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Desjardins Financial Security: outstanding financial results for 2015

- Record net income of \$448.4 million
- Gross insurance premiums up 7.4%
- 10.8% increase in assets under management and administration to \$45.7 billion
- Net insurance and annuity premiums hit the \$4 billion mark

Lévis (Qc), March 3, 2016 – For the period ended December 31, 2015, Desjardins Financial Security (DFS), a subsidiary of Desjardins Group specializing in life insurance, health insurance and retirement savings, posted net income of \$448.4 million, up 52.0% over 2014. Contributing factors include improved claims experience across most sectors and various investment opportunities. The newly acquired operations of State Farm in early 2015 and changes in valuation assumptions in the normal course of business also generated a positive net income variance.

The company's gross insurance premiums totalled \$266.2 million, up 7.4% over 2014, \$137.3 million of which was generated by State Farm's operations. Net insurance and annuity premiums reached \$4.1 billion compared to \$3.9 billion in 2014. Insurance sales totalled \$450.5 million and total sales in the savings sector stood at \$2.1 billion.

DSF continues to enjoy excellent financial strength, with a 16.5% return on shareholder's equity. As at December 31, 2015, assets under management and administration were up 10.8%, totalling \$45.7 billion, compared to \$41.3 billion at the end of 2014.

"More than five million Canadian rely on our expertise to ensure their financial security," says Monique F. Leroux, Chair of the Board, President and CEO of Desjardins Group and CEO of DFS. "Every day, our teams strive to give our clients the peace of mind they're looking for. These results are a testament to the effectiveness of their approach and of our pan-Canadian development approach which allows us to not only be more profitable, but also to increase our ability to innovate for the benefit of our members and clients."

"We're continuing to grow, as evidenced by our net income and net insurance and annuity premiums," said Denis Berthiaume, President and Chief Operating Officer of DFS. "We successfully integrated State Farm's operations; we took a rigorous management approach amid difficult market conditions; and we've continued to meet our clients' needs. All of these factors contributed to a solid performance in 2015."

Highlights

(In M\$, unless otherwise indicated)	2015	2014	Variation	Q4 2015	Q4 2014	Variation
Net income	448.4	295.0	52.0%	147.0	55.6	164.4%
Gross insurance premiums	3,887.4	3,621.2	7.4%	971.6	924.0	5.2%
Net insurance and annuity premiums	4,063.1	3,888.2	4.5%	1,021.0	958.2	6.6%
					December 31, 2015	December 31, 2014
Return on shareholder's equity					16.5%	13.1%
Assets under management and administration					45.7 G\$	41.3 G\$

2015 fourth quarter results

For the last quarter of 2015, net income totalled \$147.0 million, compared to \$55.6 million in 2014. This represents an increase over the same quarter last year, which is primarily attributable to changes in valuation assumptions and improved claims experience.

Insurance premiums totalled \$971.6 million, compared to \$924.0 million in 2014. Insurance sales reached \$108.4 million compared to \$93.0 million in 2014. Total savings sales stood at \$525.7 million.

Results by business sector for the fiscal year ended December 31, 2015

The savings sector posted total sales of \$2.1 billion at the end of fiscal 2015, compared to \$3.1 billion in 2014. Individual savings recorded total sales of \$434.8 million, up 23.8%.

In group insurance, the volume of premiums from groups and businesses and from plans offered through financial institutions, including the Desjardins caisses, stood at \$3.0 billion, compared to \$2.9 billion at the end of 2014.

Group and business insurance sales totalled \$163.2 million. Sales for plans offered in financial institutions stood at \$210.2 million.

The volume of individual insurance premiums totalled \$851.0 million, compared to \$672.3 million in 2014, up 26.6%. Total sales recorded by the financial security advisors assigned to Desjardins caisses and by the SFL network and Desjardins Financial Security Independent Network financial centres were up 34.3%, to stand at \$77.1 million, compared to \$57.4 million in 2014.

About Desjardins Financial Security

Desjardins Financial Security, a subsidiary of Desjardins Group, the leading cooperative financial group in Canada, specializes in providing life insurance, health insurance and retirement savings products to individuals and groups. Every day, over five million Canadians rely on DFS to ensure their financial security. The company employs over 3,800 people and administers \$45.7 billion in assets from several cities across the country, including Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montreal, Quebec City, Lévis and Halifax. For more information, visit the company's website at www.desjardinslifeinsurance.com.

- 30 -

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