FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 02/28/2018

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)	21.46
Weighted Average Remaining Term of Loans in Cover Pool (months)	26.02

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 (cr)	F2
Servicer (FCDQ)	Baa2	F2
Interest Rate Swap Providers (FCDQ)	P-2 or A3	F3 or BBB-
Covered Bond Swap Providers (FCDQ)	P-2 or 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 (cr)	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 (cr)	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 or A2 (1)	F1 or A
(b) Covered Bond Swap Provider	P-1 or 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

* Moody's ratings are in respect of unsecured, unguaranteed and unsubordinated debt obligations, unless "(cr)" is indicated, in which case, ratings are in respect of counterparty risk assessment. Fitch ratings are in respect of issuer default ratings.

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Asset Coverage Test (C$)

Outstanding Covered Bonds	**$4 395 750 000**		
A = lower of (i) LTV Adjusted Loan Balance	$5 448 936 132	A(i) :	$6 020 848 868
(ii) Asset Percentage Adjusted Loan Balance		A(ii) :	$5 448 936 132
B = Principal Receipts	$0		
C = Cash Capital Contributions	$0	Asset Percentage :	90.50%
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	$39 254 042	Regulatory OC Minimum :	103.00%
Total: A + B + C + D + E - Y - Z	**$5 409 682 090**	Level of Overcollateralization[1] :	111.39%
Asset Coverage Test	**Pass**		

(1) Per Section 4.3.8 of the CMHC Guide, (A) the lesser of (i) the total amount of cover pool collateral and (ii) the amount of cover pool collateral required to collateralize the covered bonds outstanding and ensure the Asset Coverage Test is met, divided by (B) the Canadian dollar equivalent of the principal amount of covered bonds outstanding under the registered covered bond program.

Valuation Calculation Test (C$)

Trading Value of Covered Bonds	**$4 451 881 730**		
A = lower of (i) Present Value of the relevant Loan [1]	$5 931 735 042	A(i) :	$5 931 735 042
(ii) 80% of the Latest Valuation relating to that Loan		A(ii) :	$11 133 699 794
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	**$5 931 735 042**		
The actual weighted average rate used for discounting is	4.042%		

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

Intercompany Loan Balance

Guarantee Loan	$4 896 074 454
Demand Loan	$1 129 337 884
Total	**$6 025 412 338**

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]	$9 082 013 736

[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 ($)	$6 109 472 364		
Current Month Ending Balance ($)	$6 025 412 338		
Number of Mortgage Loans	49 755		
Average Loan Balance ($)	$121 102		
Number of Properties	49 755		
Number of Borrowers	47 677		
	Original		**Indexed**
Weighted Average Current LTV	58.15%		54.14%
Weighted Average Original LTV	68.95%		
Weighted Average Authorized LTV	68.95%		
Weighted Average Rate	2.97%		
Weighted Average Original Term	49.76	(months)	
Weighted Average Remaining Term	26.02	(months)	
Weighted Average Seasoning	23.75	(months)	
Weighted Average Maturity of Outstanding Covered Bonds	21.46	(months)	

Provincial Distribution

Province	Number of Loans	Percentage	Principal Balance	Percentage
Québec	49 755	100.00%	$6 025 412 338	100.00%
Ontario	0	0.00%	$0	0.00%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

Credit Score Distribution

Credit Score	Number of Loans	Percentage	Principal Balance	Percentage
Score Unavailable	256	0.51%	$39 595 081	0.66%
599 and below	851	1.71%	$104 417 056	1.73%
600 - 650	2 216	4.45%	$294 987 991	4.90%
651 - 700	5 273	10.60%	$709 154 205	11.77%
701 - 750	11 485	23.08%	$1 490 824 820	24.74%
751 - 800	17 448	35.07%	$2 080 737 778	34.53%
> 800	12 226	24.57%	$1 305 695 407	21.67%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

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Rate Type Distribution

Rate Type	Number of Loans	Percentage	Principal Balance	Percentage
Fixed rate	40 254	80.90%	$4 829 649 966	80.15%
Floating rate	9 501	19.10%	$1 195 762 372	19.85%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

Occupancy Type Distribution

Occupancy Type	Number of Loans	Percentage	Principal Balance	Percentage
Owner occupied	41 491	83.39%	$4 632 446 073	76.88%
Not owner occupied	8 264	16.61%	$1 392 966 265	23.12%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

Mortgage Asset Type Distribution

Asset type	Number of Loans	Percentage	Principal Balance	Percentage
Conventional Mortgage	49 755	100.00%	$6 025 412 338	100.00%
Versatile Loan	0	0.00%	$0	0.00%
Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

