## **2018 Financial Report**

## **Caisse Desjardins de la Culture**

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March 12, 2019

Report on the results of applying specified auditing procedures to the financial report of the Caisse Desjardins de la Culture (the "Caisse") prepared by the management of the Caisse

To the members of the Fédération des caisses Desjardins du Québec

We are the independent auditor of the separate combined financial statements of the Desjardins caisses in Quebec (the "combined financial statements of the Desjardins caisses"), on which we expressed an unmodified opinion on February 27, 2019.

With respect to the accompanying financial report of Caisse prepared by the management of the Caisse, we were engaged by the members of the *Fédération des caisses Desjardins du Québec* to agree the financial information contained in the financial report of the Caisse with the accounting records that include the Caisse's specific accounting adjustments and were used to prepare the combined financial statements of the Desjardins caisses in Quebec for the year ended December 31, 2018 (the "procedures").

We confirm that we agreed all financial information contained in the accompanying financial report of the Caisse for the year ended December 31, 2018 with the accounting records that include the Caisse's specific accounting adjustments and were used to prepare the combined financial statements of the Desjardins caisses in Quebec for the year then ended, and we confirm that we found no exceptions.

In particular, as part of our procedures, we agreed the following financial information of the Caisse:

Total assets: 337,987,000 \$
Total equity: 21,489,000 \$
Net surplus earnings for the year after member dividends: 2,127,000 \$

These procedures do not constitute an audit of the financial report of the Caisse as at December 31, 2018, and therefore we express no opinion on the financial report of the Caisse as at December 31, 2018.



<sup>&</sup>lt;sup>1</sup> FCPA auditor, FCA, public accountancy permit No. A108517

