Pillar 3 Report
(unaudited)

For the period ended June 30, 2019

PILLAR 3 REPORT

USE OF THIS DOCUMENT

The Pillar 3 Report (this document) is designed to support the transparency and disclosure of additional information on Desjardins Group's capital and risk management so that the various financial market participants can assess its risk profile and financial performance. The information disclosed in this document is unaudited.

This document should be used as a supplement to Desjardins Group's Interim Financial Reports and Annual Report. These reports, which include Desjardins Group's Combined Financial Statements as well as its MD&As, are available on its website at https://www.desjardins.com/about-us/investor-relations and on the SEDAR website at www.sedar.com (under the *Capital Desjardins Inc.* profile). This document should also be used as a supplement to the document entitled "Additional Financial Information" of Desjardins Group, which is also available on its website.

Certain information relevant to Pillar 3 is disclosed in these documents. A reference table entitled "Information disclosed in separate reports" is presented under each regulatory requirement, when applicable. Such table outlines the Pillar 3 requirements that are not directly addressed in this document and refers the reader to the appropriate sections of separate documents.

The *Adequacy of capital base* guideline for financial services cooperatives is available on the *Autorité des marchés financiers* (AMF) website at https://lautorite.qc.ca/en/professionals/deposit-institutions/guidelines/ (in French only). The Basel Committee requirements, from which the AMF guideline is derived, can be found at https://www.bis.org/bcbs/basel3.htm.

Unless indicated otherwise, all amounts are in Canadian dollars.

SCOPE OF THIS DOCUMENT

The financial information presented in this document relates to Desjardins Group, which is made up of the Desjardins caisses in Quebec and Ontario (the caisses), the *Fédération des caisses Desjardins du Québec* (the Federation) and its subsidiaries, the ***Fédération des caisses populaires de l'Ontario Inc.*** and the *Fonds de sécurité Desjardins*. The entities included in Desjardins Group's accounting scope of consolidation are presented in the "Scope of the Group" section of Note 2, "Basis of presentation and significant accounting policies", to its Annual and Interim Combined Financial Statements.

The information on capital and risks presented in this document is mainly prepared using the regulatory scope in accordance with Basel III. This scope differs from the accounting scope as investments in insurance subsidiaries are excluded from it through capital deductions. In addition, the information presented results from combining accounting and regulatory data.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Desjardins Group's public communications often include oral or written forward-looking statements. Such forward-looking statements are contained in Desjardins Group's reports and may be incorporated in other filings with Canadian regulators or in any other communications. Forward-looking statements include, but are not limited to, comments about Desjardins Group's objectives regarding financial performance, priorities, operations, the review of economic conditions and markets, as well as the outlook for the Quebec, Canadian, U.S. and world economies. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "plan" and "may", words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. It is therefore possible that, due to many factors, the assumptions formulated may be incorrect, or the predictions, forecasts or other forward-looking statements as well as Desjardins Group's objectives and priorities may not materialize or may prove to be inaccurate and that actual results differ materially. Although Desjardins Group believes that the expectations expressed in these forward-looking statements are reasonable, it cannot guarantee that theses expectations will prove to be correct. Desjardins Group cautions readers against placing undue reliance on these forward-looking statements to make decisions since actual results, conditions, actions and future events could differ significantly from the targets, expectations, estimates or intents in the forward-looking statements, either explicitly or implicitly.

Forward-looking statements contained in Desjardins Group's reports represent the view of management only as at the date hereof, and are presented for the purpose of assisting readers in understanding and interpreting Desjardins Group's balance sheet as at the dates indicated or its results for the periods then ended, as well as its strategic priorities and objectives. These statements may not be appropriate for other purposes. Desjardins Group does not undertake to update any oral or written forward-looking statements that could be made from time to time by or on behalf of Desjardins Group, except as required under applicable securities legislation.

DISCLOSURE POLICY

Desjardins Group has a disclosure policy with respect to material financial disclosures (the Policy), which is approved by the Board of Directors and defines the control processes and internal procedures in that regard.

The main components of the Policy apply to the material financial documents of Desjardins Group and its reporting issuers, as well as to documents filed with regulatory authorities. In particular, the Policy outlines the guiding principles for disclosure that apply to these documents, including the Pillar 3 disclosures, the existence and maintenance of a process to control and validate material financial disclosures and the responsibility of the Board of Directors and senior management for implementing an effective internal control structure with respect to disclosing material information and ensuring such structure is in place.

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OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RISK-WEIGHTED ASSETS

Template KM1 – Key metrics (at consolidated group level)

		a	b	c	d	e
	(in millions of dollars and as a percentage)	**As at June 30, 2019**	As at March 31, 2019	As at December 31, 2018	As at September 30, 2018	As at June 30, 2018
	Available capital (amounts)					
1	Tier 1A capital	**$ 23,537**	$ 23,250	$ 22,412	$ 22,470	$ 21,514
2	Tier 1 capital	**23,537**	23,250	22,412	22,470	21,514
3	Total capital	**23,737**	23,515	22,838	22,875	21,905
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	**133,272**	128,305	129,474	127,064	123,190
	Risk-based capital ratios as a percentage of RWA					
5	Tier 1A capital ratio	**17.7 %**	18.1 %	17.3 %	17.7 %	17.5 %
6	Tier 1 capital ratio	**17.7**	18.1	17.3	17.7	17.5
7	Total capital ratio	**17.8**	18.3	17.6	18.0	17.8
	Additional Tier 1A capital requirements as a percentage of RWA					
8	Capital conservation buffer requirement	**2.5**	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement	**-**	-	-	-	-
10	D-SIFI additional requirements	**1.0**	1.0	1.0	1.0	1.0
11	Total of Tier 1A capital specific requirements (row 8 + row 9 + row 10)	**3.5**	3.5	3.5	3.5	3.5
12	Tier 1A capital available after meeting the minimum capital requirements	**14.3**	12.8	12.8	13.2	13.0
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	**$ 280,644**	$ 275,291	$ 271,359	$ 268,356	$ 261,946
14	Basel III leverage ratio (%)	**8.4 %**	8.4 %	8.3 %	8.4 %	8.2 %
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets (HQLA)	**$ 25,708**	$ 23,234	$ 23,163	$ 22,775	$ 23,016
16	Total net cash outflow	**21,004**	18,969	18,968	18,985	19,217
17	LCR ratio (%)	**122.4 %**	122.5 %	122.1 %	120.0 %	119.8 %

Template OV1 – Overview of risk-weighted assets (RWA)

		a	b	c
		RWA[1]		Minimum capital requirements[2]
	(in millions of dollars)	As at June 30, 2019	As at March 31, 2019	As at June 30, 2019
1	Credit risk (excluding counterparty credit risk – CCR)	**$ 102,964**	$ 99,910	**$ 8,237**
2	Of which: Standardized Approach (SA)	**74,578**	71,178	**5,966**
3	Of which: Internal Ratings-Based Approach (IRB)	**28,386**	28,732	**2,271**
4	Counterparty credit risk	**3,015**	2,816	**241**
5	Of which: Standardized Approach for counterparty credit risk (SA_CCR)[3]	**3,015**	2,816	**241**
6	Of which: Internal Model Method (IMM)	**-**	-	**-**
7	Equity positions in the banking book under the market approach	**-**	-	**-**
8	Equity investments in funds – look-through approach	**-**	-	**-**
9	Equity investments in funds – mandate-based approach	**-**	-	**-**
10	Equity investments in funds – fall-back approach	**111**	111	**9**
11	Settlement risk	**-**	-	**-**
12	Securitization exposures in the banking book	**60**	61	**5**
13	Of which: Internal Ratings-Based Approach (IRB)	**-**	-	**-**
14	Of which: prudential approach (PA) based on internal ratings	**-**	-	**-**
15	Of which: Standardized Approach (SA)/simplified prudential approach (SPA)	**60**	61	**5**
16	Market risk	**6,138**	4,945	**491**
17	Of which: Standardized Approach (SA)	**731**	580	**58**
18	Of which: approaches based on the Internal Model Method (IMM)	**5,407**	4,365	**433**
19	Operational risk	**12,492**	12,364	**1,000**
20	Of which: Basic Indicator Approach	**-**	-	**-**
21	Of which: Standardized Approach	**12,492**	12,364	**1,000**
22	Of which: advanced measurement approach	**-**	-	**-**
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**8,492**	8,098	**679**
24	Floor adjustment	**-**	-	**-**
25	**Total (1 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 16 + 19 + 23 + 24)**	**$ 133,272**	$ 128,305	**$ 10,662**

(1) The RWA presented correspond to the RWA for Tier 1A capital including the 6% scaling factor applied on RWA measured using the Internal Ratings-Based Approach for credit exposures.
(2) The minimum capital requirement represents 8% of risk-weighted assets.
(3) Since the first quarter of 2019, the SA_CCR (Standardized Approach for counterparty credit risk) method has been applied to counterparty credit risk to measure exposure at default.

