



Investor Presentation
Q4 2018 Results

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements regarding, among other things, Desjardins Group's business objectives and priorities, financial targets and maturity profile. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "plan" and "may", words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. It is therefore possible that, due to many factors, these forward-looking statements may not materialize or may prove to be inaccurate and that actual results differ materially. Desjardins Group cautions readers against placing undue reliance on these forward-looking statements since actual results, conditions, actions and future events could differ significantly from those anticipated.

A number of factors, many of which are beyond Desjardins Group's control and the effects of which can be difficult to predict, could influence the accuracy of the forward-looking statements in this presentation. These factors include: credit, market, liquidity, operational, insurance, strategic, and reputation risks; regulatory and legal environment risk; environmental risk; risk related to pension plans; technological advancement and regulatory developments; cybersecurity; household indebtedness; real estate market trends; geopolitical risks; communication and information; general economic and business conditions in regions in which Desjardins Group operates; changes in the economic and financial environment in Quebec, Canada and globally; monetary policies; the accuracy and completeness of information concerning clients and counterparties; the critical accounting estimates and accounting standards applied by Desjardins Group; new products and services to maintain or increase Desjardins Group's market share; the ability to recruit and retain key management personnel, including senior management; geographic concentration; acquisitions and joint arrangements; credit ratings; amendments to tax laws; unexpected changes in consumer spending and saving habits; the ability to implement Desjardins Group's disaster recovery plan within a reasonable time; the potential impact of international conflicts or natural disasters; and Desjardins Group's ability to anticipate and properly manage the risks associated with these factors.

It is important to note that the above list of factors that could influence future results is not exhaustive. Other factors could have an adverse effect on Desjardins Group's results. Additional information about these and other factors is found in the "Risk management" sections of Desjardins Group's most recently published annual and any subsequent quarterly MD&As.

Any forward-looking statements contained in this presentation represent the views of management only as at the date hereof, and are presented for the purpose of assisting readers in understanding and interpreting Desjardins Group's balance sheet as at the dates indicated or its results for the periods then ended, as well as its business objectives and priorities. These statements may not be appropriate for other purposes. 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.



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HIGHLIGHTS **FY 2018 RESULTS**

Results

As at December 31, 2018
(Comparison against FY 2017)

\$2,326 million
Surplus earnings, up 8.1%

\$17.3 billion
Total income, up 1%

Balance Sheet

As at December 31, 2018
(Comparison against FY 2017)

\$295.5 billion
Total assets, up 7.4%

\$183.2 billion
Total deposits, up 6.7%

Liquidity & Capital

As at December 31, 2018

17.3%
CET1 ratio (Tier 1A)

122.1%
Average LCR ratio



\$389 Million
Redistributed to members and the community



\$100 Million
For a new development fund



Strong, Shared and Commitment to Action
On climate change



Carbon Neutral
Starting 2017



5th largest financial cooperative group in the world by total income

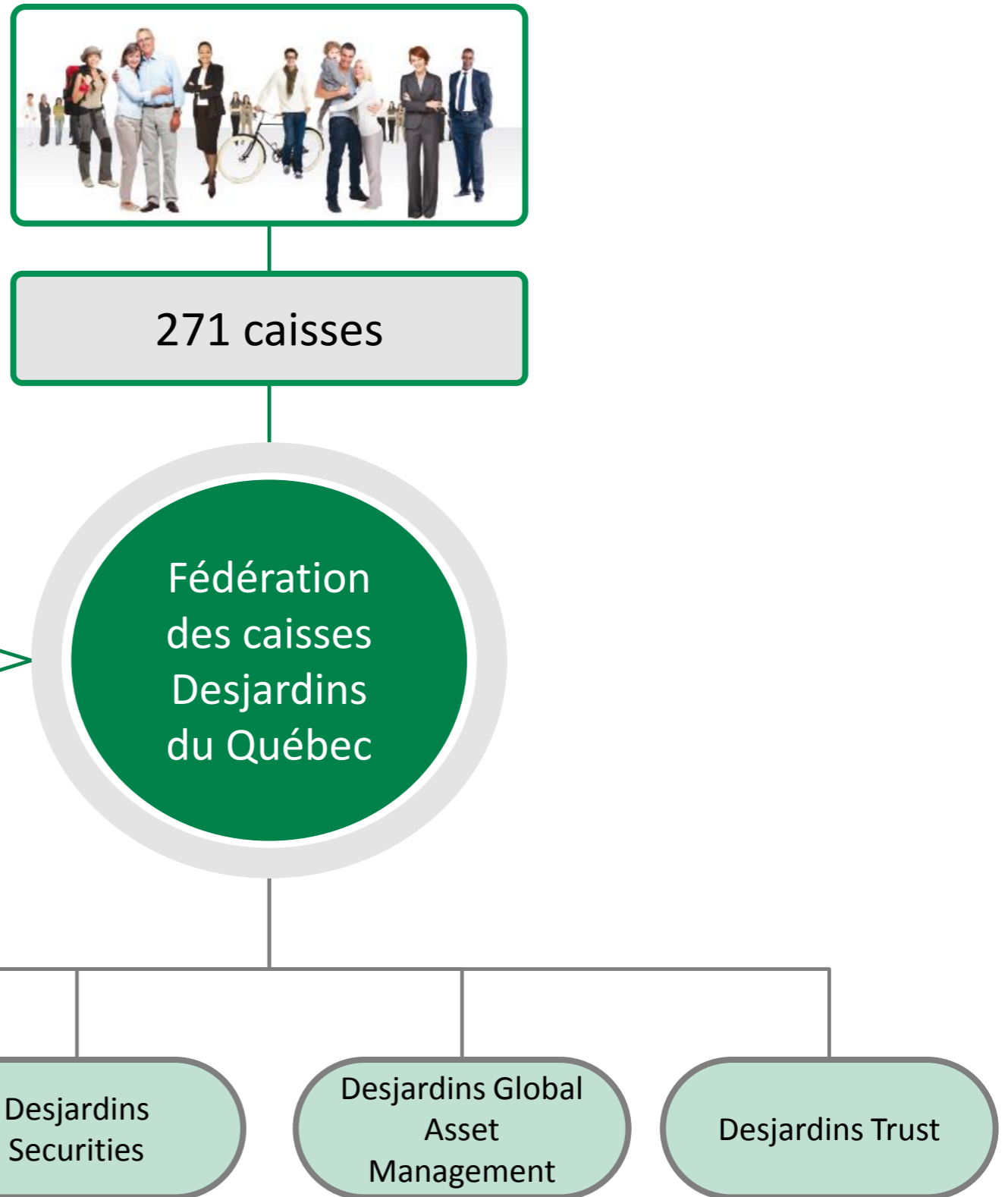


6th safest financial institution in North America and 37th in the world

The Banker

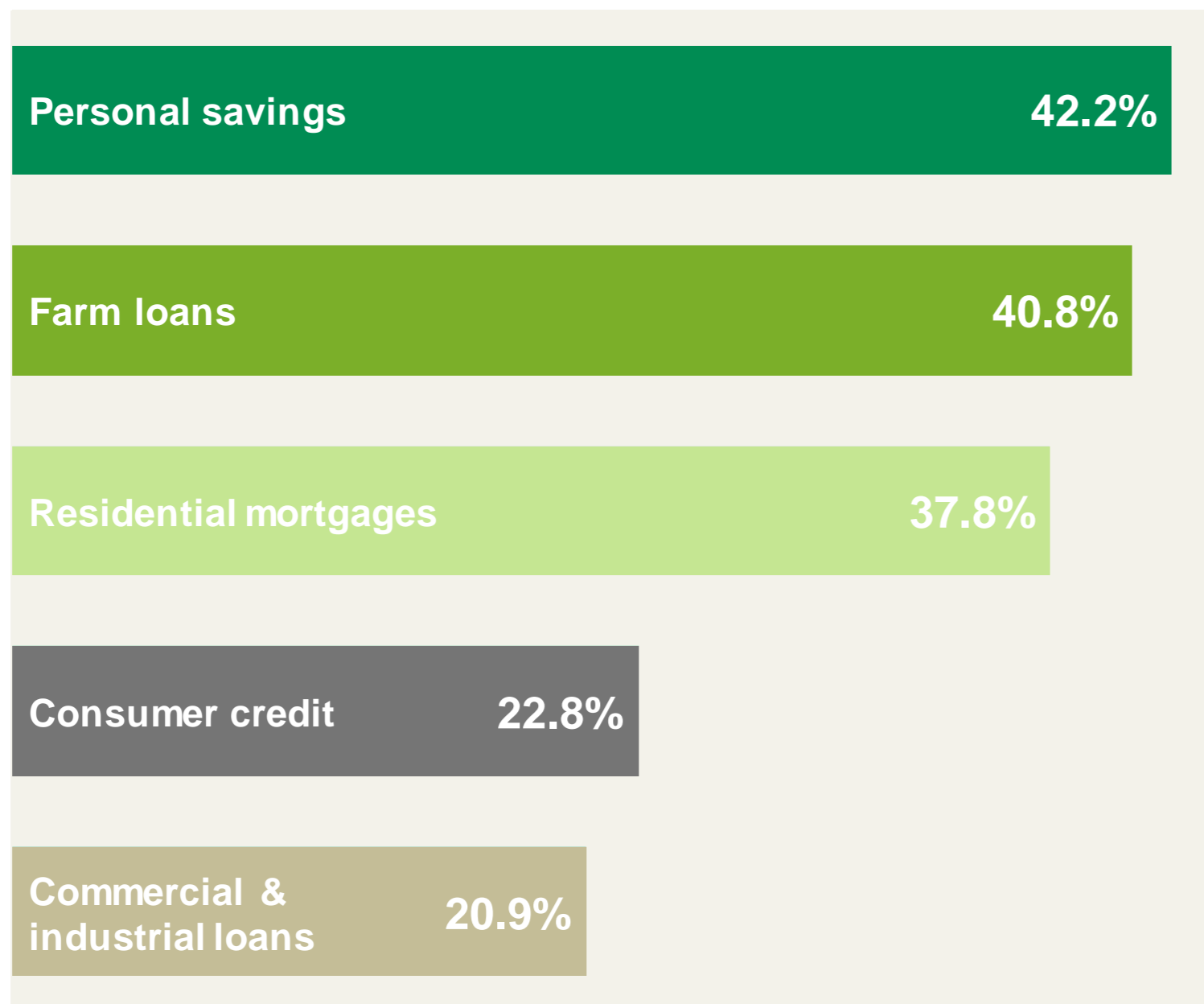
97th most important financial institution by Tier 1 capital