### BALANCE SHEET (unaudited)

Derivative financial instruments         4,088         4,858           Property, plant and equipment         360         364           Other         1,675         2,155           6,123         7,377           TOTAL ASSETS         \$ 337,987         \$ 312,318           LIABILITIES AND EQUITY           LIABILITIES           Deposits           Term savings         \$ 79,829         \$ 63,595           Other         178,520         146,716           Derivative financial instruments         \$ 36,658         79,594           Other Itabilities         1,375         1,460           Other         2,240         805           Average of the plan liabilities         1,375         1,460           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL LEQUITY         11,489         19,662 <th>(in thousands of Canadian dollars)</th> <th>As at December 31, 2018<sup>(1)</sup></th> <th colspan="3">As at December 31, 2017</th>	(in thousands of Canadian dollars)	As at December 31, 2018 <sup>(1)</sup>	As at December 31, 2017		
Cash and deposits with financial institutions         \$ 25,066         \$ 2,398           Securities         16,558         13,833           Term deposits and other         19,764         13,833           Term deposits and other         19,764         13,839           Losas         192,904         193,011           Personal         192,904         193,011           Business         86,658         87,386           Allowance for credit losses         534         630           Allowance for credit losses         534         630           Investments in the Federation         8,06         8,937           Investments in the Federation         4,088         4,838           Property, plant and equipment         360         364           Other assets         5         337,987         \$ 312,318           LIABILITIES AND EQUITY         LIABILITIES AND EQUITY           LIABILITIES AND EQUITY         LIABILITIES         \$ 79,829         \$ 63,595           Other         178,50         146,716         16,716         16,716         16,716         16,716         16,716         16,716         16,716         16,716         16,716         16,716         16,716         16,716         1	ASSETS				
Securities         11,5558         13,833           Irve deposits and other         16,558         13,839           Term deposits and other         19,764         13,839           Loans         19,794         13,839           Dersonal         192,904         193,011           Business         86,558         87,866           Allowance for credit losses         534         630           Allowance for credit losses         279,028         279,076           Investments in the Federation         8,065         8,937           Investments in the Federation         8,065         8,937           Other assets         8         4,858         4,858           Property, plant and equipment         360         364           Other         1,675         2,155           TOTAL ASSETS         337,987         312,318           UABILITIES AND EQUITY         14,000         3,000           LABILITIES AND EQUITY         258,349         210,311           Borrowings         5,952         5,959           Other         178,520         467,515           Other Including tirruments         876         486           Derivative financial instruments         376         486 <th></th> <th>\$ 25.066</th> <th>\$ 2.398</th>		\$ 25.066	\$ 2.398		
Investment in liquidity fund under management         16,558         13,833           Term deposits and other         3,006         6           Loans         Use of the property of the part of the property of the part of t	· · · · · · · · · · · · · · · · · · ·	<del></del>	Ψ =,030		
Term deposits and other         3,206         6           Loans         19,764         13,839           Personal         192,904         193,011           Business         86,658         87,386           Allowance for credit losses         534         630           Allowance for credit losses         534         630           Investments in the Federation         8,006         8,937           Other assets         4,088         4,858           Property, plant and equipment         360         364           Other         1,675         2,155           C         6,123         7,377           TOTAL ASSETS         337,987         \$ 312,318           LIABILITIES         Deposits         5           Term savings         7 79,829         \$ 63,595           Other         258,349         210,311           Borrowings         33,658         79,594           Other individed instruments         876         486           Net defined benefit plan liabilities         1,375         1,460           Other individed instruments         876         486           Net defined benefit plan liabilities         1,375         1,460           Other indivi		16 558	13 833		
19,764   13,839   100ns   192,904   193,011   192,904   193,011   192,904   193,011   192,904   193,011   192,905   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015   193,015					
Loans         Personal         192,904         193,011           Business         86,658         87,386           Business         279,562         280,397           Allowance for credit losses         534         630           Loans and state of the federation         8,006         8,937           Investments in the Federation         8,006         8,937           Other assets         8,006         364           Derivative financial instruments         4,088         4,858           Property, plant and equipment         360         364           Other         1,675         2,155           Other         5,323         7,377           TOTAL ASSETS         \$ 337,987         \$ 312,318           LUBILITIES AND EQUITY         1,000         1,000           LIABILITIES AND EQUITY         1,000         1,000           LIABILITIES AND EQUITY         1,000         1,000           Term savings         7,9829         \$ 63,595           Other         1,285,200         146,716           Other liabilities         2,283         2,10,311           Berrowings         3,658         79,994           Other liabilities         3,668         79,994	Term deposits and other				
Personal Business         192,904 B6,658         193,011 B0 B0 B6,658         87,386 B7,386 B7,382	Loans	=0,, 0 :			
Business         86,658         87,386           Allowance for credit losses         279,622         280,397           Allowance for credit losses         279,028         279,767           Investments in the Federation         8,006         8,937           Other assets         8,006         8,937           Derivative financial instruments         4,088         4,858           Property, plant and equipment         360         364           Other         1,675         2,155           Company of the		192.904	193.011		
Milowance for credit losses   534   630   79,767   70   70   70   70   70   70   70					
Allowance for credit losses   534   630   279,028   279,767		·			
	Allowance for gradit lacces				
Number   N	Allowance for credit losses				
Other assets           Derivative financial instruments         4,088         4,858           Property, plant and equipment         360         364           Other         1,675         2,155           Cher         6,123         7,377           TOTAL ASSETS         \$ 337,987         \$ 312,318           LIABILITIES AND EQUITY           UABILITIES           Term savings         \$ 79,829         \$ 63,595           Other         178,520         146,716           Email Times         258,349         210,311           Borrowings         \$ 3,658         79,594           Other liabilities         258,349         210,311           Derivative financial instruments         876         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves					
