# FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 11/30/2018

*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 |
| CBL4 | XS1829326716 | EUR 750 000 000 | 1.50650 | $1 129 875 000 | 2023-05-30 | 2024-05-30 | 0.375% | Fixed | Soft Bullet |
| **Total** | | | | $5 525 625 000 | | | | | |

| | |
|---|---|
| Weighted Average Maturity of Outstanding Covered Bonds (months) | 20.92 |
| Weighted Average Remaining Term of Loans in Cover Pool (months) | 28.04 |

| Series Ratings | Moody's | Fitch |
|---|---|---|
| CBL1 | Aaa | AAA |
| CBL2 | Aaa | AAA |
| CBL3 | Aaa | AAA |
| CBL4 | 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(cr) or A3(cr) | F3 or BBB- |
| Covered Bond Swap Providers (FCDQ) | P-2(cr) or A3(cr) | 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(cr) or A2(cr) (1) | F1 or A |
| (b) Covered Bond Swap Provider | P-1(cr) or A2(cr) (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** | **$5 525 625 000** | | |
| A = lower of (i) LTV Adjusted Loan Balance | $5 943 748 991 | A(i) : | $6 390 650 927 |
| (ii) Asset Percentage Adjusted Loan Balance | | A(ii) : | $5 943 748 991 |
| B = Principal Receipts | $0 | | |
| C = Cash Capital Contributions | $0 | Asset Percentage : | 93.00% |
| 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 | $48 192 167 | Regulatory OC Minimum : | 103.00% |
| **Total: A + B + C + D + E - Y - Z** | **$5 895 556 824** | Level of Overcollateralization[1] : | 108.40% |

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** | **$5 552 810 374** | | |
| A = lower of (i) Present Value of the relevant Loan [1] | $6 272 753 928 | A(i) : | $6 272 753 928 |
| (ii) 80% of the Latest Valuation relating to that Loan | | A(ii) : | $11 651 250 940 |
| 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** | **$6 272 753 928** | | |

The actual weighted average rate used for discounting is 4.336%

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

## Intercompany Loan Balance

| | |
|---|---|
| Guarantee Loan | $5 994 685 993 |
| Demand Loan | $401 334 713 |
| **Total** | **$6 396 020 706** |

## Covered Bonds Outstanding vs AMF Covered Bond Limit

| | |
|---|---|
| Covered Bonds Currently Outstanding (CAD Equivalent) Issued under the Legislative Covered Bond Programme | $5 525 625 000 |
| AMF Covered Bond Limit [1] | $9 790 277 765 |

*[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 ($) | $6 537 698 715 | | |
| Current Month Ending Balance ($) | $6 396 020 706 | | |
| Number of Mortgage Loans | 51 279 | | |
| Average Loan Balance ($) | $124 730 | | |
| Number of Properties | 51 279 | | |
| Number of Borrowers | 49 139 | | |
| | **Original** | | **Indexed** |
| Weighted Average Current LTV | 59.02% | | 54.94% |
| Weighted Average Original LTV | 69.41% | | |
| Weighted Average Authorized LTV | 69.41% | | |
| Weighted Average Rate | 3.16% | | |
| Weighted Average Original Term | 50.63 | (months) | |
| Weighted Average Remaining Term | 28.04 | (months) | |
| Weighted Average Seasoning | 22.59 | (months) | |
| Weighted Average Maturity of Outstanding Covered Bonds | 20.92 | (months) | |

## Provincial Distribution

| Province | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Québec | 51 279 | 100.00% | $6 396 020 706 | 100.00% |
| Ontario | 0 | 0.00% | $0 | 0.00% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **100.00%** |

## Credit Score Distribution

| Credit Score | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Score Unavailable | 219 | 0.43% | $32 150 147 | 0.50% |
| 599 and below | 838 | 1.63% | $110 070 205 | 1.72% |
| 600 - 650 | 2 447 | 4.77% | $331 400 228 | 5.18% |
| 651 - 700 | 5 398 | 10.53% | $743 919 842 | 11.63% |
| 701 - 750 | 11 992 | 23.39% | $1 608 300 176 | 25.15% |
| 751 - 800 | 17 722 | 34.56% | $2 201 332 410 | 34.42% |
| > 800 | 12 663 | 24.69% | $1 368 847 699 | 21.40% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **100.00%** |

