

This short form prospectus constitutes a public offering of securities only to residents of the Province of Québec and only by persons duly registered with the Autorité des marchés financiers to sell such securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. No securities dealer has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.

CONTINUOUS OFFERING

SHORT FORM PROSPECTUS

DECEMBER 8, 2009



**Desjardins**  
**Capital régional**  
**et coopératif**  
(the "Company")

Common shares | \$150,000,000 | Minimum subscription: \$500

SHARE PRICE <sup>1</sup> AS AT DECEMBER 8, 2009	UNDERWRITING COMMISSION	PROCEEDS TO THE COMPANY
\$9.62	Nil	\$9.62

<sup>1</sup> Share price may vary during the subscription period.

## 1. BASIC INFORMATION ON COMMON SHARES

The common shares of the Company are part of a continuous offering. However, the Company is authorized to raise a maximum amount of \$150 million per capitalization period, as long as the Company has not reached, for the first time, at the end of a capitalization period, at least \$1 billion in paid-up capital in respect of shares and fractions of shares issued and outstanding. 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 shall collect, per capitalization period, the lesser of \$150 million and the amount corresponding to the reduction in paid-up capital attributable to all shares and fractions of shares redeemed or purchased by agreement by the Company during the preceding capitalization period (see "COMPANY SHARE CAPITAL"). The Company may, at its discretion, suspend the issuance of its shares during the offering period. A capitalization period is a period of twelve (12) months beginning on March 1 of each year. The minimum holding period is seven (7) years. Shares may be redeemed or purchased by agreement by the Company during this seven-year period under certain conditions (see "REDEMPTION" and "PURCHASE BY AGREEMENT"). A shareholder may submit a request for redemption to the Company within thirty (30) days of the date of subscription.

The Board of Directors determines the issue price of the shares twice a year, on dates six (6) months apart. It may also determine other issue prices at other times in the year. Net assets per share is determined at the end of each fiscal half-year, as at June 30 and as at December 31, must be published within the following 90 days, and is in effect as of the publication date which is generally within 45 to 50 days of these two (2) dates. The new share price is announced in a press release. It is also posted on the Company's website and included in the statement of account sent twice a year to all subscribers. The subscription price will be that in effect at the time the subscription is signed (see "HOW IS A SHARE VALUED?").

The minimum amount of the initial subscription for each capitalization period is \$500 and, for that capitalization period, each additional subscription must be a multiple of \$100. The maximum amount for each capitalization period is \$5,000. Only a natural person may acquire shares of the Company.

**The shares of the Company do not constitute an eligible investment and cannot therefore be acquired by or transferred into a Registered Retirement Savings Plan (RRSP) or a Registered Retirement Income Fund (RRIF).**

In view of the special characteristics and inherent risks of this offering, prospective investors should carefully review the information contained herein before making an investment decision. The shares offered hereunder are subject to certain risk factors (see "RISK FACTORS").

**THE PURCHASE OF A SHARE OF THE COMPANY SHOULD GENERALLY BE REGARDED AS A LONG-TERM INVESTMENT.** There is no market through which the Company's shares may be sold and no market is expected to develop, except as regards the right of redemption provided for by the *Act constituting Capital régional et coopératif Desjardins* (the "Act"), purchase by agreement, subject to certain conditions set out in a policy to that effect, or authorized transfer by the Company to beneficiaries through an estate (see "COMPANY SHARE CAPITAL" and "DESCRIPTION OF SECURITIES").

Shares of the Company are not deposits within the meaning of the *Deposit Insurance Act* (Québec) and are therefore not insured under that Act or any equivalent statute adopted by any other legislative authority.

Legal and tax matters in connection with this offering are reviewed by the in-house legal counsel and tax specialists of the Fédération des caisses Desjardins du Québec (the "Fédération").

An investment in the Company should provide certain tax benefits. For more information on such benefits and the tax consequences of the redemption or purchase by agreement of shares, refer to "TAX CONSEQUENCES FOR SHAREHOLDERS."

Any new shareholder must pay administrative charges of \$50 (including taxes) on opening an account. There is also an administrative charge of \$50 (including taxes) required on closing an account. No charges are payable on the acquisition or sale of shares of the Company (see "ADMINISTRATIVE CHARGES"). All issuance costs will be paid by the Company out of its working capital.

MORE INFORMATION ABOUT THE COMPANY MAY BE OBTAINED:

**BY PHONE:** 1 888 522-3222 | **BY FAX:** 514 281-7808

**BY MAIL:** 2, complexe Desjardins, P.O. Box 790, Desjardins Station, Montréal, Québec H5B 1B9

**BY E-MAIL:** capital.regional@dcrdesjardins.com | **BY INTERNET:** capitalregional.com

## DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with the Autorité des marchés financiers. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company's Secretary, at the Company's office, 2 complexe Desjardins, P.O. Box 790, Desjardins Station, Montréal, Québec H5B 1B9, or by telephone at 1 888 522-3222 or on the SEDAR website at [www.sedar.com](http://www.sedar.com).

The following documents have been filed with the Autorité des marchés financiers and are incorporated by reference into, and form an integral part of, this short form prospectus:

- (1) the Company's annual information form dated December 8, 2009;
- (2) the Company's audited financial statements for the year ended December 31, 2008 together with the auditors' report thereon, including the balance sheets, and the statements of earnings, shareholders' equity and cash flows for the year then ended;
- (3) the Company's audited interim financial statements for the six-month period ended June 30, 2009 together with the auditors' report thereon, including the balance sheet, and the statements of earnings, shareholders' equity and cash flows for the period then ended;
- (4) the schedule of cost of investments impacting the Québec economy as at June 30, 2009, as well as the related auditors' report;
- (5) the statement of other investments as at June 30, 2009 (unaudited);
- (6) the index of the Company's share in investments made by specialized funds and partner funds, at cost, as at June 30, 2009 (unaudited);
- (7) the annual management's discussion and analysis for the year ended December 31, 2008;
- (8) the interim management's discussion and analysis for the six-month period ended June 30, 2009.

Any documents of the type referred to in the preceding paragraph, any material change reports (excluding confidential material change reports) filed by the Company with the Autorité des marchés financiers after the date of this short form prospectus and prior to the termination of the offering, are deemed to be incorporated by reference in this short form prospectus.

Whenever a new annual information form and new annual financial statements and management's discussion and analysis accompanying such financial statements are filed

by the Company, and where required, are accepted by the Autorité des marchés financiers during the term of this short form prospectus, the previous annual information form, the previous annual financial statements, all interim financial statements and material change reports filed by the Company, as the case may be, prior to the commencement of the Company's fiscal year in which the new annual information form was filed shall be deemed to be no longer incorporated by reference into this short form prospectus for the purposes of future offers and sales of common shares hereunder.

