

# Together, we'll go far



## ANNUAL REPORT 2024



**Caisse Desjardins du Sud-Ouest de Montréal**

**Head office**  
4545, rue Notre-Dame Ouest  
Montréal (Québec) H4C 1S3

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# Desjardins Group

## 2024 key figures

**7.8 million**

members and  
clients

**\$3,356 million**

in surplus earnings

**\$557 million**

redistributed to  
members and the  
community

**55,290**

employees

**\$470.9 billion**

in assets

**\$23.9 billion**

in indivisible  
shared wealth  
held in the caisses'  
general reserves<sup>1</sup>

**2,313**

members of the  
board of directors

**22.2%**

Tier 1A  
capital ratio<sup>2</sup>

**\$14.5 billion**

in insurance  
premiums<sup>3</sup>

This data comes from Desjardins Group's Combined financial statements and Management's Discussion and Analysis as at December 31, 2024.

<sup>1</sup> Included in the \$29.5 billion total reserves presented in the Desjardins Group's combined financial statements as at December 31, 2024.

<sup>2</sup> In accordance with the *Capital Adequacy Guideline - Financial services cooperatives* issued by the Autorité des marchés financiers (AMF) and applicable notably to financial services cooperatives.

<sup>3</sup> Direct Written Insurance Premiums.



# Desjardins Group

## Information on our business segments

Desjardins Group's financial reporting is grouped by activities, which are defined based on the needs of its members and clients and the markets in which Desjardins Group operates and reflect Desjardins Group's internal management method.

Desjardins Group's financial results are grouped in three business segments, namely **Personal and Business Services**, **Wealth Management and Life and Health Insurance**, and **Property and Casualty Insurance**.

The **Personal and Business Services** segment offers Desjardins Group members and clients a comprehensive, integrated offering designed to meet the needs of individuals, businesses, institutions, not-for-profit organizations and cooperatives. Desjardins Group operates in the financial services market in Québec and is a player in financial services markets outside Québec. This offering meets a range of needs including financial management, savings, payments, financing, specialty services, access to capital markets, development and venture capital, business ownership transfers and advice.

The **Wealth Management and Life and Health Insurance** segment plays a role in developing the financial autonomy of Desjardins Group members and clients, helping them to develop healthy financial habits. This segment supports members and clients, individuals and businesses, through various networks and designs life and health insurance product lines, and investment solutions. It also includes asset management and trust services.

The **Property and Casualty Insurance** segment offers insurance products to protect Desjardins Group members and clients to protect their assets and protect themselves against damage and loss.

Personal and Business Service	Wealth Management and Life and Health Insurance	Property and Casualty Insurance
<b>Surplus earnings before member dividends of \$1,719 million<sup>(1)</sup></b>	<b>Nets surplus earnings of \$601 million<sup>(1)</sup></b>	<b>Nets surplus earnings of \$1,101 million<sup>(1)</sup></b>
<b>Québec's leader in residential mortgages</b>	<b>No. 1 in Canada and in Québec for market-linked guaranteed investments</b>	<b>No. 2 property and casualty insurer in Québec</b>
<b>Leader in personal savings in Québec</b>		<b>Direct premiums written grew by \$709 million compared to 2023</b>

For more details on each segment, we refer you to Note 30 "Segmented information" of the Desjardins Group 2024 Annual Report. Additionally, the data presented in the table above is extracted from the "Financial Highlights" section of the 2024 Desjardins Group Management's Discussion and Analysis.

<sup>(1)</sup> For the year ended December 31, 2024, Desjardins Group recorded net surplus earnings before member dividends of \$3,356 million, including \$(65) million from Other category.

## Note to readers

This annual report provides an overview of Caisse Desjardins du Sud-Ouest de Montréal's key financial data as at December 31, 2024.

This document complies with the reporting requirements of the *Act respecting financial services cooperatives* and the Autorité des marchés financiers and was approved by the caisse board of directors.

**Chair**  
Daniel Bélanger

**Secretary**  
Sylvie Charbonneau

### About Caisse Desjardins du Sud-Ouest de Montréal:

- **A dynamic team**  
under the general management of Jonathan Frangoli
- **Dedicated directors**

<b>Chair</b>	Daniel Bélanger
<b>Vice-Chair</b>	André Proulx
<b>Secretary</b>	Sylvie Charbonneau

#### Other members of the board of directors

Stela Alivodej  
Gary Benarrous  
Sylvie Bertrand  
Nathalie Boutin  
Marie-Josée Choquette  
Rolland Dionne  
Aboubacar Fofana  
Line Hamel  
Yves Jubinville  
Nadia Larivée  
Neddy Odhiambo

#### Board Succession program

Tasfia Rahman

## 2024 key figures for the caisse

**55,638**  
members

**\$2.1B**  
in assets

**\$3.7M**  
redistributed to  
members and  
the community  
including  
**\$3.2M**  
in member  
dividends

Operating surplus  
earnings of  
**\$26.8M**

Surplus earnings  
before member  
dividends of  
**\$8.5M**

The symbols K are used to represent thousands,  
M for millions and B for billions.

