ADVANTAGES FOR EVERYONE

ADVANTAGES FOR ME

2013 ANNUAL REPORT

DESJARDINS GROUP PENSION PLAN

Desjardins

Cooperating in building the future

FAIR AND RESPONSIBLE PLAN MANAGEMENT

VISIT THE DESJARDINS GROUP PENSION PLAN WEBSITE: www.rcd-dgp.com

Desjardins Group Retirement Committee
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2013 HIGHLIGHTS

2013 was a great year for the Desjardins Group Pension Plan (DGPP). The Desjardins Group Retirement Committee's global action plan proved successful. Yet it is important to keep in mind that the global economic situation remains uncertain and that DGPP is not immune to swings in the economy and financial markets. Members can find reassurance in the efforts and initiatives of DGPP contributors who are doing everything in their power to ensure its long-term stability.

DGPP'S CAPITALIZATION
86.6%

DGPP'S SOLVENCY
81.6%

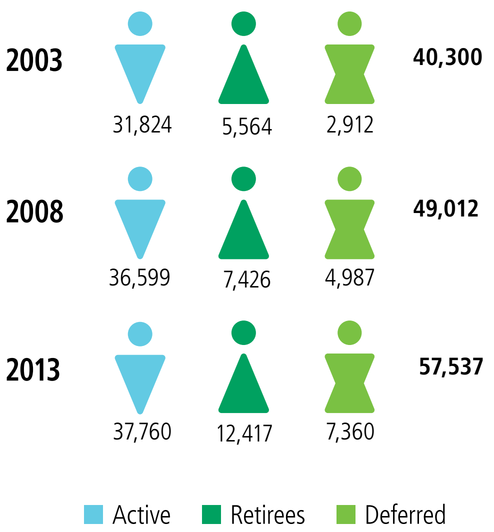
NET ASSETS
$8.3B
AS AT DECEMBER 31, 2013

2013 INVESTMENT INCOME
$761M

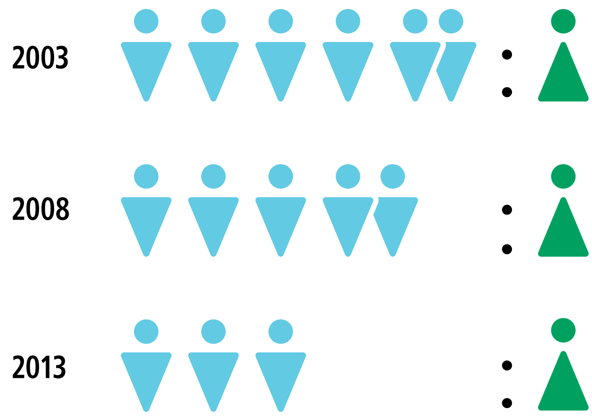
2013 RATE OF RETURN
10.7%

5-YEAR RETURN
9.6%

DGPP DEMOGRAPHICS



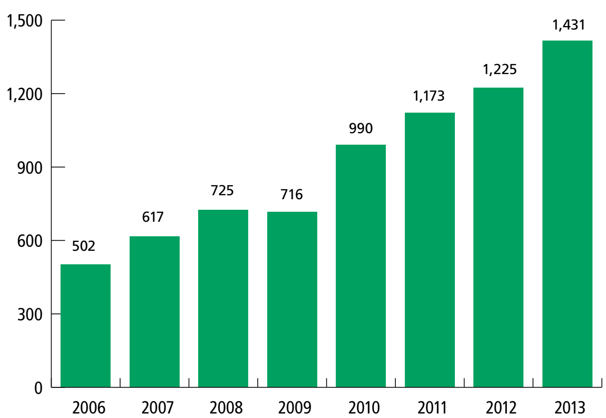
RATIO OF ACTIVE MEMBERS TO RETIREES



The number of active members went from 5.7 to 3.0 per retiree over the past 10 years.

The number of active members has increased by 19% over the past 10 years, while the number of retirees has grown by 123%. A pension plan is considered mature when the increase in the number of retirees outpaces the increase in the number of active members. Changes in DGPP's demographics clearly show an increase in plan maturity year over year. The global action plan launched in 2012 takes this reality into account. One of its objectives is to reduce DGPP's volatility by implementing a long-term approach to investment management, in order to consider the increase in the weight of financial obligations to retirees.

NEW RETIREES



Average age of retirement in 2013 = 59
Number of 100 year olds = 5
Age of the oldest retiree = 105

PENSION FUND GROWTH

DGPP → RANKED 8TH PRIVATE PENSION FUND IN CANADA

MESSAGE FROM THE COMMITTEE CHAIR

2013: OUR GLOBAL ACTION PLAN CONTINUES TO BEAR FRUIT

In 2013 the Desjardins Group Pension Plan (DGPP) posted an excellent return of 10.7% or more than $760 million on its assets. This result, when combined with the results of the last 5 years, brings the Plan's average annual return to 9.6% per year since the 2008 financial crisis, a performance that far exceeds the actuarial assumption, significantly improves the Plan's financial situation. That confirms the soundness of our long-term management strategy and our much safer investment guidelines.

After an extended period of low interest rates, which put defined benefit pension plans under intense pressure, 2013 saw long-term interest rates start to rise again. In addition, our real estate and infrastructure investment portfolios and growth securities turned in a solid performance, significantly improving the Plan's financial situation. Our solvency ratio increased by nearly 20%. On the other hand, the capitalization ratio shows a stabilization, taking into account the new mortality table published by the Canadian Institute of Actuaries and more conservative assumptions to better capitalize the Plan in the long term.

A global action plan implemented in 2012 in collaboration with the Employer and backed by various experts is bearing fruit. Last year's performance demonstrates the relevance of the action taken under this plan aimed at restoring the financial soundness of the Plan and ensuring its sustainability. We can even say that we are ahead of our set goals.

MAINTAINING A LONG-TERM MANAGEMENT STRATEGY

With regard to managing the DGPP's assets, we have remained focused on our long-term management approach and the goals we have set to ensure the Plan's financial stability and sustainability. This means we have continued and even accelerated the shift initiated in 2012 to make the various portfolios of each of the DGPP's asset classes even more secure, focusing on less risky and less volatile investments and thus ensuring greater revenue stability while generating good long-term returns.

Our managers turned in an excellent performance in 2013, adding over 500 basis points to returns than the various benchmark indexes.

The DGPP also formed a major partnership with Desjardins Financial Security (DFS) and Desjardins General Insurance Group (DGIG), which resulted in 2 transactions that are promising for the future. We invested a total of nearly $118 million in the construction of the largest solar farm in Canada and in the acquisition (with a consortium of investors) of 3 solar farms already in operation, which helped us raise the quality of our infrastructure investment portfolio. This type of investment makes the DGPP a major player in Canada in this asset class and is a great addition to a high quality portfolio that earns stable current returns for participants. With our real estate investment portfolio, the return on inflation-linked securities is 13.2%.

Our growth portfolio consists primarily of shares and private investments. It ended the year on a high note with a return of 26.9%, which was driven in particular by the remarkable performance of the stock markets. We should point out that this portfolio represents about 36% of all the DGPP's assets, which is in line with our more stable, less volatile and safer approach to investment.

