



NOTES FOR A SPEECH BY

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“COOPERATING TO SHAPE OUR DESTINY”

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(ACTUAL SPEECH MAY DIFFER FROM THIS TEXT)

Dear Delegates,
Distinguished Guests,
Ladies and
Gentlemen,

LIVE DESJARDINS WITH TRUST AND CONFIDENCE

In March 2008, I began my mandate as President under the theme of trust and confidence in furthering the development of Desjardins Group. I have always maintained a deep conviction that the success and the future of Desjardins Group are only possible through trust and confidence. It cannot be any other way, when our primary function is to support people throughout their financial lives.

But what, in essence, defines our role? We offer financial services and, together, we manage an association of people—our cooperative—as well as the complexities of a major financial institution. Basically, what we do is help our members find secure solutions to their financial needs, which we accomplish while upholding our values. What we do meets a fundamental need for individuals and societies, and it is becoming increasingly complex as a result of the great diversity of products, markets and member expectations.

In a globalized environment, and in the context of an unprecedented financial crisis, our members are feeling a greater need for protection against risks and the unexpected situations they may be faced with. They have chosen us to help them. It is, therefore, first and foremost through our skills, through the quality of our human relations and through our values that we build trust and confidence with our members.

That is the foundation of our success and our reputation.

A MAJOR WORLDWIDE CRISIS OF CONFIDENCE

The global financial crisis that we are experiencing now is fundamentally a crisis of confidence, and it has brought us back to the essence of our values and what we do.

Confidence has become a global issue on a planetary scale. From the bursting of the real estate bubble in the United States to the recession impacting the major economies around the world, we are seeing a general deterioration of investor and consumer confidence in the way markets operate and in the economy itself. Recovery will undoubtedly depend on our ability to rebuild trust and confidence in the economy as much nationally as internationally.

Now, at the start of 2009, financial and economic conditions remain uncertain. It is also difficult to foresee the duration and extent of the global financial crisis. One thing is clear: the financial world has changed. It has changed significantly. In a way, the days of “excessive” credit as the basis of growth—which some have described as “unsustainable”—are over... or at least for the time being.

This means that all of us, both individuals and businesses, need to see things differently, to better identify risks and, especially, to be disciplined and resilient, meaning we need to be able to bounce back regardless of the circumstances. Today’s pervading sense of uncertainty is both a challenge and an opportunity. It is—for me, and for us—an opportunity that must translate into changes and developments to our ways of doing things and our attitudes.

This was also our context for 2008.

A YEAR OF MAJOR FINANCIAL CHALLENGES

2008 was a difficult and demanding year for Desjardins Group. Our combined surplus earnings before member dividends totalled \$78 million compared to \$1.1 billion in 2007. Return on equity was 0.8%, well below our financial targets.

When we publicly announced our results on March 2nd, we explained the effects of the ABCP situation and the financial crisis on our financial results. Excluding those specific items, Desjardins Group would have declared surplus earnings before member dividends of nearly \$1.2 billion in 2008, for a return on equity of 12.4%.

Like you, I am not satisfied with our financial results for 2008, even though they must be taken in the context of an unprecedented financial crisis.

We need to understand what happened and learn from it, which is what we have done. Our members, our clients and all of our people at the caisses can rest assured that action plans were developed and are now being applied. Moreover, their implementation is subject to regular follow-up by the Fédération and Desjardins Group management and Board of Directors.

SOLID FINANCIAL FOUNDATIONS

Even though the effects of the ABCP situation and the financial crisis contributed to lowering our surplus earnings for 2008, our basic activities remain sound and profitable. The cooperative network, the Fédération business units, the insurance subsidiaries and Caisse centrale Desjardins showed very good operating results. The caisses saw their surplus earnings grow by nearly 11% in 2008 over the previous year. I congratulate you and thank you for that.

Desjardins Group remains a very solid and well-capitalized institution. Its \$10 billion in capital, nearly 85% of which is made up of reserves, is of very high quality. Caisse centrale Desjardins has excellent credit ratings while Desjardins Group remains one of the highest-rated financial institutions in Canada.

