2013 marked the beginning of a new strategic planning cycle for Desjardins Group. We chose service, growth and efficiency as the three key priorities of our plan, which reflects our continued commitment to provide our members and clients with the best possible service.
ADVANTAGES FOR EVERYONE

ADVANTAGES FOR ME
2013 HIGHLIGHTS
As at December 31, 2013

MORE THAN 6 MILLION MEMBERS AND CLIENTS
5,106 ELECTED OFFICERS
45,219 EMPLOYEES

$81 MILLION IN DONATIONS AND SPONSORSHIPS

In Quebec and Ontario:
376 CAISSES
864 SERVICE OUTLETS
2,270 ATMs
44 BUSINESS CENTRES

We also offer financial and insurance services outside the caisse network at approximately
400 LOCATIONS across canada

$212 BILLION IN ASSETS
$1,530 MILLION IN SURPLUS EARNINGS

TIER 1a CAPITAL RATIO OF 15.7%
OPERATING INCOME OF $11,951 MILLION

13TH STRONGEST FINANCIAL INSTITUTION IN THE WORLD
On October 1, 2013, Bloomberg News ranked Desjardins 13th on its list of the World’s 20 Strongest Banks, ahead of all U.S. banks that made the list.

FOURTH SAFEST FINANCIAL INSTITUTION IN NORTH AMERICA
Desjardins took fourth place on the annual list of the World’s 50 Safest Banks, ahead of all U.S. financial institutions that made the list.

ONE OF THE 50 BEST CORPORATE CITIZENS IN CANADA
Toronto-based Corporate Knights Magazine ranked Desjardins eighth on its list of the 50 Best Corporate Citizens in Canada.

ONE OF THE WORLD’S MOST SUSTAINABLE COOPERATIVES
Desjardins was ranked the world’s third most sustainable cooperative by Corporate Knights Magazine.

ONE OF CANADA’S TOP EMPLOYERS
For a second year in a row, Desjardins Group was recognized as one of Canada’s Top 100 Employers by MediaCorp Canada.
MEMBER AND CLIENT ADVANTAGES

HELPING OUR MEMBERS FIND THE RIGHT FEE PLAN:
THE FIRST SERVICE OF ITS KIND IN THE INDUSTRY
With the Select a plan feature on AccèsD, Desjardins members can use their transaction histories to find out if there’s a better plan for them.
• Since it was launched, some 27,000 members have used this feature.

EASILY ACCESSIBLE SAVINGS PRODUCTS
A new range of online savings products are available exclusively to AccèsD users:
• High Interest S@vings Account
• Term S@vings (available for three- to five-year terms)

Members can also count on the expertise of our financial planners and advisors to help develop a financial plan or get advice about more complex products.

MEMBER-EXCLUSIVE ASSISTANCE SERVICES AT NO CHARGE
A Canadian first: We provide all our individual members with access to identity theft and travel assistance services, at no cost.

Identity Theft Assistance helps restore the identity of members whose personal information has been stolen or used fraudulently. Travel Assistance helps members deal with medical emergencies or other problems while they’re travelling in Canada or abroad, and also provides pre-trip advisory services.

SECURE FUND TRANSFERS
Available on the AccèsD website and mobile app, Interac e-Transfers are an easy way for members to transfer funds in Canadian dollars to anyone with an account at any financial institution in Canada. All they need is the recipient’s email address or mobile number.

As at December 31, 2013, Desjardins members:
• Sent 196,000 transfers
• Received 185,000 transfers

EASIER INTER-CAISSE WITHDRAWALS
Starting in 2013, members can now withdraw up to $5,000 from any Desjardins caisse provided they use their Desjardins debit card.
• Every year, our members make more than 200,000 inter-caisse withdrawals.

DESJARDINS MAKES BUYING A CAR EASY
1. The online preauthorization service available for the Desjardins Ready-to-Drive Loan makes it easy for our members to set a budget and shop for their next vehicle with peace of mind. Plus, they don’t have to disclose any personal financial information to the dealership.