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## Rate Type Distribution

| Rate Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Fixed rate | 40 859 | 79.68% | $5 007 166 176 | 78.29% |
| Floating rate | 10 420 | 20.32% | $1 388 854 531 | 21.71% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **100.00%** |

## Occupancy Type Distribution

| Occupancy Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Owner occupied | 43 416 | 84.67% | $5 116 887 166 | 80.00% |
| Not owner occupied | 7 863 | 15.33% | $1 279 133 540 | 20.00% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **100.00%** |

## Mortgage Asset Type Distribution

| Asset type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Conventional Mortgage | 51 279 | 100.00% | $6 396 020 706 | 100.00% |
| Versatile Loan | 0 | 0.00% | $0 | 0.00% |
| **Total** | **51 279** | **100.00%** | **$6 396 020 706** | **100.00%** |

## Loan Interest Rate Distribution

| Loan Interest Rate (in %) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| < 2.0000 | 13 | 0.03% | $2 598 209 | 0.04% |
| 2.0000 to 2.4999 | 2 624 | 5.12% | $499 151 063 | 7.80% |
| 2.5000 to 2.9999 | 13 907 | 27.12% | $1 908 598 461 | 29.84% |
| 3.0000 to 3.4999 | 22 399 | 43.68% | $2 706 548 008 | 42.32% |
| 3.5000 to 3.9999 | 9 786 | 19.08% | $1 058 319 523 | 16.55% |
| 4.0000 to 4.4999 | 1 231 | 2.40% | $91 095 815 | 1.42% |
| 4.5000 to 4.9999 | 1 243 | 2.42% | $122 755 467 | 1.92% |
| 5.0000 to 5.4999 | 32 | 0.06% | $3 444 902 | 0.05% |
| 5.5000 to 5.9999 | 20 | 0.04% | $1 851 179 | 0.03% |
| 6.0000 to 6.4999 | 12 | 0.02% | $882 300 | 0.01% |
| 6.5000 to 6.9999 | 12 | 0.02% | $775 778 | 0.01% |
| > 7.0000 | 0 | 0.00% | $0 | 0.00% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **100.00%** |

## Remaining Term Distribution

| Remaining Term (in months) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Less than 12 | 11 195 | 21.83% | $1 308 672 306 | 20.46% |
| 12 - 23 | 13 778 | 26.87% | $1 604 104 352 | 25.08% |
| 24 - 35 | 10 216 | 19.92% | $1 345 680 863 | 21.04% |
| 36 - 47 | 8 496 | 16.57% | $1 162 902 210 | 18.18% |
| 48 - 59 | 7 453 | 14.53% | $957 522 955 | 14.97% |
| 60 - 71 | 77 | 0.15% | $9 639 145 | 0.15% |
| 72 - 83 | 22 | 0.04% | $3 497 126 | 0.05% |
| 84 and above | 42 | 0.08% | $4 001 750 | 0.06% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **100.00%** |

## Remaining Principal Balance Distribution

| Remaining Principal Balance (C$) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Less than 100 000 | 24 320 | 47.43% | $1 457 004 955 | 22.78% |
| 100 000 - 149 999 | 12 009 | 23.42% | $1 485 873 087 | 23.23% |
| 150 000 - 199 999 | 7 204 | 14.05% | $1 241 721 844 | 19.41% |
| 200 000 - 249 999 | 3 460 | 6.75% | $770 133 306 | 12.04% |
| 250 000 - 299 999 | 1 903 | 3.71% | $518 066 214 | 8.10% |
| 300 000 - 349 999 | 1 098 | 2.14% | $354 592 890 | 5.54% |
| 350 000 - 399 999 | 590 | 1.15% | $219 577 486 | 3.43% |
| 400 000 - 449 999 | 284 | 0.55% | $119 922 286 | 1.87% |
| 450 000 - 499 999 | 185 | 0.36% | $87 903 824 | 1.37% |
| 500 000 - 549 999 | 90 | 0.18% | $46 946 006 | 0.73% |
| 550 000 - 599 999 | 55 | 0.11% | $31 464 130 | 0.49% |
| 600 000 - 649 999 | 29 | 0.06% | $18 046 150 | 0.28% |
| 650 000 - 699 999 | 11 | 0.02% | $7 471 706 | 0.12% |
| 700 000 - 749 999 | 15 | 0.03% | $10 822 859 | 0.17% |
| 750 000 - 799 999 | 6 | 0.01% | $4 603 094 | 0.07% |
| 800 000 - 849 999 | 4 | 0.01% | $3 296 861 | 0.05% |
| 850 000 - 899 999 | 0 | 0.00% | $0 | 0.00% |
| 900 000 - 949 999 | 5 | 0.01% | $4 612 598 | 0.07% |
| 950 000 - 999 999 | 2 | 0.00% | $1 964 607 | 0.03% |
| 1 000 000 and above | 9 | 0.02% | $11 996 804 | 0.19% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **100.00%** |

