

SUMMARY FINANCIAL STATEMENTS OF CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

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Management's Responsibility for Financial Reporting

The summary financial statements of Caisse Desjardins Ontario Credit Union Inc. (the "Caisse") are the responsibility of the Caisse's management, which is responsible for ensuring reporting integrity and accuracy.

The responsibility of the annual financial reporting has been delegated to Fédération des caisses Desjardins du Québec ("FCDQ").

These summary financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The IFRS are the generally accepted accounting principle in Canada. These summary financial statements contain amounts established by management based on estimates which it deems fair and reasonable.

Management ensures that the Caisse's representative has appropriate controls in place to govern financial disclosure. It also ensures that the controls in place include, in particular, an organizational structure ensuring an effective segregation of duties, a code of professional conduct, hiring and training standards, policies and procedures manuals, and regularly updated control methods, designed to ensure adequate supervision of operations. The internal control system is reinforced by a compliance team, which helps management ensure compliance with regulatory requirements, and a team from the Desjardins Group Monitoring Office, which has full and unrestricted access to the Audit and Ethics committee. Management has also implemented a financial governance structure based on best market practices to ensure that the financial statements fairly represent the financial position of the Caisse.

The Audit and Ethics committee reviews the financial statements and recommends their approval to the Board of directors, which has the final responsibility. In addition, the Audit and Ethics committee ensures that management has met its responsibility for preparing the financial statements and maintaining adequate financial controls.

These summary financial statements have been audited by MNP LLP, the independent auditor appointed by the annual general meeting, whose report follows. The independent auditor may at any time discuss with the members of the Audit and Ethics committee all aspects of this audit engagement and all the points raised in the course of his work, in particular the integrity of the financial information provided and the quality of internal control systems.



William Boucher
General Manager and Chief Operating Officer
Caisse Desjardins Ontario Credit Union Inc.



Francine Côté
Chair of the Board of Directors
Caisse Desjardins Ontario Credit Union Inc.

March 7, 2023
Ottawa, ON



Independent Auditor's Report

To the members of
Caisse Desjardins Ontario Credit Union Inc.

Opinion

The summary financial statements, which comprise the summary balance sheet as at December 31, 2022, the summary statements of income, changes in equity and cash flows for the year then ended are derived from the audited financial statements of Caisse Desjardins Ontario Credit Union Inc. (the "Caisse") for the year then ended December 31, 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with International Financial Reporting Standards ("IFRS").

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by IFRS. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 7, 2023.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements which presents the statements without the notes, in English. The complete version is in French.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

March 7, 2023

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

MNP s.r.l./LLP

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Summary Balance Sheet

(in thousands of Canadian dollars)	Notes ⁽¹⁾	As at December 31, 2022	As at December 31, 2021
ASSETS			
Cash and deposits with financial institutions		\$ 94,228	\$ 107,966
Securities	7	545,639	366,927
Loans	8 and 9		
Residential mortgages		7,114,115	6,523,917
Consumer and other personal loans		99,810	105,760
Business and government		2,577,640	2,185,761
		9,791,565	8,815,438
Allowance for credit losses	8	(20,170)	(23,500)
		9,771,395	8,791,938
Investments in the Federation	10	—	354,379
Other assets			
Derivative financial instruments	17	261,719	178,987
Right-of-use assets		9,540	7,794
Property, plant and equipment	11	22,431	22,338
Net defined benefit plan assets	15	7,305	—
Deferred tax assets	23	—	2,977
Other	12	40,968	30,326
		341,963	242,422
TOTAL ASSETS		\$ 10,753,225	\$ 9,863,632
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits	13		
Individuals		\$ 4,205,751	\$ 4,017,852
Business and government		1,834,383	1,807,918
Deposit-taking institutions		536,057	958,015
		6,576,191	6,783,785
Other liabilities			
Derivative financial instruments	17	202,739	167,168
Lease liabilities		9,990	8,150
Interest payable		45,880	22,871
Net defined benefit plan liabilities	15	7,466	11,309
Deferred tax liabilities	23	6,282	—
Other	16	77,074	31,602
		349,431	241,100
Borrowings	14	3,006,329	2,020,590
Social shares		685	672
TOTAL LIABILITIES		9,932,636	9,046,147
EQUITY			
Share capital	18	1	1
Retained earnings		785,429	645,843
Accumulated other comprehensive income	19	(16,144)	14,666
Reserves		51,303	156,975
TOTAL EQUITY		820,589	817,485
TOTAL LIABILITIES AND EQUITY		\$ 10,753,225	\$ 9,863,632

⁽¹⁾ The references to notes are references to the French version of the financial statements.

