



Surprised and fascinated by the importance, the size, and the [innovative character of the Mouvement, Québécois came aboard](#) with massive support, rapidly increasing the number of members. At the same time, the Mouvement was asked to become more [actively involved in developing Québec's economy](#).

In 1971, special legislation enabled the creation of the Société d'investissement Desjardins which would be soon joined by Crédit industriel Desjardins (Desjardins Industrial Credit).

Growth and Innovations

While its assets soared, also due to the effects of inflation, Desjardins continued to innovate, implementing services like Inter-Caisses, direct deposit, and automated tellers. At the same time, it created new support organizations such as the caisse centrale, a securities brokerage firm, a securities transportation corporation, etc.

Its participation in launching the Canadian Payments Association confirmed it nationwide as a major financial institution.

Unifying the Cooperative forces

During this period, there was more unification of cooperative forces in the area of savings and credit. For example, the Credit Union Federation joined the Mouvement in 1979, and was soon followed by the Québec Credit Union League.

By the end of the 1980's, the Mouvement was joined by francophone federations located in Ontario, Manitoba and Acadia.

Total assets for the Mouvement, which were at \$2.5 billion in 1971, reached \$44 billion by the beginning of the 1990's.

It is [not surprising that in 1988 there was a complete overhaul of the legislative framework that was starting to seem outdated in view of the Mouvement's expansion](#). Under the new law, which was better adapted to the size and diversity of its activities, the Mouvement gained the latitude to group subsidiaries under holding companies.

1990 - 2000: Redeployment

Chronology

Integrated Services

Adopted by Québec in 1988, the new Savings and Credit Union Act enabled the Mouvement to reorganize its subsidiaries. The subsidiaries making up the corporate network were more closely linked to the cooperative network's strategic objectives, and their range of services was broadened.

The tasks involved in integrating services were barely completed when, in 1994, the Mouvement acquired [the Laurentian Group](#) thereby increasing its market share in insurance and especially in personal insurance.

Reengineering

In 1995, an ambitious reengineering project was put in place to simplify and modernize caisse operations. The [Mouvement's objective](#) was to optimize returns on [technological infrastructures and improve services to members, while reducing operating costs.](#)

Rebuilding the Cooperative Network

At the approach of its second century of existence, Desjardins achieved other [major transformations](#). In 1996, the officers of the caisses reviewed the organizational and decision-making structure of the caisses, and abolished the credit committee structure. At their 1999 congress, [they opted to merge the Confédération and the federations into a single organization.](#)

In the meantime, the [reconfiguration](#) of the caisse network was underway. This was necessary due to tighter profitability margins and the phenomenal development of the virtual delivery mode of financial services, among other things.

Through all of these turbulent changes, [Desjardins](#) has strongly reiterated its desire to remain a cooperative, [democratic](#) and popular institution, and to showcase all of the aspects that makes it a truly different kind of financial institution.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Corporate - Assurances générales des caisses Desjardins - Desjardins-Laurentian Life Group - DLLA - Canagex - CAPSS - Desjardins Trust - Specialized Financial Services Management - Imperial Life Financial - Investissement Desjardins - La Sécurité - Desjardins-Laurentian Financial Corporation - SPDGDAG - Desjardins Securities

Canagex

Specializing in institutional portfolio management, Canagex has some 115 external clients and manages over \$10.5 billion in assets. Canagex specialists manage various investment funds, including the Desjardins Mutual Funds, Imperial Life's Millennia Funds, and the Mouvement Desjardins employee pension plan.

Serge Morel
P.O. Box 17222 Sarasota, FL 34276-0222
Fax: (941) 378- 8008 e-mail: serg@gte.net

Canagex ranks among the top private portfolio managers in **Québec** and **Canada**. It manages various categories of assets held by private institutional investors such as pension funds, insurance companies, mutual funds, foundations, and other investors, through mutual or segregated fund investments. It is active in all financial market sectors.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Desjardins-Laurentian Life Group 200, avenue des Commandeurs, Lévis (Québec) G6V 6R2
Téléphone : (418) 838-7870
Number of employees: 3,005
Assets: \$7.7 billion

The **Desjardins-Laurentian Life Group (DLLG)** is the sixth largest life and health insurer in **Canada** with an estimated market share of 6.8% based on written premiums, and by far the largest insurer in **Québec** with an 18.7% share of the market. **DLLG** offers a full range of insurance, annuity and pension services on an individual and group basis through a variety of distribution networks.

