2010 ANNUAL FINANCIAL REPORT

INVEST IN QUÉBEC

THE FINANCIAL REPORT INCLUDES:

> Management Discussion and Analysis
> Management's Report
> Complete audited financial statements, including the notes and the independant Auditor's 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

CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

MANAGEMENT DISCUSSION AND ANALYSIS

This annual management discussion and analysis supplements the financial statements and contains financial highlights but does not reproduce the Company's annual financial statements. It presents management's assessment of the Company's results for the period reported in the financial statements, as well as its financial position and any material changes to it.

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 new event that may occur.

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

Interim financial information may be obtained in the same way.

FINANCIAL HIGHLIGHTS AS AT DECEMBER 31

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

RATIOS AND SUPPLEMENTAL DATA

	2010	2009	2008	2007	2006
Revenue (in thousands of $)	**44,970**	39,900	39,520	32,015	27,386
Net income (net loss) (in thousands of $)	**18,696**	17,145	(29,347)	(22,243)	(10,238)
Net assets (in thousands of $)	**1,019,846**	905,921	812,606	732,529	654,620
Shares outstanding (in thousands)	**102,908**	93,142	85,159	74,097	64,139
Total operating expense ratio (%)	**2.8**	2.8	3.1	3.4	3.5
Portfolio turnover rate:					
> Investments impacting the Québec economy (%)	**11**	9	9	11	7
> Other investments (%)	**112**	84	83	33	38
Trading expense ratio[1] (%)	**0.0**	0.0	0.0	0.0	0.0
Number of shareholders	**111,476**	118,119	122,128	120,652	118,250
Issues of shares (in thousands of $)	**180,982**	129,443	126,440	101,763	79,544
Redemptions of shares (in thousands of $)	**85,753**	53,273	17,016	1,611	1,401
Number of partner companies and cooperatives/funds	**230/8**	222/6	207/6	189/6	171/6
Investments impacting the Québec economy at cost, including funds committed but not disbursed (in thousands of $)	**673,816**	539,692	477,274	469,759	436,535
Fair value of investments impacting the Québec economy, including funds committed but not disbursed (in thousands of $)	**640,035**	465,228	412,854	434,406	419,571

[1] Trading expense includes brokerage fees and other portfolio transaction costs. These expenses are not of material importance to the Company.

CHANGES IN NET ASSETS PER SHARE

	2010	2009	2008	2007	2006
	($)	($)	($)	($)	($)
Net assets per share, beginning of year	**9.73**	**9.54**	**9.89**	**10.21**	**10.37**
Increase (decrease) attributable to operations	**0.19**	**0.19**	**(0.35)**	**(0.33)**	**(0.17)**
Interest, dividends and negotiation fees	**0.45**	0.43	0.47	0.47	0.40
Operating expenses	**(0.27)**	(0.27)	(0.30)	(0.35)	(0.34)
Income taxes and capital tax	**(0.07)**	(0.06)	0.04	0.10	0.00
Gains (losses) realized	**(0.36)**	0.13	(0.20)	(0.24)	(0.19)
Unrealized gains (losses)	**0.44**	(0.04)	(0.36)	(0.31)	(0.04)
Difference attributable to share issues and redemptions	**(0.01)**	**0.00**	**0.00**	**0.01**	**0.01**
Net assets per share, end of year	**9.91**	**9.73**	**9.54**	**9.89**	**10.21**

OVERVIEW

The Company closed fiscal 2010 with net income of $18.7 million (net income of $17.1 million in 2009), representing a return of 2.0% (2.0% in 2009). Based on the number of shares outstanding, this brings net assets per share to $9.91 at year-end from $9.73 compared with the end of fiscal 2009. For information purposes, at the price of $9.91, shareholders who invested seven years earlier obtain an annual after-tax return of between 8.5% and 9.6% 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 Investments impacting the Québec economy are focused on the Company's mission of promoting the economic development of Québec cooperatives and regions. Assets are allocated across five asset classes and consist mainly of equities and debentures. Assets impacting the Québec economy posted a return of 6.8% for 2010 compared with a return of 6.1% in 2009. Most asset classes contributed to the results, in particular Company Buyouts and Major Investments, spurred by more favourable economic conditions in 2010. As at December 31, 2010, the cost of Investments impacting the Québec economy made totalled $473.3 million. When funds committed but not disbursed are included, the total reaches $673.8 million, up $134.1 million over the previous year. The increase is due in large part to new commitments in the Capital croissance PME S.E.C. fund and the Fonds d'investissement pour la relève agricole.

Other investments represents the balance of funds not invested in partner companies. This portfolio, consisting primarily of bonds, money market instruments and preferred shares, was established to provide security for the Company's returns and ensure the necessary liquidity to fund share redemptions and investments. Other investments generated a return of 4.4% in 2010, compared with a return of 5.2% in 2009. These returns are due mainly to scaled back market expectations for interest rate increases.

Capital subscriptions during the year reached $181.0 million, and share redemptions totalled $85.8 million, or about 29% of the shares eligible for redemption at the end of their minimum seven-year holding period. Net assets stood at $1,019.8 million, up 12.6% compared with 2009. The number of shareholders as at December 31, 2010 was 111,476.

ECONOMIC BACKGROUND

Looking back on 2010

Many uncertainties, primarily in the industrialized countries, hobbled advances by the world economy in 2010. Troubled public finances in various European countries and the disappointing performance of the U.S. economy also generated significant volatility in capital markets. Given these conditions, most central banks maintained their key rates at very low levels. Conversely, China began to overheat, which forced authorities to impose restrictions on extending credit and to raise interest rates on two occasions during the year. Therefore, the gap between emerging countries and the industrialized nations widened.

After a promising start to the year, economic indicators in the United States quickly turned sour. The stimulus programs implemented by the government, such as the home-buyer tax credit, had only temporary impacts. It quickly became apparent that time would be needed before the American economy's structural problems could work themselves out. Beyond that, the housing and job markets failed to return to an even keel in 2010. To combat the lack of movement, the U.S. Federal Reserve kept interest rates very low.

Canada enjoyed strong domestic demand in 2010, especially early in the year. The housing market benefited from several temporary factors (lower mortgage rates, backed up demand, purchases made earlier for regulatory and tax reasons, etc.) that sustained demand. The gradual rise in commodities prices also created a wealth effect, particularly in the western provinces, and government revitalization plans were in full swing. The job market gained back all of the territory it had lost in the last recession. However, with the loonie's rise relative to the greenback and the weak growth of our main trading partners, our export sector was sharply buffeted by strong headwinds, reining in the thrust we had as the year got under way. Then, in September, the Bank of Canada felt it preferable to put an end to the key rate hikes it had begun in June.

In many respects, Québec mirrored the economic situation in Canada as a whole. The flush of a new expansionary phase early in 2010 gave way to more tentative growth as disappointing consumer statistics continued to pile up. In the second half, the real estate market slowed down and the gradual phasing out of stimulus programs began to be felt. As for Canada, the export sector was the Québec economy's weakest link.

2011 outlook

Emerging countries will remain in the vanguard of global economic growth in 2011, while the industrialized world brings up the rear and continues to wrestle with structural issues. The G7's strongest performers will be hard put to show real GDP growth in excess of 2.5%. Public finance difficulties will persist in Europe, and the U.S. economy will have a hard time overcoming the sluggish housing and job markets. However, investors will gradually rediscover an appetite for risk, which will push bond rates and stock markets higher.

In Canada, domestic demand will remain relatively robust due to increased investment by businesses and growth in consumer spending. Rising commodities prices will promote conditions that keep the loonie at parity with the greenback, which will present challenges for export industries. The broader phasing out of government spending and a pullback in residential investment will also temper real GDP growth to where it is likely to hover around 2.3% in 2011.

In Québec, the growth cycle will continue, albeit at a slower pace. Public investment in infrastructures has already peaked. Tighter spending controls by government and the increased tax burden on households will put the brakes on growth to some extent, bringing it in line with the national average. Like Canada's, the export sector will experience many hurdles. On the other hand, advances in jobs and income will continue, somewhat lessening the impact of the new tax and tariff measures. This will also prevent too sharp a slowdown in the housing market.

Business wise, the upturn should continue. Investments and profits are climbing and the confidence level is relatively high. The high value of the Canadian dollar, the need to step up productivity to better face global competition and challenging demographics that risk creating a labour shortage in the near term are incentives for businesses to invest more, but they also raise the stakes for the weaker members of the business community.

Given the economic recovery's vulnerability, tighter monetary policies in the G7 countries are unlikely during 2011 with the exception of Canada, which would probably be the only one to resort to such a tactic – although not before the second half of the year. Massive purchases of Treasury securities by the U.S. Federal Reserve and the lack of inflationary pressure should keep bond rates at relatively low levels at least until mid-2011. Strong international demand for Canadian securities will also limit any upswing in bond rates in the country.

Venture capital market

For the first time since 2007, North American venture capital market indicators improved in 2010. Activities in the U.S. grew 19% while Canada posted $1.1 billion in investments, which is a 10% increase over the previous year.

Québec venture capital activity experienced a slight 9% decline in dollar terms, with investments totalling $391 million. The average amount invested per company was $2.2 million, down from the average of $2.7 million in 2009. The number of companies receiving financial assistance rose to 174, a 10% increase over the 158 companies financed in 2009.

Despite the decrease in dollar terms, Québec continued to represent a significant share of the Canadian market overall, attracting 34% of all investments in 2010. The province also leads for the number of companies financed, with a 49% share.

Labour-sponsored funds and other tax-advantaged funds represented the lion's share of all activity in Québec with 35%. Private funds significantly increased their investment for a contribution of 17%, while international investors injected 27% of new capital.

While information technology once again dominated activity in Québec with $121 million invested, or 31% of the total, investments in the sector nonetheless declined 40% compared with the preceding year. The life sciences sector with $87 million invested was up slightly, while the clean technology sectors experienced their best year ever in 2010, garnering 16% of all capital invested. The non technology sectors, attracting $116 million, came in second, behind information technologies.

MANAGEMENT'S DISCUSSION OF FINANCIAL PERFORMANCE

On the initiative of Desjardins Group, Capital régional et coopératif Desjardins was founded on July 1, 2001 following 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 participate in a more prosperous Québec by providing ongoing support to companies and cooperatives and reflecting regional economic realities. It gives meaning to the cooperative spirit by supporting the continuity of companies and growing the collective wealth of the regions.

Company mission, objectives and strategies

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 development capital into companies and cooperatives and provide expert advice to support their start-up, growth and expansion; and**
> **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 were not met, the Company could be subject to penalties. As at December 31, 2010, no amount was owing by the Company.

OBJECTIVES

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

> **Offering financial packages and development strategies tailored to new business needs such as transfers or buyouts to keep jobs and retain business ownership in Québec;**
> **Growing its partner companies;**
> **Ensuring integrated management of financial assets to generate attractive shareholder return.**

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 supporting the growing need for business transfers.

STRATEGIES

Fulfilment of its mission and vision is driven by the following five strategic goals:

> **Ensure adequate capitalization to meet business objectives;**
> **Promote the cooperative difference through employee-shareholder cooperatives, primarily in buyouts;**
> **Become a reference in business transfer financing**
> **Renew the shareholder base;**
> **Achieve overall performance to fully realize the mission.**

Since January 1, 2010, the Company's manager, Desjardins Venture Capital, has reorganized the administrative functions of its teams to optimize efficiency and management fee control. This reorganization aims to appropriately fulfill the Company's mandate of driving regional and cooperative development and Québec's economic development in general. As a result, the manager now allocates its Investments impacting the Québec economy activities across four lines of business, mainly according to company size and asset class:

> **Development Capital to consolidate regional activities such as the resource regions and cooperatives;**
> **Company Buyouts and Technological Innovations to cover major investments such as company buyouts and their related employee-shareholder cooperatives, and investments in information technologies;**
> **Venture Capital – Health to consolidate the Company's few investments in life sciences managed in house and those managed by an external firm;**
> **Funds for all investment activities carried out through funds.**

Each business line represents one asset class except for Company Buyouts and Technological Innovations that, given its varied profile, is made up of two asset classes – Company Buyouts and Major Investments, and Technological Innovations. Therefore, the Company has five asset classes in its Investments impacting the Québec economy portfolio.

In keeping with its mission of support for the cooperative movement, the Company's manager encourages the establishment of employee-shareholder cooperatives, an initiative that allows employees to become co-owners in their companies together with the existing management team and Capital régional et coopératif Desjardins. This gives employees the opportunity to participate in the economic development of their regions, and to share the wealth of their respective environments.

The Company also has the mandate to maximize 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. This allows the Company to balance its overall investment portfolio and limit volatility in share value due to changing economic conditions over the entire holding period.

To do this, the Company's strategy for managing financial assets is based on the following principles:

> **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 portfolios.**
> **The objective is to optimize the after tax risk/return ratio of the Company's financial assets in compliance with its role as an economic development agent to limit six-month volatility 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

Consistent with its responsibility for overall administration, the Board of Directors ensures that the main risks related to the Company's operations are identified and that the appropriate management controls are in place. In accordance with its Governance Policy, the Board of Directors is supported in its duties and responsibilities by four standing committees made up exclusively of members of the Board. Monitoring and control of the different risks is allocated across the committees, which regularly report on their activities to the Board of Directors and make the appropriate recommendations. The manager is represented on the committees by executives who attend all meetings and report on outsourced activities. The manager also carries out some of the Company's risk governance activities through its investment committees and Portfolio Valuation Committee, which report to the Board of Directors on a regular basis.

