

# MOBILIZING ALL OF DESJARDINS TO WORK FOR OUR MEMBERS AND CLIENTS



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- 17 BRIGITTE DUPUIS**  
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- 18 GRÉGOIRE LÉGER**  
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- 19 NATHALIE TREMBLAY**  
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- 20 JACINTA AMÂNCIO**  
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- 21 CHANTAL ST-AMAND**  
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- 22 JOCELYN GILBERT**  
GM, Caisse Desjardins des Chutes Montmorency
- 23 LORRAIN BARRETTE**  
President, Caisse Desjardins de Rouyn-Noranda
- 24 MICHEL VERREULT**  
Senior Vice-President, Distribution, Desjardins General Insurance Group
- 25 JOÉ BÉLANGER**  
GM, Caisse Desjardins Thérèse-De Blainville
- 26 MARIANO A. DE CAROLIS**  
GM, Caisse populaire Desjardins Canadienne Italienne

# THE EXTENT OF THE DESJARDINS GROUP NETWORK

Desjardins stands out from other financial institutions through its cooperative difference, which places members above all else. Thanks to the dedication of its elected officers and its employees, the complete range of products and services it offers, its unparalleled physical and virtual accessibility, its diversity of locations across the country and abroad, as well as its financial stability, Desjardins Group today has become a major player in the financial services industry. More than 100 years after the founding of the first caisse, Desjardins is now the number one financial institution in Québec and the largest cooperative financial group in Canada. It just goes to show that, more than ever, the cooperative formula brings success while acting as a measure of our achievements.

- Assets of \$152.3 billion
- Approximately 5.8 million members, including nearly 400,000 businesses
- 6,299 elected officers in Québec and Ontario
- Approximately 42,000 dedicated employees nationwide
- 1,396 points of service in Québec and Ontario: 513 caisses and 883 service centres
- 113 points of service in Manitoba and New Brunswick: 36 affiliated caisses and 77 service centres
- 48 business centres in Québec and three in Ontario
- 32 Desjardins Credit Union points of service in Ontario
- Approximately 20 subsidiary companies offering a full range of financial services, with many of them active in several Canadian provinces
- Three Desjardins Bank branches in Florida and a branch of Caisse centrale Desjardins in the United States
- A state-of-the-art, high-tech virtual network of ATMs and online services

# PROUD TO BE THE LARGEST COOPERATIVE FINANCIAL GROUP IN CANADA

Backed by the trust of its 5.8 million members, both individuals and businesses, as well as clients from across the country, Desjardins Group is the largest cooperative financial group in Canada and the eighth-largest in the world. Desjardins is also the top financial institution in Québec, sixth-largest in Canada, eighteenth in North America and one of the top 100 in the world. What's more, Desjardins Group is listed among Canada's 50 Best Employers for 2009 by the prestigious *Report on Business* magazine ranking.

The proximity between the caisses and their members, the commitment of the elected officers and the expertise of the staff in all the components enables Desjardins Group to offer an extensive range of financial products and services adapted to the needs of its members and clients. In addition, because the notion of "money working for people" is so inherent to its cooperative nature, Desjardins is more closely involved in the community than any other financial institution and thereby actively contributes to improving the economic and social well-being of people and the communities in which they live.

An emblematic figure in the financial sector in Québec, Desjardins Group maintains its unique presence in the province through its caisses, business centres, subsidiary distribution networks and virtual access networks. Elsewhere in Canada, Desjardins is associated with the caisses populaires in Ontario, Manitoba and New Brunswick, as well as with Desjardins Credit Union in Ontario. Several subsidiaries are also active in all the Canadian provinces. In the United States, members and clients can count on the services offered by Desjardins Bank and Caisse centrale Desjardins to help facilitate their business development or travel in the United States. Worldwide, Desjardins has been a leader in international cooperation for nearly forty years. Desjardins supports the creation and development of collectively owned financial institutions, helping nearly six million families in over twenty developing or emerging countries.

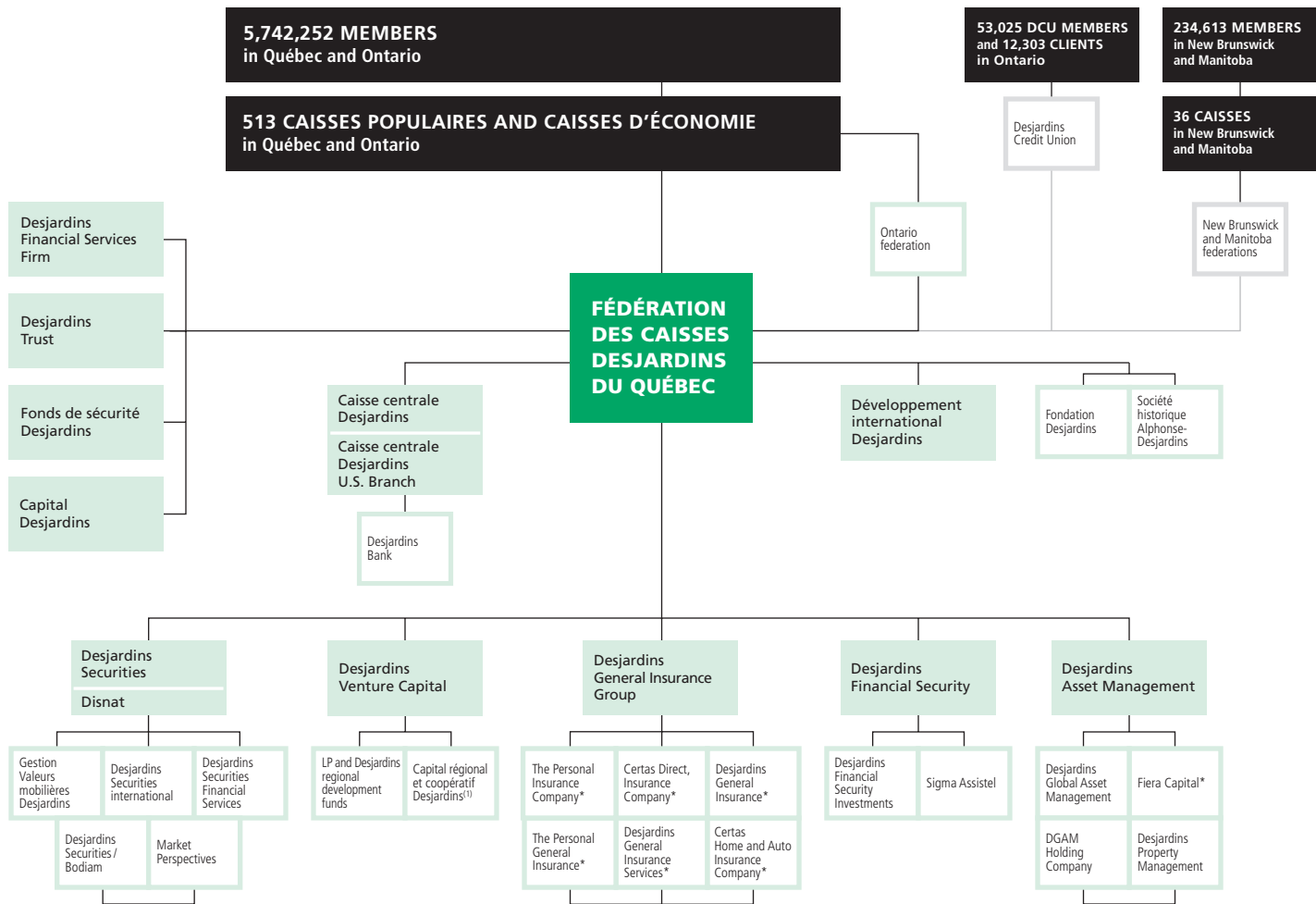
Driven by the values of integrity and rigour, solidarity and commitment, Desjardins Group believes even more strongly than ever in its distinctive strengths, in cooperation, in its engaged and committed human capital, as well as in the proximity of the caisses to their members and of the subsidiaries to their clients, as being unique and promising tools for the development and greater well-being of its individual and business members and clients.

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# AN EXTENSIVE NETWORK OF CAISSES AND SUBSIDIARIES SERVING OUR MEMBERS AND CLIENTS

ORGANIZATION CHART



(1) Venture capital, public fund managed by Desjardins Venture Capital.

As at December 31, 2008

Note: Chart does not reflect the legal ownership structure.

— Ownership link  
— Auxiliary members  
\* Shared ownership

DESJARDINS

## OTHER INFORMATION

As at December 31, 2008

	2008		2007	
	Desjardins Group <sup>(1)</sup>	Manitoba and New Brunswick <sup>(2)</sup>	Desjardins Group <sup>(1)</sup>	Manitoba and New Brunswick <sup>(2)</sup>
Number of employees <sup>(3)</sup>	41,921	1,436	40,345	1,425
Number of members	5,795,277 <sup>(4)</sup>	234,613	5,796,312	239,116
Number of elected officers	6,299	355	6,545	380
Number of member caisses	513	36	536	39
Number of service centres	915	77	919	75
Number of automated teller machines	2,764	142	2,769	141

(1) Including Desjardins Credit Union (DCU) data. DCU service centres are included in the Number of service centres line.

(2) Federations and caisses of Manitoba and New Brunswick.

(3) Includes employees working for subsidiaries that operate outside Québec.

(4) Total members in all caisses in Québec and Ontario, in addition to DCU members.

# ACTIVE ACROSS ALL BUSINESS SECTORS

## FINANCIAL INTERMEDIATION

This sector consists of the Québec and Ontario caisses, the network of affiliated caisses populaires in Ontario, Desjardins Credit Union, the Fédération des caisses Desjardins du Québec and its business units (Desjardins Card Services, Financial Services, Financing Services and Desjardins Payroll and Human Resources Services), as well as Caisse centrale Desjardins, Fonds de sécurité Desjardins and Capital Desjardins ■ Leading market shares in Québec in savings activities, residential mortgage credit, business financing and consumer credit ■ Pioneer and leader in online services in Québec ■ The most visited financial Web site in Québec and one of the most visited in Canada ■ Largest credit card issuer in Québec (VISA Desjardins).

[www.desjardins.com](http://www.desjardins.com)

## INVESTMENT FUNDS AND SPECIALIZED SAVINGS PRODUCTS

One of the largest manufacturers of investment funds and other specialized savings products in Québec ■ Desjardins Funds ■ Northwest Mutual Funds ■ Desjardins Private Management.

[www.desjardinsfunds.com](http://www.desjardinsfunds.com)  
[www.northwestfunds.com](http://www.northwestfunds.com)  
[www.desjardinsprivatemanagement.com](http://www.desjardinsprivatemanagement.com)

## TRUST SERVICES

A multi-disciplinary approach to consumer trust services ■ Testamentary services ■ Estate liquidation ■ Trust administration ■ Administration in case of incapacity ■ Leader in securities administration and custody in Québec.

[www.desjardinstrust.com](http://www.desjardinstrust.com)

## LIFE AND HEALTH INSURANCE

Top life and health insurer in Québec and fifth in Canada for total direct premiums underwritten through the Desjardins Financial Security subsidiary ■ Over five million clients (individuals, groups and businesses) ■ Extensive range of life and health insurance and retirement savings products, distributed through a variety of channels, including, in Québec, the Desjardins caisses and the SFL Partner of Desjardins Financial Security financial centres, and in the other Canadian provinces, the Desjardins Financial Security Independent Network and Desjardins Financial Security Investments financial centres ■ Offices across the country (Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montréal, Québec City, Lévis, Halifax and St. John's).

[www.desjardinsfinancialsecurity.com](http://www.desjardinsfinancialsecurity.com)

## GENERAL INSURANCE

Seventh-largest general (property and casualty) insurer of individuals in Canada through the Desjardins General Insurance Group (DGIG) subsidiary ■ The leading direct insurance provider, with one million insured in Québec ■ Second-largest in the Canadian group insurance market, under DGIG's The Personal banner ■ Establishments in several cities (Lévis, Québec City, Montréal, Ottawa, Mississauga and Calgary) and agents present throughout the Desjardins caisse network, across Québec.

[www.dgig.ca](http://www.dgig.ca)  
[www.desjardinsgeneralinsurance.com](http://www.desjardinsgeneralinsurance.com)  
[www.thepersonal.com](http://www.thepersonal.com)

## SECURITIES

Full-service securities brokerage with advisory services (Desjardins Securities) and online brokerage without advisory services (Disnat division) ■ Brokerage services for businesses and institutions ■ 48 full-service brokerage points of service in Québec and Ontario ■ Nearly \$16 billion under administration.

[www.ds.ca](http://www.ds.ca)  
[www.disnat.com](http://www.disnat.com)  
[www.dsia.ca](http://www.dsia.ca)  
[www.disnatdirect.com](http://www.disnatdirect.com)

## ASSET MANAGEMENT

Manages more than \$38 billion in assets coming primarily from the equity of the insurance subsidiaries and from management authorization assignments entrusted by other Desjardins components ■ Real estate and securities investment management, mortgage and institutional financing ■ Development of investment and savings products ■ 21% shareholder in Fiera Capital Management Inc., a firm specialized in institutional fund management ■ Offices in Québec City, Montréal, Toronto and Vancouver.

[www.desjardinsassetmanagement.com](http://www.desjardinsassetmanagement.com)

## VENTURE CAPITAL

Desjardins Venture Capital is Desjardins Group's venture capital manager ■ Manages assets for seven Desjardins private funds (Desjardins Venture Capital, L.P. and six Desjardins regional investment funds), Capital régional et coopératif Desjardins and Desjardins – Innovatech S.E.C. ■ 24 business locations throughout Québec ■ Partner of 313 businesses, including cooperatives, thereby helping to protect some 34,000 jobs.

[www.dcrdesjardins.com](http://www.dcrdesjardins.com)

# THE STRENGTH OF THE COOPERATIVE BUSINESS MODEL

While every country around the world has been affected by today's unprecedented financial crisis, they are also all part of the solution. We are currently witnessing a level of concerted global action and cooperation that has not been seen in a very long time, indicating that the Desjardins Group cooperative business model is the way of the future.

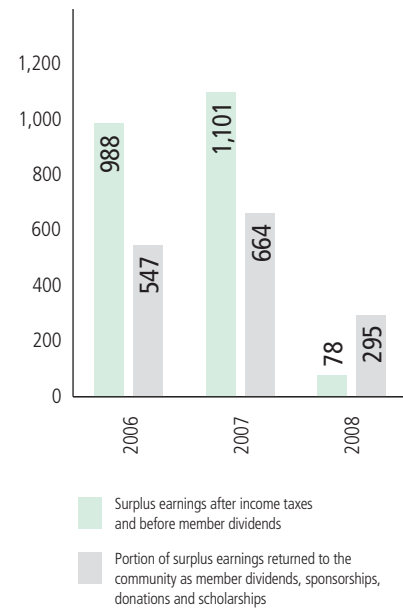
While Desjardins was not spared the effects of this past year's financial storm, it has weathered the situation quite well in terms of its basic activities. The caisses, which make up the very foundation of Desjardins Group, have once again recorded excellent operating results, as did our main subsidiaries. Had it not been for specific items primarily tied to the financial crisis and asset-backed commercial paper (ABCP), Desjardins would have posted surplus earnings before member dividends of approximately \$1.2 billion in 2008—slightly higher than in 2007.

Desjardins remains one of the highest capitalized financial institutions in Canada. Its Tier 1 capital ratio was 13.39% as at December 31, 2008, compared with 14.17% as at the same date in 2007; this rate exceeds Desjardins Group's capitalization objective and stands as one of the best in the industry. Its total capital ratio was 12.85%, compared with 13.59% as at December 31, 2007. Furthermore, Caisse centrale Desjardins has an excellent credit rating and Desjardins is also holding its own at the head of the class among Canadian financial institutions.

