DIFFERENCE
PERFORMANCE
PRESENCE

2007 ANNUAL REPORT

Desjardins
Credit Union

Money working for people

DESJARDINS: THE LARGEST FINANCIAL COOPERATIVE GROUP IN CANADA

Solidly rooted in Quebec and occupying a growing market share in the rest of Canada, Desjardins is the largest integrated financial cooperative group in the country. It is also the top financial institution in Quebec as well as its foremost private employer. Desjardins offers the entire range of financial products and services along with many easy access options for members and clients – both individuals and businesses.

- Assets of $144.1 billion.
- Across Canada, over 6 million members, of which 5.8 million are in Quebec and Ontario, including nearly 400,000 businesses.
- 6,584 highly committed elected officers and over 42,000 dedicated employees nation wide.
- 1,427 points of service in Quebec and Ontario: 536 caisses/branches and 891 service centres.
- 114 points of service in Manitoba and New Brunswick: 41 affiliated caisses and 73 service centres.
- 49 business centres in Quebec and 3 in Ontario.
- 32 Desjardins Credit Union points of service in Ontario.
- Approximately 20 companies offering a wide range of financial services, with many of them active in several Canadian provinces.
- 3 Desjardins Bank branches in Florida and a branch of Caisse centrale Desjardins in the United States.
- A state-of-the-art virtual network on automated teller machines and the Internet.

DESJARDINS CREDIT UNION AN ONTARIO-BASED CREDIT UNION

- 267 employees
- Over 65,000 members/clients
- 77 Delegates
- A complete line of products and services: loans, mortgages and personal lines of credit, ATMs, Internet banking and investment products
- Committed to community investment
- 32 points of service (including 7 satellite offices) and 28 ATMs located in four geographic areas:

  Toronto area

  South/West area

  Central area

  North/East area

ASSOCIATED WITH THE LARGEST COOPERATIVE FINANCIAL GROUP IN CANADA

Desjardins Credit Union has been serving Ontario residents and businesses since 2003. Our mission is to be a leading provider of high-quality member service and diversified financial products and, by embracing co-operative principles, contribute to the well being of people and the economic and social development of our communities.

While an independent credit union, Desjardins Credit Union is associated with the Desjardins Group, the largest cooperative financial group in Canada. Through affiliated Desjardins companies, credit union members have access to a vast array of financial products and services such as mutual funds, life and casualty insurance as well as full-service and discount brokerage.

With the strength of the Desjardins Group supporting Desjardins Credit Union we are well on our way to achieving our vision of going beyond banking; enriching the lives of our members.

VISION STATEMENT

We go beyond banking. Enriching the lives of our members.

MISSION STATEMENT

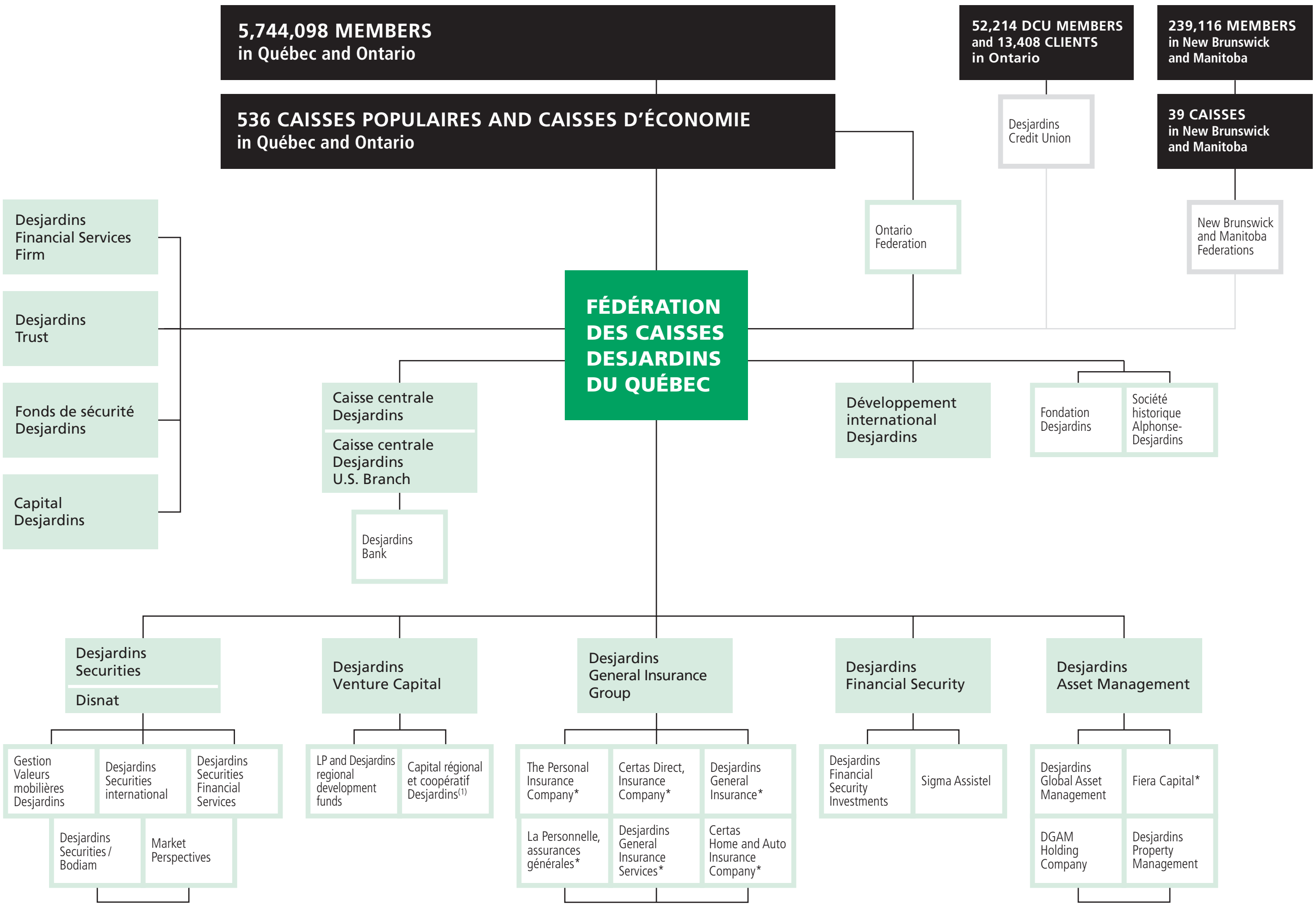
Desjardins Credit Union aims to be a leading provider of high quality member service and diversified financial products.

By embracing co-operative principles, we contribute to the well being of people and the economic and social development of our communities.

TABLE OF CONTENTS

AN INTEGRATED COOPERATIVE FINANCIAL GROUP

ORGANIZATION CHART OF DESJARDINS GROUP



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

As at December 31, 2007

Note: Chart does not reflect the legal ownership structure.

— Ownership link
Auxiliary members
* Shared ownership

OTHER INFORMATION

As at December 31

	2007		2006	
	Group (1)	**Manitoba and Nouveau-Brunswick (2)**	Group (1)	Manitoba and Nouveau-Brunswick (2)
Number of employees (3)	**40,345**	**1,425**	39,985	1,549
Number of members	**5,796,312 (4)**	**239,116**	5,820,574	218,838
Number of elected officers	**6,545**	**380**	7,020	405
Number of member caisses	**536**	**39**	549	40
Number of service centres	**919**	**75**	922	73
Number of automated teller machines	**2,769**	**141**	2,787	134

(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 Quebec.
(4) Total members in every caisse in Quebec and Ontario, in addition to DCU members.

PRODUCTS AND SERVICES

PERSONAL SERVICES

Savings and Investments

- CAD Savings and Chequing Accounts
- USD Savings Account
- Regular Savings Account
- Youth Account
- Chequing Account
- Lawyers Trust Account
- Registered Regular Savings Account
- Locked In Retirement Account
- Registered Retirement Saving Plans
- Registered Retirement Income Fund
- Life Income Funds
- Term Savings & GICs in CAD and USD
- Market Linked Guaranteed Investments
- Mutual Funds
- Wealth Management
- Specialized Investments
- Canada & Ontario Saving Bonds

Financing

- Mortgages
- Car Loans
- Recreational Vehicle Loans
- Personal Loans
- Personal Lines of Credit
- RRSP Loans

Ancillary Services

- Foreign Currency/Exchange
- Desjardins Visa Card
- Travelers Cheques
- Personalized Cheques
- Safety Deposit Boxes
- Discount Brokerage
- Full Service Brokerage
- Accord D Financing
- Flat Fee Monthly Packages
- Drafts and Money Orders
- Fund Transfers
- Inter-Branch Banking

Automated Services

- AccèsD Telephone & Internet Banking
- Virtual Statements
- Debit Card (Direct Payments)
- Direct Deposit & Pre-authorized Payments
- ATMs
- Bill Payments
- Automated Transfers

Insurance

- Loan Insurance (Life & Disability)
- Savings Insurance
- Travel Insurance

BUSINESS SERVICES

Financing

- Term Loans
- Mortgages
- Small and Medium Business Loans

Investments

- CAD Savings and Chequing Accounts
- USD Savings Account
- Term Savings & GICs in CAD and USD
- Market Linked Guaranteed Investments
- Mutual Funds
- Full Service Brokerage

Automated Services

- AccèsD Business
- Telephone & Internet Banking

Insurance

- Loan Insurance
- Savings Insurance

Other

- Foreign Exchange
- Letter of Credit
- Fund Transfers
- Payroll Services

JEAN-GUY LANGELIER
Chairman of the Board and
Chief Executive Officer
Desjardins Credit Union

ALFRED PFEIFFER
President and
Chief Operating Officer
Desjardins Credit Union

MANAGEMENT'S MESSAGE

As we reflect upon the year 2007, we realize that Desjardins Credit Union is just three months short of its five year anniversary on April 1, 2008.

Your credit union has accomplished many things over this very short period of time in order to make it a full service financial institution. We have implemented a sophisticated banking system, introduced a full line of products and services to meet all the financial needs of our members and improved the working environment of our employees to be able to service our members in a professional manner.

Since the beginning, we have improved our financial results on an annual basis. In 2007, we further improved our operational financial position and, had it not been for the occurrence of two specific items, we would have posted a profit this year as well. This compares with a near breakeven position in the previous year.

Although 2007 was not a profitable year, Desjardins Credit Union was successful in many other ways. We attracted some 3,500 new members to our co-operative, bringing our total number of members to slightly more than 52,000. We continued to add new products and services such as mutual funds, to complete the product offering for investments. With the introduction of mutual funds this year, we feel that we are able to cover our members' needs throughout their entire financial life cycle. We also introduced the "Quick Transfer" product to make our members' lives easier when transferring business from other financial institutions.

Through these accomplishments, we remain true to our vision statement "We go beyond banking, enriching the lives of our members." Management and staff work diligently to ensure that the products and services offered are in the best interest of the member as well as for your credit union. We go beyond banking by granting our members democratic control over their financial institution. The fact that we hold branch member meetings, elect delegates and hold an Annual General meeting testifies to our commitment to ensuring that this institution is governed by its members, for its members.

We continue to enrich the lives of our members by supporting community organizations and events and by giving back to the communities where we operate. In 2007, Desjardins Credit Union and its staff contributed their time, money or both to more than 350 community activities and over 100 organizations in areas such as health, youth and seniors, as well as sports, recreation and charitable endeavors.

We also contribute to the communities in which we operate through our business activities. The opening of our Whitney Northern agency in the summer is a case in point, as it illustrates perfectly the added value that a member-owned credit union brings to the financial services market.

In 2007, this Northern Ontario community was left without access to financial services after the last remaining financial institution closed its local branch. In August, we made the decision to go beyond banking and opened an agency in Whitney.

Thereafter, some 125 local residents became members of our credit union and we secured the Algonquin Township's account, which demonstrates to what extent the community supported us. As a result, our operation there reached breakeven after approximately four months.

Having access to cash and credit facilities has a dramatic impact on the economy of these communities and the lives of their constituents and we are proud of being part of that.

Aiming for best in class

As part of our ongoing efforts to ensure that our operations remain highly efficient, in the spring of 2007 we carried out an efficiency analysis of our back-office operations with the help of the Fédération des caisses Desjardins du Québec.

This review was conducted at both our Hamilton Centre Mall location and at our Central Lending Processing Unit. By mid-year, we had implemented the Federation's recommendations in all our locations. We are very pleased with the results of this initiative, since it allowed us to reduce service duplication within the branches and the Central Lending Processing Unit, thus freeing up from ten to twelve hours per week at each branch. We will use this time to support our sales activities, better service our members' financial needs and increase our revenue stream.

In the past year, we continued to improve our offering for business members who often have very specific needs. For instance, we introduced our new payroll and human resources product in collaboration with Desjardins Pay Services. As part of this, we provide business members with an efficient payroll system that is continuously updated to reflect changing tax laws. It applies to all industry sectors and helps our business members eliminate the administrative work related to their payroll, freeing their resources to focus on what they do best.

Since the summer, we have been offering this service to both our existing business members and to companies identified by Desjardins Pay Services. We have intensified our joint business development activities since the beginning of the year and expect that this will allow us to attract new members to our credit union.