Other than specific mandates given to them by the Board of Directors from time to time, the responsibilities of the committees are as follows:

EXECUTIVE COMMITTEE

In accordance with the General Bylaws of the Company, the Executive Committee is authorized to exercise all of the Board's powers, except those statutory powers that must be exercised by the Board and any powers reserved exclusively to it. The Committee is responsible for governance and manages the annual review process of the effectiveness of the Board, its committees, and the directors. The Committee also has responsibility for applying the Purchase-by-Agreement policy and making 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.

AUDIT COMMITTEE

The Audit Committee consists exclusively of independent members. It is responsible for monitoring the financial reporting process. To do this, the Committee reviews the 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 and regulatory compliance. In addition, the Committee oversees the independence of the external auditors.

At the end of each half year, the Committee receives the certifications by the General Manager and the Chief Financial Officer with respect to the valuation process and the determination of the fair value of Investments impacting the Québec economy.

FINANCIAL ASSET MANAGEMENT COMMITTEE

The Committee's primary mandate is the coordination and matching of the Company's financial assets. It ensures that the Company maintains all the policies, guidelines and appropriate procedures relating to financial assets and sees that they are reviewed and updated annually. 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 set out in the Company's constituting act, and monitors the Company's performance.

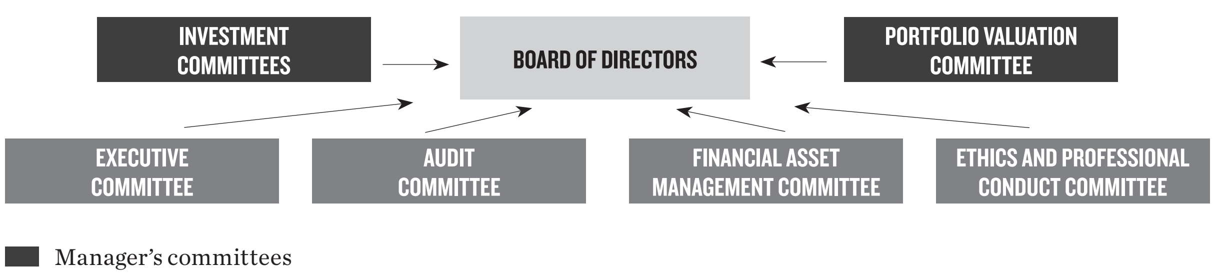
ETHICS AND PROFESSIONAL CONDUCT COMMITTEE

The Ethics and Professional Conduct Committee consists exclusively of members who are 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 nominees' 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.

MANAGER'S COMMITTEES

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 valuation of the Investments impacting the Québec economy portfolio and ensuring compliance with valuation processes under applicable regulations. The Committee reports to the Company's Board of Directors.

The governance framework is as follows:



ATTENDANCE RECORD AND COMPENSATION

The following table presents the attendance record and compensation of the Company's directors for fiscal 2010. The majority of members of the Board of Directors are independent.

NAME	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE	AUDIT COMMITTEE	FINANCIAL ASSET MANAGEMENT COMMITTEE	ETHICS AND PROFESSIONAL CONDUCT COMMITTEE	COMPENSATION [1] $
(NUMBER OF MEETINGS)	(8 MEETINGS)	(4 MEETINGS)	(4 MEETINGS)	(4 MEETINGS)	(4 MEETINGS)	
Barrette, Lorrain	3/3		1/1			5,197
Beaulieu, Gilbert	3/3	1/1		1/1		5,697
Bourdages, Évangéliste	7/8	4/4				16,500
Deveaux, Marlène	8/8		4/4			18,400
Dorosz, Michael	7/7			3/3		17,005
Doyon, Maurice	7/8	2/2		4/4		20,400
Ferland, Francine	7/8		2/2		2/2	17,900
Fortin, Josée	8/8				3/4	26,100
Gauvreau, Pierre	8/8	3/4	4/4	4/4		30,323
Lachapelle, André	8/8	4/4		4/4		38,800
Lepage, Steeve	5/5				2/2	15,200
Loranger, Jean-Claude	4/5			3/3		12,730
Morin, Bruno [2]	6/8					10,000
Plante, Jacques	7/7		2/2			17,283
Roy, Claudine	8/8				4/4	18,000
Total Compensation						269,535

(1) Includes *ad hoc* committees, welcoming sessions or training sessions, if applicable.

(2) An annual lump sum of $10,000 is allocated to the General Manager and paid to Caisse centrale Desjardins.

EXPLANATORY NOTES TO TABLE

Lorrain Barrette and Gilbert Beaulieu finished their terms on April 29, 2010.
Michael Dorosz and Jacques Plante were appointed on January 26, 2010.
Steeve Lepage was elected on March 26, 2010 and Jean-Claude Loranger was appointed on April 29, 2010.

The composition of the four committees was reviewed on May 20, 2010. As at that date:

> **Maurice Doyon joined the Executive Committee;**
> **Michael Dorosz and Jean-Claude Loranger became members of the Financial Asset Management Committee;**
> **Francine Ferland and Jacques Plante joined the Audit Committee;**
> **Steeve Lepage became a member of the Ethics and Professional Conduct Committee, replacing Francine Ferland.**

Jacques Plante replaced Pierre Gauvreau as Chair of the Audit Committee on November 18, 2010.

NOTE TO THE READER

The following sections regarding market risks, credit and counterparty risks and liquidity risks have been audited by the Company's auditor within the audit of the financial statements concerning which an auditor's report was issued on February 9, 2011.

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 listed below:

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. Fixed-income securities held in the Other investments portfolio include money market instruments, bonds and preferred shares with a total fair value of $539.6 million ($466.4 million as at December 31, 2009).

Money market instruments with a fair value of $85.9 million ($85.6 million as at December 31, 2009) 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 to maturity.

Bonds with a fair value of $428.9 million ($361.1 million as at December 31, 2009) are directly affected by fluctuations in the interest rates. A 1% increase in interest rates would have resulted in a decrease of $14.2 million in net income, or a 1.5% decrease in the Company's share price as at December 31, 2010 ($9.6 million for 1.1% as at December 31, 2009). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a $14.9 million increase in net income, or a 1.5% increase in share price ($10.0 million for 1.1% as at December 31, 2009). Given that the Company matches the maturities of bonds held in its 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 $24.8 million ($19.7 million as at December 31, 2009) may also be affected by interest rate fluctuations. 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.

Cash bears interest at the average weighted rate of 0.74% (average weighted rate of 0.21% as at December 31, 2009). Accounts receivable and accounts payable 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, 2010, the Investments impacting the Québec economy portfolio included four traded companies valued at $5.8 million, representing 0.6 % of net assets (five companies valued at $3.6 million as at December 31, 2009, representing 0.4% 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 $0.5 million respectively ($0.3 million as at December 31, 2009).

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

CURRENCY RISK

Changes in currency values have an impact on the activities of a number of the Company's partner businesses. The net effect of an appreciation in the Canadian dollar is not necessarily always negative for these companies, nor is a depreciation necessarily positive. Rapid fluctuations in the Canadian dollar heighten the difficulties faced by these companies.

Currency fluctuations impact the fair value of investments valued initially in a foreign currency and subsequently translated into Canadian dollars at the prevailing rate of exchange. These investments, whose value varies in step with fluctuations in the value of a foreign currency, represent a fair value of $68.7 million, or 6.7% of net assets as at December 31, 2010, compared with $53.4 million, or 5.9% of net assets as at December 31, 2009.

In 2008, the Company implemented a policy for the systematic hedging of currency risk for investments valued in a foreign currency. A $5 million line of credit was granted to the Company for its foreign exchange contract transactions. As at December 31, 2010, the Company held foreign exchange contracts under which it must deliver US$67.5 million at the rate of CAD/USD 1.0171 and AU$3.8 million (Australian dollar) at the rate of CAD/AUD 1.0042 on March 31, 2011.

This limits the Company's net exposure to foreign currencies to only $0.6 million ($7.3 million as at December 31, 2009). Any fluctuation in the Canadian dollar will therefore not have a significant impact on the Company's results.

CREDIT AND COUNTERPARTY RISKS

In pursuing its Investments impacting the Québec economy mission, the Company is exposed to credit and counterparty risks related to potential financial losses if a partner company fails to fulfill its commitments or experiences a deterioration of its financial position. 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 limited portfolio volatility due to negative events.

The Company does not generally require guarantees to limit credit risk on its loans. Requiring guarantees would contravene the eligibility rules for Investments impacting the Québec economy.

In the first six months of 2010, the Company replaced its computerized rating system with Moody's RiskAnalyst. This new system, already in use within Desjardins Group, enables a more objective assessment of credit risk, closer monitoring of high risk files and improved operational efficiency.

Investments impacting the Québec economy, except those carried out through funds, are first ranked from 1 to 9 based on the criteria defined by the system. Companies with a ranking of 7 and above are reviewed on a monthly basis to spread them across ranks 7 to 12.

Investments impacting the Québec economy made through funds are presented in the "Low to acceptable risk" category due to the structure of this type of product, and because they generally involve no indebtedness.

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

			AS AT DECEMBER 31, 2010		AS AT DECEMBER 31, 2009	
RANK 2010	RANK 2009		(IN THOUSANDS OF $)	(AS A %)	(IN THOUSANDS OF $)	(AS A %)
1 to 6.5	1 to 4	Low to acceptable risk	**375,494**	**85.4**	332,224	82.8
7 to 9	5	At risk	**43,397**	**9.9**	58,798	14.6
10 to 12	6 and 7	High risk and insolvent	**20,659**	**4.7**	10,299	2.6

Other investments portfolio risks are managed by diversification across numerous issuers with a credit rating of BBB from Standard & Poor's or DBRS or better. 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 asset fair value):

	AS AT DECEMBER 31, 2010		AS AT DECEMBER 31, 2009	
	% OF PORTFOLIO	% OF NET ASSETS	% OF PORTFOLIO	% OF NET ASSETS
Investments impacting the Québec economy	**27.7**	**12.0**	28.5	12.6
Other investments*	**65.4**	**34.7**	64.1	33.1

*Government issuers accounted for 65.7% (86.4% as at December 31, 2009) of the Other investments portfolio's five largest issuers or counterparties.

The portfolio summary presented at the end of this management discussion and analysis 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 should represent approximately 40% of assets under management once the Company's capitalization reaches maximum limits and the pace of redemptions has stabilized, and using a management approach that ensures that the average maturity of bonds matches the average maturity of expected outflows, the Company can confirm that liquidity risks are adequately covered.

Operating results

COMPANY NET RESULTS AND RETURNS

The Company closed its fiscal year ended December 31, 2010 with net income of $18.7 million, or a return of 2.0%, compared with net income of $17.1 million (return of 2.0%) for the preceding year.

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 Québec's regions. This should limit the volatility of the Company's returns in periods of substantial market turbulence.

The Company's performance results primarily from Investments impacting the Québec economy and Other investments, which generated contributions of 3.0% and 2.4% respectively while expenses, net of administrative charges, income taxes and capital tax had an impact of 3.5% on Company performance.

RETURN BY ACTIVITY				2010				2009
	AVERAGE ASSETS UNDER MANAGEMENT $M	WEIGHTING %	RETURN 1 YEAR %	CONTRIBUTION 1 YEAR %	AVERAGE ASSETS UNDER MANAGEMENT $M	WEIGHTING %	RETURN 1 YEAR %	CONTRIBUTION 1 YEAR %
Investments impacting the Québec economy	**421**	**44.1**	**6.8**	**3.0**	375	44.5	6.1	2.6
Other investments and cash	**534**	**55.9**	**4.4**	**2.4**	467	55.5	5.2	2.9
	955	**100.0**	**5.5**	**5.4**	842	100.0	5.6	5.5
Expenses, net of administrative charges			**(2.8)**	**(2.8)**			(2.8)	(2.8)
Income taxes and capital tax			**(0.7)**	**(0.7)**			(0.6)	(0.6)
Company's return			**2.0**	**2.0**			2.0	2.0

RETURN BY ASSET CLASS				2010				2009
	AVERAGE ASSETS UNDER MANAGEMENT $M	WEIGHTING %	RETURN 1 YEAR %	CONTRIBUTION 1 YEAR %	AVERAGE ASSETS UNDER MANAGEMENT $M	WEIGHTING %	RETURN 1 YEAR %	CONTRIBUTION 1 YEAR %
Investments impacting the Québec economy								
Development Capital	**152**	**15.9**	**5.0**	**0.8**	136	16.1	13.3	2.1
Company Buyouts and Major Investments	**124**	**13.0**	**15.7**	**2.1**	107	12.7	17.6	2.0
Technological Innovations	**56**	**5.8**	**(5.3)**	**(0.3)**	55	6.5	(9.1)	(0.7)
Venture Capital – Health	**30**	**3.2**	**12.1**	**0.4**	27	3.3	(9.4)	(0.3)
Funds	**59**	**6.2**	**0.1**	**0.0**	50	5.9	(8.9)	(0.5)
Other investments and cash								
Bonds, preferred shares, money market and cash	**533**	**55.8**	**4.4**	**2.4**	463	55.0	5.3	2.9
Fund of hedge funds	**1**	**0.1**	**14.2**	**0.0**	4	0.5	0.5	0.0
	955	**100**	**5.5**	**5.4**	842	100.0	5.6	5.5

INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

In 2010, the Company carried out its mission not only through direct investments in Québec enterprises, but also by taking an active role in setting up two new funds that will drive Québec's economic development in the coming years.