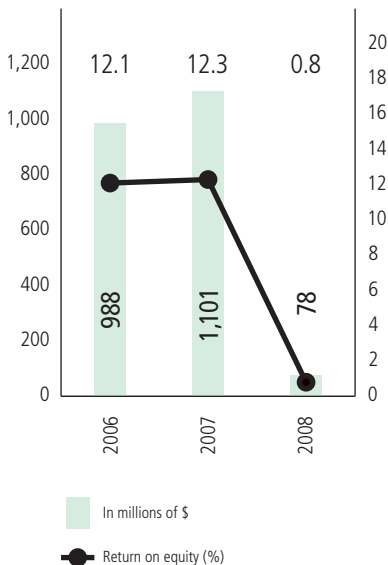
FINANCIAL HIGHLIGHTS

DESJARDINS

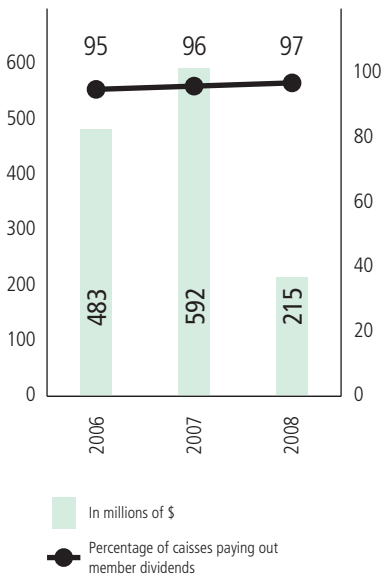
**RETURNED TO THE COMMUNITY**  
(in millions of \$)



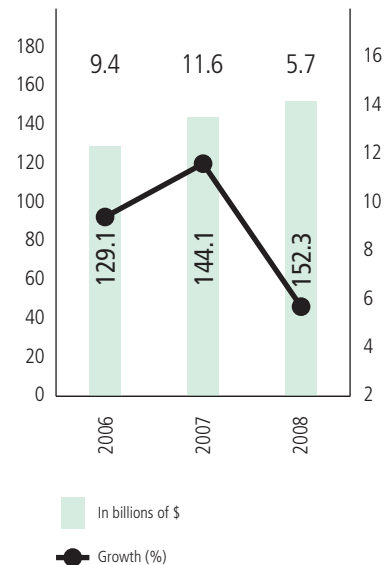
**SURPLUS EARNINGS BEFORE MEMBER DIVIDENDS**



**PROVISION FOR MEMBER DIVIDENDS**



**TOTAL ASSETS OF DESJARDINS GROUP**



## FINANCIAL POSITION – BALANCE SHEET AND OFF-BALANCE SHEET<sup>(1)</sup>

As at December 31

(in millions of \$ and as a %)

	Change		2007 <sup>(2)</sup>	2006 <sup>(2)</sup>
	2008-07	2008		
Total assets	5.7 %	\$ 152,298	\$ 144,059	\$ 129,140
Liquid assets	(7.1)	30,711	33,059	28,377
Loans	9.5	104,462	95,403	88,646
Deposits and subordinated debentures	5.8	102,184	96,624	89,510
Equity	6.4	9,873	9,282	8,553
Assets under administration	(4.3)	201,647	210,683	224,280
Assets under management	(24.1)	29,292	38,569	36,049
Tier 1 capital ratio (as per BIS standards)	—	13.39 %	14.17 %	14.18 %

(1) Excluding caisses and federations in Manitoba and New Brunswick.

(2) Data restated to reflect the presentation adopted in 2008.

## OPERATING INCOME<sup>(1)</sup>

Years ended December 31

(in millions of \$ and as a %)

	Change		2007 <sup>(2)</sup>	2006 <sup>(2)</sup>
	2008-07	2008		
Total income	(13.4) %	\$ 8,373	\$ 9,671	\$ 9,419
Provisions for credit losses	23.4	243	197	139
Non-interest expense	2.1	4,800	4,702	4,534
Surplus earnings after income taxes and before member dividends	(92.9)	78	1,101	988
Provision for member dividends	(63.7)	215	592	483
Return on equity	—	0.8 %	12.3 %	12.1 %

(1) Excluding caisses and federations in Manitoba and New Brunswick.

(2) Data restated to reflect the presentation adopted in 2008.

## CREDIT RATINGS

The financial solidity of Desjardins Group as reflected in the excellent credit ratings of Caisse centrale Desjardins.

	Short term	Senior medium and long term
Standard and Poor's	A-1+	AA-
Moody's	P-1	Aa1
Dominion Bond Rating Service	R-1 (high)	AA



**MONIQUE F. LEROUX**  
 Chair of the Board, President and CEO,  
 Desjardins Group

## LIVE DESJARDINS WITH TRUST AND CONFIDENCE

At the end of March 2008, I began my mandate as President, ready to promote the values of trust and confidence in furthering the development of Desjardins Group.

At the time, I encouraged the vital forces behind our institution to *“live Desjardins with trust and confidence.”* I stressed the word “live” because Desjardins is part of a movement in which democracy is so intensely alive. I spoke of “trust and confidence” because Desjardins, as a cooperative financial group, must inspire trust, and because our success is gained through our officers’ and employees’ confidence in the future. But the future is always a work in progress, built with pride in our roots and in our history.

To me, Alphonse Desjardins was the greatest entrepreneur, the greatest financier and the greatest cooperator in the entire history of Canada. His model for a caisse that is close to the people is still relevant today. Attention to members’ needs, mastery of finance, innovation, service to the community and the cooperative values he put forth are still at the heart of the success of our caisses and of Desjardins Group.

*“There’s nothing more deserving [...] of our attention, than to give the caisses a great and wonderful reputation [...] in doing so, we will win a clientele that, in the future, will promote their long-term prosperity.”* Alphonse Desjardins had a great deal of foresight.

### GLOBAL CRISIS OF CONFIDENCE

The year 2008 was marked by a worldwide economic and financial crisis. The scope of the crisis in fact had a lot to do with confidence. From the real estate collapse in the United States to the recession we are experiencing today in the world’s major economies, we have seen a general demise in consumer and investor confidence with respect to the economy and market operations. Recovery depends unmistakably on our ability to rebuild that confidence, both at home in our domestic markets and on an international scale.

Within Desjardins Group, what comforts us is the conviction that the relationship of trust we maintain with our members and clients is based on our expertise and our accessibility. This trust is also dependent on our financial solidity and credibility. Trust cannot be bought—it is built, day by day, as a result of our capacity to align our actions with our words and our promises.

### A YEAR OF MAJOR FINANCIAL CHALLENGES

Financially, 2008 was characterized by major crisis-related challenges that affected all financial markets worldwide. Combined surplus earnings before member dividends totalled \$78 million, compared to \$1.1 billion in 2007. If it hadn’t been for the specific items resulting from asset-backed commercial paper (ABCP) and a decline in investment value resulting from the worldwide financial crisis, Desjardins Group would have posted surplus earnings before member dividends of approximately \$1.2 billion, which is in line with the objectives we had set for ourselves.

Two main factors account for the decrease observed. First, the direct and indirect impact of ABCP and guaranteed-capital structured products, which amounted to \$831 million. The sharp decline in investment performance and the high volume of asset write-offs led to a further \$341 million in losses.

Naturally, I am not satisfied with our 2008 results, despite the fact that they must be viewed in the context of an unprecedented global financial crisis. Desjardins Group, like other financial institutions around the world, was not spared the effects of the crisis, and we must learn from this. That is why, in 2008, I asked our internal auditor and several external experts to perform a thorough analysis of our risk management and investment practices. Our members and clients can rest assured the action plan drawn up following this process is currently being implemented, with Management and the Board of Directors closely monitoring its progression.



## SOLID FINANCIAL FOUNDATIONS

While ABCP and the effects of the financial crisis adversely affected our results in 2008, our various basic activities remain sound and profitable. The cooperative network, the business units, the insurance subsidiaries and Caisse centrale Desjardins all posted very good operating results. The caisses saw their surplus earnings grow by nearly 11% in 2008 compared to the previous year.

Desjardins Group also remains a very solid and well-capitalized institution. Our capitalization is still one of the best in the Canadian financial sector, with a Tier 1 capital ratio of 13.39% and a total capital ratio of 12.85% as at December 31, 2008. Caisse centrale Desjardins has excellent credit ratings and Desjardins remains one of the leading financial institutions in Canada in this regard.

Aware of the growing importance of capital in the current market environment, we have taken steps to strengthen the capitalization of the caisses. We have therefore opted for a balanced and responsible approach with respect to the distribution of the 2008 surplus earnings, an approach that takes into account both the expectations of our members and our communities, and the capitalization needs of Desjardins Group.

## A YEAR OF NOTEWORTHY ACHIEVEMENTS

### Ever growing member and client satisfaction

With its 6,299 elected officers and 42,000 employees, Desjardins Group continued to serve its members and clients consistently and professionally in 2008, with an eye on continuous improvement.

The overall average satisfaction index among individual members with respect to services received, which measures seven aspects of our service offering, rose again by one percentage point. Business member satisfaction also showed an ongoing increase in 2008, thus crowning all the efforts and advances made to optimize service delivery in the Desjardins business centres.

Service quality and client satisfaction were also among the criteria considered in the audit of our AccèsD call centres, which obtained COPC (Customer Operations Performance Center) certification for the fourth consecutive year in 2008.

### Desjardins, Best Employer

On our very first foray into this initiative, Desjardins Group made it to the list of top 50 Best Employers in Canada, as established by the HR consulting firm, Hewitt Associates. This recognition gives Desjardins a competitive edge in a market where attracting and retaining talent is of key strategic value. The responses obtained from over 15,000 of our employees (of the 20,000 who received a survey), as well as the considerable feedback we received, constitute a mine of information that we will draw on in the future.

## Sustained business development

The year 2008 was also extremely productive on the business development front. Despite the upheavals affecting the financial markets and the increasingly fierce competition, consumer savings and investment recruitment showed encouraging results, thanks to constant efforts by the caisses. This allowed us to maintain our market share in this segment in Québec. The progress made in 2008 also helped us corner new market share in residential mortgage loans, commercial, industrial and farm credit, as well as card-based payment and financing.

Insurance premium volumes continued to grow for both life and health insurance and general insurance, both in Québec and in the rest of Canada. The efforts made in this respect, in particular a broad advertising campaign, contributed to a significant increase in brand awareness for Desjardins and its insurance subsidiaries in Ontario.

The concerted efforts of the caisses and components toward developing the Greater Montréal market also continued throughout last year. Visibility, brand awareness and business development of Desjardins in the Greater Montréal Area all increased in 2008.

## MARKET SHARES IN QUÉBEC – AN INCREASINGLY DOMINANT PRESENCE

Product	Market share	Trend (versus 2007)
Residential mortgages	39.3 %	+ 0.2 %
Farm loans	46.9 %	+ 0.4 %
Commercial and industrial loans	25.0 %	+ 1.2 %
Personal savings	43.9 %	stable
Investment funds	16.5 %	+ 0.3 %
Securities brokerage	14.1 %	+ 0.8 %
General insurance (individuals)	20.3 %	stable
Life and health insurance	18.0 %	stable

### Ongoing work with respect to Basel II

Desjardins Group also continued working very hard last year on being recognized for using the advanced methods defined by the Basel II Accord. Our application for certification by the Autorité des marchés financiers (AMF) was filed as planned in January 2009. The new approaches developed will enable us to optimize our risk management and also to better match regulatory capital requirements with the risks incurred.

### A positive social and cooperative impact

Social responsibility has always been intrinsic to Desjardins Group's activities. Because we are a cooperative, our priority is to contribute to improving the social and economic well-being of the people and communities we serve. Thus, over the years, Desjardins Group has adopted high standards, not only in matters of governance but also in terms of human resources, investment, commitments to the community, the environment, health and safety in the workplace, and human rights.

In 2008, Desjardins Group took this one step further by adhering more formally to Global Reporting Initiative (GRI) indicators, an approach that will allow the organization to compare its social responsibility achievements for 2009 with other players in its sector of activity, while taking its cooperative nature into consideration.<sup>(1)</sup>

Desjardins Group also continued to affirm its leadership in terms of sustainable development in 2008. As part of our commitments under the *Changing the world, one step at a time* institutional campaign, we made noteworthy advances with regard to environmentally friendly transportation, the energy efficiency of the buildings we own, and raising awareness among our various stakeholders about sustainable development issues.

### A participatory approach

In keeping with my commitments, in 2008 we set up new communication mechanisms with caisse elected officers and general managers, both with respect to reflection and planning activities as well as in the follow-up of day-to-day operations. Several telephone and online communications, in addition to our various meetings and other specific initiatives, enabled us to increase the participation of caisse officers and general managers, along with Desjardins Group Management and its various decision-making bodies, in discussions on Desjardins-related issues and orientations.

In November, we also organized a *Rendez-vous* of young leaders who act as either Desjardins officers or managers or who represent various youth-oriented organizations. Their discussions and the results of an online survey of young people gave us valuable feedback for our reflections on policies toward young people.

## 2009 WILL BE A YEAR OF CHANGE

### Five main convictions central to my mandate

Despite a difficult economic climate requiring great discipline and vigilance on our part, our ability to move Desjardins Group forward is still based on our ability to see things from a long-term perspective. Five major convictions motivate me in this regard, which I describe as “generators of change.” When I was elected President, I was determined to use those convictions as the focus for our achievements in the coming years.

My **first and fundamental conviction** is that the caisses are the driving force of Desjardins Group. We have everything to gain at Desjardins from strengthening caisse entrepreneurship through the direct contribution of the officers and general managers to the life and growth of our organization. Our work and operating methods will enable us to fully draw on all the experience, business sense and knowledge of our officers and general managers.

My **second conviction** is that the FCDQ and the subsidiaries are there to work for the caisses and their members. Considering the development and growing maturity of the network and the caisses, the role of the FCDQ needs to change as well, so as to play a greater role in Desjardins-wide orientation and integration.

My **third conviction** is that the growth and strategic development of Desjardins Group comes through the caisses, supported by the subsidiaries. Greater caisse involvement in Desjardins Group’s strategic reflection process will help us move ahead under the sign of profitable growth, marrying organic growth and external growth. This will allow us to strengthen our position as a leader in Québec and develop our activities in Ontario and elsewhere in Canada.

## THE INCREDIBLE FORCE OF DESJARDINS GROUP’S HUMAN CAPITAL

All of our accomplishments in 2008, as well as all the challenges we had to meet, required an enormous amount of care and effort by Desjardins Group, and greater than usual attention towards our members.

To the officers, general managers, management staff and employees of Desjardins Group caisses and components, I am especially grateful for the support you provided and the enormous collective effort you made in 2008. It is thanks to you, your engagement, your motivation and the way you embody the values of cooperation that Desjardins was recognized as one of Canada’s Best Employers.

I would like to thank Alban D’Amours, who ended his eight-year term as President of Desjardins Group at the start of 2008. Under his leadership, Desjardins Group grew into its own as an integrated cooperative financial group.

Thanks also to the members of the councils of representatives, who look out for the interests of the members of your caisses, while participating in the long-term development of Desjardins Group. Throughout the various meetings and discussions we have held, I have appreciated your frankness and your constructive spirit.

I would like to extend my most heartfelt thanks to the members of the FCDQ Board of Directors, as well as the FCDQ and Desjardins Group Executive Committee and Management Committees, for making yourselves so available in a year in which we were implementing new ways of working together, while at the same time rigorously monitoring and managing the fallout from the worst financial market crisis the world has seen in decades. If not for your unwavering support, I would have been very alone in facing these challenges.

I would like to thank Pierre Grenon, who left the Board in 2008, and welcome Denis Duguay, who replaced him.

