

Together, we'll go far



ANNUAL REPORT 2024



Caisse Desjardins du Cœur-des-vallées

Head office

104, rue Maclaren Est

Gatineau (Québec) J8L 1K1

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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 reserves¹

2,313

members of the
board of directors

22.2%

Tier 1A
capital ratio²

\$14.5 billion

in insurance
premiums³

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

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

² 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.

³ 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
Surplus earnings before member dividends of \$1,719 million ⁽¹⁾	Nets surplus earnings of \$601 million ⁽¹⁾	Nets surplus earnings of \$1,101 million ⁽¹⁾
Québec's leader in residential mortgages	No. 1 in Canada and in Québec for market-linked guaranteed investments	No. 2 property and casualty insurer in Québec
Leader in personal savings in Québec		Direct premiums written grew by \$709 million compared to 2023

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.

⁽¹⁾ 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 Cœur-des-vallées'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

Denis Bédard

Secretary

Roxanne Chartrand

About Caisse Desjardins du Cœur-des-vallées:

- **A dynamic team**
under the general management of Roger Lafrenière

- **Dedicated directors**

Chair	Denis Bédard
Vice-Chair	Pierre Perras
Secretary	Roxanne Chartrand

Other members of the board of directors

Hugo Blais
Lucie Bourassa
Denis Chartrand
Luc Lafrenière
Sébastien Larose
Geneviève Ouimet
Jean-Claude Pelletier
Alain Rancourt

2024 key figures for the caisse

26,324
members

\$1.1B
in assets

\$2.2M
redistributed to
members and
the community
including
\$1.9M
in member
dividends

Operating surplus
earnings of
\$14.8M

Surplus earnings
before member
dividends of
\$5.9M

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	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	\$ 823,221	\$ 173	\$ 29,076	\$ 144	\$ 2,108	\$ 140	\$ 854,405	\$ 457	\$ 853,948	\$ 778,302
Consumer and other personal loans	21,925	21	1,435	40	52	2	23,412	63	23,349	18,707
Business and government	94,692	126	10,938	207	1,437	283	107,067	616	106,451	107,758
Total	\$ 939,838	\$ 320	\$ 41,449	\$ 391	\$ 3,597	\$ 425	\$ 984,884	\$ 1,136	\$ 983,748	\$ 904,767

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	\$ 252,971	\$ 21,005	\$ 408,075	\$ 682,051	\$ 641,548
Business and government	120,448	569	70,988	192,005	187,194
Total	\$ 373,419	\$ 21,574	\$ 479,063	\$ 874,056	\$ 828,742

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 Cœur-des-vallées

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Agreed-Upon Procedures Report of the financial report of the Caisse Desjardins du Cœur-des-vallées

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
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502, ca_montreal_main_fax@pwc.com, www.pwc.com/ca

"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.

Procedures	Findings
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*¹

Montréal, Quebec
March 7, 2025

¹ 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
ASSETS		
Cash and deposits with financial institutions	\$ 46,989	\$ 9,869
Investment in liquidity fund under management	18,913	47,914
Loans		
Residential mortgages	854,405	778,804
Consumer and other personal loans	23,412	18,879
Business and government	107,067	108,424
	984,884	906,107
Allowance for credit losses	1,136	1,340
	983,748	904,767
Investments in the Federation	34,332	34,332
Other assets		
Derivative financial instruments	22,760	39,799
Right-of-use assets	982	765
Property, plant and equipment	985	1,070
Net defined benefit plan assets	661	—
Other	12,521	4,602
	37,909	46,236
TOTAL ASSETS	\$ 1,121,891	\$ 1,043,118
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits		
Individuals	\$ 682,051	\$ 641,548
Business and government	192,005	187,194
	874,056	828,742
Borrowings with the Federation	103,877	64,214
Other liabilities		
Derivative financial instruments	5,518	25,477
Lease liabilities	1,073	866
Net defined benefit plan liabilities	1,378	1,529
Other	19,328	10,418
	27,297	38,290
TOTAL LIABILITIES	1,005,230	931,246
EQUITY		
Capital stock	123	121
Distributable surplus earnings	—	2,276
Reserves	116,538	109,475
TOTAL EQUITY	116,661	111,872
TOTAL LIABILITIES AND EQUITY	\$ 1,121,891	\$ 1,043,118