The fixed-income portfolio, consisting primarily of bonds, is the only one that posted a negative return (3.2%), due mainly to an increase in long-term interest rates in 2013. This portfolio is growing to ensure asset-liability matching for retirees, thus confirming our goal to manage based on the DGPP's financial situation rather than on seeking performance at any cost. Maintaining our long-term management strategy is critical to hedging against one-time market events.

As at December 31, 2013, the DGPP's assets totaled $8.3 billion, a 17% increase representing $1.2 billion, which makes the DGPP the 8th largest private pension fund in Canada.

DEVELOPMENT OF GOVERNANCE AND SOUND RISK MANAGEMENT

Work was done to strengthen the DGPP's risk management and develop its governance. The result was the Risk Management Advisor Committee, set up by the Retirement Committee. The purpose of this committee is to examine and issue opinions on the asset allocation strategy and certain investment files based on an independent risk analysis. Using the highest standard of governance practices and prudent and responsible management, the Retirement Committee can ensure sound capitalization of the DGPP.

The DGPP's financial health is also critical for the Employer and the reason why the Desjardins Group Management Committee formed a steering committee made up of executive members to monitor the DGPP's development and guidelines even more closely.

It should be noted that the Retirement Committee is still proactively monitoring the development of the recommendations in the report by the Expert Committee on the future of the Quebec pension system and actively takes part in various discussions involving experts in the matter.

COMMUNICATION WITH PARTICIPANTS: A PRIORITY

Concerned with providing participants with the proper support, the Retirement Committee pursued its work under the communication plan deployed last year to improve and develop documents intended for participants. The 2013 highlights include in particular optimization of the "Official Retirement Statement" and the Pension estimator, which were completely overhauled to help participants make informed decisions regarding choices offered at retirement. Furthermore, in an effort to help make its communication transmission more sustainable, the Retirement Committee invited retirees and deferred pensioners to register for email service. Lastly, we listened closely to participants and our inhouse teams in 2013 to continually improve our website. Our goal is to review all our written communications by the end of 2014 to increase efficiency.

ACKNOWLEDGEMENTS

I would like to sincerely thank the Retirement Committee members who left in 2013. Carole Chevalier served as vice-chair of the Committee and as chair of the Investment Committee for 1 year. After 6 years of valuable collaboration, Norman Grant left his position as Committee secretary and chair of the Audit, Professional Pratice and Compliance Committee. After 2 years as the employer representative and secretary of the Investment Committee, Line Lemelin stepped down, along with Guy Cormier, representative of active participants from the Fédération des caisses Desjardins du Québec, who completed a 3-year term.

Lastly, I would like to thank everyone involved, including in particular the members of the Retirement Committee, Daniel Dupuis (Senior Vice-President, Finance and Chief Financial Officer of Desjardins Group) and the Desjardins Group Pension Plan Division, who worked together daily to preserve a quality plan ADVANTAGES FOR EVERYONE.

Serges Chamberland, Chair

FAIR AND RESPONSIBLE PLAN MANAGEMENT—
AN ADVANTAGE FOR EVERYONE

FINANCIAL SITUATION OF THE PLAN

After an extended period of low interest rates, which put defined benefit pension plans under intense pressure, an increase in long-term rates combined with the solid performance of the pension fund's assets in the past 5 years helped significantly improve the Desjardins Group Pension Plan's financial situation, particularly with regard to solvency liability. The most recent actuarial assessment of the DGPP, performed on December 31, 2013, shows that solvency increased by nearly 20% during the year with a solvency ratio of 81.6%, while the capitalization ratio was 86.6% as that date. However, it should be noted that the capitalization assessment now takes into account the new mortality tables, published by the Canadian Institute of Actuaries, which are more conservative. If these tables were not applied, the capitalization ratio would be about 5% higher.

The solvency ratio indicates a plan's ability to meet its obligations in the event of liquidation. The capitalization ratio makes it possible to evaluate the long-term financial strength of the DGPP, assuming its sustainability. The assumptions used aim to maintain a stable level of employee and employer contributions as a percentage of salaries. The interest rate used to calculate the capitalization liability depends on the expected return in the investment policy.

This improvement in the financial situation confirms the measures implemented as part of the Desjardins Group Retirement Committee's comprehensive action plan to re-establish the DGPP's financial situation. Based on a long-term management strategy, the action plan aims to reduce the Plan's risks and volatility by improving asset-liability matching.

That being said, we can be proud of these results while remaining prudent and vigilant, as future financial market conditions remain uncertain. In the same vein, to reduce the DGPP's financial risk, the Fédération des caisses Desjardins du Québec board of directors agreed to have employers inject an additional $317.5 million in funds in December 2013 instead of issuing letters of credit. This amount and the $288.5 million injected in 2012 total $606 million.

To amortize the DGPP's deficit in 2014, nearly $220 million in special contributions will be paid into the DGPP. The difference will likely be financed by an additional injection of $33 million by employers. Special contributions are set taking into account the relief measures allowed by the Régie des rentes du Québec.

The cost of current services for 2014 is $317.6 million, which represents 14.9% of payroll subject to the DGPP. As a reminder, according to the funding policy for the DGPP's obligations, all DGPP costs are paid 65% by employers and 35% by active members. An overall total of nearly $570 million in new contributions will be paid into the DGPP in 2014 by employees and employers.

The expert committee on the future of the Quebec pension system, chaired by Alban D'Amours, submitted its report on April 17, 2013. Its recommendations were analyzed by a team of Desjardins experts and a brief to this effect was presented to the Committee on Public Finance at the Quebec National Assembly. This committee then presented its findings regarding the consultations on the expert committee's report. In December 2013, the Quebec government announced its action plan to ensure the sustainability of pension plans and secure defined benefit plans. This action plan is being deployed over a 2-year period and is based on 4 main government priorities, i.e. intergenerational equity, real costs, the situation of retirees and taxpayers' ability to pay. The government also created 3 work forums, i.e. one for each of the private, municipal and university sectors. Their work will lead to the tabling of 2 bills: one on the restructuring of plans in the spring and the other on funding methods in the fall.

Desjardins Group has always been proactive in seeking solutions that can improve the DGPP's financial health so that it can continue offering its employees an excellent pension plan. The Retirement Committee will continue to monitor the development of the bills and manage the DGPP in a balanced and responsible manner, while exercising a great deal of caution and discipline.

Several years ago, the Retirement Committee adopted a liability-driven investment policy to suitably manage the Plan's risks. This approach provides more control over the DGPP's financial situation by investing in assets that are correlated with liabilities and allow us to reduce the volatility of contributions.

This policy takes into account the DGPP's three major issues: increasing coverage over the term of the solvency liability, generating sufficient returns to ensure the DGPP's long-term capitalization and facilitating the integration of pension expenses in compliance with international financial reporting standards (IFRS). The policy has two components. The first is to invest in fixed-income securities and inflation-linked securities to maximize the solvency liability coverage ratio and accounting procedure. The second is to allocate part of the DGPP's assets to growth securities in order to optimize the risk/return ratio. Since 2012, the additional contributions and employer capital injections have been used to accelerate reaching a balance between the management of interest rate risk and the generation of sufficient returns in order to meet the DGPP's obligations. At the same time, solutions to extend the portfolio's term more quickly and to provide the DGPP with greater protection in extreme cases are continuously being examined.