ORGANIZATION CHART



MARKET LEADERSHIP

LEADING MARKET SHARES IN QUEBEC



Insurance

LIFE & HEALTH

- #2 insurer in Quebec
- #5 insurer in Canada
 - Extensive range of products
 - Offices across Canada

GENERAL

- #1 in direct distribution in Quebec
- #2 insurer in Quebec
- #3 insurer in Canada



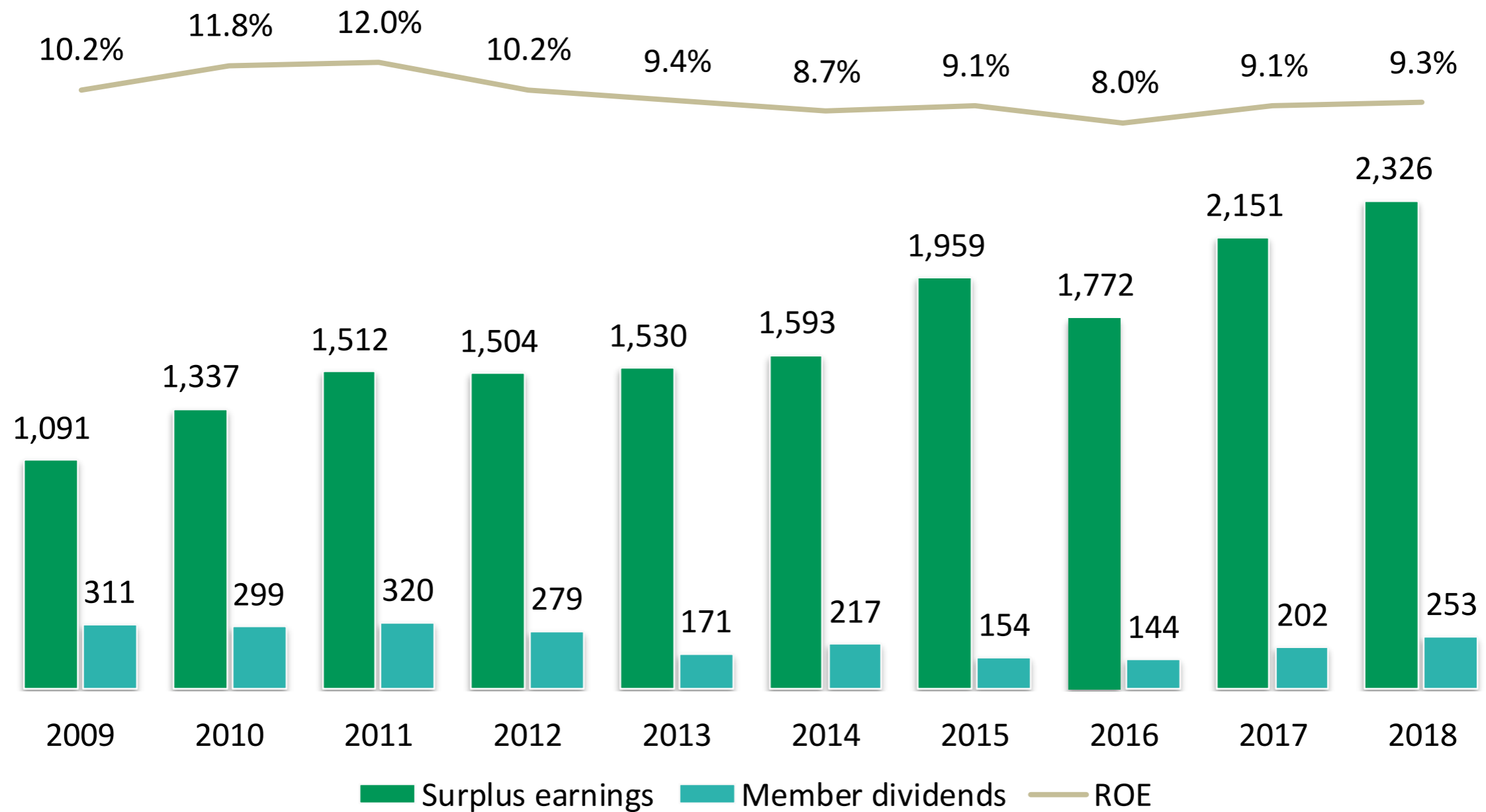
Wealth Management

Securities

- 42 full-service branches
- No. 7 fixed income group in Canada

SOLID AND STEADY **PROFITABILITY**

SURPLUS EARNINGS, MEMBER DIVIDENDS AND ROE (\$M)

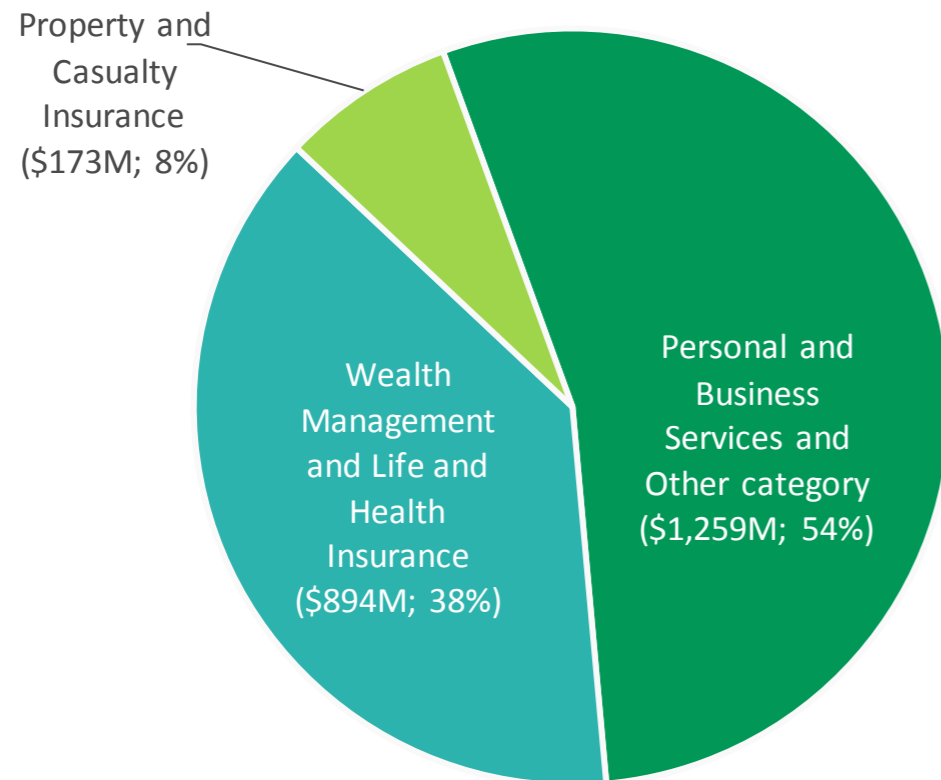


Source: Desjardins Group's Financial Reports

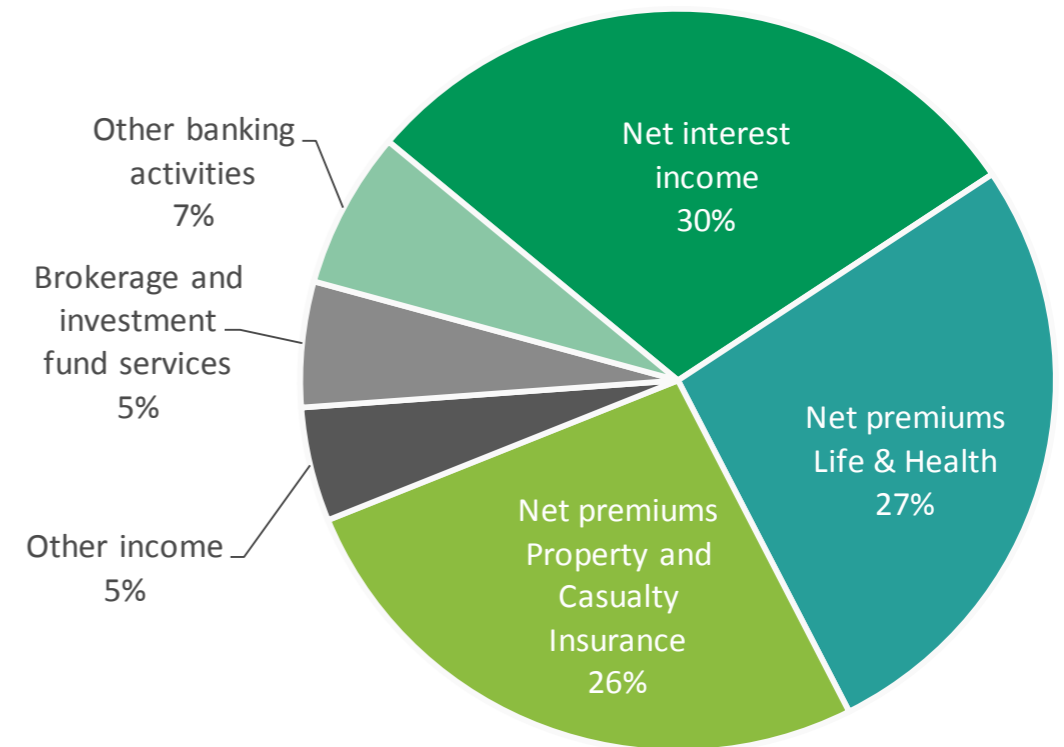
Note: Since 2010, financial statements are prepared in accordance with IFRS. Previously, Desjardins Group issued financial statements prepared in accordance with Canadian generally accepted accounting principles.

