

Desjardins

Fixed Income Investor Presentation Q4 2020 Results

All figures are in Canadian dollars and as at December 31, 2020, unless otherwise specified

This presentation contains forward-looking statements regarding, among other things, Desjardins Group's business objectives and priorities, financial targets and maturity profile. These statements include, but are not limited to, observations regarding the possible impact of the COVID-19 pandemic on its operations, results and our financial position, as well as on economic conditions and financial markets. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "aim" and "may", words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. It is therefore possible that, due to many factors, the assumptions formulated may be incorrect, or the predictions, forecasts or forward-looking statements as well as Desjardins Group's objectives and priorities may not materialize or may prove to be inaccurate and that actual results differ materially. Furthermore, the uncertainty created by the COVID-19 pandemic has greatly increased this risk by adding to the difficulty of making assumptions, predictions, forecasts or other forward-looking statements compared to previous periods. Desjardins Group cautions readers against placing undue reliance on these forward-looking statements when making decisions, given actual results, conditions, actions or future events could differ significantly from the targets, expectations, estimates or intentions advanced in them, explicitly or implicitly.

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 forward-looking statements in this presentation. These factors include in particular: credit, market, liquidity, operational, insurance, strategic, and reputation risks; pension plan risk; environmental or social risk; legal and regulatory risk; COVID-19 pandemic; climate change; government, corporate and household indebtedness; technological advancement and regulatory developments; interest rate fluctuations and geopolitical uncertainty; general economic and business conditions in regions in which Desjardins Group operates; security breaches; 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 and joint arrangements; credit ratings; changes in tax laws; unexpected changes in consumer spending and saving habits; talent recruitment and retention of key positions; the ability to implement Desjardins Group's disaster recovery plan within a reasonable time; the potential impact on operations of international conflicts; public health crises, such as pandemics and epidemics, or any other similar illness affecting the local, national or global economy; and Desjardins Group's ability to anticipate and manage the risks associated with these factors properly despite a disciplined risk management environment.

It is important to note that the above list of factors that could influence future results is not exhaustive. Other factors could have an effect on Desjardins Group's results. Additional information about these and other factors is found in the "Risk management" sections of Desjardins Group's most recently published annual and any subsequent quarterly MD&As and in the section "COVID-19 pandemic" of the last annual MD&A.

Any forward-looking statements contained in this presentation 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 balance sheet as at the dates indicated or its results for the periods then ended, as well as its business objectives and priorities, as considered on the dates hereof. These 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.

6th Largest financial institution in Canada¹

7,5 Million members and clients

> 48,000 employees

\$2,419 Million

Surplus earnings as at December 31, 2020

\$362 Billion

Total assets as at December 31, 2020

21.9% Tier 1A

(CET1 ratio for Banks)

 **\$445 Million in 2020**

Redistributed to members and the community

 **A Strong, Shared Commitment to Action**

On climate change

 **Carbon Neutral**
Since 2017

Our Goal

To become everyone's #1 choice



Named one of the world's top 100 best employers



6th safest financial institution in North America and 34th in the world



Ranked the best performing financial institution in Canada

1. By asset size

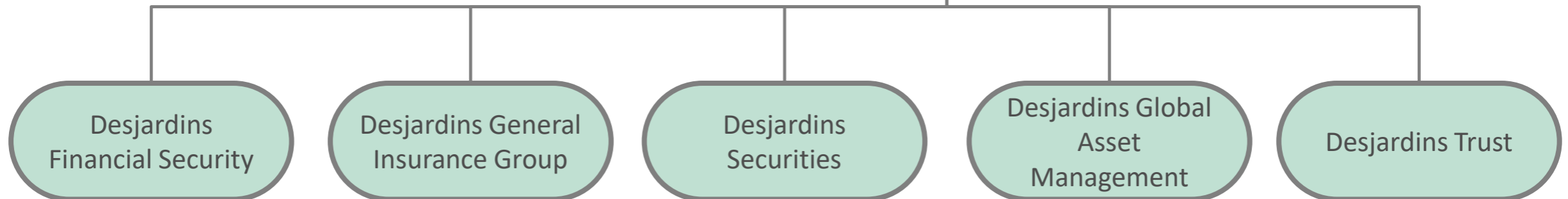


219 caisses

Capital Desjardins Inc.

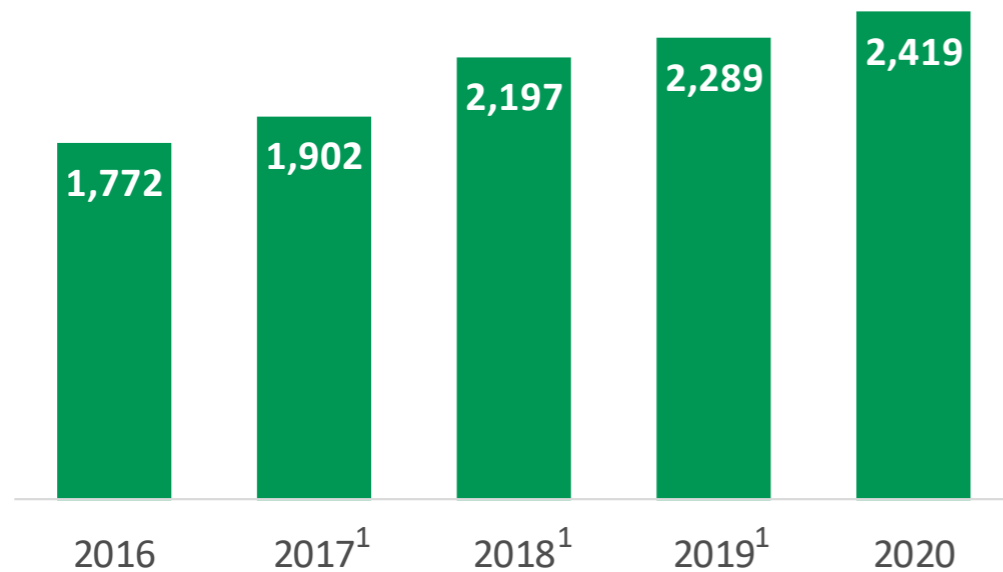
Desjardins Security Fund

Fédération des caisses Desjardins du Québec

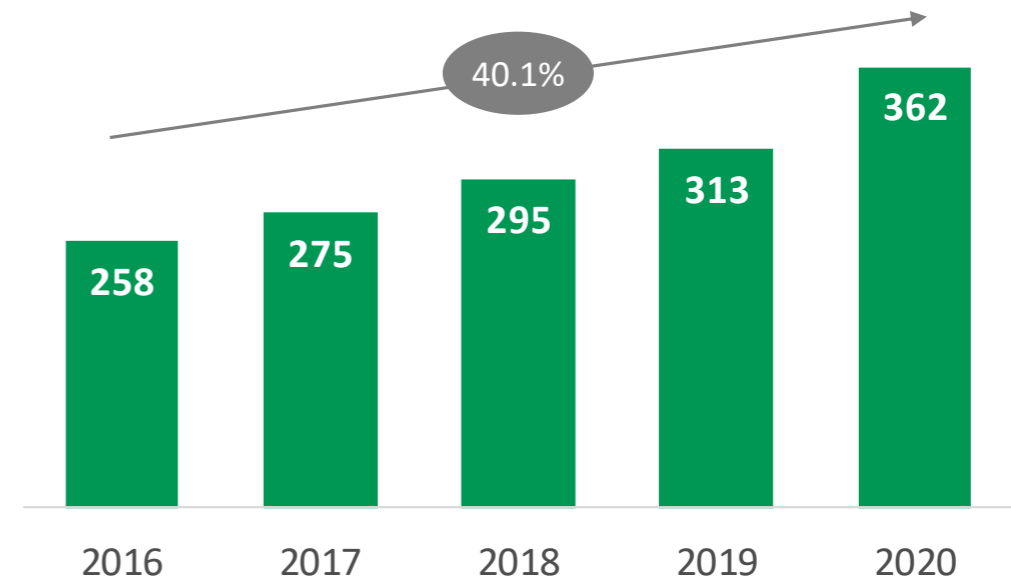


FINANCIAL RESULTS

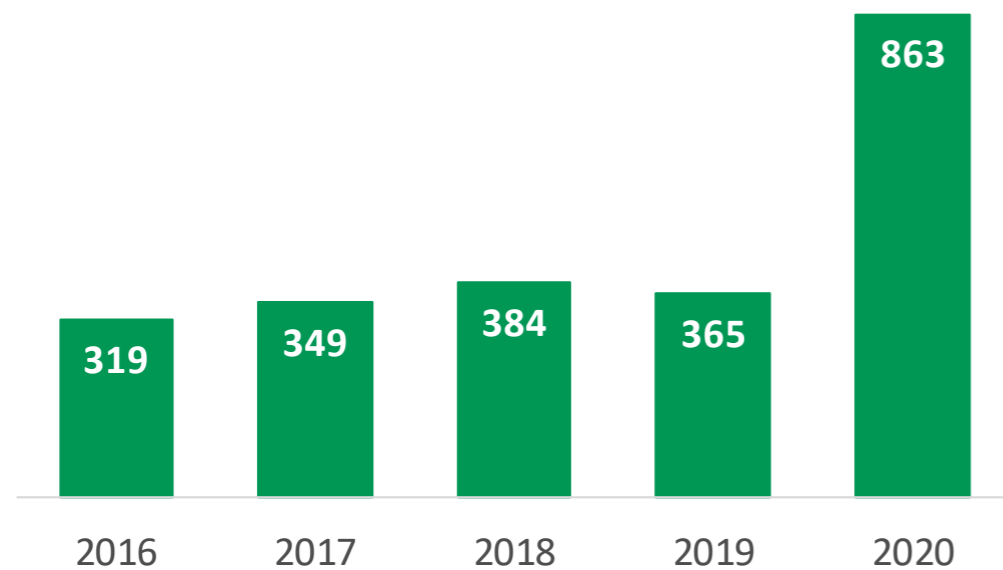
ADJUSTED SURPLUS EARNINGS (\$M)