## SUMMARY OF THE LOAN PORTFOLIO

As at December 31, 2024, the quality of the caisse's loan portfolio remained high. The table below shows the gross carrying amount of loans and their allowance balance by stage:

As at December 31 (in thousands of Canadian dollars)	Non-credit impaired						Credit-impaired			Total 2024			Total 2023	
	Stage 1		Stage 2		Stage 3									
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Net carrying amount					
Residential mortgages	\$ 1,521,579	\$ 353	\$ 57,879	\$ 300	\$ 4,610	\$ 322	\$ 1,584,068	\$ 975	\$ 1,583,093	\$ 1,498,847				
Consumer and other personal loans	38,534	76	5,802	200	383	127	44,719	403	44,316	44,859				
Business and government	156,841	213	28,790	384	9,207	1,678	194,838	2,275	192,563	183,622				
<b>Total</b>	<b>\$ 1,716,954</b>	<b>\$ 642</b>	<b>\$ 92,471</b>	<b>\$ 884</b>	<b>\$ 14,200</b>	<b>\$ 2,127</b>	<b>\$ 1,823,625</b>	<b>\$ 3,653</b>	<b>\$ 1,819,972</b>	<b>\$ 1,727,328</b>				

For more information, see Note 2 "Accounting policies" to the Combined Financial Statements of the Desjardins Group for the year ended December 31, 2024.

In 2024, no loans were granted to restricted parties. Restricted parties include Caisse directors, the caisse general manager, Federation directors including their relative.

## SUMMARY OF THE DEPOSIT PORTFOLIO

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 the Caisse does not have the right to require notice prior to withdrawal. Notice deposits are interest-bearing deposits, primarily savings accounts, for which the Caisse 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.

As at December 31 (in thousands of Canadian dollars)	Payable on demand	Payable upon notice	Payable on a fixed date	Total 2024	Total 2023
Individuals	\$ 505,780	\$ 36,092	\$ 518,709	\$ 1,060,581	\$ 1,031,674
Business and government	248,776	1,958	34,425	285,159	265,234
<b>Total</b>	<b>\$ 754,556</b>	<b>\$ 38,050</b>	<b>\$ 553,134</b>	<b>\$ 1,345,740</b>	<b>\$ 1,296,908</b>

For more information, see Note 2 "Accounting policies" to the Combined Financial Statements of the Desjardins Group for the year ended December 31, 2024.

# 2024 Financial Report

## Caisse Desjardins du Sud-Ouest de Montréal

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## **Agreed-Upon Procedures Report of the financial report of the Caisse Desjardins du Sud-Ouest de Montréal**

To the members of the Fédération des Caisses Desjardins du Québec

### **Purpose of this Agreed-Upon Procedures Report**

Our report is solely for the purpose of assisting the members of the Fédération des Caisses Desjardins du Québec to determine whether the information included in the financial report of the Caisse, considering the Caisse's specific accounting adjustments, is in line with the information used for the preparation of the combined financial statements of the Desjardins Group and may not be suitable for another purpose. This report only covers the accounts, and the items specified below in the financial report and does not cover the annual report.

### **Responsibilities of the Engaging Party**

The Fédération des Caisses Desjardins du Québec has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Fédération des Caisses Desjardins du Québec is responsible for the subject matter on which the agreed-upon procedures are performed.

### **Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with the Canadian Standard on Related Services (CSRS) 4400, *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Fédération des Caisses Desjardins du Québec, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### *Professional Ethics and Quality Management*

We have complied with the relevant ethical and independence requirements in the rules of professional conduct/code of ethics issued by the various professional accounting bodies.

Our firm applies Canadian Standard on Quality Management (CSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers LLP

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

### **Procedures and Findings**

We have performed the procedures described below, which were agreed upon with the Fédération des Caisses Desjardins du Québec in the terms of engagement dated January 27, 2025, on the subject matter.

