



Solid Foundations For Your Financial Security

2009 Edition



Desjardins
Financial Security®

Money working for people

Life, health, retirement

Desjardins Financial Security

A Life and Health Insurance Company With Solid Foundations

Desjardins Financial Security offers a **flexible array** of life and health insurance, as well as savings and retirement products and services, designed to meet the changing financial security needs of individuals, groups and businesses. These products and services are offered through employees and partners committed to ensuring the satisfaction of over five million Canadians.

The result of mergers involving some twenty insurance companies and portfolios, including Desjardins-Laurentian Life Assurance and The Imperial Life Assurance Company of Canada, and boasting **more than one hundred years of experience**, Desjardins Financial Security, which pioneered the concept of AssurFinance* in this country, now ranks fifth among life and health insurers in Canada and first in Quebec in terms of written premiums.

Desjardins Financial Security provides tailor-made combinations of **life and health insurance** coverage to protect its clients against the financial repercussions of accidents, illness and death, as well as innovative **savings solutions** to give them the peace of mind to truly enjoy life, both before and after retirement.

To accommodate the individual preferences of its various clienteles, Desjardins Financial Security gives individuals and groups **diversified access** to its products and services through a variety of distribution channels, including the financial centres of SFL and SFL Investments Financial Services Firm in Quebec and the financial centres of Desjardins Financial Security Independent Network and Desjardins Financial Security Investments in the other Canadian provinces. We also distribute our products through financial institutions, such as the Desjardins caisses, Desjardins Business Centres and Desjardins Credit Union branches, as well as many group plan representatives, consulting actuaries, brokers and general managing agents (MGA) across Canada. Some of our products can also be purchased directly, either on line or by phone.

In addition to our head office in Lévis (Quebec), we also have branches in several cities across Canada, including Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montréal, Québec, Halifax, and St. John's (Newfoundland & Labrador).

Our subsidiaries:

Desjardins Financial Security Investments Inc. is a mutual fund investment and insurance brokerage firm that gives our distribution partners access to the products of more than 15 Canadian insurance manufacturers and over 70 manufacturers of mutual funds.

Our other subsidiary, **Sigma Assistel Inc.**, offers the widest range of 24/7 telephone assistance services in the country, including travel, roadside, legal, identity-theft and restoration assistance services, as well as employee assistance programs (EAPs). Sigma Assistel has been ISO 9001:2000 certified for quality.

* The Desjardins caisses have been offering Desjardins Financial Security products and services, such as Loan Insurance, directly to their members for more than 50 years.

Solid foundations

Desjardins Financial Security has solid foundations on which customers can build a future for themselves and their loved ones with confidence.

Results as at December 31, 2008

Total revenue	\$2.9B
Net premiums (insurance and annuities)	\$2.9B
In-force insurance	\$183.5B
General Fund assets	\$13.8B
Segregated funds	\$2.0B
Mutual funds	\$3.9B
Assets under management and administration	\$19.7B
Net income	\$34.5M
Return on shareholder's equity	5.9%

- Return on shareholder's equity exceeds that of most leading insurers. Excluding the impact of the financial crisis, return on shareholder's equity would have been 24.0%.
- Excluding losses associated with the financial crisis, income would have totalled \$190.6M, reflecting Desjardins Financial Security's sound operating base.
- Desjardins Financial Security's capitalization continues to exceed the expectations of the regulatory authorities, despite the turmoil on the financial markets worldwide.
- Desjardins Financial Security's capitalization ratio is currently within the target range (180%–210%) set out in its capital management policy, without any need to access additional capital.
- Desjardins Financial Security benefits from the excellent ratings that Caisse centrale Desjardins receives from the credit rating agencies. (See the "Recognized financial stability" section.)

