FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 05/31/2017

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)	30.44
Weighted Average Remaining Term of Loans in Cover Pool (months)	28.36

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	$5 529 884 016	A(i) :	$6 075 248 597
(ii) Asset Percentage Adjusted True Balance		A(ii) :	$5 529 884 016
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	$55 738 104		
Total: A + B + C + D + E - Y - Z	**$5 474 145 912**		
Asset Coverage Test	**Pass**		

Valuation Calculation Test (C$)

Trading Value of Covered Bonds	**$4 477 500 533**		
A = lower of (i) Present Value of the relevant Loan [1]	$6 025 742 405	A(i) :	$6 025 742 405
(ii) 80% of the Latest Valuation relating to that Loan		A(ii) :	$11 388 026 575
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	**$6 025 742 405**		
The actual weighted average rate used for discounting is	3.580%		

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

Intercompany Loan Balance

Guarantee Loan	$4 833 678 838
Demand Loan	$1 250 737 062
Total	**$6 084 415 900**

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 ($)	$6 212 503 699		
Current Month Ending Balance ($)	$6 084 415 900		
Number of Mortgage Loans	52 743		
Average Loan Balance ($)	$115 360		
Number of Properties	52 743		
Number of Borrowers	50 918		
	Original		**Indexed**
Weighted Average Current LTV	57.60%		54.56%
Weighted Average Original LTV	68.31%		
Weighted Average Authorized LTV	68.31%		
Weighted Average Rate	2.83%		
Weighted Average Original Term	49.44	(months)	
Weighted Average Remaining Term	28.36	(months)	
Weighted Average Seasoning	21.08	(months)	
Weighted Average Maturity of Outstanding Covered Bonds	30.44	(months)	

Provincial Distribution

Province	Number of Loans	Percentage	Principal Balance	Percentage
Québec	52 743	100.00%	$6 084 415 900	100.00%
Ontario	0	0.00%	$0	0.00%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

Credit Score Distribution

Credit Score	Number of Loans	Percentage	Principal Balance	Percentage
Score Unavailable	311	0.59%	$49 941 106	0.82%
599 and below	937	1.78%	$116 191 759	1.91%
600 - 650	2 329	4.42%	$294 845 128	4.85%
651 - 700	5 524	10.47%	$720 640 921	11.84%
701 - 750	12 060	22.87%	$1 487 377 096	24.45%
751 - 800	18 505	35.09%	$2 109 018 385	34.66%
> 800	13 077	24.79%	$1 306 401 505	21.47%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

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Rate Type Distribution

Rate Type	Number of Loans	Percentage	Principal Balance	Percentage
Fixed rate	41 627	78.92%	$4 810 127 853	79.06%
Floating rate	11 116	21.08%	$1 274 288 046	20.94%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

Occupancy Type Distribution

Occupancy Type	Number of Loans	Percentage	Principal Balance	Percentage
Owner occupied	46 464	88.10%	$5 200 326 740	85.47%
Not owner occupied	6 279	11.90%	$884 089 160	14.53%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

Mortgage Asset Type Distribution

Asset type	Number of Loans	Percentage	Principal Balance	Percentage
Conventional Mortgage	52 743	100.00%	$6 084 415 900	100.00%
Versatile Loan	0	0.00%	$0	0.00%
Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

Loan Interest Rate Distribution

Loan Interest Rate (in %)	Number of Loans	Percentage	Principal Balance	Percentage
< 2.0000	616	1.17%	$95 670 644	1.57%
2.0000 to 2.4999	5 952	11.28%	$997 467 064	16.39%
2.5000 to 2.9999	35 655	67.60%	$3 869 593 634	63.60%
3.0000 to 3.4999	6 756	12.81%	$719 687 925	11.83%
3.5000 to 3.9999	2 940	5.57%	$330 187 598	5.43%
4.0000 to 4.4999	393	0.75%	$34 412 545	0.57%
4.5000 to 4.9999	260	0.49%	$23 272 580	0.38%
5.0000 to 5.4999	108	0.20%	$9 502 335	0.16%
5.5000 to 5.9999	26	0.05%	$2 196 599	0.04%
6.0000 to 6.4999	17	0.03%	$1 251 064	0.02%
6.5000 to 6.9999	15	0.03%	$912 325	0.01%
> 7.0000	5	0.01%	$261 588	0.00%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

Remaining Term Distribution

Remaining Term (in months)	Number of Loans	Percentage	Principal Balance	Percentage
Less than 12	10 121	19.19%	$1 056 136 736	17.36%
12 - 23	13 031	24.71%	$1 520 660 446	24.99%
24 - 35	12 297	23.31%	$1 407 658 884	23.14%
36 - 47	11 133	21.11%	$1 389 997 404	22.85%
48 - 59	6 001	11.38%	$691 489 246	11.36%
60 - 71	91	0.17%	$9 383 102	0.15%
72 - 83	17	0.03%	$1 794 836	0.03%
84 and above	52	0.10%	$7 295 245	0.12%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