<b>Procedures</b>	<b>Findings</b>
1 Obtain the trial balance of the Caisse prior to the Caisse's specific adjustments as at December 31, 2024 and compare it to the Caisse's trial balance used in the audit of combined financial statements of the Desjardins Group as at December 31, 2024.	We have obtained the trial balance prior to the Caisse's specific adjustments as at December 31, 2024, and compared it to the trial balance of the Caisse used as part of the audit of the combined financial statements of the Desjardins Group as at December 31, 2024. We have noted no discrepancies.
2 Obtain the Caisse's specific accounting adjustments and add them to the trial balance prior to the Caisse's specific adjustments as at December 31, 2024. Round the result to the nearest thousand dollars.	We have obtained the accounting adjustments specific to the Caisse and added them to the trial balance prior to the Caisse's specific adjustments as at December 31, 2024. We have rounded the result to the nearest thousand dollars.
3 From the Caisse's financial report accounting chart, recalculate the balance of each financial statement line item of the Caisse's financial report using the result of procedure 2.	We have recalculated the balance of each financial statement line item of the Caisse's financial report from the Caisse's financial report accounting chart using the result of procedure 2.
4 Obtain the financial report of the Caisse as at December 31, 2024 and compare it to the result obtained in procedure 3.	We have obtained the Caisse's financial report as at December 31, 2024 and compared it to the result obtained in procedure 3. We have noted no discrepancies.



**Restriction on Distribution and Use**

Our report is intended solely for Members of the Fédération des Caisses Desjardins du Québec, to the members of the Caisse and to the Autorité des Marchés Financiers. We make no representations or warranties of any kind to any other third party in respect of this report. Our report should not be distributed to parties other than the Fédération des Caisses Desjardins du Québec, the members of the Caisse and the Autorité des Marchés Financiers.

*PricewaterhouseCoopers LLP<sup>1</sup>*

Montréal, Quebec  
March 12, 2025

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<sup>1</sup> FCPA auditor, public accountancy permit No. A115888

# Balance Sheet

(unaudited)

(in thousands of Canadian dollars)	As at December 31, 2024		As at December 31, 2023
<b>ASSETS</b>			
<b>Cash and deposits with financial institutions</b>	\$ 99,941	\$ 15,750	
<b>Investment in liquidity fund under management</b>	33,644	84,986	
<b>Loans</b>			
Residential mortgages	1,584,068	1,499,961	
Consumer and other personal loans	44,719	45,515	
Business and government	194,838	186,404	
	1,823,625	1,731,880	
Allowance for credit losses	3,653	4,552	
	1,819,972	1,727,328	
<b>Investments in the Federation</b>	94,079	94,079	
<b>Other assets</b>			
Derivative financial instruments	29,661	39,388	
Right-of-use assets	1,563	1,543	
Property, plant and equipment	4,290	6,150	
Net defined benefit plan assets	1,113	—	
Other	18,794	10,172	
	55,421	57,253	
<b>TOTAL ASSETS</b>	\$ 2,103,057	\$ 1,979,396	
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Deposits</b>			
Individuals	\$ 1,060,581	\$ 1,031,674	
Business and government	285,159	265,234	
	1,345,740	1,296,908	
<b>Borrowings with the Federation</b>	470,936	399,656	
<b>Other liabilities</b>			
Derivative financial instruments	1,777	15,414	
Lease liabilities	1,732	1,653	
Net defined benefit plan liabilities	2,303	2,523	
Other	27,485	16,789	
	33,297	36,379	
<b>TOTAL LIABILITIES</b>	1,849,973	1,732,943	
<b>EQUITY</b>			
Capital stock	256	251	
Distributable surplus earnings	5,530	1,945	
Reserves	247,298	244,257	
<b>TOTAL EQUITY</b>	253,084	246,453	
<b>TOTAL LIABILITIES AND EQUITY</b>	\$ 2,103,057	\$ 1,979,396	

# Statement of Income

(unaudited)

For the years ended December 31

(in thousands of Canadian dollars)	2024	2023
Interest income	\$ 114,479	\$ 74,109
Interest expense	83,081	43,746
<b>NET INTEREST INCOME</b>	<b>31,398</b>	30,363
Other income	10,782	10,246
<b>OPERATING INCOME</b>	<b>42,180</b>	40,609
Provision for credit losses	169	1,012
<b>NON-INTEREST EXPENSE</b>		
Salaries and fringe benefits	10,233	10,451
Occupancy costs	2,343	2,405
Other	2,608	3,387
	<b>15,184</b>	16,243
<b>OPERATING SURPLUS EARNINGS</b>	<b>26,827</b>	23,354
Income (loss) on fair value of derivative financial instruments	497	(1,607)
Assessments paid to Desjardins Group components and related costs	(18,363)	(18,697)
Community development expenses	(312)	(272)
<b>SURPLUS EARNINGS BEFORE TAXES AND MEMBER DIVIDENDS</b>	<b>8,649</b>	2,778
Income taxes on surplus earnings (recovery)	175	(284)
<b>SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS</b>	<b>8,474</b>	3,062
Member dividends	3,165	3,012
Tax recovery on member dividends	(576)	(798)
<b>NET SURPLUS EARNINGS FOR THE YEAR AFTER MEMBER DIVIDENDS</b>	<b>\$ 5,885</b>	\$ 848