Strategy for 2008

A key highlight of 2008 will take place on May 31, when Desjardins Group will replace a commercial bank as our credit union's clearing agent. Since last year, our staff has been working closely with the Fédération des caisses Desjardins du Québec to ensure that the required logistics are in place for a smooth transition. We are looking forward to this conversion as it will allow us to build additional synergies and further integrate our operations with those of Desjardins Group.

We will continue investing towards the training of our staff and enhancing their skillset. Among other projects, we will continue to build and expand the on-line training library designed specifically for credit unions, which we introduced last year. Such training programs are representative of our credit union's long-term commitment towards supporting the professional growth of our staff.

In 2008, we will concentrate our efforts to support our staff with their sales objectives. Working with the Desjardins Group, specialists will be mandated to visit branches and provide employees with on-site training to deepen their knowledge of our products and further enhance their sales capabilities. These specialists will also support branch managers in implementing their business development plan.

We will continue growing the kind of financial cooperative where members are proud to belong. Ours is a financial institution that invests in the social and economic development of its community. In doing so, we remain true to the unique guiding principles that have inspired Desjardins Group's co-operative approach to business for more than one hundred years.

We sincerely thank the staff, Delegates, members of the Board of Directors and our members for their dedication and unwavering support throughout the year. Our collective efforts can only lead to greater accomplishments.

Jean-Guy Langelier
Chairman of the Board and
Chief Executive Officer
Desjardins Credit Union

Alfred Pfeiffer
President and Chief Operating Officer
Desjardins Credit Union

COMMUNITY INVOLVEMENT IN 2007

HEALTH

- Alzheimer Society
- Arthritis Society
- Bethany's Hope Foundation
- Canadian Amputees
- Canadian Cancer Society
- Canadian Deaf Sports Association
- Canadian Liver Foundation
- Canadian Red Cross blood donor clinics
- Cerebral Palsy
- Children's Health Foundation
- CNIB
- The Foundation for Gene and Cell Therapy
- Friends of the Disabled
- Heart and Stroke Foundation
- The Leukemia and Lymphoma Society of Canada
- The Lung Association
- Lupus Ontario
- Multiple Sclerosis Society
- Muscular Dystrophy
- Opportunities for the Disabled Foundation
- Parkinson Society Canada
- Portage
- Sakura House
- Shinerama
- Tara Boom Foundation
- The United Way
- Walkerton and District Health Services Foundation

HOSPITALS

- Hospital for Sick Kids
- Credit Valley Hospital
- Corner Clinic

SUPPORT TO AGRICULTURAL ACTIVITIES

- 4-H
- Aylmer Annual Fair
- Aylmer Corn Fest
- Formosa Farm Toy Show
- Home and Garden Shows
- Seaforth Agricultural Society
- Seaforth Horticultural Society
- St. Marys Agricultural Society
- Walkerton Agricultural Society
- Walkerton Horticultural Society

CHILDREN AND YOUTH

- Bell Walk for Kids
- Big Brothers and Big Sisters
- Boys and Girls' Clubs
- Bring our Kids to Work Day
- Children's Artistic Expression Workshop
- Children's Emergency Foundation
- Christmas Toy drives at several branches
- Cubs and Scouts
- Fundraisers for several schools
- Guelph Global Learner Project
- Library and recreation board
- Lions' Club
- Optimist Club
- Renfrew County Child Poverty Action Network
- Ronald McDonald House
- Samaritan's Purse
- Special Olympics for Kids
- Sponsored underprivileged children to attend the Shriners' Circus
- St. Marys Youth Centre


1

2

1. Walk a Block for Lupus, Oshawa. On September 15th, Head Office staff member Julie Charron and her family participated in the Walk a Block for Lupus to raise awareness and funds for Lupus research. Lupus is an autoimmune disorder in which the immune system becomes overactive and starts attacking healthy tissue. Her husband suffers from this disorder so the cause hits close to home. Last year the Oshawa team had 50 registered walkers, this year they had over 200! The goal this year was to raise $10,000 for Lupus research and they ended up raising over $12,000!
2. This is the fourth year that Desjardins has sponsored the highly acclaimed Guelph Jazz Festival, which was held from September 5 – 9, in various venues throughout Guelph.

ELDERLY

- Branch staff visit a retirement home in Guelph every month to provide them with banking services
- Donations to local seniors' clubs
- Seniors Activation Maintenance Program

SPORTS AND RECREATION

- Canadian Wheelchair Basketball Association
- Communities in Bloom
- Germania Club
- Grey Bruce Singers
- Guelph Jazz Festival
- Orientation week activities at the University of Western Ontario
- Pembroke Annual Snow Spree Curling Bonspiel
- Pembroke Ladies Curling Closing Bonspiel
- Pembroke Little Theatre
- Seaforth Ringette
- Sponsor community sports teams such as baseball, soccer, hockey and basketball teams. Staff also volunteer time to organize tournaments and raise funds
- Sponsored music festivals and concerts
- St. Mary's Heritage Festival
- St. Mary's Figure Skating Club
- Walkerton Curling Club

FAMILY

- Adult Illiteracy
- Aylmer Firefighters Association
- Children's Aid
- Community Living Brant
- Covenant House
- Crime Stoppers
- Hamilton SAM Program
- National Council of Jewish Women
- Parents' Council
- Participated in Santa Claus parades
- Participated in winter carnivals
- Pembroke Police Services
- Royal Canadian Legion
- SEDI Awards
- Toronto Police Association
- Various church groups
- Volunteered at and donated to various church functions
- Zonta club

COOPERATIVE AFFAIRS

- Guelph Co-op Council

FOOD BANK

- Christmas Food Drive in various branches
- Staff volunteered to help serve Christmas dinner for the homeless
- Scott Mission

COMMUNITY DEVELOPMENT GROUPS

- Staff are members or directors on several Chamber of Commerce groups
- Several branches participated in local trade shows
- Civitan Club
- Heritage London
- Kinsmen Club
- OWIN (Oxford Women in Networking)
- Rotary Club

1. Staff of the University & Dundas branch kicked off their fundraising campaign for the Heart and Stroke Foundation on Valentine's Day, a fitting tribute for this worthy cause. Pieces of homemade Valentine's Day cake were sold by Wendy to her staff at $5 a slice. Staff collected a total of $335 by canvassing friends, family, and members for donations.
2. Desjardins Credit Union employees in Aylmer challenged other businesses to match their commitment to donating blood at a clinic at East Elgin Community Complex.
3. On June 18th, the Walkerton branch family got together and watched Tom Traversy, Branch Manager, get his head shaved in support of the Canadian Cancer Society's Longest Day of Golf. The branch raised $2,100, which meant he had to shave his head and moustache! The total amount raised for the event this year was a record $62,500.

COMPENSATION, GOVERNANCE AND NOMINATING COMMITTEE REPORT

The Compensation, Governance and Nominating Committee of Desjardins Credit Union is a sub committee of the Board of Directors. As per its terms of reference, the committee must meet on a quarterly basis. In 2007, the Compensation, Governance and Nominating Committee met five times.

Initially composed of three directors, the number of members increased to four members in 2007. The committee members are: Thomas Blais, Deborah J. Findlay (Secretary), Paul E. Garfinkel (Chair) and Huu Trung Nguyen.

The Board of Directors has adopted a mandate, which covers all duties to be performed by a Compensation Committee, a Governance Committee and a Nominating Committee.

The Committee is pleased to report that it has received the full support and cooperation of the Board of Directors and management and that it met its duties and responsibilities, among which:

- Reviewing the 2008 Board election process:
  During 2007, the Nominating Committee worked intensively on the 2008 election process. The committee produced a guide on Board election process covering the identification and selection of potential candidates and the election process itself. A communication plan and timeline supporting each phase of the process was also presented;
- Ensuring compliance with the Governance Policy;
- Reviewing and recommending to the Board the President and Chief Operating Officer objectives;
- Reviewing and recommending to the Board the mid-year and annual performance evaluation of the President and Chief Operating Officer;
- Establishing and coordinating a performance evaluation process for the Board and Committees;
- Establishing and coordinating self-assessment of the members of the Board.

The Committee reports to the Board of Directors on all matters prescribed.

This report is respectively submitted by this Committee.

Paul E. Garfinkel
Chair of the Compensation, Governance and Nominating Committee
Desjardins Credit Union

Toronto, March 25, 2008

LENDING REPORT

One of the Chief Lending Officer's roles is to support the Board of Directors in its oversight function. Pursuant to his duties, the Chief Lending Officer oversees all lending products and services offered by Desjardins Credit Union. The Chief Lending Officer's primary responsibilities are to monitor the dynamic nature of individual and commercial portfolio credit risk. He also ensures compliance with relevant credit policies and procedures as well as compliance with various lending and regulatory authorities.

To this end, the Chief Lending Officer is supported by an internal Credit Transaction Committee made up of two directors and the President and Chief Operating Officer of Desjardins Credit Union. It is the Credit Transaction Committee and the Chief Lending Officer's duty to examine all loan proposals that exceed delegated levels of authority provided to Management. The Chief Lending Officer must report to the Board of Directors on a quarterly basis on the status of the lending portfolio, according to the credit policies established by Desjardins Credit Union, which are in accordance with the Credit Union and Caisses Populaires Act (Ontario), 1994 (the «Act») and regulations.

The Board of Directors, through the lending reports, ensures the quality of ongoing lending activities performed by designated lending officers. It also reviews individual guarantees provided to third parties, restricted party loans, large loans and aggregate loans to connected parties and assesses the adequacy of general and specific provisions for impaired and restructured loans.

There were no loans requiring write-offs during the period under review.

Pursuant to subsection 120(2) of the Act and as prescribed by Ontario Regulation 76/95 made under the Act, the following is included for the information of the members.

Table I **LOAN STATISTICS**

	2007	2006
Applications received	**7,745**	7,951
Applications denied	**1,755**	1,349

Table II **LOANS GRANTED AND IMPAIRED LOANS**

		Residential Mortgages		Personal Loans		Commercial & Corporate	
(in thousands of dollars)		**2007**	2006	**2007**	2006	**2007**	2006
Loans granted	#	**1,673**	1,731	**457**	267	**22**	35
	$	**361,459**	355,623	**12,123**	11,083	**31,241**	100,549
Impaired Loans	#	**13**	1	**11**	5	**2**	—
(90 days in arrears)	$	**3,063**	84	**490**	105	**2,302**	—

Alfred Pfeiffer
President and Chief Operating Officer
Desjardins Credit Union

Anthony Matrundola
Chief Lending Officer
Desjardins Credit Union

Toronto, March 6, 2008

2007 FINANCIAL STATEMENTS

AUDIT COMMITTEE'S ANNUAL REPORT

The Audit Committee (the "Committee") of Desjardins Credit Union is a committee of the Board of Directors operating pursuant to section 125 of the Credit Unions and Caisses Populaires Act (Ontario), 1994 (the "Act"). The Audit Committee met six times in fiscal 2007 and was composed of three directors namely Heather A. Nicol, Michael C. Howlett and Paul E. Garfinkel.

The Committee has adopted a mandate, which covers all of the duties specified to be performed by audit committees in the regulations of the Act.

The Committee is pleased to report that it has received the full support and cooperation of the Board of Directors and management and that it met its duties and responsibilities, which included:

- serve as liaison between the Board of Directors and the external auditors;
- review the annual audited financial statements and make recommendations to the Board of Directors;
- review and make recommendations to the Board of Directors about the terms of the engagement letter and the remuneration of the external auditor;
- review and approve the external auditor's scope and plan of audit;
- recommend to the Board of Directors arrangements to safeguard the assets, to ensure the timeliness, accuracy and reliability of accounting data, to maintain adherence to the lending and investment policies and procedures and to provide for other matters concerning the financial policies of Desjardins Credit Union;
- review the organization and assess the degree of independence of Desjardins Credit Union's internal auditor including its goals, work plans, audit plan and findings;
- review any recommendations of the internal auditor that were considered significant and review the response by management;
- review the disaster recovery plans;
- review the policies and procedures governing the way in which it meets the requirements under the Act about liquidity, capital adequacy and interest rate risk management; and
- monitor the adherence of the directors, officers and employees to its code of conduct.

It is the considered opinion of this Committee that the affairs of Desjardins Credit Union are being conducted in a satisfactory manner and that the Act, regulations and appropriate policies are being carried out.

This report is respectively submitted by the Committee.

Heather A. Nicol
Chair of the Audit Committee
Desjardins Credit Union

Toronto, February 28, 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for preparing the financial statements and for ensuring their accuracy, completeness and integrity. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. When required to make estimates, management did so to the best of its knowledge.

The reporting procedures and related systems of internal controls are designed to provide reasonable assurance that the financial records are complete and accurate so as to safeguard the assets of Desjardins Credit Union. These procedures include standards of business conduct throughout the organization to provide assurance that all transactions are authorized and proper records are maintained. These standards include procedures in hiring and training employees, an organizational structure with clearly defined lines of responsibility, written and updated policies and procedures, planning and follow-up of projects and budget controls. Internal audit provides management with the ability to assess the adequacy of these controls. The Internal Auditor reports quarterly to the Audit Committee.