On July 14, 2010, the Company and two financial partners, the Québec government and the Fonds de solidarité FTQ, signed a memorandum of agreement to create the Fonds d'investissement pour la relève agricole ("FIRA") announced in spring 2010. The aim of the fund is to support aspiring young farmers who often lack the capital to ensure farm start-ups and continuity. Under the agreement, the Company has committed to investing $25 million over five years. Following the commitment of the three sponsors and the recognition of the fund's eligibility by the Minister of Finance, the fund should begin operation early in 2011.

In addition, Capital croissance PME S.E.C. ("CCPME"), whose main goal is to invest in small and medium enterprises in Québec, primarily through subordinated debt, was created on August 19, 2010. The Company and the Caisse de dépôt et placement du Québec, as sponsors of the new fund, agreed to invest equal shares totalling $200 million over three years starting July 1, 2010. As at December 31, 2010, the Company had disbursed $6.9 million of its total commitment of $100 million. The manager of the new limited partnership is Desjardins Venture Capital, the Company's manager. The fund is an additional tool that will allow the Company to achieve its mission of economic development across Québec, including the resource regions and cooperatives.

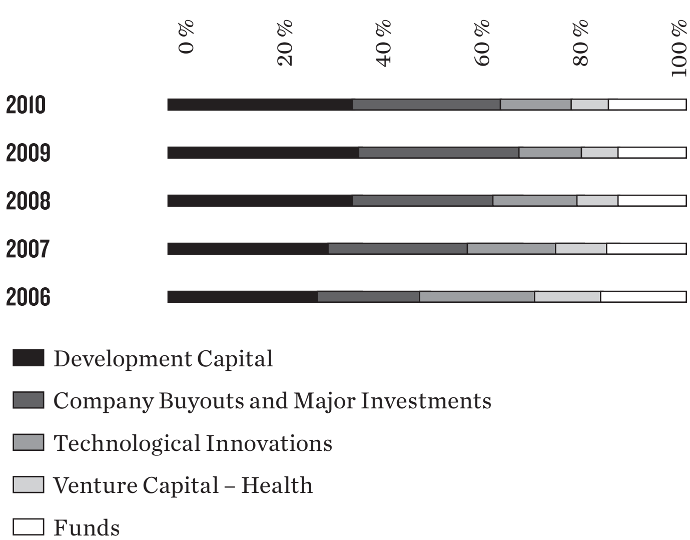
Following approval by the Board of Directors, the Company on November 30, 2010 acquired investments held by Desjardins Venture Capital L.P. in approximately 30 enterprises for a total amount of $20.9 million. Certain of these investments representing a total value of $3.3 million were acquired for cash. The remainder were acquired in exchange for notes payable whose value and time of payment depend on the Company's eventual sale of these investments.

The transaction contributed to raising total investments made during the 2010 fiscal year to $91.3 million. These investments, sale proceeds of $53.1 million and gains of $0.7 million brought the total fair value of the investment portfolio, including foreign exchange contracts, to $440.9 million as at December 31, 2010 ($402.0 million as at December 31, 2009).

Investment activities should also be measured taking into account the change in funds committed but not disbursed, which amounted to $200.5 million as at December 31, 2010, compared with $63.9 million as at December 31, 2009. The increase is due to new commitments totalling $227.9 million in fiscal 2010 ($94.5 million in 2009), including the investments of $100 million in CCPME and $25 million in FIRA.

Total commitments at cost as at December 31, 2010, amounted to $673.8 million (including $118.1 million in CCPME and FIRA) in 238 companies, cooperatives and funds, of which $473.3 million was disbursed to 234 companies, cooperative and funds within the portfolio.

The Company's manager has allocated its Investments impacting the Québec economy activities across five asset classes. As part of its business development activities, the manager focuses as needed on different economic sectors or asset classes to ensure 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. As at December 31 of the last five fiscal years, the Investments impacting the Québec economy portfolio was allocated by asset class as follows:



During fiscal 2010, the Investments impacting the Québec economy generated a positive contribution of $28.9 million, compared with $22.4 million in 2009.

CONTRIBUTION GENERATED BY INVESTMENTS IMPACTING THE QUÉBEC ECONOMY
(IN THOUSANDS OF $)

	2010	2009
Revenue	**27,680**	24,136
Gains and losses	**1,261**	(1,719)
	28,941	22,417

Revenue, consisting of interest, dividends and negotiation fees related to Investments impacting the Québec economy, provides a solid income base that promotes overall portfolio profitability. The increase in revenue was mainly attributable to the higher average debenture balance.

The Company accounts for its Investments impacting the Québec economy at fair value. Two comprehensive portfolio reviews are carried out each year, one covering the six-month period ending June 30 and the other covering the six-month period ending December 31. As a result of the December 31, 2010 review, 70 investments were remeasured to reflect an unrealized increase in value, net of changes in notes payable, of $0.1 million. The public companies held in the portfolio, of which the prices quoted in active markets totalled $5.8 million as at December 31, 2010, caused an increase in value of $0.7 million during the year. For the same period, disposals and writeoffs of Investments impacting the Québec economy resulted in a realized loss of $43.4 million and an unrealized gain of $43.9 million, for a net upward impact on results of $0.5 million.

As the overall effect, the Company recorded in its results for the fiscal year a realized and unrealized gain of $1.3 million, compared with a loss of $1.7 million in 2009. The positive impact of these changes in the fair value of the Investments impacting the Québec economy portfolio on the Company's results indicates that the portfolio is more mature and its asset allocation is more balanced.

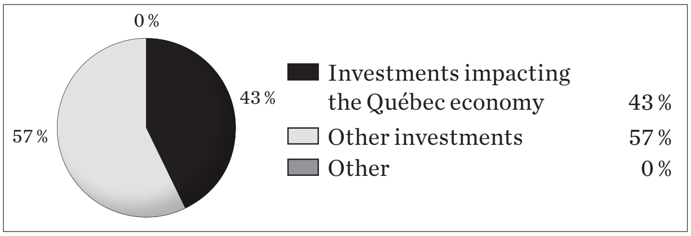
DETAILS OF GAINS AND LOSSES
(IN THOUSANDS OF $)

	2010
Change in unrealized value – public companies	**696**
Change in unrealized value – private companies	**103**
Net effect of sales	**462**
Gains and losses	**1,261**

As at December 31, 2010, the overall risk level of the Investments impacting the Québec economy portfolio remained satisfactory and comparable to the December 31, 2009 level.

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, 2010



As at December 31, 2010, the Company's Other investments portfolio, including cash but excluding foreign exchange contracts, totalled $578.0 million, compared with $490.6 million as at December 31, 2009. These funds were invested mainly in the fixed-income securities market in highly liquid, low-credit risk instruments. As at December 31, 2010, nearly 71% of portfolio bond securities were government-guaranteed. The Other investments portfolio accounted for 57% of total net assets as at the end of fiscal 2010, compared with 54% as at December 31, 2009. The excess of net subscriptions over net realized Investments impacting the Québec economy contributed to this increase. The Company anticipates that this ratio will gradually decrease in coming years to around 40% as capitalization reaches maximum limits and the pace of redemptions levels off. In keeping with its core mission, this will allow an increase in funds allocated to Investments impacting the Québec economy.

As at December 31, 2010, the Company maintained a cash position equal to 21.4% of the Other investments portfolio (22.2% as at December 31, 2009) to cover liquidity needs arising from redemption requests by shareholders and Investments impacting the Québec economy it expects to make. This level of liquidity, which the Company maintains in keeping with its sound management practices, limits the portfolio's overall potential return.

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. This activity generated a gain of $1.3 million for fiscal 2010 (1.2$ million in 2009). As at December 31, 2010, the Company had no market positions.

The orderly liquidation of the fund of hedge funds that began in 2008 following the swift collapse of stock prices continued in 2010. Accordingly, the fair value of the remaining shares held as at December 31, 2010 totalled $0.3 million ($0.7 million as at December 31, 2009). In light of the events in 2008, the Company's asset allocation strategy no longer includes this asset class.

CONTRIBUTION GENERATED BY OTHER INVESTMENTS
(IN THOUSANDS OF $)

	2010	2009
Revenue	**16,157**	15,109
Gains and losses	**6,771**	9,441
	22,928	24,550

Revenue consists of interest, dividends and trading activities related to 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 consist of the difference between the proceeds on disposal and the unamortized cost, regardless of the unrealized gains (losses) from prior years, which are reversed and reflected in the unrealized gains (losses) for the current period.

Other investments continues to provide the Company with a major source of operating revenue even though interest rates are low. Other investments contributed $22.9 million in 2010, compared with $24.6 million in 2009. Current revenue was up slightly compared with the same period of 2009, the lower effective average interest rate in the bond portfolio being offset by a higher average bond balance. Lastly, for fiscal 2010, the Company recorded a gain of $6.8 million on its Other investments portfolio. Despite back-to-back key rate increases totalling 75 basis points announced by the Bank of Canada during the fiscal year, reduced market expectations for Canadian interest rate increases in the future generated gains for the bond portfolio.

Over the last few years, the fair value of the bond portfolio benefited from repeated interest rate decreases. A potential rise in rates will have a negative impact on unrealized changes in value. The Company's asset management strategy is to match the average maturity of Other investments with the average maturity of expected cash outflows, thereby limiting the long-term effect of interest rates on the Company's results.

CAPITAL RAISING

The Company offers its shares exclusively through the Desjardins caisse network. As at December 31, 2010, this distribution network consisted of some 420 Desjardins caisses and almost 900 service centres, totalling close to 1,320 points of sale.

Subscription of shares of the Company entitles the shareholder 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 per capitalization period. The minimum holding period for shares of the Company is seven years to the day from the date of purchase before the shareholder would normally be eligible for a redemption. Note however that shareholders who request a redemption to withdraw some or all 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.

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 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.

As at December 31, 2010, the Company had $1,026.0 million in share capital for 102,908,090 outstanding shares. The Company expects that as at February 28, 2011, share capital will exceed the $1 billion threshold. In this event, as noted above, subscriptions for the capital raising period starting March 1, 2011 would be limited to the lesser of $150 million or the redemptions requested during the capitalization period from March 1, 2010 to February 28, 2011. For information purposes, redemptions from March 1 to December 31, 2010 totalled approximately $63 million.

Subscriptions totalled $181.0 million during fiscal 2010, compared with $129.4 million for fiscal 2009. As at December 31, 2010, a balance of approximately $4.2 million of the $150 million authorized for the capitalization period from March 1, 2010 to February 28, 2011 remained available. This balance was entirely sold early in 2011. Note that the maximum allowable subscription of $150 million for the capitalization period ended February 28, 2010 was also reached.

During fiscal 2010, redemptions and purchases by agreement totalled $85.8 million. During the period, approximately 29% of the shares eligible for redemption at the end of their minimum seven-year holding period were redeemed. The Company feels that the current economic conditions and particularly weak interest rates are behind the low volume of redemptions.

As at December 31, 2010, the balance of shares eligible for redemption totalled $209 million. During fiscal 2011, additional shares with an approximate value of $97 million will also become eligible for redemption, bringing potential redemptions close to $306 million for the period.

The shareholders' equity of the Company as at December 31, 2010 totalled $1,019.8 million broken down by issue as follows:

ISSUE	ISSUE PRICE $	BALANCE * $M	ELIGIBLE FOR REDEMPTION
2001	10.00	37.1	2008
2002	10.00	113.2	2009
2003	10.12 and 10.24	58.7	2010
2004	10.25	96.8	2011
2005	10.25	96.0	2012
2006	10.37 and 10.21	78.6	2013
2007	10.21 and 9.92	96.3	2014
2008	9.89 9.83 and 9.54	141.1	2015
2009	9.54 9.62 and 9.73	154.1	2016
2010	9.73 and 9.80	147.9	2017
Shareholders' equity		1,019.8	

* Calculated at net asset value per share as at December 31, 2010

The number of shareholders was 111,476 as at December 31, 2010, compared with 118,119 a year earlier. Despite this decline in the number of shareholders that allows the Company to optimize its costs, share capital has increased as the average investment per shareholder has risen, with current shareholders subscribing for new shares year after year. Note that up to 2007, each shareholder was limited to a subscription of $2,500 per year, compared to the current limit of $5,000 per year.

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

OPERATING EXPENSES

EXPENSES
(IN THOUSANDS OF $)

	2010	2009
Management fees	**23,948**	21,231
Other operating expenses	**2,202**	2,081
Shareholder services	**1,725**	1,835
Capital tax	**511**	209
	28,386	25,356

MANAGEMENT FEES

The annual management fees paid to Desjardins Venture Capital amount to 2.5% of the Company's annual average assets' net value, less any amounts payable related to Investments impacting the Québec economy and Other investments. Management fees for fiscal 2010 amounted to $23.9 million or 84.4% of total expenses, compared with $21.2 million or 83.7% of total expenses for the same period of 2009. This increase is related to growth in average assets, which totalled $955.6 million for fiscal 2010, compared with $842.3 million a year earlier. As in the past, the management fees incurred by the Company are adjusted to avoid double billing as regards the Company's holdings in certain investment funds.

