



SPEAKING NOTES FOR

GUY CORMIER
CHAIR OF THE BOARD, PRESIDENT AND CEO

DESJARDINS GROUP ANNUAL GENERAL MEETINGS

“GROWING DESJARDINS TOGETHER FOR MEMBERS AND CLIENTS”

PALAIS DES CONGRÈS DE MONTRÉAL, MARCH 30, 2019

(Actual speech may differ from this text)

Fellow cooperators from across Canada and around the world,
partners,
and distinguished guests,

welcome.

Past presidents Leroux and D'Amours,

thank you for being here.

You represent the steady leadership that has always guided Desjardins.

Ladies and gentlemen in the hall,

welcome to this portion of the Desjardins Group Annual General Meetings.

And to everyone watching on Desjardins.com and Facebook Live,

thank you for joining us.

Each and every one of you is Desjardins.

Since its founding in Lévis on December 6, 1900, Desjardins has belonged to its members.
And that will never change.

We started with just 131 members.

119 years later, we have seven million members and clients.

We are Desjardins.

And we're growing.

Desjardins will never be sold.

Never be relocated.

Never be uprooted.

No other major financial institution in Canada can say that.

It's who we are.

It's also our calling.

Our financial institution is unique, and it's our job to take care of it so it can continue to be a driver of progress and development.

It's what we do.
It's our mission.

I delivered my first speech to you as president in 2016.
I remember feeling nervous, of course, but also proud. Proud to be part of Desjardins's legacy of steady leadership.
I felt indebted to my predecessors.
And accountable to my successors.

Desjardins has been in my blood since I started working here in 1992.
And my greatest privilege has been to serve as your president.

In 2016, I laid out three priorities.

- Priority 1 was to reconnect us with our purpose. After the financial crisis, we spent a great deal of time and energy on regulatory compliance. After all, everything we do depends on having a strong capital base. We got the job done, and to this day we remain one of the world's safest financial institutions. We then shifted our focus back to members and clients
- Priority 2 was to harness the full potential of our cooperative financial group. This meant bringing together all our online and brick-and-mortar networks. Bringing together caisses, business sectors and support functions. And working as one big team to do what's best for our members and clients.
- Priority 3 was to invest in people first. Whether it's our members and clients, our employees, our directors or our general managers, we should empower everyone to contribute in their own way to Desjardins's cooperative mission of strengthening communities.

A LOT TO BE PROUD OF

Shifting our focus back to members and clients is really paying off

So what did it mean to shift our focus back to members and clients?
It meant doing what's best for them by anticipating their needs and finding new ways of meeting those needs.

That's the message we sent to our 46,000 employees with help from our 3,800 directors.
We all got on board, and we achieved more than I ever dreamed possible.

Our membership is up.
More importantly, our growth isn't just a blip; it's a trend.

Our membership declined from 2008 until 2015.
We lost 58,000 members in 2013 alone.
But we've turned things around.
Last year, we added 44,000 new members, bringing our 3-year total to 75,000.

We're moving in the right direction.

And we're making huge inroads with young people.
Last fall, Desjardins was even named the coolest financial institution in a nationwide survey.

In today's rapidly changing, increasingly crowded financial sector, that's really saying something.

Thank you for bringing us into the future.

More businesses are choosing us, too.
This is important, because supporting businesses is part of our mission as well.

In 2018, our business loans surpassed the \$40 billion mark.
No one invests more in Quebec businesses than Desjardins.

Turning good ideas into good businesses. Empowering local innovation. Fostering solutions for a stronger, more sustainable economy.
That's what we do.

We're entrepreneurs.
Business development is our passion.

But economic development doesn't have to preclude social change.
We believe they go hand in hand.
Because bringing about social change and economic development is in our DNA.

Since 2016, more clients have turned to us for specialized services like insurance.

And our member/client satisfaction scores continue to climb.

Across the board, we're achieving our mission.
And all this hard work is paying off. In 2018, we posted a record \$2.3 billion in surplus earnings.

This allowed us to give back \$389 million to members and communities, 21.6% more than in 2017. No one is more committed to the community than we are. Period.

Today, Desjardins has nearly \$300 billion in assets.
That's also who we are.

