

Together, we'll go far



ANNUAL REPORT 2024



Caisse Desjardins de la Baie-des-Chaleurs

Head office

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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 de la Baie-des-Chaleurs'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
Gilles Cavanagh

Secretary
Dyane Beaudin

About Caisse Desjardins de la Baie-des-Chaleurs:

- **A dynamic team**
under the general management of Andrée Côté
- **Dedicated directors**

Chair Gilles Cavanagh
Vice-Chair Jocelyne Ferguson
Secretary Dyane Beaudin

Other members of the board of directors

Gabriel Bélanger
Marik Cormier
Joël Dallaire
Mireille Gauthier
Sylvie Girard
Denis Henry
Elize Landry
Diane Loubert
Henry Martin
Richard St-Laurent
Serge Therrien
Gilles Tremblay

Board Succession program

Raphaële Guité

2024 key figures for the caisse

25,145
members

\$1.0B
in assets

\$2.4M
redistributed to
members and
the community
including
\$1.6M
in member
dividends

Operating surplus
earnings of
\$20.4M

Surplus earnings
before member
dividends of
\$10.7M

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 2023	
	Stage 1		Stage 2		Stage 3		Total 2024							
	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	\$ 454,303	\$ 72	\$ 12,923	\$ 74	\$ 1,925	\$ 96	\$ 469,151	\$ 242	\$ 468,909	\$ 454,308				
Consumer and other personal loans	31,928	40	2,092	75	158	27	34,178	142	34,036	36,172				
Business and government	105,006	77	20,560	190	10,687	1,647	136,253	1,914	134,339	142,739				
Total	\$ 591,237	\$ 189	\$ 35,575	\$ 339	\$ 12,770	\$ 1,770	\$ 639,582	\$ 2,298	\$ 637,284	\$ 633,219				

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

Loans to restricted parties during the year 2024 totalled \$610K. 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	\$ 270,449	\$ 26,997	\$ 367,012	\$ 664,458	\$ 629,989
Business and government	180,193	1,621	29,181	210,995	225,167
Total	\$ 450,642	\$ 28,618	\$ 396,193	\$ 875,453	\$ 855,156

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 de la Baie-des-Chaleurs

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Agreed-Upon Procedures Report of the financial report of the Caisse Desjardins de la Baie-des-Chaleurs

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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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 LLP¹

Montréal, Quebec
March 5, 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	\$ 52,390	\$ 19,953	
Investment in liquidity fund under management	21,122	53,374	
Deposits with the Federation	237,012	217,500	
Loans			
Residential mortgages	469,151	454,580	
Consumer and other personal loans	34,178	36,493	
Business and government	136,253	145,187	
	639,582	636,260	
Allowance for credit losses	2,298	3,041	
	637,284	633,219	
Investments in the Federation	37,703	37,703	
Other assets			
Derivative financial instruments	20,793	24,581	
Right-of-use assets	—	10	
Property, plant and equipment	6,025	3,799	
Net defined benefit plan assets	715	—	
Other	12,958	8,612	
	40,491	37,002	
TOTAL ASSETS	\$ 1,026,002	\$ 998,751	
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits			
Individuals	\$ 664,458	\$ 629,989	
Business and government	210,995	225,167	
	875,453	855,156	
Other liabilities			
Derivative financial instruments	1,050	10,597	
Lease liabilities	—	9	
Net defined benefit plan liabilities	2,084	2,246	
Other	15,674	9,102	
	18,808	21,954	
TOTAL LIABILITIES	894,261	877,110	
EQUITY			
Capital stock	122	121	
Distributable surplus earnings	7,821	3,342	
Reserves	123,798	118,178	
TOTAL EQUITY	131,741	121,641	
TOTAL LIABILITIES AND EQUITY	\$ 1,026,002	\$ 998,751	

Statement of Income

(unaudited)

