# FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 04/30/2017

*This report contains information regarding loans or other assets, as the case may be, (the Cover Pool) securing the obligations under the covered bonds issued by La Fédération des caisses Desjardins du Québec (FCDQ) under the Fédération des caisses Desjardins du Québec Legislative Covered Bond Programme (the Programme) as of the indicated Calculation Date. The composition of the Cover Pool will change as Loans are added and removed from the Cover Pool from time to time and, accordingly, the characteristics and performance of the Loans will vary over time.*

*THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (CMHC) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS REPORT. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.*

*The Cover Pool is owned by CCDQ Covered Bond (Legislative) Guarantor Limited Partnership (Guarantor LP), which has no liabilities or claims outstanding against it other than those relating to the Programme. For further information, please refer to Desjardins' website maintained in respect of the Programme at :* http://www.desjardins.com/ca/about-us/investor-relations/fixed-income-investors/ccd-covered-bonds-terms-access/index.jsp

*Certain information set forth below has been obtained and based upon sources believed by Fédération des caisses Desjardins du Québec to be accurate. However, Fédération des caisses Desjardins du Québec makes no representation or warranty, expressed or implied, in relation to the accuracy, completeness or reliability of such information contained herein. Fédération des caisses Desjardins du Québec assumes no liability for any errors or any reliance you place on the information provided herein.*

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*In this report, currency amounts are stated in Canadian dollars ("$"), unless otherwise specified.*

## Programme Information

| Series | ISIN | Initial Principal Amount | Translation Rate | C$ Equivalent | Expected Maturity | Legal Final Maturity | Coupon Rate | Rate Type | Maturity Type |
|---|---|---|---|---|---|---|---|---|---|
| CBL1 | XS1041750404 | EUR 1 000 000 000 | 1.52400 | $1 524 000 000 | 2019-03-11 | 2020-03-11 | 1.125% | Fixed | Soft Bullet |
| CBL2 | XS1125546454 | EUR 1 000 000 000 | 1.44475 | $1 444 750 000 | 2019-10-22 | 2020-10-22 | 0.375% | Fixed | Soft Bullet |
| CBL3 | XS1324916151 | EUR 1 000 000 000 | 1.42700 | $1 427 000 000 | 2020-11-25 | 2021-11-25 | 0.375% | Fixed | Soft Bullet |
| **Total** | | | | $4 395 750 000 | | | | | |

| | |
|---|---|
| Weighted Average Maturity of Outstanding Covered Bonds (months) | 31.46 |
| Weighted Average Remaining Term of Loans in Cover Pool (months) | 28.52 |

| Series Ratings | Moody's | Fitch |
|---|---|---|
| CBL1 | Aaa | AAA |
| CBL2 | Aaa | AAA |
| CBL3 | Aaa | AAA |

## Supplementary Information

**Parties**

| | |
|---|---|
| Issuer | Fédération des caisses Desjardins du Québec |
| Guarantor | CCDQ Covered Bond (Legislative) Guarantor Limited Partnership |
| Servicer & Cash Manager | Fédération des caisses Desjardins du Québec |
| Swap Providers | Fédération des caisses Desjardins du Québec |
| Bond Trustee & Custodian | Computershare Trust Company of Canada |
| Cover Pool Monitor | PricewaterhouseCoopers |
| Account Bank & GIC Provider | Fédération des caisses Desjardins du Québec |
| Standby Account Bank & GIC Provider | Royal Bank of Canada |
| Paying Agent | The Bank of New York Mellon, London Branch |

**Fédération des caisses Desjardins du Québec Credit Rating**

| | Moody's | Fitch | DBRS | S&P |
|---|---|---|---|---|
| Senior Debt | Aa2 | AA- | AA | A+ |
| Subordinated Debt (CapDes) | A2 | A+ | AAL | A |
| Short-Term | P-1 | F1+ | R-1H | A-1 |
| Rating Outlook | Negative | Stable | Negative | Stable |

**Applicable Ratings of Standby Account Bank & Standby GIC Provider (RBC)**

| | Moody's | Fitch | DBRS |
|---|---|---|---|
| Senior Debt | P-1 | F1+ / AA | R-1H / AA |

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## Supplementary Information (continued)

**Description of Ratings Triggers**

For any trigger where both a short-term and a long-term ratings level are specified for a particular rating agency separated by (i) "or", the consequences are triggered when either such level is breached, and (ii) "and", the consequences are triggered when both such levels are breached.

