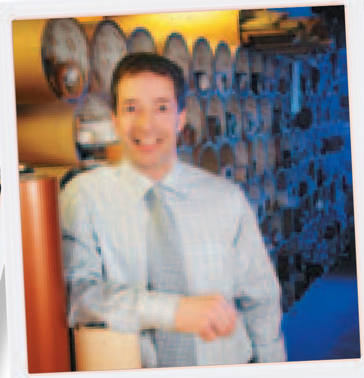
2006 ANNUAL REPORT

Eastern Townships

Capitale-Nationale



Central Québec

Bas-Saint-Laurent

Mauricie

Gaspésie–Îles-de-la-Madeleine

Montérégie

Montréal

INVESTING IN QUÉBEC

FIVE YEARS ALREADY

Desjardins
Capital régional
et coopératif

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André Lachapelle
Chairman of the Board

MESSAGE FROM THE CHAIRMAN OF THE BOARD

A DECISIVE YEAR FOR OUR FIFTH ANNIVERSARY

Clearly, 2006 was a remarkable year in the history of Capital régional et coopératif Desjardins (the "Company"). In November 2006, the Company celebrated its fifth anniversary, with business booming on several levels. As at December 31, 2006, in five years' existence, total shareholders has surged from 35,000 to 118,250 investors and cumulative capital raising, from $79 million to $650 million.

Since its inception, the Company is the only fund boasting such broad-based representation, giving it all the resources it needs to support promising projects in several Québec regions and spark economic growth in the province in an effective and sustainable fashion. Whether it be through its stepped-up regional presence, the injection of $30 million, and more recently an additional $20 million, into Desjardins – Innovatech S.E.C. or the expansion of its investment niches, no effort has been spared in the past five years to support Québec entrepreneurs.

With respect to investments, we are extremely proud to announce that the Company managed to considerably exceed the requirements of its incorporating act ahead of the deadline, with respect to the number of resource region companies and cooperatives, and investments in eligible entities.

As at December 31, 2006, the share price stood at $10.21. Also at year-end, funds totalling $417.5 million were committed to 209 Québec companies and cooperatives providing over 29,000 jobs. Undoubtedly, our affiliation with Desjardins Group favourably supports our accomplishments, since it sets us apart from the competition by guaranteeing us a pan-Québec presence thanks to an extensive network and the well-established reputation of the Desjardins banner. In addition, closer integration in the past few years with the Desjardins Business Centres has resulted in genuine one-stop services for Québec entrepreneurs and has seen a host of promising projects come to fruition.

The Company's success is due first and foremost to its share selling and capital raising initiatives, and I would be remiss in not underscoring the exceptional contribution of the Desjardins caisse network in this respect, whose teams orchestrate a flawless campaign year after year.

In terms of governance, the Company continued to comply with the policy adopted in 2005. I would like to thank my fellow Board members for their invaluable oversight in contributing to sound governance practices. This policy complies not only with Desjardins Group directives, but also with the requirements of Québec's securities regulator, the Autorité des marchés financiers. As a result, during the year, the Ethics and Professional Conduct Committee undertook a think-tank initiative to modernize the Company's organizational values. These values are intended to guide the conduct of our officers, agents and their employees and provide them with a basis for clear judgment at decision-making time. As a result, they provide inspiration for all Company actions and decisions. By keeping in line with the values of Desjardins Group and in light of the Company's special mission, the following values are our top priorities:

- Solidarity
- Fairness
- Integrity
- Performance

For these achievements, we obviously owe a debt of gratitude to the Company manager's optimal management of our capital and investments in Québec companies. I would thus like to thank the Desjardins Venture Capital team, as well as their president Louis L. Roquet, for their remarkable work.

In closing, I would like to pay a posthumous tribute to Mr. Bruno Riverin, one of the Company's founders and the first chairman of our Board of Directors, who left us before his time in summer 2006. His contribution to the Board during his tenure of over four years left an indelible mark on the Company, and it is with great honour that we follow in his footsteps today in upholding his exceptional commitment to Québec entrepreneurs.

André Lachapelle
Chairman of the Board

GENERAL MANAGER'S REPORT

OUR GROWTH: A BOON FOR INVESTORS AND THE QUÉBEC ECONOMY

During the year, authorized investments in companies and cooperatives totalled $127 million, of which $26 million was injected into the resource regions and cooperatives. Thanks to our manager's unwavering efforts, the Company not only complied with the provisions of its incorporating act ahead of the statutory deadline, it improved on them. The Company thus exceeded its requirement of investing a minimum of 60% of net assets in eligible entities by 12%. As for its obligation to invest 21% of net assets (35% of 60% of net assets) in the resource regions and cooperatives, the Company surpassed this requirement by 30%.

Selling Capital régional et coopératif Desjardins' shares at the Caisse populaire Place Desjardins.

As at December 31, 2006, the Company's net assets totalled $654.6 million compared with $586.7 million the previous year. The income statement showed a net loss of $10.2 million compared with net earnings of $6.8 million for the year before. With regards to the share price, which is set twice a year, it was maintained at $10.21 at year-end 2006, after having decreased $0.16 in the first half of the year. In the first six months of the year, the bond portion of our liquid portfolio was impacted by the sharp rise in interest rates early in the year, which was immediately reflected in the share price, as investments have been recorded at fair value since January 1, 2005. However, fluctuating bond prices do not have a long-term impact since the Company intends to hold these securities until maturity. The losses incurred were reversed during the second half of 2006 due to an easing of interest rates. The investment portfolio encountered some difficulty in the last six months of the year, particularly in the manufacturing and forestry sectors. Since failure is more likely at the start of a fund's lifecycle, we expect the future will hold success. Our portfolio is characterized by its youth, and potential investment returns are only at their best after an average seven-year holding period.

The capital raising campaign, which has not yet finished as at last December 31, and which continues across the Desjardins caisse network, resulted in funds totalling $79 million in 2006, bringing total shareholders to 118,250. With respect to the campaign, the government imposed a moratorium in March 2006, which pushed back the beginning of the share issue to May 30, 2006, a more difficult period for selling tax planning products. In its budget, the Québec government reduced the Québec tax credit from 50% to 35% and increased the 2006 authorized capital raising amount to $150 million, thereby allowing a greater number of people to purchase Company shares in 2006. However, the shares remain attractive since the current tax credit makes it possible to obtain a compound annual return, net of income taxes, of nearly 6% over the mandatory seven-year holding period, if the share is repurchased at its acquisition price.

In this regard, I would like to underscore the fact that the Company has the necessary liquidities to cover the repurchases that could occur in 2008, with the first maturities following the seven-year holding period. However, it is important to remember that the repurchase of shares has consequences. In the event of a share repurchase, the selling shareholders will no longer be able to enjoy the tax credit upon subsequent purchases.

In closing, I would like to thank all Company shareholders, whose vote of confidence helps energize the Québec economy. Finally, I would like to express my gratitude to the teams whose accomplishments help drive Company performance: our manager, Desjardins Venture Capital; the Desjardins Business Centres, who help identify potential investments; the Desjardins caisse network, which handles sales of our shares each year; the Fédération des caisses Desjardins; Desjardins Trust, our trustee; as well as all Desjardins entities.

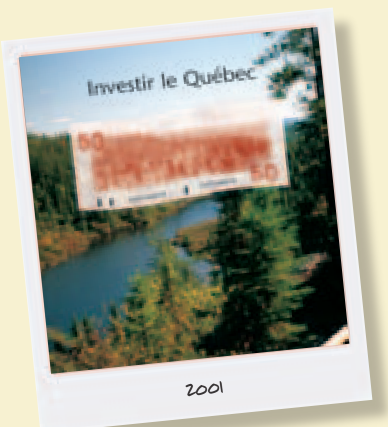
Bruno Morin
General Manager

From left to right: Bruno Morin, General Manager of the Company
Louis L. Roquet, President and Chief Operating Officer, Desjardins Venture Capital
Marie-Claude Boisvert, Senior Vice President, Investment and Operations, Desjardins Venture Capital

CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS
SUSTAINED GROWTH

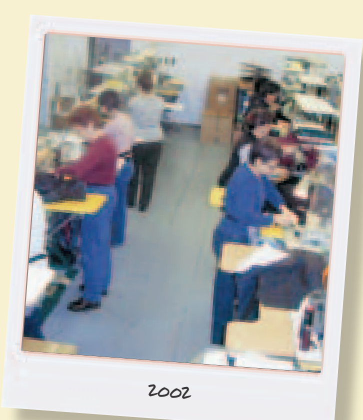
2001

- June 2001: adoption of the incorporating act of Capital régional et coopératif Desjardins
- November 5: start of the first share issue
- December 31: $79 million raised from 35,000 investors



2002

- Extension of the share acquisition period until the last business day of February
- First investment in a resource region: Nature 3M



2003

- 100,000 shareholder mark reached
- Opening of seven new business offices in 2003. The total number of offices in the province has now reached 14, including four in the resource regions

2004

- Investment in MSBI, a fund dedicated to the marketing of university-based technological discoveries
- Initial public offering of 20-20 Technologies

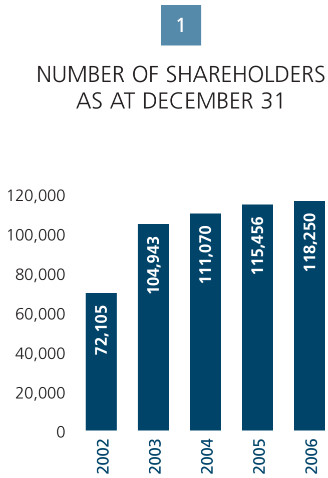
2005

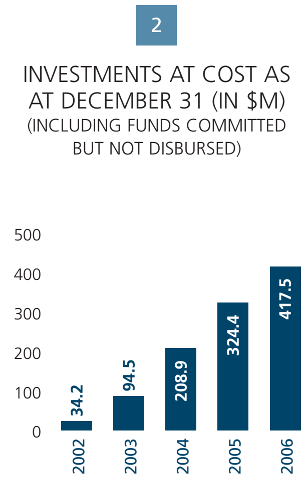
- Capital raising: $100 million in a single week
- Creation of Desjardins – Innovatech S.E.C. with a $30 million investment
- Initial public offering of Technologies Miranda

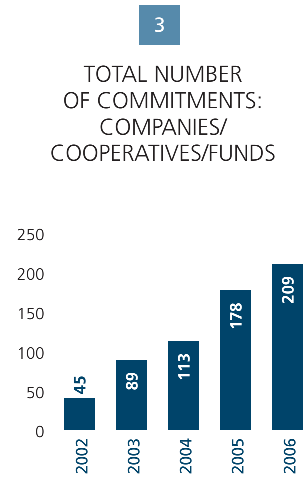
2006

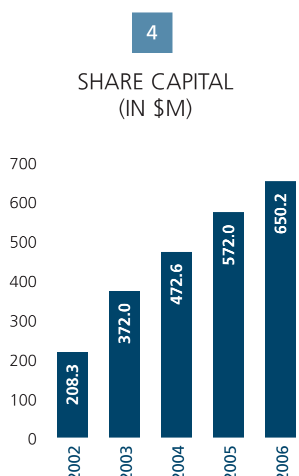
- Compliance with the investment requirements
- $20 million reinvestment in Desjardins – Innovatech S.E.C. and expansion of its investment niches

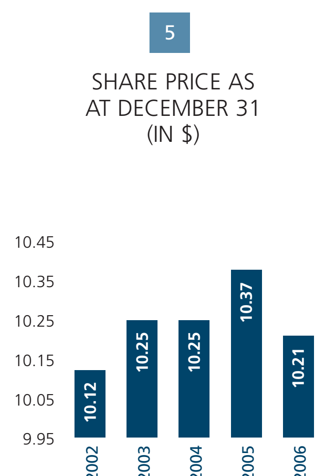
2006 HIGHLIGHTS











Bruno Riverin
1941 – 2006

BRUNO RIVERIN AWARDS

A TRIBUTE TO THE PIONEER WHO LEFT US IN SUMMER 2006

Mr. Riverin was one of the artisans behind the Company's creation and development, as well as its first Chairman of the Board. To pay a posthumous tribute to this pioneer and his boundless admiration for Québec entrepreneurs, the Board of Directors has created three **Bruno Riverin Awards** to be handed out in fall 2007. These awards will be bestowed on the companies and cooperatives of the Company's portfolio in recognition of outstanding performance.

MANAGER'S REPORT

GOALS MET DESPITE CHALLENGING ENVIRONMENT

In 2006, the Desjardins Venture Capital team was faced with difficult conditions. As announced in the first half of the year, the interest rate hikes recorded early in 2006 adversely affected the liquid portfolio we manage on behalf of Capital régional et coopératif Desjardins. This situation rectified itself in the last six months of 2006, and it was actually the investment portfolio that experienced difficulty.

There was much uncertainty in the manufacturing sector, particularly due to the increasingly significant presence of emerging countries like China, even in specialty markets previously deemed too small to warrant their attention. As a result, Québec manufacturing companies were very reluctant to pursue growth projects and further repositioned themselves to improve productivity.

The forest industry, whose woes have been headline news on many occasions, was also cause for concern, due to several portfolio holdings in this sector. Nevertheless, we will continue to support the companies in our portfolio to help them successfully weather this tumultuous period, and will take advantage of consolidation opportunities that will surely arise in the coming months.

In light of the foregoing, our team stepped up efforts to meet the Company's statutory investment objectives. More than ever, the team put its talent and creativity to work for Québec entrepreneurs, particularly through the products launched in 2006. Whether it be Desjardins Privilege financing, a product dedicated exclusively to companies that are existing Desjardins Business Centre members, the Continuum program for business transfers or the four types of financing designed for cooperatives, the availability of such products was clearly pivotal to a number of investment achievements in 2006.

