



Investor Presentation
Q3 2018

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 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.



About Us	4
Financial Results	7
Balance Sheet Quality	11
Capital and Funding Strategies	15
Contact Information	26

HIGHLIGHTS AT SEPTEMBER 30, 2018

Results

Nine months ended September 30, 2018
(Comparison against 9M 2017)

\$1,748 million

Surplus earnings, up 2%
(adjusted surplus earnings up 10%)

\$12.8 billion

Total income, up 2.7%

Balance Sheet

At September 30, 2018
(Comparison against December 31, 2017)

\$295 billion

Total assets, up 7.3%

\$182 billion

Total deposits, up 6.3%

Liquidity & Capital

At September 30, 2018

17.7%

CET1 ratio (Tier 1A)

120%

Average LCR ratio



\$320 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



271 caisses

Capital Desjardins
Inc.

Desjardins Security
Fund

Fédération
des caisses
Desjardins
du Québec

Desjardins
Financial Security

Desjardins General
Insurance Group

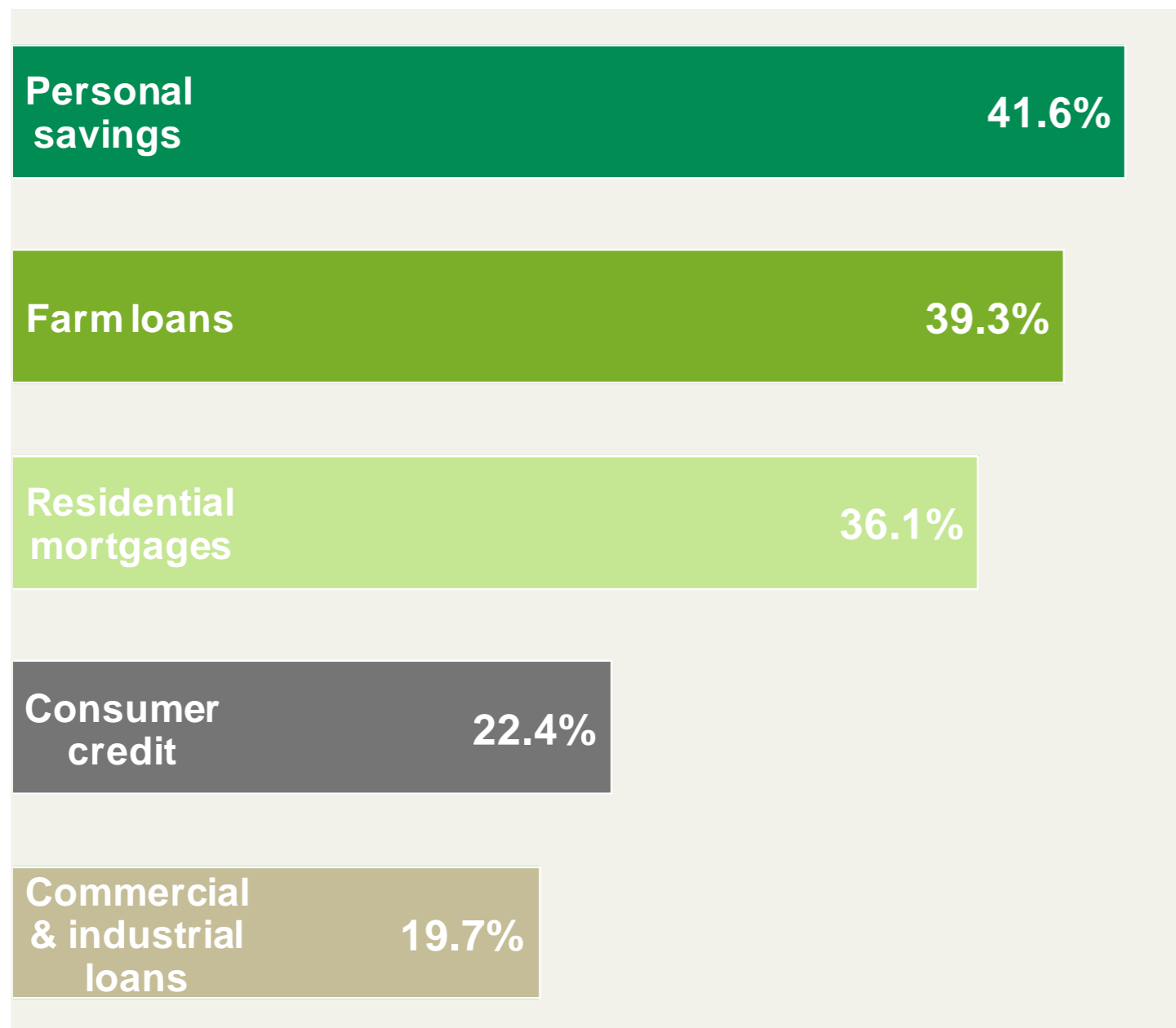
Desjardins
Securities

Desjardins Global
Asset
Management

Desjardins Trust

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



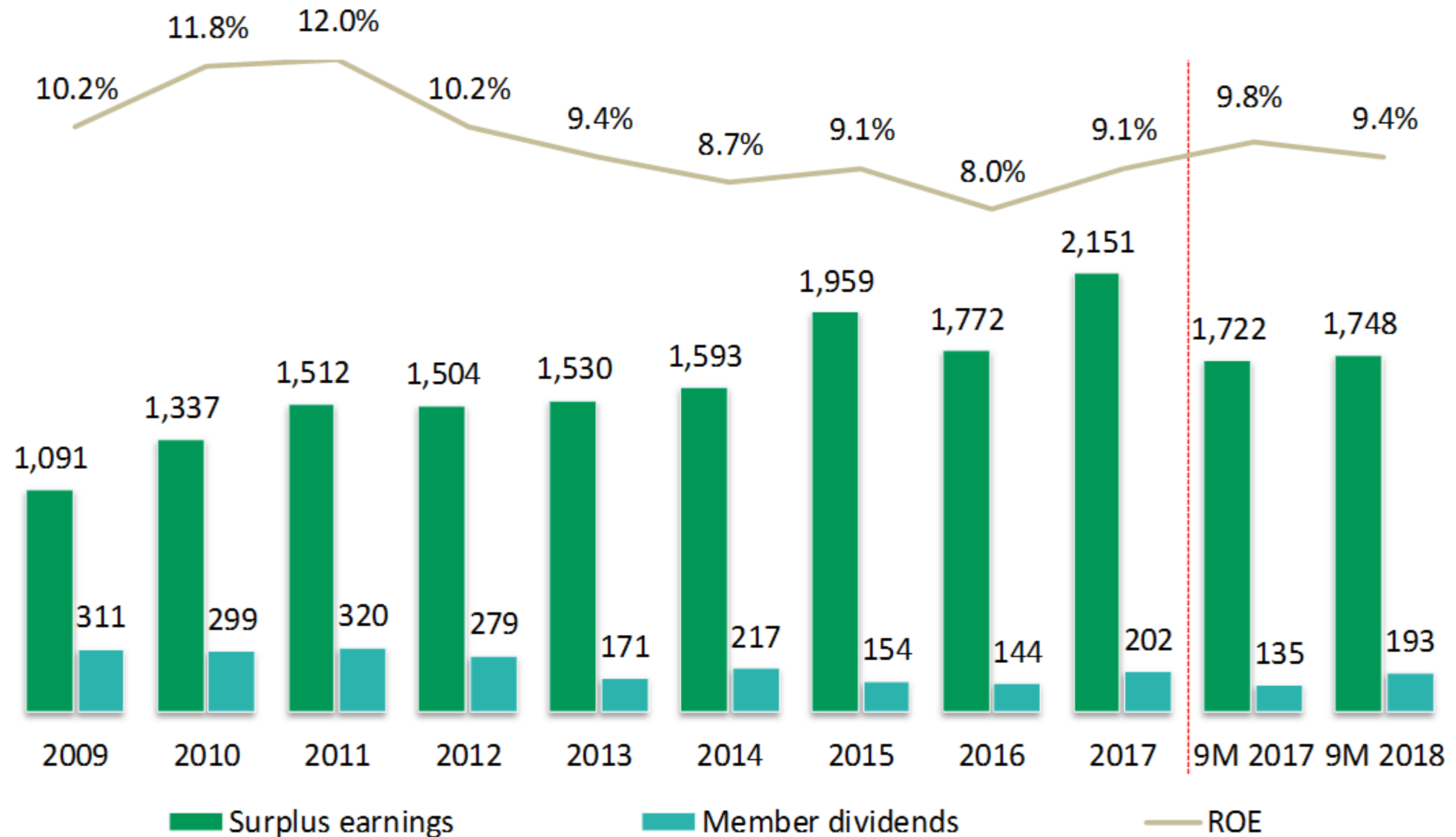
Wealth Management

Securities

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

SOLID AND STEADY **PROFITABILITY**

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

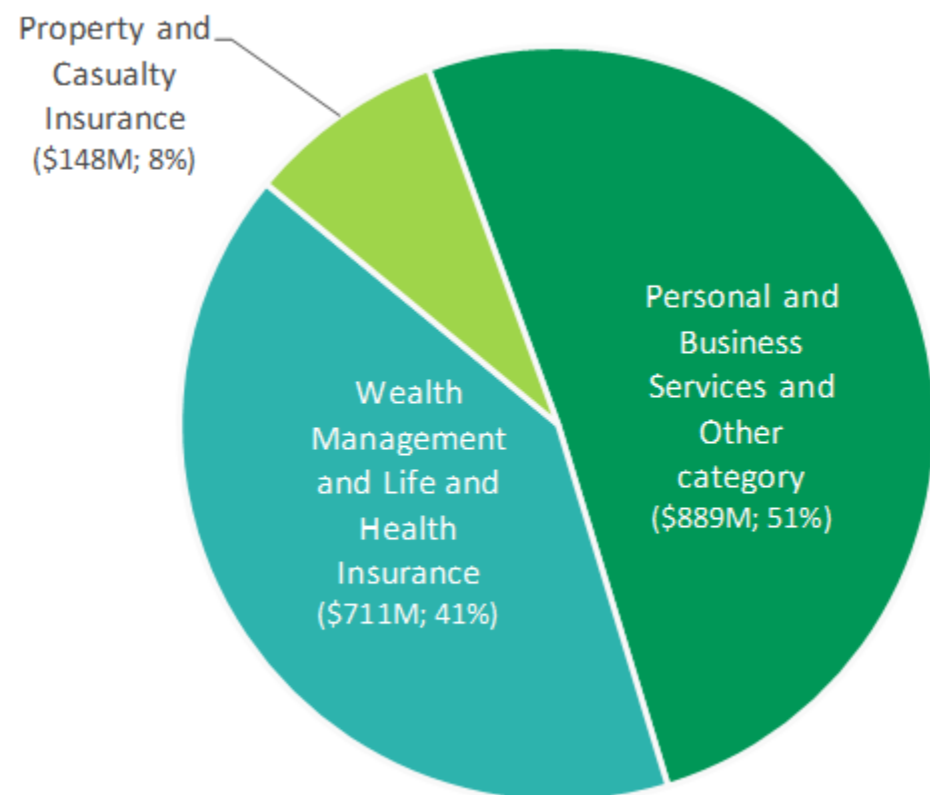


Source: Desjardins Group's Financial Reports

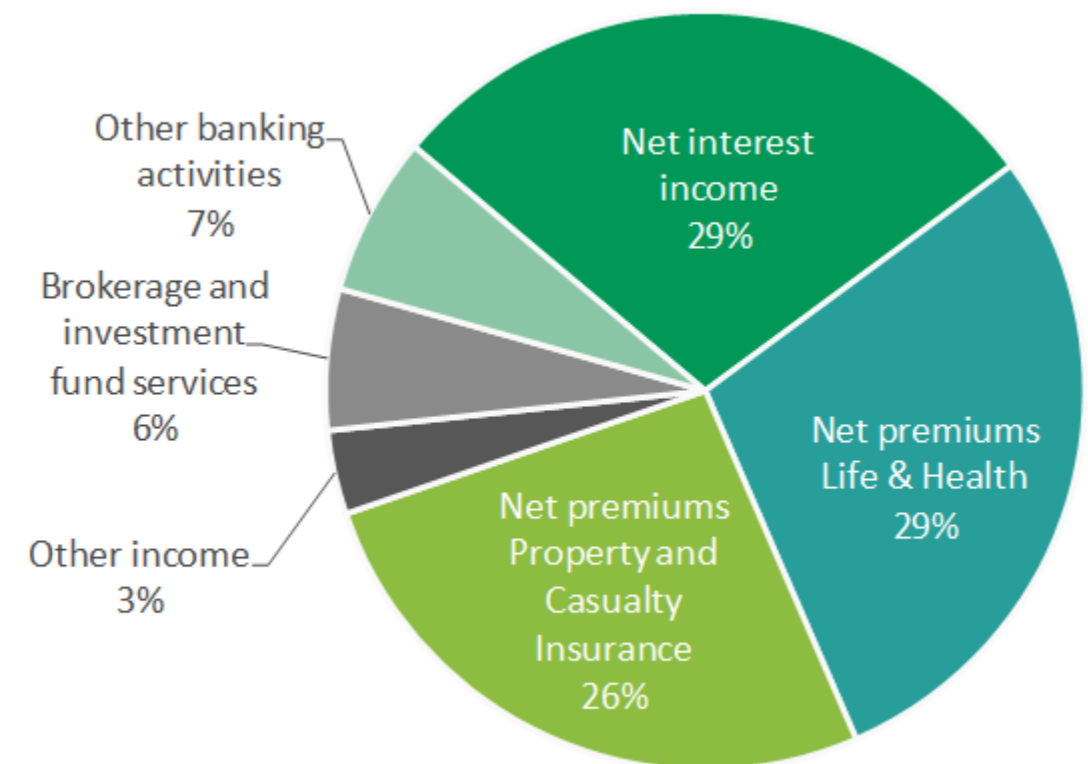
Note: Since 2010, financial statements are prepared in accordance with IFRS. Previously, Desjardins Group issued financial statements prepared in accordance with Canadian generally accepted accounting principles.