***A. Party Replacement***

If the rating(s) of the Party falls below the level stipulated below, such party is required to be replaced or in the case of the Swap Providers transfer credit support and replace itself or obtain a guarantee for its obligations.

| Role (Current Party) | Moody's | Fitch |
|---|---|---|
| Account Bank & GIC Provider (FCDQ) | P-1 | F1 or A |
| Standby Account Bank & GIC Provider (RBC) | P-1 | F1 or A |
| Cash Manager (FCDQ) | P-2 | F2 |
| Servicer (FCDQ) | Baa2 | F2 |
| Interest Rate Swap Providers (FCDQ) | P-2 and A3 | F3 or BBB- |
| Covered Bond Swap Providers (FCDQ) | P-2 and A3 | F3 or BBB- |
| Title Holder on Hypothecs (Mortgages) (FCDQ) | Baa1 | BBB- |

***B.Specified Rating Related Action***

*i. The following actions are required if the rating of the Cash Manager (FCDQ) falls below the stipulated rating*

| | Moody's | Fitch |
|---|---|---|
| *(a) Amounts held by the Cash Manager belonging to the Guarantor are* required to be deposited directly into the Transaction Account or the GIC *Account as applicable within 5 business days* | P-1 | F1 or A |
| *(b) Amounts received by the Servicer are to be deposited directly to the GIC Account and not provided to the Cash Manager* | P-1 | F1 or A |

*ii. The following actions are required if the rating of the Servicer (FCDQ) falls below the stipulated rating*

| | Moody's | Fitch |
|---|---|---|
| *a) Servicer is required to transfer amounts to belonging to the Guarantor, the Cash Manager or GIC Account, as applicable, within 2 business days* | P-1 | F1 or A |

*iii. The following actions are required if the rating of the Issuer (FCDQ) falls below the stipulated rating*

| | Moody's | Fitch |
|---|---|---|
| (a) Repayment of the Demand Loan | N/A | F2 or BBB+ |
| (b) Establishment of the Reserve Fund | P-1 | F1 or A |
| (c) Fund Pre-Maturity Liquidity Required Amount on Hard Bullet Covered Bonds | P-1 | F1+ |

*iv. The following actions are required if the rating of the Issuer (FCDQ) falls below the stipulated rating*

| | Moody's | Fitch |
|---|---|---|
| (a) Cashflows will be exchanged under the Covered Bond Swap Agreement (to the extent not already occurring) except as otherwise provided in the Covered Bond Swap Agreement | Baa1 | BBB+ |

*v. Each Swap Provider is required to replace itself, transfer credit support or obtain a guarantee of its obligations if the rating of such Swap Provider falls below the specified rating*

| | Moody's | Fitch |
|---|---|---|
| (a) Interest Rate Swap Provider | P-1 and A2 [(1)] | F1 or A |
| (b) Covered Bond Swap Provider | P-1 and A2 [(1)] | F1 or A |

[(1)] If no short-term rating, long-term trigger is A1

**Events of Default & Test Compliance**

| | |
|---|---|
| Issuer Event of Default | No |
| Guarantor Event of Default | No |

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## Asset Coverage Test (C$)

| | | | |
|---|---|---|---|
| **Outstanding Covered Bonds** | **$4 395 750 000** | | |
| A = lower of (i) LTV Adjusted True Balance | $5 649 057 099 | A(i) : | $6 206 793 259 |
| (ii) Asset Percentage Adjusted True Balance | | A(ii) : | $5 649 057 099 |
| B = Principal Receipts | $0 | | |
| C = Cash Capital Contributions | $0 | Asset Percentage : | 91.00% |
| D = Substitute Assets | $0 | Minimum Asset Percentage : | 80.00% |
| E = Reserve Fund | $0 | Maximum Asset Percentage : | 97.00% |
| Y = Contingent Collateral Amount | $0 | | |
| Z = Negative Carry Factor Calculation | $57 569 667 | | |
| **Total: A + B + C + D + E - Y - Z** | **$5 591 487 433** | | |
| Asset Coverage Test | **Pass** | | |

