

WORKING FOR YOU



Desjardins
Caisse de Vaudreuil-Soulanges

8th ANNUAL REPORT



MESSAGE FROM THE PRESIDENT

On behalf of our officers, I am pleased to present a review of the year 2016 for Caisse Desjardins de Vaudreuil-Soulanges.

AN INSTITUTION AT THE HEART OF ITS MEMBERS' LIVES

The year 2016 was a turning point in Desjardins history. One of the most important events was the election of Guy Cormier as President of Desjardins Group. The youngest president in our history quickly rallied employees and officers around his ambitious ideas. The first of those ideas involves reconnecting Desjardins with its purpose to enhance people's lives and the communities in which they live, by making active and significant contributions to the development of a sustainable economy.

For example, a new \$100-million development fund has been created to support projects in the regions where we are active, in entrepreneurship, in business development and in economic and social innovation. This fund will complement the Caisse's Community Development Funds and Capital régional et coopératif Desjardins shares.

In addition, to be better attuned to the needs of young people, a Youth Advisory Board with a Desjardins-wide scope has been put in place, consisting of Desjardins members, elected Caisse officers and employees between ages 18 and 35. We even reserved a special place for young people during 2016 Cooperation Week, which was focused on academic success. On October 20, 2016, thousands of Desjardins employees participated in volunteer events in support of the cause.

This is a testament to the variety of actions we put in place, in order to hold the top position in the hearts of our members.

INSPIRING MOMENTUM

In 2016, our Caisse recorded operating surplus earnings of \$9,415,000. These results are an indicator of the Caisse's sound business management. Based on this performance, we will be staying the course, by offering you services and solutions that continue to meet your expectations.

I would like to thank our members for these excellent results. Your continued loyalty is the key to our success. Increased use of the Caisse's products and services has a direct, positive impact on its profitability. The vitality created by this loyalty will not only benefit the Caisse and its members, but also the entire community.

In 2016, the Caisse redistributed more than \$500,000 in our community to support projects that stimulate local social and economic health. Of this amount, a collective dividend of \$350,000 was paid out of the Community

Development Fund. Caisse members voted on the amount of this dividend at our annual general meeting. This initiative enables us to have a positive impact on people's lives and their communities, which is our purpose and a source of pride for all of us. Doing business with your Caisse means truly making a difference and helping to effect change in the world.

CONTINUED IMPROVEMENT OF PRODUCTS AND SERVICES

Your satisfaction remains our priority, with respect to the quality of our products and the excellence of our services. We will continue to adopt simple, people-focused, modern and high-performing approaches, in order to maintain our special place in your financial life. Thanks to our modern approaches, including a range of virtual services, we are more accessible than ever. Desjardins mobile payment solutions and Apple Pay, mobile cheque deposit and Interac transfers, are only a few of the new features currently at your disposal.

To round out our virtual offer, certain financial products are available exclusively on AccèsD; in just a few clicks, you can open a high interest savings account with no service fees or access market-linked guaranteed investments. It's simple and exclusive to Desjardins members.

As a member, you can play a role in your Caisse's evolution to help boost its performance, especially by sharing your ideas, impressions and constructive comments. We can work together to share and celebrate the deeply human and distinctive nature of our Caisse.

EXPRESSING OUR HEARTFELT THANKS

I want to extend my sincere appreciation to my fellow officers, to the managers and to the employees of the Caisse for their unflagging commitment. Under the dynamic management of Gilles Brassard, our staff draw on their skills and great adaptability, so that our cooperative can meet your needs effectively. Thanks also to our Desjardins subsidiary partners for supporting our mission to serve our members. By joining forces, we are in a position to offer you a range of comprehensive and competitive financial products and services.

Lastly, even greater thanks to our 50,871 members for placing their trust in us.

Pauline Thauvette-Leroux
Chair of the Board of Directors



MESSAGE FROM THE GENERAL MANAGER

In 2016, your Caisse continued its mission to meet all your financial needs, by offering you access to a comprehensive range of products and services. Offering members a first-rate business experience remains one of our primary objectives for this year.

Below are the financial results of Caisse Desjardins de Vaudreuil-Soulanges and the share of net income from business at Desjardins Group subsidiaries as at December 31, 2016. These results are directly related to your trust in us, for which we are very grateful.

BUSINESS UNDER MANAGEMENT

Backed by \$3,512,948,000 in business under management, up 5.8% over 2015, the Caisse is very well positioned in its market. Through its membership in Desjardins Group and participation in Desjardins Group subsidiaries, the Caisse has access to a wide range of financial products and services to meet the ever-growing needs of its members.