DIVERSIFIED SURPLUS EARNINGS AND **INCOME**

SURPLUS EARNINGS BY SEGMENT – FY 2018



OPERATING INCOME DISTRIBUTION – FY 2018



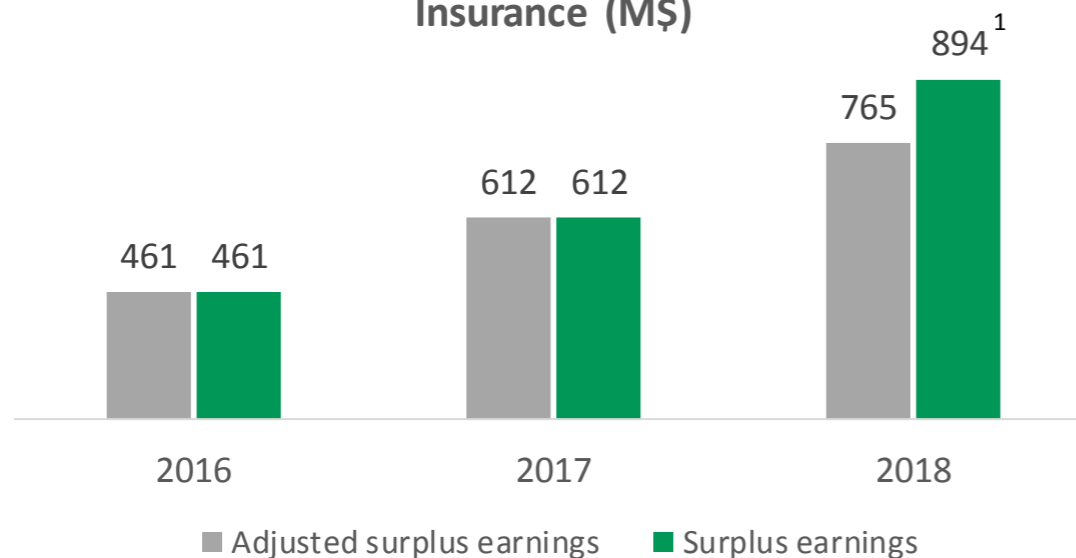
SURPLUS EARNINGS BY SEGMENT

- Growth of 14.8% in Personal Services and Business segment attributable to the good performance of the caisse network and growth in the loan portfolios.
- Increase of 25% in adjusted surplus earnings in the Wealth Management and Life and Health Insurance segment due to the disposal of securities and real estate investments and higher income from growth in assets under management.
- Decrease of 32M\$ in adjusted surplus earnings in Property and Casualty Insurance segment due to higher claims experience.

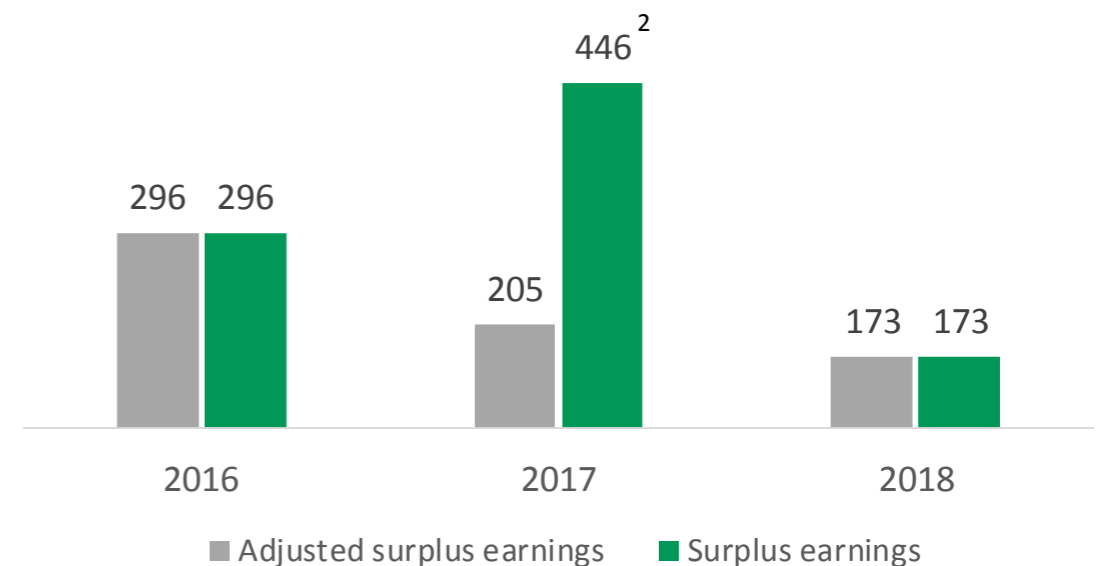
Personal Services and Business and Other category (M\$)



Wealth Management and Life and Health Insurance (M\$)



Property and Casualty Insurance (M\$)



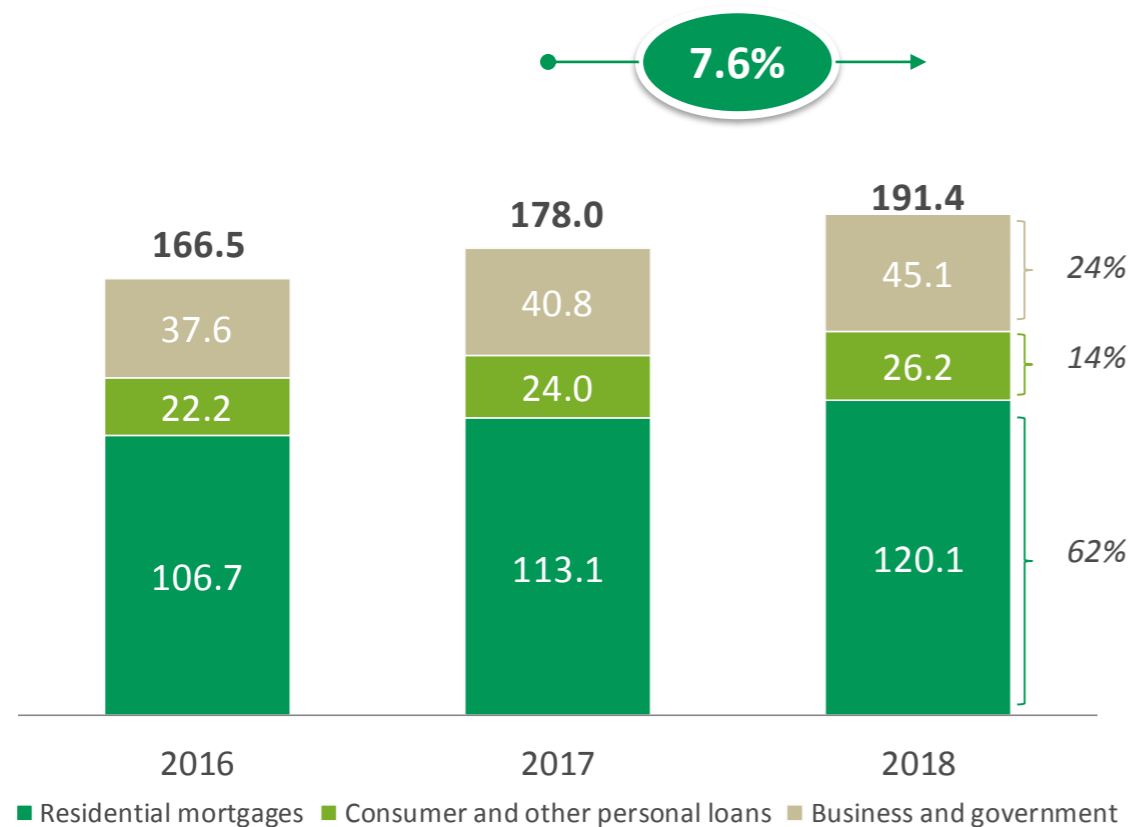
Source: Desjardins Group's Financial Reports

1 – Includes a non recurrent gain on the creation of Aviso Wealth.

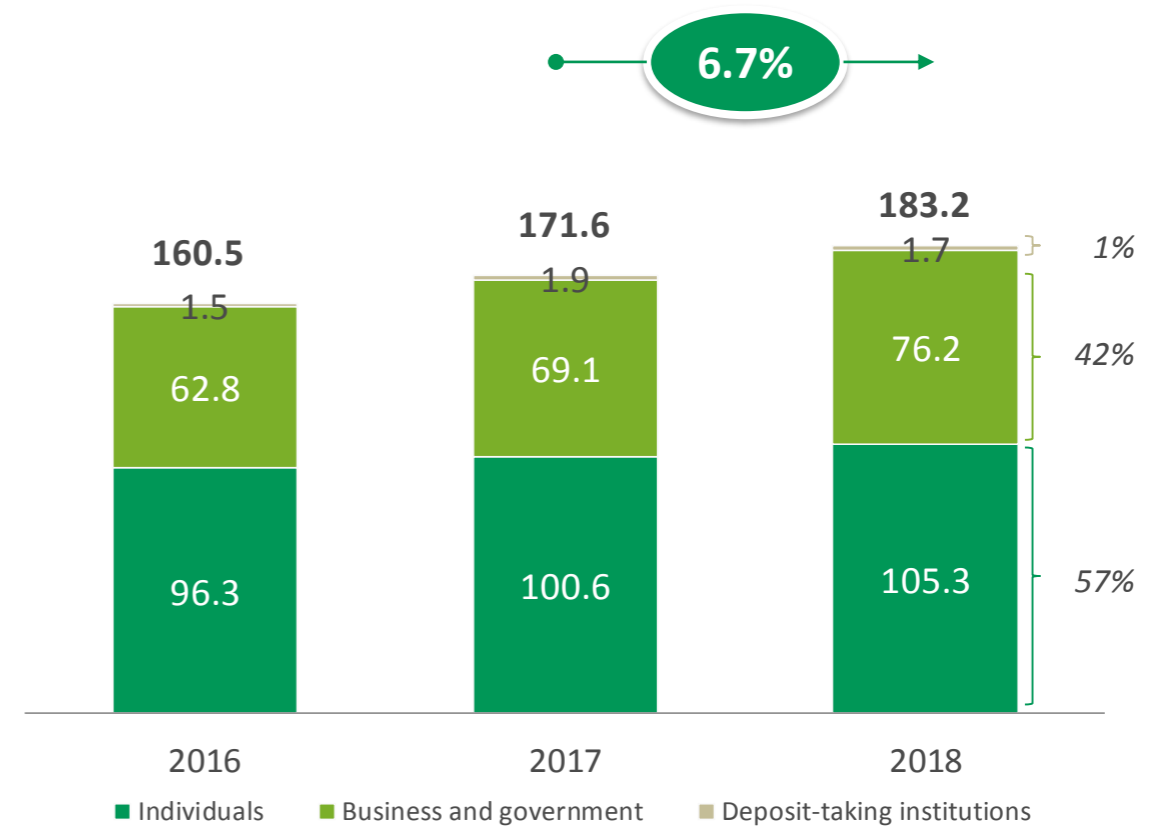
2 – Includes a non recurrent gain on the sale of Western Financial Group.

