Desjardins Group's objective in risk management is to optimize the risk-return trade-off by developing and applying integrated risk management strategies, frameworks, practices and procedures to all of the organization's business sectors and support functions. To this end, Desjardins developed an Integrated Risk Management Framework reflective of its business strategies and organizational risk-taking philosophy which is aimed, among other things, at giving its senior management and the Board of Directors of the Federation an appropriate level of confidence and comfort regarding the understanding and management of the risks associated with the achievement of its objectives, including risks related to external factors such as climate change.

Desjardins Group is exposed to different types of risk in the normal course of its operations, including credit risk, market risk, liquidity risk, operational risk, insurance risk, strategic risk, reputational risk, environmental, social and governance risk, and regulatory risk.

Strict and effective management of these risks is a priority for Desjardins Group, its purpose being to support its major orientations, particularly regarding its financial soundness as well as its sustained and profitable growth, while complying with regulatory requirements. Desjardins Group considers risk an inextricable part of its development, and consequently strives to promote a proactive approach in which each of its business segments, employees and managers is responsible for risk management.

In the first six months of fiscal 2025, Desjardins Group's governance structure, frameworks and practices for risk management, and the nature and description of the risks to which it is exposed (including operational risk, insurance risk, strategic risk, reputational risk, environmental, social risk and governance risk, and regulatory risk) did not change significantly from those described on pages 55 to 93 of Desjardins Group's 2024 annual MD&A. In addition to these types of risk, other risk factors, which are beyond Desjardins Group's control, could have an impact on its future results. These principal risks and emerging risks, as well as other risk factors, did not change significantly from those described on pages 52 to 55 of Desjardins Group's 2024 annual MD&A, except for the economic situation as specified in the "Economic environment and outlook" section of this MD&A. In addition, the following text is an update of the 2024 annual MD&A.

RISK FACTORS THAT COULD IMPACT FUTURE RESULTS

Economic and geopolitical uncertainty

U.S. trade policy remains in flux, with new rate hikes. While the impact on Canada remains uncertain, any free trade agreement carve-out could soften the blow. The trade war and its raft of tariffs will inevitably push up prices for multiple imported goods, yet the economic and inflationary ripple effects are hard to gauge. Meanwhile, geopolitical tensions, particularly with the U.S. administration's latest ultimatum to Russia, Iran and the Middle East, are fuelling global instability, which could weigh on markets. In these circumstances, Desjardins Group is monitoring and assessing developments to identify appropriate measures to mitigate any potential impact on its operations, members and clients.

CREDIT RISK

Credit risk is the risk of losses resulting from a borrower's or counterparty's failure to honour its contractual obligations, whether or not such obligations appear on the Combined Balance Sheets.

Desjardins Group is exposed to credit risk first through its direct personal, business and government loans. It is also exposed through various other commitments, including letters of credit and transactions involving derivative financial instruments as well as securities transactions.

The macroeconomic environment remains highly uncertain, in particular with respect to the evolution of trade relations with the United States, including the imposition of tariffs and retaliatory measures, interest rates and geopolitical tensions. Therefore, management has to continue making particularly complex judgments to estimate the allowance for credit losses in such situation. Expert adjustments are applied to the measurement of the allowance for expected credit losses to take into account relevant risk factors related to the macroeconomic environment that are not reflected in models.

The tariffs imposed and potential impacts on our members and clients could dampen debtors' ability to pay. However, our credit portfolio remains in good shape despite the economic uncertainty. Members and clients affected in this environment may also draw on support measures.

Quality of loan portfolio

As at June 30, 2025, in accordance with Note 5, "Loans and allowance for credit losses," to the Interim Combined Financial Statements, the loss allowance for expected credit losses on loans totalled $1,511 million, and the loss allowance for off-balance-sheet items was $121 million, for a total of $1,632 million, up $212 million, compared to December 31, 2024. This change reflects an unfavourable migration in credit quality, a higher volume and an unfavourable impact related to the updated economic outlook, owing primarily to trade disruptions, affecting the business loan portfolios. For more information about the methodology and assumptions used to estimate the loss allowance for expected credit losses, please refer to Note 5, "Loans and allowance for credit losses," to the Interim Combined Financial Statements.

Gross credit-impaired loans outstanding are considered Stage 3 loans of the impairment model. The ratio of gross credit-impaired loans, as a percentage of the total gross loans portfolio, was 0.82% for the second quarter of 2025, compared to 0.81% as at December 31, 2024. The allowance for credit losses on credit-impaired loans totalled $763 million as at June 30, 2025, resulting in a provisioning rate of 30.4% for credit-impaired loans.

The following table presents the aging of gross loans past due but not credit-impaired.

Gross loans past due but not credit-impaired[1]

	As at June 30, 2025			As at December 31, 2024		
(in millions of dollars)	31 to 90 days	91 days or more	Total	31 to 90 days	91 days or more	Total
Residential mortgages	$ 142	$ 84	$ 226	$ 165	$ 113	$ 278
Consumer, credit card and other personal loans	168	25	193	195	36	231
Business and government	56	103	159	84	110	194
Total	$ 366	$ 212	$ 578	$ 444	$ 259	$ 703

(1) Loans less than 31 days past due are not presented because, in general, they are not an indication that borrowers will not meet their payment obligations.

The following tables present gross credit-impaired loans by Desjardins Group borrower category and the change in gross credit-impaired loans.

Gross credit-impaired loans by borrower category

	As at June 30, 2025					As at December 31, 2024	
	Gross carrying amount			Allowance for credit losses on credit-impaired loans	Net credit-impaired loans		
(in millions of dollars and as a percentage)	Gross loans	Gross credit-impaired loans[1]				Gross credit-impaired loans	Net credit-impaired loans
Residential mortgages	$ 191,041	$ 485	0.25%	$ 31	$ 454	$ 454	$ 424
Consumer, credit card and other personal loans	24,736	257	1.04	185	72	249	84
Business and government	92,008	1,771	1.92	547	1,224	1,653	1,233
Total	$ 307,785	$ 2,513	0.82%	$ 763	$ 1,750	$ 2,356	$ 1,741

(1) For more information on the gross credit-impaired loans/gross loans ratio, which is a supplementary financial measure, see the Glossary on pages 52 to 59.

Change in gross credit-impaired loans

	For the three-month periods ended			For the six-month periods ended	
(in millions of dollars)	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Gross credit-impaired loans at the beginning of the period	$ 2,459	$ 2,356	$ 2,150	$ 2,356	$ 1,964
Gross loans that became credit-impaired since the last period	812	822	871	1,634	1,801
Loans returned to unimpaired status	(657)	(618)	(718)	(1,275)	(1,363)
Write-offs and recoveries	(102)	(101)	(150)	(203)	(248)
Other changes	1	—	—	1	(1)
Gross credit-impaired loans at the end of the period	$ 2,513	$ 2,459	$ 2,153	$ 2,513	$ 2,153

The following tables are presented to meet the disclosure requirements of the *Residential Hypothecary Lending Guideline* issued by the AMF. They present the residential mortgage portfolio of the caisse network in Québec and Caisse Desjardins Ontario Credit Union Inc. by product type and geographic area, as well as the corresponding loan-to-value ratios.

Residential mortgage portfolio[(1)]
Caisse network in Québec and Caisse Desjardins Ontario Credit Union Inc.[(2)]

(in millions of dollars and as a percentage)	As at June 30, 2025 Guaranteed or insured loans[(3)]		Uninsured loans[(4)]		Home equity lines of credit[(5)]		Total	
Québec	$ 31,710	97.6%	$ 100,847	95.0%	$ 6,258	94.9%	$ 138,815	95.6%
Ontario	735	2.3	5,264	5.0	337	5.1	6,336	4.4
Other[(6)]	19	0.1	50	—	—	—	69	—
All geographic areas	$ 32,464	100.0%	$ 106,161	100.0%	$ 6,595	100.0%	$ 145,220	100.0%

(in millions of dollars and as a percentage)	As at March 31, 2025 Guaranteed or insured loans[(3)]		Uninsured loans[(4)]		Home equity lines of credit[(5)]		Total	
Québec	$ 30,809	97.6%	$ 97,622	95.0%	$ 6,134	95.0%	$ 134,565	95.6%
Ontario	718	2.3	5,065	5.0	323	5.0	6,106	4.3
Other[(6)]	19	0.1	51	—	—	—	70	0.1
All geographic areas	$ 31,546	100.0%	$ 102,738	100.0%	$ 6,457	100.0%	$ 140,741	100.0%

(in millions of dollars and as a percentage)	As at June 30, 2024 Guaranteed or insured loans[(3)]		Uninsured loans[(4)]		Home equity lines of credit[(5)]		Total	
Québec	$ 29,556	97.8%	$ 93,135	95.2%	$ 5,891	95.0%	$ 128,582	95.8%
Ontario	625	2.1	4,723	4.8	309	5.0	5,657	4.2
Other[(6)]	19	0.1	46	—	—	—	65	—
All geographic areas	$ 30,200	100.0%	$ 97,904	100.0%	$ 6,200	100.0%	$ 134,304	100.0%

(1) Represents all loans secured by a property with up to four units. Residential mortgages on properties with up to four units held outside of the caisse network in Québec and Caisse Desjardins Ontario Credit Union Inc. totalled $224 million as at June 30, 2025 ($242 million as at March 31, 2025 and $218 million as at June 30, 2024).
(2) Caisse Desjardins Ontario Credit Union Inc. is not legally subject to the AMF rules but is instead subject to the Financial Services Regulatory Authority of Ontario (FSRA) rules.
(3) Term mortgages and the amortized portion of home equity lines of credit for which Desjardins Group has a full or partial guarantee or insurance from a mortgage insurer (public or private) or a government.
(4) Conventional term mortgages including the conventional amortized portion of home equity lines of credit and amortized consumer loans secured by a property with up to four units.
(5) Unamortized portion of home equity lines of credit and consumer lines of credit secured by a property with up to four units.
(6) Represents the geographic areas of Canada other than Québec and Ontario.

Average loan-to-value (LTV) ratio for uninsured residential mortgages granted during the quarter
Caisse network in Québec and Caisse Desjardins Ontario Credit Union Inc.[(1)]

(average loan-to-value ratio, by geographic area)	As at June 30, 2025 Uninsured loans[(2)]	Home equity lines of credit and related loans[(3)]	Total uninsured	As at March 31, 2025 Uninsured loans[(2)]	Home equity lines of credit and related loans[(3)]	Total uninsured	As at June 30, 2024 Uninsured loans[(2)]	Home equity lines of credit and related loans[(3)]	Total uninsured
Québec	66.3%	62.2%	63.5%	65.5%	61.8%	63.1%	64.1%	62.9%	63.3%
Ontario	64.2	63.2	63.7	63.7	63.8	63.8	65.6	64.0	64.7
Other[(4)]	74.4	—	74.4	78.6	62.2	76.4	79.7	55.2	66.5
All geographic areas	66.1%	62.2%	63.5%	65.3%	61.9%	63.1%	64.2%	63.0%	63.3%

(1) Caisse Desjardins Ontario Credit Union Inc. is not legally subject to the AMF rules but rather to the FSRA rules.
(2) Conventional term mortgages and amortized consumer loans secured by a property with up to four units.
(3) Home equity lines of credit including related amortized loans and consumer lines of credit secured by a property with up to four units.
(4) Represents the geographic areas of Canada other than Québec and Ontario.

The following table presents Desjardins Group's residential mortgage portfolio by remaining amortization period.

Remaining amortization period for residential mortgages[(1)(2)]

Caisse network in Québec and Caisse Desjardins Ontario Credit Union Inc.[(3)]

(in millions of dollars in gross loans and as a percentage of the total by remaining amortization category)	Total amortized loans					
	As at June 30, 2025		As at March 31, 2025		As at June 30, 2024	
0 to 10 years	**$ 9,606**	**6.9%**	$ 9,447	7.0%	$ 9,227	7.2%
10 to 20 years	**45,543**	**32.9**	44,279	33.0	42,394	33.1
20 to 25 years	**70,658**	**51.0**	69,230	51.6	64,806	50.6
25 to 30 years	**10,388**	**7.5**	8,276	6.2	6,145	4.8
30 to 35 years	**153**	**0.1**	163	0.1	169	0.1
35 years or more[(4)]	**2,277**	**1.6**	2,889	2.1	5,363	4.2
All amortization periods	**$ 138,625**	**100.0%**	$ 134,284	100.0%	$ 128,104	100.0%

(1) The caisse network's variable-rate mortgages represented 26.3% as at June 30, 2025 (25.0% as at March 31, 2025 and 23.2% as at June 30, 2024).
(2) In accordance with Desjardins Group's internal practices, the remaining amortization period for residential mortgages is limited to 30 years. However, exceeding this 30-year maximum amortization is permitted in certain exceptional situations.
(3) Caisse Desjardins Ontario Credit Union Inc. is not legally subject to the AMF rules but rather to the FSRA rules.
(4) Negative amortization loans are included in the over 35 years category, which reflects the impact of interest rate hikes on the variable-rate mortgage portfolio.

International exposures

As at June 30, 2025, Desjardins Group credit risk exposures outside of Canada and the U.S. represented 1.7% of the total exposures.

Counterparty and issuer risk

Counterparty and issuer risk is a credit risk relative to different types of securities, derivative financial instrument and securities lending transactions.

The Risk Management Executive Division sets the maximum exposure for each counterparty and issuer based on quantitative and qualitative criteria. In addition, limits are set for certain financial instruments. The amounts are then allocated to different components based on their needs.

A large proportion of Desjardins Group's exposure is to the different levels of government in Canada, Québec public and parapublic entities and major Canadian banks. For most of these counterparties and issuers, the credit rating is A- or higher. Apart from the U.S. sovereign debt holdings and commitments with major international banks, Desjardins Group's exposure to foreign entities is low.

MARKET RISK

Market risk refers to the risk of loss arising from changes in the fair value of financial instruments as a result of fluctuations in the parameters affecting this value, in particular, interest rates, exchange rates, credit spreads, equity prices and their volatility.

Desjardins Group is exposed to market risk through its trading activities, which result primarily from short-term transactions conducted with the intention of profiting from current price movements or to provide arbitrage revenue. Desjardins Group is also exposed to market risk through its non-trading activities, which group together mainly asset/liability management transactions in the course of its traditional banking activities as well as investment portfolios related to its insurance operations. Desjardins Group and its components have adopted policies that set out the principles, limits and procedures to use in managing market risk.

Link between market risk and the Combined Balance Sheets

The following table presents the link between the main Combined Balance Sheet data and the positions included in trading activities and non-trading activities. The principal market risks associated with non-trading activities are also indicated in the table.

Link between market risk and the Combined Balance Sheets
As at June 30, 2025

(in millions of dollars)	Combined Balance Sheets	Exposed to market risk – Trading activities[1][2]	Exposed to market risk – Non-trading activities[3]	Not exposed to market risk	Principal risks associated with non-trading activities
Assets					
Cash and deposits with financial institutions	$ 7,053	$ —	$ 7,053	$ —	Interest rate
Securities					
Securities at fair value through profit or loss	44,442	15,224	29,218	—	Interest rate, FX, price
Securities at fair value through other comprehensive income	60,900	—	60,900	—	Interest rate, FX, price
Securities at amortized cost	38	—	38	—	Interest rate
Securities borrowed or purchased under reverse repurchase agreements	26,122	22,810	3,312	—	Interest rate
Loans, net of allowance for credit losses	306,274	—	306,274	—	Interest rate
Segregated fund net assets	30,721	—	30,721	—	Interest rate, price
Derivative financial instruments	8,629	730	7,899	—	Interest rate, FX, price
Other assets	17,075	—	—	17,075	
Total assets	$ 501,254	$ 38,764	$ 445,415	$ 17,075	
Liabilities and equity					
Deposits	$ 320,919	$ —	$ 320,919	$ —	Interest rate
Insurance contract liabilities	34,679	—	34,679	—	Interest rate
Commitments related to securities sold short	15,062	14,787	275	—	Interest rate
Commitments related to securities lent or sold under repurchase agreements	23,888	23,254	634	—	Interest rate
Derivative financial instruments	6,949	826	6,123	—	Interest rate, FX, price
Segregated fund net liabilities – Investment contracts	27,164	—	27,164	—	Interest rate, price
Other liabilities	27,436	—	693	26,743	Interest rate
Subordinated notes	4,842	—	4,842	—	Interest rate
Equity	40,315	—	—	40,315	
Total liabilities and equity	$ 501,254	$ 38,867	$ 395,329	$ 67,058	

See next page for footnotes.

Link between market risk and the Combined Balance Sheets (continued)
As at December 31, 2024

(in millions of dollars)	Combined Balance Sheets	Exposed to market risk: Trading activities[(1)(2)]	Exposed to market risk: Non-trading activities[(3)]	Not exposed to market risk	Principal risks associated with non-trading activities
Assets					
Cash and deposits with financial institutions	$ 5,977	$ —	$ 5,977	$ —	Interest rate
Securities					
Securities at fair value through profit or loss	41,961	13,210	28,751	—	Interest rate, FX, price
Securities at fair value through other comprehensive income	57,302	—	57,302	—	Interest rate, FX, price
Securities at amortized cost	45	—	45	—	Interest rate
Securities borrowed or purchased under reverse repurchase agreements	23,666	20,159	3,507	—	Interest rate
Loans, net of allowance for credit losses	289,597	—	289,597	—	Interest rate
Segregated fund net assets	28,959	—	28,959	—	Interest rate, price
Derivative financial instruments	7,579	983	6,596	—	Interest rate, FX, price
Other assets	15,856	—	—	15,856	
Total assets	$ 470,942	$ 34,352	$ 420,734	$ 15,856	
Liabilities and equity					
Deposits	$ 300,946	$ —	$ 300,946	$ —	Interest rate
Insurance contract liabilities	34,538	—	34,538	—	Interest rate
Commitments related to securities sold short	13,249	12,589	660	—	Interest rate
Commitments related to securities lent or sold under repurchase agreements	20,633	20,459	174	—	Interest rate
Derivative financial instruments	6,112	685	5,427	—	Interest rate, FX, price
Segregated fund net liabilities – Investment contracts	25,329	—	25,329	—	Interest rate, price
Other liabilities	27,483	—	713	26,770	Interest rate
Subordinated notes	3,962	—	3,962	—	Interest rate
Equity	38,690	—	—	38,690	
Total liabilities and equity	$ 470,942	$ 33,733	$ 371,749	$ 65,460	

(1) Trading activity positions for which the risk measure is Value at Risk (VaR).
(2) The amounts presented under trading activities take inter-company eliminations into account.
(3) Positions mainly related to non-trading banking activities and insurance activities.

Management of market risk related to trading activities – Value at Risk

The market risk of trading portfolios is managed on a day-to-day basis under specific frameworks, which set out the risk factors that must be measured and the limit for each of these factors as well as the total. Tolerance limits are also provided for various stress testing. Compliance with these limits is monitored daily and a market risk dashboard is produced on a daily basis and reported to senior management. Any limit exceeded is immediately analyzed and the appropriate action is taken.

The main tool used to measure this risk is Value at Risk (VaR). VaR is an estimate of the potential loss over a certain period of time at a given confidence level. A Monte Carlo VaR is calculated daily on the trading portfolios, using a 99% confidence level and a holding horizon of one day. It is therefore reasonable to expect a loss exceeding the VaR figure once every 100 days. The calculation of VaR is based on historical data for a one-year interval.

The following table presents the aggregate VaR of trading activities. Equity price risk, foreign exchange risk and interest rate risk are the three market risk categories to which Desjardins Group is exposed. These risk factors are taken into account in measuring the market risk of the trading portfolio. They are reflected in the VaR table presented below. The definition of a trading portfolio meets the various criteria defined in the *Capital Adequacy Guideline* issued by the AMF.

Market risk measures for the trading portfolio

(in millions of dollars)	For the quarter ended June 30, 2025 – As at June 30, 2025	For the quarter ended June 30, 2025 – Average	For the quarter ended June 30, 2025 – High	For the quarter ended June 30, 2025 – Low	For the quarters ended March 31, 2025 – As at March 31, 2025	For the quarters ended March 31, 2025 – Average	For the quarters ended June 30, 2024 – As at June 30, 2024	For the quarters ended June 30, 2024 – Average
Equities	**$ 0.5**	**$ 0.4**	**$ 0.7**	**$ 0.3**	$ 0.4	$ 0.4	$ 0.3	$ 0.3
Foreign exchange	**0.8**	**0.6**	**1.3**	**0.2**	0.9	0.6	0.5	0.4
Interest rate	**6.2**	**5.7**	**9.7**	**3.2**	6.1	5.6	4.8	5.2
Diversification effect[1]	**(1.2)**	**(1.0)**	**N/A[2]**	**N/A[2]**	(1.0)	(0.8)	(0.7)	(0.8)
Aggregate VaR	**$ 6.3**	**$ 5.7**	**$ 9.8**	**$ 3.4**	$ 6.4	$ 5.8	$ 4.9	$ 5.1

(1) Represents the risk reduction related to diversification, namely the difference between the sum of the VaR of the various market risks and the aggregate VaR.
(2) The highs and lows of the various market risk categories can refer to different dates. It is not relevant to calculate a diversification effect.

The average of the trading portfolio's aggregate VaR was $5.7 million for the quarter ended June 30, 2025, down $0.1 million compared to the quarter ended March 31, 2025.

Aggregate VaR is an appropriate measure for a trading portfolio but must be interpreted by taking into account certain limits, in particular the following ones:
- This measure does not allow future losses to be predicted if actual market fluctuations differ markedly from those used to do the calculations.
- This measure is used to determine the potential losses for a one-day holding period, not the losses on positions that cannot be liquidated or hedged during this one-day period.
- This measure does not provide information on potential losses beyond the selected confidence level of 99%.

Given these limitations, the process of monitoring trading activities using VaR is supplemented by stress testing and by establishing limits in this regard.

Structural interest rate risk management

Desjardins Group is exposed to structural interest rate risk, which represents the potential impact of interest rate fluctuations on net interest income and the economic value of equity. This risk is the main component of market risk for Desjardins Group's traditional non-trading banking activities, such as accepting deposits and granting loans, as well as for its securities portfolios used for long-term investment purposes and as liquidity reserves.

Interest rate sensitivity is based on the earlier of the repricing or the maturity date of the assets, liabilities and derivative financial instruments used to manage structural interest rate risk. The situation presented reflects the position on the date indicated and can change significantly in subsequent quarters depending on the preferences of Desjardins Group members and clients, and the application of policies on structural interest rate risk management.

Some Combined Balance Sheet items are considered non-interest-rate-sensitive instruments, including investments in equities, non-performing loans, non-interest-bearing deposits, non-maturity deposits with an interest rate not referenced to a specific rate (such as the prime rate), and equity. As dictated in its policies, Desjardins Group's management practices are based on prudent assumptions with respect to the maturity profile used in its models to determine the interest rate sensitivity of such instruments.