TOTAL ASSETS (\$B)



PROVISIONS FOR CREDIT LOSSES (\$M)



CAPITAL AND TLAC RATIOS

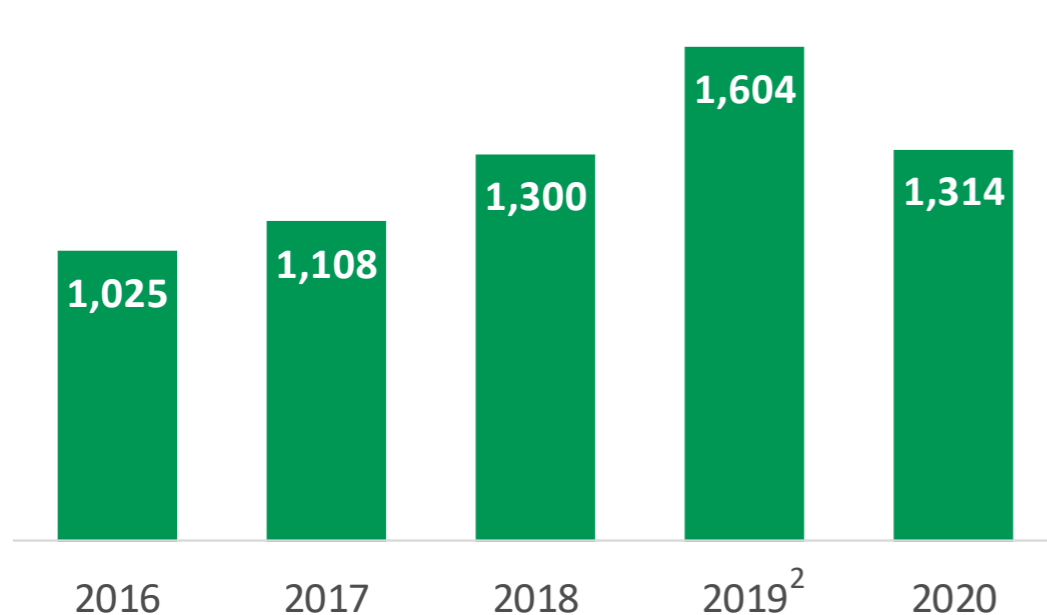
TIER 1A (CET1):	21.9%	TOTAL:	22.6%
LEVERAGE RATIO:	8.5%	TLAC:	24.7%

1. Adjusted to exclude non-recurrent gains related to the sale of the portfolio of merchants receiving Desjardins Group services under the Monetico brand (2019), the transaction involving Qtrade Canada Inc. and the interest in Northwest & Ethical Investments L.P. (2018) and the sale of Western Financial Group Inc. and Western Life Assurance Company (2017).

ABOUT US¹

Caisses	219
Points of sale	851
ATMs	1,687
Market Shares in Quebec:	
• Personal savings	41%
• Residential mortgages	39%
• Agricultural credit	39%
• Consumer credit	24%
• Commercial & industrial	20%

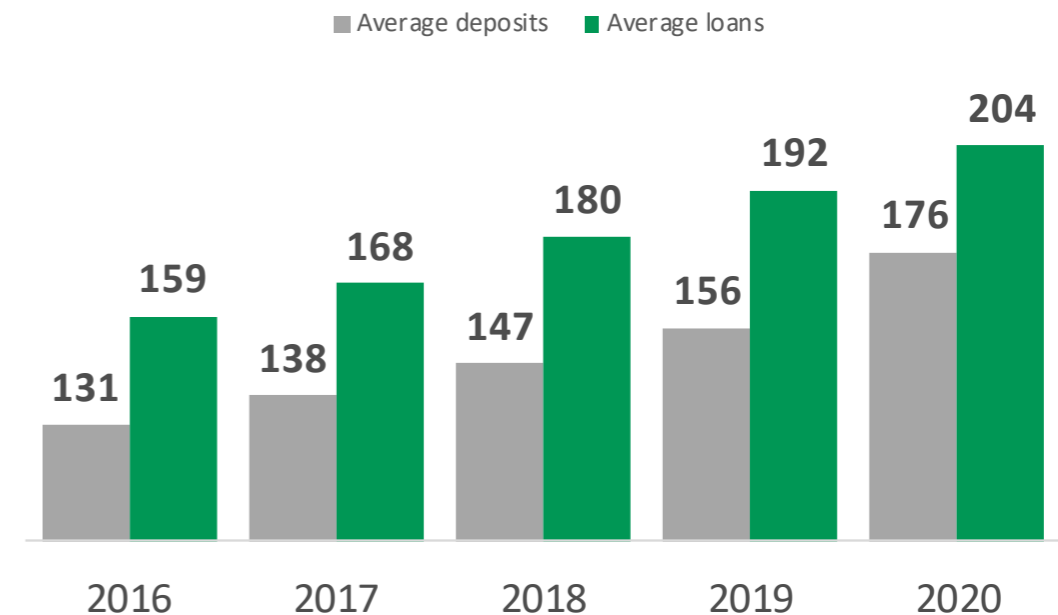
ADJUSTED SURPLUS EARNINGS (\$M)



AWARDS AND RECOGNITION

- Voted the “coolest” financial institution in 2018 and second “coolest” in 2019 according to Quebec millennials.
- Named one of the world’s top 100 best employers by Forbes Magazine.
- Named one of Canada’s top Family-Friendly employers.
- Named one of Canada’s top employers for Young People.

ASSETS AND DEPOSITS (\$B)



1. As at December 31, 2020

2. Adjusted to exclude the gain related to the sale of the entire portfolio of merchants receiving Desjardins Group services under the Monetico brand.

PAN-CANADIAN PRESENCE

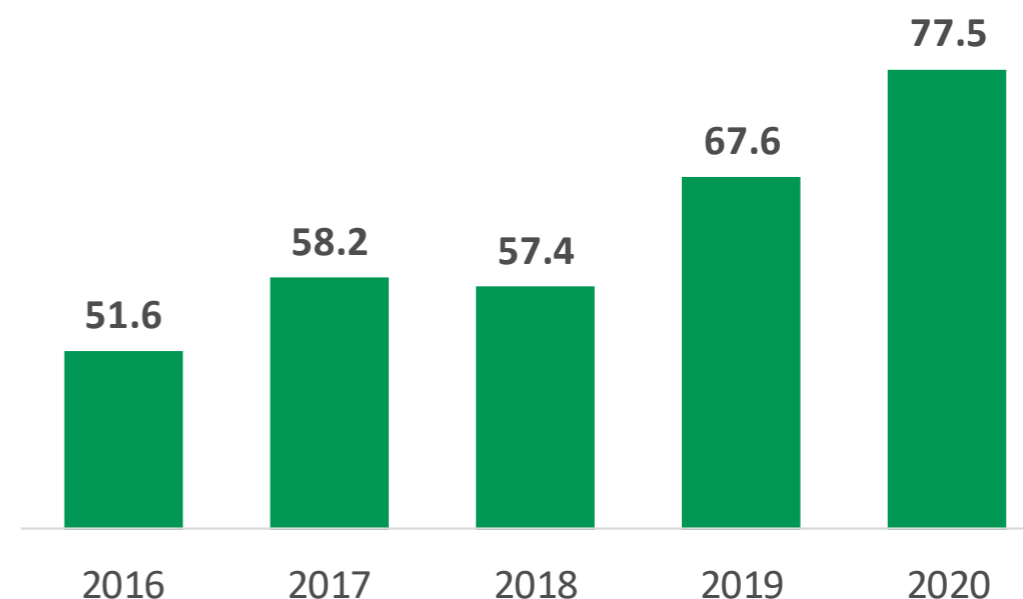
Wealth Management:

#1 in Quebec and **#1** in Canada for market-linked guaranteed investments.

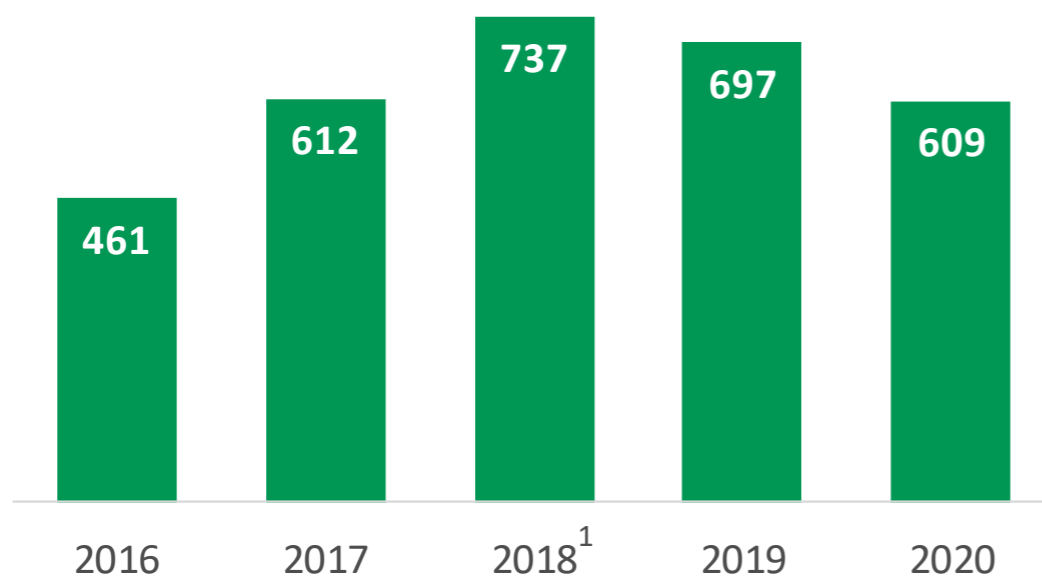
Life and Health Insurance:

