Desjardins

Press Release

Financial results for the third quarter of 2026

Highlights from the third quarter of 2026

$1,117 million
Surplus earnings before member dividends

$151 million
Member dividends

$29 million
Sponsorships, donations and scholarships

24.4%
Tier 1A capital ratio

Cumulative highlights as at September 30, 2026

$3,290 million
Surplus earnings before member dividends

$453 million
Member dividends

$99 million
Sponsorships, donations and scholarships

$547.2 billion
Assets

Desjardins announces its results for the third quarter of 2026

Lévis, November 12, 2026 – In addition to solid financial performance, the results for the third quarter demonstrate Desjardins Group's ability to take action in communities. Sustained by income growth and strong financial ratios, Desjardins has the resources required to give members and clients the support they need to be financially empowered, support communities, and forge ahead with its long-term development. For the third quarter of 2026, the provision for member dividends was increased by $151 million, compared to $113 million for the corresponding period of 2025, an increase of 33.6%. Amounts returned in the form of sponsorships, donations and scholarships totalled $29 million, of which $15 million came from the caisses' Community Development Fund.

Desjardins Group recorded surplus earnings before member dividends of $1,117 million, an amount comparable to the third quarter of 2025. Total net revenue rose by 7.5%, due in particular to higher net interest income in the Personal and Business Services segment. The Wealth Management and Life and Health Insurance segment also recorded higher income, owing to growth in assets under management and under administration, due in particular to the acquisition of Guardian Capital Group Limited (Guardian).[1] As for the Property and Casualty Insurance segment, higher income from automobile and property insurance was offset by an increased cost of claims, attributable to flooding in Ontario, as well as less favourable developments in the markets. In addition, the provision for credit losses was higher than last year, due in particular to the unfavourable effect of the migration in credit quality.

[1] On March 23, 2026, through Desjardins Global Asset Management (DGAM), an indirect subsidiary of the Fédération des caisses Desjardins du Québec (the Federation), Desjardins Group completed the acquisition of all the outstanding shares of Guardian Capital Group Limited (Guardian).

"Our third-quarter results remain solid, despite a challenging economy," said Denis Dubois, President and CEO of Desjardins Group. "They enable us to keep growing and help members and clients achieve their goals. In particular, we continued to provide strong support to the nearly 26,000 business members most affected by the latest wave of tariffs and counter-tariffs, helping them address the challenges they face and diversify their markets. We are also making progress on our commitment to help create more than 10,000 affordable and deferred-affordability homes in Quebec by 2028. As at September 30, 7,451 units were already committed, of which 3,052 were occupied. And our performance also enables us to give back more to our members, as evidenced by the higher provision for member dividends. This is the true strength of our cooperative model."

For the first nine months of 2026, Desjardins Group recorded surplus earnings before member dividends of $3,290 million, up $537 million from the same period in 2025. Total net revenue grew 10.6%, due in particular to higher net interest income in the Personal and Business Services segment. The Wealth Management and Life and Health Insurance segment posted higher other income, attributable to growth in assets under management and under administration, stemming in particular from the acquisition of Guardian. Revenue growth in the Property and Casualty Insurance segment was primarily due to automobile and property insurance. These results were offset in part by less favourable developments in the markets and a higher provision for credit losses, primarily due to a deteriorating economic outlook and the unfavourable effect of the migration in credit quality.

In addition, on October 29, 2026, Desjardins announced that it had entered into a definitive agreement to acquire all of the issued and outstanding shares of Bennington Financial Corp. ("Bennington"), a wholly owned subsidiary of Equitable Bank, held by EQB Inc. Bennington is a Canadian commercial equipment leasing and financing company with approximately $1.1 billion in assets. This acquisition will enable Desjardins to expand the range of financing solutions it offers to Business members and clients. The transaction is subject to regulatory approvals and other customary closing conditions, and is expected to close in the first quarter of 2027.

The quarter was also marked by several initiatives that demonstrate Desjardins's commitment to its socioeconomic priorities, including:

Desjardins Insurance Driving Conditions Survey

During the quarter, Desjardins Insurance continued to raise awareness of road safety. In particular, a national survey highlighted the growing challenges faced by motorists in an environment of increasingly unpredictable weather and ever more complex traffic conditions. This helped fuel reflection on how driving behaviour should adapt.

