

Provincial budget: Capital régional et coopératif Desjardins

The right conditions to support Quebec businesses

Montreal, March 26, 2025 — On Tuesday, the Quebec government tabled a new budget with updated capitalization conditions for Capital régional et coopératif Desjardins (CRCD). The changes are the product of an ongoing dialogue with the government, and they impact the fund's authorized issue limits and tax credit rate, along with the conditions for holding the product. Under the new rules, CRCD can continue encouraging Quebec taxpayers to save and bolster its leadership role in developing Quebec's socioeconomic fabric.

"The new measures announced in the latest provincial budget will allow CRCD to continue its mission to promote regional economic development. The changes will give us more resources to help Quebec businesses tackle a range of challenges, including succession planning, digital transformation and integrating ESG criteria, against the current economic backdrop," said Nathalie Bernard, Chief Operating Officer of Desjardins Capital and manager of CRCD.

New annual subscription amount: \$150 million

The government has authorized an issue amount of \$150 million starting in 2025, indexed annually. All new shares must be held for a seven- to fourteen-year term, and the provincial tax credit when they're acquired will be 25%.

Bringing new shareholders into the fold

Since shareholders are currently holding their shares well beyond the required minimum period, CRCD is obliged to retain enough liquid assets to cover potential redemptions, resulting in less funds available for investment. In response, the government is introducing a lifetime subscription limit to help bring new shareholders into the fold and make the product more accessible to investors. From now on, individual investors who have personally purchased \$45,000 in shares, regardless of the market value of the shares they currently hold, will no longer be eligible for the tax credit.

As in previous years, the next pre-subscription phase will begin in late August. CRCD is currently updating its platforms and documents to reflect these changes.

About Capital régional et coopératif Desjardins

Capital régional et coopératif Desjardins is a public company with more than 110,000 shareholders and \$2,726 million in net assets. CRCD contributes to Quebec's economic development through the financial levers it has developed alongside Desjardins Capital, which manages it. This financial backing, with CRCD at its core, forms an entrepreneurial ecosystem designed to nurture and promote the best of Quebec entrepreneurship. As at December 31, 2024, CRCD had committed \$2,234 million to support the growth of some 725 businesses, cooperatives and funds in various sectors across Quebec.

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