2. We launched eSpaceAuto.com in April 2013—and welcomed nearly 195,000 visitors already! Some of the website’s features:
• Search tools to find and compare new and used cars
• Purchasing tools
• Quick access to Desjardins online services (insurance quotes and preauthorized financing)

3. With Ajusto, clients can SAVE UP TO 25% on their car insurance premiums.

Ajusto helps Desjardins Insurance clients save up to 25% on their car insurance premiums based on the way they drive.
• As at December 31, 2013, there were 43,784 clients participating in the Ajusto and Intelauto1 programs.

SOCIALLY RESPONSIBLE INVESTMENT
Our investment offering includes products from companies that ascribe to socially responsible and environmentally friendly practices.
• Total assets of our socially responsible investment funds in 2013: $1,299.8 million

FLEXIBLE BUSINESS TRANSFER SOLUTIONS
The Desjardins business transfer loan offers flexible financing terms and conditions that can be adapted to the specific needs of each member, with amortization periods of up to 10 years.

1. Intelauto is a similar program offered by The Personal, Desjardins’s group property and casualty insurance provider.
ACCESSIBILITY
AND PROXIMITY

THE NEW AND IMPROVED DESJARDINS.COM
The new Desjardins.com reflects the changing personal and professional needs of our members and clients. Features of the new website:
• Easier to navigate
• Quick links to transactional services
• New calculation and selection tools to give users the information they need to make informed decisions

ADAPTING TO NEW TRENDS
We’re always adapting our distribution models to better meet our members’ changing needs. In 2013 alone, our members made a total of 881 million online transactions—755 million via AccèsD and 126 million from their mobile devices.

Some caisses have also extended their business hours and are now open on weekends to better accommodate their members’ schedules.

Plus, many of our caisses participate in a telephone service\(^\d\) that’s available for members weekdays between 6:00 a.m. and 10:00 p.m. and weekends between 8:30 a.m. and 4:00 p.m.

HELPING THOSE IN FINANCIAL DIFFICULTY
We work to build strategic partnerships with organizations at the community level so that we can help people in need make the best decisions, and provide them with suitable financing solutions.

DESJARDINS MUTUAL ASSISTANCE FUNDS
Through the Desjardins Mutual Assistance Funds, we take a practical approach to personal financial planning: recipients are given a microloan, with flexible repayment terms, to help them meet their immediate essential needs.

2013 RESULTS:
Caisse participation rate: 59.6%
Number of loans granted: 661
Total loans: $406,717

TWO FINANCING PRODUCTS
FOR VERY SMALL BUSINESSES
The Créavenir program is a financing program designed to help young entrepreneurs get their businesses started.

2013 RESULTS:
Caisse participation rate: 21.8%
Total loans: $622,831
Total grants: $220,206

The Desjardins Microcredit to Businesses program provides micro-entrepreneurs and self-employed workers with the support they need to consolidate their business or get it off the ground.

2013 RESULTS:
Caisse participation rate: 30.1%
Total financing amount: $891,021

IN THE HEART OF TORONTO’S
FINANCIAL DISTRICT
In 2013, we opened a brand-new financial centre in Toronto offering the full range of Desjardins products and services:
• Personal and commercial banking services
• Card services
• Wealth management
• Online brokerage
• Property and casualty insurance
• Life and health insurance

DESJARDINS ON SOCIAL MEDIA
At Desjardins, we believe in the power of social media. Some statistics:
• 173,000 Facebook followers (Desjardins Group and caisse pages combined)
• 630,000 YouTube views
• 11,200 Twitter followers
• 25,800 LinkedIn members

152 caisses are active on Facebook, which they use to communicate with their members and get their feedback on various topics. More than one million people visit Desjardins’s Facebook pages every month.

