Desjardins

PRESS RELEASE
Under embargo – November 9, 2023

Results for the third quarter of 2023

AN ACTIVE AND INVOLVED GROUP. *EspaceProprio: a new one-stop shop in the* Québec *housing market.*

Desjardins continues to support its members and clients and records solid results for the third quarter of 2023

Lévis, November 9, 2023 – For the third quarter ended September 30, 2023, Desjardins Group, North America's largest financial cooperative group, recorded surplus earnings before member dividends of $614 million, up $319 million from the same quarter of 2022 and restated following the adoption of IFRS 17, "Insurance Contracts", on January 1, 2023[(1)]. This increase was mainly due to growth in net insurance service income[(2)] as well as higher net interest income.

For the third quarter of 2023, the provision for member dividends stood at $106 million, unchanged from the same period of 2022. Sponsorships, donations and scholarships amounted to $25 million, compared to $22 million for the same quarter of 2022, of which $12 million came from caisse Community Development Funds.

(1) The surplus earnings before member dividends published for the comparative period of 2022 was $478 million, stated under IFRS 4, "Insurance Contracts", the standard in effect before the adoption of IFRS 17.

(2) As permitted by IFRS 17, Desjardins Group has chosen to recognize the impact of the reclassification of its investments related to insurance activities as of January 1, 2023 and, therefore, not to restate the comparative period for this item. This could therefore limit the comparability of the results with the previous period.

“Desjardins Group reported excellent financial results for the third quarter of 2023”, said Guy Cormier, President and Chief Executive Officer of Desjardins Group. “Combined with our robust capitalization levels, financial strength and rigorous risk management, these results allow us to support our members and clients in these more difficult times.”

At the end of the first nine months of 2023, Desjardins Group recorded surplus earnings before member dividends of $1,509 million, up $725 million from the same period of 2022, as restated following the adoption of IFRS 17, “Insurance Contracts”, on January 1, 2023[(1)]. This increase in surplus earnings was mainly due to a $582 million rise in the net insurance finance result, which had been adversely affected by the significant jump in interest rates in the comparative period of 2022. Growth was also recorded in other income and in net interest income. This increase in surplus earnings was partly offset by greater spending on personnel and technology compared to the first nine months of 2022, and by a higher loss experience in the Property and Casualty Insurance segment that was mainly driven by the higher average cost of claims in automobile insurance due to the impact of inflation and an uptick in car thefts. Furthermore, the provision for credit losses went up.

Supporting a green economic and social recovery

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

Since the creation of the GoodSpark Fund, Desjardins has committed a total of $174 million to 784 projects.

Issuing sustainable bonds is one of the means used by Desjardins Group to fulfil its sustainable development commitments and help members and clients shape the world of tomorrow.

In August 2023, Desjardins issued $500 million in sustainable bonds (in French only) on the Canadian market. The net proceeds from this new issue will be used to finance loans. A certain percentage of the projects funded will have social objectives (40%) while the rest will have environmental objectives (60%). This is the second issue of sustainable bonds since the program was launched in September 2021, bringing the total amount to $1 billion. Moreover, the first issue of sustainable bonds contributed $134.3 million to help finance the construction of 1,404 units of affordable housing.

Connecting with entrepreneurs

The President and CEO of Desjardins Movement, Guy Cormier, started visiting Québec chambers of commerce in Gatineau and the Saguenay. This tour follows a desire to meet with the business community at major forums as a follow-up to previous tours, including a tour of the regions in August 2022, of the *Regroupement des Jeunes Chambres de Commerce du Québec* (RJCCQ), and of various universities, and the *Dreaming the Impossible* event. The goal was to discuss the different issues and challenges affecting all entrepreneurs and business leaders in Quebec. The tour also includes Western Canada (Vancouver and Calgary) and France.

Desjardins economists also published a three-part series on opportunities and challenges for innovation faced by businesses in Canada. The first in the series focused on public policies that seek to promote innovation in Canada. It was followed by a second study on “disruptive” innovation that could revolutionize how Canadians go about their daily lives. The third explored the barriers to innovation that businesses face, as well as potential solutions.

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(1) The surplus earnings before member dividends published for the comparative period of 2022 were $1,474 million, stated under IFRS 4, “Insurance Contracts”, the standard in effect before the adoption of IFRS 17.

