2008 FINANCIAL REPORT

INVEST IN QUÉBEC TO SHAPE OUR DESTINY.

THE FINANCIAL REPORT INCLUDES:

- Message from the Chairman of the Board
- Management Discussion and Analysis
- Management's Report
- Complete audited financial statements, including the notes and the Auditors' Report
- Schedule of cost of investments impacting the Québec economy
- Statement of other investments
- Index of the Company's share in investments made by specialized funds and partner funds, at cost

Desjardins
Capital régional et coopératif

MESSAGE FROM THE CHAIRMAN OF THE BOARD

MANAGEMENT DECISIONS – RESULTS THAT REFLECT EXCELLENCE

I am especially proud of 2008's achievements, and of the results presented in this Management Discussion and Analysis. They reflect thought investment strategy founded on long term vision and on carrying out our Company's economic development mission.

Against the backdrop of tight economic times and reduced access to credit where the venture capital industry is seeing severe declines in activity, Capital régional is now more than ever a key player on the Québec financial stage.

The strategies implemented by our manager – Desjardins Venture Capital – to maintain balance in our overall portfolio and optimize its liquidity are allowing us to continue to make direct investments in Québec companies and cooperatives… even in the depths of an economic trough.

In addition, our share subscription, which benefits from a 50% income tax credit from the government of Québec, guarantees the success of our capital raising campaigns among investor shareholders by providing them with attractive after tax returns. In this way, we obtain the capital support we need to carry through on our mission – even if the coming months look troubled and financing seems to be tightening. It means that we will be able to accompany our partner companies in the face of obstacles they may encounter, and make new investments in Québec's regions with the aim of driving the economy sustainably.

Since its inception, Capital régional has been a true success story. For that reason, I want to thank the star players that contribute to it – the government of Québec which gives us the means to secure capitalization from a host of investors, Mr. Louis L. Roquet and his team at Desjardins Venture Capital who manage our funds with great care, and the advisors of the Desjardins caisse network who encourage so many investor shareholders to buy shares in our Company.

André Lachapelle
Chairman of the Board

2008 MANAGEMENT DISCUSSION AND ANALYSIS

This annual Management Discussion and Analysis complements and supplements the financial statements and contains financial highlights but does not contain the Company's complete financial statements. It is a through the eyes of management narrative explanation of how the Company performed during the period covered by the financial statements, the Company's financial condition and any material changes affecting the Company.

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 on new event that may occur.

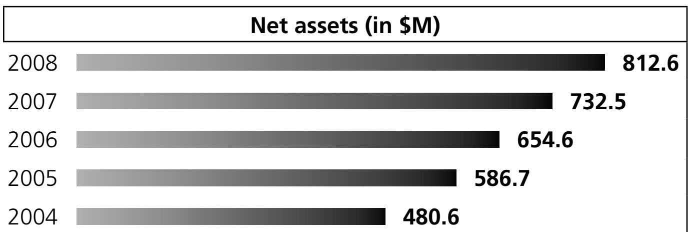
You may obtain a copy of the annual financial statements free of charge, on request, by calling 514 281-2322 or (toll free) 1 866 866-7000, extension 2322, by writing to us to 2 Complexe Desjardins, P.O Box 760, Desjardins Station, Montréal, Québec H5B 1B8, or by visiting our website at www.capitalregional.com or SEDAR at www.sedar.com.

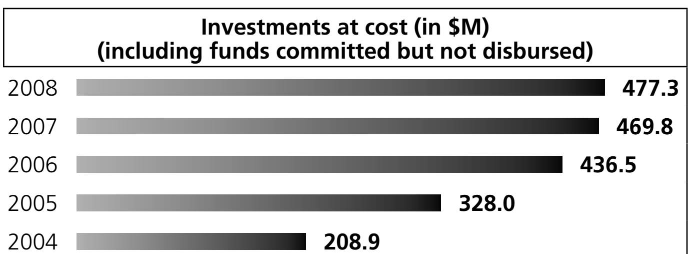
You can also obtain a copy of the interim documents in this manner.

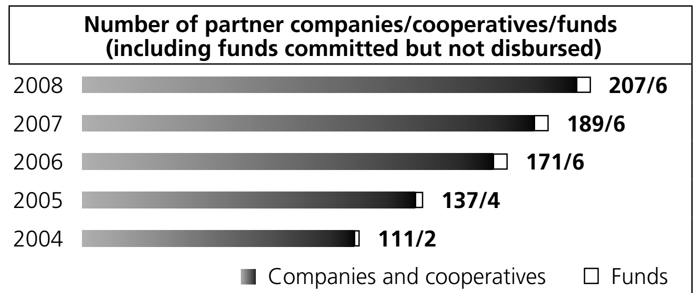
FINANCIAL HIGHLIGHTS AS AT DECEMBER 31

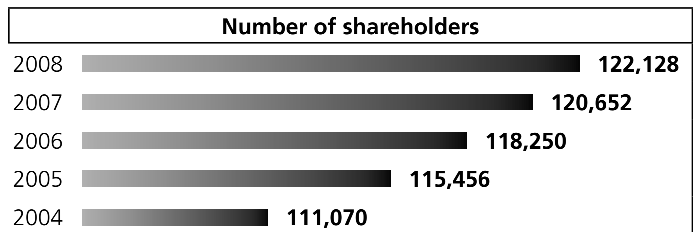
The following charts report the Company's key financial data and are intended to assist in understanding the financial results for the preceding five fiscal years. This information is drawn from the Company's audited annual financial statements

RATIOS AND SUPPLEMENTAL DATA









	2008	**2007**	**2006**	**2005**	**2004**
Revenue (in thousands of $)	39,520	32,015	27,386	21,717	19,963
Net income (net loss) (in thousands of $)	(29,347)	(22,243)	(10,238)	6,751	(214)
Shares outstanding (in thousands)	85,159	74,097	64,139	56,600	46,905
Total operating expense ratio (%)	3.1	3.4	3.5	3.6	3.7
Portfolio turnover rate:					
- Investments impacting the Québec economy (%)	9	11	7	17	1
- Other investments (%)	83	33	38	47	267
Trading expense ratio[1] (%)	0.0	0.0	0.0	0.0	0.0
Issues of securities (in thousands of $)	126,440	101,763	79,544	100,605	101,716
Redemption of securities (in thousands of $)	17,016	1,611	1,401	1,234	1,062
Fair value of investments impacting the Québec economy (in thousands of $)	348,408	360,782	315,700	251,017	135,911

(1) Trading expense includes brokerage fees and other portfolio transaction costs.

CHANGES IN NET ASSETS PER SHARE

	2008 ($)	**2007 ($)**	**2006 ($)**	**2005 ($)**	**2004 ($)**
Net assets per share, beginning of year	**9.89**	**10.21**	**10.37**	**10.25**	**10.25**
Increase (decrease) attributable to operations	**(0.35)**	**(0.33)**	**(0.17)**	**0.12**	**0.00**
Interest, dividends and negotiation fees	0.47	0.47	0.40	0.35	0.44
Operating expenses	(0.30)	(0.35)	(0.34)	(0.33)	(0.39)
Income taxes and capital tax	0.04	0.10	0.00	(0.04)	(0.03)
Gains (losses) realized	(0.20)	(0.24)	(0.19)	0.16	0.18
Unrealized gains (losses)	(0.36)	(0.31)	(0.04)	(0.02)	(0.20)
Difference attributable to share issues and redemptions	**0.00**	**0.01**	**0.01**	**0.00**	**0.00**
Net assets per share as at December 31 of year indicated	**9.54**	**9.89**	**10.21**	**10.37**	**10.25**

OVERVIEW

The Company ended fiscal 2008 with a net loss of $29.3 million (net loss of $22.2 million in 2007), and a negative return of 3.6% (negative return of 3.2% in 2007), thereby reducing net assets per common share from $9.89 to $9.54 based on the number of common shares outstanding at year-end. In spite of the particularly challenging economic conditions in the second half of 2008, the Company showed a negative return of 3.0% for this period. At the price of $9.54, shareholders who invested seven years earlier, on December 31, 2001 for example, obtain an annual after-tax return of 9.2% taking into account their income tax credit of 50%.

The Company's return is mainly attributable to the contribution of the Investments impacting the Québec economy and Other investments activities. Assets allocated to the Investments impacting the Québec economy activity focus on fulfilling the Company's economic development mission in all Québec regions. They are allocated across four lines of business and consist mainly of equities and debentures. This activity posted a negative return of 6.5% for 2008 compared with a negative return of 4.6% in 2007. These returns are due to difficulties in the information technology and telecommunication and healthcare and biotechnology sectors, to sharply widening credit spreads between base and corporate rates, and to negative stock market movements.

The Other investments activity represents the balance of funds not invested in partner companies. This portfolio was established to provide security for the Company's return and ensure necessary liquidity. It consists of bonds, preferred shares and units of funds of hedge funds. This activity generated a return of 4.7% in 2008 compared with a return of 3.1% in 2007. These returns are due mainly to the reduction of key interest rates in 2008 which allowed the Company to generate a gain.

Subscriptions during the fiscal year totalled $126.4 million while redemptions totalled $17.0 million. This is mainly due to the fact that nearly 20% of the shares issued in 2001 during the first capitalization period that were eligible for redemption at the end of their minimum seven-year holding period were redeemed. Net assets reached $812.6 million, up 10.9% compared with 2007. The number of shareholders as at December 31, 2008 was 122,128, up 1.2% over 2007. The cost of Investments impacting the Québec economy made or committed totalled more than $477 million, of which nearly $413 million were disbursed.

ECONOMIC BACKGROUND

LOOKING BACK ON 2008

The US economy officially slipped into recession in December 2007 under the influence of a major correction in the real estate market and a decline in consumer spending. The contraction of the American economy had repercussions around the world, and most of the world's industrialized countries also entered a period of recession during 2008.

In Canada, economic advances were relatively weak over the first nine months of 2008. But the difficulties became more pronounced in the fall with the decreasing demand for raw materials and the mounting financial crisis and its impact on the world economy. Furthermore, domestic demand, the pillar of the country's economic growth over the last few years, lost considerable momentum. Not only did residential investment start to slow, but consumer spending was less robust. Consequently, the Canadian economy likely entered into a recession in the fourth quarter of 2008.

The deepening of the financial crisis as of September was one of the most pivotal events of 2008. Scores of financial institutions around the world found themselves in trouble, and access to liquidity in the international markets deteriorated badly. As Canadian financial institutions are relatively well capitalized, they were able to face the crisis without too many shocks. However, credit conditions tightened across the country, particularly for businesses, making financing less accessible and much more costly.

Governments and central banks undertook a number of concerted actions to combat the crisis. In Canada, monetary authorities applied cash injections. The federal government, jointly with some provincial governments, implemented programs to lessen the effects of the crisis and kickstart the economy and the capital markets. Finally, the Bank of Canada continued to reduce the country's key interest rates. The overnight target rate was dropped from 4.25% at the beginning of the year to 1.50% at the end of 2008. After rising to remain more or less at par with the US dollar, the reductions in interest rates combined with the decline in prices of raw materials floated the loonie lower in the second half of 2008.

LOOKING FORWARD TO 2009

The dawn of 2009 still presents economic and financial challenges for North America. Most economic indicators are signalling that the current recession will last through the first months of the year. Household and business confidence are also at historical lows. Job losses are likely to continue and unemployment rates will rise accordingly.

Against this backdrop, the new Obama administration recently implemented an ambitious plan to stimulate the economy and lower income taxes in the United States. In Canada, the federal budget tabled in January 2009 also incorporates a number of measures aimed at supporting economic activity. These new measures, combined with the interest rate reductions and other actions already taken by governments and central banks, should slowly allow economic conditions to gradually improve. The recession in the United States and Canada might, as a result, end midway through 2009 and give way to slight economic growth. Québec, which was more resistant to deteriorating North American conditions in 2008, will not be able to escape a period of economic contraction in 2009. However, the scale of public investment in infrastructures and hydroelectric projects combined with the sound diversification of its manufacturing sector should allow the province to limit the extent of the recession relative to its main trading partners.

Because the capital markets generally move in advance of economic growth, we are awaiting signs of a trend change from the world stock markets. This will likely not occur for several months, and the upward climb of the stock markets will be much less spectacular than their fall. The possible gradual improvement for world economic outlook starting in mid-2009 will also open the way for an increase in raw materials prices. The loonie, which was worth US$0.82 on December 31, 2008, could feel the updraft and rise to about US$0.90 at the end of 2009.

VENTURE CAPITAL MARKET

After four years of growth, Québec venture capital activity showed a significant decrease in 2008, mirroring the sweeping slowdown in North American and world markets. The pullback is thrown into sharp relief by the $349 million invested in Québec in 2008 compared with the $642 million the previous year, a decline of 46%. The decrease in activity in Québec is comparable with Canadian activity, which also plummeted nearly 36%. This is the first decline over 12 months in the Canadian market since 2003, and annual results are among the weakest since the mid 1990s.

The slowdown in the Québec market has had an impact on all technology and non technology sectors. Contrary to trends in the previous year, activity in 2008 favoured the IT sector with almost half of all investment concentrated in it. In 2007, it was the life sciences sectors that attracted the lion's share.

Expanding or growing Québec companies were at the heart of activity with 59% of all investment, while businesses at the beginning of the growth cycle garnered less than 30%.

The greater Montréal area remained the most active in 2008, with a share of 73% of dollars invested. The Hull-Gatineau region came in second with an 11% share, followed by Québec with 6% and Sherbrooke with 5%. This means that the other regions received only 5% of all dollars invested over the year.

Last, the considerably lessened availability of US and foreign funds significantly influenced Québec trends in 2008. Since 2003, venture capital activity had grown constantly to reach a high in 2007. In 2008, it plunged 62% to represent only 22% of all investment, which had a considerable impact on average transaction amounts that declined from $3.4 million in 2007 to $2.5 million in 2008. Fortunately, Québec tax-advantaged and private funds continued to fulfil their roles by accompanying businesses in a profoundly turbulent market.

