



SPEAKING NOTES FOR

GUY CORMIER
CHAIR OF THE BOARD, PRESIDENT AND CEO
OF DESJARDINS GROUP

**"DESJARDINS GROUP:
DRIVING RESPONSIBLE, SUSTAINABLE ECONOMIC
DEVELOPMENT THAT PUTS PEOPLE FIRST"**

CENTRE DES CONGRÈS DE QUÉBEC, MARCH 25, 2017
(ACTUAL SPEECH MAY DIFFER FROM THIS TEXT)

Distinguished guests,
Team Desjardins,
Ladies,
Gentlemen,

And to those of you who are joining us through the webcast or Facebook Live, welcome. Thank you for joining us.

I especially want thank our former president, Alban D'Amours, for being here. We're very pleased to have you with us today.

Monique Leroux sends her regrets; she has another engagement abroad. Claude Béland also has another engagement.

A year ago, I spoke to you for the first time.

I'll always remember your warm welcome. It lifted me up and overwhelmed me. It felt like the rallying cry of a sports team before they jump into the fray, like something that galvanizes us, gives us the assurance that we'll stick together and that we can count on each other.

Throughout this past year, it was clear to me that I could count on you. Thank you!

Last year I shared with you my three main ambitions for Desjardins Group:

- Reconnecting Desjardins with its purpose
- Harnessing the full potential of our cooperative financial group
- Investing in people first to strengthen our organization and our cooperative pride

These ambitions have guided our alignment efforts and work over the last year, and I'd like to talk about them today. They will continue to guide us in the years to come—I have no intention of coming up with new ones, I want us to stay focused.

This afternoon, I'd also like to lay out what we still need to accomplish. To share my aspirations for the organization, our communities, and our society.

“Driving Responsible,
Sustainable Economic Development
that Puts People First”



March 25, 2017

I - Investing in people first to strengthen our organization and our cooperative pride

I'd like to start with people.

As I mentioned earlier, Desjardins Group is an organization of people at the service of people.

Over the last 12 months, we've put in place ways to better channel the potential of our people. Earlier today, I had the opportunity to talk about a few initiatives we've taken internally, in particular with our caisse elected officers and general managers.

Our employees are at the heart of a strong relationship with our members

We're working with our front-line employees to continuously improve for our members. A panel made up of several of these employees is being set up. The goal is to listen to them so we can help them work more effectively and deploy flexible solutions that work best for the members and clients they serve every day.

Our employees are being asked to forge relationships using foresight and always offering what is in the best interests of our members and clients, according to their situation and plans. Because that's part of the approach a cooperative group must take with the people it serves.

While technology has an increasingly central role in our lives, I'm convinced that it's people that will continue to make a difference.

I don't think the majority of our members would like it if tomorrow they had to invest their life savings through a robo-advisor! Or plan their business transfer by following instructions on a website!

In 5 years, in 10 years, in 15 years, our members will still want to talk to flesh and blood humans who work in our caisses, at our Desjardins Business centres, at Desjardins Securities, or at one of our insurers. They'll want to talk to competent people who want to provide high-quality service.

Governance in line with today's reality

On my Facebook account, I invited everyone to ask me questions. I'll answer a few of them today.

Gabriel Monette asked: “What will Desjardins’s democratic governance look like in the future?” That’s a very good question. It’s such a good question that we’re holding a Congress about it in the fall!

To get ready for the Congress, we held consultations on the cooperative life and governance of Desjardins Group in 2016. We spoke with our officers and general managers, and we also talked to many caisse members about the terms of their involvement in the life of their cooperative.

As recently as last night, we listened to and questioned experts on these topics.

We want Desjardins Group’s governance to be modern, aligned with current best practices, and adapted to our reality as a cooperative and to the evolution of our caisse network. Not the network we had in 2000, but the one with which we’re going to take our next steps in the decade to come.

Personally, I hope that we’ll dare to make our members feel that our doors and our ears are always open so they can always influence us.

