

A photograph of two men in business suits looking towards the right. The man in the foreground is older with grey hair, and the man behind him is younger with a beard and glasses. They are standing in what appears to be a factory or industrial setting, with their hands clasped in front of them. The background is slightly blurred, showing industrial equipment and structures. There are green geometric shapes overlaid on the image: a large green triangle in the top left and a smaller green triangle in the bottom left.

2018 INTERIM FINANCIAL REPORT

THE FINANCIAL REPORT INCLUDES:

- Management discussion and analysis
- Management's report
- Complete audited separate financial statements, including the notes and the independent auditor's report
- Audited 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

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 complete interim financial statements of Capital régional et coopératif Desjardins (CRCD). It presents management’s assessment of CRCD’s results for the period reported in the financial statements, as well as its financial position and any material changes to it.

CRCD’s annual and compounded returns expressed in this MD&A are net of expenses and income taxes while returns by activity or investment profile represent returns before expenses and income taxes.

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 CRCD’s operations, the associated risks and uncertainties could cause actual results to differ from those anticipated in forward-looking statements. CRCD disclaims any intention or obligation to update or revise such statements based on any new information or new event that may occur after the reporting date.

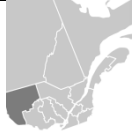





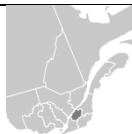

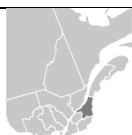
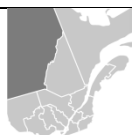
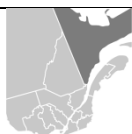
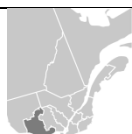
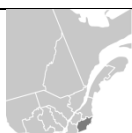
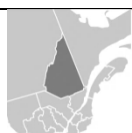
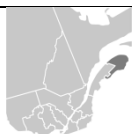


Copies of the interim financial statements may be obtained free of charge, on request, by calling 514-281-2322 or (toll free) 1-866-866-7000, extension 5552322, by writing to 2 Complexe Desjardins, P.O. Box 760, Desjardins Station, Montréal, Québec H5B 1B8, or from our website at www.capitalregional.com or SEDAR at www.sedar.com.

Annual financial information may be obtained in the same way.

HIGHLIGHTS

COMMITMENTS THROUGHOUT QUÉBEC

CRCO and its ecosystem¹ make a real contribution to the economic development of the regions. As at June 30, 2018, the funds committed were as follows:

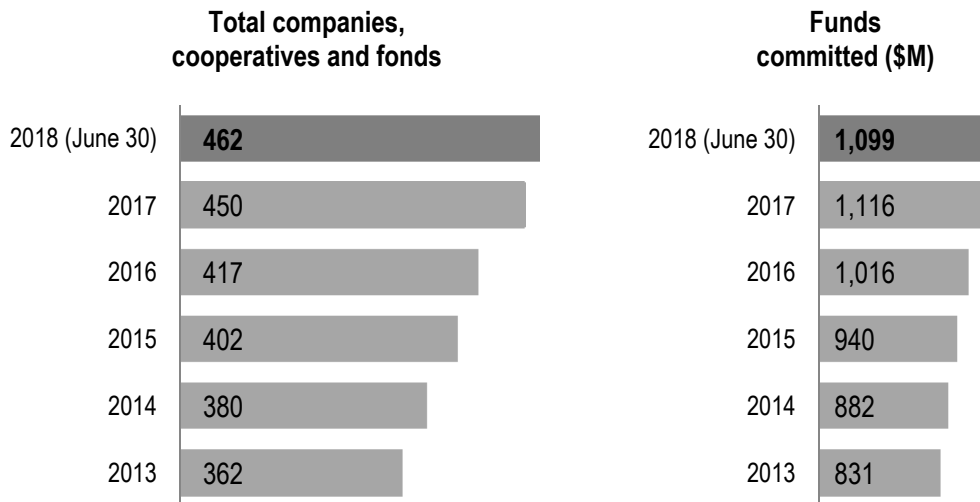
| | | | | |
|---|---|---|--|--|
|  | ABITIBI-TÉMISCAMINGUE* \$17M → 29 companies \$1M → 1 cooperative |  | LAVAL \$12M → 9 companies | IN TOTAL 462 COMPANIES, COOPERATIVES AND FUNDS \$1,099M BENEFITTING QUÉBEC SMES 67,000 JOBS CREATED OR MAINTAINED 76% OF COMPANIES AND COOPERATIVES ARE BASED IN REGIONS OTHER THAN MONTRÉAL AND THE CAPITALE- NATIONALE |
|  | BAS-SAINT-LAURENT* \$14M → 20 companies \$0.2M → 1 cooperative |  | MAURICIE* \$12M → 10 companies \$1M → 1 cooperative | |
|  | CAPITALE-NATIONALE \$103M → 37 companies \$2M → 1 cooperative |  | MONTRÉGIE \$170M → 55 companies \$83M → 3 cooperatives | |
|  | CENTRE-DU-QUÉBEC \$38M → 20 companies \$13M → 2 cooperatives |  | MONTRÉAL \$206M → 73 companies \$86M → 2 cooperatives | |
|  | CHAUDIÈRE-APPALACHES \$96M → 31 companies \$3M → 2 cooperatives |  | NORD-DU-QUÉBEC* \$3M → 16 companies | |
|  | CÔTE-NORD* \$3M → 8 companies |  | OUTAOUAIS \$3M → 2 companies | |
|  | ESTRIE \$75M → 33 companies \$4M → 3 cooperatives |  | SAGUENAY – LAC-SAINT-JEAN* \$55M → 60 companies \$2M → 2 cooperatives | |
|  | GASPÉSIE – ÎLES-DE-LA-MADELEINE* \$6M → 8 companies | | OUTSIDE QUÉBEC \$2M → 4 companies | |
|  | LANAUDIÈRE \$22M → 10 companies \$1M → 1 cooperative | | | |
|  | LAURENTIDES \$9M → 5 companies | | | |
| | | | FUNDS \$56M → 13 funds | |

* Resource region

¹ See the “Entrepreneurial ecosystem” section for a detailed description of the main funds of the ecosystem.

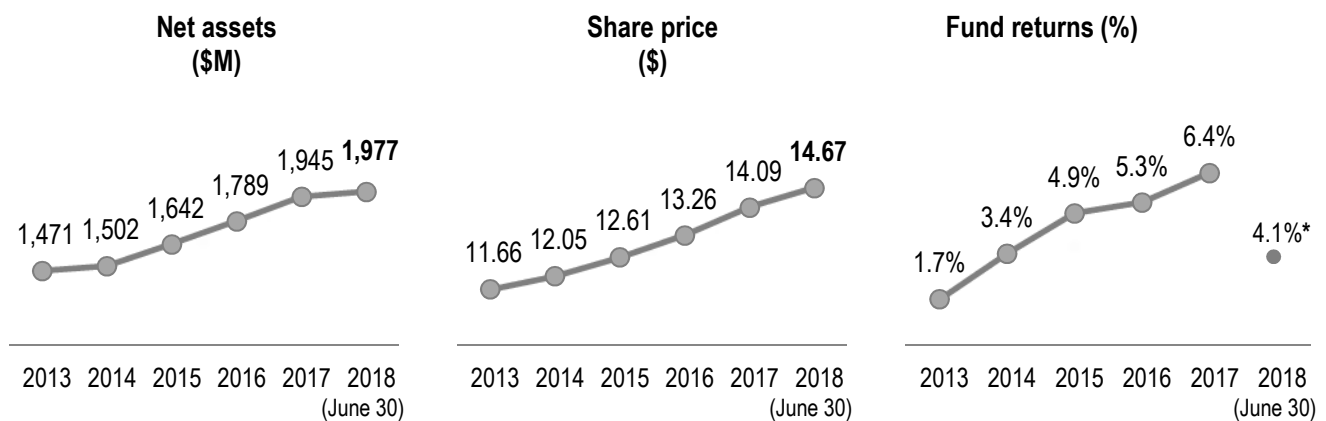
CRCO AND ITS ECOSYSTEM SUPPORT QUÉBEC COMPANIES AND COOPERATIVES

AS AT JUNE 30, 2018 AND DECEMBER 31



CRCO FINANCIAL DATA

AS AT JUNE 30, 2018 AND DECEMBER 31



* Non-annualized return for the six-month period ended June 30, 2018.

FINANCIAL HIGHLIGHTS

The following charts present key financial data and are intended to assist in understanding CRCD's financial results for the preceding five fiscal years and for the six-month period ended June 30, 2018. This information is derived from CRCD's audited separate annual financial statements.

RATIOS AND SUPPLEMENTAL DATA

| (in thousands of \$, unless indicated otherwise) | JUNE 30, 2018 (6 months) | DEC. 31, 2017 | DEC. 31, 2016 | DEC. 31, 2015 | DEC. 31, 2014 | DEC. 31, 2013 |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Revenue | 21,327 | 51,392 | 44,449 | 45,269 | 44,422 | 51,982 |
| Gains on investments | 74,304 | 96,541 | 78,869 | 64,035 | 42,884 | 10,670 |
| Net earnings | 77,940 | 112,757 | 85,957 | 74,806 | 49,245 | 24,950 |
| Net assets | 1,977,177 | 1,945,342 | 1,789,417 | 1,642,076 | 1,502,462 | 1,470,576 |
| Common shares outstanding (number, in thousands) | 134,794 | 138,080 | 134,944 | 130,183 | 124,665 | 126,165 |
| Total operating expense ratio ⁽¹⁾ (%) | 1.8 | 1.7 | 2.0 | 1.9 | 2.1 | 2.0 |
| Total operating expense and common share issue expense ratio ⁽¹⁾ (%) | 1.8 | 1.9 | 2.2 | 2.0 | 2.2 | 2.2 |
| Portfolio turnover rate: | | | | | | |
| – Investments impacting the Québec economy (%) | 8 | 16 | 11 | 19 | 19 | 16 |
| – Other investments (%) | 60 | 87 | 126 | 131 | 102 | 108 |
| Trading expense ratio ⁽²⁾ (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Number of shareholders (number) | 103,304 | 105,614 | 104,317 | 102,222 | 96,236 | 100,861 |
| Issues of common shares | 1,595 | 134,850 | 133,401 | 149,882 | 62,906 | 149,995 |
| Common share issue expenses, net of related taxes | 27 | 2,396 | 1,579 | 1,750 | 764 | 1,739 |
| Redemption of common shares | 47,673 | 89,285 | 70,438 | 83,324 | 79,501 | 59,075 |
| Investments impacting the Québec economy at cost | 854,606 | 828,255 | 787,142 | 738,596 | 675,355 | 671,547 |
| Fair value of investments impacting the Québec economy | 1,114,887 | 1,033,951 | 921,518 | 817,199 | 710,923 | 733,907 |
| Funds committed but not disbursed | 133,700 | 183,606 | 189,121 | 171,082 | 193,764 | 227,593 |

⁽¹⁾ Total operating expense ratio is calculated by dividing total expenses (before income taxes) as shown on the separate statements of comprehensive income by net assets as at the end of the period or by average net assets for the financial year, pursuant to Section 68 of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*. The total operating expense and common share issue expense ratio is computed on the same basis but adding the common share issue expenses as shown on the separate statements of changes in net assets to total expenses.

⁽²⁾ Trading expense includes brokerage fees and other portfolio transaction costs. These expenses are not material to CRCD.

CHANGES IN NET ASSETS PER COMMON SHARE

| (in \$) | JUNE 30, 2018 | DEC. 31, 2017 | DEC. 31, 2016 | DEC. 31, 2015 | DEC. 31, 2014 | DEC. 31, 2013 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Net assets per common share, beginning of period/year | 14.09 | 13.26 | 12.61 | 12.05 | 11.66 | 11.47 |
| Increase attributable to operations | 0.58 | 0.84 | 0.66 | 0.59 | 0.40 | 0.20 |
| Interest, dividends, distributions and negotiation fees | 0.16 | 0.38 | 0.34 | 0.35 | 0.36 | 0.41 |
| Operating expenses | (0.13) | (0.24) | (0.26) | (0.23) | (0.25) | (0.23) |
| Income taxes | - | (0.02) | (0.03) | (0.03) | (0.06) | (0.07) |
| Realized gains (losses) | 0.05 | 0.06 | 0.18 | 0.29 | 0.52 | 0.03 |
| Unrealized gains (losses) | 0.50 | 0.66 | 0.43 | 0.21 | (0.17) | 0.06 |
| Difference attributable to common share issues and redemptions | - | (0.01) | (0.01) | (0.03) | (0.01) | (0.01) |
| Net assets per common share, end of period/year | 14.67 | 14.09 | 13.26 | 12.61 | 12.05 | 11.66 |

OVERVIEW

CRCD ended the first six months of 2018 with net earnings of \$77.9 million (\$68.7 million for the same period of 2017), representing a non-annualized return of 4.1% (3.9% as at June 30, 2017), resulting in an increase in net assets per share to \$14.67 based on the number of shares outstanding as at June 30, 2018, compared with \$14.09 as at the end of fiscal 2017. CRCD aims to strike an appropriate balance between shareholder return and its mission of Québec economic development. The financial asset management strategy adopted by CRCD several years ago provides the benefits of strong complementarity between the Investments impacting the Québec economy and Other investments portfolios and limits volatility in periods of substantial market turbulence. In fact, CRCD has generated favourable returns for over nine years.

Investments impacting the Québec economy posted a non-annualized return of 8.8% for the six-month period ended June 30, 2018, compared with a return of 7.3% for the same period a year earlier. As at June 30, 2018, the cost of Investments impacting the Québec economy totalled \$854.6 million, of which \$105.7 million was disbursed during the first six months of fiscal 2018. As at June 30, 2018, funds committed but not disbursed, which represent investments already agreed upon with companies, cooperatives or funds to be disbursed by CRCD at a later date, amounted to \$133.7 million. New commitments for the year amounted to \$55.8 million. Other investments generated a non-annualized return of 0.9% for the first six months of 2018, compared with a non-annualized return of 2.5% for the same period of 2017.

During the six-month period, issues of common shares totalled \$1.6 million, that is, the balance of the 2017 issue which was completed on February 9, 2018. The subscription period for the 2018 issue will begin in the fall. For more information, please see the Subscriptions section of this MD&A. Share redemptions totalled \$47.7 million. Net assets amounted to \$1,977.2 million. There were 103,304 shareholders as at June 30, 2018. As at June 30, 2018, the balance of shares eligible for redemption amounted to over \$964 million.

OUR VISION FOR QUÉBEC ENTREPRENEURSHIP

Québec faces a huge challenge: developing and growing existing businesses. Businesses in Québec tend to remain too small and to overleverage themselves, putting a healthier capital structure at risk. Undercapitalization has significant repercussions on their performance, including low productivity and a low level of activity in international markets, which ultimately lowers Québec's ability to create and retain its fair share of highly paid jobs – jobs that are needed to maintain a healthy economy for the province.

Together with its manager Desjardins Capital Management Inc. (Desjardins Capital or DC), formerly known as Desjardins Venture Capital Inc., CRCD, in carrying out its mission, aims to stand tall and play a unique role on these diverse issues that guide its actions every day.

GROWING BUSINESSES STRONGER

From the support, networking or training we offer our partner companies through to enhancing our product offering and sharing our business network, CRCD, through its manager, DC, acts on many levels to grow Québec SMEs and cooperatives.

As a leading player on the Québec development capital scene, DC contributes to the vitality of the Québec economy by financing companies' growth initiatives, energizing the regions, and supporting jobs and business successions to build a strong Québec now and for future generations. A Québec leader in business transfers, DC has already completed several hundred transactions contributing to the continuity and sustainability of Québec's flagship companies. In addition, DC supports start-up or early-stage companies that use technological or industrial innovations and capitalize on new uses of existing technologies.

DC is also supporting Québec SMEs in their expansion in Europe with the new Desjardins Capital Transatlantic, L.P. fund that was authorized during the first half of the year. With this new fund, a new area of expertise is available to Québec entrepreneurs, well beyond financial concerns, through support for international development with a team on the ground. A DC representative will be based in France to support Québec entrepreneurs who want to develop new markets by setting up offices or acquiring competitors in Europe.

A real catalyst in the business development process of its existing and potential partners, DC maintains close relationships with entrepreneurs throughout the province by creating numerous networking opportunities. These meetings make it possible to bring together entrepreneurs, business partners and experts who have questions on topical matters such as growth challenges and business succession issues. Regional meeting opportunities promote networking and forging business connections.

Our support goes far beyond sharing our vast internal network and external business relationships. Various agreements have been negotiated, with Desjardins Group as well as other specialized external firms, to offer value-added services to our entrepreneurs in achieving their objectives.

Furthermore, DC provides our partner companies with tailored support for implementing and monitoring sound SME governance practices, which represents undeniable value added. Very active in this area, DC has a network of nearly 250 directors with skills and expertise unequalled in the industry. Their role is to help entrepreneurs set up a governance forum to support business growth and strategy. They have access to work tools and are regularly trained and evaluated to ensure they can effectively meet the needs of the companies they work with. Our entrepreneurial governance model, based on agility, simplicity, strategic thinking and alignment with business needs, is a unique type of support greatly appreciated by partner entrepreneurs.

ECONOMIC CONDITIONS

ECONOMIC ENVIRONMENT IN THE FIRST HALF OF 2018

The global economy has continued to post strong gains, but growth rates appear to have stabilized somewhat over the last few months. Global trade has even slowed over recent months, perhaps as a result of protectionist measures taken by the U.S. government. In the eurozone, real GDP is expected to grow 2.3% in 2018 following a 2.5% increase in 2017. This is due to slower growth in the first quarter in many of the zone's member countries. Since the Brexit referendum, the United Kingdom has gone against trend, unable to profit from the improved global economic conditions as much as the other industrialized economies. China's real GDP grew from 6.7% in 2016 to 6.9% in 2017, representing the first improvement since 2010. As in 2017, the Chinese government will target 6.5% growth for 2018. It is less likely, however, that actual results surpass this figure, as the government does not seem as keen to stimulate the economy. In addition, the escalating series of trade restriction measures being taken by the U.S. and China is becoming a source of concern. Real global GDP is expected to increase from 3.7% in 2017 to 3.9% in 2018 and 2019. However, the protectionist threat in the U.S. weighs on these prognoses.

Investors paid considerable attention to international issues in the second quarter of 2018. The decision by the U.S. to impose new sanctions on Iran and Venezuela helped drive up oil prices to levels not seen in years, which amplified the upward pressure on inflation. A political crisis in Italy has brought new financial tensions to Europe, and the U.S. dollar's new strength has placed emerging countries at a significant disadvantage. Fears of a trade war also resurfaced following the U.S. administration's decision to impose tariffs on steel and aluminum from the European Union, Canada and Mexico. This has placed overseas stock markets at a disadvantage, but North American markets have performed well nonetheless, favoured by encouraging economic data and strong growth in corporate earnings. Following a negative first quarter, the S&P 500 and the S&P/TSX also rose slightly above their levels at the start of the year.

A favourable economic outlook and rising inflation suggest that the normalization of monetary policy will continue, despite the many uncertainties. The U.S. Federal Reserve (the Fed) announced more monetary tightening on June 13, 2018, and its leaders are signalling that the Fed will continue to raise rates by 0.25% per quarter in the second half of 2018. After having raised its key interest rates in January, the Canadian monetary authorities left rates unchanged at their three subsequent meetings. However, the tone of the press releases issued by the Bank of Canada (BoC) has improved. After clearly signalling an intent to raise its key interest rates soon, the Bank did as much at its July 11, 2018 meeting, with a 0.25% hike. Uncertainties nevertheless continue to plague the real estate sector and international trade, and this may convince the BoC to stay the course with very gradual increases to key interest rates over the next few quarters. This slower tightening of Canadian monetary policy should maintain a significant spread between Canadian and U.S. bond rates and keep the Canadian

dollar under US\$0.80. The many international uncertainties limited increases in long-term bond rates in the second quarter, but a clear increase can be expected in the second half of the year.

Real GDP in the U.S. grew 2.2% in 2017, a substantial improvement from the relatively low 1.6% increase recorded for 2016. Growth of only 2.2% was registered for the first quarter of 2018, which is disappointing given that there could have already been evidence of the stimulation provided by tax cuts. However, annualized growth of 4.1% was recorded for the second quarter of 2018. In addition to the potential impacts of tax reform, the economy has been stimulated by a sharp rise in federal government spending, posting 2.1% growth. However, it remains to be seen how the U.S. economy will respond to the Trump administration's protectionist measures. For now, real GDP is expected to grow 2.8% in the current year and another 2.5% in 2019. The labour market should continue to improve, with inflation rising at a slower pace.

In Canada, real GDP grew only 1.3% (annualized rate) in the first quarter of 2018, falling short of expectations. Domestic demand grew at the slowest rate since the end of 2016, up only 2.1%, in particular due to slightly slower growth in consumer spending in early 2018. The Canadian economy is nevertheless expected to have rallied in the second quarter and then grow by close to 2% in the second half of the year. Furthermore, consumer spending should pick up. Conditions in the labour market are good, and wages continue to gather momentum, with labour shortages now reported in certain sectors and regions. The disappearance of excess capacity should continue to encourage growth in non-residential investment over the next few quarters. However, the increases in business spending in non-residential construction as well as machinery and equipment could slow somewhat in future quarters. The uncertainties surrounding the renegotiation of the North American Free Trade Agreement (NAFTA) have increased noticeably, and this may throw cold water on the development projects of many businesses. For now, it is assumed that the free-trade agreement between Canada, the U.S. and Mexico will eventually be renewed. The protectionist measures implemented so far are sure to have negative impacts on certain sectors and regions, but, overall, the consequences for the Canadian economy in general should, ultimately, be limited.

The pace of growth in the Québec economy has continued to slow since the beginning of the year. Real GDP grew at an annualized rate of 1.8% in the first quarter of 2018, compared to 2.2% in the previous quarter. Spending by consumers and in the housing sector has slowed somewhat after a strong period. The high level of confidence among SMEs finally appears to be leading to investment, in particular as part of the digital shift begun in Québec. Hopefully the uncertainties surrounding trade relations with the U.S. will not keep businesses from maintaining their momentum. Foreign trade will nevertheless need to adjust to new tariffs affecting certain industries on both sides of the Canada-U.S. border, and this may affect production, employment and the investments of certain businesses. For now the economic environment is favourable, but significant risks cloud the outlook. Real GDP is expected to grow by 2.2% in 2018, slower than the 3.0% recorded for 2017.

MANAGEMENT'S DISCUSSION OF FINANCIAL PERFORMANCE

OPERATING RESULTS

CRCD'S NET RESULTS AND RETURNS

CRCD ended the first half of the year on June 30, 2018 with net earnings of \$77.9 million, or a non-annualized return of 4.1%, compared with net earnings of \$68.7 million (non-annualized return of 3.9% for the same period in 2017). Based on the number of common shares outstanding, net assets per share increased to \$14.67 as of August 16, 2018, compared with \$14.09 at the end of fiscal 2017. For illustrative purposes, at a price of \$14.67, shareholders who invested seven years earlier would obtain an annual after-tax return of more than 13.8%, taking into account the 50% income tax credit as per the rate applicable on August 18, 2011.

CRCD's performance is driven primarily by Investments impacting the Québec economy and Other investments, which generated returns of 8.8% and 0.9%, respectively, while expenses, net of administrative charges and income taxes had an impact of 1.0% on CRCD's non-annualized return.

CRCD's asset allocation strategy allows it to enjoy a more balanced overall portfolio profile, while actively contributing to Québec's economic development. This should limit the volatility of the CRCD's returns in periods of substantial market turbulence.

| RETURN BY ACTIVITY | JUNE 30, 2018 | | | | JUNE 30, 2017 | | | |
|---|---------------------------------------|---------------|---------------------|---------------------------|---------------------------------------|---------------|---------------------|---------------------------|
| | Average assets under management (\$M) | Weighting (%) | Return 6 months (%) | Contribution 6 months (%) | Average assets under management (M\$) | Weighting (%) | Return 6 months (%) | Contribution 6 months (%) |
| Activities related to Investments impacting the Québec economy ⁽¹⁾ | 1,080 | 56.0 | 8.8 | 4.7 | 971 | 54.8 | 7.3 | 3.8 |
| Other investments and cash | 847 | 44.0 | 0.9 | 0.4 | 802 | 45.2 | 2.5 | 1.2 |
| | 1,927 | 100.0 | 5.1 | 5.1 | 1,773 | 100.0 | 5.0 | 5.0 |
| Expenses, net of administrative charges | | | (1.0) | (1.0) | | | (1.0) | (1.0) |
| Income taxes | | | (0.0) | (0.0) | | | (0.1) | (0.1) |
| CRCD's return | | | 4.1 | 4.1 | | | 3.9 | 3.9 |

⁽¹⁾ Includes Investments impacting the Québec economy, amounts receivable on disposal of investments, notes payable and foreign exchange contracts.

INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

Investments of \$106.0 million and disposals of \$100.2 million were made for a net balance of \$5.8 million. Combined with realized and unrealized net gains of \$75.4 million, these net investments brought the fair value of the investment portfolio, including foreign exchange contracts, to \$1,116.4 million as at June 30, 2018 (\$1,035.2 million as at December 31, 2017). Investments made in the first half of the year totalled \$106.0 million, consisting primarily of investments in two companies for a total amount of \$52.2 million and in the funds comprising the entrepreneurial ecosystem, as described below, amounting to \$32.4 million.

In measuring the Investments impacting the Québec economy, funds committed but not disbursed are also to be taken into account, amounting to \$133.7 million as at June 30, 2018, compared with \$183.6 million as at December 31, 2017. Total commitments at cost as at June 30, 2018, amounted to \$988.3 million in 97 companies, cooperatives and funds, of which \$854.6 million was disbursed. As at June 30, 2018, backed by its entrepreneurial ecosystem, CRCD supported growth in 462 companies, cooperatives and funds.

In its Investments impacting the Québec economy portfolio, CRCD has a financial liability as at June 30, 2018 of \$3.9 million (\$3.2 million as at December 31, 2017), with the \$0.7 million change resulting from the increase in value recognized on the underlying investments. During the six-month period, CRCD repaid in full the notes payable related to the acquisition of certain investments of Desjardins Venture Capital L.P. as at November 30, 2010, subsequent to an agreement between the parties (\$20.2 million as at December 31, 2017).

During the first six months of fiscal 2018, Investments impacting the Québec economy generated a positive contribution of \$89.3 million, for a return of 8.8%, compared with \$66.4 million for the same period of 2017 (a return of 7.3%).

| CONTRIBUTION GENERATED BY INVESTMENTS IMPACTING THE QUÉBEC ECONOMY (in thousands of \$) | SIX MONTHS ENDED JUNE 30, 2018 | SIX MONTHS ENDED JUNE 30, 2017 |
|--|-----------------------------------|-----------------------------------|
| Revenue | 14,137 | 18,570 |
| Gains and losses | 75,180 | 47,870 |
| | 89,317 | 66,440 |

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 \$4.4 million decrease in revenue between the two six-month periods stemmed primarily from lower dividends. Negotiation fees, which amounted to \$1.6 million for the six months ended June 30, 2018 (\$2.0 million for the same period of 2017), are earned by DC, the manager, and a credit for that amount is applied against the management fees paid to DC by CRCD. Negotiation fees are included in the contribution generated by the Investments impacting the Québec economy as they are included in the profitability analysis of the investments. The profile of the investments held by CRCD is changing and the amounts injected into its ecosystem funds continue to grow (see the following section for more details). Therefore, investments held by these ecosystem funds generate revenue in addition to the revenue generated by CRCD. This revenue, of which CRCD's share amounted to \$7.1 million for the first six months of fiscal 2018 (\$6.7 million for the same period of 2017), is reported as "Gains and losses," as it makes a positive contribution to the fair value of CRCD's interest in these funds.

CRCD 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 ending June 30 and the other covering the six-month period ending December 31.

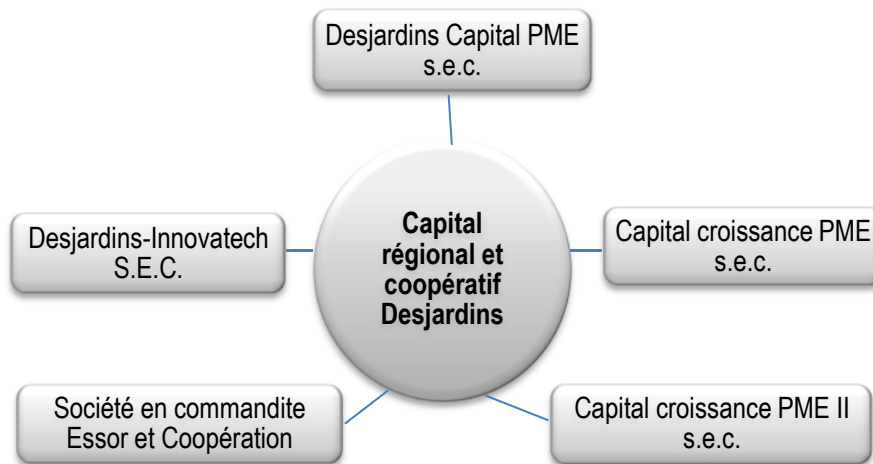
CRCD recorded in its results for the six-month period a realized and unrealized gain of \$75.2 million compared with \$47.9 million for the same period of 2017. For more information, please see Entrepreneurial ecosystem performance in the following section.

As at June 30, 2018, the overall risk level of the Investments impacting the Québec economy portfolio was relatively stable compared with its December 31, 2017 level, as discussed in the Credit and counterparty risk section.

ENTREPRENEURIAL ECOSYSTEM

CRCD invests directly in Québec companies and also fulfils its economic development role via investments through the funds it has helped create with its manager, each of which has a specific mission. With this approach of seeking capital from various partners, CRCD can leverage its resources, thereby enhancing its positive impact on Québec’s economic development.

Main funds of the entrepreneurial ecosystem



These funds, which are also managed by CRCD’s manager, DC, are:

- Capital croissance PME s.e.c. (CCPME) was created on July 1, 2010 with the main goal of investing in Québec’s small- and medium-sized businesses, primarily in the form of subordinated debt securities for amounts not exceeding \$5 million. CRCD and the Caisse de dépôt et placement du Québec (CDPQ), as sponsors of the fund, agreed to invest, on a 50/50 basis, a total initial amount of \$220 million. The 2014 renewal of this agreement resulted in the creation of Capital croissance PME II s.e.c. fund (CCPME II), which allowed an additional \$320 million to be committed, increasing the total commitments in the two funds to \$540 million. As at June 30, 2018, CRCD had disbursed \$245.3 million of its total commitment of \$270 million. As CCPME II’s investment period closed on November 30, 2017, funds committed but not disbursed will be used for reinvestment and to pay the fund’s operating expenses until its scheduled winding-up date of November 30, 2023. A total of 278 companies and funds benefited from \$253.4 million committed by the CCPME funds as at June 30, 2018. Since their inception, these funds have committed \$455.1 million to 375 companies.
- On January 1, 2018, DC created the Desjardins Capital PME s.e.c. fund. (DCPME) in partnership with Desjardins Private Management. The investment policy of this new fund is similar to that of the CCPME funds, which is to make capital available to Québec companies, with an investment limit raised to \$10 million per partner company. This sustainable fund is an open-ended limited partnership, allowing the number of limited partners to vary. The limited partners’ commitments will be made on an annual basis. For fiscal 2018, the limited partners, consisting of CRCD and the DIM Private Completion Strategy Fund, committed to pay \$100 million. As at June 30, 2018, CRCD had disbursed \$22.0 million of its total commitment of \$40.0 million and a total of 27 companies and funds benefited from \$46.8 million committed by the DCPME fund.
- CRCD is also the sponsor of the Desjardins-Innovatech S.E.C. fund (DI). DI has undertaken to inject a total of \$85 million to support Québec technology or innovation businesses through each stage of their development. CRCD’s interest in DI is 54.5%. In addition to this interest, CRCD has agreed to make an additional investment in the form of a note for a maximum amount of \$5.0 million in DI of which \$0.1 million was disbursed in the first six months of 2018 for a total disbursement of \$1.1 million. This note does not affect the units held by CRCD in this fund. DI helps create innovative business accelerators in partnership with specialized organizations located in various regions of Québec, enabling it to support businesses from the embryonic stage

through commercialization. As at June 30, 2018, DI had made commitments of \$58.5 million to support a total of 65 companies and funds.

- The objective of the Société en commandite Essor et Coopération (Essor et Coopération), established on January 1, 2013, is to support the creation, growth and capitalization of cooperatives in Québec. CRCD and other partners, including three from the cooperative sector, have made commitments totalling \$89.9 million. CRCD has a 94.6% interest in the Essor et Coopération fund. Since the fund's inception, CRCD has disbursed \$31.6 million of its total commitment of \$85 million. As at June 30, 2018, Essor et Coopération had made commitments totalling \$30.0 million to support 16 cooperatives.

In total, as at June 30, 2018, CRCD and its ecosystem supported the growth of 462 companies, cooperatives and funds in various industries spanning all Québec regions with commitments of \$1,099 million, while helping to create and retain over 67,000 jobs. Of that total, 19 cooperatives benefited from commitments of \$196.2 million by CRCD and its ecosystem.

During the first half of the year, DC and France-based Groupe Siparex jointly authorized the creation of the new Desjardins Capital Transatlantic, L.P. fund. The fund will be mandated to co-invest in SMEs in Québec and France to support them in their marketing or acquisition efforts on both sides of the Atlantic. On July 4, 2018, CRCD and other investor partners such as Export Development Canada (EDC), Groupe Siparex and French public investment bank BPIFrance committed €75 million, or approximately \$120 million, to the fund. CRCD will hold a 60.7% interest.

Given the size of the amounts allocated to these funds and to better manage and track operations, CRCD monitors changes in asset allocation and performance by investment profile.

Each investment profile includes assets held by CRCD together with similar assets held by the funds in its ecosystem based on CRCD's proportionate share in each fund.

The investment profiles related to Investments impacting the Québec economy are:

- Debt: investments in the form of advances and/or mainly unsecured loans and/or preferred shares;
- Equity: investments comprising common shares that may be combined with advances and/or mainly unsecured loans and preferred shares in companies other than those included under the Venture capital profile;
- External funds: investments in funds outside CRCD's entrepreneurial ecosystem;
- Venture capital: investments in companies specializing in technological innovations or in pre-startup, startup or post-startup stages.

Entrepreneurial ecosystem performance

| RETURN BY INVESTMENT PROFILE | JUNE 30, 2018 | | | | JUNE 30, 2017 | | | |
|---|---------------------------------------|---------------|------------------------------------|--|---------------------------------------|---------------|------------------------------------|--|
| | 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 (%) |
| Debt | 311 | 16.1 | 2.3 | 0.4 | 285 | 16.0 | 3.5 | 0.5 |
| Equity | 672 | 34.9 | 12.0 | 4.0 | 584 | 33.0 | 10.7 | 3.2 |
| External funds | 37 | 1.9 | 6.8 | 0.1 | 55 | 3.1 | (16.4) | (0.6) |
| Venture capital | 48 | 2.5 | 9.5 | 0.2 | 31 | 1.8 | 42.2 | 0.7 |
| Investment profiles subtotal | 1,068 | 55.4 | 8.9 | 4.7 | 955 | 53.9 | 7.5 | 3.8 |
| Other asset items held by ecosystem funds | 12 | 0.6 | (5.3) | (0.0) | 16 | 0.9 | (1.3) | (0.0) |
| Ecosystem total | 1,080 | 56.0 | 8.8 | 4.7 | 971 | 54.8 | 7.3 | 3.8 |

The entrepreneurial ecosystem's sound performance stems from the Equity investment profile, which posted a non-annualized return of 12.0%. This return was mainly driven by the higher profitability of several portfolio companies, but more specifically of one manufacturing company during the six-month period. Given the significant volume of assets allocated to this profile, it was the major contributor to the ecosystem's return of 8.8% for the first six months of 2018. The Debt investment profile posted a lower return compared with the same period in 2017, owing primarily to changes in value resulting from higher corporate bond rates in the first half of the year. Due to their volume, the External funds and Venture capital investment profiles have a limited impact on the portfolio's total return.

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.

CRCD has implemented management strategies for the Other investments portfolio to optimize potential returns while retaining the required liquidity to meet liquidity needs arising from redemption requests from shareholders and Investments impacting the Québec economy it expects to make. This portfolio, consisting primarily of liquid assets, includes fixed-income securities, global equity funds, Canadian equity funds and real estate funds. This portfolio provides stable current revenue for CRCD and ensures sound diversification.

As at June 30, 2018, CRCD's Other investments portfolio, including cash but excluding foreign exchange contracts, totalled \$804.7 million (\$758.9 million as at June 30, 2017) and consisted of the following:

| Other investments portfolio | AS AT JUNE 30, 2018 | | AS AT JUNE 30, 2017 | |
|-----------------------------------|---------------------|----------------|---------------------|----------------|
| | Fair value (\$M) | % of portfolio | Fair value (\$M) | % of portfolio |
| Cash and money market instruments | 64.8 | 8.0 | 45.4 | 6.0 |
| Bonds | 396.8 | 49.3 | 435.0 | 57.3 |
| Global equity funds | 156.7 | 19.5 | 110.9 | 14.6 |
| Canadian equity funds | 93.9 | 11.7 | 61.9 | 8.2 |
| Real estate funds | 92.5 | 11.5 | 84.9 | 11.2 |
| Preferred shares | - | - | 20.8 | 2.7 |
| Portfolio total | 804.7 | 100.0 | 758.9 | 100.0 |

As at June 30, 2018, 68% of portfolio bond securities were government-guaranteed (68% as at June 30, 2017).

Other investments accounted for 41% of the portfolio's total net assets as at the end of the first six months of 2018 (42% as at June 30, 2017). Commitments already made but not disbursed of \$133.7 million, representing 7% of net assets, will eventually be covered from CRCD's Other investments portfolio and allocated to Investments impacting the Québec economy.

CRCD expects Other investments to represent nearly 35% of total net assets over the long term. In keeping with its core mission, this will allow an increase in funds allocated to Investments impacting the Québec economy.

| CONTRIBUTION GENERATED BY OTHER INVESTMENTS (in thousands of \$) | SIX MONTHS ENDED JUNE 30, 2018 | SIX MONTHS ENDED JUNE 30, 2017 |
|---|-----------------------------------|-----------------------------------|
| Revenue | 8,650 | 8,737 |
| Gains and losses | (876) | 12,131 |
| | 7,774 | 20,868 |

Revenue consists mainly of interest, dividends and distributions related to Other investments. Interest income (primarily from bonds) is recognized at the bond rate in effect at the acquisition date.

Other investments made a contribution of \$7.8 million in the first six months of 2018, compared with a contribution of \$20.9 million for the period a year earlier. Current revenue was relatively stable compared with the first half of 2017. For the first six months of 2018, CRCD recorded a \$0.9 million decline in value of its Other investments portfolio.

The bond portfolio posted a \$4.3 million decline in value, owing primarily to a 20-basis-point increase in the key interest rate since December 2017. The current rise in interest rates had a negative impact on unrealized changes in value during the past six-month period. CRCD's financial asset management strategy aims to diversify the market risks associated with the Other investments portfolio through the use of Canadian and global securities unrelated to bond markets. Moreover, CRCD aims to match the average maturity of the bond portfolio with the average maturity of expected cash outflows, thereby limiting the long-term effect of bond rates on CRCD's results.

CRCD's decision to invest in global and Canadian equity funds to reduce interest rate risk exposure was beneficial in the first half of the year. This strategy resulted in gains of \$1.3 million for global equity funds and \$0.7 million for Canadian equity funds. As portfolio equity funds are low volatility, CRCD did not fully benefit from the favourable economic environment as the energy and technology sectors, in which CRCD has limited investments, generated the majority of equity market gains during the first half of 2018.

The real estate funds generated a gain of \$1.4 million, owing primarily to the revaluation of properties held as at June 30, 2018.

CAPITAL RAISING

CRCD offers its common shares for subscription through the Desjardins caisse network in Québec and, starting in the fall of 2018, through AccèsD Internet.

On February 28, 2014, CRCD reached its capitalization limit of \$1.25 billion. Under its constituting act, share issues have since been limited to an amount equal to the preceding issue period's redemptions, up to a maximum of \$150 million. Each issue period lasts 12 months and runs from March 1 to the last day of February of the following year.

However, in recent years, the provincial government has granted CRCD the right to issue shares for an amount greater than the limit stipulated in the Act. In its March 27, 2018 budget, the Québec government authorized CRCD to issue \$140 million in shares for each of the 2018, 2019 and 2020 issues and set the tax credit rate for the purchase of shares at 35%.

In the same budget, new provisions were announced concerning the possibility of taking advantage of a new 10% provincial tax credit for a shareholder who defers the redemption of eligible shares for seven years. See the Recent events section for more information.

To allow as many shareholders as possible to buy CRCD shares under the \$140 million 2018 issue, the maximum annual subscription amount allowable was capped at \$3,000 per investor, for a tax credit of \$1,050.

The minimum holding period for CRCD shares before a shareholder would normally be eligible for a redemption is seven years to the day from the date of purchase. Note, however, that shareholders who withdraw some or all of their shares after the seven-year holding period may no longer 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.

A special tax is payable by CRCD if it fails to comply with the authorized issuance amounts, and control mechanisms have been implemented by CRCD to ensure compliance. For the first six months of 2018 and fiscal 2017, no special tax was paid.

As at June 30, 2018, CRCD had \$1,469.4 million in share capital for 134,793,754 outstanding common shares.

During the six-month period, CRCD raised \$1.6 million, that is, the balance of the 2017 issue which was completed on February 9, 2018. The subscription period for the 2018 issue will begin in the fall.

With respect to issue expenses, an agreement was entered into between CRCD and the Fédération des caisses Desjardins du Québec to compensate the caisses in an amount equal to up to 2.9% of the value of the shares sold.

During the first six months of 2018, share redemptions totalled \$47.7 million (\$48.1 million for the same period of 2017).

As at June 30, 2018, the balance of shares eligible for redemption amounted to over \$964 million. During the last six months of 2018, additional shares valued at approximately \$72 million will also become eligible for redemption bringing total potential redemptions to approximately \$1,036 million for fiscal 2018. CRCD feels that the current economic conditions and low interest rates in particular are behind the low volume of redemptions in the last few years.

Subscriptions and mainly redemptions for the first six months of 2018 brought the number of shareholders to 103,304 as at June 30, 2018, compared with 105,614 as at December 31, 2017.

CRCD's policy is to reinvest 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.

EXPENSES AND INCOME TAXES

| EXPENSES (in thousands of \$) | SIX MONTHS ENDED JUNE 30, 2018 | SIX MONTHS ENDED JUNE 30, 2017 |
|----------------------------------|-----------------------------------|-----------------------------------|
| Management fees | 12,701 | 10,986 |
| Other operating expenses | 3,407 | 2,659 |
| Shareholder services | 1,257 | 1,198 |
| | 17,365 | 14,843 |

CRCD has entrusted DC with its management and operations, in accordance with the strategies and objectives approved by the Board of Directors. The current three-year management agreement is in effect as of January 1, 2018. Under this agreement and the agreement effective for the year ended December 31, 2017, management fees amount to a maximum rate of 1.95% of CRCD's annual average asset value less any amounts payable related to Investments impacting the Québec economy and Other investments. An adjustment is made to the management fees charged to CRCD to avoid double billing relative to CRCD's interest in some funds. DC and CRCD have agreed that, for a given fiscal year, an adjustment could be made to allow CRCD to benefit from the economies of scale achieved by DC with regard to the growth of CRCD's assets and the increase in the balance of CRCD shares eligible for redemption over the last few years. A downward adjustment of \$6.6 million was made for the fiscal year ended December 31, 2017. The negotiation fees arising from portfolio companies are

earned by DC, and their amount is deducted from the management fees payable by CRCD. The \$1.7 million increase in management fees is consistent with the increase in average asset value recorded by CRCD.

The \$0.7 million increase in other operating expenses resulted primarily from investments in information technology required to improve and simplify shareholder experience when subscribing for CRCD shares.

There was no significant change in shareholder services between the two periods.

CRCD 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 CRCD's inception, Desjardins Trust has represented the largest component of CRCD's shareholder service expenses. This agreement is effective from July 1, 2016 to December 31, 2020.

CRCD has appointed FCDQ to oversee the distribution of its shares through the Desjardins caisse network. CRCD has further agreed to pay project fees, as needed, to cover work required to upgrade the tools and applications supporting the CRCD share distribution processes. This agreement is effective from July 1, 2016 to December 31, 2020. The revised fee structure came into effect on January 1, 2017.

Income taxes for the first six months of fiscal 2018 amounted to \$0.3 million, down from \$1.9 million for the same period of 2017. The nature of the income has a significant impact on tax expense since, unlike interest income, dividends are generally not taxable and capital gains are eligible for tax deductions and refund mechanisms.

LIQUIDITY AND CAPITAL RESOURCES

For the six-month period ended June 30, 2018, cash outflows from redemptions net of issues amounted to \$46.1 million (cash outflows of \$46.7 million for the same period of 2017). Operating activities generated net cash inflows of \$41.7 million (\$51.4 million for the first half of 2017).

Cash outflows related to Investments impacting the Québec economy amounted to \$105.7 million for the first six months of 2018 (\$110.6 million for the first half of 2017). The Other investments portfolio recorded net sale proceeds of \$76.5 million, compared with \$104.7 million for the same period in 2017.

As at June 30, 2018, cash and cash equivalents totalled \$25.0 million (\$29.4 million as at December 31, 2017).

CRCD has an authorized line of credit of \$50 million as at June 30, 2018. In the event that liquidity needs exceed expectations, this line of credit could be used on a temporary basis to cover CRCD's obligations. This additional flexibility optimizes the level of liquid assets held and reduces the risk of having to dispose of assets hastily under potentially less advantageous conditions. The line of credit was undrawn for the first six months ended June 30, 2018 and fiscal 2017.

Given the management approach for Other investments of matching the average maturity of bonds held with the average maturity of its expected cash outflows, CRCD does not anticipate any shortfall in liquidity 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.

CRCD'S VISION, MISSION, STRATEGIC PRIORITIES AND STRATEGIES

CRCD was founded on the July 1, 2001 effective date of the *Act constituting Capital régional et coopératif Desjardins* (the Act) adopted on June 21, 2001 by Québec's National Assembly, on the initiative of Desjardins Group. The manager, DC, manages its affairs.

CRCD's vision, mission, objectives and strategies remain substantially similar to those described in its most recent annual MD&A.

GOVERNANCE

BOARD OF DIRECTORS

The Board has the general authority to manage the affairs of CRCD and oversee the fulfilment of its mission. In this capacity, it is responsible for guiding and overseeing all of CRCD's affairs and risks, including strategic risk the oversight of which is specifically conferred upon it.

The Board is involved in and makes decisions on matters such as governance, strategic planning, investment, financial reporting, financial asset management, risk management, capitalization, general meetings of shareholders and contracts.

To this end, the Board is supported by six committees that regularly report to it and make appropriate recommendations. Also, the manager reports on outsourced activities through its executives who attend meetings of the Board and the committees.

The committee roles and responsibilities remain substantially similar to those described in the most recent annual MD&A.

RISK MANAGEMENT

Sound risk management practices are critical to the success of CRCD. An integrated risk management policy has been put in place to provide the capacity to anticipate and be proactive in mitigating the impact of risk events.

Note to the reader

The following sections regarding market risks, credit and counterparty risks, concentration risks and liquidity risks have been reviewed by CRCD's independent auditor as part of the audit of the separate financial statements in respect of which an independent auditor's report was issued on August 16, 2018.

MARKET RISKS

Market risks pertain to CRCD'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 CRCD's assets. The various risks that make up market risks directly impacting CRCD are listed below.

In accordance with CRCD's global financial asset management approach, the impact of these interest rate and stock market risks and their interrelatedness are taken into account when determining overall asset allocation.

Interest rate risk

Interest rate fluctuations have an impact on the market value of fixed-income securities and real estate funds held in the portfolio for which fair value is determined based on market conditions. The fair value of these assets as at June 30, 2018 was \$742.8 million (\$813.3 million as at December 31, 2017). Fixed-income securities held in the Other investments portfolio include money market instruments and bonds. Fixed-income securities held in the Investments impacting the Québec economy portfolio include loans and advances and preferred shares.

