2011 INTERIM FINANCIAL REPORT

INVEST IN QUÉBEC

THE INTERIM FINANCIAL REPORT INCLUDES:

> Management Discussion and Analysis
> Management's Report
> Complete audited financial statements, including the notes and the independant Auditor's Report
> Schedule of cost of investments impacting the Québec economy
> Statement of other investments
> Index of the Company's share in investments made by specialized funds and partner funds, at cost

Desjardins
Capital régional et coopératif

CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

MANAGEMENT DISCUSSION AND ANALYSIS

This interim Management Discussion and Analysis ("MD&A") supplements the financial statements and contains financial highlights but does not reproduce the Company's complete interim financial statements. It presents management's assessment of the Company's results for the period reported in the financial statements, as well as its financial position and any material changes to it.

This disclosure document contains management's analysis of forward-looking statements. Caution should be exercised in the interpretation of this analysis and these statements since management often makes reference to objectives and strategies that contain risks and uncertainties. Due to the nature of the Company's operations, the associated risks and uncertainties could cause actual results to differ from those anticipated in forward-looking statements. The Company has no intention or obligation to update or revise such statements based on any new information or new event that may occur after the reporting date.

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

Annual financial information may be obtained in the same way.

FINANCIAL HIGHLIGHTS

The following charts present key financial data and are intended to assist in understanding the Company's financial results for the preceding five fiscal years and for the six-month period ended June 30, 2011. This information is derived from the Company's audited annual and interim financial statements.

RATIOS AND SUPPLEMENTAL DATA

	June 30, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
Revenue (in thousands of $)	**23,513**	44,970	39,900	39,520	32,015	27,386
Net income (net loss) (in thousands of $)	**11,909**	18,696	17,145	(29,347)	(22,243)	(10,238)
Net assets (in thousands of $)	**1,081,702**	1,019,846	905,921	812,606	732,529	654,620
Shares outstanding (in thousands)	**107,945**	102,908	93,142	85,159	74,097	64,139
Total operating expense ratio (%)	**2.7**	2.8	2.8	3.1	3.4	3.5
Portfolio turnover rate:						
> Investments impacting the Québec economy (%)	**14**	11	9	9	11	7
> Other investments (%)	**110**	112	84	83	33	38
Trading expense ratio[1] (%)	**0.0**	0.0	0.0	0.0	0.0	0.0
Number of shareholders	**107,032**	111,476	118,119	122,128	120,652	118,250
Issues of shares (in thousands of $)	**105,472**	180,982	129,443	126,440	101,763	79,544
Redemptions of shares (in thousands of $)	**55,525**	85,753	53,273	17,016	1,611	1,401
Number of partner companies and cooperatives/funds	**215/9**	230/8	222/6	207/6	189/6	171/6
Investments impacting the Québec economy at cost (in thousands of $)	**467,726**	473,331	475,785	412,828	396,136	332,664
Fair value of investments impacting the Québec economy (in thousands of $)	**427,432**	439,550	401,321	348,408	360,782	315,700
Funds committed but not disbursed (in thousands of $)	**153,207**	200,485	63,907	64,446	73,624	103,871

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

CHANGES IN NET ASSETS PER SHARE

	June 30, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
	($)	($)	($)	($)	($)	($)
Net assets per share, beginning of period/year	**9.91**	**9.73**	**9.54**	**9.89**	**10.21**	**10.37**
Increase (decrease) attributable to operations	**0.12**	**0.19**	**0.19**	**(0.35)**	**(0.33)**	**(0.17)**
Interest, dividends and negotiation fees	**0.22**	0.45	0.43	0.47	0.47	0.40
Operating expenses	**(0.13)**	(0.27)	(0.27)	(0.30)	(0.35)	(0.34)
Income taxes and capital tax	**(0.04)**	(0.07)	(0.06)	0.04	0.10	0.00
Realized gains (losses)	**0.14**	(0.36)	0.13	(0.20)	(0.24)	(0.19)
Unrealized gains (losses)	**(0.07)**	0.44	(0.04)	(0.36)	(0.31)	(0.04)
Difference attributable to share issues and redemptions	**(0.01)**	**(0.01)**	**0.00**	**0.00**	**0.01**	**0.01**
Net assets per share, end of period/year	**10.02**	**9.91**	**9.73**	**9.54**	**9.89**	**10.21**

OVERVIEW

The Company closed the first half of fiscal 2011 with net income of $11.9 million ($7.0 million for the same period of 2010), representing a non-annualized return of 1.2% (0.8% as at June 30, 2010). Based on the number of shares outstanding, this brings net assets per share to $10.02 as at June 30, 2011 compared with $9.91 at the end of fiscal 2010. For information purposes, at the price of $10.02, shareholders who invested seven years earlier would obtain an annual after-tax return of between 9.1% and 9.8% taking into account their income tax credit of 50%.

The Company's return is mainly attributable to the contribution of Investments impacting the Québec economy and Other investments. Assets allocated to Investments impacting the Québec economy are focused on the Company's mission of promoting the economic development of Québec cooperatives and regions. Assets are allocated across five asset classes and consist mainly of equities and debentures. Investments impacting the Québec economy posted a non-annualized return of 4.4% for the six-month period ended June 30, 2011 compared with a non-annualized return of 2.6% for the same period a year earlier. Most asset classes contributed to these results. As at June 30, 2011, the cost of Investments impacting the Québec economy disbursed totalled $467.7 million. In addition, funds committed but not disbursed reached $153.2 million, down $47.3 million compared with December 31, 2010. During the six-month period, the Company undertook a commitment in the amount of $10 million in the new Fonds Relève Québec, a Québec government initiative. At the same time, investments of $64.3 million were made during that period, including $12.3 million in the Capital croissance PME S.E.C. fund created in 2010, in which the Company holds a 50% partnership interest.

Other investments represents the balance of funds not invested in partner companies. This portfolio, consisting primarily of bonds, money market instruments and preferred shares, was established to provide security for the Company's returns and ensure the necessary liquidity to fund share redemptions and investments. Other investments generated a non-annualized return of 1.8% for the first six months of 2011 (2.3% for the same period of 2010). This return is due mainly to a solid current revenue base and scaled back market expectations for future interest rate increases.

On March 17, 2011, in tabling his budget, the Québec Minister of Finance announced that he was raising the Company's capitalization limit from $1 billion to $1.25 billion to allow it to continue growing and supporting the Québec economy. Capital subscriptions during the first half of the year reached $105.5 million, and share redemptions totalled $55.5 million. Net assets amounted to $1,081.7 million, up 6.1% from December 31, 2010. The number of shareholders as at June 30, 2011 was 107,032.

ECONOMIC BACKGROUND

Looking back on the first six months of 2011

The first half of 2011 unfolded against a backdrop of international risks. The crisis in the Arab countries set the tone early in the year, driving up oil prices. During the spring, the problem of public finances in certain euro zone countries, primarily Portugal's request for assistance and fears of default by Greece, rapidly kindled the spectre of another financial crisis with international ramifications. In March, the earthquake in Japan, followed by the tsunami and problems at several nuclear plants disrupted global supply chains, heavily affecting automobile production everywhere on the planet. These events inevitably dragged North American stock markets lower. Renewed upward inflation in most of the major regions of the world were also a feature of the first half of 2011.

Weak annualized real GDP growth of 0.4% in the United States during the first quarter and 1.3% in the second quarter of 2011 clearly shows how deeply that country's economy was hard hit by all of these events. The poor climate conditions in certain regions at the start of the year and rising gas prices slowed growth in household consumption. The complete lack of resurgence in the housing sector and recent return to weakness in the job market once again highlighted the shakiness of the economic recovery. It was a difficult six months for the United States, which also had to deal with strong arm politics over 2011 budget spending limits.

The Canadian economy, with an increase in annualized real GDP of 3.9% during the first three months of 2011, contrasted sharply with U.S. economy. However, the advance hid growth of only 0.2% in household consumption, the weakest since the last recession. However, heavy rains in the spring, high gas prices, the weakness of the U.S. economy, the strength of the loonie and supply difficulties at automobile assembly plants put a damper on the vitality of the Canadian economy in the second quarter. Given the economic and financial environment, the Bank of Canada decided not to raise its key rates.

Like Canada, Québec saw a good start to the year with annualized real GDP growth of 3.6% in the first quarter. Buoyed up by their sound financial positions, businesses continued to invest in both construction and machinery and equipment. Residential investments and public spending also maintained a good pace. Nonetheless, the Québec economy was weakened by exports as well as household spending, which dropped by 0.8% due in part to the 1% rise in Québec Sales Tax (QST).

2011 outlook

The economic and financial outlook has been strongly influenced by the recent turbulence in the capital markets and publication of some very disappointing economic indicators. Things now point to the U.S. recovery remaining anaemic and new real GDP shrinkage as a possibility. Real GDP growth is forecast to be a meagre 1.5% for 2011 and 2012. While Canada may be in a better position in some respects (e.g., budget leeway, sound financial sector, etc.), its strong commercial integration with the U.S. economy and declining commodities prices will have an effect on this side of the border. Real GDP growth forecasts in Canada are 2.3% for 2011 and 2.1% for 2012. The loonie will be hard pressed to remain above par against the greenback.

With a number of economies in distress and high risks of contraction in the industrialized countries, U.S. and Canadian bond rates should remain at historically low levels for an extended period. The U.S. Federal Reserve and the Bank of Canada should keep their key rates stable at least until mid-2013. Stock markets will move in reaction to economic indicators and financial news, which foretells of periods of high volatility.

Québec does not exist in a vacuum. Already, certain economic indicators showed greater than expected weakness in the second quarter. While job creation might still paint a sunny picture of how the economy is holding up in the province, the slowdown in the U.S. economy will severely affect export businesses in the coming months. Turbulence in the capital markets risks further affecting household confidence. Québec's economic growth should not exceed 2% for the next two years. Estimates are 1.7% for 2011 and 2012.

The venture capital market in the first six months of 2011

The results of the first six months of 2011 bear witness to the considerable growth in the number of transactions carried out in Québec. Investment levels reached $225 million at the end of June, or 23% higher than the $183 million invested in the first six months of 2010.The number of companies financed by venture capital rose to 130, up 44% compared with the first six months of 2010.

As the number of financed companies grew more rapidly than the dollars committed, the amounts invested by company were $1.6 million on average for the first six months of 2011, down 24% compared with an average of $2.1 million in the first six months of 2010.

In terms of investment allocation, the IT and traditional sectors grew in importance to 35% and 32% of all investments, respectively. Later stage development companies topped the list for investment activity, absorbing more than two-thirds of all capital invested ($225 million). Labour-sponsored funds and tax-advantaged funds led the pack with 43% of investments, a sum of $97 million, up 66% compared with the first six months of 2010.

Canada on the whole experienced a lower level of activity with new capital amounting to $374 million, down 46% compared with the first six months of 2010. Québec obtained 60% of that new capital, by far the largest share on record since the beginning of the year.

MANAGEMENT'S DISCUSSION OF FINANCIAL PERFORMANCE

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

The Company aims to participate in a more prosperous Québec by providing ongoing support to companies and cooperatives and reflecting regional economic realities. It gives meaning to the cooperative spirit by supporting the continuity of companies and growing the collective wealth of the regions.

Company mission, objectives and strategies

The mission, objectives and strategies of the Company remain the same as those described in its most recent annual MD&A.

Risk management

RISK GOVERNANCE

Consistent with its control and monitoring responsibilities, the Board of Directors ensures that the main risks related to the Company's operations are identified and that management controls are in place. To do this, it is supported by various committees that divide the monitoring and control of these risks among themselves, regularly report to it on their activities and make the appropriate recommendations.

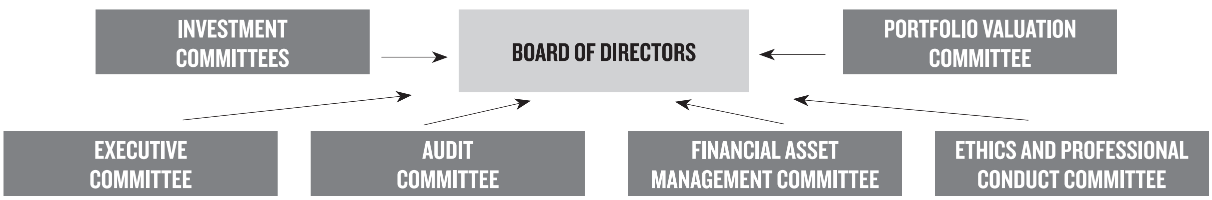
The roles and responsibilities of the Executive Committee, the Audit Committee, the Financial Asset Management Committee and the Ethics and Professional Conduct Committee remain substantially the same as those described in the most recent annual MD&A.

However, since June 1, 2011, the Board of Directors has assumed governance of the two investment committees and the Portfolio Valuation Committee which formerly came under the responsibility of the Company's manager.

The general mandate of the investment committees consists in evaluating and approving transactions related to investments impacting the Québec economy presented by the Company's manager through its lines of business. These transactions are authorized within parameters set by the Board of Directors according to the approved decision-making process. These committees are made up of two of the Company's directors and external members selected according to their knowledge of the sectors targeted under the various policies governing investment activities, and for their ability to detect risks related to a transaction, respectively.