The **Desjardins-Laurentian Life Group** is a holding company that encompasses the Mouvement Desjardins' life insurance companies: **Desjardins-Laurentian Life Assurance (DLLA)**, which services the **Québec market primarily**, and **Imperial Life Financial**, which is active in the rest of **Canada** and the **Bahamas**, and whose head office is located in **Toronto**. **DLLG's** third subsidiary, **Canagex**, specializes in institutional portfolio management. **Canagex** has its head office in **Montréal** and a **business office in Toronto**. **DLLG** is constantly striving to enhance its efficiency and customer satisfaction by offering **state-of-the-art products based on the new socio-demographic realities**, and by using **innovative customer service delivery techniques**.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Le Centre d'autorisation et de paiement des services de santé (CAPSS)

Founded in 1990, the **Centre d'autorisation et de paiement des services de santé (CAPSS)** is an **electronic superhighway that manages over 80% of drug card claims in Québec's private group insurance sector**. The on-line and off-line drug payment services, available in all pharmacies, eliminate the need for claim forms and give insureds immediate confirmation of the claim's acceptance or refusal under their drug insurance plan.

In 1997, **Desjardins-Laurentian Life Assurance** became the **first life and health insurance company to offer insurance products over the Internet**.

In the context of growing health care costs, the need for a good claims management system is evident and explains why **over 1.5 million Quebecers use CAPSS services** today, and why a growing number of businesses include **CAPSS** in their drug insurance plan. With 67% of the shares, **DLLA is the majority shareholder in CAPSS**. A **strategic alliance** was concluded recently between **CAPSS** and **ESI Canada** that will allow them to **share their respective networks: CAPSS in Québec and ESI Canada** in the rest of the **country**.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Serge Morel
P.O. Box 17222 Sarasota, FL 34276-0222
Fax: (941) 378- 8008 e-mail: serg@gte.net

Desjardins-Laurentian Life Assurance

Desjardins-Laurentian Life Assurance (DLLA) is the leading life and health insurer in Québec, where it conducts most of its individual and group insurance and annuity/pension business. DLLA has a market share of 17.3%, with over a billion dollars in written premiums.

DLLA offers the entire gamut of individual and group life and health insurance and annuity/pension products. It also extends both mortgage and commercial loans, and offers pension fund management services, assistance services, as well as financial and estate planning services.

These services are available through the **Desjardins caisses** and other **Canadian savings and loan cooperatives** and **financial institutions** in **Canada**, as well as through market intermediaries (agents and brokers), employee benefits Consultants, actuarial consultants, and by direct distribution (**Internet, telephone, direct mail**). In 1997, **DLLA** became the **first life and health insurance company in Canada to allow clients to purchase insurance via the Internet.**

In its effort to continually increase customer satisfaction, DLLA has implemented a new kind of customer service based on a global vision of the client, quality of service, and optimum use of new technologies. It is also constantly bringing out innovative products to meet the accumulation needs of its clients and protect their quality of life.

Innovative products...

RecoveryCare Convalescence Insurance: a product that complements the coverage available under government health insurance plans and services. Harmony Insurance: insurance coverage under which benefits are payable in a lump sum to insured persons stricken by serious illness.

Strategic Index Plus: a product that offers long-term investment based on the dynamic of a portfolio of 24 securities. Millennium III Funds: these funds offer a 100% guarantee on invested capital upon maturity, after a minimum of ten years, or upon death.

Privilège Santé: a life insurance product with critical illness coverage.

Visa Desjardins Balance Insurance: an insurance product designed for Visa Desjardins cardholders.

