

Results for the second quarter of 2020

AN ACTIVE AND INVOLVED GROUP. In this time of pandemic-induced crisis, Desjardins is stepping up and giving its members and clients, the support they need. The cooperative group is working to get the economy and society back on track while also respecting public health measures meant to stop the spread of COVID-19.

Desjardins stronger than ever to support its members and clients

Lévis, August 11, 2020 – For the second quarter ended June 30, 2020, [Desjardins Group](#), Canada's leading financial cooperative group, recorded surplus earnings before member dividends of \$529 million, down \$163 million or 23.6% from the corresponding quarter of 2019. The financial impacts of the COVID-19 pandemic continued to affect results in the second quarter of 2020. The provision for credit losses was increased by \$282 million, mainly in response to the continually deteriorating economic environment and its potential impacts on certain members and clients. However, the provisions set aside for travel insurance in the first quarter were revised based on current and expected claim application volumes. Another reason for the decrease in surplus earnings was a higher claims experience in property and casualty insurance due to the catastrophic hailstorm in Alberta during the second quarter of 2020, as well as the less favourable claims experience in previous years.

It should also be noted that the decrease in auto insurance claims for the current year, which resulted from changes in driving habits, led to \$155 million in refunds of auto insurance premiums to members and clients as a relief measure to support them during the pandemic.

The amount returned to members and the community in the second quarter of 2020 totalled \$106 million, including an \$80 million provision for member dividends, \$14 million in sponsorships, donations and scholarships, and \$12 million in Desjardins Member Advantages. In the second quarter of 2020, Desjardins also announced \$13 million in commitments related to the GoodSpark Fund to support the regions on social and economic fronts.

Despite the impacts of the COVID-19 pandemic on its financial results for the second quarter of 2020, Desjardins Group is still a financial institution with a very solid foundation that can withstand an economic slowdown while also supporting its members and clients.

At the end of the first half of fiscal 2020, Desjardins Group recorded surplus earnings before member dividends of \$814 million, down \$279 million or 25.5% from the same period in 2019. The negative financial consequences of the COVID-19 pandemic adversely affected surplus earnings for the first half of the year. These consequences include a \$497 million increase in the provision for credit losses, mainly in response to the significant deterioration in the economic outlook, the rise in travel insurance provisions following the Canadian government's announcement of travel restrictions and an uptick in credit balance insurance provisions. The decrease in surplus earnings was partially offset by sustained growth in caisse network operations and the solid performance posted by the Property and Casualty Insurance segment, which reported higher premium income.

"The second-quarter results are proof of Desjardins Group's exceptional financial stability. This stability has allowed it to actively support its members and clients, as well as their communities since the very beginning of the pandemic, and to continue initiatives aimed at restarting the economy. This support includes relief measures, especially auto insurance premium refunds, and the GoodSpark Fund" said Desjardins President and CEO, Guy Cormier. "I was also proud to learn the results of The Banker study that ranked Desjardins as Canada's best-performing financial institution in 2019, and the one that would be in the best position to meet the challenges posed by the pandemic in 2020."

COVID-19: Desjardins Group continues to support its members and clients

On March 11, 2020, the World Health Organization declared a COVID-19 pandemic. On March 13, 2020, the Québec government declared a public health emergency throughout the province. Since then, the state of public health emergency has been repeatedly extended. Meanwhile, the Canadian government introduced various protection measures during the first 6 months of 2020.

On March 16, Desjardins became one of the first financial institutions to implement relief measures to help support members and clients who might temporarily have trouble meeting their financial obligations.

Since March Desjardins has introduced a number of relief and protection measures. These include raising the contactless payment limit from \$100 to \$250, refunding members charged for exceeding their plan's monthly transaction limit, temporarily reducing the annual interest rate to 10.9% for credit card holders who obtained a payment deferral on a Desjardins financing product, offering personal members and clients a loan of last resort of up to \$3,000 at a special interest rate of 4.97%, and granting refunds to Desjardins Insurance auto insurance clients who are under lockdown. Desjardins Group has also introduced new measures for youth, seniors and community organizations. It has encouraged members and clients to sign up to receive their government benefits by direct deposit instead of cheque.

On June 29, Desjardins announced a second wave of premium refunds totalling more than \$100 million to its 2.1 million auto insurance clients. This represents between 25% and 40% of the insurance premium paid for one month. In combination with the first wave of premium refunds, this has allowed Desjardins to return more than \$155 million to auto insurance clients across Canada.