In addition to the total sensitivity gap, the main structural interest rate risk factors are:
- Trend in interest rate level and volatility.
- Changes in the shape of the interest rate curve.
- Member and client behaviour in their choice of products.
- Financial intermediation margin.
- Optionality of the various financial products offered.

In order to mitigate these risk factors, sound and prudent management is applied to optimize net interest income while reducing the negative incidence of interest rate movements. The established policies describe the principles, limits and procedures that apply to structural interest rate risk management. Stress testing is used to measure the effect of different variables on changes in net interest income and the economic value of equity. These policies specify the structural interest rate risk factors, the risk measures selected, the risk tolerance levels and the management limits as well as the procedures in the event that limits are exceeded. Structural interest rate risk is assessed at the required frequency based on portfolio volatility (daily, monthly and quarterly).

The assumptions used in the stress testing are based on an analysis of historical data and on the effects of various interest rate environments on changes in such data. These assumptions concern changes in the structure of assets and liabilities, including modelling for non-maturity deposits, in member and client behaviour, and in pricing. Desjardins Group's Asset/Liability Committee is responsible for analyzing and approving the global matching strategy on a monthly basis while respecting the parameters defined in structural interest rate risk management policies.

The table below presents the potential impact before income taxes, with regard to structural interest rate risk management associated with banking activities, of a sudden and sustained 100-basis-point increase or decrease in interest rates on net interest income and the economic value of equity for Desjardins Group, assuming the balance sheet is stable and management takes no measures to mitigate risk.

Interest rate sensitivity (before income taxes)

	As at June 30, 2025		As at March 31, 2025		As at June 30, 2024	
(in millions of dollars)	**Net interest income[1]**	**Economic value of equity[2]**	Net interest income[1]	Economic value of equity[2]	Net interest income[1]	Economic value of equity[2][3]
Impact of a 100-basis-point increase in interest rates	**$ 23**	**$ (1,331)**	$ (23)	$ (1,409)	$ 52	$ (973)
Impact of a 100-basis-point decrease in interest rates	**5**	**1,170**	61	1,268	(45)	805

(1) Represents the interest rate sensitivity of net interest income for the next 12 months.

(2) Represents the sensitivity of the present value of assets, liabilities and off-balance sheet instruments.

(3) The sensitivity of the economic value of equity was revised in fiscal 2024 in line with the update of the AMF's *Interest Rate Risk Management Guideline*. The revised measure no longer includes an equity maturity assumption. The data as at June 30, 2024 has been restated for comparison purposes.

LIQUIDITY RISK

Liquidity risk refers to Desjardins Group's capacity to raise the necessary funds (by increasing liabilities or converting assets) to meet a financial obligation, whether or not it appears on the Combined Balance Sheets.

Desjardins Group manages liquidity risk in order to ensure that it has timely and cost-effective access to the funds needed to meet its financial obligations as they become due, in both routine and crisis situations. Managing this risk involves maintaining a sufficient level of liquid securities, ensuring stable and diversified sources of funding, monitoring indicators and having a contingency plan in the event of a liquidity crisis.

Liquidity risk management is a key component of the overall risk management strategy. Desjardins Group has established policies describing the principles, limits, risk appetite thresholds as well as the procedures that apply to liquidity risk management. These policies are reviewed on a regular basis to ensure that they are appropriate for the operating environment and prevailing market conditions. They are also updated to reflect regulatory requirements and sound liquidity risk management practices. Given that the insurance companies are subject to specific regulatory requirements, they manage their liquidity risks based on their own needs while following Desjardins Group guidelines. The securities held by these components are not taken into account in the valuation of Desjardins Group's liquidity reserves.

Desjardins Group's Treasury ensures stable and diversified sources of institutional funding by type, source and maturity. It uses a wide range of financial products and borrowing programs on various markets for its funding needs. Through these operations, the funding needs of Desjardins Group components can be satisfied under conditions comparable to those offered on financial markets.

Furthermore, Desjardins Group issues covered bonds and securitizes loans insured by Canada Mortgage and Housing Corporation (CMHC) in the course of its day-to-day operations. Desjardins Group is also eligible for the Bank of Canada's various intervention programs and loan facilities for Emergency Lending Assistance advances.

The implementation of Basel III strengthens international minimum liquidity requirements through the application of a liquidity coverage ratio (LCR), a net stable funding ratio (NSFR) and the use of Net Cumulative Cash Flow (NCCF). Under its liquidity risk management policy, Desjardins Group already produces and regularly reports on these ratios to the AMF.

Liquidity risk measurement and monitoring

Desjardins Group determines its liquidity needs by reviewing its current operations and evaluating its future forecasts for balance sheet growth and institutional funding conditions. Various analyses are used to determine the actual liquidity levels of assets and the stability of liabilities based on observed behaviours or contractual maturities. Maintaining liquidity reserves of high-quality assets is required to offset potential cash outflows following a disruption in financial markets, or events that would restrict its access to funding or result in a serious run on deposits.

The minimum liquid asset levels to be maintained by Desjardins Group are specifically prescribed by policies. Daily management of these securities and the reserve level to be maintained is centralized at Desjardins Group Treasury and is subject to monitoring by the Risk Management function under the supervision of the Desjardins Group Finance and Risk Management Committee. Securities eligible for liquidity reserves must meet high security and negotiability criteria and provide assurance of their adequacy in the event of a severe liquidity crisis.

In addition to complying with regulatory ratios, a Desjardins-wide stress testing program has been set up. This program incorporates the concepts put forward by the BCBS in *Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring*. The scenarios make it possible to:
- measure the extent of potential cash outflows in a crisis situation.
- implement liquidity ratios and levels to be maintained across Desjardins Group.
- assess the potential marginal cost of such events, depending on the type, severity and level of the crisis.

Liquidity risk indicators

The purpose of monitoring liquidity indicators daily is to quickly identify a lack of liquidity, whether potential or real, within Desjardins Group and on financial markets. Warning levels subject to an escalation process are established for each of these indicators. If one or more indicators trigger a warning level, the relevant senior executives are alerted, depending on the nature of the incident. The senior executives would act as plan owners should the contingency plan be put into action.

This plan lists the sources of liquidity available in exceptional situations. In addition, it lays down the decision-making and information process. The aim of the plan is to allow quick and effective intervention in order to minimize disruptions caused by sudden changes in member and client behaviour and potential disruptions in capital markets or economic conditions. Furthermore, in the event of a crisis extensive enough to question Desjardins Group's creditworthiness, a living will has been prepared to enable those responsible to draw on a broader range of liquidity sources to deal with the situation.

Liquid assets

The following tables present a summary of Desjardins Group's liquid assets, which do not include assets held by the insurance subsidiaries because those assets are committed to covering insurance liabilities and not the liquidity needs of Desjardins Group's other components. Liquid assets constitute Desjardins Group's primary liquidity reserve for all its operations. Encumbered liquid assets mainly include liquid assets that are pledged as collateral or cannot be used due to regulatory, legal, operational or other restrictions.

Liquid assets[(1)]

As at June 30, 2025

(in millions of dollars)	Liquid assets held by Desjardins Group	Securities held as collateral – Securities financing and derivatives trading	Total liquid assets	Encumbered liquid assets	Unencumbered liquid assets
Cash and deposits with financial institutions	**$ 5,778**	**$ —**	**$ 5,778**	**$ 701**	**$ 5,077**
Securities					
Issued or guaranteed by Canada, provinces and municipal corporations in Canada, school or public corporations in Canada, and foreign public administrations	**63,040**	**26,387**	**89,427**	**39,269**	**50,158**
Other securities in Canada	**6,163**	**1,298**	**7,461**	**1,632**	**5,829**
Issued or guaranteed by foreign issuers	**294**	**12**	**306**	**15**	**291**
Loans					
Insured residential mortgage-backed securities	**16,361**	**—**	**16,361**	**1,308**	**15,053**
Total	**$ 91,636**	**$ 27,697**	**$ 119,333**	**$ 42,925**	**$ 76,408**

As at December 31, 2024

(in millions of dollars)	Liquid assets held by Desjardins Group	Securities held as collateral – Securities financing and derivatives trading	Total liquid assets	Encumbered liquid assets	Unencumbered liquid assets
Cash and deposits with financial institutions	$ 4,996	$ —	$ 4,996	$ 469	$ 4,527
Securities					
Issued or guaranteed by Canada, provinces and municipal corporations in Canada, school or public corporations in Canada, and foreign public administrations	56,336	24,296	80,632	32,487	48,145
Other securities in Canada	6,034	1,468	7,502	2,024	5,478
Issued or guaranteed by foreign issuers	321	7	328	9	319
Loans					
Insured residential mortgage-backed securities	17,334	—	17,334	1,691	15,643
Total	$ 85,021	$ 25,771	$ 110,792	$ 36,680	$ 74,112

(1) Excluding assets held by insurance subsidiaries.

Unencumbered liquid assets by entity[1]

(in millions of dollars)	As at June 30, 2025	As at December 31, 2024
Federation	**$ 52,165**	$ 49,022
Caisse network	**21,258**	22,303
Other entities	**2,985**	2,787
Total	**$ 76,408**	$ 74,112

(1) Excluding assets held by insurance subsidiaries. Substantially all unencumbered liquid assets presented in this table are issued in Canadian dollars.

Encumbered assets

In the course of its day-to-day operations, Desjardins Group pledges securities, loans and other assets as collateral, mainly with regard to financing operations, participation in clearing and payments systems and operations related to insurance contract liabilities.

The following tables present, for all assets on the Combined Balance Sheets and securities held as collateral, those that are encumbered as well as those that may be pledged as collateral as part of funding or other transactions.

Encumbered assets
As at June 30, 2025

				Breakdown of total assets			
				Encumbered assets		Unencumbered assets	
(in millions of dollars)	Combined Balance Sheet assets	Securities held as collateral	Total assets	Pledged as collateral	Other[1]	Available as collateral	Other[2]
Cash and deposits with financial institutions	**$ 7,053**	**$ —**	**$ 7,053**	**$ 201**	**$ 701**	**$ 4,876**	**$ 1,275**
Securities	**105,380**	**35,323**	**140,703**	**48,677**	**672**	**55,472**	**35,882**
Securities borrowed or purchased under reverse repurchase agreements	**26,122**	**—**	**26,122**	**—**	**—**	**—**	**26,122**
Loans, net of allowance for credit losses	**306,274**	**—**	**306,274**	**41,482**	**—**	**75,493**	**189,299**
Segregated fund net assets	**30,721**	**—**	**30,721**	**—**	**—**	**—**	**30,721**
Other assets	**25,704**	**—**	**25,704**	**—**	**—**	**—**	**25,704**
Total	**$ 501,254**	**$ 35,323**	**$ 536,577**	**$ 90,360**	**$ 1,373**	**$ 135,841**	**$ 309,003**

As at December 31, 2024

				Breakdown of total assets			
				Encumbered assets		Unencumbered assets	
(in millions of dollars)	Combined Balance Sheet assets	Securities held as collateral	Total assets	Pledged as collateral	Other[1]	Available as collateral	Other[2]
Cash and deposits with financial institutions	$ 5,977	$ —	$ 5,977	$ 189	$ 469	$ 4,338	$ 981
Securities	99,308	30,024	129,332	41,438	314	50,964	36,616
Securities borrowed or purchased under reverse repurchase agreements	23,666	—	23,666	—	—	—	23,666
Loans, net of allowance for credit losses	289,597	—	289,597	39,159	—	70,727	179,711
Segregated fund net assets	28,959	—	28,959	—	—	—	28,959
Other assets	23,435	—	23,435	—	—	—	23,435
Total	$ 470,942	$ 30,024	$ 500,966	$ 80,786	$ 783	$ 126,029	$ 293,368

(1) Assets that cannot be used for legal or other reasons.
(2) "Other" unencumbered assets include those of the insurance companies as well as other assets that in management's opinion would not be immediately available for collateral or funding purposes in their current form. Some of these other assets could eventually be assigned to the central bank as collateral.

Liquidity coverage ratio

The liquidity coverage ratio (LCR) was developed by the BCBS to promote the short-term resilience of the liquidity risk profile of financial institutions, and incorporated into the *Liquidity Adequacy Guideline* issued by the AMF. The LCR is the ratio of a stock of unencumbered high-quality liquid assets (HQLA) to net cash outflows over the next 30 days in the event of an acute liquidity stress scenario.

Under the AMF's *Liquidity Adequacy Guideline*, HQLA qualifying for the purpose of calculating the LCR consist of assets that can be converted quickly into cash at little or no loss of value on financial markets. For Desjardins Group, such high-quality liquid assets are comprised primarily of cash and highly rated securities issued or guaranteed by various levels of government. This guideline also prescribes weightings for cash inflows and outflows.

The AMF stipulates that this ratio is not to be less than the minimum requirements of 100% in the absence of stressed conditions. This ratio is proactively managed by Desjardins Group's Treasury, and an appropriate level of high-quality liquid assets is maintained for adequate coverage of the theoretical cash outflows associated with the standardized crisis scenario within the Basel III framework. Desjardins Group's main sources of theoretical cash outflows are a potential serious run on member and client deposits and a sudden drying-up of the short-term institutional funding sources used on a day-to-day basis by Desjardins Group.

The table below presents quantitative information regarding the LCR, based on the template recommended in the AMF's *Liquidity Adequacy Guideline* for disclosure requirements.

Liquidity coverage ratio[1]

(in millions of dollars and as a percentage)	For the quarter ended June 30, 2025 Total non-weighted value[2] (average[3])	For the quarter ended June 30, 2025 Total weighted value[4] (average[3])	For the quarter ended March 31, 2025 Total weighted value[4] (average[3])
High-quality liquid assets			
Total high-quality liquid assets	**N/A**	**$ 65,383**	$ 63,085
Cash outflows			
Retail deposits and small business deposits, including:	**$ 108,147**	**8,440**	8,095
Stable deposits	**52,240**	**1,567**	1,484
Less stable deposits	**55,907**	**6,873**	6,611
Unsecured wholesale funding, including:	**51,322**	**23,965**	21,566
Operational deposits (all counterparties) and deposits in cooperative bank networks	**19,179**	**4,573**	3,967
Non-operational deposits (all counterparties)	**21,307**	**8,556**	8,423
Unsecured debt	**10,836**	**10,836**	9,176
Secured wholesale funding	**N/A**	**159**	157
Additional requirements, including:	**28,805**	**5,630**	4,946
Outflows related to exposures on derivatives and other collateral required	**2,130**	**2,124**	1,274
Outflows related to funding loss on debt products	**143**	**143**	161
Credit and liquidity facilities	**26,532**	**3,363**	3,511
Other contractual funding liabilities	**3,975**	**2,318**	1,495
Other contingent funding liabilities	**98,092**	**2,782**	2,727
Total cash outflows	**N/A**	**$ 43,294**	$ 38,986
Cash inflows			
Secured loans (e.g. reverse repurchase agreements)	**$ 21,400**	**$ 899**	$ 754
Inflows related to completely effective exposures	**3,315**	**1,658**	1,505
Other cash inflows	**92**	**92**	28
Total cash inflows	**$ 24,807**	**$ 2,649**	$ 2,287
		Total adjusted value[5]	Total adjusted value[5]
Total high-quality liquid assets		**$ 65,383**	$ 63,085
Total net cash outflows		**40,645**	36,699
Liquidity coverage ratio		**161%**	172%

(1) Excluding the insurance subsidiaries.
(2) The non-weighted values of cash inflows and outflows represent unpaid balances either maturing or falling due and payable within 30 days.
(3) The ratio is presented based on the average daily data for the quarter.
(4) Weighted values are calculated after the "haircuts" prescribed for high-quality liquid assets and the rates prescribed for cash inflows and outflows have been applied.
(5) The total adjusted value takes into account, if applicable, the caps prescribed by the AMF for high-quality liquid assets and cash inflows.

Desjardins Group's average LCR was 161% for the quarter ended June 30, 2025, down 11% from the previous quarter. The LCR remains substantially above regulatory requirements. For the quarter ended June 30, 2025, the high quality liquid asset average was approximately $65.4 billion ($63.1 billion as at March 31, 2025), of which 95% (95% as at March 31, 2025) was composed of Level 1 assets according to Basel III criteria. These include, in particular, coins and banknotes, deposits with central banks, and securities issued or secured by sovereign issuers.

Net stable funding ratio

The net stable funding ratio (NSFR) was developed by the BCBS to promote the medium- and long-term resilience of the liquidity risk profile of financial institutions, and was incorporated into the AMF's *Liquidity Adequacy Guideline*. The NSFR requires financial institutions to maintain a stable funding and capitalization profile in relation to the composition of their assets and off-balance sheet activities. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk for all on- and off-balance sheet items, and promotes funding stability.

This ratio presents the amount of available stable funding (ASF) relative to the amount of required stable funding (RSF). The amount of ASF designates the portion of capital and liabilities considered stable over a one-year horizon. Liabilities with the longest contractual maturities are the most significant contributors to the increase in the ratio. The ASF is composed mainly of capital, retail and business deposits, as well as wholesale funding liabilities. The amount of RSF is measured based on the broad characteristics of the liquidity risk profile of assets and off-balance sheet exposures. The RSF is composed mainly of mortgages, other institutional loans and, to a lesser extent, other assets and off-balance-sheet items. The amounts of ASF and RSF are weighted to reflect the degree of stability of liabilities and the liquidity of assets. According to the AMF's *Liquidity Adequacy Guideline*, this ratio should be equal to at least 100% on an ongoing basis.

The table below presents quantitative information regarding the NSFR, based on the template recommended in the AMF's *Liquidity Adequacy Guideline* for disclosure requirements.

Net Stable Funding Ratio[1]

(in millions of dollars and as a percentage)	As at June 30, 2025					As at March 31, 2025
	Unweighted value by residual maturity					
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value	Weighted value
Available Stable Funding (ASF) item						
Capital	$ 39,647	$ —	$ —	$ 3,817	$ 43,463	$ 42,993
Regulatory capital	39,647	—	—	3,817	43,463	42,993
Other capital instruments	—	—	—	—	—	—
Retail deposits and deposits from small business customers	85,024	55,526	18,199	38,523	183,165	182,025
Stable deposits	48,084	8,288	4,632	12,182	70,136	67,845
Less stable deposits	36,940	47,238	13,567	26,341	113,029	114,180
Wholesale funding	33,815	51,740	6,291	28,091	51,537	48,569
Operational deposits	18,072	—	—	—	9,036	8,679
Other wholesale funding	15,743	51,740	6,291	28,091	42,501	39,890
Liabilities with matching interdependent assets	—	859	574	18,555	—	—
Other liabilities[2]	41,350			18,164	—	—
NSFR derivative liabilities[2]	N/A			4,324	N/A	N/A
All other liabilities and equity not included in the above categories	41,350	13,840	—	—	—	—
Total ASF	N/A	N/A	N/A	N/A	$ 278,165	$ 273,587
Required Stable Funding (RSF) item						
Total NSFR high-quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	$ 588	$ 729
Deposits held by other financial institutions for operational purposes	$ —	$ —	$ —	$ —	—	—
Performing loans and securities	20,905	78,247	32,743	183,249	192,719	189,865
Performing loans to financial institutions secured by Level 1 HQLA	—	26,011	—	—	1,301	1,249
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	—	2,359	380	670	1,096	1,242
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:	14,399	33,208	12,330	71,709	93,563	96,602
Loans with a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	—	9,898	6,855	11,991	7,794	7,874
Performing residential mortgages, of which:	6,506	15,751	19,720	107,598	93,362	87,558
Loans with a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	6,506	15,751	19,720	107,598	93,362	87,558
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	—	918	313	3,272	3,397	3,214
Assets with matching interdependent liabilities	—	859	574	18,555	—	—
Other assets[2]	—			30,680	15,645	14,782
Physical traded commodities, including gold	—	N/A	N/A	N/A	—	—
Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties[2]	N/A			485	412	519
NSFR derivative assets[2]	N/A			8,553	337	294
NSFR derivative liabilities before deduction of variation margin posted[2]	N/A			6,746	—	—
All other assets not included in the above categories	—	—	—	14,896	14,896	13,969
Off-balance sheet items[2]	N/A			122,525	3,261	3,279
Total RSF	N/A	N/A	N/A	N/A	$ 212,213	$ 208,655
Net Stable Funding Ratio	N/A	N/A	N/A	N/A	131%	131%

(1) Excluding the insurance subsidiaries.
(2) The amounts in these lines include the categories of residual maturities of less than 6 months, 6 months to less than 1 year and 1 year or more.

For the quarter ended June 30, 2025, the NSFR ratio remained stable at 131%, compared to as at March 31, 2025. This resulted from the balance observed between growth in deposits and loans.

Sources of funding

Core funding, which includes capital, long-term liabilities and a diversified deposit portfolio, is the foundation upon which Desjardins Group's liquidity position depends. The solid base of deposits from individuals combined with wholesale funding, diversified in terms of both the programs used as well as the staggering of contractual maturities, allows Desjardins Group to maintain high regulatory liquidity ratios while ensuring their stability. Total deposits, including wholesale funding, presented on the Combined Balance Sheets amounted to $320.9 billion as at June 30, 2025, up $20.0 billion since December 31, 2024. Additional information on deposits is presented in the "Balance sheet management" section of this MD&A.

Funding programs and strategies

As Desjardins Group's treasurer, the Federation meets the needs of the organization's members and clients. Its first priority is to implement appropriate strategies to identify, measure and manage risks, and these strategies are regulated by policies. In the first six months of 2025, the Federation maintained a liquidity level sufficient to meet Desjardins Group's needs through its strict treasury policy, solid institutional funding and sustained growth in member and client savings during the period. Short-term wholesale funding is used to finance very liquid assets while long-term wholesale funding is mainly used to finance less liquid assets and to support reserves of liquid assets.

In order to secure long-term funding at the lowest cost on the market, the Federation maintains an active presence in the federally guaranteed mortgage loan securitization market under the *National Housing Act* (NHA) Mortgage-Backed Securities Program. In addition, to ensure stable funding, it diversifies its sources from institutional markets. It therefore resorts to the capital markets when conditions are favourable, and makes public and private issues of term notes on Canadian, U.S. and international markets, as required.

The main programs currently used by the Federation are as follows:

Main funding programs
As at June 30, 2025

	Maximum authorized amount
Short-term notes (U.S.)	**US$20 billion**
Short-term notes (multi-currency)	**€5 billion**
Medium-term notes (Canadian)[1]	**$13 billion**
Medium-term and subordinated notes (multi-currency)[1]	**€13 billion**
Medium-term notes (Australian)[1]	**AU$3 billion**
Covered bonds (multi-currency)[1][2]	**$26 billion**
NVCC subordinated notes (Canadian)[1]	**$7 billion**

(1) Sustainable bonds may be issued under these funding programs in compliance with the Desjardins Sustainable Bond Framework.
(2) The maximum authorized amount remains subject to the prudential limit set by the AMF.