Money market instruments with a fair value of \$54.8 million (\$33.9 million as at December 31, 2017) are not valued based on changes in interest rates, given their very short maturities and CRCD's intention to hold them until maturity.

Bonds with a fair value of \$396.8 million (\$506.2 million as at December 31, 2017) are directly affected by changes in interest rates. A 1% increase in interest rates would have resulted in a \$21.8 million decrease in net earnings, representing a 1.1% decrease in CRCD's share price as at June 30, 2018 (\$28.0 million for 1.5% as at December 31, 2017). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a \$23.2 million increase in net earnings, representing a 1.2% increase in the share price (\$29.8 million for 1.6% as at December 31, 2017). CRCD's financial asset management strategy aims to diversify the portfolio securities, resulting in reduced exposure to long-term bonds. Given that CRCD 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.

Real estate funds with a fair value of \$92.5 million (\$88.8 million as at December 31, 2017) may also be affected by interest rate fluctuations. However, unlike bonds, there is no direct correlation between changes in interest rates and changes in fair value of this asset class.

In the Investments impacting the Québec economy portfolio, loans and advances and preferred shares for which CRCD also holds participating shares in the same company and those that are discounted, totalling a fair value of \$222.7 million (\$212.1 million as at December 31, 2017), are not sensitive to changes in interest rates. Conversely, the other loans and advances and preferred shares included in the portfolio, totalling a fair value of \$198.7 million (\$184.3 million as at December 31, 2017), are sensitive to changes in interest rates. However, the interest rate risk related to the other loans and advances and preferred shares held in the portfolio is limited given the amounts in question.

Stock market risk

Stock market trends have a twofold impact on CRCD. 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, 2018, global and Canadian equity funds, valued at \$250.6 million (\$248.1 million as at December 31, 2017), which were managed by external managers and held in the Other investments portfolio, consisted primarily of listed equities. Accordingly, a 10% increase or decrease in the quoted market prices of listed equities would have resulted in a \$25.1 million increase or decrease in net earnings, representing a 1.3% increase or decrease in CRCD's share price.

The Investments impacting the Québec economy portfolio included listed equities in the amount of \$0.4 million (\$0.3 million as at December 31, 2017). As a result, for these investments, any stock market fluctuations would not have had a significant direct impact on CRCD's net earnings.

Currency risk

Changes in currency values have an impact on the activities of a number of CRCD'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 assets valued initially in a foreign currency and subsequently translated into Canadian dollars at the prevailing rate of exchange. In the portfolio of Investments impacting the Québec economy, assets whose values fluctuate due to changes in foreign exchange rates represented a fair value of \$163.7 million or 8.3% of net assets as at June 30, 2018, compared with \$91.0 million or 4.7% of net assets at December 31, 2017.

CRCD aims to systematically hedge currency risk for assets measured in foreign currency, unless the exposure stems from the long-term expected returns of certain asset classes. A \$10 million line of credit has been granted to CRCD for its foreign exchange contract transactions. As at June 30, 2018 CRCD held foreign exchange contracts under which it is required to deliver US\$108.6 million (US\$76.1 million as at December 31, 2017) at the rate of CAD/USD 1.3286 (CAD/USD 1.2747 as at December 31, 2017) on September 28, 2018.

As at June 30, 2018, CRCD's Investments impacting the Québec economy portfolio had net foreign currency exposure of \$21.0 million (\$4.7 million as at December 31, 2017). A 10% decrease (increase) in value of the Canadian dollar relative to all of the other foreign currencies would have resulted in a \$2.1 million increase (decrease) in net earnings, representing a 0.1% change in CRCD's share price. Following the revaluation of assets carried out on June 30, 2018, CRCD was no longer in compliance with the guidelines of its systematic currency risk hedging policy relating to assets valued in foreign currencies. As a result, a foreign exchange contract was entered into on July 11, 2018 to reduce net foreign currency exposure to \$0.3 million.

The Other investments portfolio had net foreign currency exposure of \$141.4 million. A 10% decrease (increase) in value of the Canadian dollar relative to all of the other foreign currencies would have resulted in a \$14.1 million increase (decrease) in net earnings, representing a 0.7% change in CRCD's share price.

CREDIT AND COUNTERPARTY RISKS

In pursuing its Investments impacting the Québec economy mission, CRCD is exposed to credit and counterparty risks related to potential financial losses if a partner company fails to fulfil its commitments or experiences a deterioration of its financial position. By diversifying its investments by investment profile, and by limiting the potential risk of each partner company, CRCD has limited portfolio volatility due to the possibility of negative events.

CRCD 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.

The maximum credit risk is the carrying amount of the financial instruments at the end of the reporting period, in addition to funds committed but not disbursed.

Investments impacting the Québec economy, except those carried out through funds, are first ranked by risk from 1 to 9 based on the criteria defined by Moody's RiskAnalyst tool. Subsequently, all the investments are reviewed monthly to identify those that meet the criteria for a ranking of 10.

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

The table below shows the stability in the Investments impacting the Québec economy portfolio, ranked by risk (fair value amounts):

| | | AS AT JUNE 30, 2018 | | AS AT DECEMBER 31, 2017 | |
|----------|-------------------------|----------------------|----------|-------------------------|----------|
| Rating | | (in thousands of \$) | (as a %) | (in thousands of \$) | (as a %) |
| 1 to 6.5 | Low to acceptable risk | 1,080,206 | 96.9 | 1,013,033 | 98.0 |
| 7 to 9 | At risk | 25,911 | 2.3 | 15,267 | 1.5 |
| 10 | High risk and insolvent | 8,770 | 0.8 | 5,651 | 0.5 |

Furthermore, CRCD is exposed to credit risk on financial instruments not recognized in assets, which are funds committed but not disbursed in connection with the Investments impacting the Québec economy portfolio. The table below shows the breakdown, by risk rating, of funds committed but not disbursed as at the reporting date:

| | | AS AT JUNE 30, 2018 | | AS AT DECEMBER 31, 2017 | |
|----------|------------------------|----------------------|----------|-------------------------|----------|
| Rating | | (in thousands of \$) | (as a %) | (in thousands of \$) | (as a %) |
| 1 to 6.5 | Low to acceptable risk | 132,854 | 99.4 | 183,606 | 100.0 |
| 7 to 9 | At risk | 846 | 0.6 | - | - |

For the bond portfolio, which represented 49.8% of the fair value of the Other investments portfolio (57.6% as at December 31, 2017), credit risk is managed by diversification across numerous issuers with credit ratings as follows:

| | | AS AT JUNE 30, 2018 | | AS AT DECEMBER 31, 2017 | |
|--------|--|----------------------|--|-------------------------|--|
| Rating | | (in thousands of \$) | | (in thousands of \$) | |
| AAA | | 178,956 | | 224,582 | |
| AA | | 121,554 | | 186,001 | |
| A | | 56,514 | | 47,175 | |
| BBB | | 38,522 | | 45,585 | |
| BB | | 1,259 | | 2,841 | |

Credit risk ratings are established by recognized credit agencies.

Consistent with the global financial asset management policy, money market instruments have minimum credit ratings of A-2 or R-1 (low). Such high credit ratings limit the credit risk associated with these financial instruments.

Counterparty risk is limited to the immediate short term and is associated with CRCD's counterparty when entering into cash transactions.

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

CONCENTRATION RISKS

Concentration risks arise from the possibility that a significant portion of CRCD's Investments impacting the Québec economy portfolio or Other investments portfolio might become concentrated in a single entity, industry, region or financial product, which could render CRCD vulnerable to any financial difficulties experienced by such entity, industry, region or financial product.

Risk of concentration in an entity

Pursuant to its constituting act, policies and internal guidelines, the amount that CRCD may invest in any one entity or in a group of associates is limited to a percentage of its assets for both the Investments impacting the Québec economy and Other investments portfolios.

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 and funds committed but not disbursed):

| | AS AT JUNE 30, 2018 | | AS AT DECEMBER 31, 2017 | |
|---|---------------------|-----------------|-------------------------|-----------------|
| | % of portfolio | % of net assets | % of portfolio | % of net assets |
| Investments impacting the Québec economy ⁽¹⁾ | 36.1 | 22.8 | 35.5 | 22.2 |
| Other investments ⁽²⁾ | 41.7 | 16.8 | 46.8 | 21.1 |

⁽¹⁾ CRCD's interest in the ecosystem funds accounted for 45% (63% as at December 31, 2017) of the five largest Investments impacting the Québec economy.

⁽²⁾ Government issuers and issues guaranteed by government entities represented 53% (62% as at December 31, 2017) of the five largest issuers or counterparties in the Other investments portfolio.

Risk of concentration by region

In keeping with its mission of Québec economic development, the Investments impacting the Québec economy portfolio chiefly comprises businesses whose employees are, in the majority, residents of Québec. Furthermore, at least 35% of its investments must be made in companies located in the resource regions or in eligible cooperatives. Portfolio performance therefore depends heavily on economic conditions in Québec and the resource regions. As at June 30, 2018, the Investments impacting the Québec economy portfolio represented 57.4% of net assets (52.8% as at December 31, 2017).

CRCD has adopted a global financial asset management and investment guidelines policy to govern the Other investments portfolio activities which currently limit the option of holding foreign securities. As at June 30, 2018, the Other investments portfolio includes a portion of foreign

securities resulting primarily from its interest in global equity funds and comprises 82.4% of Canadian securities (84.3% as at December 31, 2017). Other investments portfolio performance therefore depends heavily on economic conditions in Canada. As at June 30, 2018, the Other investments portfolio represented 40.7% of net assets (45.8% as at December 31, 2017).

Risk of concentration in a financial product

The global financial asset management policy favours global integrated management of the Investments impacting the Québec economy and Other investments portfolios. The policy establishes limits by asset class and these limits are applied by the manager. As at June 30, 2018, bond securities represented 20.1% of net assets (26.0% as at December 31, 2017). The lower percentage allocated to this asset class stems from the increase in the weighting for Investments impacting the Québec economy and aims to diversify the portfolio by adding new asset classes, strike an overall balance for the portfolio between risk and return and meet CRCDC's cash requirements.

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

LIQUIDITY RISKS

CRCDC must maintain sufficient liquid assets to fund share redemptions and committed Investments impacting the Québec economy. If it failed to do so, CRCDC would be dependent on the markets and could be forced to carry out transactions under unfavourable conditions. With liquid investments that should represent approximately 30% of assets under management, and using a management approach that ensures that the average maturity of bonds is close to the average maturity of expected outflows, CRCDC can confirm that liquidity risks are adequately covered. Furthermore, credit facilities have been put in place to provide greater cash management flexibility. The credit facilities remained undrawn for the first six months of 2018 and fiscal 2017.

This work takes into account the expectation of a higher balance of redeemable shares of CRCDC. In addition to the initiatives put in place to stimulate share redemptions, new measures announced by the Québec government in March 2018 will allow eligible CRCDC shareholders to commit their redeemable capital for an additional seven-year period. With an authorized annual amount of \$100 million, this initiative will ensure greater availability of capital for Investments impacting the Québec economy and reduce cash requirements related to share redemptions. See the Recent events section for more information.

CRCDC, through its balanced financial strategy and integrated risk management, has the necessary sources of funding to cover its financial obligations and pursue its mission among Québec businesses.

RECENT EVENTS

Following the 2016-2017 budget speech, the Québec government announced changes to CRCDC's governance pertaining to the composition of its Board of Directors and the concept of independence. The proposed legislative amendments must be adopted by the National Assembly and will be implemented gradually.

Following the announcements made in the March 27, 2018 Québec Budget Speech, the Québec government granted CRCDC shareholders an annual amount of \$100 million for three years to allow them to defer the right to repurchase their eligible shares for seven years, that is, shares held for at least seven years, in consideration for a 10% tax credit. Shareholders will be able to exchange their current shares, up to a value of \$15,000 annually, for a new class of shares that will also have a mandatory seven-year holding period. These new provisions should be in place in the fall of 2018 subject to the completion of certain government measures.

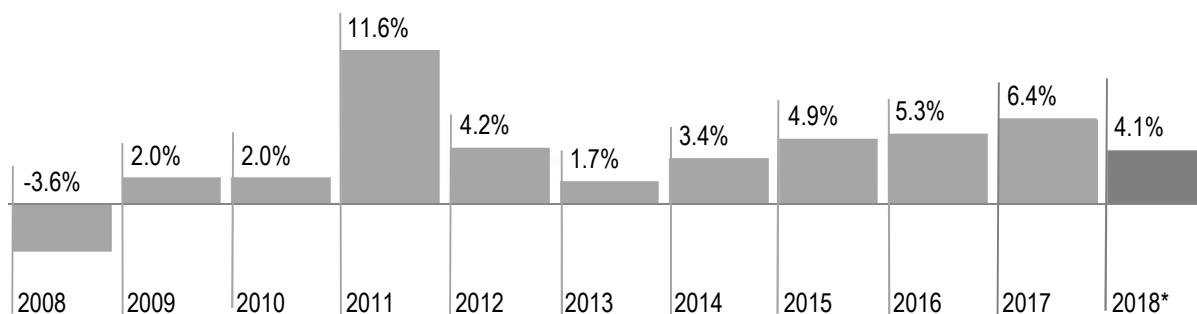
PAST PERFORMANCE

This section presents CRCDC'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 CRCDC's annual returns and illustrates the change in returns from one period to the next for the past ten fiscal years and for the six-month period ended June 30, 2018. Annual return is calculated by dividing earnings (loss) per share for the period by the share price at the beginning of the period.

Annual return



* Non-annualized return for the six-month period ended June 30, 2018.

COMPOUNDED RETURN OF THE COMMON SHARE AS AT JUNE 30, 2018

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

| 10 YEARS | 7 YEARS | 5 YEARS | 3 YEARS | 1 YEAR |
|----------|---------|---------|---------|--------|
| 4.1% | 5.6% | 5.0% | 6.3% | 6.4% |

PORTFOLIO SUMMARY

CORE INVESTMENT PROFILES

As at June 30, 2018, assets in CRCD's Investments impacting the Québec economy and Other investments portfolios were allocated, on a fair value basis, as follows:

| Investment profile | % of net assets |
|---|-----------------|
| Investments impacting the Québec economy* | |
| Debt | 16.2 |
| Equity | 35.3 |
| External funds | 1.7 |
| Venture capital | 3.1 |
| Other asset items held by ecosystem funds | 1.1 |
| Total – Investments impacting the Québec economy | 57.4 |
| Other investments | |
| Cash and money market instruments | 3.3 |
| Bonds | 20.0 |
| Global equity funds | 7.9 |
| Canadian equity funds | 4.8 |
| Real estate funds | 4.7 |
| Total – Other investments | 40.7 |

* Including foreign exchange contracts

Net assets are made up of 98.1% investment profiles and 1.9% other assets.

MAIN INVESTMENTS HELD

As at June 30, 2018, on a fair value basis, the issuers of the 25 main investments held by CRCD were as follows:

| Issuers | % of net assets |
|---|-----------------|
| Investments impacting the Québec economy (14 issuers)* | 35.9 |
| Desjardins IBrix Low Volatility Global Equity Fund | 4.1 |
| Desjardins Global Dividend Fund | 3.8 |
| LNH Merrill Lynch Canada | 3.4 |
| Province of Québec | 2.8 |
| Government of Canada | 2.6 |
| BMO Low Volatility Canadian Equity ETF | 2.4 |
| Bentall Kennedy Prime Canadian Property Fund | 2.4 |
| Fidelity Canadian Low Volatility Equity Institutional Trust | 2.3 |
| Fiera Properties CORE Fund | 2.3 |
| Province of Ontario | 2.2 |
| Canada Housing Trust | 2.0 |

* The 14 issuers which collectively represent 35.9% of CRCD's net assets are:

- Agropur Cooperative
- Amisco Industries Ltd.
- Avjet Holding Inc.
- Camso Inc.
- Capital croissance PME II s.e.c.
- Congebec Logistic Inc.
- Desjardins-Innovatech S.E.C
- Exo-s Inc.
- Fournier Industries Group Inc.
- Gecko Alliance Group Inc.
- Groupe Filgo inc.
- La Coop fédérée
- Société en commandite Essor et Coopération
- Télécon Inc.

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

August 16, 2018

MANAGEMENT'S REPORT

August 16, 2018

CRCD's separate 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, CRCD'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 fulfils its responsibility for the financial statements principally through its Audit and Risk Management Committee. The Committee meets with the independent auditor 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. 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 16, 2018. These statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and audited by PricewaterhouseCoopers LLP.

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

(signed) Yves Calloc'h, CPA, CA

Chief Financial Officer

Capital régional et coopératif Desjardins

Separate Financial Statements
June 30, 2018 and 2017
(in thousands of Canadian dollars)



August 16, 2018

Independent Auditor's Report

To the Shareholders of Capital régional et coopératif Desjardins

We have audited the accompanying separate financial statements of Capital régional et coopératif Desjardins (the financial statements), which comprise the balance sheets as at June 30, 2018 and December 31, 2017 and the statements of comprehensive income, changes of net assets and cash flows for the six-month periods ended June 30, 2018 and 2017, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

*PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
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We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Capital régional et coopératif Desjardins as at June 30, 2018 and December 31, 2017, its financial performance and its cash flows for the six-month periods ended June 30, 2018 and 2017 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP¹

¹ CPA auditor, CA, public accountancy permit No. A111799

Capital régional et coopératif Desjardins

Separate Balance Sheets

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

| | Note | As at June 30, 2018 \$ | As at December 31, 2017 \$ |
|--|------|---------------------------------|-------------------------------------|
| Assets | | | |
| Investments impacting the Québec economy | 7 | 1,114,887 | 1,033,951 |
| Other investments | 8 | 796,492 | 878,482 |
| Intangibles assets | 10 | 628 | - |
| Income taxes recoverable | 19 | 17,360 | 19,624 |
| Accounts receivable | 11 | 48,420 | 36,069 |
| Cash | 12 | 9,979 | 12,305 |
| | | 1,987,766 | 1,980,431 |
| Liabilities | | | |
| Notes payable and financial liabilities | 13 | 3,946 | 23,413 |
| Income taxes payables | 19 | 1,386 | 232 |
| Accounts payable | 14 | 5,257 | 11,444 |
| | | 10,589 | 35,089 |
| Net assets | 16 | 1,977,177 | 1,945,342 |
| Number of common shares outstanding | | 134,793,754 | 138,079,685 |
| Net asset value per common share | | 14.67 | 14.09 |

On behalf of the Board of Directors of Capital régional et coopératif Desjardins,

Sylvie Lalonde, ASC, C. Dir., DirectorChantal Bélanger, FCPA, FCGA, Director

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

Capital régional et coopératif Desjardins

Separate Statements of Comprehensive Income

For the six-month periods ended June 30

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

| | Note | 2018 \$ | 2017 \$ |
|---|------|--------------------|--------------------|
| Revenue | | | |
| Interest | 7 | 11,715 | 11,810 |
| Dividends and distributions | | 9,509 | 13,474 |
| Administrative charges | | 103 | 133 |
| | | <u>21,327</u> | <u>25,417</u> |
| Gains (losses) on investments | | | |
| Realized | | 5,855 | 5,791 |
| Unrealized | | 68,449 | 54,210 |
| | | <u>74,304</u> | <u>60,001</u> |
| Total revenue and gains on investments | | | |
| | | <u>95,631</u> | <u>85,418</u> |
| Expenses | | | |
| Management fees | | 12,701 | 10,986 |
| Other operating expenses | 18 | 3,407 | 2,659 |
| Shareholder services | 18 | 1,257 | 1,198 |
| | | <u>17,365</u> | <u>14,843</u> |
| Earnings before income taxes | | | |
| | | <u>78,266</u> | <u>70,575</u> |
| Income taxes | | | |
| | 19 | <u>326</u> | <u>1,875</u> |
| Net earnings for the period | | | |
| | | <u>77,940</u> | <u>68,700</u> |
| Weighted average number of common shares | | | |
| | | <u>136,300,656</u> | <u>132,701,684</u> |
| Net earnings per common share | | | |
| | | <u>0.57</u> | <u>0.52</u> |

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

Capital régional et coopératif Desjardins

Separate Statements of Changes in Net Assets

For the six-month periods ended June 30

(in thousands of Canadian dollars)

| | Share capital (note 16) | | Retained earnings \$ | Net assets \$ |
|---|-------------------------|------------------|-------------------------|------------------|
| | Number | \$ | | |
| Balance – December 31, 2017 | 138,079,685 | 1,501,550 | 443,792 | 1,945,342 |
| Net earnings for the period | - | - | 77,940 | 77,940 |
| Share capital transactions⁽¹⁾ | | | | |
| Issuance of common shares | 115,745 | 1,595 | - | 1,595 |
| Share issue expenses, net of \$20 in taxes | - | (27) | - | (27) |
| Redemption of common shares | (3,401,676) | (33,754) | (13,919) | (47,673) |
| Balance – June 30, 2018 | 134,793,754 | 1,469,364 | 507,813 | 1,977,177 |
| Balance – December 31, 2016 | 134,943,941 | 1,434,668 | 354,749 | 1,789,417 |
| Net earnings for the period | - | - | 68,700 | 68,700 |
| Share capital transactions⁽¹⁾ | | | | |
| Issuance of common shares | 117,423 | 1,523 | - | 1,523 |
| Share issue expenses, net of \$16 in taxes | - | (18) | - | (18) |
| Redemption of common shares | (3,649,568) | (35,856) | (12,286) | (48,142) |
| Balance – June 30, 2017 | 131,411,796 | 1,400,317 | 411,163 | 1,811,480 |

⁽¹⁾ This data does not include the redemption requests made within 30 days of subscription.

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

Capital régional et coopératif Desjardins

Separate Statements of Cash Flows

For the six-month periods ended June 30

(in thousands of Canadian dollars)

| | 2018 \$ | 2017 \$ |
|--|----------------|----------------|
| Cash flows from (used in) operating activities | | |
| Net earnings for the period | 77,940 | 68,700 |
| Non-cash items: | | |
| Losses (gains) on investments | (74,304) | (60,001) |
| Amortization of premiums and discounts on other investments | (1,294) | (1,179) |
| Deferred taxes | 746 | 1,744 |
| Capitalized interest and other non-cash items | (279) | (1,068) |
| Changes in operating assets and liabilities: | | |
| Income taxes recoverable | 2,692 | (1,664) |
| Accounts receivable | (6,115) | (8,751) |
| Accounts payable | (6,423) | (3,432) |
| Acquisitions of investments impacting the Québec economy | (105,718) | (110,580) |
| Proceeds from disposals of investments impacting the Québec economy | 78,558 | 62,910 |
| Acquisitions of other investments | (525,232) | (355,011) |
| Proceeds on disposal of other investments | 601,743 | 439,725 |
| | <hr/> 42,314 | <hr/> 51,393 |
| Cash flows from (used in) investing activities | | |
| Acquisitions of intangibles assets | (628) | - |
| Cash flows from (used in) financing activities | | |
| Issuance of common shares | 1,548 | 1,489 |
| Redemption of common shares | (47,673) | (48,142) |
| | <hr/> (46,125) | <hr/> (46,653) |
| Net change in cash and cash equivalents during the period | (4,439) | 4,740 |
| Cash and cash equivalents – Beginning of period | 29,438 | 19,117 |
| Cash and cash equivalents – End of period | <hr/> 24,999 | <hr/> 23,857 |
| Supplemental information about cash flows from operating activities | | |
| Interest received | 10,046 | 10,219 |
| Dividends and distributions received | 7,818 | 12,087 |
| Income taxes recovered (paid) | 3,112 | (1,795) |

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

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

1 Governing statute, administration and investments

Governing statute

Capital régional et coopératif Desjardins (“CRCD”) is constituted by an Act of the National Assembly of Québec (C.Q.L.R. chapter C 6.1) (the “Act”) and is deemed to have been constituted by the filing of articles on July 1, 2001. CRCD began its activities on November 5, 2001 and is a legal person with share capital. CRCD has business offices at 2 Complexe Desjardins, East Tower, Suite 1717, Montréal, Québec, Canada, and its head office is located at 100 Rue des Commandeurs, Lévis, Québec, Canada.