Doing what's best for members and clients

Desjardins is involved in people's lives, whether by supporting community initiatives related to diversity, inclusion, cooperation, financial literacy and healthy living or by offering innovative financial solutions to meet their needs. Here are some ways that Desjardins made a positive difference in people's lives in the third quarter of 2023.

Giving back to the community

- Donation of $50,000 to the Canadian Red Cross to provide emergency aid for earthquake victims in Morocco.
- Presentation of the fifth edition of our web conference (in French only) with Jimmy Jean, Chief Economist of Desjardins Group, on economic and financial forecasts to help members and clients make better financial decisions.
- Launch of *EspaceProprio*, a new one-stop shop in the Quebec housing market. *EspaceProprio* is a one-of-a-kind ecosystem that gives current and prospective homeowners in Quebec an easy way to get valuable help with everything from home renovations and maintenance to buying and selling property.
- Contribution of $1.25 million to the *Cité de l'innovation circulaire et durable*, which is supported and guided by the *Corporation de développement économique de Victoriaville et sa région* to help businesses grow sustainably.

Innovating

- Desjardins was named "Best House, Capital Protection Americas" by Structured Retail Products. This award is a testament to the quality of our structured products.
- Reduction in management fees charged by five Desjardins Funds. These changes reflect a commitment by Desjardins Investment Inc., which manages Desjardins Funds, to offer competitively priced, actively managed investment funds with access to world-class portfolio managers.
- A partnership between Axium Infrastructure and Optima Living, which provides senior's housing and care in Western Canada, and Desjardins Global Asset Management, Desjardins Group's asset manager.
- Launch of an educational game, Unforeseen, a fun app designed to introduce young people to financial decision-making. This game is the latest addition to Desjardins's toolbox for anyone who wants to improve their financial literacy.

Financial highlights

As mentioned above, Desjardins Group adopted IFRS 17, "Insurance Contracts", on January 1, 2023, restating comparative data for fiscal 2022. This new standard was introduced to increase transparency and improve the comparability of insurance companies, and may lead to volatility in Desjardins Group's results from one period to the next. This does not, however, change the economic value created by insurance contracts[(1)]. The standard only introduces changes to the presentation and timing of results, so it has no impact on the results and returns generated over the life of insurance contracts. It should be noted that certain financial statement headings have been modified to reflect the new naming convention required by IFRS 17. For more information on the changes to accounting policies, please refer to Note 2, "Significant accounting policies", to the Interim Combined Financial Statements. For more information on certain concepts introduced by IFRS 17, please refer to the glossary of terms in Desjardins Group's MD&A for the third quarter of 2023.

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(1) As permitted by IFRS 17, Desjardins Group has chosen to recognize the impact of the reclassification of its investments related to insurance activities as of January 1, 2023 and, therefore, not to restate the comparative period for this item. This could therefore limit the comparability of the results with the previous period.

Comparison of third quarter 2023 with third quarter 2022:

- Surplus earnings before member dividends of $614 million, up $319 million.
- Total net income of $3,133 million, up $591 million or 23.2%:
  - Net interest income of $1,818 million, up $169 million or 10.2%, mainly due to an increase in the average return on loans due to the higher interest rate environment, as well as to growth in average residential mortgages and business loans outstanding, partly offset by the rise in interest expense on deposits.
  - Insurance service result of $391 million, up $114 million or 41.2% due to business growth in net insurance revenue, primarily due to growth in property and automobile insurance in the Property and Casualty Insurance segment.
  - Net insurance finance result of $51 million, up $135 million.
  - Other income of $873 million, up $173 million or 24.7%, mainly due to $113 million in income related to operations acquired from Worldsource[(1)], and higher net investment income excluding insurance activities.

- The provision for credit losses, up $2 million compared to the corresponding period of 2022.
- Gross non-interest expense of $2,443 million, up $126 million or 5.4%:
  - $117 million in costs related to operations acquired from Worldsource[(1)].
  - Other items included in gross non-interest expense increased $9 million or 0.4%.
- $131 million returned to members and the community[(2)], including a provision for member dividends of $106 million and sponsorships, donations and scholarships of $25 million, up $3 million or 2.3% from the corresponding period of 2022.