Any statement contained herein and in any document incorporated or deemed to be incorporated by reference herein is deemed to be modified or superseded for the purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document that is also or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it modifies or supersedes a prior statement or include any other statement in the document it modifies or supersedes. Modifying or superseding a statement will not be deemed an admission for any purposes whatsoever to the effect that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

A person who acquires a share of the Company (the "purchaser") should rely only on information contained or incorporated by reference in this short form prospectus. The Company has not authorized any other person to provide purchasers with different information. Purchasers should not rely on different or inconsistent information provided by any person other than the Company. The Company is not offering its common shares for sale in any jurisdiction where their offer or sale is not permitted.

In this short form prospectus, unless specified otherwise, all dollar amounts are in Canadian dollars.

*This document is a translation of the official prospectus for the offering of shares of the Company. It is provided for information purposes only and does not have legal substance. To obtain a copy of the official version (French), visit [www.sedar.com](http://www.sedar.com) or ask one of our authorized employees at a participating caisse Desjardins.*

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## 2. THE COMPANY

### 2.1 GENERAL DESCRIPTION

Capital régional et coopératif Desjardins is a legal person with share capital, constituted on July 1, 2001 on the initiative of Desjardins Group. The *Act constituting Capital régional et coopératif Desjardins*, R.S.Q. c. C-6.1 was assented to by the National Assembly of Québec on June 21, 2001 and came into force on July 1, 2001.

The Company also operates under the name “Desjardins Capital régional et coopératif”. Its head office is located at 100, rue des Commandeurs, Lévis, Québec, G6V 7N5.

The Company is an investment company devoted mainly to fostering investment in the resource regions of Québec and meeting the capital needs of cooperatives.

To achieve its objective, the Company issues a share offering to the Québec public.

The Company is not a finite-life entity.

### 2.2 RELATED COMPANY TRANSACTIONS

In connection with its operations, the Company uses the services of various entities forming part of Desjardins Group. All services rendered to the Company by such entities are provided at or below their fair market value.

The Company has entrusted the management of its operations, including the management of its Investments impacting the Québec economy portfolio and its Other investments portfolio, to Desjardins Venture Capital Inc. (“Desjardins Venture Capital”), a Desjardins Group corporation, pursuant to the terms of a management agreement concluded between them. The Company has undertaken to pay Desjardins Venture Capital annual management fees equivalent to 3% of the average annual assets’ net value of the Company, reduced by any amount payable for the acquisition of investments. This percentage is reduced to 2.5% beginning with the fiscal year following the year in which the annual assets’ net value reaches \$750 million. Since this threshold was reached during fiscal 2008, the management fees for fiscal 2009 are 2.5%. An adjustment is made to the management fees charged to the Company to avoid double billing relative to the Company’s interest in some funds.

The Company has appointed Desjardins Trust Inc. (“Desjardins Trust”), a Desjardins Group corporation, as its registrar and as its agent for shares transferred through an estate. Desjardins Trust also acts as intermediary for the mailing of communications to shareholders and provides support for the processing of requests for redemption and purchase by agreement on behalf of the Company.

The Company has centralized custody services for its assets with Desjardins Trust.

The Company has entrusted the Fédération des caisses Desjardins du Québec (“Fédération”) with the activities related to the distribution of its shares in the Desjardins caisse network.

The Company also deals with the Caisse centrale Desjardins and Desjardins Securities Inc. in connection with investment and liquidity management.

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## 3. NATURE OF ACTIVITIES

### 3.1 GENERAL DESCRIPTION

Under the Act, the main functions of the Company are:

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

## 3.2 INVESTMENTS

### 3.2.1 Investment Policies and Standards

Pursuant to the Act, the Company may make investments in any entity, and this includes any financial assistance granted in the form of a loan, guarantee, security, the acquisition of bonds or other debt securities, an interest in share capital, capital stock or any other form.

One of the Company's priorities is to make investments dedicated to the resource regions of Québec and to meet the capital needs of cooperatives. The Company invests exclusively in economically viable enterprises and cooperatives offering a potential return proportionate to perceived risk.

As of the fiscal year that began on January 1, 2006, and during each subsequent fiscal year, the Company's eligible investments, as defined in the Act, must represent on average at least 60% of the Company's average net assets for the preceding year. Furthermore, a portion representing at least 35% of that percentage (60%) must be made in entities situated in the resource regions of Québec or in eligible cooperatives, as defined in the Act.

For the purposes of this standard, average net assets for a fiscal year and average eligible investments for a fiscal year are mainly determined by adding net assets or, if applicable, eligible investments at the beginning of the year in question or, if applicable, eligible investments at the end of the year in question, and dividing each of the resulting amounts by two. Moreover, net assets do not include movable or immovable property used by the Company to carry on its operations.

### 3.2.2 Eligible Entities

For the purposes of the Act, "eligible entity" means either of two (2) enterprise types:

- 3.2.2.1 an eligible cooperative, that is, a legal person governed by the *Cooperatives Act* (R.S.Q., c. C-67.2) or a legal person governed by the *Canada Cooperatives Act* (Statutes of Canada, 1998, chapter 1), having its head office in Québec, or in respect of which half of the salaries paid to its employees, during its fiscal year ended before the date on which the investment is made, were paid to the employees of an establishment situated in Québec, and the legal persons controlled by one or several cooperatives or controlled by one or several cooperatives and the Company;
- 3.2.2.2 a partnership or a legal person actively operating an enterprise, the majority of whose employees are resident in Québec and whose assets are less than \$100 million or whose net equity is less than \$50 million, other than an eligible cooperative or a partnership or legal person whose activities consist mainly in investing. In this connection, the assets or net equity of an eligible entity are the assets or net equity shown in its financial statements for the fiscal year ended before the date on which the investment is made, minus the write-up surplus of its property and intangible assets. In the case of an entity that has not completed its first fiscal year, a chartered accountant must confirm in writing to the Company that, immediately before the investment, the entity's assets or net equity, as the case may be, are under the limits prescribed by the Act.

### 3.2.3 Eligible Investments

For the application of the standard mentioned in the third paragraph of subsection 3.2.1 hereof, investments that entail no security or hypothec and consist in any of the following investments are eligible investments:

- 3.2.3.1 investments made by the Company in eligible entities;
- 3.2.3.2 investments made by the Company before November 10, 2007, other than as first purchaser for the acquisition of securities issued by an eligible entity, except to the extent that they represent more than one third of the total investments made by the Company as first purchaser in that entity (a dealer acting as an intermediary or an underwriter is not considered a first purchaser of securities);

- 3.2.3.3 investments made by the Company on or after November 10, 2007, other than as first purchaser for the acquisition of securities issued by an eligible entity (a dealer acting as an intermediary or as an underwriter is not considered a first purchaser of securities);
- 3.2.3.4 investments made by the Company in addition to an investment entailing no security or hypothec already made in an entity that was, at the time of the investment, an eligible entity, and that are made in an entity that would be an eligible entity under subsection 3.2.2.2 hereof if the amounts of “\$100 million” and “\$50 million” mentioned in that subsection were replaced by the amounts of “\$350 million” and “\$150 million”, respectively;
- 3.2.3.5 strategic investments made by the Company after March 11, 2003, in accordance with an investment policy adopted by the Board of Directors of the Company and approved by the Minister of Finance, in an entity whose assets are less than \$500 million or whose net equity is not over \$200 million.  
  