For the years ended December 31

(in thousands of Canadian dollars)	2024	2023
Interest income	\$ 56,571	\$ 33,962
Interest expense	34,647	13,838
NET INTEREST INCOME	21,924	20,124
Other income	7,455	6,826
OPERATING INCOME	29,379	26,950
Provision for credit losses (recovery)	(464)	1,829
NON-INTEREST EXPENSE		
Salaries and fringe benefits	6,716	6,967
Occupancy costs	1,069	904
Other	1,636	1,471
	9,421	9,342
OPERATING SURPLUS EARNINGS	20,422	15,779
Income on fair value of derivative financial instruments	2,630	2,801
Assessments paid to Desjardins Group components and related costs	(9,448)	(9,952)
Community development expenses	(527)	(650)
SURPLUS EARNINGS BEFORE TAXES AND MEMBER DIVIDENDS	13,077	7,978
Income taxes on surplus earnings	2,347	1,616
SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS	10,730	6,362
Member dividends	1,632	1,696
Tax recovery on member dividends	(455)	(449)
NET SURPLUS EARNINGS FOR THE YEAR AFTER MEMBER DIVIDENDS	\$ 9,553	\$ 5,115

Statement of Changes in Equity

(unaudited)

For the years ended December 31

(in thousands of Canadian dollars)	Capital stock	Distributable surplus earnings	Reserves						Community Development Fund	Total reserves	Total equity
			Appreciation reserve (derivative financial instruments)	Appreciation reserve (employee benefit plans)	General reserve	Reserve for future member dividends					
BALANCE AS AT DECEMBER 31 2022	\$ 121	\$ 41,393	\$ (1,693)	\$ (910)	\$ 70,147	\$ 7,548	\$ 830	\$ 75,922	\$ 117,436		
Allocation to reserves adopted by the members at the general meeting	—	(41,393)	—	—	33,329	7,764	300	41,393	—		
Net adjustment for member dividends	—	—	—	—	(6)	—	—	(6)	(6)		
Balance after distribution	121	—	(1,693)	(910)	103,470	15,312	1,130	117,309	117,430		
Net surplus earnings for the year after member dividends	—	5,115	—	—	—	—	—	—	5,115		
Other comprehensive income for the year	—	(910)	—	—	—	—	—	—	(910)		
Statutory transfer	—	(1,352)	2,076	(724)	—	—	—	—	1,352		
Net amounts used during the year	—	483	—	—	—	—	(483)	(483)	—		
Net adjustment for member dividends	—	6	—	—	—	—	—	—	6		
BALANCE AS AT DECEMBER 31, 2023	\$ 121	\$ 3,342	\$ 383	\$ (1,634)	\$ 103,470	\$ 15,312	\$ 647	\$ 118,178	\$ 121,641		
Allocation to reserves adopted by the members at the general meeting	—	(3,342)	—	—	2,942	—	400	3,342	—		
Net adjustment for member dividends	—	—	—	—	75	—	—	75	75		
Balance after distribution	121	—	383	(1,634)	106,487	15,312	1,047	121,595	121,716		
Net surplus earnings for the year after member dividends	—	9,553	—	—	—	—	—	—	9,553		
Other comprehensive income for the year	—	546	—	—	—	—	—	—	546		
Statutory transfer	—	(2,596)	1,940	656	—	—	—	—	2,596		
Net amounts used during the year	—	393	—	—	—	—	(393)	(393)	—		
Other net change in capital stock	1	—	—	—	—	—	—	—	1		
Net adjustment for member dividends	—	(75)	—	—	—	—	—	—	(75)		
BALANCE AS AT DECEMBER 31, 2024	\$ 122	\$ 7,821	\$ 2,323	\$ (978)	\$ 106,487	\$ 15,312	\$ 654	\$ 123,798	\$ 131,741		

NOTE TO THE FINANCIAL REPORT (unaudited)

NOTE 1 - TYPE OF OPERATIONS AND BASIS OF ACCOUNTING

Caisse Desjardins de la Baie-des-Chaleurs (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.