



**ANNUAL REPORT 2016**  
**WORKING FOR YOU**



**MESSAGE**

**CHAIR OF THE BOARD OF DIRECTORS**  
**PATRICE BOILEAU**

Dear Members,

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

**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. He quickly rallied employees and officers around his ambitious ideas. Chief among these is to align Desjardins with its purpose, which is to enhance people's lives and their communities by making active and significant contributions to the development of a sustainable economy.

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

In addition, a Youth Advisory Board with a Desjardins-wide scope was established so we can be better attuned to the needs of young people. The board will be made up of Desjardins members, elected caisse officers and employees from 18 to 35 years of age.

These are some of the initiatives Desjardins has undertaken to secure our special place in the hearts of our members.

**INSPIRING MOMENTUM**

In 2016, our caisse recorded operating surplus earnings of \$1,906,000. These results are an indicator of the caisse's sound business management. This performance encourages us to stay the course in order to offer you services and solutions that better meet your expectations.

I would like to thank our 22,213 for these excellent results. Your trust and 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 \$105,686 through our community to support projects that foster local social and economic health. Of this amount, \$58,419 was paid out of the Community Development Fund, a collective dividend that's voted on by caisse members at our Annual General Meeting. This initiative allows us to have a positive impact on people's lives and the communities in which they live. That is our purpose, and it is 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 when it comes to the quality of our products and the excellence of our services. We will continue to adopt simple, people-focused, modern and effective approaches in order to maintain our special place in your financial life. Our modern strategies allow us to be more accessible than ever through our range of virtual services.

As a member, you can play a role in your caisse's evolution to help boost its performance. One of the best ways is to offer your ideas, impressions and constructive comments. We can work together to share and celebrate the caring and distinctive nature of our caisse.

**AT THE HEART OF YOUR FINANCIAL LIFE**

The caisse rolled out a new service offer that's designed to address the individual needs of our members, at every major stage in their financial lives.

We have advisors specifically dedicated to your particular stage of life. Whether you're just entering the financial world, in the middle of your working life, preparing for retirement or already retired—we know exactly how to help you reach your financial objectives. We also have exclusive services for professionals and business leaders. We understand the financial aspirations and challenges that come with each situation. Our advice will help you make the right decisions over time so you can achieve your financial goals—and enjoy peace of mind.

As part of an intercooperation project with other local caisses, your caisse participated in the establishment of a **Desjardins Signature Service**—a multidisciplinary centre of expertise created to meet more complex financial needs. Like the caisse, the Signature Service team offers services that are adapted to suit members' specific projects. This initiative will help enhance our services while highlighting Desjardins Group's wealth management expertise.

**EXPRESSING OUR HEARTFELT THANKS**

I wish to extend my sincere appreciation to my fellow officers, the managers and employees of the caisse for their unflinching commitment. The year 2016 was marked by the departure of our General Manager. Subsequently, our Board of Directors named Simon Ruelland as General Manager of Caisse Desjardins de LaSalle. The officers would like to thank the managers and all staff at the caisse for their collaboration during this transition period. I am also grateful to our Desjardins subsidiary partners for supporting our mission to serve our members. By working together, we are able to offer you a range of comprehensive and competitive financial products and services.

**PATRICE BOILEAU**

Chair of the Board of Directors



## MESSAGE

**GENERAL  
MANAGER**  
**SIMON RUELLAND**

Dear Members,

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. In addition to ensuring you are provided with excellent service, your caisse and Desjardins Group will continue to develop financial tools and exclusive new benefits for members. Every effort is being made to ensure that Desjardins is your financial institution par excellence.

Below are the financial results of Caisse Desjardins de LaSalle 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, and we are very grateful for that. Thanks to the loyalty of our members, we can all benefit from the power of cooperation and support our business development.

