PRESS RELEASE
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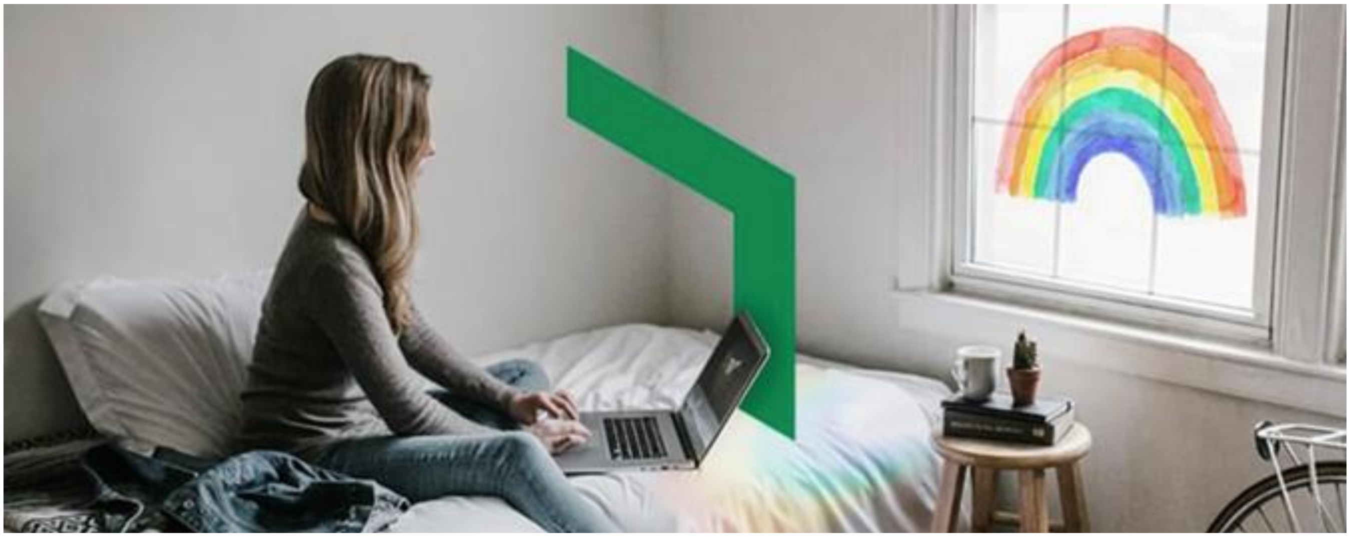
Results for the first quarter of 2020



AN ACTIVE AND INVOLVED GROUP. First-quarter highlights include Desjardins Group's leadership in managing the COVID-19 pandemic situation. The cooperative group quickly implemented measures for members and clients most affected by the situation.

Desjardins is always there for its members and clients

The cooperative group has rolled out a number of relief measures since the pandemic began

Lévis, May 13, 2020 – For the first quarter ended March 31, 2020, Desjardins Group, Canada's leading financial cooperative group, recorded surplus earnings before member dividends of $285 million, down $116 million or 28.9% compared to the corresponding quarter of 2019. This decrease in surplus earnings was due to the negative financial consequences of the COVID-19 pandemic. These consequences include an increase in the provision for credit losses, mainly as a result of the significant deterioration in the economic outlook, the rise in travel insurance provisions after the Canadian government's announcement of travel restrictions, the increase in credit balance insurance provisions, and the decrease in the fair value of derivative financial instruments, due in particular to the volatility of financial markets and credit spreads. Sustained growth in caisse network operations and the solid performance of the Property and Casualty Insurance segment, which reported higher premium income and a favourable claims experience compared to the first quarter of 2019, mitigated the decrease in surplus earnings.

The amount returned to members and the community totalled $104 million, including a $77 million provision for member dividends, $16 million in sponsorships, donations and scholarships, and $11 million in Desjardins Member Advantages.

Despite the impacts of the COVID-19 pandemic on Desjardins Group's financial results for the first quarter of 2020, the cooperative group is still a financial institution with a solid foundation that is capable of withstanding an economic slowdown.

