

## HUMAN RESOURCES

	2016	2015	2014
Permanent employees	4,425	3,497	3,667
Temporary employees	373	304	410
<b>Total employees</b>	<b>4,798</b>	<b>3,801</b>	<b>4,077</b>
Representatives and brokers	10,880	10,390	9,731

## MARKET SHARE\*

	Rank	Market share (%)
<b>Canada</b>	<b>5th</b>	<b>7.7</b>
Group life	4th	9.7
Group health	4th	12.2
Individual life and health	6th	4.2
<b>Quebec</b>	<b>1st**</b>	<b>17.7</b>
Group life	1st	32.2
Individual life and health	5th	11.1

\* Market data based on the most recently published information, the majority as at December 31, 2015

\*\* Tied with another insurer

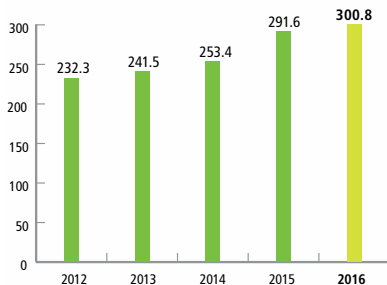
## BUSINESS GROWTH

(in \$ million unless otherwise stated)

	2016	2015	2014	Change(%) 2016/2015
Group insurance	3,084.1	3,020.5	2,930.0	2.1
Individual insurance	795.9	745.6	578.4	6.7
<b>Net premiums</b>	<b>4,216.3</b>	<b>4,063.1</b>	<b>3,888.2</b>	<b>3.8</b>
Net savings sales	5,046.7	621.8	715.5	711.6
In-force insurance	\$ 300.8 B	\$ 291.6 B	\$ 253.4 B	3.1

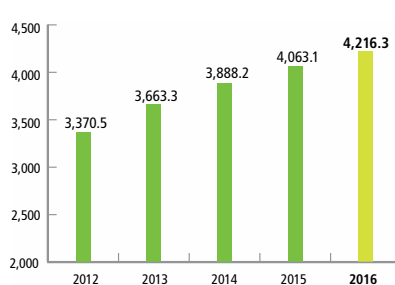
## IN-FORCE INSURANCE

(in \$ billion)



## PREMIUM INCOME

(in \$ million)



## 2016 HIGHLIGHTS

- The January 1, 2016 acquisition of Desjardins Investments and Desjardins Investment Product Operations
- Net income of \$504.5 million, passing the record high of half a billion
- Return on shareholder equity of 17.9%
- In-force insurance growth of 3.1%
- Gross insurance premiums reached the \$4 billion mark for the first time
- Total net savings sales up \$4.4 billion
- Net group retirement savings sales up 110%; number one in Canada, based on gross sales data
- Group and business insurance sales outside of Quebec of \$121 million, up 3.2%
- Total financing covered by Loan Insurance (life coverage) of \$75.1 billion
- Assets under management and administration of \$96.5 billion

### Picture of your personal finances

An easy-to-use online tool that helps people take stock of their financial situation so they can get a better idea of how to strengthen their financial plan.

### The Desjardins advantage for members makes a difference

- Nearly 100,000 members have benefited from the three-day discount on all-inclusive travel insurance from Desjardins
- Some 32,000 members took advantage of our free assistance services this year

### New specialized savings and investment products

- 4 market-linked guaranteed investments (MLGIs), including Guar@nteed Investments, available exclusively online
- 9 Desjardins Funds, 2 in the Ibrix line and 3 to boost our responsible investing offer

### Patient support program

Value-added support from a team of specialized pharmacists is now available to plan members outside Quebec who are suffering from a critical illness.

### Group retirement savings education

When we landed our largest group retirement savings contract to date, we held no less than 648 financial education sessions for some 12,000 active employees. Participants benefited from our expertise to make informed decisions about their investments to help them reach their retirement goals.

### Improvements to our online services

Our clients now enjoy more appealing, accessible and interactive platforms, such as:

- Health is Cool 360° and the Claim 360° mobile app (group insurance)
- New features for Desjardins Funds in AccésD
- Complete online shopping experience for MLGIs—a first in the Canadian investment industry

### Our products are even more accessible across our distribution networks

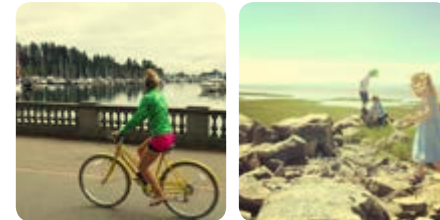
- Desjardins Funds are now offered by Desjardins Securities
- Our full insurance and savings offer is now available through State Farm Canada



## WORKING FOR YOU

2016 FINANCIAL REVIEW  
AT A GLANCE  
DESJARDINS FINANCIAL SECURITY

**Desjardins**  
Insurance  
LIFE • HEALTH • RETIREMENT



1-800-463-7870  
desjardinslifeinsurance.com

**Desjardins**  
Insurance  
LIFE • HEALTH • RETIREMENT

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.