DIVERSIFIED SURPLUS EARNINGS AND **INCOME**

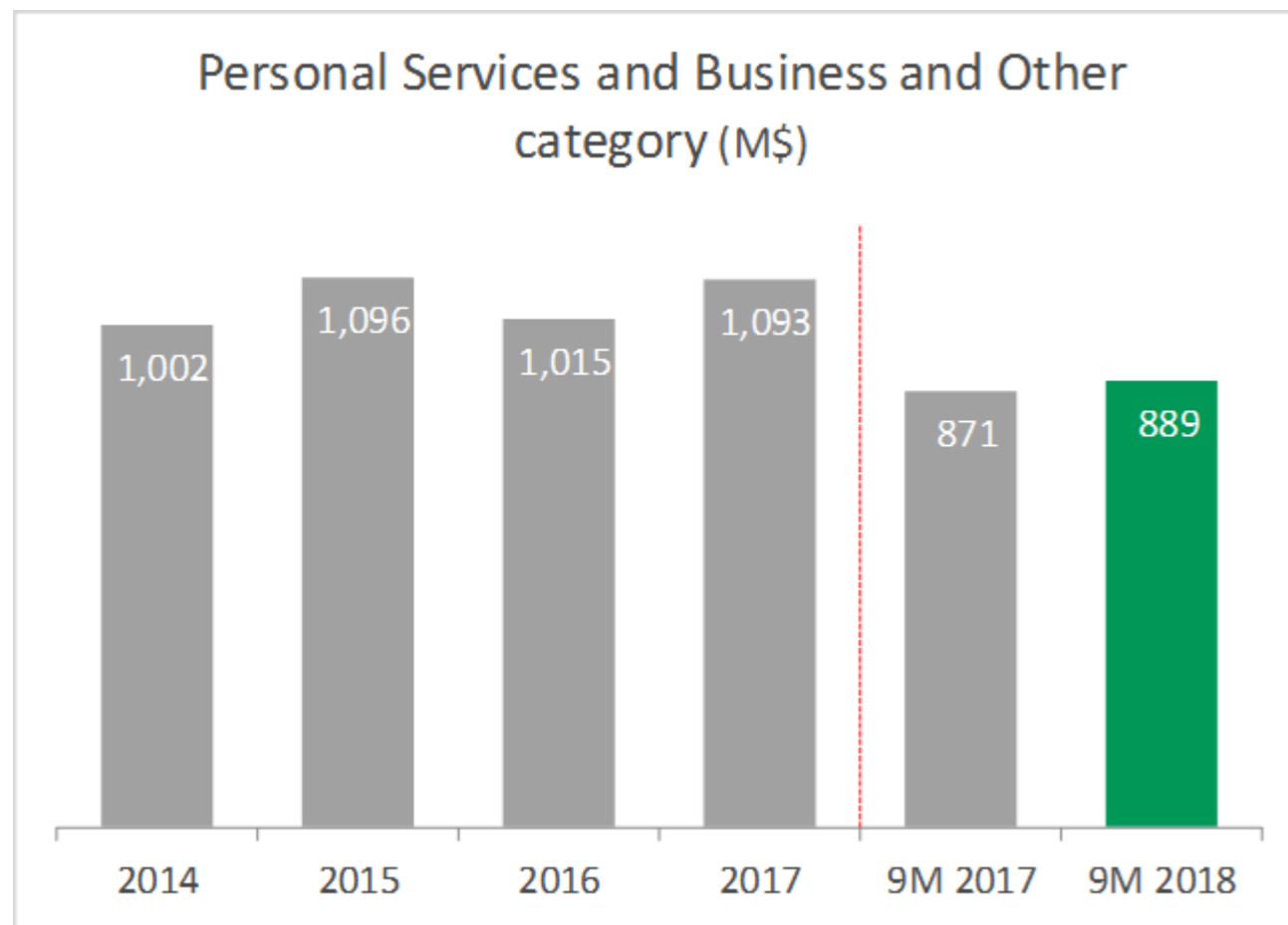
SURPLUS EARNINGS BY SEGMENT – 9M 2018



OPERATING INCOME DISTRIBUTION – 9M 2018

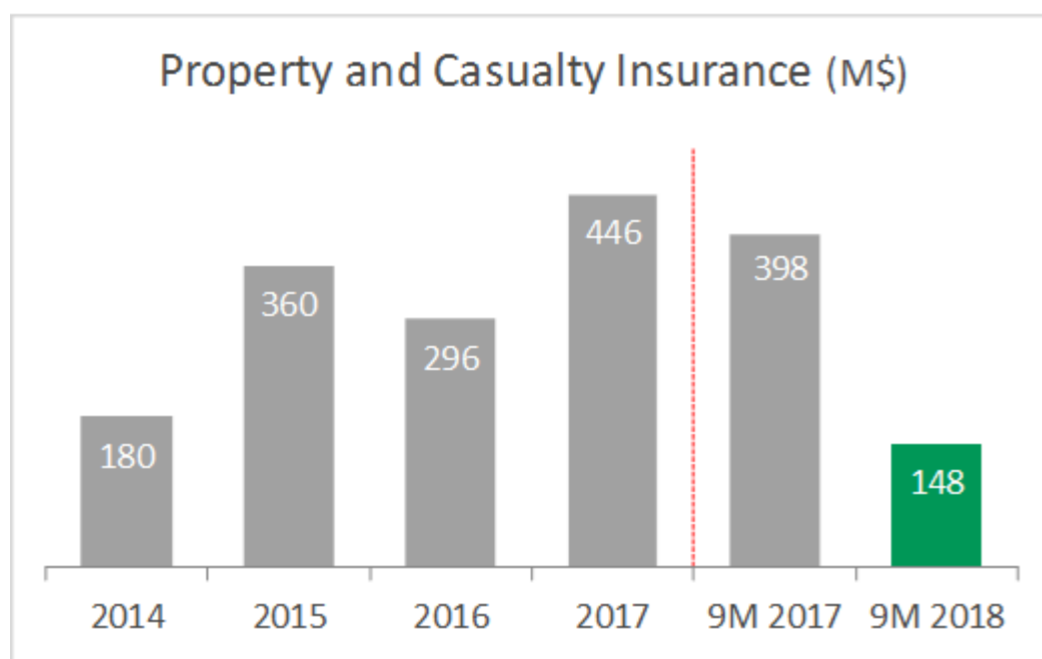
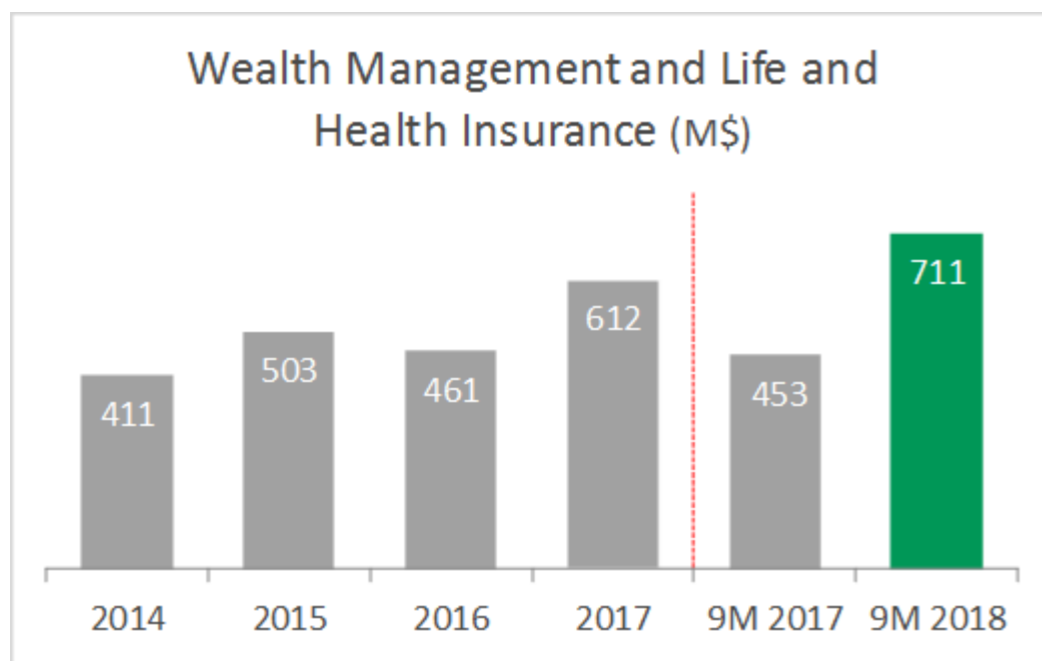


SURPLUS EARNINGS BY **SEGMENT**



- Good performance from the caisse network, especially in net interest income, as a result of growth in the average portfolio of loans and acceptances, as well as higher interest rates
- Growth in business volume as a result of card payment activities
- Increase in caisse network sales of various products, such as investment funds

SURPLUS EARNINGS BY **SEGMENT**