STRONG BALANCE SHEET

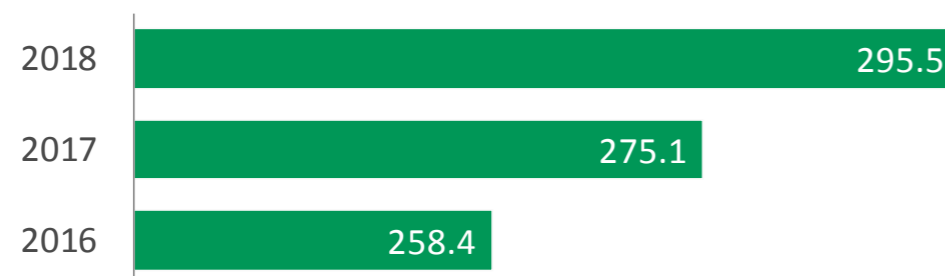
LOANS AND ACCEPTANCES (\$B)



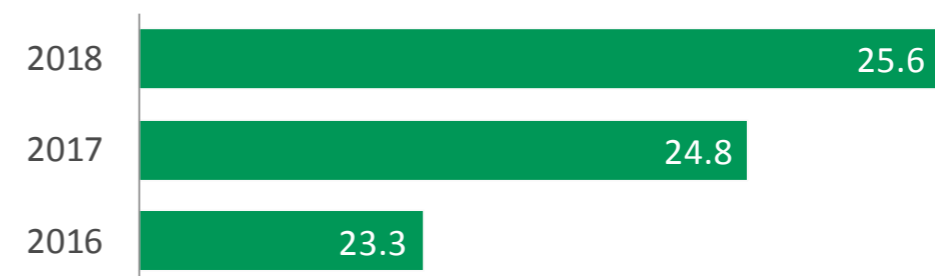
DEPOSITS (\$B)



TOTAL ASSETS (\$B)

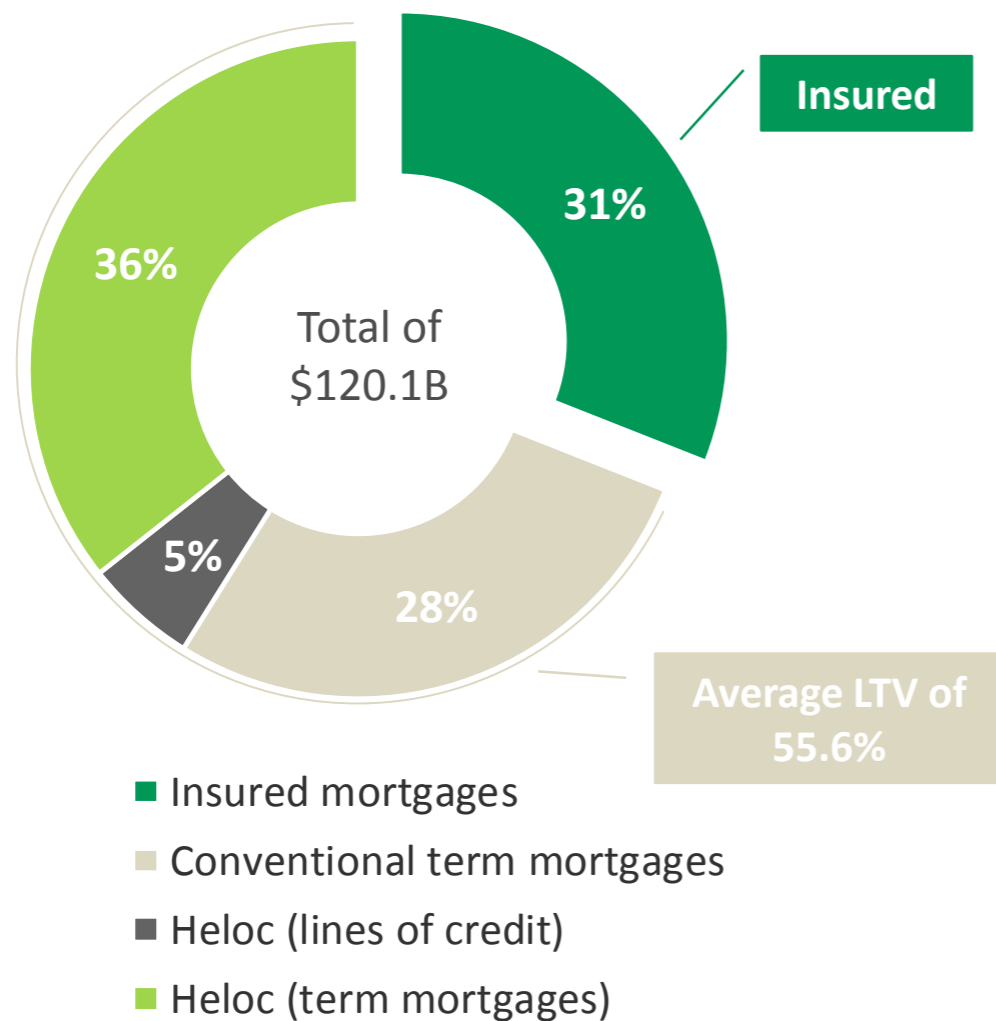


EQUITY (\$B)

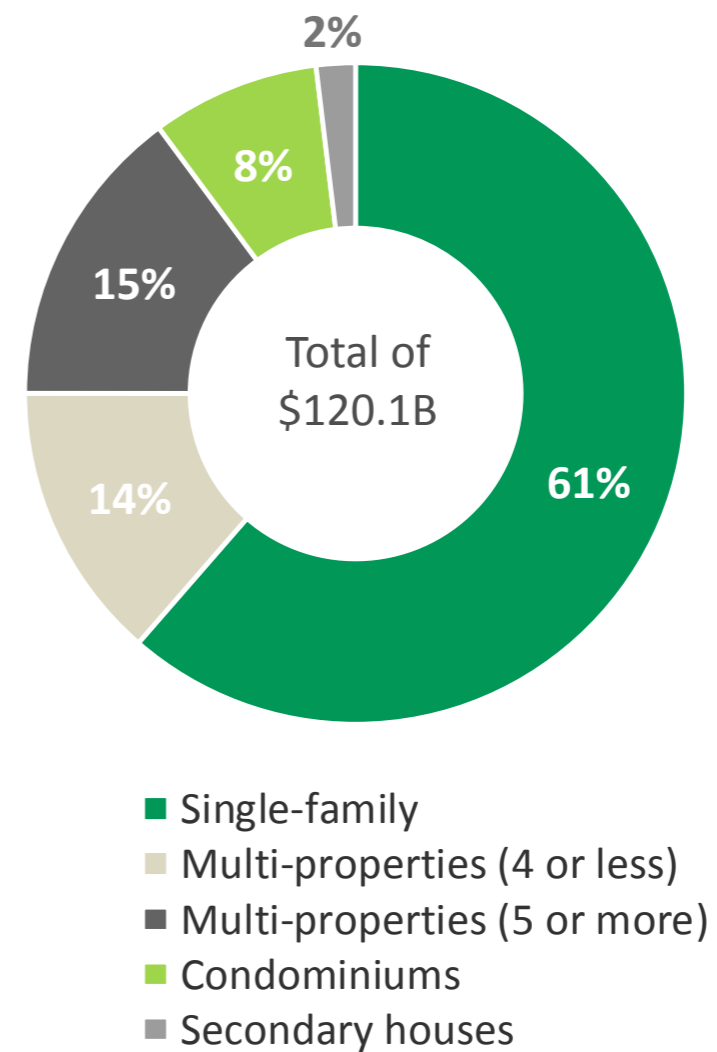


DIVERSIFIED RESIDENTIAL MORTGAGE **PORTFOLIO**

BY PRODUCT TYPE



BY PROPERTY TYPE



WELL-BALANCED BUSINESS AND GOVERNMENT **LOAN PORTFOLIO**

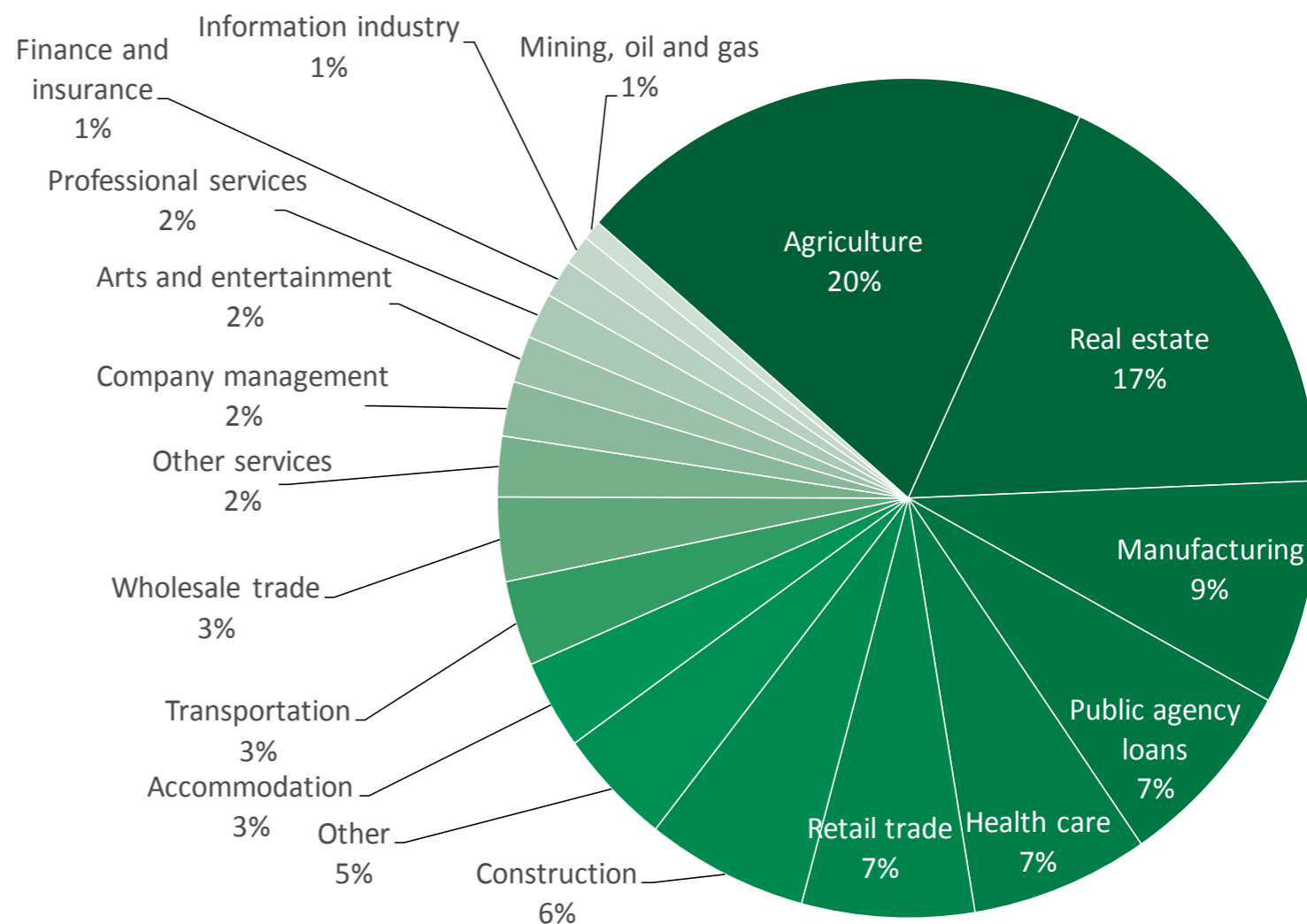
- **15% WERE GUARANTEED AT Q4 2018**

- **HIGH QUALITY OF TOP SECTORS**

- Agriculture: \$9.2B, most loans are guaranteed and covered by income protection programs
- Real estate: \$7.8B
- Manufacturing: \$3.9B
- Public agencies: \$3.3B (governmental agencies and school boards)
- Health care: \$3.1B

