



# 2025 ANNUAL REPORT

**Caisse Desjardins des Seigneuries de la frontière**

**Head office**

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### Note to reader

The symbols K, M, and B are employed to denote thousands, millions, and billions, respectively. Thus, "\$400K" corresponds to "four hundred thousand dollars", "\$10M" to "ten million dollars", and "\$100G" to "one hundred billion dollars". This annual report was produced by the Finance Executive Division of Desjardins Group (Finance Division).

# Desjardins Group

## 2025 key figures

More than

**10 million**

members and clients

**2,244**

members of the boards of directors

**57,530**

employees

**\$638M**

redistributed to members  
and the community

**\$3,811M**

in surplus earnings

**\$510.2B**

in assets

**23.7%<sup>1</sup>**

Tier 1A capital ratio

**\$14.5B**

in insurance  
premiums<sup>2</sup>

Reserves of  
**\$32.7B<sup>3</sup>**

This data comes from Desjardins Group's Combined financial statements and Management's Discussion and Analysis as at December 31, 2025.

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

<sup>2</sup> Direct premiums written.

<sup>3</sup> Including \$25.5B in indivisible shared wealth held in the caisses' general reserves.

# 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.

Accordingly, 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 Quebec and is a player in financial services markets outside Quebec. 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 Services	Wealth Management and Life and Health Insurance	Property and Casualty Insurance
Surplus earnings before member dividends of \$1,853 million <sup>(1)</sup>	Net surplus earnings of \$756 million <sup>(1)</sup>	Net surplus earnings of \$1,053 million <sup>(1)</sup>
Quebec's leader in residential mortgages	No. 1 in Canada and in Quebec for market-linked guaranteed investments	No. 2 property and casualty insurer in Quebec
Leader in personal savings in Quebec		Direct premiums written grew by \$431 million compared to 2024

For further details on each of the segments, refer to Note 29 "Segmented information" in the Desjardins Group 2025 Annual Report. In addition, the data presented in the table above is taken from the "Financial Highlights" section in the Desjardins Group 2025 Management's Discussion and Analysis.

<sup>(1)</sup> For the year ended December 31, 2025, Desjardins Group recorded net surplus earnings before member dividends of \$3,811 million, including \$149 million from Other category.

## Approval of the Board of Directors

The annual report provides an overview of Caisse Desjardins des Seigneuries de la frontière as at December 31, 2025 was duly approved by his board of directors.

We certify that this annual report complies with the reporting requirements of the *Act respecting financial services cooperatives* and the *Autorité des marchés financiers*.

**Chair**  
Marco Varin

**Secretary**  
Manon Perras



## 2025 key figures for the caisse

**19,635**  
members

**\$943.6M**  
in assets

**\$2M**  
redistributed to  
members and  
the community  
including

**\$1.7M**  
in member  
dividends

Operating surplus  
earnings of  
**\$19.9M**

Surplus earnings  
before member  
dividends of  
**\$9.2M**



## Caisse Desjardins des Seigneuries de la frontière stands out for:

### A dynamic team

under the general management of Serge Bernier

### Dedicated directors

as at December 31, 2025

<b>Chair</b>	Marco Varin
<b>Vice-Chair</b>	Jean-Francois Bousquet Melanie Viau
<b>Secretary</b>	Manon Perras
<b>Members of the board of directors</b>	Julie Archambault Hélène Blanchard Michaël Bourdon Martin Grégoire Jaroslaw Holoszkiewicz Charles Patenaude Marc-André Robert

## LOANS AND ALLOWANCE FOR CREDIT LOSSES

As at December 31, 2025, the quality of the caisse's loan portfolio remained high. The following table presents the gross carrying amount of loans and their allowance for credit losses by stage:

(in thousands of Canadian dollars)	As at December 31, 2025									As at December 31, 2024
	Non-credit impaired				Credit-impaired		Total			Total
	Stage 1		Stage 2		Stage 3		Gross carrying amount	Allowance for credit losses	Net carrying amount	Net carrying amount
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses				
Residential mortgages	\$ 543,212	\$ 102	\$ 16,033	\$ 89	\$ 2,147	\$ 187	\$ 561,392	\$ 378	\$ 561,014	\$ 528,256
Consumer and other personal loans	21,855	20	1,376	48	110	54	23,341	122	23,219	23,086
Business and government	207,085	223	25,680	322	5,960	893	238,725	1,438	237,287	251,109
<b>Total</b>	<b>\$ 772,152</b>	<b>\$ 345</b>	<b>\$ 43,089</b>	<b>\$ 459</b>	<b>\$ 8,217</b>	<b>\$ 1,134</b>	<b>\$ 823,458</b>	<b>\$ 1,938</b>	<b>\$ 821,520</b>	<b>\$ 802,451</b>

For further details, refer to Note 2 "Accounting Policies" in the Desjardins Group's combined financial statements for the year ended December 31, 2025.

Loans to restricted parties during the year 2025 totalled \$28K. Restricted parties include the board members of the Caisse and the Federation, the general manager of the Caisse, as well as their relatives.

## 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 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.

The following table presents the breakdown of deposits:

(in thousands of Canadian dollars)	As at December 31, 2025				As at December 31, 2024
	Demand deposits	Notice deposits	Term deposits	Total	Total
Individuals	\$ 232,544	\$ 9,630	\$ 351,361	\$ 593,535	\$ 540,493
Business and government	161,779	69	24,540	186,388	259,482
<b>Total</b>	<b>\$ 394,323</b>	<b>\$ 9,699</b>	<b>\$ 375,901</b>	<b>\$ 779,923</b>	<b>\$ 799,975</b>

For further details, refer to Note 2 "Accounting Policies" in the Desjardins Group's combined financial statements for the year ended December 31, 2025.

# 2025 Financial Report

## Caisse Desjardins des Seigneuries de la frontière

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# Agreed-Upon Procedures Report of the financial report of the Caisse Desjardins des Seigneuries de la frontière

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

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

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.

## Procedures and findings

We have performed the procedures described below, which were agreed upon the Fédération des caisses Desjardins du Québec in the terms of engagement dated February 5, 2026, on the subject matter.

Procedures	Findings
<b>1</b> Obtain the trial balance of the Caisse prior to the Caisse's specific adjustments as at December 31, 2025 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, 2025.	We have obtained the trial balance prior to the Caisse's specific adjustments as at December 31, 2025 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, 2025. We have noted no discrepancies.
<b>2</b> 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, 2025. 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, 2025. We have rounded the result to the nearest thousand dollars.
<b>3</b> 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.
<b>4</b> Obtain the financial report of the Caisse as at December 31, 2025, and compare it to the result obtained in procedure 3.	We have obtained the Caisse's financial report as at December 31, 2025, 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 members of the Fédération des caisses Desjardins du Québec, the members of the Caisse or the Autorité des Marchés Financiers.

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

Montréal, Québec

March 5, 2026

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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, 2025	As at December 31, 2024
<b>ASSETS</b>		
<b>Cash and deposits with financial institutions</b>	\$ 37,103	\$ 59,919
<b>Investment in liquidity fund under management</b>	15,293	20,380
<b>Loans</b>		
Residential mortgages	561,392	528,573
Consumer and other personal loans	23,341	23,139
Business and government	238,725	252,963
	823,458	804,675
Allowance for credit losses	1,938	2,224
	821,520	802,451
<b>Investments in the Federation</b>	25,515	25,515
<b>Other assets</b>		
Derivative financial instruments	29,930	20,659
Interest receivable	6,397	6,154
Right-of-use assets	53	129
Property, plant and equipment	4,904	3,892
Net defined benefit plan assets	1,157	587
Other	1,714	2,108
	44,155	33,529
<b>TOTAL ASSETS</b>	<b>\$ 943,586</b>	<b>\$ 941,794</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Deposits</b>		
Individuals	\$ 593,535	\$ 540,493
Business and government	186,388	259,482
	779,923	799,975
<b>Borrowings with the Federation</b>	27,135	13,518
<b>Other liabilities</b>		
Derivative financial instruments	591	1,131
Interest payable	8,422	9,704
Lease liabilities	62	144
Net defined benefit plan liabilities	1,061	1,139
Other	5,149	3,433
	15,285	15,551
<b>TOTAL LIABILITIES</b>	<b>822,343</b>	<b>829,044</b>
<b>EQUITY</b>		
Capital stock	93	92
Distributable surplus earnings	8,040	4,557
Reserves	113,110	108,101
<b>TOTAL EQUITY</b>	<b>121,243</b>	<b>112,750</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 943,586</b>	<b>\$ 941,794</b>