We should be proud of these outstanding results.
Our financial performance should be a shared goal that drives us forward.

We're in more Quebec communities than any other financial institution. In 2018, we opened a new client relations centre in Rimouski and a new satellite office in Shawinigan catering to tech firms. Our financial performance makes this possible.

Our financial performance makes it possible for us to support financial literacy.

And our financial performance makes it possible for us to recruit top talent and create some of the world's best green funds.

Banks exist to create value for shareholders. And I have nothing against that. But Desjardins exists to create value for members, clients and their communities, and that is something I can really get behind!

Being a cooperative doesn't mean doing less. It means doing things better.

Modernizing our democratic governance structure

Take our structure, for example. Striking the right balance between democracy and agility is a unique challenge.

So we came together to change our regional councils and group caisse council and the way members participate in the democratic process. And we worked to give directors a larger role in setting Desjardins's priorities.

At our 23rd Congress, we set these changes in motion. And we're making good progress.

Our democratic governance structure is designed to ensure we do what's best for our members. It balances our strength as a large organization and the autonomy of our components.

A \$100 million fund to take our socioeconomic leadership to the next level

We're also known for the leadership of our caisses. And our caisses are playing a bigger role than ever before.

In 2017, we set up a \$100 million fund to provide communities with financial support above and beyond the funding already offered by local caisses. Caisse general managers and directors determine what causes and organizations to give to.

Focus areas include entrepreneurship, education, social responsibility, sustainability and community involvement. So it's up to you to decide how we support the community.

Since the fund's inception, we've invested nearly \$60 million to support 290 projects and initiatives that have made a difference in Quebec and Ontario.

Expanding nationwide

As we expand, we're spreading the idea that strong economies should strengthen local communities.

We believe our growth has purpose.

We should look at our recent acquisitions through this lens.

And we should look at future partnerships with the Canadian cooperative community through this lens as well.

Just over four years ago, we welcomed State Farm Canada's 480 agents and 2,000 employees to Desjardins. And I'm proud to report that we've successfully joined forces.

When these agents made the move to our new nationwide agent network, they brought one million of their clients with them—many of them longstanding State Farm customers. This tells me a lot about our new agents.

It tells me they're good at what they do. That they've built lasting relationships with their clients. It also tells me we're very welcoming and supportive. And it tells me our business model is easy to adopt.

Now that we're working as one big team, we're a leader in Canada's property and casualty insurance market. And we just exceeded \$5 billion in premium volume.

We're also a nationwide leader in wealth management.

In 2017, we announced we were partnering with five provincial credit union centrals and Co-operators subsidiary CUMIS to create Aviso Wealth.

Today, Aviso Wealth serves 500,000 clients through its 300 partners across Canada and has more than \$57 billion in assets under management and administration.

It offers a full line of investment, brokerage, insurance, institutional and research services. Aviso Wealth is the standard-bearer for cooperative values in Canada's investment and wealth management industry.

That's also who we are—growing to serve our clients better and share our vision for responsible and equitable economic development.

A youth advisory board to inform our choices

When you stop and think about all this progress—more members, a more agile democracy, stronger local leadership, solid results and meaningful growth—you can see why Desjardins is the coolest financial institution in Canada.

Our shared values are timeless. We give back and we're involved in the community. Everyone can appreciate that.

I made a commitment to make Desjardins even more welcoming to young people. And thanks to you, we've done just that.

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- We built our mobile apps around young people.
 - We're working with young people to develop more personalized products and services.
 - We're teaming up with young entrepreneurs to develop ways to prepare the next generation of business leaders.
 - And our six Desjardins 360^d locations catering to young people have been a resounding success.

We're reaching out to young people, but more importantly we're listening to what they have to say.

We just formed the second cohort of members for our Youth Advisory Board—a real committee that confers with the board of directors and the management committee and has real influence.

You can think of young people as a market to advertise to. Or you can think of them as the future and bring them to the table. We chose the latter.

Changing dividends for members

We're also known for our surplus earnings—where they come from and how we allocate them.

Dividends have been a big topic of conversation of late. Because we're a democratic organization, we discussed them at length and voted on how to change them.