COMPOSITION OF CAPITAL AND TLAC

Template CC1 – Composition of regulatory capital

	(in millions of dollars and as a percentage)	As at June 30, 2019	Cross-reference[1]	As at March 31, 2019	As at December 31, 2018	As at September 30, 2018	As at June 30, 2018
	Tier 1A capital instruments: Instruments and reserves						
1	Directly issued qualifying Tier 1A capital instruments (and equivalent)	**$ 4,888**	A + P	$ 4,830	$ 4,784	$ 4,784	$ 4,782
2	Qualifying reserves and undistributed surplus earnings	**20,024**	B + C	19,761	19,555	19,700	19,046
3	Accumulated amounts of other general income (and other reserves) and accumulated other comprehensive income	**433**	D	372	(13)	68	188
4	Directly issued capital subject to phase-out from Tier 1A regulatory capital	**304**	F + G	369	532	575	599
5	Tier 1 A capital instruments issued by subsidiaries and held by third parties (amount allowed in Tier 1A capital)	**-**	I	-	-	-	-
6	**Tier 1A capital instruments before regulatory adjustments**	**25,649**		25,332	24,858	25,127	24,615
	Tier 1A capital instruments: Regulatory adjustments						
7	Prudential valuation adjustments	**-**		-	-	-	-
8	Goodwill (net of related deferred tax liabilities)	**3**	J + K	3	3	3	3
9	Intangible assets other than mortgage servicing rights and software (net of qualifying deferred tax liabilities)	**111**	L + M	115	125	189	200
10	Deferred tax assets, excluding those arising from temporary differences (net of qualifying deferred tax liabilities)	**110**	N + O	97	93	50	55
11	Cash flow hedge reserve	**116**	E	90	15	10	11
12	Shortfall of allowances for expected losses[2]	**461**	Note	427	427	383	349
13	Securitization gain on sale	**-**		-	-	-	-
14	Gains and losses due to changes in the entity's own credit risk on fair valued liabilities	**-**		-	-	-	-
15	Defined benefit plan assets, after deduction of the authorized offsetting amount (net of qualifying deferred tax liabilities)	**-**		-	-	-	-
16	Investment in own Tier 1A capital instruments (if not consolidated)	**-**		-	-	-	-
17	Reciprocal cross-holdings in Tier 1A capital instruments	**13**	P	13	13	10	8
18	Investments of the "entity" in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the entity does not own more than 10% of their capital, net of qualifying short positions (amount above threshold of 10% of the entity's capital)	**-**		-	-	-	-
19	Significant investments of the "entity" in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of qualifying short positions (amount above threshold of 10% of the entity's capital)	**1,298**	Q + R	1,337	1,770	2,012	2,475
20	Mortgage servicing rights (amount above 10% threshold)	**-**		-	-	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related deferred tax liabilities)	**-**		-	-	-	-
22	Amount exceeding the 15% threshold	**-**		-	-	-	-
23	Of which: significant investments in the Tier 1A capital of other financial institutions	**-**	S + T	-	-	-	-
24	Of which: mortgage servicing rights	**-**		-	-	-	-
25	Of which: deferred tax assets arising from temporary differences	**-**	U	-	-	-	-
26	Other specific regulatory adjustments	**-**		-	-	-	-
27	Regulatory adjustments applied to Tier 1A capital instruments due to insufficient Tier 1B capital and Tier 2 capital to cover deductions	**-**		-	-	-	-
28	**Total regulatory adjustments to Tier 1A capital**	**2,112**		2,082	2,446	2,657	3,101
29	**Total Tier 1A capital**	**$ 23,537**		$ 23,250	$ 22,412	$ 22,470	$ 21,514

Footnotes to this table are presented on page 8.

Template CC1 – Composition of regulatory capital (continued)

	(in millions of dollars and as a percentage)	As at June 30, 2019	Cross-reference[1]	As at March 31, 2019	As at December 31, 2018	As at September 30, 2018	As at June 30, 2018
	Tier 1B capital instruments						
30	Directly issued qualifying Tier 1B capital instruments	**$ -**		$ -	$ -	$ -	$ -
31	Of which: instruments classified as equity under applicable standards	**-**		-	-	-	-
32	Of which: instruments classified as liabilities under applicable standards	**-**		-	-	-	-
33	Directly issued capital instruments subject to phase-out from Tier 1B capital	**-**		-	-	-	-
34	Tier 1B capital instruments (and Tier 1A instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in Tier 1B capital)	**-**	V	-	-	-	-
35	Of which: instruments issued by subsidiaries and subject to phase-out	**-**		-	-	-	-
36	**Tier 1B capital before regulatory adjustments**	**-**		-	-	-	-
	Tier 1B capital: Regulatory adjustments						
37	Investments in own Tier 1B capital instruments	**-**		-	-	-	-
38	Reciprocal cross-holdings in Tier 1B capital instruments	**-**		-	-	-	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the entity does not own more than 10% of their issued Tier 1A capital instruments, net of qualifying short positions (amount above threshold of 10% of the entity's capital)	**-**		-	-	-	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of qualifying short positions)	**-**		-	-	-	-
41	Specific regulatory adjustments	**-**		-	-	-	-
42	Regulatory adjustments applied to Tier 1B capital due to insufficient Tier 2 capital to cover deductions	**-**		-	-	-	-
43	**Total regulatory adjustments to Tier 1B capital**	**-**		-	-	-	-
44	**Total Tier 1B capital**	**-**		-	-	-	-
45	**Total Tier 1 capital (1A + 1B)**	**23,537**		23,250	22,412	22,470	21,514
	Tier 2 capital: Instruments and provisions						
46	Directly issued qualifying Tier 2 capital instruments	**25**	W	25	25	24	24
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	**688**	X	672	844	809	817
48	Tier 2 capital instruments (and Tier 1A and 1B capital instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in Tier 2 capital)	**-**	Y	-	-	-	-
49	Of which: instruments issued by subsidiaries subject to phase-out	**-**		-	-	-	-
50	Provisions	**307**	Z	388	377	396	374
51	**Tier 2 capital before regulatory adjustments**	**1,020**		1,085	1,246	1,229	1,215
	Tier 2 capital: Regulatory adjustments						
52	Investments in own Tier 2 capital instruments	**-**		-	-	-	-
53	Reciprocal cross-holdings in Tier 2 capital instruments	**-**		-	-	-	-
54	Investments of the "entity" in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the entity does not own more than 10% of their issued Tier 1A capital instruments, net of qualifying short positions (amount above threshold of 10% of the entity's capital)	**-**		-	-	-	-
55	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of qualifying short positions)	**820**	AA + AB	820	820	824	824
56	Specific regulatory adjustments	**-**		-	-	-	-
57	**Total regulatory adjustments to Tier 2 capital**	**820**		820	820	824	824
58	**Total Tier 2 capital**	**200**		265	426	405	391
59	**Total capital (1A + 1B and 2)**	**23,737**		23,515	22,838	22,875	21,905
60	**Total risk-weighted assets**	**$ 133,272**		$ 128,305	$ 129,474	$ 127,064	$ 123,190

Footnotes to this table are presented on page 8.