The following table presents the remaining terms to maturity of wholesale funding.

Remaining contractual term to maturity of wholesale funding

	As at June 30, 2025								As at December 31, 2024
(in millions of dollars)	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Total – Less than 1 year	1 to 2 years	Over 2 years	Total	Total
Bearer discount notes	$ 831	$ 484	$ —	$ 1	$ 1,316	$ —	$ —	$ 1,316	$ 2,678
Commercial paper	8,268	5,659	1,950	511	16,388	—	—	16,388	15,942
Medium-term notes	—	1,021	974	2,600	4,595	3,488	7,566	15,649	15,970
Mortgage loan securitization	—	131	728	568	1,427	1,992	16,423	19,842	16,722
Covered bonds	—	803	1,362	804	2,969	4,813	10,821	18,603	15,430
Subordinated notes	—	—	—	—	—	—	4,842	4,842	3,962
Total	$ 9,099	$ 8,098	$ 5,014	$ 4,484	$ 26,695	$ 10,293	$ 39,652	$ 76,640	$ 70,704
Including:									
Secured	$ —	$ 934	$ 2,090	$ 1,372	$ 4,396	$ 6,805	$ 27,244	$ 38,445	$ 32,152
Unsecured	9,099	7,164	2,924	3,112	22,299	3,488	12,408	38,195	38,552

Desjardins Group's total wholesale funding shown in the table above was carried out by the Federation. Total wholesale funding increased $5.9 billion compared to December 31, 2024, driven mainly by growth in covered bond issues and mortgage loan securitization. Desjardins Group does not foresee any event, commitment or requirement that could have a major impact on its ability to raise funds through wholesale funding or its members' deposits.

In addition, Desjardins Group diversifies its funding sources in order to limit its reliance on a single currency. The "Wholesale funding by currency" table presents a breakdown of borrowings on markets and subordinated notes by currency. These funds are obtained primarily through short- and medium-term notes, mortgage loan securitization, covered bonds and subordinated notes.

Wholesale funding by currency

(in millions of dollars and as a percentage)	As at June 30, 2025		As at December 31, 2024	
Canadian dollars	**$ 32,098**	**41.9%**	$ 28,463	40.3%
U.S. dollars	**24,770**	**32.3**	27,382	38.7
Euros	**12,816**	**16.7**	9,762	13.8
Other	**6,956**	**9.1**	5,097	7.2
Total	**$ 76,640**	**100.0%**	$ 70,704	100.0%

Moreover, the Federation participated in new issues under the NHA Mortgage-Backed Securities Program for a total amount of $4.0 billion in the first six months of 2025. The Federation also made the following issues:

- On January 14, 2025, an issue totalling €750 million, subject to the bail-in regime, under its multi-currency medium-term note program.
- On January 15, 2025, an issue totalling £600 million under its legislative covered bond program.
- On January 24, 2025, an issue totalling C$1,250 million in NVCC-eligible subordinated notes under its Canadian NVCC subordinated notes program.
- On January 27, 2025, an issue totalling US$600 million subject to the bail-in regime, under its multi-currency medium-term note program.
- On January 29, 2025, an issue totalling 175 million Swiss francs under its legislative covered bond program.
- On May 29, 2025, an issue totalling €750 million under a legislative covered bond program.
- On June 26, 2025, an issue totalling 220 million Swiss francs of NVCC-eligible subordinated notes under its multi-currency medium-term note program.
- On June 26, 2025, an issue totalling 20 billion yen in NVCC-eligible subordinated notes under its multi-currency medium-term note program.

Outstanding notes issued under the Federation's medium-term funding programs amounted to $54.1 billion as at June 30, 2025, compared to $48.1 billion as at December 31, 2024. The outstanding notes for these issues are presented under "Deposits – Business and government" on the Combined Balance Sheets.

Overall, these transactions made it possible to adequately meet the liquidity needs of Desjardins Group, to diversify its sources of funding and to further extend the average term.

Credit ratings of securities issued and outstanding

Desjardins Group's credit ratings affect its ability to access sources of funding on capital markets, as well as the conditions of such funding. They are also a factor considered in certain Desjardins Group transactions involving counterparties.

Rating agencies assign credit ratings and related ratings outlooks based on their own proprietary methodology, which includes a number of analytical criteria, including factors that are not under Desjardins Group's control. The rating agencies evaluate Desjardins Group on a combined basis and recognize its capitalization, its consistent financial performance, its significant market shares in Québec and the quality of its assets. Consequently, the credit ratings of the Federation, a reporting issuer, are backed by Desjardins Group's financial strength.

The Federation has first-class credit ratings that are among the best of the major Canadian and international banking institutions.

Highlighted decisions by rating agencies concerning Desjardins Group's instruments:

- On March 26, 2025, Moody's maintained the ratings of the instruments issued by the Federation and their outlook as "stable."
- On June 10, 2025, Fitch maintained the ratings of the instruments issued by the Federation and their outlook as "stable."
- On July 11, 2025, DBRS maintained the ratings of the instruments issued by the Federation and their outlook as "stable."

These rating decisions reflect Desjardins Group's strength in Québec, where it has leading market shares in multiple industries.

The following table shows the different credit ratings assigned to the Federation's financial instruments.

Credit ratings of securities issued and outstanding

	DBRS	FITCH	MOODY'S	STANDARD & POOR'S
Fédération des caisses Desjardins du Québec				
Counterparty/Deposits(1)	**AA**	**AA**	**Aa1**	**A+**
Short-term debt	**R-1 (high)**	**F1+**	**P-1**	**A-1**
Medium- and long-term debt, senior excluded from bail-in regime(2)	**AA**	**AA**	**Aa2**	**A+**
Medium- and long-term debt, senior(3)	**AA (low)**	**AA-**	**A1**	**A-**
NVCC subordinated notes	**A (low)**	**A**	**A2**	**BBB+**
Covered bonds	**—**	**AAA**	**Aaa**	**—**
Outlook	**Stable**	**Stable**	**Stable**	**Stable**

(1) Represents Moody's long-term deposit rating and counterparty risk rating, S&P's issuer credit rating, DBRS's long-term deposit rating, and Fitch's long-term issuer default rating, long-term deposit rating and derivative counterparty rating.

(2) Includes issuable senior medium- and long-term debt that would be excluded from the bail-in regime applicable to Desjardins Group.

(3) Includes issued senior medium- and long-term debt that qualifies for the bail-in regime applicable to Desjardins Group.

Desjardins Group regularly monitors the additional level of obligations that its counterparties would require in the event of a credit rating downgrade for the Federation. This monitoring enables Desjardins Group to assess the impact of such a downgrade on its funding capabilities and its ability to perform transactions in the normal course of its operations as well as ensure that it has the additional liquid assets and collateral to meet its obligations. Currently, Desjardins Group is not obliged to provide additional collateral in the event of its credit rating being lowered three notches by one or more credit rating agencies.

Contractual maturities of on-balance sheet items and off-balance sheet commitments

The following table presents assets and liabilities recorded on the Combined Balance Sheets and off-balance sheet commitments at their carrying amount and classified according to their residual contractual maturities. The classification of maturities is an information source for liquidity and funding risk, but it differs from the analysis performed by Desjardins Group to determine the expected maturity of the items for liquidity risk management purposes. Many factors other than contractual maturity are taken into consideration to measure expected future cash flows and liquidity risk.

The value of the credit commitments presented in this table represents the maximum amount of additional credit that Desjardins Group could be required to grant if the commitments were fully used. The value of guarantees and standby letters of credit amounts to the maximum cash outflows that Desjardins Group could be required to make in the event of complete default of the parties to the guarantees, without taking any possible recovery into account. These commitments and guarantees do not necessarily represent future liquidity needs because a large portion of these instruments will expire or be cancelled without giving rise to any cash outflows.

Note 16, "Insurance and reinsurance contracts," to the annual combined financial statements provides additional information on the contractual maturities of reinsurance contract assets and insurance contract liabilities.

Residual contractual maturities of on-balance sheet items and off-balance sheet commitments

As at June 30, 2025

(in millions of dollars)	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No stated maturity	Total
Assets										
Cash and deposits with financial institutions	$ 6,634	$ 414	$ —	$ —	$ —	$ —	$ —	$ —	$ 5	$ 7,053
Securities										
Securities at fair value through profit or loss[1]	188	889	2,481	1,062	2,294	3,118	5,958	22,737	5,715	44,442
Securities at fair value through other comprehensive income[1]	213	2,230	1,530	1,077	3,946	14,361	22,265	13,817	1,461	60,900
Securities at amortized cost	—	—	1	—	1	1	5	30	—	38
Securities borrowed or purchased under reverse repurchase agreements	18,809	3,639	3,184	122	287	—	—	—	81	26,122
Loans										
Residential mortgages[2]	4,401	7,119	11,177	9,449	13,966	44,550	88,994	3,875	7,510	191,041
Consumer, credit card and other personal loans[2]	95	112	152	167	245	1,043	4,822	7,462	10,638	24,736
Business and government[2]	32,526	9,795	8,532	7,723	7,994	8,195	9,181	1,637	6,425	92,008
Allowance for credit losses	—	—	—	—	—	—	—	—	(1,511)	(1,511)
Segregated fund net assets	—	—	—	—	—	—	—	—	30,721	30,721
Derivative financial instruments	136	405	487	338	424	2,020	4,495	324	—	8,629
Amounts receivable from clients, brokers and financial institutions	2,951	6	—	—	—	—	—	—	872	3,829
Reinsurance contract assets	46	74	63	53	48	168	338	865	161	1,816
Right-of-use assets	—	—	—	—	—	—	—	—	441	441
Investment property	—	—	—	—	—	—	—	—	786	786
Property, plant and equipment	—	—	—	—	—	—	—	—	1,439	1,439
Goodwill	—	—	—	—	—	—	—	—	596	596
Intangible assets	—	—	—	—	—	—	—	—	1,261	1,261
Investments in companies accounted for using the equity method	—	—	—	—	—	—	—	—	1,307	1,307
Net defined benefit plan assets	—	—	—	—	—	—	—	—	946	946
Deferred tax assets	—	—	—	—	—	—	—	—	983	983
Other assets – Other	1,389	340	284	13	50	27	85	6	1,477	3,671
Total assets	$ 67,388	$ 25,023	$ 27,891	$ 20,004	$ 29,255	$ 73,483	$ 136,143	$ 50,753	$ 71,314	$ 501,254
Liabilities and equity										
Deposits										
Individuals[3]	$ 9,037	$ 11,721	$ 11,929	$ 6,262	$ 11,894	$ 18,318	$ 22,104	$ 702	$ 75,890	$ 167,857
Business and government[3]	13,336	11,913	6,586	4,287	2,891	11,679	24,679	11,913	65,040	152,324
Deposit-taking institutions[3]	2	2	1	—	—	1	2	—	730	738
Insurance contract liabilities	887	713	833	832	661	2,348	5,053	19,336	4,016	34,679
Commitments related to securities sold short[4]	654	425	197	110	392	1,927	4,011	7,334	12	15,062
Commitments related to securities lent or sold under repurchase agreements	19,907	3,893	47	—	—	—	—	—	41	23,888
Derivative financial instruments	206	433	501	225	377	1,424	3,521	262	—	6,949
Amounts payable to clients, brokers and financial institutions	4,379	7	—	—	—	—	—	—	9,818	14,204
Lease liabilities	7	11	17	20	17	62	161	238	—	533
Reinsurance contract liabilities	—	—	1	1	—	2	4	30	—	38
Segregated fund net liabilities – Investment contracts	—	—	—	—	—	—	—	—	27,164	27,164
Net defined benefit plan liabilities	—	—	—	—	—	—	—	—	693	693
Deferred tax liabilities	—	—	—	—	—	—	—	—	503	503
Other liabilities – Other	3,972	1,034	794	1,025	659	543	966	179	2,293	11,465
Subordinated notes	—	—	—	—	—	—	—	4,842	—	4,842
Total equity	—	—	—	—	—	—	—	—	40,315	40,315
Total liabilities and equity	$ 52,387	$ 30,152	$ 20,906	$ 12,762	$ 16,891	$ 36,304	$ 60,501	$ 44,836	$ 226,515	$ 501,254
Off-balance sheet commitments										
Credit commitments[5]	$ 1,993	$ 1,361	$ 1,427	$ 1,896	$ 2,471	$ 6,379	$ 14,042	$ 493	$ 113,821	$ 143,883
Documentary letters of credit	7	1	—	3	2	—	—	—	—	13
Guarantees and standby letters of credit	397	539	788	456	489	215	49	43	3	2,979

See next page for footnotes.

Residual contractual maturities of on-balance sheet items and off-balance sheet commitments (continued)
As at December 31, 2024

(in millions of dollars)	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No stated maturity	Total
Assets										
Cash and deposits with financial institutions	$ 5,579	$ 391	$ 2	$ —	$ —	$ —	$ —	$ —	$ 5	$ 5,977
Securities										
Securities at fair value through profit or loss[(1)]	287	1,050	2,716	895	1,844	2,674	6,111	21,105	5,279	41,961
Securities at fair value through other comprehensive income[(1)]	705	1,636	2,065	3,139	1,408	11,204	23,322	12,089	1,734	57,302
Securities at amortized cost	—	—	—	—	2	1	6	36	—	45
Securities borrowed or purchased under reverse repurchase agreements	18,464	1,206	3,136	445	196	—	—	—	219	23,666
Loans										
Residential mortgages[(2)]	3,159	5,005	10,277	10,698	11,844	46,284	81,483	3,794	7,376	179,920
Consumer, credit card and other personal loans[(2)]	36	69	147	163	215	1,049	4,797	8,531	9,676	24,683
Business and government[(2)]	26,744	9,030	7,155	5,938	7,990	9,400	9,497	1,684	8,876	86,314
Allowance for credit losses	—	—	—	—	—	—	—	—	(1,320)	(1,320)
Segregated fund net assets	—	—	—	—	—	—	—	—	28,959	28,959
Derivative financial instruments	485	551	732	374	401	1,325	3,465	246	—	7,579
Amounts receivable from clients, brokers and financial institutions	2,309	13	—	—	—	—	—	—	774	3,096
Reinsurance contract assets	42	88	76	63	59	183	375	890	129	1,905
Right-of-use assets	—	—	—	—	—	—	—	—	454	454
Investment property	—	—	—	—	—	—	—	—	817	817
Property, plant and equipment	—	—	—	—	—	—	—	—	1,486	1,486
Goodwill	—	—	—	—	—	—	—	—	596	596
Intangible assets	—	—	—	—	—	—	—	—	1,255	1,255
Investments in companies accounted for using the equity method	—	—	—	—	—	—	—	—	1,241	1,241
Net defined benefit plan assets	—	—	—	—	—	—	—	—	724	724
Deferred tax assets	—	—	—	—	—	—	—	—	986	986
Other assets – Other	1,245	200	287	41	19	20	62	12	1,410	3,296
Total assets	$ 59,055	$ 19,239	$ 26,593	$ 21,756	$ 23,978	$ 72,140	$ 129,118	$ 48,387	$ 70,676	$ 470,942
Liabilities and equity										
Deposits										
Individuals[(3)]	$ 5,956	$ 4,781	$ 13,730	$ 15,097	$ 12,029	$ 15,878	$ 20,486	$ 642	$ 72,880	$ 161,479
Business and government[(3)]	18,584	10,070	3,635	3,186	4,592	9,654	24,233	8,942	56,327	139,223
Deposit-taking institutions[(3)]	2	1	—	2	1	1	1	—	236	244
Insurance contract liabilities	887	854	846	734	717	2,275	5,035	19,312	3,878	34,538
Commitments related to securities sold short[(4)]	90	213	653	287	201	1,169	3,452	7,160	24	13,249
Commitments related to securities lent or sold under repurchase agreements	20,617	10	—	—	—	—	—	—	6	20,633
Derivative financial instruments	109	355	691	307	332	1,050	2,965	303	—	6,112
Amounts payable to clients, brokers and financial institutions	4,499	5	—	—	—	—	—	—	9,691	14,195
Lease liabilities	6	11	17	19	17	65	162	237	—	534
Reinsurance contract liabilities	—	—	1	—	1	2	4	29	—	37
Segregated fund net liabilities – Investment contracts	—	—	—	—	—	—	—	—	25,329	25,329
Net defined benefit plan liabilities	—	—	—	—	—	—	—	—	713	713
Deferred tax liabilities	—	—	—	—	—	—	—	—	454	454
Other liabilities – Other	3,796	1,820	1,393	543	360	561	984	159	1,934	11,550
Subordinated notes	—	—	—	—	—	—	—	3,962	—	3,962
Total equity	—	—	—	—	—	—	—	—	38,690	38,690
Total liabilities and equity	$ 54,546	$ 18,120	$ 20,966	$ 20,175	$ 18,250	$ 30,655	$ 57,322	$ 40,746	$ 210,162	$ 470,942
Off-balance sheet commitments										
Credit commitments[(5)]	$ 1,580	$ 782	$ 1,321	$ 1,845	$ 1,594	$ 7,728	$ 16,133	$ 519	$ 111,569	$ 143,071
Documentary letters of credit	5	1	2	1	—	—	—	—	—	9
Guarantees and standby letters of credit	195	105	571	719	521	547	57	42	3	2,760

(1) Equity securities are classified under "No stated maturity."
(2) Amounts repayable on demand are classified under "No stated maturity."
(3) Deposits payable on demand or after notice are considered as having "No stated maturity."
(4) Amounts are presented by remaining contractual maturity of the underlying security.
(5) Includes personal lines of credit, lines of credit secured by real or immovable property, and credit card lines for which the amounts committed are unconditionally revocable at any time at Desjardins Group's discretion. These are classified under "No stated maturity."

ADDITIONAL INFORMATION

CONTROLS AND PROCEDURES

During the six-month period ended June 30, 2025, Desjardins Group made no changes to its policies, procedures or other processes with regard to internal control that materially affected, or may materially affect internal control over financial reporting. The parties involved and their responsibilities regarding such internal control are described on pages 93 and 94 of the Desjardins Group's 2024 annual MD&A.

RELATED PARTY DISCLOSURES

In the normal course of operations, Desjardins Group offers financial services to related parties, including its associates, joint ventures and other related companies, and enters into agreements for operating services with them. It also pays its key management personnel compensation on terms similar to those offered to unrelated parties.

Furthermore, Desjardins Group provides its financial products and services to its directors, its key management personnel and the persons related to them on terms similar to those offered to unrelated parties.

Desjardins Group has set up a process to obtain assurance that all transactions with its officers and the persons related to them have been carried out on terms similar to those offered to unrelated parties and in compliance with the legislative framework for its various components. These policies and procedures have not changed significantly since December 31, 2024.

Additional information on related party transactions is provided in Note 31, "Related party disclosures," to the Annual Combined Financial Statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A description of the accounting policies used by Desjardins Group is essential to understanding the Annual and Interim Combined Financial Statements. The significant accounting policies are described in Note 2, "Accounting policies," to Desjardins Group's Annual Combined Financial Statements on pages 127 to 147 of the 2024 Annual Report.

Some of these policies are of particular importance in presenting Desjardins Group's financial position and operating results because they require management to make judgments as well as estimates and assumptions that affect the reported amounts of some assets, liabilities, income and expenses, as well as related information. Explanations of the significant accounting policies that have required management to make difficult, subjective or complex judgments, often about matters that are inherently uncertain, are provided on pages 94 to 100 of the 2024 annual MD&A. No significant changes were made to these accounting policies during the first six months of 2025.

The economic conditions, strongly affected by the uncertainty surrounding the evolution of trade relations with the United States, continue to have an impact on the judgments and significant estimates and assumptions made by management in preparing the Interim Combined Financial Statements for the six-month period ended June 30, 2025. The judgments, estimates and assumptions that will be made for future periods will be reassessed in light of the development of these highly uncertain conditions and could therefore differ from those made in preparing the Interim Combined Financial Statements for the six-month period ended June 30, 2025. Desjardins Group is closely monitoring developments and their impact on its surplus earnings and financial position.

FUTURE ACCOUNTING CHANGES

Accounting standards issued by the IASB but not yet effective as at December 31, 2024 are described in Note 2, "Accounting policies," to Desjardins Group's Annual Combined Financial Statements, on page 147 of the 2024 Annual Report. Regulatory authorities have stated that early adoption of these standards and amendments will not be permitted, unless they indicate otherwise.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE AMF'S DECISION NO. 2021-FS-0091

In addition to the entities comprising the Desjardins Cooperative Group (as defined under "Desjardins Group profile") and the subsidiaries of such entities, Desjardins Group's Combined Financial Statements include Caisse Desjardins Ontario Credit Union Inc. (CDO). The CDO's financial information compared to that of Desjardins Group is presented in the table below.

CDO financial information

	As at June 30, 2025			As at December 31, 2024		
(in millions of dollars and as a percentage)	CDO	Desjardins Group Combined Balance Sheets	% proportion	CDO	Desjardins Group Combined Balance Sheets	% proportion
Total assets	$ 14,757	$ 501,254	2.9%	$ 14,051	$ 470,942	3.0%
Total liabilities	13,883	460,939	3.0	13,193	432,252	3.1
Total equity	874	40,315	2.2	858	38,690	2.2

	For the three-month periods ended									For the six-month periods ended					
	June 30, 2025			March 31, 2025			June 30, 2024			June 30, 2025			June 30, 2024		
(in millions of dollars and as a percentage)	CDO	Desjardins Group Combined Statements of Income	% proportion	CDO	Desjardins Group Combined Statements of Income	% proportion	CDO	Desjardins Group Combined Statements of Income	% proportion	CDO	Desjardins Group Combined Statements of Income	% proportion	CDO	Desjardins Group Combined Statements of Income	% proportion
Total net revenue	$ 77	$ 4,091	1.9%	$ 62	$ 3,682	1.7%	$ 54	$ 3,753	1.4%	$ 139	$ 7,773	1.8%	$ 109	$ 7,317	1.5%
Surplus earnings before member dividends	7	900	0.8	11	738	1.5	6	918	0.7	18	1,638	1.1	15	1,773	0.8
Net surplus earnings for the period after member dividends	4	816	0.5	8	654	1.2	4	837	0.5	12	1,470	0.8	10	1,611	0.6

GLOSSARY

Acceptance
Short-term debt security traded on the money market, guaranteed by a financial institution for a borrower in exchange for a stamping fee.

Advanced Internal Ratings-Based Approach
Approach under which risk weighing is based on the type of counterparty (individuals, small or medium-sized business, large corporation, etc.) and risk-weighting factors determined using internal parameters: the borrower's probability of default, loss given default, applicable maturity and exposure at default.