- **OTHER INDUSTRIES WELL-DIVERSIFIED**

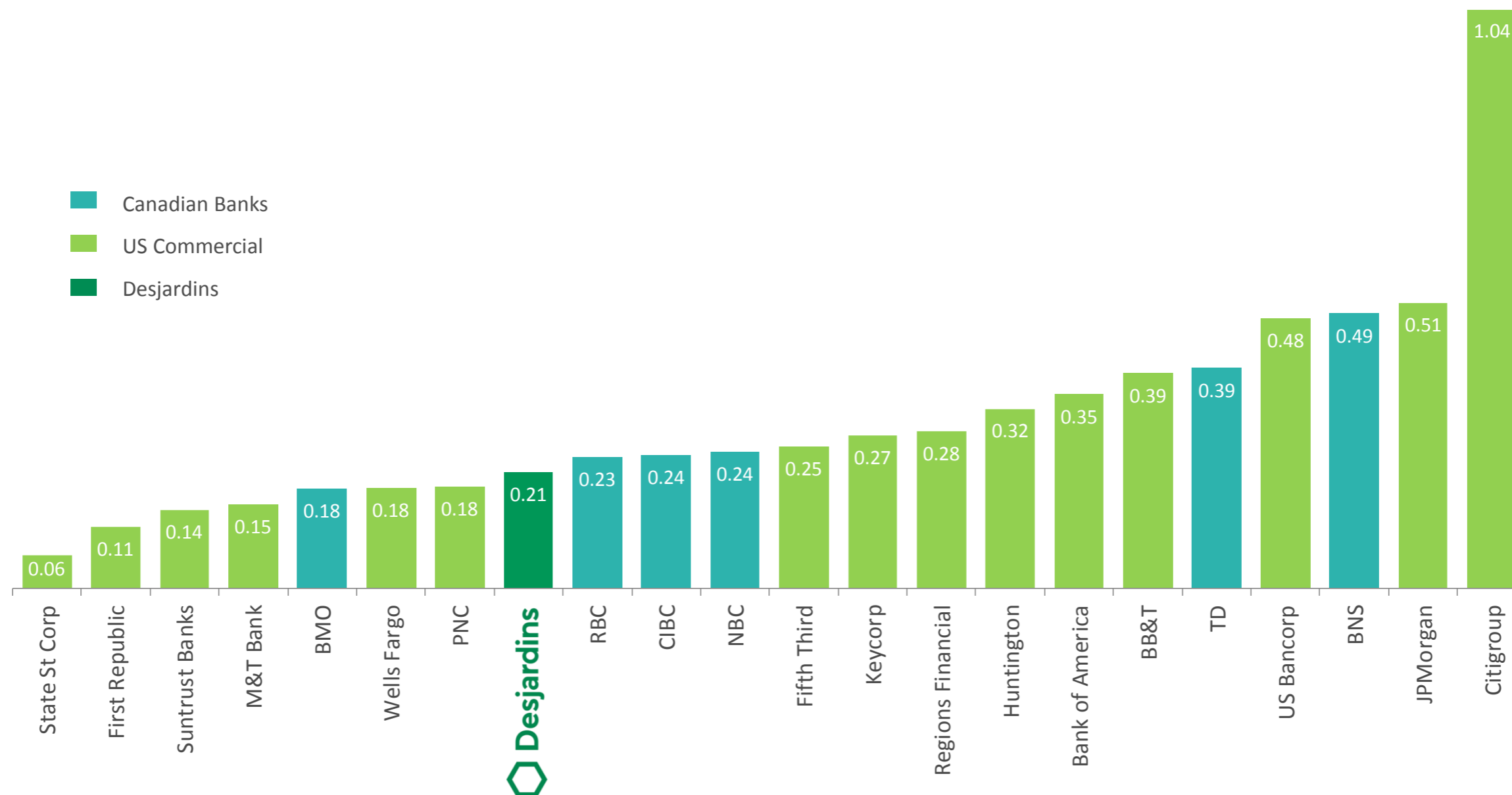
INDUSTRY DISTRIBUTION



ASSET QUALITY

PROVISION FOR CREDIT LOSSES AS A % OF AVERAGE LOANS

(Trailing 12 months at Q4 2018)



Sources: Desjardins Group's Financial Reports and Bloomberg for Canadian banks and US commercial banks

1. For Canadian banks and Desjardins, provision for credit losses is under IFRS 9 starting Q1 2018 and under IAS 39 for previous quarters.

Only US Banks with more than US\$60B of deposits are illustrated.