The Deposit Insurance Corporation of Ontario periodically examines the affairs of Desjardins Credit Union to ensure that the provisions of its constituent legislation, particularly with respect to the protection of depositors, are duly observed and that Desjardins Credit Union is in sound financial condition.

The independent auditors appointed by the general meeting of members, PricewaterhouseCoopers LLP, have the responsibility of auditing the financial statements in accordance with Canadian generally accepted auditing standards and of expressing their opinion. Their report appears herein. They have had full and free access to confer with the Audit Committee, Internal audit and management staff, on all matters concerning the nature and execution of their mandate, particularly with respect to the accuracy and completeness of financial information provided by Desjardins Credit Union and the reliability of its internal control systems.

Jean-Guy Langelier
Chairman of the Board
Desjardins Credit Union

Alfred Pfeiffer
President and Chief Operating Officer
Desjardins Credit Union

Toronto, March 6, 2008

AUDITOR'S REPORT

To the Members of Desjardins Credit Union,

We have audited the balance sheet of Desjardins Credit Union Inc. (the «Credit Union») as at December 31, 2007 and the statements of income, comprehensive income, members' deficit and accumulated other comprehensive income and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

Toronto, March 6, 2008

BALANCE SHEET

As at December 31
(in thousands of dollars)

	2007	2006
ASSETS		
Cash and cash equivalents	$ 38,613	$ 46,929
Securities (note 3)	373,675	527,700
Loans (note 4)	1,058,209	1,003,913
Other		
Assets related to derivatives	2,091	1,306
Intangible assets (note 5)	22,500	24,681
Goodwill	30,852	30,852
Other assets (note 6)	36,274	42,721
	91,717	99,560
	$ 1,562,214	$ 1,678,102
LIABILITIES AND DEFICIT		
Deposits (note 8)	1,401,426	1,513,344
Other		
Liabilities related to derivatives	1,026	1,587
Other liabilities (note 9)	28,358	30,916
Subordinated debentures (note 10)	51,000	51,000
Redeemable preference shares (note 11)	110,000	110,000
Capital stock (note 12)	261	249
	190,645	193,752
Deficit	(29,866)	(28,994)
Accumulated other comprehensive income	9	—
	(29,857)	(28,994)
	$ 1,562,214	$ 1,678,102

The accompanying notes are an integral part of the financial statements.

STATEMENT OF INCOME

For the period ended December 31
(in thousands of dollars)

	2007	2006
Interest income		
Securities and cash	$ 19,210	$ 30,011
Loans	50,503	41,177
	69,713	71,188
Interest expense		
Deposits	33,596	33,637
Subordinated debentures	2,872	2,872
	36,468	36,509
Net interest income	33,245	34,679
Other income		
Commissions, fees and services charges	3,701	2,952
Foreign exchange	221	414
Trading activities	618	—
Net losses on available-for-sale securities	(3,681)	—
Investment activities	—	1,085
Loss on sale of loans (note 4)	(2,685)	—
	(1,826)	4,451
Gross income	31,419	39,130
Provision for credit losses	966	538
Net interest and other income	30,453	38,592
Non-interest expenses		
Salaries and benefits	14,999	14,625
Premises, equipment and furniture, including amortization	9,484	9,999
Other expenses (note 22)	6,826	8,681
	31,309	33,305
Net income (loss) before preference share dividend	(856)	5,287
Preference share dividend	—	5,460
Net loss before income taxes	(856)	(173)
Income taxes (note 13)	—	—
Net loss	$ (856)	$ (173)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31
(in thousands of dollars)

	2007	2006
Net loss	$ (856)	$ (173)
Other comprehensive income, net of taxes		
Changes in net unrealized gains (losses) on available-for-sale securities	(1,124)	
Reclassification of net (gains) losses on available-for-sale securities to income	(164)	
Changes in net unrealized net gains (losses) on derivatives designated as cash flow hedges	767	
Other comprehensive income	(521)	
Total comprehensive income	$ (1,377)	

STATEMENT OF MEMBER'S DEFICIT AND ACCUMULATED OTHER COMPREHENSIVE INCOME

For the period ended December 31
(in thousands of dollars)

	2007	2006
Members' deficit		
Balance at beginning of period	$ (28,994)	$ (28,821)
Transition adjustment on adoption of financial instruments standards (note 2)	(16)	—
Net loss	(856)	(173)
Balance at end of period	$ (29,866)	$ (28,994)
Accumulated other comprehensive income		
Balance at beginning of period	$ —	
Transition adjustment on adoption of financial instruments standards (note 2)	530	
Other comprehensive income	(521)	
Balance at end of period	9	
Members' deficit and Accumulated other comprehensive income	$ (29,857)	

The accumulated other comprehensive income statement and comprehensive income is a new standard requirement effective January 1, 2007, thus 2006 comparatives figures are not presented.

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the period ended December 31
(in thousands of dollars)

	2007	2006
Cash flows from operating activities		
Net loss	$ (856)	$ (173)
Adjustments to determine cash flows provided by operating activities:		
Loss on disposal of capital assets	—	2
Amortization of capital assets	3,774	3,803
Amortization of intangible assets	2,181	2,379
Provision for credit losses	966	538
Amortization of deferred interest expense	(1,145)	(1,359)
Net realized (gains) losses on available-for-sale securities	3,681	—
Accrued interest receivable	662	795
Accrued interest payable	(3,631)	(920)
Assets related to derivatives	(785)	1,157
Liabilities related to derivatives	(561)	(4,111)
Other items, net	(2,228)	(4,066)
	2,058	(1,955)
Cash flows from financing activities		
Net decrease in deposits	(110,774)	(119,765)
Capital stock – membership share contributions	12	27
	(110,762)	(119,738)
Cash flows from investing activities		
Purchases of securities	(453,131)	(421,077)
Sale of securities	300,377	649,302
Maturities of securities	303,612	177,689
Net increase in loans	(248,390)	(267,052)
Proceeds from sale of loans	197,975	—
Acquisition of capital assets	(96)	(3,277)
Proceeds of disposal of capital assets	41	23
	100,388	135,608
Net (decrease) increase in cash and cash equivalents	(8,316)	13,915
Cash and cash equivalents at beginning of period	46,929	33,014
Cash and cash equivalents at end of period	$ 38,613	$ 46,929
Additional information		
Interest paid during the period	$ 41,048	$ 38,789
Income taxes paid during the period	—	—

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007

(All figures are in thousands of dollars, except per share and number of share amounts or as otherwise indicated)

Note 1

INCORPORATION AND MANDATE

Desjardins Credit Union Inc., which was incorporated on November 27, 2002, and commenced operations in April 2003, is a financial service cooperative governed by the Credit Unions and Caisses Populaires Act (Ontario), 1994.

Note 2

SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Desjardins Credit Union are prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with these principles requires management to make estimates and assumptions that affect the reported amounts on the financial statements. The main items for which management had to make estimates include the allowance for credit losses, the valuation of financial instruments at fair value, measurements of other than temporary impairment, goodwill, pension and other employee future benefits, contingent liabilities, and incomes taxes. Actual results may differ from such estimates. The significant accounting policies are as follows.

CHANGES TO ACCOUNTING POLICIES

On January 1, 2007, Desjardins Credit Union adopted the CICA new accounting standards entitled "Financial Instruments – Recognition and Measurement" (Section 3855), "Hedges" (Section 3865), "Comprehensive Income" (Section 1530) and "Financial Instruments – disclosure and presentation" (Section 3861). In accordance with the transitional provision of the standards comparative amounts have not been restated.

Financial Instruments – Recognition and Measurement

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities including derivatives be recognized on the balance sheet when we become a party to the contractual provisions of the financial instrument or a non-financial derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

Financial assets and financial liabilities held-for-trading are measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost using the effective interest method. Available-for-sale financial assets are measured at fair value with unrealized gains and losses including changes in foreign exchange rates being recognized in other comprehensive income.

Derivative instruments are recorded on the balance sheet at fair value including those derivatives that are embedded in financial instruments or other contracts but are not closely related to the host financial instrument or contract, respectively. Changes in fair values of derivative instruments are recognized in net income, except for derivatives that are designated as a cash flow hedge, the fair value change for which is recognized in other comprehensive income.

Other significant accounting implications arising on adoption of Section 3855 include the initial recognition of certain financial guarantees at fair value on the balance sheet and the use of the effective interest method of amortization for any transaction costs or fees, premiums or discounts earned or incurred for financial instruments measured at amortized cost.

Hedges

Section 3865 specifies the criteria under which hedge accounting can be applied and how hedge accounting should be executed for each of the permitted hedging strategies which include fair value hedges and cash flow hedges. In a fair value hedging relationship, the carrying value of the hedged item will be adjusted by gains or losses attributable to the hedged risk and recognized in net income. The changes in the fair value of the hedged item, to the extent that the hedging relationship is effective, will be offset by changes in the fair value of the hedging derivative. In a cash flow hedging relationship, the effective portion of the change in the fair value of the hedging derivative will be recognized in other comprehensive income. The ineffective portion will be recognized in net income. The amounts recognized in accumulated other comprehensive income will be reclassified to net income in the periods in which net income is affected by the variability in the cash flows of the hedged item.

Comprehensive Income

The statement of comprehensive income has been added after the statement of income. Other comprehensive income includes changes in unrealized gains and losses on financial assets available-for-sale and the change in the effective portion of cash flow hedges. Both of these are net of taxes. The cumulative changes in other comprehensive income are included in accumulated other comprehensive income which is presented as a new category of members' deficit on the Balance Sheet.

Impact of adopting Sections 1530, 3855, 3865 and 3861

Adjustments arising from the re-measurement of financial assets classified as available-for-sale and the reclassification of previously deferred gains and losses on derivatives designated as cash flow hedges, was recognized in the opening balance of accumulated other comprehensive income. The value of this transition adjustment was a credit of $530, of which $1,277 relates to the marked-to-market of the available-for-sale securities and ($747) to the effective portion of cash flow hedges.

The transitional adjustment to securities as a result of the re-measurement of available-for-sale securities to marked-to-market was an increase of $1,277. Other assets and other liabilities decreased by $2,281 and $1,487, respectively, on transition as a result of the reclassification of cash flow hedges to accumulated other comprehensive income. The opening balance of members' deficit was adjusted as at January 1, 2007 by $16, for the ineffective portion of cash flow hedges and deferred gains and losses on discontinued hedging relationships that do not qualify for hedge accounting.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, current accounts and short term deposits with other financial institutions, cheques and other items in transit plus accrued interest income. Cash and cash equivalents are classified as held-for-trading and are valued at fair value. The cost of cash and cash equivalents approximates the fair value of these instruments.

SECURITIES

Securities are classified as either held-for-trading or available-for-sale, based on management's intention. Securities transactions are recorded on a transaction date basis. Available-for-sale securities include securities that may be sold in response to or in anticipation of changes in interest rates, changes in investment risk or to meet liquidity needs. Available-for-sale securities are carried at fair value. If there is no readily available market value, available-for-sale securities are carried at cost. Premiums and discounts are amortized over the terms of the related securities using the effective interest method.

Unrealized gains or losses on available-for-sale securities are recognized in other comprehensive income until they are realized. Realized gains and losses on securities, which are calculated using average cost, are recorded in other income under net realized gains (losses) on available-for-sale securities. Interest income, including amortization of premiums and discounts, is recorded in income on the accrual basis under interest income. Available-for-sale securities are assessed regularly to determine whether there is an other-than-temporary impairment and any write down is included in other income.

Held-for-trading securities, which are purchased for sale in the near term, are reported at fair value. Realized and unrealized gains and losses are recognized in other income as they arise.

Previously debt securities were carried at amortized cost and premiums/discounts were amortized over the term to maturity on a straight line basis.

LOANS

Loans are classified as loans and receivables and stated at amortized cost. Amortized cost is the unpaid principal amount net of the allowance for credit losses, unamortized discounts and deferred loan fees. Where deemed appropriate, Desjardins Credit Union obtains security in the form of cash, securities, immovable property, accounts receivable, guarantees, inventories or other assets. Mortgage broker commissions incurred in connection with lending activities are amortized over the terms of the underlying loans using the effective interest method and included in interest income. Previously, these commissions were amortized on a straight line basis and included in other expenses. On adoption of the standards on financial instruments, $4,847 of unamortized mortgage broker commissions as at January 1, 2007 was reclassified to loans from other assets. Interest income is recorded on the accrual basis, except when the loan is considered impaired. A loan is considered impaired when, in the opinion of management, there has been deterioration in credit quality to the extent that there is no longer reasonable assurance as to the timely collection of the full amount of principal and interest. Loans where interest or principal is contractually 90 days past due, are automatically recognized as impaired, unless management determines that the loan is fully secured and in the process of collection. Fully secured loans are classified as impaired after a delinquency period of 180 days. Once a loan is classified as impaired, all previously accrued interest is reversed and charged against current income, except for loans fully secured. Interest on impaired loans subsequently received is recorded as income only when management has reasonable assurance as to the timely collection of the full amount of the principal and interest.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is maintained at an amount considered sufficient to absorb losses identified in the portfolio at the balance sheet date as well as where it is probable that losses have been incurred but are not yet identifiable. This allowance is increased by the provision for credit losses charged to income and reduced by write-offs net of recoveries. Management conducts ongoing credit risk assessments and establishes specific provisions on a loan-by-loan basis when impaired loans are identified to reflect the associated estimated credit loss. The general allowance represents the best estimate of probable losses within the portion of the portfolio that is not specifically identified as impaired. This estimate is made based on historical experience and current economic conditions to reduce the carrying value to its estimated net realisable amount.