Strategic partnerships were also concluded with the Federal government to set up two venture capital funds: one dedicated to start-ups and another to business successions. This partnership is expected to generate future strategic spin-offs. Furthermore, we actively strove to broaden the investment niches of Desjardins – Innovatech S.E.C. to include the mining, and recreation and tourism sectors. By injecting an additional $20 million into this Fund, we will finance the start-up phase of new resource region companies specializing in innovative technologies.

In other commitments, certain growth companies in diversified sectors also benefited from additional investments allowing them to build on their market positioning. Finally, $26 million in new commitments were made to resource regions and cooperatives, thereby enabling the Company to exceed the requirements of its incorporating act.

Overall, fiscal 2006 saw a great number of accomplishments, despite a challenging environment. The difficult conditions that prevailed are expected to persist. Our teams will therefore focus on enhancing portfolio value over the next year.

In closing, I would like to thank the Company's Board of Directors for their ongoing trust.

Louis L. Roquet
President and Chief Operating Officer
Desjardins Venture Capital

INVESTMENTS

DEDICATED TO QUÉBEC'S REGIONS BECAUSE WE BELIEVE IN THEM

VITAL PRESENCE IN QUÉBEC REGIONS

Thanks to the Desjardins reputation and the complementary nature of Capital régional et coopératif Desjardins and the Desjardins Business Centres (DBCs) as well as the other Desjardins Group entities, the Company's manager, Desjardins Venture Capital, is increasingly recognized for its expertise and partnership with Québec entrepreneurs, as demonstrated by several investment activities carried out throughout the year on behalf of the Company.

As at December 31, 2006, the Company's portfolio included $417.5 million in authorized investments in 209 companies and cooperatives. During the year, authorized investments totalled $127 million, allocated among 141 companies and cooperatives, including the following noteworthy holdings:

- Over US$10 million in Groupe Humagade of Québec City, a new business incubator that creates mobile phone content. This injection of capital—one of the largest private financing deals in telephony industry history—enables the company to acquire an ownership interest in Cellfish, a leading producer and distributor of mobile content in Europe and North America;

- US$12.5 million in Knowlton Development Corporation, an industry leader specialized in manufacturing personal care products. This investment, conducted via syndication with other Québec investors, made it possible to form a new company that became one of North America's largest independent manufacturers.

We also authorized new rounds of investment in companies requiring additional financial contributions to fuel their growth and success, such as Souris Mini of Québec City, PG Govern of Rimouski (formerly PG Mensys), Cactus Commerce of Gatineau and My Virtual Model of Montréal.

In November 2006, an additional $20 million was injected into Desjardins – Innovatech S.E.C., which will now be able to fund additional investments in the mining, and recreational and tourism sectors. Targeting the use of innovative technologies in the resource regions, the company committed, in 2006, to invest approximately $8 million in 14 companies, including:

- Rocmec Mining of Val d'Or, which develops and validates thermal fragmentation for the operation of gold mineral deposits;

- Junex, a company involved in oil and gas exploration in the Trois-Rivières, Richelieu Valley and Gaspé areas;

- Éocycle Technologies of Gaspé, which designs, manufactures and markets specialized equipment for converting mechanical wind energy into electric energy.

As at December 31, 2006, Desjardins – Innovatech's portfolio consisted of 35 companies with commitments totalling $31 million.

TESTIMONIAL

"I'm proud to have found in Desjardins Venture Capital a quality partner that enabled me to acquire this Québec business. They have a solid reputation and recognized the value of the project. Growth will be feasible with this group. With Desjardins Venture Capital, I sincerely feel I'm able to encourage entrepreneurship among Quebecers and, particularly, women."

Rina Poirier McGuire, President, Louiseville Specialty Products, Louiseville


Rina Poirier McGuire

CONTINUITY OF QUÉBEC COMPANIES: AN ONGOING PRIORITY

Given that four out of ten entrepreneurs plan to retire in the next five years and that only one in every three business leaders has a succession plan, which is informal in most cases, succession planning with a view to ensuring business continuity remains a priority for Desjardins. Since SMBs abound in the province of Québec, investment needs for business transfers and continuity are expanding rapidly. Thanks to the Desjardins Continuum program, the professionals of Desjardins Venture Capital offer advice and can support entrepreneurs in ensuring a smooth transfer.

In 2006, several business transfer transactions were authorized on behalf of Capital régional et coopératif Desjardins. These investments included the following:

- Gestion Placage RMH of Saint-Augustin-de-Desmaures, a company specializing in chrome electroplating, heat treating metals and machining. This project was jointly processed with the Hautes-Marées Desjardins Business Centre and led to the financing of a total management buy-out of the principal shareholder's shares;

- CDM Decor Papers of Drummondville, a company specializing in treating paper for furniture, kitchen cabinets, shelving and storage units. The transaction, carried out with the Drummondville Caisse, led to a management buy-out from a German group at a time when this Québec business was threatened with closure;

- Galenova of Saint-Hyacinthe, a distributor of chemicals and pharmaceutical equipment to Québec pharmacists and healthcare professionals. The investment, carried out with the Yamaska Desjardins Business Centre, lead to the buy-out of this well-known business in the region by a manager and an external partner;

- Les Viandes CDS of Chicoutimi, a processor and distributor of meat products. This transaction, carried out with the Saguenay Desjardins Business Centre, enabled the company's managers to ensure business continuity;

- Eastern Quebec Seafoods (1998) of Matane, a processor of pink shrimp. The investment allowed the Bas-Saint-Laurent Desjardins Business Centre to attract a new client to Desjardins.

Among the investments undertaken in connection with ownership transfers over the past few years, certain companies have achieved exceptional growth. A prime example is Saguenay's Groupe Canmec, acquired via a management buy-out, which offers design, manufacturing, installation and construction services to industrial clients. In 2006, the company achieved a world first with a new busbar construction and delivery model for the aluminum smelters at Alcoa's new plant in Iceland.

CIF Métal of Thetford Mines and Engrenage Provincial of Québec City are two other regional companies that have continued to post strong performance after a management buy-out. In fact, CIF Métal was recognized for its performance in winning the Desjardins Business Transfer Award, which goes to a company that has demonstrated remarkable planning with respect to the process and development of an effective succession plan.

In Saguenay, the growth of Coupesag Laser Jet d'eau was such that its young leader was able to buy back the ownership interest of Capital régional et coopératif Desjardins and continue offering the region value-added manufacturing services.

Finally, Demtec of Princeville specializes in manufacturing prefabricated and panelized homes. The continuity of this family business was fully provided for despite the complexity of a transaction involving management, family members and an external buyer.

TESTIMONIAL

"Contrary to popular belief, it can be beneficial to have two financial partners from the same institution. Since financing packages are more complex than traditional financing, when there's more than one financial institution, you can get mixed signals, which can slow down the process. In our case, we were delighted with the joint effort of the South Shore Desjardins Business Centre in Boucherville and Desjardins Venture Capital."

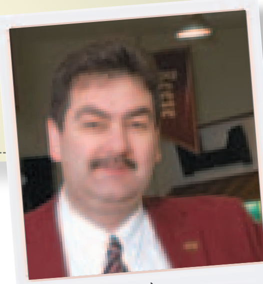
René-Pierre Roussel, Director,
Les Reproductions BLB,
Boucherville

René-Pierre Roussel

TESTIMONIAL

"Desjardins' participation made it possible to transfer ownership of three regional businesses and keep them under regional control. Desjardins made its financial and strategic contribution on various levels. First, there was the involvement of the Caisse populaire Desjardins Du Parc et Villeray, the Bas-Saint-Laurent Desjardins Business Centre, Desjardins Securities and, finally, Desjardins Venture Capital. They all greatly advanced the process in their own way."

Gilles D'Amours, President, Gestion Gilles D'Amours, Cacouna



Gilles D'Amours

PUTTING ALL OF DESJARDINS TO WORK FOR BUSINESS

Desjardins Venture Capital maintains privileged, ongoing relationships with the Desjardins Business Centres, in particular, to optimize its service offering for Québec entrepreneurs and its contribution to Desjardins' business goals.

In pursuing this objective, its impressive regional outreach is made possible by 24 business offices, most of which are co-located with the Desjardins Business Centres. This close integration fosters a better understanding of the special needs of each market, in addition to providing entrepreneurs with one-stop access to traditional financing and venture capital.

It was along these same lines that Desjardins Privilege Financing was launched across the Desjardins Business Centre network. This financing tool, which combines both loan and equity financing features, is available exclusively to companies and cooperatives that have chosen Desjardins as their main financial institution.

A total of 18 Privilege Financing transactions were authorized, amounting to $7.4 million, including:

- Scierie Gauthier Ltée of La Baie with the Saguenay Desjardins Business Centre;
- Transfab Énergie of Saint-Nicolas with the Arthabaska Desjardins Business Centre;
- Informatique Demers, Lambert, Desrochers of Québec with the Charlesbourg Desjardins Business Centre;
- Multi X of Coaticook with the Estrie Desjardins Business Centre;
- Alliance Environnement of Trois-Rivières with the Trois-Rivières Desjardins Business Centre;
- Poste Express of Québec with the Nord-Ouest Québec-Métro Desjardins Business Centre.

This type of synergy also prevails in other Desjardins entities. Indeed, various joint ventures have lead to new commitments, such as with Boucherville's Spectra Premium Industries, a leading global manufacturer of replacement gas tanks for the automotive and industrial part market and Canada's leader in the secondary markets for radiators, radiator parts and new condensers. An investment was also authorized in Laval-based Canadian Lebanese Investment Corporation (CLIC), Canada's largest vegetable processor specializing in the packaging and processing of ethnic food products.

A MAJOR PARTNER FOR COOPERATIVES

As a cooperative, itself, Desjardins attaches the utmost importance to the creation and development of cooperative companies. For this reason, in 2006, financing requirements for cooperatives were adapted, leading to the launch of four financing products targeting cooperatives. To date, holdings in 14 cooperatives are included in the portfolio of Capital régional et coopératif Desjardins, including the Montréal-based Coopérative de travailleurs actionnaire Réseaux Positron and the Coopérative des employés de Laser AMP in Granby.

Our 2006 investments included the Coopérative forestière Girardville of Saguenay, carried out with the Fédération des caisses, the Maria-Chapdelaine Desjardins Business Centre and the Caisse populaire Desjardins des Plaines boréales. In addition, a reinvestment in the Coopérative funéraire de l'Estrie was authorized, together with the Caisse Desjardins du Lac des Nations in Sherbrooke and the Estrie Desjardins Business Centre.

TESTIMONIAL

"When we approached Desjardins Venture Capital for the financing of our funeral complex, their professionals were very responsive to our needs. They kept in step with our project's growth, adjusting financing to our reality and liaising with the Estrie Desjardins Business Centre and our Caisse du Lac des Nations in Sherbrooke to provide us with financing fully tailored to our needs."

Claude Roy, General Manager,
Coopérative funéraire de l'Estrie,
Sherbrooke


Claude Roy

ASSOCIATED COMPANIES THAT RAISED THE BAR

Certain companies in the Company's portfolio achieved particularly outstanding performance in 2006, among those we congratulate:

- Technologies Miranda, whose president Strath Goodship was the recipient of the Ernst & Young 2006 Entrepreneur of the Year Award in the Turnaround Entrepreneur category;
- CIF Métal, winner of the Desjardins Business Transfer Award at the Desjardins & Co. Entrepreneur Awards;
- A2M (Artificial Mind & Movement), which made the Technology Fast 50 list and joined the ranks of Canada's 50 Best Managed Companies;
- Chronogen, winner of the 2006 *Prix de l'émergence* from Fondation Armand-Frappier;
- Ambrilia BioPharma, a biopharmaceutical firm developing innovative treatment programs in the fields of oncology and infectious diseases, which entered into a licensing agreement with Merck & Co. for world rights to Ambrilia's HIV/AIDS protease inhibitor program;
- Resonant Medical, winner of the 2006 Genesis Award, Innovation Category, from BioQuébec, whose Chief Technology Officer, Dr. Tony Falco, was named Innovator of the Year at the 2006 ADRIQ Gala.

BOARD OF DIRECTORS OF CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

(AS OF FEBRUARY 7, 2007)

The Company's business is managed by a Board of Directors made up of the following persons:

01 ANDRÉ LACHAPELLE (2) (4)
Chairman of the Board of Directors
Notary with Gagnon, Cantin, Lachapelle, Sasseville, Éthier, Riopel, Hébert, Lord

02 YVES LAVOIE (2) *
Vice-Chairman of the Board of Directors
Corporate Director

03 GILBERT BEAULIEU (4)
Secretary of the Board of Directors
General Manager, Caisse Desjardins de Vaudreuil-Dorion

04 BRUNO MORIN
General Manager
Senior Vice-President, Investment Funds and Trust Services, Fédération des caisses Desjardins du Québec

05 LORRAIN BARRETTE, FCA (1)
President, Caisse Desjardins de Rouyn-Noranda

06 JEAN BOISVERT (1) *
President, Solvteq inc.

07 ÉVANGÉLISTE BOURDAGES (3)
President, Gestion Bourgade

08 SERGE COUSINEAU (2)
General Manager, Caisse Desjardins de Drummondville

09 CAMILLE FORTIER (4)
Corporate Director

10 JOSÉE FORTIN, M.B.A. (3)
Vice President, Industrial Division, Julien inc.

11 PIERRE GAUVREAU, FCA (1) (3)
Corporate Director

12 HUGHES ST-PIERRE (1)
Corporate Director

13 CAROLE VOYZELLE (2)
President and General Manager, Québec Metro High Tech Park

(1) Member of the Audit Committee
(2) Member of the Executive Committee
(3) Member of the Ethics and Professional Conduct Committee
(4) Member of the Investment Committee
* Outgoing director eligible for election at the Annual General Meeting of Shareholders.

All Directors are appointed or elected each year, in accordance with the Company's incorporating act and General Bylaws.

