

PRESS RELEASE

**For Immediate Release
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Desjardins Financial Security reports successful third quarter with increased sales in individual savings and group and business insurance

- *Gross insurance premiums up 4.6%*
- *12.0% growth in individual savings sales*
- *Group and business insurance sales up 5.0%*
- *11.1% increase in assets under management and administration*
- *Net income of \$239.4 million*
- *Return on shareholder's equity of 14.8%*

Lévis (Qc), November 25, 2014 – For the nine-month period ended September 30, 2014, Desjardins Financial Security (DFS), a subsidiary of Desjardins Group specializing in life insurance, health insurance and retirement savings products, recorded a net income of \$239.4 million, compared to \$271.6 million for the same period in 2013. Favourable financial markets saw investment performance positively impact the company's results. On the whole, gains on claims experience were not as high as they were in 2013. However, last year's results were also favourably impacted by adjustments to actuarial assumptions.

Gross insurance premium income was up 4.6% to stand at \$2.7 billion, compared to \$2.6 billion for the same period in 2013. Insurance sales totalled \$363.3 million for the first nine months of the year, compared to \$371.9 million for the same period in 2013. Savings sales stood at \$1.8 billion, compared to \$2.1 billion in 2013.

The share of net income attributable to the shareholder, Desjardins Financial Corporation, was \$222.6 million, compared to \$253.9 million for the same period in 2013. Return on shareholder's equity was 14.8%, versus 19.1%.

Assets under management and administration were up 11.1% to stand at \$40.3 billion as at September 30, 2014, compared to \$36.2 billion the previous year. The company continues to enjoy outstanding financial stability.

“Our strong results, even despite today's challenging conditions, are a sign that our long-term plan is working, particularly our efforts to strengthen our financial stability and expand our sales activities,” said Denis Berthiaume, President and Chief Operating Officer of DFS. “We're a leader in the Canadian industry, and we're going to continue to pursue our growth strategy with confidence, for both our life and health insurance activities as well as our financial services activities”.

Results for Q3 2014

For the period from July 1 to September 30, 2014, net income was \$44.6 million compared to \$79.9 million for the same quarter in 2013. The difference is attributable to less favourable claims experience in the third quarter of 2014. However, gross insurance premiums grew 4.6% over last year, standing at \$912.1 million. Insurance sales totalled \$117.1 million. Individual savings sales grew 0.4% to \$366.2 million, compared to \$364.6 million in Q3 2013. In group retirement savings, sales totalled \$346.1 million.

Results by sector for the first three quarters of 2014

In group insurance, the volume of premiums from groups and businesses and plans offered in financial institutions, including the Desjardins caisses, stood at \$2.2 billion for the first nine months of the year, compared to \$2.1 billion for the same period in 2013. Group and business insurance sales totalled \$165.9 million, a 5.0% increase over the \$158.0 million recorded as at September 30, 2013. Sales for plans offered in financial institutions stood at \$129.2 million.

In individual insurance, gross premium volume totalled \$494.9 million, compared to \$471.4 million for the same period in 2013. 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 stood at \$39.6 million.

In savings, total sales amounted to \$1.8 billion. Individual savings sales grew 12.0% to stand at \$249.8 million, compared to \$223.1 million the same time last year. Group retirement savings sales stood at \$548.3 million, compared to \$897.8 million at the end of Q3 2013. Note that the 2013 group retirement savings results had been boosted by the sale that year of a contract worth close to \$500 million.

About Desjardins Financial Security

Desjardins Financial Security (DFS), 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. DFS employs almost 4,000 people and administers \$40.3 billion in assets from offices in several cities across the country, including Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montreal, Quebec City, Lévis, Halifax and St. John's. For more information, visit our website at desjardinslifeinsurance.com.

- 30 -

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