MANAGEMENT'S DISCUSSION OF FINANCIAL PERFORMANCE

On the initiative of the Desjardins Group, Capital régional et coopératif Desjardins was founded on July 1, 2001 following the adoption of the *Act constituting Capital régional et coopératif Desjardins* (the "Act") by Québec's National Assembly on June 21, 2001. Desjardins Venture Capital Inc. manages the Company's activities.

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

The Company's mission is to:

- 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.

The Act contains certain criteria that define this mission. Since fiscal 2006, the portion of the Company's average eligible investments 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 are not met, the Company is subject to penalties.

The Company expects to meet its investment objectives, in particular by maintaining a presence in all Québec regions via its manager's twenty-some business offices, and by promoting the establishment of employee-shareholder cooperatives.

Noteworthy is an economic impact study carried out by the Institut économique de la statistique in 2008 that showed the significance of the direct and indirect economic impacts of the investment activities carried on by the Company.

GOALS

To fulfil its mission, the Company pursues three main goals:

- To offer financial packages and development strategies tailored to different socioeconomic phenomena such as business transfers or buyouts to keep jobs and retain business ownership in Québec.
- To grow our partner companies and provide integrated management of financial assets to maximize shareholder value.
- Enhance the offering of the Desjardins Business Centres to provide entrepreneurs with access to one-stop traditional financing and development capital services.

COMPANY STRATEGIES

To appropriately fulfil its mandate of driving regional and cooperative development and Québec's economic development in general, the Company's manager has allocated its Investments impacting the Québec economy activities across four business lines.

- The Venture Capital line covers the healthcare and biotechnology, the information technology and the telecommunication sectors. In 2008, a partnership was formed with BioScience Managers Limited, international managers specializing in biotechnologies as part of the Company's strategy to maximize the growth of the most promising investments in the sector.
- The Cooperatives and Resource Regions business line covers all investments in cooperatives as well as investments of less than $5 million in the industrial sector of the resource regions.
- The Development Capital business line is made up of investments of less than $5 million in the industrial sector in all of Québec's other administrative regions.
- Last, the Major Investments and Company Buyout business line brings together investments of more than $5 million in the industrial sector across all Québec regions. Major Investments focuses on investments between $5 million and $20 million to support businesses with growth or acquisition projects. Major Investments are expressed as a minority interest in the equity capital of these businesses. Company Buyout is a majority interest investment in the equity capital of a business with a view to allowing either a potential acquiror or an existing management team to continue to operate the business.

Placing Major Investments and Company Buyout under a single business line allows a more tailored response to the realities of the venture capital industry, to the phenomenon of business transfers and to the needs of entrepreneurs. This approach is more closely aligned with the venture capital market trend that shows a substantial portion of investment in more mature businesses or growing businesses.

Because of its cooperative difference, the Company's manager, Desjardins Venture Capital, has developed strategies for encouraging the establishment of employee-shareholder cooperatives that allow employees to become co-owners in their companies together with the existing management team and Desjardins. This strategy gives employees the opportunity to participate in the economic development of their regions, and to enjoy a share of the resources of their respective environments.

The Company also has the mandate to optimize total shareholder returns while maintaining their capital value. Using a global approach to managing its financial assets, the Company manages its portfolio of Investments impacting the Québec economy jointly with its Other investments 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 do this, the Company's strategy for managing financial assets is as follows:

- The Company takes an integrated and overall approach to managing its financial assets, which means that target asset allocation must include diversification to reduce the risks inherent in certain asset classes within the investment portfolio.

- The objective is to optimize the after tax risk/return ratio of the Company's financial assets in compliance with its role as a sustainable development agent to limit six-month fluctuations in the value of its shares and secure returns that will encourage shareholders to reinvest.
- A sufficient portion of the Company's financial assets must be invested in liquid securities to meet any share redemption requests that exceed issues of shares.
- A sufficient portion of the Company's financial assets must be invested in securities that generate current income to meet the Company's expenses.

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. In accordance with its Governance Policy, the Board of Directors established four committees to assist in fulfilling its control and monitoring responsibilities. Monitoring and control of different risks is allocated across the committees, which make recommendations to the Board of Directors. Some risk governance responsibilities are also assumed by the Company's manager.

<u>Executive Committee</u>

The Executive Committee is authorized to exercise all of the Board's functions and powers, except those expressly reserved to the Board by the Company's constituting act. In addition to specific mandates assigned from time to time by the Board of Directors, the Executive Committee is responsible for overseeing the annual review process regarding the effectiveness of the Board of Directors and its committees and the performance of the directors. The Committee is also mandated to interpret and apply the Purchase-by-Agreement policy and make recommendations to the Board in that regard. Furthermore, it reviews quarterly reports from the Company's manager concerning high-risk files and the corrective measures taken.

<u>Financial Asset Management Committee</u>

In May 2008, during a review of the governance of the Company, the Board of Directors replaced the Investment Committee with the Financial Asset Management Committee. Its primary mandate is the coordination and matching of the financial assets. To do this, the Committee ensures that the Company complies with all the policies and guidelines on financial assets and sees that they are implemented and updated. It also ensures optimal use of new products to enhance the Company's returns, risk/return ratio and tax situation. It verifies that financial asset management is carried out proactively while maintaining an acceptable level of risk, and ensures that risk is managed accordingly. In addition, the Committee is responsible for monitoring compliance with the 60% and 35% criteria, and monitors the Company's performance.

<u>Audit Committee</u>

The Audit Committee consists exclusively of independent members. It is responsible for monitoring the financial reporting process. To do this, the Committee reviews the quarterly, semi-annual and annual financial statements for approval by the Board of Directors, financial reporting, internal control systems, monitoring of risks related to financial reporting, internal and external audit processes, the procedures applied, regulatory compliance and any other responsibility assigned by the Board of Directors.

In addition, the Committee oversees the independence of the external auditors and the Desjardins Group's internal auditor on engagements carried out on the Company's behalf.

<u>Ethics and Professional Conduct Committee</u>

The Ethics and Professional Conduct Committee consists exclusively of members who are all independent of Desjardins Group. It considers all matters pertaining to the Company's Code of Ethics and Professional Conduct and ensures compliance with the contract awarding and 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 ethical issues. Last, it assesses candidates' eligibility for the two directorships that must be voted on at the Meeting of Shareholders and determines the independence of each director on an annual basis.

<u>Manager's Committees</u>

The manager has set up investment committees and a Portfolio Valuation Committee. The investment committees are mandated to approve purchases/sales of interests in companies consistent with the policies and strategic plan defined by the Company's Board of Directors. These committees also carry out a quarterly review of Investments impacting the Québec economy portfolio quality and report quarterly on their activities to the Board of Directors. The Portfolio Valuation Committee is responsible for reviewing all relevant information concerning valuations of partner companies, and ensuring compliance with valuation processes under applicable regulations. The Committee reports to the Audit Committee and the Board of Directors.

Attendance record and compensation

The following table presents the attendance record and compensation of the Company's directors and committee members for fiscal 2008.

Name	Board of Directors	Executive Committee	Audit Committee	Financial Asset Management Committee (1)	Ethics and Professional Conduct Committee	Compensation (2) ($)
(Number of meetings)	(6 meetings)	(4 meetings)	(5 meetings)	(4 meetings)	(4 meetings)	
Barrette, Lorrain	6/6		5/5			20,700
Beaulieu, Gilbert	6/6			4/4		19,400
Boisvert, Jean (3)	1/1		1/1			4,000
Bourdages, Évangéliste	6/6				4/4	25,900
Cousineau, Serge	5/6	4/4				18,000
Doyon, Maurice (4)	5/5				1/2	15,500
Fortier, Camille	6/6			4/4		19,000
Fortin, Josée	6/6				4/4	19,400
Gauvreau, Pierre	6/6		5/5	2/2	2/2	26,800
Lachapelle, André	6/6	4/4		4/4		39,400
Laflamme, Jean				2/2		2,665
Landry, Jean-Luc				2/2		2,965
Lavoie, Yves	5/6	4/4				18,000
Morin, Bruno (5)	6/6					10,000
Roquet, Louis L. (6)				1/2		2,465
St-Pierre, Hugues	6/6		5/5			19,200
Voyzelle, Carole	6/6	4/4				19,000
					TOTAL COMPENSATION	**282,395**

(1) On May 22, 2008 the Investment Committee has been replaced by the Financial Asset Management Committee. At the same date, Mr. Pierre Gauvreau became a member of this Committee and Messrs. Jean Laflamme, Jean-Luc Landry and Louis L. Roquet terminated their mandate as members of the said Committee.

(2) Includes *ad hoc* committees, welcoming sessions or training sessions, as the case may be.

(3) Mr. Jean Boisvert has been replaced by Mr. Maurice Doyon on March 28, 2008.

(4) Mr. Doyon became a member of the Ethics and Professional Conduct Committee on May 22, 2008.

(5) An annual lump sum of $10,000 is allocated to the General Manager and paid to Fédération des caisses Desjardins du Québec. The Company pays no other compensation of any kind to the General Manager.

(6) Compensation paid to Desjardins Venture Capital.

Note to the reader

The following sections regarding market risks, credit and counterparty risks and liquidity risks have been reviewed by the Company's auditor within the audit of the financial statements concerning which an auditors' report was issued on February 12, 2009.

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 various market risks directly impacting the Company are as follows:

Interest rate risk

Interest rate fluctuations have a significant impact on the market value of fixed-income securities held in the portfolio for which fair value is determined based on market conditions. The fixed-income securities held in the Other investments portfolio include money market instruments, bonds and preferred shares with a total fair market value of $420.6 million ($319.7 million as at December 31, 2007).

Money market instruments with a fair value of $20.8 million ($19.8 million as at December 31, 2007) have not been valued based on fluctuations in the interest rates due to their very short term maturity and the Company's intention to hold them for the full term.

Bonds with a fair value of $386.3 million ($286.0 million as at December 31, 2007) are directly affected by fluctuations in the interest rates. A 1% increase in interest rates would have resulted in a decrease of $9.1 million in net income, a 1.1% decrease in the Company's share price as at December 31, 2008 ($8.4 million for 1.3% as at December 31, 2007). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a $9.4 million increase in net income, a 1.2% increase in share price ($8.8 million for 1.3% as at December 31, 2007).

Given that the Company matches the maturities of the bonds held in the portfolio with the average maturity of expected cash outflows, the long-term effect of interest rates on results should be limited.

Preferred shares with a fair value of $13.5 million ($14.0 million as at December 31, 2007) may also be affected by fluctuations in interest rates. However, unlike bonds, there is no perfect correlation between interest rate fluctuations and changes in the fair value of preferred shares. Also, the interest rate risk related to preferred shares is low given the amounts in question.

Following the substantial widening of credit spreads in the markets since June 2008, a decrease in value was recognized on aggregate Investments impacting the Québec economy issued by the Company to its private partner companies. These investments totalled $145.4 million as at December 31, 2008 ($154.4 million as at December 31, 2007). An interest rate spread of more than 1% would have resulted in a decrease of $2.6 million in net income, representing a 0.3% decrease in the Company's share price as at December 31, 2008. Similarly, an interest rate spread of less than 1% would have resulted in an increase of $2.8 million in net income, representing a 0.3% increase in the Company's share price.

Cash bears interest at the average weighted rate of 1.46% (average weighted rate of 3.97% as at December 31, 2007). Accounts receivable and accounts payable and accrued liabilities do not bear interest.

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.

As at December 31, 2008, the Investments impacting the Québec economy portfolio included seven traded companies with a value of $5.2 million, representing 0.6% of net assets (10 companies with a value of $11.7 million as at December 31, 2007, representing 1.6% of net assets). A 10% increase or decrease in the stock markets would have resulted in an increase or decrease in the Company's net income of $0.4 million respectively ($0.9 million as at December 31, 2007).

The Company also holds units in a fund of hedge funds. This type of instrument is partially correlated with stock market returns. Following the swift collapse of stock prices, the manager of this fund of hedge funds had to proceed to its orderly liquidation. The Company therefore suffered an unrealized loss of $4.5 million in 2008. The orderly liquidation will continue in 2009.

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

Currency risk

Changes in currency values have an impact on several companies with which the Company is associated. The net effect of an appreciation in the Canadian dollar is not necessarily negative for these companies, nor is a depreciation necessarily positive. However, rapid fluctuations in the Canadian currency heighten the difficulties these companies face in efficiently limiting their currency risk.

Furthermore, currency fluctuations impact the fair value of investments valued in a foreign currency and then converted to Canadian dollars at the current exchange rate. These investments whose value varies in step with fluctuations in the value of US dollar represent a fair value of $50.2 million, or 6.2% of net assets as at December 31, 2008, compared with $38.1 million, or 5.2% of net assets as at December 31, 2007.

Gradually over 2008, the Company implemented a systematic hedging strategy to manage currency risk for foreign currency valued current investments whose exit horizon is more than 12 months, as well as for any new foreign currency positions. A $5 million line of credit was granted to the Company for its foreign exchange contract transactions. As at December 31, 2008, the Company held foreign exchange contracts under which it must deliver US$40 million on March 30, 2009 at the rate of CAD/USD 1.216.

The Company's net exposure to US dollars is US$1.0 million (US$38.6 million as at December 31, 2007). For each $0.01 appreciation of the Canadian dollar relative to the US dollar, the Company loses $8,000, just as it gains $8,000 for each $0.01 depreciation ($386,000 and $386,000 as at December 31, 2007 respectively).

Credit and counterparty risks

In pursuing its Investments impacting the Québec economy mission, the Company is exposed to credit risks related to the potential financial losses of 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.

In almost all cases, the Company does not require guarantees to limit credit risk on its loans. Requiring guarantees contravenes the eligibility rules for Investments impacting the Québec economy.

Investments are rated from 1 to 5 based on financial ratios. Afterwards, companies with a rating of 5 based on ratios are reviewed on a monthly basis according to preset qualitative criteria to filter them into ranks 5, 6 and 7.