Highlights of 2008 operating results

- Net premiums of \$2.9 billion, up 11.4%
 - Insurance premium growth outside Quebec of 17.0%
 - Insurance premium growth in Quebec of 6.4%
 - Administered premium growth in group insurance of 10.7%
- Individual insurance sales up 5.0%
- Significant growth in savings product sales
 - Group retirement sales growth of 19.0%
 - Individual savings sales growth of 71.7%
- Premiums from the sale of direct distribution products up 17.1%
- Total volume of life-insured credit up 7.8%
- In-force insurance growth of 7.3%

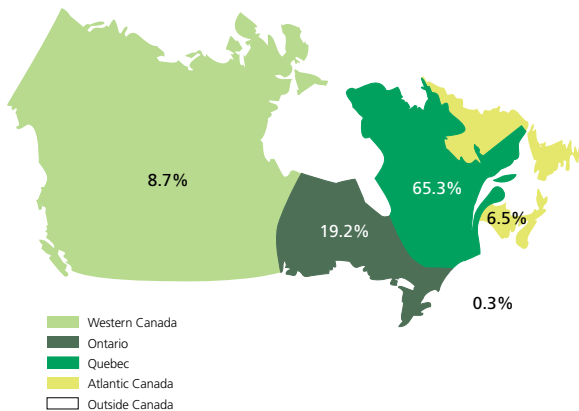
A secure high-quality investment portfolio

- Desjardins Financial Security has a high-quality investment portfolio that is more secure than the industry average, with a government bond weighting exceeding that of the industry.
- The quality of the bond portfolio remained high in 2008. Government bonds account for 75.9% of the bond portfolio and 92.0% of bond securities are rated A or higher.
- 72% of the \$3.3B invested in mortgage loans is insured by the Canada Mortgage and Housing Corporation (CMHC) and 99% of the insured loans portfolio is rated of "very high quality". Less than 0.1% of mortgages are in default.
- The market value of real estate, which amounts to \$1.4B, exceeds the carrying value by 42.3%.
- No losses are due to the bankruptcy of major U.S. financial institutions.

Investment portfolio of Desjardins Financial Security clients

- Only clients whose investments were exposed to the financial markets recorded drops in investment yield.
- In individual savings, all Desjardins Financial Security investment products have capital guarantees (a 100% guarantee in the majority of cases) that protect the contract holders.
- Desjardins Financial Security is a member of Assuris, an organization established by the industry to protect the deposits and insured capital of Canadians against the insolvency of their life insurance companies.

Geographic distribution of activities



At a glance

- More than five million clients and policyholders
- Fifth largest life insurer in Canada in terms of written premiums
- Pioneer of AssurFinance in Canada
- Comprehensive range of life insurance, health insurance, savings and retirement products for individuals, groups and businesses
- Offices in several major cities across Canada
- Multiple distribution channels allowing customers to be served according to their preference

Desjardins Financial Security

One-of-a-kind Expertise!

Some 3,800 managers and employees and close to 6,000 financial services representatives and brokers combine innovation and prudence to ensure Desjardins Financial Security's growth and enhance its ability to respond effectively to the changing needs of individuals and groups. Their only goal is to ensure the financial security of over five million Canadians who place their trust in us.



Desjardins Financial Security is part of Desjardins Group

The Largest Cooperative Financial Group in Canada



Desjardins is much more than a bank. It is the largest cooperative financial group in Canada. Through the complementary operations of its network of caisses and more than twenty subsidiaries, Desjardins Group offers a diversified range of competitively-priced financial services, available worldwide and around the clock, tailored to the needs of its caisse member-owners and its clients.

Its strength as a financial group, coupled with a highly disciplined approach to managing the collective wealth of members and clients, allows Desjardins to record enviable results. With assets totalling some \$152.3 billion, Desjardins has the distinction of being the top financial institution in Quebec, the sixth-largest in Canada, eighteenth in North America and among the top 100 in the world. What's more, Desjardins Group was ranked among Canada's 50 Best Employers for 2009 by the prestigious *Report on Business* magazine.

With its caisses and business centres, its subsidiaries' distribution networks and numerous virtual access options (including one of the most popular financial Web sites), Desjardins is also the most accessible financial institution in Quebec. Through its numerous affiliates, Desjardins has also been able to increase its presence elsewhere in Canada, particularly in Ontario. Its name is also becoming increasingly well known abroad where it is recognized as a leader and serves as a model in many spheres of activity, such as international cooperation.

Desjardins has been able to remain true to its mission of contributing to the economic and social well-being of individuals and groups for 108 years thanks to its financial performance, cooperative difference, committed elected officers and some 42,000 engaged employees across Canada.