Sigma Assistel

In 1997, **DLLA** created **Sigma Assistel**, a subsidiary that specializes in assistance services. These services, which are available to **insureds worldwide** in the event of an emergency, are usually included with other products like travel insurance. **Samuel's family found Sigma Assistel's assistance services extremely useful when he was attacked by a shark during a stay in Florida.** (Author note **??????** very bad publicity of their **twisted false** and **depraved efficiency**, referred to the Florida and **Canada and Quebec** medical protocol agreement)

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Desjardins Trust

Desjardins Trust is a Québec leader in the area of mutual funds (Note: QWSF???), group savings plans, and the administration and custody of securities. In addition to offering products and services to individuals, businesses and institutions, Desjardins Trust also provides, jointly with the Desjardins caisses, trust services, private management services, mortgage financing for multiple-unit dwellings, and administers the Immigrant-Investor Program.

Over the past few years, the Desjardins Mutual Funds, with their excellent returns, have far outpaced the rest of the Canadian mutual fund industry in terms of growth. As at December 31, 1997, in-force Desjardins Mutual Fund business stood at \$2.8 billion, representing an increase of 102% since the end of 1996.

In June 1997, Desjardins Trust launched the innovative Desjardins Québec Fund, made up entirely of Québec stocks and bonds. This fund gives investors an opportunity to diversify their portfolios and, at the same time, participate in the expansion of Québec institutions and businesses. In the spring of 1998, Desjardins Trust once again expanded its product selection by adding another fund, the Desjardins High Potential Sector Fund, which is based on tomorrow's economy. This new product enables investors to take part in the growth of dynamic companies evolving in the high-tech world of telecommunications, biotechnology, computers and aerospace.

Desjardins Trust products are available in the Desjardins caisses as well as through a network of private management centres. Established in several large urban centres throughout Québec, and in Ottawa, these centres mainly provide specialized private management services, including financial planning, discretionary portfolio management, asset administration, strategic asset management, and estate planning and settlement services.

Desjardins Trust also has a customer service centre where clients can obtain guidance from experienced advisors with respect to their Desjardins Mutual Funds and other savings product transactions.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Desjardins Specialized Financial Services Management

1, Complexe Desjardins, C.P. 34, succursale Desjardins Montréal (Québec) H5B 1E4 - Telephone : (514) 286-9441

Number of employees: 733

Assets under administration: \$116.7 billion

Assets: \$1.5 billion

Desjardins Specialized Financial Services Management offers, in support of the Desjardins network of caisses and through its main subsidiary, Desjardins Trust, specialized financial and trust services in the area of asset management and administration.

Recognized as one of the largest trust companies in Québec, Desjardins Trust, which until 1988 operated under the name of Fiducie du Québec, was acquired by the Mouvement des caisses Desjardins in 1963 for the purpose of complementing the services members receive from their caisses.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Imperial Life Financial

In 1996, Imperial Life Financial, a Canadian subsidiary of the Desjardins-Laurentian Life Group, celebrated its 100th anniversary, and earlier that year acquired the Canadian individual insurance portfolio of the U.S. company Paul Revere. This acquisition was followed in 1997 by the acquisition of Laurier Life Holdings Limited, previously held by Desjardins-Laurentian Life Assurance.

Imperial Life offers a wide range of individual and group life and health insurance and annuity/pension products, as well as investment products, in all the Canadian provinces except Québec. In 1997, Imperial Life launched PACE, a universal life insurance plan that enables clients to plan their financial futures, and to change or increase their insurance coverage to suit their needs. PACE is expected to soon become one of Imperial Life's feature products.

To enhance its profitability and capitalize on the entrepreneurial spirit of its owner-operated style franchises, in 1998 Imperial Life transformed its 23 agencies into 7 independent distribution centres, with satellite offices, located in different regions across Canada.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Investissement Desjardins 2, complexe Desjardins, C. P. 760, succursale Desjardins Montréal (Québec)
H5B 1B8 - Telephone: (514) 281-7131
Number of employees : 40
Assets: \$154 million

Investissement Desjardins is the development capital company of the Mouvement des caisses Desjardins that invests in expanding Québec companies and investment funds. Founded in 1974, it is one of the largest and most successful risk capital investment companies in Québec.

Investissement Desjardins and its regional funds have direct holdings in over seventy-five companies, more than half of which are active in promising sectors of the new economy, like multimedia, software, telecommunications, and health care.

Investissement Desjardins offers expanding businesses a true partnership by giving them access to the capital and high-level professional expertise they need. Over a 5 to 7-year investment horizon, the company invests sums ranging between \$50,000 and \$10 million in small and medium-sized businesses operating in key sectors of the Québec economy.

