# FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 01/31/2018

*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) | 22.38 |
| Weighted Average Remaining Term of Loans in Cover Pool (months) | 26.32 |

| 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 | $5 554 154 336 | A(i) : | $6 103 358 318 |
| (ii) Asset Percentage Adjusted Loan Balance | | A(ii) : | $5 554 154 336 |
| 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 | $41 085 604 | Regulatory OC Minimum : | 103.00% |
| **Total: A + B + C + D + E - Y - Z** | **$5 513 068 732** | Level of Overcollateralization[1] : | 110.82% |
| 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** | **$4 454 048 655** | | |
| A = lower of (i) Present Value of the relevant Loan [1] | $5 981 730 522 | A(i) : | $5 981 730 522 |
| (ii) 80% of the Latest Valuation relating to that Loan | | A(ii) : | $11 236 536 318 |
| 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** | **$5 981 730 522** | | |
| The actual weighted average rate used for discounting is | 4.015% | | |

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

## Intercompany Loan Balance

| | |
|---|---|
| Guarantee Loan | $4 871 282 121 |
| Demand Loan | $1 238 190 243 |
| **Total** | **$6 109 472 364** |

## 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 ($) | $6 196 759 845 | | |
| Current Month Ending Balance ($) | $6 109 472 364 | | |
| Number of Mortgage Loans | 50 223 | | |
| Average Loan Balance ($) | $121 647 | | |
| Number of Properties | 50 223 | | |
| Number of Borrowers | 48 116 | | |
| | **Original** | | **Indexed** |
| Weighted Average Current LTV | 58.35% | | 54.29% |
| Weighted Average Original LTV | 68.96% | | |
| Weighted Average Authorized LTV | 68.96% | | |
| Weighted Average Rate | 2.97% | | |
| Weighted Average Original Term | 49.68 | (months) | |
| Weighted Average Remaining Term | 26.32 | (months) | |
| Weighted Average Seasoning | 23.36 | (months) | |
| Weighted Average Maturity of Outstanding Covered Bonds | 22.38 | (months) | |

## Provincial Distribution

| Province | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Québec | 50 223 | 100.00% | $6 109 472 364 | 100.00% |
| Ontario | 0 | 0.00% | $0 | 0.00% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **100.00%** |

## Credit Score Distribution

| Credit Score | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Score Unavailable | 258 | 0.51% | $40 293 378 | 0.66% |
| 599 and below | 866 | 1.72% | $108 573 670 | 1.78% |
| 600 - 650 | 2 223 | 4.43% | $294 004 093 | 4.81% |
| 651 - 700 | 5 375 | 10.70% | $728 413 225 | 11.92% |
| 701 - 750 | 11 606 | 23.11% | $1 508 997 732 | 24.70% |
| 751 - 800 | 17 565 | 34.97% | $2 104 832 717 | 34.45% |
| > 800 | 12 330 | 24.55% | $1 324 357 549 | 21.68% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **100.00%** |

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## Rate Type Distribution

| Rate Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Fixed rate | 40 537 | 80.71% | $4 890 415 491 | 80.05% |
| Floating rate | 9 686 | 19.29% | $1 219 056 872 | 19.95% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **100.00%** |

## Occupancy Type Distribution

| Occupancy Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Owner occupied | 41 873 | 83.37% | $4 699 141 956 | 76.92% |
| Not owner occupied | 8 350 | 16.63% | $1 410 330 408 | 23.08% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **100.00%** |

## Mortgage Asset Type Distribution

| Asset type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Conventional Mortgage | 50 223 | 100.00% | $6 109 472 364 | 100.00% |
| Versatile Loan | 0 | 0.00% | $0 | 0.00% |
| **Total** | **50 223** | **100.00%** | **$6 109 472 364** | **100.00%** |

