

At your side



We hear you

Message from the President of Desjardins Financial Security



Like last year, in 2023, the global economy was shaken by climate change, geopolitical tensions, rampant inflation and high rates. We've continued to listen closely to our members and clients and remained focused on finding ways to support their financial empowerment.

Creating a simpler experience

Our members and clients have told us they want it to be easy to do business with us online. With that in mind, we rolled out practical new solutions in 2023. For example, our clients can now look up information about their individual insurance online or in our app. Group plan members can use our online simulator to find out the cost of drugs and the price at nearby pharmacies. They can also check their available balance for claims online any time. We're also automating some processes to make things easier for our members and clients. Thanks to automation, we can now instantly process nearly 6,000 more healthcare claims per day and make payments within 48 hours. Processing times are also now faster for our members and clients reinvesting in Desjardins Funds. We've cut average times from a few days to 24 hours.

An expanded, compassionate offer

Throughout the year, we looked for ways to improve our insurance and savings products to meet the changing needs of our clients. For example, to show our support for our members and clients and for the values of equity, diversity and inclusion, we rolled out new offers that support and value people for who they are. In 2022, we added gender affirmation coverage to our group insurance, and this past year we added Family Focus. Family Focus addresses the needs of our insureds looking to grow their family. We've expanded our offer to include adoption, surrogacy and clinic services. We're no stranger to innovation when it comes to financially empowering investors either. We became the first financial institution in Canada to offer advanced life deferred annuities. That means our advisors now have another tool in their belt to help clients manage the risk of outliving their savings. We continue to work hard to remain a leader in responsible investment. Our current lineup includes roughly 50 funds and portfolios.

Making headway with a stronger presence across Canada

Despite the challenging environment for wealth management, sales of annuities paid surpassed \$1 billion for the second year in a row. We also saw good growth in life and health insurance, especially in individual insurance, where sales jumped by 20% compared to the previous year. On March 1, 2023, we marked a major milestone in our corporate history: Desjardins closed the transaction to acquire Worldsource's independent distribution activities for individual savings and insurance products. We're proud to welcome the expertise of a new team and 5,000 independent advisors across Canada. This acquisition will help us continue our growth as an influential player across Canada in 2024.

Recognition from the Canadian industry

In November, for the second year in a row, Desjardins Financial Security won Life & Health Insurer of the Year at the Insurance Business Canada Awards. We also took home several awards at the 2023 LSEG Lipper Funds Awards, with 4 Desjardins investment funds winning top honours. In closing, I'd like to thank our entire team for all the hard work that made these achievements possible. I'd also like to remind our members and clients that we care about their financial empowerment and are here to support them.

Denis Dubois
President and Chief Operating Office

2023 financial results

Years ended December 31
(in millions of dollars)

Select financial figures	2023	2022
Insurance service result	586	574
Net finance result	177	150
Insurance premiums	5,128	4,797
Investment premiums and segregated fund deposits	5,799	5,289
Assets under management and administration	155,144	142,980
Equity	2,823	2,913
Insurance in force	353,837	337,826
Net income	350	330

Key indicators	2023	2022
Total contractual service margin	2,594	2,628
Contractual service margin on new business	54	52
Growth in insurance premiums	6.9%	4.6%
Growth of assets under management and administration	8.5%	-8.2%
Return on equity	12.2%	11.1% ¹
Capital adequacy requirement – Insurance of persons (CARLI)	137.6%	129.8% ²
Employees	5,867	6,057

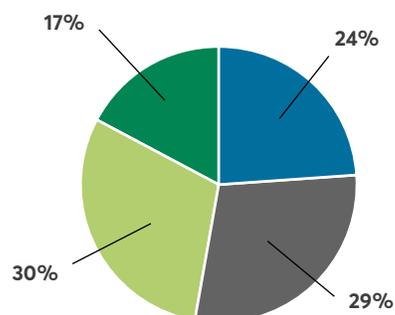
¹As permitted by IFRS 17, Desjardins Group has chosen to recognize the impact of the reclassification of its investments related to insurance activities as of January 1, 2023 and, therefore, not to restate the comparative period for this item. This could therefore limit the comparability of the results with the previous period.

²As reported and not restated after implementing IFRS 17.

Highlights

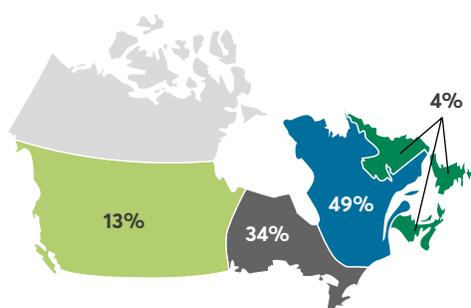
- Largest increase in insurance premiums in the last 6 years, bringing total administered premiums to more than \$5.6 billion
- Over \$1 billion in annuities paid sales for the second year in a row
- 20% increase in individual insurance sales
- Continued strong capitalization, providing stability for members and clients
- Return on equity of 12.2% thanks to sustained profitability despite economic volatility

Distribution of assets under management



- General funds
- Market-linked guaranteed investments (MLGIs)
- Mutual funds (Desjardins Funds)
- Segregated funds

Geographic distribution of business (based on gross premiums written)



- Quebec
- Ontario
- Western provinces
- Atlantic provinces

Market rankings

(based on volume of gross premiums written in 2022)

Insurance

#1 in Québec | #4 in Canada

Insurance and annuities

#3 in Québec | #5 in Canada

Market-linked guaranteed investments

(based on assets under management of 2022)

#1 in Québec | #1 in Canada

Mutual funds

(based on assets under management as at September 30, 2023)

#3 in Québec | #12 in Canada