Template CC1 – Composition of regulatory capital (continued)

	(in millions of dollars and as a percentage)	As at June 30, 2019	Cross-reference[1]	As at March 31, 2019	As at December 31, 2018	As at September 30, 2018	As at June 30, 2018
	Capital ratios and buffers						
61	Tier 1A (as a % of risk-weighted assets)	**17.7 %**		18.1 %	17.3 %	17.7 %	17.5 %
62	Tier 1 (as a % of risk-weighted assets)	**17.7**		18.1	17.3	17.7	17.5
63	Total capital (as a % of risk-weighted assets)	**17.8**		18.3	17.6	18.0	17.8
64	Entity-specific buffer requirement (minimal Tier 1A requirement + capital conservation buffer + countercyclical buffer + domestic systemically important financial institution buffer, as a % of risk-weighted assets)	**8.0**		8.0	8.0	8.0	8.0
65	Of which: capital conservation buffer	**2.5**		2.5	2.5	2.5	2.5
66	Of which: entity-specific countercyclical buffer	**-**		-	-	-	-
67	Of which: systemically important financial institution buffer	**1.0**		1.0	1.0	1.0	1.0
68	Tier 1A capital instruments available for buffers (as a % of risk-weighted assets)	**14.3**		13.6	12.8	13.2	13.0
	National minima						
69	Minimum Tier 1A capital ratio	**8.0**		8.0	8.0	8.0	8.0
70	Minimum Tier 1 capital ratio	**9.5**		9.5	9.5	9.5	9.5
71	Minimum total capital ratio	**11.5**		11.5	11.5	11.5	11.5
	Amounts below the thresholds for deduction (before risk weighting)						
72	Non-significant investments in the capital of other financial institutions	**$ 134**	AC	$ 138	$ 150	$ 133	$ 135
73	Significant investments in the Tier 1A capital of financial institutions	**2,484**	AD	2,459	2,418	2,448	2,399
74	Mortgage servicing rights (net of related tax liabilities)	**-**		-	-	-	-
75	Deferred tax assets arising from temporary differences (net of related tax liabilities)	**913**	AE	780	793	705	717
	Applicable caps on the inclusion of provisions in Tier 2						
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to the Standardized Approach (prior to application of cap)	**307**	Z	388	377	396	374
77	Cap on inclusion of provision in Tier 2 capital under the Standardized Approach	**307**	Z	388	377	396	374
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to the Internal Ratings-Based Approach (prior to application of cap)	**N/A**		N/A	N/A	N/A	N/A
79	Cap on inclusion of provisions in Tier 2 capital under the Internal Ratings-Based Approach	**N/A**		N/A	N/A	N/A	N/A
	Capital instruments subject to phase-out (only applicable between December 31, 2018 and January 1, 2022)[2]						
80	Current cap on Tier 1A capital instruments subject to phase-out	**841**		841	841	841	841
81	Amount excluded from Tier 1A capital due to cap (excess over cap after redemptions and maturities)	**-**		-	-	-	-
82	Current cap on Tier 1B capital instruments subject to phase-out	**-**		-	-	-	-
83	Amount excluded from Tier 1B capital due to cap (excess over cap after redemptions and maturities)	**-**		-	-	-	-
84	Current cap of Tier 2 capital instruments subject to phase-out	**1,237**		1,237	1,237	1,237	1,237
85	Amount excluded from Tier 2 capital du to cap (excess over cap after redemptions and maturities)	**-**		-	-	-	-

(1) Cross-reference to the combined regulatory balance sheet. Refer to Template "Reconciliation of regulatory capital to balance sheet" in this report.

(2) Items considered only in regulatory capital.

Template CC2 – Reconciliation of regulatory capital to balance sheet
As at June 30, 2019

(in millions of dollars)	Balance sheet per the Combined Financial Statements	Items excluded from the scope of regulatory consolidation [1]	Balance sheet using the scope of regulatory consolidation	Including	Cross-reference to the capital table[2]
Assets					
Cash and deposits with financial institutions	$ 3,430	$ 1,000	$ 2,430		
Securities	62,395	28,011	34,384		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				$ 134	AC
Other securities				34,250	
Securities borrowed or purchased under reverse repurchase agreements	12,324	(767)	13,091		
Loans	197,341	3,159	194,182		
Significant investments in the Tier 2 capital of financial institutions				120	AA
Other loans				194,062	
Allowance for credit losses	(629)	(5)	(624)		
General allowance allowed for inclusion in Tier 2 capital				(307)	Z
Allowances not allowed for regulatory capital				(317)	
Segregated fund net assets	16,040	16,040	-	-	
Other assets					
Clients' liability under acceptances	192	-	192		
Premiums receivable	2,555	2,555	-		
Derivative financial instruments	4,293	233	4,060		
Amounts receivable from clients, brokers and financial institutions	3,183	28	3,155		
Reinsurance assets	1,933	1,933	-		
Right-of-use assets	577	(378)	955		
Investment property	956	942	14		
Property, plant and equipment	1,433	473	960		
Goodwill	121	118	3		J
Intangible assets	385	239	146		L
Deferred tax assets	1,254	304	950		
Deferred tax assets other than those attributable to temporary differences				190	N
Deferred tax liabilities other than those attributable to temporary differences				(80)	O
Deferred tax assets related to temporary differences exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				-	U
Deferred tax assets related to temporary differences not exceeding the regulatory thresholds				913	AE
Deferred tax liabilities related to software and other intangible assets				(35)	M
Deferred tax liabilities related to goodwill				-	K
Other deferred tax assets				(38)	
Other				-	
Investments in associates and entities accounted for using the equity method	1,014	(3,518)	4,532		
Significant investments in the capital of other financial institutions exceeding the regulatory threshold of 10% of Tier 1A capital				117	Q
Significant investments in the capital of other financial institutions exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				-	S
Significant investments in the capital of financial institutions not exceeding the regulatory thresholds				2,484	AD
Investments in deconsolidated subsidiaries exceeding the regulatory threshold of 10% of Tier 1A capital				1,181	R
Investments in deconsolidated subsidiaries exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				-	T
Significant investments in the Tier 2 capital of other financial institutions				700	AB
Other adjustments related to investments				50	
Other items	2,109	(669)	2,778		
Total assets	$ 310,906	$ 49,698	$ 261,208		

Footnotes to this table are presented on the next page.

Template CC2 – Reconciliation of regulatory capital to balance sheet (continued)
As at June 30, 2019

(in millions of dollars)	Balance sheet per the Combined Financial Statements	Items excluded from the scope of regulatory consolidation[1]	Balance sheet using the scope of regulatory consolidation	Including	Cross-reference to the capital table[2]
Liabilities					
Deposits	$ 193,291	$ (338)	$ 193,629		
Other liabilities					
Acceptances	192	-	192		
Commitments related to securities sold short	11,801	53	11,748		
Commitments related to securities lent or sold under repurchase agreements	11,261	133	11,128		
Derivative financial instruments	3,799	61	3,738		
Amounts payable to clients, brokers and financial institutions	6,328	76	6,252		
Lease liabilities	628	(373)	1,001		
Insurance contract liabilities	31,035	31,035	-		
Segregated fund net liabilities	16,025	16,025	-		
Net defined benefit plan liabilities	3,124	742	2,382		
Deferred tax liabilities	235	191	44		
Other	5,258	1,244	4,014		
Liabilities of the disposal group held to be transferred	-	-	-		
Subordinated notes	1,399	-	1,399		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase out				$ 688	X
Subordinated indebtedness not allowed for Tier 2 capital				711	
Total liabilities	284,376	48,849	235,527		
Equity					
Capital stock	5,220	-	5,220		
Permanent shares and surplus shares				303	F
Qualifying shares				25	W
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				4	
Federation capital shares				4,875	A
Reciprocal cross-holdings in Tier 1A capital instruments				13	P
Share capital	4	-	4		
Preferred shares allowed for inclusion in Tier 1A capital				1	G
Preferred shares not allowed for regulatory capital				3	
Undistributed surplus earnings	1,575	91	1,484		B
Accumulated other comprehensive income	433	-	433		D
Net unrealized gains (losses) on debt securities classified as at fair value through other comprehensive income				194	
Gains (losses) on derivative financial instruments designated as cash flow hedges				116	E
Net unrealized gains (losses) related to the overlay approach adjustment for insurance operations financial assets				105	
Other				18	
Reserves	18,540	-	18,540		C
Non-controlling interests	758	758	-		
Portion allowed for inclusion in Tier 1A capital				-	I
Portion allowed for inclusion in Tier 1 capital				-	V
Portion allowed for inclusion in Tier 2 capital				-	Y
Portion not allowed for regulatory capital				-	
Total equity	26,530	849	25,681		
Total liabilities and equity	$ 310,906	$ 49,698	$ 261,208		

(1) Include the insurance subsidiaries Desjardins General Insurance Group Inc. and Desjardins Financial Security Life Assurance Company, which are excluded from the scope of regulatory consolidation. A description of their activities can be found in section 2.3 of the MD&A, in the Desjardins Group's 2018 Annual Report.
(2) Refer to Template "Composition of regulatory capital" in this report.

