

THE DESJARDINS ADVANTAGE

2015 ANNUAL REPORT
DESJARDINS GROUP
PENSION PLAN



Cooperating in building the future

BEING A DESJARDINS EMPLOYEE OR RETIREE
HAS ITS ADVANTAGES

OUR MISSION

ENSURING THE DGPP HAS SUFFICIENT FUNDS
TO MEET OBLIGATIONS
TO PLAN MEMBERS AND EMPLOYERS
WHILE MINIMIZING RISK

VISIT THE DESJARDINS GROUP PENSION PLAN
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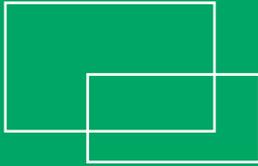


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MESSAGE FROM THE COMMITTEE CHAIR

2015: AN EXCELLENT YEAR FOR THE PLAN

The Desjardins Group Pension Plan (the “DGPP” or the “Plan”) performed very well in 2015, generating a return of 8.2%. The fact that we achieved this result in an environment marked by uncertain economic conditions and volatile markets confirms that we are on the right track with the proactive and rigorous management approach and with the initiatives we have in place. Over the past seven years, the Plan has recorded an average return of 10.2%, nearly twice the long-term investment objective of 5.5% needed to meet all Plan member obligations.

One of the 2015 highlights that had a very positive impact was the adoption of Bill 57, an *Act to amend the Supplemental Pension Plans Act mainly with respect to the funding of defined benefit pension plans*. The Act is a compromise between providing benefit security and respecting plan sponsors’ funding ability. The adoption of the legislation and excellent returns have enabled us to significantly strengthen the Plan’s financial position. Over the past year the Plan’s funding ratio, which measures its ability to meet future obligations, grew from 89% to approximately 101%. This 12% increase restores the DGPP’s excellent financial position and balance.

The performance is the direct result of the major priorities identified in 2012 as part of a global action plan aimed at ensuring the Plan’s stability and sustainability. Among the different measures implemented under the global action plan, I would like to mention in particular the extension of the bond portfolio’s duration in order to achieve a better match with liabilities. The measures were once again instrumental in protecting Plan assets against weak interest rates and stock market instability in 2015.

GROWING OUR SHARE OF THE RENEWABLE ENERGY MARKET

Over the past few years we have been building substantial real estate and infrastructure investment portfolios in an effort to have greater income stability and better protection against inflation. The portfolios, worth over a billion dollars each, continue to secure the Plan’s financial position.

In the infrastructure sector in particular, the Plan in partnership with Desjardins insurance subsidiaries made its biggest transaction to date when it invested \$140 million in the Rivière-du-Moulin wind farm. A transaction of this scale enhances the international reputation and credibility the DGPP has acquired for its sustainable energy investments, which account for 51% of the infrastructure portfolio’s value. The investments support the renewable energy sector and promote the energy transition that is coming to Quebec and the rest of the world.



Rivière-du-Moulin wind farm, Quebec

DID YOU KNOW?

FOLLOWING THE FINANCIAL CRISIS,
THE PLAN IS NOW BACK IN BALANCE
ON A GOING CONCERN BASIS

STRONG GOVERNANCE STRUCTURE

The structure implemented by the Retirement Committee to ensure the Plan's sound governance has been very effective over the past few years. Under this structure, the Investment Committee recommends a general investment policy, with an investment plan and rules for balancing the portfolio, to the Retirement Committee. The Risk Management Advisory Committee analyzes the major risks associated with the management of the DGPP's activities and issues opinions on its investments projects. The DGPP Steering Committee, which was created by the employer, oversees the evolution and priorities of the Plan, and the Investment Advisory Committee supports the asset managers in their decision-making for large-scale investment projects. The various committees help the Retirement Committee manage the Plan assets responsibly and prudently, thereby ensuring sound stewardship.

A TEAM OF PROFESSIONALS SERVING PLAN MEMBERS

Once again I would like to underscore the excellent work of the Member Services team. They outdid themselves once more this year, achieving an overall satisfaction rate of 99% for the outstanding support they gave the Plan's 61,000 members. The commitment of the team members, combined with the expertise of the administrators, managers and actuaries, once again helped strengthen the Plan for the benefit of its members.

ACKNOWLEDGEMENTS

I would like to extend my sincere thanks to the members who left the Retirement Committee in 2015, starting with Serges Chamberland, who has served the committee for the past nine years, and chaired it for three years, before I was fortunate enough to succeed him last June. Thank you to Normand Deschênes who left the committee last year after a four-year mandate as an observer representing retirees, beneficiaries and Plan members entitled to a deferred pension. Julie Goulet's mandate also ended in 2015 and I would like to thank her for so ably representing the active Plan members of the caisses for the past three years. I would also like to thank Marie H el ene Noiseux, the Director of the Finance Department at UQAM's School of Management, for supporting the Retirement Committee in 2015 as an external member.

Lastly, I would like to thank all those whose steadfast commitment and support are essential to the Plan's success: the members of the Retirement Committee, Daniel Dupuis, Senior Vice-President of Finance and Chief Financial Officer of Desjardins Group, and the DGPP Division team.

In 2016 and in years to come, we plan to stay the course and continue to work with all stakeholders to ensure that the Desjardins Group Pension Plan is managed proactively and diligently, thereby ensuring that being a Desjardins employee or retiree always has its advantages.



Jean-Robert Laporte

Chair of the Retirement Committee

2015 HIGHLIGHTS

This is the 7th year in a row that the DGPP has generated positive returns, thanks once again to the depth of its expertise. The Plan posted an excellent return of 8.2% in 2015, clearly exceeding the target needed to meet obligations to Plan members. The adoption of Bill 57, combined with the level of returns achieved, had a positive impact on the funding ratio, which grew from 89% to approximately 101%, restoring the Plan's financial health. These accomplishments are the result of the priority targets set in 2012 in the context of a global action plan, which seeks to ensure the stability and sustainability of the Plan.



101.1%*
FUNDING



\$10.6B
NET ASSETS



8.2%
RETURN



\$792M
INVESTMENT
INCOME



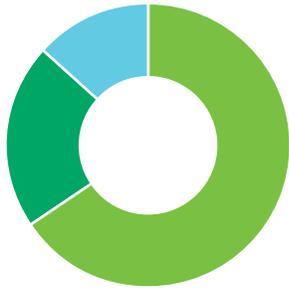
9.3%
5-YEAR
RETURN



7th
CONSECUTIVE
YEAR OF
POSITIVE
RETURNS

* Bill 57 was adopted in 2015 and came into force on January 1, 2016. The regulation, which will be published in 2016, will set out the details for the Plan's funding. As a result, the funding ratio presented in this report is an **estimate**, which will be revised as soon as possible.