#3 in Quebec **#5** in Canada

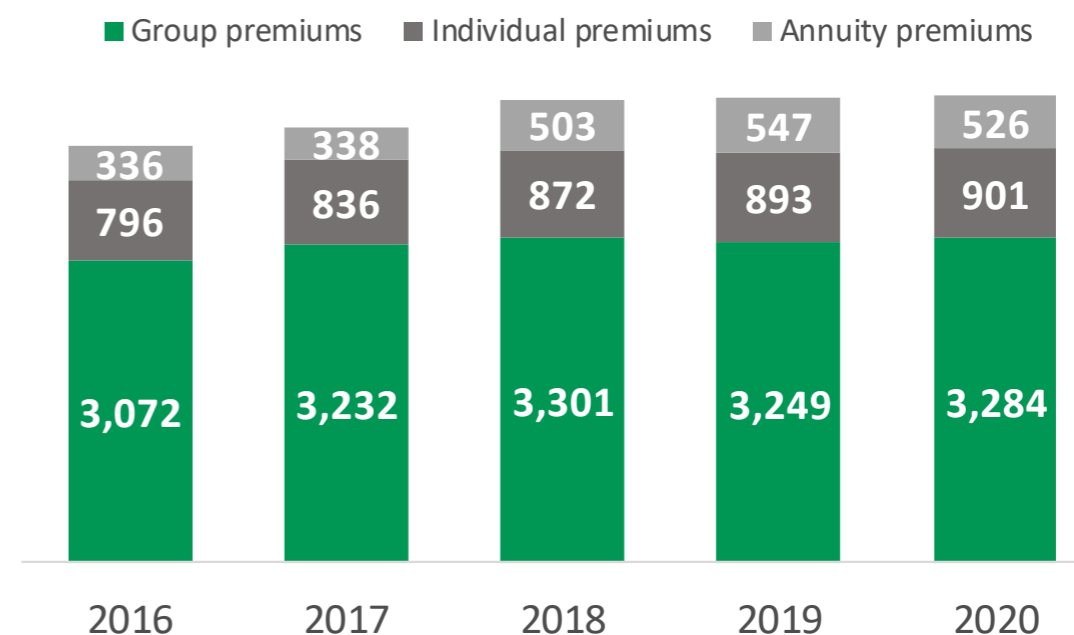
ASSETS UNDER MANAGEMENT (\$B)



ADJUSTED SURPLUS EARNINGS (\$M)



GROWTH IN PREMIUMS (\$M)

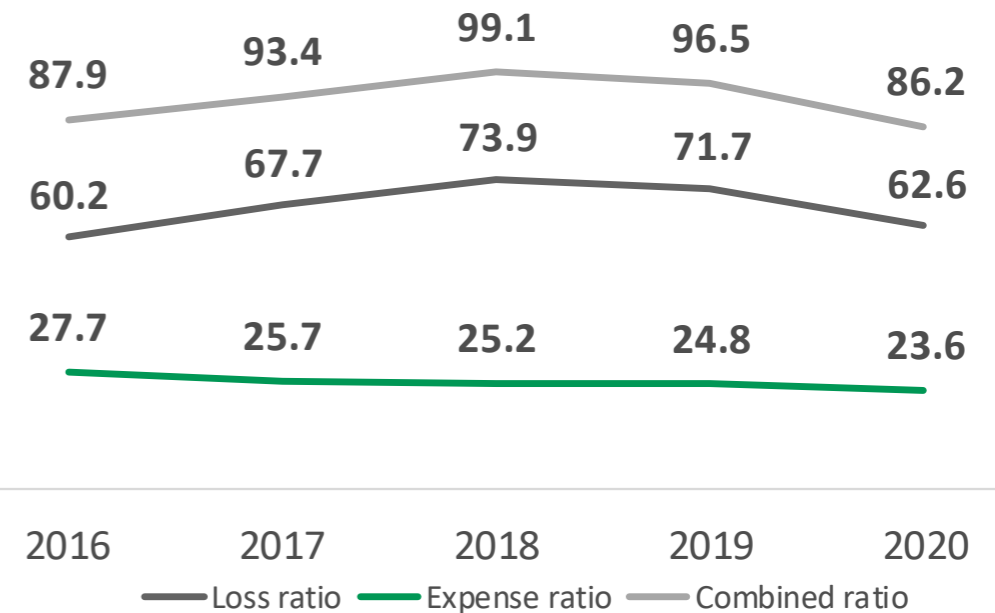


1. Adjusted to exclude the gain related to the transaction involving Qtrade Canada inc. and the interest in Northwest & Ethical Investments L.P.

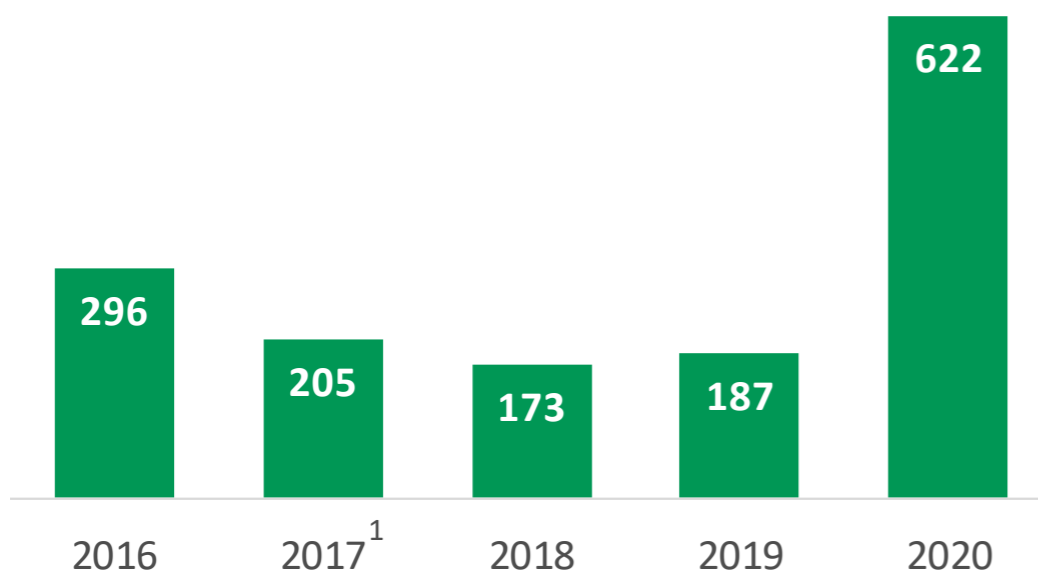
PAN-CANADIAN PRESENCE

- Important Property and Casualty insurer:
 - #2** in Quebec **#2** in Canada
- **28th** consecutive year of underwriting profits.
- Auto insurance premium discounts of \$155M granted to members and clients as a relief measure to support them during the COVID – 19 pandemic.

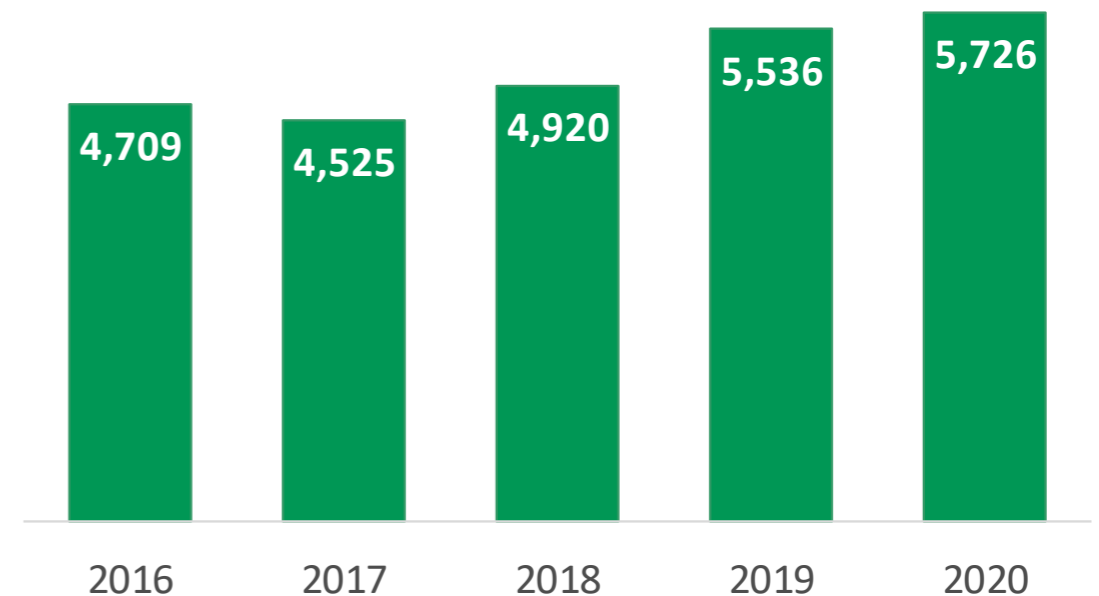
RATIOS



ADJUSTED SURPLUS EARNINGS (\$M)