By June 30, 2020, Desjardins Group had received 125,000 requests for payment deferrals on credit cards, Accord D financing and automobile loans. As for loans and lines of credit, a total of 149,000 applications were also received, including 117,000 relating to mortgage loans. As for business members and clients, a total of more than 28,000 requests were received.

In addition to these measures, Desjardins set up partnerships with the Québec and federal governments to offer solutions to members and clients. The cooperative group will continue to offer them support so they can get back to business.

Support for economic and social recovery

On April 29, Desjardins announced its initial strategies to help get the economy back on track and support regional development. This consists of five initiatives to promote innovation and entrepreneurship to help businesses and community organizations get back to work. First, this included the \$150 million GoodSpark Fund, second, the Momentum Fund for businesses, third, a partnership with La Ruche Québec to encourage consumers to buy local, fourth, a partnership with École d'Entrepreneurship de Beauce and SPB/Skillable to launch a learning path aimed at helping businesses bounce back, and fifth, the < post > COVID Challenge.

On June 3, three exciting projects – PingLit, Portail Résidence and EnLigne – won the < post > COVID Challenge, a virtual competition organized by Bonjour Startup Montréal, Google Canada and Desjardins. The Challenge's goal is to find innovative solutions to societal issues caused by COVID-19. Each winning team received prizes worth more than \$100,000.

Since July 20, more than 700 service centres across Québec and Ontario have been open so they can meet the needs of our members and clients. However, some service centres must remain closed for reasons of security or social distancing.

Giving back to the community

During this pandemic, Desjardins has been more involved than ever in people's lives and continues to support initiatives in line with its values, such as diversity and inclusion.

- Desjardins stands with [Black Lives Matter](#). Three organizations will share a total contribution of \$60,000 following a dialogue on Desjardins's Facebook page, which helped us target organizations that promote integrity, respect and equality.
- Desjardins also joined the [Stop Hate for Profit](#) campaign, suspending its posting and advertising on Facebook and Instagram for the month of July to oppose hate speech and to advocate for change.
- Desjardins also joined [BlackNorth Initiative](#) to fight anti-Black racism and took part in the first virtual BlackNorth Initiative Summit. Desjardins has committed to achieving certain targets by 2025, including dedicating 3% of its donations and sponsorships to projects in the Black community.

Innovating

Desjardins is constantly innovating to meet the needs of its members and clients. In an environment where the pandemic is still with us, we must continue to follow public health guidelines to slow the spread of COVID-19:

- Desjardins [SocieTerra Funds and Portfolios](#) are now 100% oil production and pipeline-free in response to our members, who want a low-carbon economy.
- The holding company Purplebricks Group plc was acquired by Desjardins, returning it to Canadian ownership. This company and its subsidiaries mainly operate 2 brands: [DuProprio](#) and Purplebricks Canada. The deal will allow Desjardins to support its members and clients throughout the process of buying or selling a home.
- More than 95% of transactions can be completed without having to go to a point of service, whether in one of our 1,689 ATMs, online through AccèsD, or by telephone or mobile app.

Before the pandemic, nearly 92% of interactions with Desjardins were already done online and virtually. Now this figure is closer to 94%.

In July, 39,000 out of 48,000 employees were still working from home. On August 5, Desjardins decided to extend teleworking for those whose tasks allow it until December 31, 2020 to limit the spread of COVID-19.

Financial highlights

Comparison of second quarter 2020 with second quarter 2019:

- Surplus earnings before member dividends of \$529 million, down \$163 million or 23.6%.
- \$106 million returned to members and the community, comparable to the corresponding period of 2019 despite the pandemic's financial impact on Desjardins Group's financial results.
- Operating income of \$4,276 million, up \$49 million or 1.2%.
- Financial consequences of the COVID-19 pandemic, including:
 - The provision for credit losses was increased by \$282 million, mainly in response to the continued deterioration in the economic outlook.
 - Auto insurance claims fell in the current year because of changes in driving habits. This made it possible for \$155 million in auto insurance premium refunds to be refunded to members and clients as a relief measure to support them during this pandemic.
 - Revision of the provisions set aside for travel insurance during the first quarter based on a review of current and expected claim application volumes.

