PRESS RELEASE
Under embargo – February 21, 2024

Results for fiscal 2023

AN ACTIVE AND INVOLVED GROUP. Through the GoodSpark Fund, Desjardins helped the *Sourires Solidaires (SoSo)* dental clinic (in French only) open three operating rooms for children with special needs from underprivileged families

Desjardins Group posts solid 2023 results for the benefit of members and clients

	As at or for the three-month periods ended December 31			As at or for the fiscal years ended December 31		
(in millions of dollars and as a percentage)	**2023**	2022 Restated[1]	2022 Reported[2]	**2023**	2022 Restated[1]	2022 Reported[2]
Surplus earnings before member dividends	**$ 750**	$ 458	$ 576	**$ 2,259**	$ 1,242	$ 2,050
Member dividends	**91**	86	86	**412**	403	403
Tier 1A capital ratio	**20.4%**	20.2%	20.2%	**20.4%**	20.2%	20.2%

(1) Desjardins Group adopted, on January 1, 2023, IFRS 17, "Insurance Contracts", restating comparative data for fiscal 2022. This new standard was introduced to increase transparency and the comparability of insurance companies, and may lead to volatility in Desjardins Group's results from one period to the next. This does not, however, change the economic value that will be created by insurance contracts. As permitted by IFRS 17, Desjardins Group has chosen to recognize the impact of the reclassification of its investments related to insurance activities as of January 1, 2023 and, therefore, not to restate the comparative period for this item. This could therefore limit the comparability of the results with the previous period.

(2) Surplus earnings before member dividends reported for fiscal 2022 totalled $2,050 million under IFRS 4, "Insurance contracts", the standard in effect before the adoption of IFRS 17 ($576 million for the fourth quarter of 2022).

Lévis, February 21, 2024 – For the fiscal year ended December 31, 2023, Desjardins Group, North America's leading financial cooperative group, recorded surplus earnings before member dividends of $2,259 million, up $1,017 million from fiscal 2022, as restated following the adoption of IFRS 17, "Insurance Contracts", on January 1, 2023[1]. As permitted by this standard, Desjardins Group has chosen to recognize the impact of the reclassification of its investments related to insurance activities as at January 1, 2023 and, consequently, not to restate fiscal 2022 for this item. In addition, the asset and liability portfolios were not managed under the new standards. As a result, these items limit the comparability of the 2023 results with the restated 2022 results. Remember that the surplus earnings posted for 2022 were $2,050 million under IFRS 4, the standard in force before the adoption of IFRS 17. The growth in surplus earnings was due to increases in net insurance service income and net interest income. It was partly offset by a higher provision for credit losses compared to 2022, wage indexation and increased spending on technology.

For fiscal 2023, the provision for member dividends stood at $412 million, up $9 million from fiscal 2022. Sponsorships, donations and scholarships amounted to $126 million, compared to $115 million for the previous year, of which $57 million comes from caisses' Community Development Fund. Furthermore, on December 15, 2023, the Board of Directors approved an interest payment of $293 million to holders of F capital shares, an increase of $31 million compared to fiscal year 2022.

For the fourth quarter ended December 31, 2023, surplus earnings before member dividends totalled $750 million, up $292 million from the corresponding period in 2022 and restated following the adoption of IFRS 17, "Insurance Contracts", on January 1, 2023[1]. This increase was mainly due to growth in net insurance service income and higher net interest income, but was partly offset by a higher provision for credit losses.

"Desjardins Group presents solid results for the fiscal year ended December 31, 2023", said Guy Cormier, President and CEO of Desjardins Group. "Combined with our robust capitalization, these results allow us to support our members and clients during this difficult period. Over the past year, our teams have contacted tens of thousands of Personal and Business members so that they could make informed decisions on how to meet their financial obligations in the face of rising interest rates. I'm proud of the efforts made by all Desjardins employees, who always do what's best for our members and clients".

Supporting a green economic and social recovery

Desjardins is contributing to regional development and the economy through the GoodSpark Fund, which has set aside $250 million to stimulate social and economic activity in communities.

Since the creation of the GoodSpark Fund, Desjardins has committed a total of $182 million to 818 projects.