\(^\d\) 96% OF MEMBERS SURVEYED WERE SATISFIED WITH THE SERVICE PROVIDED BY THE ADVISOR THEY SPOKE WITH.
CO-OPME EDUCATIONAL AND COOPERATIVE INITIATIVES

We launched the Co-opme Program three years ago as a way to develop initiatives for our members, our clients and the general public, while showcasing our commitment to cooperation and education.

2013 HIGHLIGHTS
• We invested nearly $15.9 million in Co-opme initiatives.
• The Co-opme section on Desjardins.com had more than 400,000 visitors.

SUPPORTING VOLUNTEER INVOLVEMENT THROUGH THE DESJARDINS FOUNDATION
The Desjardins Foundation hands out more scholarships in Quebec than any other non-profit organization. In 2013, it awarded more than $990,000 in awards and scholarships:
• 85 Desjardins Foundation Prizes for Volunteer Involvement
• 515 awards and scholarships to students across all disciplines and all levels of study in Quebec and Ontario

DESJARDINS MUTUAL ASSISTANCE CAMPAIGN – MORE THAN $400,000 RAISED FOR THE DESJARDINS FOUNDATION
Our employees, officers and retirees participated in the second annual Desjardins Mutual Assistance Campaign to raise money for United Way and the Desjardins Foundation.

MORE THAN $240,000 FOR SCHOOL DROPOUT PREVENTION INITIATIVES
The Desjardins Foundation invested 60% of the funds raised by the Desjardins Mutual Assistance Campaign in school dropout prevention initiatives. More than $240,000 will be given to programs that help young dropouts go back to school and follow their dreams.

A TAILOR-MADE PROGRAM FOR YOUNG ADULTS
Mes finances, mes choix is a French-language educational program designed to equip people between the ages of 16 and 25 with the tools they need to evaluate their options and make informed and responsible financial decisions.

It was launched as a pilot program in 2013 in the following four regions:
• Outaouais
• Est-de-Montréal
• Centre-du-Québec
• Haute-Gaspésie

2013 RESULTS:
• 4,404 registrations (including 1,631 participants who registered for more than one module)
• Satisfaction rate of 93% ("satisfied" and "very satisfied")
SUPPORTING OUR COMMUNITIES

ECONOMIC SPINOFFS

Desjardins is a driver of socioeconomic development in Canada. Primarily through our presence in sparsely populated areas in Quebec (where 32% of our service outlets are located), we contribute to the socioeconomic development of communities.

INDIRECT ECONOMIC SPINOFFS

For the years ended December 31 (in millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income taxes</td>
<td>$439</td>
<td>$428</td>
<td>$415</td>
</tr>
<tr>
<td>Indirect taxes</td>
<td>960</td>
<td>817</td>
<td>751</td>
</tr>
<tr>
<td>Salaries</td>
<td>2,541</td>
<td>2,396</td>
<td>2,321</td>
</tr>
<tr>
<td>Benefits</td>
<td>584</td>
<td>634</td>
<td>587</td>
</tr>
</tbody>
</table>

SUPPORTING BUSINESS OWNERS

We run a number of programs that provide development support to business owners, such as:

• Development capital investments from Capital régional et coopératif Desjardins
• Support programs for up-and-coming farmers
• Desjardins Entrepreneur Awards

CAPITAL INVESTMENTS MANAGED BY DESJARDINS VENTURE CAPITAL IN 2013

- Development capital investments (at cost) in Quebec: $835.2 million
- Investments (at cost) in cooperatives or other businesses located in resource regions: $203.9 million
- Number of Quebec businesses, cooperatives and funds supported: 407

COMMUNITY DEVELOPMENT FUNDS

Our Community Development Funds (CDFs) are a concrete example of the spirit of solidarity shared by Desjardins caisse members. In 2013, the CDFs paid out $37.2 million to support local initiatives.

An example of projects funded by the CDFs:

DAY TRIPS FOR SENIORS

Thanks to a new vehicle purchased by Partage Humanitaire, a charitable organization for seniors in Laval, it’ll be able to continue organizing 50 day trips a year for local seniors.