Ranked by risk, the breakdown of Investments impacting the Québec economy is as follows (fair value amounts):

Rank		**As at December 31, 2008** (in thousands of $)	**As at December 31, 2007** (in thousands of $)
1 to 4	Low to higher than average risk	264,189	261,988
5	At risk	72,631	84,404
6 and 7	High risk and insolvent	11,588	14,390

Other investments portfolio risks are managed by diversification across numerous issuers with a BBB credit rating from Standard & Poor's or DBRS, or higher. Counterparty risks arising from cash and purchase/redemption transactions are limited to the immediate short term.

The concentration of the five largest Investments impacting the Québec economy and the five largest Other investments is as follows (percentages are based on fair asset value):

	As at December 31, 2008		As at December 31, 2007	
	% of asset class	% of net assets	% of asset class	% of net assets
Investments impacting the Québec economy	20.4	8.8	33.2	16.3
Other investments *	59.1	31.1	53.8	26.0

* Government issuers accounted for 92.3% (42.2% as at December 31, 2007) of the Other investments portfolio's five largest issuers or counterparties.

The portfolio summary presented at the end of this financial review also provides relevant information for assessing credit concentration risk.

Counterparty risk is low for foreign exchange contracts given the amounts in question and that the contract counterparty is Caisse centrale Desjardins.

Liquidity risks

The Company must maintain sufficient liquid assets to fund share redemptions and committed Investments impacting the Québec economy. 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 that must, once the Company's capitalization reaches its maximum limit, represent 35% to 40% of assets under management and using a management approach that ensures that the average bond maturity matches the average maturity of expected outflows, the Company can confirm that its management approach takes into account this risk.

OPERATING RESULTS

Net results and fund returns

The Company recorded a net loss of $29.3 million for its fiscal year ended December 31, 2008, representing a negative return of 3.6% compared with a net loss of $22.2 million (-3.2%) for the preceding year. The returns obtained for the same period by certain market indexes for the classes of financial instruments the Company holds are presented for information purposes.

Financial instrument	% weighting of the Company's net assets	The Company's 1-year return as at December 31, 2008 (%)	Market index of asset class	The Index's 1-year return as at December 31, 2008 (%)
Ownership equity interest (1)	28.2	(11.5)	S&P/TSX	(33.0)
Fixed-income securities (2)	68.3	4.2	DEX Universe	6.4
Weighted		(0.4) (3)		(5.1)

(1) For the purposes of this section, this class includes shares of the Investments impacting the Québec economy portfolio.

(2) For the purposes of this section, this class includes fixed-income securities of the Investments impacting the Québec economy and Other investments portfolios.

(3) The difference between the average weighted return of the asset classes and the Company's return of -3.6% is due to operating expenses.

These results, which compare so favourably with capital market indexes, are no accident. They arise from decisions implemented by the Company. The Company's asset allocation strategy allows it to enjoy a more balanced overall portfolio profile that limits volatility while actively carrying out its mission to contribute to the economic development of cooperatives and of Québec's regions.

The Company presents a loss on its ownership equity interests below that of the corresponding market index. As at December 31, 2008, public companies represented only 2.6% of the Company's ownership equity interests, contributing to this sound performance. The Company presents a return on fixed-income securities for fiscal 2008 that is lower than the index for fiscal 2008 due to the significant weighting of corporate securities in its Investments impacting the Québec economy portfolio.

The Company has successfully limited its losses in a most challenging economic context. Last, the Company stood out for making direct investments in partner companies rather than using specialized funds. This strategy positively impacted performance in 2008.

The Company's performance results essentially from its Investments impacting the Québec economy activity and from the Other investments portfolio, which generated contributions of -3.2% and 2.3% respectively. Expenses, net of administrative charges, income taxes and capital tax made up the remainder of the Company's return with a negative contribution of 2.6%.

Return by activity	2008				2007			
	Average assets under management	**Weighting**	**Return**	**Contribution**	**Average assets under management**	**Weighting**	**Return**	**Contribution**
	$M	%	%	%	$M	%	%	%
Investments impacting the Québec economy	355	47.1	(6.5)	(3.2)	338	49.9	(4.6)	(2.3)
Other investments and cash	399	52.9	4.7	2.3	340	50.1	3.1	1.6
	754	100.0	(1.0)	(0.9)	678	100.0	(0.7)	(0.7)
Expenses, net of administrative charges			(2.9)	(3.0)			(3.4)	(3.4)
Income taxes and capital tax			0.4	0.4			1.0	1.0
Company's return			(3.6)	(3.6)			(3.2)	(3.2)

Return by asset class	2008				2007			
	Average assets under management	**Weighting**	**Return**	**Contribution**	**Average assets under management**	**Weighting**	**Return**	**Contribution**
	$M	%	%	%	$M	%	%	%
Investments impacting the Québec economy								
Venture Capital	104	13.8	(23.2)	(3.5)	112	16.5	(16.0)	(2.8)
Cooperatives and Resource Regions	104	13.8	(0.8)	(0.1)	104	15.4	(5.4)	(0.8)
Development Capital	60	8.0	13.3	1.0	47	7.0	13.0	0.8
Major Investments and Company Buyout	87	11.5	(4.8)	(0.6)	75	11.0	4.7	0.5
Other investments and cash								
Bonds, preferred shares and liquidities	387	51.4	6.1	2.8	332	48.9	3.2	1.5
Fund of hedge funds	12	1.5	(25.3)	(0.5)	8	1.2	6.3	0.1
	754	100.0	(1.0)	(0.9)	678	100.0	(0.7)	(0.7)

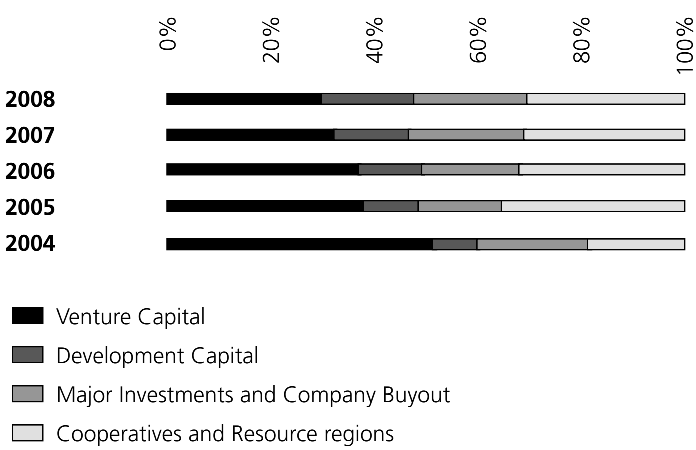
Investments impacting the Québec economy

Disbursements of $68.5 million during 2008, proceeds from sale of $33.8 million and losses of $48.9 million brought the total fair value of the Company's investment portfolio, including exchange contracts, to $348.1 million as at December 31, 2008 ($360.8 million as at December 31, 2007).

The Company's manager has allocated its Investments impacting the Québec economy activities across four business lines. As part of its business development activities, the Company's manager focuses from time to time on different economic sectors or lines of business 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 valued by adding funds committed but not disbursed to investments at fair value. Over the last five fiscal years, the Investments impacting the Québec economy portfolio has been allocated by line of business as follows:

INVESTMENTS AND FUNDS COMMITTED BUT NOT DISBURSED AT FAIR VALUE BY LINE OF BUSINESS 2004-2008 (IN %)



Investment activities should also be measured taking into account the change in funds committed but not disbursed. During fiscal 2008, new commitments totalled $65.0 million compared with $88.2 million in 2007. Disbursements of $68.5 million in 2008, higher than new commitments, enabled a reduction in the balance of funds committed but not disbursed to $64.4 million as at December 31, 2008 whereas it stood at $73.6 million as at December 31, 2007.

As at December 31, 2008, the Company met the statutory target of 60% for its aggregate eligible investments as well as the 35% for investments in cooperatives and in the resource regions.

As at December 31, 2008, total commitments at cost amounted to $477.3 million in 213 companies, cooperatives and funds, of which $412.8 million was disbursed in 205 companies, cooperatives and funds within the portfolio.

Revenue generated by Investments impacting the Québec economy

(in thousands of $)	2008	2007
Revenue	22,441	18,318
Gains (losses)	(48,923)	(34,072)
	(26,482)	(15,754)

Revenue consists of interest, dividends and negotiation fees related to Investments impacting the Québec economy. The increase in revenue was mainly attributable to a higher average debenture balance, which increased interest revenue by almost 18%. An increase of $1.4 million in dividend income primarily from one portfolio company also contributed to the increase in revenue.

The Company accounts for its Investments impacting the Québec economy at fair value. In fiscal 2008, 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. As a result of these reviews, 82 investments were revalued. Also, in the second half of 2008, the Company recorded a provision of $13.7 million on its debentures portfolio due to the deterioration in credit conditions and increased market cost of financing in 2008. This unrealized loss should reverse as the Company intends to hold these debentures until maturity. Also, considering the impact of the loss on disposal of Investments impacting the Québec economy, the Company recorded in its results for the year realized and unrealized depreciation of $48.9 million.

The fair-value valuation of the Investments impacting the Québec economy portfolio had an unfavourable impact on the Company's results. Given the nature of the Company's activities, i.e. unsecured investments in small and medium-sized businesses, difficulties are more likely to arise during the first years of an investment interest while observable successes take time and often reach their full potential only when an investment is realized. Prospects of a positive portfolio return should therefore be anticipated when the average age of investments reaches five to eight years. As at December 31, 2008, the average age of the Company's portfolio was less than four years. The deterioration of the economic situation is taking some time to affect overall Investments impacting the Québec economy portfolio risk levels which remained satisfactory through the last fiscal year, due primarily to the manager's sustained focus on increasing the value of partner companies within the portfolio and to slowing investment in the Venture Capital line of business.

Other investments

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

BREAKDOWN OF NET ASSETS AS AT DECEMBER 31, 2008

Investments impacting the Québec economy	43%
Other investments	55%
Other	2%

As at December 31, 2008, the Company's Other investments portfolio, including cash but excluding foreign exchange contracts, totalled $444.1 million compared with $353.7 million as at December 31, 2007. These funds were invested mainly in fixed-income securities, i.e. highly liquid instruments presenting low credit risk. At the end of fiscal 2008, nearly 72% of the bond securities in the portfolio were government-guaranteed. The portion of the Other investments portfolio in relation to total net assets was 55% as at December 31, 2008 compared with 48% as at December 31, 2007. This increase is due mainly to the significant amount of capital raised into 2008, which exceeded net investments made. The Company anticipates that this ratio will decrease in 2009 and in coming years and will gradually stabilize around 35% and 40% as capitalization reaches its maximum limit; in keeping with its core mission, this will allow an increase in funds allocated to Investments impacting the Québec economy.

To enhance total portfolio returns, the Company's manager is also authorized to take market positions using purchase/redemption transactions. Such trades are made in an overlay portfolio and their potential risk limits are defined and overseen by the Company's Financial Asset Management Committee and tracked daily by the Company's manager. As at December 31, 2008, the Company had no market positions.

In 2007, the Company made an investment of $15 million in a fund of hedge funds. Following the swift collapse of stock prices, the manager of this fund of hedge funds had to proceed to its orderly liquidation. Consequently, in 2008 the Company received a total amount of $3.5 million and the fair value of the remaining shares as at December 31, 2008 was $7.6 million. The asset allocation strategy attributed a portion of the Company's assets to this class. However, in light of recent events, the Company will reconsider the use of this asset class.

As regards the management of its liquidities and Other investments portfolio, the Company's manager deals mainly with Desjardins Global Asset Management, Caisse centrale Desjardins, Desjardins Securities and Desjardins Trust.

Revenue generated by Other investments

(in thousands of $)	2008	2007
Revenue	16,797	13,556
Gains (losses)	1,895	(2,611)
	18,692	10,945

Revenue consists of interest, dividends and trading activities on Other investments. Interest income (primarily from bonds) is recognized at the bond rate in effect at the acquisition date. Realized gains (losses) 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 gain (loss) from prior years, which is reversed and reflected in the unrealized gain (loss) for the current period.

Other investments continues to provide the Company with a major source of operating revenue even though interest rates are low. The portfolio's contribution totalled $18.7 million in 2008 compared with $10.9 million in 2007. The increase in revenue is due mainly to the increase in average assets for this asset class. Key rate reductions in 2008 allowed the Company to realize a gain on its Other investments portfolio. Tightening credit conditions that caused value losses in 2008 primarily in bonds and in preferred shares of companies and financial institutions affected the Company's results only slightly due to its low weighting in these asset classes.

Capital raising

The Company offers its shares for sale exclusively through the Desjardins caisse network. As at December 31, 2008, this distribution network consisted of more than 485 Desjardins caisses and more than 885 service centres, for a total exceeding 1,370 sales outlets.

The shares of the Company are part of a continuous offering. However, the Company is authorized to raise a maximum of $150 million in capital for the capitalization period ending February 28, 2009. For any capitalization period, the Company may raise a maximum of $150 million per period until it has reached at least $1 billion in share capital for the first time by the end of a capitalization period. Beginning with the capitalization period following that, per period the Company may raise the lesser of $150 million and the amount of the reduction in share capital attributable to the Company's redemptions or purchases by agreement during the preceding capitalization period. Each 12-month capitalization period begins on March 1 of each year. A minimum holding period of seven years applies before shares are eligible for redemption. A special tax is payable by the Company if it fails to comply with these limits, and control mechanisms have been implemented by the Company to ensure compliance.

Subscription of shares of the Company entitles the investor to receive a non-refundable tax credit, which applies only to Québec tax, for an amount equal to 50% of all amounts subscribed, up to a maximum tax credit of $2,500.