### BUSINESS UNDER MANAGEMENT

Backed by \$1,355,748,000 in business under management, up 8.8% 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<sup>1</sup>

### BALANCE SHEET

Change in balance sheet items (in thousands of dollars)

	2016	2015	Variation (%)
<b>ASSETS</b>	665,429	614,685	8.2
<b>LIABILITIES</b>	602,450	557,105	8.1
<b>EQUITY</b>	62,979	57,580	9.3

Your financial cooperative's assets total \$665,429,000, up 8.2% over last year. Loans to individuals and businesses stand at \$541,371,000, an increase of 1.3%.\*

The caisse's liabilities total \$602,450,000, representing an increase of 8.1%. Deposits currently amount to \$495,870,000, up 18.2%\*, whereas your caisse's borrowing decreased by 23.7% and now totals \$98,912,000.

As at December 31, 2016, your cooperative's equity posted very strong growth, rising to \$62,979,000, a 9.3% increase. Equity comprised \$5,343,000 in social capital, \$3,389,000 in surplus earnings to be distributed, \$1,864,000 in accumulated other comprehensive income and \$52,383,000 in reserves.

Total reserves amount to \$52,383,000, including the reserve for future dividends, which represents \$1,986,000. Your caisse has also accumulated \$219,000 in the Community Development Fund.

## STATEMENT OF INCOME

During the last fiscal year, your caisse generated \$1,906,000 in operating surpluses, up 14.5% over the previous year.

Interest income totalled \$16,001,000, down 2.1% over last year. Interest expense decreased by 5.5% to \$6,053,000. Credit losses totalled \$145,000, i.e., 0.026% 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 \$4,476,000, up 0.87% compared to last year.

Other charges showed a moderate decrease overall, i.e., a 1.9% variance, and totalled \$12,373,000.

Like Desjardins Group in its entirety, your caisse must maintain strong 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.

The results for 2016 prompted us to make prudent decisions. For this reason, we propose a \$50,000 contribution to the Community Development Fund and no distribution of dividends. We have reached this decision after careful consideration with a view to maintaining the sound and responsible management of our caisse.

<sup>1</sup> These comments on the financial report constitute an overview of the complete report, which is available upon request. Required financial disclosures are available upon request.

\* Refer to Additional Information tables for more information about loan and deposit portfolios.



## CHANGE IN INCOME STATEMENT

(in thousands of dollars)

	2016	2015	Variation (%)
<b>Interest income</b>	16,001	16,356	(2.1)%
<b>Interest expense</b>	6,053	6,410	(5.5)%
<b>Net interest income</b>	9,948	9,946	0.02%
<b>Other income</b>	4,476	4,437	0.87%
<b>Provision for credit losses</b>	145	103	40.7%
<b>Other charges</b>	12,373	12,615	(1.9)%
<b>Operating surplus earnings</b>	1,906	1,665	14.5%

## MODERN TOOLS AND PRODUCTS

More and more of you are adopting Desjardins mobile applications. Available 24/7, these applications offer the possibility to pay bills, transfer funds or invest in exclusive financial products. Your financial autonomy goes hand in hand with the tools we place at your disposal, and we owe our longevity and relevance to our ability to create effective tools that meet your needs.

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 service. This will provide an opportunity for the caisse to conduct a needs analysis of automated services so it can position itself in line with its members' financial habits.

## A TEAM DEDICATED TO YOU

Our 61 employees are ready to help you achieve your financial objectives and carry out your projects. I am grateful for their commitment and their involvement, which are central to the quality of our services. It is also thanks to them that Desjardins Group continues to stand out as one of the best employers in Canada. This recognition confirms Desjardins's position as a leading employer that is close and committed to its employees.

I would also like to point out 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.

**SIMON RUELLAND**  
General Manager

## INVESTMENT FUNDS

The investments that caisses hold in investment funds allow the Fédération des caisses Desjardins du Québec to coordinate investments with Desjardins Group subsidiaries and regional investments.

