

Desjardins Financial Security results for the first half of 2016: growth in insurance sales and premiums

- *Gross insurance premiums at \$1.97 billion*
- *Insurance sales up 5.8%*
- *Quarterly net income of \$221.6 million*
- *Sharp increase in assets under management, at \$92.6 billion from \$45.7 billion*

Lévis (QC), August 16, 2016 – [Desjardins Financial Security](#) (DFS) has released results for the 6-month period ended June 30, 2016. DFS is a subsidiary of Desjardins Group specializing in life insurance, health insurance and retirement savings. The company posted an increase in gross insurance premiums, which reached \$1.97 billion, up from \$1.94 billion in 2015. Insurance sales increased 5.8%, reaching \$260 million.

The net income for the first 6 months was \$221.6 million, compared to \$240.5 million for the same period last year. Results in 2015 were positively affected by Q2 adjustments to actuarial assumptions due to the acquisition of State Farm’s Canadian life and health insurance operations. This decrease is due in part to a less favourable claims experience for certain personal and group insurance products. Net income includes the positive effect of the 2016 acquisition of two companies, Desjardins Investments Inc. and Desjardins Investment Product Operations Inc. Return on equity was 15.8%, compared to 19.6% in 2015.

The acquisition of the two companies essentially doubled assets under management and administration, which went from \$45.7 billion as at December 31, 2015, to \$92.6 billion as at June 30, 2016.

“The growth in insurance sales and the increase in gross insurance premiums are a testament to the quality of our service offer and our sound business strategy,” said Denis Berthiaume, President and Chief Operating Officer of DFS. “We’re satisfied with these results in what is an increasingly competitive market.”

Results by business sector for the first 2 quarters ended June 30, 2016

Gross investment sales grew significantly, ending the first two quarters at \$7.6 billion, up \$6.5 billion, or 600% from the same period last year. This growth is attributable to a large group retirement savings contract signed in Q1 2016, and to sales generated by one of the new subsidiaries, Desjardins Investments Inc. Group and business insurance sales stood at \$122.6 million, up from \$105.2 million in 2015. Sales for plans offered in financial institutions, including the Desjardins caisses, ended the quarter at \$101 million, up slightly from \$100.4 million in 2015. Individual insurance sales stood at \$36.4 million, down from \$40.1 million in 2015.

Highlights

(In M\$, unless otherwise indicated)	Year-to-date 2016	Year-to-date 2015	Variation	Q2 2016	Q2 2015	Variation
Net income	221.6	240.5	-7.9%	122.6	160.7	-23.7%
Gross insurance premiums	1,971.2	1,940.6	1.6%	991.0	974.5	1.7%
				June 30, 2016	Dec. 31, 2015	June 30, 2015
Return on equity				15.8%	18.3%	19.6%
Assets under management and administration				\$ 92.6 billion	\$ 45.7 billion	\$ 45.5 billion

About Desjardins Financial Security

Desjardins Financial Security, a subsidiary of Desjardins Group, the leading 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. The company employs over 4,700 people and administers \$92.6 billion in assets from several cities across the country, including Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montreal, Quebec City, Lévis, Halifax and St. John's. For more information, visit www.desjardinslifeinsurance.com.

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