Other highlights:

- Tier 1A capital ratio[(3)] of 20.8%, compared to 20.2% as at December 31, 2022.
- Total capital ratio[(3)] of 22.3%, compared to 21.9% as at December 31, 2022.
- Total assets stood at $414.1 billion as at September 30, 2023, compared to $403.9 billion as at December 31, 2022.
- Issuance, on August 16, 2023, of $500 million under Desjardins's Canadian medium-term note program in compliance with its Sustainable Bond Framework, subject to the internal recapitalization (bail-in) regime.
- Legislative covered bond program:
  - Issuance of GBP 500 million on August 30, 2023.
  - Issuance of NOK 2.0 billion on October 11, 2023.
- Multi-currency medium-term note program:
  - Issuance of €500 million on September 27, 2023.
- In July 2023, the DBRS rating agency affirmed the ratings of instruments issued by the *Fédération des caisses Desjardins du Québec* (Federation) while maintaining the outlook as stable.
- In October 2023, Standard & Poor's rating agency affirmed the ratings of the instruments issued by the Federation while maintaining the outlook as stable. This assessment reflects the strength of Desjardins Group's balance sheet.

(1) On March 1, 2023, Desjardins Group acquired all outstanding shares of IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc. and Worldsource Securities Inc. through the Worldsource Group of Companies Inc.(formerly 9479-5176 Québec Inc.), an indirectly wholly owned subsidiary of the Federation.

(2) For more information on financial measures that are not based on a generally accepted accounting principles (GAAP), see "Non-GAAP financial measures and other financial measures" on page 5.

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

Comparison of first nine months of 2023 with first nine months of 2022:

- Surplus earnings before member dividends of $1,509 million, up $725 million.
- Total net income of $9,039 million, up $1,571 million or 21.0%:
  - Net interest income of $5,244 million, up $493 million or 10.4%, mainly due to an increase in the average return on loans due to the higher interest rate environment, as well as to growth in average outstanding residential mortgages and business loans, partly offset by an increase in the interest expense on deposits.
  - Insurance service result of $788 million, down $7 million or 0.9%.
  - Net insurance finance result of $351 million, up $582 million, due to the jump in interest rates in the comparative period of 2022.
  - Other income of $2,656 million, up $503 million or 23.4%, primarily due to $292 million in income related to operations acquired from Worldsource[1], an increase in business volumes in credit card payment activities and higher net investment income excluding insurance activities.

- Provision for credit losses of $298 million, up $101 million compared to the same period of 2022.
- Gross non-interest expense of $7,468 million, up $468 million or 6.7%:
  - $296 million in costs related to operations acquired from Worldsource[1].
  - Other items included in gross non-interest expense increased $172 million or 2.5%, due in part to an increase in spending on personnel and technology, partly offset by a decrease in investments in strategic projects since Desjardins Group made more substantial investments in 2022.
- $409 million returned to members and community[2], including a provision for member dividends of $321 million and sponsorships, donations and scholarships of $88 million, up $18 million or 4.6%.

Non-GAAP financial measures and other financial measures

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

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

Non-GAAP financial measure

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

(1) On March 1, 2023, Desjardins Group acquired all outstanding shares of IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc. and Worldsource Securities Inc. through the Worldsource Group of Companies Inc.(formerly 9479-5176 Québec Inc.), an indirectly wholly owned subsidiary of the Federation.

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

Return to members and the community

By its very nature as a cooperative financial group, Desjardins Group's goal is to improve the economic and social well-being of people and communities. The amount returned to members and the community, which is used to present the overall amount returned to the community, is in the form of member dividends, and sponsorships, donations and scholarships.

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

Supplementary financial measures

In accordance with Regulation 52-112, supplementary financial measures are used to show historical or expected future financial performance, financial position or cash flows. In addition, these measures are not disclosed in the financial statements. Desjardins Group uses certain supplementary financial measures, and their composition is presented in the glossary on pages 54 to 61 of the MD&A for the third quarter of 2023.