Loan Interest Rate Distribution

Loan Interest Rate (in %)	Number of Loans	Percentage	Principal Balance	Percentage
< 2.0000	357	0.72%	$44 491 611	0.74%
2.0000 to 2.4999	3 212	6.46%	$569 321 202	9.45%
2.5000 to 2.9999	23 795	47.82%	$3 066 449 150	50.89%
3.0000 to 3.4999	17 745	35.66%	$1 916 724 300	31.81%
3.5000 to 3.9999	2 421	4.87%	$223 496 524	3.71%
4.0000 to 4.4999	1 891	3.80%	$171 176 450	2.84%
4.5000 to 4.9999	224	0.45%	$23 679 254	0.39%
5.0000 to 5.4999	62	0.12%	$6 253 599	0.10%
5.5000 to 5.9999	23	0.05%	$2 061 193	0.03%
6.0000 to 6.4999	12	0.02%	$911 762	0.02%
6.5000 to 6.9999	11	0.02%	$718 260	0.01%
> 7.0000	2	0.00%	$129 032	0.00%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

Remaining Term Distribution

Remaining Term (in months)	Number of Loans	Percentage	Principal Balance	Percentage
Less than 12	12 131	24.38%	$1 436 245 805	23.84%
12 - 23	11 639	23.39%	$1 378 671 147	22.88%
24 - 35	12 604	25.33%	$1 536 797 669	25.51%
36 - 47	7 981	16.04%	$1 054 815 794	17.51%
48 - 59	5 285	10.62%	$604 909 531	10.04%
60 - 71	49	0.10%	$4 910 629	0.08%
72 - 83	24	0.05%	$3 781 488	0.06%
84 and above	42	0.08%	$5 280 274	0.09%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

Remaining Principal Balance Distribution

Remaining Principal Balance (C$)	Number of Loans	Percentage	Principal Balance	Percentage
Less than 100 000	24 790	49.82%	$1 507 556 857	25.02%
100 000 - 149 999	11 499	23.11%	$1 420 402 261	23.57%
150 000 - 199 999	6 615	13.30%	$1 138 791 622	18.90%
200 000 - 249 999	3 022	6.07%	$672 621 432	11.16%
250 000 - 299 999	1 699	3.41%	$462 453 787	7.68%
300 000 - 349 999	978	1.97%	$315 686 710	5.24%
350 000 - 399 999	536	1.08%	$199 180 300	3.31%
400 000 - 449 999	268	0.54%	$113 251 556	1.88%
450 000 - 499 999	149	0.30%	$70 675 494	1.17%
500 000 - 549 999	89	0.18%	$46 441 619	0.77%
550 000 - 599 999	39	0.08%	$22 309 424	0.37%
600 000 - 649 999	24	0.05%	$14 877 647	0.25%
650 000 - 699 999	12	0.02%	$8 014 420	0.13%
700 000 - 749 999	9	0.02%	$6 507 868	0.11%
750 000 - 799 999	8	0.02%	$6 191 818	0.10%
800 000 - 849 999	4	0.01%	$3 308 265	0.05%
850 000 - 899 999	1	0.00%	$875 332	0.01%
900 000 - 949 999	3	0.01%	$2 825 219	0.05%
950 000 - 999 999	1	0.00%	$962 346	0.02%
1 000 000 and above	9	0.02%	$12 478 361	0.21%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

Property Type Distribution

Property Type	Number of Loans	Percentage	Principal Balance	Percentage
Detached	28 414	57.11%	$2 881 104 594	47.82%
Semi Detached	2 020	4.06%	$238 087 505	3.95%
Rows (Townhouse)	592	1.19%	$76 155 322	1.26%
Condominium	7 129	14.33%	$929 040 925	15.42%
Multiplex	8 222	16.52%	$1 476 971 549	24.51%
Secondary Homes [(1)]	3 375	6.78%	$423 798 752	7.03%
Other [(1)]	3	0.01%	$253 690	0.00%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**100.00%**

(1) can include co-ownership, single family or multiplex

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Current Indexed LTV Distribution