SALE OF LOANS

As part of its program of liquidity, capital and interest rate risk management, Desjardins Credit Union periodically sells residential mortgage loans to the subordinated debt holder. These transactions are accounted for as sales and the related loans are removed from the balance sheet when control over the loans is surrendered and consideration is received in exchange. Gains and losses on these transactions are recorded in other income and are based on the carrying value of the loans transferred. Revenue from servicing the loans is recorded in other income as the services are provided.

DERIVATIVE FINANCIAL INSTRUMENTS

Desjardins Credit Union periodically enters into derivative contracts under its asset/liability management policy. The derivatives most frequently used are interest rate swaps, forward rate agreements and options. Derivatives designated for asset/liability management are used to manage the interest rate risk exposure of balance sheet assets and liabilities, firm commitments and anticipated transactions. Certain derivatives can qualify for hedge accounting.

To be eligible for hedge accounting, the hedging relationship should be designated and documented at inception. Such documentation should include, in particular, the specific risk management strategy, the assets, liabilities or cash flows being hedged and the method for assessing the effectiveness of the hedging relationship. Hedging relationships are designated as a fair value hedge or a cash flow hedge. This process includes linking all derivatives to specific assets and liabilities on the balance sheet or to specific firm commitments or anticipated transactions. Effectiveness is assessed by determining whether derivatives used in hedging relationships are highly effective in offsetting changes in fair values or cash flows attributable to the risk being hedged. This assessment is performed both at inception and on a regular basis over the term of the hedging relationship. In a fair value hedging relationship, the carrying value of the hedged item will be adjusted by gains or losses attributable to the hedged risk and recognized in net income. The changes in the fair value of the hedged item, to the extent that the hedging relationship is effective, will be offset by changes in the fair value of the hedging derivative. In a cash flow hedging relationship, the effective portion of the change in the fair value of the hedging derivative will be recognized in other comprehensive income. The ineffective portion will be recognized in net income. The amounts recognized in accumulated other comprehensive income will be reclassified to net income in the periods in which net income is affected by the variability in the cash flows of the hedged item. Previously derivatives designated as hedges were recognized on the balance sheet at fair value and the variation in the fair value was reported under other assets and other liabilities on the balance sheet and recognized to income in the same period in which net income was affected by the variability in the cash flows of the hedged item. Interest payable or receivable from the counterparties is reported on the balance sheet under other assets and other liabilities.

Derivatives held for purposes of asset or liability management that are not eligible for hedge accounting are marked-to-market and recorded in the balance sheet at estimated fair value under other assets related to derivatives and other liabilities related to derivatives and the realized and unrealized gains and losses are recognized in income under trading activities in other income. Estimated fair value is determined using pricing models which incorporate current market prices and the contractual prices of the underlying instruments, the time value of money, and yield curves.

INTANGIBLE ASSETS

Intangible assets comprise core deposits intangibles and branch distribution network. They are considered to have a definite life and are amortized to income as follows

Classes	Methods	Rates
Core deposits intangibles	Diminishing balance	10%
Branch distribution network	Straight-line	5%

GOODWILL

Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired. Goodwill is not amortized but is subject to an impairment test on an annual basis. Any impairment identified will be charged to income in the period in which the impairment is identified. To date, Desjardins Credit Union has not recognized any other-than-temporary impairment in the value of its goodwill.

CAPITAL ASSETS

Capital assets are recorded at cost and are depreciated over their estimated useful lives in accordance with the following methods and annual rates:

Classes	Methods	Rates
Office furniture and equipment	Declining balance	20%
Automotive equipment	Declining balance	30%
Computer equipment	Declining balance	30%
Computer software	Straight-line	20%
Leasehold improvements	Straight-line	Lease terms + one renewal option

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated at rates prevailing on the balance sheet date; income and expenses are translated at the average rates prevailing during the year. Foreign exchange gains or losses arising from the translation or the settlement of a monetary item denominated in a foreign currency are recorded in other income.

INCOME TAXES

Desjardins Credit Union accounts for income taxes under the tax liability method. Under this method, future tax assets and liabilities are calculated based on existing differences between the carrying amount and the corresponding tax values of assets and liabilities using enacted or substantially enacted tax laws and rates expected to apply at the date such temporary differences are expected to be realized or settled. Net future income tax assets and liabilities are included under other assets or other liabilities, as applicable. A valuation allowance is applied when it is more likely than not that all or a portion of the future tax assets recognized will not be realized prior to their expiration.

EMPLOYEE FUTURE BENEFITS

Most employees participate in the Desjardins Credit Union pension plan provided through a defined benefit plan. The cost of benefits is determined through actuarial calculations using the projected benefit method prorated on years of service and management's best estimate assumptions concerning the expected return on plan investments, salary increases and employees' retirement age. Calculation of the expected return on plan assets is based on the value of pension fund assets measured at fair values. Pension expense consists of the aggregate of: a) the actuarially computed cost of pension benefits provided in respect of the current year's service, b) imputed interest on the accrued benefit obligation, c) the expected return on plan assets, and d) the amortization, over the expected average remaining service life of employees, of any net actuarial gains and losses. The cumulative deficiency of pension fund contributions over the amounts recorded as pension expense is reported in other liabilities. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees.

Desjardins Credit Union also offers its employees and their dependants, post retirement life and medical insurance coverage. The cost of these benefits is accrued over the service life of employees according to accounting policies similar to those used for pension costs. The accrued cost of post-retirement benefits is reported in other liabilities.

DEPOSITS

Deposits are classified as other liabilities and presented at amortized cost, using the effective interest method.

SUBORDINATED DEBENTURES

Subordinated debentures are classified as other liabilities and presented at amortized cost, using the effective interest method.

REDEEMABLE PREFERENCE SHARES

Redeemable preference shares are classified as other liabilities and presented at amortized cost, using the effective interest method.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments is the year-end quoted prices where available. Where quoted prices are not available, estimated fair values are calculated based upon the quoted price of a financial instrument with similar characteristics and risk profile or internal or external valuation models using market-based inputs. In determining the assumptions to be used in pricing models, externally readily observable market inputs include such factors as interest yield curves and rate volatilities as applicable. The identification of appropriate valuation adjustments require management judgement and are based on quantitative research and analysis. Valuation methodologies and policies are used to address the use and calculation of valuation adjustments. These methodologies are reviewed on an ongoing basis to ensure that they remain appropriate. All significant valuation models are strictly controlled and regularly recalibrated and vetted to provide an independent perspective.

When the fair value of the financial instrument declines below its carrying value, management is required to assess whether the decline is other-than-temporary. In making this assessment, we consider factors such as the type of instrument, the length of time and extent to which the fair value has been below the carrying value, the financial and credit aspects of the issuer, and our intent and ability to hold the investment long enough to allow for any anticipated recovery. The decisions to record a write down, its amount and the period in which it is recorded could change if management's assessment of those factors were different.

FUTURE ACCOUNTING CHANGES

In December 2006, the CICA issued new accounting standards entitled "Capital disclosures" (Section 1535), "Financial Instruments – Disclosures" (Section 3862) "Financial Instruments – Presentation" (Section 3863) which will apply to Desjardins Credit Union effective January 1, 2008. It should be noted that Section 3861 is being replaced by Section 3862 and 3863. The main guidelines for capital disclosures and financial instruments disclosures and presentation are described below. The impact of these accounting standards on the financial statements of Desjardins Credit Union is limited to the extension of its financial statement disclosures.

CAPITAL DISCLOSURES (SECTION 1535)

An entity shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. Current disclosures will be expanded to include qualitative as well as quantitative information on capital measurement, management and compliance.

FINANCIAL INSTRUMENTS – DISCLOSURES (SECTION 3862)

This new section places emphasis on disclosures of the significance of financial instruments for the entity's financial position and performance; the nature and extent of risks exposure from financial instruments and on how an entity manages these risks.

FINANCIAL INSTRUMENTS – PRESENTATION (SECTION 3863)

Presentation requirements of this section are hand in hand with the disclosure requirements and have the objective to enhance the financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows.

COMPARATIVE FIGURES

Certain comparative figures have been reclassified, where appropriate to conform to the presentation adopted in the current year.

Note 3

SECURITIES

	Maturity		2007	2006
	Less than 1 year	1 to 3 years	Total	Total
ISSUED OR GUARANTEED BY				
Provinces in Canada	$ 36,539	$ 11,024	$ 47,563	$ 236,469
Yield	4.85 %	4.62 %	4.80 %	4.41 %
OTHER SECURITIES				
Banks and financial institutions	220,942	69,955	290,897	291,000
Financial asset-backed debt securities	31,155	—	31,155	—
Commercial paper and other	—	4,060	4,060	231
Yield	4.81 %	4.88 %	4.82 %	4.42 %
TOTAL SECURITIES	$ 288,636	$ 85,039	$ 373,675	$ 527,700

All securities have been classified as available-for-sale.
Yields are calculated on year-end carrying values, adjusted for amortization of premiums and discounts.
Term-to-maturity classifications are based on the contractual maturity of the security.

The following table shows gross unrealized gains and losses on securities.

	2007				2006			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
ISSUED OR GUARANTEED BY								
Provinces in Canada	$ 47,511	$ 52	$ —	$ 47,563	$ 236,469	$ 405	$ —	$ 236,874
OTHER SECURITIES								
Banks and financial institutions	290,948	298	(349)	290,897	291,000	832	(22)	291,810
Financial asset-backed debt securities	31,155	—	—	31,155	—	—	—	—
Commercial paper and other	4,106	—	(46)	4,060	231	—	—	231
TOTAL SECURITIES	$ 373,720	$ 350	$ (395)	$ 373,675	$ 527,700	$ 1,237	$ (22)	$ 528,915

SECURITIES – CANADIAN ASSET BACKED COMMERCIAL PAPER

As at December 31, 2007 Desjardins Credit Union held an investment of $35,000 before write-down in Canadian non-bank asset backed commercial paper (ABCP). In August 2007, a liquidity crisis was triggered in the ABCP market. As a result, since August 13, Desjardins Credit Union has been unable to collect at maturity, amounts due with respect to its ABCP investments. In an effort to counter the effect of this liquidity crisis, a group of investors and financial institutions have come together last August (the Montreal Proposal) and have on December 23, 2007, agreed in principle on a restructuring framework, which subject to a number of conditions, is expected to be completed by March 2008. The main goals of the agreement in principle are to replace ABCP issued by new securities having a maturity similar to that of the underlying assets, to pool certain series of ABCP which are supported in whole or in part by synthetic assets, to mitigate call obligations of the existing trusts and implement credit facilities to address such margin calls if they occur, and to support the liquidity needs of those ABCP holders requiring it. With respect to synthetic assets, the agreement in principle provides for the creation of two limited partnerships which will issue floating rate notes in exchange for existing ABCP. The conditions include the establishment of a credit facility for each limited partnership to fund future margin calls on the underlying assets. Each investor can join either limited partnership. By joining the first limited partnership, the investor undertakes to participate, on a prorata basis to its investments, in the credit facility of such limited partnership whereas the investor who decides to join the second limited partnership will not have to participate in the credit facility as it will be provided by a third party.

Since there is no active market for this type of investment management estimated the fair value (and related writedown) of the investments using two types of scenarios: a liquidation scenario and a restructuring scenario. Under the liquidation scenario, which reflects the failure of the agreement in principle, the fair value of ABCP is determined based on the estimated fair value of underlying assets as at December 31. Under the restructuring scenario, the fair value of ABCP is determined based on a financial model incorporating uncertainties regarding the return and the credit risk of underlying assets, the amount and timing of cash flows to be received and the maturity dates of the new notes in order to provide a fair value reflecting market conditions for the ABCP as at December 31. Assumptions used are based as much as possible on data from observable markets such as interest rates and credit quality. They also reflect the specific features of the December 23 agreement in principle and are partially based on assumptions not supported by prices and rates from observable markets. Within the model the probability of realization for the restructuring scenario was weighted heavier than for the liquidation scenario. The fair value for the synthetic assets used a weighted average of the estimated values under the liquidation and restructuring scenarios based on the estimated probability of realization of each scenario. For traditional and subprime assets, the fair value used was determined using the liquidation scenario given management's assumption that the restructuring should not have a significant impact on their fair value.