The strategic investment policy was adopted by the Board of Directors on May 18, 2006 and approved by the Minister of Finance on December 1, 2006;
- 3.2.3.6 an investment made after March 11, 2003 in an eligible entity through a limited partnership in which the Company holds an interest, directly or through another limited partnership, not exceeding the proportion of the Company's direct or indirect interest in the limited partnership that made the investment;
- 3.2.3.7 investments made by the Company in a partnership or legal person that consist of an initial capital outlay of at least \$25 million or an additional capital outlay, provided that the strategic value of the initial capital outlay and, where applicable, of the additional capital outlay has been recognized, after April 21, 2005, by the Minister of Finance, and that those investments are not otherwise eligible investments;
- 3.2.3.8 investments made by the Company in the period beginning on April 22, 2005 and ending on March 23, 2011 in a local venture capital fund established and managed in Québec or in a local fund recognized by the Minister of Finance, provided that these investments are made with the expectation that the local fund invest an amount at least equal to 150% of the aggregate of the sums received from the Company, the Fonds de solidarité des travailleurs du Québec (FTQ) and Fondation, the Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi, in Québec partnerships or legal persons pursuing economic objectives and whose assets are less than \$100 million or whose net equity is less than \$50 million and are not otherwise eligible investments;
- 3.2.3.9 investments made by the Company after March 21, 2005 in FIER Partenaires, s.e.c.

### 3.2.4 Policies of the Board of Directors

#### 3.2.4.1 Financial Asset Management

The Company's financial assets are managed in accordance with a global financial asset management policy adopted by the Company's Board of Directors. This policy is designed to facilitate achievement of the Company's mission and objectives while satisfying the criteria for eligible investments and prudent investing. The Company invests in a conservative manner, focused on healthy diversification and reasonable overall risk in the best interests of its shareholders. To this end, the financial asset management strategy is as follows:

- the financial assets of the Company are managed in an integrated, comprehensive manner, which means that target asset allocation must be structured to reduce the risk inherent to certain asset classes in the Investments impacting the Québec economy portfolio through diversification;
- the objectives are: (i) to optimize the after-tax risk/return ratio of the Company's financial assets while fulfilling its role as an agent of sustainable development; (ii) to limit volatility in semi-annual share value; and (iii) to provide shareholders with a rate of return that encourages reinvestment;

- a sufficient portion of the Company's financial assets must be invested in liquid securities to fund share redemptions;
- a sufficient portion of the financial assets of the Company must also be invested in income-generating securities to cover the Company's current expenses.

A Financial Asset Management Committee, established by the Board of Directors in replacement of the Investment Committee, ensures:

- the development, implementation, monitoring and updating of the policy;
- the optimal utilization of new products to enhance the Company's performance, risk/return ratio and tax position;
- the proactive management of financial assets with an acceptable level of risk and appropriate risk management;
- the existence of adequate and sufficient guidelines and procedures;
- the Company's compliance with all policies related to the financial assets of the Company.

#### 3.2.4.2 Investments Impacting the Québec Economy Portfolio

The asset classes of the Investments impacting the Québec economy portfolio make up a significant portion of the financial assets of the Company. This portion should gradually increase to between 60% and 65% as the Company's capitalization reaches maximum limits.

The Company invests exclusively in economically viable enterprises and cooperatives offering a potential return proportionate to perceived risk. Applications are assessed according to specific criteria, including the competence of the management team, the market position and growth potential of the business, the organization and methods of work and the calibre of workforce, product quality and price/market fit and export potential, operational and production management, financial standing and profit potential. In addition, to reduce the risk associated with its investments, the Company aims for healthy diversification across industry sectors and Québec regions, with respect to the size of its investments, the development stage and the type of financial instruments used to make the investments.

The Company may invest up to 5% of its assets (as established on the basis of the latest valuation by chartered accountants) in a single eligible entity or eligible cooperative and the investment is generally planned for a period of five (5) to eight (8) years.

The Company makes venture capital investments, generally acquiring a minority interest, either as shares or preferred shares or as members' shares in an eligible entity or as unsecured loans.

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## 4. COMPANY SHARE CAPITAL

The Company is authorized to issue common shares and fractional common shares without par value. The Company is authorized to raise a maximum amount of \$150 million per capitalization period, as long as the Company has not reached, for the first time, at the end of a capitalization period, at least \$1 billion in paid-up capital in respect of shares and fractions of shares issued and outstanding. 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 shall collect, per capitalization period, the lesser of \$150 million and the amount corresponding to the reduction in paid-up capital attributable to all shares and fractions of shares redeemed or purchased by agreement by the Company during the preceding capitalization period. A capitalization period is a period of twelve (12) months beginning on March 1 of each year. The minimum holding period is seven (7) years. Shares may be redeemed or purchased by agreement by the Company during this seven-year period under certain conditions (see "REDEMPTION" and "PURCHASE BY AGREEMENT"). Only a natural person may acquire or hold shares or fractional shares of the Company.

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## 5. USE OF PROCEEDS

### 5.1 USE OF NET PROCEEDS OF THE OFFERING

The proceeds of this offering will be allocated to investments. The Investments impacting the Québec economy portfolio consists primarily of interests in the share capital or partnership capital of small- and medium-sized enterprises (SME) and eligible cooperatives and of unsecured loans to such enterprises. The Other investments portfolio consists mainly of liquid securities of major Canadian and/or Québec issuers.

The Company intends to pay its organization costs and the expenses of this offering out of its working capital. The Company's organization costs and offering expenses include legal and accounting services, printing of the short form prospectus and forms, training authorized personnel in participating caisses Desjardins, and marketing of the Company's shares, and developing and implementing the business plan and administrative services for shareholders. These costs also include the development of expertise with respect to specific industries and regions and with respect to start-ups and cooperatives. All of these costs are included in the total operating expenses of the Company (see "OPERATING EXPENSES").

Information regarding the proceeds the Company is authorized to raise under this offering, by period of capitalization, is covered under "COMPANY SHARE CAPITAL" and "COMPANY'S CAPITALIZATION LIMITS".