PLAN MEMBERS

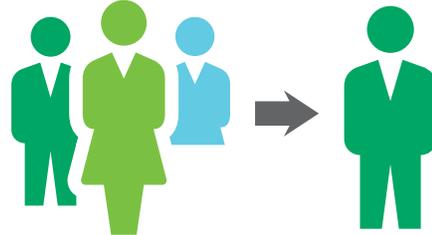


■ 38,259 ACTIVE
■ 14,725 RETIREES
■ 7,905 DEFERRED

60,889

RATIO OF ACTIVE TO RETIRED MEMBERS

2.6 TO 1



1,457 NEW RETIREES

PROPORTION

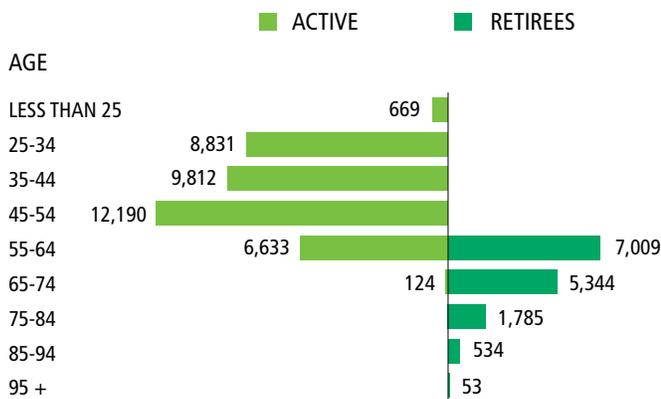


71%



29%

DEMOGRAPHIC PROFILE



60 YEARS

AVERAGE AGE OF RETIREMENT



\$792M INVESTMENT INCOME

\$364M EMPLOYER CONTRIBUTIONS

\$96M EMPLOYER INJECTION

\$199M EMPLOYEE CONTRIBUTIONS

TOTAL: \$1,451M

\$327M PENSION BENEFITS

\$88M TERMINATIONS AND DEATHS

\$10M ADMINISTRATIVE EXPENSES

TOTAL: \$425M



FINANCIAL POSITION OF THE PLAN

GLOBAL ACTION PLAN

Like other Canadian pension plans, especially defined benefit plans, the DGPP has been under intense pressure in terms of funding as a result of the 2008 financial crisis because of low interest rates and financial market volatility. To deal with this situation and stabilize the Plan's financial position and ensure its sustainability, in 2012 a global action plan was developed by the Desjardins Retirement Committee jointly with the employer. The plan had three focus points: managing the existing deficit, future service benefits and accounting.

Some bold steps were taken, including a review of the Plan's benefits for service after January 1, 2013. Hence, the future cost of the Plan was reduced by 30%, which should mitigate benefit funding risks in the future.

With respect to the management of the pension fund, some major and innovative measures were also taken to strengthen the long-term management strategy. The Retirement Committee, guided by the Plan's obligations to current and future retirees rather than focusing exclusively on the pursuit of returns, adopted investing strategies that were even safer and also better adapted to the demographic changes impacting the Plan. This resulted in:

- Less risky and less volatile investments that will ensure a stable source of income while providing good long-term returns, for all of the Plan's asset classes.
- Large-scale investments in real estate and infrastructure, a major strategy in the global action plan to restore the Plan's balance and ensure its sustainability.
- A better match between the Plan's assets and liabilities, which are the Plan's obligations, to ensure greater contribution stability and better cost control.

To fund the Plan's deficit a little faster and achieve balance, it was also decided that the special contributions would be maintained until the Plan's deficits had been eliminated and that participating employers would be asked for injections of capital rather than letters of credit. Since 2012, these injections have totalled \$736 million, including an injection of \$95.6 million in 2015.

To ensure the Plan's sound governance, the Retirement Committee created a Risk Management Advisory Committee. In turn, the employer created the DGPP Steering Committee, which is made up of members of Desjardins Group senior management, to monitor Plan changes and priorities, as well as an Investment Advisory Committee to support asset managers in their large-scale investment decisions.

ADOPTION OF BILL 57

The Act to amend the Supplemental Plans Act *mainly with respect to the funding of defined benefit plans* was adopted on November 26, 2015 and came into force on January 1, 2016. This legislation is beneficial to Desjardins and the DGPP and proves that we are on the right track with the steps we have been taking since 2012. In fact, Bill 57 reflects many of the proposals made by Desjardins Group during the consultation process by emphasizing conservative long-term funding to ensure the payment of promised pension benefits to Plan members.

The new legislation eliminates the need to fund the Plan on a solvency basis. This is excellent news because funding a pension plan on that basis, which assumes the plan will end on a certain date and that all benefits must be paid, was proving to be a very challenging and difficult process. In the future, only funding on a going concern basis, with the addition of a stabilization provision (financial cushion) to promote greater contribution stability, will be required by Retraite Québec. The technical details of the application of this legislation, including the stabilization provision, will be clarified in regulations scheduled to be published by Retraite Québec before the summer.

For the DGPP, these legislative changes have caused much less fluctuation in the area of contributions and have helped make the Plan's financial position sounder and more representative as a result.

RESULTS AS AT DECEMBER 31, 2015

All the steps we have taken since 2012 are paying off. The major financial efforts made by employers and Plan members, along with the excellent returns recorded by the Plan, have helped to significantly improve the Plan's financial position. Thanks to the global action plan and the new legislation, which is more in line with the Plan's objectives, the Plan's financial position has been restored.

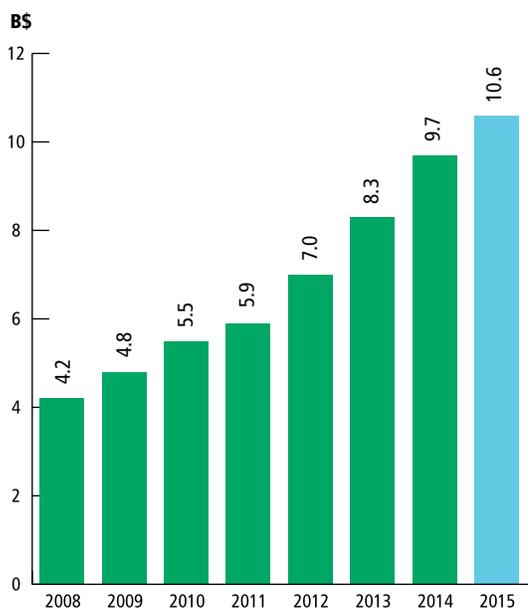
The DGPP's most recent actuarial valuation, which was performed on December 31, 2015, showed that the funding ratio, which measures the Plan's ability to meet its long-term obligations, had improved by 12% during 2015, to stand at approximately 101.1%. In terms of solvency, despite the application of the Canadian Institute of Actuaries' new mortality table in 2015, the solvency ratio stabilized at 80.6%.

Over the coming years, the new legislation will enable us to reduce the required minimum funding while eliminating the need for additional capital injections. However, since the regulations clarifying the technical details relating to the application of Bill 57 have not been published yet, it is premature to establish what the minimum funding requirement will be for employers and DGPP members in 2016. Under the Plan regulation, employers are responsible for 65% of the cost, while active Plan members are responsible for 35%.

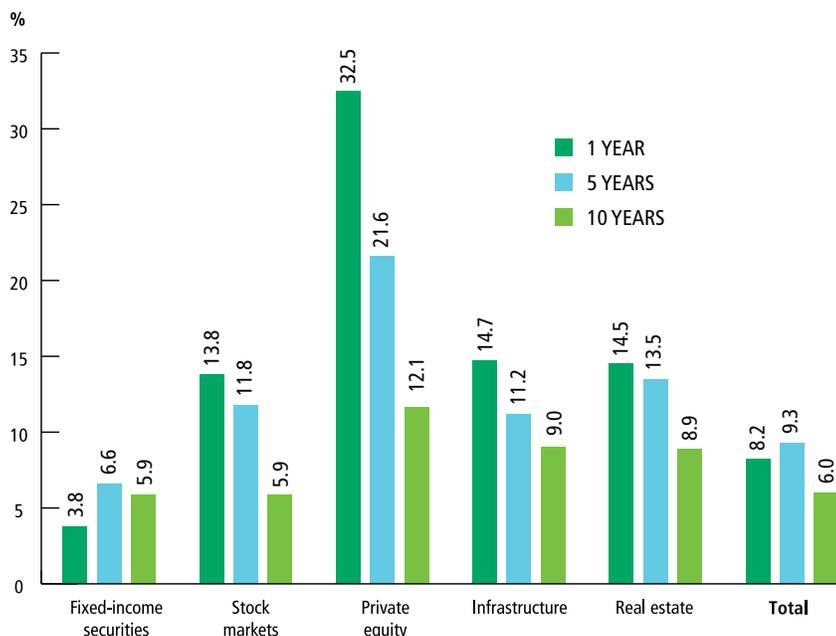
PENSION PLAN PERFORMANCE REVIEW

A number of events dominated the financial markets in 2015, including the economic uncertainty in China, weak demand and excess supply for oil worldwide causing a drop in its price, and the U.S. Federal Reserve's first interest rate hike in nine years. The stock markets weathered the storm more or less successfully, recording low to negative returns for the first time since the 2008 crisis. Canadian pension funds fared well thanks to a weaker Canadian dollar, which turned mediocre international returns into very respectable performances. Bond yields also fluctuated in tandem with market sentiment, ending the year down slightly from 2014.