The purchase was made possible by a contribution from Caisse Desjardins de Chomedey. The project, nicknamed “independence on four wheels,” will help promote the social inclusion of people living in retirement homes.

DONATIONS, SPONSORSHIPS AND CHARITABLE PARTNERSHIPS

Year after year, we remain strongly involved in the communities we serve.

In 2013, we invested $81 MILLION in our communities through donations, sponsorships, charitable partnerships and scholarships.
DESMARDINS AND SUSTAINABLE DEVELOPMENT

In our 2013–2016 Strategic Plan, we adopted a set of socially responsible action priorities that will see the following principles incorporated into our financial product design process:

- Social responsibility
- Energy efficiency
- Waste management
- Responsible procurement
- Influential leadership for sustainable development

CARBON DISCLOSURE PROJECT

Desjardins Group is a signatory of the Carbon Disclosure Project, an initiative that encourages companies to disclose their greenhouse gas (GHG) emissions, management approaches, and climate-related risks and events.

In 2013, we put together a working group to conduct a high-level analysis of the climate change risks for all of our operations. The results of this work have now been incorporated into our overall risk management approach.

ECO-FRIENDLY EVENT PLANNING

In 2013, we held 16 eco-friendly events, eight of which were certified under Quebec standard BnQ 9700-253:

- 81.2% of waste was recycled or recovered (BnQ-certified events only)
- 381.5 metric tons of GHG were offset by carbon credits (all events)

ECO-FRIENDLY TRANSPORTATION CHOICES

Launched in 2010, our “A new route for your commute!” program encourages employees to use other transportation methods as an alternative to the one person, one car model.

In 2013:

- 138 three-month trial public transit passes were handed out to our employees in Lévis.
- 15,710 employees used the Desjardins shuttle, which made 790 trips. If these employees had each used their own car to make these trips, 655 metric tons of GHG emissions would have been added to the atmosphere, or the equivalent of 168 extra cars on the road.

GHG EMISSIONS

At Desjardins, we assess the climate impact of our operations every year under ISO 14064. Here’s a breakdown of our direct and indirect emissions for 2013:

- Total GHG emissions in metric tons of CO₂ equivalent: 42,629
- Emission intensity: 0.98 metric ton per employee
- Variation in emission intensity since 2008: +4%

2013 CAR-FREE CHALLENGE WINNER

We took first place in the supra-regional category of the 2013 car-free challenge (Défi sans auto). Some statistics:

- 48 participating employers
- 565 employees registered
- 4.5 metric tons of GHG emissions savings in a single day
INVESTING IN OUR PEOPLE

THE CHANGING ROLE OF THE ELECTED OFFICER

Elected officers have always been key players in the caisses. In 2013, we introduced a number of initiatives to increase the influence our officers have on caisse activities, as well as their influence within their regions, the group caisses and Desjardins Group.

At the 21st Congress of Elected Officers held in April 2013, delegates voted in favour of measures to:

- Increase the number of officers to ensure better member representation
- Improve officer representation, specifically equal gender representation on caisse boards and committees.
- Implement mechanisms enabling caisses to participate in the activities of their region or the groups they serve
- Ensure fairer representation of large caisses in Desjardins Group’s decision-making processes

CREATING THE CONDITIONS FOR JOB SATISFACTION

The success of our efforts to foster a stimulating working environment is evidenced by our employee retention and promotion rates.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee retention</td>
<td>95.3%</td>
</tr>
<tr>
<td>Employee promotion</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

REPRESENTATION OF WOMEN

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>24.9%</td>
</tr>
<tr>
<td>Managers</td>
<td>59.2%</td>
</tr>
<tr>
<td>Employees</td>
<td>74.7%</td>
</tr>
</tbody>
</table>

DESJARDINS COOPERATIVE INSTITUTE – OUR CORPORATE UNIVERSITY

The Desjardins Cooperative Institute (DCI) provides training for Desjardins officers, managers and employees. The DCI’s programs are developed to address the issues and needs of Desjardins Group.