A special thank-you goes out to Jude Martineau, who retired after 14 years at the head of Desjardins General Insurance Group (DGIG). The company saw substantial growth under Mr. Martineau’s direction. I am certain that DGIG’s new President and Chief Operating Officer, Sylvie Paquette, will ensure the dynamic and successful development of this subsidiary in the years to come, thanks to her thorough knowledge of the business.

To Bruno Morin, I would like to express my utmost gratitude for having agreed to take on the leadership of Caisse centrale Desjardins in 2008 and for having successfully assumed this responsibility in a particularly difficult time for the markets.

I am more convinced than ever that together, we, the men and women of Desjardins Group, have the power to make this organization the most admired financial institution in Canada and the most respected for its mission, its cooperative values, the close ties between its caisses and their communities, and its achievements in all respects.

(1) See the section entitled “The Social and Cooperative Impact of Desjardins Group” on pages 187 to 196 at the end of this Annual Report.

My **fourth conviction** is that our human capital is our greatest asset and our strength for the future. To ensure the success and continuity of Desjardins Group, we will work very hard, not only to be a Best Employer for our management staff and employees but also to ensure that our methods of governance, our democratic management processes and our operating procedures provide us with true leverage for engaging and mobilizing our officers and general managers.

My **fifth and final conviction** is that our cooperative values form the basis of our ambitions and must always remain central to our actions. These cooperative values must shape the way we work together to build our future.

To prepare for the changes needed to fully bring these convictions to life, in the last quarter of 2008, we drew up a Desjardins Group Development Plan. The cooperative network and all the components are involved in defining and implementing this plan which, through its five building blocks, will offer us an outlook on our future and define the means by which we will achieve our ambitions.

## A DEVELOPMENT PLAN FOR DESJARDINS

The five building blocks launched under the Desjardins Group Development Plan will bring about changes in 2009 and for the coming years. The first building block, relating to Desjardins Group's strategic growth and development, was launched as a priority, with a view to the adoption of Desjardins Group's 2010-2012 Strategic Plan. The definition of this Plan is an ongoing process, fuelled by the recommendations of various task forces made up of representatives from all the Desjardins components.

Our business development (savings recruitment; the business sector; relations with young people and cultural communities; growth in the non-urban regions, Greater Montréal and throughout Canada), the productivity and efficiency of our organization, the engagement and management of talent as well as social responsibility and sustainable development are among the growth issues and challenges facing Desjardins, and the specific focus of our attention and our work. The results of this building block will also be used to optimize Desjardins Group's financial performance. *Cooperate to Grow* is the theme we have chosen for this first project.

The building block on the changing role of the FCDQ, as well as the one devoted to optimizing FCDQ and subsidiary performance, will lead to various initiatives in 2009, including the adoption of a new organizational structure. While assuring effective and efficient support to the caisses, the aim will be to re-focus the FCDQ's role as a hub of orientation and support for Desjardins Group, to increase the productivity and cohesiveness of our organization and to optimize its overall performance. *Cooperate to Inspire* and *Cooperate to Perform* are the themes associated with these second and third building blocks.

With the building block on collaboration, participation and connection with the network, we will set up the mechanisms by which our network resources—those best placed to understand the needs of our members—will be able to take an even more active role in actions carried out on a Desjardins-wide scale. It is under the theme of *Cooperate to Better Contribute* that work relating to this fourth building block will be undertaken.

The final building block involves mobilizing all of Desjardins Group's human capital, culture and values to support the implementation of changes within Desjardins by guiding and supporting the individuals whose roles and responsibilities will be changing. Relying on a culture of participation, service and performance, and under the theme of *Cooperate to Be Our Best*, we will thus enable Desjardins Group to benefit more from the intelligence and collective experience of our human capital, while respecting our cooperative values.

## COOPERATING TO SHAPE OUR DESTINY

What has always set Desjardins apart is its incredible ability to engage elected officers, management staff and employees, as well as its constant concern for maintaining a strong connection with its members. That's how member trust and confidence has enabled Desjardins to build solid financial capital over the years.

With the economic and financial crisis persisting, the future of Desjardins lies in great caution and increased vigilance in the face of the challenges coming in the short term and possible new market disturbances. The future of Desjardins also lies in a shared confidence in our abilities and in the strength of our solidarity. The future of Desjardins also lies, more than ever, in the values of cooperation. *Cooperate to Shape Our Destiny* is what, with all our will and all our might, we will endeavour to accomplish in the years to come.

In 1912, Alphonse Desjardins wrote that: *“Two qualities triumph over all: Knowledge of what needs to be done and vigorous and self-determined perseverance based on the conviction that we are on the right track.”*

Our mission is clear and our values are strong. In carrying out our mission, we enable the members and communities served by Desjardins to live better, to feel supported and protected, to know that they are not alone as they carry out their plans and projects, throughout all the stages of their lives. Our mission is what gives our day-to-day work its full meaning. It embodies the human and social aspects of our activities, which has never been more relevant.

With our widespread accessibility based on caisses that are firmly rooted in all regions, with our ability to adapt to all kinds of needs, with our constant desire to inform and educate people about cooperation and finance, with the active support we give to community development and, above all, with the exceptional commitment of thousands of officers elected by our members, we can be fully confident in our ability to continue to contribute to the growth of Desjardins Group.

**Monique F. Leroux, FCA, FCMA**  
Chair of the Board, President and CEO,  
Desjardins Group

BOARD OF DIRECTORS

DESJARDINS



# OUR HUMAN CAPITAL IS OUR GREATEST ASSET AND THE STRENGTH OF OUR FUTURE

Desjardins Group is the largest financial institution in Québec and the leading cooperative financial group in Canada because of its human capital—the 6,299 officers and 42,000 employees among its ranks. To ensure Desjardins Group's success and longevity, we aim to be not only a Best Employer for our managers and employees, but also a Group that earns the engagement of our officers and general managers.

**“We are, all together, as officers and employees of both the caisse network and the components, the builders of our future.”**

– MONIQUE F. LEROUX

**01 MONIQUE F. LEROUX\***

Desjardins Group President and Chief Executive Officer, Chair of the Board  
End of term: 2012

**02 PIERRE TARDIF\*/\*\***

President of the Rive-Sud de Montréal Council of Representatives, Vice-Chair of the Board  
End of term: 2009

**03 CLÉMENT SAMSON\*\*/\*\*\***

President of the Québec-Ouest–Rive-Sud Council of Representatives, Board Secretary  
End of term: 2010

**04 LOUISE CHARBONNEAU\***

Caisse General Manager, Member of the Est de Montréal Council of Representatives  
End of term: 2009

**05 ANDRÉ GAGNÉ\*/\*\***

President of the Québec-Est Council of Representatives  
End of term: 2010

**06 DANIEL MERCIER\*/\*\***

President of the Centre-du-Québec Council of Representatives  
End of term: 2009

**07 DENIS PARÉ\*/\*\***

President of the Estrie Council of Representatives  
End of term: 2009

**08 DOMINIQUE ARSENAULT\*\***

Vice-President of the Bas-Saint-Laurent et Gaspésie–Îles-de-la-Madeleine Council of Representatives  
Managing Director  
End of term: 2010

**09 JACQUES BARIL\*\***

President of the Est de Montréal Council of Representatives  
End of term: 2011

**10 THOMAS BLAIS\*\***

President of the Caisses populaires de l'Ontario Council of Representatives  
End of term: 2011

**11 LAURIER BOUDREAU**

Caisse General Manager, Member of the Québec-Ouest–Rive-Sud Council of Representatives  
End of term: 2010

**12 SERGES CHAMBERLAND\*\***

President of the Saguenay–Lac-Saint-Jean–Charlevoix–Côte-Nord Council of Representatives  
End of term: 2011

**13 DENIS DUGUAY\*\***

President of the Richelieu-Yamaska Council of Representatives  
End of term: 2011

**14 ALAIN DUMAS**

Caisse General Manager, Member of the Mauricie Council of Representatives  
End of term: 2010

**15 NORMAN GRANT\*\***

President of the Bas-Saint-Laurent et Gaspésie–Îles-de-la-Madeleine Council of Representatives  
End of term: 2010

**16 ANDRÉ LACHAPPE\*\***

President of the Lanaudière Council of Representatives  
End of term: 2010

**17 DANIEL LAFONTAINE**

Caisse General Manager, Member of the Centre-du-Québec Council of Representatives  
End of term: 2011

**18 ANDRÉE LAFORTUNE\*\***

President of the Ouest de Montréal Council of Representatives  
End of term: 2010

**19 MARCEL LAUZON\*\***

President of the Laval–Laurentides Council of Representatives  
End of term: 2009

**20 PIERRE LEBLANC\*\***

President of the Mauricie Council of Representatives  
End of term: 2011

**21 MICHEL ROY\*\***

President of the Kamouraska–Chaudière-Appalaches Council of Representatives  
End of term: 2011

**22 SYLVIE ST-PIERRE BABIN\*\***

President of the Abitibi-Témiscamingue–Nord et Ouest du Québec Council of Representatives  
End of term: 2011

**23 SERGE TOURANGEAU\*\***

President of the Group Caisses Council of Representatives  
End of term: 2009

**24 BENOÎT TURCOTTE\*\***

Vice-President of the Abitibi-Témiscamingue–Nord et Ouest du Québec Council of Representatives, Managing Director  
End of term: 2011

\* Member of the Executive Committee  
\*\* Unrelated director

The members of the Board of Directors of the Fédération des caisses Desjardins du Québec are also directors of Caisse centrale Desjardins, Desjardins Venture Capital, Capital Desjardins inc. and Desjardins Trust. The Board of Directors is made up of 22 members who are elected by the Regional General Meeting, Group Caisses General Meeting or the Assembly of Representatives of the FCDQ. The following are members of the Board: the 17 presidents of the councils of representatives, the four caisse general managers elected by the Assembly of Representatives and the President and Chief Executive Officer of Desjardins Group. For the Bas-Saint-Laurent et Gaspésie–Îles-de-la-Madeleine and Abitibi-Témiscamingue–Nord et Ouest du Québec regions, the vice-president of the council of representatives sits on the board as a managing director.



2,136 PARTICIPANTS ATTENDED THE DESJARDINS ANNUAL GENERAL MEETINGS IN QUÉBEC CITY ON MARCH 28 AND 29, 2008.



MORE THAN 180 PEOPLE WERE PART OF THE TASK FORCES THAT MET IN BROMONT ON SEPTEMBER 19, 2008.



1,100 CAISSE PRESIDENTS AND GENERAL MANAGERS ATTENDED THE RENDEZ-VOUS MEETINGS IN QUÉBEC CITY ON NOVEMBER 28 AND 29, 2008.



ACTIVE PARTICIPATION BY ALL IN THE DESJARDINS GROUP DEVELOPMENT PLAN. MEMBERS OF THE COLLABORATION, PARTICIPATION AND CONNECTION WITH THE NETWORK BUILDING BLOCK TASK FORCE.

01



YOUNG LEADERS' MEETING – “CHALLENGES FOR 2012” – LAVAL, NOVEMBER 6 AND 7, 2008.

# THE COUNCILS OF REPRESENTATIVES: CONCRETE EXPRESSION OF OUR DEMOCRACY



## WESTERN REGION

**01 RIVE-SUD DE MONTRÉAL COUNCIL OF REPRESENTATIVES**  
**Alain Boutin**, General Manager (GM), Caisse populaire Desjardins Pierre-Boucher, **Lorne Bouchard**, GM, Caisse Desjardins Charles-LeMoine, **Pierre Tardif**, President of the Council of Representatives and President, Caisse Desjardins de Longueuil, **Yvan Poulin**, Vice-President (VP), Caisse Desjardins des Berges de Roussillon, **André Ménard**, Officer, Caisse populaire Desjardins Beauharnois, **Isabelle Bourgeois**, President, Caisse Desjardins des Grandes-Seigneuries, **Rolande Girard-Di Lalla**, President, Caisse Desjardins Grande-Allée de Saint-Hubert, **Martin Bergeron**, Officer, Caisse Desjardins de Boucherville, **Yves Léveillé**, GM, Caisse Desjardins du Haut-Saint-Laurent, **Lorraine Simoneau**, GM, Caisse populaire Châteauguay, **René Ouellet**, GM, Caisse Desjardins de Varennes, **Gilles Sicotte**, President, Caisse Desjardins de Saint-Pierre-Àpôtre, **Robert Bourguignon**, President, Caisse Desjardins du Mont-Saint-Bruno, **René Rougeau**, President, Caisse Desjardins des Moissons, **Yvon Vinet**, VP of the Council of Representatives and President, Caisse Desjardins de Salaberry-de-Valleyfield

**02 LAVAL-LAURENTIDES COUNCIL OF REPRESENTATIVES**  
**Pierre Durocher**, GM, Caisse populaire Desjardins des Pays-d'en-Haut, **Alain Grégoire**, VP, Caisse Desjardins Thérèse-De Blainville, **Marcel Lauzon**, President of the Council of Representatives and President, Caisse populaire Desjardins de Saint-Jérôme, **André Chaput**, President, Caisse populaire Desjardins de Mirabel, **Pierre L. Lambert**, VP of the Council of Representatives and President, Caisse populaire Desjardins des Mille-Îles, **Nancy Wilson**, President, Caisse populaire Desjardins de Mont-Tremblant, **Jacques Laramée**, GM, Caisse populaire Desjardins de Sainte-Agathe-des-Monts, **Maurice Émond**, President, Caisse populaire de Saint-Claude, **Sylvain Courcelles**, GM, Caisse populaire Les Grands Boulevards, **Jean-Claude Faucher**, President, Caisse Desjardins de Saint-Antoine-des-Laurentides, **Gilles Daviault**, President, Caisse populaire Desjardins de l'Envolée, **Yvon Dubois**, President, Caisse populaire Desjardins de Vimont-Auteuil, **Jean Boisvert**, President, Caisse Desjardins du Nord de Laval Not Pictured: **Richard Tassé**, GM, Caisse Desjardins de Saint-Eustache-Deux-Montagnes, **Gilles Aubé**, GM, Caisse Desjardins du Marigot de Laval

**03 OUEST DE MONTRÉAL COUNCIL OF REPRESENTATIVES**  
**Gilles Metcalfe**, Officer, Caisse populaire Desjardins Sainte-Geneviève de Pierrefonds, **Gabrielle Gosselin**, Officer, Caisse Desjardins Cité-du-Nord de Montréal, **Gilbert Thibeault**, VP of the Council of Representatives and President, Caisse Desjardins Lachine /Saint-Pierre, **Micheline D. Legault**, President, Caisse populaire Saint-Joseph-de-Bordeaux, **Serge Cloutier**, GM, Caisse Desjardins Allard-Saint-Paul, **Johanne Perron**, GM, Caisse Desjardins du Quartier-Latin de Montréal, **Pierre F. McDuff**, Officer, Caisse populaire Desjardins de LaSalle, **Andrée Lafortune**, President of the Council of Representatives and President, Caisse populaire Desjardins d'Outremont, **Denis Rousseau**, Officer, Caisse populaire Desjardins du Centre d'Ahuhtsic, **Sylvain Bélisle**, GM, Caisse Desjardins de Vaudreuil-Soulanges, **Serge Verrier**, President, Caisse Desjardins du Parc Sir-G.-E.-Cartier de Montréal, **Bertrand Fortier**, President, Caisse populaire Saint-Stanislas de Montréal, **Bernard Circé**, GM, Caisse Desjardins Atwater-Centre, **Gilbert Demers**, GM, Caisse populaire Desjardins de Saint-Laurent, **Moustafa Magar**, Officer, Caisse populaire Desjardins de Côte-des-Neiges