Subscriptions totalled $126.4 million during fiscal 2008 compared with $101.8 million for fiscal 2007. The rise is due primarily to the increase in the tax credit from 35% to 50% as of November 10, 2007. During 2008, redemptions totalled $17.0 million compared with $1.6 million for the preceding year. The increase reflects that in November and December of 2008, nearly 20% of the shares issued in 2001 during the first capitalization period became eligible for redemption at the end of their minimum seven-year holding period and were redeemed.

As at December 31, 2008, the Company's share capital was $859.5 million for 85,159,435 shares outstanding. The number of shareholders reached 122,128 as at December 31, 2008 compared with 120,652 as at December 31, 2007.

The Company's policy is to reinvest its annual income from operations rather than pay dividends to shareholders in order to increase the capital available for investment in eligible entities and to create share value appreciation.

Note however that shareholders who request a redemption to withdraw all or a portion of their shares after the seven-year holding period may not claim a tax credit for any subscription for which the tax credit would apply in the current tax year or in any subsequent tax year.

Breakdown of shareholders' equity by issue as at December 31, 2008

Issue	Issue price $	Balance * $M	Eligible for redemption
2001	10.00	59.7	2008
2002	10.00	191.6	2009
2003	10.12 and 10.24	83.6	2010
2004	10.25	93.7	2011
2005	10.25	92.9	2012
2006	10.37 and 10.21	76.0	2013
2007	10.21 and 9.92	93.1	2014
2008	9.89 and 9.83	122.0	2015
Shareholders' equity		812.6	

* Calculated at net asset value per share as at December 31, 2008

Operating expenses

Expenses

(in thousands of $)	2008	2007
Management fees	22,545	20,335
Other operating expenses	985	1,822
Shareholder services	1,847	2,022
Capital tax	344	527
	25,721	24,706

Management fees

Management fees in fiscal 2008 amounted to $22.5 million, or 87.7% of total operating expenses of $25.7 million, compared with $20.3 million, or 82.3% of total operating expenses in 2007. The billing basis is comparable from one period to another since no changes have been made to the management agreement. Up to December 31, 2008, Capital régional et coopératif Desjardins paid Desjardins Venture Capital inc. annual management fees equivalent to 3% of the Company's annual average assets' net value, less any amounts payable to acquire investments. The management agreement provides that this percentage will decrease to 2.5% beginning with the fiscal year following the year in which the annual net asset value reaches $750 million. As this threshold was reached in fiscal 2008, the management fees paid to Desjardins Venture Capital inc. will amount to 2.5% as of January 1, 2009. The management fees incurred by the Company are adjusted to avoid double billing on the Company's interest in certain investment funds.

Other operating expenses

The decrease in other operating expenses is due to the drop in amortization and professional fees. Amortization of holder-of-record management software ended in 2007 and amortization on the new software began only with its commission in November 2008. In 2007, higher professional fees were incurred due to certain disinvestments.

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 2008, Desjardins Trust's services amounted to 88.5 % of the Company's shareholder services expenses, or $1.6 million, down 7.7% compared with 2007. Desjardins Trust granted the Company a three-year unit price freeze as well as a reduction of $250,000 in management fees applicable to Company shareholder accounts. 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. Other than reimbursing certain direct expenses, no commissions or other forms of compensation are payable to any person by the Company as regards the distribution of its 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 Other investments diversification and security. As at December 31, 2008, 83.1% of the Other investments portfolio consisted of eligible investments for Québec capital tax calculation purposes, compared with 92.7% as at December 31, 2007. This decrease is due to diversifying the portfolio with non eligible securities with a view to reducing overall risk in face of the situation in the capital markets.

Income taxes reduced the loss before income taxes by $3.9 million in 2008 compared with a tax reduction of $7.1 million in 2007. 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.

Liquidity and capital resources

For fiscal 2008, cash flows from capital raising initiatives net of redemptions totalled $109.4 million ($100.2 million in 2007) while operating activities generated liquidities of $15.5 million ($9.3 million in 2007). The Company's investment activities were supported by a capital use of $126.4 million, up 37.4% compared with $92.0 million in 2007. In the current context, payout on Investments impacting the Québec economy declined to $68.5 million for fiscal 2008 compared with $115.3 million in 2007. A larger portion of the liquidities generated by operating and financing activities were therefore allocated to the Other investments portfolio, which posted net investments of $97.7 million in 2008 compared with $13.4 million in 2007.

As at December 31, 2008, cash and cash equivalents totalled $36.7 million compared with $38.1 million a year earlier. The Company's Other investments portfolio as at that date also included $107.2 million in other securities with maturities of less than one year (none in 2007). This level of cash was maintained due to the size of the commitments related to the Investments impacting the Québec economy for which payments due in fiscal 2009 are estimated at $36.1 million, and to cover requests for redemption that might occur at a different pace than the issue of new shares.

Given the Other investments 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 terms and expects to be able to redeem shares issued at least seven years earlier from those shareholders who make such a request.

Impact of current economic conditions

The outlook for the economy suggests that the current recession in North America will last through the first months of 2009. This recession could have an impact on the profitability and financial health of certain partner companies in the Investments impacting the Québec economy portfolio. The effect on the fair value of these investments could be downward and the number of defaults could rise. To limit such effects, the Company will accompany its partner entrepreneurs closely. A proactive file monitoring plan, including a financial strategy, will be developed on a three-year horizon. The strategy will focus on securing positions in existing investments before supporting new projects, and being prepared to seize on opportunities arising from the slowdown in the traditional financing market.

The Other investments portfolio performed strongly in 2008, demonstrating the wisdom of the prudent risk diversification approach implemented by the Company over several fiscal years. Nonetheless, the relevance of certain asset classes will be reviewed, with the focus on funds of hedge funds.

The Company does not foresee a substantial increase in expenses due to the current economy, as these are made up essentially of management fees that are based on a set percentage of assets.

The Company's financing activities depend primarily on funds generated by subscriptions net of redemptions. For fiscal 2009, new subscriptions could reach $173.6 million while potential redemptions, at the price of $9.54, amount to about $184.8 million. It is difficult at this time to gauge the impact that current economic conditions will have on the intentions of the Company's shareholders. The Company will continue to manage new commitments in its Investments impacting the Québec economy portfolio according to the trends of its financing sources. If necessary, the Company can dispose of the securities in its Other investments portfolio. Last, a $10 million credit facility makes it possible to withstand any isolated and temporary cash shortfall.

To take into account the substantial widening of credit spreads in the markets since June 2008, a decrease in value was recognized on investments in the form of debentures. The Company has estimated the fair value of equity interests by taking into consideration the new financing conditions its partner companies face. Furthermore, the partner company available level of indebtedness factored into the estimation of their fair value was conservative.

The Company typically invests in small and medium enterprises. Consequently, increasing the value of this type of investment is more dependent on the health of the economy than on stock market movements. To reflect the difficult economic outlook, where available, company budgets were used, and if not, expected profit growth was revised downward.

RECENT EVENTS

Accounting policies

Change in accounting policies

At the beginning of fiscal 2008, the Company adopted certain new accounting standards. Note 3 to the financial statements lists these changes.

These new standards cover only disclosures and have no effect on the Company's financial results.

International financial reporting standards ("IFRS")

Effective January 1, 2011, the Company will apply IFRS. The Accounting Standards Board of Canada confirmed in 2008 that IFRS would replace the Canadian generally accepted accounting principles in effect for certain companies, including public companies. An exposure draft was published by the Canadian Institute of Chartered Accountants ("CICA") in this respect.

The Company has initiated a study of the effects of the new standards on the compilation and presentation of its financial statements. In their current form, adoption of IFRS would have significant effects for the Company as it would have to begin consolidating the activities of certain portfolio companies. These changes, by modifying the recognition and measurement of certain investments, would have an impact on the Company's share price. In addition, tools would have to be developed to allow partner companies deemed subsidiaries of the Company to comply with IFRS and report appropriate six-month financial information for consolidation purposes. Also, a consolidation system allowing efficient communication with all subsidiaries and compliance with the timeframe for disclosing financial information would have to be instituted.

In summer 2008, the Company, jointly with other industry stakeholders, submitted to the Accounting Standards Board a comment letter on the exposure draft published by the CICA to present the effect of consolidation on the relevance and clarity of the financial disclosure. In fall 2008, representations to regulatory authorities discussed the impact of IFRS on certain legislative aspects.

In the opening months of 2009, the Company will begin an analysis of the business needs related to consolidation. Concurrently, the Company will continue its detailed analysis of the other effects of IFRS. Detailed planning concerning the choice of a consolidation system and its implementation, as well as the work linked to other effects, will follow on these analyses.

Throughout this process, the Company will benefit from the support and expertise of a specialized Desjardins Group team put together for the move to IFRS, as well as assistance from external firms on certain specific aspects.

New regulation

In 2008, the Autorité des marchés financiers adopted the *Regulation respecting development capital* investment fund continuous disclosure.

The Regulation, to be applied by the Company effective with its financial statements as at December 31, 2008, requires disclosure of additional information and prescribes certain presentation methods. The Company's financial statements have been modified accordingly, but the changes affect only disclosure and have no effect on the Company's financial results. A Statement of Other investments is now presented as well as the Statement of cost of Investments impacting the Québec economy and Index of the Company's share in investments made by specialized funds and partner funds, at cost, which have been maintained.

The Regulation also has an effect on the content and presentation method of the information in this financial review and in the annual information form. Last, new certifications by the Chief Executive Officer and the Chief Financial Officer are required with respect to the valuation of the Investments impacting the Québec economy portfolio.

RELATED PARTY TRANSACTIONS

In its day-to-day activities, the Company carries out certain transactions with companies that are related to it. These transactions are described in note 15 to the financial statements of the Company.

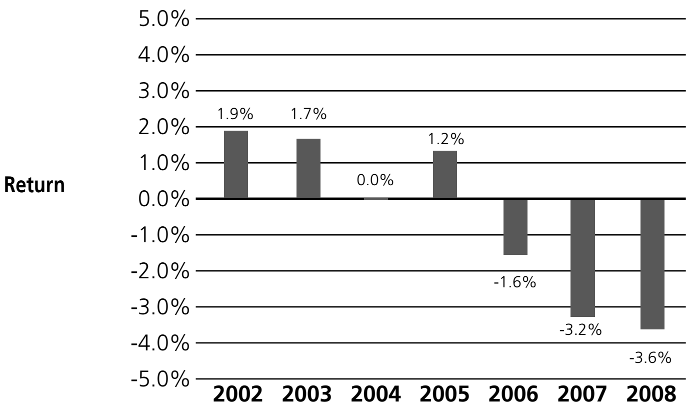
PAST PERFORMANCE

This section presents the Company's historical returns. These returns do not take into account shareholder administrative charges of $50 or the tax credit shareholders enjoy as a result of their investment. Past performance is not necessarily indicative of future returns.

ANNUAL RETURNS

The following chart shows the Company's annual returns and illustrates the variation in returns from one fiscal year to the next for the last seven years. Annual return is calculated by dividing income (loss) per share for the year by the share price at the beginning of the year.

Annual Returns



ANNUAL COMPOUNDED RETURN OF THE SHARE

The annual compounded return is calculated on the basis of the annualized variation in the price of the share on each of the periods shown.

7 years	5 years	3 years	1 year
-0.7%	-1.4%	-2.7%	-3.5%

PORTFOLIO SUMMARY

As at December 31, 2008, the assets in the Other investments and Investments impacting the Québec economy portfolios were allocated as follows.

MAIN ASSET CLASSES AS A % OF NET ASSETS

Asset classes	% of net assets
Investments impacting the Québec economy*	
Venture Capital	12.0
Resource Cooperatives and Regions	12.5
Development Capital	8.3
Major Investments and Company Buyout	10.0
Total – Investments impacting the Québec economy	42.8
Other investments	
Cash and money market instruments	4.5
Bonds	47.5
Preferred shares	1.7
Fund of hedge funds	0.9
Total – Other investments	54.6

* Including foreign exchange contracts

As at December 31, 2008, the issuers of the 25 main investments held by the Company were the following:

MAIN INVESTMENTS HELD

Issuer	% of net assets
Investments impacting the Québec economy (12 issuers)*	19.6
Hydro-Québec	13.7
Canada Mortgage and Housing Corporation	10.5
Financement-Québec	4.5
Royal Bank	2.4
Province of Ontario	1.3
Bank of Nova Scotia	1.3
GE Capital	1.3
Toronto – Dominion Bank	1.2
Province of Québec	1.0
Sun Life Financial	1.0
Bank of Montreal	1.0
DGAM ASF, Series B	0.9
Canadian Imperial Bank of Commerce	0.8

* The 12 issuers who, collectively, represent 19.6% of the Company's net assets are:

- Aegera Therapeutics Inc.
- Alyotech Canada inc. (OSI)
- Boutique Le Pentagone inc.
- Camoplast inc.
- Coradiant (Canada) inc.
- Corporation de Développement Knowlton inc.
- Desjardins – Innovatech S.E.C.
- Fempro I inc.
- Groupe Canmec (6317456 Canada inc.)
- Groupe Humagade inc. (6633749 Canada Inc.)
- La Coop fédérée
- Tranzyme Pharma inc.

This summary of the Company's portfolio may change at any time due to transactions carried out by the Company.

February 12, 2009

February 12, 2009

MANAGEMENT'S REPORT

The Company's financial statements together with the financial information contained in this Financial Report 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 financial statements, the Board of Directors has ensured that 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.

Furthermore, the Company's Chief Executive Officer and Chief Financial Officer have certified that the fair value of each of the Investments impacting the Québec economy was established through a procedure that complies with the procedure described in the regulations of the Autorité des marchés financiers and have confirmed the reasonableness of the aggregate fair value of the portfolio of Investments impacting the Québec economy.

The Board of Directors discharges its responsibility for the 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 financial statements, to discuss the audit and other related matters and to make appropriate recommendations to the Board of Directors.
In addition, the Committee meets with the Company's internal auditors. The Committee also analyzes the Management Discussion and Analysis to ensure that the information therein is consistent with the financial statements.