## Valuation Calculation Test (C$)

| | | | |
|---|---|---|---|
| **Trading Value of Covered Bonds** | **$4 479 663 665** | | |
| A = lower of (i) Present Value of the relevant Loan [1] | $6 156 703 809 | A(i) : | $6 156 703 809 |
| (ii) 80% of the Latest Valuation relating to that Loan | | A(ii) : | $11 626 246 515 |
| B = Principal Receipts | $0 | | |
| C = Cash Capital Contributions | $0 | | |
| D = Trading Value of any Substitute Assets | $0 | | |
| E = Reserve Fund | $0 | | |
| F = Trading Value of Swap Collateral | $0 | | |
| **Total: A + B + C + D + E + F** | **$6 156 703 809** | | |
| The actual weighted average rate used for discounting is | 3.591% | | |

[1] *Present value of expected future cash flows of Loans using current market interest rates offered to Desjardins clients.*

## Intercompany Loan Balance

| | |
|---|---|
| Guarantee Loan | $4 834 214 497 |
| Demand Loan | $1 378 289 202 |
| **Total** | **$6 212 503 699** |

## Covered Bonds Outstanding vs AMF Covered Bond Limit

| | |
|---|---|
| Covered Bonds Currently Outstanding (CAD Equivalent) Issued under the Legislative Covered Bond Programme | $4 395 750 000 |
| AMF Covered Bond Limit [1] | $8 831 305 446 |

[1] *The current maximum supervisory limit set by the Autorité des marchés financiers (the "AMF"), the regulatory body which supervises the issuance of covered bonds by Federation des caisses Desjardins du Québec from a prudential standpoint, is 4 % of the Total Assets of Desjardins Group.*

## Cover Pool Summary Statistics

| | | | |
|---|---|---|---|
| Previous Month Ending Balance ($) | $6 305 717 411 | | |
| Current Month Ending Balance ($) | $6 212 503 699 | | |
| Number of Mortgage Loans | 53 627 | | |
| Average Loan Balance ($) | $115 847 | | |
| Number of Properties | 53 624 | | |
| Number of Borrowers | 51 765 | | |
| | **Original** | | **Indexed** |
| Weighted Average Current LTV | 58.84% | | 55.54% |
| Weighted Average Original LTV | 69.51% | | |
| Weighted Average Authorized LTV | 69.51% | | |
| Weighted Average Rate | 2.84% | | |
| Weighted Average Original Term | 49.33 | (months) | |
| Weighted Average Remaining Term | 28.52 | (months) | |
| Weighted Average Seasoning | 20.81 | (months) | |
| Weighted Average Maturity of Outstanding Covered Bonds | 31.46 | (months) | |

## Provincial Distribution

| Province | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Québec | 53 627 | 100.00% | $6 212 503 699 | 100.00% |
| Ontario | 0 | 0.00% | $0 | 0.00% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

## Credit Score Distribution

| Credit Score | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Score Unavailable | 309 | 0.58% | $49 845 315 | 0.80% |
| 599 and below | 963 | 1.80% | $120 604 796 | 1.94% |
| 600 - 650 | 2 364 | 4.41% | $299 191 894 | 4.82% |
| 651 - 700 | 5 616 | 10.47% | $733 630 939 | 11.81% |
| 701 - 750 | 12 394 | 23.11% | $1 532 680 367 | 24.67% |
| 751 - 800 | 18 763 | 34.99% | $2 148 552 128 | 34.58% |
| > 800 | 13 218 | 24.65% | $1 327 998 260 | 21.38% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

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## Rate Type Distribution

| Rate Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Fixed rate | 42 263 | 78.81% | $4 907 244 472 | 78.99% |
| Floating rate | 11 364 | 21.19% | $1 305 259 227 | 21.01% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

## Occupancy Type Distribution

| Occupancy Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Owner occupied | 47 249 | 88.11% | $5 311 319 220 | 85.49% |
| Not owner occupied | 6 378 | 11.89% | $901 184 479 | 14.51% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

## Mortgage Asset Type Distribution

| Asset type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Conventional Mortgage | 53 627 | 100.00% | $6 212 503 699 | 100.00% |
| Versatile Loan | 0 | 0.00% | $0 | 0.00% |
| **Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