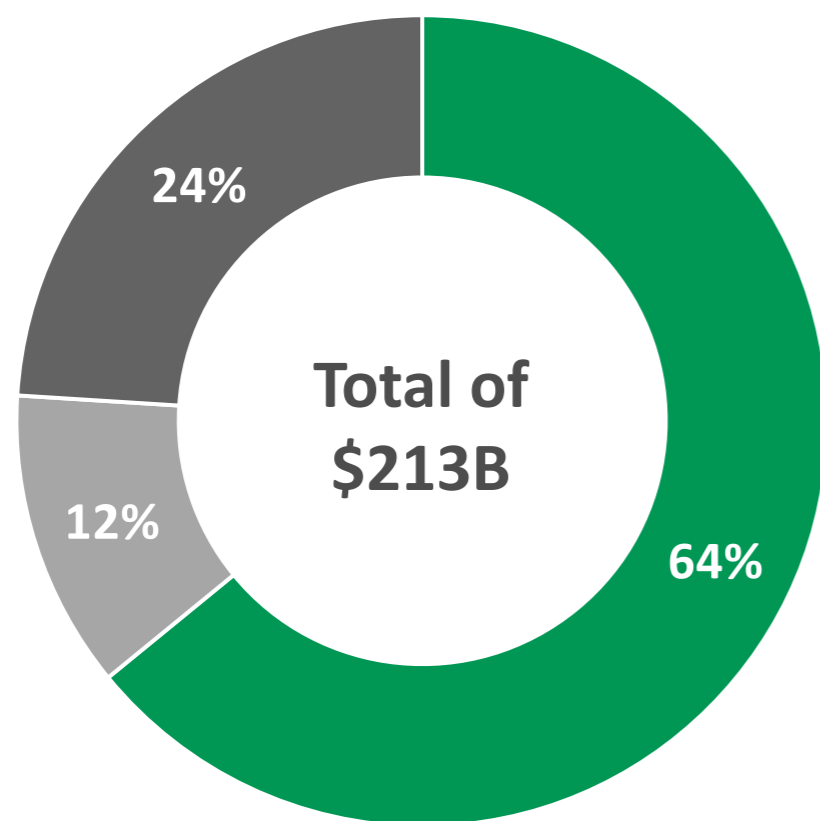
GROWTH IN GROSS WRITTEN PREMIUMS (\$M)



1. Adjusted to exclude the gain related to the sale of Western Financial Group Inc. and Western Life Assurance Company.

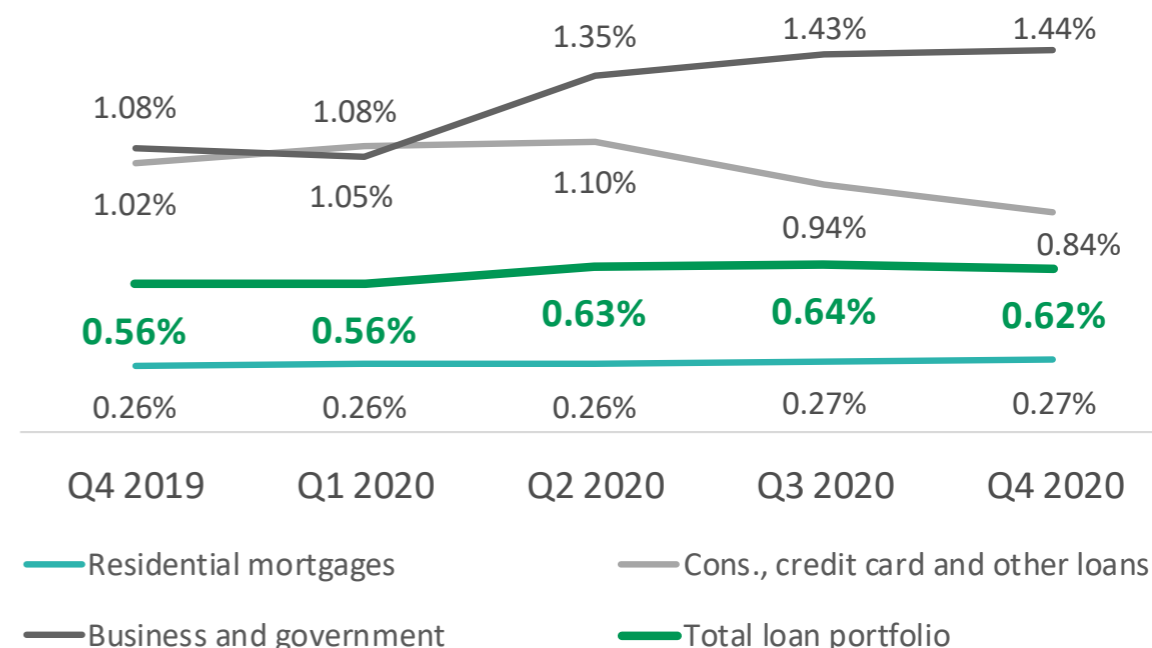
BALANCE SHEET QUALITY

LOAN BOOK AND ACCEPTANCES

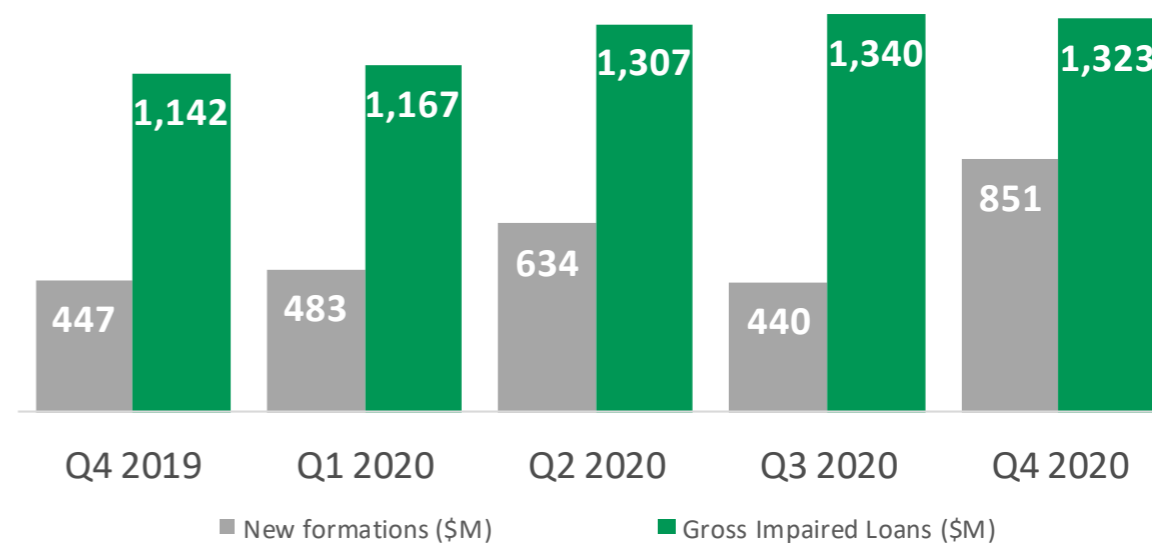


- Residential mortgages
- Consumer, credit card and other loans
- Business and government

GROSS IMPAIRED LOANS RATIO

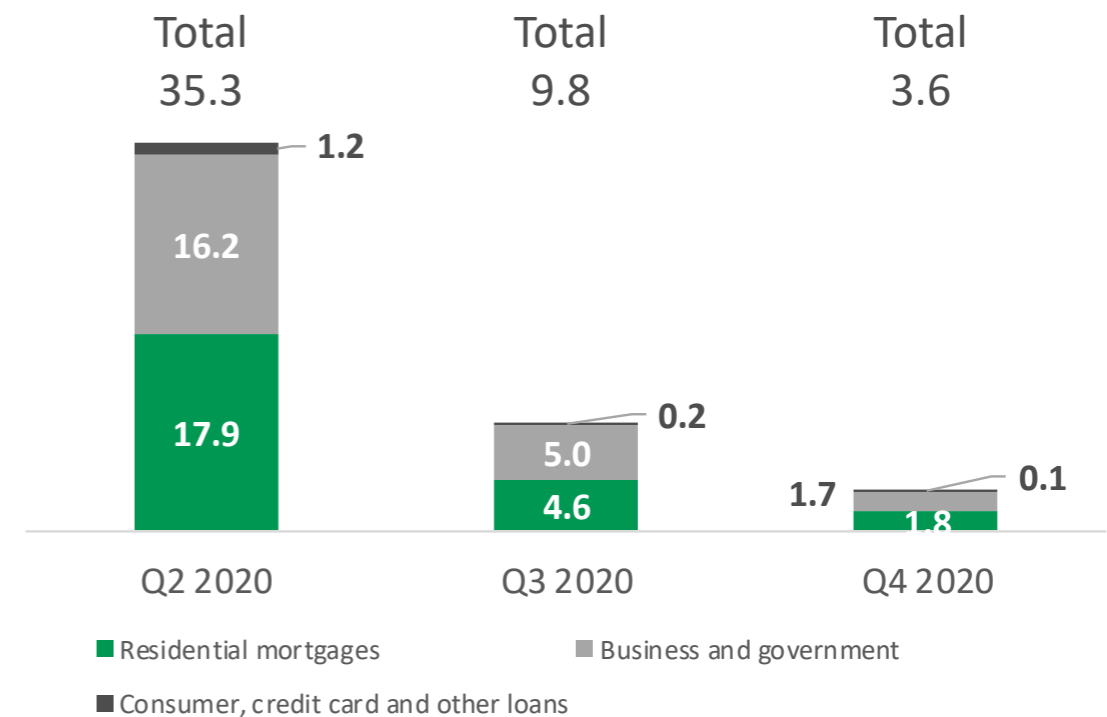


GROSS IMPAIRED LOANS AND NEW FORMATIONS



- Substantial decline in deferral exposure
- We maintain relief measures, notably for harder hit members and clients, such as:
 - Payment relief for all their financing products
 - Reduce interest rates on credit cards
 - Personalized support for regaining good financial health
- All relief demands are analysed on a case-by-case basis