The financial statements present the financial information available as at February 12, 2009. 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 financial statements, together with the information in Management Discussion and Analysis.
The financial information presented elsewhere in this report is consistent with the Company's financial statements.

(signed) Catherine Lenfant, CA, CBV

Chief Financial Officer

Capital régional et coopératif Desjardins

Financial Statements
December 31, 2008

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February 12, 2009

Auditors' Report

To the Shareholders of
Capital régional et coopératif Desjardins

We have audited the balance sheets of **Capital régional et coopératif Desjardins** (the "Company") as at December 31, 2008 and 2007 and the statements of earnings, 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 financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(signed) PricewaterhouseCoopers LLP[1]

[1] Chartered accountant auditor permit n^{o} 19653

Capital régional et coopératif Desjardins

Balance Sheets

As at December 31, 2008 and 2007

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

	2008 $	2007 $
Assets		
Investments impacting the Québec economy (note 5)	348,408	360,782
Other investments (note 6)	427,897	335,371
Cash	15,848	18,286
Accounts receivable (note 7)	7,898	7,062
Software (net of accumulated amortization of $3,299; December 31, 2007 – $3,240)	1,002	80
Income taxes receivable	-	4,010
Future income taxes (note 13)	13,437	8,172
	814,490	733,763
Liabilities		
Accounts payable (note 8)	978	1,234
Income taxes payable	906	-
	1,884	1,234
Net assets	812,606	732,529
Number of outstanding common shares	85,159,435	74,097,440
Net value per common share	9.54	9.89

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

Approved by the Board of Directors

(signed) André Lachapelle, Director (signed) Pierre Gauvreau, Director

Capital régional et coopératif Desjardins

Statements of Shareholders' Equity

For the years ended December 31, 2008 and 2007

(in thousands of dollars)

2008

	Share capital (note 9) $	Contributed surplus (note 9) $	Retained earnings (deficit) Realized $	Unrealized $	Total $	Shareholders' equity $
Balance – December 31, 2007	750,345	4	11,295	(29,115)	(17,820)	732,529
Results for the year						
Net loss realized and unrealized, net of income taxes of $2,091 and ($5,973) respectively	-	-	(5,380)	(23,967)	(29,347)	(29,347)
Share capital operations						
Shares issued	126,440	-	-	-	-	126,440
Redemption of shares	(17,318)	302	-	-	-	(17,016)
	109,122	302	(5,380)	(23,967)	(29,347)	80,077
Balance – December 31, 2008	859,467	306	5,915	(53,082)	(47,167)	812,606

2007

	Share capital (note 9) $	Contributed surplus (note 9) $	Retained earnings (deficit) Realized $	Unrealized $	Total $	Shareholders' equity $
Balance – December 31, 2006	650,197	-	16,982	(12,559)	4,423	654,620
Results for the year						
Net loss realized and unrealized, net of income taxes of ($3,011) and ($4,120) respectively	-	-	(5,687)	(16,556)	(22,243)	(22,243)
Share capital operations						
Shares issued	101,763	-	-	-	-	101,763
Redemption of shares	(1,615)	4		-	-	(1,611)
	100,148	4	(5,687)	(16,556)	(22,243)	77,909
Balance – December 31, 2007	750,345	4	11,295	(29,115)	(17,820)	732,529

Les notes afférentes ci-jointes font partie intégrante des présents états financiers.

Capital régional et coopératif Desjardins

Statements of Earnings (Loss)

For the years ended December 31, 2008 and 2007

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

	2008	2007
	$	$
Revenue		
Interest	33,619	27,752
Dividends	3,753	2,309
Negotiation fees	1,866	1,813
Administrative charges	282	141
	39,520	32,015
Expenses		
Management fee	22,545	20,335
Other operating expenses (note 11)	985	1,822
Shareholder services (note 11)	1,847	2,022
Capital tax	344	527
	25,721	24,706
Net investment income	13,799	7,309
Gains and losses on investments		
Realized	(17,088)	(16,007)
Unrealized	(29,940)	(20,676)
	(47,028)	(36,683)
Income taxes recovery (note 13)	(3,882)	(7,131)
Net loss for the year	(29,347)	(22,243)
Weighted average number of common shares	83,406,967	68,320,868
Net loss per common share	(0.35)	(0.33)

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

Capital régional et coopératif Desjardins

Statements of Cash Flows

For the years ended December 31, 2008 and 2007

(in thousands of dollars)	2008 $	2007 $
Cash flows from		
Operating activities		
Net loss for the year	(29,347)	(22,243)
Adjustments for		
Realized losses on investments	17,088	16,007
Unrealized losses on investments	29,940	20,676
Amortization of software	59	338
Amortization of premiums and discounts on investments	554	570
Future income taxes	(5,265)	(3,709)
Capitalized interest and other non-cash items	(1,564)	(557)
	11,465	11,082
Changes in non-cash operating working capital balances (note 14)	4,029	(1,831)
	15,494	9,251
Investing activities		
Acquisition of investments impacting the Québec economy	(68,495)	(115,325)
Acquisition of other investments	(368,379)	(110,550)
Proceeds on disposal of investments impacting the Québec economy	40,837	36,728
Proceeds on disposal of other investments	270,728	97,164
Software	(1,061)	-
	(126,370)	(91,983)
Financing activities		
Issuance of common shares	126,440	101,763
Redemption of shares	(17,016)	(1,611)
	109,424	100,152
Net changes in cash and cash equivalents during the year	(1,452)	17,420
Cash and cash equivalents – Beginning of the year (note 12)	38,107	20,687
Cash and cash equivalents – End of the year (note 12)	36,655	38,107
Supplementary information		
Income taxes paid	552	987

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

(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 began 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;
- 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 people appointed by the President of the Desjardins Group;
- Two people elected by the General Meeting of shareholders of the Company;
- Two people appointed by the above-mentioned ten members, selected from a group of people whom they deem to be representative of eligible entities as described in the Act;
- 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 million of assets and net equity of not more than $50 million.

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

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 securities in 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, such as investments in certain investment funds, provided the required specific conditions set out in the Act have been met.

At the end of each fiscal year, 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.

In its eligibility calculations, the Company also takes into account the investments it has made other than as first purchaser for the acquisition of securities issued by an eligible entity. For investments made prior to November 10, 2007, these investments should not represent more than one third of the total investments made by the Company as first purchaser in this entity. For investments made on or after November 10, 2007, this restriction is lifted, but the Company may not make investments other than as first purchaser totalling more than 20% of its net assets as at the preceding year-end for those investments to be eligible.

As at December 31, 2008, the Company was in compliance with these rules.

2 Significant accounting policies

Use of estimates

The preparation of financial statements in accordance with Canadian 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 year. 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 adjustments as they become necessary, are reported in earnings (loss) in the year in which they are known.

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

Comprehensive income

The statement of comprehensive income is not provided since net earnings and comprehensive income are the same.

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. The value of the shares with trading or transfer restrictions 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 and the volume of trades. Otherwise, the fair value may be established using unlisted share valuation techniques.

Unlisted shares, debentures and advances

Unlisted shares, debentures and advances are valued at their fair value, determined in accordance with appropriate methods of valuation, primarily including 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 the discount or capitalization rate, the 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 to a granted surety, the amount of liabilities accounted for is estimated using an asset-based approach and a liquidation value method.

Other investments

Other investments consist of temporary investments, bonds, preferred shares, foreign exchange contracts and units of funds of hedge funds recorded at fair value. Units of funds of hedge funds are recorded at fair value estimated by their respective managers at the balance sheet date. The foreign exchange contracts are measured using the difference between the contract's rate and the rate of an identical contract (same maturity and notional amount) that would have been agreed to at the balance sheet date. For all other investments, fair value is calculated according to market value, which is the bid-side level at market closing on the balance sheet date.

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

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 measured using the sell-side level at market closing on the balance sheet date. Realized and unrealized gains and losses thereon are recorded in revenue in Interest. As at December 31, 2008 and 2007, the Company had 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. As at December 31, 2008 and 2007, the Company had no securities purchased under resale agreements or securities sold under repurchase agreements.

Cash, cash and cash equivalents, accounts receivable and accounts payable

The cash consist of bank balances. Cash and cash equivalents consit of cash and short-term deposits with original terms to maturity of three months or less.

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

Software

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

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. In the statement of earnings, realized or unrealized gains or losses on investments are presented under Gains and losses on investments.

For the other assets and liabilities denominated in foreign currencies, the changes related to foreign exchange rates are presented under Other operating expenses.

Revenues and expenses denominated in foreign currencies are translated at the exchange rate prevailing on the transaction date.

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

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.

Administrative charges

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

Negotiation fees

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

Gains and losses on investments

Gains and losses on disposal of investments 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 gain (loss) recorded in previous years, which is reversed and taken into account in change in unrealized gain (loss) for the year.

Premiums and discounts

Premiums and discounts on fixed-term maturity of other investments are amortized using the internal rate of return method up to the maturity date of these investments. Amortization of premiums and discounts are recorded in Interest.

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

3 Changes in accounting policies

At the beginning of fiscal 2008, the Company adopted Canadian Institute of Chartered Accountants ("CICA") *Handbook* Section 3862, *Financial Instruments – Disclosures*, Section 3863, *Financial Instruments – Presentation*, and Section 1535, *Capital Disclosures*.

Sections 3862 and 3863 establish standards for disclosures about financial instruments, including disclosures about fair value and the credit, liquidity and market risks associated with the financial instruments and for presentation of financial instruments. These new standards supersede *CICA Handbook* Section 3861, *Financial Instruments – Disclosure and Presentation*.

Section 1535 requires an entity to disclose information to enable users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.

These new standards relate to disclosure only and did not have an impact on the financial results of the Company.

The main effects are discussed in notes 5, 6, 10 and 16.

4 Basis of financial statement presentation

Subsequent to the coming into force of the *Regulation respecting development capital investment fund continuous disclosure* of the Autorité des marchés financiers, the presentation of the Company's financial statements has been modified. Certain captions have been changed, and certain figures from the previous year have been reclassified.

This new regulation affects disclosure only and has no impact on the Company's results.

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

5 Investments impacting the Québec economy

The *Schedule of cost of investments impacting the Québec economy* is available at the Company's head office, on its Web site at capitalregional.com and on SEDAR at www.sedar.com.

			2008
	Cost	**Unrealized gain (loss)**	**Fair value**
	$	**$**	**$**
Unsecured			
Common shares	138,058	(20,699)	117,359
Preferred shares	110,040	(24,370)	85,670
Debentures and advances	163,153	(19,256)	143,897
Secured			
Debentures and advances	1,577	(95)	1,482
	412,828	(64,420)	348,408

			2007
	Cost	**Unrealized gain (loss)**	**Fair value**
	$	**$**	**$**
Unsecured			
Common shares	123,352	(6,141)	117,211
Preferred shares	110,271	(21,136)	89,135
Debentures and advances	155,788	(7,644)	148,144
Secured			
Debentures and advances	6,725	(433)	6,292
	396,136	(35,354)	360,782

The investments impacting the Québec economy included investments valued in US dollar for a fair value of $50.2 million (December 31, 2007 – $38.1 million).

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

The debentures and advances bear interest at a weighted average rate of 10.6 % (December 31, 2007 – 10.1 %) and have an average residual maturity of 4.70 years (December 31, 2007 – 4.55 years). For substantially all the interest-bearing debentures and advances, the interest rate is fixed.

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

a) Allocation of investments and funds committed by industry segment

						2008
Industry segment	**Investments at cost**	**Unrealized gain (loss)**	**Fair value**	**Funds committed but not disbursed [1]**	**Sureties [1]**	**Total commitment**
	$	**$**	**$**	**$**	**$**	**$**
Major Investments and Company Buyout	92,869	(11,556)	81,313	4,737	-	86,050
Development Capital	67,273	321	67,594	8,050	-	75,644
Cooperatives and Resource Regions	116,738	(15,395)	101,343	26,538	-	127,881
Venture Capital - Information technology and communications	75,682	(5,062)	70,620	19,627	-	90,247
Venture Capital - Health	60,266	(32,728)	27,538	5,494	-	33,032
Total	412,828	(64,420)	348,408	64,446	-	412,854

						2007
Industry segment	**Investments at cost**	**Unrealized gain (loss)**	**Fair value**	**Funds committed but not disbursed [1]**	**Sureties [1]**	**Total commitment**
	$	**$**	**$**	**$**	**$**	**$**
Major Investments and Company Buyout	91,910	(300)	91,610	4,944	-	96,554
Development Capital	53,761	(990)	52,771	7,400	-	60,171
Cooperatives and Resource Regions	120,216	(13,575)	106,641	29,919	-	136,560
Venture Capital - Information technology and communications	71,377	1,119	72,496	22,118	-	94,614
Venture Capital - Health	58,872	(21,608)	37,264	9,243	-	46,507
Total	396,136	(35,354)	360,782	73,624	-	434,406

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

b) Funds committed but not disbursed represent investments that have been agreed upon and which have been committed but not disbursed at the balance sheet date. Future disbursements are subject to certain conditions. Assuming that the conditions are respected, the estimated installments over the coming years ended December 31 will be as follows:

2009	2010	2011	2012	2013	Total
36,083	9,729	9,914	4,000	4,720	64,446

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

6 Other investments

The *Statement of other investments* unaudited is available at the Company's head office, on its Web site at capitalregional.com and on SEDAR at www.sedar.com.