FINANCIAL HIGHLIGHTS

(in millions of dollars and as a percentage)	As at and for the three-month periods ended			As at and for the nine-month periods ended	
	September 30, 2023	June 30, 2023	September 30, 2022[1] Restated	**September 30, 2023**	September 30, 2022[1] Restated
Results					
Net interest income	**$ 1,818**	$ 1,769	$ 1,649	**$ 5,244**	$ 4,751
Net Insurance service income (loss)	**442**	465	193	**1,139**	564
Other income	**873**	1,005	700	**2,656**	2,153
Total net income	**3,133**	3,239	2,542	**9,039**	7,468
Provision for credit losses	**127**	66	125	**298**	197
Net non-interest expense	**2,203**	2,434	2,061	**6,733**	6,239
Surplus earnings before member dividends[2]	**$ 614**	$ 553	$ 295	**$ 1,509**	$ 784
Contribution to surplus earnings by business segment[3]					
Personal and Business Services	**$ 376**	$ 341	$ 289	**$ 940**	$ 741
Wealth Management and Life and Health Insurance	**131**	170	86	**410**	247
Property and Casualty Insurance	**103**	56	(25)	**134**	(139)
Other	**4**	(14)	(55)	**25**	(65)
	$ 614	$ 553	$ 295	**$ 1,509**	$ 784
Returned to members and the community[4]					
Member dividends	**$ 106**	$ 109	$ 106	**$ 321**	$ 317
Sponsorships, donations and scholarships[5]	**25**	37	22	**88**	74
	$ 131	$ 146	$ 128	**$ 409**	$ 391
Indicators					
Return on equity[6]	**7.4**	6.8	3.6	**6.2**	3.2
Credit loss provisioning rate[6]	**0.18**	0.10	0.20	**0.15**	0.11
Gross credit-impaired loans/gross loans and acceptances[6]	**0.64**	0.57	0.44	**0.64**	0.44
Liquidity coverage ratio[7]	**146**	143	136	**146**	136
Net stable funding ratio[7]	**124**	125	126	**124**	126
Productivity index – Personal and Business Services[6][8]	**73.5**	77.9	76.5	**77.6**	80.8
Insurance and annuity premiums – Wealth Management and Life and Health Insurance[6]	**$ 2,126**	$ 1,434	$ 1,222	**$ 4,867**	$ 3,553
Total contractual service margin (CSM) - Wealth Management and Life and Health Insurance[9]	**2,680**	2,643	2,780	**2,680**	2,780
Direct Written Premiums – Property and Casualty Insurance[6]	**1,861**	1,910	1,679	**5,211**	4,714
On-balance sheet and off-balance sheet					
Assets	**$ 414,056**	$ 409,558	$ 404,268	**$ 414,056**	$ 404,268
Net loans and acceptances	**261,894**	257,743	247,242	**261,894**	247,242
Deposits	**273,433**	265,539	255,452	**273,433**	255,452
Equity	**33,178**	32,943	32,400	**33,178**	32,400
Assets under administration[6]	**454,800**	467,716	426,332	**454,800**	426,332
Assets under management[6]	**75,392**	80,229	74,994	**75,392**	74,994
Capital measures					
Tier 1A capital ratio[10]	**20.8%**	20.9%	18.7%	**20.8%**	18.7%
Tier 1 capital ratio[10]	**20.8**	20.9	18.7	**20.8**	18.7
Total capital ratio[10]	**22.3**	22.4	20.2	**22.3**	20.2
TLAC ratio[11]	**29.9**	29.7	26.2	**29.9**	26.2
Leverage ratio[10]	**7.5**	7.6	7.5	**7.5**	7.5
TLAC leverage ratio[11]	**10.7**	10.6	10.4	**10.7**	10.4
Risk-weighted assets[10]	**$ 137,135**	$ 135,499	$ 150,038	**$ 137,135**	$ 150,038
Other information					
Number of employees	**57,714**	59,389	58,379	**57,714**	58,379

(1) The data have been adjusted to conform to the current period's presentation notwithstanding IFRS 17, which was adopted on January 1, 2023.

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

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

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

(5) Including $12 million from the caisses' Community Development Funds ($15 million for the second quarter of 2023, $9 million for the third quarter of 2022, $35 million for the first nine months of 2023 and $27 million for the first nine months of 2022).

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

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

(8) Following the transition to IFRS 17, Desjardins Group now presents the productivity index of the Personal and Business Services segment, which is a supplementary financial measure, replacing Desjardins Group's productivity index, which was a non-GAAP financial measure.