CHANGES IN THE PENSION FUND'S ASSETS

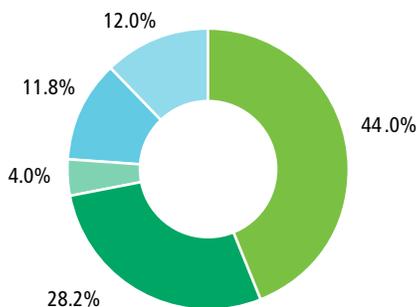


RETURNS AS AT DECEMBER 31, 2015



The strategic asset allocation using the liability-driven investing approach (LDI), which guides the way we manage assets by taking into account the Plan's obligations, was applied by the Retirement Committee in its investment plans. The benefits of this rigorous approach were felt once again in 2015. However, the Retirement Committee adjusted the strategy for 2016 in order to factor in the significant changes coming into effect on January 1, 2016 as a result of the new legislation on the funding of private sector pension plans.

ASSET ALLOCATION BY CLASS AS AT DECEMBER 31, 2015



FIXED-INCOME SECURITIES	\$4,678M
GROWTH SECURITIES	\$2,992M
INFLATION LINKED SECURITIES	\$1,254M
STOCK MARKETS	\$2,992M
PRIVATE EQUITY	\$422M
INFRASTRUCTURE	\$1,254M
REAL ESTATE	\$1,276M
TOTAL	\$10,622M

INVESTMENTS

FIXED-INCOME SECURITIES

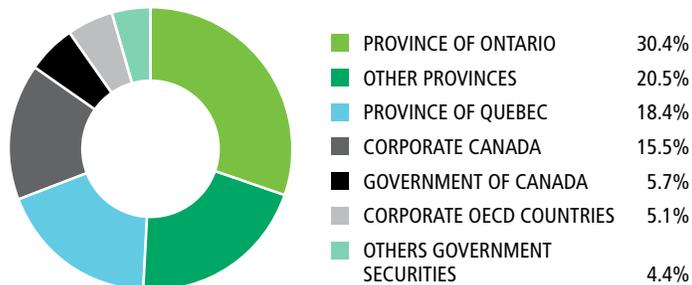
Given the economic and monetary context, 2015 was a more volatile year for the Canadian bond market compared to 2014. Interest rates fell slightly over the entire curve, but especially for federal bonds. Bond yields were slightly higher than the coupon rate posted at the beginning of the year. Credit spreads for corporate and provincial bonds widened slightly. Securities with longer maturities performed better than those maturing in under five years, but they posted lower returns than those in the middle of the curve.

The portfolio's return for 2015 stood at 3.8% and the active strategy mandates performed well overall. The managers were able to navigate the turbulent economic environment and make good yield curve positioning and sector allocation decisions. The long-term strategic positioning towards provincial bonds proved unfavourable in 2015 as credit spreads widened.

As in previous years, the DGPP continued to strengthen its duration extension strategy, increasing the portfolio's duration from 14 to 14½ years, which makes it more sensitive to changes in interest rates.

To refocus the fixed-income portfolio's risks, the investment in emerging market debt was sold at the beginning of 2015 and transferred into the global corporate securities mandate. A new private debt allocation was added to the strategies, which should enhance current returns for this asset class.

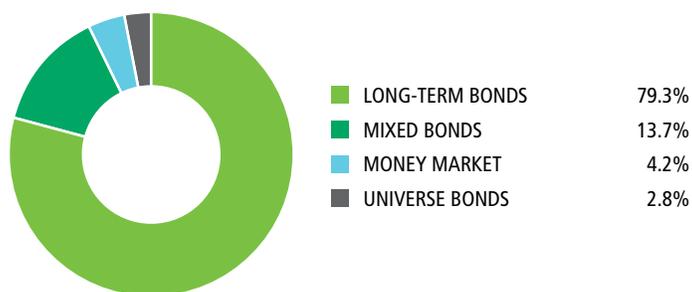
ALLOCATION BY ISSUER



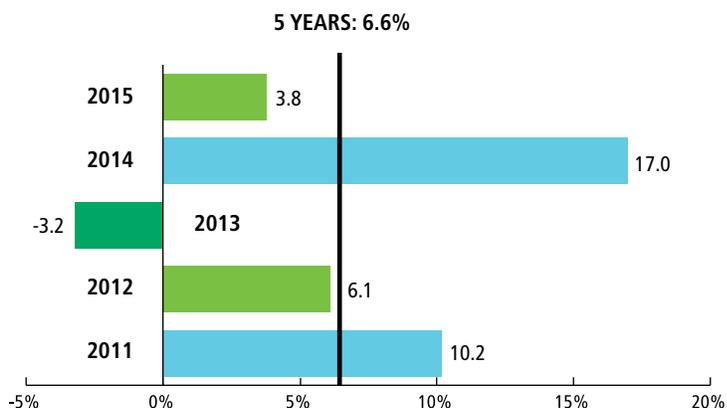
DID YOU KNOW?

THE DURATION OF THE FIXED-INCOME PORTFOLIO INCREASED FROM 8 TO 14 1/2 YEARS OVER 5 YEARS

STRATEGIC ALLOCATION



RETURNS – FIXED INCOME



GROWTH SECURITIES

STOCK MARKETS

In local currency terms, the U.S. stock exchange had a fairly stable year overall. European securities gained close to 3%, while the Canadian market fell by more than 10% and emerging market securities were down by 5.4%. For the DGPP, the appreciation of the basket of securities against the Canadian dollar was conducive to investments outside Canada. Hence, the stock markets portfolio yielded a 13.8% return in 2015.

The Canadian equity market was heavily impacted by the generalized drop in energy and raw material prices. The Canadian S&P/TSX Index posted a negative return of 8.6% for the year overall. This environment was very favourable to active management within the DGPP portfolio itself. The managers beat the benchmark index by more than 780 basis points, which brought the portfolio's overall performance close to the neutral point. While the choice of the different styles was beneficial, securities selection and sector allocation greatly impacted performance.

The performance of the global securities portfolio exceeded expectations with a gain of 21.2% during the year. The depreciation of the Canadian dollar was a big contributing factor, dropping nearly 20% against its U.S. counterpart. The portfolio managers performed well, adding close to 410 basis points in value. The low volatility and growth investment strategies generated excellent results. However, exposure to emerging markets and to small and medium caps in the U.S. was not favourable.