## Loan Interest Rate Distribution

| Loan Interest Rate (in %) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| < 2.0000 | 393 | 0.78% | $49 004 175 | 0.80% |
| 2.0000 to 2.4999 | 3 361 | 6.69% | $589 009 599 | 9.64% |
| 2.5000 to 2.9999 | 25 152 | 50.08% | $3 216 924 824 | 52.65% |
| 3.0000 to 3.4999 | 16 626 | 33.10% | $1 821 898 946 | 29.82% |
| 3.5000 to 3.9999 | 2 377 | 4.73% | $221 140 724 | 3.62% |
| 4.0000 to 4.4999 | 1 975 | 3.93% | $177 753 233 | 2.91% |
| 4.5000 to 4.9999 | 226 | 0.45% | $23 612 358 | 0.39% |
| 5.0000 to 5.4999 | 63 | 0.13% | $6 305 522 | 0.10% |
| 5.5000 to 5.9999 | 24 | 0.05% | $2 098 953 | 0.03% |
| 6.0000 to 6.4999 | 12 | 0.02% | $917 243 | 0.02% |
| 6.5000 to 6.9999 | 11 | 0.02% | $639 516 | 0.01% |
| > 7.0000 | 3 | 0.01% | $167 270 | 0.00% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **100.00%** |

## Remaining Term Distribution

| Remaining Term (in months) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Less than 12 | 12 163 | 24.22% | $1 444 338 993 | 23.64% |
| 12 - 23 | 11 523 | 22.94% | $1 375 453 749 | 22.51% |
| 24 - 35 | 12 778 | 25.44% | $1 549 797 495 | 25.37% |
| 36 - 47 | 8 218 | 16.36% | $1 097 709 835 | 17.97% |
| 48 - 59 | 5 426 | 10.80% | $628 369 830 | 10.29% |
| 60 - 71 | 51 | 0.10% | $4 864 102 | 0.08% |
| 72 - 83 | 20 | 0.04% | $2 875 735 | 0.05% |
| 84 and above | 44 | 0.09% | $6 062 624 | 0.10% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **100.00%** |

## Remaining Principal Balance Distribution

| Remaining Principal Balance (C$) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Less than 100 000 | 24 911 | 49.60% | $1 521 812 649 | 24.91% |
| 100 000 - 149 999 | 11 604 | 23.10% | $1 433 839 295 | 23.47% |
| 150 000 - 199 999 | 6 723 | 13.39% | $1 156 961 652 | 18.94% |
| 200 000 - 249 999 | 3 094 | 6.16% | $688 583 183 | 11.27% |
| 250 000 - 299 999 | 1 722 | 3.43% | $468 687 526 | 7.67% |
| 300 000 - 349 999 | 987 | 1.97% | $318 419 153 | 5.21% |
| 350 000 - 399 999 | 549 | 1.09% | $203 931 897 | 3.34% |
| 400 000 - 449 999 | 274 | 0.55% | $115 625 166 | 1.89% |
| 450 000 - 499 999 | 154 | 0.31% | $72 920 360 | 1.19% |
| 500 000 - 549 999 | 91 | 0.18% | $47 466 927 | 0.78% |
| 550 000 - 599 999 | 41 | 0.08% | $23 472 581 | 0.38% |
| 600 000 - 649 999 | 25 | 0.05% | $15 538 401 | 0.25% |
| 650 000 - 699 999 | 12 | 0.02% | $8 038 728 | 0.13% |
| 700 000 - 749 999 | 9 | 0.02% | $6 524 904 | 0.11% |
| 750 000 - 799 999 | 8 | 0.02% | $6 216 958 | 0.10% |
| 800 000 - 849 999 | 3 | 0.01% | $2 467 005 | 0.04% |
| 850 000 - 899 999 | 2 | 0.00% | $1 728 277 | 0.03% |
| 900 000 - 949 999 | 3 | 0.01% | $2 806 257 | 0.05% |
| 950 000 - 999 999 | 2 | 0.00% | $1 916 755 | 0.03% |
| 1 000 000 and above | 9 | 0.02% | $12 514 688 | 0.20% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **100.00%** |

