

## 2017 Annual Report

**When you choose  
Desjardins,**  
you're making  
change happen.



## Message from the Chair of the Board of Directors

Micheline D. Legault  
Chair of the Board of Directors

Dear Members:

On behalf of our officers, I'm pleased to present a review of the year 2017 for Caisse Desjardins de Bois-Franc-Bordeaux-Cartierville.

### A driver of sustainability

In 2017, our caisse recorded operating surplus earnings of \$3 million. These results are an indicator of the sound management of the caisse and of your loyalty. By choosing the caisse's products and services, you have a direct positive impact on its profitability.

Thanks to your support, Desjardins can enrich people's lives and the communities in which they live. One of the tools the caisse uses to achieve this is the Community Development Fund. We distributed \$67,700 last year through this fund. We also honoured our commitments in the form of donations and sponsorships, for a total of \$79,243.

Thanks to the commitment of our members, Caisse Desjardins de Bois-Franc-Bordeaux-Cartierville, our employees and officers form a powerful driver of sustainability. Our involvement is part of our cooperative difference and remains one of our main sources of pride.

### Listening to you to improve ourselves

In the past fiscal year, we also reviewed some of our practices to better meet your expectations, such as by eliminating Interac fees. We also changed the timing of NSF cheque charges, giving our members additional time to remedy the situation. This is yet another example of how we put your interests first.

As members, you can play a role in your caisse's evolution to help boost its performance. In October 2017, during an important Desjardins Group Congress, it was stated that the caisses must ensure that members can easily be heard. Rest assured that we are always looking for the best possible ways to empower you to influence caisse decisions.

A priority regarding the electoral process was adopted at the Congress. Starting in 2019, it will be easier for you to evaluate the candidates for officer positions based on member representation and the required skills for caisse board members.

The Congress also saw the adoption of a priority to further develop the supervision of all caisses in terms of ethics, professional conduct and cooperation. This priority suggests adding an oversight component to caisse governance. In addition, as is usually the case in cooperatives and other businesses, responsibility for supervision would be assigned to a committee of the board of directors rather than a separate board. Before this priority can be implemented, however, we need to comply with certain legal and regulatory conditions in the coming months. I would like to thank the members of our caisse's board of supervision, who continue to perform their responsibilities with the same diligence as always, despite this situation.

### Joining forces to create a new caisse that meets members' changing needs

We and the officers of Caisse populaire Desjardins de Saint-Laurent are in the process of analyzing the type of organization we need to better meet the needs of our respective members.

A committee made up of representatives from our caisses has been set up to determine the desirability and feasibility of a merger. At an upcoming meeting, you'll have a chance to ask questions about the proposed merger, which we believe would be beneficial for members. Before it could become a reality, the proposed merger would have to be approved by the members at a special general meeting.

## Highlights

About Caisse Desjardins  
de Bois-Franc-Bordeaux-  
Cartierville :

- 21,089 members
- 17 officers
- 45 employees
- \$1.38 billion in business volume under management
- \$458,189 distributed to our members and our community

## Expressing our heartfelt thanks

I would like to thank everyone who is devoted to supporting the caisse: officers, managers and employees. Under the dynamic leadership of Pierre Poirier, they draw on their skills and great adaptability so that our cooperative can meet your needs effectively. I'd like to thank Mr. Poirier for the outstanding work he has done. He'll be stepping down in 2018 after 14 years at the helm of our cooperative to take on new challenges at the nearby Caisse Desjardins des Versants du mont Royal. Thanks also to our Desjardins partners for supporting our mission to serve our members.

**When you choose  
Desjardins, you're  
helping make  
a difference.**

Lastly, thanks to our 21,089 members for placing your trust in us. Choosing Desjardins is more than choosing a financial institution. It means taking part in a great cooperative movement and helping contribute actively to the lives of people and communities.



**Desjardins**  
Caisse de Bois-Franc-  
Bordeaux-Cartierville



Pierre Poirier  
General Manager

## Message from the General Manager

Dear Members:

Like all of Desjardins Group, our caisse worked hard in 2017 to provide its members and clients with distinctive and relevant experiences. We will continue doing so in 2018, thanks to the know-how of our resources, the collaboration of Desjardins Group's subsidiaries, and new technologies. In person or through these new technologies, we remain your ideal partner to help you achieve your financial goals and fulfill your plans.