### 5.2 DISTRIBUTION POLICY

The Company has a policy of reinvesting annual income from its operations and not paying dividends to shareholders to increase its capital available for investment in eligible entities and create share appreciation.

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## 6. OFFERING METHOD

### 6.1 SUBSCRIPTION AMOUNTS AND RECEIPTS

The minimum amount of the initial subscription for each capitalization period is \$500 and, for that capitalization period, each additional subscription must be a multiple of \$100. The maximum subscription for each capitalization period is \$5,000.

The Company is registered with the Autorité des marchés financiers as a dealer in the security issuer category and has not retained the services of any other securities dealer for the distribution of its shares. The shares are offered through the employees of participating caisses Desjardins in Québec or the Fédération who are authorized by the Company and who meet the requirements of the Autorité des marchés financiers. **No commission or other form of incentive compensation is payable by the Company to any person for the distribution of the shares.**

Investors must meet with an authorized employee of any of the 460 participating caisses Desjardins. **It is not necessary to be or to become a member of a caisse Desjardins to subscribe for shares of the Company.** Investors must complete and sign the subscription form provided for that purpose and pay the amount of their subscription together with the administrative charges on opening an account, in the case of a new account, in a single instalment, in cash, by cheque or by fund transfer. The authorized employee of the caisse will transmit the duly completed and signed form, together with the payment, directly to the Company. The Company reserves the right to accept or refuse, in whole or in part, any application for subscription. As a general rule, a subscription will be accepted or refused within no more than thirty (30) days. In the event of refusal, the Company will reimburse the price paid upon subscription and, in the case of a new account, the administrative charges paid on opening the account, without interest.

Within applicable limits, the Company issues the subscribed shares as subscriptions are accepted and shares are paid for.

### 6.2 COMPANY'S CAPITALIZATION LIMITS

The Company may collect a maximum amount of \$150 million per capitalization period, as long as the Company has not reached, for the first time, at the end of a capitalization period, at least \$1 billion in paid-up capital in respect of shares and fractions of shares issued and outstanding. 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 shares and fractions of shares redeemed or purchased by agreement by the Company during the preceding capitalization period.

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.

Further, the Company may, at its discretion, restrict or suspend the issuance of its shares during the offering period. In this event, the Company reserves the right, at any time, to commence or resume the issuance of its shares, without notice or formality other than the publication of a press release to this effect.

### 6.3 MAXIMUM AMOUNT ALLOCATED TO EACH PARTICIPATING CAISSE

In light of the Company's capitalization limits and to allow as many people as possible to acquire shares of the Company in as many regions of Québec as possible, the total amount of shares that may be issued during the period of this offering will be allocated by the Fédération among the caisses Desjardins in Québec that have chosen to participate in the receipt of subscriptions. This allocation may be adjusted at any time, without notice and without formality, as the Fédération sees fit.

Investors who wish to know the maximum amount that has been allocated to a caisse must speak with an authorized employee of the caisse during business hours.

### 6.4 CAISSE OFFICER AND EMPLOYEE SUBSCRIPTION LIMITS

A rule of ethics adopted by the Fédération's Board of Ethics and Professional Conduct and approved by its Board of Directors in accordance with the *Act respecting financial services cooperatives* applies to the subscription for shares of the Company by officers and employees of the caisses Desjardins in Québec.

Pursuant to this rule, the total amount of shares of the Company issued to the officers and employees of a given caisse during the first two business days of each capitalization period, during which shares are offered for sale, may not exceed 15% of the maximum amount of shares allocated by the Fédération to that caisse for the said capitalization period, notwithstanding the maximum amount of shares that can be issued by the Company during the capitalization period. The capitalization period begins on March 1 of each year and ends on the last day of February of the following year.

### 6.5 PRIOR SALES OR OFFERINGS

PERIOD	OFFER PRICE	NUMBER OF SHARES ISSUED
November 1, 2008 to February 12, 2009	\$9.83	1,157,100
February 13, 2009 to August 20, 2009	\$9.54	8,985,043
August 21, 2009 to December 7, 2009	\$9.62	2,906,074

## 7. CHARGES

### 7.1 ADMINISTRATIVE CHARGES

The only charges payable to the Company with respect to the shares are administrative charges of \$50 (including taxes) required on opening an account and administrative charges of \$50 (including taxes) on closing an account. However, the Board of Directors of the Company reserves the right to modify its policy with respect to charges at any time. In such an event, the Company undertakes to advise its shareholders in writing at least thirty (30) days in advance of any change to its policy with respect to charges.

### 7.2 OPERATING EXPENSES

The Company also incurs management fees (see "RELATED COMPANY TRANSACTIONS").

As presented in the interim management's discussion and analysis as at June 30, 2009, the annualized total operating expense ratio was 2.8% of the net assets of the Company for the half-year then ended.

## 8. DESCRIPTION OF SECURITIES

### 8.1 GENERAL RULES

Generally, due to the minimum holding period of seven (7) years prescribed by the Act, the acquisition of shares of the Company must be considered a long-term investment.

The Company may either redeem shares in the circumstances prescribed by the Act or purchase them by agreement in the exceptional circumstances described in a policy adopted by the Board of Directors of the Company and approved by the Québec Minister of Finance. **Except in these circumstances, the Company cannot redeem or purchase shares by agreement.**

This short form prospectus describes the criteria and requirements applicable for redemption and purchase by agreement of shares by the Company. For information on the redemption or purchase by agreement of shares, the shareholder may visit the Company's website at [www.capitalregional.com](http://www.capitalregional.com) or contact Investor Relations at 1 888 522-3222. Applications made under the purchase-by-agreement policy will be reviewed by the Board of Directors when all required documents are submitted. In the event that a request is not sufficiently documented to permit its approval, the Company may request additional relevant documents to ensure criteria requirements are met.

### 8.2 REGISTERED RETIREMENT SAVINGS PLAN (RRSP) AND REGISTERED RETIREMENT INCOME FUND (RRIF)

The shares of the Company do not constitute an eligible investment and cannot therefore be acquired by or transferred into an RRSP or a RRIF.

### 8.3 REDEMPTION

#### 8.3.1 Redemption Criteria

Under the Act, the Company is bound to redeem all or part of shares or fractional shares upon request in the following circumstances:

- at the request of a person who acquired such share or fractional share from the Company at least seven (7) years previously;
- at the request of a person to whom such share or fractional share devolved by succession;
- at the request of a person who acquired the share or fractional share from the Company, if the person applies to the Company therefor in writing within thirty (30) days from the subscription date; or
- at the request of a person who acquired the share or fractional share from the Company if the person is declared, in the manner prescribed by by-law of the Board of Directors, to be suffering from a severe and permanent mental or physical disability which prevents the person from working.