COMPANY DIRECTORS AND COMMITTEE MEMBERS: ATTENDANCE AND COMPENSATION FOR 2006

NAME	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE	AUDIT COMMITTEE	INVESTMENT COMMITTEE	ETHICS AND PROFESSIONAL CONDUCT COMMITTEE	TOTAL COMPENSATION
BARRETTE, LORRAIN	10/10		5/5			$ 21,800.00
BEAULIEU, GILBERT	10/10			2/2		$ 20,900.00
BOISVERT, JEAN	10/10		5/5			$ 22,600.00
BOURDAGES, ÉVANGÉLISTE	8/10				5/5	$ 26,900.00
CHAMBERLAND, SERGES	3/3		1/1	1/1		$ 6,525.00
COUSINEAU, SERGE	9/10	5/5				$ 21,900.00
FORTIER, CAMILLE	9/10			2/2	2/2	$ 20,600.00
FORTIN, JOSÉE	9/10				2/3	$ 18,600.00
GAUVREAU, PIERRE	10/10	3/3	2/2		5/5	$ 29,836.00
LACHAPELLE, ANDRÉ	10/10	8/8		4/4		$ 42,100.00
LAFLAMME, JEAN				4/4		$ 7,000.00
LANDRY, JEAN-LUC				4/4		$ 7,000.00
LAVOIE, YVES	9/10	8/8		2/2		$ 24,900.00
MORIN, BRUNO * (1)	10/10					$ 10,000.00
ROQUET, LOUIS L. (2)				2/4		$ 6,000.00
ST-PIERRE, HUGUES	6/7		1/2			$ 12,709.00
VOYZELLE, CAROLE	8/10	8/8				$ 17,500.00
NUMBER OF MEETINGS	**10**	**8**	**5**	**4**	**5**	**$ 316,870.00**

NOTES
Compensation includes the training of directors and committee members.
Mr. Chamberland left his position on March 25, 2006. Mr. St-Pierre took up his duties on June 1, 2006.
* An annual lump sum of $10,000 is allocated as compensation for the General Manager.
The Company pays no other compensation of any kind to the General Manager.
(1) Compensation paid to Fédération des caisses Desjardins du Québec.
(2) Compensation paid to Desjardins Venture Capital.

2006 FINANCIAL REVIEW

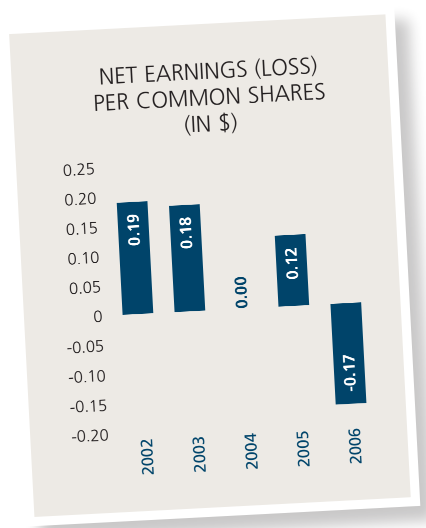
This Financial Review seeks to provide an in-depth understanding of the operations of Capital régional et coopératif Desjardins (the "Company"). It should be read in conjunction with the audited consolidated annual financial statements and the accompanying notes. This disclosure document contains management's analysis of forward-looking statements. Caution should be exercised in the interpretation of this analysis and these statements since management often makes reference to objectives and strategies that contain risks and uncertainties.

Due to the nature of the Company's operations, the associated risks and uncertainties could cause actual results to differ from those anticipated in forward-looking statements. The Company disclaims any intention or obligation to update or revise such statements based on any new information or event that may occur.

The Company ended fiscal 2006 with a net loss of $10.2 million and a negative return of 1.6%, thereby reducing net assets per common share from $10.37 to $10.21 based on the number of common shares outstanding at year-end. Subscriptions totalled $79.5 million and net assets stood at $654.6 million. Shareholders totalled 118,250 as at December 31, 2006, up 2.4% from 2005. The cost of investments impacting the Québec economy made or committed exceeded $417 million, of which nearly $312 million were disbursed.

The Company's return resulted primarily from the contribution of the following two asset categories: fixed-income securities and equities. Fixed-income securities consist of the liquid portfolio's bonds and liquidities, as well as the investment portfolio's debentures and advances. The return on this asset class held steady in 2006 compared with 2005, at 5.1%.

Our equity asset class consisted mainly of our investment portfolio equities. Equities generated a negative return of 7.4% in 2006, mainly due to losses on the sale of investments. In 2005, a successful IPO by one of the companies in the portfolio contributed to a positive return of 7.1%.



RETURNS BY ASSET CLASS ON A DISBURSEMENT BASIS

	2006	2005
	%	%
Fixed-income securities	5.1	5.1
Equity securities	(7.4)	7.1
Total portfolio	2.1	5.5
Expenses and income taxes, net of membership dues and non-controlling interest	(3.7)	(4.3)
Company's return	(1.6)	1.2

CHANGES IN NET VALUE PER COMMON SHARE

	2006	2005
	$	$
Net value, beginning of the year	10.37	10.25
Interest, dividends and negotiation fees	0.49	0.41
Gains (losses) realized	(0.21)	0.18
Changes in unrealized appreciations (depreciations)	(0.06)	(0.03)
Expenses, net of membership dues	(0.40)	(0.38)
Income taxes and capital tax	0.00	(0.06)
Increase (decrease) attributable to operations	(0.17)	0.12
Difference attributable to share issues and redemptions and to non-controlling shareholder's interest	0.01	0.00
Net value, end of year	10.21	10.37

As at December 31, 2006, the Company complied with all the requirements of its incorporating act. Although optimizing its operating return is among the Company's goals, maintaining the share value above the initial issue price of $10 per share and significantly contributing to Québec's economic development continue to be its top priorities.

Prudent management of the liquid portfolio, coupled with ongoing efforts to enhance partner business valuations within the portfolio of investments impacting the Québec economy are the key items that will enable the Company to offer shareholders attractive long-term returns.

ECONOMIC BACKGROUND

It was finally in 2006 that the Bank of Canada and U.S. Federal Reserve took a break in their monetary tightening cycle. Initiated in the fall and early summer 2004, respectively, these tightening cycles saw the Bank of Canada raise its key rate by 225 basis points (b.p.), from 2.00% to 4.25%, whereas the U.S. Federal Reserve opted for 21 consecutive hikes, raising its key rate from 1.00% to 5.25%. Ten-year interest rates rose a mere 20 b.p. at home in 2006 to reach 4.09% by year-end, whereas they increased 30 b.p. south of the border to reach 4.70% by year-end 2006. However, during the year, these rates experienced several sudden changes, resulting in greater volatility in the Company's results.

In Canada, real GDP grew substantially, reaching nearly 2.7%. However, the Western Canadian economies, still powered by high-flying oil prices, recorded sharp growth, whereas Ontario and Québec were more affected by the impact of the Canadian dollar's appreciation on their major manufacturing sectors. The employment market remained strong with the creation of nearly 345,000 new jobs in Canada. Inflation remained in check, as vigorous overall domestic demand was boosted by real estate, which continued its significant growth of the past few years.

After a great start in the first quarter of 2006, with annualized real GDP growth of 5.6%, the U.S. economy cooled off slightly to log real GDP growth of 3.3% for the year as a whole, nearly matching its performance potential. The job market capitalized on this growth with the creation of 1.8 million new jobs. In the U.S., however, inflation remained slightly above the Fed's target long-term level.

After a strong appreciation of nearly 5% against its U.S. counterpart in the spring, the Canadian dollar fell late in the year to end 2006 at the same level it started at. The fact that more signs of an economic slowdown were observed in Canada than in the U.S. was also to blame. From a stock market perspective, 2006 was another banner year with the S&P/TSX adding 17.3% and the S&P 500, 15.8%.

The delayed effect of the Canadian dollar's sharp appreciation of the past few years took its toll on the Company's investment portfolio in 2006. As a result, several businesses related to the export sector had to adapt quickly to this new reality, and some of them were hit hard. Another key factor were the difficulties experienced by various sectors related to the forest and agri-food industries. Due to its partnering with several businesses in these sectors, the Company was adversely affected by the prevailing economic conditions in these industries.

OUTLOOK

For 2007, we are focusing on the potentially significant impact of the following two items on growth in the Canadian and U.S. economies:

- The ability of Canadian companies to adjust to the loonie's appreciation against the greenback.
- The combined impact of past interest rate hikes and a cooling off in U.S. real estate on American consumer spending.

From its real-term peak of $74 billion at the start of 2002, the Canadian trade balance deteriorated sharply to reach a deficit of $23 billion in the third quarter of 2006. The net export market—historically a boon for Canadian real GDP—was hard hit by the loonie's ascent. Coupled with intense competition in foreign markets, the latest data do not point to any rebound in net exports in the coming months. As in the past several years, it will be up to Canadian consumers to drive GDP growth.

As for past rate hikes and the slowing U.S. real estate market, we will need to wait and see how they will impact U.S. consumer spending. In light of negative savings rates since 2005, the sluggish rise in real salaries, households' upward adjustment in their mortgage debt servicing and the reduced ability to use home equity to finance common consumer purchases, it begs the question as to whether U.S. consumers will still have the means to keep spending. The answer will determine the scope of the economic slowdown expected in Canada and the U.S. in 2007.

With the cooling off anticipated in the Canadian and U.S. economies in the first half of 2007 and an inflation rate that is expected to stay within the central banks' target ranges, monetary authorities might have the breathing room they need to lower key rates once or twice by fall 2007.

The future seems brighter for the Company's business partners who manage to withstand the loonie's sharp rise and difficulties in the manufacturing sector. They will be able to not only enhance their market share but capitalize on lower equipment costs to increase productivity via equipment acquisitions. They will also have the opportunity to take part in the consolidation of certain industry segments.

VENTURE CAPITAL MARKET

After an 11% decline in investments in 2005, the Québec venture capital industry saw greater activity in 2006. In Québec, investments were up 9% for a total of $603 million. For the same period, activities in all of Canada and the U.S. held relatively steady. The life sciences sector was the most active, snapping up 44% of invested capital. Investors seemed to have regained confidence in software companies, as information technology held its ground compared with 2005, with investments totalling $217 million in 2006.

Moreover, the participation of U.S. and foreign funds continued to be significant, as these players usually take part in the largest transactions. Their contributions pushed up the average transaction, which amounted to $3.4 million per investment in 2006, compared with $2.1 million in 2005.

As regards the Regional Economic Intervention Fund (FIER), the gradual implementation initiative continued in 2006. The FIER Partenaires' investments in specialized funds are starting to pay off. Although companies at more advanced stages of development attract a greater share of investments, investor interest in start-ups appears to be continually growing. In fact, investment activity in start-ups nearly doubled in 2006, surging from $55 million in 2005 to $108 million in 2006.

In Québec, with its plethora of SMBs, financing and investments for business transfers and continuity are becoming increasingly commonplace. Indeed, all the major players offer programs and products tailored to this niche.

Québec has performed impressively, attracting over 67% of Canadian venture capital. These funds, along with higher average investments, stand Québec businesses in good stead in 2007. In terms of geographic segmentation, Montréal once again attracted the lion's share of Québec investments, rising to 75% from 64% in 2005.

ACCOUNTING POLICIES

CONSOLIDATION

On July 4, 2005, Desjardins – Innovatech S.E.C. was created via a $30 million investment in units by the Company, representing a 53.1% limited partnership interest, and via the contribution of an investment portfolio by the other partner, Société Innovatech Régions ressources. In 2006, the Company injected additional funds totalling $20 million, bringing its limited partnership interest to 66.1%. Desjardins – Innovatech S.E.C. is consolidated in the Company's financial statements. The financial information in this Financial Review is presented on a consolidated basis.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period.

The principal estimates are related to the determination of the fair value of investments impacting the Québec economy. Actual results could differ from those estimates. Those estimates are reviewed periodically and, as adjustments become necessary, are reported in earnings (loss) in the period in which they are known.

The fair value of the investment portfolio impacting the Québec economy is determined on a semi-annual basis in accordance with methods recommended by the manager's Valuation Committee and approved by the Company's Board of Directors. The manager's management prepares a detailed valuation report and a team of employees specialized in business valuation assists in determining the fair value. In preparing analyses, management draws on the services of an outside business valuation expert, as needed. The report is then submitted to the manager's Portfolio Valuation Advisory Committee. This Committee consists of a director of the Company's manager, one of the Company's directors and an external member. An external business valuation expert also attends Committee meetings. The Committee receives and discusses the report, ensures reasonableness based on the advice of outside experts, as necessary, and makes a final recommendation to the Company's Board of Directors.

In accordance with the manager's portfolio valuation methodology, the valuation technique is initially determined in the following order of priority:

- Based on market value for public companies for which an active market exists.
- Based on a recent transaction within the past 12 months, if applicable.
- Based on an alternative valuation method in other cases.

The alternative valuation method is based on the nature of the company's operations, in addition to its development stage, financial results and the qualitative progress of its operations.

NEW ACCOUNTING STANDARDS

In accordance with new accounting standards, the Company adopted the fair value method of accounting for investments, effective January 1, 2005. This increases both the investment and unrealized appreciation (depreciation) balances by $1.5 million respectively, decreases future income taxes by $0.3 million, and increases net asset value per common share by $0.03 to $10.28 as at January 1, 2005. The adoption of this standard is likely to lead to greater fluctuations in the Company's results and in net value per share since the liquid portfolio is directly influenced by changes in market interest rates.

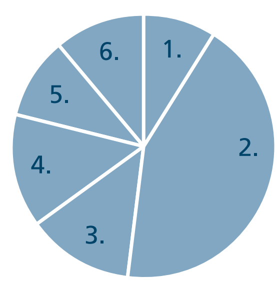
In January 2005, the CICA issued new accounting standards: Section 1530, *Comprehensive Income*, and Section 3855, *Financial Instruments – Recognition and Measurement*. These new CICA Handbook sections are effective for the interim and annual periods beginning after October 1, 2006 and provide comprehensive requirements for the recognition and measurement of financial instruments. In addition, these sections introduce a new equity component, referring to comprehensive income. The Company is an investment company and the adoption of these sections will be limited to certain items. We do not expect these new recommendations to have a material impact on the consolidated results of the Company and its financial position.