Desjardins Group also supports initiatives to address the shortage of affordable housing. Through its partnership with the Government of *Québec* (in French only), Desjardins will create or ensure the preservation of more than 1,750 affordable housing units over a three-year period. Several projects totalling more than 800 housing units have already been announced. These include the *Coopérative d'habitation des Cantons de l'Est et de la Ville de Sherbrooke* (in French only), the *Manoir Lafontaine* (in French only) and the *Corporation Mainbourg* (in French only) in Montreal, as well as the HAN housing project.

[1] Surplus earnings before member dividends reported for fiscal 2022 were $2,050 million ($576 million for the fourth quarter of 2022), under IFRS 4, "Insurance Contracts", the standard in effect before the adoption of IFRS 17.

Connecting with entrepreneurs

Last fall, Guy Cormier, President and CEO of Desjardins Group, started visiting Québec chambers of commerce, including those in Gatineau, Saguenay, Sherbrooke and Rimouski, to discuss leadership. This tour followed up on previous tours to visit the *Regroupement des Jeunes Chambres de Commerce du Québec* (RJCCQ) and various universities, and came on the heels of the major Dream the Impossible event. His goal was to discuss the different issues and challenges affecting all entrepreneurs and business leaders in Québec. The tour also included Western Canada (Vancouver and Calgary) and France.

Doing what's best for members and clients

Desjardins is involved in people's lives, whether by supporting community initiatives related to diversity, inclusion, cooperation, financial literacy and healthy living, or by offering innovative financial solutions to meet their needs. Below are some examples of the ways that Desjardins made a positive difference in people's lives since the third quarter of 2023.

Giving back to the community

- The GoodSpark Fund supported numerous initiatives during 2023 for a total amount $21 million, including $8 million during the 4th quarter of 2023. These contributions support projects that will make a difference in communities, such as the *Sourires solidaires* dental clinic (in French only), which offers services to children with special needs such as autism spectrum disorder, anxiety and attention deficit disorder, as well as physical and intellectual disabilities.
- Partnership with the TELUS Friendly Future Foundation to support youth coping with worries about the environment and to help fight climate change. This partnership makes four meaningful projects possible. These educational and environmental projects will launch shortly across Canada.
- Presentation of a Web conference (in French only) hosted by Jimmy Jean, Desjardins Group's Chief Economist. The conference focused on the economic and financial outlook to give members and clients the information they need to make better financial decisions. For the French-language conference, Emna Braham from the *Institut du Québec* joined Jimmy Jean to discuss productivity, the labour market and demographics.

Innovating

- *Louélec*, a leader in the field of electric vehicle fleet management, received $3 million from Desjardins. The money will allow the company to roll out its plan to acquire 400 new electric vehicles so that it can provide innovative solutions to facilitate access, management and maintenance of business vehicle fleets.
- Desjardins received four awards for its investment products at the LSEG Lipper Fund Awards 2023 : the Desjardins SocieTerra Cleantech Fund, the Desjardins Overseas Equity Fund, the Desjardins Floating Rate Income Fund and the Desjardins RI Emerging Markets Multifactor - Net-Zero Emissions Pathway ETF.
- Launch of an advanced life deferred annuity for investors who don't need to withdraw funds in the early years of retirement. Desjardins is the first financial institution in Canada to offer this tax-efficient product that allows them to defer taxation past their 71st birthday.
- Forbes magazine ranked Desjardins as one of the best financial institutions to work for in Canada in 2024. For the 13th consecutive year, Mediacorp also recognized Desjardins as one of the best employers in the country, as well as one of the best employers for young people.

Financial highlights

As mentioned above, Desjardins Group adopted IFRS 17, "Insurance Contracts", on January 1, 2023, restating comparative data for fiscal 2022. This new standard was introduced to increase transparency and improve the comparability of insurance companies, and may lead to volatility in Desjardins Group's results from one period to the next[1]. This does not, however, change the economic value created by insurance contracts. The standard only introduces changes to the presentation and timing of results, so it has no impact on the results and returns generated over the life of insurance contracts. It should be noted that certain financial statement headings have been modified to reflect the new naming convention required by IFRS 17. For more information on the changes to accounting policies, please refer to Note 2, "Accounting policies", to the Combined Financial Statements. For more information on certain concepts introduced by IFRS 17, please refer to the Glossary in Desjardins Group's Management's Discussion and Analysis (MD&A) for 2023.