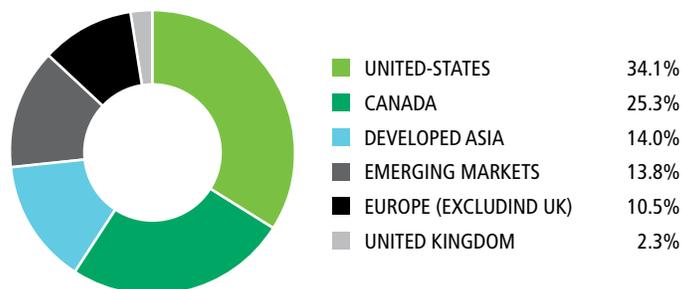
PRIVATE EQUITY

Private equity contributed positively to the DGPP portfolio's performance once again with a return for the year of 32.5%, or 1,057 basis points higher than the benchmark index. Over the past five years, the return has been 21.6%, or 350 basis points above the benchmark index. The portfolio is mature, diversified and managed by talented managers.

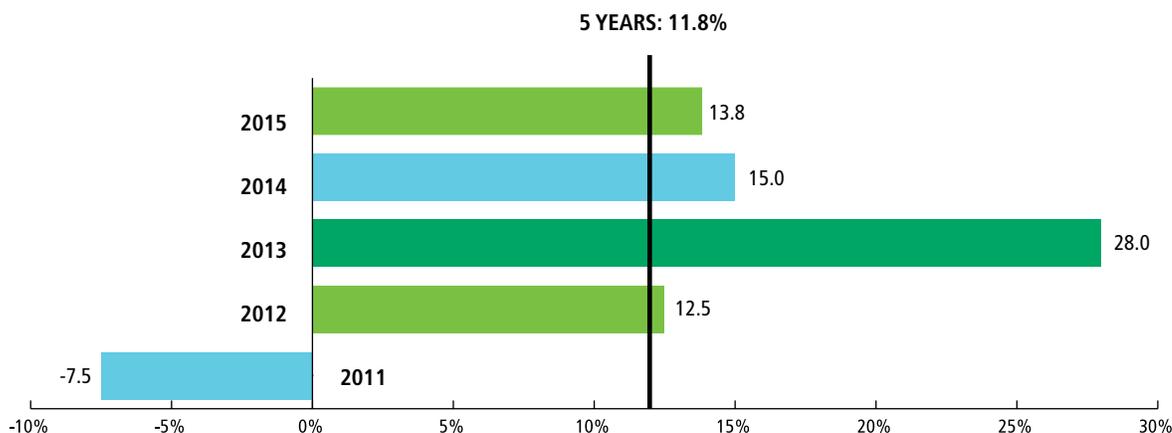
STRATEGIC ALLOCATION



GEOGRAPHIC ALLOCATION



RETURNS – STOCK MARKETS



INFLATION-LINKED SECURITIES

Accounting for more than 23% of total assets, the portfolio of inflation-linked securities is a key component of the DGPP. The relationships and partnerships built over the years have paved the way for major transactions in line with the long-term portfolio objectives. As such, the infrastructure and real estate portfolios now represent respectively 11.8% and 12.0% of total assets as of the end of 2015.

Interest rate trends observed in 2015 continue to boost asset values. The migration of capital towards these asset classes continues in this economic environment and expectations of future returns must therefore be tempered.

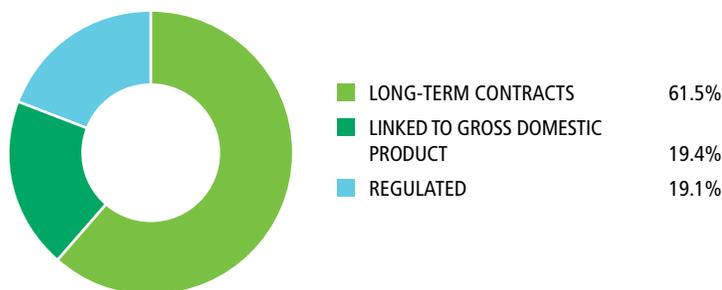
INFRASTRUCTURE

The DGPP pursued its active business development strategy in 2015 and, as part of these efforts, consolidated its relationship with Électricité de France, a world leader in renewable energy. All the work done has enabled the Plan to acquire major infrastructure assets and paved the way for other acquisitions in the near future. In an environment where competition for this asset class is fierce, the DGPP has the advantage of being backed by a growing and experienced team with an impressive track record and reputation in the marketplace.

Five transactions were concluded in 2015 for the DGPP, including the biggest transaction in the history of the infrastructure program: the acquisition of Rivière-du-Moulin wind farm located in Quebec, the largest wind farm in Canada, with a capacity of 350 MW. A total of three investments were made in the renewable energy sector, namely two wind farms and one solar energy asset. We should also mention the activation of the Haldimand solar energy farm, an investment made in 2013 that has largely exceeded initial expectations, with a 70% appreciation in value since its acquisition. The DGPP and the Desjardins insurance subsidiaries continued their partnership in the infrastructure sector in 2015, with commitments totalling \$360 million. At the beginning of the year, the partnership finalized the acquisition of Montreal Gateway Terminals, which operates two of the three international terminals at the Port of Montreal, an asset that plays a key role in Quebec's economic activities. Lastly, a major reinvestment with a fund manager and European partner of long standing was also finalized, which should contribute to an inflow of co-investments in Europe over the next few years.

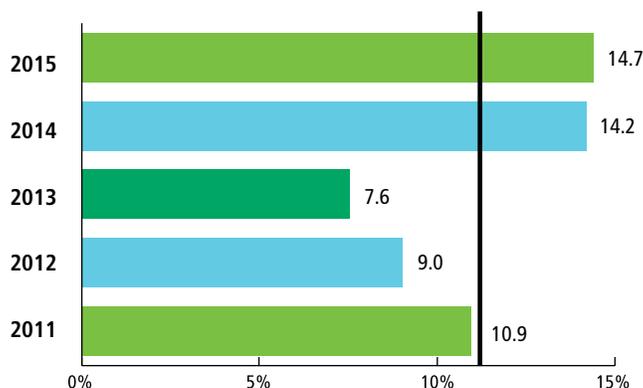
DID YOU KNOW? THE DGPP IS A COMMITTED SUPPORTER OF RESPONSIBLE DEVELOPMENT AND HAS INVESTED MORE THAN \$600M IN RENEWABLE ENERGY

