



Working together

ANNUAL REPORT 2019



**Caisse Desjardins de
Vaudreuil-Soulanges**

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Note to readers

This annual report provides an overview of Caisse Desjardins de Vaudreuil-Soulanges's key financial data as at December 31, 2019.

This document complies with the reporting requirements of the *Act respecting financial services cooperatives* and the Autorité des marchés financiers and was approved by the caisse board of directors.

Pauline Thauvette Leroux, Chair
Charles Huneault, Secretary

About Caisse Desjardins de Vaudreuil-Soulanges:

- 56,345 members
- \$275,910 given back through our Community Development Fund
- A dynamic team of managers and employees under the general management of Gilles Brassard

• Dedicated directors

Pauline Thauvette Leroux	Chair
Hélène Therrien	First Vice-Chair
François Paquin	Second Vice-Chair
Charles Huneault	Secretary
Nathalie Brière	Director
Josée Charette	Director
André Gendron	Director
Steven Grenier	Director
Elaine Lefebvre	Director
Benoit Levesque	Director
Patrick Madore	Director
Mihaela Minciunescu	Director
Isabelle Poirier	Director
Chantal Quesnel	Director
Marie-Jacinthe Roberge	Director

Desjardins Group highlights

- Surplus earnings before member dividends up \$272 million compared to 2018, for a total of \$2,598 million, including:
 - \$1,881 million from Personal and Business Services
 - \$729 million from Wealth Management and Life and Health Insurance
 - \$187 million from Property and Casualty Insurance
- \$203.5 billion in outstanding loans and acceptances
- \$67.6 billion in assets under management
- 21.6% Tier 1A capital ratio
- 9.9% return on equity, compared to 9.3% in 2018
- Adjusted return on equity of 8.9%, the same ratio as in 2018
- Assets having exceeded \$300 billion to total \$313 billion
- \$17,909 million in operating income
- \$445 million given back to members and the community

Caisse Financials

- Assets of \$2,035,818K, up 7.5%
- Liabilities of \$1,847,315K, an increase of 7.4%
- Equity of \$188,503K, up 8.6%
 - Capital stock: \$2,403K
 - Distributable surplus earnings: \$13,237K
 - Accumulated other comprehensive income: \$2,399K
 - Reserves: \$170,464K
 - Stabilization reserve: \$2,486K
 - Reserve for future member dividends: \$10,515K
 - Community Development Fund: \$1,049K
- Operating surplus earnings of \$16,574K, up 41.1%
- Interest income totalling \$60,451K, an increase of 17.6%
- Interest expenses of \$24,625K, up 17.1%
- Other income totalling \$13,911K, up 3.2%
- Non-interest expenses of \$32,522K, an increase of 4.1%

Loans to restricted parties* are granted in accordance with the caisse's applicable rules of professional conduct. No such loans were granted in 2019.

*Restricted parties include:

- Caisse directors and the caisse general manager, including their relatives
- Federation directors, including their relatives

Investment Funds

The money that caisses invest in these funds allows the Fédération des caisses Desjardins du Québec (the Federation) to invest in Desjardins Group subsidiaries and regional projects. The table below indicates the caisse's interest in each investment fund and the fund's return at the end of the fiscal year.

Provincial funds	Value of shares held as at December 31, 2019 (\$)	Average return (%)
Société de Services des caisses Desjardins (SER)	(693)	0.0
Desjardins Capital Management (INV)	137,069	30.6
Desjardins Financial Holding (FIN5A)	57,559,333	12.2

The Federation's obligation to holders of permanent shares

Further to a recommendation issued by the Autorité des marchés financiers, the Federation guarantees that it will indemnify Quebec caisse members holding permanent shares in the event of losses resulting from misinformation in the audited Combined Financial Statements of the Desjardins caisses in Quebec and Desjardins Group's annual Management's Discussion and Analysis. These documents are available at www.sedar.com. The Federation's obligation in this matter is subject to certain conditions. Holders of permanent shares can request more information at their caisse.

The Combined Financial Statements of the Desjardins caisses in Quebec are also available to the public at www.desjardins.com.

Summary of the loan portfolio

As at December 31, 2019, the quality of the caisse's loan portfolio remained high. Gross impaired loans represent just 0.3% of total gross loans. The table below shows the gross carrying amount of loans and their allowance balance by stage:

As at December 31 (in thousands of Canadian dollars)	Stage 1 Non-credit impaired		Stage 2 Non-credit impaired		Stage 3 Credit-impaired		Total 2019			Total 2018
	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Gross carrying amount	Allowance for credit losses	Net carrying amount	Net carrying amount
Residential mortgages	1,267,157	252	40,131	201	1,551	109	1,308,839	562	1,308,277	1,230,544
Consumer and other personal loans	39,399	54	3,846	80	207	117	43,452	251	43,201	42,858
Business and government	364,635	156	65,438	298	3,911	417	433,984	871	433,113	403,334
Total	1,671,191	462	109,415	579	5,669	643	1,786,275	1,684	1,784,591	1,676,736

For more information, see Note 2, "Basis of presentation and significant accounting policies" to the Combined Financial Statements of the Desjardins caisses in Quebec for the year ended December 31, 2019, available at www.desjardins.com. Certain comparative figures have been reclassified to conform with the presentation to the current year's annual report.

Summary of the deposit portfolio

As at December 31, 2019, the caisse's member deposits totalled \$1,449,496K, up \$140,759K, or 10.8%, year over year. Deposits by individuals provide the main source of funding for the caisse's expansion. These deposits represent 74.4% of total deposits as at December 31, 2019. The following table shows the breakdown of deposits by type of depositor with amounts by type of savings*.

As at December 31 (in thousands of Canadian dollars)	Payable on demand	Payable upon notice	Payable on a fixed date	Total 2019	Total 2018
Individuals	512,716	43,587	521,621	1,077,924	1,004,681
Business and government	346,387	1,588	23,597	371,572	304,056
Total	859,103	45,175	545,218	1,449,496	1,308,737

*For more information on presentation and significant accounting policies, see Note 2 to the Combined Financial Statements of the Desjardins caisses in Quebec, available at www.desjardins.com.