LEADING NORTH AMERICAN FINANCIAL INSTITUTION

TIER 1A OR COMMON EQUITY TIER 1 CAPITAL RATIO (%)⁽¹⁾

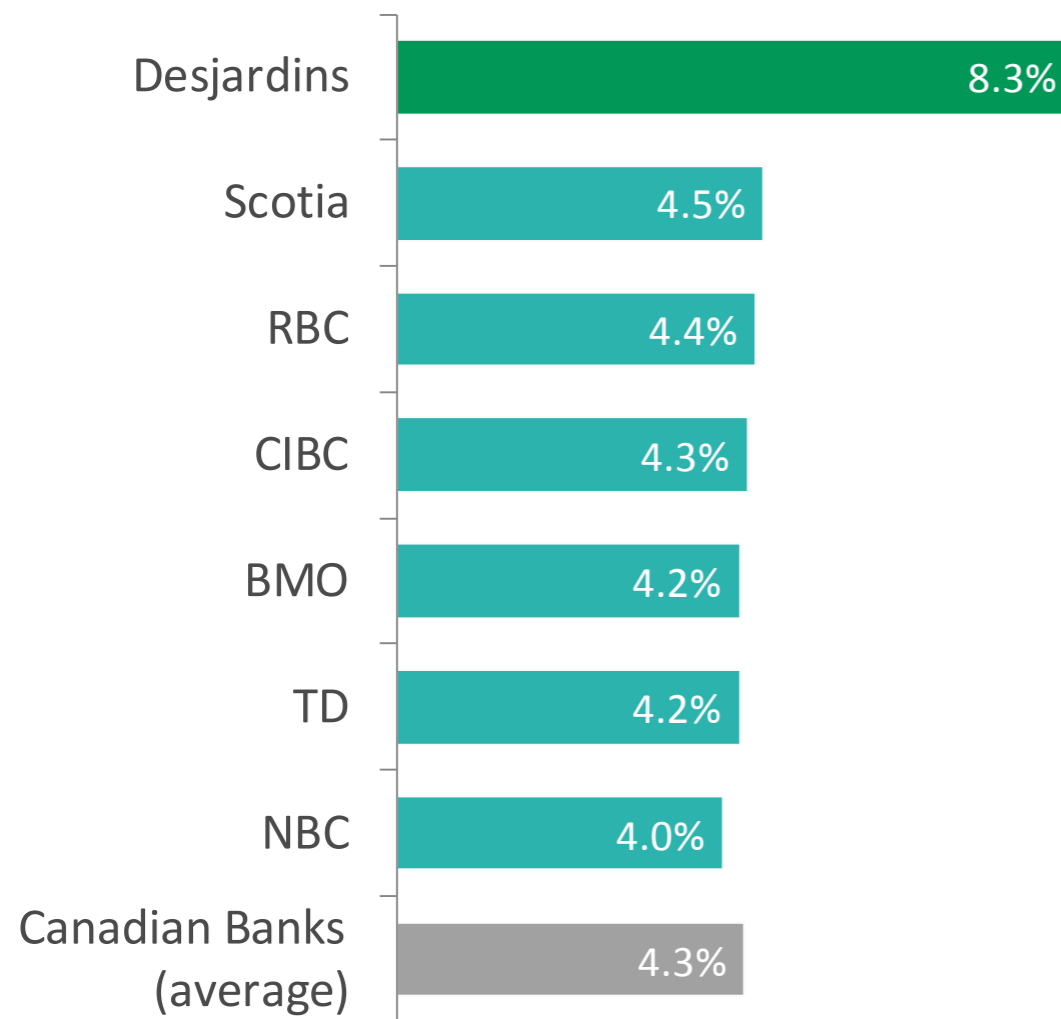


Sources: Financial Reports of Desjardins Group, U.S. banks and Canadian banks

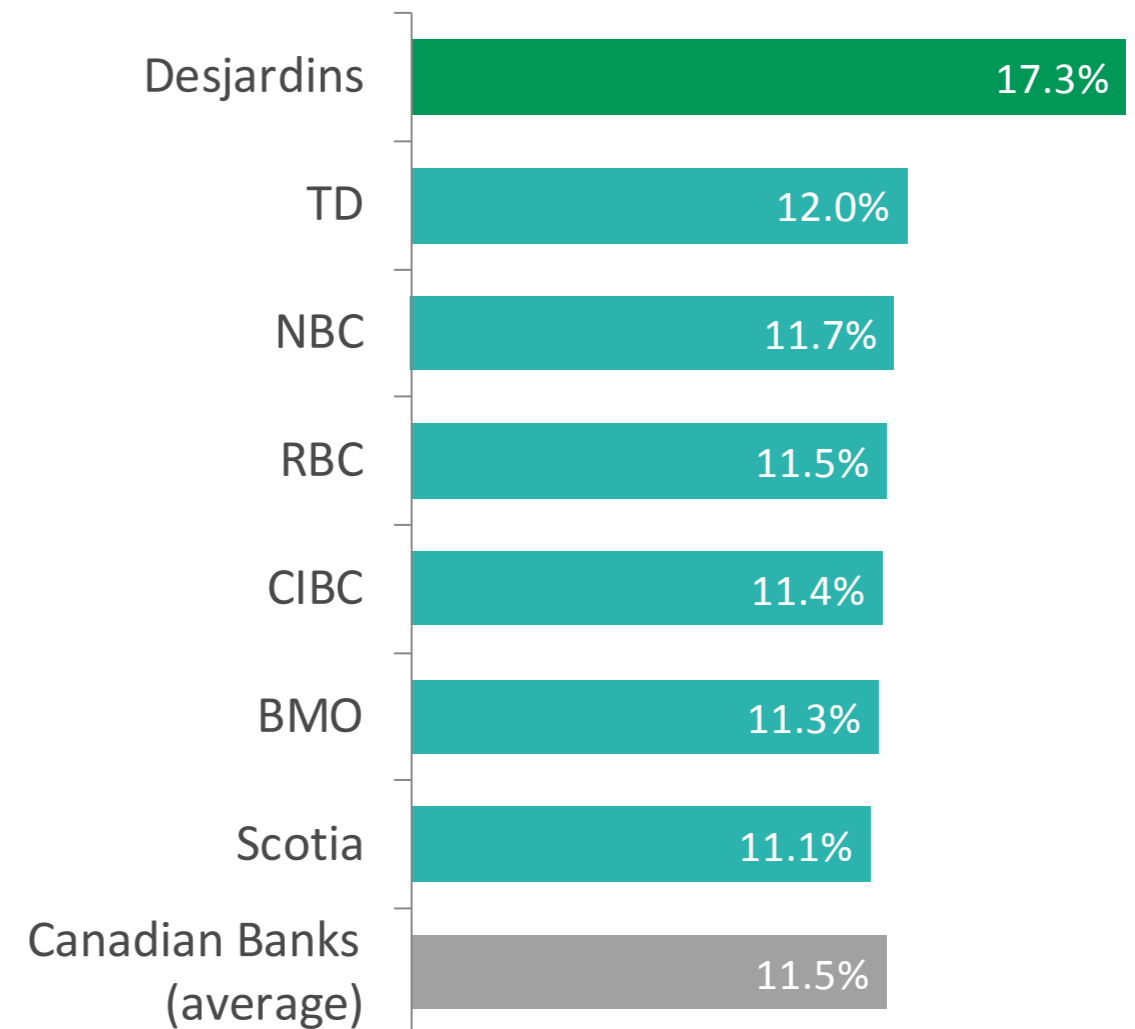
1. As at Q4 2018 for Canadian banks and U.S. banks. Only US Banks with more than US\$60B of deposits are illustrated.

EXCELLENT TIER 1A CAPITAL AND LEVERAGE RATIOS

LEVERAGE RATIO

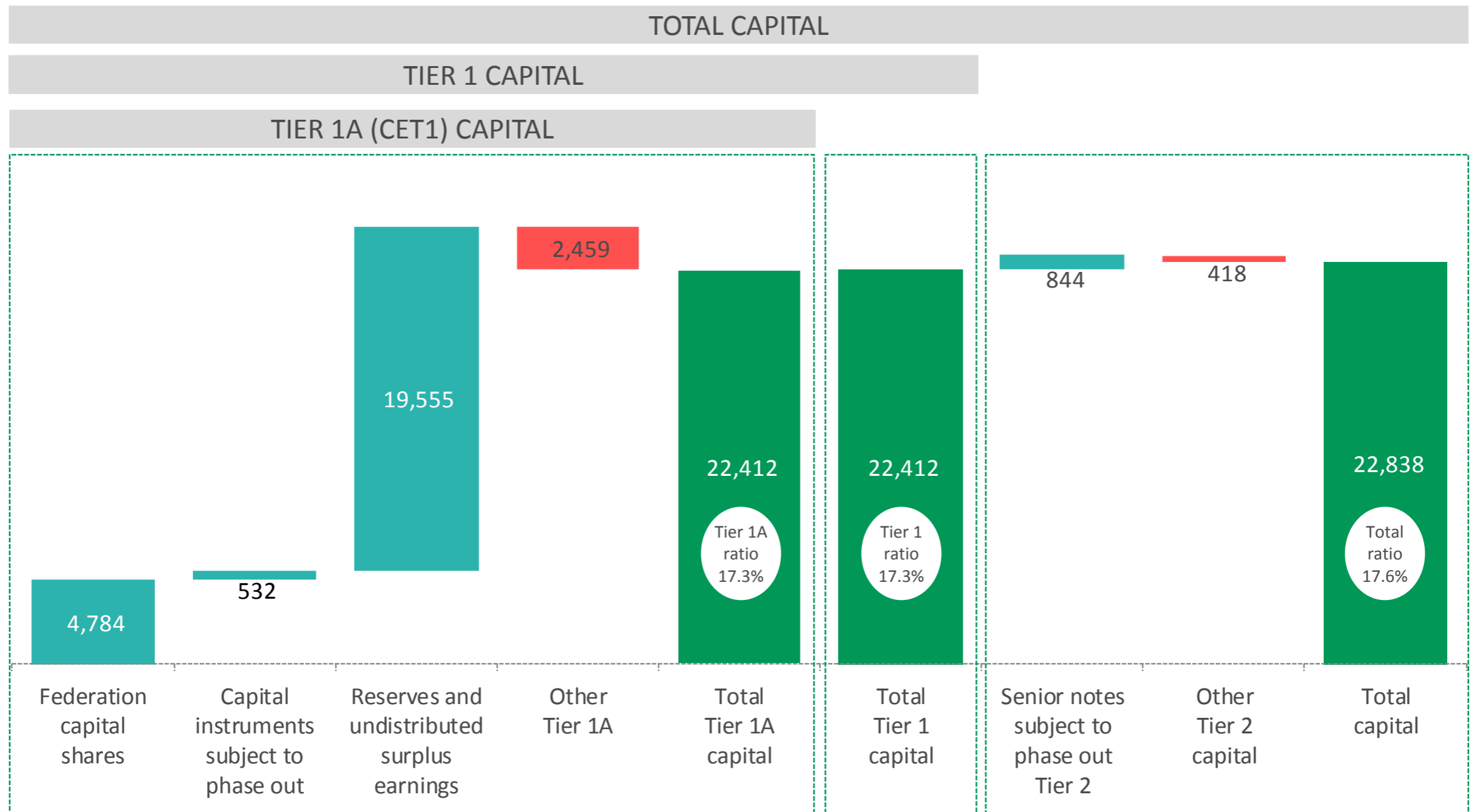


TIER 1A CAPITAL RATIO (CET1)



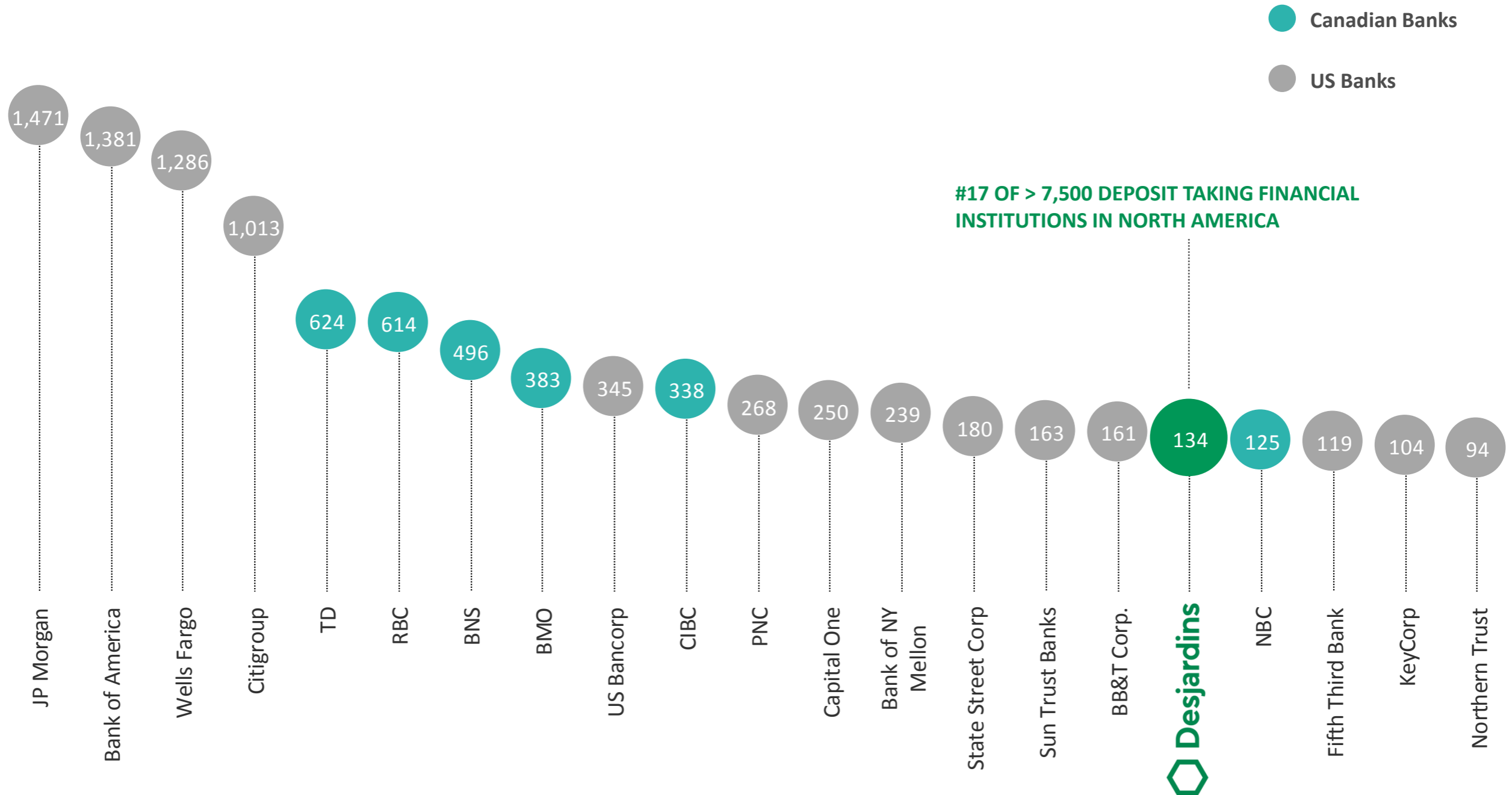
CAPITAL MANAGEMENT

REGULATORY CAPITAL COMPOSITION (\$M)