# Statement of Income

(unaudited)

For the years ended December 31

(in thousands of Canadian dollars)

	2025	2024
Interest income	\$ 55,689	\$ 51,705
Interest expense	33,552	34,487
<b>NET INTEREST INCOME</b>	<b>22,137</b>	17,218
Other income	5,807	5,463
<b>OPERATING INCOME</b>	<b>27,944</b>	22,681
Provision for credit losses	51	900
<b>NON-INTEREST EXPENSE</b>		
Salaries and fringe benefits	5,712	5,197
Occupancy costs	1,044	848
Other	1,189	878
	7,945	6,923
<b>OPERATING SURPLUS EARNINGS</b>	<b>19,948</b>	14,858
Income on fair value of derivative financial instruments	196	3,459
Assessments paid to Desjardins Group components and related costs	(8,866)	(8,362)
Community development expenses	(229)	(189)
<b>SURPLUS EARNINGS BEFORE TAXES AND MEMBER DIVIDENDS</b>	<b>11,049</b>	9,766
Income taxes on surplus earnings	1,820	1,548
<b>SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS</b>	<b>9,229</b>	8,218
Member dividends	1,703	1,529
Tax recovery on member dividends	(440)	(387)
<b>NET SURPLUS EARNINGS FOR THE YEAR AFTER MEMBER DIVIDENDS</b>	<b>\$ 7,966</b>	\$ 7,076

# Statement of Changes in Equity

(unaudited)

For the years ended December 31

	Reserves								
	Capital stock	Distributable surplus earnings	Appreciation reserve (derivative financial instruments)	Appreciation reserve (employee benefit plans)	General reserve	Reserve for future member dividends	Community Development Fund	Total reserves	Total equity
(in thousands of Canadian dollars)									
<b>BALANCE AS AT DECEMBER 31 2023</b>	\$ 91	\$ 3,845	\$ (983)	\$ (884)	\$ 90,025	\$ 12,796	\$ 378	\$ 101,332	\$ 105,268
Allocation to reserves adopted by the members at the general meeting	—	(3,845)	—	—	3,635	—	210	3,845	—
Net adjustment for member dividends	—	—	—	—	3	—	—	3	3
Balance after distribution	91	—	(983)	(884)	93,663	12,796	588	105,180	105,271
Net surplus earnings for the year after member dividends	—	7,076	—	—	—	—	—	—	7,076
Other comprehensive income for the year	—	405	—	—	—	—	—	—	405
Statutory transfer	—	(3,061)	2,558	503	—	—	—	3,061	—
Net amounts used during the year	—	140	—	—	—	—	(140)	(140)	—
Other net change in capital stock	1	—	—	—	—	—	—	—	1
Net adjustment for member dividends	—	(3)	—	—	—	—	—	—	(3)
<b>BALANCE AS AT DECEMBER 31, 2024</b>	\$ 92	\$ 4,557	\$ 1,575	\$ (381)	\$ 93,663	\$ 12,796	\$ 448	\$ 108,101	\$ 112,750
Allocation to reserves adopted by the members at the general meeting	—	(4,557)	—	—	4,337	—	220	4,557	—
Balance after distribution	92	—	1,575	(381)	98,000	12,796	668	112,658	112,750
Net surplus earnings for the year after member dividends	—	7,966	—	—	—	—	—	—	7,966
Other comprehensive income for the year	—	526	—	—	—	—	—	—	526
Statutory transfer	—	(622)	142	480	—	—	—	622	—
Net amounts used during the year	—	170	—	—	—	—	(170)	(170)	—
Other net change in capital stock	1	—	—	—	—	—	—	—	1
<b>BALANCE AS AT DECEMBER 31, 2025</b>	\$ 93	\$ 8,040	\$ 1,717	\$ 99	\$ 98,000	\$ 12,796	\$ 498	\$ 113,110	\$ 121,243

## NOTE TO THE FINANCIAL REPORT (unaudited)

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

Caisse Desjardins des Seigneuries de la frontière (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.