## Loan Interest Rate Distribution

| Loan Interest Rate (in %) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| < 2.0000 | 657 | 1.23% | $104 332 169 | 1.68% |
| 2.0000 to 2.4999 | 6 011 | 11.21% | $1 001 547 665 | 16.12% |
| 2.5000 to 2.9999 | 35 901 | 66.95% | $3 924 481 053 | 63.17% |
| 3.0000 to 3.4999 | 7 079 | 13.20% | $755 436 442 | 12.16% |
| 3.5000 to 3.9999 | 3 119 | 5.82% | $350 982 361 | 5.65% |
| 4.0000 to 4.4999 | 409 | 0.76% | $36 179 087 | 0.58% |
| 4.5000 to 4.9999 | 273 | 0.51% | $24 625 747 | 0.40% |
| 5.0000 to 5.4999 | 116 | 0.22% | $10 371 595 | 0.17% |
| 5.5000 to 5.9999 | 28 | 0.05% | $2 389 628 | 0.04% |
| 6.0000 to 6.4999 | 15 | 0.03% | $1 073 303 | 0.02% |
| 6.5000 to 6.9999 | 14 | 0.03% | $822 355 | 0.01% |
| > 7.0000 | 5 | 0.01% | $262 294 | 0.00% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

## Remaining Term Distribution

| Remaining Term (in months) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Less than 12 | 9 946 | 18.55% | $1 046 385 434 | 16.84% |
| 12 - 23 | 13 419 | 25.02% | $1 559 575 959 | 25.10% |
| 24 - 35 | 11 945 | 22.27% | $1 374 930 166 | 22.13% |
| 36 - 47 | 11 878 | 22.15% | $1 472 843 845 | 23.71% |
| 48 - 59 | 6 339 | 11.82% | $746 559 702 | 12.02% |
| 60 - 71 | 31 | 0.06% | $2 973 169 | 0.05% |
| 72 - 83 | 17 | 0.03% | $1 860 498 | 0.03% |
| 84 and above | 52 | 0.10% | $7 374 926 | 0.12% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

## Remaining Principal Balance Distribution

| Remaining Principal Balance (C$) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Less than 100 000 | 27 792 | 51.82% | $1 717 083 409 | 27.64% |
| 100 000 - 149 999 | 12 587 | 23.47% | $1 551 335 487 | 24.97% |
| 150 000 - 199 999 | 7 018 | 13.09% | $1 208 244 745 | 19.45% |
| 200 000 - 249 999 | 3 030 | 5.65% | $673 349 944 | 10.84% |
| 250 000 - 299 999 | 1 536 | 2.86% | $418 073 717 | 6.73% |
| 300 000 - 349 999 | 774 | 1.44% | $249 581 331 | 4.02% |
| 350 000 - 399 999 | 450 | 0.84% | $167 323 431 | 2.69% |
| 400 000 - 449 999 | 185 | 0.34% | $77 920 580 | 1.25% |
| 450 000 - 499 999 | 98 | 0.18% | $46 296 787 | 0.75% |
| 500 000 - 549 999 | 64 | 0.12% | $33 382 990 | 0.54% |
| 550 000 - 599 999 | 34 | 0.06% | $19 521 683 | 0.31% |
| 600 000 - 649 999 | 10 | 0.02% | $6 229 272 | 0.10% |
| 650 000 - 699 999 | 10 | 0.02% | $6 649 896 | 0.11% |
| 700 000 - 749 999 | 10 | 0.02% | $7 255 608 | 0.12% |
| 750 000 - 799 999 | 6 | 0.01% | $4 617 283 | 0.07% |
| 800 000 - 849 999 | 7 | 0.01% | $5 735 453 | 0.09% |
| 850 000 - 899 999 | 4 | 0.01% | $3 508 770 | 0.06% |
| 900 000 - 949 999 | 0 | 0.00% | $0 | 0.00% |
| 950 000 - 999 999 | 4 | 0.01% | $3 897 880 | 0.06% |
| 1 000 000 and above | 8 | 0.01% | $12 495 435 | 0.20% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

## Property Type Distribution

| Property Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Detached | 32 281 | 60.20% | $3 323 303 052 | 53.49% |
| Semi Detached | 2 322 | 4.33% | $274 474 135 | 4.42% |
| Rows (Townhouse) | 729 | 1.36% | $90 596 070 | 1.46% |
| Condominium | 7 942 | 14.81% | $1 033 712 485 | 16.64% |
| Multiplex | 6 599 | 12.31% | $1 016 603 781 | 16.36% |
| Secondary Homes | 3 751 | 6.99% | $473 399 605 | 7.62% |
| Other | 3 | 0.01% | $414 571 | 0.01% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

