



Desjardins



Crédit Mutuel

NEWS RELEASE

## **Desjardins Group completes the acquisition of State Farm's Canadian operations businesses**

**Levis (Quebec), January 2, 2015** – Desjardins Group, the leading cooperative financial group in Canada, announces that it has completed the purchase of State Farm Canada's businesses in property and casualty and life insurance, as well as its Canadian mutual fund, loan and living benefits companies as at January 1, 2015.

As a result, Desjardins Group becomes the second largest P&C insurance provider in Canada with annual gross written premiums increasing from over C\$2 billion in 2014 to more than C\$4 billion projected in 2015. This transaction also increases the Group's geographic diversification of earnings and risk while providing an advantage of scale and strengthens its position among life and health insurers in Canada.

### **Desjardins warmly welcomes State Farm Canada's employees and agents to its family**

"Similarities between our two organizations are numerous," said Monique F. Leroux, Chair of the Board, President and CEO of Desjardins Group. "We are thousands who are close and committed to millions of customers. I am confident that our shared values, our passion and commitment to our work will allow us to better serve Canadians, together. This gives me tremendous confidence in the future. I also want to salute everyone for the energy they have invested and will continue to devote to the success of this integration."

State Farm's more than 1,900 Canadian employees and network of close to 500 agents will continue to serve over 1.2 million customers in Ontario, Alberta and New Brunswick. Desjardins still expects the transaction will lead to job creation in the coming years in Canada, including in Quebec. Desjardins will continue to operate its other insurance brands separately across the country.

"I'm especially proud of this agreement since it's the result of three financial cooperative and mutual organizations: State Farm and Desjardins, with the support of Crédit Mutuel, our long-term European partner, coming together to create an insurance leader in Canada," added Leroux.

"Our financial investment reflects our confidence in the strength of the combined businesses going forward. Desjardins' cooperative mission and customer focused values will benefit Canadian customers," said Edward B. Rust Jr., State Farm Chairman and Chief Executive Officer.

"Our commitment illustrates Crédit Mutuel's interest in actively contributing to the launch of the second largest P&C insurer in Canada and to its growth. It is a concrete demonstration of the special relationship that exists between us and Desjardins, and of the confidence we have in this new organization," added Michel Lucas, President of Crédit Mutuel.

As part of the agreement, State Farm invested C\$450 million in non-voting preferred shares into Desjardins Group's post-closing property and casualty insurance businesses, which includes the newly acquired State Farm Canada property and casualty operations. In addition, Crédit Mutuel, a major European cooperative financial group, invested C\$200 million. Desjardins Group allocated C\$700 million in capital to support the growth of its P&C business. Desjardins Financial Security (Desjardins' Life and Health Insurance subsidiary) with other business units also allocated C\$250 million in capital for the life insurance, mutual fund, loan and living benefits components of the agreement.



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### About Desjardins Group

[Desjardins Group](#) is the leading cooperative financial group in Canada and the fifth largest cooperative financial group in the world with assets close to C\$227 billion. It has been rated one of Canada's top 100 employers by Mediaparc Canada. To meet the diverse needs of its members and clients, Desjardins offers a full range of products and services to individuals and businesses through its extensive distribution network, online platforms and subsidiaries across Canada. The group has one of the highest capital ratios and credit ratings in the industry. In 2014, Desjardins was named the fourth safest bank in North America by Global Finance magazine and the second strongest bank in the world by Bloomberg News.

### About State Farm

State Farm and its affiliates are the largest provider of [car insurance](#) in the U.S. In addition to providing [auto insurance quotes](#), their 18,000 agents and more than 65,000 employees serve over 82 million policies and accounts – nearly 80 million auto, home, life, health and commercial policies, and nearly 2 million bank accounts. [Commercial auto insurance](#), along with coverage for renters, business owners, boats and motorcycles, is available. State Farm Mutual Automobile Insurance Company is the parent of the State Farm family of companies. State Farm is ranked No. 41 on the 2014 Fortune 500 list of largest companies. For more information, please visit <http://www.statefarm.com>.

### About Crédit Mutuel

Crédit Mutuel group, one of France's leading banksurers, comprises the Crédit Mutuel branch network, CIC and all the bank's subsidiaries. Backed by a staff more than 100,000 strong, comprising 79,000 employees and 24,000 directors, the group offers a comprehensive range of financial expertise to more than 30 million customers, including 28 million retail customers. Its overriding priority, and the key to its development, is the quality of both its customer and member relationships and the services it provides. Its strategy is one of controlled growth based on local retail banking, bankinsurance and technological excellence. Also, with 15% of subsidized loans to young farmers and 13% of the medium and long-term loan market, Crédit Mutuel ranks a firm second in the farming sector in France. For more information, visit [www.creditmutuel.com](http://www.creditmutuel.com) (website in French only).

#### Caution concerning forward-looking statements

*Certain statements made in this press release may be forward-looking. By their very nature, forward-looking statements involve assumptions, uncertainties and inherent risks, both general and specific. It is therefore possible that, due to a number of factors, the predictions, projections or other forward-looking statements as well as Desjardins Group's objectives and priorities may not materialize or may prove to be inaccurate and that actual results differ materially. Various factors beyond Desjardins Group's control could influence the accuracy of the forward-looking statements in this press release. Although Desjardins Group believes that the expectations expressed in these forward-looking statements are reasonable, it can give no assurance or guarantee that these expectations will prove to be correct. Desjardins Group cautions readers against placing undue reliance on forward-looking statements when making decisions. Desjardins Group does not undertake to update any written or verbal forward-looking statements that could be made from time to time by or on behalf of Desjardins Group, except as required under applicable securities laws.*

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