Table CCA – Main features of regulatory capital instruments

As at June 30, 2019

	Features	Qualifying shares	Qualifying shares	Permanent shares	Surplus shares	F capital shares
1	Issuer	Desjardins caisses in Quebec	Fédération des caisses Desjardins du Québec	Desjardins caisses in Quebec	Desjardins caisses in Quebec	Fédération des caisses Desjardins du Québec
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A
3	Governing law(s) of the instrument	Quebec	Quebec	Quebec	Quebec	Quebec
	Regulatory treatment:					
4	Transitional Basel III rules	Tier 2 instrument	Tier 2 instrument	Tier 1A instrument	Tier 1A instrument	Tier 1A instrument
5	Post-transitional Basel III rules	Tier 2 instrument	Tier 2 instrument	Non-qualifying	Non-qualifying	Tier 1A instrument
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity	Entity	Entity
7	Instrument type	Qualifying shares	Qualifying shares	Capital shares	Capital shares	Capital shares
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$24,542	$100	$278,108	$25,452	$4,888,309[1]
9	Par value of instrument	$5	$5	$10	$1	$10
10	Accounting classification	Equity	Equity	Equity	Equity	Equity
11	Original date of issuance	N/A	N/A	N/A	N/A	N/A
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date
14	Issuer call subject to prior approval by the AMF	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
	Coupon/dividends					
17	Fixed or floating dividend/coupon	N/A	N/A	Floating	Floating	Floating
18	Coupon rate or any related index	N/A	N/A	1.25% per year	1.25% per year	4.25% per year
19	Existence of a payment stopper	N/A	N/A	Yes	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	N/A	N/A	Any discretionary power	Any discretionary power	Any discretionary power
21	Existence of step-up or other incentive to redeem	N/A	N/A	No	No	No
22	Non-cumulative or cumulative	N/A	N/A	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown feature	No	No	No	No	No
31	Writedown trigger(s)	N/A	N/A	N/A	N/A	N/A
32	Full or partial writedown	N/A	N/A	N/A	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A	N/A	N/A	N/A
34	If temporary writedown, description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
35	In the event of liquidation, position in subordination hierarchy (specify instrument type immediately senior to instrument)	Subordinated notes issued by Desjardins caisses of Quebec[2]	Subordinated notes issued by Desjardins caisses of Quebec[2]	Subordinated notes issued by Desjardins caisses of Quebec[2]	Subordinated notes issued by Desjardins caisses of Quebec[2]	Subordinated notes issued by Desjardins caisses of Quebec[2]
36	Non-compliant transitioned features	No	No	Yes	Yes	No
37	If yes, specify non-compliant feature	N/A	N/A	Redemption by the issuer not limited to liquidation	Redemption by the issuer not limited to liquidation	N/A

[1] Including capital shares held by segregated funds.

[2] Subject to the amalgamation/liquidation as per the *Act respecting financial services cooperatives.*

Table CCA – Main features of regulatory capital instruments (continued)
As at June 30, 2019

	Features	Class A preferred shares	Series G Senior notes	Series J Senior notes
1	Issuer	Caisses populaires de l'Ontario	Desjardins Capital Inc.	Desjardins Capital Inc.
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	CA 14006ZAD92	CA 14006ZAF41
3	Governing law(s) of the instrument	Ontario	Quebec	Quebec
	Regulatory treatment:			
4	Transitional Basel III rules	Tier 1A instrument	Tier 2 instrument	Tier 2 instrument
5	Post-transitional Basel III rules	Non-qualifying	Non-qualifying	Non-qualifying
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity
7	Instrument type	Preferred shares	Subordinated notes	Subordinated notes
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$800	$188,332	$499,202
9	Par value of instrument	$1	$900,000,000	$500,000,000
10	Accounting classification	Equity	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Original date of issuance	N/A	May 5, 2010	December 15, 2011
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No maturity date	May 5, 2020	December 15, 2026
14	Issuer call subject to prior approval by the AMF	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	On any date since May 5, 2015, at the anticipated redemption price	On any date on or after December 15, 2021, at the anticipated redemption price
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupon/dividends			
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed, then floating
18	Coupon rate or any related index	1.25% per year	5.187% per year	4.954% per year until December 15, 2021. Afterwards, 90-day bankers' acceptance rate plus 2.67%
19	Existence of a payment stopper	Yes	No	No
20	Fully discretionary, partially discretionary or mandatory	Any discretionary power	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Writedown feature	No	No	No
31	Writedown trigger(s)	N/A	N/A	N/A
32	Full or partial writedown	N/A	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A	N/A
34	If temporary writedown, description of writeup mechanism	N/A	N/A	N/A
35	In the event of liquidation, position in subordination hierarchy (specify instrument type immediately senior to instrument)	Senior creditors	Senior creditors	Senior creditors
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant feature	Redemption by the issuer not limited to liquidation	No non-viability contingent capital criteria	No non-viability contingent capital criteria

Template TLAC1 – TLAC composition (at resolution group level[1])
As at June 30, 2019

		a
	(in millions of dollars)	**Amounts**
	Regulatory capital elements of TLAC and adjustments	
1	Qualifying Tier 1A capital instruments	**$ 22,988**
2	Additional Tier 1 capital before TLAC adjustments	**-**
3	Atier 1 instruments ineligible as TLAC as issued out of subsidiaries to third parties	**-**
4	Other adjustments	**-**
5	A Tier 1 instruments eligible under the TLAC framework	**-**
6	Tier 2 capital before TLAC adjustments	**196**
7	Amortized portion of Tier 2 instruments where remaining maturity > 1 year	**-**
8	Tier 2 capital ineligible as TLAC as issued out of subsidiaries to third parties	**-**
9	Other adjustments	**(188)**
10	Tier 2 instruments eligible under the TLAC framework	**8**
11	**TLAC arising from regulatory capital**	**22,996**
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the financial institution and subordinated to excluded liabilities	**-**
13	External TLAC instruments issued directly by the financial institution which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	**-**
14	Of which: amount eligible as TLAC after application of the caps	**-**
15	External TLAC instruments issued by funding vehicles prior to January 1, 2022	**-**
16	Eligible ex ante commitments to recapitalize a G-SIFI in resolution	**-**
17	TLAC arising from non-regulatory capital instruments before adjustments	**-**
	Non-regulatory capital elements of TLAC: adjustments	
18	**TLAC before deductions**	**22,996**
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIFIs)	**-**
20	Deduction of investments in own other TLAC liabilities	**-**
21	Other adjustments to TLAC	**-**
22	**TLAC after deductions**	**$ 22,996**
	Risk-weighted assets and leverage exposure measure for TLAC purposes	
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	**$ 130,097**
24	Leverage exposure measure	**$ 275,461**
	TLAC[2] ratios and buffers	
25	**TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)**	**17.7%**
26	**TLAC (as a percentage of leverage exposure)**	**8.3**
27	**Tier 1A ratio (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements**	**N/A**
28	Institution-specific buffer requirement (capital conservation buffer + countercyclical buffer + higher loss absorbency requirement, expressed as a % of risk-weighted assets)	**3.5**
29	Of which: capital conservation buffer requirement	**2.5**
30	Of which: financial institution specific countercyclical buffer requirement	**-**
31	Of which: systemically important financial institution buffer	**1.0**

(1) The data in this template differ from those presented in Template CC1 because they refer to the resolution group that excludes Desjardins caisses in Ontario and the Fédération des caisses populaires de l'Ontario.
(2) The AMF expects that the TLAC minimum requirements will be met as of April 1, 2022.