Comparison of fiscal 2023 with fiscal 2022:

- Surplus earnings before member dividends[2] of $2,259 million, up $1,017 million.
- Total net income of $12,577 million, up $2,237 million, or 21.6%.
  - Net interest income of $7,033 million, up $703 million, or 11.1%, due to increased interest income from loans and liquidities because of the higher interest rate environment, and to growth in average residential mortgages and business loans outstanding, partly offset by the increase in the interest expense on deposits.
  - Insurance service result of $1,366 million, up $308 million, or 29.1%, mainly due to an improvement in the Property and Casualty Insurance segment.
  - Net insurance finance result[1] of $691 million, up $683 million. In 2022, this result was adversely affected by a downturn on financial markets and a significant rise in interest rates.
  - Other income of $3,487 million, up $543 million, or 18.4%, mainly due to $409 million in income related to operations acquired from Worldsource[3].

- Provision for credit losses of $529 million, up $252 million compared to 2022, mainly due to the increase in the provision for credit losses on business loan portfolios, as a result of a migration in credit quality.
- Gross non-interest expense of $10,217 million, up $692 million, or 7.3%:
  - $416 million in expenses related to operations acquired from Worldsource.
  - Other items included in gross non-interest expense increased $276 million, or 2.9%, due in particular to wage indexation and increased spending on technology. The increase in costs was limited by measures taken to improve efficiency and effectiveness.
- $538 million returned to members and the community[4], including a provision for member dividends of $412 million and sponsorships, donations and scholarships of $126 million, up $20 million, or 3.9%.

(1) As permitted by IFRS 17, Desjardins Group has chosen to recognize the impact of the reclassification of its investments related to insurance activities as of January 1, 2023 and, therefore, not to restate the comparative period for this item. This could therefore limit the comparability of the results with the previous period.

(2) Surplus before member dividends posted for fiscal 2022 totalled $2,050 million under IFRS 4, "Insurance Contracts", the standard in effect before the adoption of IFRS 17.

(3) On March 1, 2023, through Worldsource Group of Companies Inc. (formerly 9479-5176 Québec Inc.), a wholly-owned indirect subsidiary of the Federation, Desjardins Group acquired, among others, all the outstanding shares of IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc. and Worldsource Securities Inc. (collectively designated as "Worldsource" hereinafter).

(4) For more information on financial measures that are not based on a generally accepted accounting principles (GAAP), see "Non-GAAP financial measures and other financial measures" on page 6.

Other highlights:

- Tier 1A capital ratio[1] of 20.4%, compared to 20.2% as at December 31, 2022.
- Total capital ratio[1] of 21.9%, unchanged from December 31, 2022.
- Total assets grew 4.7% since December 31, 2022, to $422.9 billion as at December 31, 2023.
- Legislative covered bond program:
  - Issuance of NOK 2.0 billion (Norwegian krone) on October 11, 2023.
  - Issuance of US$1.0 billion on November 27, 2023.
- Multi-currency medium-term note program, subject to the bail-in regime:
  - Issuance of €1.0 billion on January 17, 2024.
  - Issuance of US$1.0 billion on January 26, 2024.
- Issuance, on November 17, 2023, of $1,250 million in notes under Desjardins's Canadian medium-term note program, subject to the bail-in regime.
- In October 2023, Standard & Poor's rating agency affirmed the ratings of the instruments issued by the Federation while maintaining the outlook as stable. This assessment reflects the strength of Desjardins Group's balance sheet.

Comparison of fourth quarter 2023 with fourth quarter 2022:

- Surplus earnings before member dividends[2] of $750 million, up $292 million.
- Total net income of $3,538 million, up $666 million, or 23.2%:
  - Net interest income of $1,789 million, up $210 million, or 13.3%, due to an increase in interest income on loans and liquidities because of the higher interest rate environment, and to growth in average residential mortgages and business loans outstanding, partly offset by the rise in interest expense on deposits.
  - Insurance service result of $578 million, up $315 million, mainly due to an improvement in the Property and Casualty Insurance segment.
  - Net insurance finance result of $340 million, up $101 million.
  - Other income of $831 million, up $40 million, or 5.1%, mainly due to income from operations acquired from Worldsource.