Statement of Income

(unaudited)

For the years ended December 31

(in thousands of Canadian dollars)		2024	2023
Interest income	\$	69,095	\$ 38,298
Interest expense		53,234	21,657
NET INTEREST INCOME		15,861	16,641
Other income		7,308	6,922
OPERATING INCOME		23,169	23,563
Provision for credit losses		82	143
NON-INTEREST EXPENSE			
Salaries and fringe benefits		6,098	6,323
Occupancy costs		971	1,029
Other		1,207	1,373
		8,276	8,725
OPERATING SURPLUS EARNINGS		14,811	14,695
Income (loss) on fair value of derivative financial instruments		1,673	(1,033)
Assessments paid to Desjardins Group components and related costs		(9,910)	(10,282)
Community development expenses		(172)	(120)
SURPLUS EARNINGS BEFORE TAXES AND MEMBER DIVIDENDS		6,402	3,260
Income taxes on surplus earnings		535	288
SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS		5,867	2,972
Member dividends		1,909	1,834
Tax recovery on member dividends		(348)	(480)
NET SURPLUS EARNINGS FOR THE YEAR AFTER MEMBER DIVIDENDS	\$	4,306	\$ 1,618

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)										
BALANCE AS AT DECEMBER 31 2022	\$ 120	\$ 35,756	\$ 890	\$ (377)	\$ 65,938	\$ 8,016	\$ 823	\$ 75,290	\$ 111,166	
Allocation to reserves adopted by the members at the general meeting	—	(35,756)	—	—	27,495	8,031	230	35,756	—	
Net adjustment for member dividends	—	—	—	—	1	—	—	1	1	
Balance after distribution	120	—	890	(377)	93,434	16,047	1,053	111,047	111,167	
Net surplus earnings for the year after member dividends	—	1,618	—	—	—	—	—	—	1,618	
Other comprehensive income for the year	—	(913)	—	—	—	—	—	—	(913)	
Statutory transfer	—	1,482	(769)	(713)	—	—	—	(1,482)	—	
Net amounts used during the year	—	90	—	—	—	—	(90)	(90)	—	
Other net change in capital stock	1	—	—	—	—	—	—	—	1	
Net adjustment for member dividends	—	(1)	—	—	—	—	—	—	(1)	
BALANCE AS AT DECEMBER 31, 2023	\$ 121	\$ 2,276	\$ 121	\$ (1,090)	\$ 93,434	\$ 16,047	\$ 963	\$ 109,475	\$ 111,872	
Allocation to reserves adopted by the members at the general meeting	—	(2,276)	—	—	2,039	—	237	2,276	—	
Net adjustment for member dividends	—	—	—	—	(3)	—	—	(3)	(3)	
Balance after distribution	121	—	121	(1,090)	95,470	16,047	1,200	111,748	111,869	
Net surplus earnings for the year after member dividends	—	4,306	—	—	—	—	—	—	4,306	
Other comprehensive income for the year	—	481	—	—	—	—	—	—	481	
Statutory transfer	—	(1,843)	1,234	609	—	—	—	1,843	—	
Transfer from (allocation to) reserves pursuant to an merger agreement	—	(3,076)	—	—	2,833	—	243	3,076	—	
Net amounts used during the year	—	129	—	—	—	—	(129)	(129)	—	
Other net change in capital stock	2	—	—	—	—	—	—	—	2	
Net adjustment for member dividends	—	3	—	—	—	—	—	—	3	
BALANCE AS AT DECEMBER 31, 2024	\$ 123	\$ —	\$ 1,355	\$ (481)	\$ 98,303	\$ 16,047	\$ 1,314	\$ 116,538	\$ 116,661	

NOTE TO THE FINANCIAL REPORT (unaudited)

NOTE 1 - TYPE OF OPERATIONS AND BASIS OF ACCOUNTING

Caisse Desjardins du Cœur-des-vallées (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.