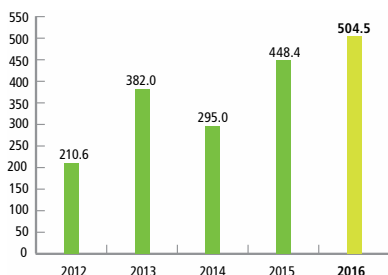
## ALLOCATION OF NET INCOME

(in \$ million unless otherwise stated)

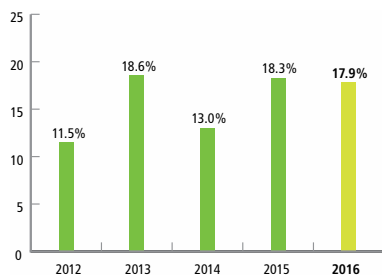
	2016	2015	2014
Attributable to non-controlling interest	2.8	1.8	1.7
Attributable to participating policyholders	125.2	110.6	37.6
Attributable to shareholder	376.5	336.0	255.7
<b>Net income</b>	<b>504.5</b>	<b>448.4</b>	<b>295.0</b>
Return on shareholder equity	17.9%	18.3%	13.0%

## NET INCOME

(in \$ million)



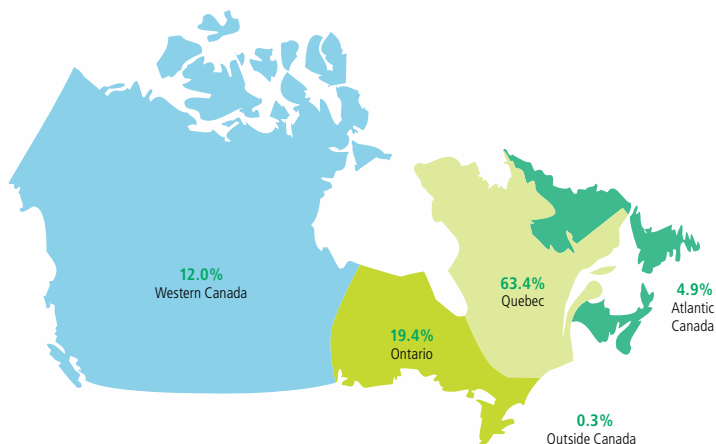
## RETURN ON EQUITY



## NOTE

The 2012 data were restated at fair value after the change to the fair value method of accounting for investment property in 2012 and again after the adoption of amendments to International Accounting Standard 19 – Employee Benefits in 2013.

## GEOGRAPHIC DISTRIBUTION OF ACTIVITIES



## SELECTED FINANCIAL INFORMATION

(in \$ million)

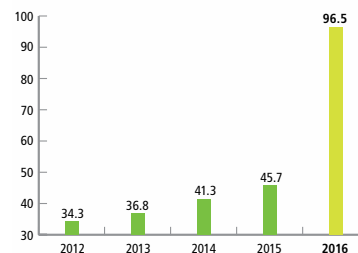
	2016	2015	2014	Change(%) 2016/2015
<b>Revenue</b>				
Insurance premiums	3,880.0	3,766.1	3,508.4	3.0
Annuity premiums	336.3	297.0	379.8	13.2
Net investment income	922.3	1,024.3	2,191.9	(10.0)
Other revenue	917.3	340.3	304.7	169.6
<b>Total revenue</b>	<b>6,055.9</b>	<b>5,427.7</b>	<b>6,384.8</b>	<b>11.6</b>
<b>Assets under management</b>				
General funds	24,751.1	23,656.1	21,406.1	4.6
Segregated funds	11,956.8	9,776.5	8,705.5	22.3
Mutual funds (Desjardins Funds)	27,623.0	—	—	—
Market-linked guaranteed investments	18,927.3	—	—	—
Assets under administration	13,214.7	12,316.7	11,144.3	7.3
<b>Total assets under management and administration</b>	<b>96,472.9</b>	<b>45,749.3</b>	<b>41,255.9</b>	<b>110.9</b>
Actuarial liabilities	17,761.4	17,008.5	15,290.6	4.4
Equity	3,023.1	2,607.9	2,281.6	15.9

## INVESTMENTS – GENERAL FUNDS

	DFS 2016		Market 2015
	Asset allocation		
Government bonds	\$ 9.4B	40.9%	29.9%
Corporate bonds and business loans	4.1B	17.8%	39.5%
Mortgages loans	2.6B	11.3%	13.8%
Stocks and real estate	4.5B	19.6%	11.5%
Other	2.4B	10.4%	5.3%
<b>Total</b>	<b>\$ 23.0B</b>	<b>100.0%</b>	<b>100.0%</b>

## ASSETS UNDER MANAGEMENT AND ADMINISTRATION

(in \$ billion)



## INVESTMENT QUALITY

**Bonds**  
Rated A or higher 83.4%