Template TLAC3 – Resolution entity – creditor ranking at legal entity level

As at June 30, 2019

	(in millions of dollars)	Creditor ranking					
		1 (most junior)	2	3	4	5 (most senior)	Sum of 1 to 5
1	Description of creditor ranking	Capital shares	Preferred shares	Subordinated debts	Internal recapitalization instruments	Other liabilities excluding internal recapitalization instruments[1]	
2	Total capital and liabilities net of credit risk mitigation	$ 5,399	$ -	$ 1,399	$ -	N/A	**$ 6,798**
3	Subset of row 2 that are excluded liabilities	-	-	-	-	N/A	**-**
4	**Total capital and liabilities less excluded liabilities (row 2 minus row 3)**	**5,399**	**-**	**1,399**	**-**	**N/A**	**6,798**
5	Subset of row 4 that are potentially eligible as TLAC	5,399	-	499	-	N/A	**5,898**
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	-	-	-	-	N/A	**-**
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	-	-	-	-	N/A	**-**
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	-	499	-	N/A	**499**
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	N/A	**-**
10	**Subset of row 5 that is perpetual securities**	**$ 5,399**	**$ -**	**$ -**	**$ -**	**N/A**	**$ 5,399**

[1] Like Canadian banks, Desjardins Group does not complete this column at this time.

LEVERAGE RATIO

Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure
As at June 30, 2019

	(in millions of dollars)	a
1	Total consolidated assets as per published financial statements	**$ 310,906**
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	**(49,699)**
3	Adjustments for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	**-**
4	Adjustments for derivative financial instruments	**(513)**
5	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	**1,152**
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**20,971**
7	Other adjustments	**(2,173)**
8	**Leverage ratio exposure measure**	**$ 280,644**

Template LR2 – Leverage ratio common disclosure template

	(in millions of dollars)	a **As at June 30, 2019**	b As at March 31, 2019
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	**$ 241,878**	$ 237,736
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	**-**	-
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)**	**241,878**	237,736
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	**2,818**	295
5	Add-on amounts for PFE associated with all derivatives transactions	**729**	3,026
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	**-**	-
7	(Deduction for receivables assets for cash variation margin provided in derivatives transactions)	**-**	-
8	(Exempted CCP leg of client-cleared trade exposures)	**-**	-
9	Adjusted effective notional amount of written credit derivatives	**-**	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**-**	-
11	**Total derivative exposures (sum of rows 4 to 10)**	**3,547**	3,321
	Securities financing transaction exposures (SFT)		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	**13,096**	12,602
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**-**	-
14	Counterparty credit risk exposure for SFT assets	**1,152**	1,214
15	Agent transaction exposures	**-**	-
16	**Total securities financing transaction exposures (sum of rows 12 to 15)**	**14,248**	13,816
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	**113,378**	110,679
18	(Adjustments for conversion to credit equivalent amounts)	**(92,407)**	(90,261)
19	**Off-balance sheet items (sum of rows 17 and 18)**	**20,971**	20,418
	Capital and total exposures		
20	Tier 1 capital	**23,537**	23,250
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	**$ 280,644**	$ 275,291
	Leverage ratio		
22	Basel III leverage ratio	**8.4%**	8.4%

CREDIT RISK

Template CR1 – Credit quality of assets

As at June 30, 2019

		a	b	c	d
		Gross carrying amounts of			
	(in millions of dollars)	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a + b - c)
1	Loans	$ 1,547	$ 192,707	$ 624	**$ 193,630**
2	Debt securities	-	21,182	-	**21,182**
3	Off-balance sheet exposures	165	113,754	-	**113,919**
4	**Total**	**$ 1,712**	**$ 327,643**	**$ 624**	**$ 328,731**

Template CR2 – Changes in stock of defaulted loans and debt securities

For the six-month period ended June 30, 2019

	(in millions of dollars)	Loans	Debt securities	Total
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ 1,438**	**$ -**	**$ 1,438**
2	Loans and debt securities that have defaulted since the last reporting period	1,151	-	**1,151**
3	Returned to non-defaulted status	(853)	-	**(853)**
4	Amounts written-off	(194)	-	**(194)**
5	Other changes	5	-	**5**
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ 1,547**	**$ -**	**$ 1,547**

Template CR3 – Credit risk mitigation (CRM) techniques – overview

As at June 30, 2019

		a	b	c	d	f
	(in millions of dollars)	Exposures unsecured - Carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	$ 148,531	$ 45,099	$ 43,923	$ 1,176	$ -
2	Debt securities	21,166	16	-	16	-
3	**Total**	**$ 169,697**	**$ 45,115**	**$ 43,923**	**$ 1,192**	**$ -**
4	Of which defaulted	$ 1,289	$ 201	$ 198	$ 3	$ -

Template CR4 – Standardized Approach – Credit risk exposure and Credit Risk Mitigation (CRM) effects[1]
As at June 30, 2019

		a	b	c	d	e	f
		Exposures before credit conversion factors (CCF) and CRM[2]		Exposures post CCF and CRM[2]		RWA and RWA proportion	
	(in millions of dollars)	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA proportion
	Asset classes						
1	Sovereigns and their central banks	$ 13,730	$ 3,919	$ 13,730	$ 847	$ -	-%
2	Non-central government public sector entities	4,772	9,772	4,772	1,887	1,287	19.33
3	Multilateral development banks	-	-	-	-	-	-
4	Banks and deposit-taking institutions	4,911	2,794	4,895	1,315	1,305	21.01
5	Investment companies	-	-	-	-	-	-
6	Businesses	63,868	21,212	63,589	6,983	59,415	84.19
7	Regulatory retail portfolios	9,277	8,706	8,384	666	5,900	65.19
8	Secured by residential property	407	7	407	1	143	35.05
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity	208	-	208	-	208	100.00
11	Past-due loans	794	109	792	10	879	109.60
12	Higher-risk categories[3]	79	136	78	74	228	150.00
13	Other assets[4]	15,295	-	15,296	-	5,213	34.08
14	**Total**	**$ 113,341**	**$ 46,655**	**$ 112,151**	**$ 11,783**	**$ 74,578**	**60.18%**

(1) Excluding counterparty credit risk, securitization, equity investments in funds and settlement risk.
(2) Exposures are presented net of the loss allowance for expected credit losses on credit-impaired loans other than retail clients (except for credit card loans).
(3) Non-defaulted exposures risk weighted at 150%.
(4) Other assets are measured using a method other than the Standardized or Internal Ratings-Based methods. They do not include items that are below a certain threshold and are weighted at 250%.

Template CR5 – Standardized Approach – Exposures by asset classes and risk weights[1]

As at June 30, 2019

		a	b	c	d	e	f	g	h	i	j
		Risk weights									Total credit exposures amount (post-CCF and post-CRM)[2]
	(in millions of dollars)	0%	10%	20%	35%	50%	75%	100%	150%	Other	
	Asset classes										
1	Sovereigns and their central banks	$ 14,577	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 14,577**
2	Non-central government public sector entities	222	-	6,437	-	-	-	-	-	-	**6,659**
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	5,999	-	211	-	-	-	-	**6,210**
5	Investment companies	-	-	-	-	-	-	-	-	-	**-**
6	Businesses	10,576	-	269	-	729	-	58,998	-	-	**70,572**
7	Regulatory retail portfolios	1,184	-	-	-	-	7,866	-	-	-	**9,050**
8	Secured by residential property	-	-	-	408	-	-	-	-	-	**408**
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	**-**
10	Equity	-	-	-	-	-	-	208	-	-	**208**
11	Past-due loans	200	-	-	-	-	-	48	554	-	**802**
12	Higher-risk categories[3]	-	-	-	-	-	-	-	152	-	**152**
13	Other assets[4]	9,546	-	671	-	-	-	5,079	-	-	**15,296**
14	**Total**	**$ 36,305**	**$ -**	**$ 13,376**	**$ 408**	**$ 940**	**$ 7,866**	**$ 64,333**	**$ 706**	**$ -**	**$ 123,934**

(1) Excluding counterparty credit risk, securitization, equity investments in funds and settlement risk.

(2) Exposures are presented net of the loss allowance for expected credit losses on credit-impaired loans other than retail clients (except for credit card loans).

(3) Non-defaulted exposures risk weighted at 150%.

(4) Other assets are measured using a method other than the Standardized or Internal Ratings-Based methods. They do not include items that are below a certain threshold and are weighted at 250%.