CASH FLOW DYNAMICS



RETURNS – INFRASTRUCTURE

5 YEARS: 11.2%



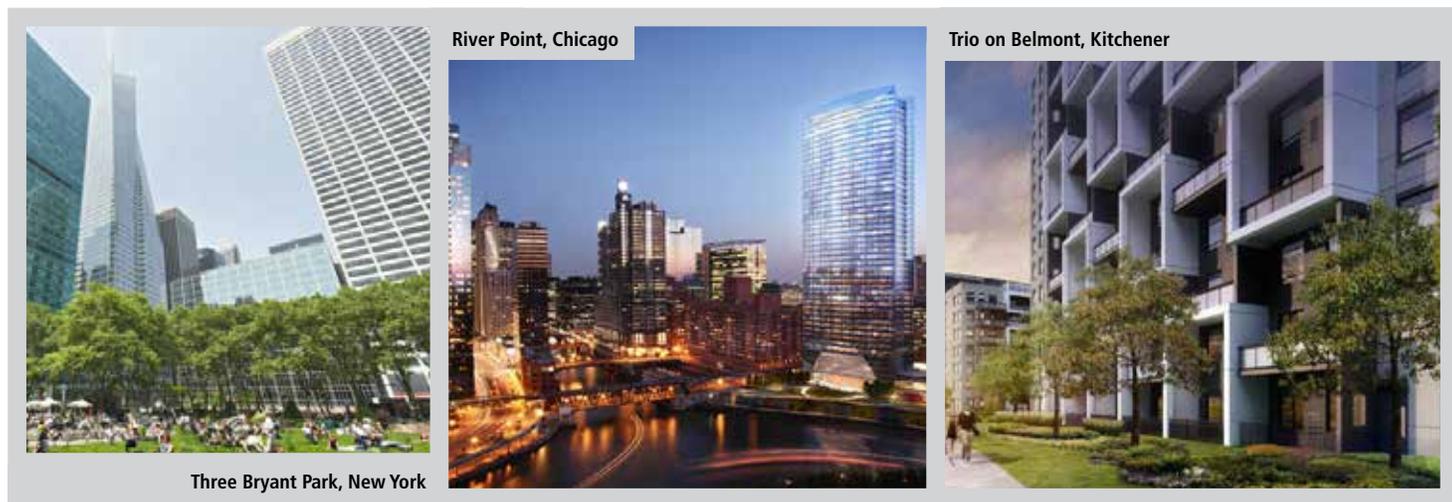
Éoliennes de L'Érable wind farm, Quebec

Montreal Gateway Terminals, Port of Montreal

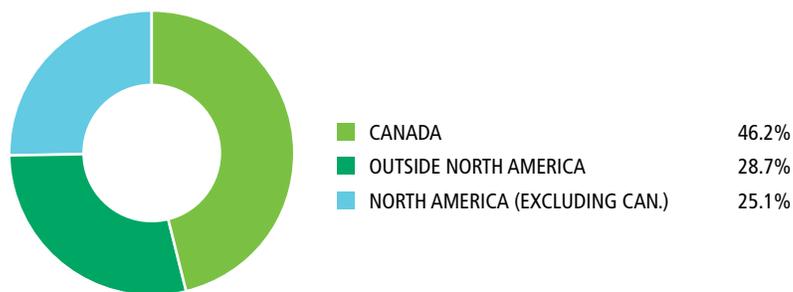


REAL ESTATE

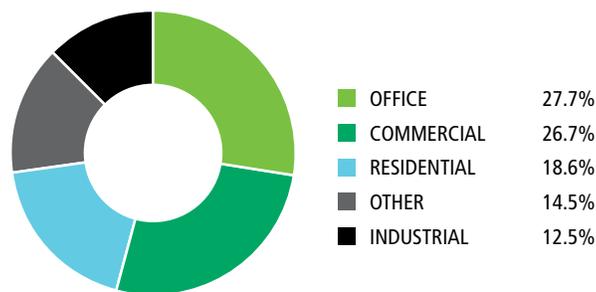
The DGPP real estate portfolio outperformed its benchmark index by a significant margin in 2015, thanks in part to its stake in Ivanhoé Cambridge Group, which once again contributed positively to this overperformance. In general, foreign investments posted excellent results in 2015. For the second year in a row, the Canadian real estate sector generated moderate returns, namely in the area of office buildings, with falling oil prices impacting Alberta in particular. The eastern provinces, on the other hand, benefitted from a lower Canadian dollar. Institutional investor appetite for this asset class is partly supporting this real estate valuation. South of the border, the U.S. real estate market performed very well due in part to favourable economic conditions. Finally, three promising new investments totalling \$155 million were made with current managers during the year.



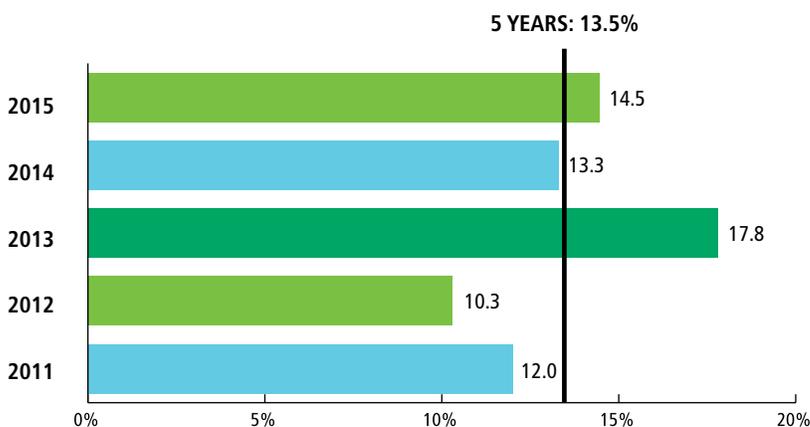
GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



RETURNS – REAL ESTATE



FINANCIAL REPORT

The enclosed financial information is extracted from the audited financial report of the Desjardins Group Pension Plan for the year ended December 31, 2015, on which PricewaterhouseCoopers expressed an unqualified opinion dated February 24, 2016.

In order to better understand the financial position of the Pension Plan and the change in net assets available for benefits, the financial information should be read in conjunction with the audited financial report.

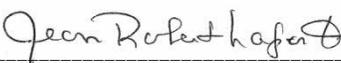
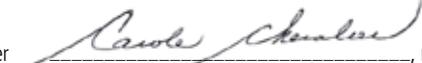
DESJARDINS GROUP PENSION PLAN

NET ASSETS AVAILABLE FOR BENEFITS

As at December 31, 2015

(In thousands of \$)	2015	2014
INVESTMENT PORTFOLIO		
Assets held as investments		
Bonds and pooled bond funds	\$ 4,465,625	\$ 4,116,229
Shares and pooled share funds	2,938,310	2,853,983
Other pooled funds	18,799	8,292
Real estate	1,277,998	1,081,182
Infrastructure	1,253,755	980,033
Private equity	421,673	346,110
Mortgages	8,555	9,553
Cash and money market instruments	342,677	352,563
Securities borrowed or purchased under resale agreements	201,698	241,068
Derivative financial instruments	3,344	7,690
	10,932,434	9,996,703
Investment liabilities		
Commitments related to securities Loaned or sold under repurchase agreements	(308,159)	(343,138)
Derivative financial instruments	(15,780)	(4,038)
TOTAL INVESTMENT PORTFOLIO	10,608,495	9,649,527
Employer contributions receivable	28,880	26,593
Employee contributions receivable	6,071	6,875
Other assets	37,991	74,956
	72,942	108,424
Other liabilities	(59,075)	(102,054)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 10,622,362	\$ 9,655,897

Approved by the Retirement Committee,

 member
  member

DESJARDINS GROUP PENSION PLAN

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 2015

(In thousands of \$)	2015	2014
INCREASE IN NET ASSETS		
Investment income		
Bonds and pooled bond funds	\$ 125,926	\$ 114,559
Shares and pooled share funds	61,338	58,660
Real estate	9,564	11,355
Infrastructure	49,878	41,024
Private equity	3,960	3,541
Mortgages	583	569
Cash and money market instruments	2,042	2,436
Other income	263	823
	253,554	232,967
Changes in the fair value of investments and derivative financial instruments	538,687	1,035,153
	792,241	1,268,120
Contributions		
Employer	459,813	367,894
Administrative expenses	(10,085)	(9,779)
	449,728	358,115
Employee	199,322	192,183
Contributions net of administrative expenses	649,050	550,298
Interest on contributions receivable	320	882
Transfer agreements	4,165	3,639
	653,535	554,819
	1,445,776	1,822,939
DECREASE IN NET ASSETS		
Pension benefits		
Annuities	326,703	296,867
Reimbursements	76,151	62,338
Death benefits	12,319	13,033
	415,173	372,238
Investment management, custodian fees, transaction and other costs	46,230	41,912
Performance award fees	17,908	7,737
	479,311	421,887
NET INCREASE IN NET ASSETS	966,465	1,401,052
NET ASSETS AVAILABLE FOR BENEFITS AT THE BEGINNING OF THE YEAR	9,655,897	8,254,845
NET ASSETS AVAILABLE FOR BENEFITS AT THE END OF THE YEAR	\$ 10 622 362	\$ 9,655,897

GOVERNANCE

BOARD OF DIRECTORS OF THE FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

The Fédération des caisses Desjardins du Québec (Federation) represents all Desjardins employers with respect to the DGPP. The Federation's Board of Directors has decision-making power in certain areas, including changes to the DGPP Regulation, the nature and terms of benefit payments to Plan members, contribution rates and use of any surplus. Through its Board of Directors, the Federation stands surety for the obligations arising from the participation of Desjardins Group employers in the DGPP.