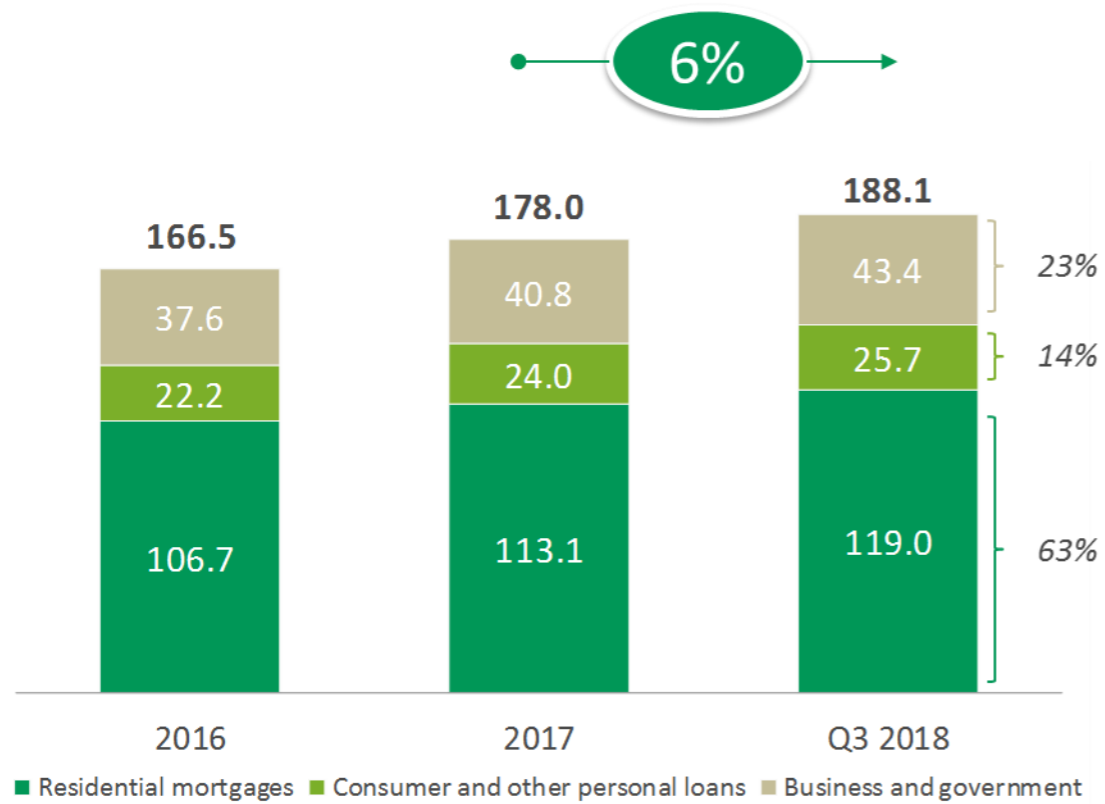


- Excluding a \$129M gain related to the creation of Aviso Wealth, adjusted net surplus earnings are \$582M⁽¹⁾
- Higher gains on the disposal of securities and real estate investments and higher income from growth in assets under management
- Net premiums increase of 6.7%

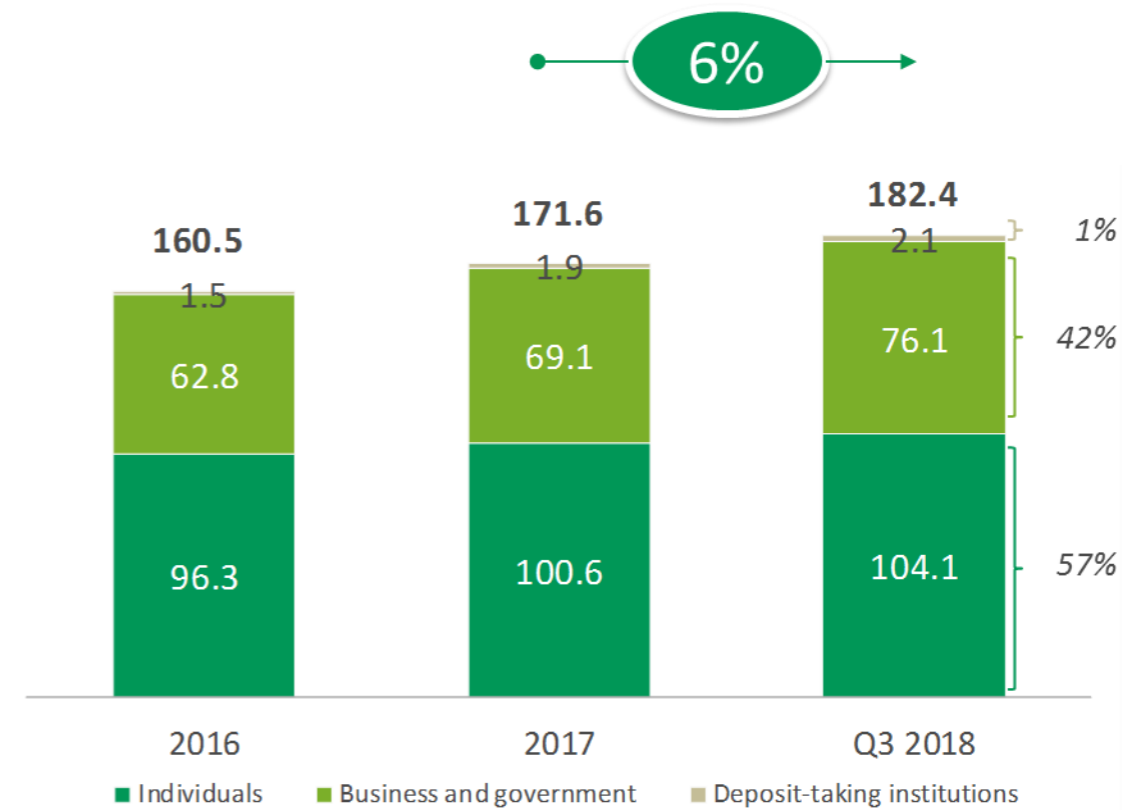
- Impact of the sale of Western Financial Group Inc. and Western Life Assurance Company completed on July 1, 2017
- Net premiums increase of 11.6%
- Less favourable claims experience

STRONG BALANCE SHEET

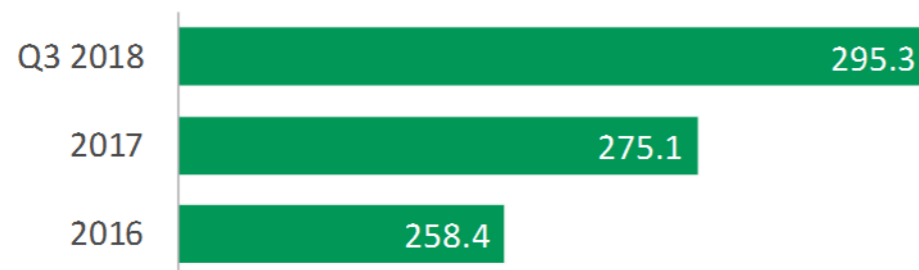
LOANS AND ACCEPTANCES (\$B)



DEPOSITS (\$B)



TOTAL ASSETS (\$B)