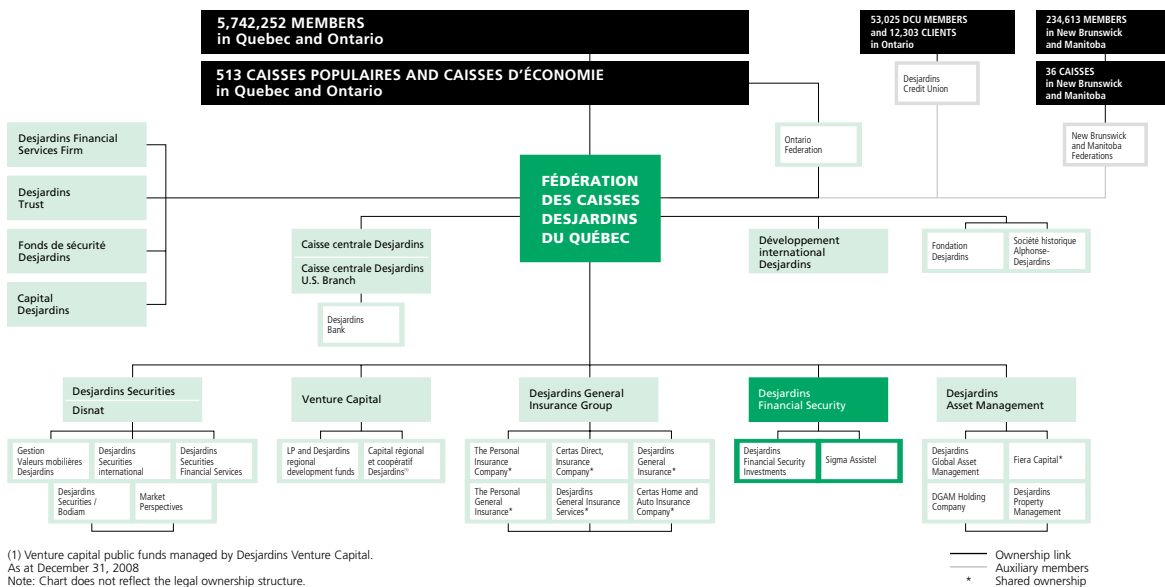
Desjardins Group represents:

- \$152.3 billion in assets
- Some 5.8 million members, including close to 400,000 businesses
- 6,299 elected officers in Ontario and Quebec
- Some 42,000 dedicated employees across Canada
- 1,396 points of service in Quebec and Ontario: 513 caisses/branches and 883 service centres
- 113 points of service in Manitoba and New Brunswick: 36 affiliated caisses and 77 service centres
- 48 business centres in Quebec and 3 in Ontario
- 32 Desjardins Credit Union points of service in Ontario
- Some 20 subsidiary companies offering a full range of financial services, many of them active in several Canadian provinces
- 3 Desjardins Bank branches in Florida and a branch of Caisse centrale Desjardins in the United States
- A state-of-the-art, high-tech virtual network (automated teller machines and online services)

Recognized financial stability

- Desjardins Group Tier 1 capitalization ratio remains among the best in the industry.
- Desjardins Group credit ratings continue to be among the highest in Canada. The strength of Desjardins is reflected in the high scores Caisse centrale Desjardins receives from the credit rating agencies:

Standard and Poor's	AA-
Moody's	Aa1
Dominion Bond Ratings Service	AA



Desjardins Financial Security is a subsidiary of Desjardins Group, the largest cooperative financial group in Canada.

Mission

To meet the changing financial security needs of individuals and groups by offering them a flexible array of life and health insurance, as well as savings and retirement products, through employees and partners who are dedicated to ensuring the satisfaction of Desjardins caisse members and clients.

Values

Passion for the customer, integrity and commitment, innovation and efficiency, importance of employees, collective results and social commitment.

| VANCOUVER

| CALGARY

| WINNIPEG

| TORONTO

| OTTAWA

| MONTRÉAL

| QUÉBEC

| LÉVIS

| HALIFAX

| ST. JOHN'S



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Money working for people

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Version française

Cette brochure et d'autres publications peuvent être consultées
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