Derivative financial instruments         4,088         4,858           Property, plant and equipment         360         364           Other         1,675         2,155           6,123         7,377           TOTAL ASSETS         \$ 337,987         \$ 312,318           LIABILITIES AND EQUITY           LIABILITIES           Deposits           Term savings         \$ 79,829         \$ 63,595           Other         178,520         146,716           Derivative financial instruments         \$ 36,658         79,594           Other Itabilities         1,375         1,460           Other         2,240         805           Average of the plan liabilities         1,375         1,460           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL LEQUITY         11,489         19,662 <td></td> <td>8,006</td> <td>8,937</td>		8,006	8,937		
Property, plant and equipment         360         364           Other         1,675         2,155           6,123         7,377           TOTAL ASSETS         \$ 337,987         \$ 312,318           LUABILITIES AND EQUITY           LUABILITIES           Deposits           Term savings         \$ 79,829         \$ 63,595           Other         178,520         146,716           Borrowings         \$ 3,658         79,594           Other labilities         35,658         79,594           Other labilities         376         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           Other         4,491         2,751           TOTAL LIABILITIES         316,498         292,656           EQUITY           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL LIABILITIES         1,962	Other assets				
Other         1,675         2,155           6,123         7,377           TOTAL ASSETS         \$ 337,987         \$ 312,318           LIABILITIES           Deposits           Term savings         \$ 79,829         \$ 63,595           Other         178,520         146,716           berowings         \$ 33,658         79,594           Other liabilities         876         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY         835         1,016           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662		•	*		
ILABILITIES AND EQUITY         LIABILITIES AND EQUITY           LIABILITIES OPERS IN TERM SAVINGS         \$ 79,829         \$ 63,595           Other         178,520         146,716         146,716           Borrowings         \$ 3,658         79,594         Other Ilabilities           Derivative financial instruments         876         486         Net defined benefit plan liabilities         1,375         1,460         Other         2,240         805         EQUITY           Capital stock         316,498         292,656         EQUITY           Capital stock         835         1,016         Distributable surplus earnings         3,470         1,945         Accumulated other comprehensive income         (79)         227         Reserves         17,263         16,474         TOTAL EQUITY         21,489         19,662	Property, plant and equipment		364		
TOTAL ASSETS         \$ 337,987         \$ 312,318           LIABILITIES AND EQUITY           LIABILITIES           Deposits           Term savings         \$ 79,829         \$ 63,595           Other         178,520         146,716           Borrowings         \$ 3,658         79,594           Other liabilities           Derivative financial instruments         876         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           College         4,491         2,751           TOTAL LIABILITIES         316,498         292,656           EQUITY           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662	Other	1,675	2,155		
LIABILITIES AND EQUITY         LIABILITIES AND EQUITY         Deposits         Term savings       \$ 79,829       \$ 63,595         Other       178,520       146,716         258,349       210,311         Borrowings       53,658       79,594         Other liabilities       B76       486         Net defined benefit plan liabilities       1,375       1,460         Other       2,240       805         TOTAL LIABILITIES       316,491       2,751         TOTAL LIABILITIES       316,498       292,656         EQUITY       Capital stock       835       1,016         Distributable surplus earnings       3,470       1,945         Accumulated other comprehensive income       (79)       227         Reserves       17,263       16,474         TOTAL EQUITY       21,489       19,662		6,123	7,377		
LIABILITIES           Deposits         79,829         \$ 63,595           Other         178,520         146,716           Borrowings         53,658         79,594           Other liabilities         876         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY         Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662	TOTAL ASSETS	\$ 337,987	\$ 312,318		
Borrowings         53,658         79,594           Other liabilities         876         486           Derivative financial instruments         876         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY         Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662	LIABILITIES  Deposits  Term savings				
Borrowings         53,658         79,594           Other liabilities         876         486           Derivative financial instruments         876         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY         Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662					
Other liabilities           Derivative financial instruments         876         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY         Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662	Porrouings	·			
Derivative financial instruments         876         486           Net defined benefit plan liabilities         1,375         1,460           Other         2,240         805           TOTAL LIABILITIES         316,498         292,656           EQUITY         Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662		33,036	73,334		
Net defined benefit plan liabilities       1,375       1,460         Other       2,240       805         4,491       2,751         TOTAL LIABILITIES       316,498       292,656         EQUITY         Capital stock       835       1,016         Distributable surplus earnings       3,470       1,945         Accumulated other comprehensive income       (79)       227         Reserves       17,263       16,474         TOTAL EQUITY       21,489       19,662		076	106		
Other         2,240         805           4,491         2,751           TOTAL LIABILITIES         316,498         292,656           EQUITY         Sass         1,016           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662					
EQUITY         835         1,016           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662					
EQUITY         835         1,016           Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662					
EQUITY         Capital stock       835       1,016         Distributable surplus earnings       3,470       1,945         Accumulated other comprehensive income       (79)       227         Reserves       17,263       16,474         TOTAL EQUITY       21,489       19,662	TOTAL HARBITIES				
Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662	TOTAL LIABILITIES	310,498	292,030		
Capital stock         835         1,016           Distributable surplus earnings         3,470         1,945           Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662	FOLLITY				
Distributable surplus earnings 3,470 1,945 Accumulated other comprehensive income (79) 227 Reserves 17,263 16,474  TOTAL EQUITY 21,489 19,662		१२६	1 016		
Accumulated other comprehensive income         (79)         227           Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662	•				
Reserves         17,263         16,474           TOTAL EQUITY         21,489         19,662					
TOTAL EQUITY 21,489 19,662	·				
	TOTAL LIABILITIES AND EQUITY	\$ 337,987	\$ 312,318		