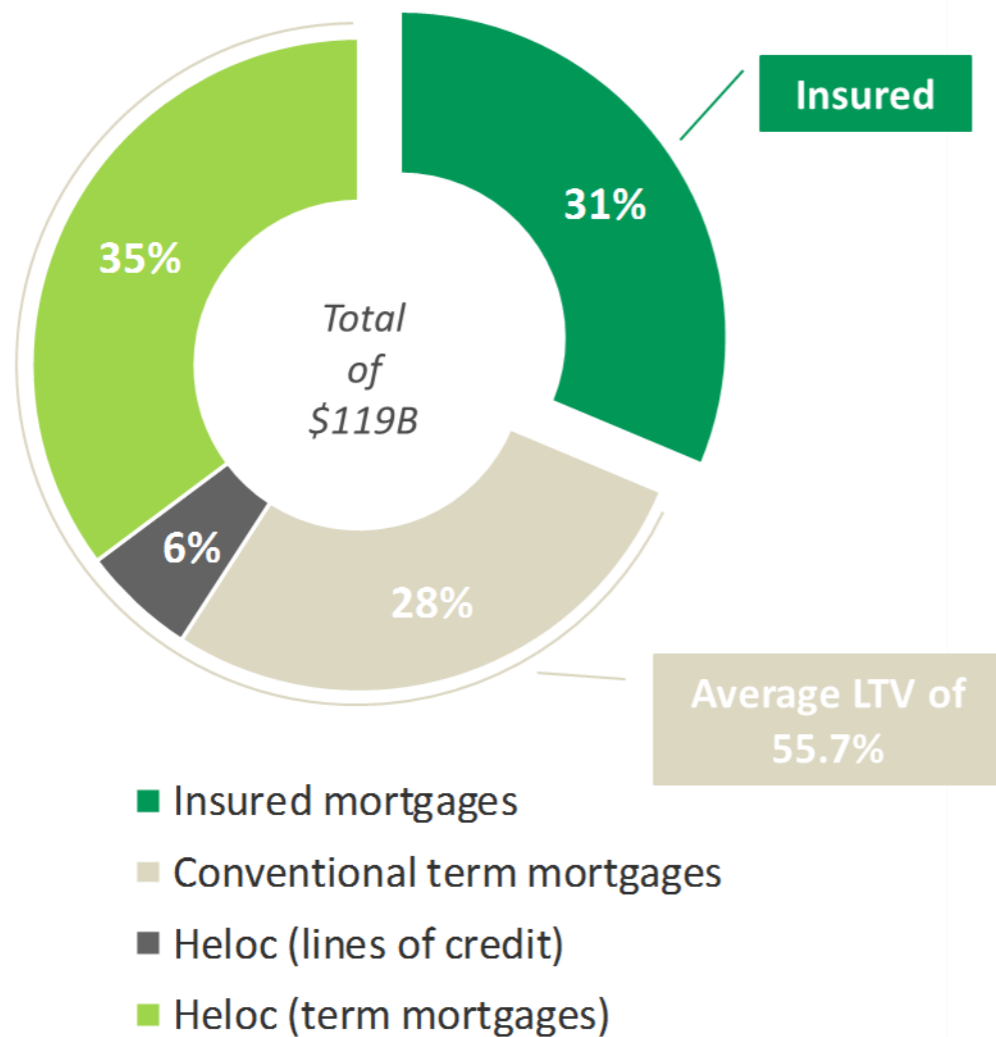


EQUITY (\$B)

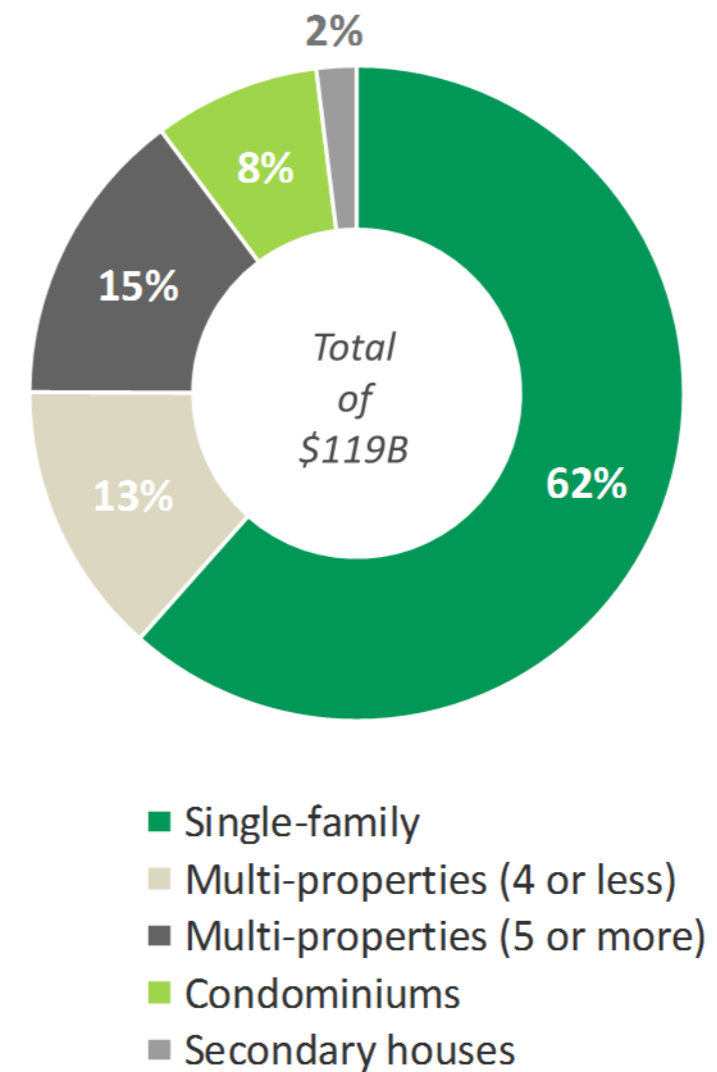


DIVERSIFIED RESIDENTIAL MORTGAGE **PORTFOLIO**

BY PRODUCT TYPE



BY PROPERTY TYPE



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

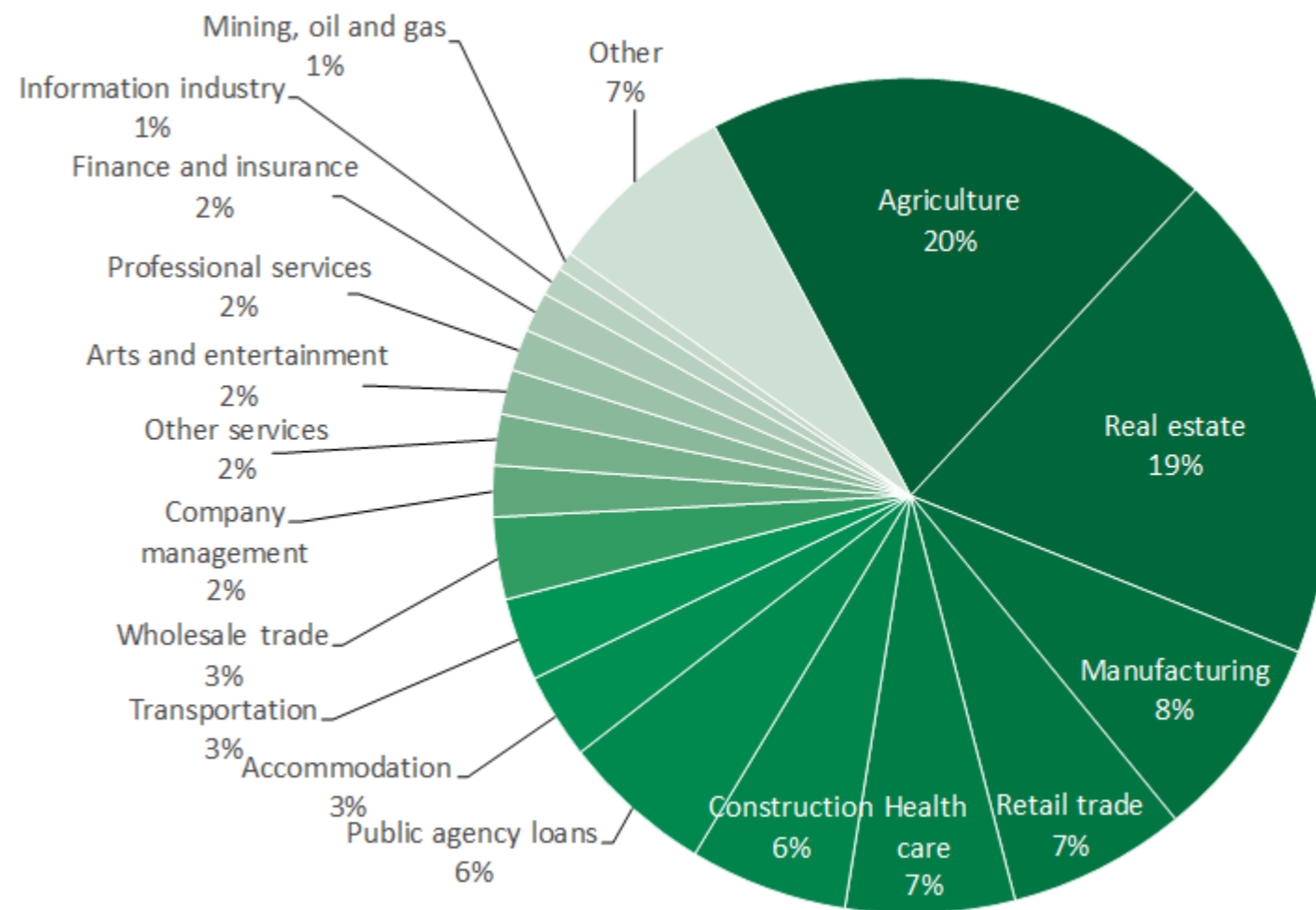
- **15% WERE GUARANTEED AT Q3 2018**

- **HIGH QUALITY OF TOP SECTORS**

- Agriculture: \$8.5B, most loans are guaranteed and covered by income protection programs
- Real estate: \$8.3B
- Manufacturing: \$3.5B
- Retail trade: \$3.0B
- Health care: \$2.8B