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## Current Indexed LTV Distribution

| Current Indexed LTV (in %) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| <= 20.00 | 7 682 | 14.32% | $355 061 026 | 5.72% |
| 20.01 - 25.00 | 3 523 | 6.57% | $235 874 916 | 3.80% |
| 25.01 - 30.00 | 3 800 | 7.09% | $292 590 429 | 4.71% |
| 30.01 - 35.00 | 3 643 | 6.79% | $313 242 752 | 5.04% |
| 35.01 - 40.00 | 3 473 | 6.48% | $337 292 320 | 5.43% |
| 40.01 - 45.00 | 3 347 | 6.24% | $365 112 037 | 5.88% |
| 45.01 - 50.00 | 3 402 | 6.34% | $395 074 510 | 6.36% |
| 50.01 - 55.00 | 3 314 | 6.18% | $419 620 656 | 6.75% |
| 55.01 - 60.00 | 3 401 | 6.34% | $482 220 607 | 7.76% |
| 60.01 - 65.00 | 3 620 | 6.75% | $551 303 659 | 8.87% |
| 65.01 - 70.00 | 4 525 | 8.44% | $746 933 455 | 12.02% |
| 70.01 - 75.00 | 5 666 | 10.57% | $977 274 876 | 15.73% |
| 75.01 - 80.00 | 3 945 | 7.36% | $680 498 675 | 10.95% |
| > 80.00 | 286 | 0.53% | $60 403 782 | 0.97% |
| **Grand Total** | **53 627** | **100.00%** | **$6 212 503 699** | **100.00%** |

## Current Indexed LTV / Delinquency Distribution

**Province of Quebec**

| Current Indexed LTV (in %) | Current and less than 30 days past due | 30 to 59 days past due | 60 to 89 days past due | 90 or more days past due | Grand Total | Percentage |
|---|---|---|---|---|---|---|
| <= 20.00 | $355 027 720 | $0 | $0 | $33 306 | $355 061 026 | 5.72% |
| 20.01 - 25.00 | $235 762 620 | $52 841 | $59 455 | $0 | $235 874 916 | 3.80% |
| 25.01 - 30.00 | $292 070 460 | $519 969 | $0 | $0 | $292 590 429 | 4.71% |
| 30.01 - 35.00 | $313 049 608 | $193 144 | $0 | $0 | $313 242 752 | 5.04% |
| 35.01 - 40.00 | $336 931 065 | $361 254 | $0 | $0 | $337 292 320 | 5.43% |
| 40.01 - 45.00 | $364 120 684 | $748 866 | $0 | $242 487 | $365 112 037 | 5.88% |
| 45.01 - 50.00 | $394 913 845 | $160 664 | $0 | $0 | $395 074 510 | 6.36% |
| 50.01 - 55.00 | $419 377 439 | $118 480 | $0 | $124 737 | $419 620 656 | 6.75% |
| 55.01 - 60.00 | $480 821 376 | $1 399 231 | $0 | $0 | $482 220 607 | 7.76% |
| 60.01 - 65.00 | $550 031 146 | $1 190 038 | $82 475 | $0 | $551 303 659 | 8.87% |
| 65.01 - 70.00 | $744 414 668 | $2 082 097 | $436 690 | $0 | $746 933 455 | 12.02% |
| 70.01 - 75.00 | $974 326 061 | $2 499 990 | $294 084 | $154 742 | $977 274 876 | 15.73% |
| 75.01 - 80.00 | $679 534 606 | $382 088 | $468 999 | $112 981 | $680 498 675 | 10.95% |
| > 80.00 | $60 247 038 | $156 743 | $0 | $0 | $60 403 782 | 0.97% |
| **Grand Total** | **$6 200 628 337** | **$9 865 407** | **$1 341 704** | **$668 252** | **$6 212 503 699** | **100.00%** |
| **Percentage** | **99.81%** | **0.16%** | **0.02%** | **0.01%** | **100.00%** | |