			2008
	Cost	**Unrealized gain (loss)**	**Fair value**
	$	**$**	**$**
Bonds			
Federal	89,230	5,820	95,050
Provincial and guaranteed	179,436	2,935	182,371
Financial institutions	69,002	(1,059)	67,943
Companies	39,659	(847)	38,812
Supranational entities	2,010	112	2,122
	379,337	6,961	386,298
Money market instruments [1]	20,807	-	20,807
Foreign exchange contracts [2]	-	(330)	(330)
Preferred shares	18,713	(5,233)	13,480
Units of fund of hedge funds [3]	11,462	(3,820)	7,642
Total	430,319	(2,422)	427,897

Allocation of bonds by maturity date

				2008
Maturity	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
	$	**$**	**$**	**$**
Unamortized cost	107,019	198,616	73,702	379,337
Par value	106,000	196,572	74,394	376,966
Fair value	107,169	204,103	75,026	386,298
Average nominal rate [4]	3.32 %	4.64 %	4.63 %	4.26 %
Average effective rate	2.26 %	4.21 %	4.77 %	3.77 %

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

			2007
	Cost	**Unrealized gain (loss)**	**Fair value**
	$	**$**	**$**
Bonds			
Federal	87,196	(17)	87,179
Provincial and guaranteed	102,049	(23)	102,026
Financial institutions	60,546	(731)	59,815
Companies	34,974	(26)	34,948
Supranational entities	2,012	(17)	1,995
	286,777	(814)	285,963
Money market instruments [1]	19,821	-	19,821
Preferred shares	15,321	(1,362)	13,959
Units of fund of hedge funds [3]	15,000	628	15,628
Total	336,919	(1,548)	335,371

Allocation of bonds by maturity date

				2007
Maturity	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
	$	**$**	**$**	**$**
Unamortized cost	-	195,921	90,856	286,777
Par value	-	194,819	90,894	285,713
Fair value	-	194,564	91,399	285,963
Average nominal rate [4]	n/a	4.64 %	4.62 %	4.64 %
Average effective rate	n/a	4.39 %	4.61 %	4.46 %

[1] Money market instruments consist of term deposits, Treasury bills or bankers' acceptances with an original maturity of less than 3 months.
[2] Foreign exchange contracts have three-month maturities.
[3] The fund of hedge funds is in the process of orderly liquidation.
[4] Substantially all bonds are fixed-interest rate issues.

All portfolio securities of other investments are denominated in Canadian dollars.

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

7 Accounts receivable

	2008	**2007**
	$	**$**
Interest and dividends receivable on investments	4,731	4,758
Sales taxes receivable	922	468
Investments receivable	1,570	1,703
Other accounts receivable	675	133
	7,898	7,062

8 Accounts payable

	2008	**2007**
	$	**$**
Suppliers	687	674
Other accounts payable and accrued liabilities	291	560
	978	1,234

9 Shareholders’ Equity

Share capital authorized

The Company is authorized to issue common shares and fractions of common shares without par value, participating, voting, with the right to elect two representatives to the Board of Directors, redeemable under certain conditions provided in the Act, so that its capital increases by a maximum of $150 million annually.

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

As of the capitalization period following the one at the end of which the Company first reaches capitalization of at least $1 billion, the Company may collect, per capitalization period, the lesser of $150 million and the amount corresponding to the reduction in paid-up capital attributable to all the shares and fractions of shares redeemed or purchased by agreement by the Company during the preceding capitalization period.

Each capitalization period, which lasts twelve months, will begin on March 1 of each year. The maximum the Company can raise in the capitalization period ending on February 28, 2009 is $150 million. As at December 31, 2008, the Company is in compliance with this limit.

Share capital issued and fully paid

	2008	2007
	$	$
85,159,435 common shares (December 31, 2007 – 74,097,440)	859,467	750,345

During the year, the Company issued 12,792,143 common shares (2007 – 10,117,487) for a cash consideration of $126.4 M (2007 – $101.8 M).

During the year, the Company redeemed 1,730,148 common shares (2007 – 159,535) for a cash consideration of $17.0 M (2007 – $1.6 M).

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

The contributed surplus results from the excess of the shares' issuance price over the price payable for their repurchase.

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 of subscribing it;

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

- 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 to be 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.

Tax credit

The purchase of shares of the Company entitles the investor to receive a non-refundable tax credit, for Québec tax purposes only, for an amount equal to :

For purchases prior to March 24, 2006: 50% tax credit, $1,250 maximum.
For purchases from March 24, 2006 to November 9, 2007: 35% tax credit, $875 maximum.
For purchases subsequent to November 9, 2007: 50% tax credit, $2,500 maximum.

Investors who withdraw some or all of their shares as part of a redemption after a seven-year holding period will not be able to claim the tax credit for any purchase for which the tax credit could be applied in the same or subsequent taxation years.

10 Capital disclosures

The Company's objective with respect to capital management is to ensure the availability of sufficient cash resources to fund investments in line with its mission and meet shareholders' demands for share repurchases. The Company's capital consists of shareholders' equity.

The Company is not subject to any external capital requirements other than those governing the issuance and repurchase of its shares, as indicated in note 9.

The Company's policy is to reinvest the annual revenues generated by its operations and not to pay dividends to its shareholders, with a view to increasing the capital available for investment and enhancing share valuations.

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

11 Expenses

	2008	2007
	$	$
Other operating expenses		
Audit fees	145	157
Directors' compensation	282	307
Professional fees	479	703
Other expenses	20	317
Amortization of software	59	338
	985	1,822

	2008	2007
Shareholder services		
Trustee fees	1,634	1,770
Reporting to shareholders	138	182
Other expenses	75	70
	1,847	2,022

12 Cash and cash equivalents

	2008	2007
	$	$
Cash	15,848	18,286
Money market instruments	20,807	19,821
	36,655	38,107

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

13 Income taxes

The Company is subject to Federal and provincial income taxes.

a) The income tax expense is detailed as follows:

	2008 $	2007 $
Current income taxes	1,383	(3,422)
Future income taxes	(5,265)	(3,709)
	(3,882)	(7,131)

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

	2008 $	2007 $
Income taxes by applying the combined income of 39,40 % (2007 – 39,02 %)	(13,092)	(11,462)
Permanent differences between earnings before income taxes and taxable income and other items	9,210	4,331
	(3,882)	(7,131)

c) Future income taxes relate to the following items:

	2008 $	2007 $
Future income tax assets		
Unrealized loss on investments	13,231	7,498
Premiums on bonds	315	494
Taxes losses carried over	275	140
Other	54	61
	13,875	8,193
Future income tax liabilities		
Software	(438)	(21)
Future income tax assets, net	13,437	8,172

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

14 Cash flows

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

	2008	2007
	$	$
Increase in accounts receivable	(711)	(1,393)
Decrease (increase) in income taxes	4,916	(433)
Decrease in accounts payable	(176)	(5)
	4,029	(1,831)

15 Related party transactions

The Company is related to the Desjardins Group. Major agreements with the Company and the entities of the Desjardins Group are as follow :

- The Company has entrusted the management of its operations, including management of its portfolio, to Desjardins Venture Capital Inc. ("DVC"), in accordance with the 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 the contract by mutual agreement. Thereafter, the contract 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 average assets net value reduced by any amount payable for the acquisition of investments. This percentage is reduced to 2.5% as of the fiscal year following that in which the Company's net asset value reaches $750 million. Since this threshold was reached during the current year, the management fee will be set to 2.5% as of 2009. An adjustment is made to the management fee charged to the Company to avoid double billing relative to the Company's interest in some funds.

- The Company has appointed Desjardins Trust Inc. to act as its registrar and transfer agent with respect to shareholder transactions. The agreement has a two-year term starting on January 1, 2008.

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

- The Company has appointed the Fédération des caisses Desjardins du Québec to distribute its shares through the entities of the Desjardins Group. This agreement is effective for one 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.

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. The transactions and balances are detailed as follows:

	2008	2007
	$	$
Balance sheets		
Caisse centrale Desjardins		
Cash	1,753	4,628
Other investments	17,986	18,500
Capital Desjardins inc.		
Other investments	3,423	19,652
Interest and dividends receivable on investments	31	132
Desjardins Capital de développement (Regional funds)		
Accounts receivable	-	8
Accounts payable	-	151
Desjardins Venture Capital Inc.		
Accounts receivable	568	-
Accounts payable	-	77
Desjardins Global Asset Management		
Other investments	7,642	15,628
Accounts receivable	125	-
Fédération des caisses Desjardins du Québec		
Accounts payable	-	80
Desjardins Trust Inc.		
Other investments	2,821	1,321
Accounts payable	687	674
Desjardins Securities		
Cash	14,095	13,658

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

	2008 **$**	**2007** **$**
Statements of earnings		
Caisse centrale Desjardins		
Interest	2,684	596
Realized losses on investments	(6,995)	-
Unrealized losses on investments	(330)	-
Capital Desjardins inc.		
Interest	299	986
Realized losses on investments	(103)	(1)
Unrealized gains (losses) on investments	277	(412)
Desjardins Venture Capital Inc.		
Management fees	22,545	20,335
Desjardins Global Asset Management		
Unrealized gains (losses) on investments	(4,448)	628
Fédération des caisses Desjardins du Québec		
Other operating expenses	364	455
Desjardins Trust Inc.		
Interest	24	44
Shareholder services	1,634	1,770
Desjardins Securities		
Interest	346	252

16 Financial instruments and associated risks

The risks associated with financial instruments that affect the Company's financial position are discussed in detail in the audited sections "Market Risk", "Credit and Counterparty Risk" and "Liquidity Risk" of the Company's MD&A on pages 8 to 10.

Capital régional et coopératif Desjardins

Schedule of cost of investments
impacting the Québec economy
As at December 31, 2008

PRICEWATERHOUSECOOPERS

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February 12, 2009

Auditors' Report

To the Shareholders of
Capital régional et coopératif Desjardins

On February 12, 2009, we reported on the balance sheets of **Capital régional et coopératif Desjardins** (the "Company") as at December 31, 2008 and 2007 and the statements of earnings, shareholders' equity and cash flows for the years then ended.

In our audits of the financial statements referred to above, we also audited the schedule of cost of investments impacting the Québec economy as at December 31, 2008. This schedule is the responsibility of the Company's management.

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

(signed) PricewaterhouseCoopers LLP[1]

[1] Chartered accountant auditor permit n^{o} 19653

Capital régional et coopératif Desjardins
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(in thousands of dollars)

			Unsecured investments		Secured investments	
	Initial investment year	Industry segment	Common and Preferred shares $	Debentures and advances $	Debentures and advances $	Total $
Abitibi-Témiscamingue						
Complexe funéraire Ste-Bernadette	2007	C & RR	170	170	-	340
Équipement JexPlore inc.	2007	C & RR	-	250	-	250
Héli Explore inc.	2007	C & RR	125	125	-	250
Hôtel des Eskers inc.	2007	C & RR	200	200	-	400
Hôtel des Gouverneurs	2007	C & RR	200	200	-	400
Hôtel Forestel Val d'Or inc.	2007	C & RR	225	225	-	450
Manufacture Adria inc.	2005	C & RR	-	170	-	170
Transport scolaire R.N. ltée	2008	C & RR	200	200	-	400
Total Abitibi-Témiscamingue			1,120	1,540	-	2,660
Bas-Saint-Laurent						
Aqua-Biokem BSL inc.	2002	C & RR	1,904	-	296	2,200
Bâtitech ltée	2007	C & RR	70	343	-	413
Bois-Franc inc.	2006	C & RR	-	467	-	467
Boutique Le Pentagone inc.	2008	MI & B	1,288	8,462	-	9,750
Campor inc.	2006	C & RR	-	344	-	344
Datran inc.	2007	C & RR	-	458	-	458
Équipements J.P.L. inc. (Les)	2008	C & RR	-	225	-	225
Fabrications TJD inc. (Les)	2006	C & RR	-	500	-	500
Fruits de Mer de l'Est du Québec (1998) ltée (Les)	2006	C & RR	-	250	-	250
Gestion Arnold Gauthier inc.	2002	C & RR	80	282	-	362
Gestion Gilles D'Amours - 9159-0026 Québec inc.	2005	C & RR	-	1,723	-	1,723
Graphie 222 inc.	2007	C & RR	205	205	-	410
Groupe Composites VCI inc.	2007	C & RR	2,250	1,516	-	3,766
Groupe Fillion Sport inc.	2008	C & RR	-	350	-	350
Industries Desjardins ltée (Les)	2005	C & RR	-	326	-	326
Leblanc Environnement inc.	2008	C & RR	250	250	-	500
Planchers Ancestral (2007) inc. (9184-7376 Québec inc.)	2007	C & RR	80	-	-	80
Produits métalliques Pouliot Machinerie inc.	2007	C & RR	-	-	235	235
Trans-Plus Express J.L. inc.	2007	C & RR	125	175	-	300
Total Bas-Saint-Laurent			6,252	15,876	531	22,659
Capitale-Nationale						
Amalgame Créativité Stratégique inc.	2008	DevC	-	400	-	400
Céramica-Concept inc.	2005	DevC	-	156	-	156
Congébec Logistique inc.	2004	DevC	3,800	-	-	3,800
Coopérative de travailleurs actionnaire du Groupe Congébec	2005	C & RR	-	720	-	720
Cross Match Technologies, inc.	2008	VC - ITC	2,353	1,628	-	3,981
Engrenage Provincial inc.	2005	DevC	-	2,263	-	2,263
Frima Studio inc.	2008	DevC	-	500	-	500
Gestion Placage RMH inc.	2006	DevC	-	388	-	388
Groupe Humagade inc.	2006	VC - ITC	11,191	38	-	11,229
Labcal Technologies Inc.	2004	VC - ITC	1,840	-	-	1,840
Logiciels Dynagram inc. (Les)	2002	VC - ITC	-	-	198	198
Maison Orthésis inc. (La)	2006	DevC	-	409	-	409
OptoSecurity inc.	2007	VC - ITC	3,500	600	-	4,100
Oricom Internet inc.	2005	DevC	-	178	-	178
Piscines Soucy inc.	2006	DevC	-	296	-	296
Poste Express	2006	DevC	-	293	-	293
Souris Mini inc.	2005	DevC	-	995	-	995
Usital Canada inc.	2002	DevC	240	168	-	408
Total Capitale-Nationale			22,924	9,032	198	32,154