Current Indexed LTV (in %)	Number of Loans	Percentage	Principal Balance	Percentage
<= 20.00	7 234	14.54%	$317 576 023	5.27%
20.01 - 25.00	3 191	6.41%	$214 611 111	3.56%
25.01 - 30.00	3 343	6.72%	$261 018 620	4.33%
30.01 - 35.00	3 208	6.45%	$284 001 882	4.71%
35.01 - 40.00	3 084	6.20%	$316 165 946	5.25%
40.01 - 45.00	3 120	6.27%	$349 531 026	5.80%
45.01 - 50.00	3 228	6.49%	$393 785 556	6.54%
50.01 - 55.00	3 202	6.44%	$432 674 312	7.18%
55.01 - 60.00	3 510	7.05%	$546 877 801	9.08%
60.01 - 65.00	4 447	8.94%	$750 599 840	12.46%
65.01 - 70.00	5 156	10.36%	$898 682 105	14.91%
70.01 - 75.00	4 946	9.94%	$868 522 385	14.41%
75.01 - 80.00	2 024	4.07%	$379 900 901	6.30%
> 80.00	62	0.12%	$11 464 830	0.19%
Grand Total	**49 755**	**100.00%**	**$6 025 412 338**	**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	$317 576 023	$0	$0	$0	$317 576 023	5.27%
20.01 - 25.00	$214 465 365	$0	$102 548	$43 198	$214 611 111	3.56%
25.01 - 30.00	$260 410 634	$242 368	$365 618	$0	$261 018 620	4.33%
30.01 - 35.00	$283 618 738	$383 144	$0	$0	$284 001 882	4.71%
35.01 - 40.00	$315 708 585	$457 360	$0	$0	$316 165 946	5.25%
40.01 - 45.00	$349 131 612	$156 324	$0	$243 090	$349 531 026	5.80%
45.01 - 50.00	$393 033 546	$684 518	$67 492	$0	$393 785 556	6.54%
50.01 - 55.00	$432 008 720	$478 648	$60 081	$126 863	$432 674 312	7.18%
55.01 - 60.00	$545 818 534	$979 577	$79 691	$0	$546 877 801	9.08%
60.01 - 65.00	$749 690 555	$462 698	$78 150	$368 437	$750 599 840	12.46%
65.01 - 70.00	$895 361 406	$2 027 497	$692 911	$600 291	$898 682 105	14.91%
70.01 - 75.00	$866 402 983	$1 528 003	$322 248	$269 150	$868 522 385	14.41%
75.01 - 80.00	$379 753 463	$0	$147 438	$0	$379 900 901	6.30%
> 80.00	$11 464 830	$0	$0	$0	$11 464 830	0.19%
Grand Total	**$6 014 444 994**	**$7 400 138**	**$1 916 178**	**$1 651 028**	**$6 025 412 338**	**100.00%**
Percentage	**99.82%**	**0.12%**	**0.03%**	**0.03%**	**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	$1 670 849	$5 805 983	$18 391 183	$56 514 972	$119 620 360	$114 005 991	$1 566 686	$317 576 023	5.27%
20.01 - 25.00	$1 359 603	$5 464 089	$15 339 020	$43 173 388	$79 536 704	$68 405 426	$1 332 880	$214 611 111	3.56%
25.01 - 30.00	$3 502 071	$7 856 307	$22 967 010	$56 048 795	$92 464 291	$76 374 582	$1 805 564	$261 018 620	4.33%
30.01 - 35.00	$3 151 453	$12 275 608	$28 770 927	$60 282 786	$98 355 339	$78 496 275	$2 669 494	$284 001 882	4.71%
35.01 - 40.00	$5 610 601	$13 002 545	$30 533 808	$71 343 264	$107 009 666	$84 380 164	$4 285 896	$316 165 946	5.25%
40.01 - 45.00	$7 459 247	$16 819 164	$34 973 475	$84 082 381	$118 323 408	$83 482 628	$4 390 723	$349 531 026	5.80%
45.01 - 50.00	$8 157 562	$22 673 958	$49 122 511	$93 061 232	$127 513 753	$89 415 567	$3 840 973	$393 785 556	6.54%
50.01 - 55.00	$8 279 755	$26 774 464	$49 757 172	$104 555 440	$146 472 395	$91 698 382	$5 136 703	$432 674 312	7.18%
55.01 - 60.00	$13 479 872	$34 591 065	$75 757 182	$138 431 334	$173 041 539	$105 039 992	$6 536 817	$546 877 801	9.08%
60.01 - 65.00	$14 695 210	$41 443 776	$95 655 049	$191 660 422	$259 711 081	$143 639 013	$3 795 288	$750 599 840	12.46%
65.01 - 70.00	$18 662 843	$49 207 105	$121 749 225	$237 443 230	$306 824 375	$162 478 045	$2 317 281	$898 682 105	14.91%
70.01 - 75.00	$15 128 855	$44 540 315	$116 237 937	$234 291 338	$304 924 590	$152 044 059	$1 355 291	$868 522 385	14.41%
75.01 - 80.00	$3 259 133	$13 827 935	$48 868 173	$116 567 124	$141 726 081	$55 090 972	$561 484	$379 900 901	6.30%
> 80.00	$0	$705 677	$1 031 533	$3 369 112	$5 214 196	$1 144 311	$0	$11 464 830	0.19%
Grand Total	**$104 417 056**	**$294 987 991**	**$709 154 205**	**$1 490 824 820**	**$2 080 737 778**	**$1 305 695 407**	**$39 595 081**	**$6 025 412 338**	**100.00%**
Percentage	**1.73%**	**4.90%**	**11.77%**	**24.74%**	**34.53%**	**21.67%**	**0.66%**	**100.00%**	

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Cover Pool - Substitute Assets

Type	Canadian Government Bonds
CMHC Guide Limit [1]	$602 541 234

[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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