### The 2017 fiscal year in brief

(in millions of Canadian dollars)

| Business under management | Equity | Net interest income | Operating surplus earnings |
|---------------------------|--------|---------------------|----------------------------|
| 1,380                     | 70.3   | 10.9                | 3                          |

Below are the detailed financial results of Caisse Desjardins de Bois-Franc-Bordeaux-Cartierville and the share of net income from business at Desjardins Group subsidiaries as at December 31, 2017.

We owe these results to your trust in us and your commitment to the caisse. Thanks to the loyalty of our members, we can support our business development and contribute to strengthening our community.

### Business under management

Backed by \$1.38 billion in business under management, up 4.7% over 2016, the caisse is 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\*

Your financial cooperative's assets total \$736 million, up 3.3% over last year. Loans to individuals and businesses stand at \$640.6 million, an increase of 3%.\*\*

The caisse's liabilities total \$665.7 million, representing an increase of 3.2%. As at December 31, 2017, your cooperative's equity increased by 4.8% to \$70.3 million. Equity comprised \$4.4 million in social capital, \$2.1 million in surplus earnings to be distributed, \$1.9 million in accumulated other comprehensive income and \$61.9 million in reserves. Your caisse has \$2.3 million in its stabilization reserve and \$132,000 in its reserve for future dividends. It has also accumulated \$287,000 in the Community Development Fund.

## Investment funds

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

|  | Shares held as at<br>December 31, 2017 (\$) | Average<br>return (%) |
|--|---|-----------------------|
| <b>Provincial fund</b>                           |   |                       |
| Société de Services des caisses Desjardins (SER) | (304)                                       | –                     |
| Gestion Desjardins Capital (INV)                 | 157,665                                     | <b>12.31</b>          |
| Desjardins Financial Holding (FIN5A)             | 27,635,868                                  | <b>14.29</b>          |

The caisse's capital base is at a level in accordance with the standard respecting capital base adequacy established by the Fédération des caisses Desjardins du Québec (the Federation). The caisse's ratios on December 31, 2017 are as follows:

|  | As at<br>December 31,<br>2017 (%) | As at<br>December 31,<br>2016 (%) | Standard<br>(%) |
|--|-----------------------------------|-----------------------------------|-----------------|
| Tier 1A capital over its risk assets     | <b>16.89</b>                      | 12.84                             | ≥ 11            |
| Tier 1 capital over its expansion assets | <b>5.76</b>                       | 5                                 | ≥ 3.5           |

### Statement of income

During the last fiscal year, your caisse generated \$3 million in operating surpluses, up 15.1% over the previous year.

Interest income totalled \$18 million, down 1.7% over last year. Interest expense decreased by 0.7%, to \$7.1 million. Other income, generated largely from the distribution of Desjardins products and services, totalled \$3.7 million, up 1.3% compared to last year.

The provision for credit losses was \$246,796.

Non-interest expense showed a major decrease overall, i.e., a 6.9% variance, and totalled \$11.4 million.

We propose distributing a dividend of \$756,000 and contributing \$50,000 to the Community Development Fund in the form of a collective dividend, which enables us to tangibly enrich 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. Like Desjardins Group in its entirety, your caisse must maintain strong capitalization. By maintaining a balance between our members' needs and financial market requirements, we can ensure the sustainable development of the caisse.

One of the topics addressed at the last Desjardins Group Congress was the evolution of member dividends. It was decided that dividends would be enhanced in 2019, in particular by calculating them based on your use over the year of a wider range of Desjardins products and services, including your credit card and insurance, for example.

\* These comments are an overview of the financial report, available upon request and on the caisse's website. The Combined Financial Statements of the Desjardins caisses in Quebec are made available to the public at Desjardins.com.

\*\* You can refer to the Additional Information for the Annual Report Appendix for further details on loan and deposit portfolios.



## Doing more with technology

We are also still working on improving the member/client experience through all our channels, whether over the internet, on the phone, at the caisse or at the ATM. In that respect, all of Desjardins Group is currently preparing for the rollout of new ATMs. They're designed to offer the same services for all your banking needs while ensuring a simpler and more efficient experience. Now and after their installation, the caisse will continue to conduct a needs analysis of automated services so it can position itself based on its members' financial habits.

## Put our passion to work for you

Our 45 employees are available to help you reach your goals. I'd like to thank them for their commitment and engagement, and for choosing to work for Desjardins.