- In 2013, officers from Desjardins and representatives from other cooperative groups signed up for the DCI’s programs.
- The DCI introduced a coaching approach for the collective skills development of senior managers.
- The DCI now offers a complete range of training programs designed for careers in the caisse network and Desjardins Business centres across Quebec and Ontario.
COOPERATION IN ACTION

A SHOW OF SOLIDARITY
In 2013, the derailment disaster in Lac-Mégantic and the Alberta floods brought an outpouring of support from thousands of people across Canada.

LAC-MÉGANTIC DERAILMENT
Desjardins Group introduced a series of measures to support the individuals and businesses affected by the tragedy. For example:
• Desjardins donated $500,0002 to the Red Cross.
• The caisse network set up an account to collect donations.
• A team of life and health insurance experts were on site for the first few weeks after the disaster to assist grieving members and clients.
• Claims advisors were on site to help victims submit claims.
• Financial assistance was provided through the Desjardins Disaster Relief Fund.

ALBERTA FLOODS
In June 2013, we pitched in with our subsidiary Western Financial Group to donate $200,000 to assist the victims of the floods that devastated many rural and urban communities in Alberta. We also raised funds for the Red Cross Alberta Floods Fund through the Quebec and Ontario caisse network.

SHARING OUR EXPERTISE AROUND THE WORLD THROUGH DID
For more than 40 years, we’ve been supporting the creation and growth of community-based financial institutions in developing and emerging countries through Développement international Desjardins (DID).

2013 HIGHLIGHTS
• Number of DID partner institution members and clients: 9,016,861
• Savings volume at these institutions: $3,913 million
• Outstanding credit volume: $3,998 million

SUPPORTING THE COOPERATIVE MOVEMENT
We share our expertise in cooperative governance and contribute financial support to a number of national and international cooperative organizations.

IN 2013, WE CONTRIBUTED NEARLY $1.8 MILLION TO COOPERATIVE ORGANIZATIONS.3

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2. $100,000 from the Desjardins Group Fund (a budget for corporate donations managed by the Desjardins Foundation) and $400,000 from the caisse network.
3. These amounts don’t include financial contributions made by the caisses to these cooperatives and other local/regional cooperatives.
BALANCE SHEET
AS AT DECEMBER 31

SOME HIGHLIGHTS FROM 2013

- Annual growth of 7.7% in total assets, which amounted to $212.0 billion as at December 31, 2013
- Residential mortgage loans outstanding up $5.5 billion, or 6.4%, to total $91.4 billion
- Quality loan portfolio, with a ratio of gross impaired loans to total gross loans of 0.33%
- Increase of 5.5% in savings recruitment, which amounted to $136.7 billion
- Year-over-year growth of $27.3 billion in assets under management and under administration, to total $334.2 billion at the end of 2013
- Tier 1a capital ratio of 15.7% as at December 31, 2013, still among the highest in the banking industry
- Investment in Qtrade Canada Inc. and acquisition of Coast Capital Insurance Services Ltd.
- Signing of an agreement on January 15, 2014, to acquire all the Canadian property and casualty and life and health insurance businesses of State Farm, as well as the shares of its Canadian mutual fund, loan and living benefits companies

BALANCE SHEETS AND RATIOS
As at December 31
(in millions of dollars, as a percentage and as a coefficient)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012(1)</th>
<th>2011(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance sheet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>$ 212,005</td>
<td>$ 196,818</td>
<td>$ 190,182</td>
</tr>
<tr>
<td>Net loans</td>
<td>140,533</td>
<td>132,576</td>
<td>125,154</td>
</tr>
<tr>
<td>Deposits</td>
<td>136,746</td>
<td>129,624</td>
<td>123,403</td>
</tr>
<tr>
<td>Equity</td>
<td>17,232</td>
<td>15,459</td>
<td>13,672</td>
</tr>
<tr>
<td><strong>Ratios</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1a capital(2)</td>
<td>15.7%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Tier 1 capital(2)</td>
<td>15.7%</td>
<td>16.8%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Total capital(2)</td>
<td>18.4%</td>
<td>19.3%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Gross impaired loans/gross loans</td>
<td>0.33%</td>
<td>0.35%</td>
<td>0.41%</td>
</tr>
<tr>
<td>Gross loans/deposits</td>
<td>1.03</td>
<td>1.03</td>
<td>1.02</td>
</tr>
</tbody>
</table>