## Property Type Distribution

| Property Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Detached | 29 114 | 56.78% | $3 097 296 633 | 48.43% |
| Semi Detached | 2 203 | 4.30% | $273 611 699 | 4.28% |
| Rows (Townhouse) | 626 | 1.22% | $87 481 057 | 1.37% |
| Condominium | 7 856 | 15.32% | $1 059 826 470 | 16.57% |
| Multiplex | 7 783 | 15.18% | $1 399 575 962 | 21.88% |
| Secondary Homes [(1)] | 3 697 | 7.21% | $478 228 885 | 7.48% |
| Other [(1)] | 0 | 0.00% | $0 | 0.00% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **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 | 7 536 | 14.70% | $316 987 052 | 4.96% |
| 20.01 - 25.00 | 3 030 | 5.91% | $204 574 520 | 3.20% |
| 25.01 - 30.00 | 3 108 | 6.06% | $246 323 253 | 3.85% |
| 30.01 - 35.00 | 2 971 | 5.79% | $270 792 885 | 4.23% |
| 35.01 - 40.00 | 2 950 | 5.75% | $306 985 261 | 4.80% |
| 40.01 - 45.00 | 3 108 | 6.06% | $356 185 742 | 5.57% |
| 45.01 - 50.00 | 3 230 | 6.30% | $409 750 783 | 6.41% |
| 50.01 - 55.00 | 3 506 | 6.84% | $507 344 612 | 7.93% |
| 55.01 - 60.00 | 4 058 | 7.91% | $645 356 175 | 10.09% |
| 60.01 - 65.00 | 4 834 | 9.43% | $821 560 679 | 12.84% |
| 65.01 - 70.00 | 5 169 | 10.08% | $913 604 475 | 14.28% |
| 70.01 - 75.00 | 4 866 | 9.49% | $879 264 743 | 13.75% |
| 75.01 - 80.00 | 2 716 | 5.30% | $485 601 540 | 7.59% |
| > 80.00 | 197 | 0.38% | $31 688 986 | 0.50% |
| **Grand Total** | **51 279** | **100.00%** | **$6 396 020 706** | **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 | $316 835 113 | $151 939 | $0 | $0 | $316 987 052 | 4.96% |
| 20.01 - 25.00 | $204 518 213 | $0 | $56 307 | $0 | $204 574 520 | 3.20% |
| 25.01 - 30.00 | $246 276 545 | $0 | $0 | $46 708 | $246 323 253 | 3.85% |
| 30.01 - 35.00 | $270 713 558 | $0 | $79 327 | $0 | $270 792 885 | 4.23% |
| 35.01 - 40.00 | $306 759 534 | $225 727 | $0 | $0 | $306 985 261 | 4.80% |
| 40.01 - 45.00 | $355 548 295 | $637 447 | $0 | $0 | $356 185 742 | 5.57% |
| 45.01 - 50.00 | $409 206 607 | $455 090 | $0 | $89 086 | $409 750 783 | 6.41% |
| 50.01 - 55.00 | $505 188 344 | $1 928 449 | $131 231 | $96 587 | $507 344 612 | 7.93% |
| 55.01 - 60.00 | $644 402 613 | $757 591 | $0 | $195 971 | $645 356 175 | 10.09% |
| 60.01 - 65.00 | $820 121 024 | $462 658 | $700 229 | $276 768 | $821 560 679 | 12.84% |
| 65.01 - 70.00 | $911 751 862 | $973 311 | $879 302 | $0 | $913 604 475 | 14.28% |
| 70.01 - 75.00 | $878 501 438 | $441 711 | $0 | $321 595 | $879 264 743 | 13.75% |
| 75.01 - 80.00 | $485 158 987 | $442 553 | $0 | $0 | $485 601 540 | 7.59% |
| > 80.00 | $31 688 986 | $0 | $0 | $0 | $31 688 986 | 0.50% |
| **Grand Total** | **$6 386 671 119** | **$6 476 476** | **$1 846 397** | **$1 026 714** | **$6 396 020 706** | **100.00%** |
