



MEMORANDUM

TO ALL MEMBERS OF THE DESJARDINS GROUP PENSION PLAN (QPP registration no. 25717)

Following the 22nd Annual Meeting of the DGPP held on March 31, 2012

April 27, 2012

The Annual Meeting of Desjardins Group Pension Plan (DGPP) members was held on March 31, 2012, at the Palais des congrès de Montréal, within the framework of the Desjardins Group meetings. The meeting could be viewed live over the web for the second straight year.

After welcoming the members, the Chair of the Desjardins Group Retirement Committee, Denis Paré, reminded them that the goal of the elections this year was to fill two positions: a representative of active members from Desjardins caisses, he declared elected by acclamation Julie Goulet and as an observer from the group of pensioners, beneficiaries and members who hold a deferred pension, Normand Deschênes has been declared elected. They are elected for a three-year term, which will end at the annual meeting of 2015.

Denis Paré began his speech by mentioning that the mandate of the Desjardins Group Retirement Committee is to ensure the pension plan's sound capitalization through responsible management and rigorous governance. In an exceptional economic and financial environment that dealt a blow to all of Canada's pension plans in 2011, Desjardins has drawn two main observations: the tightening of risk management and the review of investment policies proved effective—the Plan showed solid financial resilience despite the demanding economic conditions. New measures will also be required to ensure the Plan's financial health.

He explained the reasons for the underperformance of financial markets in 2011 which affected pension plans around the world. Among these, he discussed the uncertainty as to the economic situation particularly in the United States, the European debt and growth in China, the decline across global markets, weak interest rates that have hit pension fund liabilities hard, and the general greying of the labour force in Western countries. Despite these circumstances, the Chair stated that the Desjardins Group Pension Plan posted a 2.8% return, a satisfactory result given the median return of 0.5% posted in 2011 by pension plans in Canada. He added that the average return from 2009 to 2011 was 9.2%, which exceeds the actuarial targets. These results are a reflection of sound management, clear and thorough investment strategies and quality assets. This performance is also a confirmation of the management approach that focuses on the long term, guided by a commitment to Desjardins current and future retirees.

After reporting on the results of different asset classes, Denis Paré reported that the Plan's assets grew by \$426M over the past 12 months, reaching \$5.9B as at December 31, 2011, representing growth of 7.7%. On the same date, the actuarial valuation showed a capitalization rate of 83.4% and a solvency ratio of 66%. Additional special contributions were introduced for 2012 in order to meet the Plan's financial needs and new market realities.

The Chair also pointed out that a workgroup mandated by the employer was set up to ensure the Plan's financial health in the short and long term and to help stabilize costs. In light of the work done by this committee, the Board of Directors of the Fédération des caisses Desjardins du Québec (FCDQ) adopted general orientations to be subject to consultations, and the final decisions will take effect on January 1, 2013. The purpose of these initiatives is to balance the capitalization plan, which, as the Chair pointed out, remains the priority. The Plan still faces challenges, and since Desjardins Group has elected to offer its employees financial security by maintaining a defined benefit pension plan, the Plan needs to keep benefiting from responsible management to ensure its sustainability.

In conclusion, Denis Paré thanked all the members of the Retirement Committee, the Senior Vice-President of Finance and Treasury and Chief Financial Officer of Desjardins Group, and the Desjardins Group Pension Plan Division team for all the work accomplished in 2011.

You can watch a video of the 2012 Annual Meeting and view the 2011 annual report of the Pension Plan on the Desjardins group plan website at: www.rcd-dgp.com. On the reverse of this page is the complete list of members of the Desjardins Group Retirement Committee.

Members of the Desjardins Group Retirement Committee

DESJARDINS GROUP RETIREMENT COMMITTEE CHAIR, APPOINTED BY THE FEDERATION BOARD OF DIRECTORS:

Denis Paré

Committee Chair

President, Council of Representatives Cantons-de-l'Est
Caisse Desjardins de l'Est de Sherbrooke

REPRESENTATIVES FOR THE EMPLOYERS APPOINTED BY THE FEDERATION BOARD OF DIRECTORS:

Jacques Baril

Committee Vice-Chair Chair, Investment Committee

President, Council of Representatives
Est de Montréal

Norman Grant

Committee Secretary Chair, Audit, Professional Practices and Compliance Committee

President, Council of Representatives
Bas-Saint-Laurent and
Gaspésie-Îles-de-la-Madeleine

Serges Chamberland

President, Council of Representatives
Saguenay-Lac-St-Jean,
Charlevoix and Côte-Nord

Line Lemelin

President, Council of Representatives
Lanaudière

Benoît Turcotte

President, Council of Representatives
Outaouais, Abitibi-Témiscamingue and
Nord du Québec

EXTERNAL MEMBER:

Reynald-N. Harpin

Investment Consultant
Corporate Director

REPRESENTATIVES FOR THE MEMBERS ELECTED BY ANNUAL MEETING:

Representatives for active members:

CAISSE REPRESENTATIVES:

Julie Goulet

Investment and Retirement Advisor,
Financial Planner and Group Savings
Representative at Desjardins
Financial Services Firm Inc.
Caisse populaire Desjardins
Pointe-Platon de Lotbinière

Sylvain Rouleau

Senior Director, Individuals Markets
Caisse populaire Desjardins
du Piémont Laurentien

REPRESENTATIVE FOR THE FEDERATION:

Guy Cormier

Senior Vice-President, Cooperative Network
Support Executive Division
Fédération des caisses Desjardins du Québec

REPRESENTATIVE FOR THE AFFILIATED CORPORATIONS:

Mario Lévesque

Senior Actuarial Advisor,
Product Development and Pricing,
AssurFinance for Individuals,
Desjardins Financial Security

Representative of retirees, beneficiaries and members entitled to a deferred pension:

Michel-Pierre Bergeron

Desjardins retiree

Observer – Representative of retirees, beneficiaries and members entitled to a deferred pension:

Normand Deschênes

Desjardins retiree

Observer – Representative for active members:

Simon Garneau

Portfolio Manager
Desjardins Global Asset Management