(1) Data for 2012 and 2011 have been restated to reflect the application of new accounting policies that took effect on January 1, 2013.
(2) The 2013 ratios were calculated pursuant to the AMF guideline on the adequacy of capital base standards applicable to financial services cooperatives under Basel III, while the 2012 and 2011 ratios were calculated in accordance with Basel II.

LOAN DISTRIBUTION
BY BORROWER CATEGORY
As at December 31, 2013

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential mortgages</td>
<td>64.8%</td>
<td>61.5%</td>
<td>60.5%</td>
</tr>
<tr>
<td>Credit cards</td>
<td>20.1%</td>
<td>22.2%</td>
<td>22.9%</td>
</tr>
<tr>
<td>Consumer and other personal loans</td>
<td>5.9%</td>
<td>6.9%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Business</td>
<td>8.0%</td>
<td>8.4%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Government</td>
<td>1.2%</td>
<td>1.1%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

DEPOSITS BY CATEGORY
(in millions of dollars)

<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>82,486</td>
<td>84,415</td>
<td>86,730</td>
</tr>
<tr>
<td>Business and government</td>
<td>39,104</td>
<td>43,033</td>
<td>47,712</td>
</tr>
<tr>
<td>Deposit-taking institutions and other</td>
<td>1,813</td>
<td>2,176</td>
<td>2,304</td>
</tr>
</tbody>
</table>
FINANCIAL RESULTS AS AT DECEMBER 31

SOME HIGHLIGHTS FROM 2013

- Combined surplus earnings before member dividends of $1,530 million, up from 2012
- A total of $252 million returned to members and the community, including the provision for member dividends, sponsorships and donations
- Growth of 5.8% in operating income, which totalled $12.0 billion
- Productivity index of 73.5% comparable to the 2012 ratio

FINANCIAL RESULTS AND RATIOS
For the years ended December 31
(in millions of dollars and as a percentage)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012(1)</th>
<th>2011(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Results</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>$3,818</td>
<td>$3,848</td>
<td>$3,921</td>
</tr>
<tr>
<td>Net premiums</td>
<td>5,558</td>
<td>5,126</td>
<td>4,851</td>
</tr>
<tr>
<td>Other operating income</td>
<td>2,575</td>
<td>2,326</td>
<td>2,164</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>11,951</td>
<td>11,300</td>
<td>10,936</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>(217)</td>
<td>1,178</td>
<td>2,269</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>11,734</td>
<td>12,478</td>
<td>13,205</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>277</td>
<td>241</td>
<td>237</td>
</tr>
<tr>
<td>Claims, benefits, annuities and changes in insurance and investment contract liabilities</td>
<td>3,259</td>
<td>4,397</td>
<td>5,292</td>
</tr>
<tr>
<td>Non-interest expense</td>
<td>6,229</td>
<td>5,908</td>
<td>5,749</td>
</tr>
<tr>
<td>Income taxes on surplus earnings</td>
<td>439</td>
<td>428</td>
<td>415</td>
</tr>
<tr>
<td><strong>Surplus earnings before member dividends</strong></td>
<td>$1,530</td>
<td>$1,504</td>
<td>$1,512</td>
</tr>
<tr>
<td><strong>Amount returned to members and the community</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for member dividends</td>
<td>$171</td>
<td>$279</td>
<td>$320</td>
</tr>
<tr>
<td>Sponsorships and donations</td>
<td>81</td>
<td>85</td>
<td>81</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$252</td>
<td>$364</td>
<td>$401</td>
</tr>
<tr>
<td><strong>Ratios</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on equity</td>
<td>9.4%</td>
<td>10.2%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Productivity index</td>
<td>73.5%</td>
<td>73.1%</td>
<td>71.1%</td>
</tr>
</tbody>
</table>