Allowance for credit losses
The loss allowance for expected credit losses reflects an unbiased amount, based on a probability-weighted present value of cash flow shortfalls, and takes into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

Amortized cost
For a financial asset or a financial liability, represents the historical cost at initial recognition, decreased or increased by amortization and any differences that made it fluctuate from initial recognition to maturity.

Annuity premium
Amount invested by a policyholder in order to receive annuity payments, immediately or after an accumulation period.

Assets under administration
Assets administered by a financial institution that are beneficially owned by its members or clients and are therefore not recognized on its Combined Balance Sheet. Services provided in respect of such assets are administrative in nature, such as custodial services, collection of investment income and settlement of buy and sell transactions.

Assets under management
Assets managed by a financial institution that are beneficially owned by its members or clients and are therefore not recognized on its Combined Balance Sheet. Services provided in respect of assets under management include selecting investments and offering investment advice. Assets under management may also be administered by the financial institution. In such case, they are also included in assets under administration.

***Autorité des marchés financiers* (AMF)**
Organization whose mission is to enforce the laws governing the financial industry, particularly in the areas of insurance, securities, deposit-taking institutions and financial product and service distribution.

Average assets
Average of assets presented in the Combined Financial Statements at quarter-end calculated from the quarter preceding the relevant period.

Average core interest-bearing assets
Include securities, cash and deposits with financial institutions, as well as loans, and exclude life and health insurance and property and casualty insurance assets and assets related to trading activities, and other assets not generating net interest income. Average of quarter-end balances calculated from the quarter preceding the relevant period.

Average core interest-bearing assets – Personal and Business Services
Include securities, cash and deposits with financial institutions, as well as loans, and excludes assets related to trading activities as well as assets related to capital market and liquidity management activities, and all other assets not generating net interest income – Personal and Business Services. Average of quarter-end balances calculated from the quarter preceding the relevant period.

Average deposits
Average of deposits presented in the Combined Financial Statements at quarter-end calculated from the quarter preceding the relevant period.

Average equity – Group's share
Average equity – Group's share presented in the Combined Financial Statements at quarter-end calculated from the quarter preceding the relevant period.

Average gross loans
Average of loans, presented in the Combined Financial Statements at quarter-end calculated from the quarter preceding the relevant period.

Average interest-bearing assets
Consist of securities, including those borrowed or purchased under reverse repurchase agreements, cash and deposits with financial institutions, as well as loans, and exclude life and health insurance and property and casualty insurance assets, as well as all other assets not generating net interest income. Average of quarter-end balances calculated from the quarter preceding the relevant period.

Average interest-bearing liabilities
Include deposits, subordinated notes and other interest-bearing liabilities, and exclude life and health insurance and property and casualty insurance liabilities as well as all other liabilities not generating any net interest income.

Average liabilities
Average of liabilities presented in the Combined Financial Statements at quarter-end calculated from the quarter preceding the relevant period.

Average net loans
Average of loans, net of the allowance for credit losses, presented in the Combined Financial Statements at the quarter-end calculated from the quarter preceding the relevant period.

Average net loans and acceptances
Average of loans, including clients' liability under acceptances, net of the allowance for credit losses, presented in the Combined Financial Statements at quarter-end calculated from the quarter preceding the relevant period.

Basis point
Unit of measure equal to one one-hundredth of a percent (0.01%).

Bond
Certificate evidencing a debt under which the issuer promises to pay the holder a specified amount of interest for a specified period of time, and to repay the borrowing at maturity. Generally, assets are pledged as security for the borrowing, except in the case of government or corporate bonds. This term is often used to describe any debt security.

Capital ratios
Ratios determined by dividing regulatory capital by risk-weighted assets. These measures are defined in the *Capital Adequacy Guideline* issued by the AMF.

Capital shares
Equity security offered to Desjardins caisse members.

Catastrophe and notable event
- Catastrophe
  In property and casualty insurance, group of claims caused by one or multiple close events arising from, among others, natural or other than natural causes, for which the cost is deemed significant since it reaches a minimum threshold, established annually Desjardins Group's management, for the reinsurance program retention.
  - Natural catastrophes can take many forms and include, but are not limited to, hurricanes, tornados, windstorms, hailstorms, heavy rainfalls, ice storms, floods, extreme weather conditions and wildfires.
  - Catastrophes other than natural catastrophes include, but are not limited to, terrorist acts, riots, explosions, crashes, train wrecks, large-scale cyber attacks.
- Notable event
  In property and casualty insurance, group of claims caused by one or multiple close events arising from, among others, natural or other than natural causes, for which the impact on the loss ratio and claims frequency is deemed significant by Desjardins Group's management.

Commitment
- Direct commitment
  Any agreement entered into by a Desjardins Group component with a natural or legal person creating an on- or off-balance sheet exposure, either disbursed or non-disbursed, revocable or irrevocable, with or without condition, that may lead to losses for the component if the debtor is unable to meet its obligations.
- Indirect commitment
  Any financial receivable creating a credit exposure that is acquired by a Desjardins Group component in connection with a purchase on the market or the delivery of a financial asset pledged as collateral by a client or a counterparty, whose value may change in particular as a result of the deterioration of the creditworthiness of the counterparty associated to this receivable or changes in market prices.

Contractual service margin (CSM)
For insurance contracts that are not measured using the premium allocation approach, represents the unearned profit that will be recognized under "Insurance revenue," in the Combined Statements of Income, as insurance contract services are provided.

Countercyclical buffer
The countercyclical buffer aims to ensure that capital requirements take account of the macro-financial environment in which Desjardins Group operates. The AMF could deploy this buffer when it judges that excessive credit growth is associated with a build-up of system-wide risks and, as such, would provide a buffer of capital to absorb potential losses.

Covered bond
Full recourse on-balance sheet bond issued by a financial institution and secured by assets, comprised mainly of mortgage loans, over which investors enjoy a priority claim in the event of an issuer's insolvency or bankruptcy. These assets are separated from the issuer's assets in the event of the issuer's insolvency or bankruptcy and belong to a bankruptcy remote structured entity that guarantees the bond.

Credit commitment
Unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit, whose primary purpose is to ensure that members and clients have funds available, when necessary, for variable maturity terms and under specific conditions.

Credit instrument
Credit facility offered in the form of a loan or other financing vehicle recognized in the Combined Balance Sheets or in the form of an off-balance sheet product. Credit instruments include credit commitments, documentary letters of credit as well as guarantees and standby letters of credit.

Credit loss provisioning rate
Provision for credit losses on loans and off-balance sheet items expressed as a percentage of average gross loans.

Credit risk
Risk of losses resulting from a borrower's or counterparty's failure to honour its contractual obligations, whether or not such obligations appear on the Combined Balance Sheets.

Credit valuation adjustment (CVA)
Adjustment applied to the value of over-the-counter derivatives to reflect the possibility that the counterparty will not meet its contractual obligations and that Desjardins Group will be unable to receive the full amounts owed.

Defined benefit pension plan
Pension plan guaranteeing each participant a defined level of retirement income that is often based on a formula set by the plan in terms of the participant's salary and years of service.

Derivative financial instrument
Financial contract whose value fluctuates based on an underlying asset, but that does not require holding or delivering the underlying asset itself. Derivatives are used to transfer, modify or reduce current or expected risks, including risks related to interest and exchange rates and financial indexes.

Desjardins Group (Desjardins) component
Cooperative or subsidiary that is part of Desjardins Group.

Direct premiums written
In property and casualty insurance, the premiums stipulated in insurance policies issued and in force during the year. In life and health insurance, insurance or annuity premiums for the policies or certificates issued during the year.

Documentary letter of credit
Instrument issued for a member or a client that represents Desjardins Group's agreement to honour drafts presented by a third party upon completion of certain activities, up to a set maximum amount. Desjardins Group is exposed to the risk that the client does not ultimately pay the amount of the drafts. However, the amounts used are secured by the related goods.

Economic capital
Amount of capital that an institution must maintain, in addition to anticipated losses, to ensure its solvency over a certain horizon and at a high confidence level.

Effective interest rate
Rate determined by discounting total future cash flows, including those related to commissions paid or received, premiums or discounts and transaction costs.

Effective tax rate on surplus earnings after member dividends
Income taxes on surplus earnings after member dividends expressed as a percentage of surplus earnings after member dividends.

Environmental, social and governance (ESG) risk factors
ESG risks are linked to an environmental, social or governance event or issue, which materializes as part of Desjardins Group's operations, financing, investing, insurance activities, or its commitments, the consequences of which could generate financial losses or reputational harm.

Exposure at default (EAD)
Estimate of the amount of a given exposure at time of default. For balance sheet exposures, it corresponds to the balance as at observation time. For off-balance sheet exposures, it includes an estimate of additional draws that may be made between observation time and default.

Exposures related to residential mortgage loans
In accordance with the regulatory capital framework, risk category that includes mortgage loans and credit margins secured by real property granted to individuals.

Fair value
Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date.

Fair value measurement
Measurement to determine the approximate value at which financial instruments could be traded in a current transaction between willing parties.

Forward contract
Contractual commitment to sell or purchase a determined quantity of a specified underlying asset on a future specified date and at a predetermined price. These contracts, which are derivatives, are tailored and traded over the counter.

Forward exchange contract
Contractual commitment to sell or purchase a fixed amount of foreign currency on a specified future date and at a predetermined exchange rate.

Foundation Internal Ratings-Based Approach
Approach under which risk weighing is based on the type of counterparty (individuals, small or medium-sized business, large corporation, etc.) and risk-weighting factors determined using internal parameters: the borrower's probability of default, applicable maturity and exposure at default. The regulator prescribes the loss given default parameters.

Fraud and financial crime risk
Risk associated with acts conducted illegally by internal or external parties with the intent to cause harm, benefit from them or misappropriate assets belonging to Desjardins Group, members or clients, or the risk associated with non-compliance by Desjardins Group with obligations arising from the anticipation, interpretation or application of a legislative or regulatory provision regarding financial crimes.

Futures contract
Contractual commitment to sell or purchase a determined quantity of a specified underlying asset on a future specified date and at a predetermined price. These contracts, which are derivatives, are standardized and exchange-traded.

Gross credit-impaired loan
A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated cash flows of that financial asset have occurred. A financial asset is therefore considered credit-impaired when it is in default, unless the detrimental impact on the estimated future cash flows is considered insignificant. The definition of default is associated with an instrument for which contractual payments are 90 days past due, or certain other criteria.

Gross credit-impaired loans/gross loans
Gross credit-impaired loans expressed as a percentage to total gross loans.

Gross credit-impaired loans/gross loans and acceptances
Gross credit-impaired loans expressed as a percentage to total gross loans and acceptances.

Group insurance premium
Payment that the insurance policyholder is required to make to maintain the contract in force. This payment represents the cost of insurance. The premium is directly proportional to the number of insured persons and the coverage chosen by the policyholder.

Guarantee and standby letter of credit
Irrevocable commitment by a financial institution to make payments in the event that a member or client cannot meet financial obligations to third parties. Desjardins Group's policy with respect to collateral received for these instruments is generally the same as for loans.

Hedge fund
Investment fund offered to accredited investors. A hedge fund manager enjoys great latitude with respect to the investment strategies to be used, which may include selling short, leverage, program trading, swaps, arbitrage and derivatives.

Hedging
Transaction designed to reduce or offset Desjardins Group's exposure to one or more financial risks that involves taking a position exposed to effects that are equivalent, but of opposite direction, to the effects of market fluctuations on an existing or forecast position.

Indemnification commitment related to securities lending
Commitment made to members and clients with whom Desjardins Group entered into securities lending agreements and intended to ensure that the fair value of the securities lent will be reimbursed if the borrower does not return the borrowed securities or if the fair value of assets held as collateral is insufficient to cover the fair value of the securities lent. These commitments usually mature before being used.

Individual insurance premium
Payment that the insurance policyholder is required to make to maintain the contract in force. This payment represents the cost of insurance and can sometimes include a savings component. The cost of insurance portion of the premium is directly proportional to the amount of risk underwritten by the insurer.

Insurance contract
Insurance contracts are contracts that transfer a significant insurance risk to an insurer upon their issuance. An insurance risk is transferred when the insurance subsidiaries agree to compensate a contract holder if a specified uncertain future event adversely affects the contract holder. In certain situations, an insurance contract may also transfer a financial risk.

Insurance contract liabilities
Obligation representing the amount of an insurance company's commitments toward all insureds and beneficiaries, including in particular an amount to cover the payment of benefits and claims.

Insurance premium
Payment that the insurance policyholder is required to make to maintain the contract in force. This payment represents the cost of insurance and can sometimes include a savings component. The premium is directly proportional to the amount of risk underwritten by the insurer.

Insurance risk
- Life and health insurance risk refers to the risk that the amount and timing of benefits and expenses payable on life insurance, health insurance or annuity contract products differ from those expected.
- Property and casualty insurance risk is the risk that benefits and related expenses will differ from the amounts estimated when designing, pricing or measuring actuarial reserves of property and casualty insurance products for individuals and businesses.

Insurance sales
Metric used to measure growth in Wealth Management and Life and Health Insurance segment operations. It is equal to annualized gross new premiums under group and individual insurance policies.

Large loss
In property and casualty insurance, single claim having a significant cost.

Legal and regulatory risk
Risk associated with the non-compliance by Desjardins Group with obligations arising from the anticipation, interpretation or application of a legislative or regulatory provision or a contractual commitment, which could have an impact on the conduct of its operations, its reputation, its strategies and its financial objectives.

Leverage ratio
Ratio calculated as the capital measure, which is Tier 1 capital, divided by the exposure measure. The exposure measure includes:
- on-balance sheet exposures;
- securities financing transaction exposures;
- derivative exposures; and
- off-balance sheet items.

Liquidity coverage ratio
Ratio determined by dividing the stock of unencumbered HQLA by the amount of net cash outflows for the next 30 days assuming an acute liquidity stress scenario.

Liquidity risk
Risk related to Desjardins Group's capacity to raise the necessary funds (by increasing liabilities or converting assets) to meet a financial obligation, whether or not it appears on the Combined Balance Sheets.

Loss given default (LGD)
Economic loss that may be incurred should the borrower default, expressed as a percentage of exposure at default.

Loss on onerous contracts
When a group of insurance contracts is onerous on initial recognition or subsequently becomes onerous, a loss on onerous contracts is recognized as insurance service expenses and a loss component is added to the liability for remaining coverage. Subsequent changes in the loss component related to future service are recognized as losses and reversals of losses on onerous contracts under "Insurance service expenses" in the Combined Statements of Income.

Market risk
Risk of loss arising from changes in the fair value of financial instruments as a result of fluctuations in the parameters affecting this value, in particular, interest rates, exchange rates, credit spreads, equity prices and their volatility.

Master netting agreement
Standard agreement developed to reduce the credit risk of multiple derivative transactions by creating a legal right to set off the obligations of a counterparty in the event of default.

Matching
Process of adjusting asset, liability and off-balance sheet item maturities in order to reduce risks related to interest or exchange rates and financial indexes. Matching is used in asset/liability management.

Member dividend
As a cooperative financial group, Desjardins Group distributes to its members a portion of its surplus earnings for a given year, taking into account its financial capacity. This distribution, called member dividend, is paid by the caisses and tailored to each member based on the use they make of their cooperative's financial services.

Morbidity rate
Probability that a person of a given age will suffer an illness or disability. The accident/health insurance premium paid by a person belonging to a particular age group is based on this group's morbidity rate.

Mortality rate
Rate of death in a particular group of persons. The life insurance premium paid by a person belonging to a particular age group is based on this group's mortality rate.

Mortgage-backed security
Security created through the securitization of a pool of residential mortgage loans under the *National Housing Act*.

Net interest income
Difference between what a financial institution receives on assets such as loans and securities and what it pays out on liabilities such as deposits and subordinated notes.

Net interest income on core assets
Net interest income excluding net interest income generated by non-core assets.

Net interest income on core assets – Personal and Business Services
Net interest income – Personal and Business Services excluding net interest income generated by non-core assets – Personal and Business Services.

Net interest margin
Net interest income on core assets expressed as a percentage of average core interest-bearing assets.

Net interest margin – Personal and Business Services
Net interest income on core assets – Personal and Business Services expressed as a percentage of average core interest-bearing assets – Personal and Business Services.

Net sales of savings products
Metric used to measure growth in Wealth Management and Life and Health Insurance segment operations. It is equal to sales of group and individual savings products manufactured or distributed by segment entities, and is comprised of on- or off-balance sheet deposits, less redemptions.

Net stable funding ratio (NSFR)
Ratio determined by dividing available stable funding, designated by capital and liabilities, by required stable funding, designated by assets.

Notional amount
Reference amount used to calculate payments for instruments such as forward rate agreements and interest rate swaps. This amount is called "notional" because it does not change hands.

NVCC subordinated notes
Securities that meet the non-viability contingent capital (NVCC) requirements set out in the *Capital Adequacy Guideline* issued by the AMF, in particular securities issued by the Federation with a clause providing for their automatic conversion into capital shares of the Federation upon the occurrence of a trigger event as defined in the guideline.

Off-balance sheet exposure
Includes guarantees, commitments, derivatives and other contractual agreements whose total notional amount may not be recognized on the balance sheet.

Office of the Superintendent of Financial Institutions (OSFI)
Organization whose mission is to enforce all laws governing the financial industry in Canada, particularly as concerns banks, insurance companies, trust companies, loan companies, cooperative credit associations, fraternal companies and private pension plans subject to federal oversight.

Operational risk
Risk of inadequacy or failure attributable to processes, people, internal systems or external events and resulting in losses or failure to achieve objectives, and takes into consideration the impact of failures to achieve the strategic objectives of the component concerned or Desjardins Group, if applicable.

Operating leverage
Represents the difference between the growth rate for total net revenue and the growth rate for net non-interest expense.

Option
Contractual agreement that grants the right, but not the obligation, to sell (put option) or to buy (call option) a specified amount of a financial instrument at a predetermined price (the exercise or strike price) on or before a specified date.

Other retail client exposures
In accordance with the regulatory capital framework, risk category that includes all loans granted to individuals except for exposures related to residential mortgage loans and qualifying revolving retail client exposures.

Pension plan
Contract under which participants receive retirement benefits under certain terms starting at a given age. A pension plan is funded through contributions made either by the employer alone or by both the employer and the participants.

Privacy risk
Risk associated with inadequate handling of personal information (theft or breach, loss, collection, consent management, use, disclosure, retention, destruction or infringement of the rights of individuals related to their personal information), through intentional or unintentional actions (internal threat, error, negligence or omission). The key consequences of privacy risk deal with Desjardins Group's reputation, compliance and potential financial losses.

Probability of default (PD)
Probability that a borrower defaults on his obligations over a period of one year.

Productivity index – Personal and Business Services
Gross non-interest expense for the Personal and Business Services segment expressed as a percentage of total net revenue for the Personal and Business Services segment.

Provision for credit losses
Amount recognized in profit or loss to bring the allowance for credit losses to a level determined appropriate by management. It includes provisions for credit losses on unimpaired and impaired financial assets.

Qualifying revolving retail client exposures
In accordance with the regulatory capital framework, risk category that includes credit card loans and unsecured credit margins granted to individuals.

Regulatory capital
In accordance with the definition set out in the *Capital Adequacy Guideline* issued by the AMF, the regulatory capital under Basel III comprises Tier 1A capital, Tier 1 capital and Tier 2 capital. The composition of these various tiers is presented in the "Capital management" section of the Management's Discussion and Analysis.

Regulatory funds
Funds needed to cover unexpected losses, calculated according to parameters and methods prescribed by regulatory authorities.

Reinsurance contract
Contract whereby one insurer assumes all or part of a risk undertaken by another insurer. Despite such a contract, the original insurer remains fully liable to its policyholders for the insurance obligations.

Repurchase agreement
Agreement involving both the sale of securities for cash and the repurchase of these securities for value at a later date. This type of agreement represents a form of short-term financing.

Reputation risk
Risk that a negative perception by the stakeholders, whether or not justified, of Desjardins Group's practices, actions or lack of action could have a material unfavourable impact on revenues and equity or may significantly affect the confidence of its members and clients or, more broadly, public opinion.

Return on equity
Return on equity is equal to surplus earnings before member dividends, excluding the non-controlling interests' share, expressed as a percentage of average equity – Group's share.

Reverse repurchase agreement
Agreement involving both the purchase of securities for cash and the sale of these securities for value at a later date. This type of agreement represents a form of short-term financing.

Risk adjustment for non-financial risk
Represents the compensation that the insurance subsidiaries require for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risks when they fulfill insurance contracts.

Risk-weighted assets
Assets adjusted based on a risk-weighting factor prescribed by regulations to reflect the level of risk associated with items presented in the combined balance sheets. Some assets are not weighted, but rather deducted from capital. The calculation method is defined in the guidelines issued by the AMF. For more details, see the "Capital management" section of the Management's Discussion and Analysis.

Securitization
Process by which financial assets, such as mortgage loans, are converted into asset-backed securities.

Security borrowed or purchased
Security typically borrowed or purchased to cover a short position. The borrowing or purchase usually requires that an asset, taking the form or cash or highly rated securities, be pledged as collateral by the borrower.

Security lent or sold
Security typically lent or sold to cover a short position of the borrower. The loan or sale usually requires that an asset, taking the form or cash or highly rated securities, be pledged as collateral by the borrower.

Security sold short
Commitment by a seller to sell a security it does not own. Typically, the seller initially borrows the security to deliver it to the purchaser. At a later date, the seller buys an identical security to replace the borrowed security.

Segregated fund
Type of fund offered by insurance companies through a variable contract that provides the contract holder with a number of guarantees, such as principal repayment upon death. Segregated funds encompass a range of categories of securities and are designed to meet a variety of investment objectives. Segregated fund deposits represent amounts invested by clients. Segregated funds are comprised of investment funds with capital guaranteed upon death or at maturity.

Standardized Approach

- Credit risk
  Default approach used to calculate risk-weighted assets. Under this method, the entity uses valuations performed by external credit assessment institutions recognized by the AMF to determine the risk-weighting factors related to the various exposure categories.
- Market risk
  Default approach used to calculate risk-weighted assets for the market risk classes: interest rate risk, credit spread risk, equity risk, foreign exchange risk, commodity risk and default risk.
- Operational risk
  Standardized Approach for operational risk based on two main components: a Business Indicator Component (BIC), which is based on financial statements, and a Loss Component (LC), from which an Internal Loss Multiplier (ILM) is calculated using average historical losses. The operational risk capital requirement is calculated by multiplying the BIC and the ILM, and risk-weighted assets for operational risk are equal to this capital requirement multiplied by 12.5.