PENSION PLAN PERFORMANCE REVIEW

The Plan posted a performance of 10.7% in 2013. For the 5-year period starting in 2009, the Plan's average annual return was 9.6%, which far exceeds the actuarial assumption of 5.8% used in calculating the DGPP's long-term financial situation. Despite unfavourable macroeconomic factors—particularly weak global economic growth, the high level of sovereign debt and both inflationary and deflationary pressures—global stock markets grew substantially in 2013. During this period the bond market suffered a rate hike sparked by rumours of a slowdown in bond purchases by the U.S. Federal Reserve, which became a reality at the end of the year. These two situations created a positive context for pension funds, as the interest rate hike combined with an excellent return resulted in a significant improvement in their financial situation. The upturn in the U.S. economy and the sustained abundance of liquidity provided by the world's central banks will help reduce the likelihood of extreme scenarios and allow us to look forward to next year with moderate optimism.

RETURNS	1-YEAR(%)	5-YEAR(%)	10-YEAR(%)
FIXED-INCOME SECURITIES	(3.2)	6.1	5.6
PUBLIC EQUITY	28.0	13.0	6.3
PRIVATE EQUITY	17.1	8.5	7.9
REAL ESTATE	17.8	7.4	10.6
INFRASTRUCTURE	7.6	12.3	n. a.
TOTAL	**10.7**	**9.6**	**6.1**

The liability-driven asset allocation strategy, which guides asset management by taking into account the DGPP's obligations, continues to be the guideline applied by the Retirement Committee in its investment plans. The balance sought in the weighting of the DGPP's three major risk factors—interest rates, the inflation rate and economic cycles—will remain at the heart of the strategy in 2014.

INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2013	INVESTMENTS PER ASSET CLASS	$M
FIXED-INCOME SECURITIES (41.1%)	Money Market	237.8
	Universe Bonds	432.0
	Long-term Bonds	2,576.3
	Others	146.4
GROWTH SECURITIES (36.4%)	Canadian Equity	893.4
	U.S. Equity	200.2
	International Equity	204.3
	Global Equity	1,216.9
	Emerging Markets Equity	197.3
	Private Equity	294.6
INFLATION-LINKED SECURITIES (22.5%)	Infrastructure	800.8
	Real Estate	1,054.8
		8,254.8

INVESTMENTS

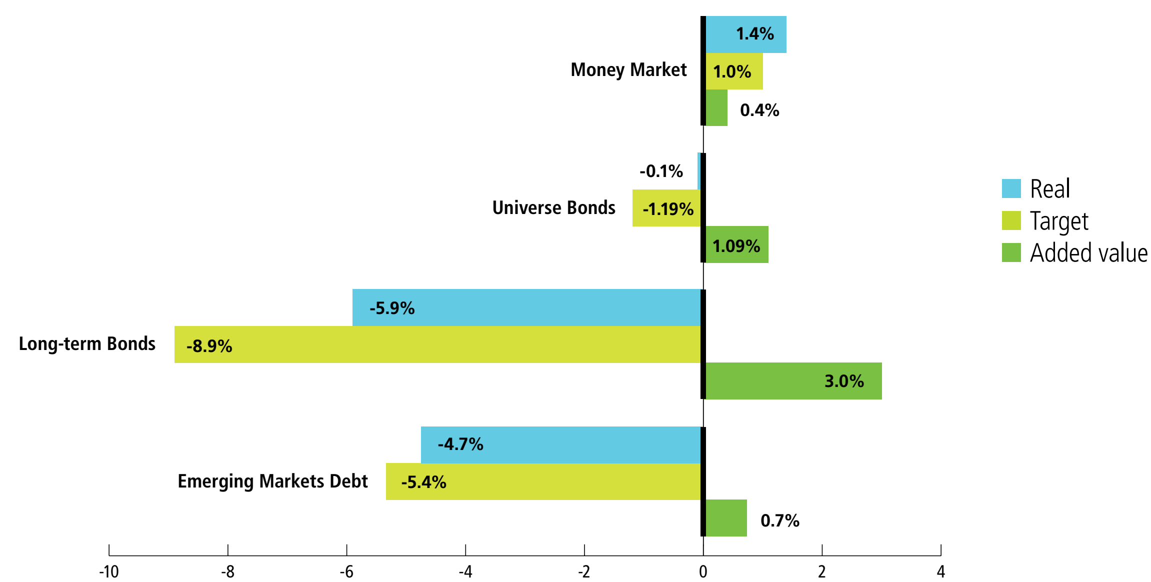
FIXED-INCOME SECURITIES

The past year was not a good one for the Canadian bond market. Fixed-income securities were hurt by the overall rise in interest rates, caused mainly by an improved world economic outlook and the U.S. Federal Reserve's pull-back from its quantitative easing program. Rising interest rates brought negative returns to the main bond indices, while shrinking credit spreads helped corporate bonds outperform their federal and provincial counterparts. The yield curve became more pronounced, and long-term securities felt the rise in interest rates more.

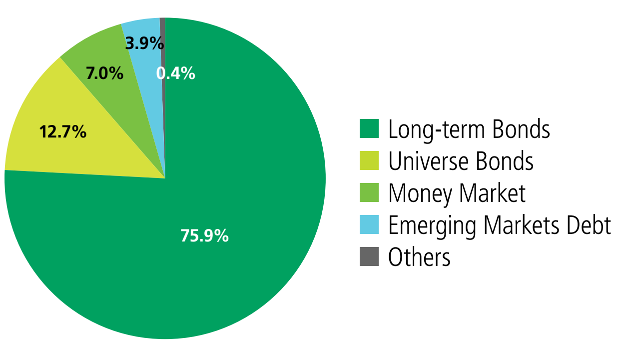
Because of higher interest rates, the fixed-income securities portfolio posted a -3.2% return for 2013. For the same reasons, however, the solvency deficit decreased, significantly improving the DGPP's financial situation. Active bond strategies gave very good results, with most of the portfolio managers successfully navigating the ups and downs of this difficult environment. The main sources of added value were effective sector allocation and security selection.

The duration extension program initiated few years ago was stepped up in 2013, boosting the DGPP's interest rate risk coverage noticeably. Longer-term securities were purchased gradually throughout the year to take advantage of higher current returns in the second half. The portfolio's average duration increased 30% to 13 years. The same approach will be taken in 2014.