INVESTMENT PORTFOLIO

During fiscal 2006, the Company made $86.0 million in disbursements, while proceeds from sales totalled $20.0 million. As a result, the fair value of the Company's investments impacting the Québec economy totalled $293.4 million as at December 31, 2006 on a consolidated basis.

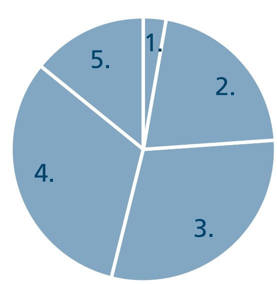
As part of its business development activities, the Company's manager focuses from time to time on different economic sectors or companies at different development stages to ensure investment portfolio balance. In order to generate both short and long-term returns for the Company's shareholders, the range of financial instruments used may also vary.

Portfolio diversification is determined by adding the funds committed but not disbursed to investments at fair value. As at December 31, 2006, the investment portfolio was broken down by sector and by development stage as follows:



TOTAL COMMITMENTS AT FAIR VALUE PER SECTOR AS AT DECEMBER 31, 2006

1. 9% ... Cooperatives
2. 43% ... Industrial
3. 13% ... Health and biotechnologies
4. 14% ... Investment Funds
5. 10% ... Information technologies
6. 11% ... Telecommunications



TOTAL COMMITMENTS AT FAIR VALUE BY DEVELOPMENT STAGE AS AT DECEMBER 31, 2006

1. 3% ... Pre-start-up
2. 21% ... Start-up
3. 30% ... Growth
4. 32% ... Maturity
5. 14% ... Investment Funds

Investment activities should also be measured taking into account the change in funds committed but not disbursed. During fiscal 2006, new commitments totalled $126.6 million, of which $86.0 million was disbursed, compared with $116.5 million and $112.1 million respectively in 2005.

Investing activities reached a recurring annual volume that will enable the Company to continue meeting statutory investment requirements despite the fact that disposals of investments will be for increasingly higher amounts due to the weighting that debentures have assumed in this portfolio.

As at December 31, 2006, total commitments at cost amounted to $417.5 million in 209 companies, of which $311.9 million was disbursed to 186 companies within the portfolio. Commitments by region were as follows:

COMMITMENTS BY REGION	Cost $M	Cost %	Number businesses/ funds
Abitibi-Témiscamingue*	3.4	0.8	8
Bas-Saint-Laurent*	20.8	5.0	19
Capitale-Nationale	36.8	8.8	20
Central Québec	2.4	0.6	2
Chaudière-Appalaches	7.6	1.8	13
Côte-Nord*	3.4	0.8	1
Eastern Townships	53.1	12.7	17
Gaspésie-Îles-de-la-Madeleine*	6.2	1.5	9
Lanaudière	3.1	0.7	4
Laurentians	3.1	0.7	4
Laval	10.3	2.5	6
Mauricie*	11.9	2.9	8
Montérégie	27.8	6.7	14
Montréal	138.7	33.2	37
Outaouais	3.9	0.9	6
Saguenay-Lac-Saint-Jean*	29.5	7.1	34
Investment Funds	55.2	13.2	5
Outside Québec	0.3	0.1	2
Total	417.5	100.0	209

* Resource regions

REVENUE GENERATED BY THE INVESTMENTS

(in thousands of $)	2006	2005
Current revenue	13,492	7,474
Realized or unrealized appreciation (depreciation)	(16,915)	5,366
	(3,423)	12,840

Current revenue consists of interest, dividends and negotiating fees related to venture capital investments. The increase in current revenue was mainly attributable to a higher average debenture balance, which doubled interest revenue in 2006 compared with 2005.

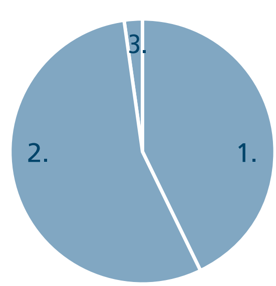
The Company accounts for its investments impacting the Québec economy at fair value. In fiscal 2006, two comprehensive portfolio reviews were carried out, with one covering the six-month period ended June 30 and the other covering the six-month period ended December 31, 2006. As a result of these reviews, 82 investments were revalued. Considering the $13.7 million impact of the loss upon disposal of investments impacting the Québec economy, the Company recorded in its results for the year a $3.2 million increase in unrealized depreciation, for cumulative portfolio unrealized depreciation of $18.5 million, as reported in the balance sheet as at December 31, 2006.

The fair-value valuation of the investment portfolio had an unfavourable impact on the Company's results as the Company finalizes the building phase of its investment portfolio. Given the nature of the Company's activities, i.e. venture capital investments in small and medium-sized businesses, difficulties are more likely to arise during the investment portfolio's initial building phase whereas the success is more likely to occur during the realization phase toward the last third of the fund's estimated lifecycle, which normally extends 10-15 years. Prospects of a positive portfolio return should therefore be anticipated when the average age of investments reaches five to eight years. In 2005, the Company capitalized on the successful IPO of Technologies Miranda, resulting in investing activities generating gains totalling $5.4 million. Such successful results are not common for a portfolio as young as the Company's. As at December 31, 2006, the average age of the Company's portfolio was less than three years.

In 2007, the Company manager's main goal in relation to the Company's investments will be to enhance the valuations of its current portfolio partner companies to drive future portfolio value appreciation.

LIQUID PORTFOLIO

Managing the liquid portfolio involves the portion of assets not earmarked for investments impacting the Québec economy, including temporarily available cash resources pending their investment in companies.



TOTAL ASSETS AS AT DECEMBER 31, 2006

1. 43.01% ... Investments
2. 54.81% ... Liquid investments
3. 2.18% ... Other

As at December 31, 2006, the Company's liquid portfolio (including cash and cash equivalents) totalled $373.9 million compared with $362.9 million as at December 31, 2005. These funds were invested mainly in highly liquid bond market securities presenting low credit risk. As at December 31, 2006, almost 70% of the portfolio securities were government-guaranteed. The Company anticipates that the portion of the liquid portfolio in relation to total assets, which currently stands at nearly 55%, will decrease in 2007 and gradually stabilize around 40% to promote investments impacting the Québec economy in line with its core mission.

In addition to fulfilling its statutory mandate of fostering regional and cooperative development, as well as promoting Québec's overall economic development, the Company seeks to maximize total returns for its shareholders while reducing the risks of capital losses. Using an overall portfolio management approach, the Company manages its portfolio of investments impacting the Québec economy together with its liquid portfolio. As a result, the Company's overall investment portfolio is balanced, allowing for sustained returns to shareholders over the entire holding period, regardless of economic conditions.

To achieve its objectives, the Company has elected to use a global management approach. This differs from mutual fund management and is more similar to cash or pension fund management. Under this approach, the average maturity of total assets is matched with the average maturity of expected cash outflows.

Prior to making asset selection decisions affecting the liquid portfolio, the Company considers the statutory requirements to which it is subject, together with the structure of its portfolio of investments impacting the Québec economy in eligible entities. The main considerations are as follows:

- The Company's shareholders must hold their shares for at least seven years.
- The investments impacting the Québec economy have target maturities of five to eight years and are generally more risky and less liquid.
- Returns on investments in eligible entities tend to be linked to economic cycles.
- The Company is subject to the capital tax and the corporate income tax.

To enhance total portfolio returns, the Company's manager is also authorized to take market positions using the financial instruments stipulated in the investment policy and to carry out purchase/redemption transactions. Such trades are made in an overlay portfolio and their potential risk limits are defined and overseen by the Company's Investment Committee (liquid portfolio) and tracked daily by the Company's manager. As at December 31, 2006, the Company had no market positions. In 2007, other asset classes will be contemplated to enhance the performance prospects of the liquid portfolio while maintaining risk at a reasonable level.

As regards the management of its liquidities and securities investments, the Company deals mainly with Caisse centrale Desjardins, Desjardins Securities and Desjardins Trust.

REVENUE GENERATED BY THE LIQUID PORTFOLIO

(in thousands of $)	2006	2005
Current revenue	16,692	15,295
Realized or unrealized appreciation (depreciation)	654	2,720
	17,346	18,015

Current revenue consists of interest and dividends on liquid portfolio. Interest income (primarily from bonds) is recognized at the bond rate in effect at the acquisition date. Gains on disposal are recorded at the date of sale and correspond to the difference between the proceeds on disposal and the unamortized cost, regardless of the unrealized appreciation (depreciation) from prior years, which is reversed and reflected in the change in unrealized appreciation (depreciation) for the current period.

This liquid portfolio provides the Company with a major source of operating revenue even though interest rates have been low since the Company's inception. The portfolio's contribution totalled $17.3 million in 2006, compared with $18.0 million in 2005. The increase in current revenue was mainly due to a higher average effective rate for bonds, which rose from 4.13% in 2005 to 4.30% as at December 31, 2006. A sudden interest rate surge in early 2006 flattened out later in the year with interest rates as at December 31, 2006 only 6 b.p. lower than their December 31, 2005 level. As a result, the liquid portfolio did not benefit from as much value appreciation as in 2005.

CAPITAL RAISING

The Company sells its shares exclusively through the Desjardins caisse network. As at December 31, 2006, this distribution network consisted of 516 Desjardins caisses and 861 service centres, for a total of 1,377 sales outlets.

The Company is authorized to increase its share capital by $150 million per capitalization period up to a maximum of $1,325 million by February 28, 2011, i.e. the end date of the last capitalization period. However, over the course of the last three capitalization periods, the Company may, in order to reach its authorized share capital, issue shares for an amount greater than $150 million since it is bound to repurchase shares issued at least seven years earlier from those shareholders who make such a request. Each twelve-month capitalization period begins on March 1. A special tax is payable by the Company if it fails to comply with these limits. Control mechanisms have thus been implemented by the Company to ensure compliance.

Subscription of shares of the Company entitles the investor to receive a non-refundable tax credit, that applies only to Québec tax, for an amount equal to 35% (50% before March 24, 2006) of all amounts subscribed annually, up to a maximum tax credit of $875 ($1,250 before March 24, 2006). However, an investor who has already requested the repurchase of shares of the Company will no longer be able to benefit from this tax credit upon subsequent share purchases.

A total of $79.5 million of capital was raised during fiscal 2006 compared with $100.6 million for fiscal 2005. This decline was due to several factors, particularly to the postponement of the issue start date to May 30, 2006, as the summer period is poorly suited to shareholder financial and tax planning, as well as to the reduction in the tax credit announced on March 24, 2006. Nevertheless, the number of shareholders continued to grow, reaching 118,250 as at December 31, 2006 compared with 115,456 as at December 31, 2005. Share capital stood at $650.2 million, reflecting a total of $1.4 million in common share repurchases. As at December 31, 2006, the Company had 64,139,488 common shares outstanding.

Revenue from membership dues, which are payable by all new shareholders upon opening or closing an account, is directly related to capital raising initiatives and to the number of Company shareholders and held steady in 2006 at $0.2 million.

The Company has a policy of reinvesting its annual income from operations and paying no dividends to shareholders. This policy seeks to increase the capital available for investment in eligible entities and to create share value appreciation.

HISTORY OF SHARE CAPITAL ISSUES

Year issued	Issue price $	Capital issued $M	Year repurchases begin
2001	10.00	79.1	2008
2002	10.00	129.3	2009
2003	10.12 and 10.24	164.5	2010
2004	10.25	101.7	2011
2005	10.25	100.6	2012
2006	10.37 and 10.21	79.5	2013

LIQUIDITY AND CAPITAL RESOURCES

During fiscal 2006, the Company invested $86.0 million ($112.1 million in 2005) in Québec entities, primarily using cash flows from capital raising initiatives and from the disposal of certain investments. As at December 31, 2006, cash and cash equivalents amounted to $40.6 million compared with $10.6 million as at December 31, 2005 due to the size of the commitments related to the investment portfolio for which minimum payments during fiscal 2007 are estimated at $66.6 million. The Company is of the opinion that its operating and financing activities would be sufficient to cover any shortfall.

Given the investment management approach of matching the average maturity of the company's total assets with the average maturity of its expected cash outflows, the Company does not anticipate any shortfall in liquidities in the short or medium term and expects to be able to repurchase shares issued at least seven years earlier from those shareholders who make such a request as of November 2008.

EXPENSES

EXPENSES

(in thousands of $)	2006	2005
Management fees	20,709	17,637
Other operating expenses	1,437	1,044
Trustee fees	1,713	1,690
Other shareholder service expenses	265	194
Capital tax	286	536
Amortization of software	735	735
	25,145	21,836

OPERATING EXPENSES

Management fees in fiscal 2006 amounted to $20.7 million, or 93.5% of total operating expenses of $22.1 million, compared with $17.6 million, or 94.4% of total operating expenses in 2005.

The billing basis is comparable from one period to another since no changes were made to the management agreement. Management fees are equivalent to 3% of the Company's annual non-consolidated average assets' net value. The management fees incurred by the Company are adjusted to avoid double billing on the Company's interest in Desjardins – Innovatech S.E.C. In addition, the management fee percentage will be reduced to 2.5% as of the fiscal year following that in which the Company's net asset value reaches $750 million. In light of the authorized annual capital raising, i.e. $150 million, the Company expects that this reduced rate will be applicable as of fiscal 2008.

Desjardins – Innovatech S.E.C., the Company's subsidiary, is managed and operated by Desjardins Venture Capital, its general partner and also the Company's manager. Desjardins – Innovatech S.E.C. has undertaken to make yearly management fee payments corresponding to 3% of the annual average assets' net value, less the amount attributable to the provision for surety. An additional amount equal to 20% of the return attributable to the partnership in excess of the average annual base return of 7.5% is payable when the partnership is wound up.

