# FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 02/29/2020

*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 |
|---|---|---|---|---|---|---|---|---|---|
| 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 |
| CBL5 | XS1943456829 | EUR 750 000 000 | 1.52250 | $1 141 875 000 | 2024-01-30 | 2025-01-30 | 0.350% | Fixed | Soft Bullet |
| CBL6 | USC34201FV70 | USD 1 000 000 000 | 1.32550 | $1 325 500 000 | 2022-09-26 | 2023-09-26 | 1.950% | Fixed | Soft Bullet |
| CBL7 | XS2083301106 | EUR 500 000 000 | 1.46600 | $733 000 000 | 2027-11-26 | 2028-11-26 | 0.05% | Fixed | Soft Bullet |
| **Total** | | | | $5 757 250 000 | | | | | |

| | |
|---|---|
| AMF Covered Bond Ratio : (1) | 2.30% |
| AMF Covered Bond Ratio Limit : | 5.50% |

| | |
|---|---|
| Weighted Average Maturity of Outstanding Covered Bonds (months) | 38.13 |
| Weighted Average Remaining Term of Loans in Cover Pool (months) | 26.78 |

| Series Ratings | Moody's | Fitch |
|---|---|---|
| CBL3 | Aaa | AAA |
| CBL4 | Aaa | AAA |
| CBL5 | Aaa | AAA |
| CBL6 | Aaa | AAA |
| CBL7 | Aaa | AAA |

*(1) Per AMF's letter dated September 9, 2019, the AMF Covered Bond Ratio refers to assets pledged for covered bonds relative to total on-balance sheet assets. Total on-balance sheet assets as of December 31, 2019.*

## 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+ | AH | A |
| Short-Term | P-1 | F1+ | R-1H | A-1 |
| Rating Outlook | Negative | Stable | Stable | Stable |

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

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

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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** | **$5 757 250 000** | | |
| A = lower of (i) LTV Adjusted Loan Balance | $7 285 859 093 | A(i) : | $7 511 134 215 |
| (ii) Asset Percentage Adjusted Loan Balance | | A(ii) : | $7 285 859 093 |
| B = Principal Receipts | $0 | | |
| C = Cash Capital Contributions | $0 | Asset Percentage : | 97.00% |
| 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 | $91 384 771 | Regulatory OC Minimum : | 103.00% |
| **Total: A + B + C + D + E - Y - Z** | **$7 194 474 322** | Level of Overcollateralization[1] : | 104.68% |
| 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** | **$5 860 934 141** | | |
| A = lower of (i) Present Value of the relevant Loan [1] | $7 395 770 081 | A(i) : | $7 395 770 081 |
| (ii) 80% of the Latest Valuation relating to that Loan | | A(ii) : | $13 547 542 695 |
| 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** | **$7 395 770 081** | | |
| The actual weighted average rate used for discounting is | 4.235% | | |

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

## Intercompany Loan Balance

| | |
|---|---|
| Guarantee Loan | $6 014 778 666 |
| Demand Loan | $1 501 513 082 |
| **Total** | **$7 516 291 748** |

## Cover Pool Summary Statistics

| | | | |
|---|---|---|---|
| Previous Month Ending Balance ($) | $6 459 827 073 | | |
| Current Month Ending Balance ($) | $7 516 291 748 | | |
| Number of Mortgage Loans | 56 793 | | |
| Average Loan Balance ($) | $132 345 | | |
| Number of Properties | 56 793 | | |
| Number of Borrowers | 54 827 | | |
| | **Original** | | **Indexed** |
| Weighted Average Current LTV | 59.94% | | 54.42% |
| Weighted Average Original LTV | 69.98% | | |
| Weighted Average Authorized LTV | 69.98% | | |
| Weighted Average Rate | 3.22% | | |
| Weighted Average Original Term | 51.41 | (months) | |
| Weighted Average Remaining Term | 26.78 | (months) | |
| Weighted Average Seasoning | 24.63 | (months) | |
| Weighted Average Maturity of Outstanding Covered Bonds | 38.13 | (months) | |

## Provincial Distribution

| Province | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Québec | 56 793 | 100.00% | $7 516 291 748 | 100.00% |
| Ontario | 0 | 0.00% | $0 | 0.00% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **100.00%** |