On behalf of the Board of Directors of Caisse Desjardins Ontario Credit Union Inc.,


Francine Côté
 Chair of the Board


Sophie Miller
 Administrator

Summary Statement of Income

For the years ended December 31

(in thousands of Canadian dollars)	Notes ⁽¹⁾	2022	2021
INTEREST INCOME		\$ 325,292	\$ 236,830
INTEREST EXPENSE		150,862	63,656
NET INTEREST INCOME	21	174,430	173,174
OTHER INCOME			
Deposit and payment service charges		9,861	9,346
Distribution of Desjardins products and services		26,000	23,521
Administration of other services		6,880	7,710
Net investment income (loss)	21	5,862	(10,611)
		48,603	29,966
OPERATING INCOME		223,033	203,140
PROVISION (RECOVERY) FOR CREDIT LOSSES	4 and 8	(2,898)	1,387
NON-INTEREST EXPENSE			
Salaries and employee benefits		62,459	52,398
Occupancy costs		7,647	9,106
Other	22	16,024	13,132
		86,130	74,636
OPERATING SURPLUS EARNINGS		139,801	127,117
Income on investments in the Federation		17,575	34,013
Income on fair value of derivative financial instruments		45,384	30,582
Assessments paid to Desjardins Group components and related costs		(80,394)	(34,699)
Community development expenses		(717)	(382)
SURPLUS EARNINGS BEFORE TAXES AND MEMBER DIVIDENDS		121,649	156,631
Income taxes on surplus earnings	23	86,441	23,269
SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS		35,208	133,362
Member dividends		11,912	10,789
Tax recovery on member dividends	23	(3,147)	(1,957)
NET SURPLUS EARNINGS FOR THE YEAR AFTER MEMBER DIVIDENDS		\$ 26,443	\$ 124,530

⁽¹⁾ The references to notes are references to the French version of the financial statements.

Summary Statement of Comprehensive Income

For the years ended December 31

(in thousands of Canadian dollars)	2022	2021
Net surplus earnings for the year after member dividends	\$ 26,443	\$ 124,530
Other comprehensive income, net of income taxes		
Items that will not be reclassified subsequently to the Summary Statement of Income		
Remeasurement of net defined benefit plan liabilities	7,471	16,102
Share of other comprehensive income from the investment in the Federation	—	17,621
	7,471	33,723
Items that will be reclassified subsequently to the Summary Statement of Income		
Net change in unrealized gains and losses on securities classified as at fair value through other comprehensive income		
Net unrealized losses	(14,475)	(5,807)
Reclassification of net losses to the Summary Statement of Income	178	54
	(14,297)	(5,753)
Share of other comprehensive income from the investment in the Federation	(93)	7,341
Reclassification to the Summary Statement of Income related to the share of other comprehensive income from the investment in the Federation	(16,420)	(2,934)
	(16,513)	4,407
	(30,810)	(1,346)
Total other comprehensive income, net of income taxes	(23,339)	32,377
COMPREHENSIVE INCOME FOR THE YEAR	\$ 3,104	\$ 156,907

Summary Income taxes on other comprehensive income

The tax expense (recovery) related to each component of other comprehensive income is presented in the following table:

For the years ended December 31

(in thousands of Canadian dollars)	2022	2021
Item that will not be reclassified subsequently to the Summary Statement of Income		
Remeasurement of net defined benefit plan liabilities	\$ 2,682	\$ 4,745
Items that will be reclassified subsequently to the Summary Statement of Income		
Net change in unrealized gains and losses on securities classified as at fair value through other comprehensive income		
Net unrealized losses	(5,219)	(2,094)
Reclassification of net losses to the Summary Statement of Income	64	20
	(5,155)	(2,074)
Total income tax expense	\$ (2,473)	\$ 2,671

