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Issuer Profile
Issuer2Go: A look at Canada

NORD/LB Floor Research

13 April 2026

Marketing communication (see disclaimer on the last pages)

CCDJ – Canadian issuer in focus

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Next edition of our "Issuer2Go" format: Focus on the Desjardins Group

In preparation for the upcoming edition of NORD/LB Markets' Issuer2Go event series, this issuer profile takes a closer look at the Canadian covered bond market, with a particular focus on the Fédération des Caisses Desjardins du Québec (ticker: CCDJ). As part of this series, a covered bond issuer presents itself to a broad audience, providing participants with the opportunity to address questions directly to management. The Issuer2Go series takes place on the second Tuesday of each month at 14:30 CET and is scheduled for a maximum duration of 40 minutes. In the upcoming session on Tuesday, 14 April, CCDJ will be the featured issuer. If you have not yet received an invitation and would like to participate in the event, please contact event-markets@nordlb.de.

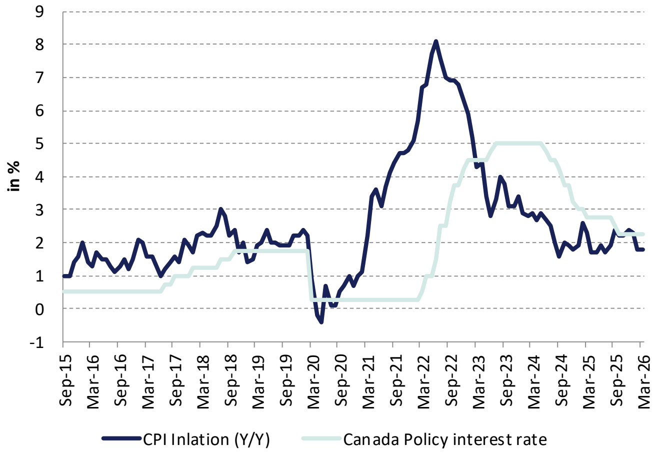
High credit ratings of the Canadian state by the rating agencies

Before turning to a more detailed analysis of CCDJ's business activities, it is useful to broaden the perspective and place greater emphasis on the Canadian jurisdiction. Canada is currently rated at the highest sovereign level by both S&P and Moody's (AAA and Aaa, respectively; Outlook: Stable), while Fitch assigns the country a rating of AA+. Moody's bases its rating assessment, among other factors, on the strong economic fundamentals of the Canadian economy and its solid institutional framework, with particular emphasis on the country's stable political environment. In addition, the agency highlights the favourable design of Canada's pension system, which could help mitigate fiscal risks associated with demographic ageing. As a key risk factor, Moody's points to Canada's comparatively high level of public debt and the gradual erosion of debt affordability. Furthermore, given Canada's deep trade integration with the United States, potential trade disputes with the current U.S. administration represent, in Moody's view, the most significant near-term economic risk. Uncertainty surrounding a possible extension of the CUSMA free trade agreement is likely to prompt the Canadian government to further diversify its international trade relationships. For 2026, Moody's expects real GDP growth of approx. 1.5%.

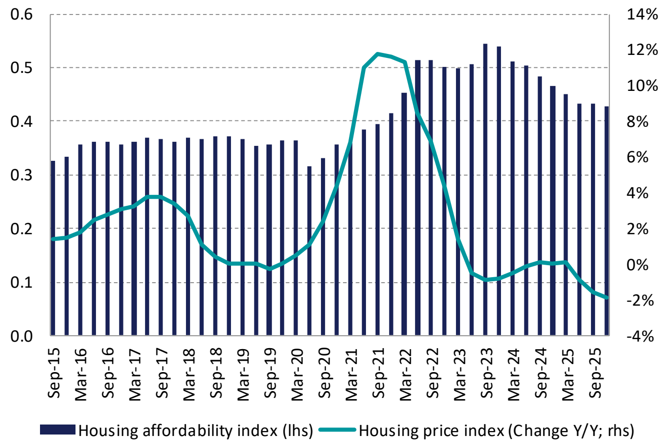
Price momentum on the real estate market has come to a standstill in recent quarters

The sharp increase in inflation rates in 2022 marked the start of a tightening cycle by the Bank of Canada (BoC), which subsequently raised its policy rates. Rising mortgage financing costs reduced the number of households for whom home ownership remained affordable. This development is also reflected in the BoC's Housing Affordability Index, which relates the disposable income of a representative household to housing costs, including debt service. From its trough in Q2/2020, the index rose by more than 70% to its peak in Q3/2023, highlighting the pronounced deterioration in housing affordability. The resulting demand-dampening effects weighed on price dynamics in the Canadian housing market. Following strong price increases in 2021 and 2022, momentum slowed markedly from mid-2023 onwards, with initial price declines becoming visible. With the recent decline in interest rates, housing finance has gradually become more affordable again for Canadian households, as evidenced by a drop of more than 20% in the Housing Affordability Index from its peak. A renewed and significant upswing in house prices has not yet materialised, partly reflecting the structure of the Canadian mortgage market, where most loans feature a five-year fixed-rate term within an overall maturity of around 25 years.