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	Initial investment year	Industry segment	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Centre-du-Québec						
Autobus Thomas inc.	2007	DevC	-	779	-	779
Bluberi Group inc.	2007	MI & B	-	4,650	-	4,650
CDM Papiers Décors inc.	2006	DevC	-	1,439	-	1,439
Coopérative de travailleurs actionnaire de Fempro	2008	C & RR	-	407	-	407
Demtec inc.	2005	DevC	-	1,507	-	1,507
Distribution Pro-Excellence inc.	2008	DevC	-	300	-	300
Fempro I inc.	2007	MI & B	3,000	6,500	-	9,500
Groupe S.G. Ameublements commerciaux inc.	2008	DevC	-	550	-	550
Métalus inc.	2008	DevC	-	2,614	-	2,614
Novatek Laser inc.	2007	DevC	-	2,496	-	2,496
Service funéraire coopératif Drummond	2007	C & RR	-	450	-	450
Total Centre-du-Québec			3,000	21,692	-	24,692
Chaudière - Appalaches						
CHEQ FM 101,3 (9174-8004 Québec inc.)	2007	DevC	250	250	-	500
Acier Majeau inc.	2008	DevC	-	600	-	600
CIF Métal ltée	2005	MI & B	5,156	-	-	5,156
Delta Steel Joist inc.	2006	DevC	-	240	-	240
Distribution Eugène Gagnon inc.	2006	DevC	-	272	-	272
Ebi-tech inc.	2007	DevC	-	367	-	367
Émile Bilodeau & Fils inc.	2008	DevC	-	181	-	181
Horisol Coopérative de travailleurs	2008	C & RR	-	300	-	300
K-2 Portes d'acier inc.	2008	DevC	-	283	-	283
Marquis Book Printing inc.	2007	DevC	500	1,000	-	1,500
Matiss inc.	2002	DevC	400	177	-	577
MTI Canada inc.	2008	DevC	-	3,958	-	3,958
Portes Patio Résiver inc.	2003	DevC	299	38	-	337
Produits de plancher Finitec inc.	2007	DevC	-	417	-	417
Structures D.L.D. Ltée	2008	DevC	-	400	-	400
Tibetral Système inc.	2006	DevC	400	63	-	463
Transfab Énergie inc.	2006	DevC	-	190	-	190
Transport de l'Amiante	2006	DevC	-	133	-	133
Total Chaudière–Appalaches			7,005	8,869	-	15,874
Côte-Nord						
Interconnect inc.	2006	C & RR	-	144	-	144
Solugaz inc. (formerly Propane Charlevoix inc.)	2007	C & RR	-	710	-	710
Total Côte-Nord			-	854	-	854
Eastern Townships						
Camoplast inc.	2002	MI & B	23,171	-	-	23,171
Cogiscan inc.	2002	VC - ITC	849	1,215	321	2,385
Complexe sportif Interplus	2007	DevC	-	300	-	300
Coopérative de travailleurs actionnaire Filage Sherbrooke (FilSpec)	2004	C & RR	-	1,682	-	1,682
Coopérative funéraire de l'Estrie	2006	C & RR	-	1,560	-	1,560
Éco-Pak inc. (2948-4292 Québec inc.)	2008	DevC	-	750	-	750
Entreprises Michel Lapierre inc. (Les)	2004	DevC	1,509	875	-	2,384
Extermination Cameron inc.	2005	DevC	-	298	-	298
FilSpec inc.	2004	DevC	498	-	-	498
FilSpec inc. (9120-0782 Québec inc. / Gesco)	2004	DevC	440	84	-	524
IPS Thérapeutique inc.	2002	DevC	80	-	-	80

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Mésotec inc.	2005	DevC	2,104	-	-	2,104
Mirazed inc.	2007	DevC	330	870	-	1,200
Multi X inc.	2006	DevC	-	760	-	760
Pétroles O. Archambault et Fils inc. (Les)	2008	DevC	-	386	-	386
Société Industrielle de Décolletage et d'Outillage (S.I.D.O.) ltée	2005	MI & B	2,409	2,505	-	4,914
Tranzyme Pharma inc.	2003	VC - Health	6,065	533	-	6,598
Total Eastern Townships			37,455	11,818	321	49,594
Gaspésie-Îles-de-la-Madeleine						
Azentic inc.	2006	C & RR	-	297	-	297
Éocycle Technologies inc.	2004	C & RR	955	-	-	955
Gestion C.T.M.A. inc.	2007	C & RR	-	2,000	-	2,000
Groupe alimentaire RT ltée	2005	C & RR	-	326	-	326
Hôtel Baker ltée	2007	C & RR	-	275	-	275
Pesca Conseillers en biologie inc.	2007	C & RR	-	497	-	497
Total Gaspésie-Îles-de-la-Madeleine			955	3,395	-	4,350
Lanaudière						
Management P.R. Maintenance inc.	2006	DevC	-	484	-	484
Nicorp inc.	2006	DevC	-	216	-	216
Ravenco (1991) inc.	2006	DevC	300	455	-	755
Technologies Photogram inc.	2005	DevC	380	227	-	607
Total Lanaudière			680	1,382	-	2,062
Laurentians						
Coopérative Forestière des Hautes-Laurentides	2002	C & RR	-	270	-	270
J.L. Brissette ltée	2008	DevC	125	125	-	250
Triton Électronique inc.	2003	MI & B	2,533	-	-	2,533
Total Laurentians			2,658	395	-	3,053
Laval						
20-20 Technologies inc.	2002	VC - ITC	864	-	-	864
Canadian Lebanese Investment Corp. Ltd	2007	DevC	-	3,000	-	3,000
Datacom Wireless Corporation inc.	2003	VC - ITC	2,587	-	-	2,587
NuEra Air Solutions inc. (formerly Duo Vac inc.)	2005	DevC	-	1,500	-	1,500
Total Laval			3,451	4,500	-	7,951
Mauricie						
Atelier d'usinage Tifo inc.	2006	C & RR	-	223	-	223
Ébénisterie St-Tite inc.	2005	C & RR	-	227	-	227
Groupe Soucy inc.	2008	C & RR	-	500	-	500
Innovations Voltflex inc.	2006	C & RR	-	555	-	555
Louiseville Specialty Products inc.	2004	MI & B	51	3,795	-	3,846
Morand Excavation inc.	2007	C & RR	-	486	-	486
Premier Aviation Centre de révision inc.	2005	C & RR	-	1,871	-	1,871
Solus safety inc.	2006	C & RR	-	1,691	-	1,691
Total Mauricie			51	9,348	-	9,399

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	Initial investment year	Industry segment	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Montérégie						
Acema Importations inc.	2008	DevC	-	340	-	340
Climatisation Mixair inc.	2008	DevC	-	250	-	250
Conporec inc.	2005	DevC	317	-	-	317
Équipement militaire Mil-Quip inc.	2007	DevC	-	534	-	534
Galenova inc.	2006	DevC	-	1,238	-	1,238
Knowlton Development Corporation inc.	2006	MI & B	5,826	8,740	-	14,566
Maçonnerie Rainville et Frères inc.	2007	DevC	-	614	-	614
Mini-Centrales de l'Est inc.	2006	DevC	-	200	-	200
Miss Arachew inc.	2006	DevC	-	431	-	431
Reproductions BLB inc. (Les)	2004	DevC	163	1,100	-	1,263
Salerno Transparent Bags (1997) ltd	2007	DevC	353	1,701	-	2,054
Sun Marketing Communications ltd	2007	DevC	-	240	-	240
Total Montérégie			6,659	15,388	-	22,047
Montréal						
3CI inc.	2007	DevC	1,500	1,600	-	3,100
Acti-Menu inc.	2005	DevC	1,010	-	-	1,010
Active Tech Electronics Inc.	2008	DevC	1,250	2,250	-	3,500
Aegera Therapeutics Inc.	2002	VC - Health	6,382	-	-	6,382
Alyotech Canada inc.	2006	VC - ITC	6,886	-	-	6,886
Ambrilia Biopharma inc.	2003	VC - Health	3,317	1,683	-	5,000
APTITUDE, Services de consultation en réadaptation inc.	2006	DevC	-	-	284	284
Artificial Mind and Movement inc. (A2M)	2002	VC - ITC	1,186	-	-	1,186
Aurelium BioPharma inc.	2003	VC - Health	2,869	40	-	2,909
Bioaxone Thérapeutique Inc.	2002	VC - Health	2,000	1,379	-	3,379
Cardianove inc.	2003	VC - Health	880	-	-	880
Coopérative de travailleurs actionnaire de TEC	2005	C & RR	-	1,800	-	1,800
Coradiant (Canada) inc.	2004	VC - ITC	11,050	-	-	11,050
Distribution house Colac (2008) inc.	2008	MI & B	850	1,979	-	2,829
Emballages Deltapac inc. (Les)	2005	DevC	290	590	-	880
Enobia Pharma inc.	2005	VC - Health	7,096	-	-	7,096
ExelTech Aérospace inc.	2004	DevC	753	-	-	753
GES Technologies inc.	2007	DevC	-	428	-	428
Industries Spectra Premium inc. (Les)	2006	MI & B	3,000	4,500	-	7,500
La Coop Fédérée	2005	C & RR	-	25,000	-	25,000
LiquidXStream Systems inc.	2007	VC - ITC	5,000	-	-	5,000
LxData inc. (formerly LxSix Photonics inc.)	2002	VC - ITC	10,917	-	-	10,917
Manutention Québec inc.	2007	DevC	-	2,000	-	2,000
My Virtual Model inc.	2005	VC - ITC	13	2,000	243	2,256
Negotium Technologies	2008	VC - ITC	-	48	-	48
Nstein Technologies inc.	2004	VC - ITC	310	-	-	310
Osprey Pharmaceuticals Limited	2003	VC - Health	2,877	-	-	2,877
PainCeptor Pharma Corporation	2004	VC - Health	3,800	4,033	-	7,833
Pretech (9031-1671 Québec inc.)	2008	DevC	-	500	-	500
Resonant Medical inc.	2004	VC - Health	6,811	-	-	6,811
Technologies Miranda inc.	2002	VC - ITC	1,998	-	-	1,998
Topigen Pharmaceuticals inc.	2004	VC - Health	10,500	-	-	10,500
Tungle Corporation	2007	VC - ITC	1,661	-	-	1,661
Total Montréal			94,206	49,830	527	144,563

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			Unsecured investments		Secured investments	
	Initial investment year	Industry segment	Common and Preferred shares $	Debentures and advances $	Debentures and advances $	Total $
Outaouais						
Cactus Commerce inc.	2004	VC - ITC	800	-	-	800
Coopérative Forestière de l'Outaouais	2006	C & RR	-	184	-	184
Evolutel inc.	2008	DevC	-	265	-	265
Expertronic (3573851 Canada inc.)	2008	DevC	-	500	-	500
Groupement forestier du Pontiac inc.	2006	DevC	-	177	-	177
Service à domicile de l'Outaouais inc.	2007	DevC	-	113	-	113
Total Outaouais			800	1,239	-	2,039
Saguenay-Lac-Saint-Jean						
Alutrans Canada inc.	2008	C & RR	150	150	-	300
Aménagement MYR inc.	2006	C & RR	-	50	-	50
Charcuterie L. Fortin ltée	2008	C & RR	-	400	-	400
Construction P3L (9137-1666 Québec inc.)	2007	C & RR	-	423	-	423
Constructions Proco inc.	2007	C & RR	500	928	-	1,428
Coopérative Forestière de Girardville	2007	C & RR	-	500	-	500
Démolition et excavation Demex inc.	2008	C & RR	-	491	-	491
Ébénisterie André Potvin inc.	2008	C & RR	125	125	-	250
Entreprises Alfred Boivin inc. (Les)	2007	C & RR	-	414	-	414
Entreprises Forestières N.T. inc. (Les)	2005	C & RR	-	31	-	31
Frigon Électrique inc.	2005	C & RR	-	45	-	45
Groupe Canmec inc.	2004	MI & B	3,389	800	-	4,189
Groupe Nokamic inc.	2005	C & RR	-	252	-	252
Groupe Nova inc.	2002	C & RR	909	30	-	939
Industries I.S.A. (Les)	2004	C & RR	128	-	-	128
Institut d'échafaudage du Québec (9020-4983 Qc inc.)	2002	C & RR	-	23	-	23
Luzerne Belcan Lac-Saint-Jean inc. (Les)	2002	C & RR	527	-	-	527
Mecfor inc.	2006	C & RR	-	755	-	755
Nature 3M inc.	2002	C & RR	125	-	-	125
Nolitrex Services inc.	2008	C & RR	500	500	-	1,000
Scierie Gauthier ltée	2006	C & RR	-	462	-	462
Services de soins de santé Opti-Soins inc. (Les)	2008	C & RR	400	400	-	800
Thermo-Tech (9132-8716 Québec inc.)	2003	C & RR	18	502	-	520
Transports Cabaie inc. (Les)	2006	C & RR	-	48	-	48
Transports Gérold inc.	2006	C & RR	-	48	-	48
Transports Réjean Fortin inc.	2006	C & RR	-	93	-	93
Végétolab inc.	2003	C & RR	32	108	-	140
Viandes C.D.S. inc. (Les)	2006	C & RR	405	417	-	822
Total Saguenay-Lac-Saint-Jean			7,208	7,995	-	15,203

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	Initial investment year	Industry segment	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Investment Funds						
Desjardins - Innovatech S.E.C.	2005	C & RR	42,186	-	-	42,186
FIER Parteners, Limited Partnership	2005	C & RR	4,839	-	-	4,839
iNovia Capital inc. (formerly MSBI Management inc.)	2004	VC - ITC	154	-	-	154
iNovia Investment Fund L.P.	2004	VC - ITC	4,870	-	-	4,870
Novacap Industries III, L.P.	2007	MI & B	263	-	-	263
Novacap Technologies III, L.P.	2007	VC - ITC	1,362	-	-	1,362
Total Investment Funds			53,674	-	-	53,674
Total cost			**248,098**	**163,153**	**1,577**	**412,828**

Industry segment legend

VC - Health:	Venture Capital Health and Biotechnology
VC - ITC:	Venture Capital Information Technology and Telecommunications
MI & B:	Major Investments and Company Buyout
DevC:	Development Capital
C & RR:	Cooperatives and Resource Regions

This schedule of cost of investments impacting the Québec economy provides details, per entity, of the sums invested by Capital régional et coopératif Desjardins. This amount appears in note 5 to the financial statements of the Company.