- **OTHER INDUSTRIES WELL-DIVERSIFIED**

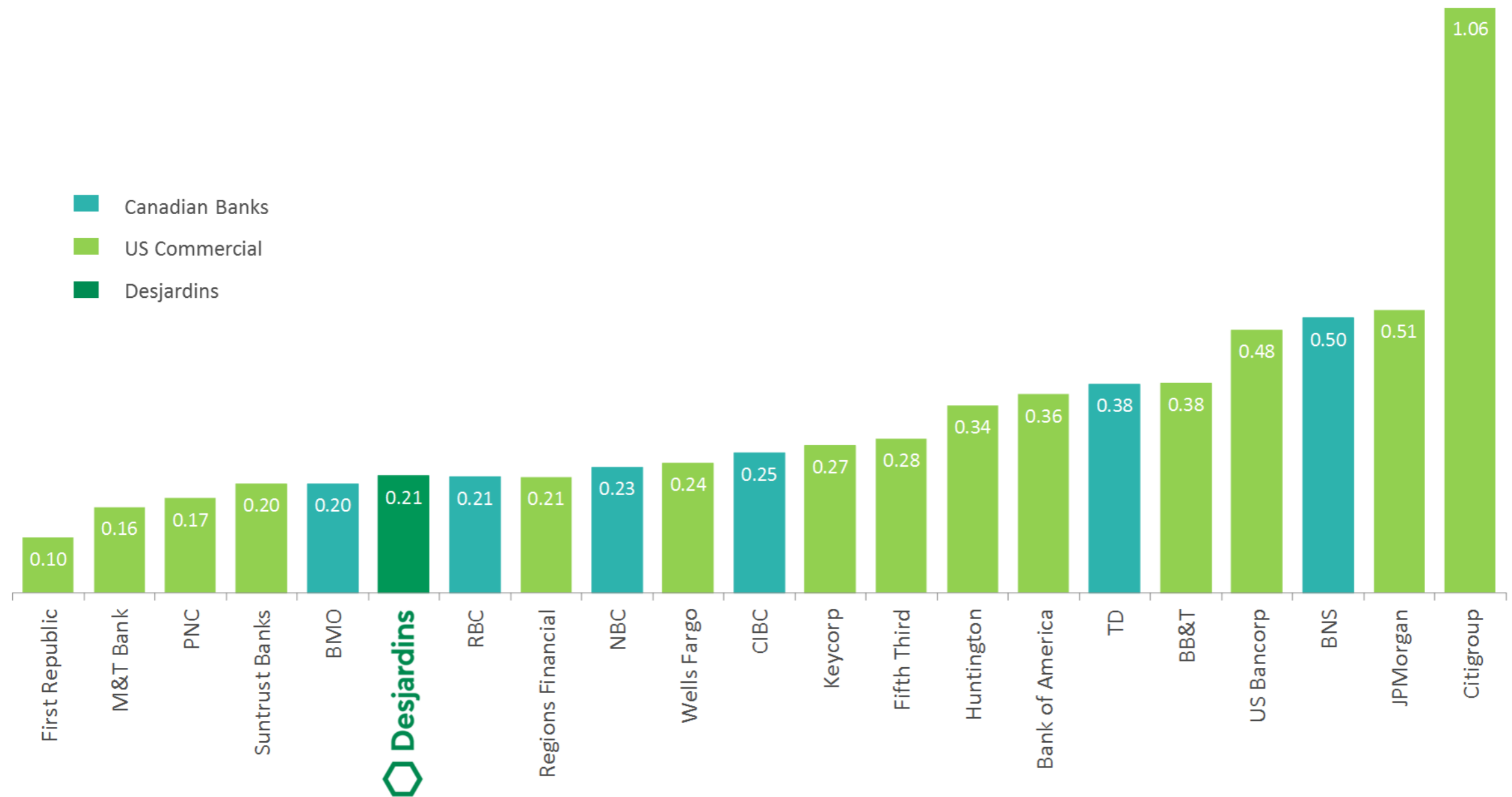
INDUSTRY DISTRIBUTION



ASSET QUALITY

PROVISION FOR CREDIT LOSSES AS A % OF AVERAGE LOANS

(Trailing 12 months at Q3 2018)

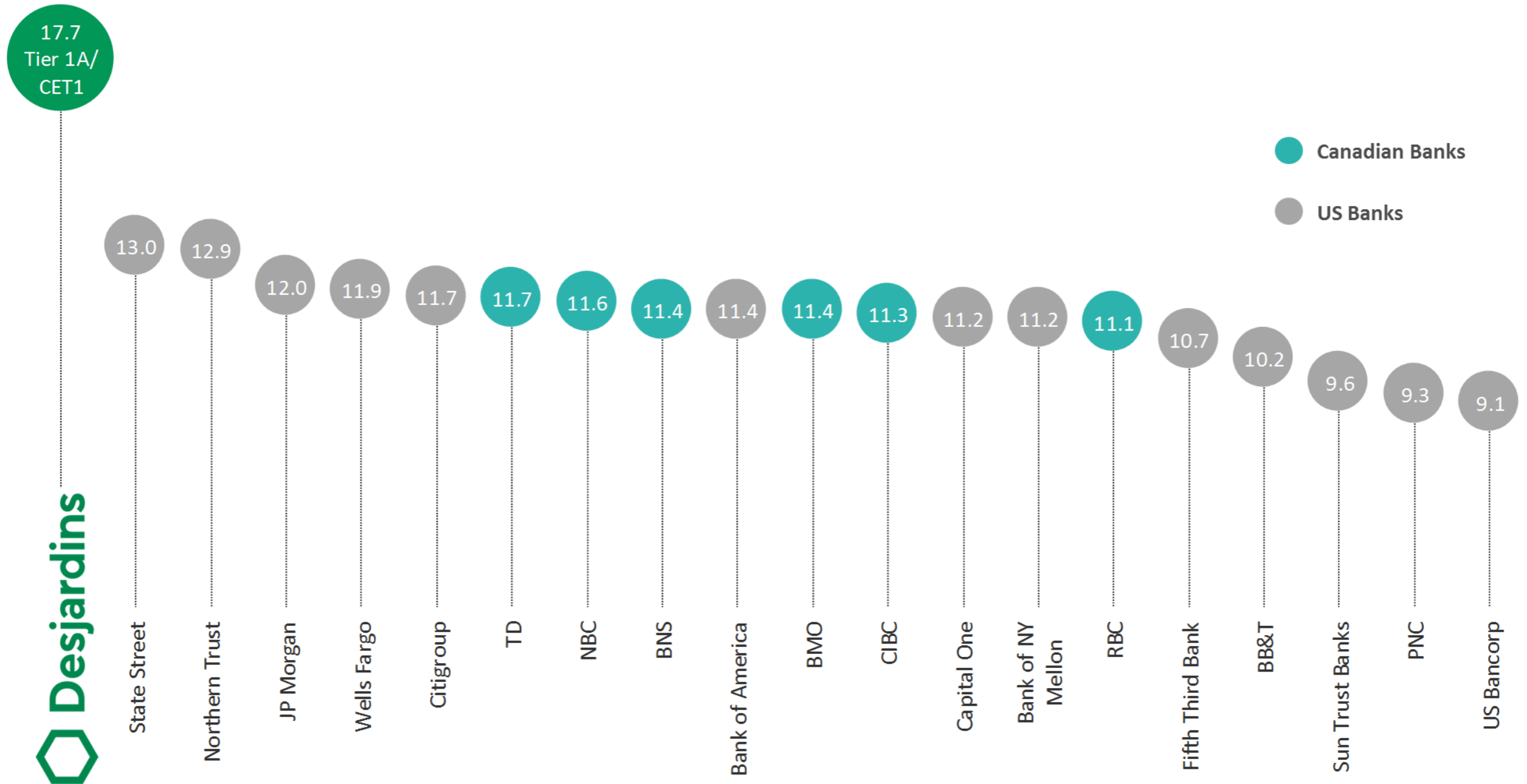


Sources: Desjardins Group's Financial Reports and Bloomberg for Canadian banks and US commercial banks