Other highlights from the second quarter of 2020:

- During the COVID-19 pandemic, the Canadian government rolled out a number of financing initiatives to support the Canadian financial system. Desjardins Group made use of these programs.
- Total capital ratio of 22.4%, compared to 21.6% as at December 31, 2019.
- Issuance of notes qualifying as Non-Viability Contingent Capital (NVCC) in a total amount of \$1 billion under Desjardins's Canadian NVCC subordinated notes program.

Comparison of the first half of 2020 with the first half of 2019:

- Surplus earnings before member dividends of \$814 million, down \$279 million or 25.5%.
- \$210 million returned to members and the community, compared to \$217 million for the corresponding period of 2019.
- Operating income of \$8,921 million, up \$382 million or 4.5%.
- Financial consequences of the COVID-19 pandemic, including:
 - The provision for credit losses was increased by \$497 million, mainly in response to the significant deterioration in the economic outlook.
 - Rise in travel insurance provisions following the Canadian government's announcement of travel restrictions.
 - Credit balance insurance provisions rose.
 - Auto insurance claims fell in the current year because of changes in driving habits. This made it possible for \$155 million in auto insurance premium refunds to be refunded to members and clients as a relief measure to support them during this period.

FINANCIAL HIGHLIGHTS

	As at and for the three-month periods ended			As at and for the six-month periods ended	
	June 30, 2020	March 31, 2020 ⁽¹⁾	June 30, 2019 ⁽¹⁾	June 30, 2020	June 30, 2019 ⁽¹⁾
<i>(in millions of dollars and as a percentage)</i>					
Results					
Net interest income	\$ 1,353	\$ 1,353	\$ 1,299	\$ 2,706	\$ 2,563
Net premiums	2,238	2,522	2,242	4,760	4,559
Other operating income ⁽²⁾	685	770	686	1,455	1,417
Operating income⁽²⁾	4,276	4,645	4,227	8,921	8,539
Investment income ⁽²⁾	2,340	56	1,055	2,396	2,407
Total income	6,616	4,701	5,282	11,317	10,946
Provision for (recovery of) credit losses	271	324	(11)	595	98
Claims, benefits, annuities and changes in insurance contract liabilities	3,615	2,083	2,361	5,698	5,479
Non-interest expense	2,010	1,992	2,053	4,002	3,972
Income taxes on surplus earnings	191	17	187	208	304
Surplus earnings before member dividends	\$ 529	\$ 285	\$ 692	\$ 814	\$ 1,093
Contribution to combined surplus earnings by business segment⁽³⁾					
Personal and Business Services	\$ 337	\$ 213	\$ 465	\$ 550	\$ 806
Wealth Management and Life and Health Insurance	261	(41)	179	220	312
Property and Casualty Insurance	16	73	123	89	42
Other	(85)	40	(75)	(45)	(67)
	\$ 529	\$ 285	\$ 692	\$ 814	\$ 1,093
Amount returned to members and the community					
Member dividends	\$ 80	\$ 77	\$ 80	\$ 157	\$ 157
Sponsorships, donations and scholarships	14	16	20	30	38
Desjardins Member Advantages	12	11	12	23	22
	\$ 106	\$ 104	\$ 112	\$ 210	\$ 217
Indicators					
Net interest margin ⁽²⁾	2.35%	2.44%	2.45%	2.35%	2.43%
Return on equity ⁽²⁾	7.5	4.0	10.6	5.8	8.6
Productivity index ⁽²⁾	67.0	76.1	70.3	71.2	72.7
Credit loss provisioning rate ⁽²⁾	0.52	0.63	(0.02)	0.58	0.10
Gross credit-impaired loans/gross loans and acceptances ratio ⁽²⁾	0.63	0.56	0.56	0.63	0.56
Liquidity coverage ratio ⁽⁴⁾	166.7	125.0	122.4	166.7	122.4
On-balance sheet and off-balance sheet					
Assets	\$ 349,934	\$ 326,919	\$ 310,906	\$ 349,934	\$ 310,906
Net loans and acceptances	207,169	206,326	196,904	207,169	196,904
Deposits	220,270	205,495	193,291	220,270	193,291
Equity	28,767	28,950	26,530	28,767	26,530
Assets under administration ⁽⁵⁾	433,888	395,770	419,813	433,888	419,813
Assets under management ⁽⁶⁾	71,294	63,435	63,740	71,294	63,740
Capital ratio and leverage ratio					
Tier 1A capital ratio	21.8%	22.2%	17.7%	21.8%	17.7%
Tier 1 capital ratio	21.8	22.2	17.7	21.8	17.7
Total capital ratio	22.4	22.2	17.8	22.4	17.8
Leverage ratio	8.6	9.2	8.4	8.6	8.4
Other information					
Number of employees	48,550	48,420	47,870	48,550	47,870

⁽¹⁾ The data have been reclassified to conform to the current year's presentation.