Thank you also to the caisse officers, who sincerely care about Desjardins, their community and their region. The time and energy you invest is essential to vitalizing our local society.

## Farewell

I'd like to take this opportunity to say my final farewell. Caisse Desjardins de Bois-Franc-Bordeaux-Cartierville has come a long way, and I'm proud of what we've accomplished together. Our caisse is in excellent financial health, we're actively involved in our community, we have a modern distribution network that meets our members' changing needs, and we put our members first. I leave with the satisfaction of a job well done, and I look forward to watching the caisse continue to thrive.

Choosing Desjardins means working together to build a more vibrant community!

## Summary of loan portfolio

As at December 31, 2017, the loan portfolio of the caisse continued to be of high quality. Gross loans past due but not impaired, as well as gross impaired loans, accounted for only 2.6% and 0.2% of gross loans, respectively.

The following table shows the breakdown of loans by type of borrower with the amount of gross loans past due but not impaired, gross impaired loans, and individual and collective allowances\*.

(in thousands of Canadian dollars)

|   | Gross loans<br>(\$) | Gross loans<br>past due but<br>not impaired<br>(\$) | Gross<br>impaired<br>loans (\$) | Individual<br>allowance<br>(\$) | Collective<br>allowances<br>(\$) | Net loans<br>as at<br>December<br>31, 2017 (\$) | Net loans<br>as at<br>December<br>31, 2016 (\$) |
|---|---------------------|---|---------------------------------|---------------------------------|----------------------------------|---|---|
| <b>Personal</b>                                 |                     |   |                                 |                                 |                                  |   |   |
| Housing   | 369,975             |   |                                 |                                 |                                  |   |   |
| Consumer<br>and other                           | 151,739             |   |                                 |                                 |                                  |   |   |
|   | 521,714             | 15,874  | 827                             | 95                              | 311                              | 521,308   | 497,830   |
| <b>Business</b>                                 |                     |   |                                 |                                 |                                  |   |   |
| Commercial<br>and industrial                    | 118,173             |   |                                 |                                 |                                  |   |   |
| Agriculture,<br>forestry and<br>fishing         | 179                 |   |                                 |                                 |                                  |   |   |
| Public<br>administration<br>and<br>institutions | 490                 |   |                                 |                                 |                                  |   |   |
|   | 118,842             | 1,086   | 421                             | 152                             | 231                              | 118,459   | 123,143   |
| <b>Total</b>                                    | 640,556             | 16,960  | 1,248                           | 247                             | 542                              | 639,767   | 620,973   |

## Summary of the deposit portfolio

As at December 31, 2017, the caisse's member deposits totalled \$539,273K, up \$26,156K or 5.1%, since the beginning of the year. It should be noted that the caisse's main source of funding for its expansion comes from deposits made by individuals. These deposits represent 75.3% of total deposits as at December 31, 2017.

The following table shows the breakdown of deposits by type of depositor with amounts by type of savings\*.

(in thousands of Canadian dollars)

|                            | Chequing<br>accounts<br>(\$) | Tiered<br>savings<br>account (\$) | Regular<br>savings (\$) | Term<br>savings (\$) | Registered<br>plan savings<br>(\$) | Total as at<br>December<br>31, 2017 (\$) | Total as at<br>December<br>31, 2016 (\$) |
|----------------------------|------------------------------|-----------------------------------|-------------------------|----------------------|------------------------------------|--|--|
| Personal                   | 76,170                       | 48,314                            | 48,403                  | 110,765              | 122,444                            | 406,096                                  | 395,956                                  |
| Business                   | 29,329                       | 17,177                            | 51,343                  | 17,907               | –                                  | 115,756                                  | 104,060                                  |
| Public sector<br>and other | 11,881                       | 685                               | 3,540                   | 1,305                | 10                                 | 17,421                                   | 13,101                                   |
| <b>Total</b>               | 117,380                      | 66,176                            | 103,286                 | 129,977              | 122,454                            | 539,273                                  | 513,117                                  |

\* Refer to Note 2 to the Combined Financial Statements of the Desjardins caisses in Quebec and available at [Desjardins.com](http://Desjardins.com) for additional information on presentation and significant accounting policies

### The Federation's obligation to holders of permanent shares

Further to a recommendation of the Autorité des marchés financiers, the Fédération des caisses Desjardins du Québec guarantees to cover losses suffered by Quebec caisse members holding permanent shares due to misinformation in the audited Combined Financial Statements and annual Desjardins Group Management's Discussion and Analysis available at [www.sedar.com](http://www.sedar.com). The Federation's obligation in this matter is subject to certain conditions. Holders of permanent shares can request more information at their caisse.