"Last March, Québec and Canada were temporarily shut down to slow down the spread of the COVID-19," said Desjardins President and CEO, Guy Cormier. "Desjardins was one of the first financial institutions to put in place relief measures for its members and clients. We managed to return $104 million to our members and the community, despite the pandemic's financial impact. Desjardins was able to quickly adapt to the situation, thanks to its wide range of online services and the 38,000 employees who were able to work from home. Our financial stability will help us contribute the social and economic recovery, especially through the $150 million GoodSpark Fund announced at the end of April. I would also like to thank our members, clients and employees for their courage and resilience in these troubled times".

COVID-19: Desjardins Group's rapid response

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 Québec. Meanwhile, the Canadian government introduced various protection measures during the first quarter of 2020.

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

On March 18, Desjardins Group reduced the number of service points open to 320 to limit the spread of COVID-19 pandemic. It also reviewed the hours of physical accessibility to its points of service.

On March 20, Desjardins increased its contactless payment limit on Desjardins POS terminals from $100 to $250. Desjardins credit cardholders can take advantage of the temporary increase in pharmacies, grocery stores and convenience stores.

On March 27, the cooperative group took another step toward limiting the spread of the virus by encouraging members and clients to sign up to receive their government benefits by direct deposit instead of by cheque. It also said that it would reimburse fees to members who exceeded the number of allowed transactions under their plans.

Members and clients with travel insurance were able to get travel assistance that helped them book tickets for flights back to Canada, find new accommodations, organize translation services and coordinate next steps with the government.

On April 2, Desjardins Group announced that it would temporarily reduce the annual interest rate to 10.9% for Visa and MasterCard credit card holders who have been granted a payment deferral on a Desjardins financing product. It also said it would offer emergency loans of up to $3,000 at an attractive rate of 4.97% for individual members most affected by the pandemic. The cooperative group also introduced new measures for young people, seniors and community organizations.

On April 6, Desjardins Group's property and casualty insurance subsidiaries announced a discount on car insurance premiums for people under lockdown who are covered by Desjardins personal and business P&C insurance.

By the beginning of May 2020, Desjardins Group received more than 616,000 requests for relief measures. Of these requests, more than 74,000 were for payment deferrals on credit cards, Accord D financing and automobile loans. In terms of loans and lines of credit, a total of nearly 111,000 applications were also received, including more than 89,000 relating to mortgage loans. As for business members and clients, a total of more than 23,000 requests were received. Finally, more than 408,000 requests were received concerning automobile insurance.

In addition to these measures, Desjardins set up partnerships with the Québec and federal governments in order 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 for contributing to the economic recovery and to regional development. The strategy consists of five initiatives worth more than $150 million to promote innovation and entrepreneurship that will help businesses and community organizations get back to work. One of these initiatives, the GoodSpark Fund, will provide social and economic support to communities.

Giving back to the community

During this pandemic, Desjardins has been more involved in people's lives than ever and quickly signalled its desire to participate actively in the economic recovery that would follow. Over the past few weeks, many initiatives have been established to help the entire community.

- Support for youth:
  - Psychological and legal hotline for members aged 30 and under.
  - Donation of $210,000 to Jeunesse, J'écoute/Kids Help Phone and Alloprof.
  - Increase in the Desjardins Foundation scholarship fund to $1.8 million for this year.
- Support for the elderly:
  - $300,000 in financial support to the Caregiver Support service.
  - In Charge of Your Life and Your Property program to protect the elderly from financial abuse and fraud.
  - Merit Service (60+ years): $4 discount on plan service charges.
- Support for organizations:
  - Donation of $475,000 to counter the humanitarian crisis caused by the COVID-19 pandemic (Centraide, Red Cross, Food banks of Quebec and Feed Ontario).
- Support for the government of Québec:
  - Donation of more than 20,000 N95 masks and 40,000 surgical masks.
- Support for economic recovery:
  - $150 million GoodSpark Fund for projects in all regions.
  - $10 million Momentum Fund in support of business growth and job creation projects.
  - Partnership with Google and Startup Montréal to hold an innovation competition.
  - Partnership with La Ruche Québec to encourage people to buy local.
  - Partnership with the École d'Entrepreneurship de Beauce to assist 500 entrepreneurs.