Its risk capital investments, which are structured according to the needs of each company, are generally in the form of stocks and debentures for minority shareholdings. They promote expansion, modernization, amalgamations through company acquisitions or mergers, buy-backs by management or by new management teams.

Investissement Desjardins contributes to the development and financial success of its partners by providing much more than just capital. It offers them a partnership that allows dynamic business people to feel supported as they strive to achieve their goals.

Through its direct and indirect investments, Investissement Desjardins and its regional funds are active in most regions in Québec and help to maintain and create over 14,000 jobs.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Serge Morel
P.O. Box 17222 Sarasota, FL 34276-0222
Fax: (941) 378- 8008 e-mail: serg@gte.net

La Sécurité Assurances générales

[La Sécurité, assurances générales](#) is the largest group damage insurance company in Québec. Its activities are concentrated at its two telephone centres, one at its [head office in Lévis](#) and the other at the [complexe Desjardins in Montréal](#), where some one hundred agents serve the needs of its clients, who are members of various groups, including unions, professional corporations, and alumni associations. Its insurance plans offer several distinctive benefits, including a profit-sharing option, personalized billing, and protection tailored to the needs of each group.

Assurances générales des caisses Desjardins and La Sécurité, assurances générales are actively involved in various projects related to the prevention of auto theft, fire and accidents, including Operation Red Nose, the holiday season's accident-prevention program.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Société de portefeuille du Groupe Desjardins, assurances générales 6300, boulevard de la Rive-Sud Lévis (Québec) G6V 6P9 Telephone: (418) 835-4850
Number of employees : 1 658
Assets : \$621,6 million

[The Société de \(P\)portefeuille du Groupe Desjardins, \(A\)assurances \(G\)énérales \(SPGDAG\)](#) has grown dramatically over the past few years to become the largest provider of household insurance in Québec. SPGDAG is ranked first in the area of general insurance to individuals, and third in all general insurance sectors combined.

Its mission is to provide its various clienteles with protection against fire, accidents and other risks. Founded in the early 1940s, [SPGDAG](#) has the honour of being the first subsidiary of the Mouvement des caisses Desjardins. [SPGDAG](#) oversees the activities of Assurances générales des caisses Desjardins and La Sécurité, assurances générales, two subsidiaries involved in the direct distribution of damage insurance through their respective networks.

In 1997, [SPGDAG](#) implemented a new strategic plan that will enable it, along with its subsidiaries, to face the challenges of the new millennium and growing competition with confidence. As the development of these companies will depend on their high-tech positioning, [SPGDAG](#) has begun implementing the first phase of a **new computer system that will be used to sell and manage insurance products. It has also reviewed its product development process with a view to ensuring efficiency and speed in responding to client needs. These projects all share a common objective: to offer top quality service.**

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Desjardins Securities 2, complexe Desjardins, B. P. 394, succursale Desjardins Montréal (Québec) H5B 1J2 - Telephone : (514) 987-1749
Number of employees : 426
(including brokers and representatives)
Under administration : \$4.3 billion

Serge Morel
P.O. Box 17222 Sarasota, FL 34276-0222
Fax: (941) 378- 8008 e-mail: serg@gte.net

Desjardins Securities, Full-Service Brokerage
Disnat, Discount Brokerage Services
Message from the President
Operating Results
Corporate Services
Regulatory Bodies
History

Created in 1991, Desjardins Securities is a brokerage firm whose business volume has increased dramatically over the past few years. This company offers two main types of service: full-service brokerage through its investment advisors, and discount brokerage through its Disnat division.

Aside from its retail sales services, **Desjardins Securities** offers **business** financing services, **institutional sales services**, research services, and **municipal bond services**. A **team** of professional traders also carry out stock market transactions on behalf of clients and the company.

Two Desjardins Securities brokers in action at the Montreal Stock Exchange.

A pioneer in discount brokerage in **Canada**, **Disnat** offers a wide selection of financial products to its independent investor clientele, who in turn receive a discount on brokerage fees. At the beginning of 1998, Desjardins Securities launched a discount brokerage transactional Internet site to meet this clientele's growing demand for automated services.

Desjardins Securities investment advisors provide advice to investors, and make portfolio mix recommendations based on their clients' investment objectives.