<sup>(1)</sup> The information presented as at December 31, 2018, takes into account the standards adopted on January 1, 2018. The comparative data have not been restated. For more information, see Note 2, "Basis of presentation and significant accounting policies" to the Combined Financial Statements of the Desjardins caisses in Québec, for the year ended December 31, 2018, available at www.desjardins.com.

### STATEMENTS OF INCOME (unaudited)

#### For the years ended December 31

(in thousands of Canadian dollars)	<b>2018</b> <sup>(1)</sup>	2017
INTEREST INCOME	\$ 10,164	\$ 8,875
INTEREST EXPENSE	3,941	3,176
NET INTEREST INCOME	6,223	5,699
OTHER INCOME	2,466	2,337
PROVISION FOR CREDIT LOSSES	170	73
NON-INTEREST EXPENSES		
Salaries and fringe benefits	2,219	2,202
Assessments paid to Desjardins Group components	722	705
Computer services	672	575
Community Development Fund expenses	370	282
Other	1,606	1,743
	5,589	5,507
OPERATING SURPLUS EARNINGS	2,930	2,456
Income on investments in the Federation	708	573
Income (loss) related to fair value of derivative financial instruments	(586)	1,073
SURPLUS EARNINGS BEFORE TAXES AND MEMBER DIVIDENDS	3,052	4,102
Income taxes on surplus earnings	655	866
SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS	2,397	3,236
Member dividends	368	250
Tax recovery on member dividends	(98)	(67)
NET SURPLUS EARNINGS FOR THE YEAR AFTER MEMBER DIVIDENDS	\$ 2,127	\$ 3,053

<sup>(1)</sup> The information presented for the year ended December 31, 2018, takes into account the standards adopted on January 1, 2018. The comparative data have not been restated. For more information, see Note 2, "Basis of presentation and significant accounting policies", to the Combined Financial Statements of the Desjardins caisses in Québec, for the year ended December 31, 2018, available at www.desjardins.com.