(9) Total CSM of $2,930 million ($3,092 million as of September 30, 2022) presented net of reinsurance in the amount of $250 million ($312 million as of September 30, 2022). Included in "Insurance contract liabilities" and "Reinsurance contract assets (liabilities)" in the Combined Balance Sheets. For more information, see Note 7 "Insurance and Reinsurance Contracts" to the Interim Combined Financial Statements.

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

(11) 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.

Very strong capital base

Desjardins Group maintains very strong capitalization levels, in accordance with Basel III rules. As at September 30, 2023, its Tier 1A and total capital ratios stood at 20.8% and 22.3%, respectively, compared to 20.2% and 21.9%, respectively, as at December 31, 2022. This increase was mainly due to the revision of certain methodological aspects related to risk-weighted assets.

Analysis of business segment results

PERSONAL AND BUSINESS SERVICES SEGMENT

Results for the third quarter

For the third quarter of 2023, surplus earnings before member dividends were $376 million, up $87 million from the same period in 2022, mainly due to an increase in net interest income. This growth in surplus earnings was partially offset by the increase in costs related to suppliers of credit card payment activities, due in particular to the impact of the amendments to the *Excise Tax Act* announced in the Canadian government's 2023 budget, the application of which is retroactive to 2021, as well as to an increase in spending on personnel and technology.

WEALTH MANAGEMENT AND LIFE AND HEALTH INSURANCE SEGMENT

Results for the third quarter

For the third quarter of 2023, the segment posted $131 million in net surplus earnings, up $45 million from the same period of 2022. This rise was mainly due to the increase in the net insurance financial result[(1)] as well as the growth in the insurance service result, due in particular to the updating of actuarial assumptions in group retirement savings and a favourable experience in group insurance. This increase was partially offset by higher administrative costs, including those related to technology, in order to improve services to members and clients.

PROPERTY AND CASUALTY INSURANCE SEGMENT

Results for the third quarter

For the third quarter of 2023, the segment posted surplus earnings of $103 million, compared to a net deficit of $25 million for the same period of 2022. This rise stemmed in part from the increase in insurance revenue, due to the growth in automobile and property insurance. In addition, the quarter was marked by a higher net insurance financial result, as well as the favourable impact of the loss component on onerous contracts compared to an unfavourable impact in the comparative quarter of 2022, along with a decrease in gross non-interest expense. This increase was partially offset by a loss experience in the current year that was higher than the comparative period of 2022, mainly due to property insurance. In addition, the third quarter of 2023 was notable for seven major events, which mostly involved wind and water damage in Québec and Ontario, while the corresponding quarter of 2022 was marked by two major events: heavy rains in Québec and Hurricane Fiona in the Atlantic provinces and Québec.

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OTHER CATEGORY

Results for the third quarter

For the third quarter of 2023, the net surplus earnings were $4 million, compared to a net deficit of $55 million for the same quarter of 2022. The Other category mainly includes treasury activities and those related to financial intermediation between the liquidity surpluses and needs of the caisses. It also includes investments in the continued implementation of Desjardins-wide strategic projects, which are aimed at creating innovative technological platforms, protecting privacy and improving business processes. The Other category also includes commitments made with the GoodSpark Fund to support regional development and economic recovery.

More detailed financial information can be found in Desjardins Group's interim Management's Discussion and Analysis (MD&A) for the third quarter of 2023, available on the Desjardins website or on the SEDAR+ website, at www.sedarplus.ca (under the *Fédération des caisses Desjardins du Québec* profile).

About Desjardins Group

Desjardins Group is the largest cooperative financial group in North America and the fifth largest cooperative financial group in the world, with assets of $414.1 billion. It was named one of the World's Top Female-Friendly Companies by *Forbes* magazine. To meet the diverse needs of its members and clients, Desjardins offers a full range of products and services to individuals and businesses through its extensive distribution network, online platforms and subsidiaries across Canada. Ranked among the world's strongest banks according to *The Banker* magazine, Desjardins has some of the highest capital ratios and credit ratings in the industry.

Caution concerning forward-looking statements

Desjardins Group's public communications often include oral or written forward-looking statements, as defined by applicable securities legislation, particularly in Québec, Canada and the United States. This press release contains forward-looking statements that may be incorporated in other filings with Canadian regulators or in any other communications.