Based on the foregoing, a decline of value of $3,845 was charged to other income under net realized gain (loss) on available-for-sale securities for the period ended December 31, 2007, as an other-than-temporary impairment in value. The fair value of the investments of $31,155 as at December 31, 2007 is presented in securities, and is broken down as follows:

ABCP – AGREEMENT IN PRINCIPLE

	Amortized cost	Write-down	Estimated fair value
Synthetic assets	$ 25,000	$ 1,978	$ 23,022
Traditional assets	8,710	1,171	7,539
Subprime assets	1,290	696	594
Total	$ 35,000	$ 3,845	$ 31,155

The above estimated fair values may not be indicative of the ultimate net realizable value or the future fair value. While management believes that its valuation technique is appropriate in the circumstances, changes in significant assumptions, especially those related to the determination of the probability of realization of the scenarios, the credit risk of the underlying assets and the quality of assets given as collateral by the trusts, and more detailed information on the exact nature of the underlying assets could significantly affect the value ascribed to ABCP securities in the next quarters. The most critical assumption used in the fair value valuation model is the probability of success of the agreement in principle. Management believes strongly in the success of the agreement in principle due to the benefits provided by the agreement to all stakeholders. For illustrative purposes, an additional provision of $3,000 before taxes would have an impact of $(6,000) or (0.39) % on regulatory capital as at December 31, 2007.

Note 4

LOANS

	2007	2006
Residential mortgages	$ 727,539	$ 653,421
Personal loans	16,237	14,987
Commercial and corporate loans	133,982	64,811
Purchased loans	182,806	272,083
Allowance for credit losses	(2,355)	(1,389)
	$ 1,058,209	$ 1,003,913

ALLOWANCE FOR CREDIT LOSSES	Residential Mortgages	Personal Loans	Commercial Loans	General	2007	2006
Opening balance	$ —	$ 78	$ —	$ 1,311	$ 1,389	$ 851
Provision		214	335	417	966	538
Closing balance	$ —	$ 292	$ 335	$ 1,728	$ 2,355	$ 1,389
Total impaired loans	$ 3,063	$ 490	$ 2,302		$ 5,855	$ 467

During the year Desjardins Credit Union sold $197,975 of residential mortgages to the subordinated debt holder and the outstanding balance of the sold residential mortgages totalled $191,732 as at December 31, 2007. The net loss on the sale was $2,685.

Note 5

INTANGIBLE ASSETS

	2007 Cost	2007 Cumulative amortization	2007 Net value	2006 Net value
Core deposits intangible	$ 28,390	$ 10,770	$ 17,620	$ 19,481
Branch distribution network	6,400	1,520	4,880	5,200
	$ 34,790	$ 12,290	$ 22,500	$ 24,681

The amortization expense for the period ended December 31, 2007 is $2,181 (2006: $2,379).

Note 6

OTHER ASSETS

	2007			2006
	Cost	Cumulative amortization	Net value	Net value
Capital assets				
Office furniture and equipment	$ 5,269	$ 2,325	$ 2,944	$ 3,611
Automotive equipment	128	94	34	69
Computer equipment	1,217	863	354	459
Computer software	4,283	2,578	1,705	2,516
Leasehold improvements	18,497	6,337	12,160	14,262
Subtotal capital assets	29,394	12,197	17,197	20,917
Accrued Interest			4,950	5,612
Accounts receivable, prepaid and other			14,127	16,192
			$ 36,274	$ 42,721

The amortization expense for the period ended December 31, 2007 is $3,774 (2006: $3,803).

Note 7

CREDIT FACILITY

Desjardins Credit Union has available a $140 million credit facility from the holder of the subordinated debt with a tranche of $40 million for derivatives. The credit facility is unsecured and is renewable on an annual basis and bears interest at the lender's cost of funds. Under the terms of the credit agreement, Desjardins Credit Union must comply with certain conditions. As at December 31, 2007, all these conditions were met. The credit facility is unused as at December 31, 2007

Note 8

DEPOSITS

	2007	2006
Payable on demand	$ 581,104	$ 654,991
Payable on a fixed date	795,049	840,691
Registered funds	25,273	17,662
	$ 1,401,426	$ 1,513,344

Total deposits include deposits in foreign currencies in the amount of $16,579 (2006: $16,196), which are denominated in US dollars.

Note 9

OTHER LIABILITIES

	2007	2006
Interest payable	$ 16,542	$ 20,173
Other	11,816	10,743
	$ 28,358	$ 30,916

Note 10

SUBORDINATED DEBENTURES

The debentures, subordinated to the claims of depositors and certain other creditors, consist of:

Maturity	Interest rate	Terms	2007	2006
October 15, 2013	5.43%	Nominal value of CDN $22,000; 5.43% interest payable semi annually until October 15, 2008; thereafter, interest payable semi annually at the lender's cost of funds plus 2.00%. Subject to the capital adequacy and liquidity provisions of the Act, Desjardins Credit Union may redeem the subordinated debentures at any time, conditional on prior approval of the Superintendent of Financial Services Commission of Ontario (FSCO) if the redemption occurs before October 15, 2008.	**$ 22,000**	$ 22,000
November 28, 2013	5.33%	Nominal value of CDN $ 9,000; 5.33% interest payable semi annually until November 28, 2008; thereafter, interest payable semi annually at the lender's cost of funds plus 2.00%. Subject to the capital adequacy and liquidity provisions of the Act, Desjardins Credit Union may redeem the subordinated debentures at any time, conditional on prior approval of FSCO if the redemption occurs before November 28, 2008.	**9,000**	9,000
October 15, 2015	5.99%	Nominal value of CDN $20,000; 5.99% interest payable semi annually until October 15, 2010; thereafter, interest payable semi annually at the lender's cost of funds plus 2.00%. Subject to the capital adequacy and liquidity provisions of the Act, Desjardins Credit Union may redeem the subordinated debentures at any time, conditional on prior approval of FSCO if the redemption occurs before October 15, 2010.	**20,000**	20,000
			$ 51,000	$ 51,000

Note 11

REDEEMABLE PREFERENCE SHARES

The authorized preference share capital of Desjardins Credit Union consists of 5,000,000 Class A Preference shares ("Class A shares") which can be issued in series.

CLASS A SERIES 1 SHARES

The first series of Class A Shares consists of 3,040,000 shares designated as Class A Series I Shares.

As at December 31, 2007 and 2006, there were no Class A Series 1 shares issued and outstanding.

The holders of these shares are entitled to a non-cumulative preferential dividend of $1.50 per share, ranking equal with all Class A Series shares and ranking in priority to all other classes of shares. These shares are redeemable at a price of $25 per share at the option of Desjardins Credit Union or the holder at any time after 8 years from the date these shares were issued to the holder, plus all unpaid dividends declared thereon.

CLASS A SERIES 2 SHARES

Class A Series 2 shares consists of 1,000,000 shares.

As at December 31, 2007 and 2006, 1,000,000 Class A Series 2 shares were issued and outstanding at a par value of $ 96 per share for a total consideration of $ 96,000.

The holders of these shares are entitled to a non-cumulative preferential dividend at a rate of 6.25% per share, ranking equal with all Class A Series shares and ranking in priority to all other classes of shares. These shares are redeemable at a price of $ 96 per share at the option of Desjardins Credit Union or the holder at any time after 8 years from the date these shares were issued to the holder, plus all unpaid dividends declared thereon.

Notwithstanding the financial statement classification of the redeemable preference shares as liabilities, these shares qualify as regulatory capital.

CLASS A SERIES 3 SHARES

Class A Series 3 shares consists of 140,000 shares.

As at December 31, 2007 and 2006, 140,000 Class A Series 3 shares were issued and outstanding at a par value of $100 per share for a total consideration of $ 14,000.

The holders of these shares are entitled to a non-cumulative preferential dividend at a rate of 5% per share, ranking equal with all Class A Series shares and ranking in priority to all other classes of shares. These shares are redeemable at a price of $ 100 per share at the option of Desjardins Credit Union or the holder at any time after 8 years from the date these shares were issued to the holder, plus all unpaid dividends declared thereon.

Notwithstanding the financial statement classification of the redeemable preference shares as liabilities, these shares qualify as regulatory capital.

Note 12

CAPITAL STOCK

The authorized share capital of Desjardins Credit Union is composed of an unlimited number of Class B and Class C Preference shares and Membership shares.

CLASS B PREFERENCE SHARES

The Class B shares rank junior to the Class A shares and senior to the Class C and Membership shares for priority in the payment of dividends and the distribution of assets in the event of a liquidation, dissolution or winding-up of Desjardins Credit Union or any other distribution of its assets among its shareholders for the purposes of winding up its affairs. Class B shares do not confer on the holder the right to receive any of the remaining property of Desjardins Credit Union upon dissolution.

As at December 31, 2007 and 2006, there were no Class B shares issued and outstanding.

CLASS C PREFERENCE SHARES

The Class C shares rank junior to the Class A and Class B shares and senior to the Membership shares for priority in the payment of dividends and the distribution of assets in the event of a liquidation, dissolution or winding-up of Desjardins Credit Union or any other distribution of its assets among its shareholders for the purposes of winding up its affairs. Class C shares do not confer on the holder the right to receive any of the remaining property of Desjardins Credit Union upon dissolution.

As at December 31, 2007 and 2006, there were no Class C shares issued and outstanding.

MEMBERSHIP SHARES

Membership shares can only be issued to members according to the conditions, terms and criteria provided for in Desjardins Credit Union's Articles of Incorporation, internal management by-laws and the Credit Unions and Caisses Populaires Act (Ontario), 1994. Their issue price is set at five dollars ($5) per share. They are redeemable by Desjardins Credit Union only in the event of the withdrawal, expulsion or death of a member. Transfer of Membership shares, other than to Desjardins Credit Union, is prohibited. Notwithstanding the financial statement classification of membership shares as liabilities, these shares qualify as regulatory capital.

As at December 31, 2007, 52,214 Membership shares (2006: 49,817) were issued and outstanding at a par value of $5 per share for a total consideration of $261 (2006: $249).

Note 13

INCOME TAXES

Desjardins Credit Union's effective income tax rate differs from the combined Federal and Provincial income tax rate. This difference results from the following:

Components of the provision for income taxes in the statement of income	**2007**	2006
Net loss	**$ (856)**	$ (173)
Combined Federal and Provincial income tax rate at 35 % (2006: 36.12 %)		
Expected provision for income taxes	**(300)**	(62)
Amortization of non taxable deferred interest	**(100)**	(123)
Non deductible expenses	**208**	231
Carry forward loss recognized	**(2,567)**	(791)
Accounting versus tax depreciation	**1,894**	1,312
Other	**865**	(567)
Subtotal	**$ —**	$ —
Income taxes (recoveries) in the Statement of comprehensive income		
Other comprehensive income		
Transition adjustment (note 2)	**186**	
Changes in net unrealized gains (losses) on available-for-sale securities	**(394)**	
Reclassification of net (gains) losses on available-for-sale securities to income	**(57)**	
Changes in net unrealized gains (losses) on cash flow hedges	**268**	
Change in valuation allowance including transition adjustment	**(3)**	
Subtotal	**—**	
Total income taxes	**$ —**	

As at December 31, 2007 future income tax assets in the amount of $7,768 (2006: $11,438) are not recognized in the financial statements. This amount is comprised of the following:

Future income tax assets	**2007**	2006
Non-capital losses carried forward	**$ 4,078**	$ 7,167
Capital assets and intangibles	**2,537**	3,200
Accrued employee future benefits	**713**	598
Allowance for credit losses	**519**	473
Other items[1]	**(79)**	—
	7,768	11,438
Valuation allowance	**(7,768)**	(11,438)
	$ —	$ —

[1] Includes deferred taxes from the transition adjustment and other comprehensive income as a result of the adoption of the financial instruments standards on January 1, 2007.

Desjardins Credit Union has approximately $12,626 of non-capital losses carried forward available to reduce future taxable income. These losses expire as follows: 2014: $9,783 2015: $2,843.

Note 14

DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, Desjardins Credit Union uses various derivatives to hedge its exposure to interest rate risks and to manage its asset/liability exposure.

Interest rate swaps are transactions in which two parties exchange interest flows on a specified notional principal amount for a predetermined period based on agreed-upon fixed and floating rates. Principal amounts are not exchanged.

Forward rate agreements are agreements to borrow or lend at a specified future date at an agreed-upon interest rate.

Credit default swaps are agreements where the counterparty pays the other a fee in exchange for that other counterparty making a payment if a credit event occurs to the benchmark credit, such as bankruptcy or a credit rating change.

Options are contractual agreements under which the seller grants the buyer the right, but not the obligation, to buy (call option) or sell (put option) by or at a set date a specified amount of a financial instrument at a predetermined price. The seller receives a premium from the buyer for this right. Desjardins Credit Union enters into these contracts primarily to manage its own asset/liability exposure.

The credit risk exposure of derivatives corresponds to the risk of credit losses that can occur if a borrower or counterparty does not fully honour its contractual obligations to Desjardins Credit Union.

The following table summarizes the derivatives portfolio and related credit exposure of Desjardins Credit Union.

- **Notional amount –** The amount to which a rate or price is applied in order to calculate the exchange of cash flows;
- **Replacement cost –** The cost of replacing, at estimated fair value, all contracts which have a positive market value. The amounts do not take into consideration contracts which permit offsetting of positions or any collateral which may be obtained;
- **Future credit exposure –** The potential for future changes in value based upon a formula prescribed by Deposit Insurance Corporation of Ontario;
- **Credit risk equivalent –** The total of replacement cost and future credit exposure;
- **Risk-weighted balance –** The credit risk equivalent weighted according to the creditworthiness of the counterparty, as prescribed by Deposit Insurance Corporation of Ontario.