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) scale
As at June 30, 2019

		a	b	c	d	e	f
(in millions of dollars and as a percentage)	PD scale (%)	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of debtors
Exposures related to residential mortgage loans Insured exposures	0.00 to < 0.15	$ 8,562	$ 11	50.00 %	$ 8,567	0.08 %	67,656
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	7,501	35	50.00	7,518	0.26	47,534
	0.50 to < 0.75	6,294	31	50.00	6,310	0.65	37,731
	0.75 to < 2.50	5,292	30	50.00	5,307	1.55	31,228
	2.50 to < 10.00	1,434	6	50.00	1,437	5.40	8,877
	10.00 to < 100.00	278	1	50.00	279	27.40	3,503
	100.00 (default)	207	-	50.00	207	100.00	1,321
	Sub-total	29,568	114	50.00	29,625	1.73	197,850
Exposures related to residential mortgage loans Uninsured exposures	0.00 to < 0.15	23,371	10,726	54.77	29,245	0.08	419,844
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	17,286	6,073	59.30	20,888	0.26	260,086
	0.50 to < 0.75	11,793	3,009	57.79	13,532	0.65	163,778
	0.75 to < 2.50	9,231	1,672	55.03	10,151	1.55	117,583
	2.50 to < 10.00	2,348	301	51.47	2,503	5.36	30,422
	10.00 to < 100.00	416	45	42.29	435	27.42	9,713
	100.00 (default)	229	39	1.09	229	100.00	1,933
	Sub-total	64,674	21,865	56.30	76,983	1.05	1,003,359
Other retail client exposures (non-qualifying revolving retail client exposures (QRRCE)), excluding SMEs	0.00 to < 0.15	2,675	19,188	67.09	15,549	0.06	1,824,172
	0.15 to < 0.25	606	13,763	64.50	9,483	0.19	333,644
	0.25 to < 0.50	1,743	4,155	64.75	4,433	0.39	596,018
	0.50 to < 0.75	424	415	59.36	670	0.68	61,341
	0.75 to < 2.50	4,081	5,671	53.83	7,135	1.84	3,256,565
	2.50 to < 10.00	1,144	751	30.93	1,376	4.93	253,646
	10.00 to < 100.00	1,124	570	12.18	1,193	19.97	319,538
	100.00 (default)	113	17	-	113	100.00	29,232
	Sub-total	11,910	44,530	62.97	39,952	1.50	6,674,156
Other retail client exposures (QRRCE), excluding SMEs	0.00 to < 0.15	881	471	70.55	1,214	0.08	59,851
	0.15 to < 0.25	1	3	64.18	3	0.19	-
	0.25 to < 0.50	1,305	159	68.14	1,413	0.28	98,396
	0.50 to < 0.75	1,699	70	54.20	1,737	0.60	122,406
	0.75 to < 2.50	2,483	31	57.18	2,501	1.60	150,588
	2.50 to < 10.00	4,123	18	56.71	4,133	3.21	241,549
	10.00 to < 100.00	395	2	62.69	396	24.42	40,773
	100.00 (default)	146	1	0.02	146	100.00	93,734
	Sub-total	11,033	755	67.53	11,543	3.73	807,297
Total (all portfolios)		**$ 117,185**	**$ 67,264**	**60.83 %**	**$ 158,103**	**1.48 %**	**8,682,662**

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) scale (continued)
As at June 30, 2019

(in millions of dollars and as a percentage)	PD scale (%)	g Average LGD	h Average maturity[1]	i RWA[2]	j RWA proportion	k Expected loss[3]	l Provisions[4]
Exposures related to residential mortgage loans Insured exposures	0.00 to < 0.15	11.68 %	-	$ 212	2.47 %	$ 1	N/A
	0.15 to < 0.25	-	-	-	-	-	N/A
	0.25 to < 0.50	12.85	-	498	6.62	3	N/A
	0.50 to < 0.75	13.42	-	841	13.33	6	N/A
	0.75 to < 2.50	13.89	-	1,295	24.40	11	N/A
	2.50 to < 10.00	13.60	-	689	47.95	11	N/A
	10.00 to < 100.00	13.05	-	225	80.65	10	N/A
	100.00 (default)	11.94	-	328	158.45	-	N/A
	Sub-total	12.85	-	4,088	13.80	42	$ -
Exposures related to residential mortgage loans Uninsured exposures	0.00 to < 0.15	12.49	-	775	2.65	3	N/A
	0.15 to < 0.25	-	-	-	-	-	N/A
	0.25 to < 0.50	13.12	-	1,415	6.77	7	N/A
	0.50 to < 0.75	13.40	-	1,800	13.30	12	N/A
	0.75 to < 2.50	13.83	-	2,466	24.29	22	N/A
	2.50 to < 10.00	13.58	-	1,196	47.78	18	N/A
	10.00 to < 100.00	12.95	-	349	80.23	16	N/A
	100.00 (default)	12.01	-	366	159.83	-	N/A
	Sub-total	13.04	-	8,367	10.87	78	-
Other retail client exposures (non-QRRCE), excluding SMEs	0.00 to < 0.15	84.99	-	516	3.32	8	N/A
	0.15 to < 0.25	80.06	-	824	8.69	14	N/A
	0.25 to < 0.50	85.88	-	737	16.63	15	N/A
	0.50 to < 0.75	80.89	-	163	24.33	4	N/A
	0.75 to < 2.50	83.30	-	3,669	51.42	107	N/A
	2.50 to < 10.00	80.11	-	1,400	101.74	54	N/A
	10.00 to < 100.00	66.77	-	2,214	185.58	160	N/A
	100.00 (default)	80.01	-	1,197	1,059.29	-	N/A
	Sub-total	82.82	-	10,720	26.83	362	-
Other retail client exposures (QRRCE), excluding SMEs	0.00 to < 0.15	37.36	-	90	7.41	-	N/A
	0.15 to < 0.25	85.79	-	1	33.33	-	N/A
	0.25 to < 0.50	30.67	-	230	16.28	1	N/A
	0.50 to < 0.75	32.27	-	463	26.66	3	N/A
	0.75 to < 2.50	36.94	-	1,144	45.74	15	N/A
	2.50 to < 10.00	38.21	-	2,334	56.47	50	N/A
	10.00 to < 100.00	35.55	-	359	90.66	34	N/A
	100.00 (default)	30.49	-	590	404.11	-	N/A
	Sub-total	35.85	-	5,211	45.14	103	-
Total (all portfolios)		**32.30 %**	**-**	**$ 28,386**	**17.95 %**	**$ 585**	**$ -**

(1) This parameter should only be filled out when it is used for the calculation of RWA.
(2) Includes the 6% scaling factor applied on RWA using the Internal Ratings-Based for credit exposures.
(3) The expected loss is assessed in accordance with the requirements of section 5.7.1 of the AMF guideline.
(4) Provisions are measured in accordance with the requirements of section 5.7.2 of the AMF guideline.

Template CR8 – Risk-weighted assets (RWA) flow statements of credit risk exposures under IRB
As at June 30, 2019

		a
		RWA amounts
1	**RWA as at end of previous reporting period**	**$ 28,732**
2	Asset size[1]	**518**
3	Asset quality[2]	**(521)**
4	Model updates[3]	**-**
5	Methodology and policy[4]	**(343)**
6	Acquisitions and disposals[5]	**-**
7	Foreign exchange movements[6]	**-**
8	Other	**-**
9	**RWA as at end of reporting period**	**$ 28,386**

(1) Increase or decrease in underlying exposures.
(2) Change in risk mitigation factors and portfolio quality.
(3) Change in models and risk parameters.
(4) Regulatory changes and developments in regulatory capital calculation methods.
(5) Change in portfolio size resulting from acquisitions and disposals of entities.
(6) Market fluctuations, such as foreign exchange movements.

COUNTERPARTY CREDIT RISK

Template CCR1 – Analysis of counterparty credit risk (CCR) by approach[1]
As at June 30, 2019

		a	b	c	d	e	f
	(in millions of dollars)	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA – CCR (for derivatives)[2]	$ 2,802	$ 696	N/A	1.4	$ 3,461	$ 1,046
2	Internal Model Method (for derivatives and securities financing transactions – SFTs)	N/A	N/A	$ -	-	-	-
3	Simple Approach for CRM (for SFTs)	N/A	N/A	N/A	N/A	-	-
4	Comprehensive Approach for CRM (for SFTs)	N/A	N/A	N/A	N/A	-	-
5	VaR for SFTs	N/A	N/A	N/A	N/A	908	252
6	**Total**	**$ 2,802**	**$ 696**	**$ -**	**N/A**	**$ 4,369**	**$ 1,298**

(1) Excluding exposures and RWA for the credit valuation adjustment (presented in Template CCR2) and central counterparties (presented in Template CCR8).
(2) Since the first quarter of 2019, the SA-CCR (Standardized Approach for counterparty credit risk) method has been applied to counterparty credit risk to measure exposure at default.