- Provision for credit losses of $231 million, up $151 million compared to the corresponding period of 2022, mainly for corporate loan portfolios.
- Gross non-interest expense of $2,749 million, up $224 million, or 8.9%:
  - $120 million in costs related to operations acquired from Worldsource.
  - Other items included in gross non-interest expenses increased by $104 million, or 4.1%, due to wage indexation and increased spending on technology.
- $129 million returned to members and the community[3], including a provision for member dividends of $91 million and sponsorships, donations and scholarships of $38 million, up $2 million compared to the corresponding period of 2022.

[1] In accordance with the *Capital Adequacy Guideline* for financial services cooperatives issued by the *Autorité des marchés financiers* (AMF).
[2] The surplus before member dividends posted for the comparative period of 2022 was $576 million under IFRS 4, "Insurance Contracts", the standard in effect before the adoption of IFRS 17.
[3] For more information on financial measures that are not based on GAAP, see "Non-GAAP financial measures and other financial measures" on the next page.

Non-GAAP financial measures and other financial measures

To measure its performance, Desjardins Group uses different GAAP (IFRS) financial measures and various other financial measures, some of which are non-GAAP financial measures. *Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure* (Regulation 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 amounts returned to members and the community, a non-GAAP financial measure, are used to present the overall amount returned to the community and are composed of member dividends, as well as sponsorships, donations and scholarships.

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

Supplementary financial measures

In accordance with Regulation 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 106 to 113 of the 2023 annual MD&A.

FINANCIAL HIGHLIGHTS

(in millions of dollars and as a percentage)	As at and for the three-month periods ended December 31, 2023	September 30, 2023[1]	December 31, 2022[1][2] Restated	As at December 31 and for the years ended December 31 2023	2022[1][2] Restated
Results					
Net interest income	**$ 1,789**	$ 1,818	$ 1,579	**$ 7,033**	$ 6,330
Net Insurance service income (loss)	**918**	442	502	**2,057**	1,066
Other income	**831**	873	791	**3,487**	2,944
Total net income	**3,538**	3,133	2,872	**12,577**	10,340
Provision for credit losses	**231**	127	80	**529**	277
Net non-interest expense	**2,499**	2,203	2,263	**9,232**	8,502
Surplus earnings before member dividends[3]	**$ 750**	$ 614	$ 458	**$ 2,259**	$ 1,242
Contribution to surplus earnings by business segment[4]					
Personal and Business Services	**$ 193**	$ 383	$ 248	**$ 1,162**	$ 1,020
Wealth Management and Life and Health Insurance	**224**	120	119	**581**	313
Property and Casualty Insurance	**360**	103	104	**494**	(35)
Other	**(27)**	8	(13)	**22**	(56)
	$ 750	$ 614	$ 458	**$ 2,259**	$ 1,242
Amount returned to members and the community[5]					
Member dividends	**$ 91**	$ 106	$ 86	**$ 412**	$ 403
Sponsorships, donations and scholarships[6]	**38**	25	41	**126**	115
	$ 129	$ 131	$ 127	**$ 538**	$ 518
Indicators					
Return on equity[7]	**8.6%**	7.4%	5.6%	**6.8%**	3.8%
Credit loss provisioning rate[7]	**0.34**	0.18	0.12	**0.20**	0.11
Gross credit-impaired loans/gross loans and acceptances[7]	**0.74**	0.64	0.48	**0.74**	0.48
Liquidity coverage ratio[8]	**154**	146	140	**154**	140
Net stable funding ratio[8]	**124**	124	126	**124**	126
Productivity index – Personal and Business Services[7][9]	**78.1**	71.4	80.1	**76.3**	79.2
Insurance and annuity premiums – Wealth Management and Life and Health Insurance[7]	**$ 1,446**	$ 2,126	$ 2,253	**$ 6,313**	$ 5,806
Total contractual service margin (CSM) - Wealth Management and Life and Health Insurance[10]	**2,595**	2,680	2,627	**2,595**	2,627
Direct written premiums – Property and Casualty Insurance[7]	**1,645**	1,861	1,491	**6,856**	6,205
On-balance sheet and off-balance sheet					
Assets	**$ 422,940**	$ 414,056	$ 403,944	**$ 422,940**	$ 403,944
Net loans and acceptances	**265,935**	261,894	249,695	**265,935**	249,695
Deposits	**279,329**	273,433	259,836	**279,329**	259,836
Equity	**34,390**	33,178	32,407	**34,390**	32,407
Assets under administration[7]	**535,264**	454,800	447,312	**535,264**	447,312
Assets under management[7]	**81,551**	75,392	76,169	**81,551**	76,169
Capital measures					
Tier 1A capital ratio[11]	**20.4%**	20.8%	20.2%	**20.4%**	20.2%
Tier 1 capital ratio[11]	**20.4**	20.8	20.2	**20.4**	20.2
Total capital ratio[11]	**21.9**	22.3	21.9	**21.9**	21.9
TLAC ratio[12]	**29.4**	29.9	28.7	**29.4**	28.7
Leverage ratio[11]	**7.3**	7.5	7.6	**7.3**	7.6
TLAC leverage ratio[12]	**10.5**	10.7	10.6	**10.5**	10.6
Risk-weighted assets[11]	**$ 140,481**	$ 137,135	$ 139,311	**$ 140,481**	$ 139,311
Other information					
Number of employees	**56,165**	57,714	58,774	**56,165**	58,774