DESJARDINS GROUP RETIREMENT COMMITTEE

By virtue of the powers vested in it by the *Supplemental Pension Plans Act* and by the DGPP Regulation, the Retirement Committee is the Plan's trustee and, as such, is responsible for administering the Plan soundly and in the best interest of Plan members, and for paying the promised benefits to Plan members and their survivors. Committee members representing employees, employers and retirees share the role of DGPP trustees.

INVESTMENT COMMITTEE

Reporting to the Retirement Committee, which establishes the investment policy, the Investment Committee is responsible for ensuring that the policy is applied, respected and followed and for overseeing the activities of the portfolio managers to whom management mandates are entrusted.

RISK MANAGEMENT ADVISORY COMMITTEE

Reporting to the Retirement Committee, the Risk Management Advisory Committee ("RMAC") is responsible for assessing the main risks associated with managing DGPP activities. It does this by issuing opinions on the integrated risk profile submitted to the Retirement Committee, on the asset allocation strategy and on investment projects submitted to the Investment Committee.

LIST OF RMAC MEMBERS

JULIE BOUCHARD, Vice-President, Market Risk
Office of the Chief Risk Officer, Desjardins Group

GREGORY CHRISPIN, Vice-President, Investments and Chief Operating Officer,
Desjardins Global Asset Management

STÉPHANE BERGERON, Senior Director, Credit Adjudication,
Corporate Banking and Capital Market, Business Risk, Credit
Granting and Intervention Unit Division, Desjardins Group

RENAUD COULOMBE, General Counsel, Desjardins Group

FRANÇOIS HUDON, Director, Liability Management, DGPP Division

MARC ST-PIERRE, President, MSP & Associés

MEMBER TRAINING

Members attended a number of presentations and training sessions during the year. Training was also offered to all new members who took office in 2015.

NUMBER OF MEETINGS IN 2015

	Number of members	Number of meetings	Participation rate ¹
Retirement Committee ²	13	5	95%
Investment Committee ²	7	12	85%
RMAC	5	9	81%

¹ The overall participation rate for the three committees was 86%

² Including two observers

DID YOU KNOW?

THE RETIREMENT COMMITTEE DID NOT RECEIVE A SINGLE COMPLAINT IN 2015

MEMBERS OF THE RETIREMENT COMMITTEE

EMPLOYER REPRESENTATIVES



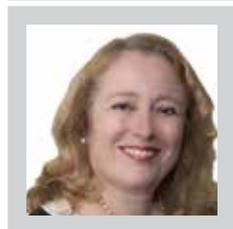
JEAN-ROBERT LAPORTE^{1,3}
COMMITTEE CHAIR
President of the Lanaudière Regional Council



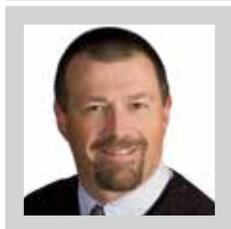
SYLVIE LAROUCHE^{1,3}
COMMITTEE VICE-CHAIR AND CHAIR OF THE INVESTMENT COMMITTEE
President of the Québec-Ouest and Rive-Sud Regional Council



CAROLE CHEVALIER^{1,3}
COMMITTEE SECRETARY
President of the Mauricie Regional Council



ANDRÉE LAFORTUNE^{1,3}
President of the Ouest de Montréal Regional Council



SERGE ROUSSEAU³
President of the Kamouraska and Chaudière-Appalaches Regional Council



BENOÎT TURCOTTE^{1,3}
INVESTMENT COMMITTEE SECRETARY
Vice-president Outaouais, Abitibi-Témiscamingue and Nord-du-Québec Regional Council

REPRESENTING ACTIVE PLAN MEMBERS OF THE DESJARDINS CAISSES



DAVID GINGRAS
Financial planner and group savings representative for Desjardins Financial Services Firm Inc., Caisse populaire Saint-Augustin-de-Desmaures



JÉRÔME MERCIER
Account Manager, Commercial and Industrial Markets (EM) Lévis-Lotbinière-Bellechasse Desjardins Business Centre

REPRESENTING ACTIVE PLAN MEMBERS OF THE FÉDÉRATION



ROBERT BASTIEN
Vice-President, Cooperative Network and Personal Services Finance Division Fédération des caisses Desjardins du Québec

REPRESENTING ACTIVE PLAN MEMBERS OF AFFILIATED CORPORATIONS



SÉBASTIEN VALLÉE
Manager, Guaranteed Solutions Development and Financial Modelling Department, Wealth Management and Life and Health Insurance Executive Division, Desjardins Investments

OBSERVER REPRESENTING ACTIVE PLAN MEMBERS



DOMINIC LAURIN
Development Advisor Guaranteed Solutions Development and Financial Modelling Department, Wealth Management and Life and Health Insurance Executive Division, Desjardins Investments

EXTERNAL MEMBER



MARC ST-PIERRE^{1,2}
President MSP & Associés

REPRESENTING RETIREES, BENEFICIARIES, AND PLAN MEMBERS ENTITLED TO A DEFERRED PENSION



MICHEL-PIERRE BERGERON
Desjardins retiree

OBSERVER REPRESENTING RETIREES, BENEFICIARIES AND PLAN MEMBERS ENTITLED TO A DEFERRED PENSION



ROBERT DESBIENS
Desjardins retiree

1 MEMBER OF THE INVESTMENT COMMITTEE

2 MEMBER OF THE RISK MANAGEMENT ADVISORY COMMITTEE

3 MEMBER OF THE BOARD OF DIRECTIONS OF THE FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC

MEMBER SERVICES AND ADMINISTRATION

MEMBER SERVICES TEAM

REQUESTS FOR INFORMATION

The Member Services Team handles all Desjardins Group employees, retirees and employers requests for information about the Plan.



"FAST, COURTEOUS AND EFFECTIVE SERVICE"

"A FLAWLESS APPROACH"

RETIREMENT PLANNING SESSIONS

"Retirement Planning" sessions cover the financial, tax, and legal aspects in the lead up to retirement. Sessions take place over two days and are offered to Plan members 50 and older who are planning to retire within the next five years. The first day of these sessions is facilitated by the Member Services Team advisors.

1,237 PERSONS ATTENDED
THE SESSIONS IN
QUEBEC AND ONTARIO IN 2015



"EXCELLENT TRAINING, A GREAT WAY TO ENSURE A SUCCESSFUL RETIREMENT"

DGPP PRESENTATIONS

On request, Member Services Team advisors will make on-site presentations for Desjardins Group employers. The purpose of these presentations is to help members gain a better understanding of the Plan.