CA: Development of inflation and interest rates



CA: Property market

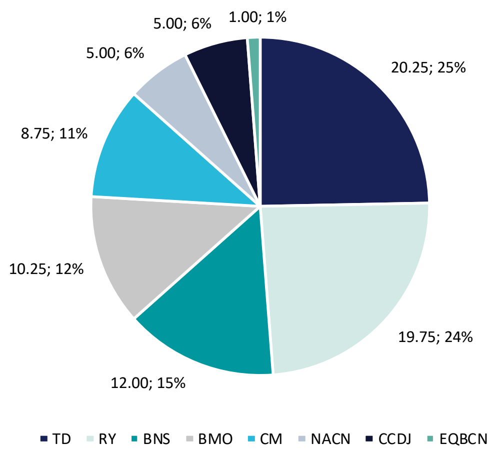


Source: Market data, BoC, Bloomberg, NORD/LB Floor Research

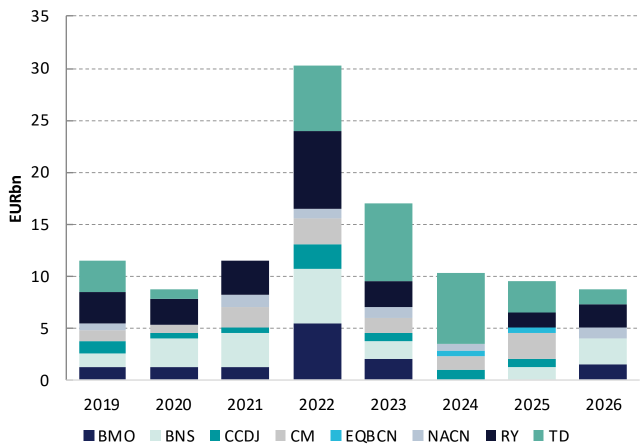
Central bank certifies banking sector in good shape

The Canadian banking sector is dominated by a small number of large institutions. As at year-end 2024, seven banks accounted for approx. 93% of total assets and 91% of total deposits within the entire banking system. According to the rating analysts from Moody's, Canada ranks among the most highly concentrated banking markets globally. Overall, Moody's assesses the macro profile of the Canadian banking sector as "Strong+". From a financial stability perspective, the Bank of Canada (BoC) presents a stable outlook in its Financial Stability Report 2025. In particular, the central bank highlights banks' strong access to funding sources, including customer deposits and wholesale funding, as well as the high credit quality of bank assets. With regard to asset quality, the BoC notes that Canadian banks continue to demonstrate solid performance. Household loan delinquencies remain at historically low levels, despite a modest upward trend more recently. By contrast, credit losses on corporate lending have increased since 2022 but, according to the BoC, remain moderate overall. Taken together, the central bank considers the Canadian banking system to be well positioned to withstand potential future stress scenarios.

EUR BMK CA Outstanding volume (EUR in bn)