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⁾

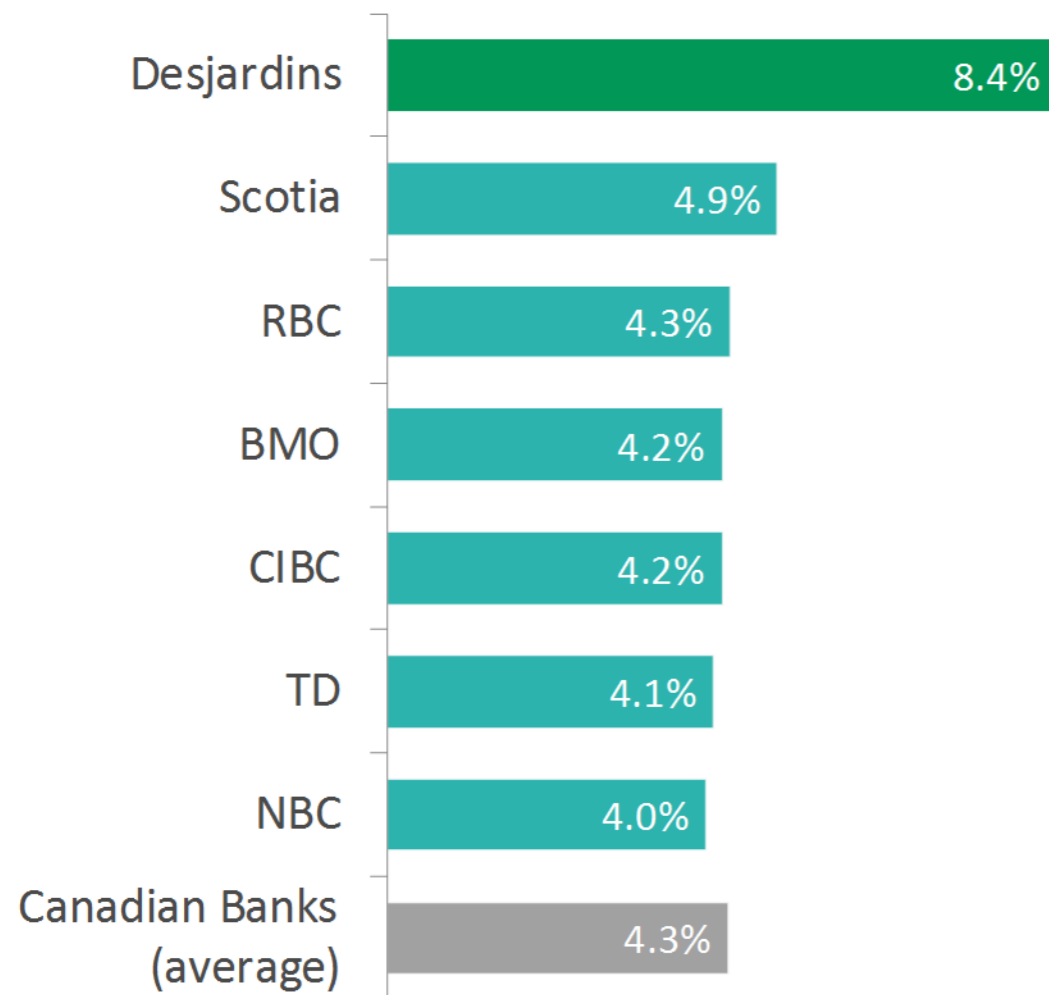


Sources: Financial Reports of Desjardins Group, U.S. banks and Canadian banks

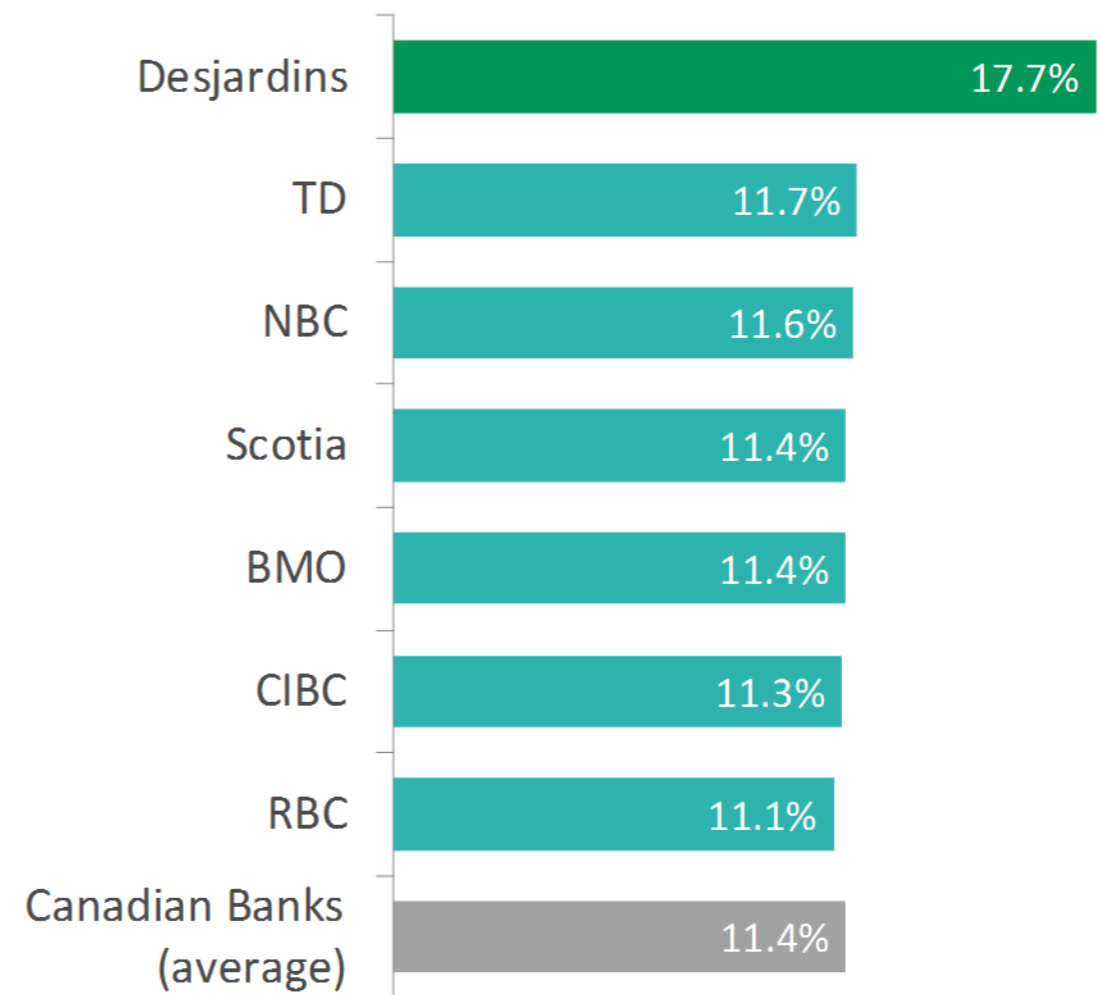
1. As at Q3 2018 for Canadian banks and U.S. banks. Only US Banks with more than US\$60B of deposits are illustrated.

EXCELLENT TIER 1A CAPITAL AND LEVERAGE RATIOS

LEVERAGE RATIO

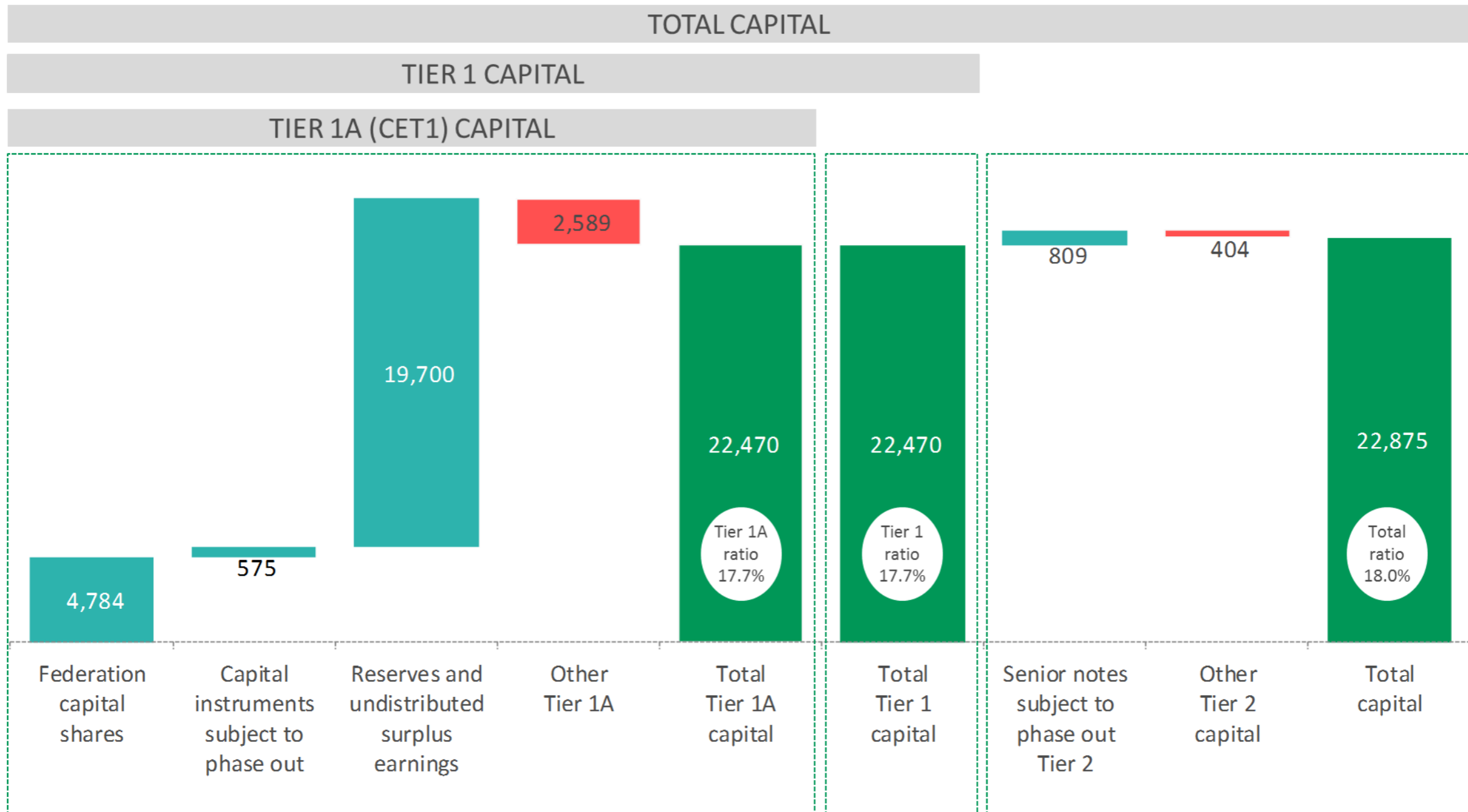


TIER 1A CAPITAL RATIO (CET1)



