

PRESS RELEASE

**For Immediate Release
PRDG1450**

Desjardins Financial Security reports net income of \$194.8 million and 16.2% growth in individual savings sales for the first half of 2014

- *Gross insurance premiums up 4.6%*
- *Return on shareholder's equity of 17.4%*
- *Assets under management and administration up 12.5%*

Lévis, Qc, August 26, 2014 – Desjardins Financial Security (DFS) reported net income of \$194.8 million for the first six months of 2014, compared to \$191.7 million for the same period in 2013. DFS, a subsidiary of Desjardins Group, specializing in life insurance, health insurance and retirement savings products also posted a 4.6% increase in gross insurance premium income, which totalled \$1.8 billion compared to \$1.7 billion in the first half of 2013.

The company's positive mid-year performance was due in part to the favourable financial markets and improved returns on investment. It should also be noted that adjustments to actuarial assumptions had boosted mid-year results in 2013.

Insurance sales totalled \$246.2 million for the first half of the year, compared to \$271.6 million for the same period in 2013. Savings product sales totalled \$1.1 billion, compared to \$1.6 billion the previous year.

The share of net income attributable to the shareholder, Desjardins Financial Corporation, was \$180.7 million compared to \$176.5 million for the same period in 2013. Return on shareholder's equity was 17.4%, versus 19.0%.

Assets under management and administration were up 12.5%, standing at \$39.7 billion as of June 30, 2014, compared to \$35.3 billion the previous year. The company also maintains outstanding financial stability.

“Our results are a clear indicator of our clients' satisfaction with our insurance and savings products,” said Denis Berthiaume, president and chief operating officer of Desjardins Financial Security. “In addition to being quite pleased with our performance in the first half of the year, particularly this past quarter, we're also very happy to see that our products are meeting the needs of our clients who want to insure and invest for their future.”

Q2 2014 results

Net income for the period from April 1 to June 30, 2014 was \$106.9 million, compared to \$87.5 million in Q2 2013. Gross insurance premiums were up 4.0% over the same period in 2013, standing at \$895.5 million. Insurance sales totalled \$106.5 million. Individual savings product sales stood at \$72.9 million, up 11.8% over the \$65.2 million reported for Q2 2013. In group retirement savings, sales totalled \$89.3 million for the quarter.

Sector results for the first half 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 \$1.5 billion for the first six months of the year, compared to \$1.4 billion for the same period in 2013. Group and business insurance sales were \$118.3 million, versus \$129.0 million as of June 30, 2013. Sales for plans offered in financial institutions totalled \$83.9 million.

In individual insurance, gross premium volume totalled \$326.4 million for the first six months of the year, compared to \$312.0 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 \$25.3 million.

In savings, total sales amounted to \$1.1 billion. Individual savings sales grew 16.2% to stand at \$174.4 million, compared to \$150.1 million the same time last year. Group retirement savings sales stood at \$202.2 million, compared to \$767.3 million in the first half of 2013. Note that the 2013 results had been boosted by the sale of a contract worth close to \$500 million.

About Desjardins Financial Security

Desjardins Financial Security (DFS), a subsidiary of Desjardins Group, the largest 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 \$39.7 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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