



THE DESJARDINS ADVANTAGE

2015 ANNUAL REPORT
AT A GLANCE
DESJARDINS FINANCIAL SECURITY



Desjardins
Insurance

LIFE • HEALTH • RETIREMENT

2015 HIGHLIGHTS

- Record net income of \$448.4 million, up \$153.4 million over 2014
- Net insurance and annuity premiums crossed the \$4.0 billion mark for the first time in our history
- Return on shareholder equity of 16.5%
- In-force business growth of 15.1%
- Net insurance premiums totalling \$3.8 billion, an increase of 7.4%
- Individual insurance sales up 34.6%, with more than half generated by State Farm's operations
- Group and business insurance sales outside Quebec up 20.2% for a total of \$117 million
- Total volume of credit with loan insurance coverage up 2.9% to \$73.4 billion
- Assets under management and administration up 10.8% to \$45.7 billion
- Excellent financial stability

Addition of three new funds to Helios2

Designed to provide attractive investment options, three new funds were added to Helios2 this past year, including a new balanced fund consisting mainly of U.S. securities. The addition is good news for investors looking to take advantage of a more comprehensive offer.

Launch of a Low Load Sales Charges option for Helios2

Always striving to offer investors greater flexibility, we introduced a new Helios2 series with sales charges spread over a three-year period. It joins the other two series already available and offers more flexibility in terms of choice of sales charge structure.

360° drug cost simulator

The 360° drug cost simulator, which has already proved popular since its launch last year, is now available on our mobile app. Improvements include a pharmacy locator and information on pharmacy pricing so that our insureds can make informed decisions about their prescription drug purchases. It's the first app feature of its kind to be launched nationwide in Canada.

E³nergy Module

Another innovation this year was the new E³nergy Module business intelligence service for retirement savings. Using a sophisticated behavioural data analysis engine, our new service helps businesses monitor key indicators related to their employees' motivation, interest, knowledge and engagement. The E³nergy Module keeps track of engagement levels so that communications can be tailored to each employee's personal situation.

Lifecycle Paths tied to retirement age

With our new Lifecycle Paths, participants have only two simple questions to answer: "What's my investor profile?" and "What age will I retire?" The new paths are designed to ensure the asset mix evolves gradually over time before steadily shifting over to fixed-income investments as retirement approaches.

Giving back to the community

With the cooperation of the caisses and Desjardins Business centres, we gave close to \$4 million back to our communities, supporting the missions of several Quebec organizations operating in the healthcare field.

2011 and 2012 data has been restated to reflect the switch to the fair value method of accounting for investment property in 2012 and following the adoption of the changes applied to IAS 19, "Employee Benefits" in 2013. Note that the return on shareholder equity presented in 2011 was not restated for the changes to IAS 19.

MARKET SHARE*

	Rank	Market share (%)
Canada		
Group life	4th	9.6
Group health	4th	12.0
Individual life and health	7th	3.5
Total	5th	7.5
Quebec		
Group life	1st	32.0
Individual life and health	5th	10.7
Total	1st	17.4

* Data based on the most recently published information, the majority as at December 31, 2014.

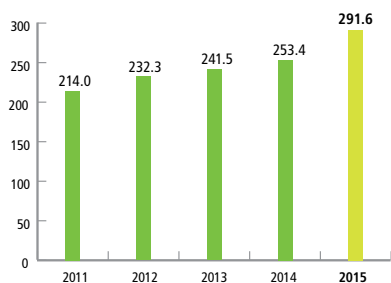
BUSINESS GROWTH

(in \$ million unless otherwise stated)

	2015	2014	2013	Change (%) 2015/2014
Net premiums	4,063.1	3,888.2	3,663.3	4.5
Group insurance	3,020.5	2,930.0	2,803.2	3.1
Individual insurance	745.6	578.4	553.8	28.9
Net savings sales	621.8	715.5	248.6	(13.1)
In-force business	\$ 291.6B	\$ 253.4B	\$ 241.5B	15.1

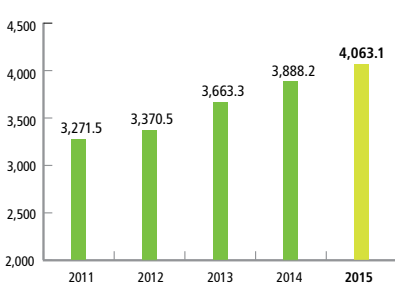
IN-FORCE BUSINESS

(in \$ billion as at December 31)



PREMIUM INCOME

(in \$ million as at December 31)