## Property Type Distribution

| Property Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Detached | 28 673 | 57.09% | $2 923 456 022 | 47.85% |
| Semi Detached | 2 041 | 4.06% | $241 051 908 | 3.95% |
| Rows (Townhouse) | 597 | 1.19% | $76 950 536 | 1.26% |
| Condominium | 7 190 | 14.32% | $940 357 324 | 15.39% |
| Multiplex | 8 306 | 16.54% | $1 497 391 833 | 24.51% |
| Secondary Homes [(1)] | 3 414 | 6.80% | $429 739 218 | 7.03% |
| Other [(1)] | 2 | 0.00% | $525 524 | 0.01% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **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 | 7 174 | 14.28% | $317 971 378 | 5.20% |
| 20.01 - 25.00 | 3 216 | 6.40% | $217 298 351 | 3.56% |
| 25.01 - 30.00 | 3 332 | 6.63% | $259 439 205 | 4.25% |
| 30.01 - 35.00 | 3 288 | 6.55% | $292 241 111 | 4.78% |
| 35.01 - 40.00 | 3 048 | 6.07% | $313 434 965 | 5.13% |
| 40.01 - 45.00 | 3 152 | 6.28% | $351 704 833 | 5.76% |
| 45.01 - 50.00 | 3 298 | 6.57% | $402 519 279 | 6.59% |
| 50.01 - 55.00 | 3 209 | 6.39% | $435 083 842 | 7.12% |
| 55.01 - 60.00 | 3 557 | 7.08% | $552 024 865 | 9.04% |
| 60.01 - 65.00 | 4 422 | 8.80% | $744 557 715 | 12.19% |
| 65.01 - 70.00 | 5 204 | 10.36% | $909 460 640 | 14.89% |
| 70.01 - 75.00 | 5 084 | 10.12% | $895 715 214 | 14.66% |
| 75.01 - 80.00 | 2 164 | 4.31% | $403 890 422 | 6.61% |
| > 80.00 | 75 | 0.15% | $14 130 545 | 0.23% |
| **Grand Total** | **50 223** | **100.00%** | **$6 109 472 364** | **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 | $317 853 589 | $117 789 | $0 | $0 | $317 971 378 | 5.20% |
| 20.01 - 25.00 | $216 966 213 | $102 548 | $103 319 | $126 271 | $217 298 351 | 3.56% |
| 25.01 - 30.00 | $258 456 234 | $901 811 | $81 159 | $0 | $259 439 205 | 4.25% |
| 30.01 - 35.00 | $291 945 063 | $195 013 | $0 | $101 035 | $292 241 111 | 4.78% |
| 35.01 - 40.00 | $312 897 179 | $415 361 | $0 | $122 425 | $313 434 965 | 5.13% |
| 40.01 - 45.00 | $351 231 113 | $228 149 | $168 027 | $77 544 | $351 704 833 | 5.76% |
| 45.01 - 50.00 | $402 266 527 | $123 462 | $129 289 | $0 | $402 519 279 | 6.59% |
| 50.01 - 55.00 | $433 796 084 | $733 338 | $126 863 | $427 558 | $435 083 842 | 7.12% |
| 55.01 - 60.00 | $550 691 788 | $1 063 614 | $0 | $269 463 | $552 024 865 | 9.04% |
| 60.01 - 65.00 | $743 435 957 | $675 171 | $446 587 | $0 | $744 557 715 | 12.19% |
| 65.01 - 70.00 | $906 331 494 | $1 029 673 | $1 851 056 | $248 417 | $909 460 640 | 14.89% |
| 70.01 - 75.00 | $893 732 933 | $1 007 006 | $269 150 | $706 125 | $895 715 214 | 14.66% |
| 75.01 - 80.00 | $403 535 743 | $230 481 | $0 | $124 198 | $403 890 422 | 6.61% |
| > 80.00 | $14 130 545 | $0 | $0 | $0 | $14 130 545 | 0.23% |