Capital régional et coopératif Desjardins

Statement of other investments
As at December 31, 2008

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at December 31, 2008

(in thousands of dollars)

Description		Nominal value $	Cost $	Fair value $
Bonds (90.3 %)				
Federal and guaranteed bonds (22.2 %)				
Canada Mortgage and Housing Corporation	2010-03-15, 3.75 %	1,030	1,064	1,063
	2010-09-15, 3.55 %	275	275	285
	2011-06-01, 6.00 %	3,000	3,114	3,309
	2011-09-15, 4.60 %	1,710	1,745	1,838
	2012-06-01, 3.40 %	38,000	37,460	39,734
	2013-06-15, 3.60 %	5,500	5,473	5,826
	2013-12-01, 4.90 %	11,000	11,198	12,302
	2016-02-01, 4.25 %	11,752	11,798	12,770
	2017-02-01, 4.35 %	7,500	7,645	8,154
Export Development Canada	2010-06-22, 6.20 %	1,000	1,067	1,072
	2011-06-01, 5.75 %	4,662	4,866	5,111
PSP Capital inc.	2013-12-09, 4.57 %	3,500	3,525	3,586
Total federal and guaranteed bonds		88,929	89,230	95,050
Provincial and guaranteed bonds (42.6 %)				
407 International	2010-10-04, 4.90 %	500	506	508
CDP Financial inc.	2009-10-14, 4.55 %	5,000	5,115	5,147
Financement-Québec	2009-12-01, 4.75 %	15,000	15,507	15,486
	2011-12-01, 5.25 %	4,900	5,111	5,294
	2014-03-01, 4.25 %	6,217	6,164	6,535
	2015-12-01, 4.25 %	8,500	8,265	8,685
	2015-12-01, 6.25 %	300	337	343
Hydro-Québec	2009-10-27, floating rate	70,000	70,172	70,231
	2009-12-01, 3.125 %	10,000	10,120	10,175
	2011-02-15, 3.65 %	20,000	19,856	20,685
	2011-02-15, 6.50 %	4,600	5,035	5,041
	2012-07-16, 3.90 %	5,000	4,938	5,197
Municipal Finance Authority of British Columbia	2016-04-19, 4.65 %	1,500	1,513	1,545
	2018-04-23, 4.60 %	1,000	996	1,003
Ontario province	2010-05-19, 4.00 %	2,950	2,977	3,048
	2011-12-02, 4.40 %	1,000	1,051	1,058
	2012-12-02, 5.38 %	750	793	825
	2013-06-02, 4.75 %	5,375	5,591	5,789
Ontario Strategic Infrastructure Financing Authority	2015-06-01, 4.60 %	2,000	2,013	2,098
Ontrea inc.	2011-10-31, 5.70 %	300	315	318
	2013-04-09, 5.57 %	2,000	2,085	2,136
Quebec province	2013-10-01, 5.25 %	3,000	3,178	3,298
	2017-12-01, 4.50 %	3,970	3,998	4,051
	2018-12-01, 4.50 %	1,000	975	1,006
Town of Laval	2015-03-12, 4.30 %	1,156	1,143	1,183
Town of Montreal	2017-12-01, 5.00 %	1,500	1,525	1,524
Town of Vancouver	2011-02-21, 5.85 %	150	157	162
Total provincial and guaranteed bonds		177,668	179,436	182,371

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at December 31, 2008

(in thousands of dollars)

Description		Nominal value $	Cost $	Fair value $
Financial institutions bonds (15.8 %)				
Bank of Montreal	2012-09-04, 5.04 %	750	756	769
	2015-01-21, redeemable in 2010, 4.00 %	3,000	2,983	2,976
	2015-06-10, 5.18 %	400	394	400
	2017-08-01, 4.55 %	750	696	700
	2018-05-02, 6.02 %	750	771	765
	2021-04-21, redeemable in 2016, 5.10 %	2,000	1,956	1,769
	2023-03-28, redeemable in 2018, 6.17 %	650	614	593
Bank of Nova Scotia	2010-06-08, 4.93 %	2,000	2,016	2,054
	2013-10-30, 4.56 %	4,775	4,696	4,857
	2017-11-01, redeemable in 2012, 5.25 %	1,000	1,011	978
	2018-03-27, redeemable in 2013, 4.99 %	1,980	1,941	1,911
BNS Capital Trust	2049-12-31, redeemable in 2010, 7.31 %	1,000	1,014	1,004
Capital Desjardins	2014-03-17, redeemable in 2009, 3.89 %	2,250	2,273	2,280
	2017-06-01, redeemable in 2012, 6.32 %	1,121	1,176	1,143
Canadian Imperial Bank of Commerce	2015-09-09, redeemable in 2010, 3.75 %	6,000	5,928	5,787
Industrial Alliance	2019-06-30, redeemable in 2014, 5.13 %	140	135	129
JP Morgan Chase & Co	2021-02-22, redeemable in 2016, 5.06 %	750	721	676
Manulife Financial	2016-02-16, redeemable in 2011, 6.24 %	2,625	2,688	2,688
National Bank of Canada	2018-11-15, redeemable in 2013, 5.55 %	700	695	665
	2019-12-22, redeemable in 2014, 4.93 %	500	478	444
Royal Bank	2012-08-15, 5.20 %	3,000	3,042	3,130
	2014-12-22, 4.71 %	2,600	2,591	2,641
	2015-01-25, redeemable in 2010, 7.10 %	515	528	525
	2015-06-24, redeemable in 2010, 3.70 %	6,000	5,929	5,868
	2016-04-12, redeemable in 2011, 6.30 %	5,000	5,167	5,102
	2018-11-04, redeemable in 2013, 5.45 %	920	928	893
Sun Life Financial	2022-06-30, redeemable in 2012, 6.15 %	6,500	6,706	6,504
	2023-01-30, redeemable in 2018, 5.59 %	1,000	1,001	865
Toronto Dominion Bank	2016-01-18, redeemable in 2011, 4.32 %	500	500	492
	2016-10-28, redeemable in 2011, 4.87 %	2,500	2,511	2,464
	2018-06-03, redeemable in 2013, 5.69 %	6,000	6,158	5,927
	2020-04-02, redeemable in 2015, 5.48 %	1,000	999	944
Total financial institutions bonds		68,676	69,002	67,943
Companies bonds (9.2 %)				
American Express	2010-11-12, 4.30 %	700	666	675
BCE inc.	2009-10-30, 7.35 %	3,500	3,580	3,598
British Columbia Ferry Service inc.	2014-05-27, 5.74 %	100	106	100
Canadian Natural Resources	2015-06-01, 4.95 %	500	482	457
Canadian Utilities inc.	2017-11-22, 6.15 %	500	541	526
Enbridge inc.	2013-03-25, 4.67 %	250	246	238
	2014-01-29, 5.57 %	250	254	262
	2016-08-09, 5.00 %	1,000	983	884
Encana inc.	2012-03-12, 4.30 %	1,000	980	972
	2018-01-18, 5.80 %	450	451	424
Epcor Utilities	2018-01-31, 5.80 %	489	447	448
GE Capital	2011-05-02, 4.75 %	2,000	2,013	1,973
	2013-06-06, 5.15 %	3,000	3,014	2,895
	2015-02-11, 4.65 %	1,000	979	924
	2017-01-17, 4.55 %	5,000	4,731	4,368
Great-West Lifeco inc.	2012-12-31, 6.00 %	200	198	189
Greater Toronto Airport	2017-06-01, 4.85 %	1,605	1,575	1,467
	2018-03-21, 6.14 %	1,000	977	927
Honda Canada Finance	2013-05-09, 5.08 %	300	301	284

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at December 31, 2008

(in thousands of dollars)

Description		Nominal value $		Cost $	Fair value $
Hydro One inc.	2011-12-01, 6.40 %	2,457		2,578	2,632
	2012-11-15, 5.77 %	939		964	997
	2016-03-03, 4.64 %	2,000		1,958	1,977
Hydro Ottawa	2015-02-09, 4.93 %	115		117	115
John Deere Credit	2009-06-22, 5.05 %	250		251	252
	2010-10-18, 5.25 %	400		400	401
Loblaws	2010-05-11, 7.10 %	5,000		5,183	5,194
Montreal Airports	2012-04-16, 6.35 %	80		84	84
NAV Canada	2016-02-24, 4.71 %	500		491	495
Nova Scotia Power	2013-10-01, 5.75 %	500		500	504
Ottawa Airport	2017-05-02, 4.73 %	150		149	137
Shoppers Drug Mart	2013-06-03, 4.99 %	90		91	90
Suncor Energy	2018-05-22, 5.80 %	400		338	360
Talisman Energy	2011-01-27, 4.44 %	100		98	98
Telus inc.	2013-06-03, 5.00 %	472		462	456
Thomson Reuters Corp	2014-12-01, 5.20 %	500		493	473
Toronto Hydro	2013-05-07, 6.11 %	250		262	269
Transcanada Pipeline	2014-01-15, 5.65 %	1,000		1,035	1,025
Union Gas Ltd.	2010-06-01, 7.20 %	100		105	105
	2011-05-04, 6.65 %	118		124	124
Wells Fargo Financial	2013-12-06, 4.33 %	100		97	94
	2015-06-30, 4.38 %	500		476	453
Yellow Pages Group	2014-04-21, 5.71 %	400		392	380
Westcoast Energy	2013-12-30, 8.30 %	428		487	486
Total companies bonds		39,693		39,659	38,812
Supranational entities bonds (0.5 %)					
International Bank for Reconstruction and Development	2012-12-15, 4.30 %	2,000		2,010	2,122
Total supranational entities bonds		2,000		2,010	2,122
Total bonds		**376,966**		**379,337**	**386,298**

Money market instruments (4.9 %)

Caisse centrale Desjardins	2009-01-05, 1.45 %	2,821		2,821	2,821
Caisse centrale Desjardins	2009-01-05, 1.55 %	18,000		17,986	17,986
Total money market instruments		20,821		20,807	20,807

Foreign exchange contracts (-0.1 %)

Caisse centrale Desjardins Hedge on investments impacting the Québec economy	2009-03-30, 1.216 CAD/USD	40,000	USD	n/a	(330)
Total foreign exchange contracts		40,000	USD	n/a	(330)

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at December 31, 2008

(in thousands of dollars)

Description		Number of shares	Cost $	Fair value $
Preferred shares (3.1 %)				
Bank of Nova Scotia	Perpetual, 5.60 %	20,000	505	414
Banque Nationale du Canada	Perpetual, 5.85 %	6,200	165	117
Canadian Imperial Bank of Commerce	Perpetual, 5.60 %	15,000	401	284
	Perpetual, 5.75 %	17,000	454	327
	Perpetual, 5.50 %	15,000	401	276
Great-West Lifeco inc.	Perpetual, 5.20 %	145,000	3,816	2,627
	Perpetual, floating rate	30,000	737	750
Industrial Alliance	Perpetual, floating rate	16,700	415	411
	Perpetual, 4.60 %	15,000	242	237
National Bank of Canada	Perpetual, floating rate	20,000	500	524
	Perpetual, 4.50 %	50,000	1,260	839
Manulife Financial	Perpetual, 4.10 %	75,500	2,038	1,827
Power Financial Corporation	Perpetual, 6.00 %	95,000	2,528	1,829
	Perpetual, 4.95 %	25,000	658	408
	Perpetual, 5.10 %	10,000	263	165
	Perpetual, 3.32 %	77,800	1,970	849
Power Corporation fo Canada	Perpetual, 5.00 %	45,400	1,011	748
Sun Life Financial	Perpetual, 4.75 %	22,000	567	362
	Perpetual, 4.80 %	30,300	782	486
Total preferred shares			18,713	13,480
		Number of units		
Fund of hedge funds (1.8 %)				
DGAM ASF, class B		145,047	11,462	7,642
Total fund of hedge funds			11,462	7,642
Total other investments (100.0 %)			430,319	427,897

Capital régional et coopératif Desjardins

Index of the Company's share in investments made by specialized funds and partner funds, at cost
As at December 31, 2008

Capital régional et coopératif Desjardins

Index of the Company's share in investments made by specialized funds and partner funds, at cost (unaudited)

As at December 31, 2008

(in thousands of dollars)

Information from Annual Financial Report dated		Equity Interest of the Company %	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
12-31-08	**Desjardins - Innovatech S.E.C.**	**57.4**				
	AAT inc.		14	728	-	742
	Albert Perron inc.		652	883	-	1,535
	Aqua-Biokem BSL inc.		936	-	293	1,229
	Boisaco inc.		1,723	-	-	1,723
	Concept MAT inc. and 9200-7848 Québec inc.		-	345	-	345
	Éocycle Technologies inc.		544	74	-	618
	Équipements Comact inc.		287	762	-	1,049
	Groupe Ohmega inc.		98	115	-	213
	Gyro-Trac Côte Ouest inc.		-	-	451	451
	Gyro-Trac inc. (9163-2521 Québec inc.)		1,311	-	-	1,311
	Manufacturier Minier CMAC		17	-	160	177
	Marinard Biotech inc.		29	207	-	236
	Menu-Mer ltée		-	259	-	259
	Produits Forestiers Lamco inc.		-	287	41	328
	Rocmec Minning inc.		-	-	460	460
	Other companies (9) less than $175,000		99	298	437	834
			5,710	3,958	1,842	11,510
	Funds committed but not disbursed					287
						11,797

This unaudited index provides details of investments made by specialty funds and partner funds in which Capital régional et coopératif Desjardins has invested more than $10M.