⁽²⁾ See the "Non-GAAP Measures" section.

⁽³⁾ The breakdown by line item is presented in Note 12, "Segmented information," to the Interim Combined Financial Statements.

⁽⁴⁾ The ratio is presented based on the average of daily data for the quarter.

⁽⁵⁾ Data for 2019 have been restated to conform to the current period's presentation.

⁽⁶⁾ Assets under management may also be administered by Desjardins Group. When this is the case, they are included in assets under administration.

Assets of \$349.9 billion, up \$36.9 billion

As at June 30, 2020, Desjardins Group had total assets of \$349.9 billion, up \$36.9 billion or 11.8% since December 31, 2019. This growth was partly due to the \$18.6 billion increase in securities, including those borrowed or purchased under reverse repurchase agreements. Moreover, cash and deposits with financial institutions and net loans and acceptances increased by \$10.8 billion and \$3.7 billion, respectively.

The increase in Desjardins Group's cash and deposits with financial institutions was mostly due to liquidity obtained after the Government of Canada rolled out funding initiatives through the Bank of Canada and CMHC to support the Canadian financial system during the COVID-19 pandemic.

Strong capital base

Desjardins Group maintains excellent capitalization levels in accordance with Basel III rules. As at June 30, 2020, its Tier 1A and total capital ratios stood at 21.8% and 22.4%, respectively, compared to 21.6% for both ratios as at December 31, 2019.

Analysis of business segment results

PERSONAL AND BUSINESS SERVICES SEGMENT

Results for the second quarter

For the second quarter of 2020, surplus earnings before member dividends were \$337 million, down \$128 million from the same period in 2019. This decrease was due to the financial consequences of the COVID-19 pandemic. These include a \$273 million increase in the provision for credit losses, mainly in response to the deterioration in the economic outlook, which lasted throughout the second quarter, and higher probabilities of default. However, the growth in caisse network operations and those of the Desjardins Securities Inc. capital markets group partially offset the decrease in surplus earnings. Operating income derived from net interest income and trading income grew due to financial market volatility. Furthermore, this increase is attributable to increased revenues from new issuances related to the capital markets. In addition, the decrease in surplus earnings was tempered by a decline in pandemic-related expenses, such as expenses related to the rewards program and certain operating costs.

WEALTH MANAGEMENT AND LIFE AND HEALTH INSURANCE SEGMENT

Results for the second quarter

For the second quarter of 2020, the segment posted \$261 million in net surplus earnings, up \$82 million from the corresponding period in 2019. This increase was mainly due to the revision of travel insurance provisions recognized during the first quarter based on current and expected claim application volumes related to the COVID-19 pandemic, and the markets' positive impact on guaranteed investment funds.

PROPERTY AND CASUALTY INSURANCE SEGMENT

[Results for the second quarter](#)

For the second quarter of 2020, net surplus earnings were \$16 million, down \$107 million from the same period in 2019. This decrease was due to a higher claims experience in property and casualty insurance due to the catastrophic hailstorm in Alberta during the second quarter of 2020, as well as the less favourable claims experience in previous years. It must be noted that no catastrophe occurred during the same period of 2019. Furthermore, a decrease in auto insurance claims for the current year, which resulted from changes in driving habits, led to \$155 million in refunds of auto insurance premiums to members and clients as a relief measure to support them during the COVID-19 pandemic.

OTHER CATEGORY

[Results for the second quarter](#)

The net deficit for the second quarter of 2020 was \$85 million, compared to a net deficit of \$75 million for the corresponding period in 2019. The increased deficit stems in part from a smaller tax recovery in the second quarter of 2020 related to remuneration on F capital shares. In addition, the increased deficit was due to treasury activities, market rate fluctuations and changes in hedging positions for matching activities, which had an unfavourable overall impact on surplus earnings. The Other category also includes expenses related to the continued implementation of Desjardins-wide strategic projects, especially those intended to improve systems and processes and to create innovative technological platforms mainly related to the digital transformation and information security. It is worth remembering that in the second quarter of 2019, \$70 million in expenses were recognized to cover the costs incurred and the creation of a provision for the implementation of Desjardins Identity Protection.