Remaining Principal Balance Distribution

Remaining Principal Balance (C$)	Number of Loans	Percentage	Principal Balance	Percentage
Less than 100 000	27 455	52.05%	$1 689 767 118	27.77%
100 000 - 149 999	12 351	23.42%	$1 521 624 320	25.01%
150 000 - 199 999	6 872	13.03%	$1 182 919 671	19.44%
200 000 - 249 999	2 943	5.58%	$653 856 336	10.75%
250 000 - 299 999	1 499	2.84%	$407 780 128	6.70%
300 000 - 349 999	755	1.43%	$243 281 461	4.00%
350 000 - 399 999	436	0.83%	$162 004 018	2.66%
400 000 - 449 999	182	0.35%	$76 532 574	1.26%
450 000 - 499 999	97	0.18%	$45 765 854	0.75%
500 000 - 549 999	60	0.11%	$31 245 685	0.51%
550 000 - 599 999	34	0.06%	$19 461 789	0.32%
600 000 - 649 999	12	0.02%	$7 508 571	0.12%
650 000 - 699 999	9	0.02%	$6 019 286	0.10%
700 000 - 749 999	10	0.02%	$7 244 946	0.12%
750 000 - 799 999	6	0.01%	$4 652 206	0.08%
800 000 - 849 999	6	0.01%	$4 915 204	0.08%
850 000 - 899 999	4	0.01%	$3 499 394	0.06%
900 000 - 949 999	0	0.00%	$0	0.00%
950 000 - 999 999	4	0.01%	$3 886 906	0.06%
1 000 000 and above	8	0.02%	$12 450 431	0.20%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

Property Type Distribution

Property Type	Number of Loans	Percentage	Principal Balance	Percentage
Detached	31 744	60.19%	$3 251 943 015	53.45%
Semi Detached	2 267	4.30%	$267 039 798	4.39%
Rows (Townhouse)	718	1.36%	$88 677 800	1.46%
Condominium	7 826	14.84%	$1 015 022 037	16.68%
Multiplex	6 487	12.30%	$996 569 952	16.38%
Secondary Homes	3 693	7.00%	$463 946 892	7.63%
Other	8	0.02%	$1 216 404	0.02%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**100.00%**

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Current Indexed LTV Distribution