(1) The data have been adjusted to conform to the current period's presentation notwithstanding IFRS 17, which was adopted on January 1, 2023.

(2) Surplus earnings before member dividends reported for the period ended December 31, 2022 was $576 million ($2,050 million for fiscal 2022), under IFRS 4, "Insurance Contracts", the standard in force before adoption of IFRS 17.

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

(4) The breakdown by line item is presented in Note 31, "Segmented information", to the Combined Financial Statements.

(5) For more information on non-GAAP financial measures, see "Non-GAAP financial measures and other financial measures" on page 6.

(6) Including $22 million from caisse Community Development Funds ($12 million in the third quarter of 2023, $19 million in the fourth quarter of 2022, $57 million in 2023 and $46 million in 2022).

(7) For additional information on supplementary financial measures, see the Glossary in the 2023 MD&A on pages 106 to 113.

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

(9) Following the transition to IFRS 17, Desjardins Group now presents the productivity index of the Personal and Business Services segment, which is a supplementary financial measure, replacing has replaced Desjardins Group's the productivity index, which was non-GAAP financial measure.

(10) Total CSM of $2,813 million ($2,884 million as at December 31, 2022) presented net of reinsurance in the amount of $218 million ($257 million as at December 31, 2022). Included in "Insurance contract liabilities" and "Reinsurance contract assets (liabilities)" in the Combined Balance Sheets. For more information, see Note 17, "Insurance and reinsurance contracts", to the Combined Financial Statements.

(11) In accordance with the *Capital Adequacy Guideline* for financial services cooperatives issued by the AMF.

(12) 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.

Very strong capital base

Desjardins Group maintains very strong capitalization levels, in accordance with Basel III rules. As at December 31, 2023, its Tier 1A and total capital ratios stood at 20.4% and 21.9%, respectively, compared to 20.2% and 21.9%, respectively, as at December 31, 2022.

Analysis of business segment results

PERSONAL AND BUSINESS SERVICES SEGMENT

	For the three-month periods ended			For the years ended December 31	
(in millions of dollars)	**December 31, 2023**	September 30, 2023[(1)]	December 31, 2022[(1)]	**2023**	2022[(1)]
Net interest income	**$ 1,698**	$ 1,708	$ 1,510	**$ 6,576**	$ 5,677
Other income	**509**	541	575	**2,210**	2,292
Total net income	**2,207**	2,249	2,085	**8,786**	7,969
Provision for credit losses	**226**	120	79	**521**	274
Gross non-interest expense	**1,723**	1,606	1,670	**6,702**	6,313
Income taxes on surplus earnings	**65**	140	88	**401**	362
Surplus earnings before member dividends	**$ 193**	$ 383	$ 248	**$ 1,162**	$ 1,020

(1) The data have been adjusted to conform to the current period's presentation notwithstanding IFRS 17, which was adopted on January 1, 2023.