COMMENTS ON THE FINANCIAL REPORT

These comments are an overview of the financial report available on request and on the Caisse's website. In addition, the Combined Financial Statements of the Desjardins Caisses in Quebec are available to the public at www.desjardins.com.

REPORT

Your financial cooperative's assets total \$1,689,832,000, up 4.2% over last year. Loans to individuals and businesses stand at \$1,467,528,000, an increase of 3.7%. You may refer to supplementary information charts for further details of loan and deposit portfolios.

Caisse liabilities total \$1,536,228,000, representing an increase of 3.5%. Deposits currently amount to \$1,232,091,000, up 4.8%, whereas Caisse borrowings decreased by 0.1% and now total \$280,470,000.

As at December 31, 2016, your cooperative's equity posted strong growth, rising to \$153,604,000 an 11.4% increase. Equity consisted of: \$7,696,000 in social capital, \$11,064,000 in surplus earnings to be distributed, \$3,647,000 in accumulated other comprehensive income, and \$131,197,000 in reserves.

Total reserves for future dividends represent \$4,200,000. Your Caisse has also accumulated \$804,000 in the Community Development Fund. The Caisse's capital base is at a level that is in accordance with the standard respecting capital base adequacy established by the Federation. The following are the Caisse's ratios:

CAPITAL RATIOS	December 31, 2016	December 31, 2015	Minimum standards
Tier 1A capital over its risk assets	12.28%	12.96%	11.0%
Tier 1 capital over its expansion assets	4.38%	5.15%	3.5%

STATEMENT OF INCOME

During the last fiscal year, your Caisse had operating surpluses of \$9,415,000, up 52.3% from the previous year.

Interest income totalled \$45,115,000, down 2.2% over last year. Interest expenses decreased 5.9% to \$16,135,000. Credit losses totalled \$501,000 or 0.03% of the entire portfolio of loans granted to individual members and businesses.

Other income, generated largely from the distribution of Desjardins products and services, totalled \$12,663,000, up 2.8% compared to last year. Other charges showed a moderate decrease overall, i.e. a 6.6% variance, and totalled \$31,727,000.

This year, we propose distributing a dividend of \$1,000,000 and contributing \$200,000 to the Community Development Fund in the form of a collective dividend, which enables us to contribute to the well-being of our community by supporting key projects.

The selected amounts were determined based on the importance of striking a balance between the distribution of surplus earnings, growth and capitalization. By ensuring the right balance between financial market rules and regulations and our members' needs, we can ensure the sustainable development of our Caisse.

MODERN TOOLS AND PRODUCTS

More and more of you are adopting Desjardins mobile applications. Your financial autonomy goes hand in hand with the tools we place at your disposal. Accordingly, in the coming years we will be installing new ATMs to replace our current machines, which have become obsolete. The new models will offer the features needed to carry out your transactions, while ensuring a simple and fast experience.

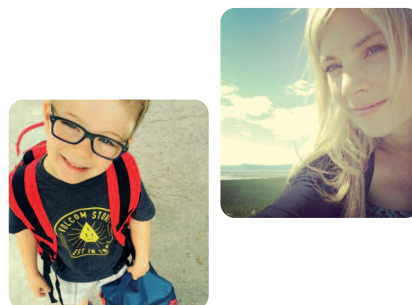
A TEAM DEDICATED TO YOU

Our 188 employees are ready to help you achieve your financial objectives and carry out your projects. I am grateful for their commitment and their engagement, which are central to the quality of our services.

I would also like to salute the contribution of our elected officers. Their dedication to the Caisse and the community enables us to promote our unique cooperative character.

By working together, we can build a stronger institution and a more dynamic society.

Gilles Brassard
General Manager



ADDITIONAL INFORMATION TO THE ANNUAL REPORT



SUMMARY OF LOAN PORTFOLIO

As at December 31, 2016, the loan portfolio of the Caisse continued to be of high quality. Gross loans past due but not impaired and gross impaired loans represented only 1.4% and 0.3%, respectively, of gross loans.