It was with this backdrop that Capital Desjardins this week carried out a Canadian issue of \$500 million in senior notes that will strengthen Desjardins Group's capital base.

NOTEWORTHY ACHIEVEMENTS

2008 was also a year of major achievements.

It was a very good year for investment savings recruitment among individuals, thanks to the constant efforts made by the network. This allowed us to maintain our personal savings market share in Québec. Progress achieved was also made in 2008 in terms of gaining new market share in the residential mortgage sector as well as in commercial and industrial and farm loans. Not only do we have an excellent position in all of those areas, we are often clearly dominating and continue to increase our advance over the competition.

Finally, in life and health insurance and general insurance, growth of premiums underwritten continued in Québec and across Canada. Efforts put forth by these subsidiaries and by the caisses in Ontario all contributed to a significant increase in brand awareness and business volume for Desjardins in Ontario.

As you know, at Desjardins, we are not in business just to do business. As a cooperative financial group, we exist to serve our members and their communities. For us, an important measure of reaching our objectives is member satisfaction. In 2008, a number of achievements were also made in terms of member satisfaction. The overall satisfaction rate for individuals and businesses with respect to services received rose, once again, over the past year.

In 2008 we also continued our work on Desjardins Group financial governance and submitted an application for certification by the *Autorité des marchés financiers* under the Basel II Accord. The approaches developed are aimed at optimizing our risk management and matching our capital requirements to the risks involved.

Finally, I'm particularly pleased to see Desjardins on the Hewitt Associates list of 50 Best Employers in Canada. This shows that our employees enjoy their lives at Desjardins and that they are proud of Desjardins Group. This recognition positions us advantageously in a job market where being able to attract and retain talented individuals is a major strategic issue.

Beyond the Hewitt list, this exercise particularly allowed us to gain valuable information and comments from more than 15,000 of our employees throughout Canada, out of the 20,000 who received the questionnaire. This record level of participation is immensely important to help us better understand our organization and our employees' aspirations for the future.

You deserve the credit for all of these achievements, and I thank you for your efforts. To me, this shows the extent of the strength and engagement of our 6,300 elected officers as well as our 42,000 employees.

STIMULATING DISCUSSION

In keeping with my commitments, in 2008, we also tested and set up new methods to communicate with caisse officers and general managers, both with respect to reflection and planning activities and the follow up of day-to-day operations. Several telephone and online communications, in addition to all our meetings, enabled us to increase your participation in discussions on Desjardins-related issues and orientations.

As President, I feel it is important to know what you think and what you have to say. In the past year, some 300 of you sent me comments, questions and ideas at the *president@desjardins.com* e-mail address. Thousands of other messages were sent to me through our desjardins.com Web site. Elected officers, general managers, employees and members—many of you expressed your ideas through those channels, and I thank you for that.

You should know that your words are important—important because they enable me to better understand, orient and act on our activities. This is one way we express our sense of proximity to and direct contact with the network.

So that was a brief summary of a year that will remain deeply engraved in my memory and in my heart.

AN INVITATION TO JOINT ACTION AND COOPERATION

Let us now look towards the future.

We are entering 2009 in the midst of a period of economic slowdown, marked by deterioration of the job market and of several economic indicators. The recession looks worse than expected, not only here but everywhere around the world. The global economy should see a slowdown of between 0.5% and 1.0% in 2009, according to the International Monetary Fund (IMF)—a level that has not been seen since World War II.

Even though the slowdown in the Canadian economy is less pronounced than it is in many major industrialized countries, our real GDP is expected to drop by 2.8% in 2009, making a slow recovery in 2010. Québec will fare a bit better than Western Canada and Ontario. Still, its real GDP is also expected to drop—by 2.3%—in 2009. More than 50,000 jobs have already been lost in Québec in the past three months alone.