**04 EST DE MONTRÉAL COUNCIL OF REPRESENTATIVES**  
**Michel Bélisle**, VP, Caisse Desjardins De Lorimier, **Camille Montpetit**<sup>(1)</sup>, GM, Caisse populaire Desjardins de Villeray, **Jacques Baril**, President of the Council of Representatives, and President, Caisse populaire Desjardins de Pointe-aux-Trembles, **Robert Guerriero**, President, Caisse populaire Desjardins Canadienne Italienne, **Claudette Lagacé**, Board Secretary, Caisse Desjardins de Saint-Léonard, **Louise Charbonneau**, GM, Caisse populaire Desjardins de Saint-Michel, **Denis Laferrrière**, GM, Caisse populaire Desjardins de Montréal-Nord, **Françine Le Grand**, President, Caisse populaire Desjardins du Sault-au-Récollet, **Jean Laporte**, President, Caisse populaire Desjardins de Jean-Talon-Papineau, **Denis Risler**, President, Caisse populaire Desjardins d'Anjou, **Pierre Trahan**, GM, Caisse Desjardins de Tétreaultville, **Daniel Blais**, GM, Caisse populaire Desjardins Préfontaine-Hochelaga, **Jean-J. Brossard**, President, Caisse populaire Desjardins de Rosemont, **Michel Tourangeau**, VP of the Council of Representatives and President, Caisse Desjardins de Mercier-Rosemont, **Florent Tanguay**, President, Caisse populaire Desjardins de Mont-Rose-Saint-Michel

**05 ABITIBI-TÉMISCAMINGUE—NORD ET OUEST DU QUÉBEC COUNCIL OF REPRESENTATIVES**  
**Christiane Carle**, GM, Caisse populaire Desjardins de la Haute-Gatineau, **Luc Cloutier**, President, Caisse Desjardins d'Amos, **Benoît Turcotte**, VP of the Council of Representatives and President de la Caisse Desjardins de la Vallée de l'Or, **Marcelin Grenier**, GM, Caisse Desjardins de Béarn-Fabre-Lorrainville and Caisse populaire Desjardins de Témiscaming, **Claude Tremblay**, President, Caisse Desjardins de Mont-Laurier, **Sylvie St-Pierre-Babin**, President of the Council of Representatives and VP, Caisse Desjardins de Hull, **Normand Achim**, Officer, Caisse populaire Desjardins de la Basse-Lièvre, **Evelyne Brochu-Côté**, President, Caisse populaire Desjardins du Sud de l'Abitibi-Ouest, Jean-Claude Jalbert, GM, Caisse Desjardins de Hull, **Bernard W. Morissette**, President, Caisse populaire Desjardins de Gatineau, **Guy Bélisle**, GM, Caisse populaire Desjardins du Coeur-des-vallées, **Lorrain Barrette**, President, Caisse Desjardins de Rouyn-Noranda, **Marcel Cardinal**, Officer, Caisse Desjardins de La Sarre, **Claude Castonguay**, GM, Caisse populaire Desjardins de l'Est de l'Abitibi and Caisse populaire Desjardins de Lebel-sur-Quévillon, **André Racicot**, President, Caisse populaire Desjardins d'Aylmer



## CENTRAL REGION

**06 CENTRE-DU-QUÉBEC COUNCIL OF REPRESENTATIVES**  
**Pierre Baril**, GM, Caisse populaire Desjardins de Lévrard, **Marc-André Joyal**, President, Caisse populaire Desjardins de l'Est de Drummond, **Daniel Mercier**, President of the Council of Representatives and President, Caisse populaire Desjardins de Victoriaville, **Serge Cousineau**, GM, Caisse Desjardins de Drummondville, **Jean Pinard**, Officer, Caisse Desjardins Godefroy, **Martin Lemay**, GM, Caisse Desjardins du Sud de Lotbinière, **Pierre Levasseur**, President, Caisse populaire Desjardins du Bas-Saint-François, **Paul Lafrance**, Officer, Caisse Desjardins de Drummondville, **Daniel Lafontaine**, GM, Caisse Desjardins de Nicolet, **Guy Morin**, VP, Caisse populaire Desjardins de l'Est de Drummond, **André Grenier**, President, Caisse Desjardins de L'Érable, **Diane Tétrault**, VP, Caisse populaire Desjardins de Gentilly, **Benoît Bélanger**, GM, Caisse populaire Desjardins du Sud des Bois-Francis, **Éric Béchard**, Officer, Caisse populaire Desjardins de Grantham-Wickham Not Pictured: **Laurent Soucy**, President, Caisse Desjardins de Daveluyville

**07 MAURICIE COUNCIL OF REPRESENTATIVES**  
**Isabelle Garceau**, GM, Caisse populaire de Maskinongé, **Yves Ricard**, Board Secretary, Caisse populaire Desjardins Cité de Shawinigan, **Pierre Leblanc**, President of the Council of Representatives and President, Caisse Desjardins du Sud Des Chenaux, **Paul Jordan**, GM, Caisse Desjardins de Saint-Boniface, **René Parent**, Officer, Caisse populaire Desjardins de la Moraine, **Michel St-Onge**, President, Caisse Desjardins du Haut Shawinigan, **Alain Dumas**, GM, Caisse Populaire de St-Tite, **René J. Lemire**, VP, Caisse Desjardins de l'Ouest de la Mauricie, **Gilles Baril**, GM, Caisse populaire Desjardins de Sainte-Thècle-Saint-Adelphie, **Pierre Bordeleau**, President of the Board of Supervision, Caisse Populaire de Saint-Severin de Proulxville, **Robert Frappier**, Officer, Caisse Populaire de St-Alexis-des-Monts, **Carole Chevalier**, VP of the Council of Representatives and Officer, Caisse Desjardins Les Estacades, **Denis Boudreau**, President, Caisse Desjardins Lavolette Not Pictured: **Daniel Fleurant**, GM, Caisse populaire Desjardins du Passage, **Claude Gervais**, Officer, Caisse populaire Desjardins des Cascades

**08 ESTRIE COUNCIL OF REPRESENTATIVES**  
**Roger Durand**, President, Caisse Desjardins du Nord de Sherbrooke, **Michel Nadeau**, GM, Caisse Desjardins des Hauts-Boisés, **Denis Paré**, President of the Council of Representatives and President, Caisse Desjardins de l'Est de Sherbrooke, **Lise Perreault**, Officer, Caisse Desjardins du Mont-Bellevue de Sherbrooke, **Robert Lussier**, GM, Caisse Desjardins du Lac des Nations de Sherbrooke, **Johanne Rock**, GM, Caisse populaire Desjardins de East Angus, **Roch Sicotte**, President, Caisse Populaire de Waterloo, **Alain Boucher**, GM, Caisse Desjardins des Métaux blancs, **Agathe Fillion**, VP of the Council of Representatives and President, Caisse populaire Desjardins des Verts-Sommets de l'Estrie, **Jacques Sansoucy**, President, Caisse Desjardins de Granby-Haute-Yamaska, **Manon Morin**, President, Caisse Desjardins de l'Ardoise, **René Grimard**, President, Caisse populaire Desjardins des Horizons, **Gabriel Morin**, Officer, Caisse Desjardins du Lac-Memphrémagog, **Yvan Laroche**, President, Caisse populaire Desjardins de la Région-Ouest-de-Mégantic Not Pictured: **Stéphane Benjamin**, GM, Caisse populaire Desjardins de Brome-Missisquoi

**09 RICHELIEU-YAMASKA COUNCIL OF REPRESENTATIVES**  
**Benoît Noël**, President, Caisse populaire Desjardins d'Acton Vale, **Diane Hébert Dubé**, President, Caisse Desjardins de la Seigneurie de Ramezay, **André Paquette**, President, Caisse populaire Desjardins Sieur-d'Iberville, **Raymonde Faucher**, Officer, Caisse populaire de St-Antoine-sur-Richelieu, **Denis Duguay**, President of the Council of Representatives and Officer, Caisse populaire Desjardins de Farnham, **Alain Durivage**, President, Caisse Desjardins de la Vallée-des-Forts, **Pierre Grenon**, President, Caisse Desjardins de Beauce-Mont-Saint-Hilaire, **Jean-Marie Viens**, President, Caisse Populaire de St-Charles sur le Richelieu, **Claude Frenière**, GM, Caisse populaire Desjardins de Bedford, **Angéline Lagacé**, President, Caisse Populaire de Rougemont, **Robert Giasson**, GM, Caisse Desjardins de Saint-Damase and Caisse populaire Desjardins de Saint-Pie-de-Bagot, **Jean-Pierre Bessette**, GM, Caisse populaire Desjardins de Saint-Jean-sur-Richelieu, **Christian Gagnon**, GM, Caisse populaire Desjardins de Cavignac, **Jacques Sylvestre**, VP of the Council of Representatives and Officer, Caisse Desjardins de Saint-Hyacinthe, **Rémy Lavoie**, GM, Caisse Populaire Riviera

**10 LANAUDIÈRE COUNCIL OF REPRESENTATIVES**  
**Claude Ladouceur**, President, Caisse populaire St-Paul-l'Érmitte, **Lucie Tremblay**, President of the Board of Supervision, Caisse populaire Desjardins de Ste-Julienne, **Claire Sarrazin**, Board Secretary, Caisse Desjardins de Joliette, **Gabriel Garneau**, President, Caisse Desjardins de Charlemagne, **Michel Ménard**, GM, Caisse populaire Desjardins de Lavaltrie, **Line Lemelin**, President, Caisse populaire Desjardins Le Manoir, **Alain Raïche**, GM, Caisse Desjardins Les Méandres, **André Lachapelle**, President of the Council of Representatives and President, Caisse Desjardins de la Nouvelle-Acadie, **Gaston Robert**, President, Caisse populaire Desjardins de Montcalm, **Ronald Thériault**, GM, Caisse Desjardins de Kildare, **Guy Tremblay**, GM, Caisse Desjardins de Saint-Donat, **André Shatskoff**, GM, Caisse populaire Desjardins Terrebonne, **Robert Bellerose**, President, Caisse populaire Desjardins de Saint-Félix-de-Valois, **Jean-Robert Laporte**, VP of the Council of Representatives and President, Caisse populaire Desjardins du Christ-Roi (Joliette), **Jean Paul Campagna**, President, Caisse populaire Desjardins de Berthier-et-des-Îles

(1) Deceased in 2008 during his term.



## EASTERN REGION

### 11 BAS-SAINT-LAURENT ET GASPÉSIE-ÎLES-DE-LA-MADELEINE COUNCIL OF REPRESENTATIVES

**Yvon Cormier**, GM, Caisse populaire Desjardins de Fatima, **Francis Bérubé**, GM, Caisse Desjardins du Bic, **Dominique Arsenault**, VP of the Council of Representatives and Officer, Caisse Desjardins de Tracadèche, **Lise Saint-Pierre**, VP, Caisse Desjardins de Rimouski, **Annie P. Bélanger**, President, Caisse populaire Desjardins Mer et montagnes, **Donald Beaulieu**, President, Caisse populaire Desjardins du Portage, **René Lévesque**, Board Secretary, Caisse populaire Desjardins des Versants du Mont-Comi, **Sonia Caron**, GM, Caisse populaire Desjardins de la Vallée des lacs, **Jean-Claude Lévesque**, President, Caisse populaire Desjardins de La Haute-Gaspésie, **Patrick Côté**, President, Caisse populaire Desjardins Du Parc and Villeray, **Pierre Hudon**, GM, Caisse populaire Desjardins du Centre-sud gaspésien, **Vincent Dumont**, Officer, Caisse populaire Desjardins de Rivière-du-Loup, **Norman Grant**, President of the Council of Representatives and Chair of the Board of Supervision, Caisse populaire Desjardins du Rivage et des Monts, **Claude Saint-Laurent**, Officer, Caisse populaire Desjardins de Matane



### 12 KAMOURASKA-CHAUDIÈRE-APPALACHES COUNCIL OF REPRESENTATIVES

**Robert Lavoie**, President, Caisse Populaire de Kamouraska, **Christiane Bouillé**, VP of the Council of Representatives and Officer, Caisse populaire Desjardins de Montmagny, **Michel Roy**, President of the Council of Representatives and President, Caisse Desjardins de Beauceville, **Marc Couture**, GM, Caisse populaire Desjardins de Kennebec, **Serge Lemay**, President, Caisse Desjardins de Thetford Mines, **Paulo Pépin**, President, Caisse Desjardins de Saint-Georges, **Denis Bilodeau**, GM, Caisse populaire Desjardins de Beaurivage, **Sylvie Leblond**, President, Caisse populaire Desjardins de Saint-Bernard, **Yves Genest**, GM, Caisse populaire Desjardins des Abénakis, **Martin Jacques**, President, Caisse Desjardins de Beauce-Centre, **Yves Gilbert**, GM, Caisse Desjardins des Hauts-Reliefs, **Michel Duval**, President, Caisse populaire Desjardins de Saint-Pascal, **Bruno Gagnon**, GM, Caisse Desjardins de L'Islet Not Pictured: **Érik Asselin**, President, Caisse populaire Desjardins de Trois-Saumons, **Robert Carrière**, President, Caisse Desjardins des Seigneuries de Bellechasse



### 13 QUÉBEC-EST COUNCIL OF REPRESENTATIVES

**Josyane Douvry**, Officer, Caisse populaire Desjardins du Centre-ville de Québec, **Josée Auclair**, Officer, Caisse populaire Desjardins de Lac-Saint-Charles, **André Gagné**, President of the Council of Representatives and President, Caisse Desjardins des Chutes Montmorency, **Yves Picard**, President, Caisse Populaire de Saint-Rodrigue, **Roger Ricard**, Officer, Caisse Desjardins du Plateau Montcalm, **Gaston Bédard**, GM, Caisse Desjardins de Limoilou, **Mario Simard**, VP of the Council of Representatives and President, Caisse populaire Desjardins Mont-Sainte-Anne, **Hélène Drouin**, GM, Caisse Desjardins du Plateau Montcalm, **Jacques Bérubé**, GM, Caisse Desjardins du Vieux-Moulin (Beauport), **Denis Breton**, President, Caisse populaire Desjardins Bellevue de Québec, **Michel Poulin**, President, Caisse Desjardins du Petit-Pré, **Charles-Henri Verret**, VP, Caisse populaire Desjardins de Charlesbourg, **Murielle Drapeau**, President, Caisse Desjardins de Beauport, **Julien Paré**, GM, Caisse Desjardins de L'Île-d'Orléans Not Pictured: **André Marceau**, GM, Caisse populaire Desjardins de Québec



### 14 QUÉBEC-OUEST-RIVE-SUD COUNCIL OF REPRESENTATIVES

**Hélène Lee-Gosselin**, Officer, Caisse populaire Desjardins de l'Université Laval, **Claude Rochette**, GM, Caisse Desjardins de Pont-Rouge-Saint-Basile, **Laurier Boudreault**, GM, Caisse Desjardins des Rivières Chaudière et Etchemin, **Clément Samson**, President of the Council of Representatives and President, Caisse populaire Desjardins de Lévis, **Madeleine Roy**, President, Caisse Desjardins de la Chaudière, **Jean Veillette\***, GM, Caisse Desjardins de la Chaudière, **Sylvie Larouche**, VP of the Council of Representatives and President, Caisse populaire Desjardins de Saint-Augustin-de-Desmaures, **Jean-Paul Gaumont**, Officer, Caisse Desjardins de Bienville, **Klara De Pokomandy**, Officer, Caisse Desjardins de l'Ouest de Portneuf, **Réjean Lemieux**, GM, Caisse Desjardins de Sillery-Saint-Louis-de-France, **Pierre Bellavance\***, GM, Caisse populaire Desjardins du Vallon, **Amélie Beauchesne**, Officer, Caisse populaire Desjardins du Piémont laurentien, **Jean-Guy Noël**, President, Caisse Desjardins de Donnacona, **Teresa Alvarez**, President, Caisse populaire Desjardins Pointe-Platon de Lotbinière Not Pictured: **Jean-Yves Parent**, President, Caisse populaire Desjardins du Moulin des Mères