The mandate of the Portfolio Valuation Committee consists in reviewing all relevant information concerning valuation of the Company's Investments impacting the Québec economy portfolio in order to provide reasonable assurance that the valuation process complies with the regulations applicable to the Company. This Committee is also made up of two of the Company's directors and external members who collectively represent a range of expertise appropriate to their mandate.

Since June 1, 2011, the governance framework is as follows:



NOTE TO THE READER

The following sections regarding market risks, credit and counterparty risks and liquidity risks have been audited by the Company's auditor within the audit of the financial statements concerning which an auditors' report was issued on August 18, 2011.

MARKET RISKS

Market risks pertain to the Company's role in the capital markets and, indirectly, to general changes in economic conditions. They also pertain to the impact of capital market movements on the value of the Company's assets. The various market risks directly impacting the Company are listed below:

INTEREST RATE RISK

Interest rate fluctuations have a significant impact on the market value of fixed-income securities held in the portfolio for which fair value is determined based on market conditions. Fixed-income securities held in the Other investments portfolio include money market instruments, bonds and preferred shares with a total fair value of $640.6 million ($539.6 million as at December 31, 2010).

Money market instruments with a fair value of $100.7 million ($85.9 million as at December 31, 2010) are not valued based on fluctuations in the interest rates due to their very short term maturity and the Company's intention to hold them to maturity.

Bonds with a fair value of $514.3 million ($428.9 million as at December 31, 2010) are directly affected by fluctuations in interest rates. A 1% increase in interest rates would have resulted in a decrease of $21.0 million in net income, or a 2% decrease in the Company's share price as at June 30, 2011 ($14.2 million for 1.5% as at December 31, 2010). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a $22.3 million increase in net income, a 2.2% increase in share price ($14.9 million for 1.5% as at December 31, 2010). Given that the Company matches the maturities of bonds held in its portfolio with the average maturity of expected cash outflows, the long-term effect of interest rates on results should be limited.

Preferred shares with a fair value of $25.6 million ($24.8 million as at December 31, 2010) may also be affected by interest rate fluctuations. However, unlike bonds, there is no perfect correlation between interest rate fluctuations and changes in the fair value of preferred shares. Also, the interest rate risk related to preferred shares is low given the amounts in question.

Cash bears interest at the average weighted rate of 0.62% (average weighted rate of 0.74% as at December 31, 2010). Accounts receivable and accounts payable do not bear interest.

STOCK MARKET RISK

Stock market trends have a twofold impact on the Company. In addition to the direct impact on the market values of publicly traded stocks, the valuations of some private portfolio companies may also be affected by changes in stock prices.

As at June 30, 2011, the Investments impacting the Québec economy portfolio included three traded companies with a value of $5.3 million, representing 0.5% of net assets (four companies with a value of $5.8 million as at December 31, 2010, representing 0.6% of net assets). A 10% increase or decrease in the stock markets would have resulted in an increase or decrease in the Company's net income of $0.3 million respectively ($0.5 million as at December 31, 2010).

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

CURRENCY RISK

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

Currency fluctuations impact the fair value of investments valued initially in a foreign currency and subsequently translated into Canadian dollars at the prevailing rate of exchange. These investments, whose value varies in step with fluctuations in the value of a foreign currency, represent a fair value of $79.6 million, or 7.4% of net assets as at June 30, 2011, compared with $68.7 million, or 6.7% of net assets as at December 31, 2010.

The Company aims to systematically hedge currency risk for investments valued in foreign currency. A $5 million line of credit was granted to the Company for its foreign exchange contract transactions. As at June 30, 2011, the Company held foreign exchange contracts under which it has delivered US$78.4 million at the rate of CAD/USD 1.0329 and AU$0.9 million (Australian dollar) at the rate of CAD/AUD 0.9690 on July 15, 2011.

This limits the Company's net exposure to foreign currencies to $3.0 million ($0.6 million as at December 31, 2010). Any fluctuation in the Canadian dollar will therefore not have a significant impact on the Company's results.

CREDIT AND COUNTERPARTY RISKS

In pursuing its Investments impacting the Québec economy mission, the Company is exposed to credit and counterparty risks related to potential financial losses if a partner company fails to fulfill its commitments or experiences a deterioration of its financial position. By diversifying its investments by sector, company development stage and financial instrument type and by limiting the potential risk of each partner company, the Company has successfully limited portfolio volatility due to negative events.

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

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

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

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

		AS AT JUNE 30, 2011		AS AT DECEMBER 31, 2010	
RANK		(IN THOUSANDS OF $)	(AS A %)	(IN THOUSANDS OF $)	(AS A %)
1 to 6.5	Low to acceptable risk	**380,289**	**88.9**	375,494	85.4
7 to 9	At risk	**31,438**	**7.4**	43,397	9.9
10 to 12	High risk and insolvent	**15,705**	**3.7**	20,659	4.7

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

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

	AS AT JUNE 30, 2011		AS AT DECEMBER 31, 2010	
	% OF PORTFOLIO	% OF NET ASSETS	% OF PORTFOLIO	% OF NET ASSETS
Investments impacting the Québec economy	**30.1**	**11.9**	27.7	12.0
Other investments*	**54.4**	**32.2**	65.4	34.7

* Government issuers accounted for 90.3% (65.7% as at December 31, 2010) of the Other investments portfolio's five largest issuers or counterparties.

The portfolio summary presented at the end of this MD&A also provides relevant information for assessing credit concentration risk.

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

LIQUIDITY RISKS

The Company must maintain sufficient liquid assets to fund share redemptions and committed Investments impacting the Québec economy. If it failed to do so, the Company would be dependent on the markets and could be forced to carry out transactions under unfavourable conditions. With liquid investments that should represent approximately 40% of assets under management once the Company's capitalization reaches maximum limits and the pace of redemptions has stabilized, and using a management approach that ensures that the average maturity of bonds matches the average maturity of expected outflows, the Company can confirm that liquidity risks are adequately covered.

Operating results

COMPANY NET RESULTS AND RETURNS

The Company ended the first half of the year on June 30, 2011 with net income of $11.9 million, or a non-annualized return of 1.2% compared with net income of $7.0 million (non-annualized return of 0.8%) for the same period of 2010.

The Company's asset allocation strategy allows it to enjoy a more balanced overall portfolio profile that limits volatility while actively carrying out its mission to contribute to the economic development of cooperatives and Québec's regions. This should limit the volatility of the Company's returns in periods of substantial market turbulence.

The Company's performance results primarily from Investments impacting the Québec economy and Other investments, which generated non-annualized contributions of 2.0% and 1.0% respectively while expenses, net of administrative charges, income taxes and capital tax had an impact of 1.8% on Company performance.

RETURN BY ACTIVITY	JUNE 30, 2011				JUNE 30, 2010			
	AVERAGE ASSETS UNDER MANAGEMENT $M	WEIGHTING %	NON-ANNUALIZED RETURN 6 MONTHS %	NON-ANNUALIZED CONTRIBUTION 6 MONTHS %	AVERAGE ASSETS UNDER MANAGEMENT $M	WEIGHTING %	NON-ANNUALIZED RETURN 6 MONTHS %	NON-ANNUALIZED CONTRIBUTION 6 MONTHS %
Investments impacting the Québec economy	**434**	**41.5**	**4.4**	**2.0**	403	43.8	2.6	1.2
Other investments and cash	**612**	**58.5**	**1.8**	**1.0**	517	56.2	2.3	1.3
	1,046	**100.0**	**2.9**	**2.9**	920	100.0	2.5	2.4
Expenses, net of administrative charges			**(1.4)**	**(1.4)**			(1.3)	(1.3)
Income taxes and capital tax			**(0.4)**	**(0.4)**			(0.3)	(0.3)
Company's return			**1.2**	**1.2**			0.8	0.8

RETURN BY ASSET CLASS				JUNE 30, 2011				JUNE 30, 2010
	AVERAGE ASSETS UNDER MANAGEMENT $M	WEIGHTING %	NON-ANNUALIZED RETURN 6 MONTHS %	NON-ANNUALIZED CONTRIBUTION 6 MONTHS %	AVERAGE ASSETS UNDER MANAGEMENT $M	WEIGHTING %	NON-ANNUALIZED RETURN 6 MONTHS %	NON-ANNUALIZED CONTRIBUTION 6 MONTHS %
Investments impacting the Québec economy								
Development Capital	**160**	**15.3**	**2.8**	**0.5**	149	16.1	0.2	0.1
Company Buyouts and Major Investments	**129**	**12.3**	**5.8**	**0.6**	123	13.3	8.0	1.1
Technological Innovations	**47**	**4.5**	**32.9**	**1.9**	51	5.6	(1.1)	(0.1)
Venture Capital – Health	**25**	**2.4**	**(34.1)**	**(1.1)**	27	3.0	4.6	0.1
Funds	**73**	**7.0**	**(0.4)**	**0.0**	53	5.8	(0.8)	0.0
Other investments and cash								
Bonds, preferred shares, money market and cash	**612**	**58.5**	**1.8**	**1.0**	516	56.1	2.3	1.3
Fund of hedge funds	**0**	**0.0**	**8.2**	**0.0**	1	0.1	12.1	0.0
	1,046	**100.0**	**2.9**	**2.9**	920	100.0	2.5	2.4

INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

Investments of $64.3 million during the first half of 2011, sale proceeds of $81.2 million and net gains of $3.7 million brought the total fair value of the Company's investment portfolio, including foreign exchange contracts, to $427.7 million as at June 30, 2011 ($440.9 million as at December 31, 2010).

In addition to these direct investments, the Company also carried out its mission through Capital croissance PME S.E.C. ("CCPME"), whose main goal is to provide subordinated debt financing to small and medium enterprises in Québec. The Company and the Caisse de dépôt et placement du Québec, as sponsors of the fund, agreed to invest equal shares totalling $200 million over three years starting July 1, 2010. The manager of this limited partnership is Desjardins Venture Capital Inc., the Company's manager. The fund is an additional tool that will allow the Company to achieve its mission of economic development across Québec, including the resource regions and cooperatives. As at June 30, 2011, the Company had disbursed $19.2 million of its total commitment of $100 million, allowing CCPME to assist the development of 28 businesses.

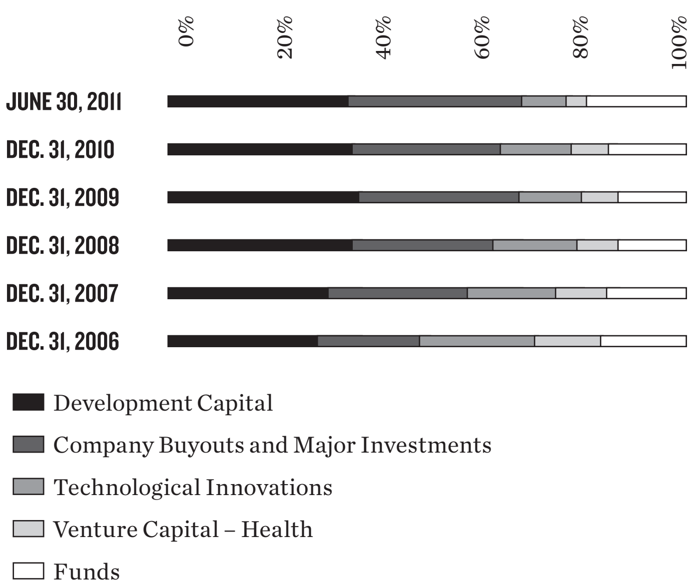
In addition to this, in tabling his budget on March 17, 2011, the Québec Minister of Finance announced the creation of the Fonds Relève Québec, which will provide business transfer loans at favourable conditions to Québec business successors to finance a portion of their capital funding. The Québec government and two other partners will share in financing the Fund. The Company will allocate the amount of $10 million.

Investment activities should also be measured taking into account funds committed but not disbursed, which amounted to $153.2 million as at June 30, 2011, compared with $200.5 million as at December 31, 2010. That amount included two major investments totalling more than $41 million that was disbursed early in fiscal 2011.

Total commitments at cost as at June 30, 2011, amounted to $620.9 million in 224 companies, cooperatives and funds, of which $467.7 million was disbursed to 221 companies, cooperatives and funds within the portfolio.

The acquisition on November 30, 2010 of certain investments from Desjardins Venture Capital L.P. gave rise to notes payable with a fair value of $15.0 million ($17.1 million as at December 31, 2010). Their fair value is adjusted according to changes in the fair value of these investments held by the Company.

The Company's manager has allocated its Investments impacting the Québec economy activities across five asset classes. As part of its business development activities, the manager focuses from time to time on different economic sectors or lines of business to ensure portfolio balance. In order to generate both short- and long-term returns for the Company's shareholders, the range of financial instruments used may also vary. As at June 30, 2011 and December 31 of the last five fiscal years, the Investments impacting the Québec economy portfolio was allocated by asset class as follows:



During the first six months of fiscal 2011, the Investments impacting the Québec economy portfolio generated a positive contribution of $19.6 million compared with $10.8 million for the same period of 2010. Most asset classes contributed to the results, in particular Technological Innovations, which generated significant gains on the sale of four investments. The six-month period was more challenging for the Venture Capital – Health class due, among other things, to the IPO of one of its investments that returned a lower than expected value.