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

	Shares held as at December 31, 2016	Average return
<b>Caisse centrale Desjardins (CCD)</b>	\$ 11,744,424	9.04%
<b>Société de Services des caisses Desjardins (SER)</b>	\$ (393)	-
<b>Desjardins Venture Capital (INV)</b>	\$ 196,296	16.93%
<b>Desjardins Financial Holding (FIN5A)</b>	\$ 27,109,366	11.41%

## 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 on [www.desjardins.com](http://www.desjardins.com).**

## INFORMATION SUPPLEMENTARY TO THE FINANCIAL REPORT

### LOANS

#### 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 only represented 2.4% and 0.29%, 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.\*

(In thousands of Canadian dollars)

	Gross loans	Gross loans past due but not impaired	Gross impaired loans	Individual allowances	Collective allowances	Net loans as at December 31, 2016	Net loans as at December 31, 2015
<b>Personal</b>							
Residential mortgages	\$ 275,876						
Consumer and other	118,502						
	\$ 394,378	\$ 11,596	\$ 800	\$ 13	\$ 212	\$ 394,153	\$ 404,887
<b>Business</b>							
Commercial and industrial	\$ 122,717						
Agriculture, forestry and fisheries	-						
Public administration and institutions	24,276						
	\$ 146,993	\$ 1,439	772	313	260	146,420	128,737
<b>Total</b>	<b>\$ 541,371</b>	<b>\$ 13,035</b>	<b>\$ 1,572</b>	<b>\$ 326</b>	<b>\$ 472</b>	<b>\$ 540,573</b>	<b>\$ 533,624</b>

### DEPOSITS

#### SUMMARY OF DEPOSIT PORTFOLIO

As at December 31, 2016, caisse members' deposits amounted to \$495,870,000 up \$76,499,000 or 18.2% since the end of the previous year. Please note that the caisse's main source of financing to ensure its expansion is deposits from individuals. They represented 83.2% 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.\*

(In thousands of Canadian dollars)

	Chequing accounts	Tiered savings accounts	Regular savings	Term savings	Registered plan savings	Total as at December 31, 2016	Total as at December 31, 2015
<b>Personal</b>	\$ 65,464	\$ 43,644	\$ 70,785	\$ 115,508	\$ 116,948	\$ 412,349	\$ 343,926
<b>Business</b>	28,299	8,632	12,386	14,720	-	64,037	50,121
<b>Public sector and other</b>	15,315	12	2,167	1,984	6	19,484	25,324
<b>Total</b>	<b>\$ 109,078</b>	<b>\$ 52,288</b>	<b>\$ 85,338</b>	<b>\$ 132,212</b>	<b>\$ 116,954</b>	<b>\$ 495,870</b>	<b>\$ 419,371</b>

#### CAISSE'S CAPITAL BASE

The caisse's capital base is at a level that is in accordance with the standard respecting capital base adequacy established by the Federation.

#### HERE ARE THE CAISSE RATIOS ON DECEMBER 31, 2016:

- Tier 1A capital over its risk assets: 11.69 % (12.86 % on December 31, 2015) (Standard  $\geq$  11.0%)
- Tier 1 capital over its expansion assets: 4.62 % (5.69 % on December 31, 2015) (Standard  $\geq$  3.5%)

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





## REPORT

**CHAIR OF THE BOARD  
OF SUPERVISION**  
**CLAUDETTE ZIZIAN**

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.

### 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 the development of its community and the economic and financial education of its members. Lastly, it ensures that members are informed about topics of importance to them.

Over the past year, the board's activities focused on the following:

- Member participation in associative affairs, especially mechanisms established by the caisse to inform, listen to and consult members
- Activities and resources made available to members to assist them with financial management
- Strategies established by the caisse to improve member satisfaction and meet member needs
- Caisse support of community development, in particular through the Community Development Fund and the granting of donations and sponsorships
- Collaboration between the caisse and other types of cooperatives

The Board of Supervision is satisfied with the work carried out in the past year.

I would like to thank the members of the board for their contribution, and the general manager for helping us deliver on our mandate.