	2007					2006	
	Notional amount	Replacement cost	Future credit exposure	Credit risk equivalent	Risk weighted balance	Replacement cost	Risk weighted balance
Interest rate swap contracts	$ 319,190	$ 128	$ 1,468	$ 1,596	$ 345	$ —	$ 125
Credit default swaps	—	—	—	—	—	—	186
Options purchased	9,426	1,879	748	2,627	519	1,306	372
	$ 328,616	$ 2,007	$ 2,216	$ 4,223	$ 864	$ 1,306	$ 683

As at December 31, 2007 the notional amount of interest rate swap contracts designated as cash flow hedges was $105,000, of interest rate swap designated as fair value hedges was $20,000 and of interest rate swap contracts not designated as hedges was $194,190. Options purchased are not designated as hedges. For the year ended December 31, 2007, the ineffective portion of fair value and cash flow hedges recognized in other income under trading income was negligible. All the components of the change in the fair value of the derivative financial instruments used were included to assess the effectiveness of the fair value and cash flow hedges.

Over the next twelve months, Desjardins Credit Union expects that net gains estimated at $330, reported in other comprehensive income as at December 31, 2007, will be reclassified to net income. The maximum length of time over which Desjardins Credit Union is hedging its exposure to variability in future cash flows for anticipated transactions is four years. During the year ended December 31, 2007, all forecasted transactions occurred.

The following table presents the term to maturity of the notional amounts of the derivatives.

	Maturity				2007	2006
	1 year and less	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Notional amount	Notional amount
Interest rate swap contracts	$ —	$ 121,750	$ 197,440	$ —	$ 319,190	$ 125,000
Credit default swaps	—	—	—	—	—	11,653
Options purchased	935	4,409	3,464	618	9,426	6,711
	$ 935	$ 126,159	$ 200,904	$ 618	$ 328,616	$ 143,364

Note 15

FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values are intended to approximate amounts at which these financial instruments could be exchanged in a current transaction between willing parties; however, many of the financial instruments lack an available trading market. Therefore, fair values are based on estimates using present value and other valuation techniques, which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk. In addition, the estimated fair values disclosed do not reflect the values of assets and liabilities that are not considered financial instruments, such as "capital assets." Also, the values of other non-financial intangible assets and liabilities, such as customer relationships and leases, have been excluded. Given the use of subjective judgment in applying acceptable valuation and estimation techniques to calculate fair values, the fair value estimates cannot necessarily be compared to those of other financial institutions. The estimated fair values reflect market conditions at a specific date and, as such, may not be representative of future fair values. They should also not be interpreted as being realizable in an immediate settlement. Detailed information on the estimated fair values of on-balance sheet financial instruments and of derivatives is presented below.

On-balance sheet financial instruments (excluding derivatives)

	2007			2006		
	Fair value	Carrying value	Difference	Fair value	Carrying value	Difference
ASSETS						
Cash and cash equivalents	$ 38,613	$ 38,613	$ —	$ 46,929	$ 46,929	$ —
Securities[1]	373,675	373,675	—	528,915	527,700	1,215
Loans[1]	1,059,769	1,058,209	1,560	1,003,162	1,003,913	(751)
Other	91,717	91,717	—	99,560	99,560	—
LIABILITIES						
Deposits[1]	1,401,576	1,401,426	150	1,512,049	1,513,344	(1,295)
Subordinated debentures[1]	51,281	51,000	281	52,716	51,000	1,716
Redeemable preference shares	110,000	110,000	—	110,000	110,000	—
Other	(212)	(212)	—	3,758	3,758	—

[1] The fair value does not include the accrued interest.

Derivative financial instruments

	2007			2006		
	Positive value	Negative value	Net fair value	Positive value	Negative value	Net fair value
Interest rate swaps designated as cash flow hedges	$ —	$ 479	$ (479)	$ —	$ 1,049	$ (1,049)
Interest rate swaps designated as fair value hedges	—	26	(26)			
Interest rate swaps not designated as hedges	212	521	(309)			
Credit default swaps	—	—	—	—	538	(538)
Options purchased	1,879	—	1,879	1,306	—	1,306
	$ 2,091	$ 1,026	$ 1,065	$ 1,306	$ 1,587	$ (281)

The following methods and assumptions were used to estimate the fair values of on-balance sheet financial instruments:

a) Financial instruments valued at carrying value: Due to their short-term maturity, the carrying values of certain on-balance sheet financial instruments are assumed to approximate their fair values. These financial instruments include "Cash and cash equivalents," "Accrued interest," and "Other assets".

b) Securities: The estimated fair values of securities are assumed to be equal to their market values and are presented in note 3 to the financial statements.

c) Loans: The estimated fair values of loans are determined by discounting the contractual cash flows, using market interest rates currently offered for loans of similar remaining maturities.

d) Deposits: The fair values of deposits at floating rates or with no stated maturity are assumed to be equal to their carrying values. The estimated fair values of fixed rate deposits are determined by discounting the contractual cash flows, using market interest rates currently offered for deposits of similar remaining maturities.

e) Subordinated debentures: The fair values of debentures are based on current rates offered to Desjardins Credit Union for debt with similar maturities.

f) Redeemable preference shares: The fair value of the redeemable preference shares is not readily determinable.

The following methods and assumptions were used to estimate the fair value of derivatives:

Derivatives: The fair values of trading derivatives are based on quoted market prices or dealer quotes. Fair values of non-trading or over-the-counter derivatives are generally estimated at net present value, net of contractual cash flows, using prevailing market rates for instruments with similar characteristics and maturities.

Note 16

CONTRACTUAL REPRICING AND MATURITY SCHEDULE

The following table shows Desjardins Credit Union's position with regard to interest rate risk as at December 31, 2007 and this position may subsequently change, taking into account forecasted interest rates and customers' preferences for products and maturities.

The on-balance sheet assets and liabilities and derivatives presented in the following table are reported in time frames based on the earlier of their contractual repricing date or maturity date. Certain on-balance sheet items, such as members' deficit, do not create an interest rate exposure to Desjardins Credit Union. These items are reported in the non-interest sensitive column of the table.

(in millions of dollars)	Floating rate	0 to 3 months	Over 3 to 6 months	Over 6 to 12 months	Over 1 to 5 years	Over 5 years	Non-interest sensitive	Total
ASSETS								
Cash and cash equivalents	$ —	$ 3	$ 5	$ 7	$ —	$ —	$ 24	$ 39
Effective interest rate[1]		4.79 %	5.05 %	4.94 %				
Securities	—	50	86	156	85	—	(3)	374
Effective interest rate[1]		4.23 %	4.23 %	4.86 %	5.09 %			
Loans	105	160	42	33	703	1	14	1,058
Effective interest rate[1]	5.50 %	4.79 %	4.56 %	4.56 %	4.84 %	3.88 %		
Other	—	—	—	—	—	—	91	91
TOTAL ASSETS	$ 105	$ 213	$ 133	$ 196	$ 788	$ 1	$ 126	$ 1,562
LIABILITIES AND MEMBERS' DEFICIT								
Deposits	$ 583	$ 294	$ 109	$ 190	$ 225	$ —	$ —	$ 1,401
Effective interest rate[1]	0.69 %	3.66 %	3.78 %	3.98 %	3.80 %			
Subordinated debentures	—	—	—	—	51	—	—	51
Effective interest rate[1]					5.63 %			
Redeemable preference shares	—	—	—	—	—	—	110	110
Other	—	—	—	—	—	—	29	29
Members' deficit	—	—	—	—	—	—	(29)	(29)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 583	$ 294	$ 109	$ 190	$ 276	$ —	$ 110	$ 1,562
Balance sheet gap	$ (478)	$ (81)	$ 24	$ 6	$ 512	$ 1	$ 16	$ —
Derivatives[2]	—	176	—	—	(176)	—	—	—
Total GAP	$ (478)	$ 95	$ 24	$ 6	$ 336	$ 1	$ 16	$ —
CUMULATIVE INTEREST RATE SENSITIVITY GAP 2007	**$ (478)**	**$ (383)**	**$ (359)**	**$ (353)**	**$ (17)**	**$ (16)**	**$ —**	**$ —**

[1] The effective interest rates shown express the historical rates of the fixed rate instruments stated at unamortized cost.
[2] Derivatives represent the net notional amounts of derivative financial instruments such as interest rate swaps, which are used to manage interest rate risk

Note 17

COMMITMENTS AND GUARANTEES

Guarantees

In the normal course of its operations, Desjardins Credit Union enters into a number of agreements that may contain features that meet the definition of a guarantee pursuant to AcG-14. AcG-14 defines a guarantee to be a contract (including an indemnity) that contingently requires Desjardins Credit Union to make payments (in cash, other assets or provision of services) to a third party based on as an example, failure of another party to perform under an obligation or agreement, or failure of another third party to pay its indebtedness when due. Effective January 1, 2007, a liability is now recognized in the balance sheet at the inception of a guarantee for the fair value of the obligation undertaken in issuing the guarantee.

No subsequent remeasurement at fair value is required unless the financial guarantee qualifies as a derivative. If the financial guarantee meets the definition of a derivative, it is remeasured at fair value at each balance sheet date and reported as a derivative in other assets or other liabilities. As the carrying value of these financial guarantees is not indicative of the maximum potential amount of future payments, we continue to consider financial guarantees as off-balance sheet credit instruments. The maximum potential amount of future payments represents the maximum risk of loss if there was a total default by the guaranteed parties, without consideration of possible recoveries under recourse provisions, insurance polices or from collateral held or pledged. The maximum potential amount of future payments total $4,603 and its carrying amount was nil.

Other off balance sheet commitments

Credit commitments representing unused portions of authorizations to extend credit in the form of loans total $129,365. This amount does not necessarily represent future cash requirements since many of these instruments will expire or terminate without being drawn upon.

Lease commitments

Future minimum commitments under long-term leases are as follows:

2008	2009	2010	2011	2012	Thereafter	Total
$ 2,173	$ 1,716	$ 1,234	$ 1,134	$ 850	$ 1,938	$ 9,045

Indemnification agreements

In the normal course of its operations, Desjardins Credit Union enters into a number of agreements containing indemnification provisions such as those normally related to purchase, service delivery and lease agreements. Under these agreements, Desjardins Credit Union may be liable for indemnifying the counterparty pursuant to amendments to statutes and regulations (including tax rules) or as a result of litigation. The term of the agreements varies from one contract to the next. Desjardins Credit Union is not in a position to make a reasonable estimate of the maximum amount that it could be required to pay counterparties. No amounts have been recognized in the balance sheet with respect to these agreements.

Note 18

EMPLOYEE FUTURE BENEFITS

Pension Plan Desjardins Credit Union sponsors a contributory defined benefit pension plan for its employees. The plan was established on April 1, 2003. The members are entitled to retirement benefits based on their years of service, corresponding to 1.3% of their final average salary up to the final average Year's Maximum Pensionable Earnings (YMPE) plus 2.0% of their final average salary in excess of the final average YMPE. The retirement benefit is guaranteed for 10 years and is adjusted annually according to the Consumer Price Index increase up to a maximum of 2.5% per annum after retirement and up to a maximum of 4.0% per annum for a deferred pension before retirement. The normal retirement date is the member's 65th birthday. The employee contribution is 5% of their salary up to the 100% of the YMPE plus 7.7% of their salary in excess of 100% of the YMPE. The pension plan is funded based on actuarially prescribed amounts.

Post Retirement Insurance Benefit Program Desjardins Credit Union sponsors a post retirement insurance benefit program. The employer contributes 50% of the cost of the program. In order to be eligible for the program, the employee must retire after age 55 with at least 10 years of service with the company. As at December 31, 2007, there are no retirees under the program. The post retirement insurance benefit program is an unfunded plan and benefits are paid directly at the time of entitlement.

The accrued benefit obligation and plan assets were actuarially measured for accounting purposes as of December 31, 2007. These figures as of December 31, 2007 were projected starting with the initial valuations at December 31, 2006 and September 30, 2007 for the pension plan and post retirement insurance benefit program respectively. The effective date of the last actuarial valuation report for funding purposes was December 31, 2006 and the effective date of the next required actuarial valuation report will be on December 31, 2009.