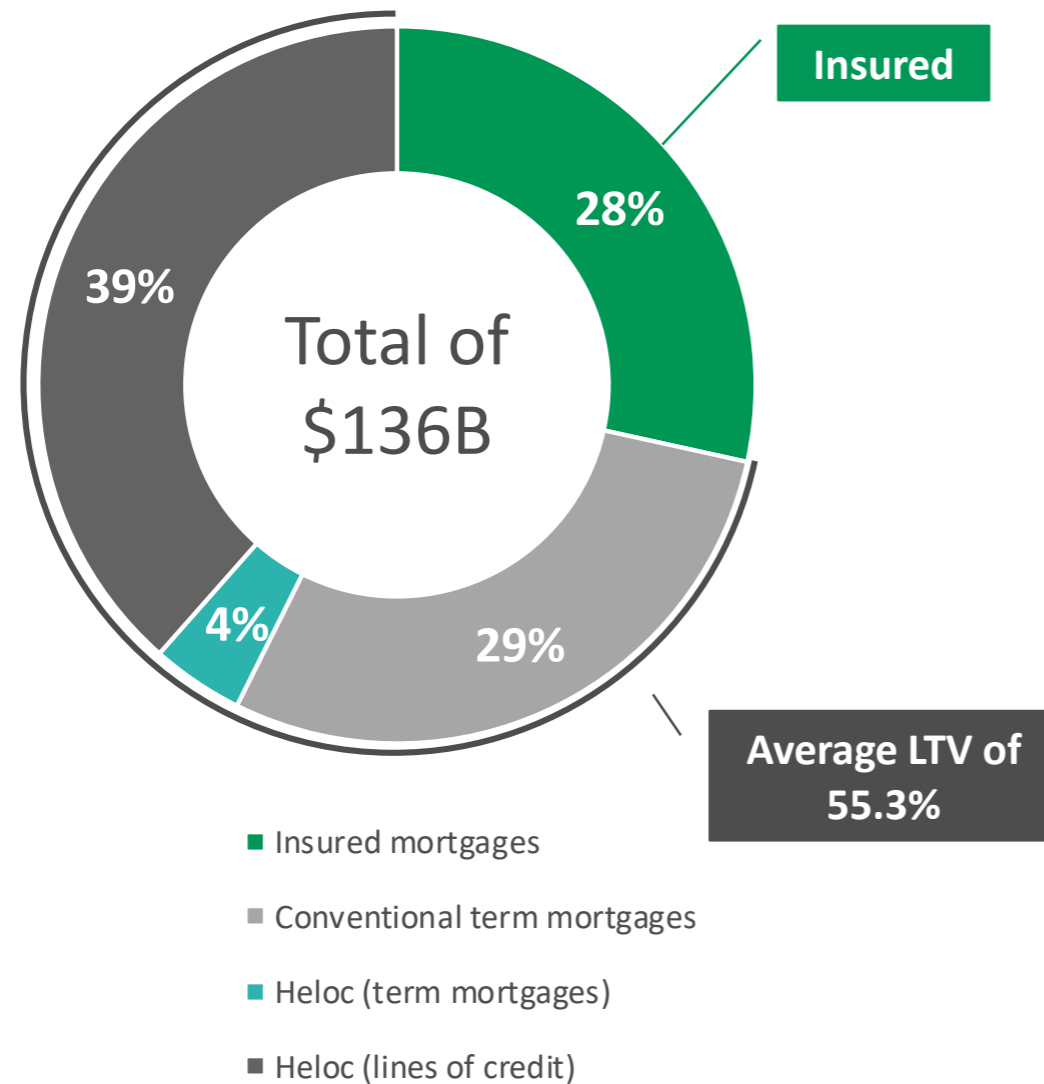
DECREASE IN DEFERRAL EXPOSURE (\$B)



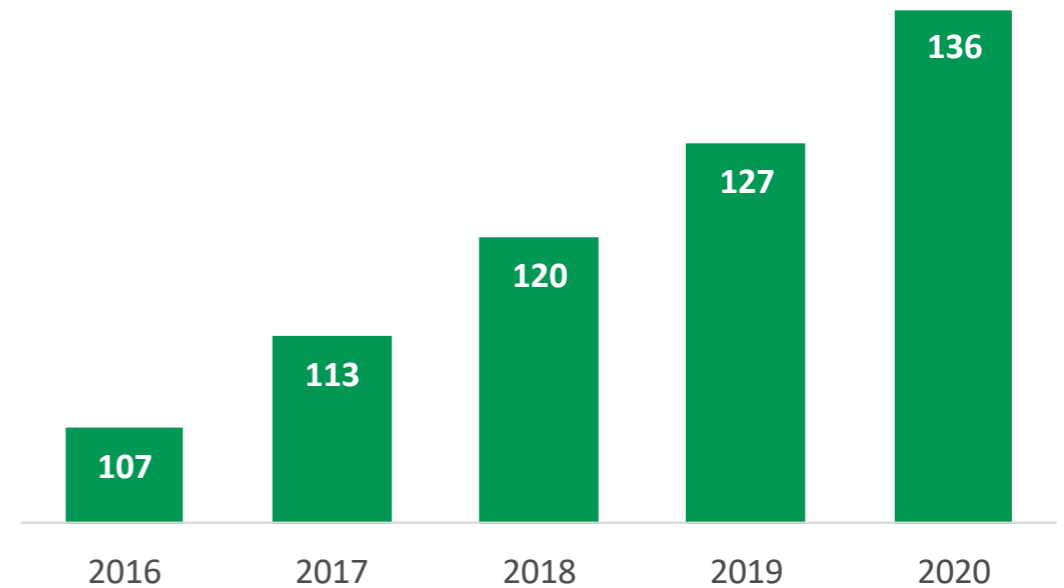
Product Types ¹	Active Deferrals		Expired Deferrals		
	Balance (\$B)	% of Portfolio Balance	Balance (\$B)	% Current	% Delinquent
Residential mortgages	1.8	1.3	16.5	99.3	0.7
Insured	0.4	1.0	5.8	98.9	1.1
Uninsured and Heloc's	1.4	1.4	10.6	99.3	0.7
Consumer, credit card and other loans	0.1	0.4	1.7	95.5	4.5
Credit cards	0.04	0.4	0.7	92.8	7.2
Personal loans	0.06	0.4	1.0	97.5	2.5
Business and government	1.7	3.3	15.3	99.5	0.5

1. Amounts have been reclassified to represent the categories shown in our financial statements.

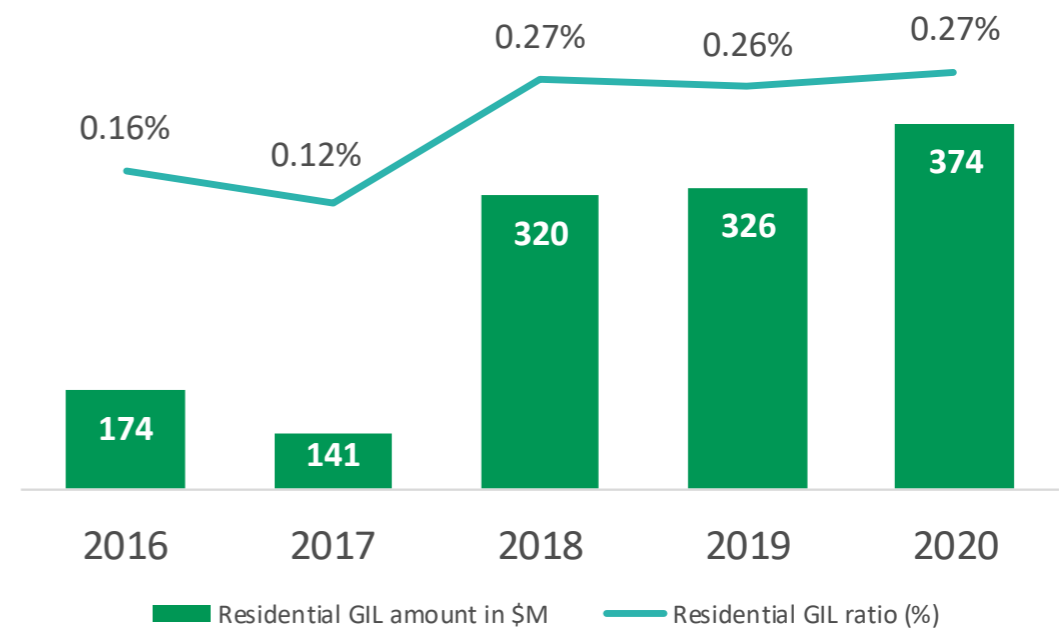
RESIDENTIAL MORTGAGE PORTFOLIO



GROWTH IN RESIDENTIAL PORTFOLIO (\$B)



GROSS IMPAIRED LOANS

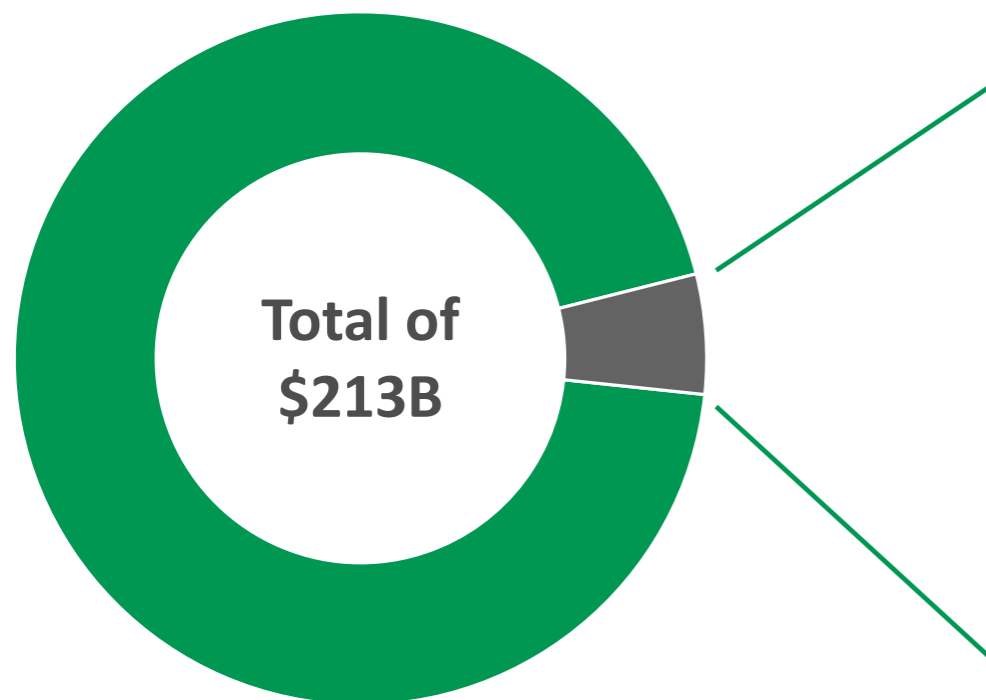


- Portfolio of high quality and well diversified.
- Gross impaired loans ratio of 1.44%.
- Mining, oil and gas represent 0.8% of Business and Government loan portfolio.