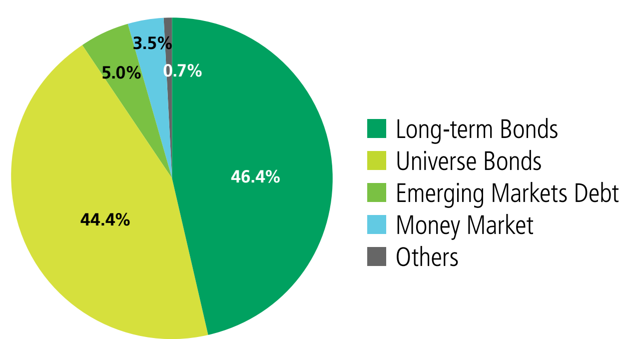
2013 RETURNS



2013 ALLOCATION



2012 ALLOCATION



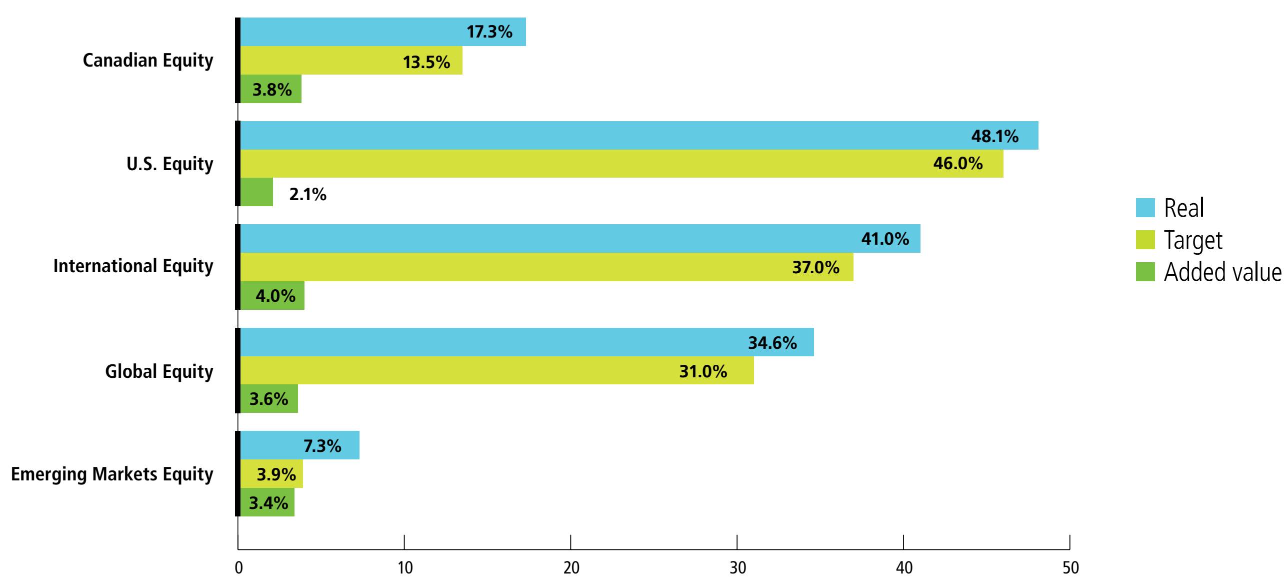
GROWTH SECURITIES

Unlike fixed-income securities, growth securities enjoyed a very favorable environment. An improved global economic outlook boosted investors' appetite for risk, allowing stock market indices in the main developed countries to turn in strong gains. Emerging markets equity, however, were unable to take advantage of the improvement, and indices lagged at year end.

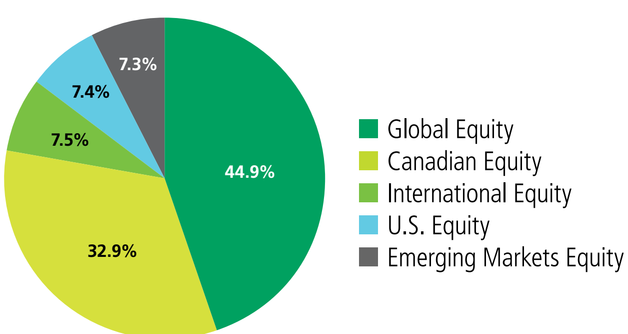
The Canadian S&P TSX index posted a 13.5% return over the past year, lower than the main global indices. The materials sector was the main reason of that under performance. The portfolio's global positioning in public equity benefited the Plan. The Canadian portfolio performed well, however, with a return of 17.3%. Active management was particularly successful, providing an added value of nearly 400 basis points. Sector allocation and security selection explain this good result.

The global stock portfolio, excluding Canadian equity mandates, had a great year, posting a 34% return and an added value of 408 basis points. A number of factors explain this performance. From a strategic perspective, weighting in U.S. and international small and medium cap securities was very beneficial. Active management in the security selection of securities and sectors allocation also delivered great results. Although positive in the absolute sense, the allocation in emerging market securities and the low volatility management strategy were unfavorable over the past year.

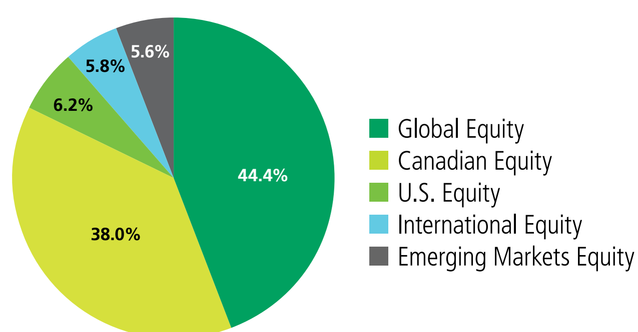
2013 RETURNS



2013 ALLOCATION



2012 ALLOCATION



INVESTMENTS

INFLATION-LINKED SECURITIES

The inflation-linked securities portfolio is well positioned to achieve its long-term objective of providing high current returns and protection against inflation. In 2013, inflation-linked securities comprised 22.5% of the DGPP's total assets, including 9.7% in infrastructure and 12.8% in real estate.

The infrastructure partnerships set up in recent years enabled the DGPP to perform well in an increasingly active and competitive environment. In an economic environment where interest rates have remained historically low, institutional investors seeking higher current returns have continued to invest massively in real estate and infrastructure.

REAL ESTATE

Available debt and equity in commercial real estate continued to support demand for well-located assets and reliable producers of current income. Except for condominiums, in which the DGPP has not invested, housing starts were relatively modest. Although government bond rates increased in 2013, real estate capitalization rates remained quite stable.