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

	SIX MONTHS ENDED JUNE 30, 2011	SIX MONTHS ENDED JUNE 30, 2010
Revenue	**13,956**	12,331
Gains and losses	**5,622**	(1,524)
	19,578	10,807

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

The Company accounts for its Investments impacting the Québec economy at fair value. Two comprehensive portfolio reviews are carried out each year, with one covering the six-month period ended June 30 and the other covering the six-month period ended December 31.

DETAILS OF GAINS AND LOSSES
(IN THOUSANDS OF $)

	SIX MONTHS ENDED JUNE 30, 2011
Change in unrealized value – public companies	**(4,854)**
Change in unrealized value – private companies	**(3,825)**
Net effect of sales	**14,300**
Gains and losses	**5,622**

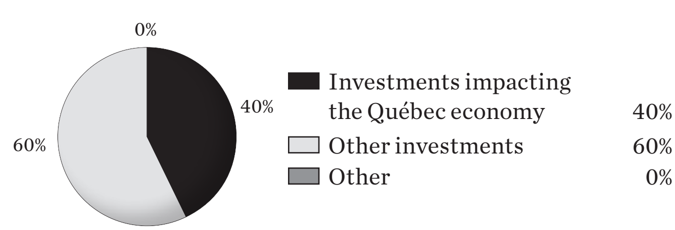
As a result of the June 30, 2011 review, 71 investments were remeasured and the first six months of 2011 ended with an unrealized decrease in value, net of changes in notes payable, of $3.8 million. The public companies held in the portfolio, of which the fair value based on market conditions totalled $5.3 million as at June 30, 2011, caused a decrease in value, net of a note payable, of $4.9 million during the first half of the year. For the same period, disposals and writeoffs of Investments impacting the Québec economy resulted in a realized gain of $11.3 million and an unrealized gain of $3.0 million, for a net upward impact on results of $14.3 million.

As the overall effect, the Company recorded in its results for the six-month period a realized and unrealized gain of $5.6 million compared with a loss of $1.5 million for the same period of 2010. The positive impact of these changes in the fair value of the Investments impacting the Québec economy portfolio on the Company's results indicates that the portfolio is more mature and its asset allocation is more balanced.

As at June 30, 2011, the overall risk level of the Investments impacting the Québec economy portfolio remained satisfactory and comparable to December 31, 2010 level.

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

BREAKDOWN OF NET ASSETS AS AT JUNE 30, 2011



As at June 30, 2011, the Company's Other investments portfolio, including cash but excluding exchange contracts, totalled $646.6 million compared with $578.0 million as at December 31, 2010. These funds were invested mainly in the fixed-income securities market in highly liquid, low-credit risk instruments. As at June 30, 2011, nearly 70% of portfolio bond securities were government-guaranteed. Other investments accounted for 60% of the portfolio's total net assets as at the end of the first six months of 2011, compared with 57% as at December 31, 2010. The 2011 issue of the Company's shares on sale since the end of May has been highly successful. The excess of net subscriptions over new disbursed Investments impacting the Québec economy contributed to this temporary increase in the weighting of the Other investments portfolio. The Company anticipates that this ratio will gradually decrease in coming years and stabilize around 40% as capitalization reaches maximum limits and the pace of redemptions levels off. In keeping with its core mission, this will allow an increase in funds allocated to Investments impacting the Québec economy.

As at June 30, 2011, the Company maintained a cash position equal to 16.4% of the Other investments portfolio (21.4% as at December 31, 2010) to cover liquidity needs arising from redemption requests by its shareholders and Investments impacting the Québec economy it expects to make. This level of liquidity, which the Company maintains in keeping with its sound management practices, limits the portfolio's overall potential return.

To enhance total portfolio returns, the Company's manager is also authorized to take market positions using purchase/redemption transactions. Such trades are made in an overlay portfolio and their potential risk limits are defined and overseen by the Company's Financial Asset Management Committee and tracked daily by the portfolio manager. This activity generated a gain of $0.9 million for the first six months of 2011 ($0.8 million for the same period of 2010). As at June 30, 2011, the Company had no market positions.

The orderly liquidation of the fund of hedge funds that began in 2008 following the swift collapse of stock prices continues. Accordingly, the fair value of the remaining shares held as at June 30, 2011 totalled $0.2 million ($0.3 million as at December 31, 2010). In light of the events in 2008, the Company's asset allocation strategy no longer includes this asset class.

CONTRIBUTION GENERATED BY OTHER INVESTMENTS
(IN THOUSANDS OF $)

	SIX MONTHS ENDED JUNE 30, 2011	SIX MONTHS ENDED JUNE 30, 2010
Revenue	**9,093**	7,648
Gains and losses	**1,072**	4,090
	10,165	11,738

Revenue consists of interest, dividends and trading activities related to Other investments. Interest income (primarily from bonds) is recognized at the bond rate in effect at the acquisition date. Realized gains (losses) are recorded at the date of sale and consist of the difference between the proceeds on disposal and the unamortized cost, regardless of the unrealized gains (losses) from prior years, which are reversed and reflected in the unrealized gains (losses) for the current period.

Other investments continues to provide the Company with a major source of operating revenue even though interest rates are low. Other investments contributed $10.2 million in the first six months of 2011 compared with $11.7 million a year earlier. Current revenue was up compared with the same period of 2010, due to the sustained effective average interest rate in the bond portfolio and a higher average bond balance. Lastly, in the first half of 2011, the Company recorded a net gain of $1.1 million on its Other investments portfolio. The Bank of Canada has not increased its key rate since the end of the last fiscal year. Reduced market expectations in Canada for interest rate increases in the future generated slight gains for the bond portfolio during the first six months of 2011.

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

CAPITAL RAISING

The Company offers its shares exclusively through the Desjardins caisse network. As at June 30, 2011, this distribution network consisted of 403 Desjardins caisses and 860 service centres, for a total of 1,263 points of sale.

Subscription of shares of the Company entitles the shareholder to receive a non-refundable tax credit, which applies only to Québec tax, for an amount equal to 50% of all amounts subscribed, up to a maximum tax credit of $2,500 per capitalization period. The minimum holding period for shares of the Company is seven years to the day from the date of purchase before the shareholder would normally be eligible for a redemption. Note however that shareholders who request a redemption to withdraw some or all of their shares after the seven-year holding period may not claim a tax credit for any subscription for which the tax credit would apply in the current tax year or in any subsequent tax year.

The Company may raise a maximum of $150 million per capitalization period until its share capital reaches the Company's capitalization limit for the first time by the end of a capitalization period. In his budget speech of March 17, 2011, the Minister of Finance announced that that limit was now increased to $1.25 billion from the previously set $1 billion. The increase allows the Company to continue to fulfill its economic development mission.

Beginning with the capitalization period following the period in which the limit is reached for the first time, per period the Company may raise the lesser of $150 million and the amount of the reduction in share capital attributable to the Company's redemptions or purchases by agreement during the preceding capitalization period. Each 12-month capitalization period begins on March 1 of each year. A special tax is payable by the Company if it fails to comply with these limits, and control mechanisms have been implemented by the Company to ensure compliance.

As at June 30, 2011, the Company had $1,074.6 million in share capital for 107,944,805 outstanding shares.

A total of $105.5 million of capital was raised during the first six months of 2011 compared with $109.7 million for the same period of 2010.

The 2011 issue that went on sale at the end of May has enjoyed great popularity. As at June 30, 2011, in little over one month, more than $101 million of the $150 million available annually had already been sold.

During the first six months of 2011, redemptions and purchases by agreement totalled $55.5 million, which is similar to the $55.0 million realized in the first six months of the previous fiscal year. The Company believes that the current economic conditions and weak interest rates are behind the low volume of redemptions.

The balance of shares eligible for redemption totalled $254.0 million. As the sale of the securities of the 2004 issue ended during the first six months of 2004, no other shares will become eligible for redemption prior to the end of fiscal 2011.

The shareholders' equity of the Company as at June 30, 2011 totalled $1,081.7 million broken down by issue as follows:

ISSUE	ISSUE PRICE $	BALANCE* $M	ELIGIBLE FOR REDEMPTION
2001	10.00	33.9	2008
2002	10.00	100.7	2009
2003	10.12 and 10.24	49.9	2010
2004	10.25	69.5	2011
2005	10.25	96.9	2012
2006	10.37 and 10.21	79.3	2013
2007	10.21 and 9.92	97.3	2014
2008	9.89 9.83 and 9.54	142.5	2015
2009	9.54 9.62 and 9.73	155.7	2016
2010	9.73 and 9.80	153.4	2017
2011	9.91	102.6	2018
Shareholders' equity		1,081.7	

* Calculated at net asset value per share as at June 30, 2011

During the first six months of 2011, the Company gained 3,100 new shareholders which, also taking redemptions into account, brought the number of shareholders to 107,032 as at June 30, 2011, compared with 111,476 as at December 31, 2010. Despite this decline in the number of shareholders that allows the Company to optimize its costs, shareholders' equity has increased as the average investment per shareholder has risen, with current shareholders subscribing for new shares year after year. Note that up to 2007, each shareholder was limited to a subscription of $2,500 per year compared to the current limit of $5,000 per year.

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

OPERATING EXPENSES

EXPENSES
(IN THOUSANDS OF $)

	SIX MONTHS ENDED JUNE 30, 2011	SIX MONTHS ENDED JUNE 30, 2010
Management fees	**12,518**	11,569
Other operating expenses	**843**	961
Shareholder services	**983**	778
Capital tax	**-**	325
	14,344	13,633

The annual management fees paid to manager Desjardins Venture Capital Inc. amount to 2.5% of the Company's annual average assets' net value, less any amounts payable related to Investments impacting the Québec economy and Other investments. Management fees for the first six months of 2011 amounted to $12.5 million or 87.3% of total expenses, compared with $11.6 million or 84.9% for the same period of 2010. This increase is related to growth in average assets, which totalled $1,046.4 million for the first six months of 2011 compared with $920.3 million a year earlier. As in the past, the management fees incurred by the Company are adjusted to avoid double billing as regards the Company's holdings in certain investment funds.

The Company has appointed Desjardins Trust Inc. as shareholder registrar and share transfer agent. Desjardins Trust also acts as an intermediary for various shareholder support services. Since the Company began operations, Desjardins Trust has represented the largest component of the Company's shareholder service expenses.

The Company has entrusted the Fédération des caisses Desjardins du Québec with the activities related to the distribution of the Company's shares across the Desjardins caisse network. Other than reimbursing certain direct expenses, no commissions or other forms of compensation are payable to any person by the Company for distribution of its shares.

Shareholder services expenses for the six-month period rose by $0.2 million compared with the same period of 2010, due mainly to an adjustment from 2010.

Income taxes for the first half of 2011 amounted to $4.0 million compared with $2.6 million for the same period of 2010. In addition to current income taxes, future income taxes represent a major component of the Company's tax expense. Revenue type also has a significant impact since capital gains and business income are taxed at different rates.

The Company was also subject to capital tax, which was abolished on January 1, 2011.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from capital raising initiatives net of redemptions for the six month period ended June 30, 2011 totalled $49.9 million ($54.7 million for the same period of 2010). Operating activities generated liquidities of $5.2 million, up in comparison with $2.6 million for the same period of 2010. This variance is due mainly to increased interest income generated by the two investment portfolios. The Company's investment activities resulted in cash outflows of $90.3 million for the first half of 2011, compared with $39.5 million for the same period of 2010. Cash outflows in Investments impacting the Québec economy amounted to $62.3 million for the first half of 2010, compared with $29.8 million for the same period of 2010. This increase was largely driven by the acquisition of two significant investments early in 2011. In accordance with the Company's financial asset management strategy, a portion of the excess liquidities generated by operating and financing activities was allocated to the Other investments portfolio, which posted net investments of $99.7 million for the first six months of fiscal 2011 compared with $33.1 million for the same period of 2010.

As at June 30, 2011, cash and cash equivalents totalled $53.0 million ($88.1 million as at December 31, 2010). This cash level is maintained to cover redemption requests that might occur at a different pace than the issue of new shares and due to the size of the anticipated outflows related to the Investments impacting the Québec economy portfolio.

Since February 2010, the Company has had an authorized line of credit of $10 million. In the event that liquidity needs exceeded expectations, this line of credit could be used on a temporary basis to cover the Company's obligations. This additional flexibility optimizes cash levels held and reduces the risk of having to dispose of assets hastily under potentially less advantageous conditions. The line of credit was not used during the first six months ended June 30, 2011.

Given the management approach for Other investments of matching the average maturity of the Company's total assets with the average maturity of its expected cash outflows, the Company does not anticipate any shortfall in liquidities in the short or medium terms and expects to be able to repurchase shares issued at least seven years earlier from those shareholders who make such a request.