2026 Cooperathon: a decade of innovation

In keeping with its commitment to innovation and entrepreneurship, Desjardins marked the 10th anniversary of Cooperathon, an initiative which, over the years, has helped thousands of entrepreneurs develop solutions that address social, environmental and economic challenges.

Desjardins Foundation's "Un pas vers toi" initiative

Desjardins Foundation has sustained its commitment to educational success through the impact of the Desjardins Foundation Prizes, in particular the prize given to the "Un pas vers toi" initiative, which helps young people stay in school and reach their full potential.

Donation to the Centre de pédiatrie sociale de Lévis

As part of its commitment to communities, Desjardins announced a contribution (in French only) to the Centre de pédiatrie sociale de Lévis in support of its services for vulnerable children and families as well as to help develop the Centre's activities over the coming years.

Distinction awarded for capital-protected products

For a fourth consecutive year, Desjardins was named Best House, Capital Protection for the Americas by *Structured Retail Products*, underscoring the quality of its offering and its leadership.

FINANCIAL HIGHLIGHTS

COMPARISON OF THE THIRD QUARTER OF 2026 TO THE THIRD QUARTER OF 2025:

- Surplus earnings before member dividends of $1,117 million, up $2 million.
- Total net revenue of $4,430 million, up $308 million, or 7.5%:
  - Net interest income of $2,345 million, up $208 million, or 9.7%, mainly due to growth in residential mortgages and business loans outstanding.
  - Insurance service result of $601 million, up $61 million, or 11.3%.
  - Net insurance finance result of $61 million, down $203 million, due to less favourable developments in the markets.
  - Other income of $1,423 million, up $242 million, or 20.5%, primarily due to growth in assets under management and under administration, in particular following the acquisition of Guardian.
- Provision for credit losses of $221 million, compared to $112 million for the corresponding period of 2025. This increase was due in particular to the unfavourable effect of the migration in credit quality.
- Gross non-interest expense of $2,944 million, up $165 million, or 5.9%, due to higher commission fees and increased spending on technology and personnel, due in particular to the acquisition of Guardian.
- $180 million returned to members and the community,[1] up $39 million, or 27.7%.

OTHER HIGHLIGHTS:

- Desjardins Group maintains strong capitalization levels, in accordance with Basel III requirements:
  - Tier 1A capital ratio[2] of 24.4%, compared to 23.7% as at December 31, 2025.
  - Total capital ratio[2] of 26.8%, compared to 26.1% as at December 31, 2025.
- Total assets grew 7.2% since December 31, 2025, to $547.2 billion as at September 30, 2026.
- Several securities issues were completed during the third quarter of 2026, including under the multi-currency medium-term note program and the legislative covered bonds program, as well as the Canadian medium-term note program.
- The Fitch, DBRS, Moody's and Standard & Poor's rating agencies respectively confirmed the Federation's issuer credit rating.

COMPARISON OF THE FIRST NINE MONTHS OF 2026 WITH THE FIRST NINE MONTHS OF 2025:

- Surplus earnings before member dividends of $3,290 million, up $537 million, or 19.5%.
- Total net revenue of $13,154 million, up $1,259 million, or 10.6%:
  - Net interest income of $6,831 million, up $703 million, or 11.5%, primarily due to growth in residential mortgages and business loans outstanding and a higher net interest margin.
  - Insurance service result of $1,591 million, up $168 million, or 11.8%, due to higher revenue from property and casualty insurance activities and the favourable effect of the loss component on onerous contracts. However, this increase was partly offset by higher claims, due in particular to flooding in Ontario and Quebec.
  - Net insurance finance result of $509 million, down $241 million, or 32.1%, due in particular to gains on disposals of buildings realized in 2025.
  - Other income of $4,223 million, up $629 million, or 17.5%, primarily due to growth in assets under management and under administration, in particular following the acquisition of Guardian.
- Provision for credit losses of $598 million, compared to $525 million for the corresponding period of 2025. This increase was due in particular to the increase in the provision related to non-credit impaired loans, due to a deteriorating economic outlook and the unfavourable effect of the migration in credit quality.
- Gross non-interest expense of $8,933 million, up $468 million, or 5.5%, due to increased spending on personnel, due in particular to the acquisition of Guardian, as well as higher commission fees and spending on technology.
- $552 million returned to members and the community,[1] up $125 million, or 29.3%.