SHAREHOLDER SERVICES

The Company has appointed Desjardins Trust Inc. as shareholder registrar and share transfer agent. Desjardins Trust also acts as an intermediary for various shareholder support services. Since the Company began operations, Desjardins Trust has represented the largest component of the Company's shareholder services expenses. For fiscal 2006, Desjardins Trust's services amounted to $1.7 million, or 86.6% of the Company's shareholder services expenses; this level is in line with that recorded in 2005. In the Company's view, the trustee fees have stabilized at a recurring level because the number of shareholders is holding very steady from year to year.

The Company has entrusted the Fédération des caisses Desjardins du Québec with the activities related to the distribution of the Company's shares across the Desjardins caisse network. In addition to certain direct expenses, no commissions or other forms of remuneration are payable to any person as regards the distribution of the Company's shares.

CAPITAL TAX AND INCOME TAXES

The tax liability was minimized by selecting securities eligible for a deduction for the purposes of the Québec capital tax while ensuring investment diversification and security. As at December 31, 2005 and 2006, the liquid portfolio consisted entirely of eligible investments for Québec capital tax purposes. However, certain investments impacting the Québec economy were not considered as eligible investments.

Income taxes reduced the loss before income taxes by $0.6 million in 2006 compared with a tax expense of $2.7 million in 2005. In addition to current income taxes, future income taxes represent a major component of the Company's tax liability. Revenue type also has a significant impact since capital gains and business income are taxed at different rates. In addition, the federal large corporations tax was abolished in 2006. An income tax expense of $0.5 million had been recorded for such purposes in 2005.

STATUTORY REQUIREMENTS

According to the statutory requirements taking effect as of fiscal 2006, the company's average investments in eligible entities (on a non-consolidated basis) must represent at least 60% of its average net assets for the preceding year. Furthermore, at least 35% of that percentage (60%) must be invested in entities in Québec's resource regions or in eligible cooperatives. If these criteria were not met, the Company would be subject to penalties.

During the year, the current legislation was modified to integrate previously announced amendments as well as to make the additional clarifications and adjustments unveiled in the 2006-2007 budget. The effect of these amendments, as a whole, was to broaden the scope of eligible investments and, in certain cases, make it possible to include in the statutory calculations a greater portion of the funds committed but not disbursed.

As at December 31, 2006, the Company had exceeded the statutory target by 12% for its aggregate eligible investments and had also exceeded expectations by 30% for investments in cooperatives and in the resource regions.

The Company expects to continue meeting its investment objectives, in particular by maintaining a presence in all Québec regions via its manager's 24 offices.

In the consolidated balance sheet, the non-disbursed portion of eligible investments is combined as other non-eligible investments under "Investments impacting the Québec economy," whereas the portion of funds committed but not disbursed is disclosed under note 5c). Finally, a "non-consolidated statement of cost of investments impacting the Québec economy" disclosing the investments granted to each of the partner companies, is also included in this annual report.

RISK MANAGEMENT

RISK GOVERNANCE

In keeping with the portfolio asset management approach, risks are managed globally, taking into account all of the Company's contractual commitments. The monitoring and control of different risks is overseen by various committees. Some risk governance responsibilities are assumed by the Company's manager.

Executive Committee

The Executive Committee is authorized to exercise all of the Board's powers with respect to the management of the Company's business, except those statutory powers that must be exercised by the Board. The Committee oversees annual reviews of the effectiveness of the Board and its committees, in addition to the directors' performance reviews. The Committee is also mandated to interpret and apply the purchase-by-agreement policy. Furthermore, it reviews quarterly reports from the Company's manager concerning high-risk files and the corrective measures taken.

Investment Committee

The Investment Committee recommends investment strategies and risk management limits for the liquid portfolio. The Committee also oversees compliance with the investment policy approved by the Board of Directors. The Committee ensures that the necessary oversight measures are taken to ensure the proper execution of the manager's mandate. It also reviews results and recommends corrective action, as applicable, to the Board of Directors.

Audit Committee

The Audit Committee is responsible for monitoring the financial reporting process, including reviewing the quarterly, semi-annual and annual statements. It also reviews the financial information disclosures, internal control systems, risk management policies, internal and external audit processes, procedural implementations, regulatory compliance matters and any other responsibilities assigned by the Board of Directors.

In addition, the Committee oversees the independence of the external auditors and the Desjardins Group's internal auditor, who serves as the Company's internal auditor.

Ethics and Professional Conduct Committee

The Ethics and Professional Conduct Committee considers all matters pertaining to the Company's Code of Ethics and Professional Conduct and ensures compliance with the contract awarding/review rules therein. The Committee is responsible for reviewing potential conflicts and making appropriate recommendations to the Board of Directors. It seeks assurances from the Company's manager that the Company's dedicated resources are familiar with the Code's requirements and that the mechanisms are in place to detect and resolve any issues regarding professional conduct. It also reviews candidates' eligibility for the two directorships to be voted on by the Meeting of Shareholders and determines the independence of each director on an annual basis.

Manager's Investment Committees

The Company's manager has set up investment committees to evaluate and approve purchases/sales of interests in companies within the framework of the policies and strategic plan defined by the Company's Board of Directors.

MARKET RISKS

Market risks pertain to the Company's role in the capital markets and, indirectly, to general changes in economic conditions. They also pertain to the impact of capital market movements on the value of the Company's assets. The market risks directly impacting the Company are as follows:

Interest Rate Risk

Interest rate fluctuations have a significant impact on the market value of bonds held in the portfolio. This impact was more apparent in 2005 as a result of the adoption of the fair value accounting method for investments. As a result, a 1.0% increase in interest rates would have resulted in a 1.7% decrease in the Company's share price as at December 31, 2007. In addition, a 1.0% decrease in interest rates would have had the opposite effect, resulting in a 1.7% increase in the share price.

Currency Risk

Exchange rate fluctuations impact a number of partner companies. Although some exporting companies may be hurt by a stronger Canadian dollar, the net impact of currency appreciation is not always negative. Indeed, it may be positive for companies that import a significant proportion of their inputs or that use the opportunity to purchase equipment with a view to improving long-term productivity.

Stock Market Risk

Stock market trends have a twofold impact on the Company. In addition to the direct impact on the market values of publicly traded stocks, the valuations of some private portfolio companies may also be affected by changes in stock prices.

In accordance with the Company's global asset management approach, the overall impact of these interrelated risks is taken into account when determining the overall asset allocation.

CREDIT AND COUNTERPARTY RISKS

As part of its venture capital mission, the Company is necessarily exposed to credit risks associated with potential financial losses by partner companies. By diversifying its investments by sector, company development stage and financial instrument type and by limiting the potential risk of each partner company, the Company has successfully limited portfolio volatility due to negative events.

These risks are associated with the liquid portfolio and are managed by limiting the risks associated with individual issuers and by ensuring that all portfolio securities have a BBB credit rating or higher. Counterparty risks arising from cash and repurchase agreement transactions are limited to the immediate short term.

IMPACT OF CREDIT AND COUNTERPARTY RISKS ON THE COMPANY

(at December 31, 2006)	% of asset class	% of net assets
Weighting of the top five ownership interests (investment portfolio)	27.6	11.9
Weighting of the top five issuers/counterparties (liquid portfolio)*	70.3	33.2

* Governmental issuers accounted for 89.5% of the liquid portfolio's five largest issuers or counterparties.

LIQUIDITY RISKS

The Company must maintain sufficient liquid assets to fund share redemptions. If it failed to do so, the Company would be dependent on the markets and could be forced to carry out transactions under unfavourable conditions. With liquid investments representing 40% of assets under management and as a result of the management approach, which ensures that the average maturity of assets matches the average maturity of expected outflows, the Company can confirm that liquidity risks are adequately covered.

REGULATORY MATTERS

The Company is subject to provincial and federal laws, rules, standards, regulations and policies, in addition to internal rules, by-laws and policies that provide a framework for its operations. Some risk is associated with the Company's ability to fulfill its obligations and to adapt to regulatory changes or moves to tighten existing policies.

VISION, MISSION AND GOALS

MAIN ACTIVITIES

On the initiative of the Desjardins Group, the Company was founded on July 1, 2001, following the adoption of its incorporating act (the "Act") by Québec's National Assembly on June 21, 2001.

VISION

The Company aims to achieve recognition as the preferred strategic partner of businesses by creating wealth and contributing to sustainable economic development across Québec.

MISSION

- Contribute to Québec's economic development and take an active part in the growth of the following regions: Abitibi-Témiscamingue, Bas-Saint-Laurent, Côte-Nord, Gaspésie-Îles-de-la-Madeleine, Mauricie, Nord-du-Québec and Saguenay-Lac-Saint-Jean (the "resource regions").

- Inject venture capital into companies and cooperatives and provide expert advice to support their start-up, growth and expansion.

- Generate returns that will encourage shareholders to reinvest in the Company.

GOALS

In keeping with its vision and mission, the Company pursues three main goals:

- Enhance the value of our associated companies to maximize shareholder returns.

- Provide support and financing to underpin the continuity of Québec businesses, particularly by making strategic investments to capitalize on the consolidation of certain markets.

- Partner with the Desjardins Business Centres to provide entrepreneurs with access to one-stop traditional and venture capital financing services.

Additional Company information, including the annual information form, is available on the SEDAR website (www.sedar.com).

February 7, 2007

February 7, 2007

MANAGEMENT'S REPORT

The Company's consolidated financial statements are the responsibility of the Board of Directors, which delegates the preparation thereof to management.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements, management maintains an internal control system to provide reasonable assurance that the financial information is reliable, that it provides an adequate basis for the preparation of the financial statements and that the assets are properly accounted for and safeguarded.

The Board of Directors discharges its responsibility for the consolidated financial statements principally through its Audit Committee. Both in the presence and in the absence of management, the Committee meets with the external auditors appointed by the shareholders in order to review the consolidated financial statements, to discuss the audit and other related matters and to make appropriate recommendations to the Board. The Committee also analyzes the Financial Review to ensure that the information therein is consistent with the consolidated financial statements.

The consolidated financial statements present the financial information available as at February 7, 2007. These statements have been prepared in accordance with Canadian generally accepted accounting principles and audited by PricewaterhouseCoopers LLP.

The Board of Directors has approved the consolidated financial statements, together with the information in the annual report. The information presented elsewhere in the report is consistent with the Company's consolidated financial statements.

Catherine Lenfant, CA
Chief Financial Officer

February 7, 2007

AUDITORS' REPORT

TO THE SHAREHOLDERS OF CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

We have audited the consolidated balance sheets of **Capital régional et coopératif Desjardins** (the "Company") as at December 31, 2006 and 2005 and the consolidated statements of earnings (loss), shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31, 2006 AND 2005

(in thousands of dollars, except number of shares and net value per common share)

	2006	2005
	$	$
ASSETS		
Investments impacting the Québec economy (note 5)	293,370	244,114
Investments (note 6)	333,285	352,319
Accounts receivable (note 7)	6,469	5,622
Cash and cash equivalents	40,590	10,581
Software (net of accumulated amortization of $2,902, December 31, 2005 – $2,167)	338	1,073
Income taxes	3,577	-
Future income taxes (note 10)	4,463	3,421
	682,092	617,130
LIABILITIES		
Accounts payable and accrued liabilities (note 8)	2,222	2,595
Income taxes	-	1,507
	2,222	4,102
MINORITY INTEREST (NOTE 4)	25,250	26,313
	27,472	30,415
NET ASSETS	654,620	586,715
SHAREHOLDERS' EQUITY		
Share capital (note 9)	650,197	572,032
Retained earnings	4,423	14,683
	654,620	586,715
Number of outstanding common shares	64,139,488	56,600,254
Net value per common share	10.21	10.37

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors,

André Lachapelle, Director

Pierre Gauvreau, Director

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005
(in thousands of dollars)

2006

		RETAINED EARNINGS			
	Share capital $	Realized $	Unrealized $	Total $	Shareholders' Equity $
Balance – December 31, 2005	572,032	25,803	(11,120)	14,683	586,715
NET LOSS					
Realized net loss for the year, net of income taxes of $26	-	(7,665)	-	(7,665)	(7,665)
Change in unrealized revenue for the year, net of income tax of ($590)	-	-	(2,573)	(2,573)	(2,573)
Net loss for the year	-	(7,665)	(2,573)	(10,238)	(10,238)
SHARE CAPITAL OPERATIONS					
Shares issued	79,544	-	-	-	79,544
Redemption of shares	(1,379)	(22)	-	(22)	(1,401)
	78,165	(22)	-	(22)	78,143
Net change for the year	78,165	(7,687)	(2,573)	(10,260)	67,905
Balance – December 31, 2006	650,197	18,116	(13,693)	4,423	654,620

2005

		RETAINED EARNINGS			
	Share capital $	Realized $	Unrealized $	Total $	Shareholders' Equity $
Balance – December 31, 2004	472,641	17,595	(9,643)	7,952	480,593
NET EARNINGS (LOSS)					
Realized net earnings for the year, net of income taxes of $3,109	-	8,228	-	8,228	8,228
Change in unrealized revenue for the year, net of income tax of ($433)	-	-	(1,477)	(1,477)	(1,477)
Net earnings (loss) for the year	-	8,228	(1,477)	6,751	6,751
SHARE CAPITAL OPERATIONS					
Shares issued	100,605	-	-	-	100,605
Redemption of shares	(1,214)	(20)	-	(20)	(1,234)
	99,391	(20)	-	(20)	99,371
Net change for the year	99,391	8,208	(1,477)	6,731	106,122
Balance – December 31, 2005	572,032	25,803	(11,120)	14,683	586,715

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

(in thousands of dollars, except number of shares and net earnings (loss) per common share)