OTHER OPERATING EXPENSES

Other operating expenses rose $0.1 million, or 5.8%, compared with the previous year. This increase is primarily attributable to professional fees incurred to analyze certain major files in which the Company has commitments.

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 service expenses.

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 for distribution of its shares.

Shareholder services expenses for fiscal 2010 decreased by $0.1 million, or 6.0% compared with 2009, due mainly to the reduction in shareholder numbers.

CAPITAL TAX AND INCOME TAXES

The Company invests in securities eligible for a deduction for Québec capital tax purposes to minimize its tax expense while ensuring diversification and security in Other investments. The Company's capital tax expense is insignificant. This tax was eliminated effective January 1, 2011.

Income taxes for fiscal 2010 amounted to $5.9 million, compared with $5.1 million for the same period in 2009. In addition to current income taxes, future income taxes represent a major component of the Company's tax expense. Revenue type also has a significant impact since capital gains and business income are taxed at different rates.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from capital raising initiatives net of redemptions for fiscal 2010 totalled $95.2 million ($76.2 million in 2009). Operating activities generated liquidities of $9.3 million, down compared with $17.3 million in 2009. This variance is due mainly to fiscal 2009 income tax payments made in 2010, and to amounts receivable relating to fiscal 2010. The Company's investment activities resulted in cash outflows of $39.9 million in fiscal 2010, compared with $106.7 million in 2009. Cash outflows in Investments impacting the Québec economy amounted to $67.6 million for fiscal 2010, compared with $94.0 million for 2009. In accordance with the Company's financial asset management strategy, a portion of the excess liquidities generated by operating and financing activities was allocated to the Other investments portfolio, which posted net investments of $16.0 million for fiscal 2010, compared with $45.3 million for the same period of 2009.

As at December 31, 2010, cash and cash equivalents totalled $88.1 million ($23.4 million as at December 31, 2009). This particularly high level of liquid assets was maintained due to the size of the outflows related to Investments impacting the Québec economy expected for the first few weeks of 2011, and to cover requests for redemption that might occur at a different pace than the issue of new shares.

Since February 2010, the Company has had an authorized line of credit of $10 million. In the event that liquidity needs exceeded expectations, this line of credit could be used on a temporary basis to cover the Company's obligations. This additional flexibility optimizes cash levels held and reduces the risk of having to dispose of assets hastily under potentially less advantageous conditions. The line of credit was not used during the fiscal year ended December 31, 2010.

Given the management approach for Other investments 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 repurchase shares issued at least seven years earlier from those shareholders who make such a request.

Recent events

ACCOUNTING POLICIES – INTERNATIONAL FINANCIAL REPORTING STANDARDS

BACKGROUND

In 2008, the Accounting Standards Board of Canada (the "AcSB") confirmed that as of January 1, 2011, the International Financial Reporting Standards ("IFRS") would replace the Canadian generally accepted accounting principles ("GAAP") currently in effect for certain companies, including public companies.

The International Accounting Standards Board ("IASB"), the organization responsible for IFRS, in the first half of 2010 began a review of the standards on consolidation and financial instruments that investment companies must apply. The key proposed amendments affecting the Company are explained in the subsequent section *Main impacts of transition to IFRS*.

In January 2011, to allow investment companies to wait until these revised standards take effect before converting to IFRS, the AcSB approved deferral of the mandatory IFRS adoption date for investment companies currently subject to Accounting Guideline AcG – 18 *Investment Companies*. Accordingly, the Company will adopt IFRS for its interim and annual financial statements relating to annual periods beginning on January 1, 2013. Until that time, the Company will continue to apply the current Canadian standards.

WORK COMPLETED TO DATE

To meet this deadline, the Company has drawn up a three-stage conversion plan: Step 1 – Analysis; Step 2 – Planning and Design; and Step 3 – Implementation. Throughout these stages, the Company will benefit from the support and expertise of a specialized Desjardins Group team put together for the transition to IFRS, as well as assistance from external firms on certain matters.

The analysis stage began in 2009 and continued throughout the fiscal year ended December 31, 2010. This stage allowed the Company to identify those areas that would be most impacted by IFRS application. The Company is monitoring the work of the IASB with respect to changes in the standards on consolidation and financial instruments, and will, once the revised standards have been published, analyze their impacts on its accounting, its financial reporting, its management and its information systems.

MAIN IMPACTS OF TRANSITION TO IFRS

IFRS use a conceptual framework similar to GAAP, but contain certain differences. In particular, the standards on consolidation and financial instruments, if applied by the Company in their present form, could have significant impacts on the financial information the Company reports. Beyond these standards, the differences identified between Canadian GAAP and IFRS should not have significant impacts.

Under existing accounting standards, specifically AcG – 18, the Company must recognize all investments held by it at fair value, and is not obliged to apply all of the rules concerning financial instruments.

There is no equivalent to AcG – 18 under current IFRS. Rather, the provisions of IAS 27, *Consolidated and Separate Financial Statements* apply. However, as stated previously, the IASB is examining the possibility of amending current IFRS standards on consolidation to exempt investment companies that meet certain criteria from the requirement to consolidate investments in entities it controls. Such investments would then be recognized at fair value.

The Company is of the opinion that the consolidation of certain investments is undesirable as it would render use of its financial statements more complex, significantly increase the costs of preparation of financial information and would not provide an accurate picture of its financial position. Furthermore, the issue and redemption price of the Company's shares would not be calculated on the same basis as used to prepare the financial statements. To address the possibility that the outcome of the IASB's current initiatives does not allow the Company to circumvent the requirement to consolidate certain investments as of January 1, 2013, discussions are underway with regulatory authorities to permit the Company to continue to issue its financial statements on a fair value basis.

Moreover, under current IFRS, all requirements with respect to the recognition and disclosure of financial instruments must be applied. Therefore, the Company would have to list its financial instruments according to the different categories under IFRS and apply the corresponding recognition method. Their categorization would also result in increased disclosure in the financial statements, in particular as relates to the measurement of financial instruments.

However, concurrently with the revision of the IFRS on consolidation, the IASB is also contemplating amending the standards on financial instruments so that investment companies may continue to recognize all of their investments at fair value.

QUANTIFICATION OF IMPACTS

Given current developments concerning IFRS, the Company is not in a position at this time to quantify the impact that the changeover to IFRS will have on its financial position.

However, the Company's constituting act provides that the issue and redemption price of its shares shall be calculated based on adjusted IFRS, if need be, to reflect the fair value of investments and cancel the effects of consolidation. As a result, the transition to IFRS will have no substantial impact in that respect.

Related party transactions

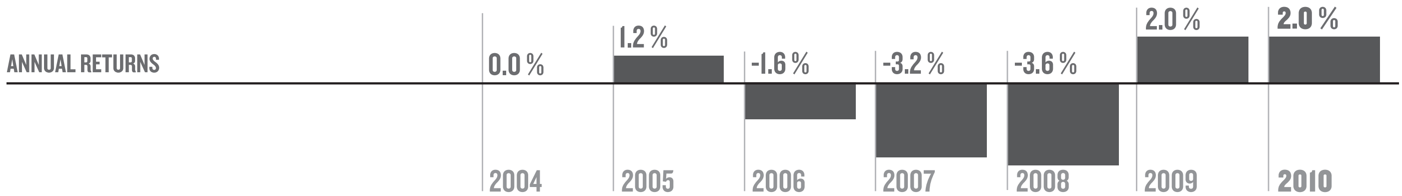
The Company enters into certain transactions with related companies in the normal course of business. These transactions are described in note 16 to the financial statements of the Company.

PAST PERFORMANCE

This section presents the Company's historical returns. These returns do not include the $50 administration fee paid by shareholders or the tax credit they 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 change in returns from one fiscal year to the next for the past seven fiscal years. Annual return is calculated by dividing income (loss) per share for the year by the share price at the beginning of the year.



Compounded return of the share as at December 31, 2010

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

7 YEARS	5 YEARS	3 YEARS	1 YEAR
-0.5 %	-0.9 %	0.1 %	1.8 %

PORTFOLIO SUMMARY

Main asset classes

As at December 31, 2010, the assets in the Investments impacting the Québec economy and Other investments portfolios were allocated as follows:

ASSET CLASSES	% OF NET ASSETS
Investments impacting the Québec economy*	
Development Capital	15.4
Company Buyouts and Major Investments	12.3
Technological Innovations	5.9
Venture Capital – Health	3.2
Funds	6.4
Total – Investments impacting the Québec economy	**43.2**
Other investments	
Cash and money market instruments	12.2
Bonds	42.1
Preferred shares	2.4
Fund of hedge funds	0.0
Total – Other investments	**56.7**

* Including foreign exchange contracts

Main investments held

As at December 31, 2010, the issuers of the 25 main investments held by the Company were as follows:

ISSUER	% OF NET ASSETS
Investments impacting the Québec economy (12 issuers)*	19.4
Canada Mortgage and Housing Corporation	13.7
Caisse centrale Desjardins	9.0
Province of Ontario	6.0
Province of Québec	3.1
CDP Financial	3.0
Royal Bank	2.0
Bank of Montreal	1.5
The Toronto-Dominion Bank	1.5
Bank of Nova Scotia	1.4
Financement Québec	1.2
Capital Desjardins	0.8
Canadian Imperial Bank of Commerce	0.8
Hydro-Québec	0.8

* The 12 issuers who, collectively, represent 19.4 % of the Company's net assets are:

- **Avjet Holding inc.**
- **Camoplast inc.**
- **Coradiant (Canada) inc.**
- **Knowlton Development Corporation inc.**
- **Desjardins – Innovatech S.E.C.**
- **Enobia Pharma inc.**
- **Fempro I inc.**
- **FIER Partners L.P.**
- **CANMEC Group inc. (6317456 Canada inc.)**
- **La Coop fédérée**
- **Louiseville Specialty Products inc.**
- **Tranzyme Pharma inc.**

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

February 9, 2011

February 9, 2011

MANAGEMENT'S REPORT

The Company's financial statements together with the financial information contained in this annual 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, management has ensured that the manager 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 General Manager and Chief Financial Officer have certified that the method used to determine the fair value of each of the Investments impacting the Québec economy complies with the requirements of the Autorité des marchés financiers regulations and have confirmed the reasonableness of the aggregate fair value of the portfolio of Investments impacting the Québec economy.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee. The Committee meets with the external auditors appointed by the shareholders with and without management present to review the financial statements, discuss the audit and other related matters and 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 9, 2011. 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 the management discussion and analysis. The financial information presented elsewhere in this report is consistent with the Company's financial statements.

(signed) Yves Calloc'h, CA

Chief Financial Officer

Capital régional et coopératif Desjardins

Financial Statements
December 31, 2010

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
Chartered Accountants
1250 René-Lévesque Boulevard West
Suite 2800
Montréal, Quebec
Canada H3B 2G4
Telephone +1 514 205 5000
Facsimile +1 514 876 1502

February 9, 2011

Independent Auditor's Report

To the Shareholders of
Capital régional et coopératif Desjardins

We have audited the accompanying financial statements of Capital régional et coopératif Desjardins, which comprise the balance sheets as at December 31, 2010 and 2009 and the statements of earnings, shareholders' equity and cash flows for the years then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PRICEWATERHOUSECOOPERS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Capital régional et coopératif Desjardins as at December 31, 2010 and 2009, 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 No. 19653

Capital régional et coopératif Desjardins

Balance Sheets

As at December 31, 2010 and 2009

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

	2010 $	2009 $
Assets		
Investments impacting the Québec economy (note 4)	439,550	401,321
Other investments (note 5)	541,271	467,765
Cash	38,108	23,448
Accounts receivable (note 6)	10,180	6,866
Software (net of accumulated amortization of $4,049; December 31, 2009 – $3,675)	313	687
Income taxes receivable	7,273	-
Future income taxes (note 14)	3,991	12,342
	1,040,686	912,429
Liabilities		
Accounts payable (note 8)	3,723	872
Notes payable (note 9)	17,117	-
Income taxes payable	-	5,636
	20,840	6,508
Net assets	1,019,846	905,921
Number of outstanding common shares	102,908,090	93,142,217
Net value per common share	9.91	9.73

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

Approved by the Board of Directors

(signed) André Lachapelle, Director (signed) Jacques Plante, Director

Capital régional et coopératif Desjardins

Statements of Shareholders' Equity

For the years ended December 31, 2010 and 2009

(in thousands of dollars)

2010

	Share capital	Contributed surplus	Retained earnings (deficit)			Shareholders' equity
			Realized	Unrealized	Total	
	$	$	$	$	$	$
Balance – December 31, 2009	933,533	2,410	26,209	(56,231)	(30,022)	905,921
Results for the year						
Net earnings realized and unrealized, net of income taxes of ($2,647) and $8,567 respectively	-	-	(15,679)	34,375	18,696	18,696
Share capital operations						
Shares issued	180,982	-	-	-	-	180,982
Redemption of shares	(88,500)	2,747	-	-	-	(85,753)
	92,482	2,747	(15,679)	34,375	18,696	113,925
Balance – December 31, 2010	1,026,015	5,157	10,530	(21,856)	(11,326)	1,019,846