Recent events

ACCOUNTING POLICIES – INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

BACKGROUND

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

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

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

WORK COMPLETED TO DATE

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

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

MAIN IMPACTS OF TRANSITION TO IFRS

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

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

There is no equivalent to AcG – 18 under current IFRS. Rather, the provisions of IAS 27, *Consolidated and Separate Financial Statements* apply. However, as stated previously, the IASB is examining the possibility of amending current IFRS standards on consolidation to exempt investment companies that meet certain criteria from the requirement to consolidate investments in entities it controls. Such interests would then be recognized at fair value. An exposure draft should be published during the third quarter of fiscal 2011.

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

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

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

QUANTIFICATION OF IMPACTS

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

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

Related party transactions

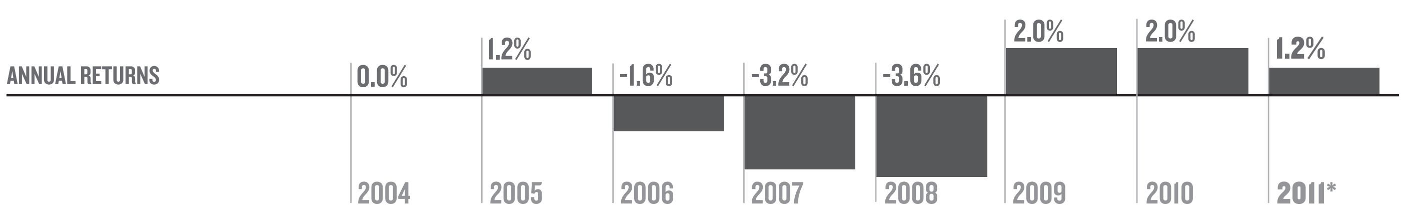
The Company enters into certain transactions with related companies in the normal course of business. These transactions are described in note 16 to the financial statements of the Company.

PAST PERFORMANCE

This section presents the Company's historical returns. These returns do not include the $50 administration fee paid by shareholders or the tax credit they enjoy as a result of their investment. Past performance is not necessarily indicative of future returns.

Annual returns

The following chart shows the Company's annual returns and illustrates the change in returns from one fiscal year to the next for the past seven fiscal years and the six-month period ended June 30, 2011. Annual return is calculated by dividing income (loss) per share for the year by the share price at the beginning of the year.



* Non-annualized return for the six-month period ended June 30, 2011.

Compounded return of the share as at June 30, 2011

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

7 YEARS	5 YEARS	3 YEARS	1 YEAR
-0.3%	-0.4%	0.6%	2.2%

PORTFOLIO SUMMARY

Main asset classes

As at June 30, 2011, the assets in the Investments impacting the Québec economy and Other investments portfolios were allocated as follows:

ASSET CLASSES	% OF NET ASSETS
Investments impacting the Québec economy*	
Development Capital	13.9
Company Buyouts and Major Investments	13.3
Technological Innovations	3.2
Venture Capital – Health	1.7
Funds	7.4
Total – Investments impacting the Québec economy	**39.5**
Other investments	
Cash and money market instruments	9.9
Bonds	47.5
Preferred shares	2.4
Fund of hedge funds	0.0
Total – Other investments	**59.8**

* Including foreign exchange contracts

Main investments held

As at June 30, 2011, the issuers of the 25 main investments held by the Company were as follows:

ISSUER	% OF NET ASSETS
Investments impacting the Québec economy (12 issuers)*	20.2
Canada Mortgage and Housing Corporation	14.3
Province of Québec	8.8
Province of Ontario	3.6
Société de transport de Montréal	3.1
Financement Québec	2.4
The Toronto-Dominion Bank	2.2
CDP Financial	2.0
Hydro-Québec	1.9
Royal Bank	1.7
Bank of Montreal	1.6
Bank of Nova Scotia	1.4
Canadian Imperial Bank of Commerce	1.1
Capital Desjardins	0.8

* The 12 issuers who, collectively, represent 20.2% of the Company's net assets are:

- **A & D Prévost inc.**
- **Avjet Holding inc.**
- **Camoplast Solideal Inc.**
- **CANMEC Group Inc. (6317456 Canada Inc.)**
- **Capital croissance PME S.E.C.**
- **Desjardins – Innovatech S.E.C.**
- **Enobia Pharma Inc.**
- **Fempro I Inc.**
- **FIER Partners L.P.**
- **Groupe Graham International inc.**
- **Knowlton Development Corporation Inc.**
- **La Coop fédérée**

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

August 18, 2011

August 18, 2011

MANAGEMENT'S REPORT

The Company's financial statements together with the financial information contained in this interim report are the responsibility of the Board of Directors, which delegates the preparation thereof to management.

In discharging its responsibility for the integrity and fairness of the financial statements, management has ensured that the manager maintains an internal control system to provide reasonable assurance that the financial information is reliable, that it provides an adequate basis for the preparation of the financial statements and that the assets are properly accounted for and safeguarded.

Furthermore, the Company's General Manager and Chief Financial Officer have certified that the method used to determine the fair value of each of the Investments impacting the Québec economy complies with the requirements of the Autorité des marchés financiers and have confirmed the reasonableness of the aggregate fair value of the portfolio of Investments impacting the Québec economy.

The Board of Directors discharges its responsibility for the financial statements principally through its Audit Committee. The Committee meets with the external auditors appointed by the shareholders with and without management present to review the financial statements, discuss the audit and other related matters and make appropriate recommendations to the Board of Directors. In addition, the Committee meets with the Company's internal auditors. The Committee also analyzes the management discussion and analysis to ensure that the information therein is consistent with the financial statements.

The financial statements present the financial information available as at August 18, 2011. These statements have been prepared in accordance with Canadian generally accepted accounting principles and audited by PricewaterhouseCoopers LLP.

The Board of Directors has approved the financial statements, together with the information in the management discussion and analysis. The financial information presented elsewhere in this report is consistent with the Company's financial statements.

(signed) Yves Calloc'h, CA

Chief Financial Officer

Capital régional et coopératif Desjardins

Financial Statements
June 30, 2011

PRICEWATERHOUSECOOPERS

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August 18, 2011

Independent Auditor's Report

To the Shareholders of Capital régional et coopératif Desjardins

We have audited the accompanying financial statements of Capital régional et coopératif Desjardins, which comprise the balance sheets as at June 30, 2011 and December 31, 2010 and the statements of earnings, shareholders' equity and cash flows for the six month periods ended June 30, 2011 and 2010, and the related notes, which comprise a summary of significant accounting policies.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

PRICEWATERHOUSECOOPERS

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Capital régional et coopératif Desjardins as at June 30, 2011 and December 31, 2010 and the results of its operations and its cash flows for the six-month periods ended June 30, 2011 and 2010 in accordance with Canadian generally accepted accounting principles.

(signed) PricewaterhouseCoopers LLP[1]

Montréal, Canada

[1] Chartered accountant auditor permit No. 19653

Capital régional et coopératif Desjardins

Balance Sheets

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

	As at June 30, 2011 $	As at December 31, 2010 $
Assets		
Investments impacting the Québec economy (note 4)	427 432	439 550
Other investments (note 5)	641 068	541 271
Cash	5 875	38 108
Accounts receivable (note 6)	15 501	10 180
Software (net of accumulated amortization of $4,237; December 31, 2010 – $4,049)	125	313
Income taxes receivable	3 009	7 273
Future income taxes (note 14)	5 347	3 991
	1 098 357	1 040 686
Liabilities		
Accounts payable (note 8)	1 678	3 723
Notes payable (note 9)	14 977	17 117
	16 655	20 840
Net assets	1 081 702	1 019 846
Number of outstanding common shares	107 944 805	102 908 090
Net value per common share	10,02	9,91

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

Approved by the Board of Directors

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

Capital régional et coopératif Desjardins

Statements of Shareholders' Equity

For the six-month periods ended June 30, 2011 and 2010

(in thousands of dollars, except number of shares)

2011

	Number of shares	Share capital $	Contributed surplus ** $	Retained earnings (deficit) Realized $	Unrealized $	Total $	Shareholders' equity $
Balance – December 31, 2010	102,908,090	1,026,015	5,157	10,530	(21,856)	(11,326)	1,019,846
Results for the period							
Net earnings realized and unrealized, net of income taxes of $5,393 and ($1,439) respectively	-	-	-	17,683	(5,774)	11,909	11,909
Share capital operations *							
Shares issued	10,647,568	105,472	-	-	-	-	105,472
Redemption of shares	(5,610,853)	(56,933)	1,408	-	-	-	(55,525)
	5,036,715	48,539	1,408	17,683	(5,774)	11,909	61,856
Balance – June 30, 2011	107,944,805	1,074,554	6,565	28,213	(27,630)	583	1,081,702

2010

	Number of shares	Share capital $	Contributed surplus ** $	Retained earnings (deficit) Realized $	Unrealized $	Total $	Shareholders' equity $
Balance – December 31, 2009	93,142,217	933,533	2,410	26,209	(56,231)	(30,022)	905,921
Results for the period							
Net earnings realized and unrealized, net of income taxes of ($5,555) and $8,161 respectively	-	-	-	(25,711)	32,747	7,036	7,036
Share capital operations *							
Shares issued	11,300,930	109,719	-	-	-	-	109,719
Redemption of shares	(5,668,625)	(56,815)	1,806	-	-	-	(55,009)
	5,632,305	52,904	1,806	(25,711)	32,747	7,036	61,746
Balance – June 30, 2010	98,774,522	986,437	4,216	498	(23,484)	(22,986)	967,667

* These data do not include the redemption requests made within 30 days of subscription.
** The contributed surplus results from the excess of the shares' issuance price over the price payable for their repurchase.

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

Capital régional et coopératif Desjardins

Statements of Earnings

For the six-month periods ended June 30, 2011 and 2010

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

	2011	2010
	$	$
Revenue		
Interest	20,518	17,719
Dividends	1,611	1,154
Negotiation fees	920	1,106
Administrative charges	464	730
	23,513	20,709
Expenses		
Management fee	12,518	11,569
Other operating expenses (note 13)	843	961
Shareholder services (note 13)	983	778
Capital tax	-	325
	14,344	13,633
Net investment income	9,169	7,076
Gains and losses on investments		
Realized	13,907	(38,342)
Unrealized	(7,213)	40,908
	6,694	2,566
Income taxes (note 14)	3,954	2,606
Net earnings for the period	11,909	7,036
Weighted average number of common shares	103,150,658	95,919,222
Net earnings per common share	0.12	0.07

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

Capital régional et coopératif Desjardins

Statements of Cash Flows

For the six-month periods ended June 30, 2011 and 2010

(in thousands of dollars)	2011 $	2010 $
Cash flows from		
Operating activities		
Net earnings for the period	11,909	7,036
Adjustments for		
Realized losses (gains) on investments	(13,907)	38,342
Unrealized losses (gains) on investments	7,213	(40,908)
Amortization of software	187	187
Amortization of premiums and discounts on investments	1,395	1,278
Future income taxes	(1,357)	8,076
Capitalized interest and other non-cash items	(1,996)	301
	3,444	14,312
Changes in non-cash operating working capital balances (note 15)	1,797	(11,721)
	5,241	2,591
Investing activities		
Acquisition of investments impacting the Québec economy	(62,284)	(29,827)
Acquisition of other investments	(381,794)	(334,988)
Proceeds on disposal of investments impacting the Québec economy	71,755	23,461
Proceeds on disposal of other investments	282,046	301,876
	(90,277)	(39,478)
Financing activities		
Issuance of common shares	105,472	109,719
Redemption of shares	(55,525)	(55,009)
	49,947	54,710
Net changes in cash and cash equivalents during the period	(35,089)	17,823
Cash and cash equivalents – Beginning of the period	88,108	23,448
Cash and cash equivalents – End of the period (note 12)	53,019	41,271
Supplementary information		
Income taxes paid (received)	1,046	(393)

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

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

1 Governing statutes, mission, administration and investments

Governing statutes and mission

Capital régional et coopératif Desjardins (the "Company") is constituted by an Act of the Québec National Assembly (R.S.Q. c. C-6.1) and is deemed to have been incorporated by the filing of statutes on July 1, 2001. The Company began its activities on November 5, 2001 and is a legal person with share capital whose mission is to:

- Raise venture capital for the benefit of Québec resource regions (Abitibi-Témiscamingue, Bas-Saint-Laurent, Côte-Nord, Gaspésie–Îles-de-la-Madeleine, Mauricie, Nord-du-Québec and Saguenay–Lac Saint-Jean) and the cooperative sector;
- Promote economic development in the resource regions through investments in eligible entities operating in those regions;
- Support the cooperative movement throughout Québec by investing in eligible cooperatives;
- Support eligible entities in their start-up phase and their development;
- Stimulate the Québec economy through investments in all parts of the territory of Québec.

Administration

The affairs of the Company are administered by a Board of Directors typically composed of 13 members, as follows:

- Eight people appointed by the President of the Desjardins Group;
- Two people elected by the General Meeting of shareholders of the Company;
- Two people appointed by the above-mentioned ten members, selected from a group of people whom they deem to be representative of eligible entities as described in the Act;
- The General Manager of the Company.

Investments

The Company may acquire minority interests, mainly in eligible entities, with or without a guarantee or security. Eligible entities include eligible cooperatives and partnerships or a legal person actively operating an enterprise, the majority of whose employees are resident in Québec and with less than $100 million of assets or net equity of not more than $50 million.