Administration

The affairs of CRCD are administered by a Board of Directors consisting of 13 members:

- Eight persons appointed by the President of Desjardins Group;
- Two persons elected by the General Meeting of Shareholders;
- Two persons appointed by the aforementioned 10 members from among the persons considered by those members to be representative of the eligible entities described in the Act;
- The Chief Executive Officer of CRCD.

Investments

CRCD may make investments with or without a guarantee or security, mainly in eligible entities. 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 whose assets are less than \$100 million or whose net equity is less than or equal to \$50 million.

CRCD may invest up to 5% of its assets (as established on the basis of the latest valuation by the chartered professional accountants) in the same eligible company or cooperative, and the investment is generally planned for a period of five to fifteen years. The percentage may be increased up to 10% to enable CRCD to acquire securities in an entity carrying on business in Québec but that is not an eligible entity. In such a case, CRCD may not, directly or indirectly, acquire or hold shares carrying more than 30% of the voting rights that may be exercised under any 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.

As of the fiscal year that began on January 1, 2006, and during each subsequent fiscal year, CRCD’s eligible investments, as defined in the Act, must represent on average at least 60% of CRCD’s average net assets for the preceding year. As of the fiscal year beginning January 1, 2016, this percentage is gradually increased by 1% per year to reach 65% for the fiscal years beginning after December 31, 2019.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

Furthermore, a portion representing at least 35% of that percentage (from 60% to 65%) must be made in entities situated in the resource regions of Québec or in eligible cooperatives, as defined in the Act.

If one of these targets is not met, CRCD will be subject to a reduction of the authorized issue of capital for the capitalization period following the end of the fiscal year.

2 Basis of presentation

Statement of compliance

CRCD has prepared its separate financial statements (the “financial statements”) in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements were approved by the Board of Directors on August 16, 2018.

Basis of measurement

These financial statements have been prepared on a fair value basis, except with respect to cash, accounts receivable, accounts payable and taxes, which are measured at amortized cost and at cost as well as intangible assets which are measured at amortized cost.

Investment entity

CRCD has several shareholders that are not related parties and holds a number of investments directly or indirectly in underlying funds. Ownership interests in CRCD are in the form of redeemable shares, subject to certain conditions, which are reported in net assets, in accordance with the puttable instrument exemption under IAS 32, *Financial Instruments: Presentation*.

CRCD has concluded that it constitutes an investment entity within the meaning of IFRS 10, *Consolidated Financial Statements*, as it obtains funds from multiple shareholders, commits to its shareholders to invest funds for returns from capital appreciation, and measures and evaluates the performance of its investments on a fair value basis. Accordingly, investments in subsidiaries and associates reported in investments impacting the Québec economy are recognized at fair value.

3 Significant accounting policies

Changes in accounting policies

On January 1, 2018, CRCD adopted accounting standards IFRS 9, *Financial Instruments*, and IFRS 15, *Revenue from Contracts with Customers*, retrospectively, without restatement of comparative periods. Accordingly, the information for fiscal 2017 is reported in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, and IAS 18, *Revenue*.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

IFRS 9, which replaces IAS 39, Financial Instruments: Recognition and Measurement, introduces new requirements relating to the classification and measurement of financial assets and liabilities, the impairment of financial instruments, as well as requirements for hedge accounting. CRCD does not apply hedge accounting.

Regarding the classification and measurement of financial assets and liabilities, the adoption of IFRS 9 had no impact on CRCD's balance sheet as at January 1, 2018. The financial assets designated at fair value through profit or loss in accordance with IAS 39 are now classified as at fair value through profit or loss in accordance with IFRS 9 while those included in loans and receivables and measured at amortized cost under IAS 39 continued to be measured at amortized cost under IFRS 9. The adoption of IFRS 9 had no impact on the classification and measurement of financial assets and liabilities.

The IFRS 9 impairment model applies to financial assets, loan commitments and financial guarantee contracts, except for financial instruments at fair value through profit or loss and those designated at fair value through other comprehensive income. Since CRCD's financial instruments are mostly at fair value through profit or loss, the adoption of this new impairment model had no impact on CRCD's balance sheet as at January 1, 2008.

IFRS 15 introduces a single, comprehensive revenue recognition model for all contracts with customers other than those within the scope of other standards, such as financial instruments, insurance contracts and leases. The core principle of this standard is that revenue recognition should depict the transfer of the control of goods or services in an amount that reflects the consideration received or expected to be received in exchange for such goods or services. The adoption of IFRS 15 had no impact on CRCD's balance sheet and statement of comprehensive income.

The significant accounting policies used in preparing these financial statements are set out below.

Financial instruments

CRCD accounts for its financial instruments at fair value on initial recognition. Purchases and sales of financial assets are recognized at the trade date.

Classification and measurement

Under IFRS 9, financial assets are measured at amortized cost which approximates their fair value, at fair value through profit or loss or at fair value through other comprehensive income based on the contractual cash flow characteristics as well as the economic model under which they are held.

Cash flow characteristics

To satisfy the criteria related to the cash flow characteristics for classifying a financial asset, the cash flows related to this asset consist solely of principal and interest payments on the principal amount outstanding. The principal generally represents the fair value of the financial asset at initial recognition. Interest consists primarily of consideration for the time value of money and credit risk associated with the principal outstanding over a given period, but may also include consideration for other risks and expenses associated with a basic loan contract, as well as some margin.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

Business model

CRCD's business models are determined in a manner that reflects how groups of financial assets are managed together to achieve a particular business objective. The business models represent how CRCD manages its financial assets to generate cash flows, that is, they reflect whether the cash flows will arise from the collection of contractual cash flows, the sale of financial assets, or both. CRCD's business models are outlined as follows:

- Held to collect contractual cash flows: The objective of holding financial assets is to collect contractual cash flows
- Held to collect contractual cash flows and for sale: The objective is achieved by collecting contractual cash flows and by selling financial assets
- Other business models: The objective is not consistent with any of the above business models.

Under IFRS 9, Investments impacting the Québec economy, Other investments and amounts receivable on disposals of Investments impacting the Québec economy are classified as at fair value through profit or loss because they are part of a portfolio managed in accordance with a documented investment management strategy and whose performance is measured on a fair value basis and information about the portfolio is provided internally on this basis to CRCD's key management personnel. Under IAS 39, they were designated at fair value through profit or loss.

Cash and accounts receivable are measured at amortized cost, which approximates their fair value, according to IFRS 9, since they are held under a business model whose objective is to collect contractual cash flows and they satisfy the criteria of the cash flow characteristics test, that is, they consist solely of payments of principal and interest. Under IAS 39, these financial assets were classified in loans and receivables and measured at amortized cost, which approximates their fair value.

Under IFRS 9 and IAS 39, accounts payable are classified and measured at amortized cost which approximates their fair value, while notes payable and financial liabilities are designated at fair value through profit or loss. Financial liabilities are derecognized when the liability is extinguished, that is, when the obligation specified in the contract is discharged or cancelled, or expires.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of assets and liabilities traded in a market

The fair value of assets and liabilities traded in a market considered as active is based on the quoted price within the bid-ask spread that is most representative of fair value in the circumstances. In certain cases, if the market is not considered an active market, the most recent quoted price between the bid-ask spread may be adjusted to adequately reflect fair value.

Fair value of assets and liabilities not traded in a market

When assets and liabilities are not market traded, fair value is determined using valuation techniques chosen based on set criteria and prevailing market conditions at each reporting date. The principal financial instruments not traded in a market are included in investments impacting the Québec economy. The techniques used are based on valuation principles including guidelines generally

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

used in the industry by business valuation professionals. Those valuation principles have been approved by CRCD's Board of Directors. The valuation method for a financial instrument is generally consistent from period to period, except where a change will result in more accurate estimates of fair value. Given the evolving environment specific to each entity underlying the financial instruments, changes to valuation techniques occur in each reporting period.

Loans and advances, non-participating shares

The fair value of loans and advances and non-participating shares is determined by discounting CRCD's expected contractual cash flows using a discount rate reflecting the return it would demand in light of entity-specific credit risk.

Participating shares

The main technique used to determine the fair value of participating shares is the capitalization of cash flows. Two key variables used in that technique are representative cash flow and the capitalization rate. To determine representative cash flow, recurring cash flows are estimated using the entity's historical results and/or financial forecasts. A risk weight is subsequently applied to each of the cash flows thus determined to reflect its probability of occurrence. The rate used to capitalize the representative cash flow thus obtained reflects the way in which the entity could fund its operations and the risks associated with the occurrence of that representative cash flow.

Where the price of a recent arm's length market transaction between knowledgeable, willing parties is available, this valuation technique is used. It may also be appropriate to use a technique based on a third party purchase offer when deemed bona fide and credible. The use of judgment is required in determining whether the fair value of the recent transaction or purchase offer is the best evidence of fair value at the measurement date. The period during which it is deemed appropriate to refer to a past transaction or purchase offer depends on the circumstances specific to each investment.

Another valuation technique used is adjusted net assets, which consists in remeasuring all assets and liabilities on the balance sheet of the entity or fund at their fair value at the measurement date. The key adjustments made are related to the fair value of assets and liabilities, newly available information and significant events that occurred between the balance sheet date of the entity or the fund and the measurement date.

Global equities, Canadian equities and real estate funds

Interests in global equity, Canadian equities and real estate funds are recorded at their fair value. Fair value represents the net assets per unit as determined by the funds as at the balance sheet date.

Guarantee

When it is probable that CRCD is required to make a payment under guarantee it has provided, the liability to be recognized is estimated using an asset-based approach and a liquidation value method.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

Note

The note receivable is related to an investment impacting the Québec economy and is recognized at fair value, which is the amount that CRCD would receive on the reporting date under the contractual agreement underlying this note receivable.

Notes payable and financial liabilities

Notes payable and financial liabilities are related to acquisitions of certain investments impacting the Québec economy and are recognized at fair value, which represents the amount payable by CRCD under the notes and financial liabilities' underlying contractual agreements at the reporting date.

Amounts receivable on disposal of investments impacting the Québec economy

The fair value of amounts receivable on disposal of investments impacting the Québec economy is determined by discounting contractual cash flows and considers the debtor's credit risk in particular. Typically, estimating the amounts receivable and the timing of their collection depends on whether specified future events occur or conditions are met.

Intangibles assets

IT development consists primarily of costs relating to the development of applications that can be used internally or to provide services to shareholders. Intangible assets are initially recognized at cost and subsequently measured at cost less any accumulated amortization and any impairment losses. These costs are capitalized when the application's development phase begins. The costs incurred prior to this phase are expensed.

Intangible assets are amortized over their estimated useful lives, using the following method and period:

| | Method | Period |
|-------------------|---------------|--------------|
| Intangible assets | | |
| IT development | Straight-line | 3 to 5 years |

Amortization begins when intangible assets are available for use. The amortization method and the useful life are revised at least once per year. Changes are recognized prospectively similarly to changes in accounting estimates.

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Impairment of assets

The carrying amount of intangible assets is reviewed at each reporting date to determine whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. For intangible assets that are not yet available for use, an annual impairment test is performed by comparing their carrying amount to their recoverable amount.

Cash and cash equivalents

Cash and cash equivalents consist of cash and money market instruments with purchased maturities of less than 90 days.

Share capital

The shares of CRCD are redeemable at the holder's option subject to certain conditions and therefore constitute financial liabilities. However, they are reported in net assets, as they have all of the following features:

- They entitle the shareholder to a pro rata share of CRCD's net assets in the event of CRCD's liquidation;
- They are in the class of instruments that is subordinate to all other classes of instruments of CRCD;
- They have identical features to all other instruments in that class;
- Apart from the contractual obligation for CRCD to repurchase or redeem the instrument for cash or another financial asset, they do not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to CRCD, and it is not a contract that will or may be settled in CRCD's shares;
- The total expected cash flows attributable to the shares over their life are based substantially on net earnings, the change in recognized net assets or the change in fair value of the recognized and unrecognized net assets of CRCD over the life of the shares (excluding any effects of the shares).

Share issuance costs, net of taxes, are reported in the Separate Statements of Changes in Net Assets.

Revenue recognition

Interest

For investments impacting the Québec economy, interest is recognized at the contractual rate, as collection is reasonably assured. For other investments, interest is recognized using the effective interest method. Amortization of premiums and discounts, calculated using the effective interest method, is recognized in profit or loss under "Interest."

Dividends and distributions

Dividends are recognized as at the holder-of-record date and when they are declared by the issuing companies or received.

Distributions are recognized when they are declared by the funds in the other investments portfolio.

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Administrative charges

Administrative charges are recognized at the time of a shareholder's initial subscription and on the closure of that account by the shareholder.

Gains and losses

Realized gains and losses on investments are recognized at the time of sale and represent the difference between sales proceeds and cost. Variations in the fair value of amounts receivable on disposal of investments are considered adjustments to sales proceeds and are therefore recorded as realized gains and losses. Realized gains and losses on a note payable or financial liability are recognized when paid and represent the difference between the amount CRCD paid to settle the note or financial liability and its initial value. The realized gains and losses do not take into account the unrealized gains and losses recognized in previous period, which are reversed and reported in unrealized gains and losses for the current year.

Functional currency and foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars, CRCD's functional currency, at the exchange rate prevailing at the end of the reporting period. Revenues and expenses are translated at the exchange rate prevailing on the transaction date. Realized and unrealized gains and losses on investments arising from those translations are accounted for in the Separate Statements of Comprehensive Income under "Gains (losses) on investments". For other monetary assets and liabilities denominated in foreign currencies, changes related to foreign currency translation are reported under "Other operating expenses" in the Separate Statements of Comprehensive Income. CRCD aims to systematically hedge currency risk for assets measured in foreign currency, unless the exposure stems from the long-term expected returns of certain asset classes. CRCD has decided not to apply hedge accounting.

Taxes

The income tax expense comprises current taxes and deferred taxes. Income taxes are recognized in the Separate Statements of Comprehensive Income, unless they relate to items that were recognized outside earnings directly in the Separate Statements of Changes in Net Assets. In such cases, income taxes are also recognized outside profit or loss directly in net assets.

Current tax is the tax payable on the taxable income for the reporting period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax on unrealized gains, discussed in the following paragraph. Deferred tax is calculated on an undiscounted basis using enacted or substantively enacted tax rates and legislation at the end of the reporting period that are expected to apply in the period in which the deferred tax asset will be realized and the deferred tax liability will be settled. Deferred tax assets are generally recognized only to the extent that it is probable that future taxable income will be available against which temporary differences can be utilized.

CRCD is subject to federal and Québec income taxes. It is also subject to the tax rules applicable to mutual fund corporations. For federal tax purposes, CRCD may, in particular, obtain a refund of its tax paid on capital gains through the redemption of its shares. CRCD considers it is, in substance, exempt from federal income tax related to capital gains (losses) for the purposes of applying IFRS and, accordingly, does not recognize any deferred taxes relating to unrealized gains (losses) on investments or deferred taxes related

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to unrealized recoveries resulting from tax mechanisms related to refundable capital gains tax on hand. For Québec tax purposes, realized capital gains (losses) are not taxable (deductible).

Net earnings per common share

Net earnings per common share are computed by dividing net earnings by the weighted average number of common shares outstanding during the period.

4 Significant judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires CRCDC to make judgments, estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenue and expenses and the related disclosures. Changes in assumptions can have a material effect on the financial statements for the period in which those assumptions were changed. CRCDC considers the assumptions used to be appropriate and accordingly that its separate financial statements present fairly its financial position and its results.

The significant accounting policy that required CRCDC to make subjective or complex judgments, often about matters that are inherently uncertain, pertains to the fair value measurement of assets and liabilities not traded in an active market.

A significant judgment is made in the assumptions used in the valuation techniques. While those techniques make as much use as possible of observable inputs, fair value is also determined based on internal inputs and estimates (unobservable inputs) that take into account the features specific to the financial instrument and any relevant measurement factor. The use of unobservable inputs requires CRCDC to exercise judgment to ensure that those inputs reflect the assumptions that market participants would use to determine fair value based on the best information available in the circumstances. CRCDC considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Fair value reflects market conditions on a given date and, for that reason, may not be representative of future fair values.

In accordance with the requirements contained in the *Regulation Respecting Development Capital Investment Fund Continuous Disclosure* issued by the Autorité des marchés financiers, CRCDC has implemented various controls and procedures to ensure that financial instruments are appropriately and reliably measured. The valuations have been prepared by a team of qualified valuers relying on a structured process composed of several validation and review stages. The Portfolio Valuation Committee, whose members consist mainly of independent qualified valuers, monitors operational risk related to non-compliance with the portfolio valuation methodology and reports to the Board of Directors semi-annually. More specifically, its role consists in performing semi-annual reviews of all relevant information regarding the valuations of CRCDC's portfolio of investments impacting the Québec economy to provide reasonable assurance that the valuation process meets regulatory requirements.

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5 Accounting standards issued but not yet adopted

Conceptual framework for financial reporting

In March 2018, the IASB issued the Conceptual Framework for Financial Reporting, replacing the current framework. The Conceptual Framework for Financial Reporting includes new concepts, updates definitions and recognition criteria for assets and liabilities, and clarifies some key concepts. CRCD is currently assessing the impact of adopting this new framework, which will be effective for annual periods beginning on or after January 1, 2020.

6 Risks associated with financial instruments

The risks associated with financial instruments that affect CRCD's financial position are discussed in detail in the audited sections "Market Risks," "Credit and Counterparty Risk", "Concentration Risk" and "Liquidity Risk" of CRCD's Management's Discussion and Analysis and are an integral part of these audited separate financial statements.

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7 Investments impacting the Québec economy

The Audited Schedule of Cost of Investments Impacting the Québec Economy is available on written request to CRCD's head office or on our website at www.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, 2018 | | |
|---------------------|--------------------------------|-----------------------------------|-----------------------|
| | Cost | Unrealized gain (loss) | Fair value |
| | \$ | \$ | \$ |
| Unsecured | | | |
| Common shares | 291,108 | 147,734 | 438,842 |
| Preferred shares | 250,424 | 56,875 | 307,299 |
| Fund units | 197,700 | 55,792 | 253,492 |
| Loans and advances | 105,762 | 486 | 106,248 |
| Note ⁽¹⁾ | 1,127 | - | 1,127 |
| Secured | | | |
| Loans and advances | 8,485 | (606) | 7,879 |
| | 854,606 | 260,281 | 1,114,887 |
| | As at December 31, 2017 | | |
| | Cost | Unrealized gain (loss) | Fair value |
| | \$ | \$ | \$ |
| Unsecured | | | |
| Common shares | 289,722 | 106,253 | 395,975 |
| Preferred shares | 240,059 | 45,611 | 285,670 |
| Fund units | 187,192 | 53,351 | 240,543 |
| Loans and advances | 107,225 | 1,087 | 108,312 |
| Note ⁽¹⁾ | 1,020 | - | 1,020 |
| Secured | | | |
| Loans and advances | 3,037 | (606) | 2,431 |
| | 828,255 | 205,696 | 1,033,951 |

(1) On September 28, 2017, CRCD made a commitment to invest, in the form of a note, a maximum amount of \$5.0 million in the Desjardins-Innovatech S.E.C. fund (DI) which will use the amount to make an investment impacting the Québec economy. This note contains a clause under which the amount receivable by CRCD will be equal to the fair value of the investment made by DI. The entire proceeds received by DI upon a partial or full disposal of the investment will be paid to CRCD and deducted from the note receivable.

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Investments impacting the Québec economy include investments measured in U.S. dollars with a fair value of \$146.6 million (\$77.1 million as at December 31, 2017).

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

Loans and advances bear interest at a weighted average rate of 8.4 % (9.9% as at December 31, 2017). The interest rate is fixed for substantially all interest-bearing loans and advances. For the period ended June 30, 2018, interest income recognized at the contractual rate amounted to \$5.2 million (\$6.2 million for the period ended June 30, 2017). Substantially all of the change in the fair value of loans and advances resulted from changes in credit risk and to a lesser extent, changes in the rates charged on these types of products.

Loans and advances have an annual residual maturity of 3.4 years (3.3 years as at December 31, 2017) and the fair market value of the current portion is \$8.1 million (\$21.6 million as at December 31, 2017).

Allocation of investments and funds committed by segment

Investments and funds committed are allocated by segment as follows:

| As at June 30, 2018 | | | | | |
|---------------------------|------------------------------|---------------------------------|---------------------|---|---------------------------|
| Segment | Investments at cost \$ | Unrealized gain (loss) \$ | Fair value \$ | Funds committed but not disbursed ⁽¹⁾ \$ | Total commitment \$ |
| Manufacturing | 473,060 | 148,005 | 621,065 | 346 | 621,411 |
| Services | 170,341 | 59,054 | 229,395 | 700 | 230,095 |
| Technological innovations | 12,378 | (2,569) | 9,809 | 150 | 9,959 |
| Funds | 198,827 | 55,791 | 254,618 | 132,504 | 387,122 |
| Total | 854,606 | 260,281 | 1,114,887 | 133,700 | 1,248,587 |

| As at December 31, 2017 | | | | | |
|---------------------------|------------------------------|---------------------------------|---------------------|---|---------------------------|
| Segment | Investments at cost \$ | Unrealized gain (loss) \$ | Fair value \$ | Funds committed but not disbursed ⁽¹⁾ \$ | Total commitment \$ |
| Manufacturing | 440,207 | 86,777 | 526,984 | 15,000 | 541,984 |
| Services | 179,720 | 78,860 | 258,580 | 4,925 | 263,505 |
| Technological innovations | 20,116 | (13,292) | 6,824 | 1,000 | 7,824 |
| Funds | 188,212 | 53,351 | 241,563 | 162,681 | 404,244 |
| Total | 828,255 | 205,696 | 1,033,951 | 183,606 | 1,217,577 |

⁽¹⁾ Funds committed but not disbursed are not included in assets.

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Funds committed but not disbursed

Funds committed but not disbursed represent investments that have already been agreed upon and for which amounts have been committed but not disbursed by CRCD at the reporting 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:

| 2018 (6 months) \$ | 2019 \$ | 2020 \$ | 2021 \$ | 2022 and thereafter \$ | Total \$ |
|--------------------------|------------|------------|------------|------------------------------|-------------|
| 31,096 | 17,888 | 17,722 | 14,882 | 52,112 | 133,700 |

Investments in subsidiaries and associates

Subsequent to quantitative and qualitative analyses, CRCD has determined that it has control (subsidiaries) or exercises significant influence (associates) over the following number of entities:

| | As at June 30, 2018 | | As at December 31, 2017 | |
|---------------------|---------------------------|---------------------|-------------------------------|---------------------|
| | Number | Fair value \$ | Number | Fair value \$ |
| Subsidiaries | | | | |
| Partner companies | 9 | 230,489 | 10 | 237,991 |
| Associates | | | | |
| Partner companies | 28 | 291,582 | 27 | 288,316 |
| Funds | 8 | 237,546 | 7 | 220,460 |

The principal place of business of these entities is in Québec, and the country of incorporation is Canada.

Interests in the share capital of these partner companies comprise common shares and preferred shares. The percentage of equity securities held by CRCD in each of the partner companies is equal to or over 50% for the subsidiaries, and between 9% and 45% (10% and 49% as at December 31, 2017) for associates. Except for a subsidiary and an associate as at June 30, 2018 (one subsidiary as at December 31, 2017), the voting rights are equivalent to the proportion of interests held. During the period ended June 30, 2018, CRCD acquired two associates and disposed of an associate and a subsidiary.

As at June 30, 2018, CRCD has invested as sponsor in a fund over which it exercises significant influence. As at June 30, 2018 and December 31, 2017, the interests were made up of units and the holding percentage varied from 20.0% to 94.6%.