2009

	Share capital	Contributed surplus	Retained earnings (deficit)			Shareholders' equity
			Realized	Unrealized	Total	
	$	$	$	$	$	$
Balance – December 31, 2008	859,467	306	5,915	(53,082)	(47,167)	812,606
Results for the year						
Net earnings realized and unrealized, net of income taxes of $5,906 and ($785) respectively	-	-	20,294	(3,149)	17,145	17,145
Share capital operations						
Shares issued	129,443	-	-	-	-	129,443
Redemption of shares	(55,377)	2,104	-	-	-	(53,273)
	74,066	2,104	20,294	(3,149)	17,145	93,315
Balance – December 31, 2009	933,533	2,410	26,209	(56,231)	(30,022)	905,921

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

Capital régional et coopératif Desjardins

Statements of Earnings

For the years ended December 31, 2010 and 2009

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

	2010	2009
	$	$
Revenue		
Interest	36,898	34,451
Dividends	4,477	2,675
Negotiation fees	2,462	2,119
Administrative charges	1,133	655
	44,970	39,900
Expenses		
Management fee	23,948	21,231
Other operating expenses (note 13)	2,202	2,081
Shareholder services (note 13)	1,725	1,835
Capital tax	511	209
	28,386	25,356
Net investment income	16,584	14,544
Gains and losses on investments		
Realized	(34,910)	11,656
Unrealized	42,942	(3,934)
	8,032	7,722
Income taxes (note 14)	5,920	5,121
Net earnings for the year	18,696	17,145
Weighted average number of common shares	97,930,424	90,224,815
Net earnings per common share	0.19	0.19

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

Capital régional et coopératif Desjardins

Statements of Cash Flows

For the years ended December 31, 2010 and 2009

(in thousands of dollars)	2010 $	2009 $
Cash flows from		
Operating activities		
Net earnings for the year	18,696	17,145
Adjustments for		
Realized losses (gains) on investments	34,910	(11,656)
Unrealized losses (gains) on investments	(42,942)	3,934
Amortization of software	374	376
Amortization of premiums and discounts on investments	2,649	1,785
Future income taxes	8,351	1,095
Capitalized interest and other non-cash items	(1,866)	-
	20,172	12,679
Changes in non-cash operating working capital balances (note 15)	(10,876)	4,627
	9,296	17,306
Investing activities		
Acquisition of investments impacting the Québec economy	(67,559)	(94,022)
Acquisition of other investments	(536,523)	(385,285)
Proceeds on disposal of investments impacting the Québec economy	43,666	32,658
Proceeds on disposal of other investments	520,551	340,027
Software	-	(61)
	(39,865)	(106,683)
Financing activities		
Issuance of common shares	180,982	129,443
Redemption of shares	(85,753)	(53,273)
	95,229	76,170
Net changes in cash and cash equivalents during the year	64,660	(13,207)
Cash and cash equivalents – Beginning of the year	23,448	36,655
Cash and cash equivalents – End of the year (note 12)	88,108	23,448
Supplementary information		
Income taxes paid (received)	10,554	(839)

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

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

(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.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

(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. If these criteria were not met, the Company could be subject to penalties. As at December 31, 2010, no amount was owing by the Company under these rules.

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.

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 assets and contingent 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 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 likely that an amount will be disbursed by the Company in relation to a pledged surety, the amount to be recognized in liabilities 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.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

(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 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, 2010 and 2009, 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 resale and repurchase agreements are accounted for as collateralized lending and borrowing transactions, and are recorded on the balance sheet at the reselling or repurchase price specified under the agreement. The difference between the purchase price and specified reselling 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, 2010 and 2009, 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.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

Notes payable

Notes payable are recorded at their fair value, which represents the amount that the Company would have to pay in accordance with the underlying contractual agreements to these notes at the balance sheet date. In the statements of earnings, changes in fair value are presented under Gains and losses on investments – Unrealized.

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 gains (losses) recorded in previous years, which are reversed and taken into account in change in unrealized gains (losses) for the year.

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

Gains and losses on notes payable

Gains and losses on notes payable are recorded at the date of payment and represent the difference between the amount the Company paid to settle a note and its initial value, without taking into consideration the unrealized gains (losses) recorded in previous years, which are reversed and taken into account in unrealized gains (losses) in the current 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.

3 Changes in accounting policies

In June 2009, the Accounting Standards Board of Canada ("AcSB) issued an amendment to the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, *Financial Instruments – Recognition and Measurement* in order to clarify the interest calculation method for a financial asset not classified as "Loans and receivables", after recognition of an impairment loss. This section had no impact on the Company's financial statements as financial instruments are measured at fair value.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

4 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.

	As at December 31, 2010		
	Cost	**Unrealized gain (loss)**	**Fair value**
	$	**$**	**$**
Unsecured			
Common shares	166 743	(17 270)	149 473
Preferred shares	109 479	(7 075)	102 404
Debentures and advances	193 785	(9 285)	184 500
Secured			
Debentures and advances	3 324	(151)	3 173
	473 331	(33 781)	439 550

	As at December 31, 2009		
	Cost	**Unrealized gain (loss)**	**Fair value**
	$	**$**	**$**
Unsecured			
Common shares	139 663	(24 792)	114 871
Preferred shares	123 941	(30 164)	93 777
Debentures and advances	210 727	(19 212)	191 515
Secured			
Debentures and advances	1 454	(296)	1 158
	475 785	(74 464)	401 321

Investments impacting the Québec economy included investments valued in foreign currencies for a fair value of $68.7 million (December 31, 2009 – $53.4 million).

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

Debentures and advances bear interest at a weighted average rate of 11.5% (December 31, 2009 – 10.8%) and have an average residual maturity of 4.5 years (December 31, 2009 – 4.7 years). For substantially all the interest-bearing debentures and advances, the interest rate is fixed.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

a) Allocation of investments and funds committed by asset class

						As at December 31, 2010
Asset class	**Investments at cost $**	**Unrealized gain (loss) $**	**Fair value $**	**Funds committed but not disbursed [1] $**	**Sureties [1] $**	**Total commitment $**
Development Capital	162 680	(5 154)	157 526	7 751	-	165 277
Company buyouts and Major Investments	115 528	9 520	125 048	47 100	-	172 148
Technological Innovations	77 324	(17 391)	59 933	-	-	59 933
Venture Capital - Health	42 999	(11 132)	31 867	-	-	31 867
Funds	74 800	(9 624)	65 176	145 634	-	210 810
Total	473 331	(33 781)	439 550	200 485	-	640 035

						As at December 31, 2009
Asset class	**Investments at cost $**	**Unrealized gain (loss) $**	**Fair value $**	**Funds committed but not disbursed [1] $**	**Sureties [1] $**	**Total commitment $**
Development Capital	153 958	(7 132)	146 826	9 198	-	156 024
Company buyouts and Major Investments	131 415	(8 309)	123 106	15 425	-	138 531
Technological Innovations	63 790	(12 940)	50 850	1 260	-	52 110
Venture Capital - Health	64 368	(36 376)	27 992	3 027	-	31 019
Funds	62 254	(9 707)	52 547	34 997	-	87 544
Total	475 785	(74 464)	401 321	63 907	-	465 228

[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 met, the estimated instalments over the coming years ended December 31 will be as follows:

2011	2012	2013	2014	2015 and +	Total
96 661	41 500	35 414	9 910	17 000	200 485

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

5 Other investments

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

	As at December 31, 2010		
	Cost	**Unrealized gain (loss)**	**Fair value**
	$	**$**	**$**
Bonds			
Federal	144 233	3 677	147 910
Provincial and guaranteed	153 270	2 627	155 897
Financial institutions	101 559	1 552	103 111
Companies	21 530	442	21 972
	420 592	8 298	428 890
Money market instruments [1]	85 900	-	85 900
Foreign exchange contracts [2]	-	1 358	1 358
Preferred shares	25 483	(640)	24 843
Units of fund of hedge funds [3]	3 943	(3 663)	280
Total	535 918	5 353	541 271

Allocation of bonds by maturity date

	As at December 31, 2010			
Maturity	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
	$	**$**	**$**	**$**
Unamortized cost	-	272 624	147 968	420 592
Par value	-	266 340	142 864	409 204
Fair value	-	277 474	151 416	428 890
Average nominal rate [4]	-	3,97%	4,55%	4,17%
Average effective rate	-	3,07%	3,98%	3,39%

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

	As at December 31, 2009		
	Cost	**Unrealized gain (loss)**	**Fair value**
	$	**$**	**$**
Bonds			
Federal	148 398	2 841	151 239
Provincial and guaranteed	112 883	2 694	115 577
Financial institutions	69 388	2 058	71 446
Companies	19 912	812	20 724
Supranational entities	2 008	107	2 115
	352 589	8 512	361 101
Money market instruments [1]	85 631	-	85 631
Foreign exchange contracts [2]	-	640	640
Preferred shares	21 366	(1 711)	19 655
Units of fund of hedge funds [3]	4 511	(3 773)	738
Total	464 097	3 668	467 765

Allocation of bonds by maturity date

	As at December 31, 2009			
Maturity	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
	$	**$**	**$**	**$**
Unamortized cost	101	248 011	104 477	352 589
Par value	100	241 031	102 535	343 666
Fair value	102	254 712	106 287	361 101
Average nominal rate [4]	7,20%	4,56%	4,15%	4,44%
Average effective rate	3,89%	3,54%	3,85%	3,63%

[1] Money market instruments consist of term deposits, Treasury bills or strip bonds with an original maturity of less than a year. As at December 31, 2010, all money market instruments have an original maturity of zero to four months while as at December 31, 2009, they all had an original maturity of six to eleven months.

[2] Foreign exchange contracts to sell USD 67.5 M and AUD 3.8 M (australian dollar) have three-month maturities. (USD 43.8 M as at December 31, 2009)

[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 except foreign exchange contracts.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

6 Accounts receivable

	As at December 31, 2010 $	As at December 31, 2009 $
Interest and dividends receivable on investments	6 226	5 502
Sales taxes receivable	518	391
Amounts receivable on disposal of investments	3 037	541
Other accounts receivable	399	432
	10 180	6 866

7 Line of credit

Since February 2010, the Company has had an authorized line of credit of $10 million. This bank credit bears interest at the operating credit rate of Caisse centrale Desjardins plus 0.5%. This line of credit is guaranteed by a portion of the money market instruments and bonds recorded in Other investments and is renewable on an annual basis. As at December 31, 2010, no drawings had been made on the line of credit.

8 Accounts payable

	As at December 31, 2010 $	As at December 31, 2009 $
Suppliers and accrued liabilities	956	870
Other accounts payable	2 767	2
	3 723	872

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

9 Notes payable

On November 30, 2010, the Company acquired from Desjardins Venture Capital L.P., a subsidiary of Fédération des Caisses Desjardins du Québec, investments with a fair value of $17.6 million as consideration for notes of equal initial value. Each note payable is related to one of the acquired investments and contains a provision under which the amount payable shall be adjusted based on the amounts received by the Company on the sale of the related investment. If the amount received by the Company at the time of sale is less than the initial cost of the investment, the amount of the note will be adjusted to the amount received. However, if the amount received by the Company at the time of sale is more than the initial cost of the investment, the amount of the note will be increased by 70% of the realized gain. Management fees paid by the Company in respect of investments between their dates of acquisition and their dates of sale are deducted from the amount of the related notes.

Notes payable have an initial maturity of three years. Notes not settled by that time must be renegotiated by Desjardins Venture Capital L.P. and the Company.

10 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.

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, begins on March 1 of each year. The maximum the Company can raise in the capitalization period ending on February 28, 2010 is $150 million. As at December 31, 2010, the Company is in compliance with this limit.

The Company expects that as at February 28, 2011, the capitalization level will exceed the $1 billion threshold.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

Share capital issued and fully paid

	December 31, 2010 $	December 31, 2009 $
102,908,090 common shares (December 31, 2009 – 93,142,217)	1 026 015	933 533

During the year, the Company issued 18,581,140 common shares (during the year 2009 – 13,519,588) for a cash consideration of $181.0 million (during the year 2009 – $129.4 million).

During the year, the Company redeemed 8,815,267 common shares (during the year 2009 – 5,536,806) for a cash consideration of $85.8 million (during the year 2009 – $53.3 million).

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;
- 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.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

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.

11 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 10.

The Company's policy is to reinvest the annual revenue 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.