### 15 SAGUENAY-LAC-SAINT-JEAN-CHARLEVOIX ET CÔTE-NORD COUNCIL OF REPRESENTATIVES

**Denis Guay**, GM, Caisse populaire Desjardins de Chicoutimi, **Réjean Perron**, President, Caisse populaire Desjardins Sieur-de-Roberval, **Serges Chamberland**, President of the Council of Representatives and Officer, Caisse Desjardins d'Arvida-Kénogami, **Lise Gagné**, GM, Caisse populaire Desjardins de Pointe-Bleue, **Ghislain Villeneuve**, Officer, Caisse populaire Desjardins de La Baie, **Michel Truchon**, GM, Caisse Desjardins des Rivières, **Danielle Amyot**, Officer, Caisse populaire Desjardins de La Malbaie, **Raymond Poirier**, GM, Caisse populaire Desjardins de l'Estuaire (Charlevoix), **Germain Perron**, President, Caisse Desjardins de la Rive-Nord du Saguenay, **Régis Tremblay**, President, Caisse populaire Desjardins d'Alma, **Clermont Tremblay**, VP of the Council of Representatives and President, Caisse populaire Desjardins de Port-Cartier, **Camil Maltais**, Officer, Caisse Desjardins des Cinq-Cantons, **André Martel**, Officer, Caisse Desjardins de Dolbeau-Mistassini, **Gemma Brisson**, President, Caisse Desjardins du Saguenay-Saint Laurent, **Jean Brassard**, GM, Caisse Desjardins Cap-Martin de Charlevoix

\* No longer members of the council of representatives as of December 16, 2008. Replaced by, respectively, Sylvain Gaudreau, GM, Caisse populaire Desjardins de Saint-Agapit-Saint-Gilles and Armand Paré, GM, Caisse Desjardins de Wendake



## GROUP CAISSES

### 16 COUNCIL OF REPRESENTATIVES

**Jacques Dextrateur**, President, Caisse Desjardins des policiers et policières, **Emanuel Linhares**, President, Caisse d'Économie des Portugais de Montréal, **Serge Tourangeau**, President of the Council of Representatives and Officer, Caisse Desjardins du personnel de l'Administration et des Services publics, **Michel Laforge**, GM, Caisse d'économie Desjardins des employé(e)s du Secteur industriel (Montréal), **Léopold Beaulieu**, Senior VP, Caisse d'économie solidaire Desjardins, **Réjean Bellemare**, President, Caisse d'économie Desjardins des Travailleurs unis, **Bernard Beauregard**, VP of the Council of Representatives and President, Caisse d'économie des employés de la S.T.C.U.M., **Chantal St-Amant**, GM, Caisse d'économie Desjardins Sûreté du Québec, **Hélène Gariépy**, President, Caisse d'économie Desjardins de Sept-Îles, **Ronald Pichette**, President, Caisse Desjardins du Réseau de la santé, **Claude Gagné**, GM, Caisse d'économie Desjardins de la Vallée de l'Amiante, **Anne Langevin**, GM, Caisse d'économie Desjardins du personnel municipal (Québec), **Jean-Guy Bureau**, President, Caisse d'économie Desjardins des Cantons, **Réal Guilbert**, President, Caisse d'économie Desjardins de l'Éducation **Patrice Bergeron**, GM, Caisse Desjardins de la Défense nationale



## CAISSES POPULAIRES DE L'ONTARIO<sup>(1)</sup>

### 17 COUNCIL OF REPRESENTATIVES

**Sylvie Cloutier**, GM, Caisse populaire Welland limitée, **Robert Boucher**, VP of the Council of Representatives and President, Caisse populaire Nolin de Sudbury inc., **Thomas Blais**, President of the Council of Representatives and Officer, Caisse populaire Trillium inc., **Michel Picard**, Officer, Caisse populaire Rideau d'Ottawa inc. **Carole Kairovicus**, President, La Caisse populaire LaSalle inc., **Roger Leduc**, President, Caisse populaire Val Caron limitée, **Lise Lauzon**, GM, Caisse populaire de la Vallée inc., **Jacques St-Aubin**, President, Caisse populaire de Hawkesbury Ltée, **Yvon Toupin**, GM, La Caisse populaire de New Liskeard limitée, **Denis Vallée**, President, Caisse populaire de Cochrane Limitée, **Michel Yelle**, Officer, Caisse populaire Pointe-aux-Roches-Tecumseh inc., **Donat Boulerville**, President, Caisse populaire Vision inc., **Jean Bisson**, GM, Caisse populaire Vermillon inc., **Pierre Landry**, Officer, Caisse populaire de Cornwall inc., **Paul Doré**, GM, Caisse populaire Nouvel-Horizon inc.

(1) The officers on the Caisses populaires de l'Ontario Council of Representatives also make up the Board of Directors of the Fédération des caisses populaires de l'Ontario.

## A GROUP THAT EARNS THE ENGAGEMENT OF ITS OFFICERS

Our challenge: To make every effort to ensure that the councils of representatives effectively position Desjardins in the regions and that they implement our strategic vision as an integrated cooperative financial group within their respective region or group.

Democratic power is the cornerstone of the Desjardins cooperative difference. Among the 5.8 million member-owners of the caisses, there are 6,299 people that have taken their commitment to the next level by becoming elected officers. In that capacity, they see to the major orientations of the cooperative and participate in its decision-making process.

Member participation extends to several levels. Whether it be the local caisse level, the regional level (councils of representatives/ Assembly of Representatives), or the national level (such as the FCDQ Board of Directors), members are involved in the governance of all of Desjardins Group, through their elected officers.

To work together on a regional basis, the caisses are grouped under 17 councils of representatives, whose boards of directors are composed of the caisses' elected officers and general managers. The councils of representatives each adopt a regional business plan and ensure its application, following up on the chosen strategies. They help identify regional development issues, and are responsible for verifying member satisfaction. Each council is responsible for the associative aspect of activities involving the caisses in its region or group and the Fédération des caisses Desjardins du Québec (FCDQ). Another important part of their function is to provide a presence in the regions and guarantee that the caisses' concerns are noted and represented.

The 255 officers and managers of the 17 councils of representatives make up the Assembly of Representatives, an exclusive forum for consultation, establishing orientations and exchanging ideas. This is the body that elects Desjardins Group's President and Chief Executive Officer. The councils of representatives are currently actively participating in the reflections that will lead to Desjardins Group's new Strategic Plan for 2010-2012 and its related projects.



UNDER THE DESJARDINS GROUP DEVELOPMENT PLAN, AN ADVISORY COMMITTEE MADE UP OF ELECTED OFFICERS WAS MANDATED TO PROVIDE THE TASK FORCES WITH INFORMATION ON OFFICERS' CONCERNS AND INITIATIVES LIKELY TO MOTIVATE AND MOBILIZE THEM.

02



ASSEMBLY OF REPRESENTATIVES AT THE LÉVIS CONVENTION CENTRE ON JUNE 7, 2008.

Finally, the 17 presidents of the councils of representatives sit on the FCDQ Board of Directors, which plays a dual role: one to direct the FCDQ as a business and the other as the body in charge of Desjardins Group's strategic management. Five general managers from the caisses, elected by the Assembly of Representatives, and the President and Chief Executive Officer of Desjardins Group are also members of the Board.

Called upon to further push their commitment and play an even more determining role the development of Desjardins, the members of the councils of representatives are now working with the caisse general managers on the Collaboration, Participation and Connection with the Network building block, the mandate of which is to review and update our mechanisms for collaborating and communicate with the network on operational matters.

In standard order, from left to right and bottom to top

### 01 COLLABORATION, PARTICIPATION AND CONNECTION WITH THE NETWORK BUILDING BLOCK TASK FORCE

**Yvon Vinet**, President, Caisse Desjardins de Salaberry-de-Valleyfield, **Madeleine Roy**, President, Caisse populaire Desjardins de Saint-Nicolas, **Serge Cloutier**, General Manager (GM), Caisse Desjardins Allard—Saint-Paul, **Denis Laforest**, GM, Caisse populaire Desjardins du Centre-ville de Québec, **Danielle Lortie**, GM, Caisse populaire Desjardins de l'Ouest de Laval, **André Shatskoff**, GM, Caisse populaire Desjardins Terrebonne, **Claude Lambert**, GM, Caisse Desjardins de Beauce-Centre, **Raynald Bisson**, Central Region Executive Division, FCDQ, **Louise Gaudreault**, GM, Caisse d'économie Desjardins de la Métallurgie et des Produits forestiers. **Not pictured:** Lise Lauzon, GM, Caisse populaire de la Vallée inc.

### 02 OFFICER ADVISORY COMMITTEE

**Emanuel Linhares**, President, Caisse d'économie des Portugais de Montréal, **Claire Sarrazin**, Director, Caisse Desjardins de Joliette, **Aline Bouchard**, President, Caisse populaire Desjardins de La Malbaie, **Francine LeGrand**, President, Caisse populaire Desjardins du Sault-au-Récollet, **Yvon Vinet**, President, Caisse Desjardins de Salaberry-de-Valleyfield, **Annie P. Bélanger**, President, Caisse populaire Desjardins Mer et montagnes, **Gilles A. Pelletier**, President, Caisse populaire Desjardins de Rivière-du-Loup, **Claude Ouellet**, President, Caisse Desjardins de Dolbeau-Mistassini, **Lorain Barrette**, President, Caisse Desjardins de Rouyn-Noranda, **Madeleine Roy**, President, Caisse populaire Desjardins de Saint-Nicolas, **Bernard W. Morissette**, President, Caisse populaire Desjardins de Gatineau, **Réjean Bellemarre**, President, Caisse d'économie Desjardins des Travailleurs unis, **Michel Blouin**, President, Caisse populaire Desjardins du Centre-ville de Québec, **Martin Jacques**, President, Caisse Desjardins de Beauce-Centre, **Jacques Sylvestre**, Secretary, Caisse Desjardins de Saint-Hyacinthe, **Yvan Laurin**, Vice-President, Cooperation and Quality, FCDQ, **Michel Picard**, Vice-President, Caisse populaire Rideau d'Ottawa inc. **Not pictured:** **Amélie Beauchesne**, Secretary, Caisse populaire Desjardins du Piémont Laurentien, **Carole Chevalier**, Director, Caisse Desjardins Les Estacades, **Gabrielle Gosselin**, Director, Caisse Desjardins Cité-du-Nord de Montréal, **André Jean**, President, Caisse Desjardins de Drummondville, **Daniel Rousseau**, President, Caisse Desjardins de Chomedey, **Jacques Sansoucy**, President, Caisse Desjardins de Granby—Haute-Yamaska

## BEST EMPLOYER IN CANADA

Ranked among the 50 Best Employers in Canada in 2009, Desjardins considers it quite natural to offer its employees a stimulating environment that is conducive to their personal and professional development. With nearly 42,000 employees, its human capital is no doubt Desjardins Group's greatest strength.

In December 2008, Desjardins was ranked among the 50 Best Employers on the prestigious list published in the *Globe and Mail's Report on Business* magazine and in *La Presse* newspaper. This ranking is based on the results of an engagement survey carried out by Hewitt Associates among 20,000 Desjardins employees and managers in the spring of 2008.

The survey gave respondents an opportunity to identify what they consider to be the strengths and weaknesses of their working experiences at Desjardins. With a response rate of 75%, Desjardins could immediately conclude that engagement is an issue of great interest to its employees.

### A GREAT SENSE OF PRIDE

The major trends culled from this survey are very positive. In fact, 80% of respondents said they would not hesitate to speak favourably of Desjardins and recommend it as an employer to a friend looking for a job. More than 70% of respondents said that they would not like to have to leave Desjardins; they also said that their employer encourages them to give the best of themselves every day.

Desjardins Group's values remain central to its development and are a main distinguishing feature for its employees. For example, the measures taken to promote sustainable development are highly appreciated and recognized by most employees, who also say that they are very sensitive to the concrete gestures Desjardins has made to open up to diversity. Finally, its employees say they are proud that Desjardins is a cooperative movement.

### MEETING THE CHALLENGES AHEAD

To successfully meet the challenges of the next few years, Desjardins will be calling upon strengths that are recognized by its employees and that distinguish it from other players on the financial markets. Desjardins is very proud to include among its assets a respectful working atmosphere, managers who support their employees and encourage their success, opportunities for training and development, employee benefits, pension plans and mechanisms to promote employee life/work balance.

## ATTRACTING AND KEEPING EMPLOYEES AND CONTRIBUTING TO THEIR DEVELOPMENT

Like many other organizations, Desjardins must meet a sizeable challenge in the next decade: to maintain enough qualified employees to meet the needs of its members and clients.

In this sense, Desjardins has undertaken a major revision of both its pension plan and group insurance plan. In addition to helping Desjardins Group stand out from the competition, these plans promote employee retention and longer careers. Other steps are being undertaken to facilitate gradual retirement to accommodate employees nearing retirement age who are interested in different work arrangements.

Desjardins innovated in 2008 in order to promote participation by all officers, managers and employees in Desjardins Group's development, asking them to contribute in various ways to its strategic reflection process.

Nearly 2,000 officers, caisse general managers and senior executives were invited to take an active part in Desjardins Group's development by participating in the main meetings and events held to bring out innovative ideas to further the cooperative's ambitions.

### OPENING UP TO DIVERSITY

Desjardins has created strategies and stepped up its initiatives to obtain tangible results with respect to the representation of women, young people, English speakers and people from cultural communities. Desjardins is also more and more widely recognized by government bodies as a responsible enterprise with outstanding diversity and equity programs. In fact, Desjardins Group was a finalist for the Québec government's 2008 *Prix Égalité* (equality award).

For the past several years, Desjardins has also been a member of the Canadian advisory committee for Catalyst, the leading non-profit membership organization working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women and business. With offices in the United States, Canada and Europe, and more than 400 pre-eminent corporations as members, Catalyst is the trusted resource for research, information, and advice about women at work.

### WATCHING OVER THE HEALTH OF OUR EMPLOYEES

More than ever, Desjardins Group wants to remain among the leaders in terms of a healthy workplace. To achieve this aim, it has put forth a number of health-promoting initiatives and illness prevention strategies to benefit its employees, families and retirees, a great many of whom have participated in these programs.

Among its major achievements, Desjardins is particularly proud to have set up rapid intervention services for its employees, thereby becoming a leader in terms of employee illness prevention programs.

Recognized both internally and externally as a Best Employer due to its human approach and distinctive values, Desjardins intends to remain the preferred choice for its current employees and for those seeking a job.





SOOFUN LEE, Personal Finance Advisor, LEAH URSULIAK, Specialized Support Clerk – IT Project Management Office  
GIL-OLIVIER RAYNAL, Business Coordinator, Asset Management, NATHALIE TREMBLAY, Health Insurance Products Manager

## DESJARDINS: THE EMPLOYER WITH THE BEST EMPLOYEES

For Desjardins Group, being among the 50 Best Employers in Canada is an honour we owe to each of our 42,000 employees. Because cooperative values are the basis of what makes us different, it is our employees who, day after day, through their talent and commitment, make the largest cooperative financial group one of the best employers in the country.

All of Desjardins is very proud of the results of the employee engagement survey carried out in 2008. When it signed up for the first time for the Best Employers in Canada study, Desjardins Group simply hoped to gain a portrait of engagement levels in its organization and to measure itself against the best employers in the country, whether they employ 400 people or more than 42,000! Gaining access to the prestigious 50 Best Employers in Canada rating for 2009 was well beyond expectations, especially in the context of today's economic turmoil.