The more our members can tell us what they think about our challenges and what solutions we should use, and the more they can express their needs and wants, the better we’ll accomplish our service mission. I’m convinced that the more considered they feel, the more likely they’ll be to increase their business with their caisse and with Desjardins.

Since my first ambition involves people, I’d like to take this opportunity to thank our officers, general managers, managers and employees. Thank you for your hard work, and for staying the course with our members and clients in a context of major organizational change.

We’ll continue to focus on everything that will help you fulfill your role and use your skills.

II - Harnessing the full potential of our cooperative financial group

My second ambition is to commit to making Desjardins a single, large organization that works in the interests of its members and clients. A large, people-focused organization that is modern, performs well, and is easy to do business with.

We’ve also made some headway on this one. Our new management team is made up of experienced people who work together and who know how to rally together so we can harness the full potential of the organization.

Across the organization, we've found ways to express the people-focused, modern, high performance aspects and simplicity that we strive for on a daily basis. Every employee and manager now has very specific expectations in this regard. Our objective is clear: we want to be even better for our members and clients.

And that's also why we've developed a new strategic plan for the organization with contributions from officers, general managers and managers. Our plan is flexible and it gives us the ability to adapt to a rapidly changing world.

We continued developing our distribution network with new 360d centres for students and young adults, our Signature Service for more affluent members, and new service centres in high-density neighbourhoods. These new ways of going out to meet our members where they are and serve them show that we're willing to adapt to them and their needs.

We're also using technology more and better as part of our digital shift. We've introduced new features for mobile users, including Apple Pay, and we're continuing to develop new mobile solutions for our members and clients.

Speaking of mobility, in 2016 we started testing a mobile branch. It's a bus set up to take the caisse to our members. For example, it can help out caisses in emergency situations, like what happened in Rivière-des-Prairies just before Christmas.

Our pilot project has been a huge success so far. Such a success that I'm pleased to announce today that a second mobile branch will be hitting the road by the end of 2017, serving eastern Quebec.

We're also continuing to innovate in the insurance industry, thanks to member feedback. One example is Alert, a nation-wide home insurance program to prevent water damage.

We're entering an era where smart devices can send an alarm to your phone if there's a water leak or risk of freezing pipes in your home, so you can react quickly and avoid more extensive damage.

These cutting-edge solutions aren't coming out in 10 years, they're here now! We just launched Alert on Tuesday. Along with Ajusto, we're the first Canadian insurer to offer smart auto and home insurance.

An organization focused on innovation

In 2016, I committed to creating an innovation office reporting directly to the president. That's been done.

We're at a turning point: business models are changing, the lives of our members and organizations are changing. In this context, we want to make sure innovation is supported and widespread throughout Desjardins Group.

Artificial intelligence, which we hear about a lot, isn't just for creating robots that will take the place of real people. At Desjardins we will use it to better equip our employees, to help them proactively offer the most relevant products to our members.

With Desjardins Lab, we made a mark in the innovation ecosystem. Our teams are in regular contact with partners, start-ups, fintechs and specialists of all sorts. They also act as facilitators and trainers internally. The webzine Nuadox just named Desjardins Lab one of 10 Canadian fintech hubs on the rise.

I'm pleased to announce today that we're opening a second Desjardins Lab in Lévis in 2017. With our employees and partners, we're building a second hub for development and testing.

Developing markets in Canada and beyond

We're also continuing our growth efforts across Canada and abroad. The State Farm agency network now offers the complete line of Desjardins insurance and savings products in Ontario, Alberta and New Brunswick. It's an important part of our business development strategy, and we're also open to acquisitions and new business opportunities across the country.

We're continuing to develop our business plan for Ontario; it involves all Desjardins components and we will of course emphasize the support we offer the caisses.

With Crédit Mutuel, we've renewed our shared desire to firm up our partnerships, especially with Monetico in the payment industry, to support our respective members—businesses and individuals—who travel or conduct business abroad.

A review of operations to find new leeway

As a major financial cooperative, we're also trying to become more efficient, to focus on operations that create the most value for our members and clients, to create new synergies.

With that in mind, we undertook a full review of all our operations, not only for the Federation but also for the subsidiaries and the caisse network. We'll use what leeway we find to invest in projects and improve our service offer.