12 Cash and cash equivalents

	2010 $	2009 $
Cash	38 108	23 448
Money market instruments of three months or less	50 000	-
	88 108	23 448

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

13 Expenses

	2010	2009
	$	$
Other operating expenses		
Audit fees	204	229
Directors' compensation	270	263
Professional fees	663	570
Financials expenses	27	45
Custodial fees and trustees' fees	67	47
Other expenses	597	551
Amortization of software	374	376
	2 202	2 081
Shareholder services		
Trustee fees	1 244	1 521
Reporting to shareholders	125	139
Other expenses	356	175
	1 725	1 835

14 Income taxes

The Company is subject to federal and provincial income taxes.

a) Income tax expense is detailed as follows:

	2010	2009
	$	$
Current income taxes	(2 431)	4 026
Future income taxes	8 351	1 095
	5 920	5 121

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

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

	2010	2009
	$	$
Income taxes by applying the combined basic tax rate of 39.90%	9 822	8 884
Permanent differences between earnings before income taxes and taxable income and other items		
Realized and unrealized losses on investments	(1 572)	(1 609)
Untaxable dividends	(2 135)	(1 307)
Others discrepencies	(195)	(847)
	5 920	5 121

c) Future income taxes relate to the following items:

	2010	2009
	$	$
Future income tax assets		
Unrealized losses on investments	4 067	12 596
Other	49	43
	4 116	12 639
Future income tax liabilities		
Software	(125)	(297)
Future income tax assets, net	3 991	12 342

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

15 Cash flows

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

	2010 $	2009 $
Decrease (increase) in accounts receivable	(818)	3
Decrease (increase) in income taxes receivable	(7 273)	4 730
Decrease in income taxes payable	(5 636)	-
Increase (decrease) in accounts payable	2 851	(106)
	(10 876)	4 627

16 Related party transactions

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

- 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 effective for an initial term of ten years, ending December 31,2011, unless the parties agree to terminate the contract by mutual agreement. Thereafter, the contract shall renew automatically for a five-year period unless terminated by either party on written notice of at least 18 months. The parties have agreed to review the terms and conditions of the contract prior to its next renewal.

  Under this contract, the Company is required to pay an annual management fee equal to 2.5% of its annual average assets' net value reduced by any amount payable for the acquisition of investments. 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 three-year term starting on January 1, 2008. This agreement was renewed under the same terms and conditions until June 30, 2011.

- The Company has centralized custody services for its assets with Desjardins Trust Inc. The contract started on May 1, 2009 and has no predetermined ending date. Prior to the centralization, custody was shared between DVC, Desjardins Securities, Desjardins Trust Inc. and Caisse centrale Desjardins.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

- The Company has appointed Fédération des caisses Desjardins du Québec to distribute its shares through the Desjardins caisse network. 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.

The Company entered into transactions with other Desjardins Group entities in the normal course of business. All of these transactions are measured at the exchange amount. The transactions and balances are detailed as follows:

	2010	**2009**
	$	**$**
Balance sheets		
Caisse centrale Desjardins		
Cash	36 249	22 411
Other investments	87 258	40 640
Capital Desjardins inc.		
Other investments	8 317	5 733
Interest and dividends receivable on investments	100	76
Desjardins Global Asset Management		
Other investments	280	738
Desjardins - Innovatech S.E.C.		
Accounts payable	10	-
Desjardins Trust Inc.		
Cash	573	1 037
Accounts payable	370	609
Desjardins Venture Capital Inc.		
Accounts receivable	-	37
Accounts payable	2 757	-
Desjardins Venture Capital L.P.		
Accounts receivable	98	-
Notes payable	17 117	-

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

	2010 **$**	**2009** **$**
Statements of earnings		
Caisse centrale Desjardins		
Interest	176	239
Realized gains on investments	2 695	6 666
Unrealized gains on investments	718	970
Capital Desjardins inc.		
Interest	353	184
Realized gains on investments	95	157
Unrealized gains on investments	122	154
Desjardins Global Asset Management		
Unrealized gains on investments	110	47
Desjardins Securities		
Interest	-	41
Desjardins Trust Inc.		
Shareholder services	1 244	1 521
Other operating expenses	67	47
Desjardins Venture Capital Inc.		
Management fees	23 948	21 231
Fédération des caisses Desjardins du Québec		
Other operating expenses	378	396

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

17 Financial instruments and associated risks

Financial instruments

The Company's financial instruments are recorded at their fair value. Fair value is used to determine the values at which these instruments could be traded in a current transaction between willing parties. When these financial instruments are not traded in public markets, their fair value is established based on a set of predetermined criteria, which minimizes the subjectivity of the valuation. The Company categorizes its financial instruments according to the three following hierarchical levels:

- Level 1 – Measurement based on quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – Valuation techniques based primarily on observable market data; and
- Level 3 – Valuation techniques not based primarily on observable market data.

The following table shows the breakdown of the fair-value valuation of the financial instruments among the three levels.

				2010
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Investments impacting the Québec economy	5 791	-	433 759	439 550
Other investments	284 974	256 017	280	541 271
Cash	38 108	-	-	38 108

				2009
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Investments impacting the Québec economy	3 590	-	397 731	401 321
Other investments	243 725	223 302	738	467 765
Cash	23 448	-	-	23 448

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

When fair-value valuations of interests in private companies are not entirely based on observable data, the estimates are qualified as Level 3. This takes into account that, beyond external variables such as interest rate levels, economic growth and income tax rates to name only a few, whose impacts are generally reflected in valuation, there are also internal variables which affect fair-value estimates. The valuation of interests is also dependent on information or factors that have a particular influence on a business (outlook, competition, human or financial resources, etc.).

While the goal of valuation is to rely as much as possible on observable data, the choice of relevant elements and their impact on establishing fair value is influenced by the judgment of the valuator. That being said, although another valuator looking at the same business might weigh certain specific factors differently, the impact on the overall portfolio will be marginal.

The following table presents the reconciliation between the beginning and ending balances of Level 3:

			2010
	Investments impacting the Québec economy $	**Other investments $**	**Total $**
Balance – December 31, 2009	397 731	738	398 469
Realized gains (losses) on investments	(42 463)	-	(42 463)
Unrealized gains (losses) on investments	39 037	110	39 147
Acquisition	85 153	-	85 153
Proceeds on disposal	(45 699)	(568)	(46 267)
Balance – December 31, 2010	433 759	280	434 039

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at December 31, 2010 and 2009

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

			2009
	Investments impacting the Québec economy	**Other investments**	**Total**
	$	**$**	**$**
Balance – December 31, 2008	344 602	7 642	352 244
Realized gains (losses) on investments	3 052	-	3 052
Unrealized gains (losses) on investments	(12 732)	47	(12 685)
Acquisition	94 022	-	94 022
Proceeds on disposal	(31 213)	(6 951)	(38 164)
Balance – December 31, 2009	397 731	738	398 469

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 9 and 10.

Capital régional et coopératif Desjardins

Schedule of cost of investments impacting
the Québec economy
As at December 31, 2010

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
Chartered Accountants
1250 René-Lévesque Boulevard West
Suite 2800
Montréal, Quebec
Canada H3B 2G4
Telephone +1 514 205 5000
Facsimile +1 514 876 1502

February 9, 2011

Auditor's Report on schedule of cost of investments impacting the Quebec economy accompanying the financial statements

To the Shareholders of
Capital régional et coopératif Desjardins

On February 9, 2011, we reported on the balance sheets of Capital régional et coopératif Desjardins as at December 31, 2010 and 2009 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 performed audit procedures on the schedule of cost of investments impacting the Quebec economy (the "schedule") as at December 31, 2010. This schedule is the responsibility of the Company's management.

In our opinion, the schedule presents fairly, in all material respects, the cost of investments impacting the Quebec economy, when read in conjunction with the Company's financial statements.

(signed) PricewaterhouseCoopers LLP[1]

[1] Chartered accountant auditor permit No. 19653

Capital régional et coopératif Desjardins
Schedule of cost of investments impacting the Québec economy
As at December 31, 2010

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Abitibi-Témiscamingue						
Complexe funéraire Ste-Bernadette	2007	DevC	170	119	-	289
Héli Explore inc.	2007	DevC	125	100	-	225
Hôtel des Eskers inc.	2007	DevC	200	157	-	357
Hôtel des Gouverneurs	2007	DevC	200	73	-	273
Hôtel Forestel Val d'Or inc.	2007	DevC	225	94	-	319
Industries Béroma inc. (Les)	2009	DevC	-	273	-	273
Manufacture Adria inc.	2005	DevC	-	43	-	43
Norbell Électrique inc.	2010	DevC	-	305	-	305
Toitures G.G.R. inc. (Les)	2010	DevC	-	360	-	360
Transport scolaire R.N. ltée	2008	DevC	200	173	-	373
Trim-Line de l'Abitibi inc.	2009	DevC	125	125	-	250
Vézeau et frères inc.	2009	DevC	-	198	-	198
Vieux Comptoir Construction (9212-4882 Québec inc.)	2010	DevC	-	1,000	-	1,000
Total Abitibi-Témiscamingue			1,245	3,020	-	4,265
Bas-Saint-Laurent						
Bâtitech ltée	2007	DevC	70	334	-	404
Bois-Franc inc.	2006	DevC	-	165	-	165
Boutique Le Pentagone inc.	2008	B & MI	1,288	7,962	-	9,250
Campor inc.	2006	DevC	-	84	-	84
Équipements J.P.L. inc. (Les)	2008	DevC	-	53	-	53
Fonderie BSL inc.	2010	DevC	-	216	50	266
Gestion Alain Hébert inc.	2009	DevC	-	490	-	490
Gestion Arnold Gauthier inc.	2002	DevC	-	267	-	267
Gestion Gilles D'Amours - 9159-0026 Québec inc.	2005	DevC	-	942	-	942
Groupe Composites VCI inc.	2007	DevC	2,250	816	-	3,066
Groupe Fillion Sport inc.	2008	DevC	-	317	-	317
Industries Jack inc.	2010	DevC	-	-	64	64
Leblanc Environnement inc.	2008	DevC	250	217	-	467
Planchers Ancestral (2007) inc. (9184-7376 Québec inc.)	2007	DevC	120	-	-	120
Produits métalliques Pouliot Machinerie inc.	2007	DevC	-	-	134	134
Scierie St-Fabien inc.	2010	DevC	119	-	-	119
Société d'exploitation des ressources de la Vallée inc.	2010	DevC	-	466	-	466
Télécommunications Denis Gignac inc.	2010	DevC	-	500	-	500
Trans-Plus Express J.L. inc.	2007	DevC	125	172	-	297
Transport Sébastien Sirois inc.	2009	DevC	-	375	-	375
Total Bas-Saint-Laurent			4,222	13,376	248	17,846
Capitale-Nationale						
9197-4451 Québec inc. (P.E. Fraser inc.)	2010	DevC	-	458	-	458
Base 4 inc.	2009	DevC	-	303	-	303
Congébec Logistique inc.	2004	DevC	3,800	-	-	3,800
Coopérative de travailleurs actionnaire du Groupe Congébec	2005	DevC	-	230	-	230
Coractive	2010	TI	1,827	-	-	1,827
Creaform inc.	2009	B & MI	500	5,362	-	5,862
Cross Match Technologies , inc.	2008	TI	4,110	1,850	-	5,960
Engrenage Provincial inc.	2005	DevC	-	1,739	-	1,739
Frima Studio inc.	2008	DevC	-	242	-	242
Gestion Placage RMH inc.	2006	DevC	-	206	-	206
Groupe Humagade inc.	2006	TI	11,191	38	-	11,229
H2O Innovation inc.	2009	DevC	-	1,750	-	1,750
Logiciels Dynagram inc. (Les)	2002	TI	-	-	180	180
Maison Orthésis inc. (La)	2006	DevC	-	345	-	345
Obzerv Technologies inc.	2010	DevC	1,500	-	-	1,500
OptoSecurity inc.	2007	TI	3,760	2,140	-	5,900
Piscines Pro et Patios N.V. inc.	2009	DevC	-	321	-	321
Piscines Soucy inc.	2006	DevC	-	29	-	29

Capital régional et coopératif Desjardins
Schedule of cost of investments impacting the Québec economy
As at December 31, 2010

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Pneus Ratté inc.	2009	DevC	-	671	-	671
Poste Express	2006	DevC	-	133	-	133
Total Capitale-Nationale			26,688	15,817	180	42,685
Centre-du-Québec						
Autobus Thomas inc.	2007	DevC	-	181	-	181
Avjet Holding inc.	2009	B & MI	3,800	9,658	-	13,458
Bluberi Group inc.	2007	B & MI	-	3,072	-	3,072
CDM Papiers Décors inc.	2006	DevC	-	1,689	-	1,689
Coopérative des travailleurs actionnaires de Fempro I	2008	B & MI	-	90	-	90
Demtec inc.	2005	DevC	-	1,093	-	1,093
Distribution Pro-Excellence inc.	2008	DevC	-	200	-	200
Farinart inc.	2010	DevC	250	-	-	250
Fempro I inc.	2007	B & MI	3,000	6,500	-	9,500
Groupe Anderson inc. (anc. Novatek Laser)	2007	DevC	2,333	2,230	-	4,563
Groupe S.G. Ameublements commerciaux inc.	2008	DevC	-	494	-	494
Investissements Brasco inc.	2009	DevC	-	750	-	750
Métalus inc.	2008	DevC	-	1,379	-	1,379
Service funéraire coopératif Drummond	2007	DevC	-	372	-	372
Total Centre-du-Québec			9,383	27,708	-	37,091
Chaudière - Appalaches						
Acier Majeau inc.	2008	DevC	-	1,114	-	1,114
Chariots élévateurs du Québec inc. (Les)	2009	DevC	-	218	-	218
CHEQ FM 101,3 (9174-8004 Québec inc.)	2007	DevC	150	183	-	333
CIF Métal ltée	2005	B & MI	4,583	-	-	4,583
Delta Stell Joist inc.	2006	DevC	-	240	-	240
Distribution Eugène Gagnon inc.	2006	DevC	-	987	-	987
Ebi-tech inc.	2007	DevC	-	233	-	233
Émile Bilodeau et Fils inc.	2008	DevC	-	383	-	383
HBS Group inc.	2010	DevC	-	400	-	400
Horisol Coopérative de travailleurs	2008	DevC	-	259	-	259
Hortau inc.	2010	DevC	500	-	-	500
K-2 Portes d'acier inc.	2008	DevC	-	123	-	123
Marquis Book Printing inc.	2007	DevC	500	658	-	1,158
Matiss inc.	2002	DevC	-	445	-	445
Metal Bernard inc.	2010	DevC	-	1,475	-	1,475
MTI Canada inc.	2008	DevC	-	2,244	-	2,244
Produits de plancher Finitec inc.	2007	DevC	-	859	-	859
Services Bivac inc.	2010	DevC	-	576	-	576
Structures D.L.D. ltée	2008	DevC	-	294	-	294
Tibetral Système inc.	2006	DevC	400	288	300	988
Transfab Énergie inc.	2006	DevC	-	70	-	70
Transport de l'Amiante	2006	DevC	-	67	-	67
Trimax Steel inc.	2009	DevC	-	932	-	932
Total Chaudière - Appalaches			6,133	12,048	300	18,481
Côte-Nord						
Boisaco inc.	2010	DevC	1,000	-	-	1,000
Granulco inc.	2009	DevC	-	194	-	194
Interconnect inc.	2006	DevC	-	86	-	86
Simard Suspensions inc.	2009	DevC	-	929	-	929
Solugaz inc.	2007	DevC	-	400	-	400
Total Côte-Nord			1,000	1,609	-	2,609