| **Percentage** | **99.85%** | **0.10%** | **0.03%** | **0.02%** | **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 | $1 381 060 | $6 404 414 | $16 435 094 | $55 850 853 | $117 403 417 | $117 663 764 | $1 848 450 | $316 987 052 | 4.96% |
| 20.01 - 25.00 | $2 002 267 | $6 374 100 | $17 031 449 | $40 584 086 | $67 955 205 | $69 446 712 | $1 180 701 | $204 574 520 | 3.20% |
| 25.01 - 30.00 | $3 138 773 | $8 839 462 | $21 646 914 | $51 631 117 | $87 488 807 | $71 175 684 | $2 402 497 | $246 323 253 | 3.85% |
| 30.01 - 35.00 | $4 024 886 | $12 042 764 | $22 501 152 | $56 781 685 | $95 920 571 | $76 593 260 | $2 928 567 | $270 792 885 | 4.23% |
| 35.01 - 40.00 | $4 755 405 | $13 839 683 | $26 830 273 | $71 173 111 | $105 117 593 | $82 376 567 | $2 892 628 | $306 985 261 | 4.80% |
| 40.01 - 45.00 | $7 083 544 | $19 391 907 | $39 371 875 | $83 802 434 | $113 639 822 | $89 656 841 | $3 239 318 | $356 185 742 | 5.57% |
| 45.01 - 50.00 | $8 408 884 | $19 569 131 | $48 477 030 | $97 411 428 | $142 528 737 | $88 774 809 | $4 580 765 | $409 750 783 | 6.41% |
| 50.01 - 55.00 | $14 822 240 | $30 319 731 | $62 350 346 | $122 811 516 | $174 401 513 | $97 811 731 | $4 827 534 | $507 344 612 | 7.93% |
| 55.01 - 60.00 | $14 345 185 | $41 013 830 | $74 832 018 | $168 730 387 | $214 264 938 | $127 111 039 | $5 058 778 | $645 356 175 | 10.09% |
| 60.01 - 65.00 | $16 320 933 | $51 600 738 | $104 466 797 | $218 866 415 | $276 920 478 | $152 227 105 | $1 158 213 | $821 560 679 | 12.84% |
| 65.01 - 70.00 | $15 642 710 | $48 986 851 | $109 644 723 | $243 559 084 | $318 005 823 | $176 478 492 | $1 286 791 | $913 604 475 | 14.28% |
| 70.01 - 75.00 | $12 287 643 | $45 792 465 | $121 878 070 | $237 412 211 | $315 959 492 | $145 554 021 | $380 842 | $879 264 743 | 13.75% |
| 75.01 - 80.00 | $5 545 168 | $24 070 602 | $71 371 138 | $150 326 522 | $163 221 384 | $70 701 667 | $365 061 | $485 601 540 | 7.59% |
| > 80.00 | $311 509 | $3 154 551 | $7 082 963 | $9 359 326 | $8 504 631 | $3 276 007 | $0 | $31 688 986 | 0.50% |
| **Grand Total** | **$110 070 205** | **$331 400 228** | **$743 919 842** | **$1 608 300 176** | **$2 201 332 410** | **$1 368 847 699** | **$32 150 147** | **$6 396 020 706** | **100.00%** |
| **Percentage** | **1.72%** | **5.18%** | **11.63%** | **25.15%** | **34.42%** | **21.40%** | **0.50%** | **100.00%** | |

# FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 11/30/2018

## Cover Pool - Substitute Assets

| | |
|---|---|
| Type | Canadian Government Bonds |
| CMHC Guide Limit [1] | $639 602 071 |

*[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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