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8 Other investments

The Unaudited Statement of Other Investments is available on written request to CRCD's head office or on our website at www.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, 2018 | | |
|---|----------------------------|--------------------|----------------|
| | Cost | Unrealized | Fair |
| | \$ | gain (loss) | value |
| | | \$ | \$ |
| Bonds | | | |
| Federal or guaranteed | 171,273 | (1,045) | 170,228 |
| Provincial, municipal or guaranteed | 103,261 | (396) | 102,865 |
| Financial institutions | 84,725 | (1,127) | 83,598 |
| Companies | 40,192 | (78) | 40,114 |
| | 399,451 | (2,646) | 396,805 |
| Money market instruments ⁽¹⁾ | 54,835 | - | 54,835 |
| Foreign exchange contracts ⁽²⁾ | - | 1,723 | 1,723 |
| Canadian equity funds | 89,294 | 4,645 | 93,939 |
| Global equity funds | 144,433 | 12,243 | 156,676 |
| Real estate funds | 88,030 | 4,484 | 92,514 |
| Total | 776,043 | 20,449 | 796,492 |

Breakdown of bonds by maturity date

| | As at June 30, 2018 | | | |
|-------------------------------------|----------------------------|---------------|----------------|--------------|
| | Under | 1 to 5 | Over | Total |
| | 1 year | years | 5 years | \$ |
| | \$ | \$ | \$ | \$ |
| Cost | 3,500 | 156,716 | 239,235 | 399,451 |
| Par value | 3,500 | 157,523 | 246,160 | 407,183 |
| Fair value | 3,500 | 155,243 | 238,062 | 396,805 |
| Average nominal rate ⁽³⁾ | 1.76 % | 2.00 % | 2.44 % | 2.26 % |
| Average effective rate | 1.76 % | 2.21 % | 2.67 % | 2.48 % |

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| | As at December 31, 2017 | | |
|---|-------------------------|---------------------------------|---------------------|
| | Cost \$ | Unrealized gain (loss) \$ | Fair value \$ |
| Bonds | | | |
| Federal or guaranteed | 217,460 | (2,987) | 214,473 |
| Provincial, municipal or guaranteed | 158,878 | (1,929) | 156,949 |
| Financial institutions | 83,250 | (873) | 82,377 |
| Companies | 52,113 | 272 | 52,385 |
| | 511,701 | (5,517) | 506,184 |
| Money market instruments ⁽¹⁾ | 33,938 | - | 33,938 |
| Foreign exchange contracts ⁽²⁾ | - | 1,465 | 1,465 |
| Canadian equity funds | 89,186 | 3,911 | 93,097 |
| Global equity funds | 143,995 | 10,958 | 154,953 |
| Real estate funds | 85,807 | 3,038 | 88,845 |
| Total | 864,627 | 13,855 | 878,482 |

Breakdown of bonds by maturity date

| | As at December 31, 2017 | | | |
|-------------------------------------|-------------------------|-----------------------|-----------------------|-------------|
| | Under 1 year \$ | 1 to 5 years \$ | Over 5 years \$ | Total \$ |
| Cost | 6,091 | 175,554 | 330,056 | 511,701 |
| Par value | 6,075 | 178,345 | 346,843 | 531,263 |
| Fair value | 6,104 | 173,783 | 326,297 | 506,184 |
| Average nominal rate ⁽³⁾ | 1.91 % | 1.98 % | 2.14 % | 2.08 % |
| Average effective rate | 2.00 % | 2.05 % | 2.28 % | 2.20 % |

⁽¹⁾ Money market instruments consist of term deposits, treasury bills and strip bonds with an original maturity of less than a year.

⁽²⁾ Foreign exchange contracts to sell US\$108.6 million have three-month maturities (US\$76.1 million as at December 31, 2017).

⁽³⁾ Substantially all bonds bear interest at a fixed rate.

Other investments include investments which represent foreign currency exposure with a fair value of \$141.4 million (\$140.0 million as at December 31, 2017).

As at June 30, 2018, other investments did not include funds committed but not disbursed.

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9 Fair value of financial instruments

Hierarchy levels of financial instruments measured at fair value

CRCQ categorizes its financial instruments according to the following three hierarchical levels:

- Level 1 – Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables show the breakdown by level of the fair value measurements of financial instruments recognized at fair value in the Balance Sheets.

| | As at June 30, 2018 | | | |
|--|--------------------------------|----------------|------------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Investments impacting the Québec economy | 405 | - | 1,114,482 | 1,114,887 |
| Other investments | 519,857 | 184,121 | 92,514 | 796,492 |
| Amounts receivable on disposal of investments impacting the Québec economy | - | - | 21,179 | 21,179 |
| Total financial assets | 520,262 | 184,121 | 1,228,175 | 1,932,558 |
| Financial liabilities | | | | |
| Financial liabilities | - | - | 3,946 | 3,946 |
| | | | | |
| | As at December 31, 2017 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Investments impacting the Québec economy | 264 | - | 1,033,687 | 1,033,951 |
| Other investments | 615,182 | 174,455 | 88,845 | 878,482 |
| Amounts receivable on disposal of investments impacting the Québec economy | - | - | 14,943 | 14,943 |
| Total financial assets | 615,446 | 174,455 | 1,137,475 | 1,927,376 |
| Financial liabilities | | | | |
| Notes payable and financial liabilities | - | - | 23,413 | 23,413 |

Transfers between hierarchy levels of financial instruments measured at fair value are made at the reporting date. There was no transfer between hierarchy levels during the six-month period ended June 30, 2018 and during the year ended December 31, 2017.

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Level 3 financial instruments

The following tables present the reconciliation between the beginning and ending balances of Level 3 financial instruments:

| | For the six-month period ended June 30, 2018 | | | |
|--|---|----------------------------|--|---|
| | Investments impacting the Québec economy \$ | Other investments \$ | Amounts receivable on disposal of investments impacting the Québec economy \$ | Notes payable and financial liabilities \$ |
| Fair value as at December 31, 2017 | 1,033,687 | 88,845 | 14,943 | (23,413) |
| Realized gains (losses) | 24,850 | - | 3,246 | (7,504) |
| Unrealized gains (losses) | 54,593 | 1,446 | - | 7,270 |
| Acquisitions/issuances | 105,847 | 2,223 | 4,218 | - |
| Disposals/repayments | (104,495) | - | (1,228) | 19,701 |
| Fair value as at June 30, 2018 | 1,114,482 | 92,514 | 21,179 | (3,946) |
| Unrealized gains (losses) in comprehensive income on investments and notes payable and financial liabilities as at June 30, 2018 | 76,345 | 1,446 | - | - |

| | For the six-month period ended June 30, 2017 | | | |
|--|---|----------------------------|--|---|
| | Investments impacting the Québec economy \$ | Other investments \$ | Amounts receivable on disposal of investments impacting the Québec economy \$ | Notes payable and financial liabilities \$ |
| Fair value as at December 31, 2016 | 920,942 | 64,118 | 27,469 | (25,233) |
| Realized gains (losses) | 5,097 | - | 1,139 | (200) |
| Unrealized gains (losses) | 40,398 | 924 | - | (92) |
| Acquisitions/issuances | 111,648 | 19,870 | - | - |
| Disposals/repayments | (56,088) | - | (9,472) | 1,511 |
| Fair value as at June 30, 2017 | 1,021,997 | 84,912 | 19,136 | (24,014) |
| Unrealized gains (losses) in comprehensive income on investments and notes payable and financial liabilities as at June 30, 2017 | 44,108 | 924 | - | (92) |

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The following tables present the main techniques and inputs used to measure the fair value of Level 3 financial instruments:

| | As at June 30, 2018 | | | |
|---|------------------------------|--------------------------------------|---|---|
| | Fair value \$ | Main valuation techniques | Unobservable inputs | Input value range (weighted average) |
| Investments impacting the Québec economy | | | | |
| Loans and advances | 33,382 | Discounted cash flows | Required return | 6.8% to 16.0% (8.6%) |
| Non-participating shares | 168,842 | Discounted cash flows | Required return | 4.3% to 11.6% (5.5%) |
| Participating controlling shares | 185,283 | Capitalized cash flows | Capitalization rate | 7.6% to 11.8% (8.6%) |
| | | | % of representative cash flows ⁽¹⁾ | 9.3% to 26.9% (16.5%) |
| | 37,220 | Recent transactions and bids | Paid/bid price | - |
| | 27,937 | Restated net assets | Entity's net assets | -(2) |
| Participating non-controlling shares | 125,107 | Capitalized cash flows | Capitalization rate | 7.2% to 24.4% (11.6%) |
| | | | % of representative cash flows ⁽¹⁾ | 3.5% to 38.7% (16.5%) |
| | 201,245 | Recent transactions and bids | Paid/bid price | - |
| | 77,795 | Restated net assets | Entity's net assets | -(2) |
| | 3,053 | Other ⁽³⁾ | - | - |
| | 1,127 | Restated net assets | Fund's net assets | -(4) |
| Fund units | <u>253,491</u> | Restated net assets | Fund's net assets | -(2) |
| | <u>1,114,482</u> | | | |
| Other investments – Real estate fund | 92,514 | Restated net assets | Fund's net assets | -(2) |
| Amounts receivable on disposal of investments impacting the Québec economy | 21,179 | Discounted cash flows | Required return | 0.5% to 9.0% (6.6%) |
| Financial liabilities | (3,946) | Miscellaneous | - | - |

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

| | | | | As at December 31, 2017 |
|---|---------------------|------------------------------|---|---|
| | Fair value \$ | Main valuation techniques | Unobservable inputs | Input value range (weighted average) |
| Investments impacting the Québec economy | | | | |
| Loans and advances | 32,201 | Discounted cash flows | Required return | 6.8% to 17.1% (8.8%) |
| Non-participating shares | 155,232 | Discounted cash flows | Required return | 4.4% to 12.1% (5.2%) |
| Participating controlling shares | 201,031 | Capitalized cash flows | Capitalization rate | 7.7% to 9.6% (8.6%) |
| | | | % of representative cash flows ⁽¹⁾ | 7.5% to 26.2% (14.9%) |
| | 13,150 | Recent transactions and bids | Paid/bid price | - |
| | 560 | Restated net assets | Entity's net assets | -(2) |
| Participating non-controlling shares | 139,426 | Capitalized cash flows | Capitalization rate | 7.1% to 20.5% (10.2%) |
| | | | % of representative cash flows ⁽¹⁾ | 3.1% to 38.7% (15.5%) |
| | 186,685 | Recent transactions and bids | Paid/bid price | - |
| | 57,523 | Restated net assets | Entity's net assets | -(2) |
| | 6,316 | Other ⁽³⁾ | - | - |
| Note | 1,020 | Restated net assets | Fund's net assets | -(4) |
| Fund units | 240,543 | Restated net assets | Fund's net assets | -(2) |
| | <u>1,033,687</u> | | | |
| Other investments – Real estate fund | 88,845 | Restated net assets | Fund's net assets | -(2) |
| Amounts receivable on disposal of investments impacting the Québec economy | 14,943 | Discounted cash flows | Required return | 0.5% to 10.0% (7.9%) |
| Notes payable and financial liabilities | (23,413) | Miscellaneous | - | - |

(1) As the entities comprising the portfolio vary widely in size, representative cash flows are presented as a percentage of sales.

(2) As the entities and funds comprising the portfolio vary widely in size, no input value range is provided for the net assets of the entity/fund.

(3) Other valuation techniques include discounted transaction value, redemption value and liquidation value methods.

(4) The note receivable is related to an investment impacting the Québec economy in a fund.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

The main valuation techniques used for participating shares take into account investments made in a single entity in the form of loans and advances, and non-participating shares. Accordingly, the fair value of participating shares includes these mixed investments.

Sensitivity of fair value to unobservable inputs

Although CRCD considers that fair value estimates made for the separate financial statements are appropriate, if different assumptions were used for unobservable inputs, the results could be different.

Loans and advances, non-participating shares – Discounted cash flows

An increase (decrease) in the required return, all other factors remaining constant, generally results in a decrease (increase) in fair value. According to CRCD, changing one or more reasonably possible assumptions could result in a change in the required return of about 0.5%. However, such a change in the required return would not have a direct material impact on the fair value of loans and advances, and non-participating shares.

Participating shares – Capitalized cash flows

If different assumptions were used for the two unobservable inputs, namely representative cash flows and capitalization rate, to measure a given investment, the fair value of the investment could increase or decrease. However, since these two unobservable inputs are interrelated, the use of different assumptions for one of these inputs generally leads to a revised assumption for the other input, thereby limiting the impact on fair value.

Typically, CRCD determines a range of acceptable fair values for each investment measured and uses the mid-point of the range for financial statement reporting purposes. If all the ranges are summed up, the cumulative difference between the top and bottom acceptable fair values and the investment fair value expressed as a percentage of CRCD's net assets is approximately:

| | As at June 30, 2018 | As at December 31, 2017 |
|--------------------------------------|------------------------------------|--|
| Participating controlling shares | +/- 0.3% | +/- 0.3% |
| Participating non-controlling shares | +/- 0.2% | +/- 0.3% |

According to CRCD, for each investment subject to measurement, the impact of a change in the two unobservable inputs to reflect other reasonably possible assumptions should be less than this percentage on the net assets of CRCD.

Participating shares – Recent transactions and bids

According to these techniques, the fair value of participating shares is based on an observable input, namely the price of a recent transaction negotiated between unrelated parties or the price of a bid received. CRCD must use judgment to determine whether the recent transaction is still representative of the fair value as at the measurement date or whether the bid is serious and credible. CRCD may also, if necessary, make any adjustments considered required and include unobservable inputs in the fair value measurement. The amount of the adjustments is generally immaterial compared with the related transaction or bid price used. CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not be materially different from the fair value used.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

Fund units – Restated net assets

According to this technique, the fair value of fund units is based on an observable input, namely the net assets reported in the most recent audited financial statements of each fund held and adjusted if necessary to reflect the acquisitions or disposals of fund units made by CRCD between the financial statement reporting date for each fund and the valuation date. In certain circumstances, CRCD must make certain other adjustments that are more judgmental in nature. CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not have been materially different from the fair value used.

Other valuation techniques

Since the fair value of assets measured using other techniques is not significant, CRCD considers that the fair value it could have obtained by using unobservable inputs based on different reasonably possible assumptions would not have been materially different from the fair value used.

10 Intangible assets

| | IT development | |
|--------------------------------|---|---|
| | As at June 30, 2018 \$ | As at December 31, 2017 \$ |
| Cost | 628 | - |
| Cumulated depreciation | - | - |
| Net accounting value | 628 | - |
| | | |
| Period variation | | |
| Beginning net accounting value | - | - |
| Acquisition | 628 | - |
| Depreciation | - | - |
| Ending net accounting value | 628 | - |

11 Accounts receivable

| | As at June 30, 2018 \$ | As at December 31, 2017 \$ |
|--|---|---|
| Interest, dividends and distributions receivable on investments | 26,950 | 20,240 |
| Amounts receivable on disposal of investments impacting the Québec economy | 21,179 | 14,943 |
| Others | 291 | 886 |
| | 48,420 | 36,069 |

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

The change in fair value of amounts receivable on disposal of investments impacting the Québec economy is not attributable to changes in credit risk. These amounts receivable include amounts denominated in U.S. dollars for \$16.7 million (\$13.6 million as at December 31, 2017).

Based on the information available as at the reporting date and the assumptions made as to the timing of collection, CRCD expects to collect accounts receivable with a fair value of \$38.9 million (\$32.6 million as at December 31, 2017) no later than 12 months after the reporting date.

12 Cash and cash equivalents

| | As at June 30, 2018 \$ | As at December 31, 2017 \$ |
|--------------------------|---------------------------------|-------------------------------------|
| Cash | 9,979 | 12,305 |
| Money market instruments | 15,020 | 17,133 |
| | 24,999 | 29,438 |

13 Notes payable and financial liabilities

On November 30, 2010, CRCD acquired from Desjardins Venture Capital L.P., a subsidiary of Fédération des caisses Desjardins du Québec ("FCDQ"), investments impacting the Québec economy with a fair value of \$17.6 million as consideration for notes of an 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 CRCD on the sale of the related investment. During the period ended June 30, 2018, one note payable was paid for an amount of \$ 1.2 million following the disposition of the underlying company. As at May 30, 2018, an agreement related to the final settlement of the securities underlying the notes payable has been signed between CRCD and DCR. The balance of the notes was therefore paid for a total amount of \$ 18.5 million. As at June 30, 2018, there is no notes payable.

Financial liabilities are amounts that CRCD would have to pay under contractual agreements and whose fair value is determined according to changes in fair value of certain underlying investments impacting the Québec economy.

As at June 30, 2018, financial liabilities with a fair value of \$3.9 million were related to investments impacting the Québec economy measured in U.S. dollars (\$21.2 million as at December 31, 2017 including notes payable and financial liabilities).

The payment of financial liabilities is directly related to receipts in connection with disposals of certain investments impacting the Québec economy. Given that the timing of such receipts is contingent on whether future events occur or specific conditions are met, CRCD is not in a position to determine the period during which it will pay the financial liabilities. However, as payment typically follows receipts, liquidity risk is low.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

14 Accounts payable

| | As at June 30, 2018 \$ | As at December 31, 2017 \$ |
|--|---|---|
| Trade payables and accrued liabilities | 2,830 | 6,269 |
| Amounts payable on acquisitions of other investments | 180 | - |
| Other | 2,247 | 5,175 |
| | <u>5,257</u> | <u>11,444</u> |

CRCD expects to pay its accounts payable no later than 12 months after the reporting date.

15 Line of credit

CRCD has an authorized line of credit of \$50 million with FCDQ, bearing interest at the operating credit rate of FCDQ plus 0.5%. This line of credit is secured by a portion of the money market instruments and bonds recorded in other investments and is renewable annually. As at June 30, 2018 and December 31, 2017, the line of credit was undrawn and was not used during the year ended.

16 Share capital**Authorized**

CRCD 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 prescribed by the Act, so that its capital increases by a maximum of \$150 million annually.

According to the Act, as of the capitalization period following the one at the end of which CRCD first reaches capitalization of at least \$1.25 billion, CRCD may raise, 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 CRCD during the preceding capitalization period.

Each capitalization period, which lasts 12 months, begins on March 1 of each year. A special tax is payable by CRCD if it fails to comply with these limits, and control mechanisms have been implemented by CRCD to ensure compliance.

On February 28, 2014, CRCD reached its capitalization limit. Despite the provisions of its constituting act, the Minister of Finance of Québec authorized CRCD to raise a maximum amount of \$135 million for each of the capitalization periods from March 1, 2016 to February 28, 2017 and from March 1, 2017 to February 28, 2018. In the Budget Speech of March 27, 2018, a maximum amount of \$140 million was authorized for each of the capitalization periods starting March 1, 2018, 2019 and 2020. The provincial tax credit granted by the Québec government for purchasing shares is set at 40% up to February 28, 2018 and 35% starting March 1, 2018.

To allow as many shareholders as possible to buy CRCD shares, purchases are capped at \$3,000 per investor for each of the 2016 and 2017 issues.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

CRCD is required to pay share issuance costs. Those costs are presented net of taxes, as a deduction from share capital. For the period ended June 30, 2018, share issuance costs amounted to \$0.02 million (\$2.40 million for the year ended December 31, 2017).

Issued

The net assets of CRCD as at June 30, 2018 totalled \$1,977.2 million broken down by issue as follows:

| Issue | Issue price \$ | Balance* \$M | Eligible for redemption |
|------------|--------------------------|-----------------|----------------------------|
| 2001 | 10.00 | 28.6 | 2008 |
| 2002 | 10.00 | 79.0 | 2009 |
| 2003 | 10.12 and 10.24 | 39.9 | 2010 |
| 2004 | 10.25 | 49.5 | 2011 |
| 2005 | 10.25 | 54.8 | 2012 |
| 2006 | 10.37 and 10.21 | 53.2 | 2013 |
| 2007 | 10.21 and 9.92 | 73.9 | 2014 |
| 2008 | 9.89 9.83 and 9.54 | 121.2 | 2015 |
| 2009 | 9.54 9.62 and 9.73 | 156.5 | 2016 |
| 2010 | 9.73 and 9.80 | 174.1 | 2017 |
| 2011 | 9.91 and 10.02 | 205.5 | 2018 |
| 2012 | 11.02 | 196.8 | 2019 |
| 2013 | 11.47 | 189.8 | 2020 |
| 2014 | 11.92 | 77.0 | 2021 |
| 2015 | 12.05 | 181.3 | 2022 |
| 2016 | 12.93 and 13.26 | 152.6 | 2023 |
| 2017 | 13.78 | 143.5 | 2024 |
| Net assets | | 1,977.2 | |

* Calculated as net asset value per share as at June 30, 2018

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

Redemption criteria

CRCD 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 CRCD 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 CRCD if that person applies to CRCD in writing within 30 days of subscription date; and
- At the request of a person who acquired it from CRCD if that person is declared to have a severe and permanent mental or physical disability that makes her/him incapable of working.

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

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

Tax credit

The purchase of shares of CRCD entitles the investor to receive a non-refundable tax credit, for Québec tax purposes only, determined as follows:

- For purchases prior to March 24, 2006: 50% tax credit;
- For purchases from March 24, 2006 to November 9, 2007: 35% tax credit;
- For purchases from November 10, 2007 to February 28, 2014: 50% tax credit;
- For purchases from March 1, 2014 to February 29, 2016: 45% tax credit;
- For purchases from March 1, 2016 to February 28, 2018: 40% tax credit; and
- For purchases from March 1, 2018: 35% tax credit.

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 current or subsequent taxation years.

17 Capital disclosures

CRCD'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 redemptions. CRCD's capital consists of its net assets.

CRCD is not subject to any external capital requirements other than those governing the issuance and redemption of its shares, as indicated in note 16.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

CRCD's policy is to reinvest the annual earnings 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.

18 Expenses

| | For the six-month periods ended June 30, | |
|--|---|--------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Other operating expenses | | |
| IT expenses | 2,005 | 1,398 |
| Professional services fees | 887 | 537 |
| Compensation of members of the Board of Directors and its committees | 311 | 326 |
| Audit fees | 93 | 94 |
| Custodial and trustee fees | 59 | 58 |
| Other expenses | 52 | 246 |
| | 3,407 | 2,659 |
| Shareholder services | | |
| Trustee fees | 880 | 877 |
| Reporting to shareholders | 165 | 261 |
| Other expenses | 212 | 60 |
| | 1,257 | 1,198 |

19 Income taxes

Income tax expense

Income tax expense is detailed as follows:

| | For the six-month periods ended June 30, | | | |
|----------|---|--|---|--|
| | 2018 | | 2017 | |
| | Statement of Comprehensive Income \$ | Statement of Changes in Net Assets \$ | Statement of Comprehensive Income \$ | Statement of Changes in Net Assets \$ |
| Current | (420) | (428) | 131 | (386) |
| Deferred | 746 | 408 | 1,744 | 370 |
| | 326 | (20) | 1,875 | (16) |

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

Reconciliation of the income tax rate

The actual income tax rate differs from the basic income tax rate for the following reasons:

| | For the six-month periods ended June 30, | |
|---|---|--------------|
| | 2018 \$ | 2017 \$ |
| Income taxes at the combined basic tax rate of 39.7% (39.8% in 2017) | 31,072 | 28,089 |
| Permanent differences between earnings before income taxes and taxable income and other items | | |
| Realized and unrealized losses (gains) on investments | (27,259) | (21,598) |
| Non-taxable dividends | (2,886) | (4,496) |
| Other | (601) | (120) |
| | <u>326</u> | <u>1,875</u> |

Income tax balance

Income tax expense recognized in the Balance Sheets is detailed as follows:

| | As at June 30, 2018 \$ | As at December 31, 2017 \$ |
|---------------------------------------|---------------------------------|-------------------------------------|
| Assets | | |
| Refundable tax on hand | 13,430 | 14,277 |
| Income taxes recoverable | 3,930 | 5,347 |
| | <u>17,360</u> | <u>19,624</u> |
| Liabilities | | |
| Deferred taxes – Share issue expenses | 2,022 | 2,430 |
| Deferred taxes – Other | (3,408) | (2,662) |
| | <u>(1,386)</u> | <u>(232)</u> |

CRCD expects to recover \$5.9 million (\$8.3 million recoverable as at December 31, 2017) in income taxes no later than 12 months after the reporting date.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

20 Related party transactions

Related parties include Desjardins Capital Management Inc. (DC), CRCD's manager, which is a subsidiary of FCDQ and is part of Desjardins Group. CRCD is therefore indirectly related to Desjardins Group. Related parties also include CRCD's key management personnel.