Capital régional et coopératif Desjardins

Schedule of cost of investments impacting the Québec economy
As at December 31, 2010

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments Common and Preferred shares $	Unsecured investments Debentures and advances $	Secured investments Debentures and advances $	Total $
Eastern Townships						
Camoplast inc.	2002	B & MI	27,318	-	-	27,318
Cogiscan inc.	2002	TI	848	1,300	361	2,509
Complexe sportif Interplus	2007	DevC	-	255	-	255
Coopérative de travailleurs actionnaire Filage Sherbrooke (FilSpec)	2004	DevC	-	1,597	-	1,597
Coopérative funéraire de l'Estrie	2006	DevC	-	1,512	-	1,512
CoopTel, coop de télécomminication	2009	DevC	-	3,000	-	3,000
Éco-Pak inc. (2948-4292 Québec inc.)	2008	DevC	-	1,000	-	1,000
Électro-5 inc.	2009	DevC	-	398	-	398
Extermination Cameron inc.	2005	DevC	-	44	-	44
FilSpec inc.	2004	DevC	1,390	-	-	1,390
FilSpec inc. (9120-0782 Québec inc. / Gesco)	2004	DevC	440	123	-	563
Imprimerie Préci-Grafik inc.	2009	DevC	-	390	-	390
IPS Thérapeutique inc.	2002	DevC	80	-	-	80
Kemestrie inc.	2010	TI	528	-	-	528
L.P. Royer inc.	2010	DevC	-	2,000	-	2,000
Mésotec inc.	2005	DevC	2,104	-	-	2,104
Mirazed inc.	2007	DevC	780	889	-	1,669
Multi X inc.	2006	DevC	-	376	-	376
Pétroles O. Archambault et Fils inc. (Les)	2008	DevC	-	269	-	269
Philippe Dagenais, mobilier décoration conseils inc.	2010	DevC	-	500	-	500
Roulottes R.G. inc. (Les)	2009	DevC	-	212	-	212
Tranzyme Pharma inc.	2003	VC - Health	10,568	-	-	10,568
Total Eastern Townships			44,056	13,865	361	58,282
Gaspésie-Îles-de-la-Madeleine						
Ateliers CFI Métal inc. (Les)	2009	DevC	-	217	-	217
Azentic inc.	2006	DevC	-	289	-	289
Construction L.F.G. inc.	2009	DevC	-	984	-	984
Éocycle Technologies inc.	2004	DevC	1,505	-	-	1,505
Gestion C.T.M.A. inc.	2007	DevC	-	1,450	-	1,450
Groupe alimentaire RT ltée	2005	DevC	-	160	-	160
Hôtel Baker ltée	2007	DevC	-	211	-	211
Pesca Conseillers en biologie inc.	2007	DevC	-	279	-	279
Total Gaspésie-Îles-de-la-Madeleine			1,505	3,590	-	5,095
Lanaudière						
9210-7614 Québec inc. (Promotion SDM)	2009	DevC	-	479	-	479
Management P.R. Maintenance inc.	2006	DevC	-	83	-	83
Nicorp inc.	2006	DevC	-	36	-	36
Total Lanaudière			-	598	-	598
Laurentians						
J.L. Brissette ltée	2008	DevC	125	121	-	246
Total Laurentians			125	121	-	246

Capital régional et coopératif Desjardins
Schedule of cost of investments impacting the Québec economy
As at December 31, 2010

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Laval						
20-20 Technologies inc.	2002	TI	864	-	-	864
Canadian Lebanese Investment Corp. Ltd	2007	DevC	-	2,875	-	2,875
NuEra Air inc.	2005	DevC	-	1,383	-	1,383
Polytek Équipments inc.	2010	DevC	-	233	-	233
Total Laval			864	4,491	-	5,355
Mauricie						
Atelier d'usinage Tifo inc.	2006	DevC	-	106	-	106
Groupe Soucy inc.	2008	DevC	-	342	-	342
Innovations Voltflex inc.	2006	DevC	17	300	50	367
Louiseville Specialty Products inc.	2004	B & MI	-	8,419	-	8,419
Morand Excavation inc.	2007	DevC	-	319	-	319
Plomberie René Gilbert ltée	2009	DevC	-	343	-	343
Premier Aviation Centre de révision inc.	2005	DevC	-	1,254	-	1,254
RGF Électrique inc.	2009	DevC	-	779	-	779
Total Mauricie			17	11,862	50	11,929
Montérégie						
A.T.L.A.S. Aéronautique inc.	2010	DevC	6,000	-	-	6,000
Acema Importations inc.	2008	DevC	-	180	-	180
Approvisionnement populaire inc.	2009	DevC	-	389	-	389
Câbles Ben-Mor inc. (Les)	2009	DevC	-	4,600	-	4,600
Climatisation Mixair inc.	2008	DevC	-	175	-	175
Équipement militaire Mil-Quip inc.	2007	DevC	-	338	-	338
Galenova inc.	2006	DevC	-	405	-	405
Groupe Jafaco Gestion inc.	2009	DevC	-	2,062	-	2,062
Knowlton Development Corporation inc.	2006	B & MI	5,827	8,740	-	14,567
Maçonnerie Rainville et Frères inc.	2007	DevC	-	192	-	192
Mini-Centrales de l'Est inc.	2006	DevC	-	200	-	200
Miss Arachew inc.	2006	DevC	-	211	-	211
Normandin inc.	2010	DevC	-	1,000	-	1,000
Plomberie Piché & Richard inc.	2010	DevC	-	284	-	284
Reproductions BLB inc. (Les)	2004	DevC	163	981	-	1,144
Ricardo Média inc.	2009	DevC	-	710	-	710
Station Skyspa inc.	2010	DevC	-	900	-	900
Sun Marketing Communications ltd	2007	DevC	-	120	-	120
Total Montérégie			11,990	21,487	-	33,477
Montréal						
3252736 Canada Inc. (anc. Biotonix inc.)	2010	TI	171	-	-	171
3CI inc.	2007	DevC	1,500	2,800	-	4,300
9031-1671 Québec inc. (Fondations Prétech)	2008	DevC	-	452	-	452
9217-0935 Québec inc. (MVM)	2009	TI	-	250	-	250
Active Tech Electronics inc.	2008	DevC	1,250	2,250	340	3,840
Aegera Therapeutics inc.	2002	VC - Health	7,027	-	-	7,027
Alyotech Canada inc.	2006	B & MI	6,886	-	-	6,886
Amaya Gaming Group inc.	2010	DevC	-	1,325	-	1,325
Ambrilia Biopharma inc.	2003	VC - Health	3,317	1,683	-	5,000
APTITUDE, Service de consultation en réadaptation professionnelle inc.	2006	DevC	-	-	149	149
Behaviour Interactive inc (ancien A2M)	2002	TI	1,186	-	-	1,186
Biotonix (2010) inc.	2010	TI	-	-	70	70
Cavalia inc	2010	B & MI	-	1,000	-	1,000
Coopérative de travailleurs actionnaire de TEC	2005	DevC	-	1,183	-	1,183
Coopérative travailleurs actionnaire de Magnus Poirier	2009	DevC	-	583	-	583
Coradiant (Canada) inc.	2004	TI	11,050	-	-	11,050
Emballages Deltapac inc. (Les)	2005	DevC	290	307	-	597
Enobia Pharma inc.	2005	VC - Health	14,951	-	-	14,951
Formédica ltée	2009	DevC	4,050	-	-	4,050

Capital régional et coopératif Desjardins

Schedule of cost of investments impacting the Québec economy
As at December 31, 2010

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
GES Technologies inc.	2007	DevC	-	302	-	302
Groupe Habitations Signature inc.	2010	DevC	-	3,833	-	3,833
Groupe Tapico inc.	2009	DevC	-	170	-	170
La Coop fédérée	2005	DevC	-	25,000	-	25,000
LiquidXStream Systems inc	2007	TI	5,000	2,000	-	7,000
LxData inc.	2002	TI	10,917	-	528	11,445
Manutention Québec inc.	2007	DevC	-	1,450	-	1,450
My Virtual Model inc.	2005	TI	13	2,000	243	2,256
Negotium Technologies	2008	TI	59	-	-	59
Osprey Pharmaceuticals Limited	2003	VC - Health	3,308	-	-	3,308
Spectra Premium Industries inc.	2006	B & MI	3,000	3,750	-	6,750
STC Footwear inc.	2009	DevC	-	767	-	767
Systemex Communications (S.C.) inc.	2010	DevC	-	1,000	-	1,000
Technologies Miranda inc.	2002	TI	1,998	-	-	1,998
Tungle Corporation	2007	TI	1,661	-	-	1,661
Total Montréal			77,634	52,105	1,330	131,069
Ontario						
Skywave Mobile Communications inc.	2010	TI	7,249	-	-	7,249
Total Ontario			7,249	-	-	7,249
Outaouais						
Cactus Commerce inc.	2004	TI	1,277	2,000	-	3,277
Coopérative forestière de l'Outaouais	2006	DevC	-	184	-	184
Evolutel inc.	2008	DevC	-	217	-	217
Expertronic (3573851 Canada inc.)	2008	DevC	-	383	-	383
Groupement forestier du Pontiac inc.	2006	DevC	-	94	-	94
Total Outaouais			1,277	2,878	-	4,155
Saguenay-Lac-Saint-Jean						
9137-1666 Québec Inc. (Constructions P3L)	2007	DevC	-	779	-	779
9214-8832 Québec inc.	2009	DevC	-	425	-	425
Alutrans Canada inc.	2008	DevC	150	150	-	300
Charcuterie L. Fortin ltée	2008	DevC	-	216	-	216
Constructions Proco inc.	2007	DevC	500	332	-	832
Coopérative Forestière de Girardville	2007	DevC	-	311	-	311
Démolition et excavation Demex inc.	2008	DevC	-	402	-	402
Ébénisterie André Potvin inc.	2008	DevC	125	119	-	244
Échafaudage Industriel inc.	2010	DevC	-	458	-	458
Entreprises Alfred Boivin inc. (Les)	2007	DevC	-	694	-	694
Entreprises Rodrigue Piquette inc. (Les)	2010	DevC	-	-	486	486
Frigon Électrique inc.	2005	DevC	-	17	-	17
Groupe Canmec inc.	2004	B & MI	3,286	1,489	-	4,775
Groupe Nokamic inc.	2005	DevC	-	190	-	190
Immeubles Ultra-Violet inc.	2010	DevC	-	908	-	908
Nature 3M inc.	2002	DevC	-	41	-	41
Nokamic inc.	2010	DevC	-	-	356	356
Norfruit inc.	2010	DevC	-	200	-	200
Produits sanitaires Lépine inc. (Les)	2010	DevC	750	750	-	1,500
Scierie Gauthier ltée	2006	DevC	-	455	-	455
Services de soins de santé Opti-Soins inc. (Les)	2008	DevC	400	293	-	693
Services Nolitrex inc.	2008	DevC	500	458	-	958
Transports Réjean Fortin inc.	2006	DevC	-	62	-	62
Végétolab inc.	2003	DevC	-	11	13	24
Viandes C.D.S. inc. (Les)	2006	DevC	405	4	-	409
Vieille Garde inc. (La)	2009	DevC	-	146	-	146
Vitrerie A. & E. Fortin inc.	2010	DevC	300	300	-	600
Total Saguenay-Lac-Saint-Jean			6,416	9,210	855	16,481

Capital régional et coopératif Desjardins

Schedule of cost of investments impacting the Québec economy

As at December 31, 2010

(in thousands of dollars)

			Unsecured investments		Secured investments	
	Initial investment year	Asset class	Common and Preferred shares $	Debentures and advances $	Debentures and advances $	Total $
Outside of Canada						
Pharmaxis Ltd	2010	VC - Health	1,618	-	-	1,618
Total Outside of Canada			1,618	-	-	1,618
Investment Funds						
Capital croissance PME, S.E.C.	2010	Funds	6,885	-	-	6,885
Desjardins - Innovatech s.e.c.	2005	Funds	42,186	-	-	42,186
FIER Partenaires, s.e.c.	2005	Funds	9,020	-	-	9,020
Fonds d'investissement MSBI, s.e.c.	2004	Funds	9,095	-	-	9,095
iNovia Capital inc. (formely MSBI Management inc.)	2004	Funds	154	-	-	154
Novacap Industries III, s.e.c.	2007	Funds	1,986	-	-	1,986
Novacap Technologies III, s.e.c.	2007	Funds	5,474	-	-	5,474
Total Investment Funds			**74,800**	**-**	**-**	**74,800**
Total cost			**276,222**	**193,785**	**3,324**	**473,331**

Industry segment legend

DevC:	Development capital
B & MI:	Company buyouts and major investments
TI:	Technological innovations
VC - Health:	Venture capital - Health
Funds:	Funds

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 4 to the financial statements of the Company.

