

# 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, 2024  
Ottawa, ON

# Independent Auditor's Report

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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, 2023, 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, 2023.

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, 2024.

## 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, 2024

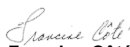
**Chartered Professional Accountants  
Licensed Public Accountants**


# Summary Balance Sheet

(in thousands of Canadian dollars)	Notes <sup>(1)</sup>	As at December 31, 2023	As at December 31, 2022
<b>ASSETS</b>			
<b>Cash and deposits with financial institutions</b>		\$ 122,518	\$ 94,228
<b>Securities</b>	7	533,956	545,639
<b>Loans</b>	8 and 9		
Residential mortgages		7,881,848	7,114,115
Consumer and other personal loans		91,933	99,810
Business and government		2,974,989	2,577,640
		10,948,770	9,791,565
Allowance for credit losses	8	(18,905)	(20,170)
		10,929,865	9,771,395
<b>Other assets</b>			
Derivative financial instruments	16	230,549	261,719
Right-of-use assets		8,283	9,540
Property, plant and equipment	10	26,066	22,431
Net defined benefit plan assets	14	—	7,305
Other	11	70,885	40,968
		335,783	341,963
<b>TOTAL ASSETS</b>		\$ 11,922,122	\$ 10,753,225
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Deposits</b>	12		
Individuals		\$ 4,258,015	\$ 4,205,751
Business and government		1,963,197	1,834,383
Deposit-taking institutions		1,680,020	536,057
		7,901,232	6,576,191
<b>Other liabilities</b>			
Derivative financial instruments	16	196,119	202,739
Lease liabilities		8,862	9,990
Interest payable		81,027	45,880
Net defined benefit plan liabilities	14	8,738	7,466
Deferred tax liabilities	20	4,270	6,282
Other	15	34,927	77,074
		333,943	349,431
<b>Borrowings</b>	13	2,869,958	3,006,329
<b>Social shares</b>		702	685
<b>TOTAL LIABILITIES</b>		11,105,835	9,932,636
<b>EQUITY</b>			
Share capital	17	1	1
Retained earnings		800,034	785,429
Accumulated other comprehensive income		(8,281)	(16,144)
Reserves		24,533	51,303
<b>TOTAL EQUITY</b>		816,287	820,589
<b>TOTAL LIABILITIES AND EQUITY</b>		\$ 11,922,122	\$ 10,753,225

<sup>(1)</sup> 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**  
Chair of the Audit and Ethics Committee

# Summary Statement of Income

For the years ended December 31

(in thousands of Canadian dollars)	Notes <sup>(1)</sup>	2023	2022
<b>INTEREST INCOME</b>		\$ 504,299	\$ 325,292
<b>INTEREST EXPENSE</b>		351,822	150,862
<b>NET INTEREST INCOME</b>	19	152,477	174,430
<b>OTHER INCOME</b>			
Deposit and payment service charges		10,379	9,861
Distribution of Desjardins products and services		19,610	26,000
Administration of other services		7,020	6,880
Net investment income (loss)	19	21,353	5,862
		58,362	48,603
<b>OPERATING INCOME</b>		210,839	223,033
<b>PROVISION (RECOVERY) FOR CREDIT LOSSES</b>	8	1,658	(2,898)
<b>NON-INTEREST EXPENSE</b>			
Salaries and employee benefits		69,118	62,459
Occupancy costs		8,477	7,647
Insurance		4,607	4,391
Professional fees		3,010	2,878
Deposit and services related fees		2,291	2,215
Communications		2,523	2,642
Other employment expenses		1,274	1,376
Other		1,304	2,522
		92,604	86,130
<b>OPERATING SURPLUS EARNINGS</b>		116,577	139,801
Income on investments in the Federation		—	17,575
Income (loss) on fair value of derivative financial instruments		(27,630)	45,384
Assessments paid to Desjardins Group components and related costs		(87,857)	(80,394)
Community development expenses		(1,883)	(717)
<b>SURPLUS (LOSS) EARNINGS BEFORE TAXES AND MEMBER DIVIDENDS</b>		(793)	121,649
Income (recovery) taxes on surplus earnings	20	(5,873)	86,441
<b>SURPLUS (LOSS) EARNINGS BEFORE MEMBER DIVIDENDS</b>		5,080	35,208
Member dividends		11,990	11,912
Tax recovery on member dividends	20	(3,181)	(3,147)
<b>NET SURPLUS (LOSS) EARNINGS FOR THE YEAR AFTER MEMBER DIVIDENDS</b>		\$ (3,729)	\$ 26,443

<sup>(1)</sup> 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)	2023	2022
<b>Net surplus (loss) earnings for the year after member dividends</b>	\$ (3,729)	\$ 26,443
<b>Other comprehensive income, net of income taxes</b>		
<b>Items that will not be reclassified subsequently to the Summary Statement of Income</b>		
Remeasurement of net defined benefit plan assets and liabilities	(8,436)	7,471
<b>Items that will be reclassified subsequently to the Summary Statement of Income</b>		
Net change in unrealized gains and losses on securities classified as at fair value through other comprehensive income		
Net unrealized (gains) losses	6,773	(14,475)
Reclassification of net (gains) losses to the Summary Statement of Income	1,090	178
	<b>7,863</b>	<b>(14,297)</b>
Share of other comprehensive income from the investment in the Federation	—	(93)
Reclassification to the Summary Statement of Income related to the share of other comprehensive income from the investment in the Federation	—	(16,420)
	—	(16,513)
	<b>7,863</b>	<b>(30,810)</b>
<b>Total other comprehensive income, net of income taxes</b>	<b>(573)</b>	<b>(23,339)</b>
<b>COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<b>\$ (4,302)</b>	<b>\$ 3,104</b>