Strategic risk
Risk of loss attributable to the occurrence of external and internal events or the implementation of inappropriate strategies or actions that may prevent Desjardins Group from achieving its strategic priorities including the interests of its members and clients.

Structural interest rate risk
Risk related to the potential impact of interest rate fluctuations on net interest income and the economic value of equity.

Structured entity
Entity that has been designed so that voting rights or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: restricted activities, a narrow and well-defined objective, insufficient equity to permit it to finance its activities without subordinated financial support, or financing in the form of multiple contractually linked instruments to investors.

Subordinated note
Unsecured note whose repayment in the event of liquidation is subordinated to the prior repayment of certain other creditors.

Subsidiary
Company controlled by the Federation.

Swap
Derivative financial instrument under which two parties agree to exchange interest rates or currencies for a specified period according to predetermined rules.

TLAC leverage ratio
Ratio determined by dividing the total loss absorbing capacity by the exposure measure. The exposure measure is independent from risk and includes:
- on-balance sheet exposures;
- securities financing transaction exposures;
- derivative exposures; and
- off-balance sheet items.

TLAC ratio
Ratio determined by dividing the total loss absorbing capacity (TLAC) by risk-weighted assets.

Total loss absorbing capacity – TLAC
Regulatory capital and instruments that meet the eligibility criteria set out in the Total Loss Absorbing Capacity Guideline issued by the AMF.

Unused exposure
Amount of credit authorizations offered in the form of margins or loans that is not yet used.

Used exposure
Amount of funds invested in or advanced to a member or client.

Value at Risk (VaR)
Potential loss that could occur by the next business day in normal market conditions and at a confidence level of 99% (approximate loss that could occur once every 100 days).

COMBINED FINANCIAL STATEMENTS

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Combined Balance Sheets

(unaudited)

(in millions of Canadian dollars)	Notes	As at June 30, 2025	As at December 31, 2024
ASSETS			
Cash and deposits with financial institutions		**$ 7,053**	$ 5,977
Securities			
Securities at fair value through profit or loss		**44,442**	41,961
Securities at fair value through other comprehensive income		**60,900**	57,302
Securities at amortized cost		**38**	45
		105,380	99,308
Securities borrowed or purchased under reverse repurchase agreements		**26,122**	23,666
Loans	5		
Residential mortgages		**191,041**	179,920
Consumer, credit card and other personal loans		**24,736**	24,683
Business and government		**92,008**	86,314
		307,785	290,917
Allowance for credit losses	5	**(1,511)**	(1,320)
		306,274	289,597
Segregated fund net assets		**30,721**	28,959
Other assets			
Derivative financial instruments		**8,629**	7,579
Amounts receivable from clients, brokers and financial institutions		**3,829**	3,096
Reinsurance contract assets	7	**1,816**	1,905
Right-of-use assets		**441**	454
Investment property		**786**	817
Property, plant and equipment		**1,439**	1,486
Goodwill		**596**	596
Intangible assets		**1,261**	1,255
Investments in companies accounted for using the equity method		**1,307**	1,241
Net defined benefit plan assets		**946**	724
Deferred tax assets		**983**	986
Other		**3,671**	3,296
		25,704	23,435
TOTAL ASSETS		**$ 501,254**	$ 470,942
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits	6		
Individuals		**$ 167,857**	$ 161,479
Business and government		**152,324**	139,223
Deposit-taking institutions		**738**	244
		320,919	300,946
Insurance contract liabilities	7	**34,679**	34,538
Other liabilities			
Commitments related to securities sold short		**15,062**	13,249
Commitments related to securities lent or sold under repurchase agreements		**23,888**	20,633
Derivative financial instruments		**6,949**	6,112
Amounts payable to clients, brokers and financial institutions		**14,204**	14,195
Lease liabilities		**533**	534
Reinsurance contract liabilities	7	**38**	37
Segregated fund net liabilities – Investment contracts		**27,164**	25,329
Net defined benefit plan liabilities		**693**	713
Deferred tax liabilities		**503**	454
Other		**11,465**	11,550
		100,499	92,806
Subordinated notes	6	**4,842**	3,962
TOTAL LIABILITIES		**460,939**	432,252
EQUITY			
Capital stock		**4,636**	4,731
Undistributed surplus earnings		**3,385**	3,319
Accumulated other comprehensive income	8	**638**	256
Reserves		**31,069**	29,481
Equity – Group's share		**39,728**	37,787
Non-controlling interests		**587**	903
TOTAL EQUITY		**40,315**	38,690
TOTAL LIABILITIES AND EQUITY		**$ 501,254**	$ 470,942

The accompanying notes are an integral part of the Condensed Interim Combined Financial Statements.

Combined Statements of Income

(unaudited)

(in millions of Canadian dollars)	Notes	For the three-month periods ended June 30 2025	2024	For the six-month periods ended June 30 2025	2024
INTEREST INCOME[(1)]					
Loans		**$ 3,841**	$ 3,860	**$ 7,635**	$ 7,480
Securities		**628**	631	**1,255**	1,268
		4,469	4,491	**8,890**	8,748
INTEREST EXPENSE					
Deposits		**1,885**	2,016	**3,788**	3,991
Subordinated notes		**47**	43	**95**	78
Other		**513**	571	**1,016**	1,085
		2,445	2,630	**4,899**	5,154
NET INTEREST INCOME	10	**2,024**	1,861	**3,991**	3,594
INSURANCE SERVICE RESULT					
Insurance revenue		**3,041**	2,829	**6,032**	5,581
Insurance service expenses		**(2,362)**	(2,182)	**(5,012)**	(4,533)
Net reinsurance service income (expenses)		**(86)**	(27)	**(137)**	(19)
		593	620	**883**	1,029
NET INSURANCE FINANCE RESULT					
Net insurance investment income (loss)[(1)]		**241**	467	**880**	428
Net insurance finance income (expenses)		**76**	(244)	**(411)**	131
Net reinsurance finance income (expenses)		**(5)**	14	**17**	(12)
	7	**312**	237	**486**	547
NET INSURANCE SERVICE INCOME		**905**	857	**1,369**	1,576
OTHER INCOME					
Deposit and payment service charges		**142**	129	**279**	255
Lending fees and card service revenues		**257**	238	**519**	500
Brokerage and investment fund services		**392**	363	**783**	739
Management and custodial service fees		**270**	222	**518**	421
Net other investment income (loss)[(1)]	10	**(64)**	(61)	**(3)**	(44)
Foreign exchange income		**95**	47	**192**	95
Other		**70**	97	**125**	181
		1,162	1,035	**2,413**	2,147
TOTAL NET REVENUE		**4,091**	3,753	**7,773**	7,317
PROVISION FOR CREDIT LOSSES	5	**203**	87	**413**	220
NON-INTEREST EXPENSE					
Salaries and employee benefits		**1,546**	1,445	**2,968**	2,797
Professional fees		**247**	211	**451**	379
Technology		**321**	292	**637**	582
Commissions		**209**	174	**415**	383
Occupancy costs		**97**	99	**194**	198
Communications		**101**	97	**197**	171
Business and capital taxes		**42**	37	**92**	74
Other		**387**	342	**732**	669
Gross non-interest expense		**2,950**	2,697	**5,686**	5,253
Non-interest expense included in insurance service expenses		**(259)**	(250)	**(492)**	(495)
NET NON-INTEREST EXPENSE		**2,691**	2,447	**5,194**	4,758
OPERATING SURPLUS EARNINGS		**1,197**	1,219	**2,166**	2,339
Income taxes on surplus earnings		**297**	301	**528**	566
SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS		**900**	918	**1,638**	1,773
Member dividends		**113**	110	**226**	220
Tax recovery on member dividends		**(29)**	(29)	**(58)**	(58)
NET SURPLUS EARNINGS FOR THE PERIOD AFTER MEMBER DIVIDENDS		**$ 816**	$ 837	**$ 1,470**	$ 1,611
of which:					
Group's share		**$ 783**	$ 802	**$ 1,432**	$ 1,542
Non-controlling interests' share		**33**	35	**38**	69

(1) Include interest income of $4,434 million for the three-month period ended June 30, 2025 ($4,538 million for the three-month period ended June 30, 2024) and $8,823 million for the six-month period ended June 30, 2025 ($8,807 million for the six-month period ended June 30, 2024) calculated using the effective interest method.

The accompanying notes are an integral part of the Condensed Interim Combined Financial Statements.

Combined Statements of Comprehensive Income

(unaudited)

(in millions of Canadian dollars)	For the three-month periods ended June 30 2025	2024	For the six-month periods ended June 30 2025	2024
Net surplus earnings for the period after member dividends	**$ 816**	$ 837	**$ 1,470**	$ 1,611
Other comprehensive income, net of income taxes				
Items that will not be reclassified subsequently to the Combined Statements of Income				
Remeasurement of net defined benefit plan assets and liabilities	**219**	339	**178**	531
Net change in gains and losses on equity securities designated as at fair value through other comprehensive income	**41**	12	**46**	109
Net change in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	**(3)**	3	**1**	(4)
	257	354	**225**	636
Items that will be reclassified subsequently to the Combined Statements of Income				
Net change in unrealized gains and losses on debt securities classified as at fair value through other comprehensive income				
Net unrealized gains (losses)	**42**	104	**296**	109
Reclassification of net (gains) losses to the Combined Statements of Income	**(64)**	(29)	**(162)**	(14)
	(22)	75	**134**	95
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**(100)**	11	**155**	(329)
Reclassification to the Combined Statements of Income of net (gains) losses on derivative financial instruments designated as cash flow hedges	**45**	70	**93**	133
	(55)	81	**248**	(196)
	(77)	156	**382**	(101)
Total other comprehensive income, net of income taxes	**180**	510	**607**	535
COMPREHENSIVE INCOME FOR THE PERIOD	**$ 996**	$ 1,347	**$ 2,077**	$ 2,146
of which:				
Group's share	**$ 962**	$ 1,307	**$ 2,036**	$ 2,071
Non-controlling interests' share	**34**	40	**41**	75

The accompanying notes are an integral part of the Condensed Interim Combined Financial Statements.

Income taxes on other comprehensive income

The tax expense (recovery) related to each component of other comprehensive income for the period is presented in the following table.

(in millions of Canadian dollars)	For the three-month periods ended June 30 2025	2024	For the six-month periods ended June 30 2025	2024
Items that will not be reclassified subsequently to the Combined Statements of Income				
Remeasurement of net defined benefit plan assets and liabilities	**$ 79**	$ 136	**$ 65**	$ 205
Net change in gains and losses on equity securities designated as at fair value through other comprehensive income	**10**	1	**13**	21
Net change in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	**(1)**	—	**—**	(1)
	88	137	**78**	225
Items that will be reclassified subsequently to the Combined Statements of Income				
Net change in unrealized gains and losses on debt securities classified as at fair value through other comprehensive income				
Net unrealized gains (losses)	**15**	41	**106**	43
Reclassification of net (gains) losses to the Combined Statements of Income	**(23)**	(10)	**(59)**	(6)
	(8)	31	**47**	37
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**(36)**	1	**56**	(121)
Reclassification to the Combined Statements of Income of net (gains) losses on derivative financial instruments designated as cash flow hedges	**17**	25	**34**	48
	(19)	26	**90**	(73)
	(27)	57	**137**	(36)
Total income tax expense (recovery)	**$ 61**	$ 194	**$ 215**	$ 189

Combined Statements of Changes in Equity

(unaudited)

For the six-month periods ended June 30

(in millions of Canadian dollars)	Capital stock	Undistributed surplus earnings	Accumulated other comprehensive income (Note 8)	Reserves: Stabilization reserve	Reserves: Reserve for future member dividends	Reserves: General and other reserves	Reserves: Total reserves	Equity – Group's share	Non-controlling interests	Total equity
BALANCE AS AT DECEMBER 31, 2024	**$ 4,731**	**$ 3,319**	**$ 256**	**$ 624**	**$ 3,522**	**$ 25,335**	**$ 29,481**	**$ 37,787**	**$ 903**	**$ 38,690**
Net surplus earnings for the period after member dividends	**—**	**1,432**	**—**	**—**	**—**	**—**	**—**	**1,432**	**38**	**1,470**
Other comprehensive income for the period	**—**	**222**	**382**	**—**	**—**	**—**	**—**	**604**	**3**	**607**
Comprehensive income for the period	**—**	**1,654**	**382**	**—**	**—**	**—**	**—**	**2,036**	**41**	**2,077**
Other net changes in capital stock	**(95)**	**—**	**—**	**—**	**—**	**—**	**—**	**(95)**	**—**	**(95)**
Dividends	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(93)**	**(93)**
Transactions related to non-controlling interests[1]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(264)**	**(264)**
Transfer between undistributed surplus earnings and reserves	**—**	**(1,588)**	**—**	**22**	**—**	**1,566**	**1,588**	**—**	**—**	**—**
BALANCE AS AT JUNE 30, 2025	**$ 4,636**	**$ 3,385**	**$ 638**	**$ 646**	**$ 3,522**	**$ 26,901**	**$ 31,069**	**$ 39,728**	**$ 587**	**$ 40,315**
BALANCE AS AT DECEMBER 31, 2023	$ 4,731	$ 2,668	$ (708)	$ 616	$ 3,528	$ 22,640	$ 26,784	$ 33,475	$ 915	$ 34,390
Net surplus earnings for the period after member dividends	—	1,542	—	—	—	—	—	1,542	69	1,611
Other comprehensive income for the period	—	629	(100)	—	—	—	—	529	6	535
Comprehensive income for the period	—	2,171	(100)	—	—	—	—	2,071	75	2,146
Other net changes in capital stock	5	—	—	—	—	—	—	5	—	5
Dividends	—	—	—	—	—	—	—	—	(53)	(53)
Transfer between undistributed surplus earnings and reserves	—	(946)	—	8	(6)	944	946	—	—	—
BALANCE AS AT JUNE 30, 2024	$ 4,736	$ 3,893	$ (808)	$ 624	$ 3,522	$ 23,584	$ 27,730	$ 35,551	$ 937	$ 36,488

[1] On January 1, 2025, through one of its subsidiaries, Desjardins Group redeemed preferred shares of $464 million and issued preferred shares of $200 million to holders of non-controlling interests.

The accompanying notes are an integral part of the Condensed Interim Combined Financial Statements.

Combined Statements of Cash Flows

(unaudited)

(in millions of Canadian dollars)	For the six-month periods ended June 30 2025	2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Operating surplus earnings	**$ 2,166**	$ 2,339
Non-cash adjustments:		
Depreciation of right-of-use assets, property, plant and equipment and investment property, and amortization of intangible assets	**240**	240
Amortization of premiums and discounts	**8**	19
Provision for credit losses	**413**	220
Net realized (gains) losses on securities classified as at fair value through other comprehensive income	**76**	49
Net (gains) losses on disposal of property, plant and equipment, intangible assets and investment property	**(94)**	(80)
Other	**28**	(43)
Change in operating assets and liabilities:		
Securities at fair value through profit or loss	**(2,481)**	468
Securities borrowed or purchased under reverse repurchase agreements	**(2,456)**	(7,575)
Loans	**(17,134)**	(11,350)
Insurance and reinsurance contract assets and liabilities	**231**	8
Derivative financial instruments, net amount	**(94)**	(729)
Net amounts receivable from and payable to clients, brokers and financial institutions	**(724)**	84
Deposits	**19,973**	10,756
Commitments related to securities sold short	**1,813**	(407)
Commitments related to securities lent or sold under repurchase agreements	**3,255**	6,357
Other	**338**	80
Payment of the contingent consideration	**(13)**	(49)
Income taxes paid on surplus earnings	**(850)**	(294)
Payment of member dividends	**(437)**	(414)
	4,258	(321)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Issuance of subordinated notes	**1,807**	997
Repayment of subordinated notes	**(1,000)**	—
Sale (purchase) of debt securities and subordinated notes to (from) third parties on the market	**48**	(59)
Repayment of lease liabilities	**(38)**	(44)
Other net changes in capital stock	**(95)**	5
Remuneration on capital stock	**(266)**	(293)
Transactions related to non-controlling interests	**(264)**	—
Dividends paid	**(93)**	(53)
	99	553
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of securities at fair value through other comprehensive income and at amortized cost	**(15,812)**	(18,724)
Proceeds from disposals of securities at fair value through other comprehensive income and at amortized cost	**9,442**	11,609
Proceeds from maturities of securities at fair value through other comprehensive income and at amortized cost	**3,136**	7,177
Acquisitions of property, plant and equipment, intangible assets and investment property	**(181)**	(201)
Proceeds from disposal of property, plant and equipment, intangible assets and investment property	**119**	223
Acquisition of investments in companies accounted for using the equity method	**(43)**	(3)
Distributions received from investments in companies accounted for using the equity method	**14**	21
Other investing activities	**44**	69
	(3,281)	171
Net increase (decrease) in cash and cash equivalents	**1,076**	403
Cash and cash equivalents at beginning of period	**5,977**	8,987
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 7,053**	$ 9,390
Supplemental information on cash flows from (used in) operating activities		
Interest paid	**$ 4,219**	$ 3,934
Interest received	**8,488**	8,484
Dividends received	**121**	111

The accompanying notes are an integral part of the Condensed Interim Combined Financial Statements.

NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL STATEMENTS (unaudited)

NOTE 1 – BASIS OF PRESENTATION

Nature of operations

Desjardins Group is made up of the Desjardins caisses in Québec, Caisse Desjardins Ontario Credit Union Inc. (CDO), the *Fédération des caisses Desjardins du Québec* (the Federation) and its subsidiaries, and the *Fonds de sécurité Desjardins*. A number of the subsidiaries are active across Canada. The address of its head office is 100 Des Commandeurs Street, Lévis, Québec, Canada.

Combined Financial Statements

As an integrated financial services group, Desjardins Group is a complete economic entity. These unaudited Condensed Interim Combined Financial Statements (the Interim Combined Financial Statements) have been prepared to present the financial position, the financial performance and the cash flows of this economic entity. The Desjardins caisses exercise a collective power over the Federation, which is the cooperative entity responsible for assuming orientation, framework, coordination and development activities for Desjardins Group. The role of the Federation is also to protect the interests of Desjardins Group members.

As Desjardins caisses and the Federation are financial services cooperatives, these Interim Combined Financial Statements differ from the consolidated financial statements of a group with a traditional organizational structure. Consequently, the Combined Financial Statements of Desjardins Group are a combination of the accounts of the Desjardins caisses in Québec, the Federation, CDO and the entities controlled by them, namely the Federation's subsidiaries and the *Fonds de sécurité Desjardins*. The capital stock of Desjardins Group represents the aggregate of the capital stock issued by the Desjardins caisses in Québec, the Federation and CDO.

Statement of Compliance

Pursuant to the *Act Respecting Financial Services Cooperatives*, these Interim Combined Financial Statements have been prepared by Desjardins Group's management in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), more specifically in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting," and the accounting requirements of the *Autorité des marchés financiers* (AMF) in Québec, which do not differ from IFRS.

These Interim Combined Financial Statements should be read in conjunction with the audited Annual Combined Financial Statements (the Annual Combined Financial Statements) for the year ended December 31, 2024, and the shaded areas of section 4.0, "Risk management," of the related Management's Discussion and Analysis, which are an integral part of the Annual Combined Financial Statements.

These Interim Combined Financial Statements were approved by the Board of Directors of Desjardins Group, which is the Board of Directors of the Federation, on August 12, 2025.

Significant judgments, estimates and assumptions

The economic conditions, strongly affected by the uncertainty surrounding the evolution of trade relations with the United States, continue to have an impact on the judgments and significant estimates and assumptions made by management in preparing the Interim Combined Financial Statements for the six-month period ended June 30, 2025. The judgments, estimates and assumptions that will be made for future periods will be reassessed in light of the development of these highly uncertain conditions and could therefore differ from those made in preparing these Interim Combined Financial Statements. Desjardins Group is closely monitoring developments and their impact on its surplus earnings and financial position.

Presentation and functional currency

These Interim Combined Financial Statements are expressed in Canadian dollars, which is also the functional currency of Desjardins Group. Dollar amounts presented in the tables of the Notes to the Interim Combined Financial Statements are in millions of dollars, unless otherwise stated.

NOTE 2 – ACCOUNTING POLICIES

All accounting policies were applied as described in Note 2, "Accounting policies," to the Annual Combined Financial Statements.

FUTURE ACCOUNTING CHANGES

Accounting standards issued by the IASB, but not effective as at December 31, 2024, are described in Note 2, "Accounting policies," to the Annual Combined Financial Statements. Regulatory authorities have stated that early adoption of these standards and amendments will not be permitted, unless they indicate otherwise.

NOTE 3 – CARRYING AMOUNT OF FINANCIAL INSTRUMENTS

CLASSIFICATION AND CARRYING AMOUNT OF FINANCIAL INSTRUMENTS

The following tables present the carrying amount of financial assets and liabilities according to their classification in the classes defined in the financial instrument standards.

	At fair value through profit or loss		At fair value through other comprehensive income			
As at June 30, 2025	**Classified as at fair value through profit or loss**	**Designated as at fair value through profit or loss**	**Classified as at fair value through other comprehensive income(1)**	**Designated as at fair value through other comprehensive income**	**Amortized cost(1)**	**Total**
Financial assets						
Cash and deposits with financial institutions	$ 423	$ 52	$ 568	$ —	$ 6,010	$ 7,053
Securities	23,925	20,517	59,439	1,461	38	105,380
Securities borrowed or purchased under reverse repurchase agreements	—	—	—	—	26,122	26,122
Loans, net of allowance for credit losses	—	1,661	—	—	304,613	306,274
Segregated fund net assets	30,995	—	—	—	(274)	30,721
Other financial assets						
Derivative financial instruments(2)	8,629	—	—	—	—	8,629
Amounts receivable from clients, brokers and financial institutions	—	—	—	—	3,829	3,829
Other	—	—	—	—	2,543	2,543
Total financial assets	**$ 63,972**	**$ 22,230**	**$ 60,007**	**$ 1,461**	**$ 342,881**	**$ 490,551**
Financial liabilities						
Deposits	$ —	$ 1,797	$ —	$ —	$ 319,122	$ 320,919
Other financial liabilities						
Commitments related to securities sold short	15,062	—	—	—	—	15,062
Commitments related to securities lent or sold under repurchase agreements	—	—	—	—	23,888	23,888
Derivative financial instruments(2)	6,949	—	—	—	—	6,949
Amounts payable to clients, brokers and financial institutions	—	—	—	—	14,204	14,204
Segregated fund net liabilities – Investment contracts	—	—	—	—	27,164	27,164
Other	23	—	—	—	6,980	7,003
Subordinated notes	—	—	—	—	4,842	4,842
Total financial liabilities	**$ 22,034**	**$ 1,797**	**$ —**	**$ —**	**$ 396,200**	**$ 420,031**

(1) As at June 30, 2025, the allowance for credit losses on securities at "Amortized cost" was insignificant, and the allowance for credit losses on securities "Classified as at fair value through other comprehensive income" totalled $14 million. Detailed information on the allowance for credit losses on loans is presented in Note 5, "Loans and allowance for credit losses."

