

Here

2018 Financial Leaflet

 **Desjardins**
Insurance
Life • Health • Retirement



Putting your financial health and well-being first

Message from the President of Desjardins Financial Security

At Desjardins Financial Security, the financial health and well-being of our members and clients come first. That's what we mean when we say we're here for you. In 2018, we worked hard to help all our customers make the right choices for their own personal circumstances.

To better meet your needs and expectations, our teams worked tirelessly this year to improve our products and services, with a focus on our online solutions.

Our life and health insurance teams launched a financial health and well-being section on www.desjardinslifeinsurance.com. It's a great resource for health tips and financial advice, made possible by our partnerships with the Canadian Cancer Society and the Heart and Stroke Foundation.

Improving the member/client experience

We upgraded the tools our financial advisors use. Thanks to our new, one-of-a-kind illustration platform, we're now able to offer point-of-sale decisions on insurance applications for many of our clients.

We also noticed a growing number of our policyholders being diagnosed with critical illnesses, so we improved our products to better meet their financial needs.

Our group insurance teams launched a health and well-being platform in 2018, with an exclusive focus on health issues. We also launched a telemedicine pilot project to deliver virtual healthcare. On the group retirements savings side,

plan members continued to get personalized financial advice from us this year. We also streamlined the look and feel of their online accounts and made their online experience mobile-friendly.

Diversifying our investment solutions

For sustainability-minded investors, 2018 saw us expand our range of investment solutions, such as our market-linked guaranteed investments, guaranteed investment funds and mutual funds, which include a number of responsible investment products.

In terms of financial results, we're very proud of our performance in 2018. We had favourable claims experiences for our products, we kept tight control over costs, and we successfully navigated the markets in a year of ups and downs.

To you, our customers, I want to thank you for choosing Desjardins. I also want to thank our employees, managers, distribution partners and directors for their hard work and dedication to making sure our members and clients always have the best possible experience.

In 2019, I look forward to continuing to do what's best for our members and clients. We're here for you.

Gregory Chrispin
President and Chief Operating Officer

Desjardins Financial Security at a glance

Desjardins Financial Security is a subsidiary of Desjardins Group, the leading cooperative financial group in Canada. We sell life and health insurance and retirement savings solutions, and over 5 million Canadians count on us to protect their financial security. We also provide resources to help our members and clients make informed decisions so they can improve their financial health and well-being.

Distribution channels for our personal and business products include the Desjardins caisse network, our own sales teams, call centres and online platforms, and our partner and brokerage networks. We're responsible for \$110 billion in assets under management and administration and have offices in most Canadian provinces.

Desjardins Financial Security

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2018 financial results

Select financial figures

Years ended December 31
(in millions of dollars)

	2018	2017	2016
Income			
Net insurance premiums	4,182	4,078	3,880
Gross annuity premiums and deposits in segregated funds	2,528	2,178	3,147
Other products	1,096	1,007	917
Assets under management and administration	110,319	107,065	96,473
Actuarial liabilities	19,188	18,838	17,761
Equity	3,043	3,156	3,023
Insurance in force	307,074	313,920	303,444
Net income	705	690	504

Key indicators

Years ended December 31

	2018	2017	2016
Growth in gross insurance premiums	2.6%	5.2%	3.0%
Growth in net income	2.2%	36.7%	12.5%
Return on equity	22.7%	22.3%	17.9%
Employees	4,626	4,782	4,798
Active representatives and brokers	6,020	5,105	5,193

Highlights

- A record \$3.5 billion in sales of market-linked guaranteed investments (MLGIs)
- #1 in Quebec for Desjardins Funds and MLGIs
- Gross insurance premiums up 2.6%
- 1.8% growth in individual insurance sales in a declining market
- One of the best returns on equity in the industry at 22.7%

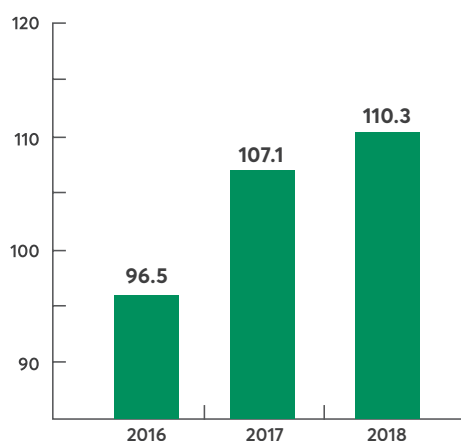
Market share

(based on volume of gross premiums written in 2017)

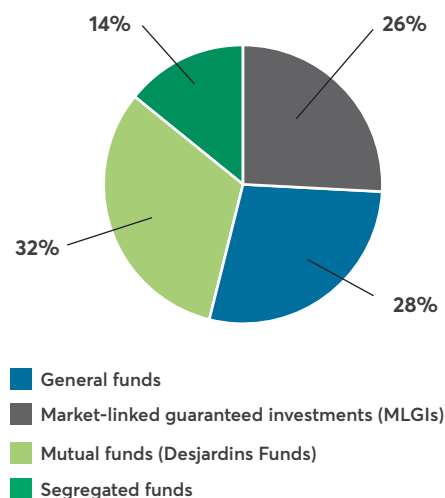
#2 in Quebec | **#5 in Canada**
16.5% | 7.4%

Growth in assets under management and administration

(in \$B)



Distribution of assets under management



Geographic distribution of business

(based on gross premiums written)