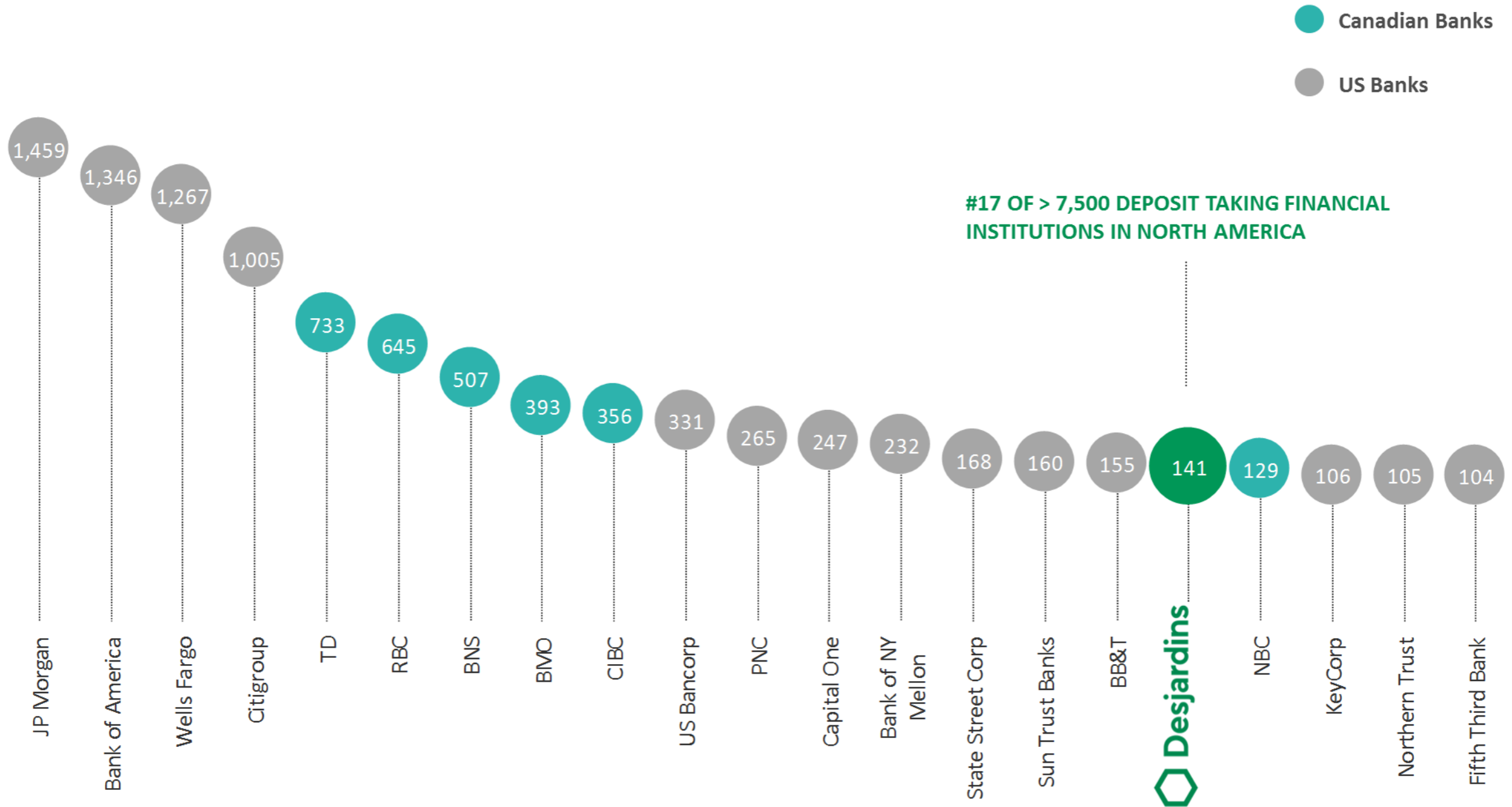
CAPITAL MANAGEMENT

REGULATORY CAPITAL COMPOSITION (\$M)



LEADING NORTH AMERICAN FINANCIAL INSTITUTION

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

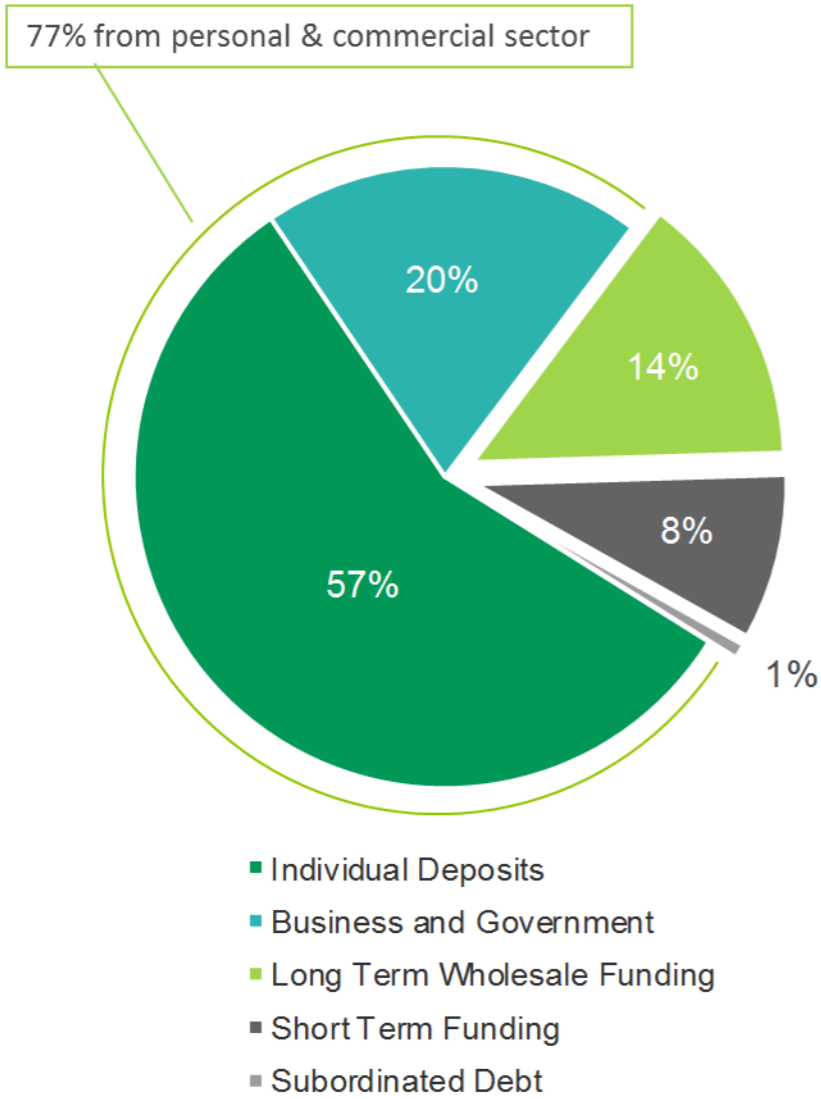


Sources: Desjardins Group's Financial Reports and Bloomberg

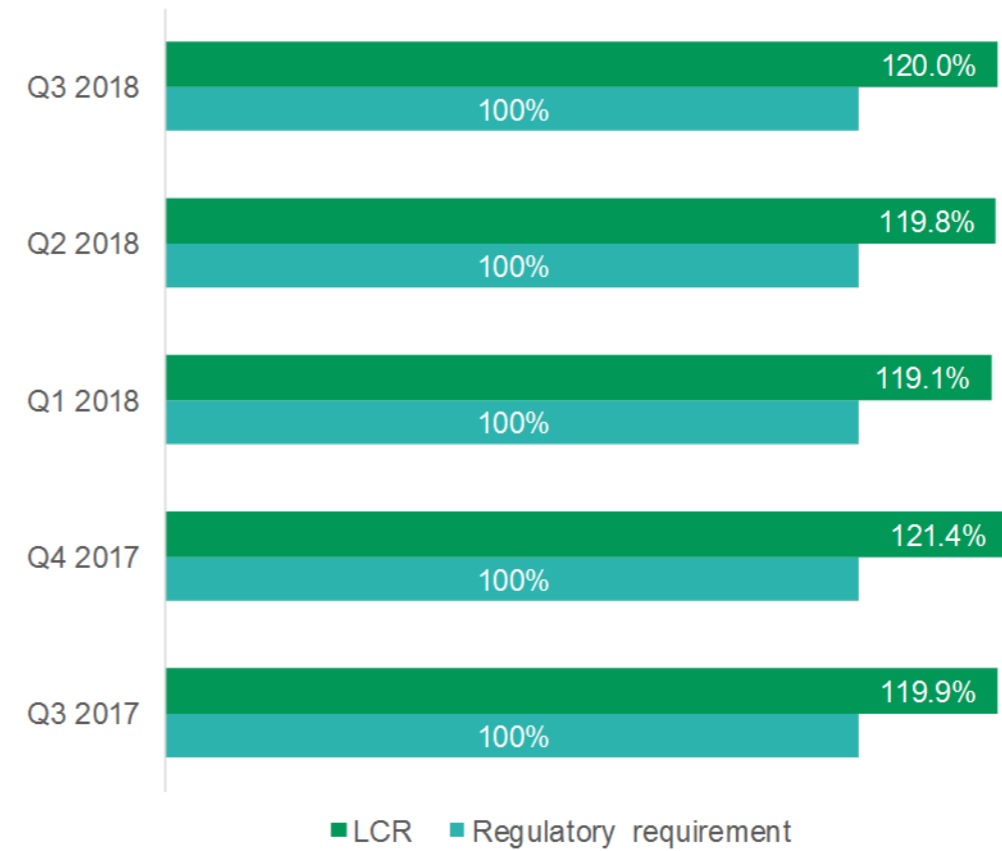
1. As at Q3 2018 for Canadian and U.S. banks; exchange rate as at September 28, 2018: C\$ 1.0000 = US\$ 0.77471336.