For purposes of the preceding paragraph, according to the Act, a disability is severe only if by reason thereof the person is regularly incapable of holding any substantially gainful occupation. However, in the case of a person sixty (60) years of age or over, a disability is severe if by reason thereof the person is regularly incapable of carrying on the substantially gainful occupation the person held at the time he or she ceased to work owing to the disability. A disability is permanent only if it is likely to result in death or to be of indefinite duration.

In accordance with the Company's internal policies, the minimum value for redemption of shares of the Company after the required holding period of seven (7) years is set at \$100 per transaction, and the minimum balance of a share account of the Company is set at \$100. Therefore, a redemption request which would have the effect of reducing the balance of a shareholder's account to an amount of less than \$100 will entail the closing of the account and the return of any amounts owed to the shareholder.

The redemption of a share of the Company may entail certain tax consequences for the shareholder (see "TAX CONSEQUENCES OF REDEMPTION OR PURCHASE BY AGREEMENT" and "RECOVERY OF TAX CREDIT").

The following table indicates, for each of the redemption criteria prescribed by the Act, the Company's requirements and any proof that may be required.

REDEMPTION OF SHARES OF CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS		
CRITERIA	REQUIREMENTS	PROOF REQUIRED
Shares held for at least seven (7) years	Must have purchased share or fractional share from the Company and held it for at least seven (7) years. Redemption instruction form, duly signed by shareholder, must be delivered to the Company.	None
Death	Request for redemption must be made to the Company.	Proof of shareholder's death (attestation of death drawn up by physician, or declaration of death from funeral director or copy of act of death issued by the government).  <b>AND</b> Original or true copy (certified photocopy) of will (search for a will and probate may be required) or marriage contract if it contains a testamentary provision or, failing the above documents, sworn declaration of transmission by death.
Request for redemption made within thirty (30) days of subscription date	Must have acquired share or fractional share from the Company. Request for redemption must be signed by shareholder and addressed to the Company within thirty (30) days of subscription date.	None
Severe and permanent mental or physical disability preventing shareholder from working	Must have become disabled after shares were issued. If shareholder is under 60: Must be regularly incapable of holding any substantially gainful occupation. If shareholder is 60 or over: Must be regularly incapable of carrying on the substantially gainful occupation held at the time the shareholder ceased working owing to the disability. Request for redemption must be made to the Company.	Proof of substantially gainful occupation held.  <b>AND</b> Notice of acceptance as disabled contributor by Régie des rentes du Québec (Québec Pension Board). Or Declaration signed by shareholder and shareholder's physician regarding severe and permanent disability.

### 8.3.2 Redemption Timeframe

Shares will be redeemed within a reasonable time following the request for redemption. Usually this is not more than thirty (30) days following the date on which the request is made and all required documents are submitted. However, pursuant to the *Companies Act* (Québec), the Company must meet certain financial tests before paying for redeemed shares. These tests relate to the solvency and the maintenance of the capital of the Company so that it can pay its liabilities when due. Consequently, payment of the price of the shares may be delayed until the Company is able to redeem them without infringing these tests. No interest will be paid by the Company during the time that may elapse before the payment of the redeemed shares. The Company complies with these solvency test requirements and has never delayed a redemption due to a failure to satisfy these tests.

## 8.4 PURCHASE BY AGREEMENT

### 8.4.1 Purchase by Agreement Criteria

Shares acquired may not be disposed of or transferred to another person, by sale or otherwise, with the exception of a transfer to beneficiaries through an estate. However, the Company may purchase a share or fractional share by agreement only where provided by the purchase-by-agreement policy adopted by the Board of Directors and approved by the Québec Minister of Finance.

Purchase by agreement may only be authorized if it is for the personal benefit of the shareholder.

The purchase by agreement of a share of the Company may entail certain tax consequences for the shareholder (see "TAX CONSEQUENCES OF REDEMPTION OR PURCHASE BY AGREEMENT" and "RECOVERY OF TAX CREDIT").

#### 8.4.2 Management of Purchase-by-Agreement Policy

The Board of Directors interprets and applies the purchase-by-agreement policy. The Company's decisions regarding requests for purchase by agreement are made in compliance with the principle of capital preservation.

In every case, requests for purchase by agreement must be made in writing and submitted together with all relevant proof and documents. The request may be for all or a portion of the shares. In the latter case, the redemption is limited to the sum requested. However, the Company will convert any request for partial purchase into a request for purchase of all shares held with a view to closing the account if acceptance of the request would result in an outstanding balance of less than 50 shares. However, a request for partial purchase due to the absence of a tax credit may only be converted into a request for purchase of all shares held with a view to closing the account with the express consent of the shareholder. Administrative charges of \$50 (including taxes) are payable on closing an account. The grounds on which the Company may authorize the purchase of shares by agreement and the information required to support the shareholder's request are set forth in the following table. The table forms an integral part of the Company's purchase-by-agreement policy.

It is the Company's intention to authorize all requests that demonstrate the existence of the criteria invoked and meet the requirements and principles for applying the policy.

PURCHASE BY AGREEMENT OF SHARES OF CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS		
CRITERIA	REQUIREMENTS	PROOF REQUIRED AND COMMENTS
Absence of tax credit	Must have subscribed for shares without being entitled to the tax credit with respect to such shares, provided that shareholder's spouse has not benefited from transfer of unused portion of the tax credit with respect to the acquisition of the shares.	Copy of Québec income tax return and notice of assessment or other document delivered by ministère du Revenu du Québec indicating value of tax credit granted to shareholder for the year in which shares were acquired. <b>AND</b> In the event that shareholder had a spouse at the end of the year in which shares were acquired, notice of assessment or other document delivered by ministère du Revenu du Québec indicating unused portion of shareholder's tax credits used to reduce spouse's income tax payable for the year.
Emigration from Canada	Must have emigrated permanently from Canada.	Visa or immigration certificate for another country. <b>AND</b> Copy of lease or deed of purchase of a residence outside Canada or proof of employment in another country.
Terminal illness	Must be suffering from a terminal illness.	Confirmation from attending physician.
Urgent need for cash to:  Pay an extraordinary and unforeseen expense that must be incurred for the health of the shareholder or one of his or her dependents.  Or  Replace essential property that has been accidentally destroyed or damaged and for which the shareholder has not received any compensation.	Must have an urgent need for cash. <b>AND</b> Must have liquidated other redeemable investments (purchase of the shares by the Company being a last resort). <b>AND</b> In the case of an extraordinary and unforeseen expense, must have been obliged to incur it for the health of the shareholder or one of his or her dependents. <b>AND</b> In the case of the replacement of essential property, must have suffered a loss that destroyed or damaged the property.	Declaration proving the financial situation of the shareholder and, if applicable, of his or her spouse (family income, expenditures and net worth). <b>AND</b> Proof that liquid investments have been cashed. <b>AND</b> In the case of an extraordinary expense, proof of the expense and of its unforeseen nature and that it is needed for the health of the shareholder or one of his or her dependents. <b>AND</b> In the case of the replacement of essential property, proof of the loss, essential nature of the property and absence of compensation.