### STATEMENTS OF CHANGES IN EQUITY (unaudited)

For the years ended December 31				Reserves							
(in thousands of Canadian dollars)	Capital stock	Distributable surplus earnings	Accumulated other comprehensive income	Appreciation reserve (investments in the Federation's investment funds)	Appreciation reserve (derivative financial instruments)	Appreciation reserve (employee benefit plans)	General reserve	Stabilization reserve	Community Development Fund	Total reserves	Total equity
BALANCE AS AT DECEMBER 31, 2016	\$ 1,109	\$ 2,418	\$ 177	\$ 2,151	\$ 395	\$ (907)	\$ 10,627	\$ 685	\$ 288	\$ 13,239	\$ 16,943
Distribution by members at the 2017 general meeting											
Interest on permanent shares	-	(41)	-	-	-	-	-	-	-	-	(41)
Transfer from (allocation to) reserves	-	(2,377)	-	-	-	-	2,132	-	245	2,377	-
Balance after distribution	1,109	-	177	2,151	395	(907)	12,759	685	533	15,616	16,902
Net surplus earnings for 2017 after member dividends	-	3,053	-	-	-	-	-	-	-	-	3,053
Other comprehensive income for the year	-	(254)	50	-	-	-	-	-	-	-	(204)
Statutory transfer	-	(1,065)	-	445	796	(176)	-	-	-	1,065	-
Net amounts used during the year	-	211	-	-	-	-	-	-	(211)	(211)	-
Equity transactions related to other investments in the Federation	-	-	-	4	-	-	-	-	-	4	4
Redemption of permanent shares	(95)	-	-	-	-	-	-	-	-	-	(95)
Other net change in capital stock	2	-	-	-	-	-	-	-	-	-	2
BALANCE AS AT DECEMBER 31, 2017	\$ 1,016	\$ 1,945	\$ 227	\$ 2,600	\$ 1,191	\$ (1,083)	\$ 12,759	\$ 685	\$ 322	\$ 16,474	\$ 19,662
Impact of changes in accounting methods <sup>(1)</sup>	-	-	(22)	21	-	-	138	-	-	159	137
OPENING BALANCE AS AT JANUARY 1, 2018	\$ 1,016	\$ 1,945	\$ 205	\$ 2,621	\$ 1,191	\$ (1,083)	\$ 12,897	\$ 685	\$ 322	\$ 16,633	\$ 19,799
Distribution by members at the 2018 general meeting											
Interest on members' permanent shares	-	(27)	-	-	-	-	-	-	-	-	(27)
Transfer from (allocation to) reserves	-	(1,919)	-	-	-	-	1,669	-	250	1,919	-
Net adjustment related to member dividends	-	1	-	-	-	-	-	-	-	-	1
Balance after distribution	1,016		205	2,621	1,191	(1,083)	14,566	685	572	18,552	19,773
Net surplus earnings for 2018 after member dividends	-	2,127	-	-	-	-	-	-	-	-	2,127
Other comprehensive income for the year	-	58	(284)	-	-	-	-	-	-	-	(226)
Statutory transfer	-	1,015	-	(647)	(441)	73	-	-	-	(1,015)	-
Net amounts used during the year	-	271	-	-	-	-	-	-	(271)	(271)	-
Equity transactions related to other investments in the Federation	-	-	-	14	-	-	-	-	-	14	14
Redemption of permanent shares	(181)	-	-	-	-	-	-	-	-	-	(181)
Interest on permanent shares	-	-	-	-	-	-	-	(17)	-	(17)	(17)
Net adjustment related to member dividends	-	(1)	-	-	-	-	-	-	-	-	(1)
BALANCE AS AT DECEMBER 31, 2018	\$ 835	\$ 3,470	\$ (79)	\$ 1,988	\$ 750	\$ (1,010)	\$ 14,566	\$ 668	\$ 301	\$ 17,263	\$ 21,489

<sup>(1)</sup> The information presented for the year ended December 31, 2018, takes into account the standards adopted on January 1, 2018. The comparative data have not been restated. For more information, see Note 2, "Basis of presentation and significant accounting policies", to the Combined Financial Statements of the Desjardins caisses in Québec, for the year ended December 31, 2018, available at www.desjardins.com.

# NOTE TO THE FINANCIAL REPORT (unaudited)

#### NOTE 1 – TYPE OF OPERATIONS AND BASIS OF ACCOUNTING

The Caisse Desjardins de la Culture (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 (AMF) in Quebec. It is also a member of the Fonds de sécurité Desjardins, whose main purpose is to establish and administer a security, liquidity and mutual aid fund for the benefit of Desjardins caisses in Quebec.

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. The caisse applies accounting policies similar to those used to prepare the combined financial statements for Desjardins caisses in Quebec, which are prepared in accordance with International Financial Reporting Standards (IFRS) 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.