## Credit Score Distribution

| Credit Score | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Score Unavailable | 173 | 0.30% | $23 738 004 | 0.32% |
| 599 and below | 798 | 1.41% | $102 663 143 | 1.37% |
| 600 - 650 | 2 295 | 4.04% | $304 571 112 | 4.05% |
| 651 - 700 | 5 281 | 9.30% | $744 311 609 | 9.90% |
| 701 - 750 | 12 763 | 22.47% | $1 784 271 493 | 23.74% |
| 751 - 800 | 20 820 | 36.66% | $2 802 956 385 | 37.29% |
| > 800 | 14 663 | 25.82% | $1 753 780 002 | 23.33% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **100.00%** |

Desjardins

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## Rate Type Distribution

| Rate Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Fixed rate | 45 905 | 80.83% | $5 921 105 547 | 78.78% |
| Floating rate | 10 888 | 19.17% | $1 595 186 200 | 21.22% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **100.00%** |

## Occupancy Type Distribution

| Occupancy Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Owner occupied | 49 659 | 87.44% | $6 403 550 549 | 85.20% |
| Not owner occupied | 7 134 | 12.56% | $1 112 741 199 | 14.80% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **100.00%** |

## Mortgage Asset Type Distribution

| Asset type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Conventional Mortgage | 44 634 | 78.59% | $5 393 984 589 | 71.76% |
| Versatile Loan | 12 159 | 21.41% | $2 122 307 159 | 28.24% |
| **Total** | **56 793** | **100.00%** | **$7 516 291 748** | **100.00%** |

## Loan Interest Rate Distribution

| Loan Interest Rate (in %) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| < 2.0000 | 10 | 0.02% | $1 298 177 | 0.02% |
| 2.0000 to 2.4999 | 1 468 | 2.58% | $317 153 064 | 4.22% |
| 2.5000 to 2.9999 | 14 731 | 25.94% | $2 116 409 955 | 28.16% |
| 3.0000 to 3.4999 | 24 570 | 43.26% | $3 382 415 447 | 45.00% |
| 3.5000 to 3.9999 | 14 077 | 24.79% | $1 523 450 785 | 20.27% |
| 4.0000 to 4.4999 | 1 135 | 2.00% | $87 977 558 | 1.17% |
| 4.5000 to 4.9999 | 711 | 1.25% | $77 224 603 | 1.03% |
| 5.0000 to 5.4999 | 59 | 0.10% | $7 515 187 | 0.10% |
| 5.5000 to 5.9999 | 17 | 0.03% | $1 631 533 | 0.02% |
| 6.0000 to 6.4999 | 9 | 0.02% | $696 879 | 0.01% |
| 6.5000 to 6.9999 | 6 | 0.01% | $518 560 | 0.01% |
| > 7.0000 | 0 | 0.00% | $0 | 0.00% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **100.00%** |

## Remaining Term Distribution

| Remaining Term (in months) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Less than 12 | 13 221 | 23.28% | $1 534 045 839 | 20.41% |
| 12 - 23 | 13 275 | 23.37% | $1 704 983 829 | 22.68% |
| 24 - 35 | 14 178 | 24.96% | $2 029 305 198 | 27.00% |
| 36 - 47 | 11 871 | 20.90% | $1 698 691 281 | 22.60% |
| 48 - 59 | 4 125 | 7.26% | $536 486 555 | 7.14% |
| 60 - 71 | 60 | 0.11% | $6 448 208 | 0.09% |
| 72 - 83 | 13 | 0.02% | $992 120 | 0.01% |
| 84 and above | 50 | 0.09% | $5 338 716 | 0.07% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **100.00%** |