- CRCD has entrusted DC with its management and operations, in accordance with the strategies and objectives approved by the Board of Directors. The current management agreement with a three-year term is in effect as of January 1, 2018. Under this agreement and the agreement effective for the year ended December 31, 2017, management fees amount to a maximum rate of 1.95% of CRCD's annual average asset value less any amounts payable related to Investments impacting the Québec economy and Other investments. An adjustment is made to the management fees charged to CRCD to avoid double billing relative to CRCD's interest in some funds. DC and CRCD have agreed that, for a given fiscal year, an adjustment could also be made to allow CRCD to benefit from economies of scale realized by DC with regard to the growth in CRCD's assets and the increase in the balance of CRCD shares eligible for redemption over the last few years. A downward adjustment of \$6.6 million was made for the year ended December 31, 2017. The negotiation fees arising from portfolio companies are earned by DC, and their amount is deducted from the management fees payable by CRCD.
- CRCD 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 CRCD began operations, Desjardins Trust has represented the largest component of CRCD's shareholder service expenses. This agreement is effective from July 1, 2016 until December 31, 2020.
- CRCD has entrusted Desjardins Trust Inc. with custody services for its assets. The custody and administration agreement came into effect on May 1, 2009 and will remain in force until December 31, 2020.
- CRCD has appointed FCDQ to oversee the distribution of its shares through the Desjardins caisse network. This agreement is effective from January 1, 2017 until December 31, 2020. CRCD also agreed to pay, as needed, project fees to cover the work required to upgrade the tools and applications supporting the CRCD share distribution processes.
- CRCD has entrusted the Desjardins caisse network with issuing its shares.
- CRCD has entrusted FCDQ with the banking operations related to its day-to-day activities and its role as counterparty in foreign exchange contracts.
- CRCD has appointed Desjardins Securities as its full service broker, to serve as an intermediary for buying and selling shares traded on public markets.
- CRCD has entrusted Desjardins Technology Group Inc. with its IT development strategy (IT master plan), particularly the implementation and upgrading of a new investment management software.
- CRCD holds securities issued by FCDQ in its Other investments portfolio.

Capital régional et coopératif Desjardins

Notes to Separate Financial Statements

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

Related party transactions

CRCD has entered into transactions with other Desjardins Group entities in the normal course of business, and all these transactions are measured at the exchange amount. Unless otherwise indicated, none of the transactions incorporated special terms or conditions. The balances are generally settled in cash. The transactions and balances are detailed as follows:

| | As at June 30, 2018 | | | As at December 31, 2017 | | |
|--|---------------------|--|-------------|-------------------------|--|-------------|
| | DC \$ | Other related parties ⁽¹⁾ \$ | Total \$ | DC \$ | Other related parties ⁽¹⁾ \$ | Total \$ |
| Balance Sheets | | | | | | |
| Assets | | | | | | |
| Other investments | - | 7,017 | 7,017 | - | 6,809 | 6,809 |
| Interest and dividends receivable on investments | - | 44 | 44 | - | 31 | 31 |
| Intangible assets | - | 628 | 628 | - | - | - |
| Accounts receivables | - | 197 | 197 | - | 821 | 821 |
| Cash | - | 10,296 | 10,296 | - | 12,506 | 12,506 |
| Liabilities | | | | | | |
| Notes payable and financial liabilities | - | - | - | - | 20,183 | 20,183 |
| Accounts payable | 2,196 | 465 | 2,661 | 5,175 | 4,461 | 9,636 |
| For the six-month periods ended June 30, | | | | | | |
| | 2018 | | | 2017 | | |
| | DC \$ | Other related parties ⁽¹⁾ \$ | Total \$ | DC \$ | Other related parties ⁽¹⁾ \$ | Total \$ |
| Statements of Comprehensive Income | | | | | | |
| Revenue | | | | | | |
| Interest | - | 66 | 66 | - | 51 | 51 |
| Gains (losses) on investments | - | 3,484 | 3,484 | - | 2,364 | 2,364 |
| Expenses | | | | | | |
| Management fees | 12,701 | - | 12,701 | 10,986 | - | 10,986 |
| Other operating expenses | - | 2,386 | 2,386 | - | 1,791 | 1,791 |
| Shareholder services | - | 880 | 880 | - | 877 | 877 |
| Statements of Changes in Net Assets | | | | | | |
| Share issue expenses | - | 45 | 45 | - | 29 | 29 |

⁽¹⁾Other related parties include FCDQ and its subsidiaries, namely, Desjardins Securities, Desjardins Venture Capital L.P., Desjardins Technology Group Inc, Desjardins Trust and Desjardins Investment. They also include Desjardins caisse network.

Key management personnel compensation

CRCD's key management personnel are the members of the Board of Directors. For the six-month period ended June 30, 2018, compensation of key management personnel comprised solely short-term benefits in the amount of \$234,584 (\$241,498 for the six-month period ended June 30, 2017).

Capital régional et coopératif Desjardins

Audited schedule of cost of investments impacting
the Québec economy
As at June 30, 2018



August 16, 2018

**To the Shareholders of
Capital régional et coopératif Desjardins**

We have audited the accompanying schedule of cost of investments impacting the Quebec economy (the schedule) of Capital régional et coopératif Desjardins as at June 30, 2018. The financial information has been prepared by management of Capital régional et coopératif Desjardins based on the dispositions of article 18 of the Regulation respecting development capital investment fund continuous disclosure.

Management's responsibility for the schedule

Management is responsible for the preparation of the schedule in accordance with the dispositions of article 18 of the Regulation respecting development capital investment fund continuous disclosure, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit 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 information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation of the schedule 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 management'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 schedule.

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

Opinion

In our opinion, the schedule of cost of investments impacting the Quebec economy of Capital régional et coopératif Desjardins as at June 30, 2018 is prepared, in all material respects, in accordance with the dispositions of article 18 of the Regulation respecting development capital investment fund continuous disclosure.

PricewaterhouseCoopers LLP¹

¹ CPA auditor, CA, public accountancy permit No. A111799

Capital régional et coopératif Desjardins

Audited schedule of cost of investments impacting the Québec economy

As at June 30, 2018

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | Total \$ |
|--|-------------------------|------------------|--|-----------------------------|-----------------------------|---------------|
| | | | Common and preferred shares and funds units \$ | Loans, advance and notes \$ | Loans, advance and notes \$ | |
| Abitibi-Témiscamingue | | | | | | |
| Norbelle Électrique inc. | 2010 | S | - | 40 | - | 40 |
| Trim Line de l'Abitibi inc. | 2009 | S | 125 | - | - | 125 |
| Total Abitibi-Témiscamingue | | | 125 | 40 | - | 165 |
| Bas-Saint-Laurent | | | | | | |
| 2862-2272 Québec inc. (Quincaillerie Home Hardware Rimouski) | 2018 | S | - | 194 | - | 194 |
| Télécommunications Denis Gignac inc. | 2010 | S | - | 416 | - | 416 |
| Total Bas-Saint-Laurent | | | - | 610 | - | 610 |
| Capitale-Nationale | | | | | | |
| Boutique Le Pentagone inc. | 2008 | S | 3,068 | - | - | 3,068 |
| Congébec Logistique II inc. | 2015 | S | 26,589 | 4,515 | - | 31,104 |
| Frima Studio inc. | 2008 | S | - | - | 100 | 100 |
| Gecko Alliance Group inc. | 2016 | M | 14,772 | 4,576 | - | 19,348 |
| Groupe conseil NOVO SST inc. | 2013 | S | 750 | 1,160 | - | 1,910 |
| Jobillico inc. | 2015 | S | 1,020 | 5,980 | - | 7,000 |
| Obzerv Technologies inc. | 2010 | M | 1,500 | - | - | 1,500 |
| Total Capitale-Nationale | | | 47,699 | 16,231 | 100 | 64,030 |
| Centre-du-Québec | | | | | | |
| Avjet Holding inc. | 2009 | S | 3,732 | 1,283 | - | 5,015 |
| CBR Laser inc. | 2012 | M | - | 12,864 | - | 12,864 |
| Citadelle, Maple Syrup producer's Cooperative | 2016 | M | 7,500 | - | - | 7,500 |
| Farinart inc. | 2010 | M | 250 | - | - | 250 |
| Groupe Anderson inc. | 2007 | M | 3,741 | - | - | 3,741 |
| Total Centre-du-Québec | | | 15,223 | 14,147 | - | 29,370 |
| Chaudière - Appalaches | | | | | | |
| Amisco Industries LTD | 2018 | M | 17,220 | 20,000 | - | 37,220 |
| C.I.F. Métal Itée | 2005 | M | 1,008 | - | - | 1,008 |
| Cycles Lambert inc. | 2018 | S | - | - | 3,800 | 3,800 |
| Fournier Industries Group inc. | 2013 | M | 17,000 | 2,454 | - | 19,454 |
| Groupe Filgo inc. | 2012 | S | 12,532 | - | - | 12,532 |
| Hortau inc. | 2010 | M | 2,071 | - | - | 2,071 |
| Marquis Book Printing inc. | 2007 | M | 2,931 | 902 | - | 3,833 |
| Total Chaudière - Appalaches | | | 52,762 | 23,356 | 3,800 | 79,918 |

Capital régional et coopératif Desjardins
Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2018

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | Total |
|--|-------------------------|------------------|---|--------------------------|--------------------------|----------------|
| | | | Common and preferred shares and funds units | Loans, advance and notes | Loans, advance and notes | |
| | | | \$ | \$ | \$ | \$ |
| Eastern Townships | | | | | | |
| Camsco inc. | 2002 | M | 10,132 | - | - | 10,132 |
| Coopérative funéraire de l'Estrie | 2006 | S | - | 387 | - | 387 |
| Engrenages Sherbrooke inc. (Les) | 2013 | M | - | 269 | - | 269 |
| Exo-s-inc. | 2012 | M | 20,572 | 4,496 | - | 25,068 |
| FilSpec inc. | 2004 | M | 1,291 | - | - | 1,291 |
| Imprimerie Précé-Grafik inc. | 2009 | M | 1,500 | 547 | - | 2,047 |
| Kemestrie inc. | 2010 | TI | 528 | - | - | 528 |
| L.P. Royer inc. | 2010 | M | - | 501 | - | 501 |
| Technic-Eau Drillings inc. | 2017 | M | 12,561 | 4,977 | - | 17,538 |
| Total Eastern Townships | | | 46,584 | 11,177 | - | 57,761 |
| Lanaudière | | | | | | |
| Groupe Composites VCI inc. | 2007 | M | 2,250 | - | - | 2,250 |
| Xpertdoc Technologies inc. | 2018 | S | 3,000 | 1,000 | - | 4,000 |
| Total Lanaudière | | | 5,250 | 1,000 | - | 6,250 |
| Mauricie | | | | | | |
| Classement Luc Beaudoin inc. (9289-8907 Qc inc.) | 2013 | S | - | 337 | - | 337 |
| Innovations Voltflex inc. | 2006 | M | 18 | - | - | 18 |
| Total Mauricie | | | 18 | 337 | - | 355 |
| Montérégie | | | | | | |
| 9523383 Canada inc. (C.A.T.) | 2016 | S | 7,224 | 1,000 | - | 8,224 |
| A. & D. Prévost inc. | 2011 | M | 10,880 | 6,224 | - | 17,104 |
| A.T.L.A.S. Aéronautique inc. | 2010 | M | 6,000 | - | - | 6,000 |
| Agropur Coopérative | 2014 | M | 74,947 | - | - | 74,947 |
| Atis Group inc. | 2015 | M | 34,231 | 1,741 | - | 35,972 |
| Câbles Ben-Mor inc. (Les) | 2009 | M | - | 1,835 | - | 1,835 |
| Investissements Brasco inc. | 2009 | M | - | 674 | - | 674 |
| Knowlton Development Corporation inc. | 2006 | M | 6,107 | - | - | 6,107 |
| Mirazed inc. | 2007 | M | - | - | 1,318 | 1,318 |
| Norbec Group inc. | 2017 | M | 7,450 | 1,600 | - | 9,050 |
| Novo Poultry inc. | 2017 | M | 1,700 | - | - | 1,700 |
| NSE Automatech inc. | 2013 | M | 3,000 | - | - | 3,000 |
| Spectra Premium Industries inc. | 2006 | M | 1,794 | - | - | 1,794 |
| Unicel Architectural Corp. | 2017 | M | 6,000 | 2,638 | - | 8,638 |
| Valtech Fabrication inc. | 2017 | M | 15,300 | 6,000 | - | 21,300 |
| Total Montérégie | | | 174,633 | 21,712 | 1,318 | 197,663 |

Capital régional et coopératif Desjardins

Audited schedule of cost of investments impacting the Québec economy

As at June 30, 2018

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | Total |
|--|-------------------------|------------------|---|--------------------------|--------------------------|----------------|
| | | | Common and preferred shares and funds units | Loans, advance and notes | Loans, advance and notes | |
| | | | \$ | \$ | \$ | \$ |
| Montréal | | | | | | |
| 360 Agency inc. | 2016 | S | 8,750 | - | - | 8,750 |
| 8973822 Canada inc. | 2012 | S | 8,900 | - | - | 8,900 |
| 9337-4791 Québec inc. | 2018 | TI | 866 | - | - | 866 |
| Agriculture Concentric inc. | 2018 | M | 2,468 | - | - | 2,468 |
| Alithya Group inc. | 2015 | S | 13,750 | - | - | 13,750 |
| Arbell Electronics inc. | 2008 | S | 1,250 | 276 | 51 | 1,577 |
| Courchesne, Larose ltée | 2015 | M | - | 8,706 | - | 8,706 |
| Emballages Deltapac inc. (Les) | 2005 | M | 356 | - | 80 | 436 |
| Emovi inc. | 2018 | M | - | - | 255 | 255 |
| Groupe API inc. | 2009 | S | - | 28 | - | 28 |
| Groupe Solotech inc. | 2013 | S | 21,250 | - | - | 21,250 |
| Keatext inc. | 2018 | TI | - | 511 | - | 511 |
| La Coop fédérée | 2005 | M | 80,000 | - | - | 80,000 |
| Mylo Financial Technologies inc. | 2017 | TI | 1,000 | - | - | 1,000 |
| Network Infrastructure Inventory [N(i)2] inc. | 2017 | TI | 5,000 | - | - | 5,000 |
| Optina diagnostics, inc. | 2018 | TI | - | 201 | - | 201 |
| Philippe Dandurand Wines Ltd | 2015 | M | 8,250 | - | - | 8,250 |
| Potloc inc. | 2018 | TI | - | 760 | - | 760 |
| Rekruti Solutions inc. | 2018 | TI | - | 152 | - | 152 |
| SPB Solutions inc. | 2016 | M | - | - | 1,000 | 1,000 |
| Télécon inc. | 2011 | S | 30,791 | 6,109 | - | 36,900 |
| Textiles Amalgamated inc. | 2015 | M | 5,652 | - | - | 5,652 |
| Total Montréal | | | 188,283 | 16,743 | 1,386 | 206,412 |
| Nord-du-Québec | | | | | | |
| Maple Gold Mines Ltd. | 2018 | M | 150 | - | - | 150 |
| Total Nord-du-Québec | | | 150 | - | - | 150 |
| Outaouais | | | | | | |
| Agrisoma Biosciences inc. | 2018 | TI | - | - | 1,000 | 1,000 |
| Total Outaouais | | | - | - | 1,000 | 1,000 |
| Outside of Canada | | | | | | |
| Pharmaxis Ltd. | 2010 | TI | 2,360 | - | - | 2,360 |
| Total Outside of Canada | | | 2,360 | - | - | 2,360 |
| Saguenay-Lac-Saint-Jean | | | | | | |
| 9366-5099 Québec inc. (La Voie maltée - Laurier) | 2018 | S | - | - | 525 | 525 |
| Groupe Canmec inc. | 2004 | M | 7,014 | - | - | 7,014 |
| Nokamic inc. | 2010 | M | - | - | 356 | 356 |
| Produits sanitaires Lépine inc. (Les) | 2010 | M | 1,431 | - | - | 1,431 |
| Senneco inc. | 2013 | S | - | 409 | - | 409 |
| Total Saguenay-Lac-Saint-Jean | | | 8,445 | 409 | 881 | 9,735 |

Capital régional et coopératif Desjardins
Audited schedule of cost of investments impacting the Québec economy
As at June 30, 2018

(in thousands of dollars)

| | Initial investment year | Industry segment | Unsecured investments | | Secured investments | Total |
|---|-------------------------|------------------|---|--------------------------|--------------------------|----------------|
| | | | Common and preferred shares and funds units | Loans, advance and notes | Loans, advance and notes | |
| | | | \$ | \$ | \$ | \$ |
| Funds | | | | | | |
| Capital croissance PME s.e.c. | 2010 | F | 1,653 | - | - | 1,653 |
| Capital croissance PME II s.e.c. | 2014 | F | 93,956 | - | - | 93,956 |
| Desjardins - Innovatech S.E.C. | 2005 | F | 35,986 | 1,127 | - | 37,113 |
| Desjardins Capital PME s.e.c. | 2018 | F | 22,000 | - | - | 22,000 |
| FIER Partenaires, s.e.c. | 2005 | F | 5,093 | - | - | 5,093 |
| Fonds de transfert d'entreprise du Québec, s.e.c. (ex. Fonds Relève Québec, s.e.c.) | 2011 | F | 2,130 | - | - | 2,130 |
| Fonds d'investissement MSBI, s.e.c. | 2004 | F | 5,035 | - | - | 5,035 |
| Fonds d'investissement pour la relève agricole (FIRA) | 2011 | F | 7,793 | - | - | 7,793 |
| Luge Investment Fund I, L.P. | 2018 | F | 100 | - | - | 100 |
| Novacap Industries III, s.e.c. | 2007 | F | - | - | - | - |
| Novacap Technologies III, s.e.c. | 2007 | F | - | - | - | - |
| RVOMTL17 Limited Partnership | 2017 | F | 899 | - | - | 899 |
| Société en commandite Essor et Coopération | 2013 | F | 23,055 | - | - | 23,055 |
| Total Funds | | | 197,700 | 1,127 | - | 198,827 |
| Total cost | | | 739,232 | 106,889 | 8,485 | 854,606 |

Industry segment legend

M: Manufacturing
S: Services
TI: Technological innovations
F: Funds

This audited 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 7 to the financial statements of the CRCD, as at June 30, 2018.

Capital régional et coopératif Desjardins

Statement of other investments
As at June 30, 2018

Capital régional et coopératif Desjardins

Statement of other investments (unaudited)

As at June 30, 2018

(in thousands of dollars)

| Description | | Par value \$ | Cost \$ | Fair Value \$ |
|--|-------------------|-----------------|----------------|------------------|
| Bonds (49.8%) | | | | |
| Federal and guaranteed bonds (21.4%) | | | | |
| Canada Housing Trust | 12-15-2025, 1.95% | 5,625 | 5,588 | 5,413 |
| | 12-15-2025, 2.25% | 10,000 | 10,212 | 9,826 |
| | 09-15-2026, 1.90% | 12,000 | 11,801 | 11,446 |
| | 06-15-2027, 2.35% | 10,735 | 10,567 | 10,564 |
| | 03-15-2028, 2.35% | 1,700 | 1,647 | 1,669 |
| Government of Canada | 06-01-2022, 2.75% | 1,100 | 1,127 | 1,129 |
| | 09-01-2022, 1.00% | 735 | 706 | 704 |
| | 03-01-2023, 1.75% | 3,000 | 2,953 | 2,958 |
| | 06-01-2023, 1.50% | 8,400 | 8,183 | 8,173 |
| | 06-01-2025, 2.25% | 6,400 | 6,390 | 6,447 |
| | 06-01-2026, 1.50% | 7,400 | 7,267 | 7,054 |
| | 06-01-2027, 1.00% | 20,785 | 18,581 | 18,842 |
| | 06-01-2028, 2.00% | 6,500 | 5,693 | 6,403 |
| NHA First National Financial ¹ | 05-01-2023, 2.39% | 11,460 | 11,357 | 11,417 |
| NHA Merrill Lynch Canada ¹ | 03-01-2021, 1.25% | 55,178 | 55,043 | 54,006 |
| | 09-01-2022, 1.89% | 14,427 | 14,158 | 14,177 |
| Total federal and guaranteed bonds | | 175,445 | 171,273 | 170,228 |
| Provincial, municipal or guaranteed bonds (12.9%) | | | | |
| Hydro-Québec | 08-15-2024, 2.02% | 14,040 | 12,412 | 11,872 |
| Municipal Finance Authority of British Columbia | 10-02-2025, 2.65% | 3,000 | 3,006 | 2,971 |
| | 04-19-2026, 2.50% | 900 | 867 | 879 |
| OPB Finance Trust | 10-25-2026, 2.98% | 2,330 | 2,329 | 2,325 |
| Province of British Columbia | 06-18-2026, 2.30% | 5,000 | 4,820 | 4,878 |
| Province of Manitoba | 06-02-2027, 2.60% | 5,000 | 4,850 | 4,898 |
| | 06-02-2028, 3.00% | 900 | 891 | 907 |
| Province of Nova Scotia | 06-01-2027, 2.10% | 3,500 | 3,376 | 3,300 |
| Province of Ontario | 06-02-2025, 2.60% | 6,300 | 6,247 | 6,264 |
| | 06-02-2026, 2.40% | 17,325 | 17,076 | 16,887 |
| | 06-02-2027, 2.60% | 10,750 | 10,586 | 10,565 |
| Province of Québec | 06-01-2024, 2.46% | 3,000 | 2,596 | 2,553 |
| | 09-01-2025, 2.75% | 24,600 | 24,350 | 24,731 |
| | 09-01-2026, 2.50% | 10,000 | 9,855 | 9,835 |
| Total provincial, municipal or guaranteed bonds | | 106,645 | 103,261 | 102,865 |
| Financial institutions bonds (10.5%) | | | | |
| Bank of Montreal | 10-28-2021, 1.61% | 5,000 | 4,982 | 4,818 |
| | 06-01-2022, 2.57% | 900 | 881 | 875 |
| | 09-11-2024, 2.70% | 900 | 900 | 884 |
| | 03-01-2028, 3.19% | 1,500 | 1,499 | 1,506 |
| bcIMC Realty | 12-31-2026, 3.00% | 600 | 600 | 591 |
| Canadian Imperial Bank of Commerce | 04-26-2021, 1.90% | 1,600 | 1,568 | 1,566 |
| Canadian Tire Real Estate Investment Trust | 03-01-2026, 3.29% | 1,750 | 1,726 | 1,693 |
| | 09-07-2027, 3.87% | 750 | 750 | 744 |
| Chartwell Retirement Residences | 10-11-2023, 3.79% | 200 | 200 | 200 |
| | 02-28-2025, 4.21% | 200 | 200 | 203 |
| Choice Properties Real Estate Investment Trust | 06-20-2022, 3.60% | 1,175 | 1,194 | 1,191 |
| | 12-08-2027, 4.18% | 2,000 | 2,002 | 2,019 |
| CI Financial | 10-25-2021, 2.78% | 1,700 | 1,700 | 1,689 |

¹This security is guaranteed by the Canada Mortgage and Housing Corporation.