LEADING NORTH AMERICAN FINANCIAL INSTITUTION

LARGEST FINANCIAL INSTITUTIONS BY DEPOSITS⁽¹⁾ (US \$B)

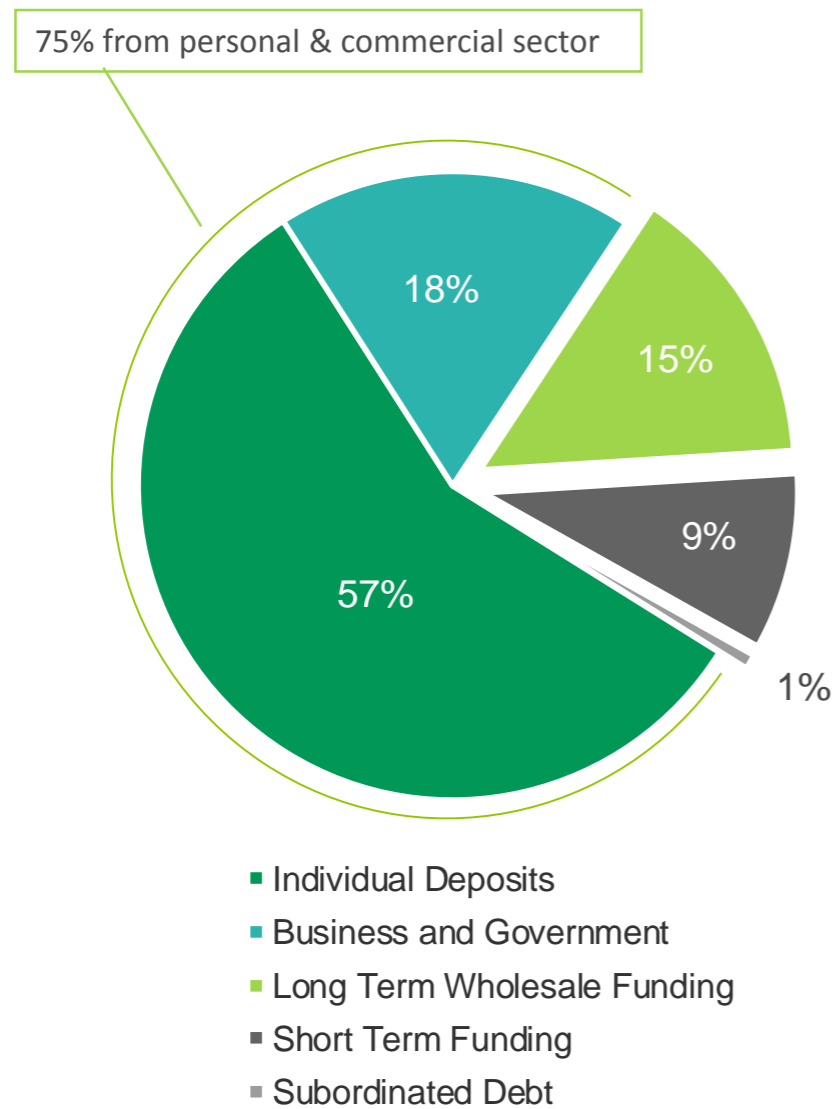


Sources: Desjardins Group's Financial Reports and Bloomberg

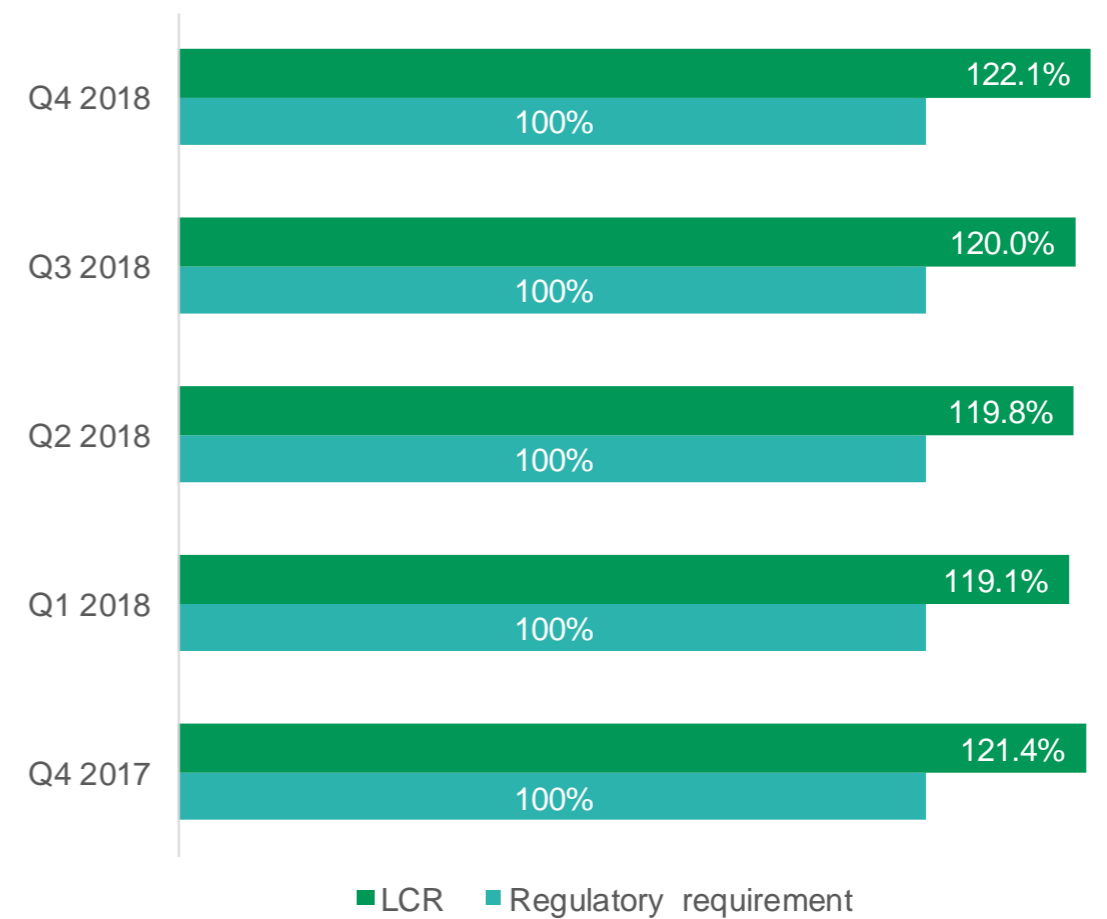
1. As at Q4 2018 for Canadian and U.S. banks; exchange rate as at December 31, 2018: C\$ 1.0000 = US\$ 0.73329911.

ROBUST LIQUIDITY POSITION

TOTAL DEPOSITS



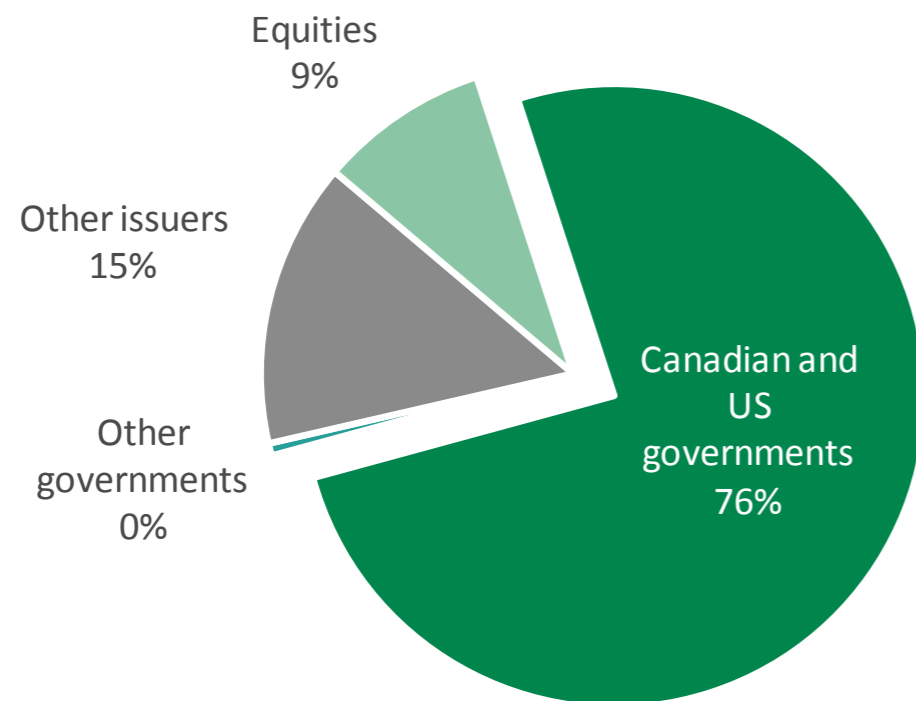
LIQUIDITY COVERAGE RATIO (LCR)



ROBUST LIQUIDITY POSITION

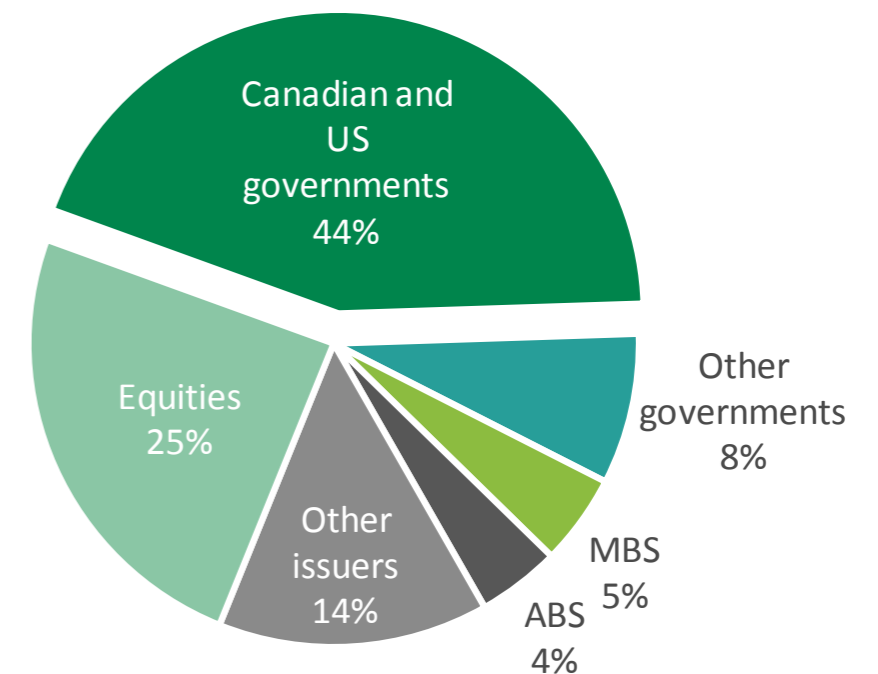
SECURITIES PORTFOLIO

DESJARDINS (Q4 2018)