Desjardins Securities offers **Treasury bills, government, municipal, corporate and strip bonds, North American shares** and **options, mutual funds, and securities** eligible for self-directed registered retirement savings plans (**RRSPs**) and registered retirement income funds (**RRIFs**), and new issues of shares eligible for the Québec Stock Savings Plan, to name a few.

1998 Review

Desjardins Securities continued to grow, despite market upheavals in 1998. Return on equity 16.4% for the year compared to industry average of 10.9%.

Administered assets rose 25% and the number of clients 17%.

Six new full-service points of sale opened to consolidate the company's position in the full-service brokerage sector and to better serve this client segment in all regions of Quebec.

Launch of Disnat's CyberDisnat™ services to position the company advantageously in the expanding **discount brokerage market via the Internet**.

Strong growth in activities as **supplier of products and administrative services** for the **Desjardins caisses**, which retail specialized savings-investment products, such as **mutual funds** and **government bonds**.

Celebrated **Disnat's 15 th anniversary, (1985 – 2000)** reaffirming its position as a pioneer in discount brokerage in Canada and enhancing its visibility.

Serge Morel
P.O. Box 17222 Sarasota, FL 34276-0222
Fax: (941) 378- 8008 e-mail: serg@gte.net

Implemented an integrated financial and accounting management system to increase organizational efficiency and sustain the company's rapid growth.

Market Overview

Entry of new players and grouping by financial institutions of their financial group components under the **same roof**, while **promoting specialization** of **entities**.

169 brokerage firms in **Canada**, all members of **IDA**, including 63 in **Quebec** Substantial growth in discount brokerage in securities market and particularly of **electronic transactions**.

Rapid growth of new products and more extensive product range.
Mutual funds increasingly used as an investment tool.
Industry focus on baby boomers and large depositors.

Market Position

Leading discount broker in Quebec in terms of number of clients, accounts and transactions, confirming its excellent reputation in Quebec.

Presence of full-service brokerage points of sale which work closely with the Desjardins caisses in all regions of Quebec.

Ranked 2nd in **Quebec** in public tendering of municipal bonds and in subsidized bonds.
Research services specialized in analysis and follow-up of Quebec growth companies.

Challenges

Ensure the profitable growth of the company in a highly competitive environment.

Develop the full-service brokerage sector by consolidating the point of sale **network**, in collaboration with the Desjardins caisses.

Strengthen partnership with the Desjardins caisses in order to complete the direct offer of specialized savings-investment products to Desjardins members.

[Maintain our leadership position in Quebec in discount brokerage.](#)

Desjardins Securities is a member of: CCPEDQ1438 insérer gif et hyperliens

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

[Desjardins Securities/Message from the President](#)

[Securities brokerage](#)

In 1998, [Desjardins Securities](#) provided the [Desjardins](#) members and its clients with quality tools and services to help them make informed investment decisions. First, [Desjardins Securities](#) inaugurated six full-service points of service, for a total of 24 in [Quebec](#), and increased the number of investment consultants to 115. This major deployment was carried out in close collaboration with the [Desjardins](#) caisses and [federations](#) concerned.

As part of the expansion of its distribution networks, in January, [Desjardins Securities](#) launched [Disnat's electronic transaction service](#), its discount brokerage service, on the Internet. In December 1998, 35% of [Disnat's transactions](#) were being carried out via the Internet, exceeding all projections.

Source: 1998 Annual Report of the [Desjardins-Laurentian Financial Corporation](#)

President and Chief Operating Officer,
Francine Allaire

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Operating Results

Desjardins Securities / Selected financial data (in millions of \$, unless otherwise stated)	1998	1997	1996
Commission revenue	50,0	50,0	37,0
Total revenues	62,	160,	044,9
Operating expenses	55,8	48,8	36,5
Net earnings	4,2	7,0	7,0
Return on equity	16,4%	33,1%	49,2%
Total assets	327,1	303,8	258,2
Assets under administration	4 280,7-	3 436,52-	432,2
Contribution to DLFC's net earnings	3,8	6,6	6,8
Return on DLFC's investment	12,2 %	24,3 %	32,4 %

[Desjardins Securities \(DS\)](#) contributed \$3.8 million to DLFC's consolidated net earnings in 1998, compared to \$6.6 million in 1997. Its contribution represents ROI of 12.2% for DLFC compared to 24.3% in 1997.