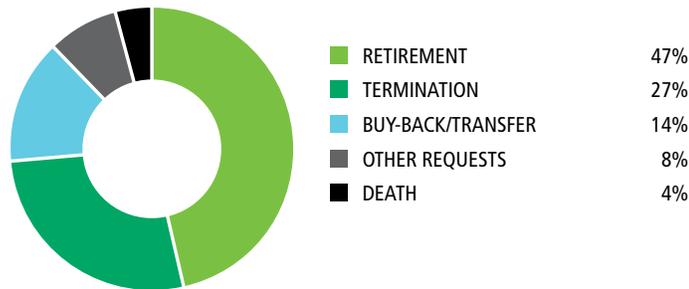


FOR MORE INFORMATION, CONTACT THE
MEMBER SERVICES TEAM AT **1-866-434-3166**

ADMINISTRATIVE MANAGER

The DGPP administration team from Desjardins Financial Security works hard to process all the requests they receive and perform all of the required calculations. The team is made up of experienced administrators and actuaries, among others, who prepare the Plan’s actuarial valuation and produce the Plan members’ annual statements.

WORKLOAD BASED ON THE TYPE OF REQUEST



17 000

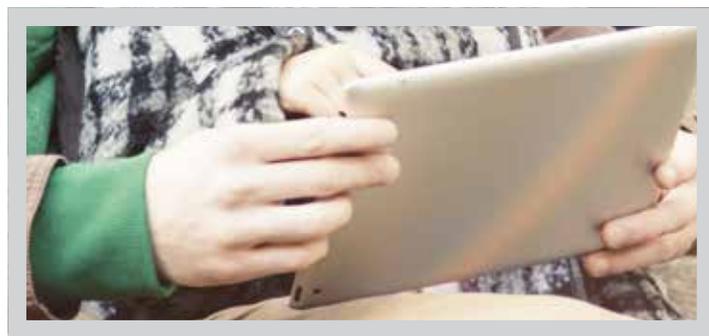
REQUESTS PROCESSED IN 2015

3 days

AVERAGE TURNAROUND TIME TO PROCESS REQUESTS

Nearly three-quarters of the team’s work involves processing retirements or Plan membership terminations. Another good number of requests deal with buy-backs of pensionable service or transfers between plans. The other requests are related to pension splitting between spouses or beneficiary and address changes. Finally, the remaining workload concerns death of members.

TOOLS AVAILABLE



DID YOU KNOW?

IN 2015, THE GROUP PLANS WEBSITE LOGGED OVER 260,000 VISITS

RCD-DGP.COM is the site where you will find among other things:



My secure file is a transactional tool that can be used to submit various requests to the DGPP. Plan members can request an estimate for buying back years of service, submit an official retirement request and much more. Plan members can also view and print their annual statement from their secure file.



The pension estimator is an indispensable tool for Plan members who are preparing for retirement. It gives them an idea of the amount of pension they will receive when they retire and what forms of pension are available. For help on how to use the estimator, members can contact a Member Services Team advisor at 1-866-434-3166.

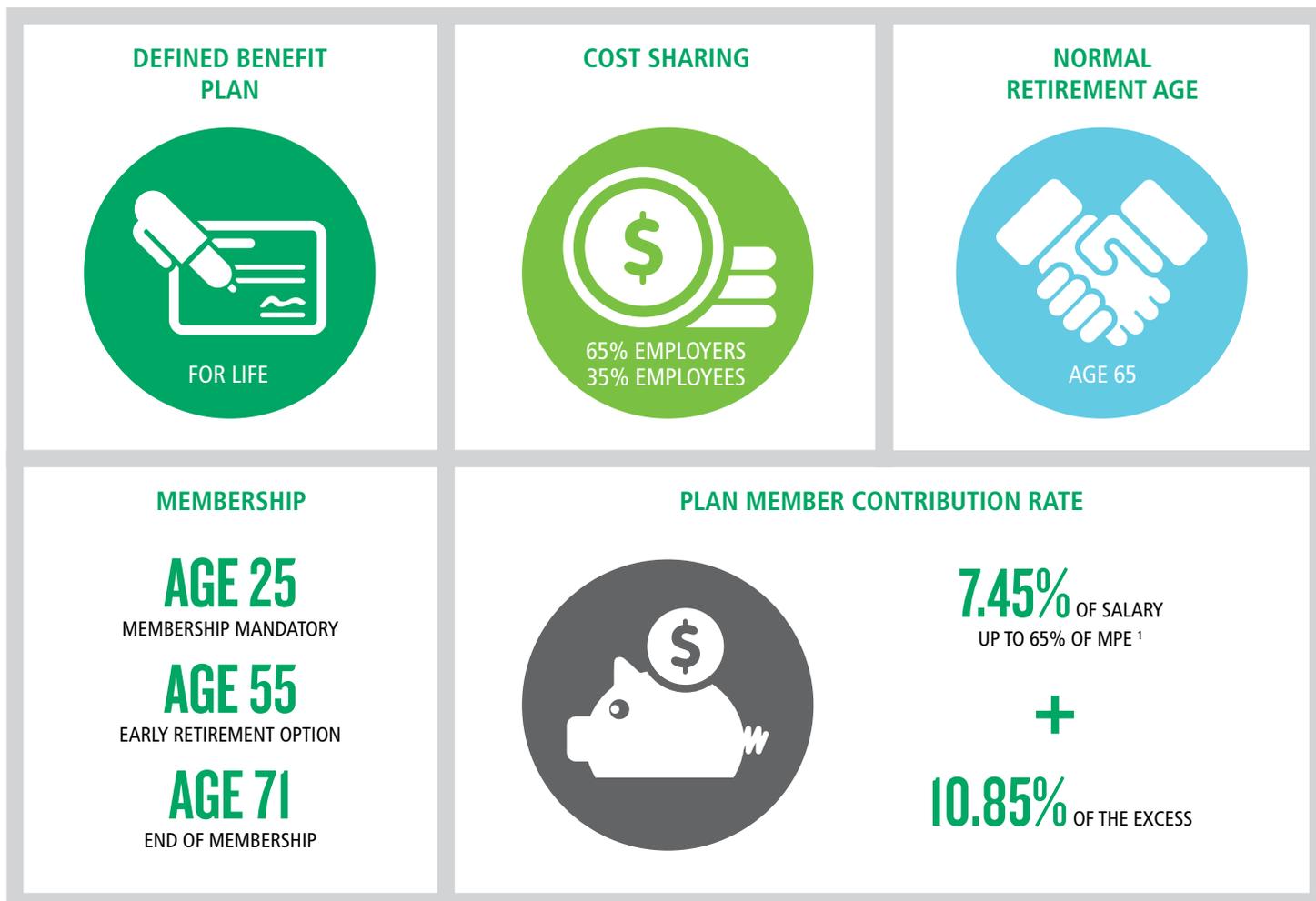


Animated information capsules provide information about the pension’s characteristics, eligibility conditions, provisions in the event of death or disability and calculation method. These capsules are accessible at any time on the Desjardins Group Plans website.



A webcast of the last Annual Meeting of the DGPP in playback mode is available if you would like to learn more about the administration and management of the Plan. During this meeting, the Retirement Committee informed participants about its administration, discussed the Plan’s financial position, and announced Retirement Committee election results.