The Combined Financial Statements of the Desjardins caisses in Quebec are also made available to the public at [www.desjardins.com](http://www.desjardins.com).



Raymond Ayas  
Chair of the Board of Supervision

# Report from the Chair of the Board of Supervision

The board of supervision makes sure the caisse fulfills its responsibilities in terms of ethics, professional conduct and cooperation.

## Supervision of ethical aspects

Every year, caisse officers and employees renew their commitment to comply with the Desjardins Code of Professional Conduct. The Code sets out the behaviours that are expected as well as those that are not acceptable.

The board of supervision ensured that the caisse, officers and employees took the values of Desjardins into account to guide their conduct.

Here's a supervision report for the past year concerning three rules of professional conduct:

- No conflicts of interest were noted.
- Deposits from and loans to restricted parties\* of the caisse were granted in accordance with the caisse's applicable rules of professional conduct. Loans granted to restricted parties totalled \$834,890.
- The caisse did not grant any contract for the supply of goods and services to restricted parties subject to the Code.\*\*

## Supervision of cooperative aspects

With regard to the supervision of cooperative aspects, the board of supervision must ensure that Desjardins values are an integral part of the caisse's business and management practices. It must also make sure that the caisse contributes to community development and the economic and financial education of members. Lastly, it ensures that members are informed about topics of importance to them.

The board of supervision is satisfied with the work carried out in the past year.

As you were informed by the chair of the board of directors, in a few months changes will be made to the supervision of the caisse in terms of ethics, professional conduct and cooperation. Rest assured that until these changes are in place, your board of supervision will continue to play its role with the same diligence and dedication as always. I would like to thank the members of the board for their commitment in this respect, and the general manager for helping us deliver on our mandate.

\* Restricted parties: Caisse officers and general manager, officers of the Fédération des caisses Desjardins du Québec and their associated persons.

\*\* Restricted parties subject to the Code: Restricted parties, caisse employees and centre managers and their associated persons.

## Approval of the annual report

We certify that the annual report of Caisse Desjardins de Bois-Franc-Bordeaux-Cartierville for the financial year ended December 31, 2017, meets the requirements of the *Act respecting financial services cooperatives* and has been duly approved by the caisse's board of directors.

Micheline D. Legault  
Chair

Micheline Langlois  
Secretary

## Caisse Officers

### Board of Directors

(as at December 31, 2017)

| Name                   | Function  |
|------------------------|---|
| Micheline D. Legault   | Chair   |
| Ghislain Roby          | Vice-Chair  |
| Micheline Langlois*    | Secretary   |
| Catherine Beaucage     | Director  |
| Claudette Belliveau    | Director  |
| Chaya Borelowski*      | Director  |
| Monique Charland*      | Director  |
| Karine Cherbaka*       | Director  |
| Yvan Gauthier*         | Director  |
| Nathalie Laporte       | Director,<br>resigned<br>October 18, 2017               |
| Minh-Dat Nguyen        | Director  |
| Amélie Poupart         | Director  |
| Luc Tremblay           | Director  |
| Amanda Tisseverasinghe | Young Intern Officer<br>(term ended<br>August 31, 2017) |

### Board of Supervision

(as at December 31, 2017)

| Name                      | Function  |
|---------------------------|-----------|
| Raymond Ayas              | Chair     |
| Marcel Couillard          | Secretary |
| Lillian Chen*             | Advisor   |
| Lucie Guénette            | Advisor   |
| Mathieu Plourde-Turcotte* | Advisor   |

\*Outgoing officers eligible for re-election

We are taking measures to ensure that the composition of our boards reflects our membership, especially with respect to gender parity. If you would like to get involved in the caisse, we encourage you to consider becoming an elected officer.

# Open Saturdays

9:00 a.m. to 3:00 p.m.

### HEAD OFFICE – Galeries Normandie

2570 rue de Salaberry  
Montreal QC H3M 1L3

### Faubourg Bois-Franc Service Centre

5590 boulevard Henri-Bourassa Ouest  
Saint-Laurent QC H4R 0M6  
514-334-6006



**Desjardins**  
Caisse de Bois-Franc-  
Bordeaux-Cartierville

