

IN THIS TIME OF ECONOMIC UNCERTAINTY Let's Manage the Short Term Wisely and Keep Our Sights on the Future

First of all, I would like to offer all our members my best wishes for a healthy, happy and successful New Year.

We are starting 2009 in the throes of an economic slowdown, which has been largely caused by the greatest financial crisis seen since the 1930s. Financial markets underwent substantial upheavals in 2008. Examples are the marked drop in stock market indices and the major asset write-downs by top U.S. and European banks, some of which even declared bankruptcy while others were nationalized or bought out by competitors. We also saw repeated interventions from the central banks, which pushed interest rates down to very low levels and injected considerable liquid assets into the markets. Finally, following various government bailouts, new economic stimulus plans were adopted. The total dollar amount involved is well into the trillions.

For this New Year, we will have to adapt to a financial environment that has changed dramatically, to say the least.

The good news is that Desjardins Group can count on the incomparable strength of its human capital to face this exceptional situation. What has always set Desjardins apart is its great capacity to engage elected officers, management and employees, as well as its constant motivation to maintain a strong connection with its members. That is in fact how member confidence has enabled Desjardins to build substantial financial capital over the years.

Today, especially in this time of crisis, we are forced to evaluate to what extent this financial capital represents a measure of stability and longevity, both for Desjardins and for its members. Effort will be focused in 2009 on continuing to grow the large portion of the caisses' financial capital contained in their general reserve.

EDUCATION, ENTREPRENEURSHIP AND COOPERATION: KEYS TO THE FUTURE

As a community, our most precious asset for the future is our human capital. That's why we need to keep working with a view to the long term, emphasizing education, entrepreneurship and cooperation.

Over the last 40 years, Québec has made considerable progress in the field of education. By continuing to pursue our efforts in this area, we ensure that young people starting out in the workforce have the skills they need to carve themselves a place in this increasingly complex world.

We need to make sure that our teaching institutions have the ability to fulfil their mission with the means, labour and equipment they need to compete with their counterparts all over the world.

We also need to push extra hard to promote and support entrepreneurship so that small and mid-sized businesses can continue adding to the dynamic nature of our economy. We need to keep cultivating the desire to build and innovate, among people of all ages.



COOPERATE FOR GREATER STRENGTH – TOGETHER

Combined with education and entrepreneurship, cooperation will allow us, more than ever before, to find the right path towards a future that meets all our expectations.

Cooperation means fostering our communities and highlighting their knowledge, their resources and their human capital. It means collaborating more effectively and joining our voices in harmony, focusing on what we have in common rather than our differences. It is only by working closely together that we will succeed in the global marketplace.

Throughout history, every period of economic slowdown has been followed by an upturn. By combining education, entrepreneurship and cooperation, we are equipping ourselves to confidently achieve our ambitions for our future and our children's future. **D**