# Statement of Changes in Equity

(unaudited)

For the years ended December 31

(in thousands of Canadian dollars)	Capital stock	Distributable surplus earnings	Appreciation reserve (derivative financial instruments)	Appreciation reserve (employee benefit plans)	Reserves					Total reserves	Total equity
					General reserve	Reserve for future member dividends	Community Development Fund				
<b>BALANCE AS AT DECEMBER 31 2022</b>	\$ 243	\$ 97,608	\$ 3,919	\$ (717)	\$ 131,978	\$ 12,833	\$ 1,214	\$ 149,227	\$ 247,078		
Allocation to reserves adopted by the members at the general meeting	—	(97,608)	—	—	83,597	13,622	389	97,608	—		
Net adjustment for member dividends	—	—	—	—	(2)	—	—	(2)	(2)		
<b>Balance after distribution</b>	<b>243</b>	<b>—</b>	<b>3,919</b>	<b>(717)</b>	<b>215,573</b>	<b>26,455</b>	<b>1,603</b>	<b>246,833</b>	<b>247,076</b>		
Net surplus earnings for the year after member dividends	—	848	—	—	—	—	—	—	—		848
Other comprehensive income for the year	—	(1,481)	—	—	—	—	—	—	—		(1,481)
Statutory transfer	—	2,374	(1,161)	(1,213)	—	—	—	—	(2,374)		—
Net amounts used during the year	—	202	—	—	—	—	—	(202)	(202)		—
Other net change in capital stock	8	—	—	—	—	—	—	—	—		8
Net adjustment for member dividends	—	2	—	—	—	—	—	—	—		2
<b>BALANCE AS AT DECEMBER 31, 2023</b>	<b>\$ 251</b>	<b>\$ 1,945</b>	<b>\$ 2,758</b>	<b>\$ (1,930)</b>	<b>\$ 215,573</b>	<b>\$ 26,455</b>	<b>\$ 1,401</b>	<b>\$ 244,257</b>	<b>\$ 246,453</b>		
Allocation to reserves adopted by the members at the general meeting	—	(1,945)	—	—	1,526	—	419	1,945	—		
Net adjustment for member dividends	—	—	—	—	(4)	—	—	(4)	(4)		
<b>Balance after distribution</b>	<b>251</b>	<b>—</b>	<b>2,758</b>	<b>(1,930)</b>	<b>217,095</b>	<b>26,455</b>	<b>1,820</b>	<b>246,198</b>	<b>246,449</b>		
Net surplus earnings for the year after member dividends	—	5,885	—	—	—	—	—	—	—		5,885
Other comprehensive income for the year	—	741	—	—	—	—	—	—	—		741
Statutory transfer	—	(1,338)	323	1,015	—	—	—	—	1,338		—
Net amounts used during the year	—	238	—	—	—	—	—	(238)	(238)		—
Other net change in capital stock	5	—	—	—	—	—	—	—	—		5
Net adjustment for member dividends	—	4	—	—	—	—	—	—	—		4
<b>BALANCE AS AT DECEMBER 31, 2024</b>	<b>\$ 256</b>	<b>\$ 5,530</b>	<b>\$ 3,081</b>	<b>\$ (915)</b>	<b>\$ 217,095</b>	<b>\$ 26,455</b>	<b>\$ 1,582</b>	<b>\$ 247,298</b>	<b>\$ 253,084</b>		

## NOTE TO THE FINANCIAL REPORT (unaudited)

### NOTE 1 - TYPE OF OPERATIONS AND BASIS OF ACCOUNTING

Caisse Desjardins du Sud-Ouest de Montréal (the caisse) is a cooperative whose purpose is to accept and help grow the savings of its members, as well as to extend credit and provide other financial products and services to its members. Its mission also includes fostering cooperation and promoting economic, social and cooperative education. It is governed by the *Act Respecting Financial Services Cooperatives* (the Act).

The caisse is registered with the Autorité des marchés financiers. It is also a member of the Fonds de sécurité Desjardins, whose main purpose is to establish and manage a security, liquidity or mutual assistance fund for caisses members of the Fund.

The caisse is a member of the Fédération des caisses Desjardins du Québec (the Federation), which controls other components that together make up Desjardins Group.

This financial report has been prepared in accordance with the requirements set out in the Act. Deposits and borrowings with the Federation are presented on a net basis, although there is no contractual right to settle on a net amount. Except for the presentation of deposits and borrowings with the Federation, the Caisse applies accounting methods consistent with those used for the preparation of the combined financial statements of the Desjardins Group, in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Some figures from the prior year were reclassified for consistency with the presentation of the current year's financial statements. This reclassification did not affect the caisse's surplus earnings or total assets and liabilities.