

Desjardins accelerates growth across Canada with strategic acquisition of leading insurance distribution network and mutual fund and investment dealers from Guardian Capital Group Limited

- Transaction will strengthen Desjardins in life insurance and wealth management sectors and accelerate its growth strategy for the broader Canadian market
- Desjardins is committed to maintaining the independence of advisors and intends to retain the management and employees of the acquired companies
- Transaction unlocks significant value for Guardian shareholders and focuses Guardian on its core investment management business; transaction value of \$750 million is subject to customary purchase price adjustments

MONTREAL and TORONTO, November 30th – Desjardins Group (Desjardins) and Guardian Capital Group Limited (Guardian) (TSX:GCG) (TSX:GCG.A) today announced that they have entered into definitive agreements (the Purchase Agreements) for Desjardins to acquire Guardian’s life insurance, mutual fund and investment distribution networks. Specifically, Desjardins will acquire:

- IDC Worldsource Insurance Network Inc. (IDC), one of the largest life insurance managing general agencies (MGA) in Canada;
- Worldsource Financial Management Inc. (WFM), a mutual fund dealer; and
- Worldsource Securities Inc. (WSI), a full-service investment dealer.

IDC, WFM and WSI serve more than 5,000 independent advisors in the Canadian insurance and financial advice markets.

The acquisition will position Desjardins as a leader in the independent distribution of life insurance and retail investment products in Canada, with more than \$2 billion in life insurance premiums in force and \$43 billion in combined assets under administration in mutual funds, segregated funds and securities, as at June 30th, 2022.

Following the closing of the transaction, Desjardins plans to operate the acquired companies as stand-alone entities, and expects them to continue being led by the current teams of management and employees. The companies will continue supporting advisors’ core beliefs to maintain independence with respect to open architecture for products and solutions.

“This acquisition strengthens Desjardins in the important life insurance and wealth management sectors across Canada,” said Guy Cormier, President and CEO of Desjardins Group. “On the insurance side, it extends our market reach and positions us as a leader in life insurance independent distribution in Canada. On the financial advisory side, the mutual fund and securities dealers will enhance and strengthen our distribution of retail investment products. With this added bench strength, Desjardins will be able to serve more Canadians and achieve critical mass to generate the financial flexibility to innovate and invest to better meet the needs of our members, clients and advisors.

“All three acquired companies align with Desjardins’ values and commitment to win the trust of members and clients and will continue building on their outstanding growth serving clients through the independent advisor channel. We look forward to welcoming the leaders, employees and advisors and supporting their continued impressive success going forward,” he added.

George Mavroudis, President and CEO of Guardian, said, “We are proud of the quality of wealth businesses we have built. Our success has been made possible by remaining patient and building long standing trusted relationships between advisors and our company. This was all made possible due to the strong leadership and collaborative efforts of our dedicated executive team, employees and advisors”. He further noted, “At the same time, we take great comfort in having Desjardins succeed us as owners of these businesses. Desjardins has the vision, resources and long-term commitment to offer the employees and advisors an environment to thrive and reach even greater levels of success.”

He added that “This transaction unlocks meaningful value for Guardian’s shareholders, while simultaneously streamlining its operations to focus on its core investment management business. We look forward to continuing to build best in class investment solutions for investors and growing our diverse investment management business across all client segments, including institutional, retail, and private wealth.”

The purchase price under the Purchase Agreements is \$750 million, subject to customary purchase price adjustments, a portion of which will be distributed to minority shareholders of IDC. In addition to the proceeds expected to be received under the transaction, Guardian has a portfolio valued at \$648 million, as at its last quarter end of September 30th, 2022.

As a result of this acquisition, Desjardins will accelerate its growth strategy for the broader Canadian market, a key focus for the organization in recent years. The acquisition of State Farm’s Canadian operations in 2015 positioned Desjardins as the second largest P&C insurer in the country. More recently, the partnership with Canada’s five provincial credit union centrals and CUMIS in 2017 created Aviso Wealth, which administers and manages over \$100 billion in assets and is now one of the largest independent wealth management firms in the country.

The transaction is expected to close in the first quarter of 2023 and is subject to customary closing conditions, including regulatory approvals. A copy of the Purchase Agreements will be made available under Guardian’s SEDAR profile.

BMO Capital Markets is acting as financial advisor to Guardian and provided a fairness opinion to its board of directors. Borden Ladner Gervais LLP and KPMG LLP are acting as legal and tax advisors, respectively, to Guardian. Desjardins Capital Markets is acting as financial advisor and Stikeman Elliott LLP is acting as legal advisor to Desjardins.

About Desjardins Group

Desjardins Group is the largest cooperative financial group in North America and the fifth largest cooperative financial group in the world, with assets of \$404 billion. It was named one of Canada's Top 100 Employers in 2022 by Mediacorp. To meet the diverse needs of its members and clients, Desjardins offers a full range of products and services to individuals and businesses through its extensive distribution network, online platforms and subsidiaries across Canada. Ranked among the world's strongest banks according to The Banker magazine, Desjardins has one of the highest capital ratios and credit ratings in the industry.

About Guardian Capital Group Limited

Guardian Capital Group Limited (Guardian) is a diversified, global financial services company operating in two main business segments: Investment Management and Wealth Management. As at September 30, 2022, Guardian had C\$47.6 billion of assets under management and C\$26.8 billion of assets under administration, while managing a proprietary investment portfolio with a fair market value of C\$648 million. Through its subsidiaries, Guardian provides extensive investment management solutions to institutional and private wealth clients, while offering comprehensive wealth management services to financial advisors in its national mutual fund dealer, securities dealer and insurance distribution network. Founded in 1962, Guardian's reputation for steady growth, long-term relationships and its core values of trustworthiness, integrity and stability have been key to its success over six decades. Its Common and Class A shares are listed on the Toronto Stock Exchange as GCG and GCG.A, respectively. To learn more about Guardian, visit <https://www.guardiancapital.com/about-us>.

Caution Concerning Forward-Looking Statements

This press release may contain forward-looking statements. Such statements are typically identified by future and conditional verbs or words such as “expect” or “will” and other words and expressions of similar import. Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties that may be general or specific and are based on assumptions that may give rise to the possibility that actual results or events could differ materially from expectations expressed in or implied by such forward-looking statements. Forward-looking statements contained in this press release may include, but are not limited to, those with respect to Desjardins' and Guardian's objectives and views regarding timing for closing of the acquisition, the acquisition itself, the operation of the acquired companies post-closing of the transaction, the satisfaction of closing conditions and obtaining of required regulatory approvals to close the acquisition, Desjardins' post-closing life insurance premiums in force and assets under administration, and the ability of Guardian to grow its investment management business and deploy its capital post-closing. It is important to note that many factors could influence future results and could have an adverse effect on results. Desjardins and Guardian caution readers against placing undue reliance on forward-looking statements when making decisions. Desjardins and Guardian do not undertake to update any forward-looking statements that may be made herein, except as required under applicable law.

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