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[1] For more information on financial measures that are not based on GAAP, see "Non-GAAP financial measures and other financial measures" on page 4.

[2] In accordance with the *Capital Adequacy Guideline* issued by the *Autorité des marchés financiers* (AMF) and applicable, in particular, to financial services cooperatives.

NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL MEASURES

To measure its performance, Desjardins Group uses different Canadian generally accepted accounting principles (GAAP) (International Financial Reporting Standards (IFRS)) financial measures and various other financial measures, some of which are non-GAAP financial measures. *National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure* (NI 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 measure. It is defined as follows:

Return to members and the community

As a cooperative financial group contributing to the development of communities, Desjardins Group gives its members and clients the support they need to be financially empowered. The amount returned to members and the community, a non-GAAP financial measure, is used to present the overall amount returned to the community and is composed of member dividends, as well as sponsorships, donations and scholarships.

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

Supplementary financial measures

In accordance with NI 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 49 to 54 of the Management's Discussion and Analysis (MD&A) for the third quarter of 2026.

Financial highlights

(in millions of dollars and as a percentage)	As at or for the three-month periods ended			As at or for the nine-month periods ended	
	September 30, 2026[1]	June 30, 2026[1]	September 30, 2025[2]	**September 30, 2026[1]**	September 30, 2025[2]
Results					
Net interest income	**$ 2,345**	$ 2,299	$ 2,137	**$ 6,831**	$ 6,128
Net insurance service income	**662**	904	804	**2,100**	2,173
Other income	**1,423**	1,420	1,181	**4,223**	3,594
Total net revenue	**4,430**	4,623	4,122	**13,154**	11,895
Provision for credit losses	**221**	165	112	**598**	525
Net non-interest expense	**2,681**	2,833	2,537	**8,131**	7,731
Surplus earnings before member dividends[3]	**$ 1,117**	$ 1,213	$ 1,115	**$ 3,290**	$ 2,753
Contribution to surplus earnings by business segment[4]					
Personal and Business Services	**$ 751**	$ 633	$ 584	**$ 1,991**	$ 1,353
Wealth Management and Life and Health Insurance	**138**	252	174	**520**	568
Property and Casualty Insurance	**281**	303	331	**738**	672
Other	**(53)**	25	26	**41**	160
	$ 1,117	$ 1,213	$ 1,115	**$ 3,290**	$ 2,753
Return to members and the community[5]					
Member dividends	**$ 151**	$ 151	$ 113	**$ 453**	$ 339
Sponsorships, donations and scholarships[6]	**29**	39	28	**99**	88
	$ 180	$ 190	$ 141	**$ 552**	$ 427
Indicators					
Return on equity[7]	**9.9%**	11.0%	10.6%	**10.0%**	9.1%
Credit loss provisioning rate[7]	**0.26**	0.19	0.14	**0.24**	0.23
Gross credit-impaired loans/gross loans[7]	**0.80**	0.80	0.86	**0.80**	0.86
Efficiency ratio – Personal and Business Services[7]	**57.7**	65.6	66.2	**62.2**	69.6
Insurance and annuity premiums – Wealth Management and Life and Health Insurance[7]	**$ 1,593**	$ 1,631	$ 1,560	**$ 4,855**	$ 4,818
On-balance sheet contractual service margin (CSM) – Wealth Management and Life and Health Insurance[8]	**2,405**	2,412	2,489	**2,405**	2,489
Direct premiums written – Property and Casualty Insurance[7]	**2,298**	2,387	2,177	**6,431**	6,091
On-balance sheet and off-balance sheet					
Assets	**$ 547,230**	$ 543,502	$ 511,856	**$ 547,230**	$ 511,856
Loans, net of allowance for credit losses	**331,398**	325,208	312,251	**331,398**	312,251
Deposits	**347,201**	347,708	324,039	**347,201**	324,039
Equity	**44,117**	44,352	41,911	**44,117**	41,911
Assets under administration[7]	**681,525**	703,558	662,442	**681,525**	662,442
Assets under management[7]	**304,243**	305,664	119,268	**304,243**	119,268
Capital and liquidity measures					
Tier 1A capital ratio[9]	**24.4%**	23.6%	23.1%	**24.4%**	23.1%
Tier 1 capital ratio[9]	**24.4**	23.6	23.1	**24.4**	23.1
Total capital ratio[9]	**26.8**	26.0	25.6	**26.8**	25.6
TLAC ratio[10]	**38.3**	36.8	34.9	**38.3**	34.9
Leverage ratio[9]	**7.5**	7.5	7.5	**7.5**	7.5
TLAC leverage ratio[10]	**11.6**	11.6	11.2	**11.6**	11.2
Risk-weighted assets[9]	**$ 155,835**	$ 158,945	$ 153,868	**$ 155,835**	$ 153,868
Liquidity coverage ratio[11]	**172%**	184%	167%	**172%**	167%
Net stable funding ratio[11]	**128**	133	132	**128**	132
Other information					
Number of employees (full-time equivalent)	**52,708**	53,470	52,093	**52,708**	52,093