EUR BMK CA new issues

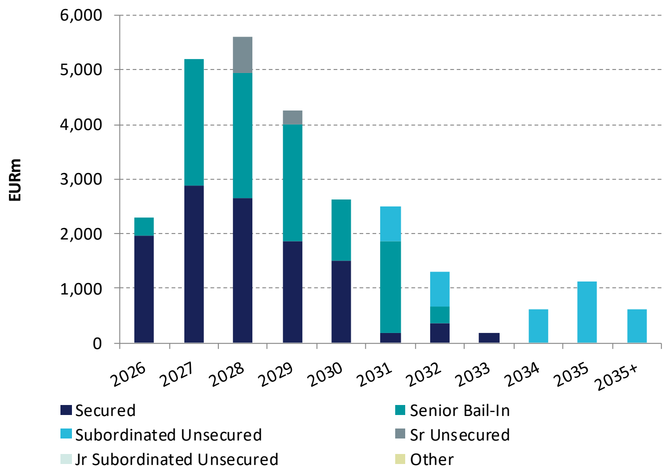


Source: Market data, Bloomberg, NORD/LB Floor Research

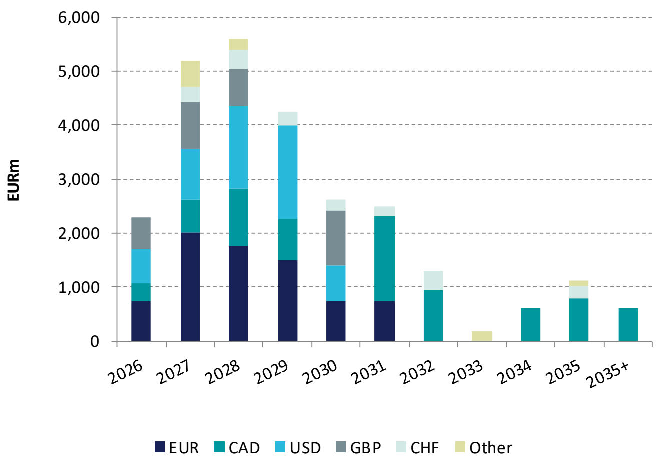
Rising issuance activity in the Canadian EUR benchmark segment
A total of eight Canadian institutions is currently active in the EUR benchmark segment, with aggregate outstanding volumes of EUR 82.0bn. Around 50% of this amount is attributable to the two leading issuers, Toronto-Dominion Bank (TD) and Royal Bank of Canada (RBC). So far this year, five Canadian issuers have already accessed the primary market, placing a combined EUR 8.75bn of new EUR-denominated benchmark bonds. Relative to issuance volumes of "only" EUR 1.5bn in 2025 and EUR 4.0bn in 2024 over comparable periods, this indicates a clear acceleration in EUR benchmark issuance by Canadian banks in early 2026. This pronounced year-on-year increase is largely driven by elevated maturities of Canadian EUR benchmark bonds in 2026, totalling EUR 23.2bn. For full-year 2026, we expect total EUR benchmark issuance from Canadian issuers of around EUR 17.0bn, implying a negative net supply of approx. EUR -6.2bn.

An overview of Desjardins Group
Headquartered in Lévis, CCDJ acts as the central institution of North America's largest cooperative financial group by total assets (Q4/2025: CAD 510.2bn), the Desjardins Group. The group is classified by supervisory authorities as a nationally systemically important financial institution. Desjardins serves approx. 10 million clients with the support of more than 57,500 employees. Desjardins structures its operations into four segments: "Personal and Business Services" (Q4/2025: 48%; contribution to total earnings), "Property and Casualty Insurance" (28%), "Wealth Management and Life Insurance" (20%), and "Other" (4%). Business activities are primarily focused on the regions of Ontario and Québec, where Desjardins maintains a strong presence through 199 cooperative entities (Caisses). The Desjardins Group's loan portfolio is divided into "Residential mortgages" (63%), "Business and government" (29%), and "Consumer, credit cards and other loans" (8%). Funding is largely composed of "Individual deposits" (Q4/2025: 52%) and "Business and government deposits" (24%), while the remainder consists of "Medium-term wholesale funding" (18%) and "Short-term funding" (6%). Global wholesale funding mainly comprises securitisations (27%), short-term liabilities (23%), Covered Bonds (22%), and medium-term notes (21%). As at the end of the last financial year on 31 October 2025, Desjardins had a total of four sustainable bonds outstanding, three denominated in CAD and one in EUR. Overall, the outstanding volume amounts to CAD 2.2bn, of which 82% is allocated to the financing of renewable energy infrastructure.