**Claudette Zizian**

Chair of the Board of Supervision

## HERE IS A SUPERVISION REPORT

### REPORT FOR THE PAST YEAR CONCERNING THREE RULES OF PROFESSIONAL CONDUCT:

1

No conflict of interest situations were noted.

2

Deposits from and loans to restricted parties<sup>2</sup> of the caisse were granted in accordance with the caisse's code of ethics and applicable rules of professional conduct. Loans granted to restricted parties totalled \$2,540,930.

3

The caisse and its centres did not grant any contract for the supply of goods and services to restricted parties subject to the code<sup>3</sup>.

<sup>2</sup> Restricted parties: Caisse officers and general manager, officers of the Fédération des caisses Desjardins du Québec and their associated persons.

<sup>3</sup> Restricted parties subject to the Code: Restricted parties, caisse employees and centre managers and their associated persons.



## HIGHLIGHTS

**22 213**

MEMBERS

**\$ 105 686**

DISTRIBUTED IN OUR COMMUNITY  
IN SPONSORSHIP, DONATIONS  
AND THROUGH OUR COMMUNITY  
DEVELOPMENT FUND

**15**

ELECTED  
DIRECTORS

**61**

EMPLOYEES HELPING  
YOU PURSUE  
AND ACHIEVE  
YOUR GOALS

IN BUSINESS VOLUME

**\$ 1,355,748,000**

### BOARD OF DIRECTORS

#### Chair

Patrice Boileau

#### Vice-Chair

Jean-Guy Marceau\*

#### Secretary

Jean-Pierre Yeung\*

#### Directors

Michel Comtois  
Liliane Gilbert  
Rajpreet Kaur  
Pierre-F. McDuff  
Jonathan Royer\*  
Lucia Spallone  
Josée Troïlo\*  
Zara-Emmanuelle Villani

#### Young Intern Office

Ben Lumière Moussienza

### BOARD OF SUPERVISION

#### Chair

Claudette Zizian

#### Secretary

Ginette Pelletier

#### Advisors

Miguel Del Rio  
Réal Rousseau\*  
A vacant position

*\*Outgoing officers eligible  
for re-election*

## AGENDA

1. Opening of the meeting
2. Approval of the agenda
3. Approval of the minutes of the last Annual General Meeting

### PRESENTATION OF RESULTS

4. Report from the Board of Directors
5. Report from the Board of Supervision
6. Presentation of Financial Report 2016
7. Presentation of the Cooperative Difference Report and the use of the Community Development Fund

### DECISIONS

8. Approval of interest rate on permanent shares
9. Approval of interest rate on surplus shares
10. Approval of allocation of the year's surplus earnings

### ELECTIONS

11. Elections to the Board of Directors
12. Elections to the Board of Supervision
13. Signature of the solemn commitment
14. Member question period
  - 14.1 To the Board of Directors
  - 14.2 To the Board of Supervision
15. Adjournment

### APPROVAL OF THE ANNUAL REPORT

We certify that the 18<sup>th</sup> Annual Report of Caisse Desjardins de LaSalle meets the requirements of the Act respecting financial services cooperatives and has been duly approved by the caisse's board of directors.

**Patrice Boileau**, Chair of the Board of Directors  
**Jean-Pierre Yeung**, Secretary of the Board of Directors  
March 23, 2017

#### Head office

7700 Newman Boulevard  
LaSalle (Québec) H8N 1X8

#### Champlain Service Centre

8180 Champlain Boulevard  
LaSalle (Québec) H8P 1B4

#### Automated Service Centre

Cégep André-Laurendeau, 1111 Lapierre St  
514 366-6231 / Fax: 514 366-0480

[desjardins.com/caissedelasalle](http://desjardins.com/caissedelasalle)  
[facebook.com/caissedesjardinsdelasalle](https://facebook.com/caissedesjardinsdelasalle)



**Desjardins**  
Caisse de LaSalle