As such, Desjardins *the employer* wants to share this recognition with its approximately 42,000 employees, thanks to whom Desjardins is one of the largest employers to appear on the list of the Best Employers in Canada. We would like to thank them for their constant efforts, for their willingness to see Desjardins progress on a national—and even international—level. It's because of them that Desjardins is one of the country's best employers!

This honour is of great importance for Desjardins, first and foremost because it confirms that our employees are engaged. Second, because this enviable position should help us gain national brand awareness, thereby enabling us to meet the challenges of the upcoming labour shortage by providing us with an additional asset for attracting new talent.

### THE HEART OF OUR ORGANIZATION

At Desjardins, our employees are the heart of our organization; as such, they are central to all our activity. They are therefore the ones who will benefit from the direct and concrete advantages of this honour. In fact, today more than ever, Desjardins Group will continue to do everything it can to offer them a stimulating workplace where they can grow professionally, and it will continue to take their opinions to heart in its efforts towards continuous improvement.



# THE CAISSES' PROXIMITY TO MEMBERS AND THEIR COMMUNITIES GIVES DESJARDINS ITS UNIQUE STRENGTH

The growth and development of Desjardins Group rely on the caisses—its driving force—and their direct link with individual and business members throughout the regions and among the groups. Each Desjardins Group subsidiary works for the caisses, thereby enabling them to offer the best possible range of services. Together, the caisses and subsidiaries contribute to the growth of Desjardins by developing new markets, particularly in the Greater Montréal Area, in Ontario and elsewhere across Canada.

## HIGHLIGHTS

### CONSUMER MARKET

Close proximity to our members and their needs will always remain the key to our success. The strength of the caisses to act locally with our members, combined with the strength of a Group that also enables us to act globally, still constitutes our greatest strategic advantage. It is the strong position of the caisses, backed by their subsidiaries, that will enable Desjardins Group to become the main financial wealth manager of consumers and, among other things, to continue to achieve solid operating results.

In 2008, 61% of individual members of Desjardins said they were very satisfied with the services provided by their caisse, up 1% over 2007. This rise was due mainly to increased consideration and forethought shown by Desjardins staff towards members. Results showed a 3-point improvement in each of these service aspects, which leads to greater member loyalty—very important given today's economic turmoil.

Thus, despite the financial turbulence at the end of the year and increasingly strong competition, Desjardins still stood out on the consumer market in 2008.

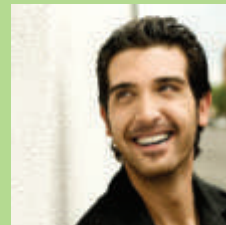
With respect to savings and investment, net sales for the cooperative network totalled \$5.7 billion, representing growth of 62.07% over 2005. Since the start of 2006, Desjardins Group's investment-savings outstandings rose by \$0.3 billion. Capital market fluctuations, however, affected results in Q2.

The top mortgage lender in Québec, Desjardins saw its outstandings for residential financing jump by \$4.1 billion. A review of business practices helped strengthen our relationship with borrowers. Outstandings for consumer financing increased by \$1.5 billion: \$704.3 million at the caisses and \$747.2 million via credit cards, including the Accord D financing program. Marketing of the Versatile Line of Credit and increasingly widespread use of credit cards have created a very favourable context for future development.

Throughout 2008, Desjardins maintained and even strengthened its enviable position in the payment and credit card financing industry. Desjardins Card Services in fact saw a 15.08% growth in business volume, for a total of \$49.9 billion – \$43.4 billion in Québec and \$6.5 billion in the rest of the country. Operating results rose by 14% to exceed \$180.8 million.

Some 2.1 million users carried out 759 million automated transactions through AccèsD—an increase of 12.9% over 2007.

## DESJARDINS



### Leadership in the Greater Montréal Area and the cultural communities

Through its offer of personalized services in a dozen different languages, the professionals at Carrefour Desjardins, devoted to developing the downtown Montréal markets, showed sales of

\$85.6 million, which augurs well for the future and brings cumulative results to \$161.5 million since its 2007 opening. An institutional advertising campaign aimed at increasing brand awareness of Desjardins and understanding of its cooperative difference among cultural communities was carried out in 2008 in the Greater Montréal Area, thus complementing the actions of the caisses already present in this area and facilitating business development.



### Socially responsible investing viewed as a plus

According to a poll carried out by SOM on behalf of Desjardins, 71% of Quebecers say they are attracted by the notion of socially responsible investing (SRI). Up to 59% of those surveyed would consider investing a portion of their savings in such products. In fact, 62% of Quebecers say they would feel pride in purchasing shares of an SRI fund, while 69% place importance on the ability to influence corporate behaviour. Some 64% believe that financial institutions have a duty to offer SRI funds to their clientele.

### ASSURING GREATER FLEXIBILITY AND SECURITY FOR OUR MEMBERS

In signing up for a new federal government registered savings vehicle called the tax-free savings account (TFSA), Desjardins worked hard to enable its members to start using this new savings tool as of January 1, 2009 and thus reduce their tax burden.

In one of the most recent technological developments, the chip card—which offers increased security for Desjardins cardholders—was launched in the Saint-Jérôme area in 2008. Rollout in the rest of the province will continue throughout 2009.

Still under the heading of ensuring the security of transactions, Desjardins added a new feature to the AccèsD service known as “Strong Authentication”. This measure reduces the risk of fraud and illustrates Desjardins Group’s desire to protect the personal information of its members.

Meanwhile, the AccèsD overhaul carried out in 2008 completely remodelled the system, creating a better tool for transactions, product acquisitions, decision-making and communication between the caisse and its members. Members will now be able to receive notices and targeted offers via AccèsD.

Since November 2008, an overdraft protection service enables users to automatically top up their personal chequing account using their VISA card, for any type of overdraft.

Finally, gaining the loyalty of the youth clientele is essential to the long-term continuity of Desjardins Group. To help us accomplish this, the caisses were asked to adopt a new proactive approach to their relationship with young people aimed at reducing causes of dissatisfaction, such as the requirement for loan endorsements.

### ENABLING SOCIALLY RESPONSIBLE INVESTMENT

In accordance with its cooperative values and principles, Desjardins plans to consolidate its position as leader in socially responsible investing by constantly broadening its offering of this type of products to its members.

The strategic partnership signed between Desjardins and Canada’s provincial credit union centrals to buy 50% of The Ethical Funds Company, the largest manufacturer of socially responsible funds in the country, led to the development of the SocieTerra Portfolios, a unique offer not found anywhere else in Canada.

These new socially responsible investment portfolios enable Desjardins members to join together in growing their investments while helping protect the environment, affirming their sense of social responsibility and encouraging companies to display better governance.

The SocieTerra Portfolios are unique for two reasons. First of all, because they are the only socially responsible funds that are grouped in profile portfolios and second, because they enable their unitholders to “make a difference” with their investments. This is because, thanks to the commitment made by the shareholders of The Ethical Funds, SocieTerra Portfolios take an approach to the companies making up their funds that encourages them to constantly improve their social and environmental performance and their governance.

### ENVIRONMENTAL SPINOFFS OF THE ECO-FRIENDLY STATEMENT CHALLENGE

In its communications dealing with AccèsD, Desjardins took care to stress the positive environmental spinoffs of virtual statements and automation. In the end, over 300,000 members signed up for the Desjardins Eco-Friendly Statement Challenge in 2008, and more than 114,000 trees were planted under the program. This approach, combined with Desjardins Group’s commitment as an active partner of Earth Day, is yet another way for it to affirm its leadership in sustainable development.

# BUSINESS MARKET

Through the efficiency of its business centres, which remain close to members, and the strong contribution of its subsidiaries, Desjardins Group intends to become a leader among SMEs by offering a range of products and services fully adapted to the needs of all, from the smallest business to the most complex enterprise. This is how Desjardins supports entrepreneurs and businesses in their development, making their success a priority.

Because of its desire to support businesses in their development projects, Desjardins helped present the 2008 *Grands Enjeux SECOR/Les Affaires* conference series. Designed especially for entrepreneurs, these meetings help business owners understand priorities with respect to employee engagement in a context of the growing labour shortage. They also offer entrepreneurs new business models, which are better adapted to the current trend of global competition.

It was also with the intent of offering something more than just financing that the new Desjardins and Co. advertising campaign focused on businesses successes through inspiring testimonials by entrepreneurs. Similarly, another eight companies this year were awarded Desjardins Prizes.

The creation of the *Fonds coopératif d'aide à la relève agricole* (Farm succession assistance cooperative fund) is a strong example of the Desjardins difference. Together with Coop Fédérée, Desjardins has created measures to help with farm ownership transfers within the agricultural sector, thus preserving the agricultural heritage of our outlying regions. And in the area of succession, collaboration between Desjardins Venture Capital and the business centres continues to be highly productive, providing entrepreneurs with substantial support when it comes time to pass the torch.

## GAINING THE CONFIDENCE OF BUSINESSES

The actions taken by Desjardins have been well received among businesses that place their trust in us, as evidenced by the results of a satisfaction survey carried out among our members. In fact, 65% of survey respondents said they were very satisfied with the services offered by Desjardins, a one-point increase over 2007. This is quite impressive considering the challenges faced by businesses in 2008 as a result of the year's economic difficulties. The skill and expertise of the 1,200 account managers who support these companies on a daily basis are clearly part of the equation that gives business owners such a positive opinion of Desjardins.



### Increased visibility among SMEs

In order to fully carry out its economic role, Desjardins plans to strengthen its position among businesses, especially in the Greater Montréal market. The Desjardins and Co. advertising campaign begun in the fall of 2008, particularly in the English-language media, was very

effective in increasing brand awareness for the business centres, bringing attention to the expertise of our account managers and the Desjardins offer to businesses.

Also noteworthy are our business loans results. In fact, new heights were reached with \$26.9 billion in loans to businesses and governments, creating a substantial 11% increase in the overall loan portfolio as compared to 2007, achieved mainly in commercial and industrial credit to SMEs. Caisse centrale Desjardins also saw impressive growth with loans to large businesses increasing by 37.0%—a remarkable feat in the current economic context and an illustration of Desjardins Group's commitment to promote the development of Québec businesses as well as those of the rest of Canada, and even all of North America.

The same holds true for business savings, which showed marked growth in 2008, ending the year with over \$21.5 billion. What that means is that more and more people believe in the advantages of entrusting not only their financing but also the management of their equity to Desjardins, a financial institution with an overall service offering that meets the most sophisticated needs of its members.

## PRIORITIZING THE BUSINESS SERVICES OFFERING

Because the needs of businesses are central to its concerns and because its service offering is as yet unsurpassed, Desjardins remains the institution of choice for businesses.

The Mid-Market Business Centre (MMBC), created in 2007, continues to grow, confirming that it was an excellent initiative. Its results for 2008 alone were highly enviable, surpassing targets by 23%. Although its offices are located in downtown Montréal, a market in which Desjardins would like to increase its presence, the MMBC acts for the benefit of all the caisses, regardless of geographical location. This is amply demonstrated by the fact that \$39 million in loans was paid out this year on behalf of caisses from outlying regions.

Desjardins remains the uncontested leader among agricultural businesses and a preferred partner of businesses in the agri-food sector. The \$178-million increase in financing shows beyond any doubt that Desjardins continues to support businesses in this sector, despite the challenges that farms have had to face in recent years.

Electronic services such as point-of-sale terminals and AccèsD Affaires are extremely valued by businesses because they make transactions increasingly efficient. Desjardins is more determined than ever to expand this service offering, and has jumped at the opportunity to team up with some excellent partners for the greater benefit of our SME members. The recent agreement signed between Raymond Chabot Human Resources and Desjardins Payroll and Human Resources Services is an example of that; companies will now be able to find greater opportunities for strategically managing their human capital.

## BUSINESS MERGERS, ACQUISITIONS AND DIVESTITURES UNIT: A NEW WAY TO SUPPORT BUSINESSES

With many business leaders and owners retiring, the number of business sales or transfers will be rising. The 2008 creation of the specialized Business Mergers, Acquisitions and Divestitures Unit will enable Desjardins to position itself in this market niche and add to the service offering available through the business centres and the MMBC.

## VENTURE CAPITAL

Maintaining job-generating businesses in outlying regions has always been central to the concerns of our subsidiary, Desjardins Venture Capital. More than a financial partner, Desjardins Venture Capital provides a network and the necessary expertise to support the growth and expansion of businesses as well as their merger, acquisition or initial public offering plans.

Through its activities in four business sectors, Desjardins Venture Capital (DVC) offers entrepreneurs the kind of support that creates substantial economic spinoffs in their respective areas. Venture capital, development capital, buyout capital as well as capital intended for resource regions and cooperatives have had a significant impact on the development of all regions across Québec in 2008.

Such results would be impossible without close partnerships. First and foremost, DVC is in constant collaboration with the Desjardins business centres, with which it carried out most of its activities. More recently, DVC entered into a partnership with BioScience Managers Limited, a firm of international managers specializing in biotechnology, and entrusted its most promising investments in the sector, as well as the necessary funds to pursue its own growth, to the firm.

As a fund manager, DVC oversees the activities of Capital régional et coopératif Desjardins (CRCD), which had more than 122,000 shareholders at the end of 2008. That same year saw nearly \$73 million committed to various projects, bringing the number of companies benefiting from DVC's strategic support to 313, and the number of jobs maintained or created by these transactions to more than 34,000.

CRCD did not escape the economic upheavals and resulting financial difficulties that negatively affected share value. However, new provisions adopted by the ministère des Finances du Québec in the fall of 2007 granting the subsidiary an unlimited life span, among other things, have made it possible to move toward an overall portfolio management method. Had it not been for that concession, the instability of the North American economy may have had an even greater impact on CRCD's results.

Despite this drop in value, and considering the 50% tax credit that the investment brings, shareholders who invested 7 years ago, i.e. on December 31, 2001, would receive returns of 9.2%. In addition to the fund's unlimited life span, the 50% tax credit return also attracted CRCD shareholders; over \$175 million was underwritten since December 2007. The incredible support of the entire Desjardins cooperative network was a definite factor in this success.

Meanwhile, in 2008, the Québec government renewed its confidence in DVC by transferring the assets of Société Innovatech du sud du Québec to Desjardins – Innovatech S.E.C., one of its funds under management. This type of transaction enables DVC to be even more available to entrepreneurs outside the urban centres.



### Helping SMEs pass the torch

Through Capital régional et coopératif Desjardins, Desjardins Venture Capital (DVC) carried out various investments aimed at bridging the gap between two generations of entrepreneurs, thereby enabling business founders to retire with their assets secure, and helping the management team pick up the torch. DVC drew up strategies to promote the emergence of worker shareholder cooperatives, a solution that allows employees to become co-owners of their company, together with their management team and Desjardins. Fempro, a Drummondville-based company where its 130 employees and officers did just that, is a striking example of the kind of concrete action taken by DVC to bring the cooperative difference to businesses while furthering economic development in the regions. This type of transaction is a glowing example of the kind of concrete action that DVC can provide in extending the cooperative difference throughout the business environment while contributing to the economic development of the outlying regions.



### On-the-mark strategic orientations and an offer that's relevant to the Canadian market

Desjardins Financial Security is continuing its progress throughout Canada with an offer adapted to the specific needs of a Canadian clientele. For example, a new disability insurance product was added to its range to meet the needs of a new business partner outside Québec. Distribution agreements were signed with twelve new strategic partners. New financial centres were opened in Saskatoon and in the Toronto and Montréal areas. DFS travelled to fifteen different cities across Canada on a tour to present the Helios guaranteed investment fund contract. There was also an advertising campaign in Toronto, Calgary and Vancouver to support the tour.