CANADIAN BANKS (Q4 2018)

(AVERAGE)



WELL-ESTABLISHED GLOBAL FUNDING **PROGRAMS**

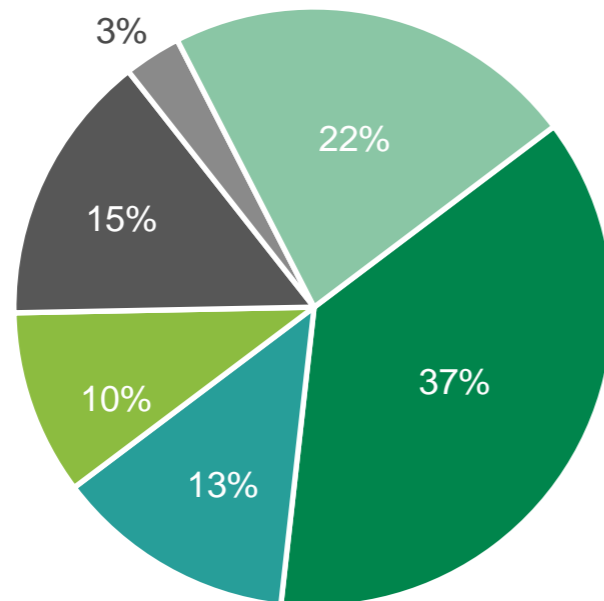
WHOLESALE FUNDING PROGRAMS

PROGRAMS	CURRENCY	LIMIT
<i>Short term</i>		
Commercial paper – Canada	Canadian	None
Commercial paper – United-States	United-States	US\$15B
Commercial paper – Europe	Euro	€3B
<i>Mid-Long term</i>		
Medium term notes – Canada	Canadian	C\$10B
Global medium term notes	Multi-currency	€7B
Covered bonds	Multi-currency	C\$10B
Securitization program (CMHC)	Canadian	Allocation

WELL-ESTABLISHED GLOBAL FUNDING PROGRAMS

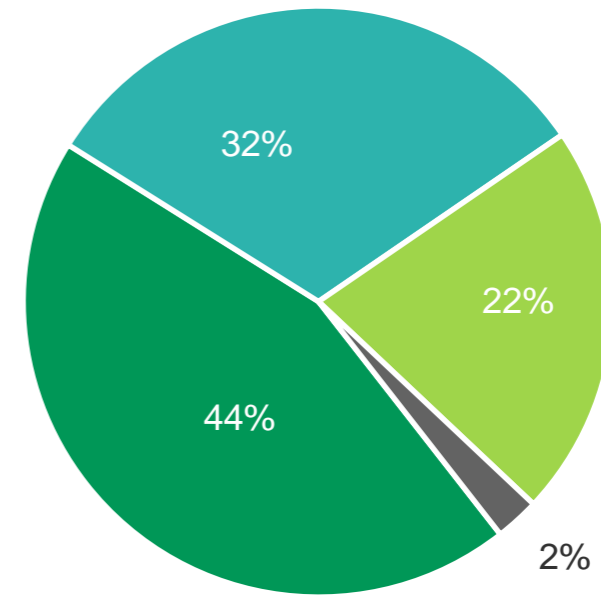
WHOLESALE FUNDING

BY PROGRAM TYPE



- Short term (CAD, USD & Euro)
- Medium Term Notes (CAD)
- Global MTN (USD & Euro)
- Covered Bonds
- Subordinated Debt
- Mortgage Securitization

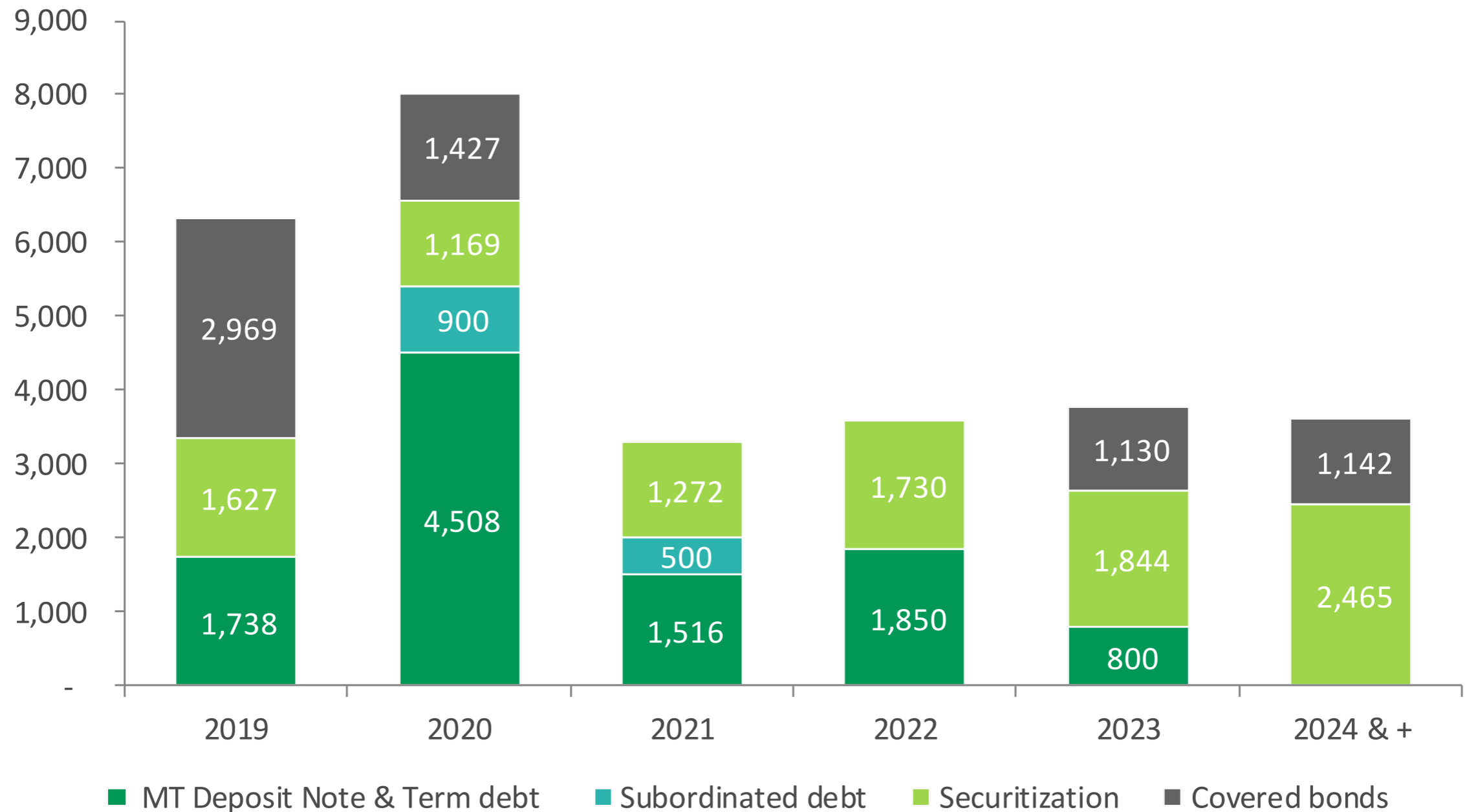
BY CURRENCY



- CAD
- USD
- EURO
- GBP

MATURITY PROFILE

(IN \$M, AS AT FEBRUARY 13, 2019)



Note: exchange rate used at the time of issuance of securities

CREDIT RATINGS AMONG THE BEST IN THE **INDUSTRY**

	MOODY'S		S&P		FITCH		DBRS	
	RATING	OUTLOOK	RATING	OUTLOOK	RATING	OUTLOOK	RATING	OUTLOOK
SENIOR DEBT								
FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC	Aa2	NEGATIVE	A+	STABLE	AA-	STABLE	AA	NEGATIVE
LAURENTIAN BANK	N/A	N/A	BBB	NEGATIVE	N/A	N/A	A (low)	NEGATIVE
SENIOR DEBT SUBJECT TO CONVERSION UNDER THE BANK RECAPITALIZATION (BAIL-IN) REGIME								
TD BANK	Aa3	STABLE	A	STABLE	AA-	STABLE	AA (low)	POSITIVE
ROYAL BANK OF CANADA	A2	STABLE	A	STABLE	AA	STABLE	AA (low)	POSITIVE
BANK OF MONTREAL	A2	STABLE	A-	STABLE	AA-	STABLE	AA (low)	STABLE
SCOTIA BANK	A2	STABLE	A-	STABLE	AA-	STABLE	A (low)	STABLE
CIBC	A2	STABLE	BBB+	STABLE	AA-	STABLE	AA (low)	STABLE
NATIONAL BANK	A3	STABLE	BBB+	STABLE	A+	STABLE	A (high)	STABLE

Note : as at January 4, 2019

RECENT DEBT TRANSACTION HIGHLIGHTS

January
2019

Covered Bonds
Rated Aaa/AAA
€750,000,000
Due January 2024

September
2018

Senior Unsecured Notes
C\$800,000,000
Due September 2023

September
2018

Senior Unsecured Notes
€1,000,000,000
Due September 2021

May
2018

Covered Bonds
Rated Aaa/AAA
€750,000,000
Due May 2023

October
2017

Senior Unsecured Notes
US\$1,500,000,000
Due October 2020

August
2017

Senior Unsecured Notes
C\$850,000,000
Due August 2022

January
2017

Senior Unsecured Notes
C\$1,000,000,000
Due January 2022

January
2016

Senior Unsecured Notes
€1,000,000,000
Due January 2018

November
2015

Covered Bonds
Rated Aaa/AAA
€1,000,000,000
Due November 2020

CONTACT **INFORMATION**

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