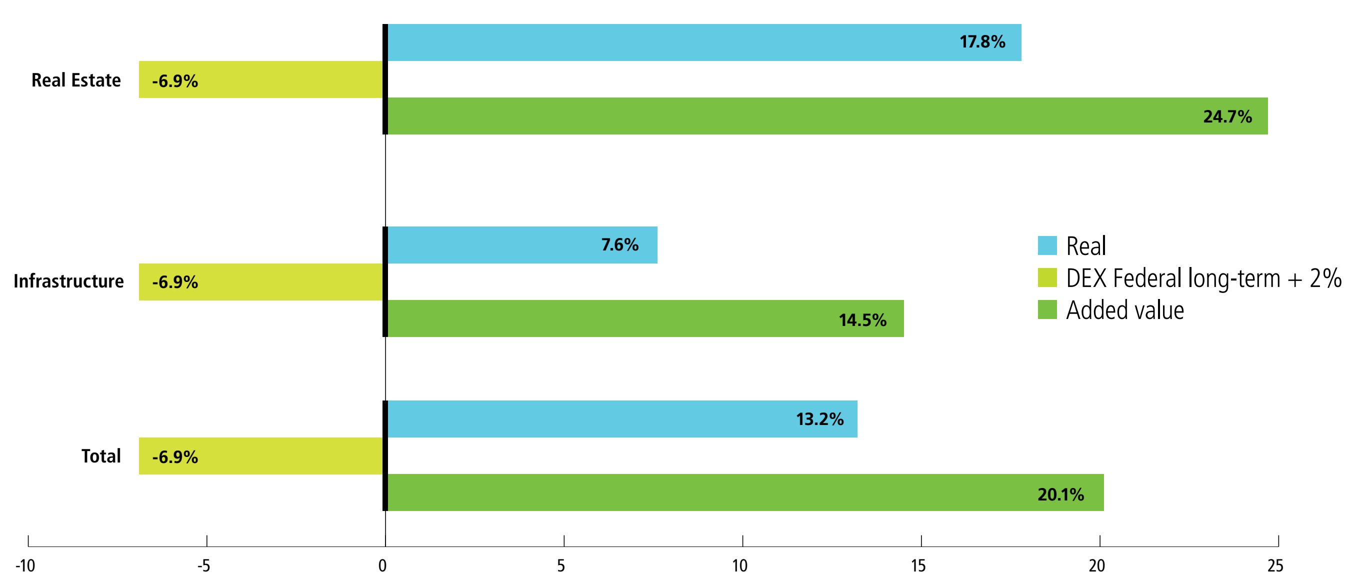
The DGPP's portfolio passed the $1 billion mark in late 2013 thanks in part to approximately $90 million in new investments, but mainly because of a better-than-expected performance bolstered by the continued enthusiasm for real estate.

INFRASTRUCTURE

Infrastructure is now a distinct asset class included in a number of institutional portfolios, and 2013 was another profitable year for the industry, with a high volume of transactions. In the infrastructure sector, 47 funds raised more than $38 billion worldwide, the best year since 2008. Most investors (61%) are below their allocation target and 46% expect it to increase in the medium and long term, which should ensure a continued flow of capital in coming years.

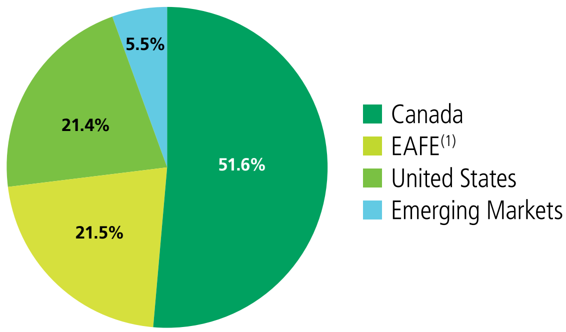
The DGPP remained active this year and strengthened its position as a leader in its sector by investing or committing to more than $80 million in four transactions, including two major investments in the Canadian solar renewable energy industry. A major partnership between the DGPP and Desjardins' insurance companies was set up in 2013 to pool investments in these transactions.

2013 RETURNS

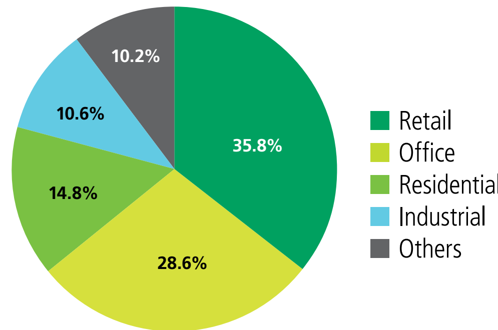


REAL ESTATE

GEOGRAPHICAL ALLOCATION

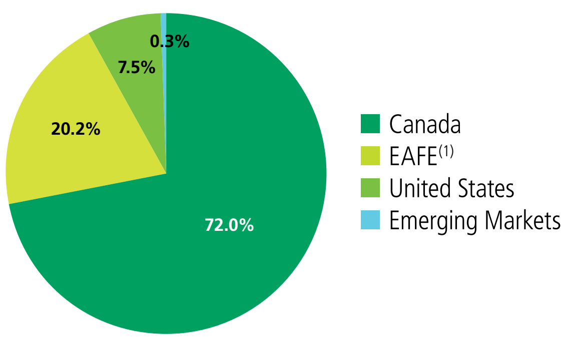


SECTOR ALLOCATION

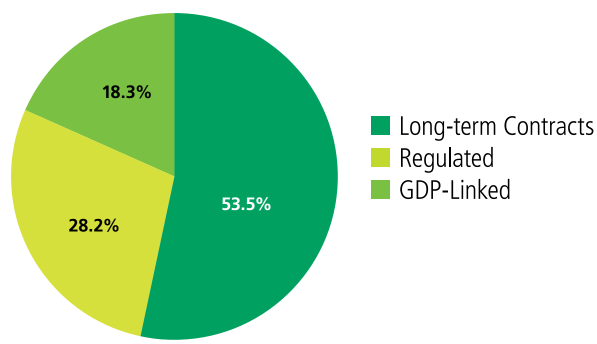


INFRASTRUCTURE

GEOGRAPHICAL ALLOCATION



CASH FLOW DYNAMICS



(1) Europe, Australasia, Far East

MEMBERS OF THE RETIREMENT COMMITTEE

REPRESENTATIVES FOR THE EMPLOYERS

SERGES CHAMBERLAND [1,3]
COMMITTEE CHAIR
President of the Saguenay–Lac-St-Jean, Charlevoix and Côte-Nord Regional Council

SYLVIE LAROUCHE [1,3]
COMMITTEE VICE-CHAIR AND CHAIR, INVESTMENT COMMITTEE
President of the Québec-Ouest and Rive-Sud Regional Council

ANNIE P. BÉLANGER [3]
COMMITTEE SECRETARY
President of the Bas-Saint-Laurent and Gaspésie–Îles-de-la-Madeleine Regional Council

JEAN-ROBERT LAPORTE [1,3]
President of the Lanaudière Regional Council

MARCEL LAUZON [1,3]
President of the Laval-Laurentides Regional Council

BENOÎT TURCOTTE [1,3]
President of the Outaouais, Abitibi-Témiscamingue and Nord du Québec Regional Council

REPRESENTATIVES FOR ACTIVE MEMBERS

REPRESENTATIVE FOR THE CAISSES
JULIE GOULET
Asset Management Advisor
Financial Planner and Group Savings Representative for Desjardins Financial Services Firm Inc.
Caisse populaire Desjardins Pointe-Platon de Lotbinière

REPRESENTATIVE FOR THE CAISSES
SYLVAIN ROULEAU
Senior Manager
Consumer Market
Caisse populaire Desjardins du Piémont Laurentien

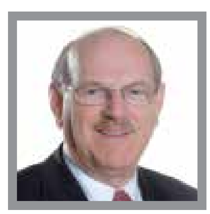
REPRESENTATIVE FOR THE FEDERATION
ROBERT BASTIEN
Vice-President, Cooperative Network Finance Division
Desjardins Group
Fédération des caisses Desjardins du Québec