	2006	2005
	$	$
REVENUE		
Realized revenue		
Interest and dividends on investments	16,692	15,295
Gain on disposal of investments	866	1,818
Interest on debentures and dividends	12,000	5,789
Gain (loss) on disposal of investments impacting the Québec economy	(13,696)	8,178
Negotiation fees	1,492	1,685
Membership dues	152	221
Changes in unrealized appreciation (depreciation) of		
Investments impacting the Québec economy	(3,219)	(2,812)
Investments	(212)	(615)
Initial effect of accounting for investments at fair value (note 3)	-	1,517
	14,075	31,076
EXPENSES		
Operating expenses	22,146	18,681
Shareholder services	1,978	1,884
Capital tax	286	536
Amortization of software	735	735
	25,145	21,836
Earnings (loss) before income taxes and minority interest	(11,070)	9,240
Income taxes (note 10)	(564)	2,676
Net earnings (loss) for the year before minority interest	(10,506)	6,564
Minority interest (note 4)	(268)	(187)
Net earnings (loss) for the year	(10,238)	6,751
Weighted average number of common shares	61,364,696	55,020,750
Net earnings (loss) per common share	(0.17)	0.12

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

(in thousands of dollars)

	2006	2005
	$	$
Cash flows from		
OPERATING ACTIVITIES		
Net earnings (loss) for the year	(10,238)	6,751
Non-cash items		
Gain on disposal of investments	(866)	(1,818)
Loss (gain) on disposal of investments impacting the Québec economy	13,696	(8,178)
Changes in unrealized appreciation (depreciation) of		
Investments impacting the Québec economy	3,219	2,812
Investments	212	615
Initial effect of accounting for investments at fair value	-	(1,517)
Amortization of software	735	735
Amortization of premiums and discounts on investments	2,098	2,844
Future income taxes	(1,042)	(1,515)
Minority interest	(268)	(187)
Capitalized interest	(962)	(532)
	6,584	10
Changes in non-cash operating working capital balances (note 11)	(6,217)	(195)
	367	(185)
INVESTING ACTIVITIES		
Acquisition of investments impacting the Québec economy	(85,976)	(112,061)
Acquisition of investments	(148,334)	(185,062)
Proceeds on disposal of investments impacting the Québec economy	19,972	36,021
Proceeds on disposal of investments	165,924	167,299
Acquired cash (note 4)	-	1,535
	(48,414)	(92,268)
FINANCING ACTIVITIES		
Issuance of common shares	79,457	100,605
Redemption of shares	(1,401)	(1,234)
	78,056	99,371
Increase in cash and cash equivalents during the year	30,009	6,918
Cash and cash equivalents – Beginning of year	10,581	3,663
Cash and cash equivalents – End of year	40,590	10,581
Supplementary information		
Income taxes paid	5,847	4,875

The accompanying notes form an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2006 AND 2005

(tabular amounts are in thousands of dollars, unless otherwise specified)

1 GOVERNING STATUTES, MISSION, ADMINISTRATION AND INVESTMENTS

Governing statutes and mission

Capital régional et coopératif Desjardins (the "Company") is constituted by an Act of the Québec National Assembly (R.S.Q., c.C-6.1) and is deemed to have been incorporated by the filing of statutes on July 1, 2001. The Company started its activities on November 5, 2001 and is a legal person with share capital whose mission is to:

- raise venture capital for the benefit of Québec resource regions (Abitibi-Témiscamingue, Bas-Saint-Laurent, Côte-Nord, Gaspésie–Îles-de-la-Madeleine, Mauricie, Nord-du-Québec and Saguenay–Lac Saint-Jean) and the cooperative sector;
- promote economic development in the resource regions through investments in eligible entities operating in those regions;
- support the cooperative movement throughout Québec by investing in eligible cooperatives;
- support eligible entities in their start-up phase and their development; and
- stimulate the Québec economy through investments in all parts of the territory of Québec.

Administration

The affairs of the Company are administered by a Board of Directors typically composed of 13 members, as follows:

- eight persons appointed by the President of the Desjardins Group;
- two persons elected by the General Meeting of shareholders of the Company;
- two persons appointed by the above-mentioned ten members, selected from a group of persons whom they deem to be representative of eligible entities as described in the Act; and
- the General Manager of the Company.

Investments

The Company may acquire minority interests, mainly in eligible entities, with or without a guarantee or security. Eligible entities include eligible cooperatives and partnerships or a legal person actively operating an enterprise, the majority of whose employees are resident in Québec and with less than $100,000,000 of assets and net equity of not more than $50,000,000.

The Company may invest up to 5% of its assets (as established on the basis of the last accountants' valuation) in the same eligible enterprise or cooperative and the investment is generally planned for a period of five to eight years. This percentage may be increased to 10% to allow the Company to acquire titles of an entity operating in Québec but which is not an eligible entity. In such case, the Company may, directly or indirectly, acquire or hold shares representing up to a maximum of 30% of the voting rights, which can be exercised in all circumstances.

Pursuant to the Act, other investments may qualify as eligible such as investments in certain investment funds if required specific conditions provided for in the Act are present.

During each fiscal year from the fiscal year beginning on January 1, 2006, the portion of the Company's investments in eligible entities, as well as other eligible investments which do not entail any security or hypothec and are made as first purchaser, must represent on average at least 60% of the average net assets of the Company for the preceding year. Furthermore, a portion representing at least 35% of that percentage must be invested in entities situated in resource regions of Québec or in eligible cooperatives. Investments made other than first purchaser for the acquisition of securities issued by an eligible entity may also be considered for the purpose of these calculations to the extent where they do not represent more than one third of the total investments made as first purchaser in that entity. These rules have been respected during the fiscal year ended December 31, 2006.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

2 SIGNIFICANT ACCOUNTING POLICIES

Consolidation principle

These consolidated financial statements include the accounts of the Company and those of its subsidiaries.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The principal estimates are related to the determination of the fair value of investments impacting the Québec economy. Actual results could differ from those estimates. Those estimates are reviewed periodically and, as adjustments become necessary, are reported in earnings (loss) in the period in which they are known.

Investments impacting the Québec economy

Listed shares

The investments in listed shares are recorded at their fair value. Fair value is established using the bid-side level at market closing on the balance sheet date when an active market is available. Otherwise, the fair value may be established using unlisted share valuation techniques. The value of the shares that are restricted in negotiability or transferability is adjusted by a discount. The Company determines the amount of this discount based on the nature and duration of the restriction, the relative volatility of the share's performance, as well as the importance of the interest held in the overall float of outstanding shares.

Unlisted shares, debentures and advances

Unlisted shares, debentures and advances are valued at their fair value, determined in accordance with appropriate methods of valuation, including primarily comparison to arm's-length transactions or takeover bids, and the capitalization of representative earnings before interest, taxes, amortization and capitalization or discounting of cash flows.

Significant assumptions used in the determination of fair value can include discount or capitalization rate, rate of return and the weighting of forecasted earnings.

Sureties

When it is probable that an amount will be disbursed by the Company in relation with a granted surety, the amount of liabilities accounted for is estimated using an asset-based approach and a liquidation value method.

Investments

Investments consist of temporary investments, bonds and preferred shares recorded at fair value. Fair value is calculated according to the market value, which is the bid-side level at market closing on the balance sheet date.

Obligations related to securities sold short

Securities sold short as part of trading activities, which represent the Company's obligation to deliver securities sold which were not owned at the time of sale, are recorded as liabilities offsetting the investments and are carried at fair value. Realized and unrealized gains and losses thereon are recorded in revenue in "Interest on investments". As at December 31, 2006 and 2005, the Company has no securities sold short.

Securities purchased under resale agreements and securities sold under repurchase agreements

The Company enters into short-term purchases and sales of securities with simultaneous agreements to sell and buy back those securities at a specified price and on a specified date. Those agreements are accounted for as collateralized lending and borrowing transactions, and are recorded on the balance sheet at the selling or repurchase price specified under the agreement. The difference between the purchase price and specified selling price and the difference between the selling price and the specified repurchase price are recorded using the accrual method in "Interest on investments". As at December 31, 2006 and 2005, the Company has no securities purchased under resale agreements or securities sold under repurchase agreements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term deposits with original terms to maturity of three months or less, which deposits were previously classified with investments.

Software

Software is recorded at cost and amortized on a straight-line basis over a period of three to five years.

Income taxes

The Company uses the liability method in accounting for income taxes. According to this method, future income taxes are determined using the difference between the accounting and tax bases of assets and liabilities. The tax rate in effect when these differences are expected to reverse is used to calculate future income taxes at the balance sheet date. Future income tax assets are recognized when it is more likely than not that the assets will be realized.

Revenue recognition

Interest and dividends
Interest is recorded on an accrual basis when collection is considered probable. Dividends are recorded as at the holder of record date and when they are declared by the issuing companies.

Gains and losses on disposal
Gains and losses on disposal of investments and investments impacting the Québec economy are recorded at the date of sale and represent the difference between the sale proceeds and the unamortized cost, without taking into consideration the unrealized appreciation (depreciation) recorded in previous years, which is reversed and taken into account in change in unrealized appreciation (depreciation) for the year.

Membership dues
Membership dues are recorded at the time of a shareholder's initial subscription and on the closure of that shareholder's account.

Negotiation fees
Negotiation fees are recorded when the service is performed and when collection is considered probable.

Premiums and discounts
Premiums and discounts on determined maturity portfolio investments are amortized using the internal rate of return method up to the maturity date of these investments. Premiums and discounts are recorded in "Interest on investments".

3 CHANGES IN ACCOUNTING POLICIES

In January 2004, the Accounting Standards Board of the Canadian Institute of Chartered Accountants issued Accounting Guideline AcG-18, which requires investment companies to carry investments at fair value. The Company has decided to apply this standard prospectively starting January 1, 2005. Consequently, bonds previously carried at unamortized cost are carried at their fair value. This change in accounting policy increases both the investment and unrealized appreciation (depreciation) balances by $1,517,000 respectively, decreases future income taxes by $289,000, and increases net asset value per common share by $0.03 to $10.28 at January 1, 2005.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

4 BUSINESS ACQUISITION

On July 4, 2005, the Company took part in the creation of Desjardins – Innovatech S.E.C. ("DI") through a cash contribution of $30,000,000 for units representing a 53.10% interest in the limited partnership. The second limited partner, Société Innovatech Régions ressources ("IRR"), has contributed to the creation through the transfer of a portfolio, including related commitments, for an amount of $26,500,000. Its units represent a 46.90% interest in the limited partnership. Desjardins Venture Capital Inc. has contributed $564 as the general partner.

The acquisition has been accounted for under the purchase method and the results of operations, cash flows, assets and liabilities are included in the consolidated financial statements since July 4, 2005. The Company completed its purchase price allocation using the estimated fair value of the net assets acquired based on information and valuations available as of July 4, 2005.

Assets and liabilities described below were transferred by IRR:

	$
Investments	26,265
Cash	1,535
Provision for surety	(1,300)
Net assets acquired	26,500

The purchase agreement with IRR includes adjustment clauses related to certain assets and to the provision for surety. These adjustments would be settled by the issuance of units to IRR or the cancellation of certain units held by IRR.

One of these adjustment clauses was exercised during the year ended December 31, 2006, resulting in an $800,000 decrease in the cost and the value of DI's investments and the cancellation of 800,000 of its units. Following this adjustment, the value of IRR's contribution dropped to $25,700,000 and the units held by the Company and IRR respectively represented a 53.86% and 46.14% interest in the limited partnership.

Another adjustment clause is still in force and could reduce the Company's interest by a maximum of 1.11%.

On November 2, 2006, the Company made an additional cash contribution of $20,000,000 for 20,115,867 units. Following this new contribution, the units held by the Company and IRR respectively represent a 66.10% and 33.90% interest in the limited partnership.

5 INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

a)

	2006		2005	
	Cost $	Fair value $	Cost $	Fair value $
Unsecured				
Common shares	57,116	61,317	59,468	65,441
Preferred shares	119,589	102,317	94,597	79,545
Debentures and advances	122,988	118,395	94,296	91,262
	299,693	282,029	248,361	236,248
Secured				
Debentures and advances	12,177	11,341	11,038	7,866
	311,870	293,370	259,399	244,114

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

Agreements related to investments impacting the Québec economy may include clauses providing for options as to conversion and redemption.