Accrued benefit obligation	**Pension Plan**		**Post Retirement Insurance Benefit Program**	
	2007	2006	**2007**	2006
Actuarial benefit obligation of prior period	**$ 6,262**	$ 4,409	**$ 717**	$ 557
Opening actuarial loss (gain)	**(180)**	(201)	**—**	—
Opening actuarial benefit obligation	**6,083**	4,208	**717**	557
Current service cost	**2,086**	1,954	**239**	252
Interest cost on accrued benefit obligation	**350**	255	**48**	41
Buy-back	**—**	3	**—**	—
Benefits paid	**(267)**	(158)	**—**	—
Expected accrued benefit obligation	**8,252**	6,262	**1,004**	850
Actuarial loss (gain) at end of period	**(893)**	—	**(74)**	(133)
Actuarial benefit obligation at end of period	**$ 7,359**	$ 6,262	**$ 930**	$ 717

Fair value of Pension Plan assets	**Pension Plan**	
	2007	2006
Opening balance, fair value of plan assets	**$ 5,170**	$ 3,118
Employer contributions in transit	**(111)**	(178)
Employees' contributions in transit	**(50)**	(117)
Adjustment of assets	**—**	—
Actual value of assets	**5,009**	2,823
Employer contributions	**941**	1,300
Employees' contributions	**580**	573
Buyback	**—**	3
Actual return on plan assets	**29**	468
Benefits paid	**(267)**	(158)
Actual plan assets at end of period	**6,292**	5,009
Employer contributions in transit	**79**	111
Employees' contributions in transit	**51**	50
Fair value of plan assets at end of period	**$ 6,422**	$ 5,170

Funded status – plan deficits	**Pension Plan**		**Post Retirement Insurance Benefit Program**	
	2007	2006	**2007**	2006
Plan assets	**$ 6,422**	$ 5,170	**$ —**	$ —
Projected accrued benefit obligation	**(7,359)**	(6,262)	**(930)**	(717)
Deficit	**(937)**	$ (1,092)	**(930)**	(717)
Unamortized net actuarial loss (gain)	**(458)**	237	**(136)**	(63)
Accrued benefit assets (liabilities) at December 31	**$ (1,395)**	$ (855)	**$ (1,066)**	$ (780)

Accrued benefit liabilities	**Pension Plan**		**Post Retirement Insurance Benefit Program**	
	2007	2006	**2007**	2006
Balance at beginning of period	**$ 855**	$ 657	**$ 780**	$ 485
Current period benefit cost	**1,449**	1,431	**286**	295
Employer contributions and pension payments	**(909)**	(1,233)	**—**	—
Balance at end of period	**$ 1,395**	$ 855	**$ 1,066**	$ 780

Benefit plan expenses	Pension Plan		Post Retirement Insurance Benefit Program	
	2007	2006	**2007**	2006
Current service cost	**$ 1,505**	$ 1,448	**$ 238**	$ 252
Interest cost on accrued benefit obligation	**350**	255	**48**	41
Actual return on plan assets	**(29)**	(468)	**—**	—
Actuarial (gains) losses on obligation	**(893)**	(201)	**(74)**	(133)
Benefit cost before adjustments	**933**	1,034	**212**	160
Adjustments[1]				
Return on assets[2]	**(377)**	195	**—**	—
Actuarial (gains) and losses	**893**	202	**74**	135
Net adjustments	**516**	397	**74**	135
Benefit plan expenses, December 31	**$ 1,449**	$ 1,431	**$ 286**	$ 295

[1] Adjustments are made to recognize the long-term nature of employee future benefit costs.
[2] Difference between expected return and actual return on plan assets

Amount of gain (loss) subject to amortization for 2007	Pension Plan	Post Retirement Insurance Benefit Program
Opening actuarial accrued benefit obligation	**6,083**	717
Opening fair value of plan assets	**5,170**	—
Corridor (10% of maximum)	**608**	72
Unamortized gains (losses) as at January 1, 2007	**(59)**	62
Amount subject to amortization	**—**	—
Expected Average Remaining Service Lifetime	**13 years**	11 years
Amortization for 2007	**—**	—

The main assumptions used for the calculation are as follows:

Rate of return on assets	7% per annum (7% – 2006)
Discount rate	5% per annum (5% – 2006)
Salary increase	3.75% per annum (3.75% – 2006)

The assets of the Pension Plan were invested as follows:

Pooled fund	2007	2006
Jarislowsky Fraser Balanced Fund	**$ 3,150**	$ 2,503
McLean Budden Balanced Growth Fund	**3,142**	2,506
Total	**$ 6,292**	$ 5,009

For valuation purposes, the assumed average annual rate of increase in health care cost per participant was set at 8.36% for 2008. According to the assumption chosen, this rate should gradually decline to 4.04% in 2012 and remain approximately at this level thereafter.

The effect of a one percentage point increase or decrease in the assumed health care cost trend would have increased or decreased the benefit cost for the period by $84 or $60 respectively and increased the benefit obligation by $269 or reduced the benefit obligation by $196 respectively.

Note 19

TRANSACTIONS WITH SUBORDINATED DEBT HOLDER AND REDEEMABLE PREFERENCE SHAREHOLDER

During the period, Desjardins Credit Union entered into a variety of transactions on an arm's length basis with the holder of the subordinated debentures and the redeemable preference shareholder in the normal course of operations on terms similar to those offered to non-related parties. At December 31, 2007, the following balances reported on the balance sheet relate to transactions with these investors which are part of a related group:

	2007		2006	
	Subordinated Debt holder	Redeemable Preference Shareholder	Subordinated Debt holder	Redeemable Preference Shareholder
Cash	$ 23,546	$ —	$ 32,537	$ —
Securities	151,285	—	201,000	—
Purchased Loans	52,197	—	68,619	—
Assets related to derivatives	1,891	200	—	1,306
Other assets	1,091	6,147	915	50
Other liabilities	1,163	—	1,313	—
Liabilities related to derivatives	1,026	—	1,587	—
Subordinated debentures	51,000	—	51,000	—
Preference shares	—	110,000	—	110,000

In addition to the above balance sheet amounts, the following income and expenses relate to transactions with the Subordinated debt holder and Redeemable Preference shareholder:

	2007		2006	
	Subordinated Debt holder	Redeemable Preference Shareholder	Subordinated Debt holder	Redeemable Preference Shareholder
Interest income	$ 9,212	$ —	$ 20,611	$ 228
Interest expense	2,710	—	14,074	—
Non-interest expenses	(196)	2,400	—	2,568
Non-interest income	(189)	185	—	—
Preference share dividend	—	—	—	5,460

The Subordinated debt holder is a subsidiary of the Redeemable Preference shareholder.

Note 20

ACCUMULATED OTHER COMPREHENSIVE INCOME

	2007
Net unrealized gains (losses) on available-for-sale securities	$ (11)
Net gains (losses) on derivatives designated as cash flow hedges	20
Accumulated other comprehensive income	$ 9

Net unrealized losses on available-for-sale securities include gross losses in the amount of $362.

Note 21

CAPITAL ADEQUACY

In accordance with the Credit Unions and Caisses Populaires Act (Ontario), 1994 and accompanying Regulations, credit unions are required to maintain sufficient capital, which must amount to at least 4.5% (2006 – 5%) of total assets and 8% of risk-weighted assets. As at December 31, 2007, Desjardins Credit Union met both of these requirements with regulatory capital ratios of 6.68% (2006 – 6.21%) of total assets and 17.99% (2006 – 24.84%) of risk-weighted assets.

Note 22

SUPPLEMENTARY INFORMATION

Other Expenses	2007	2006
General Operating Expenses	$ 1,585	$ 2,062
Sub-Contracting	2,684	2,563
Professional Fees	1,528	3,014
DICO Insurance	1,029	1,042
	$ 6,826	$ 8,681

END OF FINANCIAL STATEMENTS

MANDATES AND COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES OF DESJARDINS CREDIT UNION (AS AT DECEMBER 31, 2007)

MANDATE OF THE BOARD OF DIRECTORS (COMPOSED OF NINE DIRECTORS)

The Board of Directors assumes full managerial responsibility of Desjardins Credit Union by administering its business in a sound and prudent manner. It ensures that procedures and structures are established in line with its role of oversight and control. Periodically, it reviews its operations from the standpoint of continued improvement and safeguards the assets of Desjardins Credit Union and its members and its clients. In 2007, it held four meetings and the compensation paid to the directors totalled $107,250.

Board of Directors

Thomas Blais
Deborah J. Findlay
Paul E. Garfinkel
Michael C. Howlett
Jean-Guy Langelier, Chair
Huu Trung Nguyen
Heather A. Nicol
Hubert Thibault
Pierre Tougas

Officers

Jean-Guy Langelier, Chair
Huu Trung Nguyen, Secretary-Treasurer
Alfred Pfeiffer, President and Chief Operating Officer

MANDATE OF THE EXECUTIVE COMMITTEE (COMPOSED OF FOUR DIRECTORS)

This Committee has the same functions and powers as the Board of Directors, with the exceptions imposed by the Act and its regulations and of those which the Board may reserve for itself or assign to another committee or commission. In 2007, it held 0 meetings.

Members

Thomas Blais
Paul E. Garfinkel
Jean-Guy Langelier, Chair
Huu Trung Nguyen

MANDATE OF THE AUDIT COMMITTEE (COMPOSED OF THREE DIRECTORS)

The Audit Committee's role is to support the Board of Directors in its oversight function. Pursuant to its mandate, the Audit Committee addresses financial risk assessment, ensures the maintenance and integrity of internal control and management information systems, and sees to the production of reliable financial information and to Desjardins Credit Union's compliance with various legislation and the requirements of regulatory authorities.

In 2007, it held six meetings and the compensation paid to the members totalled $18,000.

Members

Paul E. Garfinkel
Michael C. Howlett
Heather A. Nicol, Chair

MANDATE OF THE COMPENSATION, GOVERNANCE AND NOMINATING COMMITTEE (COMPOSED OF FOUR DIRECTORS)

Desjardins Credit Union's Compensation, Governance and Nominating Committee was established in 2006. Initially composed of three directors, the number of members increased to four in the second quarter of 2007. The Committee encompasses Compensation, Governance and Nominating responsibilities.

Among its Governance responsibilities, the Committee ensures Desjardins Credit Union's compliance with the Corporate Governance policy. The Committee also oversees the evaluation program of the Board of Directors and Committees in order to improve meeting practices and effectiveness.

As part of its Nominating responsibilities, the Committee recommends candidates for Board membership and is responsible for the succession plan at the executive level. The Committee establishes and ensures the effectiveness of the election procedure.

Lastly, the Committee fulfills a two-part Compensation role: the review of the annual performance evaluation of the President and Chief Operating Officer and its annual objectives.

The Committee held five meetings in 2007 and the compensation paid to the members totalled $10,600.

Members
Thomas Blais
Deborah J. Findlay
Paul E. Garfinkel, Chair
Huu Trung Nguyen

REMUNERATION SCHEDULE OF BOARD MEMBERS

The remuneration schedule is as follows:

	Board of Directors	Executive Committee	Audit Committee	Governance Committee[1]
Annual Indemnity	$15,000	N/A	N/A	N/A
Attendance allowance – meeting	$1,000	$1,000	$1,000	$1,000
Attendance allowance – Conference call (more than 30 min.)	$200	$200	$200	$200
Attendance allowance – Conference call (less than 30 min.)	$100	$100	$100	$100

RECORD OF ATTENDANCE

Name	End of Term	Board of Directors	Audit Committee	Executive Committee	Governance Committee[1]	Total Compensation
Blais, Thomas	2010	3/4		—	4/5	$ 21,200
Findlay, Deborah J.	2008	4/4			4/5	22,200
Garfinkel, Paul E	2010	3/4	6/6	—	5/5	28,200
Howlett, Michael C.	2008	4/4	6/6			25,000
Langelier, Jean-Guy	2012	4/4		—		N/A[2]
Nguyen, Huu Trung	2012	4/4		—	3/5	N/A[2]
Nicol, Heather A.	2008	4/4	6/6			25,000
Thibault, Hubert	2012	4/4				N/A[2]
Tougas, Pierre	2010	4/4				14,250[3]
TOTAL						**$ 135,850**

[1] Compensation, Governance and Nominating Committee
[2] As per a Corporate Policy, Desjardins Group employees are not entitled to any compensation as Board or Committee members of a Desjardins unit.
[3] Formerly Senior Vice President of Ontario Executive Division, Mr. Tougas retired on April 30, 2007.

MEMBERS OF THE BOARD OF DIRECTORS

Thomas Blais
Mr. Thomas Blais is a member of the Board of Directors of the Caisse populaire Trillium. Now retired, he has been Chair of the Board of Directors of the Fédération des caisses populaires de l'Ontario (FCPO) since 1998, and is an active ex-officio member of the FCPO Audit Committee.

He sits on the Board of Directors of the Fédération des caisses Desjardins du Québec, Caisse centrale Desjardins, Capital Desjardins, Desjardins Venture Capital and Desjardins Trust, as well as on the Audit and Inspection Commission of the Fédération and the Audit Committees of these various organizations.

He is also on the Desjardins Group Retirement Committee and on the Board of Directors of the Desjardins Security Fund.

Deborah J. Findlay
Ms. Deborah Findlay is the Director of Development at Harbourfront Centre, Canada's largest centre for contemporary culture. In the not-for-profit sector since 1995, Ms. Findlay's commitment to the financial cooperative model reflects her strongly held views on the importance of the social and economic development of our communities.

A graduate of the University of Western Ontario, she sits on the Corporation Board and the Foundation Board of Huron University College at the University of Western Ontario.

She is also involved as a volunteer with Big Brothers and Big Sisters of Toronto, acting as Co-Chair of the 2006 Big Night Out, the agency's largest annual fundraising event. As the mother of four children ranging in age from 16 – 24, she has also been active as a parent volunteer in numerous activities to support quality education.