Our vision is clear: One big team united under the Desjardins banner to meet the needs of members and clients, and committed to offering products and services when and how they want.

III - Reconnecting with our purpose

My third ambition, which is actually the one I've always talked about first, is to reconnect Desjardins with its purpose: enriching the lives of people and communities.

That gives me the opportunity now to answer a question from Grégory Brasseur: "How does the business environment and regulation (such as the Basel Accord) restrict Desjardins's capacity to act as a cooperative?"

Over the last few years, we've had to reinforce Desjardins Group's financial stability, to refine our risk management and internal processes to comply with Basel Accord standards and regulations, and to meet our requirements as a systemically important financial institution. It's a major undertaking that we needed to accomplish, and that we're constantly working on.

That said, it's clear to me that we exist first and foremost to serve our members and clients, though I'll admit that we've lost sight of that from time to time over the years.

I'm committed to getting us back to basics by focusing on our members and clients, and working every day to become everyone's number one choice.

In my opinion, regulations and market discipline have had a positive effect: they force us to be better and more financially sound. But it's up to us, Desjardins officers, managers and employees, to make sure our organization fulfills its role as a cooperative for the benefit of its members.

We've worked very hard on this throughout the last year. And the results are encouraging—member satisfaction is improving. We also saw an increase in caisse membership in 2016—proof that our efforts are working.

Personally, my goal is nothing less than making sure the Desjardins member experience goes above and beyond expectations. Making sure we're always there for them at the right time, with the best offer according to their situation, needs, and plans.

Greater socio-economic leadership

I'd also like Desjardins Group to increase its socio-economic leadership in our communities and regions.

This commitment has led us to set up a \$100-million development fund that will allow us to concentrate more on community projects over the next three years, and to play our role as socio-economic leader more effectively. Our caisses are already in action throughout Quebec and Ontario.

Another commitment I made was to give young people a stronger voice within Desjardins Group. That's why we've set up a youth advisory board made up of 18- to 35-year-old members, officers and employees.

The board will be a great source of inspiration for the Desjardins Group Board of Directors and Management Committee. For example, they'll have input into our digital and mobile shift, and they'll help us define how we want to experience cooperation with our members.

I also decided, shortly after taking office, to join the Adopt Inc. program, and I "adopted" a young entrepreneur for a year to help him build his business.

Jean-Philippe Carmona is a mechanical engineer and the head of a young company specializing in software development and tailor-made orthopedic products. Unfortunately he couldn't be with us today.

I like to imagine all our experienced entrepreneurs reaching out to up-and-comers, young entrepreneurs ready to take flight with solid support. It seems to me that's the best insurance we have for the future.

A service offer and benefits that set us apart

In the coming years, Desjardins Group will continue to develop its service offer for our communities and regions.

From microcredit to big business services to venture capital, we'll show leadership by supporting start-ups, growing businesses and companies transferring to the next generation of leaders.

We'll also continue supporting cooperatives in Quebec, Ontario, and across Canada, and counting on the expertise of Développement International Desjardins and its vast network of partners to continue playing a significant role around the world.

Here I'll answer questions from Josée Sévigny and Vincent Simard, who said they don't really see a difference between Desjardins and other financial institutions. They're under the impression that Desjardins has lost its cooperative spirit.

I fully understand that when you're not as deeply involved in financial services as those of us in this room today, it's not always easy to tell the difference between who does what, and how institutions distinguish themselves. I also understand that no one can see everything Desjardins does, and that they sometimes take things for granted.

But one thing is certain, if Desjardins Group weren't a cooperative, we wouldn't have 1,030 physical service centres in Quebec and another 50 in the areas we serve in Ontario.

If Desjardins weren't a cooperative, 30% of our service centres wouldn't be in communities of fewer than 2,000 inhabitants.

If Desjardins weren't a cooperative, we wouldn't have invested \$7 million so far into our solidarity-based financing programs. These programs improve access to financial services, allowing us to help and advise those in a financially vulnerable position and provide financing to new entrepreneurs who don't qualify for traditional loans.