The forward-looking statements include, but are not limited to, comments about Desjardins Group's objectives regarding financial performance, priorities, operations, the review of economic conditions and financial markets, the outlook for the Québec, Canadian, U.S. and global economies, and the impact of the COVID-19 pandemic on its operations, its results and its financial position, as well as on economic conditions and financial markets. Such forward-looking statements are typically identified by words or phrases such as "target", "objective", "believe", "expect", "count on", "anticipate", "intend", "estimate", "plan", "forecast", "aim", "propose", "should" and "may", words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. Desjardins Group cautions readers against placing undue reliance on forward-looking statements since a number of factors, many of which are beyond Desjardins Group's control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the assumptions, predictions, forecasts or other forward-looking statements in this press release. 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 results differ significantly.

The factors that may affect the accuracy of the forward-looking statements in this press release include those discussed in the "Risk management" section of Desjardins Group's 2022 annual MD&A and of its MD&A for the third quarter of 2023, and include credit, market, liquidity, operational, insurance, strategic and reputational risk, environmental or social risk, and regulatory risk.

Such factors also include those related to security breaches, the housing market and household and corporate indebtedness, technological advancement and regulatory developments, including changes to liquidity and capital adequacy guidelines, and requirements relating to their presentation and interpretation, as well as interest rate fluctuations, inflation, climate change, biodiversity loss and geopolitical uncertainty. Furthermore, there 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; acquisitions and joint arrangements; credit ratings; reliance on third parties; the ability to recruit and retain talent; tax risk and the COVID-19 pandemic. Other factors include interest rate benchmark reform, unexpected changes in consumer spending and saving habits, the potential impact of international conflicts on operations, public health crises, such as pandemics and epidemics, or any other similar disease affecting the local, national or global economy, as well as Desjardins Group's ability to anticipate and properly manage the risks associated with these factors despite a disciplined risk management environment. Additional information on these factors is available under the "Risk management" section of Desjardins Group's 2022 Annual Report and of its MD&A for the third quarter of 2023.

It is important to note that the above list of factors that could influence future results is not exhaustive. Other factors could have an effect on Desjardins Group's results. Additional information on these and other factors is available under the "Risk management" section of Desjardins Group's 2022 Annual MD&A and of its MD&A for the third quarter of 2023.

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. Desjardins Group cautions readers against placing undue reliance on these forward-looking statements when making decisions, given that actual results, conditions, actions or future events could differ significantly from the targets, expectations, estimates or intentions advanced in them, explicitly or implicitly. 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 significant economic assumptions underlying the forward-looking statements in this document are described in the "Economic environment and outlook" section of Desjardins Group's 2022 MD&A and of its MD&A for the third quarter of 2023. Readers are cautioned to consider the foregoing factors when reading this section. When relying on forward-looking statements to make decisions about Desjardins Group, they should carefully consider these factors, as well as other uncertainties and contingencies. To determine our economic growth forecasts in general, and for the financial services sector in particular, Desjardins Group mainly uses historical economic data provided by recognized and reliable organizations, empirical and theoretical relationships between economic and financial variables, expert judgment and identified upside and downside risks for the domestic and global economies.

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

Basis of presentation of financial information

The financial information in this document comes primarily from the Annual and Interim Combined Financial Statements. Those statements have been prepared by Desjardins Group's management in accordance with IFRS issued by the International Accounting Standards Board (IASB) and the accounting requirements of the AMF, which do not differ from IFRS. IFRS represent Canada's GAAP. The Interim Combined Financial Statements of Desjardins Group have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". All the accounting policies were applied as described in Note 2, "Significant accounting policies", to the Annual Combined Financial Statements except for the changes that resulted from the adoption of IFRS 17, "Insurance contracts", as of January 1, 2023 and that are described in Note 2, "Significant accounting policies" to the Interim Combined Financial Statements. The adoption of this standard resulted in significant changes to Desjardins Group's Combined Financial Statements. Certain comparative figures for the year ending December 31, 2022 have been restated, and a restated opening balance sheet as at January 1, 2022 is presented in the Interim Combined Financial Statements to reflect this new standard.

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

For further information (*media inquiries only*):

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