However, I would like to point out that programs for investing in infrastructures and special financing programs have been rolled out by the Québec, Ontario and Canadian governments. We can now hope that all these measures will foster the gradual recovery of the economy towards the end of this year and early next year.

So, there is hope.

For several months, here as elsewhere, a whole series of elaborate measures have been implemented to stimulate the economy and promote recovery. We are seeing a renewed desire for joint action and cooperation on a global scale. Next week, the members of the G-20 will be meeting for the second time in only a few months to discuss ways to reverse the current situation and get the economy back on track towards growth.

Here I would like to quote President Obama in his inaugural speech:

“A nation cannot prosper long when it favours only the prosperous. The success of our economy has always depended not just on the size of our gross domestic product, but on the reach of our prosperity; on the ability to extend opportunity to every willing heart—not out of charity but because it is the surest route to our common good.”

These words, marking the beginning of 2009, are very promising for the future as, in a way, were the words of Alphonse Desjardins, as spoken in 1906 to the Montréal Board of Trade:

“Cooperation thus understood has a particular nature that is most striking. It speaks especially to the humble, to those who have only their weakness with which to confront the tough battles of life. It is the best weapon to enable them to deal with the economic struggles that make up our world.”

Two men, two eras, who bring us back, today, to the very essence of our Group, which has a clear mission and strong values that are now more relevant than ever in a changed financial landscape.

Throughout its history, Desjardins Group has been a forerunner and a builder. Our Group has been able to adapt and change, to bring still-relevant responses to still-important needs. Today, more than ever, we must move towards a more responsible, equitable and sustainable world.

The time has come to showcase the DNA of Desjardins by cooperation and our values central to our positioning, just as they are central to our actions.

The time has come to once again express our pride in being members, officers and employees of Desjardins Group.

2009: A YEAR OF CHANGE AND DEVELOPMENT

This is the spirit underlying our Desjardins Group Development Plan.

We wanted to give an overall meaning and direction to the plan. We wanted to choose a theme that would hold both promise and drive in that sense. And we wanted it to bring us back to the basics of what Desjardins is all about.

The aim of the Desjardins Group Development Plan is, naturally to: “*Cooperate to Shape Our Destiny.*”

While this theme is aligned with the major convictions and commitments that I had the opportunity to announce to you last year, scope of this development plan is even larger today. It has been enriched by the collective contribution of the members of the Fédération Board of Directors, the Assembly of Representatives and our various executive bodies.

The five major building blocks that were launched under the Desjardins Group Development Plan will be drivers of change for 2009 and the years to come.

The theme of the first building block is: *Cooperate to Grow.*

This building block, which relates to Desjardins Group’s growth and development, was undertaken as a priority in view of adopting the 2010-2012 Desjardins Group Strategic Plan. We will define our strategic plan based on the results of work carried out by several task forces composed of some 200 individuals from all components of Desjardins, with the majority coming from the caisse network.

This building block focuses on a number of issues and challenges for growth, including our business development—namely, savings recruitment, the business market, our relations with young people and cultural communities, growth in the non-urban regions, in Greater Montréal and in the rest of Canada—in addition to productivity, organizational efficiency, employee engagement and talent management as well as social responsibility and sustainable development.

Cooperate to Grow is the true meaning behind the work carried out by the teams who started out last September to outline more than 55 proposals for shaping our future, which we will be discussing throughout 2009, until our November Congress.

The theme of the second building block begun in January is: *Cooperate to Better Contribute*.

Focusing on collaboration, participation and connection with the network, this building block is aimed at implementing means that officers and general managers can use to fully contribute to the orientations and operational strategies of Desjardins Group.

Cooperate to Inspire is the direction given to the third building block.

Tied in with further developing the role of the Fédération, this building block will give rise to numerous initiatives in 2009, particularly the development of Desjardins Group's organizational structure. While ensuring efficient and effective support for the caisses, the goals of this building block are to re-focus the role of the Fédération as a hub for the orientation and management of Desjardins Group, to increase productivity and cohesiveness in our organization and to simplify the organization and our operational methods in order to give ourselves greater leverage for development on a Desjardins-wide scale.