If Desjardins weren't a cooperative, we wouldn't have set up a student advisory centre in Gaspé that employs nearly 100 people, or call centres in Trois-Rivières where nearly 500 people work.

If Desjardins weren't a cooperative, we wouldn't have some 800 account managers and 150 agricultural account managers working for small businesses across Quebec and in several communities in Ontario.

And if Desjardins weren't a cooperative, we wouldn't provide financial, human and logistical support to nearly as many partners and organizations that play an essential role in our communities.

We do all that and more because we're a cooperative financial group, which means that our main objective is not to generate profit for our shareholders.

We do all that and more because we can count on a vast pool of members and clients. Because individuals and businesses show us every day that they have confidence in us. To them I say thank you!

The more members, the more clients, the more people united under the Desjardins banner, the greater the benefit to the community. It means we have a greater capacity to take concrete action on major challenges that affect our collective quality of life.

And that is what has always set us apart, it's what sets us apart now, and it's what will continue to set us apart in our socio-economic environment.

The cooperative model is more relevant than ever

Today's world is full of uncertainty. Confidence is eroding. A large part of the population is so fed up with society, work, and the economy that they're taking to the polls to express their frustration.

A shift is required. The limits—the short-sightedness—of unfettered capitalism have become clear. The desire for short-term profit prevents us from seeing down the road and taking into account the key factors that will help balance our society and our planet.

If we don't change quickly, we'll soon see even more inequality, even more dissatisfaction, and a planet in worse shape.

Economic growth must come from different sources: investing in intellectual property, reducing inequality and school drop-out rates, taking measures to improve air quality, managing water.

These are all elements that, traditionally, don't interest businesses.

But we can't continue like this. Because knowledge, patents, wealth redistribution, education and protecting ecosystems have a real, long-term effect on the economy. Because we're at a crossroads in our environmental and technological development, and that requires considerable investment. And because those investments could themselves be new sources of growth.

In other words, in a changing world, drivers of growth are also changing. And we need to change—we need to live, produce and do business differently.

I firmly believe that cooperatives have a role to play in leading the way for a societal shift. A shift towards responsible and sustainable development that puts people first.

We won't overcome our global economic, demographic and environmental challenges by isolating ourselves or obsessing over short-term profit.

We'll overcome these challenges through collaboration and the ability to take a long-term view, like we do in the cooperative world.

Both the United Nations and Amnesty International have expressed concern over the last few weeks of the pushback against human rights and the increasing use of "narratives of blame, hate and fear." We need a counterweight.

The cooperative model is open to others and to the world. It's inclusive. It's based on strong and generous values: mutual aid, solidarity, money at the service of human development. And it's more relevant than ever.

The cooperative model is also a way of organizing that calls on us to take action.

Because faced with these difficulties, faced with global uncertainty, what should we do? Give up? Wait for solutions to appear out of nowhere? In that case, why not go home, put your feet up, and wait?

But I know that's not the kind of solution that will satisfy you. Me neither!

We're involved in the cooperative movement because we want things to change. We want the world to improve. We want to come up with solutions and implement them.

We're here at this Desjardins Group meeting today because we're confident in the future and we're confident in our methods. We believe in a can-do attitude to face the challenges that confront us, we believe that we need to continue to show up every day and be daring.

We apply the self-help principle Alphonse Desjardins was so fond of.

Sticking to our ambitions

Working to continually develop and deploy the means Desjardins Group has at hand, working to improve our capacity to act and taking socio-economic leadership, in my opinion is our role in a world that needs positivity.

Let's continue to be the ones who build, who perform, and who show leadership.

Let's continue to serve our members and clients, individuals and businesses, so they can improve their situation and build a better future for themselves.

Let's continue to work on developing our communities, to act as a spark, to help bring plans to fruition.

Let's continue to promote responsible, sustainable and human development.

Desjardins Group is in its prime. We're looking to the future.

Let's stick to our ambitions.

Let's take the organization even further.

Let's play an even bigger role in a world that needs cooperation, today more than ever.

Thank you!

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