[More detailed financial information can be found in Desjardins Group's interim Management's Discussion and Analysis \(MD&A\), available on the SEDAR website under the Desjardins Capital Inc. profile.](#)

About Desjardins Group

[Desjardins Group](#) is the leading cooperative financial group in Canada and the sixth largest cooperative financial group in the world, with assets of \$349.9 billion. It has been rated one of Canada's Top 100 Employers by Mediacorp. To meet the diverse needs of its members and clients, Desjardins offers a full range of products and services to individuals and businesses through its extensive distribution network, online platforms and subsidiaries across Canada. Ranked among the world's strongest banks according to *The Banker* magazine, Desjardins has one of the highest capital ratios and [credit ratings](#) in the industry.

Caution concerning forward-looking statements

Certain statements made in this press release may be forward-looking. They include, but are not limited to, comments about the potential impacts of the COVID-19 pandemic on our activities, our results and our financial position as well as economic conditions and the financial markets. By their very nature, forward-looking statements involve assumptions, uncertainties and inherent risks, both general and specific. It is therefore possible that, due to many factors, the assumptions made may be incorrect, or the predictions, forecasts or other 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. Various factors that are beyond Desjardins Group's control, and whose impacts are therefore difficult to predict, could influence, individually or collectively, the accuracy of the forward-looking statements in this press release. Additional information on these and other factors are available under the risk management section of Desjardins Group's 2019 Annual MD&A and in the risk management section and the COVID-19 pandemic section of its MD&A for the second quarter of 2020. Although Desjardins Group believes that the expectations expressed in these forward-looking statements are reasonable and based on a valid foundation, it cannot guarantee that these expectations will materialize or prove to be correct. Desjardins Group cautions readers against placing undue reliance on these forward-looking statements when making decisions since actual results, conditions, actions or future events could differ significantly from the targets, expectations, estimates or intentions advanced in them, either explicitly or implicitly. Desjardins Group does not undertake to update any verbal or written forward-looking statements that may be made from time to time by or on behalf of Desjardins Group, except as required under applicable securities legislation.

Basis of presentation of financial information

The financial information in this document comes primarily from the 2020 quarterly financial statements. Those statements have been prepared by Desjardins Group's management in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the accounting requirements of the *Autorité des marchés financiers* in Québec, which do not differ from IFRS. The IFRS represents Canada's generally accepted accounting principles (GAAP). The Interim Combined Financial Statements of Desjardins Group have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". The accounting policies were applied as described in Note 2, "Basis of presentation and significant accounting policies", to the Annual Combined Financial Statements. Unless otherwise indicated, all amounts are presented in Canadian dollars (\$) and are primarily from Desjardins Group's Annual and Interim Combined Financial Statements.

Non-GAAP Measures

To assess its performance, Desjardins Group uses GAAP (IFRS) measures and various non-GAAP financial measures. Non-GAAP financial measures, other than the regulatory ratios, do not have standardized definitions and are not directly comparable to similar measures used by other companies, and may not be directly comparable to any GAAP measures. Investors, among others, may find these non-GAAP measures useful in analyzing financial performance. The measures used are defined as follows:

Gross credit-impaired loans/gross loans and acceptances

The gross credit-impaired loans/gross loans and acceptances ratio is used to measure loan portfolio quality and is equal to gross credit-impaired loans expressed as a percentage of total gross loans and acceptances.

Return on equity

Return on equity is used to measure profitability resulting in value creation for members and clients. Expressed as a percentage, it is equal to surplus earnings before member dividends, excluding the non-controlling interests' share, divided by average equity before non-controlling interests.

Income

Operating income

The concept of operating income is used to analyze financial results. This concept allows for better structuring of financial data and makes it easier to compare operating activities from one period to the next by excluding the volatility of results specific to investments, particularly regarding the extent of life and health insurance and P&C insurance operations, for which a very large proportion of investments are recognized at fair value through profit or loss. The analysis therefore breaks down Desjardins Group's income into 2 parts, namely operating income and investment income, which make up total income. This measure is not directly comparable to similar measures used by other companies.

Operating income includes net interest income, generated mainly by the Personal and Business Services segment and the Other category, net premiums and other operating income such as deposit and payment service charges, lending fees and credit card service revenues, income from brokerage and investment fund services, management and custodial service fees, foreign exchange income as well as other income. These items, taken individually, correspond to those presented in the Combined Financial Statements.