Template CCR2 – Credit valuation adjustment (CVA) capital charge
As at June 30, 2019

		a	b
	(in millions of dollars)	EAD post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	**$ -**	**$ -**
1	(i) VaR component (including the 3 x multiplier)	N/A	-
2	(ii) Stressed VaR component (including the 3 x multiplier)	N/A	-
3	**All portfolios subject to the Standardized CVA capital charge**	**3,436**	**1,704**
4	**Total subject to the CVA capital charge**	**$ 3,436**	**$ 1,704**

Template CCR3 – Standardized Approach – Counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights[1][2]

As at June 30, 2019

(in millions of dollars)	a	b	c	d	e	f	g	h	i	j
Risk weight / Regulatory portfolio	0%	10%	20%	35%	50%	75%	100%	150%	Other	Total credit exposure
1 Sovereigns and their central banks	$ 475	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 475**
2 Non-central government public sector entities	-	-	13	-	-	-	-	-	-	**13**
3 Multilateral development banks	-	-	-	-	-	-	-	-	-	**-**
4 Banks and deposit-taking institutions	-	-	3,193	-	-	-	20	-	-	**3,213**
5 Investment companies	-	-	-	-	-	-	-	-	-	**-**
6 Businesses	-	-	21	-	22	-	581	-	-	**624**
7 Regulatory retail portfolios	-	-	-	-	-	39	-	-	-	**39**
8 Secured by residential property	-	-	-	-	-	-	-	-	-	**-**
9 Secured by commercial real estate	-	-	-	-	-	-	-	-	-	**-**
10 Equity	-	-	-	-	-	-	-	-	-	**-**
11 Past-due loans	-	-	-	-	-	-	-	-	-	**-**
12 Higher-risk categories	-	-	-	-	-	-	-	5	-	**5**
13 Other assets	-	-	-	-	-	-	-	-	-	**-**
14 **Total**	**$ 475**	**$ -**	**$ 3,227**	**$ -**	**$ 22**	**$ 39**	**$ 601**	**$ 5**	**$ -**	**$ 4,369**

(1) Since the first quarter of 2019, the SA-CCR (Standardized Approach for counterparty credit risk) method has been applied to counterparty credit risk to measure exposure at default.

(2) Exposures are presented on a net basis, post-credit risk mitigation.

Template CCR5 – Composition of collateral for counterparty credit risk (CCR) exposure

As at June 30, 2019

(in millions of dollars)	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
1 Cash – Domestic currency	$ -	$ 868	$ -	$ 29	$ 11,233	$ 13,093
2 Cash – Other currencies	-	1,822	-	124	-	-
3 Domestic sovereign debt	65	-	-	-	-	-
4 Other sovereign debt	-	-	-	-	12,741	10,929
5 Government agency debt	-	-	-	-	350	200
6 Corporate bonds	181	-	148	-	-	-
7 Equity securities	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-
Total	**$ 246**	**$ 2,690**	**$ 148**	**$ 153**	**$ 24,324**	**$ 24,222**

Template CCR6 – Credit derivatives exposures
As at June 30, 2019

	(in millions of dollars)	a Protection bought	b Protection sold
	Notional amounts		
1	Single-name credit default swaps	$ -	$ -
2	Index credit default swaps	75	262
3	Total return swaps	251	144
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notional amounts**	**$ 326**	**$ 406**
	Fair values		
7	Positive fair value (asset)	$ 6	$ 7
8	Negative fair value (liability)	(3)	-

Template CCR8 – Exposures to central counterparties (CCP)
As at June 30, 2019

	(in millions of dollars)	a EAD post-CRM	b RWA
1	**Exposures to QCCPs (total)**	**$ 201**	**$ 13**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	183	4
3	i) OTC derivatives	88	2
4	ii) Exchange-traded derivatives	3	-
5	iii) Securities financing transactions	92	2
6	iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	18	9
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**	**$ -**	**$ -**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	i) OTC derivatives	-	-
14	ii) Exchange-traded derivatives	-	-
15	iii) Securities financing transactions	-	-
16	iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

SECURITIZATION

Template SEC1 – Securitization exposures in the banking book
As at June 30, 2019

		a	b	c	e	f	g	i	j	k
		Financial entity acts as originator			Financial entity acts as sponsor			Financial entity acts as investor		
	(in millions of dollars)	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total), of which**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
2	Residential mortgage	-	-	-	-	-	-	-	-	-
3	Credit card	-	-	-	-	-	-	-	-	-
4	Other retail exposures	-	-	-	-	-	-	-	-	-
5	Re-securitization	-	-	-	-	-	-	-	-	-
6	**Wholesale (total), of which**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5**	**$ -**	**$ 5**
7	Business loans	-	-	-	-	-	-	-	-	-
8	Commercial mortgage	-	-	-	-	-	-	-	-	-
9	Lease and receivables	-	-	-	-	-	-	-	-	-
10	Other wholesale exposures	-	-	-	-	-	-	-	-	-
11	Re-securitization	-	-	-	-	-	-	5	-	5

Template SEC4 – Securitization exposures in the banking book and associated capital requirements (financial entity acting as investor)
As at June 30, 2019

		a	b	c	d	e	f	g	h	i
		Exposure values (by risk weighting bands)					Exposure values (by regulatory approach)			
	(in millions of dollars)	≤ 20%	> 20% to 50%	> 50% to 100%	>100% < 1,250%	= 1,250%	IRB RBA (including IAA)	IRB SFA	SA/SFA	1,250%
1	**Total exposures**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5**	**$ -**	**$ -**	**$ -**	**$ 5**
2	Traditional securitization	-	-	-	-	5	-	-	-	5
3	Of which securitization	-	-	-	-	-	-	-	-	-
4	Of which retail underlying	-	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	-	-	-	-	-	-
6	Of which re-securitization	-	-	-	-	5	-	-	-	5
7	Of which senior	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	5	-	-	-	5
9	Synthetic securitization	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-
11	Of which retail underlying	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-

		j	k	l	m	n	o	p	q
		RWA (by regulatory approach)				Capital charge after cap			
	(in millions of dollars)	IRB RBA (including IAA)	IRB SFA	SA/SFA	1,250%	IRB RBA (including IAA)	IRB SFA	SA/SFA	1,250%
1	**Total exposures**	**$ -**	**$ -**	**$ -**	**$ 60**	**$ -**	**$ -**	**$ -**	**$ 5**
2	Traditional securitization	-	-	-	60	-	-	-	5
3	Of which securitization	-	-	-	-	-	-	-	-
4	Of which retail underlying	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	-	-	-	-	-
6	Of which re-securitization	-	-	-	60	-	-	-	5
7	Of which senior	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	60	-	-	-	5
9	Synthetic securitizations	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-
11	Of which retail underlying	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-

OTHER INFORMATION

Pillar 3 disclosure requirements

	Templates and tables	Frequency	Most recent disclosure	
			Report[1]	Page
	Overview of risk management, key prudential metrics and risk-weighted assets			
KM1	Key metrics (at consolidated group level)	Quarterly	This report	4
OVA	Desjardins Group's risk management approach	Annually	4th quarter of 2018	10
OV1	Overview of risk-weighted assets (RWA)	Quarterly	This report	5
	Linkages between financial statements and regulatory exposures			
LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statements with regulatory risk categories	Annually	4th quarter of 2018	12
LI2	Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements	Annually	4th quarter of 2018	13
LIA	Explanations of differences between accounting and regulatory exposure amounts	Annually	4th quarter of 2018	13
	Composition of capital and TLAC			
CC1	Composition of regulatory capital	Quarterly	This report	6
CC2	Reconciliation of regulatory capital to balance sheet	Quarterly	This report	9
CCA	Main features of regulatory capital instruments	Quarterly	This report	11
TLAC1	TLAC composition (at resolution group level)	Semi-annually	This report	13
TLAC3	Resolution entity – creditor ranking at legal entity level	Semi-annually	This report	14
	Leverage ratio			
LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Quarterly	This report	15
LR2	Leverage ratio common disclosure template	Quarterly	This report	15
	Credit risk			
CRA	General information about credit risk	Annually	4th quarter of 2018	14
CR1	Credit quality of assets	Semi-annually	This report	16
CR2	Changes in stock of defaulted loans and debt securities	Semi-annually	This report	16
CRB	Additional disclosure related to the credit quality of assets	Annually	4th quarter of 2018	15
CRC	Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques	Annually	4th quarter of 2018	17
CR3	Credit risk mitigation (CRM) techniques – overview	Semi-annually	This report	16
CRD	Qualitative disclosures on the “entity”’s use of external credit ratings under the Standardized Approach for credit risk	Annually	4th quarter of 2018	17
CR4	Standardized Approach – Credit risk exposure and Credit Risk Mitigation (CRM) effects	Semi-annually	This report	17
CR5	Standardized Approach – Exposures by asset classes and risk weights	Semi-annually	This report	18

[1] Indicates the most recent Pillar 3 Report in which the required disclosures were made.