Borrower Category	% of Portfolio	Gross Loans (\$M)	Impaired Loans (\$M)	Gross Impaired Loans Ratio (%)		
				Q4 2020	Q3 2020	Q2 2020
Real estate	21	10 573	43	0.41	0.20	0.24
Agriculture	19	9 738	125	1.28	1.12	1.31
Manufacturing	8	4 324	111	2.57	2.94	3.18
Construction	8	3 904	117	3.00	4.23	4.53
Health care	7	3 666	35	0.95	0.98	0.77
Retail trade	7	3 389	73	2.15	2.47	1.54
Public agency	6	3 017	0	-	-	-
Accommodation	4	1 834	48	2.62	1.91	1.98
Wholesale trade	3	1 568	35	2.23	1.06	1.01
Transportation	3	1 359	34	2.50	2.40	1.85
Rest of the portfolio	14	7 643	116	1.52	1.58	1.01
Total	100	51 015	737	1.44	1.43	1.35

- We continue to support and offer solutions to our members and clients. In partnership with the Quebec and Canadian governments, we participate in assistance programs that provide liquidity to finance operations or increase the working capital of businesses having temporary difficulties due to COVID-19.
- Sectors most impacted by the COVID-19 represent 5.9% of our total loan portfolio

TOTAL LOAN PORTFOLIO

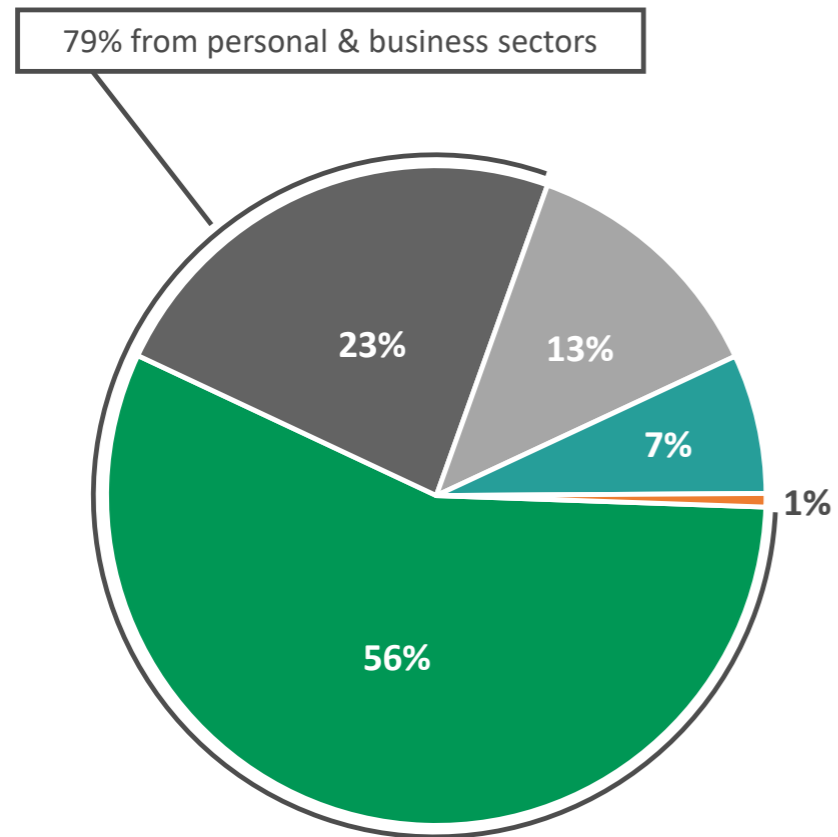


- Total Loan Portfolio
- COVID - 19 High impact sectors

COVID - 19: High Impact Sectors	\$B	% of total loan portfolio	Selected Vulnerable Segments
Accommodation and food services	2.0	0.9	All segments
Arts and entertainments	0.8	0.4	All segments
Information industry	0.1	0.0	Film and sound recording industries
Mining, oil and gas	0.4	0.2	All segments
Real estate	6.5	3.0	Shopping centers
Retail trade	1.6	0.7	Auto dealers, electronics and appliance Stores, furniture, clothing stores
Transportation	1.3	0.6	Transport activities: Air transport, sightseeing and leisure, public transport and land passenger, truck, water
Total	12.6	5.9	

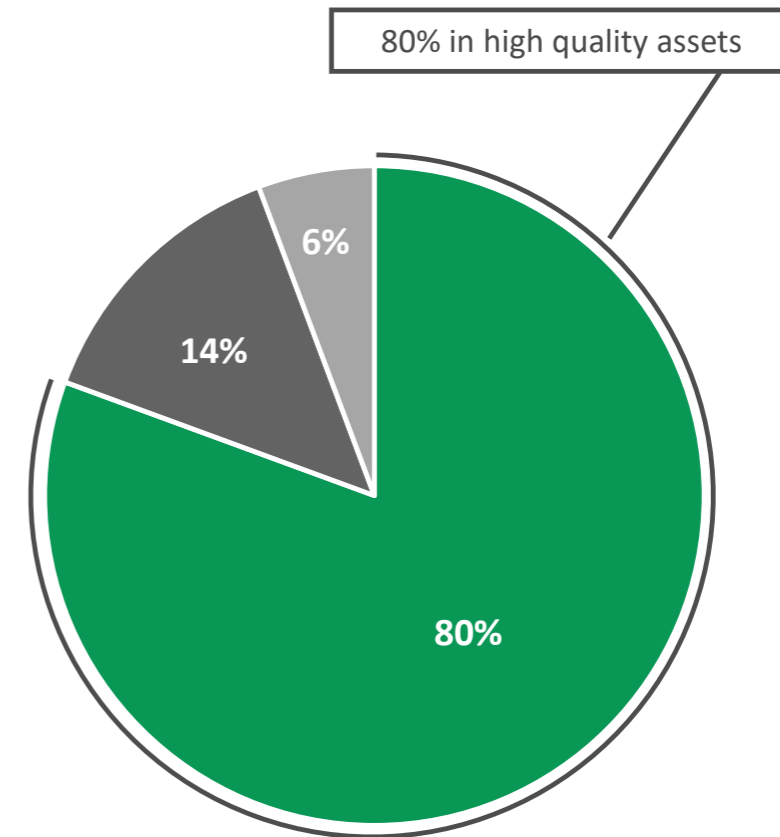
LIQUIDITY and FUNDING

TOTAL DEPOSITS



- Individual deposits
- Business and government
- Long term wholesale funding
- Short term funding
- Subordinated debt (NVCC and CDI)

LIQUIDITY PORTFOLIO

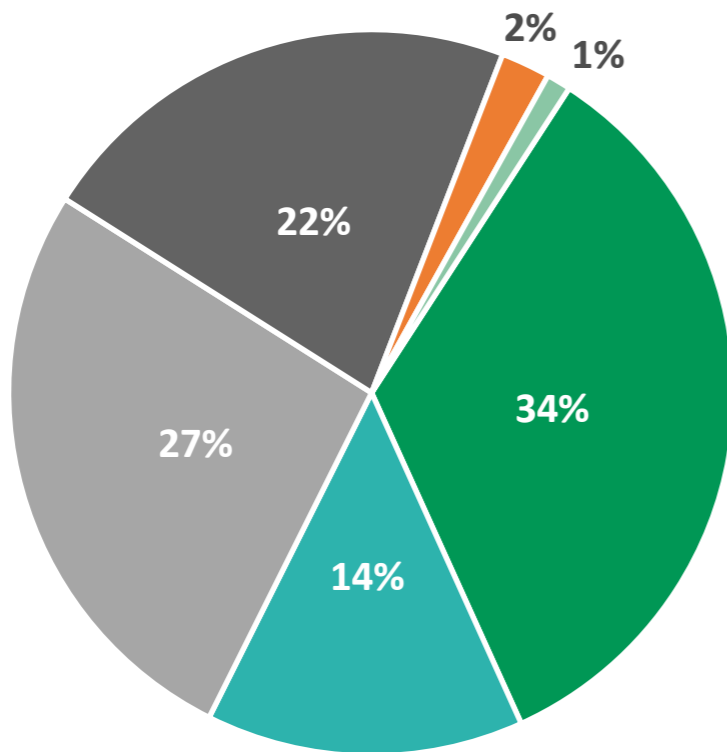


- Canadian, provincial and other governments
- Other issuers
- Equities

PROGRAMS	CURRENCIES	LIMIT
<i>Short term</i>		
Commercial paper – Canada	Canadian	None
Commercial paper – United States	United States	US\$15B
Commercial paper – Europe	Euro	€3B
<i>Mid-Long term</i>		
Medium term notes – Canada	Canadian	C\$10B
Global medium term notes	Multi-currency	€7B
Covered bonds	Multi-currency	C\$26B
Securitization program (CMHC)	Canadian	Allocation
NVCC Subordinated debts	Canadian	C\$3B