Capital régional et coopératif Desjardins

Statement of other investments (unaudited)

As at June 30, 2018

(in thousands of dollars)

| Description | | Par value \$ | Cost \$ | Fair Value \$ |
|--|-------------------|-----------------|---------------|------------------|
| Financial institutions bonds (cont.) | | | | |
| Daimler Canada Finance | 07-08-2021, 1.91% | 500 | 498 | 485 |
| Fairfax Financial Holdings | 09-06-2027, 4.25% | 900 | 900 | 888 |
| Fédération des caisses Desjardins du Québec | 08-25-2022, 2.39% | 5,400 | 5,347 | 5,294 |
| First Capital Realty | 10-30-2023, 3.90% | 1,700 | 1,723 | 1,731 |
| | 04-12-2027, 3.75% | 800 | 800 | 783 |
| Granite Real Estate Investment Trust | 09-30-2023, 3.87% | 450 | 450 | 451 |
| Honda Canada Finance | 07-15-2022, 2.27% | 525 | 527 | 513 |
| | 12-19-2022, 2.49% | 180 | 180 | 177 |
| Industrial Alliance Insurance and Financial Services | 02-23-2022, 2.64% | 300 | 300 | 295 |
| Intact Financial Corporation | 03-07-2027, 2.85% | 1,600 | 1,600 | 1,525 |
| John Deere Canada Funding | 07-13-2020, 1.60% | 2,250 | 2,249 | 2,206 |
| | 09-17-2020, 2.05% | 750 | 754 | 741 |
| National Bank of Canada | 03-18-2022, 2.11% | 1,300 | 1,276 | 1,268 |
| | 02-01-2023, 3.18% | 800 | 800 | 783 |
| NBC Capital Trust | 06-30-2020, 7.45% | 250 | 264 | 269 |
| Riocan Real Estate Investment Trust | 05-30-2022, 3.75% | 775 | 775 | 791 |
| Royal Bank of Canada | 06-19-2019, 1.76% | 3,500 | 3,500 | 3,500 |
| | 05-01-2023, 2.95% | 9,700 | 9,683 | 9,712 |
| | 12-05-2023, 2.33% | 3,700 | 3,678 | 3,583 |
| Scotiabank | 06-15-2020, 2.13% | 2,000 | 1,979 | 1,983 |
| | 12-02-2021, 1.90% | 4,400 | 4,333 | 4,271 |
| | 04-17-2023, 2.98% | 900 | 900 | 901 |
| | 02-02-2028, 3.10% | 2,000 | 1,999 | 1,988 |
| SmartCentres Real Estate Investment Trust | 09-21-2027, 3.83% | 1,500 | 1,462 | 1,462 |
| Sunlife Financial | 08-23-2021, 4.57% | 1,400 | 1,454 | 1,475 |
| | 11-23-2022, 2.75% | 750 | 750 | 739 |
| TMX Group | 10-11-2024, 3.00% | 250 | 250 | 248 |
| Toronto-Dominion Bank | 07-18-2023, 1.91% | 11,300 | 11,197 | 10,777 |
| | 07-25-2024, 3.22% | 2,550 | 2,536 | 2,491 |
| Toyota Credit Canada | 10-11-2022, 2.62% | 3,100 | 3,096 | 3,065 |
| Wells Fargo Canada | 01-24-2023, 3.46% | 1,200 | 1,263 | 1,224 |
| Total financial institutions bonds | | 85,005 | 84,725 | 83,598 |
| Corporate bonds (5.0%) | | | | |
| AltaGas | 10-15-2024, 3.84% | 1,000 | 1,036 | 1,011 |
| Altalink | 11-06-2023, 3.67% | 1,000 | 1,019 | 1,044 |
| | 02-28-2026, 2.75% | 650 | 653 | 639 |
| Bell Canada | 09-03-2022, 3.00% | 1,000 | 1,005 | 998 |
| | 05-12-2026, 2.90% | 300 | 293 | 287 |
| BMW Canada | 06-15-2021, 1.83% | 1,400 | 1,396 | 1,363 |
| Brookfield Asset Management | 03-31-2023, 4.54% | 1,053 | 1,067 | 1,109 |
| | 12-08-2023, 5.04% | 1,700 | 1,699 | 1,827 |
| Brookfield Renewable Energy Partners | 03-02-2025, 3.75% | 750 | 750 | 757 |
| Bruce Power | 06-23-2021, 2.84% | 300 | 300 | 299 |
| Canadian Tire | 06-06-2023, 3.17% | 180 | 180 | 181 |
| Canadian Utilities | 11-09-2022, 3.12% | 775 | 759 | 787 |
| Enbridge | 09-02-2019, 4.77% | 60 | 62 | 62 |
| | 12-05-2022, 3.19% | 400 | 391 | 400 |
| | 03-08-2027, 3.20% | 1,000 | 964 | 952 |
| | 09-27-2027, 5.38% | 1,700 | 1,700 | 1,611 |
| | 04-12-2028, 6.63% | 750 | 750 | 771 |

Capital régional et coopératif Desjardins

Statement of other investments (unaudited)

As at June 30, 2018

(in thousands of dollars)

| Description | | Par value \$ | Cost \$ | Fair Value \$ |
|--|-------------------|-----------------|----------------|------------------|
| Corporate bonds (cont.) | | | | |
| EnerCare Solutions | 02-03-2020, 4.60% | 400 | 410 | 411 |
| | 12-21-2023, 3.99% | 600 | 600 | 609 |
| Fortis | 10-12-2023, 2.85% | 1,030 | 1,030 | 1,013 |
| FortisAlberta | 06-30-2024, 3.30% | 250 | 250 | 255 |
| FortisBC Energy | 01-08-2026, 2.58% | 975 | 948 | 949 |
| Hydro One | 02-24-2021, 1.84% | 1,100 | 1,093 | 1,079 |
| | 06-25-2021, 2.57% | 3,500 | 3,500 | 3,492 |
| | 11-26-2025, 2.77% | 600 | 582 | 588 |
| Inter Pipeline | 07-13-2023, 2.61% | 125 | 125 | 121 |
| | 02-18-2024, 2.73% | 1,000 | 1,000 | 963 |
| | 12-24-2024, 3.17% | 1,000 | 1,000 | 976 |
| Liberty Power | 02-15-2022, 4.65% | 750 | 769 | 786 |
| Lower Mattagami Energy | 05-18-2021, 4.33% | 300 | 311 | 314 |
| Metro | 09-06-2027, 3.39% | 470 | 470 | 460 |
| North West Redwater Partnership | 01-23-2022, 2.10% | 800 | 792 | 779 |
| Pembina Pipeline | 05-11-2026, 3.71% | 1,150 | 1,174 | 1,152 |
| | 03-15-2027, 4.24% | 2,600 | 2,651 | 2,688 |
| Reliance | 01-15-2025, 3.84% | 1,110 | 1,100 | 1,100 |
| Rogers Communications | 12-13-2023, 4.00% | 800 | 798 | 834 |
| Saputo | 05-13-2022, 1.94% | 1,000 | 1,000 | 962 |
| | 09-21-2023, 2.83% | 1,500 | 1,500 | 1,476 |
| Superior Plus | 02-27-2020, 5.25% | 1,300 | 1,320 | 1,259 |
| TELUS | 02-28-2022, 2.35% | 550 | 548 | 538 |
| | 01-02-2024, 3.35% | 300 | 304 | 301 |
| Toromont Industries | 07-27-2027, 3.84% | 800 | 800 | 809 |
| Toronto Hydro | 01-10-2023, 2.91% | 1,000 | 1,017 | 1,008 |
| TransAlta | 11-25-2020, 5.00% | 500 | 516 | 518 |
| Westcoast Energy | 09-08-2025, 3.77% | 560 | 560 | 576 |
| Total corporate bonds | | 40,088 | 40,192 | 40,114 |
| Total bonds | | 407,183 | 399,451 | 396,805 |
| Money market instruments (6.9%) | | | | |
| Bank of Montreal | 07-13-2018, 1.51% | 1,550 | 1,549 | 1,549 |
| Canadian Imperial Bank of Commerce | 07-09-2018, 1.55% | 500 | 500 | 500 |
| | 07-31-2018, 1.73% | 1,500 | 1,498 | 1,498 |
| Greater Toronto Airports Authority | 07-16-2018, 1.58% | 3,500 | 3,498 | 3,498 |
| Honda Canada Finance | 10-26-2018, 1.85% | 3,500 | 3,479 | 3,479 |
| Inter Pipeline | 08-07-2018, 1.74% | 500 | 499 | 499 |
| | 08-29-2018, 1.75% | 3,000 | 2,991 | 2,991 |
| National Bank of Canada | 09-06-2018, 1.74% | 1,500 | 1,495 | 1,495 |
| Province of Ontario | 09-26-2018, 1.49% | 7,000 | 6,975 | 6,975 |
| | 01-16-2019, 1.70% | 700 | 694 | 694 |
| | 02-06-2019, 1.78% | 1,300 | 1,286 | 1,286 |
| Province of Québec | 09-28-2018, 1.50% | 10,000 | 9,963 | 9,963 |
| | 04-05-2019, 1.82% | 8,680 | 8,561 | 8,561 |
| Scotiabank | 08-28-2018, 1.77% | 509 | 507 | 507 |
| | 12-06-2018, 1.85% | 2,400 | 2,380 | 2,380 |
| Société de Transport de Montréal | 07-05-2018, 1.63% | 2,000 | 2,000 | 2,000 |
| Toronto Dominion Bank | 11-21-2018, 1.86% | 3,500 | 3,475 | 3,475 |

Capital régional et coopératif Desjardins

Statement of other investments (unaudited)

As at June 30, 2018

(in thousands of dollars)

| Description | | Par value \$ | Cost \$ | Fair Value \$ |
|---|----------------------------|------------------------|------------|------------------|
| Money market instruments (cont.) | | | | |
| Toyota Credit Canada | 09-17-2018, 1.70% | 1,500 | 1,494 | 1,494 |
| | 10-02-2018, 1.85% | 2,000 | 1,991 | 1,991 |
| Total money market instruments | | 55,139 | 54,835 | 54,835 |
| Foreign exchange contracts (0.2%) | | | | |
| Fédération des caisses Desjardins du Québec | 09-28-2018, 1.3286 CAD/USD | 108,600 USD | 0 | 1,723 |
| Total foreign exchange contracts | | 108,600 USD | 0 | 1,723 |
| | | Number of units | | |
| Canadian Equity Funds (11.8%) | | | | |
| BMO Low Volatility Equity ETF | | 2,102 | 44,823 | 47,555 |
| Fidelity Canadian Low Volatility Equity Institutional Trust | | 3,582 | 44,471 | 46,384 |
| Total canadian equity funds | | | 89,294 | 93,939 |
| Global Equity Funds (19.7%) | | | | |
| Desjardins Global Dividend Fund | | 3,687 | 72,212 | 75,941 |
| Desjardins IBrix Low Volatility Global Equity Fund | | 6,220 | 72,221 | 80,735 |
| Total global equity funds | | | 144,433 | 156,676 |
| Real Estate Funds (11.6%) | | | | |
| Bentall Kennedy Prime Canadian Property Fund | | 5,896 | 43,896 | 46,505 |
| Fiera Properties CORE Fund | | 40 | 44,134 | 46,009 |
| Total real estate funds | | | 88,030 | 92,514 |
| Total other investments (100.0%) | | | 776,043 | 796,492 |

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, 2018

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, 2018

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | | Total \$ |
|---|--|--|-----------------------------|-----------------------------|---|-------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | | |
| 31-12-2017 | Capital croissance PME s.e.c. | 50.00 | | | | |
| | Abitibi-Témiscamingue | | | | | |
| | 2637-1914 Québec inc. (Télévision J.R.) | - | - | 26 | - | 26 |
| | 9207-6553 Québec inc. (Pizzeria Noranda) | - | 17 | - | - | 17 |
| | 9265-0381 Québec inc. (Barbin Sport) | - | 36 | - | - | 36 |
| | Abitibi Géophysique inc. | - | 169 | - | - | 169 |
| | Cartier Resources inc. | 43 | - | - | - | 43 |
| | Hôtel Forestel Val d'Or inc. | - | 745 | - | - | 745 |
| | Location Lauzon inc. | - | 97 | - | - | 97 |
| | Total Abitibi-Témiscamingue | 43 | 1,064 | 26 | - | 1,133 |
| | Bas-Saint-Laurent | | | | | |
| | 9048-3538 Québec inc. (Matane Honda) (9244-9396 Québec inc.) | - | 96 | - | - | 96 |
| | Base 132 (3089-8522 Québec inc.) (anc. Impressions Soleil (Les)) | - | - | 52 | - | 52 |
| | Entreprises d'Auteuil & fils inc. (Les) | - | - | 33 | - | 33 |
| | Gestion Rima 2013 inc. (Sani-Manic inc.) | - | - | 285 | - | 285 |
| | Total Bas-Saint-Laurent | - | 96 | 370 | - | 466 |
| | Canada Hors Québec et Ontario | | | | | |
| | Eldorado Gold Corporation | 58 | - | - | - | 58 |
| | Total Canada Hors Québec et Ontario | 58 | - | - | - | 58 |
| | Capitale-Nationale | | | | | |
| | 9101-2492 Québec inc. (Centre médical Le Mesnil) | - | 55 | - | - | 55 |
| | Alimentation Francis Gravel inc. | - | 1 | - | - | 1 |
| | Éditions Gladius International inc. | - | - | 9 | - | 9 |
| | LA VUE par Laforce inc. | - | - | 84 | - | 84 |
| | LA VUE Pierre-Bertrand inc. | - | - | 39 | - | 39 |
| | LA VUE Thetford Mines inc. | - | - | 33 | - | 33 |
| | Planifika inc. | - | - | 147 | - | 147 |
| | Radio-Onde inc. | 750 | - | - | - | 750 |
| | Total Capitale-Nationale | 750 | 56 | 312 | - | 1,118 |
| | Centre-du-Québec | | | | | |
| | 2543-6205 Québec inc. (Groupe MBI) | - | - | 267 | - | 267 |
| | 2681871 Canada inc. (Voyages Escapades Victoriaville) | - | 96 | - | - | 96 |
| | Fromagerie L'Ancêtre inc. | - | 151 | - | - | 151 |
| | Total Centre-du-Québec | - | 247 | 267 | - | 514 |

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| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | | Total \$ |
|---|---|--|-----------------------------|-----------------------------|----------|--------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | | |
| 31-12-2017 | Capital croissance PME s.e.c. (cont.) | 50.00 | | | | |
| | Chaudière - Appalaches | | | | | |
| | 3R Com inc. (8580430 Canada inc.) | - | 56 | - | - | 56 |
| | Autobus Fleur de Lys inc. | - | - | 44 | - | 44 |
| | Décoplex inc. | - | - | 175 | - | 175 |
| | Entreprises de services BCE Pharma inc. (Les) | - | - | 78 | - | 78 |
| | Fenêtres Sélection inc. | - | 54 | - | - | 54 |
| | Gesdix inc. | - | 127 | - | - | 127 |
| | Humaco Acoustique inc. | - | 111 | - | - | 111 |
| | Investissements Mika inc. (Les) | - | - | 248 | - | 248 |
| | Productions Horticoles Demers (Les) | 250 | - | - | - | 250 |
| | Serres Demers inc. (Les) | - | - | 350 | - | 350 |
| | Ultima Fenestration inc. | - | - | 35 | - | 35 |
| | Umano Medical inc. | - | 87 | - | - | 87 |
| | Total Chaudière - Appalaches | 250 | 435 | 930 | - | 1,615 |
| | Côte-Nord | | | | | |
| | 9160-7671 Québec inc. (Pétroles MB) | 600 | - | - | - | 600 |
| | Carrosserie Baie-Comeau inc. | - | - | 77 | - | 77 |
| | Centre des congrès de Sept-Iles | - | - | 106 | - | 106 |
| | Construction Leclerc et Pelletier inc. | - | - | 18 | - | 18 |
| | Entreprises G.M. Mallet inc. (les) | - | - | 98 | - | 98 |
| | Hôtel Motel Le Q'Artier des Îles inc. | - | 156 | - | - | 156 |
| | Sécurgence inc. | - | 157 | - | - | 157 |
| | Total Côte-Nord | 600 | 313 | 299 | - | 1,212 |
| | Eastern Townships | | | | | |
| | 6358331 Canada inc. (Sherbrooke OEM Ltd) | 459 | - | - | - | 459 |
| | Certi Auto inc. | - | - | 233 | - | 233 |
| | Innotex inc. | - | 174 | - | - | 174 |
| | L.P. Royer inc. | - | 341 | - | - | 341 |
| | Pieux Vistech - Postech inc. | - | 458 | - | - | 458 |
| | S.E.2 inc. | 125 | - | - | - | 125 |
| | Total Eastern Townships | 584 | 973 | 233 | - | 1,790 |
| | Funds | | | | | |
| | Fonds Prêt à Entreprendre, s.e.c. | 512 | - | - | - | 512 |
| | Total Funds | 512 | - | - | - | 512 |
| | Gaspésie-Îles-de-la-Madeleine | | | | | |
| | Ateliers CFI Métal inc. (Les) | - | 63 | - | - | 63 |
| | Total Gaspésie-Îles-de-la-Madeleine | - | 63 | - | - | 63 |

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|---|--|--|-----------------------------|-----------------------------|---|-------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | | |
| 31-12-2017 | Capital croissance PME s.e.c. (cont.) | 50.00 | | | | |
| | Laval | | | | | |
| | 8376905 Canada inc. (Paramédic) | - | 202 | - | - | 202 |
| | Total Laval | - | 202 | - | - | 202 |
| | Mauricie | | | | | |
| | 9210-3563 Québec inc. (Groupe E. Morel) | - | - | 146 | - | 146 |
| | Ateliers de l'électro-ménager R. Vallée inc. | 75 | - | 88 | - | 163 |
| | Investissements Bédard-Hallé inc. | - | - | 659 | - | 659 |
| | Total Mauricie | 75 | - | 893 | - | 968 |
| | Montérégie | | | | | |
| | 3087-9894 Québec inc. (Habitations Trigone) | - | - | 369 | - | 369 |
| | 9008-7826 Québec inc. (Habitations Trigone) | - | - | 369 | - | 369 |
| | 9120-6094 Québec inc. (Lanla) | - | 30 | - | - | 30 |
| | 9223-5845 Québec inc. (Autobus Dufresne) | - | - | 255 | - | 255 |
| | Câbles Ben-Mor inc. (Les) | - | - | 841 | - | 841 |
| | Comax, coopérative agricole | 1,200 | - | - | - | 1,200 |
| | Fibres Serden inc. (Les) | - | 33 | - | - | 33 |
| | Galenova inc. et Gentes et Bolduc Pharmaciens inc. | - | - | 490 | - | 490 |
| | Hygie Canada inc. | - | - | 415 | - | 415 |
| | Industries M.R. inc. (Les) | - | - | 97 | - | 97 |
| | P38 Energy inc. | - | - | 75 | - | 75 |
| | Plomberie St-Luc inc. | - | 305 | - | - | 305 |
| | Total Montérégie | 1,200 | 368 | 2,911 | - | 4,479 |
| | Montréal | | | | | |
| | 9106-7645 Québec inc. (Vidéo MTL) | - | 1,223 | - | - | 1,223 |
| | 9228-6384 Québec inc. (Sid Lee Technologies) | - | - | 600 | - | 600 |
| | Aéronav inc. | - | 22 | - | - | 22 |
| | Alta Précision inc. | 1,500 | - | 560 | - | 2,060 |
| | Balcon Idéal inc. | - | 205 | - | - | 205 |
| | CTA de Negotium | - | 748 | - | - | 748 |
| | DEK Canada inc. | 518 | 174 | - | - | 692 |
| | Ge-ber Transport inc. | - | - | 98 | - | 98 |
| | GME Experts en sinistres inc. | - | - | 9 | - | 9 |
| | LVL Studio inc. | 625 | - | 827 | - | 1,452 |
| | Sid Lee inc. | - | - | 196 | - | 196 |
| | Source Évolution inc. | 286 | - | 519 | - | 805 |
| | Total Montréal | 2,929 | 2,372 | 2,809 | - | 8,110 |

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|---|--|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31-12-2017 | Capital croissance PME s.e.c. (cont.) | 50.00 | | | |
| | Nord-du-Québec | | | | |
| | 9223-3196 Québec inc. (Rona) | - | 115 | - | 115 |
| | Geomega Ressources inc. | 20 | - | - | 20 |
| | Midland Exploration inc. | 77 | - | - | 77 |
| | Némaska Lithium inc. | 9 | - | - | 9 |
| | Total Nord-du-Québec | 106 | 115 | - | 221 |
| | Outaouais | | | | |
| | Gestion S. Kelly (Métro Kelly) | 300 | - | 500 | 800 |
| | Jacques Poirier et Fils Ltée | - | - | 142 | 142 |
| | Total Outaouais | 300 | - | 642 | 942 |
| | Saguenay-Lac-Saint-Jean | | | | |
| | 2737-2895 Québec Inc. (Distribution Fromagerie Boivin) | - | - | 163 | 163 |
| | 4145275 Canada inc. (Chlorophylle) | 200 | - | 163 | 363 |
| | 8439117 Canada inc. (Récupère Sol) | - | 338 | - | 338 |
| | 9244-7770 Québec inc. (Voie Maltée) | - | - | 108 | 108 |
| | Clinique médicale privée Opti-Soins inc. | 150 | 347 | - | 497 |
| | Cuisines G.B.M. inc. (Les) | - | 31 | - | 31 |
| | Denis Lavoie & fils ltée | - | - | 241 | 241 |
| | Garage Georges Beaudoin inc. | - | - | 41 | 41 |
| | Institut d'échafaudage du Québec (9020-4983 Québec inc.) | - | - | 274 | 274 |
| | Location A.L.R. inc. | 198 | - | - | 198 |
| | Matelas Lion d'or inc. | - | 9 | - | 9 |
| | Messagerie du Fjord inc. | - | - | 296 | 296 |
| | Métatube (1993) inc. | - | 124 | - | 124 |
| | Sécuor inc. | - | 117 | - | 117 |
| | Sports Guy Dumas inc. | 36 | - | - | 36 |
| | Théka Industries inc. | - | 170 | - | 170 |
| | Total Saguenay-Lac-Saint-Jean | 584 | 1,136 | 1,286 | 3,006 |
| | | 7,991 | 7,440 | 10,978 | 26,409 |
| | Funds committed but not disbursed | | | | 133 |
| | Total Capital croissance PME, s.e.c. | | | | 26,542 |

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|---|---|--|-----------------------------|-----------------------------|--------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31-12-2017 | Capital croissance PME II s.e.c. | 50.00 | | | |
| | Abitibi-Témiscamingue | | | | |
| | 9063-7547 Québec inc. (Usinage Laquerre) | 800 | 793 | - | 1,593 |
| | 9207-6553 Québec inc. (Pizzeria Noranda) | - | - | 18 | 18 |
| | 9222-0201 Québec inc. (Location Dumco) | - | 135 | - | 135 |
| | Abitibi Géophysique inc. | - | 107 | - | 107 |
| | Ace services mécaniques inc. | - | 71 | - | 71 |
| | Autobus Maheux ltée (Les) | - | 1,181 | - | 1,181 |
| | Cartier Resources inc. | 86 | - | - | 86 |
| | Centre de camping et propane d'Amos | - | 346 | - | 346 |
| | Centre du ressort Lamarche inc. | - | 14 | - | 14 |
| | Construction Gaston Proulx et Frères inc. | - | 69 | 157 | 226 |
| | Corporation aurifère Monarques | 159 | - | - | 159 |
| | Falco Resources Ltd. | 141 | - | - | 141 |
| | Gestion Martin Dandurand inc. | - | 71 | - | 71 |
| | Ghislain Tremblay (Rouyn) inc. (Maison des Viandes) | - | 333 | - | 333 |
| | Groupe Minier CMAC - Thyssen Mining Group | - | 117 | - | 117 |
| | Hôtel des Eskers inc. | - | 187 | - | 187 |
| | Menuiserie Jalbert inc. | - | 111 | - | 111 |
| | Probe Metals inc. | 88 | - | - | 88 |
| | Ressources minières Radisson inc. | 102 | - | - | 102 |
| | Yorbeau Ressources inc. | 53 | - | - | 53 |
| | Total Abitibi-Témiscamingue | 1,429 | 3,535 | 175 | 5,139 |
| | Bas-Saint-Laurent | | | | |
| | 9091-4532 Québec inc. (Cotech) | - | 250 | - | 250 |
| | 9164-1134 Québec inc. (Kia Matane) | - | - | 142 | 142 |
| | 9188-1441 Québec inc. (Caravane Rimouski) | - | 130 | - | 130 |
| | Bouffard Sanitaire inc. | - | - | 333 | 333 |
| | Gestion AFM-Séma inc. | 504 | 250 | - | 754 |
| | Gestion Brasa inc. | - | 245 | 1,357 | 1,602 |
| | Gestion Rima 2013 inc. (Sani-Manic inc.) | - | - | 84 | 84 |
| | Groupe PVP inc. | 250 | - | - | 250 |
| | Les Finesses d'Alsace inc. | - | 88 | - | 88 |
| | Location Jesna inc. | - | - | 180 | 180 |
| | Produits métalliques Pouliot Machinerie inc. | - | - | 375 | 375 |
| | Service Diron inc. | - | 150 | - | 150 |
| | Total Bas-Saint-Laurent | 754 | 1,113 | 2,471 | 4,338 |