The debentures and advances bear interest at a weighted average rate of 10.2% (December 31, 2005 – 10.8%) and have an average residual maturity of 4.51 years (December 31, 2005 – 5.33 years).

b) Allocation of investments and funds committed by industry segment:

2006

Industry segment	Investments at cost $	Unrealized appreciation (depreciation) $	Fair value $	Funds committed but not disbursed* $	Sureties* $	Total commitment $
Cooperatives	37,494	(2,242)	35,252	1,316	775	37,343
Industrial	147,865	(5,583)	142,282	30,812	-	173,094
Health and biotechnology	52,144	(10,306)	41,838	9,383	-	51,221
Telecommunications	34,340	2,996	37,336	4,558	-	41,894
Information technology	36,966	(2,710)	34,256	6,602	92	40,950
Investment funds	3,061	(655)	2,406	52,103	-	54,509
Total	311,870	(18,500)	293,370	104,774	867	399,011

2005

Industry segment	Investments at cost $	Unrealized appreciation (depreciation) $	Fair value $	Funds committed but not disbursed* $	Sureties* $	Total commitment $
Cooperatives	34,374	(373)	34,001	13,366	-	47,367
Industrial	115,624	(4,001)	111,623	4,992	-	116,615
Health and biotechnology	51,449	(6,949)	44,500	8,143	-	52,643
Telecommunications	19,731	2,136	21,867	3,920	-	25,787
Information technology	37,454	(6,270)	31,184	180	-	31,364
Investment funds	767	172	939	34,398	-	35,337
Total	259,399	(15,285)	244,114	64,999	-	309,113

* Funds committed but not disbursed and sureties are not included in the Company's assets.

c) Funds committed but not disbursed represent investments that have been agreed upon and which have been committed but not disbursed at the end of the year. Future disbursements are subject to certain conditions. Assuming that the conditions will be respected, the estimated installments for the next five years ended December 31 are as follows:

	$
2007	66,561
2008	20,365
2009	9,848
2010	4,000
2011	4,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

6 INVESTMENTS

a) Allocation of investments by instrument

	2006		2005	
	Unamortized cost $	Fair value $	Unamortized cost $	Fair value $
Bonds				
Federal	79,514	79,274	84,583	84,811
Provincial and guaranteed	153,817	153,759	187,309	187,059
Financial institutions	57,187	57,616	57,163	57,906
Companies	31,466	31,936	21,753	21,932
	321,984	322,585	350,808	351,708
Preferred shares	10,611	10,700	609	611
Total	332,595	333,285	351,417	352,319

b) Allocation of bonds by maturity date

2006

Maturity	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Unamortized cost	16,233	164,273	141,478	321,984
Par value	16,050	160,642	141,480	318,172
Fair value	16,245	164,137	142,203	322,585
Average nominal rate	6.05%	4.95%	4.38%	4.75%
Average effective rate	4.35%	4.22%	4.37%	4.30%

2005

Maturity	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Unamortized cost	12,137	110,618	228,053	350,808
Par value	12,000	105,665	220,522	338,187
Fair value	12,128	110,389	229,191	351,708
Average nominal rate	6.30%	5.42%	5.00%	5.04%
Average effective rate	3.51%	3.95%	4.29%	4.13%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

7 ACCOUNTS RECEIVABLE

	2006 $	2005 $
Interest receivable on investments	3,215	2,947
Interest receivable on investments impacting the Québec economy	1,588	965
Sales taxes receivable	249	416
Subscriptions receivable	87	-
Other accounts receivable	1,330	1,294
	6,469	5,622

8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

a)	2006 $	2005 $
Entities of the Desjardins Group		
Shareholder services	505	493
Provision for surety (note 8(b))	1,300	1,300
Other	417	802
	2,222	2,595

b) The provision consists of a surety on commitments of a portfolio entity to one of its lenders. The surety which was first granted by IRR is now assumed by Desjardins – Innovatech S.E.C. following the business acquisition (note 4).

9 SHARE CAPITAL

Authorized

The Company is authorized to issue common shares and fractions of common shares, participating, voting, with the right to elect two representatives to the Board of Directors, without par value, redeemable subject to certain conditions provided under the Act, so that its capital increases by a maximum of $150 million annually to a maximum of $1.325 million by February 28, 2011, the date of the end of the final capitalization period. However, during the last three capitalization periods, in order to reach its authorized capital, the Company may issue shares for amounts greater than $150 million since it has to redeem shares issued at least seven years previously from shareholders who so request. Each capitalization period, which lasts twelve months, will begin on March 1 of each year.

In an announcement of the Québec Minister of Finance on March 11, 2005, the annual limit of capital increase for the year 2005 was reduced to $100 million. This reduction as well as previous years' reductions result in a cumulative limit of $725 million as at February 28, 2007.

Issued and fully paid	2006 $	2005 $
64,139,488 Common shares (2005 – 56,600,254)	650,197	572,032

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

During the year, the Company issued 7,675,384 common shares (2005 – 9,815,116) for a cash consideration of $79,543,500 (2005 – $100,605,101).

During the year, the Company redeemed 136,150 common shares (2005 – 120,122) for a cash consideration of $1,401,258 (2005 – $1,233,514).

These data do not include the redemption requests made within 30 days after subscription.

Redemption criteria

The Company is bound to redeem a whole common share or a fraction of a common share in the following circumstances:

- at the request of the person who acquired it from the Company at least seven years prior to redemption;
- at the request of a person to whom it has been devolved by succession;
- at the request of the person who acquired it from the Company if the person applies to the Company therefor in writing within 30 days after subscribing it; and
- at the request of a person who acquired it from the Company if that person is declared to have a severe and permanent mental or physical disability which makes this person incapable of pursuing his or her work.

Moreover, the Company may purchase a common share or a fractional common share by agreement in the cases and to the extent permitted by a policy adopted by the Board of Directors and approved by the Québec Minister of Finance.

The redemption price of the common shares will be set twice a year, at dates that are six months apart, by the Company's Board of Directors on the basis of the Company's value as determined in the audited financial statements.

10 INCOME TAXES

The Company is subject to Federal income taxes and provincial income tax.

a) The income tax expense is detailed as follows:

	2006 $	2005 $
Current income taxes	478	4,191
Future income taxes	(1,042)	(1,515)
	(564)	2,676

b) The actual income tax rate differs from the combined basic income tax rate and is explained as follows:

	2006 $	2005 $
Income taxes by applying the combined income tax rate of 39.02% (2005 – 38.02%)	(4,320)	3,513
Large corporations tax*	(105)	477
Permanent differences between earnings before income taxes and taxable income and other	3,861	(1,314)
	(564)	2,676

* Until 2005, the large corporations tax was based on capital employed in Canada by the Company. This tax was abolished in 2006.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

c) Future income taxes relate to the following items:

	2006	2005
	$	$
Future income tax assets		
Unrealized appreciation (depreciation)	3,934	3,203
Amortization of premiums on bonds	595	558
Other	54	55
	4,583	3,816
Future income tax liabilities		
Software	(120)	(395)
Future income tax assets, net	4,463	3,421

d) The purchase of shares of the Company provides the right to the investor to reduce its taxes in Québec only by an amount equal to 35% (50% – before March 24, 2006) of the amount invested annually, up to a tax credit of $875 (before March 24, 2006 – $1,250).

11 CASH FLOWS

The changes in non-cash operating working capital balances consist of the following:

	2006	2005
	$	$
Increase in accounts receivable	(760)	(343)
Decrease in accounts payable and accrued liabilities	(373)	(32)
Increase (decrease) in income taxes	(5,084)	180
	(6,217)	(195)

12 RELATED PARTY TRANSACTIONS

Major agreements with the Company and entities of the Desjardins Group are as follows:

- The Company has entrusted the management of its operations, including management of its portfolio, to Desjardins Venture Capital Inc. (DVC), an entity of the Desjardins Group, in accordance with strategies and objectives approved by the Board of Directors. The management contract signed by DVC and the Company is in effect for an initial ten-year period, unless the parties agree to terminate it by mutual agreement. Thereafter, it shall be automatically renewed for a five-year period unless either party decides to terminate the contract by giving written notice of at least 18 months.

  Under this contract, the Company is required to pay an annual management fee equal to 3% of its annual non-consolidated average assets' net value reduced by any amount payable for the acquisition of investments. In order to avoid double billing on the Company's investment in Desjardins – Innovatech S.E.C., an adjustment to the management fee was made. This percentage is reduced to 2.5% from the fiscal year following that in which the Company's net asset value reaches $750,000,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

Desjardins – Innovatech S.E.C., the Company's subsidiary (note 4), is managed and operated by its general partner, DVC, as established by the limited partnership agreement dated July 4, 2005. This agreement is effective for an initial term of ten years and may be extended for a maximum of three years. The limited partners may decide to dismiss the general partner before the expiry date of the agreement. In accordance with the agreement, Desjardins – Innovatech S.E.C. has committed to disburse annual management fees representing 3% of the average assets' net value reduced by any amount payable for the acquisition of investments and by the amount attributable to the provision for surety. Additional compensation equivalent to 20% of the return attributable to the limited partners in excess of an annual average return of 7.5% is payable upon the partnership's liquidation.

- The Company has appointed Desjardins Trust Inc., an entity of the Desjardins Group, to act as its registrar and transfer agent with respect to shareholder transactions. This contract is for a period of three years starting on January 1, 2005.

- The Company has appointed the Fédération des caisses Desjardins du Québec, an entity of the Desjardins Group, for the distribution of the Company's shares in the entities of the Desjardins Group. The present agreement is effective for the following year and will be automatically renewed each year under the same terms and conditions unless one of the parties gives written notice to the contrary three months before the expiry date of the agreement.

The Company is related to the Desjardins Group. In the normal course of its operations, the Company carried out transactions with other entities of the Desjardins Group. All of these transactions are measured at the exchange amount:

	2006	2005
Earnings	$	$
Caisse centrale Desjardins		
Interest on investments	474	1,115
Capital Desjardins inc.		
Gain (loss) on sale of investments	(3)	35
Interest on investments	1,150	1,369
Desjardins Financial Security		
Operating expenses	-	22
Desjardins Securities		
Interest on deposits	225	43
Desjardins Trust Inc.		
Shareholder services	1,713	1,690
Desjardins Venture Capital Inc.		
Management fees	20,709	17,637
Fédération des caisses Desjardins du Québec		
Operating expenses	401	486
Balance sheets		
Caisse centrale Desjardins		
Cash and cash equivalents	20,266	8,525
Capital Desjardins inc.		
Bonds	23,680	29,300
Desjardins Capital de développement		
Accounts receivable	199	65
Desjardins Securities		
Cash and cash equivalents	17,147	942
Desjardins Trust Inc.		
Accounts receivable	505	493
Cash and cash equivalents	47	14
Desjardins Venture Capital Inc.		
Accounts receivable	264	36
Accounts payable and accrued liabilities	-	280
Desjardins Venture Capital L.P.		
Investments impacting the Québec economy	-	13,038
Fédération des caisses Desjardins du Québec		
Accounts payable and accrued liabilities	62	291

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(tabular amounts are in thousands of dollars, unless otherwise specified)

13 FINANCIAL INSTRUMENTS

Fair value

The fair value of accounts receivable, cash and cash equivalents, and accounts payable and accrued liabilities approximates their carrying value given their current maturities.

Credit risk

Credit risk of investments relates to the possibility that the counterparty to the transaction does not meet its obligations. The Company reduces this risk by dealing solely with high-credit quality corporations; therefore, the Company considers the risk of non-performance and credit risk on these instruments to be remote.

Interest rate risk

Cash and cash equivalents bear interest at a weighted average rate of 3.86% (December 31, 2005 – prime rate less 2.25%). Accounts receivable and accounts payable and accrued liabilities are non-interest bearing.

The Company does not hold any derivative financial instruments.

14 NON-CONSOLIDATED SCHEDULE OF COST OF INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

The non-consolidated schedule of cost of investments impacting the Québec economy with the auditors’ report is presented separately from these financial statements and is available at the Company’s head office, on the Company’s website and on SEDAR.

February 7, 2007

AUDITORS' REPORT

TO THE SHAREHOLDERS OF CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

On February 7, 2007, we reported on the consolidated balance sheets of **Capital régional et coopératif Desjardins** (the "Company") as at December 31, 2006 and 2005 and the consolidated statements of earnings (loss), shareholders' equity and cash flows for the years then ended.

In our audits of the financial statements referred to above, we also audited the non-consolidated schedule of cost of investments impacting the Québec economy as at December 31, 2006. This schedule is the responsibility of the Company's management.

In our opinion, this non-consolidated schedule presents fairly, in all material respects, the financial information therein when read in conjunction with the Company's consolidated financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants

NON-CONSOLIDATED SCHEDULE
OF COST OF INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

AS AT DECEMBER 31, 2006
(in thousands of dollars)

	Initial investment year	Industry segment	Common shares $	Preferred shares $	UNSECURED INVESTMENTS Debentures and advances $	SECURED INVESTMENTS Debentures and advances $	Total $
ABITIBI-TÉMISCAMINGUE							
Brasserie Belgh Brasse inc.	2005	I	-	360	240	-	600
Manufacture Adria inc.	2005	I	-	-	238	-	238
Total Abitibi-Témiscamingue			-	360	478	-	838
BAS-SAINT-LAURENT							
2730-8303 Québec inc. – Bois-Franc inc.	2006	I	-	-	500	-	500
Aqua-Biokem BSL inc.	2002	I	-	1,903	-	-	1,903
Attellus Médical inc.	2006	I	-	750	-	-	750
Campor inc.	2006	I	-	-	500	-	500
Diamants du Saint-Laurent inc. (Les)	2002	I	292	-	-	-	292
Eastern Quebec Seafoods (1998) Ltd.	2006	I	-	-	500	-	500
Entrepreneur Forestier Yoland Ouellet inc.	2005	I	-	-	181	-	181
Fabrications T.J.D. inc. (Les) – 9064-0780 Québec inc.	2006	I	-	-	500	-	500
Gestion Arnold Gauthier inc.	2002	I	-	80	553	-	633
Gestion Gilles D'Amours (9159-0026 Québec inc.)	2005	I	-	-	1,583	-	1,583
Industries Desjardins Ltée (Les)	2005	I	-	-	493	-	493
Industries Massé et D'Amours inc.	2005	I	-	-	172	-	172
PG Govern inc. (formerly PG Mensys Systèmes d'information inc.)	2003	IT	-	1,080	1,686	-	2,766
Total Bas-Saint-Laurent			292	3,813	6,668	-	10,773
CAPITALE-NATIONALE							
9162-3330 Québec inc. (Piscines Soucy inc.)	2006	I	-	-	500	-	500
Céramica-Concept inc.	2005	I	-	-	267	-	267
Congébec Logistique inc.	2004	I	3,400	-	-	-	3,400
Coopérative de travailleurs actionnaire du Groupe Congébec	2005	C	-	-	1,000	-	1,000
Engrenage Provincial inc.	2005	I	-	-	2,323	-	2,323
ExelTech Aerospace Inc.	2004	I	753	-	1,494	-	2,247
Gestion BCK inc.	2006	I	-	-	1,000	-	1,000
Gestion Placage RMH inc.	2006	I	-	-	300	-	300
Groupe Humagade Inc.	2006	TC	-	11,651	-	-	11,651
Humagade Ltd.	2004	TC	-	160	240	-	400
Informatique Demers, Lambert, Desrochers inc.	2006	IT	-	-	375	-	375
Interconnect inc.	2006	TC	-	-	200	-	200
La Maison Orthésis inc.	2006	I	-	-	500	-	500
Labcal Technologies Inc.	2004	IT	-	1,840	-	2,560	4,400
Logiciels Dynagram inc. (Les)	2002	IT	137	364	-	-	501
Oricom Internet inc.	2005	I	-	-	356	-	356
Poste Express	2006	I	-	-	400	-	400
Souris Mini inc.	2005	I	-	-	1,215	-	1,215
Usital Canada inc.	2002	I	-	240	224	-	464
Total Capitale-Nationale			4,290	14,255	10,394	2,560	31,499