## Summary Income taxes on other comprehensive income

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

For the years ended December 31

(in thousands of Canadian dollars)	2023	2022
<b>Item that will not be reclassified subsequently to the Summary Statement of Income</b>		
Remeasurement of net defined benefit plan assets and liabilities	\$ (3,241)	\$ 2,682
<b>Items that will be reclassified subsequently to the Summary Statement of Income</b>		
Net change in unrealized gains and losses on securities classified as at fair value through other comprehensive income		
Net unrealized gains (losses)	2,464	(5,219)
Reclassification of net (gains) losses to the Summary Statement of Income	393	64
	<b>2,857</b>	<b>(5,155)</b>
<b>Total income (recovery) tax expense</b>	<b>\$ (384)</b>	<b>\$ (2,473)</b>

# Summary Statement of Changes in Equity

For the years ended December 31

	Reserves									
	Share capital (Note 17) <sup>(1)</sup>	Retained earnings	Accumulated other comprehensive income <sup>(2)</sup>	Appreciation reserve (in the Federation's investment Fund)	Appreciation reserve (derivative financial instruments)	Appreciation reserve (employee benefit plans)	Community development fund	Total reserves	Total equity	
(in thousands of Canadian dollars)										
<b>BALANCE AS AT DECEMBER 31, 2021</b>	\$ 1	\$ 645,843	\$ 14,666	\$ 148,875	\$ 10,629	\$ (8,436)	\$ 5,907	\$ 156,975	\$ 817,485	
Net surplus (deficit) 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	—	105,145	—	(148,875)	34,364	7,471	1,895	(105,145)	—	
Net amounts used during the year	—	527	—	—	—	—	(527)	(527)	—	
<b>BALANCE AS AT DECEMBER 31, 2022</b>	\$ 1	\$ 785,429	\$ (16,144)	\$ —	\$ 44,993	\$ (965)	\$ 7,275	\$ 51,303	\$ 820,589	
Net surplus (deficit) earnings for the year after member dividends	—	(3,729)	—	—	—	—	—	—	(3,729)	
Other comprehensive income for the year	—	(8,436)	7,863	—	—	—	—	—	(573)	
Comprehensive income for the year	—	(12,165)	7,863	—	—	—	—	—	(4,302)	
Transfer between retained earnings and reserves	—	25,386	—	—	(21,599)	(5,866)	2,079	(25,386)	—	
Net amounts used during the year	—	1,384	—	—	—	—	(1,384)	(1,384)	—	
<b>BALANCE AS AT DECEMBER 31, 2023</b>	\$ 1	\$ 800,034	\$ (8,281)	\$ —	\$ 23,394	\$ (6,831)	\$ 7,970	\$ 24,533	\$ 816,287	

<sup>(1)</sup> The reference to notes is reference to the French version of the financial statement.<sup>(2)</sup> As at December 31, 2022 and 2023, the balance of accumulated other comprehensive income consists of net unrealized gains on securities classified as at fair value through other comprehensive income (net of taxes).

# Summary Statement of Cash Flows

For the years ended December 31

(in thousands of Canadian dollars)	2023	2022
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Surplus (deficit) earnings before taxes and member dividends	\$ (793)	\$ 121,649
Non-cash adjustments:		
Provision (recovery) for credit losses	1,681	(2,911)
Depreciation of right-of-use assets and property, plant and equipment	3,213	2,243
Net realized (gains) losses on securities classified as at fair value through other comprehensive income	1,483	242
Net income on the investment in the Federation	—	(17,575)
Other	(33)	985
Change in operating assets and liabilities:		
Loans	(1,159,625)	(976,808)
Derivative financial instruments, net amount	24,550	(47,161)
Deposits	1,325,041	(207,594)
Other	25,639	6,376
Income taxes paid on surplus earnings	(59,261)	(22,413)
Payment of member dividends	(11,569)	(11,152)
	<b>150,326</b>	<b>(1,154,119)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Net change in lease liabilities	(1,128)	1,840
Transactions related to borrowings:		
Net change in lines of credit	(136,371)	10,739
Net change in term borrowings	—	975,000
	<b>(137,499)</b>	<b>987,579</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Purchase of securities at fair value through other comprehensive income	(127,234)	(271,911)
Proceeds from disposals of securities at fair value through other comprehensive income	112,883	45,228
Proceeds from maturities of securities at fair value through other comprehensive income	35,343	26,144
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	(5,529)	(2,146)
Proceeds from disposals of property, plant and equipment	—	95
	<b>15,463</b>	<b>152,802</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>28,290</b>	<b>(13,738)</b>
Cash and cash equivalents at beginning of year	94,228	107,966
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 122,518</b>	<b>\$ 94,228</b>
<b>Supplemental information on cash flows from operating activities</b>		
Interest paid	\$ 316,352	\$ 127,570
Interest received	489,190	313,171