Desjardins is one of three North American financial institutions recognized by the United Nations as a responsible institution in the context of the COVID-19 pandemic. UNEP-FI, a sub-group of the United Nations, promotes responsible finance principles that the financial sector can follow to actively contribute to the development of a more sustainable and responsible economy.

Innovating

Desjardins is constantly innovating to meet the needs of its members and clients. In today's environment, the cooperative group has further leveraged its ingenuity to limit the spread of COVID-19:

- 38,000 out of 48,000 employees have been able to work from home.
- Stronger public health measures were introduced in our points of service and offices.
- 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, by AccèsD Internet, telephone or mobile phone.
- Contactless payment limit on Desjardins payment terminals raised from $100 to $250 for holders of Desjardins credit and debit cards.
- Many procedures were automated for members and clients (online forms, direct deposit registration).

Before the pandemic, nearly 92% of member/client interactions with Desjardins were online. Now this figure is closer to 94%.

Financial highlights

Comparison of first quarter 2020 with first quarter 2019:

- Surplus earnings before member dividends of $285 million, down $116 million or 28.9%.
- $104 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 $4,666 million, an increase of $354 million or 8.2%.
- Negative financial consequences of the COVID-19 pandemic:
  - Increase in the provision for credit losses, mainly in response to the significant deterioration in the economic outlook.
  - Rise in travel insurance provisions after the Canadian government's announcement of travel restrictions.

Other highlights:

- In the context of the COVID-19 pandemic, the Canadian government deployed many financing initiatives to support the Canadian financial system. Desjardins Group made use of these programs.
- Total capital ratio of 22.2%, compared to 21.6% as at December 31, 2019.
- Issuance of medium-term notes totalling US$1 billion on the US market.
- Desjardins General Insurance Group Inc. became Canada's No. 2 property and casualty insurer based on gross direct premiums written in 2019.
- Acquisition of a portfolio of high-quality home mortgages from La Capitale in the first quarter of 2020, consolidating Desjardins Group's leadership position in Québec's residential mortgage market.

FINANCIAL HIGHLIGHTS

(in millions of dollars and as a percentage)	As at and for the three-month periods ended **March 31, 2020**	 December 31, 2019	 March 31, 2019
Results			
Net interest income	**$ 1,374**	$ 1,424	$ 1,264
Net premiums	**2,522**	2,527	2,317
Other operating income[1]	**770**	1,025	731
Operating income[1]	**4,666**	4,976	4,312
Investment income (loss)[1]	**56**	(116)	1,352
Total income	**4,722**	4,860	5,664
Provision for credit losses	**324**	113	109
Claims, benefits, annuities and changes in insurance contract liabilities	**2,083**	1,426	3,118
Non-interest expense	**2,013**	2,194	1,919
Income taxes on surplus earnings	**17**	192	117
Surplus earnings before member dividends	**$ 285**	$ 935	$ 401
Adjusted surplus earnings before member dividends[1]	**$ 285**	$ 626	$ 401
Contribution to combined surplus earnings by business segment[2]			
Personal and Business Services	**$ 213**	$ 686	$ 341
Wealth Management and Life and Health Insurance	**(41)**	285	133
Property and Casualty Insurance	**73**	111	(81)
Other	**40**	(147)	8
	$ 285	$ 935	$ 401
Amount returned to members and the community			
Member dividends	**$ 77**	$ 80	$ 77
Sponsorships, donations and scholarships	**16**	32	18
Desjardins Member Advantages	**11**	10	10
	$ 104	$ 122	$ 105
Indicators			
Net interest margin[1]	**2.48%**	2.59%	2.46%
Return on equity[1]	**4.0**	13.7	6.5
Adjusted return on equity[1]	**4.0**	9.2	6.5
Productivity index[1]	**76.3**	63.9	75.4
Adjusted productivity index[1]	**76.3**	71.1	75.4
Credit loss provisioning rate[1]	**0.63**	0.22	0.23
Gross credit-impaired loans/gross loans and acceptances ratio[1]	**0.56**	0.56	0.58
Liquidity coverage ratio[3]	**125.0**	130.2	122.5
On-balance sheet and off-balance sheet			
Assets	**$ 326,919**	$ 312,996	$ 304,002
Net loans and acceptances	**206,244**	203,462	192,131
Deposits	**205,495**	193,918	186,260
Equity	**28,950**	27,429	26,126
Assets under administration[4]	**395,770**	437,000	410,445
Assets under management[5]	**63,435**	67,553	61,794
Capital ratio and leverage ratio			
Tier 1A capital ratio	**22.2%**	21.6%	18.1%
Tier 1 capital ratio	**22.2**	21.6	18.1
Total capital ratio	**22.2**	21.6	18.3
Leverage ratio	**9.2**	8.8	8.4
Other information			
Number of employees	**48,420**	**47,849**	**46,863**