(1) The information presented as at September 30, 2026 and June 30, 2026 takes into account amendments to IFRS 9, "*Financial Instruments*," adopted on January 1, 2026. The comparative data have not been restated. For more information, see Note 2, "Accounting policies," to the Interim Combined Financial Statements.

(2) Some data have been restated to conform with the current period's presentation.

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

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

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

(6) Including $15 million from the caisses' Community Development Fund ($19 million for the second quarter of 2026, $14 million for the third quarter of 2025, $49 million for the nine-month period of 2026 and $44 million for the nine-month period of 2025).

(7) For additional information on supplementary financial measures, see "Non-GAAP financial measures and other financial measures" on page 4.

(8) On-balance sheet CSM of $2,603 million ($2,615 million as at June 30, 2026 and $2,739 million as at September 30, 2025) presented net of reinsurance in the amount of $198 million ($203 million as at June 30, 2026 and $250 million as at September 30, 2025). Included in the line items "Insurance contract liabilities" and "Reinsurance contract assets (liabilities)" on the Combined Balance Sheets. For more information, see Note 7, "Insurance and reinsurance contracts," to the Interim Combined Financial Statements.

(9) In accordance with the *Capital Adequacy Guideline* issued by the AMF and applicable, in particular, to financial services cooperatives.

(10) 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.

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

ANALYSIS OF BUSINESS SEGMENT RESULTS

PERSONAL AND BUSINESS SERVICES SEGMENT

Results for the third quarter

For the third quarter of 2026, surplus earnings before member dividends were $751 million, up $167 million from the same period in 2025. This growth was primarily due to higher net interest income due to the improved net interest margin and growth in average residential mortgages and business loans outstanding. However, the increase was partly offset by a higher provision for credit losses related to credit-impaired loans in the business loan portfolio as well as non-credit impaired loans, due to a deteriorating economic outlook and the unfavourable effect of the migration in credit quality.

WEALTH MANAGEMENT AND LIFE AND HEALTH INSURANCE SEGMENT

Results for the third quarter

For the third quarter of 2026, the segment posted $138 million in net surplus earnings, down $36 million compared to the same period of 2025, due to less favourable developments in the markets. This decrease was mitigated by higher other income, primarily attributable to the increase in assets under management and under administration, as well as higher insurance service results related to the favourable experience in life insurance.

PROPERTY AND CASUALTY INSURANCE SEGMENT

Results for the third quarter

For the third quarter of 2026, the segment posted $281 million in net surplus earnings, down $50 million compared to the same period in 2025, due to less favourable developments in the markets. In addition, the increase in revenue from automobile and property insurance was offset by higher claims, attributable to flooding in Ontario.

OTHER CATEGORY

Results for the third quarter

The net deficit for the third quarter of 2026 was $53 million, compared to net surplus earnings of $26 million for the corresponding period of 2025. The Other category includes mainly treasury activities and the intersegment balance eliminations required to prepare the Combined Financial Statements.