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

The Company may invest up to 5% of its assets (as established on the basis of the last accountants' valuation) in the same eligible enterprise or cooperative, and the investment is generally planned for a period of five to eight years. This percentage may be increased to 10% to allow the Company to acquire securities in an entity operating in Québec but which is not an eligible entity. In such case, the Company may, directly or indirectly, acquire or hold shares representing up to a maximum of 30% of the voting rights, which can be exercised in all circumstances.

Pursuant to the Act, other investments may qualify, such as investments in certain investment funds, provided the required specific conditions set out in the Act have been met.

At the end of each fiscal year, the portion of the Company's investments in eligible entities, as well as other eligible investments which do not entail any security or hypothec and are made as first purchaser, must represent on average at least 60% of the average adjusted net assets of the Company for the preceding year. Furthermore, a portion representing at least 35% of that percentage must be invested in entities situated in resource regions of Québec or in eligible cooperatives. If these criteria were not met, the Company could be subject to penalties. As at December 31, 2010, no amount was owing by the Company under these rules.

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

2 Significant accounting policies

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and contingent liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting year. The principal estimates are related to the determination of the fair value of investments impacting the Québec economy. Actual results could differ from those estimates. Those estimates are reviewed periodically and adjustments as they become necessary, are reported in earnings in the year in which they are known.

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

Comprehensive income

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

Investments impacting the Québec economy

Listed shares

The investments in listed shares are recorded at their fair value. Fair value is established using the bid-side level at market closing on the balance sheet date when an active market is available. The value of the shares with trading or transfer restrictions is adjusted by a discount. The Company determines the amount of this discount based on the nature and duration of the restriction, the relative volatility of the share's performance, as well as the importance of the interest held in the overall float of outstanding shares and the volume of trades. Otherwise, the fair value may be established using unlisted share valuation techniques.

Unlisted shares, debentures and advances

Unlisted shares, debentures and advances are valued at their fair value, determined in accordance with appropriate methods of valuation, primarily including comparison to arm's-length transactions or takeover bids and the capitalization of representative earnings before interest, taxes, amortization and capitalization or discounting of cash flows.

Significant assumptions used in the determination of fair value can include the discount or capitalization rate, the rate of return and the weighting of forecasted earnings.

Sureties

When it is likely that an amount will be disbursed by the Company in relation to a pledged surety, the amount to be recognized in liabilities is estimated using an asset-based approach and a liquidation value method.

Other investments

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

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

Obligations related to securities sold short

Securities sold short as part of trading activities, which represent the Company's obligation to deliver securities sold which were not owned at the time of sale, are recorded as liabilities and are carried at fair value measured using the sell-side level at market closing on the balance sheet date. Realized and unrealized gains and losses thereon are recorded in revenue in Interest. As at June 30, 2011 and as at December 31, 2010, the Company had no securities sold short.

Securities purchased under resale agreements and securities sold under repurchase agreements

The Company enters into short-term purchases and sales of securities with simultaneous agreements to sell and buy back those securities at a specified price and on a specified date. Those resale and repurchase agreements are accounted for as collateralized lending and borrowing transactions, and are recorded on the balance sheet at the reselling or repurchase price specified under the agreement. The difference between the purchase price and specified reselling price and the difference between the selling price and the specified repurchase price are recorded using the accrual method in Interest. As at June 30, 2011 and as at December 31, 2010, the Company had no securities purchased under resale agreements or securities sold under repurchase agreements.

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

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

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

Software

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

Foreign currency translation

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

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

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

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

Notes payable

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

Income taxes

The Company uses the liability method in accounting for income taxes. According to this method, future income taxes are determined using the difference between the accounting and tax bases of assets and liabilities. The tax rate in effect when these differences are expected to reverse is used to calculate future income taxes at the balance sheet date. Future income tax assets are recognized when it is more likely than not that the assets will be realized.

Revenue recognition

Interest and dividends

Interest is recorded on an accrual basis when collection is considered probable. Dividends are recorded as at the holder-of-record date and when they are declared by the issuing companies.

Administrative charges

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

Negotiation fees

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

Gains and losses on investments

Gains and losses on disposal of investments are recorded at the date of sale and represent the difference between the sale proceeds and the unamortized cost, without taking into consideration the unrealized gains (losses) recorded in previous years, which are reversed and taken into account in change in unrealized gains (losses) for the year.

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

Gains and losses on notes payable

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

Premiums and discounts

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

3 Future changes in accounting policies

As an investment company, the Company will cease to prepare its financial statements in accordance with Canadian GAAP as set out in Part V of the CICA Handbook – Accounting effective prior to the changeover for the periods beginning on January 1, 2013. At that time, the Company will start to apply IFRS as set out in Part I of the CICA Handbook – IFRS as its primary basis of accounting.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

4 Investments impacting the Québec economy

The *Schedule of cost of investments impacting the Québec economy* is available at the Company's head office, on its Web site at capitalregional.com and on SEDAR at www.sedar.com. The Schedule does not form an integral part of the financial statements.

			As at June 30, 2011
	Cost	Unrealized gain (loss)	Fair value
	$	$	$
Unsecured			
Common shares	199,577	(22,133)	177,444
Preferred shares	78,753	(5,201)	73,552
Debentures and advances	185,724	(12,878)	172,846
Secured			
Debentures and advances	3,672	(82)	3,590
	467,726	(40,294)	427,432

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

Investments impacting the Québec economy included investments valued in foreign currencies for a fair value of $79.6 million (December 31, 2010 – $68.7 million).

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

Debentures and advances bear interest at a weighted average rate of 11.5% (December 31, 2010 – 11.5%) and have an average residual maturity of 4.5 years (December 31, 2010 – 4.5 years). For substantially all the interest-bearing debentures and advances, the interest rate is fixed.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

a) Allocation of investments and funds committed by asset class

As at June 30, 2011

Asset class	Investments at cost $	Unrealized gain (loss) $	Fair value $	Funds committed but not disbursed [1] $	Sureties [1] $	Total commitment $
Development Capital	158,784	(8,922)	149,862	5,900	-	155,762
Company buyouts and Major Investments	131,532	11,887	143,419	6,000	-	149,419
Technological Innovations	52,844	(18,245)	34,599	-	-	34,599
Venture Capital - Health	33,170	(15,232)	17,938	3,303	-	21,241
Funds	91,396	(9,782)	81,614	138,004	-	219,618
Total	467,726	(40,294)	427,432	153,207	-	580,639

As at December 31, 2010

Asset class	Investments at cost $	Unrealized gain (loss) $	Fair value $	Funds committed but not disbursed [1] $	Sureties [1] $	Total commitment $
Development Capital	175,353	(5,888)	169,465	7,751	-	177,216
Company buyouts and Major Investments	104,038	10,254	114,292	47,100	-	161,392
Technological Innovations	76,141	(17,391)	58,750	-	-	58,750
Venture Capital - Health	42,999	(11,132)	31,867	-	-	31,867
Funds	74,800	(9,624)	65,176	145,634	-	210,810
Total	473,331	(33,781)	439,550	200,485	-	640,035

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

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

2011 (6 months)	2012	2013	2014	2015 and +	Total
41,383	42,500	34,414	11,910	23,000	153,207

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

5 Other investments

The unaudited *Statement of other investments* is available at the Company's head office, on its Web site at capitalregional.com and on SEDAR at www.sedar.com. The Statement does not form an integral part of the financial statements.

	As at June 30, 2011		
	Cost $	**Unrealized gain (loss)** $	**Fair value** $
Bonds			
Federal	181,356	1,968	183,324
Provincial and guaranteed	174,113	2,050	176,163
Financial institutions	124,859	1,798	126,657
Companies	27,913	193	28,106
	508,241	6,009	514,250
Money market instruments [1]	100,680	-	100,680
Foreign exchange contracts [2]	-	323	323
Preferred shares	25,479	143	25,622
Units of fund of hedge funds [3]	3,833	(3,640)	193
Total	638,233	2,835	641,068

Allocation of bonds by maturity date

	As at June 30, 2011			
Maturity	**Less than 1 year** $	**1 to 5 years** $	**More than 5 years** $	**Total** $
Unamortized cost	22,176	184,941	301,124	508,241
Par value	22,000	180,813	287,887	490,700
Fair value	22,406	188,498	303,346	514,250
Average nominal rate [4]	3.40 %	3.94 %	4.39 %	4.18 %
Average effective rate	2.52 %	3.01 %	3.69 %	3.39 %

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

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

Allocation of bonds by maturity date

	As at December 31, 2010			
Maturity	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
	$	**$**	**$**	**$**
Unamortized cost	-	272,624	147,968	420,592
Par value	-	266,340	142,864	409,204
Fair value	-	277,474	151,416	428,890
Average nominal rate [4]	-	3.97 %	4.55 %	4.17 %
Average effective rate	-	3.07 %	3.98 %	3.39 %

[1] Money market instruments consist of term deposits, Treasury bills or strip bonds with an original maturity of less than a year. As at June 30, 2011, all money market instruments have an original maturity of zero to seven months while as at December 31, 2010, they all had an original maturity of zero to four months.

[2] Foreign exchange contracts to sell USD 78.4 M and AUD 0.9 M (australian dollar) have three-month maturities. (USD 67.5 M and AUD 3.8 M as at December 31, 2010.)

[3] The fund of hedge funds is in the process of orderly liquidation.

[4] Substantially all bonds are fixed-interest rate issues.

All portfolio securities of other investments are denominated in Canadian dollars except foreign exchange contracts.

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

6 Accounts receivable

	As at June 30, 2011 $	As at December 31, 2010 $
Interest and dividends receivable on investments	5,211	6,226
Sales taxes receivable	946	518
Amounts receivable on disposal of investments	8,717	3,037
Other accounts receivable	627	399
	15,501	10,180

7 Line of credit

The Company has had an authorized line of credit of $10 million. This bank credit bears interest at the operating credit rate of Caisse centrale Desjardins plus 0.5%. This line of credit is guaranteed by a portion of the money market instruments and bonds recorded in Other investments and is renewable on an annual basis. As at June 30, 2011, no drawings had been made on the line of credit.

8 Accounts payable

	As at June 30, 2011 $	As at December 31, 2010 $
Suppliers and accrued liabilities	1,678	956
Other accounts payable	-	2,767
	1,678	3,723

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

9 Notes payable

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

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

10 Shareholders' equity

Share capital authorized

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

At the Fund's inception, its capitalization limit was $1 billion. During the capitalization period ended February 28, 2011, that initially authorized limit was reached. Pursuant to the tabling of the new 2011-2012 Québec budget on March 17, 2011, that limit was raised to $1.25 billion.

As of the capitalization period following the one at the end of which the Company first reaches capitalization of at least $1.25 billion, the Company may collect, per capitalization period, the lesser of $150 million and the amount corresponding to the reduction in paid-up capital attributable to all the shares and fractions of shares redeemed or purchased by agreement by the Company during the preceding capitalization period.

Each capitalization period, which lasts twelve months, begins on March 1 of each year. The maximum the Company can raise in the capitalization period ending on February 28, 2012 is $150 million. As at June 30, 2011, the Company is in compliance with this limit.

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

Redemption criteria

The Company is bound to redeem a whole common share or a fraction of a common share in the following circumstances:

- At the request of the person who acquired it from the Company at least seven years prior to redemption;
- At the request of a person to whom it has been devolved by succession;
- At the request of the person who acquired it from the Company if the person applies to the Company therefor in writing within 30 days of subscribing it;
- At the request of a person who acquired it from the Company if that person is declared to have a severe and permanent mental or physical disability which makes this person incapable of pursuing his or her work.

Moreover, the Company may purchase a common share or a fractional common share by agreement in the cases and to the extent permitted by a policy to be adopted by the Board of Directors and approved by the Québec Minister of Finance.

The redemption price of the common shares will be set twice a year, at dates that are six months apart, by the Company's Board of Directors on the basis of the Company's value as determined in the audited financial statements.

Tax credit

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

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

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

Capital régional et coopératif Desjardins

Notes to Financial Statements

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

11 Capital disclosures

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

The Company is not subject to any external capital requirements other than those governing the issuance and repurchase of its shares, as indicated in note 10.