REPRESENTATIVE FOR THE AFFILIATED CORPORATIONS
MARIO LÉVESQUE
Senior Actuarial Advisor
Product Development and Pricing, AssurFinance for Individuals
Desjardins Financial Security

REPRESENTATIVE OF RETIREES, BENEFICIARIES AND MEMBERS ENTITLED TO A DEFERRED PENSION

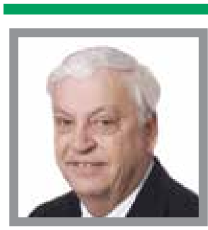
MICHEL-PIERRE BERGERON
Desjardins retiree

EXTERNAL MEMBER

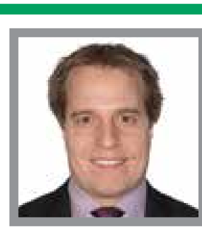


REYNALD-N. HARPIN [1,2]
Investment Consultant
Corporate Director

OBSERVERS



REPRESENTATIVE OF RETIREES, BENEFICIARIES AND MEMBERS ENTITLED TO A DEFERRED PENSION
NORMAND DESCHÊNES
Desjardins retiree



REPRESENTATIVE FOR ACTIVE MEMBERS
DOMINIC LAURIN
Development Advisor
Guaranteed Product Development and Financial Modelling Department
Desjardins Invesments

1 MEMBER OF THE INVESTMENT COMMITTEE
2 MEMBER OF THE RISK MANAGEMENT ADVISORY COMMITTEE
3 MEMBER OF THE FEDERATION BOARD OF DIRECTORS

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 Desjardins Group Pension Plan (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 members, retirees and beneficiaries, 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 in charge of the sound administration of the Plan, its management in the best interest of members, retirees and beneficiaries, and the payment of promised benefits to 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 has the mandate to ensure the execution, respect and follow-up of the policy as well as oversee the activities of the fund managers to whom management mandates are entrusted.

RISK MANAGEMENT ADVISORY COMMITTEE

Reporting to the Retirement Committee, the Risk Management Advisory Committee's mandate is to assess the main risks associated with managing DGPP activities. Each year, the committee recommends an integrated risk profile and asset allocation strategy to the Retirement Committee and issues opinions on new investments to the Investment Committee.

List of members of the Risk Management Advisory Committee

Julie Bouchard, Vice-President, Market Risk,
Office of the Chief Risk Officer

Stéphane Bergeron, Senior Director, Credit Adjudiction, Corporate Banking and Capital Market, Business Risk, Credit Granting and Intervention Unit Division

Gregory Chrispin, Vice-President, Investments,
Wealth Management and Life and Health Insurance Executive Division

Reynald-N. Harpin, external member of the Retirement Committee

François Hudon, Director, Liability Management,
Desjardins Group Pension Plan Division

AUDIT, PROFESSIONAL PRACTICES AND COMPLIANCE COMMITTEE

This committee was disbanded in 2013. Reporting to the Retirement Committee, the mandate of the Audit, Professional Practices and Compliance Committee consisted of the analysis of the financial statements and the quality of the accounting principles used, the management of risks, internal control systems, the processes related to internal and external audits, the management of regulatory compliance, the rules of ethics and professional practice, the complaint handling policy, and governance. All responsibility for risk management was transferred to the Risk Management Advisory Committee. All other responsibilities now fall directly to the Retirement Committee.

TRAINING OF MEMBERS

Members attended several presentations during the year, including a training seminar on October 23 and 24, 2013, that gave them the opportunity to fine-tune their knowledge on alternative investments. As well, a training session was held on October 1, 2013, for members who joined the Retirement Committee during the year.

REPORTING ON COMPLAINTS

Under the DGPP complaint policy, the Retirement Committee received no complaints in 2013.

NUMBER OF MEETINGS HELD IN 2013 BY THE RETIREMENT COMMITTEE AND ITS SUB-COMMITTEES

Retirement Committee:	5 meetings
Investment Committee:	11 meetings
Risk Management Advisory Committee:	1 meeting
Audit, Professional Practices and Compliance Committee:	1 meeting
Total:	**18 meetings**

Attendance rate among members of the three committees: 96%.

MEMBER SERVICES AND ADMINISTRATION

MEMBER SERVICES TEAM

The Member Services Team of the Desjardins Group Pension Plan (DGPP) responds to information requests from Desjardins Group employees, retirees and employers regarding the DGPP. In addition, the team's advisors provide retirement sessions and make presentations to Desjardins Group employers on request.

In 2013 the advisors responded to a total of 30,861 requests, provided 53 retirement sessions and made 26 presentations to 310 participants from various Group employers.

Despite the increase in requests and new retirees, the Retirement Committee continues to do what needs to be done to provide excellent service.

150,000
REQUESTS HANDLED IN 5 YEARS

99%
OVERALL MEMBER SATISFACTION RATE IN 2013

RETIREMENT PLANNING SESSION

Over the past 5 years, advisors have given over 250 retirement planning sessions to nearly 6,000 participants.

The "Retirement Planning Session" training is offered in various regions in Quebec and throughout Canada. It is intended for members age 50 or older and planning to retire within the next 5 years. To see the training calendar or get more information about the sessions, visit the Desjardins Group Plans Website. Click on the blue "Pension Plan" section, followed by "You are planning your retirement" and then click the "Sign up for a retirement planning session" link.

250 SESSIONS - 6,000 PARTICIPANTS IN 5 YEARS

ADMINISTRATION

16,000 CALCULATIONS IN 2013

The administrative team of the DGPP, Desjardins Financial Security, works tirelessly to perform all the calculations requested by members. In 2013 over 16,000 official estimates and calculations were produced for members within an average turnaround time of 3 days—well under the legally required timeframe set out in the *Supplemental Pension Plans Act.*

The team also makes all pension payments to DGPP retirees, and handles reimbursement services for members who have left Desjardins Group and would like to transfer their interests outside DGPP.

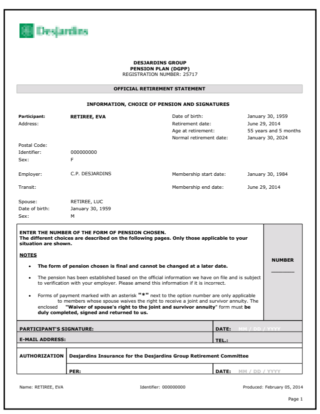
$264 MILLION IN RETIREMENT BENEFITS PAID TO 12,212 RETIREES AND THEIR SURVIVORS

DESJARDINS GROUP PLANS WEBSITE

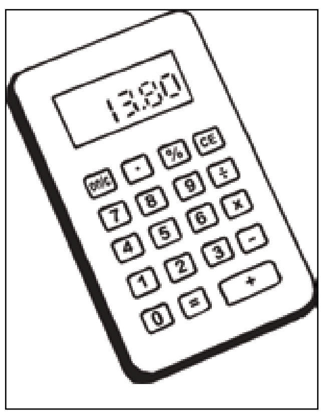
The number of members using the Desjardins Group Plans website has been increasing since its creation in 2008. One section of the site deals exclusively with DGPP and features a user-friendly Pension estimator. On the secure section of the site, users can access their personal file at any time, from anywhere. Members' Annual Statements are posted every year and they can electronically submit requests (retirement, buyback estimate, etc.) and get answers online. Retirees can also submit address change requests and change their tax withholding directly on the site. The number of members who have registered on the secure section of the site continues to rise every year, and in 2013 more than 2,000 requests were made via the secure website.