We listened to what members had to say, and they said they still believe dividends are a part of what it means to be a cooperative. So we agreed on a new form of dividend that lives up to their expectations.

Starting this year, dividends will take into account the business relationship members have with all of Desjardins. More members—including more young people—will receive a dividend in 2019, and total dividends will rise to over \$250 million.

From now on, we will always pay dividends if we're financially able.

CONFIDENTLY BUILDING THE FUTURE

Desjardins is financially strong of course. But we have a strong culture as well.

Over the past few years, we've really started to hit our stride.
Today, our future looks just as bright as our past.
We know that our cooperative model is a shining example of progress and resilience.

Given today's uncertainty and volatility, the road ahead won't be easy.
But we know that together, we can overcome the challenges we face.
We're strong because our members and clients place their trust in us.

Boldly pursuing our digital shift

Technology is one of the defining features of our time. And today we're in the midst of a tech revolution. Some might even say two. At Desjardins, tech is revolutionizing the way we operate. It's also changing the way our members and clients operate.

As a financial partner, we have to be able to help SMEs transition to Industry 4.0. We also have to understand the tech sector so we can help businesses succeed.

Tech is a cross-sector issue that encompasses everything up to and including cybersecurity. It's an endless race. And Desjardins is leading the pack.

We began our digital shift several years ago.

We pioneered many banking technologies. And we continue to be on the cutting edge of tech.

Earlier this week, we launched a new feature on Google Assistant. Want to know your balance? Just ask Google! You can even sing to it if you like.

It couldn't be easier!
It's just one more way we're bringing digital innovation to members and clients.

Leading the clean energy transition

As part of our commitment to the future, we're taking the lead on sustainability.

Like you, I hear the Intergovernmental Panel on Climate Change when it says time is running out to stop climate change. I'm keenly aware.

Like you, I hear the voices of young people demanding swift, meaningful action, and I understand where they're coming from.

I share their urgency.
I also understand the uphill battle we face.
I understand the concerns on both sides of the issue.

In urban areas, we know we can transition to electric vehicles faster. But in rural areas, farmers need gas or diesel to run their tractors.

It's incumbent upon us to speed up the transition to clean energy. Make our portfolios greener. And invest in new solutions.

That's what we do.

Our oil industry investments are at an all-time low. They account for less than 3% of our portfolio—a number that continues to shrink.

Meanwhile, we just acquired a stake in Regional Power Inc., a Canadian renewable energy company.

With this \$130 million investment, we've added three hydroelectric plants already in operation and a number of renewable energy projects to our green infrastructure portfolio.

To date, we've invested \$1.2 billion in green infrastructure.

We're in the fight.
And we're fully committed to the clean energy transition.

Sharing the wealth

Desjardins is part of the social and economic fabric of Quebec and all of Canada.
Our business model is rooted in social justice.
And because of who we are, we can advocate strongly for a more equitable economy.

Our history and cooperative nature compel us to combat economic inequality however we can.
Economic inequality breeds social tension, division and exclusion.

Conversely, a healthy society supports and takes care of its people.
It's made up of strong communities where individual well-being begets collective well-being.

Because we're entrepreneurs, we believe that empowerment is the key to helping people become contributing members of society.

As a cooperative, Desjardins embodies this vision for sustainable development.

We're true to these values. We look beyond short-term gains. And we encourage community action. In a word, we're timeless.

Building the future with young people

We're an unwavering ally of young people because they will lead us where we need to go.

As I said earlier, I'm indebted to my predecessors and accountable to my successors. It's true for me, and it's true for all of us.

As citizens, parents, and leaders, our job is to pave the way for the next generation.
To educate, support and guide them and pass the torch to them.
That's what we do.

These may seem like old fashioned ideas.
But they're basic truths.
And they describe the coolest financial institution in Canada to a T.

We're both true to our roots and a symbol of modernity.
We've touched on something fundamental.
We've struck a chord that resonates with everyone, young and old alike.

So we should be proud to be part of Desjardins.
We should be proud to be part of our local communities.
And we should be proud to attribute meaning to our growth.

You represent progress.

You will write the next chapter in our 119-year history.

Thank you.