[Desjardins Securities](#) posted net earnings of \$4.2 million in 1998, compared to \$7.0 million in 1997. A major market correction and the uncertainty created by Asian markets did not allow the company to post returns similar to 1997. Return on equity was 16.4%, higher than the industry.

Analysis of results

Total revenues rose \$2.1 million in 1998 to \$62.1 million, up 3.5%. Commissions, the main source of revenue, were at the same level as in 1997, despite a higher volume of activity. The growing influence of the Desjardins caisses network was noticeable, accounting for 56% of commission growth in 1998, compared to 54% in 1997.

The increase in operating expenses was attributable, in part, to the higher business volume and, in part, to the investments required to improve the distribution networks and support Desjardins Securities' development.

Assets under administration totalled \$4.3 billion compared to \$3.4 billion in 1997, a rise of 25%.

Regulatory context

As an investment dealer, Desjardins Securities is a member of the Investment Dealers Association of Canada (IDA) and of the Montreal and Toronto stock exchanges. It respects and exceeds all capitalization requirements applied by the self-regulating agencies.

Business risks

Credit risks are mainly related to the client failing to honour his contractual obligations and to unfavourable market fluctuations which would prevent the company from fully realizing the guarantees. Moreover, Desjardins Securities holds securities in inventory, the value of which fluctuates in accordance with the market.

Management measures, monitors and controls credit and market fluctuation risks by means of internal control and management policies and methods recommended by the self-regulating agencies.

Outlook

Revenue growth is projected to be lower than in past fiscal years because of market volatility. Moreover, Desjardins Securities would like to use the coming years to expand its distribution network and market share in Quebec, notably in full-service brokerage, so that it can take advantage of any market recovery. Desjardins Securities will pay special attention to developing and improving its web site for its brokerage operations.

Management

Head Office 2, Complexe Desjardins tour de l'Est, 15e étage C.P. 394, succursale Desjardins Montréal (Québec) H5B 1J2 (514) 987-1749, 1 800 361-4342 fax: (514) 842-3137

Disnat Discount Division 2020, rue University 9e étage Montréal (Québec) H3A 2A5 (514) 842-8471, 1 800 361-1845 fax: (514) 842-1849

Officers

Robert O'Farrell, Chairman
Francine Allaire, President and Chief Operating Officer
Fernand Carignan, V.P., Operations and Systems
Pierre Charbonneau, V.P., Finance and Administration
Éric Désormeaux, V.P., Corporate Services
Marc Jobin, V.P. Sales, Full-Service Brokerage
Micheline Montbriand, V.P., Marketing and Desjardins Network (Interim)

Serge Morel
P.O. Box 17222 Sarasota, FL 34276-0222
Fax: (941) 378- 8008 e-mail: serg@gte.net

Francine Poulin, V.P., Discount Brokerage
Louis Wermenlinger, V.P., Research and Institutional Sales

Directors

Robert O'Farrell, Chairman
Francine Allaire, President and Chief Operating Officer
Fernand Carignan, Internal Director
André Cantin, External Director
Pierre Charbonneau, Internal Director
Pierre Gauthier, External Director
Marc Jobin, Internal Director
Daniel Mercier, External Director
Patrice Ruest, External Director
François Tremblay, External Director
Louis Wermenlinger, Internal Director

opyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Corporate Services

Desjardins Securities Corporate Services also offers our investors new issues of the biggest Canadian public corporations. They provide Québec companies with corporate financing services, whether by mergers or acquisitions, private investment or the public issue of stocks and debentures.

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

Regulatory Bodies

The Montreal Exchange 800, Place Victoria Montréal (Québec) H4A 1Z9

The Toronto Stock Exchange, The Exchange Tower 2 First Canadian Place Toronto (Ontario) M5X 1J2
Investment Dealers Association of Canada (IDA) 1, Place Ville Marie bureau 2802 Montréal (Québec)
H3B 4R4

Commission des valeurs mobilières du Québec 800, Place Victoria C.P. 246, 17e étage Montréal
(Québec) H4Z 1G3

Ontario Securities Commission 20 Queen Street West Suite 1700, P.O. Box 55 Toronto (Ontario)
M5H 3S8

The Canadian Investor Protection Fund 200 Bay Street Suite 2400, South Tower P.O. Box 192
Toronto (Ontario) M5J 2J4

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.