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

12 Cash and cash equivalents

	As at June 30, 2011 $	**As at June 30, 2010 $**
Cash	5,875	31,271
Money market instruments of three months or less	47,144	10,000
	53,019	41,271

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

13 Expenses

	For the six-month periods ended	
	June 30, 2011 $	June 30, 2010 $
Other operating expenses		
Audit fees	119	95
Directors' compensation	143	114
Professional fees	275	353
Financials expenses (revenues)	5	(28)
Custodial fees and trustees' fees	42	26
Other expenses	72	214
Amortization of software	187	187
	843	961

	For the six-month periods ended	
	June 30, 2011 $	June 30, 2010 $
Shareholder services		
Trustee fees	862	647
Reporting to shareholders	62	59
Other expenses	59	72
	983	778

14 Income taxes

The Company is subject to federal and provincial income taxes.

a) Income tax expense is detailed as follows:

	For the six-month periods ended	
	June 30, 2011 $	June 30, 2010 $
Current income taxes	5,311	(5,470)
Future income taxes	(1,357)	8,076
	3,954	2,606

Capital régional et coopératif Desjardins

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

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

	For the six-month periods ended June 30, 2011 $	June 30, 2010 $
Income taxes by applying the combined basic tax rate of 39.90%	6,329	3,847
Permanent differences between earnings before income taxes and taxable income and other items		
Realized and unrealized losses on investments	(1,450)	(608)
Untaxable dividends	(643)	(461)
Others discrepencies	(282)	(172)
	3,954	2,606

c) Future income taxes relate to the following items:

	As at June 30, 2011 $	As at December 31, 2010 $
Future income tax assets		
Unrealized losses on investments	5,030	4,067
Other	367	49
	5,397	4,116
Future income tax liabilities		
Software	(50)	(125)
Future income tax assets, net	5,347	3,991

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

15 Cash flows

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

	For the six-month periods ended	
	June 30, 2011 $	June 30, 2010 $
Decrease (increase) in accounts receivable	359	(345)
Decrease (increase) in income taxes receivable	4,264	(6,981)
Decrease in income taxes payable	-	(5,636)
Increase (decrease) in accounts payable	(2,826)	1,241
	1,797	(11,721)

16 Related party transactions

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

- The Company has entrusted the management of its operations, including management of its portfolio, to Desjardins Venture Capital Inc. ("DVC"), in accordance with the strategies and objectives approved by the Board of Directors. The management contract signed by DVC and the Company is effective for an initial term of ten years, ending December 31,2011, unless the parties agree to terminate the contract by mutual agreement. Thereafter, the contract shall renew automatically for a five-year period unless terminated by either party on written notice of at least 18 months. The parties have agreed to review the terms and conditions of the contract prior to its next renewal.

  Under this contract, the Company is required to pay an annual management fee equal to 2.5% of its annual average assets' net value reduced by any amount payable for the acquisition of investments. An adjustment is made to the management fee charged to the Company to avoid double billing relative to the Company's interest in some funds.

- The Company has appointed Desjardins Trust Inc. to act as its registrar and transfer agent with respect to shareholder transactions. The agreement has a three-year term starting on January 1, 2008. This agreement was renewed under the same terms and conditions until December 31, 2011.

Capital régional et coopératif Desjardins

Notes to Financial Statements

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

- The Company has centralized custody services for its assets with Desjardins Trust. The custody and administration agreement became effective on May 1, 2009. Its term is indefinite unless one or the other of the parties, on prior written notice of at least 90 days, decides to terminate it. However, given the review of the terms and conditions of the management agreement between the Company and its manager, the terms of the agreement with Desjardins Trust could, by the same token, be revised.

- The Company has appointed Fédération des caisses Desjardins du Québec to distribute its shares through the Desjardins caisse network. This agreement is effective for one year and will be automatically renewed each year under the same terms and conditions unless one of the parties gives written notice to the contrary three months before the expiry date of the agreement.

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

	As at June 30, 2011	**As at December 31, 2010**
	$	**$**
Balance sheets		
Caisse centrale Desjardins		
Cash	4,235	36,249
Other investments	5,500	87,258
Interest and dividends receivable on investments	37	-
Capital Desjardins inc.		
Other investments	8,743	8,317
Interest and dividends receivable on investments	84	100
Desjardins Global Asset Management		
Other investments	193	280
Desjardins - Innovatech S.E.C.		
Accounts payable	-	10
Desjardins Trust Inc.		
Cash	653	573
Accounts payable	451	370
Desjardins Venture Capital Inc.		
Accounts payable	-	2,757
Desjardins Venture Capital L.P.		
Accounts receivable	-	98
Notes payable	14,977	17,117
Fédération des caisses Desjardins du Québec		
Accounts payable	76	-

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

	For the six-month periods ended	
	June 30, 2011 $	June 30, 2010 $
Statements of earnings		
Caisse centrale Desjardins		
Interest	282	83
Realized gains on investments	3,485	85
Unrealized losses on investments	(968)	(934)
Capital Desjardins inc.		
Interest	185	147
Realized gains on investments	113	-
Unrealized gains (losses) on investments	(125)	158
Desjardins Global Asset Management		
Unrealized gains on investments	23	91
Desjardins Trust Inc.		
Other operating expenses	42	26
Shareholder services	862	647
Desjardins Venture Capital Inc.		
Management fees	12,518	11,569
Fédération des caisses Desjardins du Québec		
Other operating expenses	192	205

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

17 Financial instruments and associated risks

Financial instruments

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

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

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

				As at June 30, 2011
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Investments impacting the Québec economy	1,558	-	425,874	427,432
Other investments	400,158	240,717	193	641,068
Cash	5,875	-	-	5,875

				As at December 31, 2010
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Investments impacting the Québec economy	5,791	-	433,759	439,550
Other investments	284,974	256,017	280	541,271
Cash	38,108	-	-	38,108

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

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

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

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

			As at June 30, 2011
	Investments impacting the Québec economy	**Other investments**	**Total**
	$	**$**	**$**
Balance – December 31, 2010	433,759	280	434,039
Realized gains on investments	11,586	-	11,586
Unrealized gains (losses) on investments	(8,763)	23	(8,740)
Acquisition	63,276	-	63,276
Proceeds on disposal	(73,984)	(110)	(74,094)
Balance – June 30, 2011	425,874	193	426,067
Unrealized gains (losses) on investments held as at June 30, 2011	(13,423)	23	(13,400)

Capital régional et coopératif Desjardins

Notes to Financial Statements

As at June 30, 2011 and December 31, 2010

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

			As at December 31, 2010
	Investments impacting the Québec economy **$**	**Other investments** **$**	**Total** **$**
Balance – December 31, 2009	397,731	738	398,469
Realized losses on investments	(42,463)	-	(42,463)
Unrealized gains on investments	39,037	110	39,147
Acquisition	85,153	-	85,153
Proceeds on disposal	(45,699)	(568)	(46,267)
Balance – December 31, 2010	433,759	280	434,039
Unrealized gains (losses) on investments held as at December 31, 2010	(2,498)	110	(2,388)

Financial instruments and associated risks

The risks associated with financial instruments that affect the Company's financial position are discussed in detail in the audited sections "Market Risk," "Credit and Counterparty Risk" and "Liquidity Risk" of the Company's MD&A on pages 6 to 8.

18 Comparative amounts

Certain comparative figures for 2010 have been reclassified to conform to current year presentation.

Capital régional et coopératif Desjardins

Schedule of cost of investments impacting
the Québec economy
As at June 30, 2011

PRICEWATERHOUSECOOPERS

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August 18, 2011

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

To the Shareholders of Capital régional et coopératif Desjardins

On August 18, 2011, we reported on the balance sheets of Capital régional et coopératif Desjardins (the "Company") as at June 30, 2011 and December 31, 2010 and the statements of earnings, shareholders' equity and cash flows for the six-month periods ended June 30, 2011 and 2010.

In our audits of the financial statements referred to above, we also performed audit procedures on the schedule of cost of investments impacting the Quebec economy (the "schedule") as at June 30, 2011. This schedule is the responsibility of the Company's management.

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

(signed) PricewaterhouseCoopers LLP[1]

Montréal, Canada

[1] Chartered accountant auditor permit No. 19653

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Capital régional et coopératif Desjardins
Schedule of cost of investments impacting the Québec economy
As at June 30, 2011

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Abitibi-Témiscamingue						
Complexe funéraire Ste-Bernadette	2007	DevC	170	102	-	272
Coopérative de travailleurs actionnaire de l'Usine de LVL de Ville-Marie	2011	DevC	-	160	-	160
Héli Explore inc.	2007	DevC	125	88	-	213
Hôtel des Eskers inc.	2007	DevC	200	137	-	337
Hôtel des Gouverneurs	2007	DevC	200	23	-	223
Hôtel Forestel Val d'Or inc.	2007	DevC	225	71	-	296
Industries Béroma inc. (Les)	2009	DevC	-	233	-	233
Manufacture Adria inc.	2005	DevC	-	11	-	11
Norbell Électrique inc.	2010	DevC	-	276	-	276
Toitures G.G.R. inc. (Les)	2010	DevC	-	325	-	325
Transport scolaire R.N. ltée	2008	DevC	200	153	-	353
Trim-Line de l'Abitibi inc.	2009	DevC	125	125	-	250
VCC-Massénor inc. (formely Vieux Comptoir Construction)	2010	DevC	-	924	-	924
Vézeau et frères inc.	2009	DevC	-	177	-	177
Total Abitibi-Témiscamingue			1,245	2,805	-	4,050
Bas-Saint-Laurent						
Bâtitech ltée	2007	DevC	70	334	-	404
Boutique Le Pentagone inc.	2008	B & MI	1,288	8,134	-	9,422
Campor inc.	2006	DevC	-	16	-	16
Équipements J.P.L. inc. (Les)	2008	DevC	-	33	-	33
Fonderie BSL inc.	2010	DevC	-	216	50	266
Gestion Alain Hébert inc.	2009	DevC	-	460	-	460
Gestion Arnold Gauthier inc.	2002	DevC	-	168	-	168
Gestion Gilles D'Amours - 9159-0026 Québec inc.	2005	DevC	-	701	-	701
Groupe Composites VCI inc.	2007	DevC	2,250	640	-	2,890
Groupe Fillion Sport inc.	2008	DevC	-	298	-	298
Industries Jack inc.	2010	DevC	-	-	49	49
Leblanc Environnement inc.	2008	DevC	250	192	-	442
Produits métalliques Pouliot Machinerie inc.	2007	DevC	-	-	109	109
Scierie St-Fabien inc.	2010	DevC	119	-	-	119
Société d'exploitation des ressources de la Vallée inc.	2010	DevC	-	441	-	441
Télécommunications Denis Gignac inc.	2010	DevC	-	500	-	500
Trans-Plus Express J.L. inc.	2007	DevC	125	166	-	291
Transport Sébastien Sirois inc.	2009	DevC	-	375	-	375
Total Bas-Saint-Laurent			4,102	12,674	208	16,984
Capitale-Nationale						
9197-4451 Québec inc. (P.E. Fraser inc.)	2010	DevC	-	423	-	423
Base 4 inc.	2009	DevC	-	272	-	272
Congébec Logistique inc.	2004	DevC	3,800	-	-	3,800
Coopérative de travailleurs actionnaire du Groupe Congébec	2005	DevC	-	170	-	170
Coractive	2010	TI	1,827	-	-	1,827
Creaform inc.	2009	B & MI	500	6,132	-	6,632
Cross Match Technologies , Inc.	2008	TI	4,110	-	-	4,110
Engrenage Provincial inc.	2005	DevC	-	1,643	-	1,643
Frima Studio inc.	2008	DevC	-	192	-	192
Gestion Placage RMH inc.	2006	DevC	-	160	-	160
Groupe Humagade inc.	2006	TI	11,191	38	-	11,229
H2O Innovation inc.	2009	DevC	-	1,500	-	1,500
Logiciels Dynagram inc. (Les)	2002	TI	-	-	130	130
Maison Orthésis inc. (La)	2006	DevC	-	345	-	345
Obzerv Technologies inc.	2010	DevC	1,500	-	-	1,500
OptoSecurity inc.	2007	TI	3,760	2,140	-	5,900
Piscines Pro et Patios N.V. inc.	2009	DevC	-	291	-	291

Capital régional et coopératif Desjardins
Schedule of cost of investments impacting the Québec economy
As at June 30, 2011

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Pneus Ratté inc.	2009	DevC	-	616	-	616
Poste Express	2006	DevC	-	93	-	93
Total Capitale-Nationale			26,688	14,015	130	40,833
Centre-du-Québec						
Autobus Thomas inc.	2007	DevC	-	56	-	56
Avjet Holding inc.	2009	B & MI	3,800	9,408	-	13,208
Bluberi Group inc.	2007	DevC	-	2,906	-	2,906
CDM Papiers Décors inc.	2006	DevC	-	1,689	-	1,689
Coopérative de travailleurs actionnaire de Fempro I	2008	B & MI	-	23	-	23
Demtec inc.	2005	DevC	-	1,593	-	1,593
Distribution Pro-Excellence inc.	2008	DevC	-	170	-	170
Farinart inc.	2010	DevC	250	-	-	250
Fempro I inc.	2007	B & MI	3,000	6,268	-	9,268
Groupe Anderson inc.	2007	DevC	2,333	2,224	-	4,557
Investissements Brasco inc.	2009	DevC	-	719	-	719
Métalus inc.	2008	DevC	-	1,120	-	1,120
Service funéraire coopératif Drummond	2007	DevC	-	372	-	372
Total Centre-du-Québec			9,383	26,548	-	35,931
Chaudière - Appalaches						
Acier Majeau inc.	2008	DevC	-	988	-	988
Chariots élévateurs du Québec inc. (Les)	2009	DevC	-	153	-	153
CHEQ FM 101,3 (9174-8004 Québec inc.)	2007	DevC	150	158	-	308
CIF Métal ltée	2005	B & MI	4,583	-	-	4,583
Delta Stell Joist inc.	2006	DevC	-	240	-	240
Distribution Eugène Gagnon inc.	2006	DevC	-	910	-	910
Ebi-tech inc.	2007	DevC	-	200	-	200
Émile Bilodeau et Fils inc.	2008	DevC	-	338	-	338
HBS Group inc.	2010	DevC	-	388	-	388
Horisol Coopérative de travailleurs	2008	DevC	-	239	-	239
Hortau inc.	2010	DevC	555	-	-	555
K-2 Portes d'acier inc.	2008	DevC	-	68	-	68
Marquis Book Printing inc.	2007	DevC	500	608	-	1,108
Matiss inc.	2002	DevC	-	338	-	338
Metal Bernard inc.	2010	DevC	-	873	-	873
MTI Canada inc.	2008	DevC	-	1,507	-	1,507
Produits de plancher Finitec inc.	2007	DevC	-	793	-	793
Services Bivac inc.	2010	DevC	-	548	-	548
Structures D.L.D. ltée	2008	DevC	-	278	-	278
Tibetral Système inc.	2006	DevC	400	266	300	966
Transfab Énergie inc.	2006	DevC	-	40	-	40
Transport de l'Amiante	2006	DevC	-	50	-	50
Trimax Steel inc.	2009	DevC	-	924	-	924
Total Chaudière - Appalaches			6,188	9,907	300	16,395
Côte-Nord						
Boisaco inc.	2010	DevC	1,000	-	-	1,000
Granulco inc.	2009	DevC	-	165	-	165
Interconnect inc.	2006	DevC	-	69	-	69
Simard Suspensions inc.	2009	DevC	-	857	-	857
Solugaz inc.	2007	DevC	-	340	-	340
Total Côte-Nord			1,000	1,431	-	2,431