Results for the year

For fiscal 2023, surplus earnings before member dividends were $1,162 million, up $142 million, or 13.9%, compared to 2022. This was mainly due to growth in net interest income, partly offset by the increase in the provision for credit losses and by wage indexation and increased spending on technology.

Net interest income was $6,576 million, up $899 million, or 15.8%. This increase was mainly due to growth in interest income on loans and liquidities attributable to the higher interest rate environment as well as growth in average residential mortgages outstanding and average business loans outstanding. This increase was partly offset by a higher interest expense on deposits as a result of higher interest rates.

Other income was $2,210 million, down $82 million, or 3.6%, mainly due to the decline in activities related to derivative financial instruments, partly offset by growth in business volumes from credit card payment activities.

Total net income was $8,786 million, an increase of $817 million, or 10.3%.

The provision for credit losses was $521 million, up $247 million from 2022. This change was mainly due to an increase in the provision for credit losses on business loan portfolios as a result of migrations in credit quality and in credit card portfolios. The provision for 2023 also reflects higher net write-offs, which are gradually returning to pre-pandemic levels.

Gross non-interest expense was $6,702 million, up $389 million, or 6.2%, due to wage indexation and increased spending on technology.

Results for the fourth quarter

For the fourth quarter of 2023, surplus earnings before member dividends were $193 million, down $55 million compared to the same period in 2022, due to the increase in the provision for credit losses, mainly for business loan portfolios. This decline was also due to the higher provision rate for rewards programs related to credit card payment activities as well as to increased spending on technology. The decline in surplus earnings was partly offset by growth in net interest income.

WEALTH MANAGEMENT AND LIFE AND HEALTH INSURANCE SEGMENT

	For the three-month periods ended			For the years ended December 31	
(in millions of dollars)	**December 31, 2023**	September 30, 2023[1]	December 31, 2022[1] Restated	**2023**	2022[1] Restated
Net interest income	**$ 6**	$ 5	$ 4	**$ 21**	$ 8
Insurance service result	**123**	180	113	**586**	563
Net insurance finance result	**193**	46	171	**414**	207
Net insurance service income (loss)	**316**	226	284	**1,000**	770
Other income	**620**	601	426	**2,362**	1,777
Total net income	**942**	832	714	**3,383**	2,555
Provision for (recovery of) credit losses	**2**	4	(1)	**5**	—
Net non-interest expense	**706**	686	556	**2,680**	2,127
Income taxes on surplus earnings	**10**	22	40	**117**	115
Net surplus earnings for the period	**$ 224**	$ 120	$ 119	**$ 581**	$ 313

(1) The data have been adjusted to conform to the current period's presentation notwithstanding IFRS 17, which was adopted on January 1, 2023.

Results for the year

At the end of fiscal 2023, net surplus earnings were $581 million, up $268 million from fiscal 2022. This increase was primarily due to a higher net insurance finance result[1] and to the growth in the insurance service result.

The insurance service result was $586 million, up $23 million, or 4.1%. This increase was mainly attributable to an overall more favourable experience, including the long-term disability component in group insurance, which performed well for a second consecutive year. The increase was partly offset by the unfavourable effect of updating actuarial assumptions.

Net insurance finance result[1] was $414 million, up $207 million. This increase was mainly attributable to gains realized by a joint venture on the sale of its real estate portfolio and to the favourable adjustment made to rate curve parameters in the second quarter of 2023.

Other income totalled $2,362 million, up $585 million, or 32.9%, primarily due to income of $409 million related to operations acquired from Worldsource. This increase was also attributable to growth in net investment income from non-insurance activities, mainly in individual annuities, as well as to higher income from assets under administration.

Total net income was $3,383 million, up $828 million, or 32.4%.

(1) As permitted by IFRS 17, Desjardins Group has chosen to recognize the impact of the reclassification of its investments related to insurance activities as of January 1, 2023 and, consequently, not to restate the comparative period for this item. This could therefore limit the comparability of the results with the prior year.