NEW IN 2013

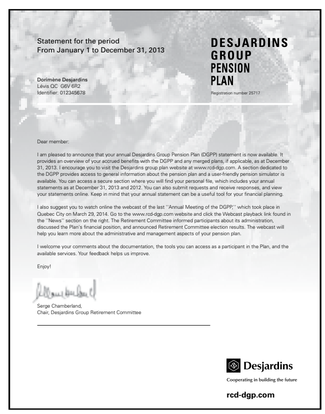
OFFICIAL RETIREMENT STATEMENT



PENSION ESTIMATOR



ANNUAL STATEMENT



EMAIL COMMUNICATION

In its ongoing efforts to provide excellent member support, the Retirement Committee continued to make progress on the communication plan rolled out last year, specifically by improving and updating member documentation. One of the highlights of 2013 was the streamline of the "Official Retirement Statement" and the Pension estimator. These features were overhauled completely to help members make informed decisions on the retirement choices available to them. In an effort to support sustainability in how its communications are sent, the Retirement Committee also invited retirees and members entitled to a deferred pension to sign up for email service. So far 32% of retirees and 11% of members entitled to a deferred retirement have signed up. Lastly, in 2013 the Retirement Committee solicited ongoing feedback from members and in-house teams to continuously improve the website.

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, 2013, on which PricewaterhouseCoopers expressed an unqualified opinion dated February 25, 2014.

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, 2013
(in thousands of dollars)

	2013	Restated (1) 2012
INVESTMENT PORTFOLIO		
Investment assets		
Bonds and pooled bonds funds	$3,169,815	$2,468,306
Shares and pooled shares funds	2,676,358	2,370,048
Other pooled funds	8,597	139,570
Real estate	1,059,746	895,389
Infrastructure	800,768	730,145
Private investments	294,633	279,064
Mortgages	10,569	11,480
Cash and money market instruments	450,886	301,765
Securities borrowed or purchased under resale agreements	470,843	331,609
Derivative financial instruments	1,193	226
	8,943,408	7,527,602
Investment liabilities		
Commitments related to securities loaned or sold under repurchase agreements	(727,127)	(524,157)
Derivative financial instruments	(1,019)	(7,272)
TOTAL INVESTMENT PORTFOLIO	**8,215,262**	**6,996,173**
Employers' contributions receivable	41,715	38,100
Employees' contributions receivable	9,212	6,761
Other assets	34,624	28,763
	85,551	73,624
Other liabilities	(45,968)	(36,562)
NET ASSETS AVAILABLE FOR BENEFITS	**$8,254,845**	**$7,033,235**

Approved by the Retirement Committee,

Allan Beauchesne ______________________________, Administrator

Annie Bélanger ______________________________, Administrator

(1) Following discussions with the Régie des rentes du Québec, it was agreed that the Plan have to recognize in the financial report, for a given period, the amount of additional contributions required in connection with the full payment of transfers for that period. The 2012 comparative figures have been adjusted accordingly.

DESJARDINS GROUP PENSION PLAN

CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 2013
(in thousands of dollars)

	2013	Restated (1) 2012
INCREASE IN ASSETS		
Investment income		
Bonds and pooled bonds funds	$93,195	$63,082
Shares and pooled shares funds	59,969	62,723
Real estate	5,444	3,115
Infrastructure	38,026	24,714
Private investments	4,297	6,839
Mortgages	689	881
Cash and money market instruments	1,812	1,706
Other income	1,733	1,121
	205,165	164,181
Changes in fair market value of investments and derivative financial instruments	555,864	442,583
	761,029	606,764
Contributions		
Employers	658,256	638,739
Administrative expenses	(10,859)	(9,211)
	647,397	629,528
Employees	189,535	180,912
Contributions net of administrative expenses	836,932	810,440
Interest on contributions receivable	1,225	1,229
Transfer agreements	3,866	4,744
	842,023	816,413
	1,603,052	**1,423,177**
DECREASE IN ASSETS		
Pension benefits		
Annuities	263,644	228,922
Reimbursements	57,979	59,511
Death benefits	10,887	9,660
	332,510	298,093
Investment management, custodian fees, transaction and other costs	36,152	30,441
Performance award fees	12,780	4,480
	381,442	333,014
INCREASE IN NET ASSETS	**1,221,610**	**1,090,163**
NET ASSETS AVAILABLE FOR BENEFITS AT THE BEGINNING OF THE YEAR	**7,033,235**	**5,943,072**
NET ASSETS AVAILABLE FOR BENEFITS AT THE END OF THE YEAR	**$8,254,845**	**$7,033,235**

(1) Following discussions with the Régie des rentes du Québec, it was agreed that the Plan have to recognize in the financial report, for a given period, the amount of additional contributions required in connection with the full payment of transfers for that period. The 2012 comparative figures have been adjusted accordingly.

PLAN SUMMARY

MEMBERSHIP

Mandatory for regular employees aged 25 years and over; optional for those under 25.

CONTRIBUTIONS

Since January 1, 2012, 7.45% of contributory earnings up to 65% of MPE(1) and 10.85% of the remainder.

INTEREST ON CONTRIBUTIONS

The net rate of return based on the adjusted value of the assets. For 2013, the rate is 5.8%.

NORMAL RETIREMENT AGE

65 years

EARLY RETIREMENT

a) **Eligibility:** Age 55 and termination of service with any Desjardins Group employer.

b) **Actuarial reduction for retirement before age 65:**

FOR SERVICE BEGINNING IN 2009

1/3 of 1% per month remaining to age 62.

FOR SERVICE PRIOR TO 2009

1/4 of 1% per month remaining to age 65 or, if more advantageous, the 85-point rule at age 57 (reduction of 0.25% per month to yield the 85-point rule, plus 0.25% per month to reach age 57).

NORMAL FORM OF PENSION

FOR SERVICE BEGINNING IN 2013

10-year guaranteed annuity, regardless of the member's marital status.

FOR SERVICE PRIOR TO 2013

a) **Member with a spouse:** Joint and survivor annuity equal to 60% of the amount of the retiree's pension. Furthermore, a guaranteed 10-year payment period starting on the date on which pension payment begins, for an amount equal to 60% of the retiree's pension.

b) **Member without a spouse:** 15-year guaranteed annuity.

ANNUAL INDEXATION OF RETIREES' BENEFITS

FOR SERVICE BEGINNING IN 2013

As of age 65 at the earliest, for a period of 10 years, according to the increase in the CPI(4), up to a maximum of 1%.

FOR SERVICE PRIOR TO 2013

As per the increase in the CPI, up to a maximum of 3%.