More detailed financial information can be found in Desjardins Group's MD&A for the third quarter of 2026, 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 Canada and the eighth largest in the world, with assets of $547.2 billion as at September 30, 2026. Desjardins has been named one of the top employers in Canada by both *Forbes* magazine and Mediacorp. It offers a full range of products and services through its extensive distribution network, its online platforms, and its subsidiaries across Canada. In addition to being ranked among the world's strongest banks according to *The Banker* magazine, Desjardins has one of the highest capital ratios and one of the highest credit ratings in the industry.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Desjardins Group's public communications from time to time include oral or written forward-looking statements, within the meaning of applicable securities legislation, particularly in Quebec, Canada and the United States. Forward-looking statements are found in this press release and may also be incorporated in other filings with Canadian regulators or in any other communications. In addition, Desjardins Group's representatives may make oral forward-looking statements to investors, the media and other parties.

The forward-looking statements include, but are not limited to, comments on Desjardins Group's objectives regarding financial performance, priorities, vision, operations, targets and commitments, its strategies to achieve them, its results and its financial position, economic as well as financial market conditions, the outlook for the Quebec, Canadian, U.S. and global economies, and the regulatory environment in which we operate. Such forward-looking statements are typically identified by words or phrases such as "target," "objective," "timing," "outlook," "believe," "predict," "foresee," "expect," "intend," "have as a goal," "estimate," "plan," "forecast," "anticipate," "aim," "propose," "should" and "may," words and expressions of similar import, and future and conditional verbs, in all their grammatical variants.

By their very nature, such statements require us to make assumptions, and are subject to uncertainties and inherent risks, both general and specific. Desjardins Group cautions readers against placing undue reliance on forward-looking statements when making decisions 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, including those in this press release. 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. 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 future results, conditions, actions or events may differ materially from targets, expectations, estimates or intentions that have been explicitly or implicitly put forward. 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 risk 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 2025 annual MD&A and of its MD&A for the third quarter of 2026 and include credit, market, liquidity, operational, insurance, strategic and reputation risk, environmental, social and governance risk, and regulatory risk.

Such factors also include those related to security (including cybersecurity) breaches, the uncertainty surrounding evolving cybersecurity threats given rapid developments in technological capabilities, fraud risk, fluctuations in the real estate market and household and corporate indebtedness, regulatory developments, including changes to liquidity and capital adequacy guidelines, and requirements relating to their presentation and interpretation, as well as interest rate and exchange rate fluctuations, inflation, climate change, geopolitical uncertainty, including the conflict in the Middle East and its impacts, in particular, on oil and gas prices, technological innovation, including the use of artificial intelligence, and data risk. Furthermore, there are factors related to the trade tensions with the United States and the impact that tariffs on certain Canadian exports as well as any resulting retaliatory tariffs could notably have on goods and services, businesses in certain industries, and the Canadian economy. Also of note are factors related to general economic and business conditions in regions in which Desjardins Group operates, including the risk of recession; as well as factors related to the critical accounting estimates and accounting standards applied by Desjardins Group; increased competition; geographic concentration; changes in the credit ratings assigned to Desjardins Group; reliance on third parties, including third parties' failure to fulfill their obligations to Desjardins Group; the ability to recruit and retain talent; and tax risk. Other factors include 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 events 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 about these factors is found in the "Risk management" section of Desjardins Group's 2025 annual MD&A and of its MD&A for the third quarter of 2026.

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 about these and other factors is found in the "Risk management" section of Desjardins Group's 2025 annual MD&A and of its MD&A for the third quarter of 2026.

The significant economic assumptions underlying the forward-looking statements in this press release are described in the "Economic environment and outlook" section of Desjardins Group's 2025 annual MD&A and of its MD&A for the third quarter of 2026 and can be updated in the interim MD&As subsequently filed. To determine 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 judgments, and observed upside and downside risks for 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

This press release was prepared in accordance with the regulations in force of the Canadian Securities Administrators 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, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and the accounting requirements of the AMF, which do not differ from IFRS. IFRS represents Canadian GAAP. On January 1, 2026, Desjardins Group adopted amendments to IFRS 7, *"Financial Instruments: Disclosures,"* and IFRS 9, *"Financial Instruments."* Comparative data have not been restated. For more information, see Note 2, "Accounting policies," to the Interim Combined Financial Statements.

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