Gross non-interest expense was $3,046 million, up $522 million, or 20.7%, due to expenses of $416 million related to operations acquired from Worldsource and increased spending on personnel and technology in order to enhance services to members and clients.

Results for the fourth quarter

For the fourth quarter of 2023, net surplus earnings were $224 million, up $105 million compared to the same period in 2022. This increase is mainly attributable to net insurance financial result[1], including gains realized by a joint venture on the sale of its real estate portfolio in the fourth quarter of 2023.

PROPERTY AND CASUALTY INSURANCE SEGMENT

	For the three-month periods ended			For the years ended December 31	
(in millions of dollars)	**December 31, 2023**	September 30, 2023	December 31, 2022 Restated	**2023**	2022 Restated
Insurance service result	**$ 465**	$ 212	$ 143	**$ 800**	$ 475
Net insurance finance result	**115**	7	99	**249**	(184)
Net insurance service income (loss)	**580**	219	242	**1,049**	291
Other income (loss)	**1**	(12)	(19)	**(26)**	(33)
Total net income	**581**	207	223	**1,023**	258
Provision for credit losses	**3**	4	—	**5**	—
Net non-interest expense	**101**	79	90	**374**	332
Income taxes on surplus earnings	**117**	21	29	**150**	(39)
Net surplus earnings (deficit) for the period	**$ 360**	$ 103	$ 104	**$ 494**	$ (35)

Results for the year

For fiscal 2023, net surplus earnings were $494 million, compared to a net deficit of $35 million for fiscal 2022. This increase was mainly due to net insurance finance result[1], as well as to an improved insurance service result.

The insurance service result was $800 million, up $325 million, or 68.4%, mainly due to an increase in premiums in property and automobile insurance as well as the favourable effect of the loss component on onerous contracts. This increase was partly offset by a higher claims expense for fiscal 2023 in automobile insurance, related to the impact of inflation and the increase in car thefts, as well as in property insurance.

The net insurance finance result was $249 million, up $433 million. In 2022, this item was particularly adversely affected by a downturn on financial markets and a significant rise in interest rates.

Total net income was $1,023 million, up $765 million.

Gross non-interest expense was $1,025 million, up $37 million, or 3.7%, due to an increase in the provision related to the compensation program for Desjardins agents as well as to wage indexation.

(1) As permitted by IFRS 17, Desjardins Group has chosen to recognize the impact of the reclassification of its investments related to insurance activities as of January 1, 2023 and, consequently, not to restate the comparative period for this item. This could therefore limit the comparability of the results with the prior period.

Results for the fourth quarter

For the fourth quarter, net surplus earnings were $360 million, up $256 million from the comparable period of 2022. This increase was mostly due to the favourable effect of the loss component on onerous contracts, compared to an unfavourable effect in the fourth quarter of 2022. In addition, the segment reported higher insurance revenue, mainly in automobile and property insurance, and the current year loss experience was less than that of the comparable period of 2022, mainly due to automobile insurance.

OTHER CATEGORY

Results for the year

For fiscal 2023, the Other category posted surplus earnings of $22 million, compared to a net deficit of $56 million for fiscal 2022. The Other category includes treasury activities and those related to financial intermediation between the liquidity surpluses and needs of the caisses. It also includes investments in the continued implementation of Desjardins-wide strategic projects, which are aimed at creating innovative technological platforms, protecting privacy and improving business processes. The Other category also includes changes in contingency provisions for our operations, supplier agreements and the investment portfolio, as well as commitments made to the GoodSpark Fund, with the aim, in particular, of providing social and economic support to the regions.

Results for the fourth quarter

For the fourth quarter, the segment posted a net deficit of $27 million, compared to a net deficit of $13 million for the same period of 2022.

More detailed financial information can be found in Desjardins Group's annual MD&A or its Combined Financial Statements for 2023 on the Desjardins.com website or the SEDAR+ website, at www.sedarplus.com (under the *Fédération des caisses Desjardins du Québec* profile).

About Desjardins Group

Desjardins Group is the largest cooperative financial group in North America and the fifth largest cooperative financial group in the world, with assets of $422.9 billion as at December 31, 2023. It was named one of Canada's Best Employers by *Forbes* magazine and by Mediacorp. To meet the diverse needs of its members and clients, Desjardins offers a full range of products and services to individuals and businesses through its extensive distribution network, online platforms and subsidiaries across Canada. Ranked among the world's strongest banks according to *The Banker* magazine, Desjardins has some of the highest capital ratios and credit ratings in the industry.