## Remaining Principal Balance Distribution

| Remaining Principal Balance (C$) | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Less than 100 000 | 24 397 | 42.96% | $1 443 100 560 | 19.20% |
| 100 000 - 149 999 | 12 638 | 22.25% | $1 568 779 676 | 20.87% |
| 150 000 - 199 999 | 9 777 | 17.22% | $1 683 716 937 | 22.40% |
| 200 000 - 249 999 | 4 757 | 8.38% | $1 057 228 833 | 14.07% |
| 250 000 - 299 999 | 2 406 | 4.24% | $655 445 801 | 8.72% |
| 300 000 - 349 999 | 1 277 | 2.25% | $411 794 215 | 5.48% |
| 350 000 - 399 999 | 659 | 1.16% | $245 042 121 | 3.26% |
| 400 000 - 449 999 | 329 | 0.58% | $138 824 533 | 1.85% |
| 450 000 - 499 999 | 243 | 0.43% | $114 742 146 | 1.53% |
| 500 000 - 549 999 | 117 | 0.21% | $61 141 306 | 0.81% |
| 550 000 - 599 999 | 73 | 0.13% | $41 839 419 | 0.56% |
| 600 000 - 649 999 | 39 | 0.07% | $24 243 490 | 0.32% |
| 650 000 - 699 999 | 27 | 0.05% | $18 165 165 | 0.24% |
| 700 000 - 749 999 | 13 | 0.02% | $9 397 813 | 0.13% |
| 750 000 - 799 999 | 10 | 0.02% | $7 699 138 | 0.10% |
| 800 000 - 849 999 | 7 | 0.01% | $5 761 245 | 0.08% |
| 850 000 - 899 999 | 2 | 0.00% | $1 707 976 | 0.02% |
| 900 000 - 949 999 | 2 | 0.00% | $1 824 503 | 0.02% |
| 950 000 - 999 999 | 3 | 0.01% | $2 943 683 | 0.04% |
| 1 000 000 and above | 17 | 0.03% | $22 893 187 | 0.30% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **100.00%** |