(2) Include derivative financial instruments designated as hedging instruments amounting to $1,676 million in assets and $106 million in liabilities.

NOTE 3 – CARRYING AMOUNT OF FINANCIAL INSTRUMENTS *(continued)*

CLASSIFICATION AND CARRYING AMOUNT OF FINANCIAL INSTRUMENTS *(continued)*

	At fair value through profit or loss		At fair value through other comprehensive income			
As at December 31, 2024	Classified as at fair value through profit or loss	Designated as at fair value through profit or loss	Classified as at fair value through other comprehensive income[1]	Designated as at fair value through other comprehensive income	Amortized cost[1]	Total
Financial assets						
Cash and deposits with financial institutions	$ 308	$ 47	$ 500	$ —	$ 5,122	$ 5,977
Securities	21,535	20,426	55,568	1,734	45	99,308
Securities borrowed or purchased under reverse repurchase agreements	—	—	—	—	23,666	23,666
Loans, net of allowance for credit losses	—	1,662	—	—	287,935	289,597
Segregated fund net assets	29,167	—	—	—	(208)	28,959
Other financial assets						
Derivative financial instruments[2]	7,579	—	—	—	—	7,579
Amounts receivable from clients, brokers and financial institutions	—	—	—	—	3,096	3,096
Other	—	—	—	—	2,282	2,282
Total financial assets	$ 58,589	$ 22,135	$ 56,068	$ 1,734	$ 321,938	$ 460,464
Financial liabilities						
Deposits	$ —	$ 1,668	$ —	$ —	$ 299,278	$ 300,946
Other financial liabilities						
Commitments related to securities sold short	13,249	—	—	—	—	13,249
Commitments related to securities lent or sold under repurchase agreements	—	—	—	—	20,633	20,633
Derivative financial instruments[2]	6,112	—	—	—	—	6,112
Amounts payable to clients, brokers and financial institutions	—	—	—	—	14,195	14,195
Segregated fund net liabilities – Investment contracts	—	—	—	—	25,329	25,329
Other	25	—	—	—	7,090	7,115
Subordinated notes	—	—	—	—	3,962	3,962
Total financial liabilities	$ 19,386	$ 1,668	$ —	$ —	$ 370,487	$ 391,541

(1) As at December 31, 2024, the allowance for credit losses on securities at "Amortized cost" was insignificant, and the allowance for credit losses on securities "Classified as at fair value through other comprehensive income" totalled $16 million. Detailed information on the allowance for credit losses on loans is presented in Note 5, "Loans and allowance for credit losses."

(2) Include derivative financial instruments designated as hedging instruments amounting to $1,102 million in assets and $204 million in liabilities.

During the six-month period ended June 30, 2025 and the year ended December 31, 2024, there were no material reclassifications of financial instruments.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

DETERMINATION OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

For a description of the valuation techniques and data used to determine the fair value of the main financial instruments, refer to Note 2, "Accounting policies," to the Annual Combined Financial Statements. No significant changes were made to our fair value valuation techniques during the quarter. Desjardins Group has implemented controls and procedures to ensure that financial instruments are appropriately and reliably measured.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of certain financial instruments measured at amortized cost does not reasonably approximate fair value. These financial instruments are presented in the following table.

	As at June 30, 2025		As at December 31, 2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Securities	**$ 38**	**$ 32**	$ 45	$ 39
Loans, net of allowance for credit losses	**304,613**	**305,135**	287,935	288,553
Financial liabilities				
Deposits	**319,122**	**321,455**	299,278	301,925
Subordinated notes	**4,842**	**4,985**	3,962	4,040
Other liabilities – Other	**1,786**	**1,768**	1,778	1,753

FAIR VALUE HIERARCHY

Fair value measurement is determined using a three-level fair value hierarchy. Refer to Note 4, "Fair value of financial instruments," to the Annual Combined Financial Statements, which contains a description of these three levels.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

HIERARCHY OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following tables present the hierarchy for financial instruments measured at fair value in the Combined Balance Sheets.

As at June 30, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Cash and deposits with financial institutions	$ 46	$ 429	$ —	$ 475
Securities				
Debt securities issued or guaranteed by:				
Canadian governmental entities	10,143	—	—	10,143
Provincial governmental entities and municipal corporations in Canada	15,320	600	—	15,920
School or public corporations in Canada	25	67	—	92
Foreign public administrations	529	—	—	529
Other debt securities	—	11,550	444	11,994
Equity securities	2,363	331	3,070	5,764
	28,380	12,548	3,514	44,442
Loans				
Residential mortgages	—	—	1,070	1,070
Business and government	—	—	591	591
	—	—	1,661	1,661
Segregated fund net assets	8,266	22,014	715	30,995
Derivative financial instruments				
Interest rate contracts	—	381	—	381
Foreign exchange contracts	—	2,167	—	2,167
Other contracts	—	6,081	—	6,081
	—	8,629	—	8,629
Total financial assets at fair value through profit or loss	36,692	43,620	5,890	86,202
Financial assets at fair value through other comprehensive income				
Cash and deposits with financial institutions	192	376	—	568
Securities				
Debt securities issued or guaranteed by:				
Canadian governmental entities	14,307	8,197	—	22,504
Provincial governmental entities and municipal corporations in Canada	23,945	3,955	—	27,900
School or public corporations in Canada	—	41	—	41
Foreign public administrations	87	—	—	87
Other debt securities	—	8,908	—	8,908
Equity securities	1,379	—	81	1,460
	39,718	21,101	81	60,900
Total financial assets at fair value through other comprehensive income	39,910	21,477	81	61,468
Total financial assets	$ 76,602	$ 65,097	$ 5,971	$ 147,670
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Deposits	$ —	$ 1,797	$ —	$ 1,797
Other liabilities				
Commitments related to securities sold short	13,667	1,395	—	15,062
Other	—	—	23	23
	13,667	3,192	23	16,882
Derivative financial instruments				
Interest rate contracts	—	362	—	362
Foreign exchange contracts	—	812	—	812
Other contracts	—	5,775	—	5,775
	—	6,949	—	6,949
Total financial liabilities	$ 13,667	$ 10,141	$ 23	$ 23,831

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

HIERARCHY OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE *(continued)*

As at December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss				
Cash and deposits with financial institutions	$ 29	$ 326	$ —	$ 355
Securities				
Debt securities issued or guaranteed by:				
Canadian governmental entities	8,852	—	—	8,852
Provincial governmental entities and municipal corporations in Canada	15,575	579	—	16,154
School or public corporations in Canada	12	71	—	83
Foreign public administrations	265	—	—	265
Other debt securities	—	10,864	416	11,280
Equity securities	2,113	393	2,821	5,327
	26,817	11,907	3,237	41,961
Loans				
Residential mortgages	—	—	1,065	1,065
Business and government	—	—	597	597
	—	—	1,662	1,662
Segregated fund net assets	8,203	20,213	751	29,167
Derivative financial instruments				
Interest rate contracts	—	345	—	345
Foreign exchange contracts	—	1,973	—	1,973
Other contracts	—	5,261	—	5,261
	—	7,579	—	7,579
Total financial assets at fair value through profit or loss	35,049	40,025	5,650	80,724
Financial assets at fair value through other comprehensive income				
Cash and deposits with financial institutions	183	317	—	500
Securities				
Debt securities issued or guaranteed by:				
Canadian governmental entities	10,914	7,762	—	18,676
Provincial governmental entities and municipal corporations in Canada	23,063	3,981	—	27,044
School or public corporations in Canada	—	41	—	41
Foreign public administrations	80	—	—	80
Other debt securities	—	9,727	—	9,727
Equity securities	1,652	—	82	1,734
	35,709	21,511	82	57,302
Total financial assets at fair value through other comprehensive income	35,892	21,828	82	57,802
Total financial assets	$ 70,941	$ 61,853	$ 5,732	$ 138,526
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Deposits	$ —	$ 1,668	$ —	$ 1,668
Other liabilities				
Commitments related to securities sold short	12,150	1,099	—	13,249
Other	—	—	25	25
	12,150	2,767	25	14,942
Derivative financial instruments				
Interest rate contracts	—	433	—	433
Foreign exchange contracts	—	662	—	662
Other contracts	—	5,017	—	5,017
	—	6,112	—	6,112
Total financial liabilities	$ 12,150	$ 8,879	$ 25	$ 21,054

During the six-month period ended June 30, 2025, and the year ended December 31, 2024, no material transfers attributable to changes in the observability of market data were made between Levels 1 and 2 of the hierarchy for instruments measured at fair value. Transfers of financial instruments into or out of Level 3 reflect changes in the availability of observable inputs as a result of changes in market conditions.

FAIR VALUE OF FINANCIAL INSTRUMENTS CATEGORIZED WITHIN LEVEL 3

Desjardins Group has implemented various key controls and procedures to ensure that the financial instruments categorized within Level 3 are appropriately and reliably measured. During the six-month period ended June 30, 2025, no significant changes were made to key controls and procedures, valuation techniques, unobservable inputs and input value ranges used to determine fair value. For a description of the valuation process for financial instruments categorized within Level 3, refer to Note 4, "Fair value of financial instruments," to the Annual Combined Financial Statements.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

FAIR VALUE OF FINANCIAL INSTRUMENTS CATEGORIZED WITHIN LEVEL 3 *(continued)*

Changes in fair value of financial instruments categorized within Level 3

The following tables present the changes in fair value of financial instruments categorized within Level 3 of the hierarchy, namely financial instruments whose fair value is determined using valuation techniques not based mainly on observable market data.

For the six-month period ended June 30, 2025	Balance at beginning period	Realized gains / losses recognized in profit or loss[1]	Unrealized gains / losses recognized in profit or loss[2]	Unrealized gains / losses recognized in other comprehensive income[3]	Transfers of instruments into (out of) Level 3	Purchases / Issuances / Other	Sales / Settlements / Other	Balance at end of period
Financial assets								
Financial assets at fair value through profit or loss								
Securities								
Other debt securities								
Mortgage bonds	$ 238	$ —	$ 2	$ —	$ —	$ —	$ (13)	$ 227
Other	178	—	6	—	—	41	(8)	217
Equity securities	2,821	—	(5)	—	—	292	(38)	3,070
	3,237	—	3	—	—	333	(59)	3,514
Loans								
Residential mortgages	1,065	—	7	—	—	20	(22)	1,070
Business and government	597	—	5	—	—	—	(11)	591
	1,662	—	12	—	—	20	(33)	1,661
Segregated fund net assets	751	4	(14)	—	(2)	163	(187)	715
Total financial assets at fair value through profit or loss	5,650	4	1	—	(2)	516	(279)	5,890
Financial assets at fair value through other comprehensive income								
Equity securities	82	—	—	(19)	—	18	—	81
Total financial assets at fair value through other comprehensive income	82	—	—	(19)	—	18	—	81
Total financial assets	$ 5,732	$ 4	$ 1	$ (19)	$ (2)	$ 534	$ (279)	$ 5,971
Financial liabilities								
Financial liabilities at fair value through profit or loss								
Other liabilities – Other								
Financial liability related to the contingent consideration	$ 25	$ —	$ 11	$ —	$ —	$ —	$ (13)	$ 23
Total financial liabilities	$ 25	$ —	$ 11	$ —	$ —	$ —	$ (13)	$ 23

(1) Realized gains or losses on financial assets classified or designated as at fair value through profit or loss are presented under "Net insurance investment income (loss)" and "Net other investment income (loss)" in the Combined Statements of Income.

(2) Unrealized gains or losses on financial assets classified or designated as at fair value through profit or loss are presented under "Net insurance investment income (loss)" and "Net other investment income (loss)," while unrealized gains or losses on financial liabilities "Classified as at fair value through profit or loss" are recognized under "Other income – Other" in the Combined Statements of Income.

(3) Unrealized gains or losses on financial assets "Classified as at fair value through other comprehensive income" are recognized under "Net unrealized gains (losses)" on debt securities at fair value through other comprehensive income, while unrealized gains or losses on financial assets "Designated as at fair value through other comprehensive income" are recognized under "Net change in gains and losses on equity securities designated as at fair value through other comprehensive income" in the Combined Statements of Comprehensive Income.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

FAIR VALUE OF FINANCIAL INSTRUMENTS CATEGORIZED WITHIN LEVEL 3 *(continued)*

Changes in fair value of financial instruments categorized within Level 3 *(continued)*

For the six-month period ended June 30, 2024	Balance at beginning period	Realized gains / losses recognized in profit or loss[1]	Unrealized gains / losses recognized in profit or loss[2]	Unrealized gains / losses recognized in other comprehensive income[3]	Purchases / Issuances / Other	Sales / Settlements / Other	Balance at end of period
Financial assets							
Financial assets at fair value through profit or loss							
Securities							
Other debt securities							
Mortgage bonds	$ 259	$ —	$ (1)	$ —	$ —	$ (18)	$ 240
Other	148	—	(11)	—	61	(57)	141
Equity securities	2,238	—	38	—	191	(16)	2,451
	2,645	—	26	—	252	(91)	2,832
Loans							
Residential mortgages	1,102	—	(14)	—	78	(99)	1,067
Business and government	602	—	(3)	—	28	(17)	610
	1,704	—	(17)	—	106	(116)	1,677
Segregated fund net assets	655	2	26	—	94	(66)	711
Total financial assets at fair value through profit or loss	5,004	2	35	—	452	(273)	5,220
Financial assets at fair value through other comprehensive income							
Equity securities	85	—	—	2	—	—	87
Total financial assets at fair value through other comprehensive income	85	—	—	2	—	—	87
Total financial assets	$ 5,089	$ 2	$ 35	$ 2	$ 452	$ (273)	$ 5,307
Financial liabilities							
Financial liabilities at fair value through profit or loss							
Other liabilities – Other							
Financial liability related to the contingent consideration	$ 75	$ —	$ 12	$ —	$ —	$ (49)	$ 38
Total financial liabilities	$ 75	$ —	$ 12	$ —	$ —	$ (49)	$ 38

(1) Realized gains or losses on financial assets classified or designated as at fair value through profit or loss are presented under "Net insurance investment income (loss)" and "Net other investment income (loss)" in the Combined Statements of Income.

(2) Unrealized gains or losses on financial assets classified or designated as at fair value through profit or loss are presented under "Net insurance investment income (loss)" and "Net other investment income (loss)," while unrealized gains or losses on financial liabilities "Classified at fair value through profit or loss" are recognized under "Other income – Other" in the Combined Statements of Income.

(3) Unrealized gains or losses on financial assets "Classified as at fair value through other comprehensive income" are recognized under "Net unrealized gains (losses)" on debt securities at fair value through other comprehensive income, while unrealized gains or losses on financial assets "Designated as at fair value through other comprehensive income" are recognized under "Net change in gains and losses on equity securities designated as at fair value through other comprehensive income" in the Combined Statements of Comprehensive Income.

NOTE 5 – LOANS AND ALLOWANCE FOR CREDIT LOSSES

EXPOSURE TO CREDIT RISK OF LOANS AND OFF-BALANCE SHEET ITEMS

The following tables present the gross carrying amount of loans and the exposure amount for off-balance sheet items for which Desjardins Group estimates an allowance for expected credit losses, according to credit quality and the impairment model stage in which they are classified. For more information on credit quality according to risk levels, see Table 29, "Probabilities of default of retail clients by risk level," and Table 30, "Probabilities of default of businesses, financial institutions and sovereign borrowers by risk level," in section 4.0, "Risk Management," of the 2024 Annual Management's Discussion and Analysis.

Loans

	Non-credit impaired		Credit-impaired	
As at June 30, 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Residential mortgages				
Excellent	$ 57,312	$ 21	$ —	$ 57,333
Very low	77,667	537	—	78,204
Low	44,983	2,432	—	47,415
Moderate	3,056	2,248	—	5,304
High	4	803	—	807
Default	—	423	485	908
Total residential mortgages subject to expected credit losses	$ 183,022	$ 6,464	$ 485	$ 189,971
Residential mortgages at fair value through profit or loss(1)				1,070
Total gross residential mortgages	$ 183,022	$ 6,464	$ 485	$ 191,041
Allowance for credit losses	(41)	(28)	(31)	(100)
Total net residential mortgages	$ 182,981	$ 6,436	$ 454	$ 190,941
Consumer, credit card and other personal loans				
Excellent	$ 5,471	$ —	$ —	$ 5,471
Very low	6,454	3	—	6,457
Low	8,307	882	—	9,189
Moderate	1,197	831	—	2,028
High	12	1,286	—	1,298
Default	—	36	257	293
Total gross consumer, credit card and other personal loans	$ 21,441	$ 3,038	$ 257	$ 24,736
Allowance for credit losses	(108)	(257)	(185)	(550)
Total net consumer, credit card and other personal loans	$ 21,333	$ 2,781	$ 72	$ 24,186
Business and government loans				
Acceptable risk				
Investment grade	$ 28,942	$ 167	$ —	$ 29,109
Other than investment grade	50,997	4,832	—	55,829
Under watch	2,092	2,430	—	4,522
Default	—	186	1,771	1,957
Total business and government loans subject to expected credit losses	$ 82,031	$ 7,615	$ 1,771	$ 91,417
Business and government loans at fair value through profit or loss(1)				591
Total gross business and government loans	$ 82,031	$ 7,615	$ 1,771	$ 92,008
Allowance for credit losses	(180)	(134)	(547)	(861)
Total net business and government loans	$ 81,851	$ 7,481	$ 1,224	$ 91,147
Total gross loans	$ 286,494	$ 17,117	$ 2,513	$ 307,785
Allowance for credit losses	(329)	(419)	(763)	(1,511)
Total net loans	$ 286,165	$ 16,698	$ 1,750	$ 306,274

(1) Loans at fair value through profit or loss are not subject to expected credit losses.

NOTE 5 – LOANS AND ALLOWANCE FOR CREDIT LOSSES *(continued)*

EXPOSURE TO CREDIT RISK OF LOANS AND OFF-BALANCE SHEET ITEMS *(continued)*

Loans *(continued)*

	Non-credit impaired		Credit-impaired	
As at December 31, 2024	Stage 1	Stage 2	Stage 3	Total
Residential mortgages				
Excellent	$ 55,918	$ 35	$ —	$ 55,953
Very low	72,447	702	—	73,149
Low	41,024	2,049	—	43,073
Moderate	2,897	2,142	—	5,039
High	4	877	—	881
Default	—	306	454	760
Total residential mortgages subject to expected credit losses	$ 172,290	$ 6,111	$ 454	$ 178,855
Residential mortgages at fair value through profit or loss(1)				1,065
Total gross residential mortgages	$ 172,290	$ 6,111	$ 454	$ 179,920
Allowance for credit losses	(39)	(26)	(30)	(95)
Total net residential mortgages	$ 172,251	$ 6,085	$ 424	$ 179,825
Consumer, credit card and other personal loans				
Excellent	$ 5,269	$ —	$ —	$ 5,269
Very low	6,458	2	—	6,460
Low	8,459	758	—	9,217
Moderate	1,266	766	—	2,032
High	11	1,398	—	1,409
Default	—	47	249	296
Total gross consumer, credit card and other personal loans	$ 21,463	$ 2,971	$ 249	$ 24,683
Allowance for credit losses	(110)	(234)	(165)	(509)
Total net consumer, credit card and other personal loans	$ 21,353	$ 2,737	$ 84	$ 24,174
Business and government loans				
Acceptable risk				
Investment grade	$ 26,548	$ 269	$ —	$ 26,817
Other than investment grade	47,943	4,727	—	52,670
Under watch	1,892	2,488	—	4,380
Default	—	197	1,653	1,850
Total business and government loans subject to expected credit losses	$ 76,383	$ 7,681	$ 1,653	$ 85,717
Business and government loans at fair value through profit or loss(1)				597
Total gross business and government loans	$ 76,383	$ 7,681	$ 1,653	$ 86,314
Allowance for credit losses	(128)	(168)	(420)	(716)
Total net business and government loans	$ 76,255	$ 7,513	$ 1,233	$ 85,598
Total gross loans	$ 270,136	$ 16,763	$ 2,356	$ 290,917
Allowance for credit losses	(277)	(428)	(615)	(1,320)
Total net loans	$ 269,859	$ 16,335	$ 1,741	$ 289,597

(1) Loans at fair value through profit or loss are not subject to expected credit losses.

NOTE 5 – LOANS AND ALLOWANCE FOR CREDIT LOSSES *(continued)*

EXPOSURE TO CREDIT RISK OF LOANS AND OFF-BALANCE SHEET ITEMS *(continued)*

Off-balance sheet items[1]

	Non-credit impaired		Credit-impaired	
As at June 30, 2025	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Residential mortgages, consumer, credit card and other personal loans				
Excellent	$ 52,534	$ —	$ —	$ 52,534
Very low	25,610	25	—	25,635
Low	9,447	536	—	9,983
Moderate	379	440	—	819
High	6	232	—	238
Default	—	12	58	70
Total	$ 87,976	$ 1,245	$ 58	$ 89,279
Allowance for credit losses	(47)	(26)	—	(73)
Total, net of allowance for credit losses	$ 87,929	$ 1,219	$ 58	$ 89,206
Business and government				
Acceptable risk				
Investment grade	$ 37,905	$ 74	$ —	$ 37,979
Other than investment grade	17,065	1,503	—	18,568
Under watch	297	376	—	673
Default	—	11	365	376
Total	$ 55,267	$ 1,964	$ 365	$ 57,596
Allowance for credit losses	(31)	(17)	—	(48)
Total, net of allowance for credit losses	$ 55,236	$ 1,947	$ 365	$ 57,548
Total off-balance sheet items	$ 143,243	$ 3,209	$ 423	$ 146,875
Allowance for credit losses	(78)	(43)	—	(121)
Total off-balance sheet items, net of allowance for credit losses	$ 143,165	$ 3,166	$ 423	$ 146,754

	Non-credit impaired		Credit-impaired	
As at December 31, 2024	Stage 1	Stage 2	Stage 3	Total
Residential mortgages, consumer, credit card and other personal loans				
Excellent	$ 51,073	$ —	$ —	$ 51,073
Very low	24,907	21	—	24,928
Low	9,137	501	—	9,638
Moderate	417	420	—	837
High	6	263	—	269
Default	—	9	52	61
Total	$ 85,540	$ 1,214	$ 52	$ 86,806
Allowance for credit losses	(43)	(21)	—	(64)
Total, net of allowance for credit losses	$ 85,497	$ 1,193	$ 52	$ 86,742
Business and government				
Acceptable risk				
Investment grade	$ 39,409	$ 116	$ —	$ 39,525
Other than investment grade	16,966	1,394	—	18,360
Under watch	383	380	—	763
Default	—	22	364	386
Total	$ 56,758	$ 1,912	$ 364	$ 59,034
Allowance for credit losses	(23)	(13)	—	(36)
Total, net of allowance for credit losses	$ 56,735	$ 1,899	$ 364	$ 58,998
Total off-balance sheet items	$ 142,298	$ 3,126	$ 416	$ 145,840
Allowance for credit losses	(66)	(34)	—	(100)
Total off-balance sheet items, net of allowance for credit losses	$ 142,232	$ 3,092	$ 416	$ 145,740

[1] Loan commitments for which Desjardins Group estimates an allowance for expected credit losses comprise credit commitments and documentary letters of credit, while financial guarantees for which it estimates an allowance for expected credit losses comprise guarantees and standby letters of credit.