NON-CONSOLIDATED SCHEDULE OF COST OF INVESTMENTS IMPACTING THE QUÉBEC ECONOMY (CONTINUED)
AS AT DECEMBER 31, 2006

(in thousands of dollars)

	Initial investment year	Industry segment	Common shares $	Preferred shares $	UNSECURED INVESTMENTS Debentures and advances $	SECURED INVESTMENTS Debentures and advances $	Total $
CENTRE-DU-QUÉBEC							
CDM Decor Papers Inc.	2006	I	-	-	975	-	975
Demtec inc.	2005	I	-	-	767	-	767
Total Centre-du-Québec			-	-	1,742	-	1,742
CHAUDIÈRE-APPALACHES							
9122-3081 Québec inc. (Transport de l'Amiante)	2006	I	-	-	200	-	200
CIF Métal Ltée	2005	I	168	1,535	-	-	1,703
Coopérative de Travail Trans-Groupe	2004	C	-	-	1,200	-	1,200
Delta Steel Joists inc.	2006	I	-	-	400	-	400
Distribution Eugène Gagnon inc.	2006	I	-	-	400	-	400
Fumets Sylvestre inc. (Les)	2003	I	-	-	147	-	147
Matiss inc.	2002	I	400	-	313	-	713
Planchers Ancestral inc.	2003	I	320	-	438	-	758
Portes Patio Résiver inc.	2003	I	-	299	38	-	337
Roy Metal Products Inc.	2005	I	-	-	100	-	100
Tibetral Système inc.	2006	I	-	400	-	-	400
Transfab Énergie inc.	2006	I	-	-	300	-	300
Total Chaudière-Appalaches			888	2,234	3,536	-	6,658
EASTERN TOWNSHIPS							
Câble-Axion Digitel inc.	2004	TC	-	4,800	-	-	4,800
Camoplast inc.	2002	I	23,171	-	-	-	23,171
Cogiscan inc.	2002	IT	-	840	1,215	-	2,055
Coopérative de travailleurs actionnaire Filage Sherbrooke (FilSpec)	2004	C	-	-	1,878	-	1,878
Coopérative des employés de Laser AMP inc.	2004	C	-	-	229	-	229
Coopérative Funéraire de l'Estrie	2006	C	-	-	1,300	-	1,300
Entreprises Michel Lapierre inc. (Les)	2004	I	-	1,414	2,279	-	3,693
Extermination Cameron inc.	2005	I	-	-	500	-	500
FilSpec Inc. (9120-0782 Québec inc.)	2004	I	400	-	244	-	644
FilSpec Inc. (9139-4841 Québec inc.)	2004	I	160	-	-	-	160
Gestion Ferti-Val inc.	2003	I	24	536	-	-	560
IPS Thérapeutique inc.	2002	H	-	80	27	40	147
Mésotec inc.	2005	I	1,900	-	-	-	1,900
Multi X inc.	2006	I	-	-	500	-	500
Société Industrielle de Décolletage et d'Outillage (S.I.D.O.) Ltée	2005	I	-	2,409	2,891	-	5,300
Tranzyme Pharma inc.	2003	H	-	3,737	-	-	3,737
Total Eastern Townships			25,655	13,816	11,063	40	50,574
GASPÉSIE–ÎLES-DE-LA-MADELEINE							
Azentic inc.	2006	IT	-	-	325	-	325
Écocycle Technologies inc.	2004	I	480	-	-	80	560
Groupe alimentaire RT Ltée	2005	I	-	-	493	-	493
Total Gaspésie–Îles-de-la-Madeleine			480	-	818	80	1,378

NON-CONSOLIDATED SCHEDULE OF COST OF INVESTMENTS IMPACTING THE QUÉBEC ECONOMY (CONTINUED)
AS AT DECEMBER 31, 2006

(in thousands of dollars)

	Initial investment year	Industry segment	Common shares $	Preferred shares $	UNSECURED INVESTMENTS Debentures and advances $	SECURED INVESTMENTS Debentures and advances $	Total $
LANAUDIÈRE							
Gestion P.R. Maintenance inc.	2006	I	-	-	707	-	707
Nicorp inc.	2006	I	-	-	400	-	400
Photogram Technologies Inc.	2005	I	-	380	293	-	673
Ravenco (1991) inc.	2006	I	-	300	650	-	950
Total Lanaudière			-	680	2,050	-	2,730
LAURENTIANS							
Capital Pro-Égaux inc.	2004	I	146	-	-	-	146
Coopérative Forestière des Hautes-Laurentides	2002	C	-	-	406	-	406
Triton Électronique inc.	2003	I	-	2,000	-	-	2,000
Total Laurentians			146	2,000	406	-	2,552
LAVAL							
Datacom Wireless Corporation Inc.	2003	TC	-	2,120	-	235	2,355
Duo Vac Inc.	2005	I	-	-	1,300	-	1,300
Groupe Arion inc.	2006	I	-	-	1,000	-	1,000
Neks Technologies Inc.	2002	I	1,092	140	-	42	1,274
20-20 Technologies inc.	2002	IT	872	-	-	-	872
Total Laval			1,964	2,260	2,300	277	6,801
MAURICIE							
2426-6918 Québec inc. (Atelier d'usinage Tifo)	2006	I	-	-	350	-	350
Alliance Environnement (GDG) inc.	2006	I	-	-	500	-	500
Ébénisterie St-Tite inc.	2005	I	-	-	387	-	387
Fromageries Jonathan Inc.	2005	I	-	-	340	-	340
Innovations Voltflex inc.	2006	I	-	-	450	-	450
Louiseville Specialty Products Inc.	2004	I	-	-	6,614	-	6,614
Premier Aviation Centre de révision inc.	2005	I	-	-	800	-	800
Solus Safety Inc.	2006	I	-	-	1,600	-	1,600
Total Mauricie			-	-	11,041	-	11,041
MONTÉRÉGIE							
Audisoft Technologies inc.	2003	TC	200	1,817	720	-	2,737
Coencorp Consultant Corporation	2002	IT	-	112	-	-	112
Conporec inc.	2005	I	317	-	-	-	317
Coopérative de services aux dentistes du Québec	2006	C	-	-	500	-	500
Distech Contrôles inc.	2003	I	-	718	1,030	-	1,748
Galenova inc. (Galeni-pharm)	2006	H	-	-	1,500	-	1,500
Knowlton Development Corporation Inc.	2006	I	-	5,827	8,740	-	14,567
Mini-centrales de l'Est inc.	2006	I	-	-	200	-	200
Miss Arachew inc.	2006	I	-	-	550	-	550
Reproductions BLB inc. (Les)	2004	I	-	100	200	-	300
Ryshco Média inc.	2002	IT	-	-	-	200	200
Total Montérégie			517	8,574	13,440	200	22,731

NON-CONSOLIDATED SCHEDULE OF COST OF INVESTMENTS IMPACTING THE QUÉBEC ECONOMY (CONTINUED)
AS AT DECEMBER 31, 2006

(in thousands of dollars)

	Initial investment year	Industry segment	Common shares $	Preferred shares $	UNSECURED INVESTMENTS Debentures and advances $	SECURED INVESTMENTS Debentures and advances $	Total $
MONTRÉAL							
Acti-Menu inc.	2005	H	-	810	-	-	810
Aegera Therapeutics Inc.	2002	H	-	5,961	-	-	5,961
Aethera Networks (formerly Positron Networks)	2006	TC	-	3,300	-	-	3,300
AldeaVision Solutions Inc.	2006	IT	55	-	145	-	200
Alyotech Canada inc.	2006	IT	2,000	-	-	-	2,000
Ambrilia Biopharma inc. (formerly Procyon Biopharma inc.)	2003	H	3,135	-	1,683	-	4,818
APTITUDE, Service de consultation en réadaptation Inc.	2006	I	-	-	250	-	250
Aurelium BioPharma Inc.	2003	H	-	1,674	-	726	2,400
Bioaxone Thérapeutique inc.	2002	H	-	2,000	3,000	-	5,000
Cardianove inc.	2003	H	-	880	-	-	880
Chronogen inc.	2003	H	-	4,800	-	-	4,800
Coopérative de travailleurs actionnaire de TEC	2005	C	-	-	636	-	636
Coopérative de travailleurs actionnaire Réseaux Positron	2006	C	-	-	968	-	968
Coradiant inc.	2004	IT	-	8,166	-	-	8,166
DynEC Corporation	2006	IT	125	-	600	-	725
Emballages Deltapac inc. (Les)	2005	I	228	-	646	-	874
Enobia Pharma inc.	2005	H	-	2,900	-	-	2,900
IsacSoft inc.	2005	IT	1,314	-	-	-	1,314
La Coop Fédérée	2005	C	-	-	25,000	-	25,000
Lipso Systems Inc.	2002	TC	-	800	-	-	800
LxSix Photonics Inc.	2002	TC	-	4,448	1,433	-	5,881
My Virtual Model Inc.	2005	IT	-	-	2,268	-	2,268
New IT Santé inc.	2005	IT	-	480	96	-	576
Nstein Technologies inc.	2004	IT	310	-	-	-	310
Osprey Pharmaceuticals Limited	2003	H	-	1,698	-	1,179	2,877
PainCeptor Pharma Corporation	2004	H	-	3,800	-	504	4,304
Pensée & Mouvement Artificiels inc. (A2M)	2002	IT	985	-	408	-	1,393
Qualiporc Regroupement Coopératif	2005	C	-	-	3,000	600	3,600
Resonant Medical inc.	2004	H	-	5,800	-	-	5,800
SDP Components inc.	2002	I	-	1,343	-	-	1,343
Technologies Miranda inc.	2002	TC	1,998	-	-	-	1,998
Timespring Softwares	2003	IT	-	5,840	-	1,168	7,008
Topigen Pharmaceuticals Inc.	2004	H	-	5,800	-	-	5,800
Total Montréal			10,150	60,500	40,133	4,177	114,960
OUTAOUAIS							
Cactus Commerce inc.	2004	IT	-	800	600	-	1,400
Coopérative Forestière de l'Outaouais	2006	C	-	-	250	-	250
Groupement forestier du Pontiac inc.	2006	I	-	-	250	-	250
Total Outaouais			-	800	1,100	-	1,900

NON-CONSOLIDATED SCHEDULE OF COST OF INVESTMENTS IMPACTING THE QUÉBEC ECONOMY (CONTINUED) AS AT DECEMBER 31, 2006

(in thousands of dollars)

	Initial investment year	Industry segment	Common shares $	Preferred shares $	UNSECURED INVESTMENTS Debentures and advances $	SECURED INVESTMENTS Debentures and advances $	Total $
OUTSIDE QUÉBEC							
Openwave Systems Inc.	2005	TC	264	-	-	-	264
Total Outside Québec			264	-	-	-	264
SAGUENAY–LAC-SAINT-JEAN							
Aménagement MYR Inc.	2006	I	-	-	150	-	150
Bois B.T. (9131-9210 Québec inc.)	2003	I	305	-	140	-	445
C.R.O.I. (9068-6767 Québec inc.)	2004	I	120	40	260	-	420
Entreprises Forestières N.T. inc. (Les)	2005	I	-	-	49	-	49
Frigon Électrique Inc.	2005	I	-	-	180	-	180
Groupe Canmec (6317456 Canada inc.)	2004	I	378	5,019	1,000	-	6,397
Groupe Nokamic inc.	2005	I	-	-	82	-	82
Groupe Nova inc.	2002	I	571	-	100	-	671
Institut d'échafaudage du Québec (9020-4983 Québec inc.)	2002	I	-	-	62	-	62
Les Industries I.S.A. (4157702 Canada inc.)	2004	I	102	-	276	-	378
Luzernes Belcan du Lac-Saint-Jean inc. (Les)	2002	C	486	41	-	-	527
Mecfor inc.	2006	I	-	-	800	-	800
Nature 3M inc.	2002	I	100	-	28	-	128
Scierie Gauthier Ltée	2006	I	-	-	500	-	500
Thermo-Tech (9132-8716 Québec inc.)	2003	I	-	18	502	-	520
Transports Cabaie Inc. (Les)	2006	I	-	-	88	-	88
Transports Gérold Inc.	2006	I	-	-	88	-	88
Transports Réjean Fortin inc.	2006	I	-	-	182	-	182
Végétolab inc.	2003	I	32	-	108	-	140
Viandes C.D.S. inc. (Les)	2006	I	-	405	830	-	1,235
Total Saguenay–Lac-Saint-Jean			2,094	5,523	5,425	-	13,042
INVESTMENT FUNDS							
Desjardins – Innovatech S.E.C.	2005	F	50,000	-	-	-	50,000
FIER Partenaires, Limited Partnership	2005	F	723	-	-	-	723
MSBI Investment Funds, Limited Partnership	2004	F	2,184	-	-	-	2,184
MSBI Management Inc.	2004	F	154	-	-	-	154
Total Investment Funds			53,061	-	-	-	53,061
TOTAL COST			99,801	114,815	110,594	7,334	332,544

Industry segment legend

C:	Cooperatives	TC:	Telecommunications
I:	Industrial	IT:	Information technology
H:	Health and biotechnology	F:	Investment Funds

SHAREHOLDER INFORMATION

6th ANNUAL GENERAL MEETING OF CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS
Palais des congrès de Montréal • Friday, March 30, 2007 at 5:00 p.m., room 517

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Central Québec	Montérégie
Chaudière-Appalaches	Montréal
Côte-Nord	Nord-du-Québec
Eastern Townships	Outaouais
Gaspésie–Îles-de-la-Madeleine	Saguenay–Lac-Saint-Jean
Lanaudière	

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FSC

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