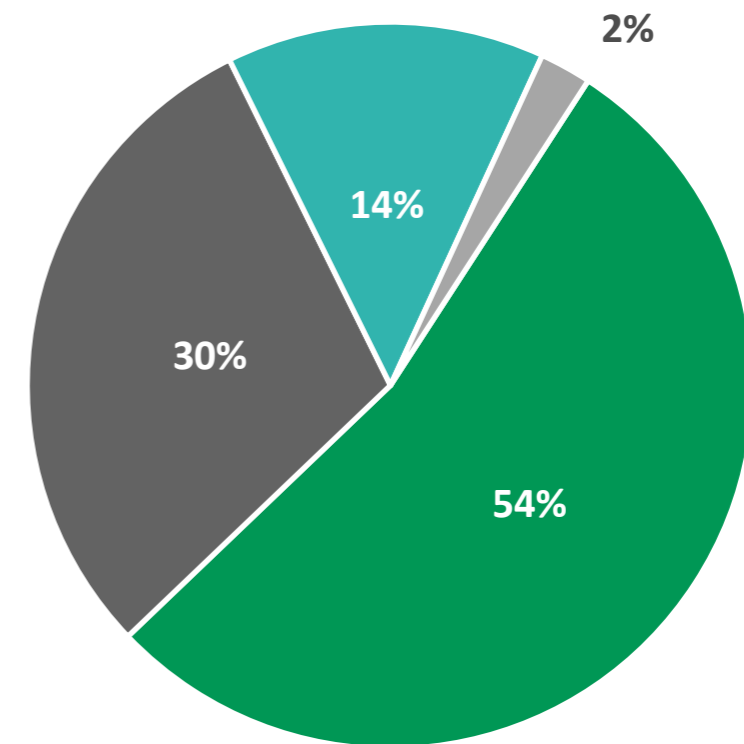
WHOLESALE FUNDING

BY PROGRAM TYPE



- Short term
- Medium-term notes
- Mortgage securitization
- Covered bonds
- Subordinated debt (NVCC)
- Subordinated debt non-NVCC (CDI)

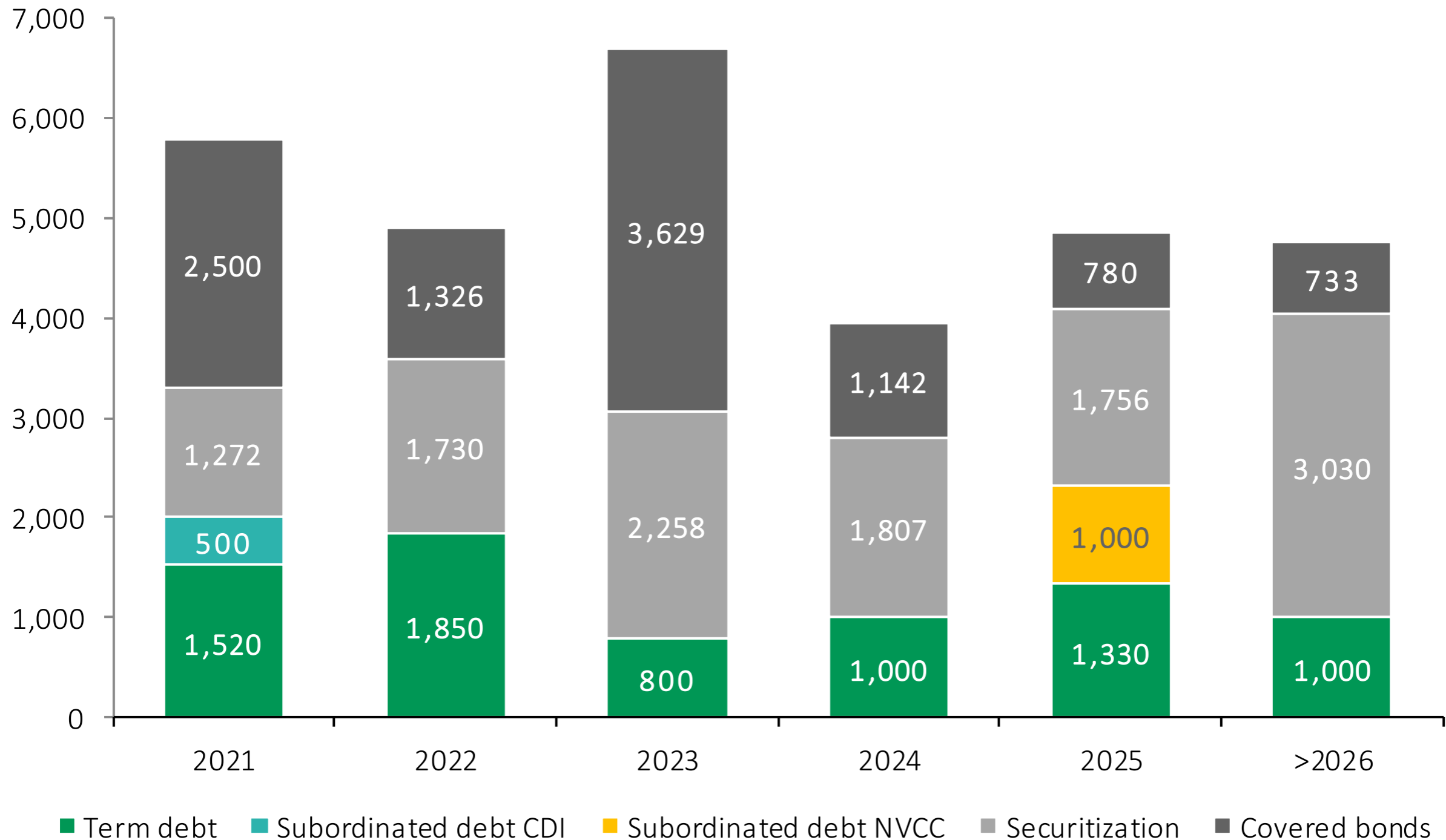
BY CURRENCY¹



- CAD
- USD
- EUR
- GBP

1. Exchange rate used at the time of issuance of securities

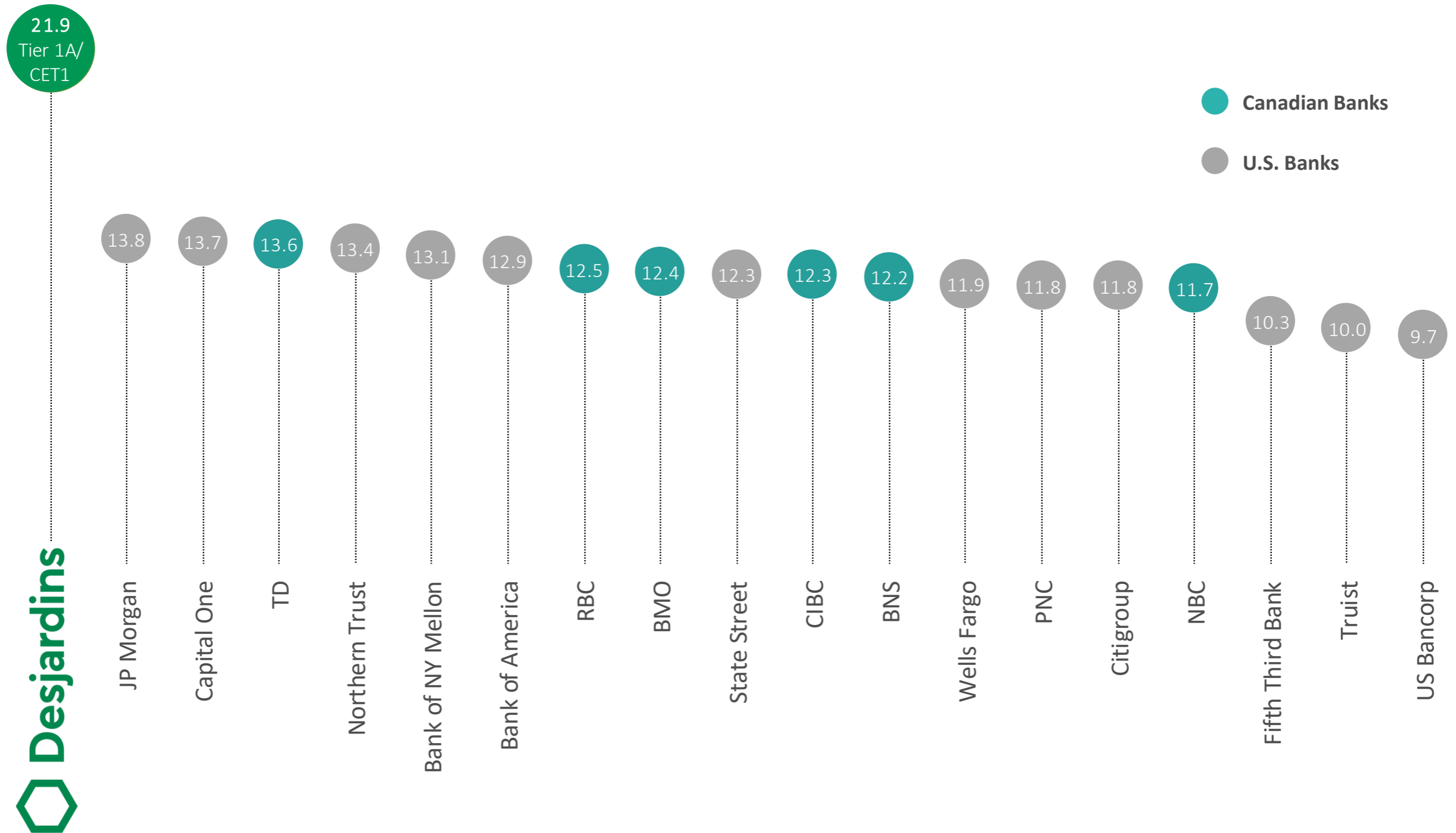
(IN \$M, AS AT FEBRUARY 28, 2021)