#### 8.4.3 Purchase by Agreement Timeframe

Share purchase will be effected within a reasonable delay. The Company intends to make the purchase not more than thirty (30) days following the date the request is accepted. However, as in the case of a redemption, pursuant to the *Companies Act* (Québec), the Company must meet certain financial tests before paying for shares it has purchased. These tests relate to the solvency and the maintenance of the Company's capital so that it can pay its liabilities when due. Consequently, payment of the price of the shares may be delayed until the Company is able to purchase them without infringing these tests. No interest will be paid by the Company during the time that may elapse before the payment of shares that are purchased by agreement. The Company complies with these solvency test requirements and has never delayed a purchase by agreement due to a failure to satisfy these tests.

#### 8.4.4 Share Price on Redemption or Purchase by Agreement

If a qualified shareholder so requests, shares will be redeemed or purchased by agreement by the Company at the redemption price in effect on the date the request is received, as determined by the Board of Directors twice a year on the basis of the value of the Company according to the audited financial statements.

In view of the time required to prepare the financial statements (see "HOW IS A SHARE VALUED?"), the share price is published within the three (3) months following the end of each fiscal half-year. Consequently, shares redeemed or purchased by agreement during such three-month period are purchased on the basis of the current net assets per share until the new share price is determined by the Board of Directors and published by the Company.

If a request for redemption or purchase by agreement is made during this three-month period, the shareholder may elect, at the time of the request, to have shares redeemed or purchased by agreement at the current share price or at the new share price to be determined by the Board of Directors and published by the Company. If the shareholder chooses redemption or purchase by agreement at the new share price, payment will not be made until the new share price has been determined by the Board of Directors and published by the Company. No interest will be paid by the Company in the interval.

However, in the case of a person who makes a request for redemption within thirty (30) days of subscription, the Company will reimburse to the shareholder the price paid for the shares, together with any administrative charges paid on opening an account, if any, no later than thirty (30) days following receipt of the redemption request.

### 8.5 SHARE TRANSFER

#### 8.5.1 Can Shares be Transferred to Another Person?

Shares may not be disposed of or transferred to any other person by sale or otherwise, with the exception of a transfer to beneficiaries through an estate.

#### 8.5.2 Can Shares be Transferred into an RRSP or a RRIF?

The shares of the Company cannot be transferred into an RRSP or a RRIF.

### 8.6 TAX CONSEQUENCES FOR SHAREHOLDERS

The following is only a summary of the principal tax consequences for shareholders. It does not constitute a tax or legal opinion for any particular purchaser. Tax consequences will vary based on personal situations. Consequently, prospective purchasers should consult a tax professional to determine the tax consequences applicable to their personal situation.

#### 8.6.1 General

Since November 10, 2007, the purchase of shares of the Company entitles the shareholder to a non-refundable tax credit applicable against Québec income tax only, for an amount equal to 50% of total invested amounts, up to a maximum of \$5,000, paid during the capitalization period relating to a given taxation year for the purchase of shares as first purchaser. Since the 2003 taxation year, the tax credit applies to amounts paid at any time during the period beginning on March 1 of the given taxation year and ending on the last day of the month of February of the following taxation year.

Since November 10, 2007, the maximum amount of tax savings that may be claimed for a given taxation year with respect to Québec income tax only by means of this tax credit is \$2,500, which corresponds to a purchase of shares in the amount of \$5,000.

In some cases, the unused portion of the tax credit may be transferred to a spouse. The portion of such tax credit that is unused in the taxation year for which shares are acquired may not be claimed in subsequent years.

To benefit from the tax credit in respect of the acquisition of a share of the Company during a given taxation year, an individual must reside in Québec as at December 31 of the given taxation year and file an income tax return for that year. The individual must not have requested redemption of the share within thirty (30) days of the subscription date nor have caused, prior to March 1 of the taxation year following the given taxation year, a share of the Company in respect of which he or she claimed a tax credit to be redeemed or purchased by agreement by the Company.

The tax credit in respect of the acquisition of a share of the Company is not taken into consideration in calculating the alternative minimum tax payable by an individual for a given taxation year.

#### 8.6.2 Tax Consequences of Redemption or Purchase by Agreement

**The redemption or purchase by agreement of a share of the Company may entail certain tax consequences for the individual who acquired the share or for the person to whom the share devolved by succession.**

The redemption or purchase by agreement of a share (or fractional share) implies the disposition of the share for tax purposes. Therefore, a capital gain or loss may occur if the price obtained at the time of the redemption or purchase by agreement differs from the adjusted cost base (tax cost) of this share. The adjusted cost base (tax cost) is the average cost of all shares acquired and still held at disposition.

Capital gain for tax purposes is the difference between the price obtained (proceeds of disposition) and the adjusted cost base (tax cost) of the shares at redemption or purchase by agreement. The tax credit in respect of acquisition of shares will not reduce the adjusted cost base (tax cost) of shares acquired for the purpose of determining the capital gain.

Capital loss for tax purposes is the difference between the price obtained (proceeds of disposition) and the adjusted cost base (tax cost) of shares redeemed or purchased by agreement. This loss must be reduced by the amount by which the tax credit in respect of the acquired shares exceeds the amount of special tax paid at redemption or purchase by agreement, as the case may be (see "RECOVERY OF TAX CREDIT"). The adjusted capital loss, if applicable, is deemed an allowable capital loss against any capital gain in the current year, and if a balance remains, against any capital gain realized during the three previous tax years and/or future tax years.

These rules apply for both federal and Québec income tax purposes.

#### 8.6.3 Recovery of Tax Credit

The tax credit in respect of the acquisition of a share may be recovered by the ministère du Revenu du Québec by means of a special tax, if the share with respect to which the tax credit was claimed is held for less than seven (7) years.

More specifically, an individual who acquires a share of the Company (the "purchaser") or a person to whom it devolves by succession must pay a special tax on the redemption or purchase by agreement of a share in respect of which the purchaser obtained a tax credit if the redemption or purchase by agreement occurs less than seven (7) years after the issue date of the share.

For shares purchased up to and including March 23, 2006 and after November 9, 2007 that are eligible for the 50% tax credit, the special tax will be equal to the amount obtained by applying the following formula:

$$\frac{2,556 - A}{2,556} \times B$$

Where:

- "A" represents the number of days the share was held by the purchaser and, if applicable, by the person to whom the share devolved by succession;
- "B" represents the lesser of 50% of the amount paid by the purchaser to acquire the share and the price paid for its redemption or purchase by agreement.