(1) Data for 2012 and 2011 have been restated to reflect the application of new accounting policies that took effect on January 1, 2013.
SEGMENT HIGHLIGHTS

PERSONAL SERVICES AND BUSINESS AND INSTITUTIONAL SERVICES
• Quebec’s leader in residential mortgages and a leading player in consumer loans, including point-of-sale financing, with market shares of 35.4% and 23.0%, respectively
• Annual growth of 6.2% in the outstanding volume of business loans, to total $27.5 billion as at December 31, 2013
• Number one credit and debit card issuer in Quebec. More than 5.3 million credit cards and 5.7 million debit cards issued by Card and Payment Services in Canada
• Annual growth of $2.9 billion in on-balance sheet savings in Quebec, helping Desjardins maintain the leadership in the province with a 43.3% market share

WEALTH MANAGEMENT AND LIFE AND HEALTH INSURANCE
• Growth of 76.9% in net sales of Desjardins Funds to reach $1,744 million compared to $986 million in 2012
• Increase of 8.0% in net life and health insurance premium volume
• Growth of 16.5% in net sales for the Private Management Group. Assets under management amounted to $4.1 billion at the end of 2013
• Increase of 145.3% in total sales of group retirement savings products, which reached the $1 billion mark

PROPERTY AND CASUALTY INSURANCE
• Growth of $152 million in net premiums, which totalled $2.1 billion, a 7.7% increase compared to 2012
• A positive underwriting experience for a 21st consecutive year, a remarkable performance in a cyclical industry
• Improvement in the loss ratio to 65.5% in 2013, compared to 69.1% in 2012
• 52,000 additional clients insured by Desjardins General Insurance Group Inc., bringing the total number of clients to 1.96 million

SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS
(in millions of dollars)

<table>
<thead>
<tr>
<th>Contribution to combined surplus earnings by business segment</th>
<th>2013</th>
<th>2012(1)</th>
<th>2011(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services and Business and Institutional Services</td>
<td>$ 807</td>
<td>$ 811</td>
<td>$ 919</td>
</tr>
<tr>
<td>Wealth Management and Life and Health Insurance</td>
<td>389</td>
<td>231</td>
<td>273</td>
</tr>
<tr>
<td>Property and Casualty Insurance</td>
<td>212</td>
<td>200</td>
<td>142</td>
</tr>
<tr>
<td>Other</td>
<td>122</td>
<td>262</td>
<td>178</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,530</td>
<td>$ 1,504</td>
<td>$ 1,512</td>
</tr>
</tbody>
</table>

(1) Data for 2012 and 2011 have been restated to reflect the application of new accounting policies that took effect on January 1, 2013.

SEGMENT CONTRIBUTION TO SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS IN 2013

- Personal Services and Business and Institutional Services: 8.0%
- Wealth Management and Life and Health Insurance: 13.9%
- Property and Casualty Insurance: 25.4%
- Other: 52.7%
CREDIT RATINGS AND MATERIAL EVENTS

CREDIT RATINGS OF SECURITIES ISSUED BY DESJARDINS GROUP

<table>
<thead>
<tr>
<th></th>
<th>DBRS</th>
<th>STANDARD &amp; POOR’S</th>
<th>MOODY’S</th>
<th>FITCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caisse centrale Desjardins</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>R-1 (high)</td>
<td>A-1</td>
<td>P-1</td>
<td>F1+</td>
</tr>
<tr>
<td>Medium- and long-term, senior</td>
<td>AA</td>
<td>A+</td>
<td>Aa2</td>
<td>AA-</td>
</tr>
<tr>
<td>Capital Desjardins inc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium- and long-term, senior</td>
<td>AA (low)</td>
<td>A</td>
<td>A2</td>
<td>A+</td>
</tr>
</tbody>
</table>