Caution concerning forward-looking statements

Desjardins Group's public communications often include oral or written forward-looking statements, within the meaning of applicable securities legislation, particularly in Québec, Canada and the United States. This press release contains forward-looking statements that may be incorporated in other filings with Canadian regulators or in any other communications. In addition, Desjardins Group's representatives may make verbal forward-looking statements to investors, the media and others.

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, the review of economic conditions and financial markets, the outlook for the Québec, Canadian, U.S. and global economies, its results and its financial position, as well as on economic conditions and financial markets. Such forward-looking statements are typically identified by words or phrases such as "target", "objective", "believe", "expect", "count on", "anticipate", "intend", "estimate", "plan", "forecast", "aim", "propose", "should" and "may", words and expressions of similar import, and future and conditional verbs.

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 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 future actual results, conditions, actions or events 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 factors that may affect the accuracy of the forward-looking statements in this press release include those discussed in Section 4.0, "Risk management", of Desjardins Group's 2023 annual MD&A. In particular, they include credit, market, liquidity, operational, insurance, strategic and reputation risk, as well as environmental, social and governance risk and regulatory risk.

Such factors also include those related to security (including cybersecurity) breaches, fraud risk, the housing market and household and corporate indebtedness, technological and regulatory developments, including changes to liquidity and capital adequacy guidelines, and requirements relating to their presentation and interpretation, as well as interest rate fluctuations, inflation, climate change and geopolitical uncertainty. Furthermore, there are factors related to general economic and business conditions in regions in which Desjardins Group operates; monetary policies; the critical accounting estimates and accounting standards applied by Desjardins Group; new products and services to maintain or increase Desjardins Group's market share; geographic concentration; acquisitions, joint arrangements and the ability to achieve the anticipated benefits; changes in credit ratings assigned to Desjardins Group; reliance on third parties; the ability to recruit and retain talent; and tax risk. Other factors include interest rate benchmark reform, unexpected changes in consumer spending and saving habits, the potential impact of international conflicts on operations, public health crises, such as pandemics and epidemics, including the COVID-19 pandemic, or any other similar disease 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 Section 4.0, "Risk management", of Desjardins Group's 2023 annual MD&A.

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 Section 4.0, "Risk management", of Desjardins Group's 2023 annual MD&A.

The significant economic assumptions underlying the forward-looking statements in this document are described in Section 1.5, "Economic environment and outlook", of Desjardins Group's 2023 annual MD&A. These assumptions may also be updated in subsequently filed interim MD&A. Readers are cautioned to consider the foregoing factors when reading this section. 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 judgment and identified upside and downside risks for the 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

The financial information in this document comes primarily from the 2023 Annual Combined Financial Statements. Those statements have been prepared by Desjardins Group's management in accordance with IFRS issued by the International Accounting Standards Board (IASB), and the accounting requirements of the AMF in Québec which do not differ from IFRS. IFRS represent Canada's GAAP. Desjardins Group modified certain accounting policies following the adoption of IFRS 17, "Insurance Contracts", as at January 1, 2023. For more information about the accounting policies used as well as the accounting policy changes, see Note 2, "Accounting policies", to the Combined Financial Statements. The adoption of this standard resulted in significant changes to Desjardins Group's Combined Financial Statements. Certain comparative figures for the year ending December 31, 2022 have been restated, and a restated opening Balance Sheet as at January 1, 2022 is presented in the Combined Financial Statements to reflect this new standard.

This press release has been prepared in accordance with the current regulations of the Canadian Securities Administrators (CSA) on continuous disclosure obligations. Unless otherwise indicated, all amounts are presented in Canadian dollars ($) and are primarily from Desjardins Group's annual combined financial statements.

For further information (*media inquiries only*):

Chantal Corbeil
Public Relations
514-281-7229 or 1-866-866-7000, ext. 5557229
media@desjardins.com

Alain Leprohon, FCPA
Executive Vice-President and Chief Financial Officer
of Desjardins Group