Capital régional et coopératif Desjardins

Statement of other investments
As at December 31, 2010

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at December 31, 2010

(in thousands of dollars)

Description		Par value $	Cost $	Fair Value $
Bonds (79.2%)				
Federal and guaranteed bonds (27.3%)				
Canada Mortgage and Housing Corporation	2012-06-01, 3.40%	28,000	27,907	28,670
	2013-09-15, 3.55%	8,500	8,762	8,833
	2013-12-01, 4.90%	11,000	11,123	11,851
	2014-09-15, 2.75%	26,883	26,747	27,263
	2015-03-15, 2.95%	10,750	10,812	10,947
	2015-12-15, 2.75%	7,000	6,984	7,021
	2016-02-01, 4.25%	8,700	8,922	9,329
	2017-02-01, 4.35%	7,500	7,613	8,095
	2018-12-15, 4.10%	13,100	13,518	13,898
	2020-03-15, 3.75%	4,950	4,967	5,087
	2020-12-15, 3.35%	9,100	8,921	8,988
Government of Canada	2019-06-01, 3.75%	4,500	4,849	4,743
PSP Capital inc.	2013-12-09, 4.57%	3,000	3,108	3,185
Total federal and guaranteed bonds		142,983	144,233	147,910
Provincial and guaranteed bonds (28.8%)				
CDP Financial	2015-07-15, 1.74%	30,300	30,382	30,262
City of Laval	2015-03-12, 4.30%	1,156	1,147	1,211
City of Montreal	2017-12-01, 5.00%	2,500	2,563	2,701
Financement-Québec	2015-12-01, 4.25%	10,200	10,311	10,849
	2016-12-01, 3.50%	1,500	1,524	1,529
Hydro-Québec	2012-07-16, 3.90%	5,000	4,972	5,149
	2020-08-15, 11.00%	1,600	2,486	2,507
Municipal Finance Authority of British Columbia	2016-04-19, 4.65%	2,500	2,594	2,702
	2019-06-03, 4.88%	3,000	3,213	3,242
Ontario Strategic Infrastructure Financing Authority	2015-06-01, 4.60%	3,000	3,039	3,210
Province of Ontario	2013-06-02, 4.75%	15,475	16,311	16,459
	2014-03-08, 5.00%	29,000	31,032	31,378
	2020-06-02, 4.20%	12,500	12,692	12,889
Province of Quebec	2012-10-01, 6.00%	3,600	3,874	3,858
	2016-12-01, 4.50%	2,000	2,182	2,151
	2017-12-01, 4.50%	5,100	5,313	5,466
	2018-12-01, 4.50%	7,600	7,828	8,094
	2019-12-01, 4.50%	11,584	11,807	12,240
Total provincial and guaranteed bonds		147,615	153,270	155,897

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at December 31, 2010

(in thousands of dollars)

Description		Par value $	Cost $	Fair Value $
Financial institutions bonds (19.0%)				
Bank of Montreal	2012-06-21, 5.20%	2,750	2,771	2,865
	2016-04-21, 5.10%	5,500	5,736	5,894
	2016-06-10, 3.49%	3,000	2,986	3,005
	2018-05-02, 6.02%	3,150	3,471	3,579
Bank of Nova Scotia	2013-03-27, 4.99%	8,980	9,333	9,435
	2014-04-15, 4.94%	3,500	3,705	3,710
	2017-06-08, 4.10%	1,000	1,034	1,023
Bear Stearns	2012-07-20, 4.35%	1,500	1,530	1,540
Caisse centrale Desjardins	2017-10-05, 3.50%	4,200	4,129	4,105
Canadian Imperial Bank of Commerce	2012-09-10, 5.00%	2,000	2,098	2,094
	2015-04-30, 4.11%	3,900	4,043	4,024
	2017-07-14, 3.95%	1,000	998	1,015
Capital Desjardins	2014-04-01, 5.76%	6,000	6,283	6,472
	2020-05-05, 5.19%	1,750	1,787	1,845
CI Financial Corp	2012-12-17, 3.30%	716	716	722
First Capital Realty	2015-06-01, 5.95%	1,000	1,043	1,068
GE Capital	2015-02-11, 4.65%	3,500	3,572	3,660
	2017-08-17, 5.53%	1,600	1,738	1,719
Great-West Lifeco inc.	2018-03-21, 6.14%	1,500	1,543	1,686
Honda Canada Finance	2013-05-09, 5.08%	1,200	1,205	1,269
IGM Financial Inc.	2019-04-08, 7.35%	350	416	413
Industrial Alliance	2014-03-27, 8.25%	475	529	537
National Bank of Canada	2014-12-22, 4.93%	3,100	3,192	3,291
Royal Bank	2013-03-11, 4.84%	11,500	11,957	12,045
	2015-06-15, 4.35%	4,000	4,036	4,135
	2017-01-25, 3.66%	2,400	2,400	2,418
Sunlife Financial	2018-01-30, 5.59%	1,000	1,001	1,046
	2019-07-02, 5.70%	2,000	2,161	2,134
Toronto Dominion Bank	2012-11-01, 5.38%	4,700	4,952	4,951
	2013-06-03, 5.69%	5,400	5,621	5,778
	2018-07-09, 5.83%	3,900	4,301	4,340
Wells Fargo Financial	2015-06-30, 4.38%	1,250	1,272	1,293
Total financial institutions bonds		97,821	101,559	103,111
Corporate bonds (4.1%)				
Bell Canada	2014-06-30, 4.85%	2,000	2,089	2,113
	2015-12-02, 3.60%	2,000	1,997	2,003
	2017-02-15, 5.00%	500	519	527
BMW Canada inc.	2013-03-28, 3.22%	300	300	305
British Columbia Ferry Services inc.	2014-05-27, 5.74%	100	104	110
Canadian Natural Resources	2015-06-01, 4.95%	500	487	534
CU inc.	2017-11-22, 6.15%	500	533	578
Greater Toronto Airport	2017-06-01, 4.85%	1,605	1,651	1,720
Hydro Ottawa	2015-02-09, 4.93%	115	117	123
Loblaw	2016-06-01, 7.10%	1,500	1,724	1,740
	2020-06-18, 5.22%	1,000	999	1,034
NAV Canada	2016-02-24, 4.71%	500	493	536

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at December 31, 2010

(in thousands of dollars)

Description		Par value $		Cost $	Fair Value $
Corporate Bonds (continued)					
Nova Scotia Power	2013-10-01, 5.75%	800		819	865
Ottawa Airport	2017-05-02, 4.73%	150		149	159
Rogers Communications	2019-11-04, 5.38%	1,500		1,550	1,569
RONA Inc.	2016-10-20, 5.40%	600		634	627
Shaw Communications	2019-10-01, 5.65%	1,925		1,984	1,989
Shoppers Drug Mart Corporation	2013-06-03, 4.99%	690		724	727
Telus Corporation	2019-12-04, 5.05%	2,500		2,527	2,547
Thompson Reuters Corporation	2015-07-15, 5.70%	1,500		1,618	1,659
West Coast Energy inc.	2020-07-02, 4.57%	500		512	507
Total corporate bonds		20,785		21,530	21,972
Total bonds		**409,204**		**420,592**	**428,890**
Money market instruments (15.9%)					
Caisse centrale Desjardins	2011-01-17, 1.03%	20,000		20,000	20,000
	2011-01-17, 1.05%	30,000		30,000	30,000
	2011-03-07, 1.14%	35,900		35,900	35,900
Total money market instruments		85,900		85,900	85,900
Foreign exchange contracts (0.3%)					
Caisse centrale Desjardins	2011-03-31, 1.0042 CAD/AUD[1]	3,750	AUD	s.o.	(17)
	2011-03-31, 1.0171 CAD/USD	67,500	USD	s.o.	1,375
Hedge on investments impacting the Quebec economy					
Total Foreign exchange contracts					1,358
		Number of shares			
Preferred shares (4.5%)					
Bank of Nova Scotia	Perpetual, 5.60%	20,000		505	502
Canadian Imperial Bank of Commerce	Perpetual, 5.50%	15,000		401	372
	Perpetual, 5.60%	15,000		401	373
	Perpetual, 5.75%	17,000		454	428
Great-West Lifeco inc.	Perpetual, 5.20 %	145,000		3,816	3,422

[1] AUD: Australian Dollar

Capital régional et coopératif Desjardins

Statement of other investments (unaudited)

As at December 31, 2010

(in thousands of dollars)

Description		Number of shares	Cost $	Fair Value $
Preferred shares (continued)				
Great-West Lifeco inc.	Perpetual, 6.00%, floating rate	30,000	737	813
Industrial Alliance	Perpetual, 4.60%	15,000	243	311
	Perpetual, 5.90%	75,000	1,911	1,897
	Perpetual, 6.00%	130,000	3,210	3,303
	Perpetual, 6.20%, floating rate	16,700	415	452
National Bank of Canada	Perpetual, 5.85%	6,200	165	159
Power Corporation fo Canada	Perpetual, 5.00%	55,400	1,212	1,268
Power Financial Corporation	Perpetual, 1.93 %, floating rate	77,800	1,970	1,700
	Perpetual, 4.95%	25,000	658	570
	Perpetual, 5.10%	10,000	263	234
	Perpetual, 5.75%	10,000	220	252
	Perpetual, 6.00%	95,000	2,528	2,423
Royal Bank	Perpetual, 4.50%	50,000	1,260	1,097
	Perpetual, 6.25%, floating rate	20,000	500	548
Sunlife Financial	Perpetual, 4.75%	82,000	1,755	1,763
	Perpetual, 4.80%	30,300	782	664
Toronto Dominion Bank	Perpetual, 4.85%	60,000	1,247	1,441
	Perpetual, 5.60%	33,100	830	851
Total preferred shares			25,483	24,843

		Number of units		
Fund of hedge funds (0.1%)				
DGAM ASF, class B		142,811	3,943	280
Total fund of hedge funds			3,943	280
Total other investments (100.0%)			535,918	541,271

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, 2010

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, 2010

(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 $
12/31/2010	**Desjardins - Innovatech S.E.C.**	**57.4**				
	Albert Perron inc.		653	-	550	1,203
	AxesNetwork Solutions inc.		-	-	230	230
	Boisaco inc.		1,723	-	-	1,723
	Bouffard Sanitaire inc. et Acier Bouffard inc.		-	172	-	172
	Concept Mat inc. and 9200-7848 Québec inc.		-	306	-	306
	Éocycle Technologies inc.		859	35	-	894
	Équipements Comact inc.		287	529	-	816
	Global LVL inc.		201	-	-	201
	Groupe Minier CMAC - Thyssen Mining Group		-	172	790	962
	Groupe Ohméga inc.		76	86	-	162
	KGI Systèmes automobiles inc.		-	-	431	431
	Menu-Mer ltée		-	164	-	164
	Produits forestiers LAMCO inc.		328	-	-	328
	Rocmec Mining inc.		-	-	460	460
	Other companies (8) less than 145 000 $		184	374	238	796
			4,311	1,838	2,699	8,848
	Funds commited but not disbursed					460
	Total Desjardins - Innovatech S.E.C.					**9,308**

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 $
12/31/2010	**Capital croissance PME, S.E.C.**	**50.0**				
	9076-6098 Québec inc.		-	750	-	750
	9224-7519 Québec inc.		-	-	750	750
	Ambulance Médilac inc.		-	438	-	438
	Groupe Fillion Sportif inc.		-	250	-	250
	Groupe Loiselle inc.		-	750	-	750
	Location Paul Boudreau inc.		-	375	-	375
	Lucien Mirault inc.		-	243	-	243
	Sid Lee inc.		-	-	1,000	1,000
	Systemex Communications (S.C.) inc.		-	1,500	-	1,500
			-	4,306	1,750	6,056
	Funds commited but not disbursed					2,125
	Total Capital croissance PME, S.E.C.					**8,181**

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 and by partner funds, in which it holds an equity interest of more than or equal to 50%, that respect the criteria stated in the *Regulation respecting Development Capital Investment Fund Continuous Disclosure* .

100%

This document was printed on Cascades Rolland Enviro100 paper.

Desjardins
Capital régional
et coopératif

2 Complexe Desjardins
P.O. Box 760, Desjardins Station
Montréal, Québec H5B 1B8

FKC13121 (2011-03)