The following table presents the distribution of loans by borrower category, with the proportion of gross impaired loans past due but not impaired, gross impaired loans and the related individual and collective allowances.*

SUMMARY OF LOAN PORTFOLIO (\$M)	Gross loans	Gross loans past due but not impaired	Gross impaired loans	Individual allowances	Collective allowances	Net loans as at December 31,	
						2016	2015
PERSONAL							
Residential mortgages	\$791.9						
Consumer and other	204.1						
Sub-total	\$996.0	\$18.3	\$1.0	\$0.03	\$0.4	\$995.5	\$979.9
BUSINESS							
Commercial and industrial	\$220.3						
Agriculture, forestry and fisheries	225.0						
Public administrations and institutions	29.3						
Sub-total	\$474.6	\$2.4	\$3.1	\$1.9	\$0.8	\$472.0	\$434.6
TOTAL	\$1,470.6	\$20.7	\$4.1	\$1.9	\$1.2	\$1,467.5	\$1,414.5

* Refer to Note 2 to the Combined Financial Statements of the Desjardins caisses in Quebec available on the *desjardins.com* website for additional information on presentation and significant accounting policies.

SUMMARY OF DEPOSIT PORTFOLIO

As at December 31, 2016, Caisse members' deposits amounted to \$1,232,091,000, up \$56,233,000 or 4.8% since the beginning of the year. Please note that deposits from individuals represents the Caisse's main source of financing to ensure its expansion. These deposits represented 76.2% of total deposits as at December 31, 2016.

The table below presents the distribution of deposits by depositor category with proportions based on type of savings.

SUMMARY OF DEPOSIT PORTFOLIO (\$M)	Chequing accounts	Tiered savings accounts	Regular savings	Term savings	Registered savings plans	Total as at December 31,	
						2016	2015
Personal	\$138.7	\$105.4	\$123.4	\$168.9	\$402.2	\$938.6	\$890.9
Business	114.8	20.8	47.0	22.8	—	205.4	189.0
Public sector and other	67.6	0.4	17.4	2.5	0.07	87.9	95.9
TOTAL	\$321.1	\$126.6	\$187.8	\$194.2	\$402.3	\$1,232.0	\$1,175.8

* Refer to Note 2 to the Combined Financial Statements of the Desjardins caisses in Quebec available on the *desjardins.com* website for additional information on presentation and significant accounting policies.

INVESTMENT FUNDS

The investments held by caisses in investment funds enable the Fédération des caisses Desjardins du Québec to coordinate investments in Desjardins Group subsidiaries and regional investments.

The table below indicates the Caisse's interest in and return on each investment fund at the end of the fiscal year.

PROVINCIAL FUND	Shares held as at December 31, 2016	Average return
Caisse centrale Desjardins (CCD)	\$30,807,178	9.04%
Société de Services des caisses Desjardins (SER)	\$(693)	—%
Desjardins Venture Capital (INV)	\$416,471	16.93%
Desjardins Financial Holding (FIN5A)	\$55,749,426	11.43%



REPORT OF THE BOARD OF SUPERVISION

The board of supervision ensures that the Caisse complies with its ethical, professional and cooperative values.

SUPERVISING ETHICAL AND PROFESSIONAL VALUES

Each year, Caisse officers and employees renew their commitment to respect the Desjardins Code of Professional Conduct. This code specifies expected behaviours and those deemed unacceptable.

In terms of ethics, the board of supervision ensured that the Caisse, its officers and employees have respected Desjardins' values in all operations.

The following is a report on the supervision of three rules of professional conduct during the past year.

1. Conflict of interest situations

The board of supervision declares that no situation of conflict of interest was noted.

2. Deposits and loans to restricted parties

The board of supervision found no misconduct regarding:

- The Code of Professional Conduct regarding deposits accepted by the Caisse from a restricted party, namely, an officer or general manager of the Caisse, an officer of the Fédération des caisses Desjardins du Québec, and their related parties
- The Code of Professional Conduct regarding loans granted to restricted parties or any irregular processing of such loans.

We note that loans granted to restricted parties by the Caisse totalled \$470,000 over the past fiscal year.

3. Contracts for the supply of goods or services awarded by the Caisse or its service centres to parties covered by the Code

The Caisse and its service centres may enter into a contract with parties covered by the code, such as, restricted parties, employees of the Caisse, managers of centres and their related parties, in accordance with the conditions laid down for this purpose. In this regard:

No contract was awarded to parties involved.

SUPERVISION OF THE COOPERATIVE DIMENSION

In terms of the cooperative dimension, the board of supervision must ensure that Desjardins values are integrated into the Caisse's business and management practices. It must also ensure that the Caisse contributes to the development of its community and to the economic and financial education of its members. Finally, the board ensures that members are informed on matters of importance to them.