**Province of Ontario**

| Current Indexed LTV (in %) | Current and less than 30 days past due | 30 to 59 days past due | 60 to 89 days past due | 90 or more days past due | Grand Total | Percentage |
|---|---|---|---|---|---|---|
| <= 20.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 20.01 - 25.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 25.01 - 30.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 30.01 - 35.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 35.01 - 40.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 40.01 - 45.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 45.01 - 50.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 50.01 - 55.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 55.01 - 60.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 60.01 - 65.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 65.01 - 70.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 70.01 - 75.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| 75.01 - 80.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| > 80.00 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| **Grand Total** | **$0** | **$0** | **$0** | **$0** | **$0** | **0.00%** |
| **Percentage** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | |

## Current Indexed LTV / Credit Score Distribution

| Current Indexed LTV (in %) | 599 and below | 600 - 650 | 651 - 700 | 701 - 750 | 751 - 800 | > 800 | Score Unavailable | Grand Total | Percentage |
|---|---|---|---|---|---|---|---|---|---|
| <= 20.00 | $1 451 797 | $7 850 927 | $19 634 783 | $62 506 272 | $132 081 771 | $129 684 876 | $1 850 600 | $355 061 026 | 5.72% |
| 20.01 - 25.00 | $1 901 576 | $5 678 574 | $15 378 735 | $49 839 314 | $86 662 343 | $75 422 095 | $992 279 | $235 874 916 | 3.80% |
| 25.01 - 30.00 | $4 403 666 | $7 436 187 | $21 757 926 | $57 272 965 | $110 163 665 | $88 794 236 | $2 761 783 | $292 590 429 | 4.71% |
| 30.01 - 35.00 | $3 420 957 | $11 914 944 | $28 007 287 | $65 722 774 | $114 451 582 | $87 260 551 | $2 464 658 | $313 242 752 | 5.04% |
| 35.01 - 40.00 | $6 455 806 | $13 721 504 | $32 565 551 | $73 630 088 | $119 503 392 | $85 697 295 | $5 718 684 | $337 292 320 | 5.43% |
| 40.01 - 45.00 | $4 694 582 | $18 249 986 | $37 084 269 | $85 783 466 | $127 553 288 | $88 304 547 | $3 441 899 | $365 112 037 | 5.88% |
| 45.01 - 50.00 | $10 412 417 | $22 398 117 | $44 688 666 | $93 194 049 | $134 321 577 | $83 906 055 | $6 153 629 | $395 074 510 | 6.36% |
| 50.01 - 55.00 | $9 154 666 | $21 553 063 | $51 018 029 | $104 029 879 | $140 677 732 | $88 609 210 | $4 578 076 | $419 620 656 | 6.75% |
| 55.01 - 60.00 | $13 186 055 | $24 522 701 | $56 755 638 | $131 475 441 | $155 942 208 | $93 908 340 | $6 430 225 | $482 220 607 | 7.76% |
| 60.01 - 65.00 | $12 442 735 | $32 904 132 | $75 822 140 | $135 149 587 | $183 296 561 | $103 851 076 | $7 837 428 | $551 303 659 | 8.87% |
| 65.01 - 70.00 | $16 299 743 | $42 866 631 | $104 075 020 | $190 932 138 | $263 602 793 | $126 389 161 | $2 767 969 | $746 933 455 | 12.02% |
| 70.01 - 75.00 | $24 175 236 | $48 443 756 | $140 363 321 | $270 067 675 | $327 325 687 | $163 095 003 | $3 804 199 | $977 274 876 | 15.73% |
| 75.01 - 80.00 | $11 374 700 | $39 098 932 | $97 122 309 | $195 324 879 | $234 414 663 | $102 119 306 | $1 043 886 | $680 498 675 | 10.95% |
| > 80.00 | $1 230 860 | $2 552 442 | $9 357 265 | $17 751 839 | $18 554 867 | $10 956 509 | $0 | $60 403 782 | 0.97% |
| **Grand Total** | **$120 604 796** | **$299 191 894** | **$733 630 939** | **$1 532 680 367** | **$2 148 552 128** | **$1 327 998 260** | **$49 845 315** | **$6 212 503 699** | **100.00%** |
| **Percentage** | **1.94%** | **4.82%** | **11.81%** | **24.67%** | **34.58%** | **21.38%** | **0.80%** | **100.00%** | |

# FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 04/30/2017

## Cover Pool - Substitute Assets

| | |
|---|---|
| Type | Canadian Government Bonds |
| CMHC Guide Limit [1] | $621 250 370 |

*[1] The CMHC Guide limit Substitute Assets to 10% of the total Cover Pool Collateral.*

## Indexation Methodology

As of the date of this Investor Report, the Guarantor uses the methodology described below (which methodology is, as of the date hereof, the "Indexation Methodology"), to establish the current market loan to value ratios ("LTV ratio") of residential properties securing loans included in the Covered Bond Portfolio on a quarterly basis for purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and for other purposes as may be required by the CMHC Guide from time to time. Changes to the Indexation Methodology may only be made

(i) upon notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such change constitutes a material change, subject to Rating Agency Confirmation, and (iii) if such change is materially prejudicial to the Covered Bondholders, subject to the consent of the Bond Trustee. The Indexation Methodology must at all times comply with the requirements of the CMHC Guide.

The index used by the Guarantor to determine the updated market value of a Property is the Teranet-National Bank Regional and Property Type Sub-IndicesTM ("TNB RPTSIs"). The TNB RPTSIs product is available by subscription at www.housepriceindex.ca. This website and its contents do not form part of this Investor Report.

The TNB RPTSIs product is an independent representation of the rate of change of Canadian single-family home prices. The measurements are based on the property records of public land registries, grouped into individual Forward Sortation Areas (or clusters of FSAs). At this time all Properties in the Covered Bond Portfolio are located in FSAs covered by the TNB RPTSIs. Sub-indices are further segmented by property type (all types vs. single-detached homes vs. condominiums) in areas where this data is available. For areas where the TNB RPTSIs are not subdivided by property type, the Guarantor will use the all types sub-index.

All properties that have been sold at least twice are considered in the calculation of the TNB RPTSIs; this is known as the repeat sales methodology. Properties that are affected by endogenous factors are not considered in the estimation. These factors may include: a) nonarms-length sale, b) change of type of property, for example after renovations, c) data error, and d) high turnover frequency (biannual or higher). In the repeat sales methodology, the averaging of price appreciation from different pairs of sales is done using an estimation process in which each pair is a separate observation.

For purposes of the Covered Bond Portfolio, each Property is assigned an original index value based on its appraisal date or re-evaluation date, if more recent information is available. On at least a quarterly basis, the latest index value for a Property is compared to the original index value. The relative change is used to calculate an updated market value. This market value is used as the denominator in the current market LTV ratio.

Material risks associated with using the Indexation Methodology include, but are not limited to, the following: the accuracy, adequacy and timeliness of the TNB RPTSIs being relied upon; the consistency in underlying methodology of such TNB RPTSIs; the continued availability of the home sale price data provided to Teranet; and in the case of Properties located within the areas where the TNB RPTSIs are not subdivided by property type, the risk that the all-types sub-index may not account for differences in property value changes based on property type.

Teranet Inc. ("Teranet") has, jointly with National Bank of Canada ("NBC", and collectively with Teranet and their third party licensors, the "Licensors"), developed a methodology and algorithm to create a residential house price index. The Fédération des caisses Desjardins du Québec Legislative Covered Bond Programme (the "Programme") is not endorsed, sold or promoted by the Licensors. None of the Licensors make any representation or warranty, express or implied, to the parties to the Programme or any member of the public regarding the advisability or recommendation of investing in the Programme particularly or concerning the results to be obtained from the TNB RPTSIs and the ability of such product to track the performance of the residential real estate and housing markets or concerning the extent to which the capital value or income return of the Programme matches or will match the performance of the TNB RPTSIs or the levels at which the TNB RPTSIs may stand at a particular date. The Licensors' only relationship to Fédération des caisses Desjardins du Québec ("FCDQ") is the licensing of certain trademarks and trade names of the Licensors without regard to the FCDQ or the Programme. The Licensors have no obligation to take the needs of the FCDQ or the parties to the Programme into consideration in determining, composing or calculating the TNB RPTSIs. None of the Licensors is responsible for and none has participated in determining the pricing, quantities or timing of the execution of the Programme by the parties thereto or the assessment or method of settlement calculation therefor. The Licensors have no obligation or liability in connection with the administration, marketing or trading of the Programme.

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