History

When [Desjardins Securities](#) began in the securities brokerage field in 1982, it operated under the corporate name of Les Investissements [Disnat inc. \(Disnat\)](#).

As the first discount broker offering these services in **Canada**, **Disnat** concentrated its efforts mainly on discount brokerage.

After the deregulation of brokerage fees, which came into effect in **Québec** and **Ontario** on **April 1, 1983**, **Disnat** began filling orders at reduced fees on Canadian transactions.

Disnat began operations in June of 1982 and offered reduced fees on American stocks and options since the United States deregulated this industry on May 1, 1975. In the first 10 years of their existence, hundreds of US discount brokers cornered nearly 20% of the market, which was previously dominated almost exclusively by traditional or unrestricted practice brokers.

At first, **Disnat services** were geared toward a very specific segment of investors: men and women who were confident enough in their personal judgement to make their own stock investment decisions.

The first study of its kind in **Canada**, which was conducted by **Disnat** in 1984, established that 15% of the clientele belonging to traditional brokers was a potential clientele for a **Canadian discount broker**.

Discount brokers do not provide clients with any investment advice and charge up to 86% less than traditional securities brokers would charge for the same transaction.

Disnat was still a very new company. In order to consolidate its operations and increase its visibility and credibility, **Disnat** gained some very well-known stockholders (**McNeil, Mantha, inc. in 1983**, **La Financière Entraide - Coopérants Inc. in 1987** and **Corporation Desjardins de valeurs mobilières in 1988**).

Finally, on May 10, 1990, the **Corporation Desjardins de valeurs mobilières inc. (CDVM)** purchased all **Disnat** shares, which led to its integration into the large **Mouvement des caisses Desjardins network**.

In the same period, on May 4, 1989, **CDVM** acquired 72% of **Deragon, Langlois Ltd.** (the unrestricted practice broker) stock, and the company then became **Desjardins, Deragon, Langlois Ltd. (DDL)**. On January 24, 1991, **CDVM** completed the acquisition and bought out the rest of this broker's stock.

On April 29, 1991, the stockholder grouped certain **Disnat** and **DDL** services in order to streamline operations. Finally, on December 15, 1991, **Disnat** bought **DDL**'s net assets in the lump and became **Desjardins Securities**, a direct affiliate of the **Société financière des caisses Desjardins inc. (SFCD)**, its sole stockholder (**CDVM** was disbanded by its stockholders on November 15, 1991).

Desjardins Securities thus became an **unrestricted practice broker** with a discount brokerage division, that is **Disnat**. Since then, all efforts have been focussed on the development of the unrestricted practice brokerage division and its offer of services in the caisses network.

Serge Morel
P.O. Box 17222 Sarasota, FL 34276-0222

Fax: (941) 378- 8008 e-mail: serg@gte.net

The streamlining that began in April of 1991 resulted in the discontinuation of certain services. The goal was to build a solid foundation of retail and corporate sales, to which other services would be added at a later date. This is why, in an effort to promote synergy, which is the common bond among all [Desjardins components](#), [Desjardins Securities](#) signed an agreement with the Caisse centrale [Desjardins \(CCD\)](#) for the pool management of its institutional/bond sector.

Since then, with the exception of the municipal/fixed revenue retail sector, these services were transferred to the [CCD](#). Another agreement was made on August 6, 1992 with [Assurance vie Desjardins](#), which has since been renamed [Desjardins-Laurentian Life Assurance](#) in order to offer its clientele a broader range of securities services.

On December 31, 1993, the [Desjardins-Laurentian Financial Corporation](#), a holding company belonging to the [SFCD](#), became Desjardins Securities' sole stockholder.

Desjardins Securities services are now available in the following networks:

the [Desjardins caisses network](#)

the retail and corporate sales [network](#) of [Desjardins Securities](#) and [Disnat branches](#)

Copyright © 2000 Confédération des Caisses Populaires et d'Économie Desjardins du Québec.
All rights reserved.