(1) See the "Non-GAAP Measures" section.
(2) The breakdown by line item is presented in Note 11, “Segmented information,” to the Interim Combined Financial Statements.
(3) The result of the ratio is presented based on the average of the daily data during the quarter.
(4) Data for 2019 have been restated to conform to the current period’s presentation.
(5) Assets under management may also be administered by Desjardins Group. When this is the case, they are included in assets under administration.

Assets of $326.9 billion, up $13.9 billion

As at March 31, 2020, Desjardins Group had total assets of $326.9 billion, up $13.9 billion or 4.4% since December 31, 2019. This growth was partly due to the $5.9 billion increase in cash and deposits with financial institutions. Furthermore, securities, including those borrowed or purchased under reverse repurchase agreements, and net loans and acceptances increased by $3.1 billion and $2.9 billion, respectively.

Desjardins Group's cash and deposits with financial institutions increased by $5.9 billion 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 very good capitalization levels in compliance with Basel III rules. Its Tier 1A and total capital ratios both stood at 22.2% as at March 31, 2020, 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 first quarter

For the first quarter of 2020, surplus earnings before member dividends were $213 million, down $128 million from the same period of 2019. This decrease was due to the negative financial consequences of the COVID-19 pandemic. These include an increase in the provision for credit losses, mainly as a result of the significant deterioration in the economic outlook and the decrease in the fair value of derivative financial instruments, due in particular to the volatility of financial markets and credit spreads. On the other hand, this slump in surplus earnings was partially offset by sustained growth in caisse network operations, linked to the increase in net interest income.

WEALTH MANAGEMENT AND LIFE AND HEALTH INSURANCE SEGMENT

Results for the first quarter

For the first quarter of 2020, the segment posted a net deficit of $41 million compared to net surplus earnings of $133 million in the corresponding period of 2019. This decrease was mainly due to the negative financial consequences of the COVID-19 pandemic. These include an increase in travel insurance provisions after the Canadian government's announcement of travel restrictions and the rise in credit balance insurance provisions.

PROPERTY AND CASUALTY INSURANCE SEGMENT

Results for the first quarter

For the first quarter of 2020, net surplus earnings were $73 million compared to a net deficit of $81 million for the same period of 2019. This increase was due to higher net premiums and a lower claims experience compared to same period of 2019, offset by lower investment income.

OTHER CATEGORY

Results for the first quarter

Net surplus earnings for the first quarter were $40 million, up $32 million from the corresponding period in 2019, primarily due to a higher tax recovery in the first quarter of 2020 related to remuneration on F capital shares. This increase was offset by the unfavourable change in the fair value of investments and the reversal of investment portfolio provisions in fiscal 2019. The Other category also includes expenses related to the continued implementation of Desjardins-wide strategic projects, in particular to improve systems and processes and to create innovative technology platforms mainly related to the digital transformation and information security.

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 $326.9 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. 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, many of which are beyond Desjardins Group's control and the effects of which can be 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 its MD&A for the first quarter of 2020. Although Desjardins Group believes that the expectations expressed in these forward-looking statements are reasonable and founded on valid bases, 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 oral or written forward-looking statements that could 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. IFRS represent Canadian 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:

Adjusted surplus earnings of Desjardins Group before member dividends

The concept of adjusted surplus earnings is used to exclude specific items in order to present financial performance based on operating activities. These specific items, such as acquisitions and disposals, are unrelated to operations.