Capital régional et coopératif Desjardins

Schedule of cost of investments impacting the Québec economy

As at June 30, 2011

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments – Common and Preferred shares $	Unsecured investments – Debentures and advances $	Secured investments – Debentures and advances $	Total $
Eastern Townships						
Camoplast Solideal inc.	2002	B & MI	27,317	-	-	27,317
Cogiscan inc.	2002	TI	849	1,300	361	2,510
Complexe sportif Interplus	2007	DevC	-	237	-	237
Coopérative de travailleurs actionnaire Filage Sherbrooke (FilSpec)	2004	DevC	-	1,581	-	1,581
Coopérative funéraire de l'Estrie	2006	DevC	-	1,439	-	1,439
CoopTel, coop de télécomminication	2009	DevC	-	2,925	-	2,925
Éco-Pak inc. (2948-4292 Québec inc.)	2008	DevC	-	925	-	925
Électro-5 inc.	2009	DevC	-	364	-	364
FilSpec inc.	2004	DevC	1,389	-	-	1,389
FilSpec inc. (9120-0782 Québec inc. / Gesco)	2004	DevC	440	123	-	563
Groupe Dagenais M.D.C. inc.	2010	DevC	-	488	-	488
Imprimerie Préci-Grafik inc.	2009	DevC	-	370	-	370
IPS Thérapeutique inc.	2002	DevC	80	-	-	80
Kemestrie inc.	2010	VC - Health	528	-	-	528
L.P. Royer inc.	2010	DevC	-	1,551	-	1,551
Mésotec inc.	2005	DevC	2,104	-	-	2,104
Mirazed inc.	2007	DevC	780	887	-	1,667
Multi X inc.	2006	DevC	-	126	-	126
Pétroles O. Archambault et Fils inc. (Les)	2008	DevC	-	213	-	213
Roulottes R.G. inc. (Les)	2009	DevC	-	187	-	187
Tranzyme Pharma inc.	2003	VC - Health	10,569	-	-	10,569
Total Eastern Townships			44,056	12,716	361	57,133
Gaspésie-Îles-de-la-Madeleine						
Ateliers CFI Métal inc. (Les)	2009	DevC	-	193	-	193
Azentic inc.	2006	DevC	-	289	-	289
Construction L.F.G. inc.	2009	DevC	-	950	-	950
Éocycle Technologies inc.	2004	DevC	1,505	-	125	1,630
Gestion C.T.M.A. inc.	2007	DevC	-	1,250	-	1,250
Hôtel Baker ltée	2007	DevC	-	160	-	160
Pesca Conseillers en biologie inc.	2007	DevC	-	237	-	237
Total Gaspésie-Îles-de-la-Madeleine			1,505	3,079	125	4,709
Lanaudière						
9210-7614 Québec inc. (Promotion SDM)	2009	DevC	-	437	-	437
Total Lanaudière			-	437	-	437
Laurentians						
J.L. Brissette ltée	2008	DevC	125	108	-	233
Total Laurentians			125	108	-	233
Laval						
20-20 Technologies inc.	2002	TI	859	-	-	859
Canadian Lebanese Investment Corp. Ltd	2007	DevC	-	2,563	-	2,563
Polytek Équipments inc.	2010	DevC	-	212	-	212
Total Laval			859	2,775	-	3,634

Capital régional et coopératif Desjardins

Schedule of cost of investments impacting the Québec economy

As at June 30, 2011

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Mauricie						
Atelier d'usinage Tifo inc.	2006	DevC	-	77	-	77
Groupe Soucy inc.	2008	DevC	-	292	-	292
Innovations Voltflex inc.	2006	DevC	17	380	50	447
Louiseville Specialty Products inc.	2004	DevC	-	5,328	-	5,328
Morand Excavation inc.	2007	DevC	-	278	-	278
Plomberie René Gilbert ltée	2009	DevC	-	303	-	303
Premier Aviation Centre de révision inc.	2005	DevC	-	1,041	-	1,041
RGF Électrique inc.	2009	DevC	-	708	-	708
Total Mauricie			17	8,407	50	8,474
Montérégie						
A & D Prevost inc.	2011	B & MI	9,472	9,600	-	19,072
A.T.L.A.S. Aéronautique inc.	2010	DevC	6,000	-	-	6,000
Acema Importations inc.	2008	DevC	-	338	-	338
Approvisionnement populaire inc.	2009	DevC	-	350	-	350
Câbles Ben-Mor inc. (Les)	2009	DevC	-	4,454	-	4,454
Climatisation Mixair inc.	2008	DevC	-	160	-	160
Équipement militaire Mil-Quip inc.	2007	DevC	-	272	-	272
Galenova inc.	2006	DevC	-	195	-	195
Groupe Jafaco Gestion inc.	2009	DevC	-	1,875	-	1,875
Knowlton Development Corporation inc.	2006	B & MI	5,827	6,555	-	12,382
Maçonnerie Rainville et Frères inc.	2007	DevC	-	33	-	33
Mini-Centrales de l'Est inc.	2006	DevC	-	200	-	200
Miss Arachew inc.	2006	DevC	-	156	-	156
Normandin inc.	2010	DevC	-	888	-	888
Plomberie Piché & Richard inc.	2010	DevC	-	263	-	263
Reproductions BLB inc. (Les)	2004	DevC	163	920	-	1,083
Ricardo Média inc.	2009	DevC	-	620	-	620
Station Skyspa inc.	2010	DevC	-	900	-	900
Sun Marketing Communications ltd	2007	DevC	-	90	-	90
Total Montérégie			21,462	27,869	-	49,331
Montréal						
3252736 Canada Inc. (formely Biotonix inc.)	2010	TI	171	-	-	171
3CI inc.	2007	DevC	1,500	950	-	2,450
9031-1671 Québec inc. (Fondations Prétech)	2008	DevC	-	446	-	446
9217-0935 Québec inc. (MVM)	2009	TI	-	250	-	250
Active Tech Electronics Inc.	2008	DevC	1,250	2,250	340	3,840
Alyotech Canada inc.	2006	B & MI	6,886	-	-	6,886
Amaya Gaming Group inc.	2010	DevC	-	1,175	-	1,175
APTITUDE, Service de consultation en réadaptation professionnelle inc.	2006	DevC	-	-	149	149
Behaviour Interactive inc.	2002	TI	1,186	-	-	1,186
Biotonix (2010) inc.	2010	TI	-	-	70	70
Cavalia inc	2010	B & MI	-	1,000	-	1,000
Coopérative de travailleurs actionnaire de TEC	2005	DevC	-	1,009	-	1,009
Coopérative travailleurs actionnaire de Magnus Poirier	2009	DevC	-	522	-	522
Emballages Deltapac inc. (Les)	2005	DevC	356	727	-	1,083
Enobia Pharma inc.	2005	VC - Health	16,628	-	-	16,628
Formédica ltée	2009	DevC	3,900	-	-	3,900
GES Technologies inc.	2007	DevC	-	252	-	252
Groupe Graham International inc.	2011	B & MI	4,050	6,750	-	10,800
Groupe Habitations Signature inc.	2010	DevC	-	3,500	-	3,500
Groupe Tapico inc.	2009	DevC	-	110	-	110
La Coop fédérée	2005	DevC	-	25,000	-	25,000

Capital régional et coopératif Desjardins

Schedule of cost of investments impacting the Québec economy

As at June 30, 2011

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
LxData inc.	2002	TI	10,917	-	845	11,762
Manutention Québec inc.	2007	DevC	-	1,450	-	1,450
My Virtual Model inc.	2005	TI	13	2,000	242	2,255
Negotium Technologies	2008	TI	60	-	-	60
Osprey Pharmaceuticals Limited	2003	VC - Health	3,308	-	-	3,308
Spectra Premium Industries inc.	2006	B & MI	3,000	3,438	-	6,438
Systemex Communications (S.C.) inc.	2010	DevC	-	1,000	-	1,000
Total Montréal			53,225	51,829	1,646	106,700
Ontario						
Skywave Mobile Communications inc.	2010	TI	7,249	-	-	7,249
Total Ontario			7,249	-	-	7,249
Outaouais						
Cactus Commerce inc.	2004	TI	1,277	2,000	-	3,277
Coopérative forestière de l'Outaouais	2006	DevC	-	184	-	184
Evolutel inc.	2008	DevC	-	195	-	195
Expertronic (3573851 Canada inc.)	2008	DevC	-	333	-	333
Groupement forestier du Pontiac inc.	2006	DevC	-	73	-	73
Total Outaouais			1,277	2,785	-	4,062
Saguenay-Lac-Saint-Jean						
9137-1666 Québec inc. (Constructions P3L)	2007	DevC	-	759	-	759
9214-8832 Québec inc.	2009	DevC	-	425	-	425
Alutrans Canada inc.	2008	DevC	150	150	-	300
André Potvin cuisine/salle de bain Inc.	2008	DevC	125	106	-	231
Charcuterie L. Fortin ltée	2008	DevC	-	182	-	182
Constructions Proco inc.	2007	DevC	500	284	-	784
Coopérative Forestière de Girardville	2007	DevC	-	267	-	267
Démolition et excavation Demex inc.	2008	DevC	-	383	-	383
Échafaudage Industriel inc.	2010	DevC	-	423	-	423
Entreprises Alfred Boivin inc. (Les)	2007	DevC	-	594	-	594
Entreprises Rodrigue Piquette inc. (Les)	2010	DevC	-	-	486	486
Frigon Électrique inc.	2005	DevC	-	17	-	17
Groupe Canmec inc.	2004	B & MI	3,286	1,214	-	4,500
Groupe Nokamic inc.	2005	DevC	-	182	-	182
Immeubles Ultra-Violet inc.	2010	DevC	-	775	-	775
Nature 3M inc.	2002	DevC	-	34	-	34
Nokamic inc.	2010	DevC	-	-	356	356
Norfruit inc.	2010	DevC	-	180	-	180
Produits sanitaires Lépine inc. (Les)	2010	DevC	750	750	-	1,500
Scierie Gauthier ltée	2006	DevC	-	455	-	455
Services de soins de santé Opti-Soins inc. (Les)	2008	DevC	400	253	-	653
Services Nolitrex inc.	2008	DevC	500	408	-	908
Transports Réjean Fortin inc.	2006	DevC	-	62	-	62
Végétolab inc.	2003	DevC	-	8	10	18
Viandes C.D.S. inc. (Les)	2006	DevC	405	-	-	405
Vieille Garde inc. (La)	2009	DevC	-	128	-	128
Vitrerie A. & E. Fortin inc.	2010	DevC	300	300	-	600
Total Saguenay-Lac-Saint-Jean			6,416	8,339	852	15,607
Outside of Canada						
Pharmaxis Ltd	2010	VC - Health	2,137	-	-	2,137
Total Outside of Canada			2,137	-	-	2,137

Capital régional et coopératif Desjardins
Schedule of cost of investments impacting the Québec economy
As at June 30, 2011

(in thousands of dollars)

	Initial investment year	Asset class	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
Funds						
Capital croissance PME, S.E.C.	2010	Funds	18,293	-	-	18,293
Desjardins - Innovatech S.E.C.	2005	Funds	42,186	-	-	42,186
FIER Partenaires, s.e.c.	2005	Funds	10,486	-	-	10,486
Fonds d'investissement MSBI, s.e.c.	2004	Funds	9,095	-	-	9,095
Fonds d'investissement pour la relève agricole	2011	Funds	333	-	-	333
Novacap Industries III, s.e.c.	2007	Funds	2,274	-	-	2,274
Novacap Technologies III, s.e.c.	2007	Funds	8,729	-	-	8,729
Total Funds			**91,396**	**-**	**-**	**91,396**
Total cost			**278,330**	**185,724**	**3,672**	**467,726**

Industry segment legend

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

This schedule of cost of investments impacting the Québec economy provides details, per entity, of the sums invested by Capital régional et coopératif Desjardins. This amount appears in note 4 to the financial statements of the Company.