NOTE 5 – LOANS AND ALLOWANCE FOR CREDIT LOSSES *(continued)*

ALLOWANCE FOR CREDIT LOSSES

The following tables present the changes in the balance of the allowance for expected credit losses on loans and off-balance sheet items.

	Non-credit impaired		Credit-impaired	Allowance for
For the six-month period ended June 30, 2025	**Stage 1**	**Stage 2**	**Stage 3**	**credit losses**
Residential mortgages				
Balance at beginning of period	$ 42	$ 26	$ 30	$ 98
Provision for credit losses				
Transfers to[1]:				
Stage 1	13	(11)	(2)	—
Stage 2	(5)	8	(3)	—
Stage 3	—	(2)	2	—
Net remeasurement due to transfers[2]	(4)	3	11	10
Changes in risks, parameters and models[3]	(11)	8	(1)	(4)
New originations or acquisitions[4]	13	—	—	13
Derecognitions and maturities[5]	(3)	(4)	(8)	(15)
	3	2	(1)	4
Write-offs and recoveries	—	—	2	2
Balance at end of period	$ 45	$ 28	$ 31	$ 104
Consumer, credit card and other personal loans				
Balance at beginning of period	$ 150	$ 255	$ 165	$ 570
Provision for credit losses				
Transfers to[1]:				
Stage 1	129	(120)	(9)	—
Stage 2	(44)	73	(29)	—
Stage 3	(1)	(32)	33	—
Net remeasurement due to transfers[2]	(38)	38	162	162
Changes in risks, parameters and models[3]	(72)	100	104	132
New originations or acquisitions[4]	40	—	—	40
Derecognitions and maturities[5]	(12)	(26)	(47)	(85)
Net drawdowns (repayments)[6]	(1)	(5)	—	(6)
	1	28	214	243
Write-offs and recoveries	—	—	(194)	(194)
Balance at end of period	$ 151	$ 283	$ 185	$ 619
Business and government				
Balance at beginning of period	$ 151	$ 181	$ 420	$ 752
Provision for credit losses				
Transfers to[1]:				
Stage 1	34	(33)	(1)	—
Stage 2	(25)	30	(5)	—
Stage 3	(2)	(12)	14	—
Net remeasurement due to transfers[2]	(16)	30	94	108
Changes in risks, parameters and models[3]	—	(27)	75	48
New originations or acquisitions[4]	88	—	—	88
Derecognitions and maturities[5]	(27)	(18)	(28)	(73)
Net drawdowns (repayments)[6]	8	—	(11)	(3)
	60	(30)	138	168
Write-offs and recoveries	—	—	(11)	(11)
Balance at end of period	$ 211	$ 151	$ 547	$ 909
Total balances at end of period	$ 407	$ 462	$ 763	$ 1,632
Composed of:				
Loans	$ 329	$ 419	$ 763	$ 1,511
Off-balance sheet items[7]	78	43	—	121

(1) Represent transfers between stages before the remeasurement of expected credit losses.
(2) Represents the remeasurement of the allowance for expected credit losses resulting from transfers between stages.
(3) Represent the change in the allowance due to changes in risks resulting from changes in forward-looking information, risk levels, parameters and models, after transfers between stages.
(4) Represent the increase in the allowance for new originations or acquisitions during the period, including loans that were derecognized and for which a new asset was recognized following a modification of terms.
(5) Represent mainly the decrease in the allowance for fully repaid loans, including loans that were derecognized and for which a new asset was recognized following a modification of terms.
(6) Represent changes in the allowance attributable to drawdowns and repayments on outstanding loans.
(7) The allowance for credit losses on off-balance sheet items is presented under "Other liabilities – Other" in the Combined Balance Sheets.

NOTE 5 – LOANS AND ALLOWANCE FOR CREDIT LOSSES *(continued)*

ALLOWANCE FOR CREDIT LOSSES *(continued)*

	Non-credit impaired		Credit-impaired	Allowance for
For the six-month period ended June 30, 2024	Stage 1	Stage 2	Stage 3	credit losses
Residential mortgages				
Balance at beginning of period	$ 48	$ 33	$ 24	$ 105
Provision for credit losses				
Transfers to[1]:				
Stage 1	15	(13)	(2)	—
Stage 2	(5)	8	(3)	—
Stage 3	—	(2)	2	—
Net remeasurement due to transfers[2]	(5)	5	12	12
Changes in risks, parameters and models[3]	(23)	5	—	(18)
New originations or acquisitions[4]	10	—	—	10
Derecognitions and maturities[5]	(3)	(4)	(6)	(13)
Net drawdowns (repayments)[6]	—	(1)	—	(1)
	(11)	(2)	3	(10)
Write-offs and recoveries	—	—	—	—
Balance at end of period	$ 37	$ 31	$ 27	$ 95
Consumer, credit card and other personal loans				
Balance at beginning of period	$ 170	$ 304	$ 140	$ 614
Provision for credit losses				
Transfers to[1]:				
Stage 1	157	(150)	(7)	—
Stage 2	(46)	72	(26)	—
Stage 3	(1)	(34)	35	—
Net remeasurement due to transfers[2]	(43)	36	128	121
Changes in risks, parameters and models[3]	(108)	96	132	120
New originations or acquisitions[4]	46	—	—	46
Derecognitions and maturities[5]	(13)	(32)	(41)	(86)
Net drawdowns (repayments)[6]	—	(4)	—	(4)
	(8)	(16)	221	197
Write-offs and recoveries	—	—	(193)	(193)
Balance at end of period	$ 162	$ 288	$ 168	$ 618
Business and government				
Balance at beginning of period	$ 135	$ 88	$ 331	$ 554
Provision for credit losses				
Transfers to[1]:				
Stage 1	28	(26)	(2)	—
Stage 2	(17)	23	(6)	—
Stage 3	(1)	(6)	7	—
Net remeasurement due to transfers[2]	(12)	15	59	62
Changes in risks, parameters and models[3]	(39)	20	(11)	(30)
New originations or acquisitions[4]	59	—	—	59
Derecognitions and maturities[5]	(22)	(15)	(7)	(44)
Net drawdowns (repayments)[6]	10	2	(17)	(5)
	6	13	23	42
Write-offs and recoveries	—	—	(55)	(55)
Balance at end of period	$ 141	$ 101	$ 299	$ 541
Total balances at end of period	$ 340	$ 420	$ 494	$ 1,254
Composed of:				
Loans	$ 277	$ 393	$ 494	$ 1,164
Off-balance sheet items[7]	63	27	—	90

(1) Represent transfers between stages before the remeasurement of expected credit losses.
(2) Represents the remeasurement of the allowance for expected credit losses resulting from transfers between stages.
(3) Represent the change in the allowance due to changes in risks resulting from changes in forward-looking information, risk levels, parameters and models, after transfers between stages.
(4) Represent the increase in the allowance for new originations or acquisitions during the period, including loans that were derecognized and for which a new asset was recognized following a modification of terms.
(5) Represent mainly the decrease in the allowance for fully repaid loans, including loans that were derecognized and for which a new asset was recognized following a modification of terms.
(6) Represent changes in the allowance attributable to drawdowns and repayments on outstanding loans.
(7) The allowance for credit losses on off-balance sheet items is presented under "Other liabilities – Other" in the Combined Balance Sheets.

NOTE 5 – LOANS AND ALLOWANCE FOR CREDIT LOSSES *(continued)*

KEY DATA AND ASSUMPTIONS

The following information is an update, compared to the most recent Annual Combined Financial Statements, of key data and assumptions underlying the measurement of the allowance for expected credit losses. For more information, see Notes 2, "Accounting policies," and 7, "Loans and allowance for credit losses," to the Annual Combined Financial Statements.

The macroeconomic environment remains highly uncertain, in particular with respect to the evolution of trade relations with the United States, including the imposition of tariffs and retaliatory measures, interest rates and geopolitical tensions. Therefore, management has to continue making particularly complex judgments to estimate the allowance for credit losses in such situation. Expert adjustments are applied to the measurement of the allowance for expected credit losses to take into account relevant risk factors related to the macroeconomic environment that are not reflected in models.

The macroeconomic scenarios prepared for calculating the allowance for expected credit losses include the following value ranges over the projection horizon for the most significant variables for credit risk parameters:

	Base scenario		Upside scenario		Downside scenario	
As at June 30, 2025	**Next 12 months**	**Remaining forecast period**	**Next 12 months**	**Remaining forecast period**	**Next 12 months**	**Remaining forecast period**
Macroeconomic variables[1]						
Gross domestic product (annualized change)	**0.7 %**	**1.6%**	**2.6%**	**1.8%**	**(2.5)%**	**0.8%**
Unemployment rate (average)	**6.5%**	**5.3%**	**5.8%**	**4.8%**	**7.4%**	**6.7%**
Consumer Price Index (annualized change)	**2.1%**	**1.7%**	**1.7%**	**2.0%**	**3.3%**	**2.1%**
Housing prices (annualized change)	**2.7%**	**3.1%**	**7.7%**	**3.9%**	**(15.8)%**	**4.3%**
Corporate credit spread[2] (average)	**130 bp**	**122 bp**	**103 bp**	**91 bp**	**238 bp**	**162 bp**
S&P/TSX stock index[2] (annualized change)	**4.0%**	**6.0%**	**10.0%**	**8.0%**	**(31.0)%**	**11.0%**

	Base scenario		Upside scenario		Downside scenario	
As at December 31, 2024	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
Macroeconomic variables[1]						
Gross domestic product (annualized change)	1.7%	1.4%	2.7%	1.9%	(1.3)%	0.9%
Unemployment rate (average)	5.3%	4.8%	4.9%	3.4%	7.0%	6.7%
Consumer Price Index (annualized change)	1.7%	2.0%	3.0%	2.5%	0.9%	1.1%
Housing prices (annualized change)	4.7%	3.1%	11.5%	5.1%	(5.7)%	2.4%
Corporate credit spread[2] (average)	118 bp	125 bp	83 bp	75 bp	203 bp	171 bp
S&P/TSX stock index[2] (annualized change)	1.0%	5.0%	12.0%	6.0%	(22.0)%	8.0%

(1) All macroeconomic variables relate to the Québec economy, unless otherwise noted.
(2) Macroeconomic variables related to the Canadian economy.

NOTE 5 – LOANS AND ALLOWANCE FOR CREDIT LOSSES *(continued)*

KEY DATA AND ASSUMPTIONS *(continued)*

The base scenario is somewhat less pessimistic that in the previous quarter. It forecasts two consecutive quarters of decline in real GDP in 2025, which would meet the definition of a technical recession. This scenario reflects a reduction in trade tensions in the spring. Several tariffs will be maintained but, on average, they should be lower that those originally expected. As the free-trade agreement is still in force, Canada manages to export tariff-free many products to the United States. Concurrently with the deterioration of the economy in 2025, this scenario forecasts an increase in the unemployment rate to a high of slightly below 7% in Québec. Tariffs should generate slightly more inflation in the near term, but the economic slowdown will bring disinflationary pressures that would materialize later in 2025 and in 2026. The Bank of Canada could announce a few interest rate cuts in 2025 to support the economy. The overnight rate would reach a low of 2.00%, and the discount rate would therefore stand at 2.25%. The housing market shows signs of a slowdown in some regions in Canada, but not in Québec, where growth remains robust. This scenario forecasts that the average house price would increase in 2025 and subsequent years.

The downside scenario forecasts a severe recession, with real GDP decreasing for a few additional quarters. The unemployment rate would increase more than in the base scenario and would take longer to decline in 2026 and 2027. This scenario also assumes that inflation would rise more in the short term due to the greater impact of tariffs on consumer prices. As a result, the Bank of Canada's ability to support the economy in 2025 would be lessened. It may even have to increase its policy interest rate in late 2025 due to inflation deemed too high, at approximately 4%. Inflation would eventually go down in 2026, enabling the Bank of Canada to reduce its policy interest rate to help the economy. The discount rate would reach a low of 0.75% in early 2027. The forecast for the housing market is also more pessimistic under this scenario. The greater uncertainty, in particular with respect to interest rates, could contribute to a quicker deceleration in house prices. Price corrections would stand between 10% and 15% in most regions in Canada, including Québec.

The upside scenario essentially assumes that the economy will be stronger than in the base scenario, helped by the abandonment of most of the tariffs implemented in early 2025. A sharper rebound in investments and more significant productivity gains could also be experienced, which would help economic growth while limiting inflationary pressures. Other factors, such as a quick end to the conflicts in Ukraine and the Middle East, could also support the global economy. In this scenario, the unemployment rate could go back to close to 4.5% in Québec by 2029. Inflation would still be more persistent than under the base scenario. The return to the 2% inflation target would take more time and incite the Bank of Canada to end its policy interest rate cuts. The discount rate would instead be increased to 3.50% by 2027, which corresponds to the high end of the neutral rate range estimated by the Bank of Canada. Slightly higher interest rates under this scenario would contribute to limiting the rise in house prices, which would still be a little stronger than under the base scenario as a result of a stronger economy.

The development of the economic outlook after June 30, 2025, will be considered in estimating the allowance for expected credit losses in future periods.

SENSITIVITY ANALYSIS OF THE ALLOWANCE FOR CREDIT LOSSES ON NON-CREDIT IMPAIRED LOANS

Scenarios

The amount of the allowance for expected credit losses depends on the probability of occurrence associated with each scenario. The following table compares the allowance for credit losses on non-credit impaired loans and off-balance sheet items at the reporting dates, which takes into account the probability weighting for the three scenarios, with the allowance for credit losses that would have been obtained if a weighting of 100% had been assigned to each scenario individually.

	Allowance for credit losses on non-credit impaired loans and off-balance sheet items	
	As at June 30, 2025	As at December 31, 2024
Under IFRS 9	**$ 869**	$ 805
Weighting of 100% assigned to the scenario:		
Base	**$ 818**	$ 718
Upside	**715**	644
Downside	**1,196**	1,071

Transfers between stages

The following table compares the allowance for credit losses on non-credit impaired loans and off-balance sheet items at the reporting dates with the allowance for credit losses that would have been obtained if all non-credit impaired loans had been included in Stage 1 of the impairment model.

	Allowance for credit losses on non-credit impaired loans and off-balance sheet items	
	As at June 30, 2025	As at December 31, 2024
Under IFRS 9	**$ 869**	$ 805
If all non-credit impaired loans and off-balance sheet items had been included in Stage 1	**$ 716**	$ 672

NOTE 6 – DEPOSITS AND SUBORDINATED NOTES

DEPOSITS

Deposits consist of demand deposits (payable on demand), notice deposits (payable upon notice) and term deposits (payable on a fixed date). Demand deposits are interest-bearing or non-interest-bearing deposits, primarily accounts with chequing privileges, for which Desjardins Group does not have the right to require notice prior to withdrawal. Notice deposits are interest-bearing deposits, primarily savings accounts, for which Desjardins Group has the legal right to require notice prior to withdrawal. Term deposits are interest-bearing deposits, primarily fixed-term deposit accounts, guaranteed investment certificates or other similar instruments, with a term that generally varies from one day to 10 years and mature on a predetermined date.

The following table presents the breakdown of deposits.

	As at June 30, 2025				As at December 31, 2024			
	Payable on demand	Payable upon notice	Payable on a fixed date	Total	Payable on demand	Payable upon notice	Payable on a fixed date	Total
Individuals	$ 71,593	$ 4,305	$ 91,959	$ 167,857	$ 68,733	$ 4,156	$ 88,590	$ 161,479
Business and government	64,857	162	87,305	152,324	55,992	303	82,928	139,223
Deposit-taking institutions	730	—	8	738	236	—	8	244
	$ 137,180	$ 4,467	$ 179,272	$ 320,919	$ 124,961	$ 4,459	$ 171,526	$ 300,946

SUBORDINATED NOTES

On January 24, 2025, the Federation issued subordinated notes eligible as Non-Viability Contingent Capital (NVCC) amounting to $1.25 billion. The notes bear interest at an annual fixed rate of 4.264% for the first five years and at an annual rate equal to daily compounded CORRA (Canadian Overnight Repo Rate Average) plus 1.47% until maturity on January 24, 2035. These notes are redeemable at the option of the issuer on or after January 24, 2030, subject to conditions and the prior approval of the regulatory authority.

On May 26, 2025, the Federation redeemed subordinated notes eligible as NVCC amounting to $1 billion and maturing on May 26, 2030, at a price equal to their par value, plus accrued and unpaid interest to May 26, 2025, exclusively.

On June 26, 2025, the Federation issued subordinated notes eligible as NVCC amounting to 220 million Swiss francs (CHF) and 20 billion yen (JPY), respectively. The notes issued in CHF bear interest at an annual fixed rate of 1.3925% for the first five years and at the annualized SARON (Swiss Average Rate Overnight) five-year mid-swap rate plus 1.40% until maturity on June 26, 2035. The notes issued in JPY bear interest at an annual fixed rate of 1.973% for the first five years and at the semi-annual TONA (Tokyo Overnight Average Rate) five-year mid-swap rate plus 1.11% until maturity on June 26, 2035. These notes issued in CHF and JPY are redeemable at the option of the issuer on June 26, 2030, subject to conditions and the prior approval of the regulatory authority.

NOTE 7 – INSURANCE AND REINSURANCE CONTRACTS

COMPOSITION OF BALANCE SHEET BALANCES

Balance sheet summary

The following table presents the composition of insurance contract liabilities as well as reinsurance contract assets and liabilities.

	As at June 30, 2025			As at December 31, 2024		
	Life and health insurance activities	Property and casualty insurance activities	Total	Life and health insurance activities	Property and casualty insurance activities	Total
Insurance contract liabilities						
Insurance contract liabilities, excluding the asset for insurance acquisition cash flows(1)	$ 26,836	$ 7,886	$ 34,722	$ 27,015	$ 7,576	$ 34,591
Asset for insurance acquisition cash flows	(43)	—	(43)	(53)	—	(53)
	$ 26,793	$ 7,886	$ 34,679	$ 26,962	$ 7,576	$ 34,538
Reinsurance contract liabilities	$ 38	$ —	$ 38	$ 37	$ —	$ 37
Reinsurance contract assets	$ 997	$ 819	$ 1,816	$ 989	$ 916	$ 1,905

(1) The balance for life and health insurance includes an amount of $3,500 million ($3,569 million as at December 31, 2024) corresponding to the obligation to segregated fund holders and an amount of $482 million ($518 million as at December 31, 2024) related to segregated fund guarantees.

NOTE 7 – INSURANCE AND REINSURANCE CONTRACTS *(continued)*

INSURANCE FINANCE RESULT

Finance expenses and investment income

The following tables present insurance finance income (expenses) and the return on assets held in respect of insurance activities.

For the three-month periods ended June 30	2025			2024		
	Life and health insurance activities	**Property and casualty insurance activities**	**Total**	Life and health insurance activities	Property and casualty insurance activities	Total
Return on assets held in respect of insurance activities						
Net insurance investment income (loss)						
Insurance contracts	**$ (44)**	**$ 150**	**$ 106**	$ 283	$ 150	$ 433
Segregated fund contracts	**135**	**—**	**135**	34	—	34
	91	**150**	**241**	317	150	467
Net change in insurance investment gains and losses recognized in the Combined Statements of Comprehensive Income	**48**	**11**	**59**	29	39	68
	139	**161**	**300**	346	189	535
Net insurance and reinsurance finance income (expenses)						
Net insurance finance income (expenses)						
Capitalized interest	**(152)**	**(72)**	**(224)**	(225)	(83)	(308)
Effect related to changes in discount rates and other financial assumptions	**349**	**34**	**383**	153	(19)	134
Change in the fair value of underlying assets of insurance contracts with direct participation features:						
Insurance contracts	**(29)**	**—**	**(29)**	(22)	—	(22)
Segregated fund contracts	**(135)**	**—**	**(135)**	(34)	—	(34)
Effect of financial risk mitigation	**70**	**—**	**70**	4	—	4
Other	**11**	**—**	**11**	(18)	—	(18)
	114	**(38)**	**76**	(142)	(102)	(244)
Net reinsurance finance income (expenses)						
Capitalized interest	**4**	**8**	**12**	7	8	15
Effect related to changes in discount rates and other financial assumptions	**(16)**	**(4)**	**(20)**	(3)	2	(1)
Other	**3**	**—**	**3**	—	—	—
	(9)	**4**	**(5)**	4	10	14
	105	**(34)**	**71**	(138)	(92)	(230)
Total	**$ 244**	**$ 127**	**$ 371**	$ 208	$ 97	$ 305
Composed of:						
Net insurance finance result in the Combined Statements of Income	**$ 196**	**$ 116**	**$ 312**	$ 179	$ 58	$ 237
Net insurance finance result in the Combined Statements of Comprehensive Income	**48**	**11**	**59**	29	39	68

NOTE 7 – INSURANCE AND REINSURANCE CONTRACTS *(continued)*

INSURANCE FINANCE RESULT *(continued)*

Finance expenses and investment income *(continued)*

For the six-month periods ended June 30	2025 Life and health insurance activities	2025 Property and casualty insurance activities	2025 Total	2024 Life and health insurance activities	2024 Property and casualty insurance activities	2024 Total
Return on assets held in respect of insurance activities						
Net insurance investment income (loss)						
Insurance contracts	$ 392	$ 333	$ 725	$ (118)	$ 332	$ 214
Segregated fund contracts	155	—	155	214	—	214
	547	333	880	96	332	428
Net change in insurance investment gains and losses recognized in the Combined Statements of Comprehensive Income	63	19	82	98	28	126
	610	352	962	194	360	554
Net insurance and reinsurance finance income (expenses)						
Net insurance finance income (expenses)						
Capitalized interest	(322)	(126)	(448)	(459)	(150)	(609)
Effect related to changes in discount rates and other financial assumptions	223	(30)	193	898	34	932
Change in the fair value of underlying assets of insurance contracts with direct participation features:						
Insurance contracts	(47)	—	(47)	(44)	—	(44)
Segregated fund contracts	(155)	—	(155)	(214)	—	(214)
Effect of financial risk mitigation	46	—	46	103	—	103
Other	—	—	—	(37)	—	(37)
	(255)	(156)	(411)	247	(116)	131
Net reinsurance finance income (expenses)						
Capitalized interest	12	14	26	12	14	26
Effect related to changes in discount rates and other financial assumptions	(15)	3	(12)	(35)	(3)	(38)
Other	3	—	3	—	—	—
	—	17	17	(23)	11	(12)
	(255)	(139)	(394)	224	(105)	119
Total	$ 355	$ 213	$ 568	$ 418	$ 255	$ 673
Composed of:						
Net insurance finance result in the Combined Statements of Income	$ 292	$ 194	$ 486	$ 320	$ 227	$ 547
Net insurance finance result in the Combined Statements of Comprehensive Income	63	19	82	98	28	126

NOTE 7 – INSURANCE AND REINSURANCE CONTRACTS *(continued)*

RECONCILIATIONS OF INSURANCE CONTRACT LIABILITIES

Reconciliations of insurance contract liabilities

The following tables present the reconciliation from the opening balance to the closing balance for the liability for remaining coverage and the liability for incurred claims.