In the first quarter of 2013, Moody’s downgraded the credit ratings of Caisse centrale Desjardins and Capital Desjardins inc., as well as the ratings of five other Canadian financial institutions. This agency stated that this decision was essentially due to the economic situation in Canada, which showed signs for concern such as high consumer debt levels and elevated housing prices. Moody’s also said that financial institutions are more vulnerable than in the past to downside risks weighing on the Canadian economy. Desjardins Group management is of the opinion that this decision has more to do with this agency’s concern about Canada’s economic situation than with the quality of Desjardins Group’s loan portfolio or balance sheet.

In the following quarters, the four rating agencies confirmed the credit ratings of the securities issued by Desjardins Group. Moreover, the outlook for these ratings is stable.

Following the announcement on January 15, 2014, of the agreement reached by Desjardins Group to acquire State Farm’s Canadian businesses, Standard & Poor’s, Moody’s and DBRS stated that Desjardins’s credit rating had not changed.

On January 24, 2014, Fitch affirmed the credit ratings of Caisse centrale Desjardins and Capital Desjardins inc., as well as those of the six major Canadian banks. The agency mentioned that these financial institutions were well positioned to deal with deterioration in the real estate market and consumer credit conditions because of their stable surplus earnings, good credit quality, excellent funding and liquidity positions and sound capital ratios. On January 27, 2014, Moody’s reaffirmed the ratings of Caisse centrale Desjardins and Capital Desjardins inc., both with a stable outlook.

CAISSE CENTRALE DESJARDINS AND CAPITAL DESJARDINS INC. THUS HAVE CREDIT RATINGS THAT ARE AMONG THE BEST OF THE MAJOR CANADIAN AND INTERNATIONAL BANKING INSTITUTIONS.

ACQUISITIONS

QTRADE CANADA INC.
On April 3, 2013, Desjardins Group acquired, through Desjardins Financial Corporation Inc., a wholly owned subsidiary of the Federation, 40% of the outstanding shares of Qtrade Canada Inc. (Qtrade) on a fully diluted basis for an aggregate amount of $65 million. Qtrade is a company specializing in online brokerage and wealth management services, primarily for credit unions.

COAST CAPITAL INSURANCE SERVICES LTD.
On July 2, 2013, Desjardins Group acquired, through Western Financial Group Inc., a wholly owned subsidiary of Desjardins Financial Corporation Inc., 100% of the outstanding shares of Coast Capital Insurance Services Ltd. (CCIS) for an aggregate amount of $99 million, in addition to CCIS’s excess working capital of $17 million. CCIS offers property and casualty and commercial insurance products on the western Canada retail market.

SUBSEQUENT EVENTS

ACQUISITION OF STATE FARM’S CANADIAN BUSINESS
On January 15, 2014, Desjardins Group entered into a final agreement to acquire all the property and casualty and life and health insurance businesses of State Farm, as well as the shares of its Canadian mutual fund, loan and living benefits companies.

As part of the agreement, State Farm will invest $450 million in non-voting preferred shares of Desjardins Group’s property and casualty insurance main subsidiary, while Groupe des assurances du Crédit Mutuel s.a., currently a minority partner in this property and casualty insurance subsidiary, will invest $200 million in common shares, non-voting preferred shares and subordinated notes.

Desjardins Group will also allocate approximately $700 million in additional capital in the same property in casualty subsidiary to promote post-acquisition growth. In addition, its life and health insurance subsidiary and other entities will allocate approximately $250 million in capital for the life and health insurance, mutual fund, loan and living benefits components acquired from State Farm.

The transaction is expected to close on January 1, 2015, subject to approval from regulators and compliance with customary closing conditions.
This annual review was produced by the Desjardins Group Marketing, Member-Client Experience and Communications Executive Division, the Finance Division and the Governance and Social Responsibility Division and Secretariat General.