## Property Type Distribution

| Property Type | Number of Loans | Percentage | Principal Balance | Percentage |
|---|---|---|---|---|
| Detached | 34 555 | 60.84% | $4 212 092 745 | 56.04% |
| Semi Detached | 2 540 | 4.47% | $330 911 468 | 4.40% |
| Rows (Townhouse) | 681 | 1.20% | $98 646 483 | 1.31% |
| Condominium | 7 916 | 13.94% | $1 074 619 747 | 14.30% |
| Multiplex | 7 388 | 13.01% | $1 313 573 650 | 17.48% |
| Secondary Homes [1] | 3 712 | 6.54% | $486 331 196 | 6.47% |
| Other [1] | 1 | 0.00% | $116 459 | 0.00% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **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 | 7 991 | 14.07% | $325 673 644 | 4.33% |
| 20.01 - 25.00 | 2 907 | 5.12% | $205 190 108 | 2.73% |
| 25.01 - 30.00 | 2 995 | 5.27% | $254 705 803 | 3.39% |
| 30.01 - 35.00 | 3 098 | 5.45% | $306 597 086 | 4.08% |
| 35.01 - 40.00 | 3 336 | 5.87% | $372 539 769 | 4.96% |
| 40.01 - 45.00 | 3 613 | 6.36% | $461 091 306 | 6.13% |
| 45.01 - 50.00 | 3 961 | 6.97% | $575 855 176 | 7.66% |
| 50.01 - 55.00 | 4 608 | 8.11% | $732 160 258 | 9.74% |
| 55.01 - 60.00 | 5 188 | 9.13% | $872 015 243 | 11.60% |
| 60.01 - 65.00 | 5 818 | 10.24% | $1 013 541 134 | 13.48% |
| 65.01 - 70.00 | 5 946 | 10.47% | $1 062 898 795 | 14.14% |
| 70.01 - 75.00 | 5 500 | 9.68% | $999 828 609 | 13.30% |
| 75.01 - 80.00 | 1 800 | 3.17% | $327 465 256 | 4.36% |
| > 80.00 | 32 | 0.06% | $6 729 560 | 0.09% |
| **Grand Total** | **56 793** | **100.00%** | **$7 516 291 748** | **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 | $325 575 456 | $55 539 | $42 649 | $0 | $325 673 644 | 4.33% |
| 20.01 - 25.00 | $204 929 106 | $156 505 | $0 | $104 497 | $205 190 108 | 2.73% |
| 25.01 - 30.00 | $254 622 479 | $50 762 | $32 561 | $0 | $254 705 803 | 3.39% |
| 30.01 - 35.00 | $306 255 784 | $42 304 | $298 998 | $0 | $306 597 086 | 4.08% |
| 35.01 - 40.00 | $371 924 426 | $375 173 | $240 170 | $0 | $372 539 769 | 4.96% |
| 40.01 - 45.00 | $460 065 570 | $790 729 | $235 007 | $0 | $461 091 306 | 6.13% |
| 45.01 - 50.00 | $575 139 869 | $623 786 | $91 520 | $0 | $575 855 176 | 7.66% |
| 50.01 - 55.00 | $731 304 722 | $661 191 | $194 345 | $0 | $732 160 258 | 9.74% |
| 55.01 - 60.00 | $870 806 355 | $668 127 | $484 973 | $55 788 | $872 015 243 | 11.60% |
| 60.01 - 65.00 | $1 010 894 197 | $1 694 807 | $952 131 | $0 | $1 013 541 134 | 13.48% |
| 65.01 - 70.00 | $1 061 945 654 | $385 877 | $348 572 | $218 692 | $1 062 898 795 | 14.14% |
| 70.01 - 75.00 | $999 071 037 | $757 572 | $0 | $0 | $999 828 609 | 13.30% |
| 75.01 - 80.00 | $327 320 749 | $144 507 | $0 | $0 | $327 465 256 | 4.36% |
| > 80.00 | $6 729 560 | $0 | $0 | $0 | $6 729 560 | 0.09% |
| **Grand Total** | **$7 506 584 965** | **$6 406 879** | **$2 920 927** | **$378 977** | **$7 516 291 748** | **100.00%** |
| **Percentage** | **99.87%** | **0.09%** | **0.04%** | **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 | $2 018 450 | $7 179 547 | $21 078 112 | $59 347 373 | $120 505 075 | $113 689 917 | $1 855 171 | $325 673 644 | 4.33% |
| 20.01 - 25.00 | $2 511 209 | $7 084 411 | $16 203 094 | $42 457 302 | $72 448 262 | $62 843 886 | $1 641 944 | $205 190 108 | 2.73% |
| 25.01 - 30.00 | $2 633 767 | $10 014 557 | $17 982 265 | $50 389 302 | $94 487 122 | $76 619 003 | $2 579 787 | $254 705 803 | 3.39% |
| 30.01 - 35.00 | $3 829 678 | $12 154 202 | $25 344 070 | $66 140 085 | $106 972 739 | $90 073 594 | $2 082 718 | $306 597 086 | 4.08% |
| 35.01 - 40.00 | $5 451 103 | $19 928 132 | $33 636 360 | $80 230 612 | $128 257 336 | $102 046 077 | $2 990 148 | $372 539 769 | 4.96% |
| 40.01 - 45.00 | $9 527 593 | $22 084 714 | $41 600 771 | $110 659 425 | $162 449 323 | $109 290 675 | $5 478 806 | $461 091 306 | 6.13% |
| 45.01 - 50.00 | $9 118 548 | $26 746 967 | $60 764 988 | $139 447 295 | $201 803 582 | $135 463 364 | $2 510 433 | $575 855 176 | 7.66% |
| 50.01 - 55.00 | $13 151 205 | $37 528 254 | $73 910 178 | $172 826 226 | $268 353 069 | $164 255 080 | $2 136 246 | $732 160 258 | 9.74% |
| 55.01 - 60.00 | $12 896 090 | $37 996 348 | $94 634 926 | $204 561 524 | $328 375 722 | $192 705 036 | $845 597 | $872 015 243 | 11.60% |
| 60.01 - 65.00 | $14 010 132 | $42 165 860 | $103 466 379 | $235 058 146 | $394 103 645 | $224 105 980 | $630 992 | $1 013 541 134 | 13.48% |
| 65.01 - 70.00 | $14 789 865 | $39 893 341 | $116 696 835 | $273 786 838 | $398 843 142 | $218 238 271 | $650 505 | $1 062 898 795 | 14.14% |
| 70.01 - 75.00 | $9 917 875 | $32 122 203 | $105 792 964 | $262 804 302 | $394 009 284 | $195 051 886 | $130 094 | $999 828 609 | 13.30% |
| 75.01 - 80.00 | $2 807 627 | $9 554 686 | $32 217 576 | $84 898 165 | $128 982 485 | $68 799 155 | $205 562 | $327 465 256 | 4.36% |
| > 80.00 | $0 | $117 892 | $983 092 | $1 664 899 | $3 365 599 | $598 077 | $0 | $6 729 560 | 0.09% |
| **Grand Total** | **$102 663 143** | **$304 571 112** | **$744 311 609** | **$1 784 271 493** | **$2 802 956 385** | **$1 753 780 002** | **$23 738 004** | **$7 516 291 748** | **100.00%** |
| **Percentage** | **1.37%** | **4.05%** | **9.90%** | **23.74%** | **37.29%** | **23.33%** | **0.32%** | **100.00%** | |

# FCDQ Legislative Covered Bond Programme Monthly Investor Report

Calculation Date : 02/29/2020

## Cover Pool - Substitute Assets

| | |
|---|---|
| Type | Canadian Government Bonds |
| CMHC Guide Limit [1] | $751 629 175 |

*[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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