| **Grand Total** | **$6 097 270 462** | **$6 823 416** | **$3 175 451** | **$2 203 035** | **$6 109 472 364** | **100.00%** |
| **Percentage** | **99.80%** | **0.11%** | **0.05%** | **0.04%** | **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 | $1 225 609 | $6 215 408 | $18 103 473 | $57 000 208 | $119 075 532 | $114 931 017 | $1 420 130 | $317 971 378 | 5.20% |
| 20.01 - 25.00 | $1 149 053 | $5 971 686 | $15 133 186 | $43 934 360 | $80 557 383 | $68 904 171 | $1 648 511 | $217 298 351 | 3.56% |
| 25.01 - 30.00 | $3 486 290 | $9 248 363 | $22 292 549 | $55 738 640 | $91 046 146 | $75 995 904 | $1 631 312 | $259 439 205 | 4.25% |
| 30.01 - 35.00 | $4 042 266 | $11 243 708 | $30 017 845 | $62 512 487 | $101 230 076 | $80 465 434 | $2 729 295 | $292 241 111 | 4.78% |
| 35.01 - 40.00 | $4 327 424 | $13 205 933 | $31 616 172 | $68 788 906 | $107 254 868 | $83 939 494 | $4 302 168 | $313 434 965 | 5.13% |
| 40.01 - 45.00 | $6 761 615 | $17 503 668 | $35 476 127 | $83 782 531 | $119 510 121 | $84 203 829 | $4 466 942 | $351 704 833 | 5.76% |
| 45.01 - 50.00 | $8 063 282 | $23 960 361 | $49 060 611 | $93 398 159 | $133 175 714 | $90 658 670 | $4 202 482 | $402 519 279 | 6.59% |
| 50.01 - 55.00 | $9 791 618 | $24 216 000 | $54 208 538 | $105 793 269 | $141 797 585 | $94 426 252 | $4 850 579 | $435 083 842 | 7.12% |
| 55.01 - 60.00 | $14 284 488 | $33 595 021 | $73 870 420 | $140 901 131 | $176 089 068 | $106 601 452 | $6 683 285 | $552 024 865 | 9.04% |
| 60.01 - 65.00 | $15 787 059 | $36 083 958 | $97 236 886 | $192 660 206 | $257 164 298 | $141 866 879 | $3 758 428 | $744 557 715 | 12.19% |
| 65.01 - 70.00 | $20 774 464 | $50 280 081 | $123 028 714 | $238 244 128 | $310 640 690 | $164 255 251 | $2 237 311 | $909 460 640 | 14.89% |
| 70.01 - 75.00 | $14 876 290 | $45 569 477 | $123 663 349 | $239 489 499 | $312 430 477 | $157 886 000 | $1 800 122 | $895 715 214 | 14.66% |
| 75.01 - 80.00 | $3 831 632 | $15 995 914 | $52 632 562 | $123 223 357 | $149 276 350 | $58 367 794 | $562 812 | $403 890 422 | 6.61% |
| > 80.00 | $172 580 | $914 514 | $2 072 791 | $3 530 851 | $5 584 407 | $1 855 402 | $0 | $14 130 545 | 0.23% |
| **Grand Total** | **$108 573 670** | **$294 004 093** | **$728 413 225** | **$1 508 997 732** | **$2 104 832 717** | **$1 324 357 549** | **$40 293 378** | **$6 109 472 364** | **100.00%** |
| **Percentage** | **1.78%** | **4.81%** | **11.92%** | **24.70%** | **34.45%** | **21.68%** | **0.66%** | **100.00%** | |

# FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 01/31/2018

## Cover Pool - Substitute Assets

| | |
|---|---|
| Type | Canadian Government Bonds |
| CMHC Guide Limit [1] | $610 947 236 |

*[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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