Capital régional et coopératif Desjardins

Statement of other investments
As at June 30, 2011

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at June 30, 2011

(in thousands of dollars)

Description		Par value $	Cost $	Fair Value $
Bonds (802.0%)				
Federal and guaranteed bonds (285.0%)				
Canada Mortgage and Housing Corporation	Friday-06-jj, 003 %	22,000	22,177	22,407
	Sunday-12-jj, 003 %	11,200	11,439	11,436
	Monday-09-jj, 003 %	13,383	13,323	13,662
	Sunday-03-jj, 003 %	7,250	7,289	7,438
	Tuesday-12-jj, 003 %	2,000	1,996	2,026
	Monday-02-jj, 004 %	8,700	8,902	9,358
	Wednesday-06-jj, 003 %	3,819	3,789	3,850
	Wednesday-02-jj, 004 %	7,500	7,604	8,125
	Saturday-12-jj, 004 %	21,100	22,132	22,500
	Tuesday-12-jj, 003 %	28,819	28,695	28,660
	Tuesday-06-jj, 004 %	24,100	24,713	24,740
Government of Canada	Tuesday-12-jj, 003 %	84	86	87
	Saturday-06-jj, 004 %	18,800	20,141	19,951
	Monday-06-jj, 004 %	5,700	5,979	5,912
PSP Capital inc.	Monday-12-jj, 005 %	3,000	3,091	3,172
Total federal and guaranteed bonds		177,455	181,356	183,324
Provincial and guaranteed bonds (275.0%)				
Cadillac Fairview Finance Trust	Monday-01-jj, 003 %	5,500	5,536	5,577
CDP Financial	Wednesday-07-jj, 002 %	21,550	21,587	21,596
City of Laval	Thursday-03-jj, 004 %	1,156	1,148	1,221
City of Montreal	Friday-12-jj, 005 %	2,500	2,560	2,720
Financement Québec	Tuesday-12-jj, 004 %	6,130	6,341	6,551
	Thursday-12-jj, 004 %	4,920	4,978	5,066
	Friday-12-jj, 004 %	14,600	14,726	14,857
Hydro-Québec	Monday-07-jj, 004 %	5,000	4,981	5,126
	Saturday-08-jj, 000 %	7,200	4,878	5,011
	Saturday-08-jj, 011 %	6,600	10,089	10,243
Municipal Finance Authority of British Columbia	Tuesday-04-jj, 005 %	2,000	2,088	2,172
	Monday-06-jj, 005 %	4,000	4,295	4,343
Ontario Strategic Infrastructure Financing Authority	Monday-06-jj, 005 %	3,000	3,035	3,217
Province of Ontario	Saturday-03-jj, 005 %	13,000	13,773	14,014
	Wednesday-03-jj, 004 %	9,475	10,212	10,161
	Wednesday-06-jj, 004 %	9,000	9,194	9,112
Province of Quebec	Saturday-12-jj, 005 %	12,600	13,254	13,489
	Sunday-12-jj, 005 %	22,584	23,563	23,970
	Tuesday-12-jj, 005 %	16,825	17,875	17,717
Total provincial and guaranteed bonds		167,640	174,113	176,163

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at June 30, 2011

(in thousands of dollars)

Description		Par value $	Cost $	Fair Value $
Financial institutions bonds (198.0%)				
Bank of Montreal	Thursday-04-jj, 005 %	12,050	12,761	12,982
	Friday-07-jj, 004 %	1,000	1,021	1,014
	Wednesday-05-jj, 006 %	3,150	3,452	3,602
Bank of Nova Scotia	Wednesday-03-jj, 005 %	8,980	9,257	9,400
	Tuesday-04-jj, 005 %	3,500	3,675	3,704
	Monday-02-jj, 004 %	1,000	1,000	1,023
	Thursday-06-jj, 004 %	1,000	1,032	1,034
Bear Stearns	Friday-07-jj, 004 %	1,500	1,520	1,535
BMW Canada inc.	Thursday-03-jj, 003 %	300	300	305
Caisse centrale Desjardins	Tuesday-02-jj, 002 %	1,000	1,000	1,001
	Thursday-10-jj, 004 %	4,200	4,134	4,177
Canadian Imperial Bank of Commerce	Thursday-04-jj, 004 %	3,900	4,028	4,044
	Friday-07-jj, 004 %	4,500	4,612	4,617
	Wednesday-06-jj, 006 %	2,000	2,272	2,250
Capital Desjardins	Tuesday-04-jj, 006 %	3,000	3,121	3,220
	Tuesday-05-jj, 005 %	5,250	5,498	5,523
CI Financial Corp	Monday-12-jj, 003 %	716	716	725
First Capital Realty	Monday-06-jj, 006 %	1,000	1,038	1,072
GE Capital	Wednesday-02-jj, 005 %	4,000	4,086	4,218
	Thursday-08-jj, 006 %	2,600	2,823	2,824
Great-West Lifeco inc.	Wednesday-03-jj, 006 %	1,500	1,541	1,696
Honda Canada Finance	Thursday-05-jj, 005 %	1,200	1,204	1,258
IGM Financial Inc.	Monday-04-jj, 007 %	1,850	2,205	2,195
Manulife Financial	Monday-04-jj, 008 %	2,200	2,678	2,652
National Bank of Canada	Monday-12-jj, 005 %	3,100	3,181	3,303
RBC Trust Capital Securities	Saturday-06-jj, 007 %	3,000	3,484	3,459
Royal Bank	Monday-03-jj, 005 %	9,500	9,794	9,916
	Monday-06-jj, 004 %	4,000	4,032	4,158
	Wednesday-01-jj, 004 %	2,400	2,400	2,436
Sunlife Financial	Tuesday-01-jj, 006 %	1,000	1,001	1,064
	Tuesday-07-jj, 006 %	2,000	2,154	2,172
TD Capital Trust	Monday-12-jj, 007 %	2,000	2,382	2,355
Toronto Dominion Bank	Thursday-11-jj, 005 %	4,700	4,885	4,906
	Monday-06-jj, 006 %	5,400	5,578	5,742
	Wednesday-12-jj, 005 %	1,234	1,267	1,294
	Monday-07-jj, 006 %	8,400	9,337	9,384
VW Credit Canada Inc.	Monday-02-jj, 004 %	390	390	397
Total financial institutions bonds		118,520	124,859	126,657
Corporate bonds (44.0%)				
Bell Canada	Thursday-05-jj, 004 %	1,600	1,611	1,610
	Wednesday-02-jj, 005 %	1,500	1,582	1,591
	Wednesday-05-jj, 005 %	2,000	2,021	2,000
British Columbia Ferry Services Inc.	Tuesday-05-jj, 006 %	100	104	109
First Capital Realty	Tuesday-07-jj, 005 %	800	814	814
Greater Toronto Airport	Thursday-06-jj, 005 %	3,105	3,272	3,346
Hydro Ottawa	Monday-02-jj, 005 %	115	116	123
Loblaw	Thursday-06-jj, 005 %	3,500	3,617	3,628
Nova Scotia Power	Tuesday-10-jj, 006 %	800	816	860
Ottawa Airport	Tuesday-05-jj, 005 %	150	149	160
Rogers Communications	Monday-11-jj, 005 %	2,000	2,059	2,074

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at June 30, 2011

(in thousands of dollars)

Description		Par value $		Cost $	Fair Value $
Corporate Bonds (continued)					
Rogers Communications	Monday-03-jj, 005 %	2,700		2,734	2,719
RONA Inc.	Thursday-10-jj, 005 %	600		632	617
Shaw Communications	Tuesday-10-jj, 006 %	675		695	693
Shoppers Drug Mart Corporation	Monday-06-jj, 005 %	690		717	724
Telus Corporation	Wednesday-12-jj, 005 %	5,250		5,368	5,379
Thompson Reuters Corporation	Wednesday-07-jj, 006 %	1,500		1,606	1,659
Total corporate bonds		27,085		27,913	28,106
Total bonds		**490,700**		**508,241**	**514,250**
Money market instruments (157.0%)					
Canadian Imperial Bank of Commerce	Thursday-07-jj, 000 %	300		300	300
Financement Québec	2011-09-22, 1,08 %	7,974		7,974	7,974
Province of British Columbia	Monday-07-jj, 000 %	13,000		12,996	12,996
Province of Ontario	2011-08-10, 1,11 %	5,281		5,281	5,281
	Wednesday-08-jj, 000 %	500		499	499
Province of Quebec	2011-08-31, 1,10 %	9,965		9,965	9,965
	2011-10-14, 1,20 %	9,940		9,940	9,940
	2011-12-01, 1,18 %	19,878		19,878	19,878
Société de transport de Montréal	2011-07-15, 1,10 %	20,869		20,869	20,869
	2011-07-15, 1,12 %	4,991		4,991	4,991
	2011-08-15, 1,08 %	7,987		7,987	7,987
Total money market instruments		100,685		100,680	100,680
Foreign exchange contracts (1.0%)					
Caisse centrale Desjardins	2011-07-15, 1.0329 CAD/AUD[1]	900	AUD	s.o.	0
	2011-07-15, 0.9690 CAD/USD	78,400	USD	s.o.	323
Hedge on investments impacting the Quebec economy					
Total Foreign exchange contracts					323
		Number of shares			
Preferred shares (40.0%)					
Bank of Nova Scotia	Friday-04-jj, 560.00%	20,000		505	520
Canadian Imperial Bank of Commerce	Monday-04-jj, 575.20%	17,000		454	427
	Monday-10-jj, 550.00%	15,000		401	378
	Wednesday-10-jj, 560.00%	15,000		401	376
Great-West Lifeco inc.	Tuesday-12-jj, 520.00%	145,000		3,816	3,576

[1] AUD: Australian Dollar

Capital régional et coopératif Desjardins
Statement of other investments (unaudited)
As at June 30, 2011

(in thousands of dollars)

Description		Number of shares	Cost $	Fair Value $
Preferred shares (continued)				
Great-West Lifeco inc.	Perpetual, 006 %	30,000	737	802
Industrial Alliance	Perpetual, 005 %	15,000	243	339
	Perpetual, 006 %	16,700	415	445
	Perpetual, 006 %	130,000	3,210	3,312
	Perpetual, 000 %	75,000	1,909	1,904
National Bank of Canada	Perpetual, 006 %	6,200	165	159
Power Corporation fo Canada	Perpetual, 005 %	55,400	1,212	1,316
Power Financial Corporation	Perpetual, 005 %	25,000	658	589
	Perpetual, 005 %	10,000	263	239
	Perpetual, 006 %	10,000	220	250
	Perpetual, 006 %	95,000	2,528	2,408
	Perpetual, 002 %, floating rate	77,800	1,970	1,824
Royal Bank	Perpetual, 005 %	50,000	1,260	1,215
	Perpetual, 006 %	20,000	500	542
Sunlife Financial	Perpetual, 005 %	30,300	782	709
	Perpetual, 005 %	82,000	1,754	1,905
Toronto Dominion Bank	Perpetual, 005 %	60,000	1,247	1,513
	Perpetual, 006 %	33,100	829	874
Total preferred shares			25,479	25,622

	Number of units		
Fund of hedge funds (0.0%)			
DGAM ASF, class B	142,811	3,833	193
Total fund of hedge funds		3,833	193
Total other investments (100.0%)		638,233	641,068

Capital régional et coopératif Desjardins

Index of the Company's share in investments made by specialized funds and partner funds, at cost
As at June 30, 2011

Capital régional et coopératif Desjardins

Index of the Company’s share in investments made by specialized funds and partner funds, at cost (unaudited)
As at June 30, 2011

(in thousands of dollars)

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

Information from Annual Financial Report dated		Equity Interest of the Company %	Unsecured investments: Common and Preferred shares $	Unsecured investments: Debentures and advances $	Secured investments: Debentures and advances $	Total $
12/31/2010	**Capital croissance PME, S.E.C.**	**50.0**				
	9076-6098 Québec inc.		-	750	-	750
	9224-7519 Québec inc.		-	-	750	750
	Ambulance Médilac inc.		-	438	-	438
	Groupe Fillion Sportif inc.		-	250	-	250
	Groupe Loiselle inc.		-	750	-	750
	Location Paul Boudreau inc.		-	375	-	375
	Lucien Mirault inc.		-	243	-	243
	Sid Lee inc.		-	-	1,000	1,000
	Systemex Communications (S.C.) inc.		-	1,500	-	1,500
			-	4,306	1,750	6,056
	Funds commited but not disbursed					2,125
	Total Capital croissance PME, S.E.C.					**8,181**

This unaudited index provides details of investments made by specialty funds and partner funds in which Capital régional et coopératif Desjardins has invested more than $10M and by partner funds, in which it holds an equity interest of more than or equal to 50%, that respect the criteria stated in the *Regulation respecting Development Capital Investment Fund Continuous Disclosure* .

Desjardins
Capital régional
et coopératif

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