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|---|---|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31-12-2017 | Capital croissance PME II s.e.c. (cont.) | 50.00 | | | |
| | Capitale-Nationale | | | | |
| | 9166-4789 Québec inc. (RE/MAX Référence 2000) | - | - | 300 | 300 |
| | 9265-1934 Québec inc. (Centurion Fondation) | - | - | 223 | 223 |
| | 9295-4874 Québec inc. (Maison de l'homéopathie de Québec) | - | 160 | - | 160 |
| | 9306-5779 Québec inc. (Ventilation CDR inc.) | - | 200 | - | 200 |
| | 9348-0648 Québec inc. (Gestion C.C. Blouin inc.) | - | - | 175 | 175 |
| | Capilex-Beauté Itée | - | - | 504 | 504 |
| | DMB Distribution alimentaire inc. | 1,312 | 271 | - | 1,583 |
| | Groupe Restos Plaisirs inc. (Le) | - | 1,881 | - | 1,881 |
| | Lasertech industries inc. | - | 298 | - | 298 |
| | Matériaux Blanchet inc. | - | - | 1,393 | 1,393 |
| | Multi Options Nursing inc. | - | 174 | - | 174 |
| | Panthera Dental inc. | 187 | - | - | 187 |
| | Pol R Entreprises inc. | 2,363 | - | - | 2,363 |
| | R. Bouffard & Fils inc. | - | - | 443 | 443 |
| | Ruchers Promiel inc. (Les) | - | 364 | - | 364 |
| | Vitrierie Lepage (1995) inc. | 205 | - | - | 205 |
| | Total Capitale-Nationale | 4,067 | 3,348 | 3,038 | 10,453 |
| | Centre-du-Québec | | | | |
| | 9138-4529 Québec inc. (GG Telecom) | 1,800 | - | - | 1,800 |
| | 9324-9605 Québec inc. (Préscolaire Vision) | 83 | - | - | 83 |
| | Advantag Canada inc. | - | 100 | 351 | 451 |
| | Davinci Compass inc. | - | - | 380 | 380 |
| | Distribution Pro-Excellence | - | 375 | - | 375 |
| | Fromagerie L'Ancêtre inc. | - | 127 | - | 127 |
| | Lacal Technologie inc. | - | 345 | - | 345 |
| | NMédia Solutions inc. | - | 97 | - | 97 |
| | Produits Mobilicab Canada inc. | - | - | 1,500 | 1,500 |
| | Reflec inc. | - | 307 | - | 307 |
| | Sipromac II inc. | - | - | 278 | 278 |
| | Total Centre-du-Québec | 1,883 | 1,351 | 2,509 | 5,743 |

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|---|---|--|-----------------------------|-----------------------------|--------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31-12-2017 | Capital croissance PME II s.e.c. (cont.) | 50.00 | | | |
| | Chaudière - Appalaches | | | | |
| | 2851-8249 Québec inc. (Résidence intermédiaire Fortier) | - | 124 | - | 124 |
| | Acriart inc. | - | - | 55 | 55 |
| | Emballages E.B. ltée (Les) | - | 369 | - | 369 |
| | Équipements Supérieurs inc. | - | 451 | - | 451 |
| | F. Charest ltée | - | - | 758 | 758 |
| | Gestion Maître C inc. | 1,841 | - | - | 1,841 |
| | Groupe Audaz inc. | - | 150 | - | 150 |
| | Humaco Acoustique inc. | - | 389 | - | 389 |
| | I. Thibault Inc. | - | 100 | - | 100 |
| | Industries et équipements Laliberté (Les) | - | 572 | - | 572 |
| | Productions Horticoles Demers (Les) | 187 | 769 | - | 956 |
| | Techno-Moules P.L.C. inc. | - | - | 60 | 60 |
| | Transport St-Agapit inc. | - | - | 425 | 425 |
| | Total Chaudière - Appalaches | 2,028 | 2,924 | 1,298 | 6,250 |
| | Côte-Nord | | | | |
| | 9074-9664 Québec inc. | - | - | 89 | 89 |
| | 9160-7671 Québec inc. (Pétroles MB) | - | 183 | - | 183 |
| | Caroline Tremblay, CPA inc. | - | - | 127 | 127 |
| | Construction Leclerc et Pelletier inc. | - | - | 125 | 125 |
| | Total Côte-Nord | - | 183 | 341 | 524 |
| | Eastern Townships | | | | |
| | 2731-1471 Québec inc. (Les Fruits et légumes de l'Estrie) | - | 131 | - | 131 |
| | 6358331 Canada inc. (Sherbrooke OEM Ltd.) | - | 180 | - | 180 |
| | Attraction inc. | - | 375 | - | 375 |
| | Avizo Consulting inc. | - | 225 | - | 225 |
| | Éco-Pak inc. (9316-3251 Québec inc.) | - | - | 531 | 531 |
| | Industries C.P.G. Gagné ltée | - | 115 | - | 115 |
| | Innotex inc. | - | 192 | - | 192 |
| | Khrome Product - Transport (KPT) inc. | - | 365 | - | 365 |
| | Nautic & Art inc. | - | - | 422 | 422 |
| | Perron Pallets inc. | - | 250 | - | 250 |
| | Postech Screw Piles inc. | 375 | 518 | - | 893 |
| | Réparations SOS Lift inc. | - | - | 86 | 86 |
| | S.E.2 inc. | 25 | - | - | 25 |
| | Sherlic inc. | 350 | - | - | 350 |
| | Spécialités industrielles Sherbrooke inc. | - | 77 | - | 77 |
| | Total Eastern Townships | 750 | 2,428 | 1,039 | 4,217 |

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|---|---|--|-----------------------------|-----------------------------|--------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31-12-2017 | Capital croissance PME II s.e.c. (cont.) | 50.00 | | | |
| | Gaspésie-Îles-de-la-Madeleine | | | | |
| | 9088-6086 Québec inc. (Subaru New Richmond) | - | - | 184 | 184 |
| | 9144-3036 Québec inc. (Navigue.com) | - | 300 | - | 300 |
| | Construction L.F.G. inc. | - | - | 917 | 917 |
| | Entreprises Larebel inc. (Les) | - | 250 | - | 250 |
| | Hôtel Baker ltée | 125 | - | - | 125 |
| | Total Gaspésie-Îles-de-la-Madeleine | 125 | 550 | 1,101 | 1,776 |
| | Lanaudière | | | | |
| | Artotech Intégration inc. | - | - | 67 | 67 |
| | Centre Nouvelle-Vie (Pavillon Lanaudière) | - | - | 286 | 286 |
| | Cryos Technologies inc. | 732 | 418 | - | 1,150 |
| | La Fromagerie Champêtre inc. | 911 | - | - | 911 |
| | Nouveau Monde Graphite inc. | 193 | - | - | 193 |
| | Produits de Métal Pointech inc. | - | - | 250 | 250 |
| | Total Lanaudière | 1,836 | 418 | 603 | 2,857 |
| | Laurentians | | | | |
| | 9317-5602 Québec inc. (Marché Leblanc inc.) | - | 373 | - | 373 |
| | Alimenteurs Orientech inc. | - | 169 | - | 169 |
| | Jean-Jacques Campeau inc. | 2,000 | - | - | 2,000 |
| | Multi Online Distribution inc. | - | 657 | - | 657 |
| | Technoflex ESR Entreprise inc. | 350 | 371 | - | 721 |
| | Total Laurentians | 2,350 | 1,570 | - | 3,920 |
| | Laval | | | | |
| | 8376905 Canada inc. (Paramédic) | - | 173 | - | 173 |
| | Groupe Lumain inc. | - | - | 1,960 | 1,960 |
| | Marina Del Rey Foods inc. | - | 344 | - | 344 |
| | Norseco inc. | - | 422 | - | 422 |
| | Numesh inc. | - | 1,500 | - | 1,500 |
| | Total Laval | - | 2,439 | 1,960 | 4,399 |
| | Mauricie | | | | |
| | 9256-9037 Québec inc. | - | 25 | 109 | 134 |
| | Ateliers de l'électro-ménager R. Vallée inc. | - | - | 63 | 63 |
| | Maison Isabelle inc. | - | 197 | - | 197 |
| | Placements Le Belvédère inc. | - | 881 | 3,125 | 4,006 |
| | Premont Foods Inc. | - | 263 | - | 263 |
| | Total Mauricie | - | 1,366 | 3,297 | 4,663 |

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| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31-12-2017 | Capital croissance PME II s.e.c. (cont.) | 50.00 | | | |
| | Montérégie | | | | |
| | 3087-9894 Québec inc. (Habitations Trigone) | - | - | 375 | 375 |
| | 9008-7826 Québec inc. (Habitations Trigone) | - | - | 375 | 375 |
| | 9020-5758 Québec inc. (AVRIL) | - | 1,490 | - | 1,490 |
| | 9120-6094 Québec inc. (Lanla) | 1,250 | 250 | - | 1,500 |
| | 9286-9890 Québec inc. (Groupe Surmesure) | - | 260 | - | 260 |
| | Acam Transport inc. | - | - | 1,500 | 1,500 |
| | Acema Importations inc. | - | 114 | - | 114 |
| | Alarme S.P.P. inc. | - | - | 119 | 119 |
| | Autobus Bibeau inc. | - | 175 | - | 175 |
| | Autobus Dufresne inc. | - | 131 | - | 131 |
| | Brosses Lacasse inc. (Les) | - | - | 156 | 156 |
| | Constructions 3P inc. | - | 430 | - | 430 |
| | Contek Shilstone inc. | - | 102 | - | 102 |
| | Corflex Partitions inc. | - | 788 | - | 788 |
| | Éclairages Électroniques C.B.M. inc. (Les) | - | 208 | - | 208 |
| | Galenova inc. et Gentes et Bolduc Pharmaciens inc. | - | - | 850 | 850 |
| | Groupe Bertrand Éditeurs inc. | - | - | 325 | 325 |
| | Groupe Grégor inc. | - | - | 1,198 | 1,198 |
| | Groupe Thomas Marine inc. | - | - | 550 | 550 |
| | Habitations Deschênes et Pépin inc. (Les) | - | 1,201 | - | 1,201 |
| | Helios Group inc. | 1,500 | 840 | - | 2,340 |
| | Industries B. Rainville inc. | - | - | 352 | 352 |
| | Logicmed inc. | - | - | 372 | 372 |
| | Mométal Structures inc. | - | 1,000 | - | 1,000 |
| | MTL Technologies inc. | - | 406 | - | 406 |
| | Placements F.I. inc. | - | 567 | - | 567 |
| | Pro Action Diesel inc. | - | - | 227 | 227 |
| | Rotoplast inc. | - | 550 | - | 550 |
| | W. Côté & fils ltée | - | 750 | - | 750 |
| | Total Montérégie | 2,750 | 9,262 | 6,399 | 18,411 |

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|---|---|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31-12-2017 | Capital croissance PME II s.e.c. (cont.) | 50.00 | | | |
| | Montréal | | | | |
| | 3236013 Canada inc. (Planète Mobile) | - | - | 500 | 500 |
| | 9041-9680 Québec inc. (Alco Transport) | - | 125 | - | 125 |
| | 9168-5909 Québec inc. (Piknic Électronik inc.) | - | - | 203 | 203 |
| | 9272-6751 Québec inc. (Studio de Yoga Wanderlust) | - | 100 | - | 100 |
| | 9303-6408 Québec inc. (Atelier d'usinage de précision Innova) | - | - | 163 | 163 |
| | Alta Précision inc. | 200 | - | - | 200 |
| | Azimet Exploration inc. | 100 | - | - | 100 |
| | C.R.H. Oral Design inc. | - | 324 | - | 324 |
| | C.T.M. Adhesives inc. | - | 638 | - | 638 |
| | CDREM Group inc. | - | 400 | - | 400 |
| | Datsit Sphère inc. (ex. Datsit Studios inc.) | 1,000 | 1,445 | - | 2,445 |
| | Éditions Info Presse inc. | - | 328 | - | 328 |
| | Faspac Plastiks inc. | - | 500 | - | 500 |
| | G. & S. Fer-Aluminium inc. | - | 337 | - | 337 |
| | Gorski Group Ltd. | - | 885 | - | 885 |
| | Groupe Bugatti inc. (Le) | - | 1,500 | - | 1,500 |
| | Groupe Shemie inc. | - | - | 915 | 915 |
| | JSS Medical Research inc. | 2,000 | 367 | - | 2,367 |
| | M.C. Crystal inc. | - | - | 150 | 150 |
| | Khalkos Exploration inc. | 50 | - | - | 50 |
| | Leeza Distributing inc. | - | - | - | - |
| | Masdel inc. | 725 | 1,170 | - | 1,895 |
| | Multiforme Métal inc. | - | - | 500 | 500 |
| | Oboxmedia inc. | - | 382 | - | 382 |
| | Reftech international inc. | - | - | 250 | 250 |
| | TV5 Québec Canada | - | - | 275 | 275 |
| | Total Montréal | 4,075 | 8,501 | 2,956 | 15,532 |
| | Nord-du-Québec | | | | |
| | 9223-3196 Québec inc. (Rona) | - | - | 200 | 200 |
| | 9249-2206 Québec inc. (Construction Baie-James inc.) | - | 137 | - | 137 |
| | Beaufield Resources inc. | 53 | - | - | 53 |
| | Dios Exploration inc. | 16 | - | - | 16 |
| | Geometa Resources inc. | 164 | - | - | 164 |
| | Harfang Exploration inc. | 63 | - | - | 63 |
| | Kintavar Exploration inc. | 89 | - | - | 89 |
| | Midland Exploration inc. | 75 | - | - | 75 |
| | Sirios Resources inc. | 144 | - | - | 144 |
| | Société d'exploration minière Vior inc. | 64 | - | - | 64 |
| | Sphinx Resources Ltd | 50 | - | - | 50 |
| | Stelmine Canada Ltd | 56 | - | - | 56 |
| | Tarku Resources Ltd | 51 | - | - | 51 |
| | Tomagold Corporation | 80 | - | - | 80 |
| | X-Terra Resources inc. | 50 | - | - | 50 |
| | Total Nord-du-Québec | 955 | 137 | 200 | 1,292 |

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, 2018

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|---|--|--|-----------------------------|-----------------------------|----------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31-12-2017 | Capital croissance PME II s.e.c. (cont.) | 50.00 | | | |
| | Saguenay-Lac-Saint-Jean | | | | |
| | 130395 Canada Inc. (Nordex Inc.) | 1,875 | - | - | 1,875 |
| | 2526-0100 Qc inc. (Terrassement J. Fortin) | - | - | 368 | 368 |
| | 2737-2895 Québec Inc. (Distribution Fromagerie Boivin) | - | - | 105 | 105 |
| | 2956-7062 Québec (NAPA La Baie) | - | 68 | - | 68 |
| | 9165-8021 Québec inc. (Transport R.C.I.) | - | 200 | - | 200 |
| | 9182-6032 Québec inc. (La Bonne Patate) | - | - | 148 | 148 |
| | 9216-3146 Québec inc. (Micro Brasserie du Saguenay) | - | - | 92 | 92 |
| | 9244-7770 Québec inc. (Voie Maltée) | - | - | 31 | 31 |
| | 9328-9486 Québec inc. | 390 | 292 | - | 682 |
| | 9348-0739 Québec inc. (L'Usine - VM) | - | - | 185 | 185 |
| | 9365-4606 Québec inc. (Voie Maltée - Holding) | 825 | - | - | 825 |
| | Cervo-Polygaz inc. | - | - | 221 | 221 |
| | Clinique médicale privée Opti-Soins inc. | - | 135 | - | 135 |
| | Communications Télésignal inc. | 337 | - | - | 337 |
| | Constructions Fabmec inc. | - | - | 375 | 375 |
| | Déménagement Tremblay Express Itée (Les) | 250 | - | 225 | 475 |
| | DER Ytelecom inc. | - | - | 2,077 | 2,077 |
| | Équipements industriels Barsatech inc. | - | - | 237 | 237 |
| | Équipements Villeneuve inc. | - | 500 | - | 500 |
| | Fenêtres Réjean Tremblay inc. (Les) | - | 325 | - | 325 |
| | Flash Néon inc. | - | - | 155 | 155 |
| | Foresco Holding inc. | - | 240 | - | 240 |
| | Gestion R. et G.G. inc. | 2,000 | - | - | 2,000 |
| | Groupe E.D.S. inc. | - | 125 | - | 125 |
| | Imprimeurs Associés ICLT-Commerciale inc. (Les) | - | 150 | - | 150 |
| | Industries G.R.C. inc. (Les) | - | 135 | - | 135 |
| | Mermax inc. | - | - | 153 | 153 |
| | Messagerie du Fjord inc. | - | 38 | - | 38 |
| | Métatube (1993) inc. | - | 150 | - | 150 |
| | Pavillon des Mille Fleurs inc. | - | - | 1,250 | 1,250 |
| | Restaurant La Cuisine inc. | - | 138 | - | 138 |
| | Sécuor inc. | - | 193 | 100 | 293 |
| | Taimi R & D inc. | - | 205 | - | 205 |
| | Télénet Informatique inc. | 500 | 101 | - | 601 |
| | Transport Réal Villeneuve inc. | - | 275 | - | 275 |
| | Total Saguenay-Lac-Saint-Jean | 6,177 | 3,270 | 5,722 | 15,169 |
| | | 29,179 | 42,395 | 33,109 | 104,683 |
| | Funds committed but not disbursed | | | | 3,023 |
| | Total Capital croissance PME II, s.e.c. | | | | 107,706 |

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, 2018

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | | Total \$ |
|---|--|--|-----------------------------|-----------------------------|-----|-------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | | |
| 31/12/2017 | Desjardins – Innovatech S.E.C. | 54.49 | | | | |
| | 7525443 Canada inc. (Inflotrox) | | 400 | - | - | 400 |
| | 9088-9148 Québec inc. (Usinage SM) | | - | 145 | - | 145 |
| | 9310-3760 Québec inc. (Interface Corporelle) | | - | 68 | - | 68 |
| | 9360-4742 Québec inc. (LONGPREBP Precast Concrete) | | - | 33 | - | 33 |
| | 9493662 Canada inc (Ananda Devices) | | - | 74 | - | 74 |
| | 9813063 Canada inc.(My Intelligent Machines) | | - | 68 | - | 68 |
| | Airex Énergie inc. | | 545 | - | 409 | 954 |
| | Alaya Care inc. | | - | 136 | - | 136 |
| | Albert Perron inc. | | 470 | - | - | 470 |
| | AppMed inc. | | - | 70 | - | 70 |
| | AxesNetwork Solutions inc. | | 1,933 | - | - | 1,933 |
| | Biocean Canada inc. | | 272 | 55 | - | 327 |
| | Biomomentum inc. | | - | 144 | - | 144 |
| | Bouffard Sanitaire inc. et Acier Bouffard inc. | | - | 10 | - | 10 |
| | CmLabs Simulations inc. | | 818 | - | 272 | 1,090 |
| | Delve Laboratories inc. | | - | 663 | - | 663 |
| | Dymedso inc. | | - | 70 | - | 70 |
| | E2Metrix inc. | | 348 | 409 | - | 757 |
| | EMcision International inc. | | - | 143 | - | 143 |
| | Emerillon Capital s.e.c. | | 3,099 | - | - | 3,099 |
| | Emovi inc. | | - | 145 | - | 145 |
| | Fonds Entrepria Nord, s.e.c. (Le) | | 304 | - | - | 304 |
| | FreeLinc Technologies Inc. | | - | - | - | - |
| | FreeLinc Technologies LLC | | - | - | - | - |
| | Global LVL inc. | | 191 | - | - | 191 |
| | Greybox Solutions inc. | | - | 69 | - | 69 |
| | Groupe Icible inc. | | - | 161 | - | 161 |
| | Groupe Minier CMAC - Thyssen Mining Group | | - | 127 | - | 127 |
| | Gullivert Technologies inc. | | 109 | - | - | 109 |
| | Hortau inc. | | - | - | 343 | 343 |
| | Imagia Cybernetics Inc. | | 1,334 | - | - | 1,334 |
| | Imeka Solutions inc. | | - | 195 | - | 195 |
| | Indalo Studio inc. | | - | 71 | - | 71 |
| | Innomalt inc. | | - | 179 | - | 179 |
| | Inocucor Technologies inc. | | 2,866 | - | - | 2,866 |
| | Ionodes inc. | | 316 | - | - | 316 |
| | Kinesiq inc. | | - | 70 | - | 70 |
| | Kube Innovation inc. | | - | 69 | - | 69 |
| | Laboratoire M2 inc. | | 817 | - | - | 817 |
| | Laserax inc. | | - | 790 | - | 790 |
| | Leadfox technologie inc. | | - | 27 | - | 27 |
| | LeddarTech inc. | | 714 | - | - | 714 |
| | nGUVU Technologies inc. | | 817 | - | - | 817 |
| | Nippon Dragon Resources inc. | | 178 | - | - | 178 |
| | Optina Diagnostics inc. | | - | 145 | - | 145 |
| | OXO Fab inc. | | - | 70 | - | 70 |
| | Oxy'Nov inc. | | - | 280 | - | 280 |
| | Prevtex Microbia inc. | | 2,094 | - | - | 2,094 |

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, 2018

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|---|--|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31/12/2017 | Desjardins – Innovatech S.E.C. (cont.) | 54.49 | | | |
| | Produits forestiers LAMCO inc. | 311 | - | - | 311 |
| | Rekruti Solutions inc. | - | 256 | - | 256 |
| | Société de gestion de projets Ecotierra inc. | - | 287 | - | 287 |
| | Solutions Interactives de validation 88 inc. | 272 | 545 | - | 817 |
| | Sustainable Development Enterprises Energy Solutions & Associates inc. (The) | - | 68 | - | 68 |
| | Technologies Innovatrices d'imagerie inc. | 1,090 | - | - | 1,090 |
| | Technologies Intelia inc. | 235 | - | - | 235 |
| | Thorasys Thoracic Medical Systems inc. | - | 287 | - | 287 |
| | TSO3 inc. | 772 | - | - | 772 |
| | Vantrix Corporation | - | - | - | - |
| | VIMAC Early Stage Fund L.P. | 610 | - | - | 610 |
| | | 20,915 | 5,929 | 1,024 | 27,868 |
| | Funds committed but not disbursed | | | | 7,680 |
| | Total Desjardins - Innovatech S.E.C. | | | | 35,548 |

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, 2018

(in thousands of dollars)

| Information from Annual Financial Report dated | Equity Interest of the Company % | Unsecured investments | | Secured investments | Total \$ |
|---|---|--|-----------------------------|-----------------------------|---------------|
| | | Common and Preferred shares and funds units \$ | Loans and advances \$ | Loans and advances \$ | |
| 31/12/2017 | Société en commandite Essor et Coopération | 94.55 | | | |
| | Agropur Coopérative | 4,727 | - | - | 4,727 |
| | Central Café - Coop de solidarité | 189 | - | - | 189 |
| | Citadelle, Maple Syrup Producers' Cooperative | 4,727 | - | - | 4,727 |
| | Club coopératif de consommation d'Amos | 946 | - | - | 946 |
| | Coopérative Actionnaire Les Paramédics d'Urgence Bois-Francis | - | 736 | - | 736 |
| | Coopérative de travailleurs actionnaires de Xpertdoc Technologies | 473 | 284 | - | 757 |
| | Coopérative forestière de Petit Paris | - | 864 | - | 864 |
| | Coopérative Vision-Éducation | 756 | - | - | 756 |
| | École Plein Soleil (Association coopérative) | 473 | - | - | 473 |
| | Fédération des coopératives funéraires du Québec | 604 | - | - | 604 |
| | Journal de Lévis, coopérative de solidarité (Le) | - | 359 | - | 359 |
| | La Coop fédérée | 4,727 | - | - | 4,727 |
| | La Coop Unifrontières | 946 | - | - | 946 |
| | Québec Federation of Forestry Cooperative | 421 | - | - | 421 |
| | Unicoop Coopérative agricole | 1,418 | - | - | 1,418 |
| | | 20,407 | 2,243 | - | 22,650 |
| | Funds committed but not disbursed | | | | 5,044 |
| | Total Société en commandite Essor et Coopération | | | | 27,694 |

This unaudited index provides details of investments made by specialized 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*.



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