The board of supervision is satisfied with the work accomplished over the past year.

I would like to take this opportunity to thank the members of the board for their contributions and senior management for their support in carrying out our mandate.

Frédéric Farmer

Chair of the Board of Supervision



COMMITMENT BY THE FEDERATION IN THE INTEREST OF HOLDERS OF PERMANENT SHARES

At the request of the Autorité des marchés financiers, the Fédération des caisses Desjardins du Québec has guaranteed the payment of certain sums in favour of holders of permanent units issued by a Caisse Desjardins du Québec in the event of a damage arising from the contents of the combined annual audited financial statements and the annual management report of Desjardins Group, available at www.sedar.com. This commitment by the Federation is subject to certain conditions. Holders of permanent units may obtain details of the commitment from their Caisse.

In addition, the combined financial statements of the Caisses Desjardins du Québec are available to the public at www.desjardins.com.



COOPERATIVE DIFFERENCE REPORT



DONATION FOR THE PURCHASE
OF A MINIBUS FOR THE CENTRE
NOTRE-DAME-DE-FATIMA

TOGETHER, WE ARE MAKING A DIFFERENCE

As a member, your business relationship with your Caisse gives you an opportunity to help improve your community, while providing you with many advantages. Some concrete examples of these advantages include: a comprehensive service offer and practical tools, exclusive offers, individual and collective dividends, and the opportunity to participate in the decisions of your Caisse.

INITIATIVES LINKED TO THE DESJARDINS MEMBER ADVANTAGES PROGRAM

Your Caisse has been involved in both local and regional initiatives that have helped to raise awareness in the community we serve about the benefits of being or becoming a Desjardins member. Caisse Desjardins de Vaudreuil-Soulanges has collaborated with and supported various causes through our members, in particular, by providing a financial contribution proportional to the number of Desjardins members involved in their community. These causes include: Maison de la famille de Vaudreuil-Soulanges (family brunch), Cooperative Prématernelle au pays enchanté (movie day), Les Enchanteurs vocal ensemble (annual show), and Soulanges and Chêne-Bleu high schools (humanitarian travel). Altogether, these organizations benefitted from over \$5,000 in 2016. It should be noted that the Desjardins Member Benefits program will continue in 2017 and that, regarding the decisions of the Community Relations Committee, our cooperative distinction is highly regarded and much appreciated by our members. Therefore, we will develop specific and exclusive offers for the Vaudreuil-Soulanges area, based on the opportunities that arise.

THANKS TO YOU, WE CONTRIBUTE TO THE DEVELOPMENT OF YOUR COMMUNITY!

The Community Development Fund (CDF), and its donations and sponsorships, are important levers to support the socio-economic vitality of your community. The CDF is made up of members like yourself, who agree that part of their dividend should be returned to the community in a vote held at the annual general meeting. In 2016, thanks to the Community Development Fund, you redistributed \$350,000 to your community, by supporting approximately 40 organizations, including: Centre Notre-Dame-de-Fatima in Notre-Dame-de-l'Île-Perrot, Club de patinage de vitesse des Trois-Lacs, Fondation des enfants de Vaudreuil-Soulanges, and Fondation de l'hôpital de Vaudreuil-Soulanges through the Salon des vins de Vaudreuil-Soulanges.

In addition, Caisse Desjardins de Vaudreuil-Soulanges awarded donations and sponsorships totalling almost \$148,000 to approximately 80 local NPOs that work actively for the well-being of the communities they serve.

EDUCATION AND STUDENT RETENTION ARE AT THE HEART OF OUR MISSION

Education is one of the fundamental principles of the cooperative model at the core of our mission. With this in mind, Desjardins has put student retention and success at the forefront of Cooperation Week 2016. Over 7,000 Desjardins employees and managers engaged in some 420 activities in Quebec and Ontario and raised \$1.8 million. In Vaudreuil-Soulanges, support for student retention resulted in one-off events and targeted interventions, encouraging Vaudreuil-Soulanges students to believe in themselves.

During Cooperation Week, the Caisse committed itself to the much-awaited return of the Student Grant Contest for post-secondary students, giving them a serious boost to undertake studies that match their ambitions.