Note: exchange rate used at the time of issuance of securities

CAPITAL and BAIL-IN

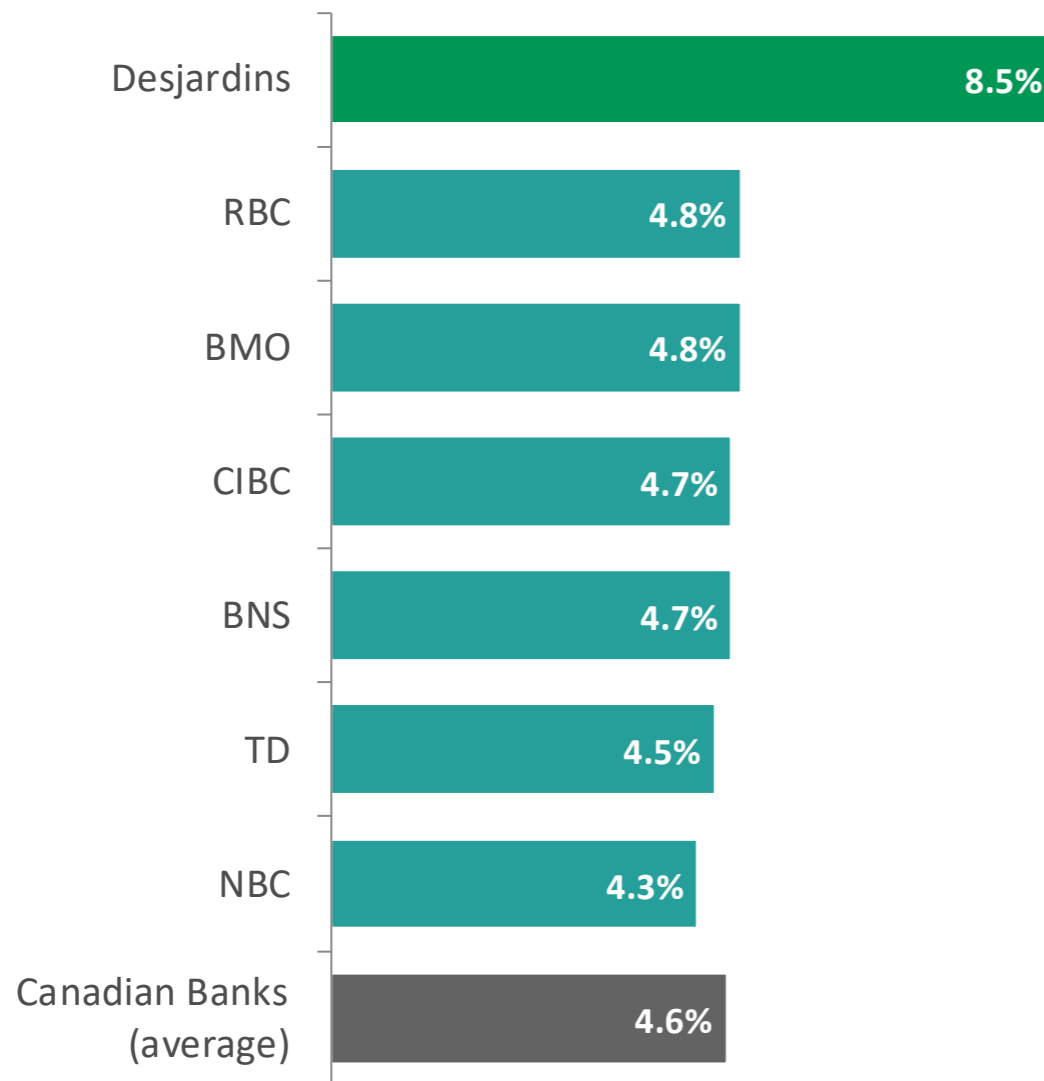
TIER 1A OR COMMON EQUITY TIER 1 CAPITAL RATIO (%)¹



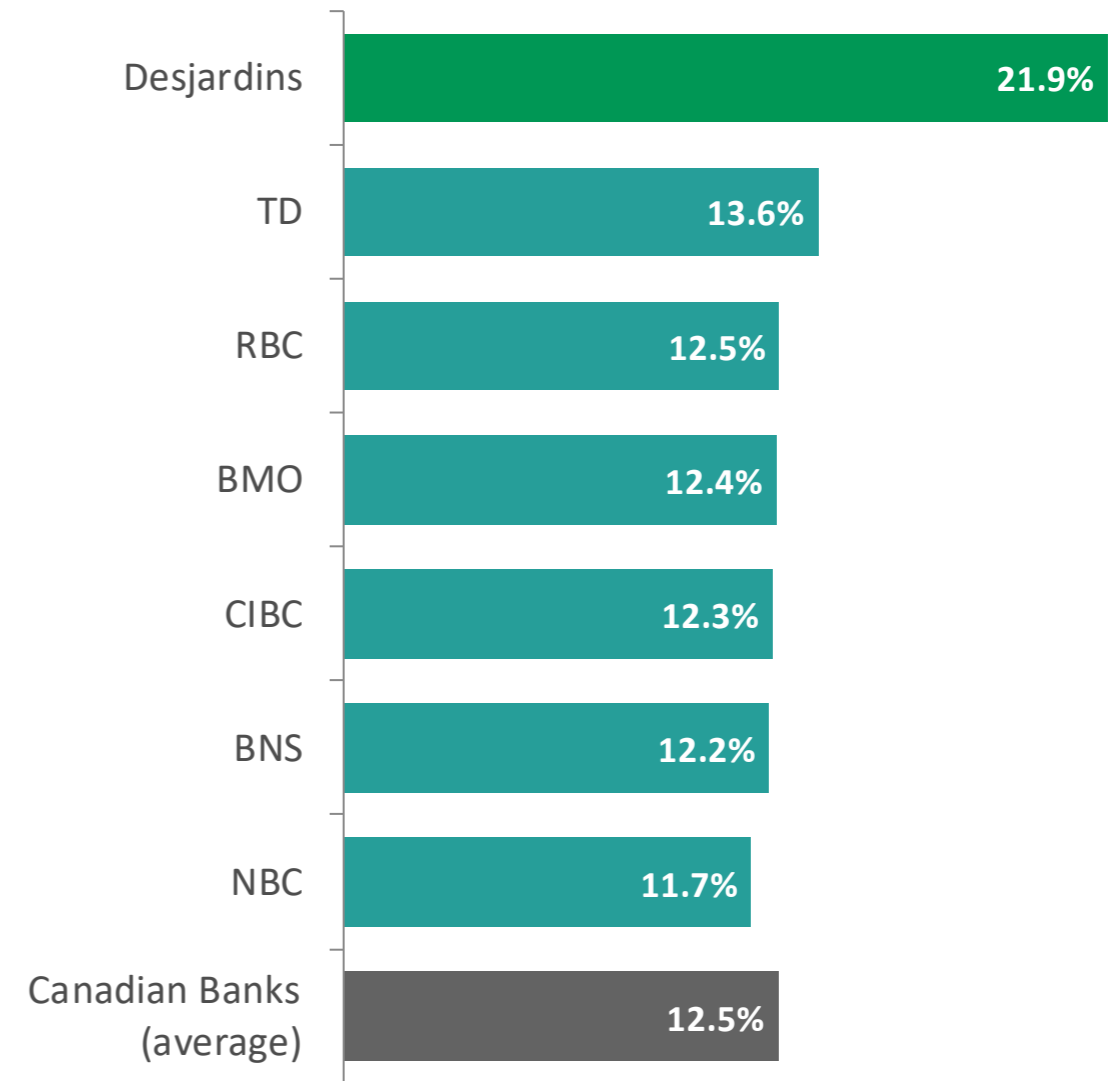
Sources: Financial Reports of Desjardins Group, U.S. banks and Canadian banks

1. As at Q1 2021 for Canadian banks and Q4 2020 for U.S. Banks. Only U.S. Banks with more than US\$60B of deposits are illustrated.

LEVERAGE RATIO



TIER 1A CAPITAL RATIO (CET1)



Total Loss Absorbing Capacity (TLAC)

TLAC Ratio	24.7%
TLAC Leverage Ratio	9.5%

	Moody's	S&P	DBRS	Fitch
Counterparty/Deposits ¹	Aa1	A+	AA	AA
Short-term debt	P-1	A-1	R-1 (high)	F1+
Senior medium and long-term legacy debt ²	Aa2	A+	AA	AA
Senior medium and long-term debt ³	A2	A-	AA (low)	AA-
NVCC subordinated notes	A2	BBB+	A (low)	A
Covered bonds	Aaa	--	--	AAA
Outlook	Stable	Stable	Stable	Stable

1. Represents Moody's Counterparty Risk Rating and Deposit Rating, S&P's Issuer Credit Rating, DBRS' Long Term Deposit Rating and Fitch's Long-Term Issuer Default Rating, counterparty Rating and Long Term Deposit Rating
2. Includes senior debt issued prior to March 31, 2019, and senior debt issued on or after March 31, 2019, which is excluded from the recapitalization regime applicable to Desjardins.
3. Includes senior debt issued on or after March 31, 2019, subject to conversion under the recapitalization regime applicable to Desjardins.

Complexe Desjardins, Montreal

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