

PRESS RELEASE

For immediate release
PRDG1440

Desjardins General Insurance Group Reports First Quarter Results

- Growth in direct written premiums of 6.0% compared to the same period in 2013
- Net income of \$16.7 million
- Return on equity of 5.9%

Lévis (Québec), May 29, 2014 – For the first three months ended March 31, 2014, [Desjardins General Insurance Group](#) (DGIG), a Desjardins Group subsidiary specializing in property and casualty insurance, posted a net income of \$16.7 million compared to \$25.4 million for the same period in 2013. The drop in profitability was primarily due to \$17.9 million in transaction and integration costs incurred as part of the acquisition by Desjardins of [State Farm's](#) Canadian operations. The combined ratio in the quarter was 103.6%, while the return on equity was 5.9%, compared to 10.9% for the same period in 2013.

Direct written premiums in the quarter increased by 6.0% to \$511.2 million compared to \$482.4 million in Q1 2013. This organic growth was achieved despite the soft market conditions in much of the country.

Ms. Sylvie Paquette, President and Chief Operating Officer of Desjardins General Insurance Group, said she was encouraged by DGIG's solid growth in the quarter.

“With a major announcement like the State Farm Canada transaction, which will nearly double DGIG's size to \$4 billion in premium volume, it is important that the organization also remains focussed on its existing business. We maintained strong growth in the quarter, with an increase of almost 19,000 policies in force, and we will continue to invest in and grow our existing operations while also preparing for the integration of State Farm Canada.”

Ms. Paquette said this includes a major talent recruitment effort to significantly strengthen DGIG's expertise in a number of key areas.

About Desjardins General insurance Group

A subsidiary of Desjardins Group, [Desjardins General Insurance Group](#) provides home and auto insurance to consumers across the country and commercial insurance to businesses in Quebec. With 4,000 employees across Canada, a portfolio of 2.2 million policies in force, gross written premiums of \$2.1 billion and assets of \$4.8 billion, DGIG ranks among the largest P&C insurers in Canada.

- 30 -

Information (for journalists only):

Sarah Twomey

Media Relations Advisor

416-926-2700 or 1-877-906-5551, ext. 2015

sarah.twomey@dfs.ca

media@desjardins.com