ROBUST LIQUIDITY POSITION

TOTAL DEPOSITS



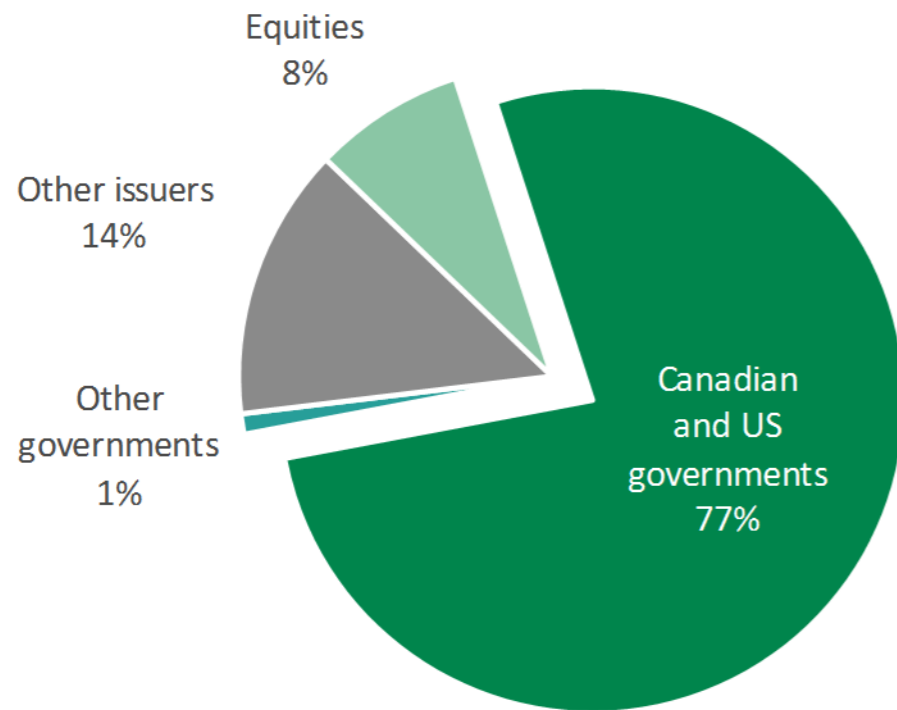
LIQUIDITY COVERAGE RATIO (LCR)



ROBUST LIQUIDITY POSITION

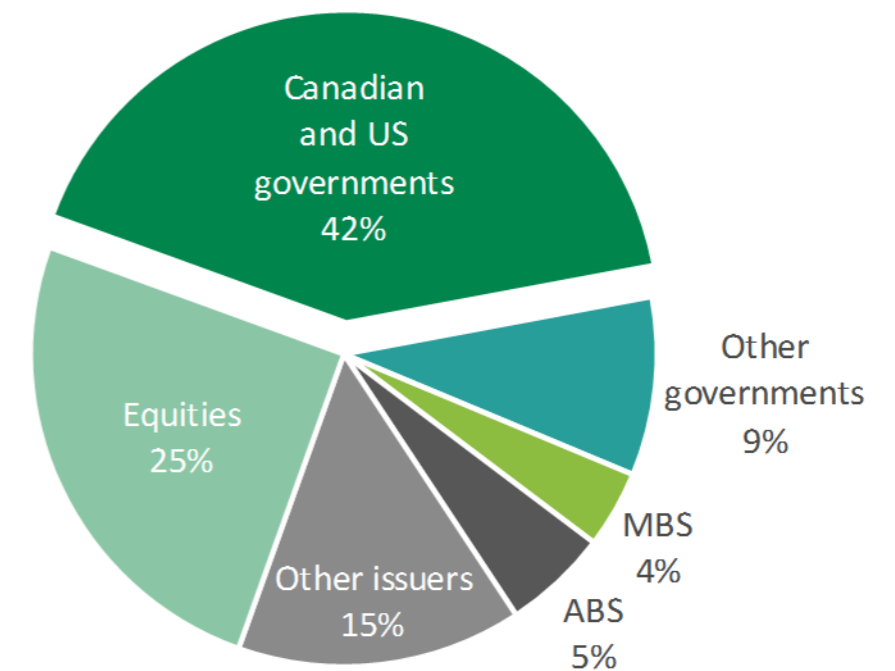
SECURITIES PORTFOLIO

DESJARDINS (Q3 2018)



CANADIAN BANKS (Q4 2017)

(AVERAGE)



WELL-ESTABLISHED GLOBAL FUNDING **PROGRAMS**

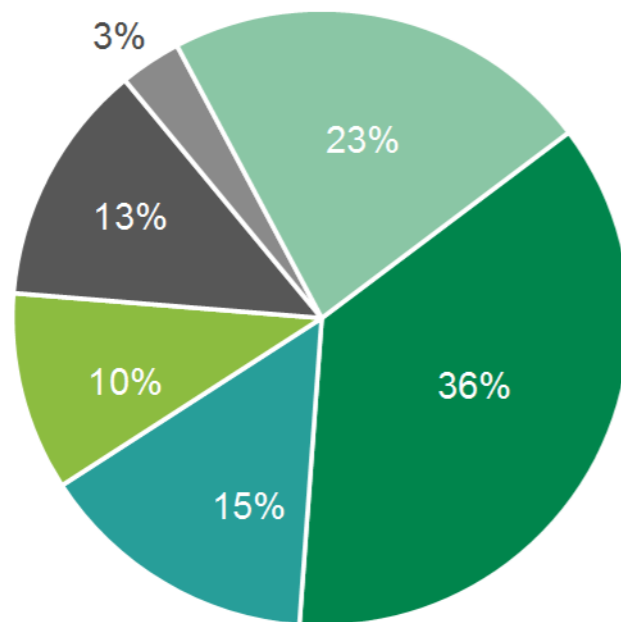
WHOLESALE FUNDING PROGRAMS

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\$7B
Global medium term notes	Multi-currency	€7B
Covered bonds	Multi-currency	C\$10B
Securitization program (CMHC)	Canadian	Allocation

WELL-ESTABLISHED GLOBAL FUNDING PROGRAMS

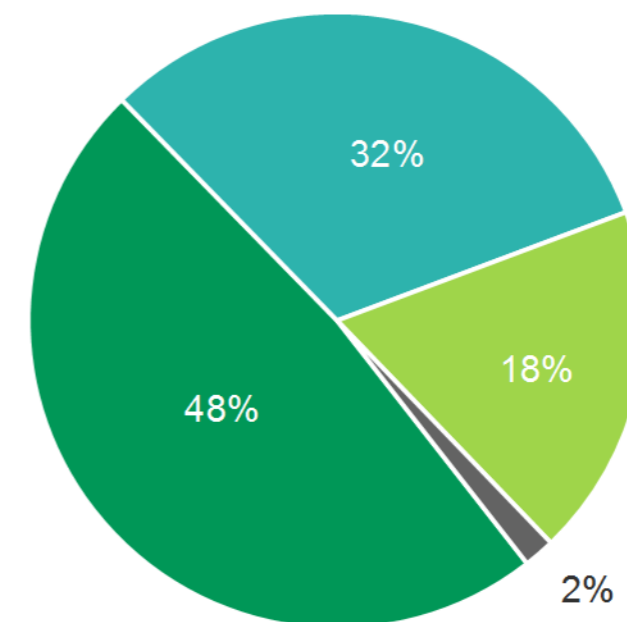
WHOLESALE FUNDING

BY PROGRAM TYPE



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

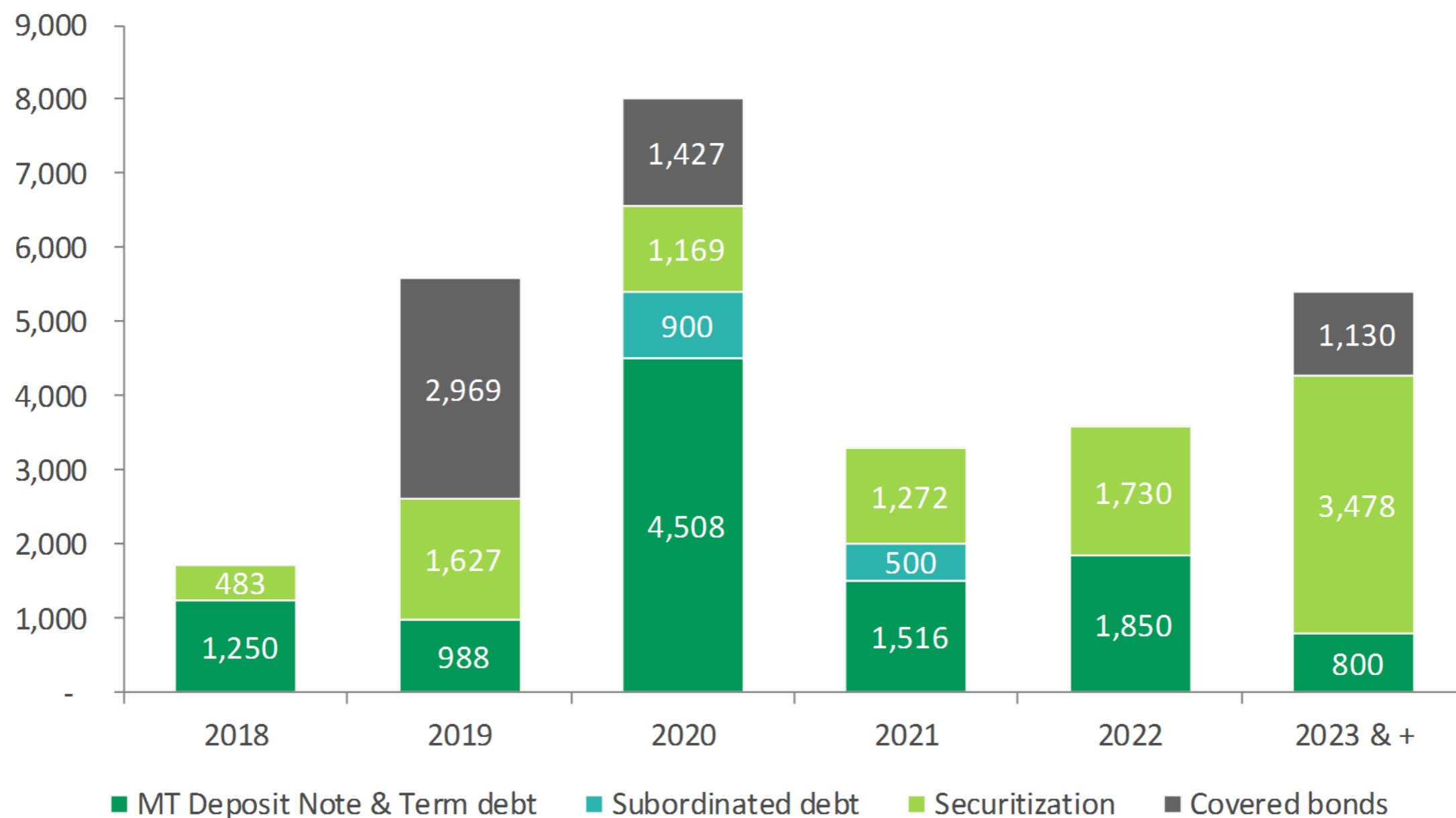
BY CURRENCY



- CAD
- USD
- EURO
- GBP

MATURITY PROFILE

(IN \$M, AS AT SEPTEMBER 30, 2018)



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

RECENT DEBT TRANSACTION HIGHLIGHTS

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

September
2015

Senior Unsecured Notes
€750,000,000
Due September 2017

CONTACT **INFORMATION**

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