For shares purchased after March 23, 2006 and before November 10, 2007 that are eligible for the 35% tax credit, the special tax will be equal to the amount obtained by applying the following formula:

$$\frac{2,556 - A}{2,556} \times B$$

Where:

- “A” represents the number of days the share was held by the purchaser and, if applicable, by the person to whom the share devolved by succession;
- “B” represents the lesser of 35% of the amount paid by the purchaser to acquire the share and the price paid for its redemption or purchase by agreement.

The Company will withhold this special tax from the amount payable upon redemption or purchase by agreement of the share. It will remit to the Minister of Revenue of Québec the amounts so withheld, on behalf of the person who requested the redemption or purchase by agreement of the share, within thirty (30) days following the redemption or purchase of the share.

The following table summarizes certain effects of the redemption or purchase by agreement of a share of the Company.

IMPACT OF REDEMPTION OR PURCHASE BY AGREEMENT OF A SHARE		
REASON FOR REDEMPTION OR PURCHASE BY AGREEMENT	TAX CREDIT ON SUBSEQUENT SUBSCRIPTION	SPECIAL TAX
<b>Redemption</b>		
Held for seven (7) years	NO <sup>(1)</sup>	NO
Disability	NO	YES
Death	NOT APPLICABLE	YES <sup>(2)</sup>
Within thirty (30) days of subscription	YES	NO
<b>Purchase by agreement</b>		
Absence of tax credit	YES	NO
Emigration	NO	YES <sup>(3)</sup>
Terminal illness	NO	YES
Urgent need for cash	NO	YES

(1) except on shares devolved by succession

(2) except on shares acquired in the year of death

(3) except on shares acquired in the year of emigration

## 8.7 SHAREHOLDER RIGHTS

The shares confer the right to vote at any meeting of the shareholders of the Company, to elect two (2) representatives to the Board of Directors, to receive any dividend that may be declared, to require the Company to redeem the shares, subject to certain conditions set forth in the Act, and to receive, in the case of winding-up or dissolution of the Company, a share in the residual assets of the Company.

Also, the Company is bound to redeem shares at the price at which they were acquired provided the request is made in writing within thirty (30) days of the date of the initial subscription. Amounts paid for the purchase of shares and administrative charges paid on opening the account, if any, will be refunded in full by the Company within thirty (30) days following receipt of the request, without interest.

The amendment of rights in respect of shares is subject to the provisions of the Act and the applicable provisions of the *Companies Act* (Québec). As at the date of this prospectus, it is not the Company's intention to amend the rights in respect of shares.

In addition, the *Securities Act* (Québec) provides purchasers with certain rights (see “RIGHTS OF WITHDRAWAL AND RESCISSION”).

## 9. HOW IS A SHARE VALUED?

The Board of Directors determines the share price for purposes of issuance, redemption, other than redemption requested within thirty (30) days of the subscription date, and purchase by agreement of shares.

The issuance, redemption and purchase-by-agreement price of shares and fractional shares is set twice a year, on dates six (6) months apart, by the Company's Board of Directors on the basis of the value of the Company, as established by experts under the responsibility of independent chartered accountants according to generally accepted accounting principles and adjusted, if necessary, to reflect the fair value of investments in enterprises the Company controls, in joint ventures and in enterprises on which it has significant influence or in which it holds variable interests.

Net assets per share is obtained by dividing the value of the Company as at the valuation date by the total number of outstanding shares as at that date.

The fact that there is a public market for certain assets and that there is no public market for certain other assets must be taken into consideration in determining the value of the various assets of the Company.

The Board of Directors may also proceed to determine other issuance, redemption or purchase-by-agreement prices of the shares at any other time during the year, on the basis of an internal valuation. In each such case, an independent chartered accountant must issue a special report attesting that generally accepted accounting principles and the Company's valuation methods have been consistently applied.

The Company's fiscal year begins on January 1 and ends on December 31 of each year. The first half-year ends on June 30 and the second half-year ends on December 31. Net assets per share is set on these two (2) dates and is published within the following ninety (90) days. It is impossible to predict the future value of shares of the Company (see "RISK FACTORS").

During the valuation period, a shareholder who requests redemption more than thirty (30) days after the date of his or her subscription or purchase by agreement of shares will have the option, if expressly stated in the request, of receiving the price in force at the date the request is received by the Company or of postponing the redemption or purchase by agreement until the end of the valuation period in order to receive the new share price when it is known. A shareholder who requests redemption within thirty (30) days of the subscription date will receive the price paid.

## 10. RISK FACTORS

### 10.1 ANALYSIS OF RISKS AND UNCERTAINTIES

#### 10.1.1 REGULATORY MATTERS

The Company is subject to provincial and federal laws, rules, standards, regulations and policies as well as internal rules, regulations and policies that provide a framework for its operations. The risk stems from the ability of the Company to adapt to any regulatory amendment or tightening of policies already in effect.

#### 10.1.2 MARKET RISK

Market risk arises from the Company's participation in financial markets.

More precisely, this risk is related to the negative impact the market situation could have on the balance sheet or the income statement as well as to changes in certain market factors that could cause impairment of financial assets. The Company's financial assets are sensitive to changes in bond market interest rates, market values of publicly-traded shares and to fluctuations in currency value.

Since 2008, the Company has implemented a systematic currency-hedging strategy for its investments, thus limiting the impacts of foreign currency fluctuations.

### 10.2 RISK FACTORS

Investment in shares of the Company entails the following risks:

- the value of the shares varies according to fluctuations in the value of investments impacting the Québec economy and other investments made by the Company. As of the fiscal year that began on January 1, 2006, and in each subsequent fiscal year, the Company's eligible investments, as defined by the Act, must represent, on average, at least 60% of the average net assets of the

Company for the preceding year and a portion representing at least 35% of that percentage (60%) must be invested in entities situated in the resource regions of Québec or in eligible cooperatives (see “NATURE OF ACTIVITIES”). These investments are made in small- or medium-sized enterprises where the investment risk is generally higher. In the event of a failure to comply with either of these requirements, the Company may have to pay a special tax;

