



Desjardins Financial Security and the financial Crisis Update

Many Desjardins Financial Security (DFS) clients and partners are wondering about the impact the financial crisis in the U.S. will have on portfolios, as well as on Desjardins Group and Desjardins Financial Security.

Given the complexity of the markets and the globalization of trading, the situation has taken on worldwide proportions. It's therefore understandable that our clients and partners should have questions and concerns. In Canada, the situation is very different from the one south of the border because our financial system is not facing the same problems that some major U.S. banks and insurers are. Despite recent jolts, the Canadian economy remains stable.

The major central banks and government authorities in countries affected by this crisis are taking concrete steps to stabilize the markets. Most industry stakeholders agree that this intervention is necessary and, under the circumstances, even desirable.

Desjardins Financial Security is a member company of Desjardins Group, a very financially stable and secure institution. Desjardins Group is the largest integrated cooperative financial group in Canada and is ranked 96th in the world on the basis of its excellent capitalization. A financial institution's capitalization is a measure of its financial strength and, on that front, Desjardins is doing very well with one of the highest capital ratios in Canada.

On the basis of this financial strength, the major Canadian and international credit rating agencies have given Desjardins excellent scores equal to or higher than those of our major Canadian banks. In compliance with a sound and prudent management policy, Desjardins always maintains high levels of liquidity in order to meet all its obligations. We should also remember that the current situation is more prevalent in the U.S., where the banking system is very different from our own. Canada, most experts agree, is in much better shape.

Impact on DFS

Desjardins Financial Security's capitalization ratio is similar to or better than that of most of its competitors, reflecting its financial strength. DFS return on shareholder equity is still one of the best in the financial services industry and is projected to remain that way through 2008, despite the current crisis in the financial markets.

In terms of DFS's investment portfolio, no losses have been attributed to the bankruptcies of major U.S. financial institutions like Lehman Brothers. However, like all stockholders, our stock market investment returns have been affected by the crisis. Nevertheless, the Company's global portfolio is extremely well diversified and remains of excellent quality, with stocks accounting for only 7.8% of the DFS investment portfolio as compared to an average of 8.7 % with our main competitors. Furthermore, over 95% of bond investments rated A or better.

The returns generated by the investments of DFS clients exposed to the financial markets will be affected. In individual savings, all DFS savings investments products include capital guarantees that will protect contractholders.

Keep in mind that Desjardins Financial Security, like all life and health insurance companies, is required to be a member of Assuris, an organization that protects policyholder rights when a member company becomes insolvent, in the same way that deposits are guaranteed in deposit institutions.

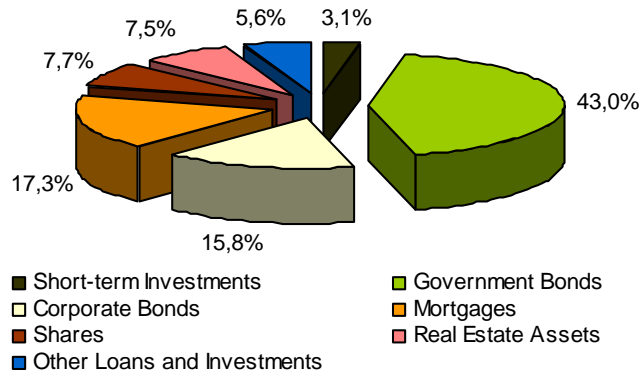
It's normal for clients and partners to have concerns. Yes, the stock market decline will inevitably have an impact on their investment returns, but all the experts agree on one point—that the last thing to do in this situation is panic. This is a time for calm.

Communications
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Desjardins Financial Security Allocation of portfolio by asset class

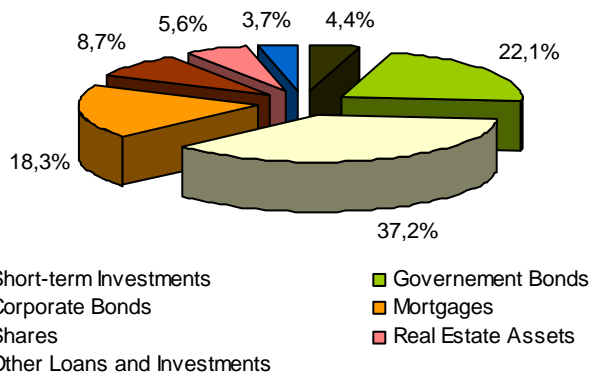
Investment Distribution as of Dec. 31, 2007



Desjardins Financial Security 2007 Industry market

Allocation of portfolio by asset class⁽¹⁾

Industry Market - Asset Distribution



(1) Includes Sun Life, Manulife, Great West, Standard Life and Industrial Alliance - Source : Life-1 Report