Life and health insurance activities

	Remaining coverage		Incurred claims			
			Contracts			
				To which the premium allocation approach has been applied		
For the six-month period ended June 30, 2025	Excluding the loss component	Loss component	Other than those to which the premium allocation approach has been applied	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total
Liability balance at beginning of period	$ 21,899	$ 209	$ 369	$ 4,420	$ 118	$ 27,015
Insurance revenue						
Contracts to which the fair value approach has been applied	(537)	—	—	—	—	(537)
Other contracts	(1,605)	—	—	—	—	(1,605)
	(2,142)	—	—	—	—	(2,142)
Insurance service expenses						
Incurred claims and other incurred insurance service expenses	—	(25)	555	1,021	(1)	1,550
Amortization of insurance acquisition cash flows	196	—	—	—	—	196
Losses and reversals of losses on onerous contracts	—	23	—	—	—	23
	196	(2)	555	1,021	(1)	1,769
Insurance service result	(1,946)	(2)	555	1,021	(1)	(373)
Net insurance finance expenses (income)	169	4	4	76	2	255
Total items recognized in the Combined Statements of Income	$ (1,777)	$ 2	$ 559	$ 1,097	$ 1	$ (118)
Investment components	(1,054)	—	435	619	—	—
Cash flows						
Premiums and other amounts received	2,878	—	—	—	—	2,878
Insurance acquisition cash outflows	(276)	—	—	—	—	(276)
Claims and other insurance service expenses paid (including investment components)	—	—	(1,000)	(1,663)	—	(2,663)
Total cash flows	$ 2,602	$ —	$ (1,000)	$ (1,663)	$ —	$ (61)
Liability balance at end of period	$ 21,670	$ 211	$ 363	$ 4,473	$ 119	$ 26,836

NOTE 7 – INSURANCE AND REINSURANCE CONTRACTS *(continued)*

Life and health insurance activities *(continued)*

For the six-month period ended June 30, 2024	Remaining coverage: Excluding the loss component	Remaining coverage: Loss component	Incurred claims – Contracts: Other than those to which the premium allocation approach has been applied	Incurred claims – Contracts to which the premium allocation approach has been applied: Estimates of the present value of future cash flows	Incurred claims – Contracts to which the premium allocation approach has been applied: Risk adjustment for non-financial risk	Total
Liability balance at beginning of period	$ 20,994	$ 128	$ 338	$ 4,244	$ 113	$ 25,817
Insurance revenue						
Contracts to which the fair value approach has been applied	(566)	—	—	—	—	(566)
Other contracts	(1,502)	—	—	—	—	(1,502)
	(2,068)	—	—	—	—	(2,068)
Insurance service expenses						
Incurred claims and other incurred insurance service expenses	—	(22)	542	1,028	(1)	1,547
Amortization of insurance acquisition cash flows	163	—	—	—	—	163
Losses and reversal of losses on onerous contracts	—	67	—	—	—	67
	163	45	542	1,028	(1)	1,777
Insurance service result	(1,905)	45	542	1,028	(1)	(291)
Net insurance finance expenses (income)	(288)	6	6	29	—	(247)
Total items recognized in the Combined Statements of Income	$ (2,193)	$ 51	$ 548	$ 1,057	$ (1)	$ (538)
Investment components	(996)	—	414	582	—	—
Cash flows						
Premiums and other amounts received	3,374	—	—	—	—	3,374
Insurance acquisition cash outflows	(259)	—	—	—	—	(259)
Claims and other insurance service expenses paid (including investment components)	—	—	(952)	(1,631)	—	(2,583)
Total cash flows	$ 3,115	$ —	$ (952)	$ (1,631)	$ —	$ 532
Liability balance at end of period	$ 20,920	$ 179	$ 348	$ 4,252	$ 112	$ 25,811

NOTE 7 – INSURANCE AND REINSURANCE CONTRACTS *(continued)*

Property and casualty insurance activities

For the six-month period ended June 30, 2025	Remaining coverage: Excluding the loss component	Remaining coverage: Loss component	Incurred claims: Estimates of the present value of future cash flows	Incurred claims: Risk adjustment for non-financial risk	Total
Liability balance at beginning of period	$ 269	$ 196	$ 6,606	$ 505	$ 7,576
Insurance revenue	(3,890)	—	—	—	(3,890)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	—	(165)	2,706	94	2,635
Amortization of insurance acquisition cash flows	579	—	—	—	579
Changes related to claims incurred in prior years	—	—	(252)	(95)	(347)
Losses and reversals of losses on onerous contracts	—	376	—	—	376
	579	211	2,454	(1)	3,243
Insurance service result	(3,311)	211	2,454	(1)	(647)
Net insurance finance expenses (income)	—	—	145	11	156
Total items recognized in the Combined Statements of Income	$ (3,311)	$ 211	$ 2,599	$ 10	$ (491)
Cash flows					
Premiums and other amounts received	3,892	—	—	—	3,892
Insurance acquisition cash outflows	(588)	—	—	—	(588)
Claims and other insurance service expenses paid (including investment components)	—	—	(2,503)	—	(2,503)
Total cash flows	$ 3,304	$ —	$ (2,503)	$ —	$ 801
Liability balance at end of period	$ 262	$ 407	$ 6,702	$ 515	$ 7,886

For the six-month period ended June 30, 2024	Remaining coverage: Excluding the loss component	Remaining coverage: Loss component	Incurred claims: Estimates of the present value of future cash flows	Incurred claims: Risk adjustment for non-financial risk	Total
Liability balance at beginning of period	$ 112	$ 224	$ 6,351	$ 507	$ 7,194
Insurance revenue	(3,513)	—	—	—	(3,513)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	—	(180)	2,359	88	2,267
Amortization of insurance acquisition cash flows	537	—	—	—	537
Changes related to claims incurred in prior years	—	—	(199)	(99)	(298)
Losses and reversals of losses on onerous contracts	—	250	—	—	250
	537	70	2,160	(11)	2,756
Insurance service result	(2,976)	70	2,160	(11)	(757)
Net insurance finance expenses (income)	—	—	107	9	116
Total items recognized in the Combined Statements of Income	$ (2,976)	$ 70	$ 2,267	$ (2)	$ (641)
Cash flows					
Premiums and other amounts received	3,615	—	—	—	3,615
Insurance acquisition cash outflows	(562)	—	—	—	(562)
Claims and other insurance service expenses paid (including investment components)	—	—	(2,324)	—	(2,324)
Total cash flows	$ 3,053	$ —	$ (2,324)	$ —	$ 729
Liability balance at end of period	$ 189	$ 294	$ 6,294	$ 505	$ 7,282

NOTE 7 – INSURANCE AND REINSURANCE CONTRACTS *(continued)*

The following tables present the reconciliation from the opening balance to the closing balance for the measurement components of the insurance contract liabilities for contracts other than those to which the premium allocation approach has been applied.

Life and health insurance activities

			Contractual service margin		
For the six-month period ended June 30, 2025	**Estimates of the present value of future cash flows**	**Risk adjustment for non-financial risk**	**Contracts to which the fair value approach has been applied**	**Other contracts**	**Total**
Liability balance at beginning of period	**$ 18,999**	**$ 785**	**$ 2,695**	**$ 143**	**$ 22,622**
Changes that relate to current service					
Amount of the contractual service margin	**—**	**—**	**(104)**	**(5)**	**(109)**
Change in the risk adjustment for non-financial risk for expired risks	**—**	**(23)**	**—**	**—**	**(23)**
Experience adjustments	**(8)**	**—**	**—**	**—**	**(8)**
	(8)	**(23)**	**(104)**	**(5)**	**(140)**
Changes that relate to future service					
Changes in estimates that adjust the contractual service margin	**(21)**	**11**	**20**	**(10)**	**—**
Changes in estimates that result in losses or reversal of losses on onerous contracts	**3**	**(1)**	**—**	**—**	**2**
Contracts initially recognized in the period	**(61)**	**22**	**—**	**42**	**3**
	(79)	**32**	**20**	**32**	**5**
Insurance service result	**(87)**	**9**	**(84)**	**27**	**(135)**
Net insurance finance expenses (income)	**152**	**(4)**	**25**	**3**	**176**
Total items recognized in the Combined Statements of Income	**$ 65**	**$ 5**	**$ (59)**	**$ 30**	**$ 41**
Cash flows					
Premiums and other amounts received	**859**	**—**	**—**	**—**	**859**
Insurance acquisition cash outflows	**(89)**	**—**	**—**	**—**	**(89)**
Claims and other insurance service expenses paid (including investment components)	**(1,000)**	**—**	**—**	**—**	**(1,000)**
Total cash flows	**$ (230)**	**$ —**	**$ —**	**$ —**	**$ (230)**
Liability balance at end of period	**$ 18,834**	**$ 790**	**$ 2,636**	**$ 173**	**$ 22,433**

NOTE 7 – INSURANCE AND REINSURANCE CONTRACTS *(continued)*

Life and health insurance activities *(continued)*

For the six-month period ended June 30, 2024	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin: Contracts to which the fair value approach has been applied	Contractual service margin: Other contracts	Total
Liability balance at beginning of period	$ 18,034	$ 768	$ 2,720	$ 93	$ 21,615
Changes that relate to current service					
Amount of the contractual service margin	—	—	(131)	(4)	(135)
Change in the risk adjustment for non-financial risk for expired risks	—	(22)	—	—	(22)
Experience adjustments	10	—	—	—	10
	10	(22)	(131)	(4)	(147)
Changes that relate to future service					
Changes in estimates that adjust the contractual service margin	(38)	(12)	60	(11)	(1)
Changes in estimates that result in losses or reversal of losses on onerous contracts	27	—	—	—	27
Contracts initially recognized in the period	(56)	31	—	41	16
	(67)	19	60	30	42
Insurance service result	(57)	(3)	(71)	26	(105)
Net insurance finance expenses (income)	(288)	(17)	24	3	(278)
Total items recognized in the Combined Statements of Income	$ (345)	$ (20)	$ (47)	$ 29	$ (383)
Cash flows					
Premiums and other amounts received	1,441	—	—	—	1,441
Insurance acquisition cash outflows	(89)	—	—	—	(89)
Claims and other insurance service expenses paid (including investment components)	(952)	—	—	—	(952)
Total cash flows	$ 400	$ —	$ —	$ —	$ 400
Liability balance at end of period	$ 18,089	$ 748	$ 2,673	$ 122	$ 21,632

NOTE 8 – ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table presents the main components of "Accumulated other comprehensive income" (net of taxes).

	As at June 30, 2025		As at December 31, 2024	
	Group's share	**Non-controlling interests' share**	Group's share	Non-controlling interests' share
Items that will be reclassified subsequently to the Combined Statements of Income				
Net unrealized gains (losses) on debt securities classified as at fair value through other comprehensive income[(1)]	**$ 251**	**$ 4**	$ 117	$ 4
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**387**	**—**	139	—
Accumulated other comprehensive income	**$ 638**	**$ 4**	$ 256	$ 4

(1) Take into account an allowance for credit losses of $14 million as at June 30, 2025, ($16 million as at December 31, 2024) on securities classified as at fair value through other comprehensive income.

NOTE 9 – CAPITAL MANAGEMENT

The goal of capital management at Desjardins Group is to ensure the financial soundness and sustainability of the Desjardins Cooperative Group. To help safeguard a capital level and structure that maintains the confidence of members and clients and optimizes the financial capital costs, the organization has adopted a target capital structure that takes into account the banking industry regulatory requirements, Desjardins Group's ambitions for maintaining its credit ratings and the risk profiles of the organization and its components. The target structure is updated based on changes in the above factors and approved annually by the Federation's Board of Directors.

Desjardins Group's capital ratios are calculated using the Capital Adequacy Guideline issued by the AMF and applicable in particular to financial services cooperatives.

As it was designated by the AMF as a domestic systemically important financial institution, Desjardins Group is subject to an additional capital surcharge of 1.0% and must maintain a minimum Tier 1A capital ratio of 8.0%. Its Tier 1 capital ratio and total capital ratio must be above 9.5% and 11.5%, respectively. These ratios include a 2.5% capital conversation buffer. In addition, Desjardins Group is required by the AMF to meet a minimum leverage ratio of 3.5%.

Desjardins Group also has to meet the requirements of the *Total Loss Absorbing Capacity (TLAC) Guideline* issued by the AMF. The TLAC ratio and TLAC leverage ratio are calculated in accordance with this guideline. The guideline applies to a resolution group deemed to be Desjardins Group excluding CDO. Desjardins Group is required to maintain a TLAC ratio of at least 21.5% and a TLAC leverage ratio of at least 6.75%.

As at June 30, 2025, Desjardins Group was in compliance with the AMF's capital ratio and leverage ratio regulatory requirements.

The following table presents the regulatory capital and available total loss absorbing capital (TLAC) balances, risk-weighted assets and regulatory ratios.

(in millions of dollars and as a percentage)	As at June 30, 2025	As at December 31, 2024
Capital and other TLAC instruments		
Tier 1A capital	**$ 34,543**	$ 33,157
Tier 1 capital	**34,543**	33,157
Total capital	**38,447**	36,269
Available total loss absorbing capacity (TLAC)[1]	**48,541**	47,797
Risk-weighted assets		
Credit risk	**122,181**	121,845
Market risk	**5,780**	4,901
Operational risk	**22,927**	22,875
Total risk-weighted assets	**$ 150,888**	$ 149,621
Total risk-weighted assets for TLAC ratio purposes[1]	**146,087**	145,372
Leverage ratio exposure	**463,163**	434,089
TLAC leverage ratio exposure[1]	**455,892**	427,337
Ratios		
Tier 1A capital	**22.9%**	22.2%
Tier 1 capital	**22.9**	22.2
Total capital	**25.5**	24.2
TLAC[1]	**33.2**	32.9
Leverage	**7.5**	7.6
TLAC leverage[1]	**10.6**	11.2

(1) Data calculated at the resolution group level that is deemed to be Desjardins Group excluding CDO.

NOTE 10 – NET INTEREST INCOME AND NET OTHER INVESTMENT INCOME (LOSS)

NET INTEREST INCOME

The following table presents the breakdown of net interest income according to the classification of financial assets and liabilities.

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2025	2024	**2025**	2024
Interest income on financial assets				
At amortized cost	**$ 3,880**	$ 3,924	**$ 7,714**	$ 7,607
At fair value through other comprehensive income	**447**	494	**902**	957
At fair value through profit or loss	**142**	73	**274**	184
	4,469	4,491	**8,890**	8,748
Interest expense on financial liabilities				
At amortized cost	**2,316**	2,523	**4,635**	4,951
At fair value through profit or loss	**129**	107	**264**	203
	2,445	2,630	**4,899**	5,154
	$ 2,024	$ 1,861	**$ 3,991**	$ 3,594

NET OTHER INVESTMENT INCOME (LOSS)

The following tables present the breakdown of net investment income (loss) according to the classification of financial assets and liabilities.

For the three-month periods ended June 30	**2025**			2024		
	Net interest and dividend income	**Change in fair value and other**	**Total**	Net interest and dividend income	Change in fair value and other	Total
Net other investment income (loss) on financial assets and liabilities						
Classified as at fair value through profit or loss	**$ (18)**	**$ 38**	**$ 20**	$ (166)	$ 154	$ (12)
Designated as at fair value through profit or loss	**—**	**(43)**	**(43)**	—	(16)	(16)
Classified as at fair value through other comprehensive income	**11**	**(9)**	**2**	11	(20)	(9)
At amortized cost and other	**(43)**	**—**	**(43)**	(24)	—	(24)
	$ (50)	**$ (14)**	**$ (64)**	$ (179)	$ 118	$ (61)

For the six-month periods ended June 30	**2025**			2024		
	Net interest and dividend income	**Change in fair value and other**	**Total**	Net interest and dividend income	Change in fair value and other	Total
Net other investment income (loss) on financial assets and liabilities						
Classified as at fair value through profit or loss	**$ (114)**	**$ 243**	**$ 129**	$ (292)	$ 320	$ 28
Designated as at fair value through profit or loss	**—**	**(89)**	**(89)**	—	(41)	(41)
Classified as at fair value through other comprehensive income	**21**	**(21)**	**—**	21	(28)	(7)
At amortized cost and other	**(43)**	**—**	**(43)**	(24)	—	(24)
	$ (136)	**$ 133**	**$ (3)**	$ (295)	$ 251	$ (44)

NOTE 11 – SEGMENTED INFORMATION

In 2025, some changes have been made to business segments to reflect how management assesses segment performance. This presentation reflects the revision of the method used to allocate non-interest expense to segments. As a result, some non-interest expense items were reclassified from the Other category to the Personal and Business Services segment, the Wealth Management and Life and Health Insurance segment and the Property and Casualty Insurance segment. Comparative figures have been restated to conform with the presentation for the current period.

RESULTS BY BUSINESS SEGMENT

The following tables provide a summary of Desjardins Group's financial results by business segment.

	Personal and Business Services		Wealth Management and Life and Health Insurance		Property and Casualty Insurance		Other		Combined	
For the three-month periods ended June 30	**2025**	2024[(1)]	**2025**	2024[(1)]	**2025**	2024[(1)]	**2025**	2024[(1)]	**2025**	2024[(1)]
Net interest income	**$ 1,920**	$ 1,777	**$ 69**	$ 69	**$ —**	$ —	**$ 35**	$ 15	**$ 2,024**	$ 1,861
Net insurance service income	**—**	—	**342**	314	**532**	517	**31**	26	**905**	857
Other income	**672**	598	**695**	652	**(2)**	(9)	**(203)**	(206)	**1,162**	1,035
Total net revenue	**2,592**	2,375	**1,106**	1,035	**530**	508	**(137)**	(165)	**4,091**	3,753
Provision for (recovery of) credit losses	**214**	86	**(9)**	—	**(2)**	1	**—**	—	**203**	87
Net non-interest expense	**1,875**	1,701	**823**	741	**121**	104	**(128)**	(99)	**2,691**	2,447
Operating surplus earnings	**503**	588	**292**	294	**411**	403	**(9)**	(66)	**1,197**	1,219
Income taxes on surplus earnings	**133**	152	**66**	48	**104**	109	**(6)**	(8)	**297**	301
Surplus earnings before member dividends	**370**	436	**226**	246	**307**	294	**(3)**	(58)	**900**	918
Member dividends, net of income tax recovery	**84**	81	**—**	—	**—**	—	**—**	—	**84**	81
Net surplus earnings for the period after member dividends	**$ 286**	$ 355	**$ 226**	$ 246	**$ 307**	$ 294	**$ (3)**	$ (58)	**$ 816**	$ 837
of which:										
Group's share	**$ 286**	$ 355	**$ 226**	$ 246	**$ 274**	$ 259	**$ (3)**	$ (58)	**$ 783**	$ 802
Non-controlling interests' share	**—**	—	**—**	—	**33**	35	**—**	—	**33**	35

(1) Data have been restated to conform with the presentation for the current period.

NOTE 11 – SEGMENTED INFORMATION *(continued)*

RESULTS BY BUSINESS SEGMENT *(continued)*

For the six-month periods ended June 30	Personal and Business Services 2025	Personal and Business Services 2024[1]	Wealth Management and Life and Health Insurance 2025	Wealth Management and Life and Health Insurance 2024[1]	Property and Casualty Insurance 2025	Property and Casualty Insurance 2024[1]	Other 2025	Other 2024[1]	Combined 2025	Combined 2024[1]
Net interest income	**$ 3,738**	$ 3,455	**$ 138**	$ 126	**$ —**	$ —	**$ 115**	$ 13	**$ 3,991**	$ 3,594
Net insurance service income	**—**	—	**603**	584	**698**	956	**68**	36	**1,369**	1,576
Other income	**1,342**	1,196	**1,387**	1,282	**(9)**	1	**(307)**	(332)	**2,413**	2,147
Total net revenue	**5,080**	4,651	**2,128**	1,992	**689**	957	**(124)**	(283)	**7,773**	7,317
Provision for (recovery of) credit losses	**415**	228	**(1)**	(2)	**(1)**	(6)	**—**	—	**413**	220
Net non-interest expense	**3,627**	3,313	**1,625**	1,493	**233**	194	**(291)**	(242)	**5,194**	4,758
Operating surplus earnings	**1,038**	1,110	**504**	501	**457**	769	**167**	(41)	**2,166**	2,339
Income taxes on surplus earnings	**269**	290	**110**	82	**116**	195	**33**	(1)	**528**	566
Surplus earnings before member dividends	**769**	820	**394**	419	**341**	574	**134**	(40)	**1,638**	1,773
Member dividends, net of income tax recovery	**168**	162	**—**	—	**—**	—	**—**	—	**168**	162
Net surplus earnings for the period after member dividends	**$ 601**	$ 658	**$ 394**	$ 419	**$ 341**	$ 574	**$ 134**	$ (40)	**$ 1,470**	$ 1,611
of which:										
Group's share	**$ 601**	$ 658	**$ 394**	$ 419	**$ 303**	$ 505	**$ 134**	$ (40)	**$ 1,432**	$ 1,542
Non-controlling interests' share	**—**	—	**—**	—	**38**	69	**—**	—	**38**	69

(1) Data have been restated to conform with the presentation for the current period.

SEGMENT ASSETS

	Personal and Business Services	Wealth Management and Life and Health Insurance	Property and Casualty Insurance	Other	Combined
As at June 30, 2025	**$ 389,239**	**$ 77,643**	**$ 13,900**	**$ 20,472**	**$ 501,254**
As at December 31, 2024	$ 356,416	$ 75,365	$ 13,803	$ 25,358	$ 470,942

GENERAL INFORMATION

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