Paul E. Garfinkel, M.D., F.R.C.P.(C)
Dr. Paul Garfinkel is currently President and CEO of the Centre for Addiction and Mental Health and Professor, Department of Psychiatry, University of Toronto. He obtained his medical degree from the University of Manitoba in 1969, and following an internship at the Toronto Western Hospital, did a psychiatric residency at the University of Toronto. He then studied in the Institute of Medical Science at the University of Toronto and later joined the staff of the Clarke Institute of Psychiatry.

In 1982, he was appointed Psychiatrist-in-Chief of the Toronto General Hospital, and in 1989 of The Toronto Hospital. In 1990, he became Chair of Psychiatry at the University of Toronto and President and Psychiatrist-in-Chief of the Clarke Institute of Psychiatry. He was appointed President and Chief Executive Officer of the Centre of Addiction and Mental Health, an organization formed from the merger of the Addiction Research Foundation, The Clarke Institute of Psychiatry, The Donwood Institute and The Queen St. Mental Health Centre, in 1997.

He is extremely well respected for his clinical and research expertise in the field of eating disorders.

Michael C. Howlett
Mr. Michael C. Howlett is the President and Chief Executive Officer of the Canadian Diabetes Association. In this role since 2002, he is responsible for operations. Drawing on his corporate experience, he has implemented many changes to strengthen the not-for-profit organization's ability to improve the lives of those affected by diabetes. Prior to joining the Association, he was a successful entrepreneur and consultant, both nationally and internationally. He has served on numerous corporate boards and has been a long-time supporter of philanthropic associations.

Jean-Guy Langelier
Mr. Jean-Guy Langelier is the President and Chief Operating Officer of Caisse centrale Desjardins and Chief of the Treasury of Desjardins Group.

Mr. Langelier held executive positions with two of Canada's chartered banks prior to joining Caisse centrale Desjardins in 1981. He holds degrees in financing and international Operations from Colgate University in Virginia and Montreal's McGill University, as well as a management degree from the University of Western Ontario. He is a member of the Board of Directors for a number of companies and sits on fund-raising committees for a variety of charitable organizations.

He is also a member of several other committees for provincial and federal governments on subjects such as the payment system and money laundering.

Huu Trung Nguyen
Mr. Nguyen has a Bachelor of Sciences in Economic from the Université de Montréal, a finance and accounting degree from the Université du Québec à Montréal, and an MBA from the University of Toronto. Prior to joining Desjardins, he has worked for a chartered bank in managerial positions both in the domestic and international areas. As one of the main strategists for Desjardins activities in national and international markets, he is currently Senior Vice President, Finances, Strategic Alliances and International for Caisse centrale Desjardins. He is also very active in various organizations professionally and benevolently. He is a Board member of Canadian Capital Markets Association, a Board member of Oxfam-Quebec, as well as other professional and benevolent associations.

Heather A. Nicol
Ms. Heather A. Nicol is the Chief Financial Officer of the MaRS Discovery District, a role she has held since October 2006.

Ms. Nicol has diverse experience in investment banking and across the corporate sector. She held a senior financial role in an investment company specializing in pharmaceutical royalties. Prior to that, she was the Chief Financial Officer for Chapters Online, taking it public and helping it achieve national leadership. She has also worked as a senior advisor to Canadian Tire Corporation to economically restructure the financing of their stores as well as spent eight years as an investment banker with Canadian and international firms.

Ms. Nicol holds an MBA from the University of Western Ontario and a BMath from the University of Waterloo.

Hubert Thibault
Mr. Hubert Thibault obtained his law degree from the Université of Montréal in 1979 and was admitted to the Quebec Bar Association in 1980.

He practiced as a lawyer until 1983 when he joined the Quebec government. He worked in the departments of Finance, Health and Social Services, Intergovernmental Affairs and for the Executive Council and the Premier's office. In 2001, he began working for the Desjardins Group in the area of international affairs and strategic partnerships and currently holds the position of Vice President, Institutional Affairs.

Pierre Tougas
Mr. Pierre Tougas joined the Desjardins family in 1980, taking on a variety of functions at the Fédération de Montréal et de l'Ouest-du-Québec. He later held several managerial positions for various caisses affiliated with that Fédération.

In 1992, he accepted the position of CEO of Caisse populaire Trillium in Ottawa. In 1998, he became CEO of the Fédération des caisses populaires de l'Ontario.

From January 1, 2004 to April 30, 2007, Mr. Tougas was Senior Vice President of Caisses populaires de l'Ontario and, as such, was on the Management Committee of the Fédération des caisses Desjardins du Québec.

MANAGEMENT

(in alphabetical order)

Colleen Baxter
Manager, Human Resources

Vincent Brossard
Legal Counsel

John Laughlin
Manager, Products, Services and Information Technology

Jacques Luys
Vice President, Operations

Anthony Matrundola
Chief Lending Officer

Alfred Pfeiffer
President and Chief Operating Officer

Anthony Porco
Senior Commercial Account Manager (Toronto)

Peter Roberts
Manager, Administration and Compliance Officer

Louise Robichaud
Manager, Finance

John Ross
Senior Commercial Account Manager (London)

Greg Schultz
Manager, Personal & Mortgage Credit

ELECTED DELEGATES

(end of term)

TORONTO

Bay and Richmond (2009)
Margaret H. Bishun
Albert Gregory
Robert Boylan
Mark Demarco
Kwai Li

Broadview and Danforth (2010)
Paul Charbonneau
Robert L. Woolner
Russell Smith

Danforth and Woodbine (2008)
Linda Griffith
Michael P. Hryb
Amelia Hryb

Mississauga (2010)
Margareta Wong

Wellesley Queen's Park (2008)
Josefina Dey
Eric Jackson
Irene Phillips
Catherine S. Yueh

St. Clair Avenue (2010)
Karen McMillan-Aver
Sarwan S. Sahota

University and Dundas (2009)
William D. Gray
Ronald Dell'Agnese
Patricia Kavanagh
Steven Tress

CENTRAL ONTARIO

Brantford (2009)
Mary Hanson
Orland Harrison
James Mahon
Leonard Makkreel
Peter Prowse

Guelph (2009)
Michael Driscoll
Richard Jamieson
Patricia Marshall
Sheila O'Reilly
Carl Swanson

Hamilton – Jackson Square (2008)
Edward Lowrey
Marvin Ryder
John R. Vandeweerd

Hamilton – Centre Mall (2008)
James DePass
John Fioravanti
Marylou McFarland
Walter Wellenreiter

St. Catharines (2010)
Leon Donsky
John T. Murray
Milion Holenski

SOUTH-WEST ONTARIO

Aylmer (2009)
Don Fick
Robert Needham
Gerry Richer
Jim Suffel

London (2008)
Greg Anthony
Johann Kinting
David J. Pallett

Owen Sound (2009)
Elizabeth Cockburn
Jack Fearnall
Wayne Hynd
Randy Lidkea

Seaforth (2010)
Rowena Wallace

St. Marys (2008)
Peter Black
Beverley Rabbets

University of Western Ontario (2010)
Christopher Cronin

Walkerton (2008)
Malcolm Bolton
Edward Cobean
Philip Englishman
Peter Lambertus

Windsor (2010)
David Glaser
Gregory Goulin

Woodstock (2009)
Alan Dale
Sandra L. Smith
David J.B. Stock

NORTH-EAST ONTARIO

Ottawa (2009)
Edwin C. Aquilina
Wynn Quon

Pembroke (2009)
W. Donald Boland
Sjoerd List
Malcolm Plaunt
Jim Gauthier (2010)
Marianne Taylor (2010)

Sudbury (2010)
Michael Armillotta
Ruth-Ann Ingram

Thunder Bay (2008)
Gerry Dawson
Aldo Ruberto

LOCATIONS

HEAD OFFICE – WHITBY

1615 Dundas Street East
3rd Fl., East Tower (Whitby Mall)
Whitby, ON L1N 2L1
Phone: (905) 743-5790

TORONTO

(Vaughn Barnes, Area Manager)

Bay and Richmond
375 Bay Street
Toronto, ON M5H 2V5
Phone: (416) 363-7282

Broadview and Danforth
838 Broadview Avenue
Toronto, ON M4K 2R1
Phone: (416) 463-1117

Danforth and Woodbine
2031 Danforth Avenue
Toronto, ON M4C 1J8
Phone: (416) 698-8320

Wellesley Queen's Park
56 Wellesley Street West, Suite 103
Toronto, ON M5S 2S3
Phone: (416) 928-6468

St. Clair Avenue
26 St. Clair Avenue East
Toronto, ON M4T 1L7
Phone: (416) 925-3887

University and Dundas
439 University Avenue
Toronto, ON M5G 1Y8
Phone: (416) 593-1763

Mississauga
214 Queen Street South
Mississauga, ON L5M 1L5
Phone: (905) 821-7345

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(Angela Adam, Area Manager)

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171 Colborne Street
Brantford, ON N3T 6C9
Phone: (519) 753-4131

Guelph
153 Wyndham Street North
Guelph, ON N1H 4E9
Phone: (519) 821-2101

Hamilton – Jackson Square
2 King Street West
Hamilton, ON L8P 1A1
Phone: (905) 528-6391

Hamilton – Central Mall
1227 Barton Street East
Hamilton East, ON L8H 2V4
Phone: (905) 547-6202

St. Catharines
106 King Street
St. Catharines, ON L2R 3H8
Phone: (905) 688-4661

Woodstock
396 Dundas Street East
Woodstock, ON N4S 1B7
Phone: (519) 537-8194

SOUTH-WEST ONTARIO

(Rolonda Taib, Area Manager)

Aylmer
34-36 Talbot Street West
Aylmer, ON N5H 1J7
Phone: (519) 765-1286

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555 Wellington Road South, Unit 2
London, ON N6C 4R3
Phone: (519) 432-1197

London – Satellite Branch
151 Dundas Street, Suite 101 B
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University Community Centre
Rm 73
University of Western Ontario
London, ON N6A 3K7
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Owen Sound
825 2nd Avenue East
Owen Sound, ON N4K 5P3
Phone: (519) 376-6025

Seaforth
49 Main Street South
Seaforth, ON N0K 1W0
Phone: (519) 527-0210

St. Marys
134 Queen Street, Box 100
St. Marys, ON N4X 1A9
Phone: (519) 284-2260

Walkerton
244 Durham Street East
Walkerton, ON N0G 2V0
Phone: (519) 881-3321

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545 Ouellette Avenue
Windsor, ON N9A 4J3
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(Sergio Fortunato, Area Manager)

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99 Bank Street – G001
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Pembroke
40 Pembroke Street West
Pembroke, ON K8A 6X3
Phone: (613) 732-7821

Sudbury
159 Cedar Street, Suite 105
Sudbury, ON P3E 6A5
Phone: (705) 671-9525

Sudbury – Satellite branch Killarney
32 Commissioner Street
Killarney, ON P0M 2A0
Phone: (705) 287-1117

Thunder Bay
189 Red River Road, Suite 102
Thunder Bay, ON P7B 1A2
Phone: (807) 345-6686

Thunder Bay – Satellite branch Armstrong
Municipal office – 111 Queen Street
Armstrong, ON P0T 1A0
Phone: (807) 583-2667

NORTH-EAST ONTARIO – AGENCIES

Pickle Lake
Northern Store
Pickle Lake, ON P0V 3A0
Phone: (807) 928-2968

Gogama
J.R. Corner Store
Gogama, ON P0M 1W0
Phone: (705) 894-2168

Virginiatown
Chez Lucie
P.O. Box 418
Virginiatown, ON P0K 1X0
Phone: (705) 634-2346

Whitney
Charbonneau's Freshmart
41 Post Street, Box 83
Whitney, ON K0J 2M0
Phone: (613) 637-5366

ATMs

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34-36 Talbot Street West
Aylmer, ON N5H 1J7

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Brantford
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Brantford, ON N3T 6C9

Danforth and Woodbine
2031 Danforth Avenue
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Guelph
153 Wyndham Street North
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Hamilton – Centre Mall
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DIFFERENCE
PERFORMANCE
PRESENCE

Desjardins is more than a bank. It's the largest integrated cooperative financial group in Canada. Thanks to the complementary relationship of the cooperative network and more than twenty subsidiaries, Desjardins offers to more than 6 million member-owners and to its clients diversified financial services, adapted to their needs, accessible from anywhere on the planet, day and night, at competitive costs.

This group force, combined with rigorous management of the collective wealth with which it is entrusted, enables Desjardins to post enviable financial returns. It is therefore not surprising that Desjardins, whose assets approximate $150 billion, is the 6th largest in Canada and one of the top 100 in the world.

Desjardins' numerous components have enabled the Group to increase its presence in Canada, particularly in Ontario, as well as abroad, where it is recognized as a leader and a model in international cooperation, among other fields.

Backed by its solid financial performance, its cooperative difference, the commitment of its elected officers and the engagement of its employees throughout all its components, Desjardins has remained faithful to its mission for the past 107 years, which is to put money to work for its members and clients.

By embracing cooperative principles, Desjardins Credit Union provides financial services to its members and other clients and assists them in managing their assets and developing their businesses. With assets of $1.5 billion, Desjardins Credit Union has 25 branches and 7 satellite offices in Ontario. It employs 267 employees and provides over 65 000 members/clients with banking services.

Desjardins Credit Union's objective is to be our members' primary financial institution.