PLAN SUMMARY



¹ MPE: Maximum pensionable earnings: \$53,600 in 2015

PENSION PAYABLE AT AGE 65

Pension subject to the maximum pension clause

UP TO 2008	FROM 2009 TO 2012	STARTING IN 2013
<p>(1.3% OF SALARY 5 UP TO MPE 5)</p> <p>+</p> <p>2% OF SALARY 5 OVER MPE 5)</p> <p>X</p> <p>CREDITED YEARS</p>	<p>(1.5% OF SALARY 5 UP TO MPE 5)</p> <p>+</p> <p>2% OF SALARY 5 OVER MPE 5)</p> <p>X</p> <p>CREDITED YEARS</p>	<p>(1.5% OF SALARY 8 UP TO MPE 5)</p> <p>+</p> <p>2% OF SALARY 8 OVER MPE 5)</p> <p>X</p> <p>CREDITED YEARS</p>

Salary 5 = Average salary of five best-paid years

Salary 8 = Average salary of eight best-paid years

MPE 5 = Average of the maximum pensionable earnings eligible for the Quebec Pension Plan or Canada Pension Plan for the year of retirement and the previous four years

	UP TO 2008	FROM 2009 TO 2012	STARTING IN 2013
EARLY RETIREMENT FROM AGE 55	Reduction of 3% per year remaining until age 65 or, if more advantageous, the 85-point rule at age 57: reduction of 3% per year before 85 points and 3% per year before age 57		Reduction of 4% per year remaining until age 62
NORMAL FORM OF PENSION OTHER FORMS OF PENSIONS ARE AVAILABLE	 WITH SPOUSE Life annuity, 60% joint and survivor, guaranteed 10 years  WITHOUT SPOUSE Life annuity, guaranteed 15 years		Life annuity, guaranteed 10 years
PENSION INDEXATION	CPI ² (maximum 3% per year) Starts in the month of January following retirement Throughout retirement		CPI (maximum 1% per year) Starts in the month of January after age 65 for 10 years

2 CPI: Consumer Price Index

EMPLOYEE TERMINATION BENEFIT OPTIONS BASED ON THE PLAN REGULATION



DID YOU KNOW...

FOR SERVICE AFTER 2009, A MINIMUM BENEFIT EQUAL TO **175%** OF EMPLOYEE CONTRIBUTIONS WILL BE GRANTED IN THE EVENT OF TERMINATION OF EMPLOYMENT /

DEATH BENEFITS

DEATH BEFORE RETIREMENT: Benefit equal to the amount that would have been payable had the Plan member's employment terminated immediately prior to death.

DEATH AFTER RETIREMENT: Benefit payable in the form of pension selected by the Plan member.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT THE DGPP MEMBER SERVICES TEAM AT **1-866-434-3166**, MONDAY TO FRIDAY, FROM 8:00 A.M. TO 5:00 P.M.

A DETAILED DESCRIPTION OF THE BENEFITS IS AVAILABLE ON THE DGPP WEBSITE: **WWW.RCD-DGP.COM**

DESJARDINS GROUP PENSION PLAN DIVISION

The DGPP Division reports to the Senior Vice-President, Finance and Chief Financial Officer, Desjardins Group, Daniel Dupuis. Its mission is to ensure that the DGPP has sufficient funds to meet obligations to plan members and employers while minimizing risk. Given the Plan's asset growth and growing number of members, it was imperative that we bolster the management team by hiring new resources and adjusting our organizational structure. With these changes, the DGPP Division is now well-positioned to tackle the challenges of managing more than \$10 billion in assets and the growing number of claims submitted by DGPP members.



**DANIEL
DUPUIS**
Senior Vice-President, Finance
and Chief Financial Officer
Desjardins Group

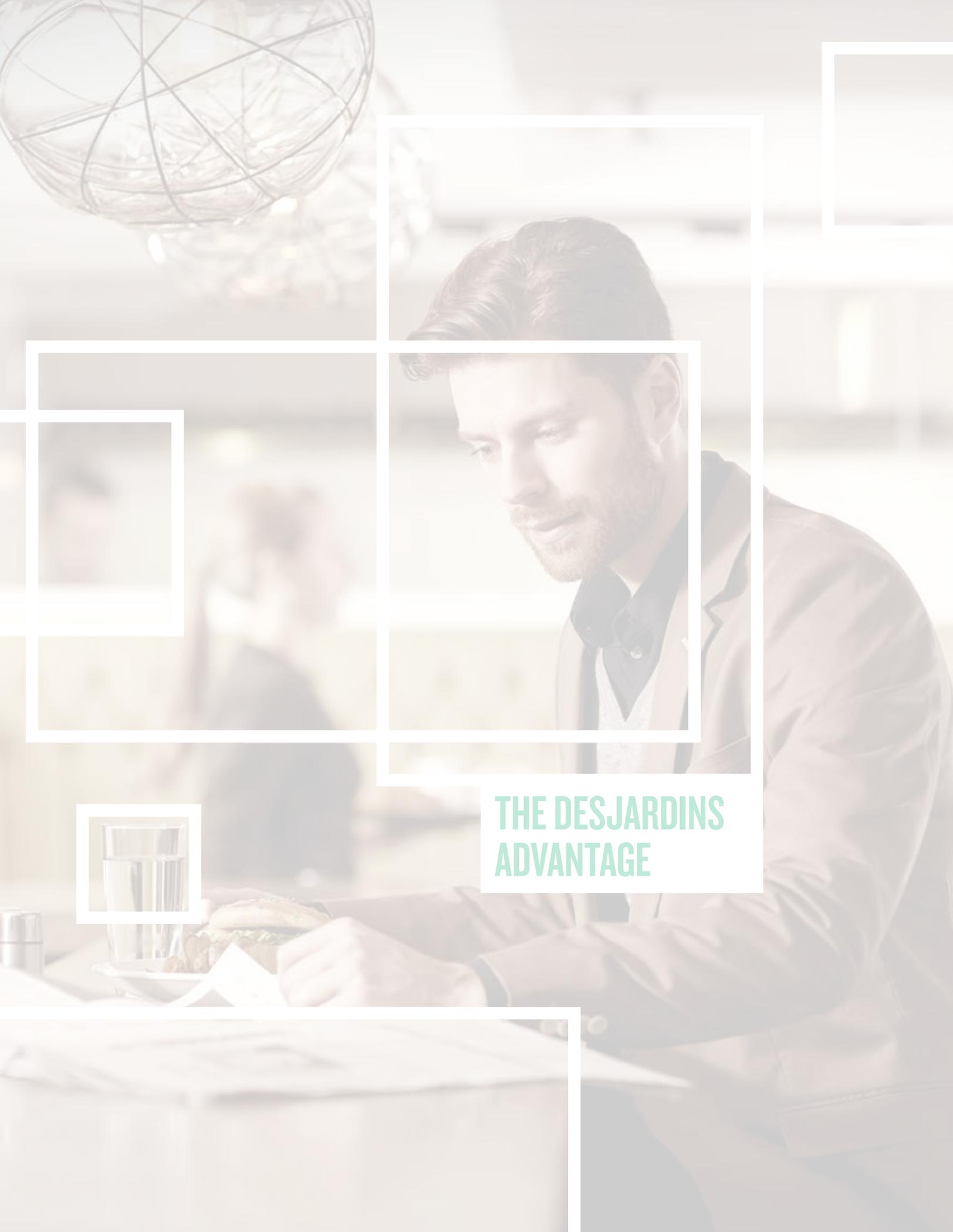


**SYLVAIN
GAREAU**
Vice-President,
Desjardins Group
Pension Plan



**FRANÇOIS
HUDON**
Director, Liability
Management
Desjardins Group
Pension Plan





**THE DESJARDINS
ADVANTAGE**



Cooperating in building the future