NORMAL RETIREMENT PENSION

Payable at age 65 and subject to the maximum pension clause. This pension is the sum of the following three components:

➥ **FOR SERVICE BEGINNING IN 2013**

[(1.5% of Salary 8 up to MPE 5) + (2% of Salary 8 in excess of MPE 5)] X credited years from 2013

➥ **FOR SERVICE BEGINNING IN 2009 AND UNTIL 2012**

[(1.5% of Salary 5 up to MPE 5) + (2% of Salary 5 in excess of MPE 5)] X credited years from 2009 to 2012

➥ **FOR SERVICE PRIOR TO 2009**

[(1.3% of Salary 5 up to MPE 5) + (2% of Salary 5 in excess of MPE 5)] X credited years before 2009

Salary 5 = Average salary for the best five years
Salary 8 = Average salary for the best eight years

MPE 5 = Average of the maximum pensionable earnings eligible for the QPP(2) or CPP(3) for the year of retirement and the previous four years

(1) MPE: Maximum Pensionable Earnings, i.e. $52,500 in 2014
(2) QQP: Québec Pension Plan
(3) CPP: Canada Pension Plan
(4) CPI: Consumer Price Index

EMPLOYMENT TERMINATION BENEFIT

A deferred pension is payable as of age 65 and is equal to the sum of the credited annuity and the annuity provided by the member's excess contributions. For members under age 55, this amount may be transferred to an authorized retirement vehicle, subject to the lock-in rules set out in applicable legislation. The transfer options are also subject to the requirements and limitations set out in the *Income Tax Act.*

DEATH BENEFIT

a) Death before retirement: Payment equals the amount that would have been paid had the member stopped working immediately prior to his death.

b) Death after retirement: Payment amount depends on the pension form chosen by the member.

50% rule

Upon termination of employment, death or retirement, an additional amount is paid to the member, equal to the excess contributions on 50% of the value of his vested annuity (excess contributions).

175% rule

For service beginning in 2009, a minimum benefit will be paid in the event of a transfer of accrued entitlements, equal to 175% of the regular contributions made by the Plan member for that period, with accrued interest.

TRANSITION RULE INTRODUCED IN 2009

The transition rule applies to all members who will be entitled to an unreduced pension benefit before the end of 2013 for service prior to 2009, regardless of whether the member opts to retire then or after 2013. The transition rule continues to apply with the relevant adjustments starting in 2013. The member will receive, for his years of service starting from 2009, a pension that is at least equal to the benefit the Plan would have delivered with the pension formula that was applicable before 2009.

A DETAILED DESCRIPTION OF THE BENEFITS IS AVAILABLE ON THE PLAN WEBSITE: **www.rcd-dgp.com**

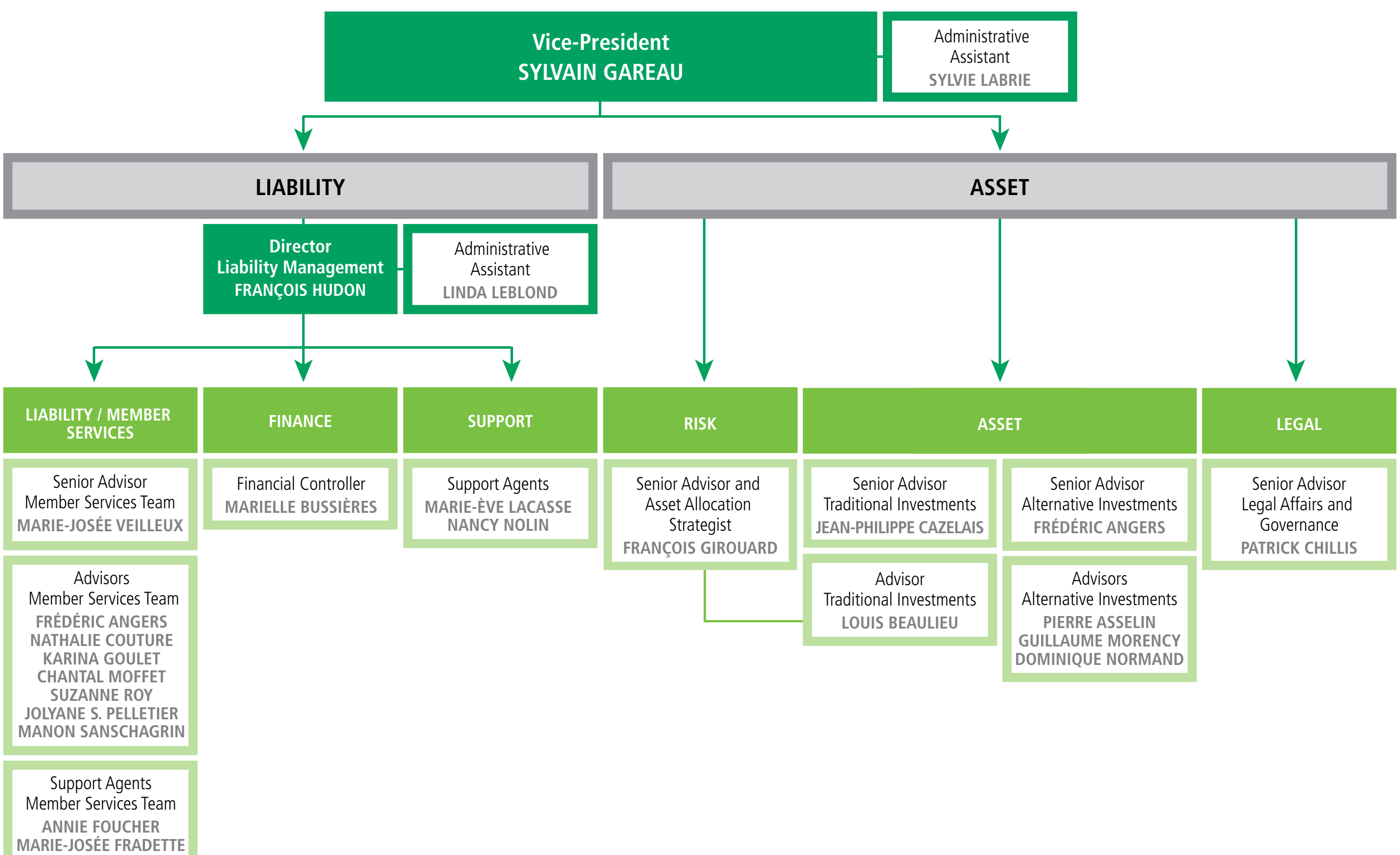
FOR ADDITIONAL INFORMATION, PLEASE CONTACT THE DGPP MEMBER SERVICES TEAM AT **1-866-434-3166** MONDAY TO FRIDAY FROM, 8:30 A.M. TO 4:30 P.M.

DESJARDINS GROUP PENSION PLAN DIVISION

DANIEL DUPUIS
SVP, Finance and Chief Financial Officer, Desjardins Group

SYLVAIN GAREAU
Vice-President, Desjardins Group Pension Plan

THE DGPP DIVISION REPORTS TO THE SENIOR VICE-PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER, DESJARDINS GROUP, DANIEL DUPUIS.




ADVANTAGES
FOR EVERYONE
ADVANTAGES
FOR ME

Desjardins

Cooperating in building the future