## LIFE AND HEALTH INSURANCE

Going beyond savings and investment services, Desjardins Group also offers its members and clients various means to deal with life's unexpected events and ways to help them plan for a financially secure retirement. For example, Desjardins offers a select combination of life and health insurance options, to protect against the financial impact of accident, illness or death.

In the final phase of its 2006-2008 Strategic Plan, Desjardins Financial Security (DFS), our life and health insurance subsidiary, posted results worthy of its energetic and efficient efforts to strengthen its presence throughout Canada.

Despite the turmoil on capital markets, DFS reported a 9.6% growth in sales for insurance premiums. Growth in insurance premium income outside Québec is continuing, with an increase of 17% over 2007. In Québec, there was a 6.4% increase in premium income. With return on equity at 5.9%, Desjardins Financial Security continues to offer one of the best rates in the industry anywhere in Canada.

In group insurance, the volume of administered premiums from groups and businesses was up by 12.4%, while for the Canadian industry as a whole, average growth was only 7.3% in 2007.

### SPECIALIZED, COMPLEMENTARY OFFERS

The sustained increase in volume of administered premiums continued for DFS products offered to Desjardins caisse members. The Versatile Line of Credit enabled DFS to continue rolling out loan insurance solutions adapted to each of the new financing products offered by the caisses to their individual members. It also set up a program combining assistance services for the insurance products offered to all members. Meanwhile, a new type of overall life and health insurance offer was introduced to the business centre clientele.

The Vision family stood out among products offered to individuals, thanks to the addition of new health and savings insurance products. In an effort to further develop their expertise, sales reps became specialized in four distinct markets: individuals, specialized offer, emerging markets and current clients (known as the "in-force"). The range of services for individuals was thus adapted even further to the needs of this very important clientele.

In 2008, DFS saw growth of 17.1% in its AssurDirect administered premium volume. All coverage for this offer was broadened to support each client through all life stages. Access to information on *desjardins.com* was also improved through the launch of online microsites on certain products and the perfecting of the travel insurance purchase simulator.

### RETIREMENT SAVINGS: NOW EVEN MORE SECURITY

In terms of individual retirement savings, DFS added a Guaranteed Lifetime Withdrawal Benefit to its Helios Guaranteed Investment Fund product, providing age-based income, an annual protected value reset and the highest accumulation bonus in Canada. These new tools will help investors more easily reach their retirement income objectives. Another new offer was the DFS Transition account which, as of January 2009, can be converted to a TFSA. Investors can now benefit from investments that offer satisfactory returns as well as a certain measure of medium- and long-term stability.

### FLEXIBLE, EFFECTIVE, EFFICIENT AND COMPETITIVE OFFERS

DFS has broadened its offer in terms of flexible plans, particularly through the development of its TRACE Lifecycle Environment product. This group retirement savings product has evolved to remain abreast of the realities of the member, starting with the member's situation upon registration, then adapting to the holder's age and risk tolerance. DFS also introduced the possibility of integrating a TFSA into a group retirement savings plan. This provision is an attractive and competitive advantage for employers in recruiting and maintaining talented employees.

Finally, a brand-new secure Web site was created to provide solid support to employers in the daily management of their plan. Accessibility to transactions and reports is one of the biggest resulting benefits.

# GENERAL INSURANCE

Protecting our members' and clients' assets in case of disaster is a fundamental contribution to their financial security. Our Desjardins General Insurance Group subsidiary is responsible for developing products and services adapted to a wide range of diverse situations.

In 2008, Desjardins General Insurance Group (DGIG), our general insurance component, suffered a significant drop in profitability. DGIG's performance was affected as never before, on two fronts simultaneously, with a major increase in the property insurance loss ratio due to unusually poor weather conditions, and a considerable decrease in investment income due to capital market turmoil. Both these factors affected the entire industry across Canada.

However, despite unfavourable conditions, DGIG succeeded in coming out on top in a number of areas. Among other positive results, we recorded growth in all markets despite the continued drop in automobile ratemaking, earnings on insurance operations in spite of the high property insurance loss ratio, and operating costs among the lowest in the industry even with significant investments in strategic projects.

While staying the course on operational excellence, DGIG continued work on the projects in its three-year 2006-2008 action plan, numerous activities in partnership with the Desjardins caisses, as well as initiatives aimed at driving business growth. Those combined activities helped strengthen the foundations of the organization, further developing its competitive advantage and building a most promising future.

In addition, DGIG underwent a change of the guard at the end of 2008. Mr. Jude Martineau retired after a remarkable 14-year mandate at the head of this subsidiary. He leaves behind an outstanding legacy for Desjardins Group and his successor, Ms. Sylvie Paquette, a highly experienced manager and a member of the management team since 1994.

## IMPROVING E-BUSINESS

New DGIG initiatives were aimed at offering clients continuous improvements to its Web pages. The changes include a brand-new home page, a new *Claim Centre* section and improved browsing features. Since January 2008, in addition to automobile insurance quotes, consumers can now obtain home insurance quotes online.

## TARGETING EFFICIENT MEASURES FOR CLAIMS AND PROFITABILITY

Despite the major increase in the property insurance loss ratio due to poor weather conditions, DGIG has once again gained a competitive edge in Québec with its automobile and home insurance. Revised rates, fine-tuned underwriting and updated contracts are part of the effective measures put in place.

## CONTINUING GROWTH IN GROUP INSURANCE

Under its The Personal banner, active in group insurance across Canada, DGIG signed on nearly a dozen new groups, including HBC staff, the Ontario Hospital Association, Magna International and the Union of Solicitor General Employees. The Personal also renewed some forty partnerships throughout the country. And several group caisses celebrated the 20th anniversary of their insurance plan with The Personal.

## STAYING ON TOP OF CLIENT EXPECTATIONS

DGIG also carried out a number of initiatives to increase client loyalty and business. One initiative involved making the five-year "Replacement Value" guarantee now available in Québec at a competitive price, meeting the needs of new car owners and lessees. Its Desjardins General Insurance (DGI) subsidiary also rewards Ontario drivers who use winter tires with a 5% rebate on their automobile insurance.



### Desjardins banner in Ontario: A successful breakthrough!

Launched in March 2008 under the Desjardins banner, a vast advertising campaign under the theme "Improved Insurance" was launched to promote our products in Ontario, the largest insurance market in Canada. This was the first stage in a long-term commitment by DGIG to carve out a preferred place on the Ontario market. The campaign concept of improved insurance succeeded in attracting the attention of our potential clientele and contributed to a 6% increase in premium volume in Ontario.

## SECURITIES

Our brokerage subsidiary, Desjardins Securities, is among the top-rated brokerage companies in Québec and is increasingly asserting its presence on the Canadian market. In 2008, Desjardins Securities, like all companies in the financial services industry, especially in securities, had a very difficult year with the extreme volatility on financial and stock markets.

The crisis began towards the end of the third quarter in 2007 and continued throughout 2008, with particularly devastating effects in the third and fourth quarters of that year.

The TSX stock index lost more than 35% of its value in 2008 compared with the corresponding period in 2007. This loss had a negative effect on income generated by our firm in almost every business sector. For the first time in the last six fiscal years, Desjardins Securities showed negative income growth over the previous year.

On the positive side, thanks to synergies between the caisses and our investment advisors, more than 20,000 new clients joined Desjardins Securities in 2008, thus increasing its market share among the consumer clientele in Québec.

Income from sectors devoted to institutional and business markets were hard hit. Business financing, among other sectors, was marked by a severe slowdown in activities in 2008 for the entire North American market, since capital markets were not open to receiving new issues. In 2008, for the first time in history, no Canadian company listed new shares on the stock market for two consecutive quarters.

### PRESENT ACROSS CANADA

Desjardins Securities continued its efforts to affirm its presence among its clients and on the markets. In Québec and elsewhere in Canada, Desjardins Securities benefited from the support of experienced analysts reputed for their disciplined and professional approach.

For a third consecutive year, institutions and businesses benefited from the complementary financing products of Desjardins Securities and Caisse centrale Desjardins, while the two companies each maintained their own overall offerings to these clienteles in 2008.

## ASSET MANAGEMENT

The year 2008 was extremely demanding for Desjardins Asset Management, our investment experts, as the subsidiary had to deal with the highly unstable subprime mortgage market in the U.S.

The decline of Desjardins Asset Management's assets under management from over \$50 billion in 2007 to \$38.4 billion in 2008 was a clear sign of the difficult financial environment. Real estate investment portfolios, which make up 85% of the assets handled by Desjardins Asset Management, were the hardest hit by the crisis. Hedge funds also garnered distinctly lower returns than expected. In compliance with our risk management protocol, substantial disinvestments were made on several funds. The Alternative and Perspective Plus guaranteed-capital structured products distributed by the caisse network were among the products using hedge fund investments.

In terms of mortgage investment and institutional financing, Desjardins Asset Management remained a force for its partners by achieving \$521 million in new business, despite the fact that the economic crisis led to restricted financing on markets in general. With respect to institutional financing, prospecting activities that were carried out in 2008 are expected to pay off in 2009.

Following the 2007 transfer of the Lévis campus buildings, the real estate investment portfolio reached its full capacity in 2008 with the transfer of Complexe Desjardins in Montréal to Desjardins Financial Security.

In 2009, Desjardins Asset Management plans to manage its real estate portfolio even more selectively to optimize performance. The company also intends to reassess the implementation of initiatives under its Strategic Plan. However, the magnitude of the financial crisis requires that it frequently review its priorities, first and foremost to protect the interests of its partners and clients, and of Desjardins and its members.



### Supporting energy efficiency

Desjardins Property Management, a subsidiary of Desjardins Asset Management, began developing an energy efficiency program in 2008 for Desjardins Group's buildings. In accordance with its mission and in collaboration with the FCDQ and regional executive divisions, Desjardins Property Management plans to help caisses that own their building to improve energy efficiency.



# CONTINUED EXPANSION ACROSS CANADA

Nationwide expansion is an important aspect of Desjardins Group's growth activities. In 2008, Desjardins components outside Québec in some cases grew more than those within, bringing us closer to our objective of seeing 25% of our sales coming from outside the province.

Further to our efforts to create partnerships with credit unions and other cooperatives outside Québec, 2008 was the first year of the strategic partnership that led to the creation of a national mutual fund company, Northwest & Ethical Investments L.P., with close to \$4 billion in assets under management. Despite the current difficulties facing the industry, Northwest & Ethical Investments now distributes its mutual funds through the caisse network and credit unions throughout Canada, which translates into high growth potential for Desjardins.

One of Desjardins Group's partnership initiatives in the Canadian cooperative sector was to reposition its IT services offer to credit unions across the country. In order to get the most out of its IT platform, Desjardins continues to offer technological solutions to credit unions, but is now proposing that they share the same system as the caisses in Québec and Ontario, thereby minimizing the number of changes and adaptations required for business models that may differ between the caisses and credit unions.

Desjardins and the Canadian credit unions have continued to work together, with Desjardins offering other products and services to credit unions across all of Canada, such as credit card products, mutual funds, investment products and other value-added items.

## DESJARDINS COMPONENTS ACROSS CANADA...

### Desjardins Financial Security

Desjardins Financial Security (DFS) continues to penetrate the Canadian marketplace thanks, among other things, to an offer that meets the changing needs of its Canadian clientele and to its extensive distribution network. In group insurance DFS holds fifth place in Canada and first place in Québec, with the number of existing clients (the "in-force" market) having gone up by 6.3% over 2007.

### Desjardins Securities

In 2008, Desjardins Securities' Canada-wide development was assured by nine branches offering services designed specifically for individuals, institutions and businesses in Ontario and British Columbia.

As a result of this nationwide presence, 40% of the accounts in its discount brokerage division, DisnatDirect, are now held by clients living outside Québec.

It is interesting to note that a large proportion of the business volume for institutional services also stems from outside the province:

- Desjardins Securities' Fixed Income Group, which specializes in bond trading for institutional clients, is constantly increasing its out-of-province business volume. In 2005, 20% of its business volume came from outside Québec; in 2008, this figure climbed to 60%. Overall, this business line has consolidated the 8th-place ranking in Canada that it achieved in 2008.
- The subsidiary's Equity Capital Markets segment specializes in Canadian stock market trades; last year, 78.7% of its income was from outside the province.
- The Corporate Financing Division is responsible for carrying out merger and acquisition mandates for and among Canadian companies. More than 50% of this division's 2008 income came from outside Québec.

### Caisse centrale Desjardins

In addition to its regular financing activities among medium-sized and large businesses operating across Canada, Caisse centrale Desjardins (CCD) also has two out-of-province locations to help round out its service offer and its business development activities. In fact, CCD is very well represented on the Canadian market, with offices in Toronto (open for 20 years now) as well as a recent addition in Western Canada. This geographic diversity enables CCD to continue to play a determining role among Desjardins Group's corporate clients who are in expansion mode or have business ties outside Québec, as well as with various credit unions. This solid presence on Canadian markets also helps increase visibility for Desjardins Group while strengthening its brand image among members and clients across the country.

### ...AND ABROAD

Internationally, Desjardins successfully directed the work of the strategic restructuring committee of the International Co-operative Alliance (ICA), an international organization that represents cooperative companies operating in all business sectors, as well as their 800 million members. Following an extensive consultation of its members—one of the most successful surveys in the ICA's history in terms of response rates—the committee's recommendations were adopted by a strong majority at a special meeting of the ICA in Rome in June 2008. Furthermore, the European Association of Co-operative Banks (EACB) steering committee voted unanimously in favour of accepting Desjardins Group as an associate member starting January 1, 2009. The EACB is a major association of European cooperative banks recognized for its lobbying efforts on behalf of the cooperative business model and for institutional and technical cooperation.

Moreover, for the past 38 years, Desjardins Group has provided support for the creation and consolidation of financial institutions in numerous developing and emerging countries through its Développement international Desjardins (DID) component. For the underprivileged people of these countries, most of whom live in rural areas, access to basic and diversified financial services helps them improve living conditions and promotes community development. It is a tangible gesture in the fight against poverty.

In 2008, six million families in over 20 countries were able to access financial products and services through some 2,000 caisses populaires and credit unions supported by DID. Together, these institutions hold approximately \$1.7 billion in savings and have distributed \$2 billion in credit. In addition to the support provided by Desjardins, DID projects are also backed by financing from the Canadian International Development Agency (CIDA), the World Bank, the Bill & Melinda Gates Foundation and various regional development banks.

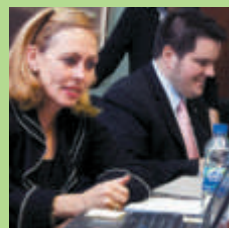
# MAKING THE ADVANTAGES OF OUR COOPERATIVE DIFFERENCE MORE CONCRETE

The strength of cooperation is largely based on the vitality of the associative aspect of our activities. Once again this year, many significant actions were taken to implement and publicize our cooperative difference. This unique feature is all due to our sizeable human capital—made up of members, elected officers and employees—and is what makes Desjardins the largest cooperative financial group in Canada.

## GIVING BACK TO MEMBERS AND THE COMMUNITY

The economic and social well-being of individuals and the communities it serves is intrinsic to Desjardins Group's mission.

That being so, Desjardins Group supports cooperative, economic, cultural, educational, charitable, social and athletic projects and organizations every year, not only through sponsorships, donations and scholarships, but also through individual caisse Community Development Funds. Over the past three years, Desjardins gave back some \$216 million to communities in this way. This amount was \$80 million in 2008. Desjardins was a major partner of about fifteen events associated with Québec City's 400th anniversary celebrations, providing support that had positive spinoffs both for the communities of the greater Québec City area and for people throughout the province who wished to participate in this historic event. A number of nationwide sponsorships also helped Desjardins increase its brand awareness across Canada.



### Desjardins of tomorrow: young people chat with the President

As part of Cooperation Week activities, the Chair of the Board, President and CEO of Desjardins Group, Monique F. Leroux, held an online chat session with 15- to 30-year-olds. In all, 188 people signed into the chat room to talk with Ms. Leroux.