CCDJ maturity profile by payment rank



CCDJ maturity profile by currency

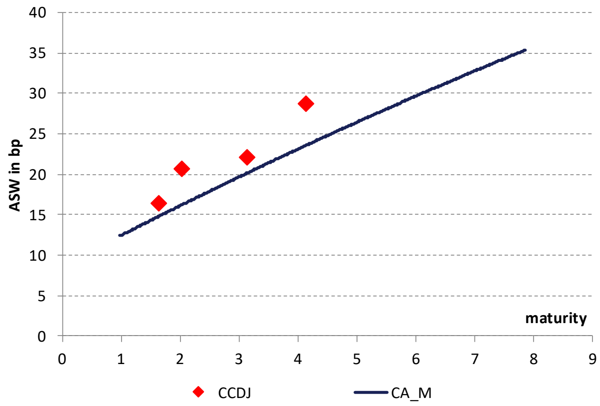


Source: Market data, Bloomberg, NORD/LB Floor Research

Programme data

28 February 2026	Mortgage
Covered bonds outstanding	CAD 16.7bn (EUR 10.2bn)
Cover pool volume	CAD 20.9bn (EUR 12.8bn)
Current OC (nominal / legal)	25.3% / 3.0%
Type	100% Residential
Main country	100% Canada
Main region	100% Québec
Number of loans / exposures	97,313
Share of 10 largest exposures	0.1%
Fixed interest (Cover Pool / CBs)	73.3% / 71.9%
WAL (Cover Pool / CBs)	1.9y / 2.4y
NPL	0.3%
CB Rating (Fitch / Moody's / S&P)	AAA / Aaa / -

Spread overview (BMK) – CCDJ



Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

CCDJ: A look at the cover pool and outstanding covered bonds

As of the reporting date of 28 February 2026, CCDJ's mortgage-backed cover pool comprises total cover assets of CAD 20.9bn, equivalent to approx. EUR 12.8bn. This compares with outstanding covered bonds of CAD 16.7bn (approx. EUR 10.2bn), resulting in a calculated overcollateralisation ratio of 25.3%. Within the current composition of the iBoxx EUR Covered benchmark index, the issuer is represented by four outstanding transactions with an aggregate volume of EUR 3.0bn. Two additional EUR benchmark covered bonds no longer qualify for inclusion in the index due to remaining maturities of less than one year. In addition to EUR-denominated covered bonds, the bank has outstanding covered bonds issued in AUD, CHF, GBP, NOK and USD. The mortgage cover pool of CCDJ consists exclusively of primary cover assets, with residential mortgage loans accounting for 100% of the collateral. As at 28 February 2026, the cover pool comprises more than 97,000 individual loans. From a geographical perspective, all underlying mortgage exposures are located exclusively in the Canadian province of Québec. The average loan size amounts to approx. CAD 215,000 (around EUR 132,000). The average indexed LTV, which incorporates house price developments, stands at 47.1%, indicating a conservative collateralisation profile. Fixed-rate loans account for 73.3% of the mortgages within the cover pool, while 71.9% of the outstanding covered bonds carry fixed-rate coupons, supporting a broadly balanced interest rate profile between assets and liabilities.

CCDJ: Ratings and regulatory treatment

The covered bonds issued by CCDJ are assigned top-tier ratings by both Fitch and Moody's (AAA and Aaa, respectively). The Moody's Collateral Score, which is regularly used to assess the quality of the cover pool, stands at 4%, representing a low level even by international standards and thus indicating high credit quality. Due to the rating characteristics, a risk weight of 10% in accordance with CRR is also decisive for the covered bonds. In our view, the institution's EUR benchmark issuance meets the necessary requirements to be used as Level 1 assets under LCR governance. In addition, the issuer's covered bonds are suitable as collateral in the context of transactions with the ECB.

Appendix
Publication overview

Covered Bonds:

- Issuer Guide – Covered Bonds 2025
- Risk weights and LCR levels of covered bonds (updated semi-annually)
- Transparency requirements §28 PfandBG Q4/2025 (quarterly update)
- Transparency requirements §28 PfandBG Q4/2025 Sparkassen (quarterly update)
- Covered bonds as eligible collateral for central banks
- EBA report on the review of the EU covered bond framework

SSA/Public Issuers:

- Issuer Guide – German Laender 2025
- Beyond Bundeslaender: Canadian Provinces
- Beyond Bundeslaender: Belgium
- Beyond Bundeslaender: Greater Paris (IDF/VDP)
- Beyond Bundeslaender: Spanish regions
- Issuer Guide – European Supranationals 2025
- Issuer Guide – Non-European Supranationals (MDBs) 2026
- Issuer Guide – German Agencies 2025
- Issuer Guide – French Agencies 2025
- Issuer Guide – Nordic Agencies 2025
- Issuer Guide – Dutch Agencies 2025
- Issuer Guide – Austrian Agencies 2025
- Issuer Guide – Spanish Agencies 2025

Fixed Income Specials:

- ESG-Update 2025
- ECB preview: Holding course for now – but the wind has turned

NORD/LB:	**NORD/LB:**	**NORD/LB:**	**Bloomberg:**
Floor Research	Covered Bond Research	SSA/Public Issuers Research	Weekly: DS NDB <GO>

Appendix
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