

## **Desjardins General Insurance Group reports second quarter results**

- Net income of \$48.4 million and a combined ratio excluding market yield adjustment of 99.1%
- Return on equity of 9.3%
- Major effort to assist clients impacted by the Fort McMurray wildfires

**LEVIS (QC), August 15, 2016** – For the quarter ended June 30, 2016, [Desjardins General Insurance Group](#) (DGIG), a Desjardins Group subsidiary specializing in property and casualty insurance, reported a net income of \$48.4 million compared to \$184.8 million for the corresponding quarter in 2015. Return on equity was 9.3% compared to the previous year’s unusually high 39.3%. These variations reflect higher auto insurance losses in Ontario and the estimated expense of \$30.2 million (after reinsurance and income taxes) related to the Fort McMurray wildfires.

The combined ratio excluding market yield adjustment (MYA) was 99.1% in the quarter. Direct premiums written were \$1,296.9 million, an increase of 14.5%. This growth is mainly attributable to the renewal of auto policies acquired from State Farm, whose terms are transitioning from 6 to 12 months, as well as growth initiatives in all areas and lines of business.

### **Half Year Results**

For the first six months of the year, net income was \$79.8 million, down from \$258.5 million in the corresponding period last year. Return on equity was 7.4%, with a combined ratio excluding MYA of 100.5% and direct premiums written were \$2,339.9 million.

Sylvie Paquette, Co-president of DGIG, said, “The devastating wildfires in the Fort McMurray area in May were a reminder of how lives can change in a moment, with a shift in wind direction, and of the crucial role insurance plays in helping people recover and move on with their lives. Our claims teams were at the evacuation centres to support our clients and to write cheques to help them with living expenses, and they were in Fort McMurray a month later to welcome them back and to quickly deal with their claims.”

The recent restructuring at Desjardins Group introduced a change in leadership at DGIG as Denis Dubois was appointed Co-president of the organization.

“I have worked closely with Denis over the past number of years charting the future of DGIG, and I have the outmost confidence in his leadership capabilities,” noted Ms. Paquette. “I am also incredibly proud of DGIG’s record of customer experience, employee engagement and profitable growth. The organization is in a strong position and will be in very capable hands as it continues to evolve and grow.”

“It is a privilege for me to serve as Co-president of DGIG with Sylvie and to continue benefitting from her experience through the current leadership transition,” said Mr. Dubois. “I am honoured by the responsibility of building on Sylvie’s legacy and leading DGIG at such an exciting time in its history.”

## Consolidated Financial Results as at June 30, 2016

(In millions of dollars, unless otherwise indicated)

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Direct premiums written	1 296.9	1,133.1	2 339.9	2,041.8
Underwing income excluding MYA	1.8	200.7	(10.4)	191.5
Investment income (excluding G/L on matched bonds)	70.4	71.7	119.9	111.7
Net income	48.4	184.8	79.8	258.5
Return on equity	9.3%	39.3%	7.4%	28.1%
Combined ratio excluding MYA	99.1%	72.6%	100.5%	88.2%

### About Desjardins General Insurance Group

A subsidiary of Desjardins Group, [Desjardins General Insurance Group](#) (DGIG) is Canada's third largest provider of property and casualty insurance. The company distributes insurance under the Desjardins Insurance, The Personal, and State Farm Canada brands. DGIG is also a leader in Canada in white label distribution.

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### 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 many factors, these predictions, forecasts 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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