Desjardins Group's surplus earnings before member dividends are adjusted to exclude the following specific item: the gain, net of income taxes, related to the sale of the entire portfolio of merchants receiving Desjardins Group services under the Monetico brand to Global Payments, completed on December 31, 2019.

The following table presents a reconciliation of surplus earnings before member dividends as presented in the Combined Financial Statements and the adjusted surplus earnings as presented in the MD&A.

	For the three-month periods ended		
(in millions of dollars)	**March 31, 2020**	December 31, 2019	March 31, 2019
Presentation of surplus earnings before member dividends in the Combined Financial Statements	**$ 285**	$ 935	$ 401
Specific item, net of income taxes			
Gain related to the sale of the entire portfolio of merchants receiving Desjardins Group services under the Monetico brand	**-**	(309)	-
Presentation of adjusted surplus earnings before member dividends	**$ 285**	$ 626	$ 401

Adjusted surplus earnings before member dividends of the Personal and Business Services segment

The Personal and Business Services segment's surplus earnings before member dividends are adjusted to exclude the following specific item: the gain, net of income taxes, related to the sale of the entire portfolio of merchants receiving Desjardins Group services under the Monetico brand to Global Payments, completed on December 31, 2019.

The following table presents a reconciliation of the surplus earnings before member dividends of the Personal and Business Services segment as presented in the Combined Financial Statements and the adjusted surplus earnings before member dividends as presented in the MD&A.

	For the three-month periods ended		
(in millions of dollars)	**March 31, 2020**	December 31, 2019	March 31, 2019
Presentation of surplus earnings before member dividends of the Personal and Business Services segment in the Combined Financial Statements	**$ 213**	$ 686	$ 341
Specific item, net of income taxes			
Gain related to the sale of the entire portfolio of merchants receiving Desjardins Group services under the Monetico brand	**-**	(309)	-
Presentation of the adjusted surplus earnings before member dividends of the Personal and Business Services segment	**$ 213**	$ 377	$ 341

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 and adjusted 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 two 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		
(in millions of dollars)	**March 31, 2020**	December 31, 2019	March 31, 2019
Presentation of income in the Combined Financial Statements			
Net interest income	**$ 1,374**	$ 1,424	$ 1,264
Net premiums	**2,522**	2,527	2,317
Other income			
Deposit and payment service charges	**105**	109	103
Lending fees and credit card service revenues	**196**	185	210
Brokerage and investment fund services	**240**	226	214
Management and custodial service fees	**150**	155	140
Net investment income (loss)[1]	**(456)**	(94)	1,519
Overlay approach adjustment for insurance operations financial assets	**512**	(22)	(167)
Foreign exchange income	**46**	12	14
Other	**33**	338	50
Total income	**$ 4,722**	$ 4,860	$ 5,664
Presentation of income in the MD&A			
Net interest income	**$ 1,374**	$ 1,424	$ 1,264
Net premiums	**2,522**	2,527	2,317
Other operating income			
Deposit and payment service charges	**105**	109	103
Lending fees and credit card service revenues	**196**	185	210
Brokerage and investment fund services	**240**	226	214
Management and custodial service fees	**150**	155	140
Foreign exchange income	**46**	12	14
Other	**33**	338	50
Operating income	**4,666**	4,976	4,312
Investment income (loss)			
Net investment income (loss)[1]	**(456)**	(94)	1,519
Overlay approach adjustment for insurance operations financial assets	**512**	(22)	(167)
Investment income (loss)	**56**	(116)	1,352
Total income	**$ 4,722**	$ 4,860	$ 5,664

[1] The breakdown of this line item is presented in Note 10, "Net interest income and net investment income (loss)", 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		
(in millions of dollars and as a percentage)	**March 31, 2020**	December 31, 2019	March 31, 2019
Provision for credit losses	**$ 324**	$ 113	$ 109
Average gross loans	**205,445**	202,126	191,976
Average gross acceptances	**231**	282	152
Average gross loans and acceptances	**$ 205,676**	$ 202,408	$ 192,128
Credit loss provisioning rate(1)	**0.63%**	0.22%	0.23%

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

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