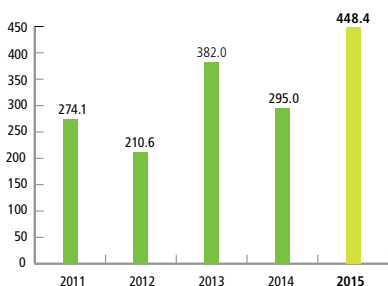
PROFITABILITY – NET INCOME

(in \$ million)

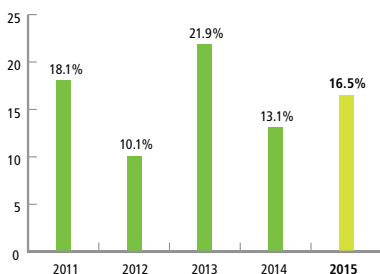
	2015	2014	2013
Net income attributable to non-controlling interest	1.8	1.7	1.1
Net income (loss) attributable to participating policyholders	110.6	37.6	(1.9)
Net income attributable to shareholder	336.0	255.7	382.8
Net income	448.4	295.0	382.0
Return on shareholder equity	16.5%	13.1%	21.9%

NET INCOME

(in \$ million)



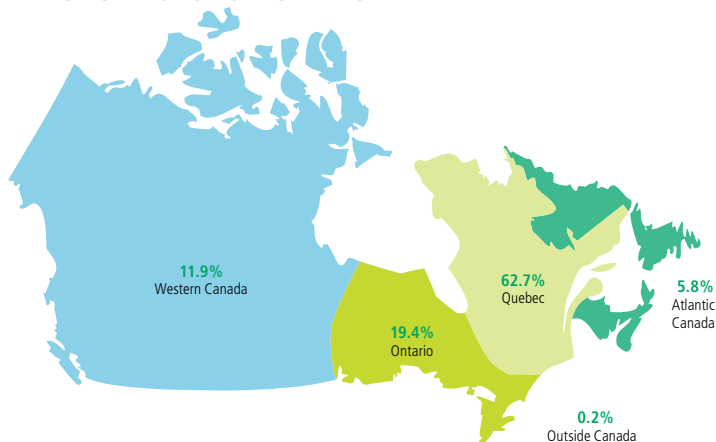
RETURN ON SHAREHOLDER EQUITY



HUMAN RESOURCES

	2015	2014	2013
Number of employees	3,801	4,077	3,923
Permanent	3,497	3,667	3,538
Temporary	304	410	385
Number of representatives and brokers	10,390	9,731	9,083

GEOGRAPHIC DISTRIBUTION OF ACTIVITIES



SELECTED FINANCIAL INFORMATION

(in \$ million)

	2015	2014	2013	Change (%) 2015/2014
Revenue				
Insurance premiums	3,766.1	3,508.4	3,357.0	7.3
Annuity premiums	297.0	379.8	306.3	(21.8)
Net investment income	1,024.3	2,191.9	(400.0)	
Other revenue	340.3	304.7	272.4	11.7
Total revenue	5,427.7	6,384.8	3,535.7	(15.0)
	December 31, 2015	December 31, 2014	December 31, 2013	Change (%) 2015/2014
Balance sheet				
Assets under management (General fund assets and segregated fund assets)	33,432.6	30,111.6	26,541.3	11.0
Assets under administration	12,289.2	11,144.3	10,242.3	10.3
Total assets under management and administration	45,721.8	41,255.9	36,783.6	10.8
Actuarial liabilities	17,008.5	15,290.6	13,117.0	11.2

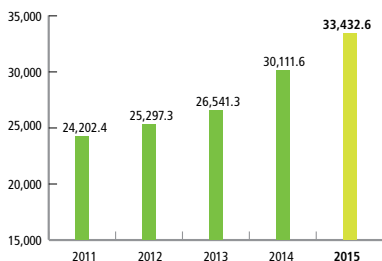
INVESTMENTS – GENERAL FUNDS

(in \$ billion)

	Desjardins Financial Security 2015		Market 2014
	Asset Allocation		
Government bonds	9.8	44.5%	28.4%
Corporate bonds and business loans	4.2	19.1%	37.8%
Mortgages loans	2.4	10.9%	14.8%
Stocks and real estate	3.9	17.7%	14.3%
Other	1.7	7.8%	4.7%
Total	22.0	100.0%	100.0%

ASSETS UNDER MANAGEMENT

(in \$ million)



INVESTMENT QUALITY

Bonds

Rated A or higher

85.3%

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LIFE • HEALTH • RETIREMENT

Cooperating in building the future

Desjardins Insurance refers
to Desjardins Financial Security
Life Assurance Company.

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100 %