Cooperate to Perform is the theme behind work on the fourth building block.

This building block is aimed at optimizing the performance of the Fédération and the subsidiaries in order to promote a management culture based on measurements and benchmarks and to optimize technology and our business processes.

Finally, *Cooperate to Be Our Best* is an excellent summary of the spirit of the fifth and final building block, which will be backed by the wealth of Desjardins Group's human capital.

This building block, on the engagement of our human capital, our culture and our values, will support the implementation of changes within Desjardins Group in terms of accompanying and sustaining people who will see their roles and responsibilities evolve. In the framework of a culture of participation, service and performance, Desjardins Group will thus benefit more from the collective intelligence and experience of its human capital, while consistently upholding our cooperative values.

The Desjardins Group Development Plan is, therefore, one of change.

From time to time, circumstances will dictate the course of life. We are now at a decisive turning point, both around the world and at Desjardins. In a globalized world that has changed radically in the past year, shaping the future will not necessarily be an easy task. We will have to work very hard to achieve this. It will be demanding, but it is possible—I know, because Desjardins Group has already successfully done so.

Of course, we have experienced some difficult times over the past year—times that led us to direct our attention to short term management. But I am convinced that, regardless of the current demands, we must stay the course for the long term and for the future. The Development Plan is, for me, and for all of us, an opportunity to shape the future.

We must shape our future with trust and confidence, transparency and discipline. These values, to me, are timeless and are fundamental to Desjardins Group.

KEY QUESTIONS FOR THE FUTURE

Although these are major challenges, I am entirely confident that, together, we will be able to make the right decisions for the future.

Already, some very exciting proposals are coming out of our various building blocks. These proposals will be studied over the next few months, but I'd like to share a few of them with you now.

I do this without making any presumptions on the outcome of the work now underway, or on the results of the upcoming consultation or the work of our Congress in November.

How proud would we be if, three years from now, greater cohesion at Desjardins allowed us to help our members benefit even more from the full strength of our cooperative financial group? Or if caisse members were to be considered "Desjardins members" with that status fully recognized throughout Desjardins Group?

Wouldn't it be a great step forward if we could better position and segment our offer so as to tailor our responses even more precisely to the specific needs of the various categories of both individual and business members? Could we envision strategies that are better differentiated and new distribution methods to accelerate business development with certain clienteles?

Could we capitalize more on our presence across all of Québec, as well as on a targeted presence among businesses in Ontario, through a more cohesive Desjardins-wide offering?

What if optimizing our business processes, plus our technological investments, could enable us to improve our overall productivity and performance? Are we ready to adopt clear objectives in that respect and assign specific responsibilities to reach those objectives?

The Internet has seen and enabled enormous developments in recent years. More than just a communication platform, the Internet has, among other things, given rise to new communities of individuals regardless of location. With our history and mission tied to the future of communities, should this not represent for us a means of development that should be used to its fullest potential?

If we decide to capitalize on certain proposals made by our task forces, we will have our work cut out for us. If we decide to borrow new avenues for development and transformation, this will necessarily lead to change. And to best experience that change, we need to master the skills required to achieve our ambitions. We must better anticipate the needs of our members, stand out through our mastery of finance and risk, and become better at managing complexity.

Our ways of doing things and our organization must be simple and highly responsive for our members, our officers and our employees, leaving technology, management and governance to deal with the complexities involved.

“DESJARDINS GREEN”: TOWARD A VISION FILLED WITH MEANING

Our overall Development Plan falls under a vision that is specific to us and is rooted in our cooperative values. We must make that vision consistent with current issues, which change over time, so that it remains relevant, motivating and in tune with the day-to-day realities of our members. In short, we need to reinvent cooperation in action.

As you know, Desjardins is “green.” We all have green blood and are proud to say so. If I had one wish, it would be to have “Desjardins green” extended to include all aspects of sustainable development. If I could express one vision, I would link it fundamentally to the basic DNA of Desjardins as a financial group with strong cooperative values that is moving closer than ever before towards a more responsible, equitable and sustainable world.

