

## PRESS RELEASE

**For Immediate Release  
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### **Desjardins General Insurance Group reports strong third quarter results**

#### **Financial Highlights**

- Third quarter net income of \$63.0 million, with an ROE of 20.9%
- Premium growth of 5.8%, despite auto rate reductions in Ontario
- Three JD Power customer satisfaction awards

**Lévis (Qc), November 27, 2014** – [Desjardins General Insurance Group](#) (DGIG), a Desjardins Group subsidiary specializing in property and casualty insurance, recorded a net income of \$63.0 million for the quarter ended September 30, 2014, up 38.8% from the corresponding period in 2013.

The combined ratio (excluding MYA<sup>1</sup>) for the quarter fell to 85.2%, a drop of 10.4 percentage points. This was largely due to more favourable weather conditions compared to the third quarter in 2013.

Direct written premiums increased 5.8% to \$581.9 million, the result of multiple growth initiatives across all market segments and regions.

#### **Year-to-Date Results**

For the first nine months of the year, net income was \$129.2 million, up 13.9% from the same period in 2013. The ROE for the first nine months was 14.6%, compared to 15.2% in 2013. This decrease was largely due to the transaction and integration costs incurred as part of the acquisition of State Farm's Canadian operations.

Direct written premiums increased by 5.7% to \$1,709.5 million, while the number of policies-in-force grew by almost 88,000 to 2,257,000 since the beginning of the year.

“We had a very strong quarter, both in terms of growth and profitability,” said Sylvie Paquette, DGIG's President and COO. “Even though we are investing a lot of resources and energy to prepare for the addition of State Farm's Canadian operations, our existing operations remain right on track. Our efforts in improving client experience resulted in three JD Power customer satisfaction awards won by our companies this year. At the same time, I am particularly pleased by the organic growth we've achieved in such a soft market.”

Ms. Paquette said the preparatory work for the addition of State Farm's Canadian operations is also on track. “When the deal closes next January 1, DGIG will become the second largest P&C insurance provider in Canada, with approximately \$4 billion in premium volume.”

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<sup>1</sup> MYA, or market yield adjustment, is the impact on claims liabilities caused by changes in the discount rate.

## Consolidated Highlights

As of September 30, 2014 (in millions of dollars, unless otherwise indicated)

	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Direct written Premiums	581.9	550.1	1 709.5	1 617.1
Underwriting income excluding MYA	73.8	30.5	85.1	56.5
Net Income	63.0	45.4	129.2	113.4
Return on Equity	20.9%	17.6%	14.6%	15.2%
Combined Ratio excluding MYA	85.2%	95.6%	94.2%	96.3%
Total Assets			5,192.3	4,715.3
Policies in force (in thousands)			2,257	2,150

### About Desjardins General Insurance Group

A subsidiary of Desjardins Group, [Desjardins General Insurance Group](#) provides home and auto insurance to consumers across the country and commercial insurance to businesses in Quebec. With 4,000 employees across the country, a portfolio of more than 2.2 million policies in force, gross written premiums of \$2.2 billion and assets of \$5.2 billion, DGIG ranks among the largest P&C insurers in Canada.

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