In 2016, identity projects aimed at Vaudreuil-Soulanges youth were carried out, in order to provide first-class assistance. These projects included: Desjardins Youth Work Experience Program, coordinated with outstanding collaboration from Carrefour jeunesse-emploi de Vaudreuil-Soulanges, Coop de l'île, the student caisse of École secondaire du Chêne-Bleu (which offers young people the opportunity to learn how to administer a caisse, while stimulating their spirit of individual and collective initiative), as well as the foundations based at Soulanges and Cité-des-jeunes high schools and Collège Bourget in Rigaud.

Through the Personal Finance: I'm in Charge™ program, Desjardins supports young adults at a stage in their lives where they face multiple financial decisions for the first time. One of the goals of this education program is to help young adults become responsible consumers, by preparing them to take informed financial decisions and make the right choices.

TOGETHER, WE CONTRIBUTE TO SUSTAINABLE DEVELOPMENT

Your Caisse offers you a range of responsible financial products, such as, Green Homes Program, SocieTerra Portfolios and Energy Efficiency Loan. In addition, the Ajusto program gives discounts if you opt for safe and environmentally responsible driving. In the community, the Caisse is a partner of the Vaudreuil-Soulanges Region Watershed Council (COBAVER-VS) and desires to undertake specific interventions to raise community awareness of the importance of approving environmentally responsible measures, in support of Comité 21 Vaudreuil-Soulanges.

WITH YOU, WE REALLY MAKE A DIFFERENCE

Every time you do business with your Caisse Desjardins, you are choosing a cooperative financial group that is committed to your community and that enriches the lives of individuals and communities. Thank you!

Benoît Levesque

First Vice-Chair of the Board of Directors
Chair of the Community Relations Committee



MORAL AND
FINANCIAL SUPPORT
FOR THE TROIS-LACS
SPEED SKATING CLUB



SALON DES VINS DE
VAUDREUIL-SOULANGES
IN SUPPORT OF THE
FUTURE REGIONAL
HOSPITAL

THE OFFICERS

BOARD OF DIRECTORS

NAME	POSITION	SECTOR
JONATHAN AUGER	Director	Specific sector of Vaudreuil
JONATHAN BASTIEN	Director	Specific sector of Vaudreuil
RÉJEAN BOYER*	Director	Specific sector of Vaudreuil
CYNTHIA BREAU	Director	Specific sector of Île Perrot
NATHALIE BRIÈRE	Director	Specific sector of Hudson, Rigaud, Saint-Lazare
JOSÉE CHARETTE	Director	Entire Vaudreuil-Soulanges area
ANDRÉ GENDRON*	Director	Specific sector of Hudson, Rigaud, Saint-Lazare
CHARLES HUNEULT	Secretary	Entire Vaudreuil-Soulanges area
BENOIT LEVESQUE	First Vice-Chair	Specific sector of Île Perrot
FRANÇOIS PAQUIN	Director	Specific sector of Soulanges
BERNARD RENAUD*	Director	Specific sector of Île Perrot
MARIE-JACINTE ROBERGE*	Director	Entire Vaudreuil-Soulanges area
PAULINE THAUVETTE-LEROUX*	Chair	Specific sector of Soulanges
HÉLÈNE THERRIEN	Second Vice-Chair	Specific sector of Hudson, Rigaud, Saint-Lazare
CHANTAL QUESNEL	Director	Specific sector of Soulanges



APPROVAL OF THE ANNUAL REPORT

We certify that the 8th annual report of Caisse Desjardins de Vaudreuil-Soulanges complies with the requirements of the *Act respecting financial services cooperatives* and has been duly approved by the Caisse board of directors.

Pauline Thauvette-Leroux
Chair

Charles Huneault
Secretary

BOARD OF SUPERVISION

NAME	POSITION	SECTOR
FRÉDÉRIC FARMER	Chair	Specific sector of Île Perrot
ELAINE LEFEBVRE*	Secretary	Specific sector of Vaudreuil
SUSANNE LEFEBVRE	Member	Entire Vaudreuil-Soulanges area
HOWARD G. MARTIN	Member	Specific sector of Hudson, Rigaud, Saint-Lazare
DENIS SAUVÉ*	Member	Specific sector of Soulanges

* Outgoing officers eligible for re-election



Desjardins
Caisse de Vaudreuil-Soulanges

HEAD OFFICE

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L'Île-Perrot (Québec)
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SERVICE CENTRES

- Coteau-du-Lac
- Les Cèdres
- Pincourt
- Rigaud
- Saint-Clet
- Saint-Lazare
- Saint-Polycarpe
- Saint-Zotique

- Vaudreuil-Dorion
(de la Gare, Harwood, Saint-Charles)

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