- because the Company is required to meet certain financial tests, but nevertheless has the freedom to suspend, at its discretion, the issuance of common shares or to make all of its investments in the form of non-liquid investments that cannot be sold on short notice, there may be delays in the payment of the redemption price or the price of purchase by agreement of shares for which a request for redemption or purchase by agreement has been made to the Company. It is impossible to determine in advance the precise length of such delays. However, this risk is reduced by the Company's strategy of matching the average term of its anticipated cash outflows with the average maturity of its total assets;
- regardless of the merits and objectives of the Company, subscribers should consider the value of the investment, bearing in mind that the amount he or she will receive upon redemption or purchase by agreement of the shares may be less than the price originally paid;
- there is no market for the shares and they may only be transferred with the consent of the Company to beneficiaries through an estate. The Company is required to redeem shares or fractional shares in the following cases only: (i) at the request of a person who acquired such share or fractional share from the Company at least seven (7) years previously; (ii) at the request of a person to whom such a share or fractional share devolved by succession; (iii) at the request of a person who acquired the share or fractional share from the Company, if the person requests redemption by the Company in writing within thirty (30) days after subscribing for the share or fractional share; or (iv) at the request of a person who acquired the share or fractional share from the Company if the person is declared, in the manner prescribed by by-law of the Board of Directors, to be suffering from a severe and permanent mental or physical disability which prevents the person from working;
- the Company may accept or refuse a subscription in whole or in part. As a general rule, a subscription will be accepted or refused within no more than thirty (30) days. If a request for subscription is refused, all sums that the subscriber has paid in respect of the request will be returned to the subscriber without interest;
- the Company has a policy of reinvesting its annual income from its operations and therefore does not plan to pay dividends to its shareholders.

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## 11. SHAREHOLDER INFORMATION

Within a few days following the transaction, the shareholder receives written confirmation of the transaction.

Moreover, every shareholder is entitled to receive a written confirmation of the number of shares or fractional shares that he or she owns and of the amount paid thereon. Such confirmation is provided to the shareholder free of charge, at least once a year, in the form and according to the procedure prescribed by by-law of the Company. Desjardins Trust has been appointed by the Company as registrar, with the task of delivering such written confirmation to each shareholder.

If a method of confirmation other than a share certificate is prescribed, the document delivered to the shareholder replaces a certificate issued in accordance with section 53 of the *Companies Act* (Québec).

Each year, the Company sends all shareholders a notice of the Annual General Meeting of Shareholders together with a business reply card allowing the shareholder, inter alia, to obtain free of charge at any time after the meeting and within a reasonable delay, a copy of the annual financial statements and of the interim financial statements, within ninety (90) days after the end of the interim period of the Company.

Such financial statements are prepared in accordance with generally accepted accounting principles and take into consideration the value of the Company at the date of the said statements. In the financial statements audited by external auditors, investments impacting the Québec economy, other investments and other assets of the Company are accounted for at the estimated fair value determined by the Board of Directors under the responsibility of independent chartered accountants.

Audited annual and interim financial statements of the Company and the auditors' report may also be obtained free of charge upon request in writing to the Company. They are also available on the Company's website ([www.capitalregional.com](http://www.capitalregional.com)) and on the SEDAR website ([www.sedar.com](http://www.sedar.com)).

The business reply card allows shareholders to obtain, free of charge, at any time after the Meeting and within a reasonable delay, a copy of the annual management's discussion and analysis, of the annual statement of development capital investments, of the annual statement of other investments and of the annual index of investments made by the specialized funds. The business reply card also allows shareholders

to obtain, free of charge, within ninety (90) days after the end of the interim period of the Company, a copy of the interim management's discussion and analysis, of the interim statement of development capital investments, of the interim statement of other investments and of the interim index of investments made by the specialized funds.

The *Regulation respecting development capital investment fund continuous disclosure*, which came into effect on June 1, 2008, establishes most of the continuous disclosure obligations that apply to the Company.

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## 12. PERSONAL INFORMATION

The personal information provided to the Company by shareholders is kept in the Company's records under "Financial Services; Subscription; Redemption and Purchase by Agreement and Shareholder Records Management." This information mainly allows the Company to maintain and manage all of the administrative activities required in the normal course of business. The Company records the information it holds in a file to start, maintain, develop and terminate a relationship with each of its shareholders. This personal information is used for several purposes, mainly to open accounts, issue shares and maintain records and also for redemptions and purchases by agreement. This information may be communicated to any entity of Desjardins Group so that shareholders can be informed about their products and services.

Personal information contained in shareholder files is treated as confidential. Access to this information is limited to personnel of the Company and of the participating caisses Desjardins and agents of the Company who require access to such information to perform their duties.

Shareholders have the right to consult files containing personal information and to obtain copies if they wish. They also have the right to have the information corrected and completed if necessary. They may make a request in writing to the Company to obtain access to their file. Generally, the Company expects to be able to respond within thirty (30) days to such requests.

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## 13. EXEMPTIONS

The Company has been exempted by the Autorité des marchés financiers from having to list its securities on a stock market to qualify for the short form prospectus regime. The Company has also been exempted by the Autorité des marchés financiers from registration as a broker for the offering of its shares on the condition that it be registered as a limited market dealer under the security issuer category.

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## 14. RIGHTS OF WITHDRAWAL AND RESCISSION

The *Securities Act* (Québec) provides purchasers with the right of rescission. This right must be exercised within two (2) business days following the actual or deemed receipt of the short form prospectus and its amendments. Such legislation further provides a purchaser with remedies for rescission, price revision or damages where the short form prospectus contains false or misleading information, or was not delivered to the purchaser. Such remedies should be exercised by the purchaser within the statutory time limit. The purchaser should refer to any applicable provisions for the particulars of these remedies or consult a lawyer.

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## 15. AUDITORS' CONSENT

### CONSENT OF PRICEWATERHOUSECOOPERS LLP

We have read the short form prospectus of Capital régional et coopératif Desjardins (the "Company") dated December 8, 2009, relating to the issue and sale of common shares of the Company. We have complied with Canadian generally accepted auditing standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference herein of our reports dated February 12, 2009 and August 20, 2009 to the shareholders of the Company and concerning the following financial statements:

**Report dated February 12, 2009 concerning:**

- Balance sheets as at December 31, 2008 and 2007.
- Statements of earnings, shareholders' equity and cash flows for the years ended December 31, 2008 and 2007.

**Reports dated August 20, 2009 concerning:**

- Balance sheets as at June 30, 2009 and December 31, 2008.
- Interim statements of earnings, shareholders' equity and cash flows for the six-month periods ended June 30, 2009 and 2008.
- Schedule of cost of investments impacting the Québec economy as at June 30, 2009.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants

Montréal, Quebec

Dated December 8, 2009

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## 16. CERTIFICATE OF THE COMPANY

Dated December 8, 2009


This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of Québec.

By:



Bruno Morin  
General Manager

By:



Catherine Lenfant  
Chief Financial Officer

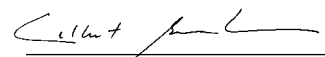
ON BEHALF OF THE BOARD OF DIRECTORS OF CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

By:



André Lachapelle  
Chairman of the Board of Directors

By:



Gilbert Beaulieu  
Secretary