A total of 262 interventions were compiled and the President answered 122 questions on the cooperative difference, how young people are received at Desjardins, as well as major social issues. And no less than 11,808 young people between the ages of 15 and 30 participated in the online survey on what young people expect from Desjardins, with a grand total of 21,124 participants (members and non-members alike). The results of these activities will enable Desjardins Group to improve its Strategic Plan to better serve young people.

Meanwhile, Fondation Desjardins, funded by the caisses, the Fédération des caisses Desjardins du Québec (FCDQ) and Desjardins Group subsidiaries, distributes more university scholarships than any other private foundation in Québec. It also awards prizes to cooperative education projects and to entrepreneurs that showcase the excellence of Québec and Ontario businesses. The foundation awards prizes to non-profit organizations that display an outstanding contribution to the community in the following areas: youth assistance, senior citizen assistance, economic development, community development, cultural services and sustainable development. In 2008, over \$660,000 was distributed in the form of more than 300 scholarships and awards.

With its Desjardins Venture Capital subsidiary and its Capital régional et coopératif Desjardins (CRCD) fund under management, Desjardins Group is the most accessible institution for venture capital in Québec's resource regions. Thus, nearly \$73 million in commitments were made in 2008 to 85 businesses operating in a variety of business sectors. With these recent transactions, Desjardins has supported 313 businesses to date, thereby helping to maintain or create over 34,000 jobs.

Finally, \$215 million was set aside for 2008 caisse member dividends, down from \$592 million in 2007. This drop is due to a balanced and responsible approach towards the distribution of surplus earnings, which takes into account both member and community expectations as well as Desjardins Group's capitalization needs. Well aware of the even greater importance of capital in today's market conditions, and determined to maintain our distinct advantage on that stage, we decided to increase the caisses' capital base in order to protect their long-term solidity, as well as that of Desjardins Group as a whole, and thereby assume full responsibility with respect to our future and the generations to come.

## TOOLS TO IMPROVE THE ASSOCIATIVE ASPECT OF OUR ACTIVITIES

Two years after the establishment of the caisse boards of supervision, the degree to which elected officers and general managers have fully internalized the role of these boards merits special attention. In the spring of 2009, new activities will be added to those carried out in 2008, including *Rendez-vous* meetings for board of supervision (Québec) and audit committee (Ontario) chairs so that these officers can gather to discuss the importance of and necessity for these bodies, as well as their roles and responsibilities.

The Governance Policy for the Caisse and its Centres was implemented throughout the Desjardins cooperative network in early 2008. It should be noted that this policy is of paramount importance for the caisses, as it provides for proper participation structures and ensures that members and their representatives retain control over the major decisions of their cooperative. The caisses had one year—until April 2009—to adopt this policy and adapt it to their needs.

In order to continue to better meet the needs of elected officers, two new training activities were added to the 11 that currently exist: "*Les fonctions du comité de vérification des caisses populaires de l'Ontario*" (The functions of the Audit Committee of Ontario caisses populaires) and "*La conduite d'une assemblée générale annuelle*" (Conducting an Annual General Meeting). As well, 148 training sessions were given throughout the year on the Know-how and Governance program, with 1,557 officers from Québec and Ontario participating. More than 79% of participants said they were very satisfied with these training sessions.



### Our cooperative values : the root of our actions

A network of cooperatives rooted in all regions, close ties with members, the ability to handle all types of needs, the desire to inform and educate the public about cooperation and finance, active support for community development, democratic governance of the cooperative network and Desjardins Group as a whole and, above all, the outstanding commitment of thousands of elected officers: all these aspects offer a concrete demonstration of our cooperative difference.

## ENSURING A COMMON VISION OF COOPERATION

In 2008, the action-based training program on the cooperative difference was made available to all caisses in Québec and Ontario. To date, more than 79 caisses have registered for this program, which has offered more than 2,761 members, officers, management staff and employees the opportunity to receive training on or increase their awareness of the cooperative difference and to suggest numerous measures that could form the basis of a cooperative difference action plan.

The November 2008 *Rendez-vous* meetings for young leaders was a large-scale event that displayed great innovation its use of new technologies. The event was part of the 2010-2012 Strategic Planning process, bringing together 75 young leaders from within and outside Desjardins. The objective was to enable young people to express their needs, expectations and hopes with respect to Desjardins and to identify the challenges that Desjardins needs to meet in order to become the financial institution of choice among young people. During the meeting, several ideas were proposed, including the representation of young people within democratic bodies, a service offering adapted to their needs as well as support with respect to career development.

The Créavenir solidarity product, which provides loans and subsidies to support projects by young entrepreneurs aged 18 to 35, made significant progress in 2008. To date, 17 Créavenir programs have been set up in eight regions. The number of participating caisses is now 83, and our total investment is \$1.7 million.

## PRESERVING THE ESSENCE OF COOPERATION

Société historique Alphonse-Desjardins promotes the Desjardins Group cooperative difference through its research, conservation, education and communication activities.

In 2008, the historical society highlighted the 150th anniversary of the birth of Dorimène Desjardins (1858-1932), co-founder of the caisses populaires, with the publication of a biography from Éditions Dorimène and through its participation in the "Empreintes d'elles" lecture series on the history of women, held as part of Québec City's 400th anniversary activities. At the Chaudière-Appalaches regional Grands Prix du tourisme Gala in April, Maison Alphonse-Desjardins was awarded the Grand Prize in the category of tourist attractions for less than 100,000 visitors.

## PROVIDING EVEN MORE MEMBER SATISFACTION

Of the 2006-2008 Strategic Planning targets on member satisfaction with regard to the cooperative difference, some were reached while others were exceeded. For the consumer market, our initial target of +7 percentage points was reached, with the number of members who said they were very satisfied rising from 37% in 2005 to 44% in 2008.

In addition, each year, the questionnaire is also given to a sampling of Desjardins members who mainly do business with a bank, replacing the word "caisse" with the word "bank." Results show that the gap over our competition has not stopped growing in favour of Desjardins since 2005, standing at +12 percentage points in 2008, versus a mere +1 in 2005.

Meanwhile, our business targets were significantly surpassed. In 2005, we set our strategic planning target at a growth of 5 percentage points. Since then, that figure has doubled, with our results now up 10 points from our starting point, the number of members who said they are very satisfied having risen from 42% in 2005 to 52% in 2008.

## OPENING THE DOORS TO THE DESJARDINS GROUP AGM

Starting in 2009, the caisses, the FCDQ and the subsidiaries will be able to invite a guest to attend the Annual General Meeting of Desjardins Group as a way to recognize contributions and provide cooperative education.

The Annual General Meeting is a valuable forum for discussion and expression, where delegates make decisions, set objectives, develop unity and are motivated by common targets, orientations and projects.

That is why the presence of participants from the caisses, the FCDQ and the subsidiaries in such major democratic activities as the Desjardins Group Annual General Meetings represents a powerful tool for education and awareness on the breadth and scope of the democratic aspect of Desjardins. Access to these events can also be an effective way to help promote the cooperative difference and turn participants into excellent ambassadors among their peers.

# MOVING FORWARD ON THE ROAD TO EXCELLENCE

At Desjardins, everyone has a role to play. The contributions and talents of each and every employee are what allow Desjardins Group to excel in its operations and services and to be recognized by its employees as a Best Employer in Canada.

## RANKING FIRST IN SERVICE QUALITY

Quality of service to members and clients is key for Desjardins Group, which intends to become the leader in this area. Desjardins carried out several initiatives in 2008, allowing the organization to move towards its objective.

We developed and refined a continuous improvement approach as well as an auditing procedure, testing them out in three different caisses.

We also carried out several projects throughout Desjardins Group, such as the “Quality has a name: Desjardins!” employee engagement contest, the tabling of an annual quality plan, the development of a tool for sharing winning practices relating to quality and, lastly, the acquisition of external data enabling Desjardins to compare its client satisfaction ratings with others.

## IMPROVING OPERATIONAL EFFICIENCY

Backed by the strength of its human capital, Desjardins Group must ensure that it continues to perfect its communications tools in order to maintain optimal operational effectiveness. In 2008 we saw the emergence of various electronic means to encourage participation by all Desjardins players in the life of the organization.

In September, the Desjardins Group Intranet project led to the implementation of an infrastructure allowing relevant news and reference materials to be sent to all Desjardins Group employees via the internal Web sites of each component.

Portail D, the internal Web site of the caisses and business centres launched in September 2007, continues to grow and now provides information aimed specifically at employees working in investment and financing as well as business services.

November 2008 also saw the organization of the first Web conference for caisse presidents, during which Monique F. Leroux, Chair of the Board, President and CEO of Desjardins Group, presented our third quarter financial results.

The goal of all these initiatives is the same: to provide Desjardins Group employees and elected officers with the tools they need to work more efficiently and to communicate better amongst themselves, with a view to making full use of Desjardins Group human capital.

## 2008 AWARDS AND DISTINCTIONS

The purpose of the efforts made by Desjardins Group’s human capital—its staff and officers—is to continue to provide the best service offering to members and clients. While the goal is not to garner awards, those we have received show that their true purpose is being attained. Read on for a few of Desjardins Group’s achievements in 2008.

### Best Corporate Citizen

In 2008, thanks to its excellent environmental and social responsibility practices, Desjardins Group was ranked 20th among the 50 Best Corporate Citizens of Canada in *Corporate Knights* magazine, a Toronto publication that specializes in corporate responsibility. Only 10 Québec-based companies made the list. Also, for the second year running, Desjardins Group was named a finalist in the Large Business category for the *Prix de l’entreprise citoyenne* (Québec corporate citizenship prize) awarded by Korn/Ferry International and *L’Actualité* magazine. These awards, the only of their kind in Québec, honour the efforts made by businesses towards their community and the environment. Desjardins captured the jury’s attention with its “Changing the world, one step at a time” institutional campaign developed in collaboration with Équiterre.

### Call centres at the head of the class

Desjardins AccèsD Services call centres remain the international benchmark among financial institutions, having been awarded COPC (Customer Operations Performance Center) certification for the fourth year running. This certification assesses more than 200 performance indicators measuring productivity, quality and client satisfaction and has never been awarded to any other financial institution in North America.

### Dual achievement for *desjardins.com*

The *desjardins.com* Web site ranked third among the 25 top Web sites in Québec, according to the SECOR-Commerce online index. Improvements in the areas of customization and interaction helped us obtain the points we needed to achieve this ranking.

Another *desjardins.com* achievement: the site earned the “*Coup de cœur du public*” (people’s choice) award after receiving 1,000 of the 7,000 votes from the general public in this new section of the 2008 SECOR-Commerce online index.

### Two Desjardins Funds honoured

The Desjardins Environment Fund and the Desjardins Québec Balanced Fund both won prizes at the 2008 Lipper Fund Awards. Distributed in 21 countries worldwide, the Lipper Fund Awards honour mutual funds that stand out for their solid and consistent returns. A subsidiary of Reuters, Lipper is the world leader in mutual fund research and analysis.

The Desjardins Environment Fund won first prize in the Canadian Equity Funds category for its performance over three years, while the Desjardins Québec Balanced Fund was honoured in the Canadian Balanced Funds category for its performance over one year, as at December 31, 2007.

The Desjardins Environment Fund differs from other Canadian equity funds by its commitment to the environment—a commitment that is expressed in the choice of securities in its portfolio, since all companies represented actively manage their environmental responsibilities. Each company in the portfolio stands out in its respective business sector for its proactive stance and responsible management measures with respect to its environmental footprint.

With a portfolio made up exclusively of shares and bonds from Québec-based businesses, the Desjardins Québec Balanced Fund is especially designed to promote the province's economy.

### Accessibility rewarded

Desjardins received two 2008 Best Banking Awards for excellence in ATM service and telephone transactions following the Customer Service Index (CSI) survey carried out by the international market research firm Synovate. The 2008 Best Banking Awards are based on the cumulative total of the 35,000 CSI survey answers received during the year ended August 2008.

Meanwhile, AccèsD's Telephone and Internet services passed the 2-million-users mark in May 2008. Close to one in three people in Québec uses these services to carry out transactions. According to the last survey on Internet use in Québec conducted by NETendances in 2007, AccèsD's market share was 56% for the province of Québec as a whole. As for *desjardins.com*, the site continues to stand out in Québec and remains, by far, the most popular financial site, with close to 2.3 million different visitors per month.

### Two silver Cassies for Desjardins ads

The effectiveness of our 2008 "More than a Bank" advertising campaign earned Desjardins Group two silver Cassies in the categories of Best Integrated Campaign and Services—Financial. The Cassies is a Canadian advertising awards show that recognizes proven effectiveness based on the business results of the advertisers. It is presented by the Institute of Communication Agencies, the Association des agences de Publicité du Québec and the Association des professionnels de la communication et du marketing.



### Dorimène Desjardins, pioneer of excellence

In 2008, Desjardins Group celebrated the 150th birthday of its co-founder, Dorimène Desjardins, who opened the door to thousands of women who followed. Her legacy: more than 30,000 women employed by Desjardins, including 1,385 managers, 159 senior managers, over 100 caisse managers and Desjardins Group's first woman Chair of the Board, President and CEO.

### Silver *Flèche* award for the AccèsD au Cirque du Soleil campaign

The Cirque du Soleil/AccèsD promotional campaign was awarded the silver *Flèche* at the 2008 *Flèches* awards gala held by Québec's Association du marketing relationnel (Relationship Marketing Association). With over one million additional transactions carried out during the six weeks of the contest, this successful campaign is confirmation of Desjardins Group's leadership in online solutions.

### Disnat number one among investors

In 2008, for the second consecutive year, Desjardins Securities' online brokerage division, Disnat, beat out all other online brokers in Canada in the Trader Firm category of the Surviscor analysis. According to Surviscor, a Canadian firm that ranks companies offering online brokerage services, the sophistication and performance of DisnatDirect platforms have become industry benchmarks. Surviscor also issued high praise for Disnat Classic's traditional Web platform, noting in particular the quality of Disnat's investor education content, as well as the release of its new public trading site.

### Rare honour for Québec real estate

Complexe Desjardins in Montreal, managed by Desjardins Gestion immobilière, a subsidiary of Desjardins Asset Management, won the title of The Office Building of the Year (TOBY) in the "Renovated Building" category in the annual Building Owners and Managers Association (BOMA) international competition. The TOBY prize is the highest distinction awarded in the North American commercial real estate industry, rewarding property managers who have demonstrated excellence in building management, quality of operations, concern for the conservation of resources and environmental consciousness. The last and only time such an honour was bestowed on a Québec building was almost 20 years ago.

# A GIFT THAT WILL STAND THE TEST OF TIME: QUÉBEC CITY'S PROMENADE DESJARDINS

The Desjardins name will be associated with Québec City's 400th anniversary celebrations for many years to come, thanks to its gift of the Promenade Desjardins, built at a cost of \$1 million in 2008 and located on the city's Parliament Hill. Raised on this pedestrian pathway is a bronze monument of the founders of Desjardins Group, Alphonse and Dorimène Desjardins, to underscore the close ties binding Desjardins and Québec City. Year after year, hundreds of thousands of visitors from Québec, across Canada and all over the world will visit this monument and keep it in their memories.

“Desjardins immortalized these two people in bronze on the noble and lively grounds of Parliament Hill, beside other greats who have made history, and near Parliament itself, where Alphonse Desjardins worked as editor of the debates.”

– MONIQUE F. LEROUX



THE BRONZE MONUMENT OF THE FOUNDERS OF DESJARDINS GROUP, ALPHONSE AND DORIMÈNE DESJARDINS, ON THE PROMENADE DESJARDINS, A GIFT TO QUÉBEC CITY