Summary Statement of Changes in Equity

For the years ended December 31

	Share capital (Note 18)	Retained earnings	Accumulated other comprehensive income (Note 19)	Reserves				Total reserves	Total equity
				Appreciation reserve (in the Federation's investment Fund)	Appreciation reserve (derivative financial instruments)	Appreciation reserve (employee benefit plans)	Community development fund		
(in thousands of Canadian dollars)									
BALANCE AS AT DECEMBER 31, 2020	\$ 1	\$ 580,521	\$ 16,012	\$ 98,257	\$ (12,896)	\$ (24,138)	\$ 2,841	\$ 64,064	\$ 660,598
Net surplus earnings for the year after member dividends	—	124,530	—	—	—	—	—	—	124,530
Other comprehensive income for the year	—	33,723	(1,346)	—	—	—	—	—	32,377
Comprehensive income for the year	—	158,253	(1,346)	—	—	—	—	—	156,907
Transfer between retained earnings and reserves	—	(92,911)	—	50,618	23,525	15,702	3,066	92,911	—
Other	—	(20)	—	—	—	—	—	—	(20)
BALANCE AS AT DECEMBER 31, 2021	\$ 1	\$ 645,843	\$ 14,666	\$ 148,875	\$ 10,629	\$ (8,436)	\$ 5,907	\$ 156,975	\$ 817,485
Net surplus earnings for the year after member dividends	—	26,443	—	—	—	—	—	—	26,443
Other comprehensive income for the year	—	7,471	(30,810)	—	—	—	—	—	(23,339)
Comprehensive income for the year	—	33,914	(30,810)	—	—	—	—	—	3,104
Transfer between retained earnings and reserves	—	105,672	—	(148,875)	34,364	7,471	1,368	(105,672)	—
BALANCE AS AT DECEMBER 31, 2022	\$ 1	\$ 785,429	\$ (16,144)	\$ —	\$ 44,993	\$ (965)	\$ 7,275	\$ 51,303	\$ 820,589

The references to notes are references to the French version of the financial statement.

Summary Statement of Cash Flows

For the years ended December 31

(in thousands of Canadian dollars)	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Surplus earnings before taxes and member dividends	\$ 121,649	\$ 156,631
Non-cash adjustments:		
Provision for credit losses	(2,911)	2,057
Depreciation of right-of-use assets and property, plant and equipment	2,243	2,719
Net realized losses on securities classified as at fair value through other comprehensive income	242	74
Net income on the investment in the Federation	(17,575)	(34,013)
Other	985	2,951
Change in operating assets and liabilities:		
Loans	(976,808)	(1,287,989)
Derivative financial instruments, net amount	(47,161)	(29,281)
Deposits	(207,594)	18,088
Other	6,376	(1,132)
Income taxes paid on surplus earnings	(22,413)	(13,714)
Payment of member dividends	(11,152)	(9,433)
	(1,154,119)	(1,193,042)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Net change in lease liabilities	1,840	(1,829)
Transactions related to borrowings:		
Net change in lines of credit	10,739	100,625
Net change in term borrowings	975,000	1,140,661
	987,579	1,239,457
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of securities at fair value through other comprehensive income	(271,911)	(300,152)
Proceeds from disposals of securities at fair value through other comprehensive income	45,228	242,137
Proceeds from maturities of securities at fair value through other comprehensive income	26,144	33,850
Amount received from the investment in the Federation	18,948	—
Proceeds from disposals of the investment in the Federation	336,444	—
Acquisitions of property, plant and equipment	(2,146)	(1,381)
Proceeds from disposals of property, plant and equipment	95	550
	152,802	(24,996)
Net increase (decrease) in cash and cash equivalents	(13,738)	21,419
Cash and cash equivalents at beginning of year	107,966	86,547
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 94,228	\$ 107,966
Supplemental information on cash flows from operating activities		
Interest paid	\$ 127,570	\$ 65,245
Interest received	313,171	239,463