Current Indexed LTV (in %)	Number of Loans	Percentage	Principal Balance	Percentage
<= 20.00	7 579	14.37%	$348 413 068	5.73%
20.01 - 25.00	3 476	6.59%	$231 300 102	3.80%
25.01 - 30.00	3 720	7.05%	$284 882 299	4.68%
30.01 - 35.00	3 584	6.80%	$308 776 930	5.07%
35.01 - 40.00	3 402	6.45%	$330 054 661	5.42%
40.01 - 45.00	3 260	6.18%	$353 898 819	5.82%
45.01 - 50.00	3 335	6.32%	$388 379 688	6.38%
50.01 - 55.00	3 261	6.18%	$416 399 915	6.84%
55.01 - 60.00	3 336	6.33%	$470 507 374	7.73%
60.01 - 65.00	3 508	6.65%	$540 957 758	8.89%
65.01 - 70.00	4 536	8.60%	$745 900 636	12.26%
70.01 - 75.00	5 246	9.95%	$892 960 543	14.68%
75.01 - 80.00	3 947	7.48%	$675 375 070	11.10%
> 80.00	553	1.05%	$96 609 037	1.59%
Grand Total	**52 743**	**100.00%**	**$6 084 415 900**	**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	$348 308 616	$46 879	$57 573	$0	$348 413 068	5.73%
20.01 - 25.00	$231 300 102	$0	$0	$0	$231 300 102	3.80%
25.01 - 30.00	$284 401 113	$373 275	$107 912	$0	$284 882 299	4.68%
30.01 - 35.00	$308 231 911	$306 564	$238 456	$0	$308 776 930	5.07%
35.01 - 40.00	$329 560 508	$494 153	$0	$0	$330 054 661	5.42%
40.01 - 45.00	$353 660 625	$163 479	$74 715	$0	$353 898 819	5.82%
45.01 - 50.00	$388 315 117	$0	$64 571	$0	$388 379 688	6.38%
50.01 - 55.00	$416 037 278	$195 405	$167 233	$0	$416 399 915	6.84%
55.01 - 60.00	$469 231 512	$625 013	$196 137	$454 711	$470 507 374	7.73%
60.01 - 65.00	$538 769 892	$1 894 583	$293 283	$0	$540 957 758	8.89%
65.01 - 70.00	$742 867 911	$1 847 732	$1 040 192	$144 800	$745 900 636	12.26%
70.01 - 75.00	$890 880 097	$1 706 852	$373 594	$0	$892 960 543	14.68%
75.01 - 80.00	$673 585 344	$1 294 167	$284 328	$211 230	$675 375 070	11.10%
> 80.00	$95 934 212	$518 081	$156 743	$0	$96 609 037	1.59%
Grand Total	**$6 071 084 237**	**$9 466 184**	**$3 054 737**	**$810 742**	**$6 084 415 900**	**100.00%**
Percentage	**99.78%**	**0.16%**	**0.05%**	**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	$1 306 416	$7 661 374	$18 601 971	$60 344 888	$129 833 927	$128 782 445	$1 882 048	$348 413 068	5.73%
20.01 - 25.00	$2 340 854	$5 480 752	$15 097 678	$48 300 080	$86 937 466	$71 946 258	$1 197 013	$231 300 102	3.80%
25.01 - 30.00	$3 592 057	$7 776 617	$21 737 883	$56 333 478	$106 264 778	$86 580 152	$2 597 334	$284 882 299	4.68%
30.01 - 35.00	$4 145 374	$12 121 538	$28 394 862	$63 764 842	$111 919 834	$85 995 334	$2 435 146	$308 776 930	5.07%
35.01 - 40.00	$6 135 637	$13 087 161	$29 524 106	$72 605 209	$119 146 078	$85 444 718	$4 111 752	$330 054 661	5.42%
40.01 - 45.00	$4 108 915	$16 570 338	$37 546 111	$83 585 915	$123 466 583	$83 564 805	$5 056 152	$353 898 819	5.82%
45.01 - 50.00	$9 716 513	$23 026 785	$43 201 297	$93 717 498	$128 088 000	$84 677 571	$5 952 023	$388 379 688	6.38%
50.01 - 55.00	$9 363 558	$21 579 370	$52 994 433	$102 763 667	$137 862 363	$86 459 347	$5 377 178	$416 399 915	6.84%
55.01 - 60.00	$11 624 442	$26 214 310	$59 476 730	$119 096 841	$152 425 640	$95 011 918	$6 657 492	$470 507 374	7.73%
60.01 - 65.00	$11 081 350	$31 164 192	$74 512 297	$126 482 554	$188 639 720	$102 172 904	$6 904 742	$540 957 758	8.89%
65.01 - 70.00	$16 814 230	$43 905 031	$102 417 888	$198 652 185	$259 750 289	$122 033 103	$2 327 910	$745 900 636	12.26%
70.01 - 75.00	$22 870 014	$46 388 334	$127 144 686	$236 213 360	$302 152 792	$154 981 810	$3 209 546	$892 960 543	14.68%
75.01 - 80.00	$11 453 099	$35 268 714	$97 595 665	$194 602 334	$232 602 155	$101 620 333	$2 232 771	$675 375 070	11.10%
> 80.00	$1 639 299	$4 600 612	$12 395 314	$30 914 245	$29 928 760	$17 130 806	$0	$96 609 037	1.59%
Grand Total	**$116 191 759**	**$294 845 128**	**$720 640 921**	**$1 487 377 096**	**$2 109 018 385**	**$1 306 401 505**	**$49 941 106**	**$6 084 415 900**	**100.00%**
Percentage	**1.91%**	**4.85%**	**11.84%**	**24.45%**	**34.66%**	**21.47%**	**0.82%**	**100.00%**	

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Cover Pool - Substitute Assets

Type	Canadian Government Bonds
CMHC Guide Limit [1]	$608 441 590

[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.

None of the Licensors or any of their affiliates guarantees the adequacy, accuracy, timeliness or completeness of the TNB RPTSIs or any data included therein, or any communications related thereto. None of the Licensors or any of their affiliates shall be subject to any damages or liabilities for any errors, omissions or delays of the dissemination of the TNB RPTSIs. None of the Licensors or any of their affiliates makes express or implied warranties, and each of them expressly disclaims all warranties or merchantability or fitness for a particular purpose or use with respect to the TNB RPTSIs or any data included therein. Without limiting any of the foregoing, in no event whatsoever shall the Licensors or any of their affiliates be liable for any direct, special, incidental, punitive or consequential damages, including but not limited to loss of profits, trading losses, lost time or goodwill, even if they have been advised of the possibility of such damages, whether in contract, tort, strict liability or otherwise. The Teranet-National Bank Regional and Property Type Sub-IndicesTM is the trademark of Teranet and NBC, and has been licensed for use by the FCDQ.