Investment income

Investment income includes net investment income on securities classified and designated as being at fair value through profit or loss, net investment income on securities classified as being at fair value through other comprehensive income, and net investment income on securities measured at amortized cost and other investment income included in the Combined Statement of Income under "Net investment income". It also includes the overlay approach adjustment for insurance operations financial assets. The life and health insurance and P&C insurance subsidiaries' matching activities, which include changes in fair value, gains and losses on disposals and interest and dividend income on securities, are presented with investment income, given that these assets back insurance liabilities, which are recognized under expenses related to claims, benefits, annuities and changes in insurance contract liabilities in the Combined Financial Statements. In addition, this investment income includes changes in the fair value of investments for the Personal and Business Services segment, recognized at fair value through profit or loss.

The following table shows the correspondence of total income between the MD&A and the Combined Financial Statements.

	For the three-month periods ended			For the six-month periods ended	
	June 30, 2020	March 31, 2020 ⁽¹⁾	June 30, 2019	June 30, 2020	June 30, 2019
<i>(in millions of dollars)</i>					
Presentation of income in the Combined Financial Statements					
Net interest income	\$ 1,353	\$ 1,353	\$ 1,299	\$ 2,706	\$ 2,563
Net premiums	2,238	2,522	2,242	4,760	4,559
Other income					
Deposit and payment service charges	83	105	103	188	206
Lending fees and credit card service revenues	141	196	186	337	396
Brokerage and investment fund services	235	241	223	476	437
Management and custodial service fees	147	150	141	297	281
Net investment income (loss) ⁽²⁾	2,639	(456)	1,045	2,183	2,564
Overlay approach adjustment for insurance operations financial assets	(299)	512	10	213	(157)
Foreign exchange income	14	46	27	60	41
Other	65	32	6	97	56
Total income	\$ 6,616	\$ 4,701	\$ 5,282	\$ 11,317	\$ 10,946
Presentation of income in the MD&A					
Net interest income	\$ 1,353	\$ 1,353	\$ 1,299	\$ 2,706	\$ 2,563
Net premiums	2,238	2,522	2,242	4,760	4,559
Other operating income					
Deposit and payment service charges	83	105	103	188	206
Lending fees and credit card service revenues	141	196	186	337	396
Brokerage and investment fund services	235	241	223	476	437
Management and custodial service fees	147	150	141	297	281
Foreign exchange income	14	46	27	60	41
Other	65	32	6	97	56
Operating income	4,276	4,645	4,227	8,921	8,539
Investment income					
Net investment income (loss) ⁽²⁾	2,639	(456)	1,045	2,183	2,564
Overlay approach adjustment for insurance operations financial assets	(299)	512	10	213	(157)
Investment income	2,340	56	1,055	2,396	2,407
Total income	\$ 6,616	\$ 4,701	\$ 5,282	\$ 11,317	\$ 10,946

⁽¹⁾ The data have been reclassified to conform to the current period's presentation.

⁽²⁾ The breakdown of this line item is presented in Note 11, "Net interest income and net investment income", to the Interim Combined Financial Statements.

Credit loss provisioning rate

The credit loss provisioning rate is used to measure loan portfolio quality and is equal to the provision for credit losses divided by average gross loans and acceptances.

The following table presents the calculation of the credit loss provisioning rate as presented in the MD&A.

	For the three-month periods ended			For the six-month periods ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<i>(in millions of dollars and as a percentage)</i>					
Provision for (recovery of) credit losses	\$ 271	\$ 324	\$ (11)	\$ 595	\$ 98
Average gross loans	207,566	205,445	195,032	206,299	193,764
Average gross acceptances	145	231	168	223	165
Average gross loans and acceptances	\$ 207,711	\$ 205,676	\$ 195,200	\$ 206,522	\$ 193,929
Credit loss provisioning rate⁽¹⁾	0.52%	0.63%	(0.02)%	0.58%	0.10%

⁽¹⁾ Corresponds to an annualized calculation that takes into account the number of days in the period concerned.

For further information (*media inquiries only*):

Chantal Corbeil
Public Relations
514-281-7229 or 1-866-866-7000, ext. 5557229
media@desjardins.com

Alain Leprohon
Executive Vice-President
Finance, Treasury and Administration
and Chief Financial Officer of Desjardins Group