To support our green vision of the future, we must learn from the past. We at Desjardins have the privilege of being part of a history that is nothing short of inspirational.

A HISTORY THAT INSPIRES AS IT MOVES US FORWARD

More than 100 years ago, Alphonse Desjardins persuaded his countrymen to join forces so that, together, they would have the means to meet their financial needs. We know how tenacious he had to be to create from scratch something that did not yet exist, and to convince people that his project would work.

Today, we have inherited one of the most remarkable initiatives of the social and economic history of Québec and Canada. It is therefore now up to us to take this great movement, which gathered strength as it developed through the 20th Century, and carry it even further. Because the history of Desjardins Group is the history of a group supporting its members through the major stages of the evolution of our society.

Desjardins Group is essentially an association of individuals. It is, therefore, also the history of a number of people who marked its development. This morning, I would like to highlight the presence of Mr. Claude Béland and Mr. Alban D'Amours. Thank you for being with us.

Also, this morning, we have with us a pioneer of Desjardins Group, a man who is known for having created the structure for caisse inspection services starting in the 1940s, and who headed this department up to the mid-1960s before taking on a number of other functions throughout Desjardins Group. This man has seen a lot of our history. You may have already guessed that I am talking about Mr. Rosario Tremblay, who could easily be called one of the pillars of Desjardins Group's great tradition of discipline and integrity.

Mr. Tremblay, you are probably the only one among us who can discuss the impacts of the Great Depression of the 1930s on the financial sector, because history shows that between 1929 and 1933, you worked for a large brokerage firm in Boston, at the height of the crisis. If that surprises any of you, I should note that in June, you will be starting your 100th year. I have heard that you are still young at heart, still “green” and still very active. After having met you recently at Collège de Lévis and discussed the global financial crisis with you, I can fully attest to that.

Mr. Tremblay, on behalf of everyone in this room, I would like to acknowledge your outstanding contribution to the development of Desjardins Group and express to you our deepest appreciation.

COOPERATE TO SHAPE OUR DESTINY

At Desjardins, we’ve been practicing cooperation for more than 100 years. That’s more than 100 years that we’ve been acting as people who take care of one another.

At Desjardins, we have been contributing to the well-being of our members for more than 100 years, while also helping to improve our society, and make it more responsible and better balanced.

At Desjardins, we have been pooling our efforts for more than 100 years, not only financially or economically but also socially. That is why, today, we can attest better than anyone else to the strength of cooperation, and help use it as leverage for the transformation and humanization of society.

We don’t want to preach, but at Desjardins we believe that we can make a difference through our convictions, our actions and our values.

Throughout its history, Desjardins Group has shown great leadership. It was extremely innovative to offer people, although they did not have a lot of money, the opportunity to take charge of their own finances. Yet, it was this idea that gave rise to the great human and financial force that Desjardins Group has become.

Since the beginning, the leadership of our elected officers, managers and employees has always made Desjardins a forerunner in finding ways to meet the needs of people, to strengthen collective institutions and to support economic development.

Today, backed by the wealth of our human capital and all the expertise that we have developed over the years, we can invite people to build with us, with trust and confidence, an economy with a human face.

We have a clear mission and strong values. In carrying out our mission, we are enabling members and communities in which Desjardins is present to live better and to feel more supported in achieving their plans and projects throughout their lives. Our mission is what gives meaning to our daily work. It embodies the human and social aspects of our activities, the need for which has never been as great as it is today.

With our extensive accessibility based on our caisses, rooted in all regions;

With our capacity to handle all types of needs;

With our constant concern to inform and educate people about cooperation and finance;

With the active support we provide to developing communities and, especially;

With the outstanding engagement of thousands of officers elected by the members;

We can be fully confident in our ability to continue to build Desjardins Group and to make us even prouder!

Today, more than ever, Desjardins Group is Cooperating to Shape our Destiny.

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