Pillar 3 disclosure requirements (continued)

	Templates and tables	Frequency	Most recent disclosure	
			Report[1]	Page
	Credit risk (continued)			
CRE	Qualitative disclosures related to IRB models	Annually	4th quarter of 2018	19
CR6	IRB – Credit risk exposures by portfolio and probability of default (PD) scale	Semi-annually	This report	19
CR7	IRB – Effect on risk-weighted assets (RWA) of credit derivatives used as credit risk mitigation (CRM) techniques	Semi-annually	Desjardins Group does not use the effect of credit derivatives in the IRB method.	
CR8	Risk-weighted assets (RWA) flow statements of credit risk exposures under IRB	Quarterly	This report	21
CR9	IRB – Backtesting of probability of default (PD) per portfolio	Annually	4th quarter of 2018	22
CR10	IRB – Specialized lending and equities under the simple risk weight method	Semi-annually	Desjardins Group does not use the IRB Approach for specialized lending and equities.	
	Counterparty credit risk			
CCRA	Qualitative disclosure related to counterparty credit risk (CCR)	Annually	4th quarter of 2018	23
CCR1	Analysis of counterparty credit risk (CCR) exposure by approach	Semi-annually	This report	22
CCR2	Credit valuation adjustment (CVA) capital charge	Semi-annually	This report	22
CCR3	Standardized Approach – Counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights	Semi-annually	This report	23
CCR4	IRB – Counterparty credit risk (CCR) exposures by regulatory portfolio and probability of default (PD) scale	Semi-annually	Desjardins Group does not use the IRB Approach for counterparty credit risk	
CCR5	Composition of collateral for counterparty credit risk (CCR) exposure	Semi-annually	This report	23
CCR6	Credit derivatives exposures	Semi-annually	This report	24
CCR7	Risk-weighted assets (RWA) flow statements of counterparty credit risk (CCR) exposures under the Internal Model Method (IMM)	Quarterly	Desjardins Group does not use the IRB Approach for counterparty credit risk	
CCR8	Exposures to central counterparties (CCP)	Semi-annually	This report	24
	Securitization			
SECA	Qualitative disclosure requirements related to securitization exposures	Annually	4th quarter of 2018	26
SEC1	Securitization exposures in the banking book	Semi-annually	This report	25
SEC2	Securitization exposures in the trading book	Semi-annually	Desjardins Group's securitization exposure is not material	
SEC3	Securitization exposures in the banking book and associated regulatory capital requirements (financial entity acting as originator or as sponsor)	Semi-annually	Desjardins Group does not act as originator or sponsor	
SEC4	Securitization exposures in the banking book and associated regulatory capital requirements (financial entity acting as investor)	Semi-annually	This report	26
	Market risk			
MRA	Qualitative disclosure requirements related to market risk	Annually	Desjardins Group has deferred the disclosure of market risk-specific information to the second phase of the implementation of Pillar 3 disclosure requirements.	
MRB	Qualitative disclosures for financial entities using the Internal Models Approach (IMA)	Annually		
MR1	Market risk under the Standardized Approach	Semi-annually		
MR2	Risk-weighted assets (RWA) flow statements of market risk exposures under the Internal Models Approach (IMA)	Quarterly		
MR3	Internal Models Approach (IMA) values for trading portfolios	Semi-annually		
MR4	Comparison of VaR estimates with gains/losses	Semi-annually		

[1] Indicates the most recent Pillar 3 Report in which the required disclosures were made.

ABBREVIATIONS

Abbreviation	Definition	Abbreviation	Definition
AMF	Autorité des marchés financiers	**IMM**	Internal Models Method
ARFSC	*Act respecting financial services cooperatives*	**IRB**	Internal Ratings-Based Approach
AT1	Additional Tier 1 capital	**IRC**	Incremental Risk Charge
BCBS	Basel Committee on Banking Supervision	**LCR**	Liquidity coverage ratio
BIS	Bank for International Settlements	**LGD**	Loss given default
CCF	Credit conversion factor	**NSFR**	Net stable funding ratio
CCP	Central counterparty	**OSFI**	Office of the Superintendent of Financial Institutions
CCR	Counterparty credit risk	**PD**	Probability of default
CET1	Common Equity Tier 1	**PFE**	Potential future exposure
CRM	Credit risk mitigation	**QCCP**	Qualifying central counterparty
CVA	Credit valuation adjustment	**QRRCE**	Qualifying revolving retail client exposures
D-SIFI	Domestic systemically important financial institution	**RBA**	Ratings-based approach
EAD	Exposure at default	**RWA**	Risk-weighted assets
ECAI	External credit assessment institution	**SA**	Standardized approach
ECL	Expected credit loss	**SFT**	Securities financing transactions
EEPE	Effective expected positive exposure	**SPA**	Simplified prudential approach
G-SIFI	Global systemically important financial institution	**sVaR**	Stressed Value at Risk
HQLA	High-quality liquid assets	**T2**	Tier 2 capital
HVCRE	High-volatility commercial real estate	**TLAC**	Total Loss Absorbing Capacity
IAA	Internal assessment approach	**VaR**	Value at Risk
IFRS	International Financial Reporting Standards		

GLOSSARY

Allowance for credit losses
The loss allowance for expected credit losses reflects an unbiased amount, based on a probability-weighted present value of cash flow shortfalls, and takes into account reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

Autorité des marchés financiers (AMF)
Organization whose mission is to enforce the laws governing the financial industry, particularly in the areas of insurance, securities, deposit-taking institutions and financial product and service distribution.

Capital ratios
Regulatory Tier 1A capital, Tier 1 capital or total regulatory capital divided by risk-weighted assets. These measures are governed by the guidelines issued by the AMF, which are based on the standards developed by the Basel Committee on Banking Supervision.

Counterparty and issuer risk
Credit risk related to different types of securities, derivative financial instruments and securities lending transactions.

Credit risk
Risk of losses resulting from a borrower's, guarantor's, issuer's or counterparty's failure to honour its contractual obligations, whether or not such obligations appear on the Combined Balance Sheets.

Credit-impaired loan
A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated cash flows of that financial asset have occurred or when contractual payments are 90 days past due.

Exposure at default
Estimate of the amount of a given exposure at time of default. For balance sheet exposures, it corresponds to the balance as at observation time. For off-balance sheet exposures, it includes an estimate of additional draws that may be made between observation time and default.

Incremental risk charge (IRC)
Additional capital charge related to default and migration risks of positions with issuer risk in trading portfolios.

Internal Models Method
Approach used to calculate, with internal models, risk-weighted assets for the four areas of market risk: interest rate risk, equity price risk, foreign exchange risk and commodity risk. The calculation is based on different risk measures, such as Value at Risk, stressed Value at Risk and the incremental risk charge (IRC).

Internal Ratings-Based Approach
Approach under which risk weighing is based on the type of counterparty (individuals, small or medium-sized business, large corporation, etc.) and risk-weighting factors determined using internal parameters: the borrower's probability of default, loss given default, effective maturity and exposure at default.

Leverage ratio
Ratio calculated as the capital measure (namely Tier 1 capital) divided by the exposure measure. The exposure measure includes: 1) on-balance sheet exposures; 2) securities financing transaction exposures; 3) derivative exposures; and 4) off-balance sheet items.

Liquidity risk
Risk related to Desjardins Group's capacity to raise the necessary funds (by increasing liabilities or converting assets) to meet a financial obligation, whether or not it appears on the Combined Balance Sheets.

Loss given default
Economic loss that may be incurred should the borrower default, expressed as a percentage of exposure at default.

Market risk
Risk of changes in the fair value of financial instruments resulting from fluctuations in the parameters affecting this value, in particular, interest rates, exchange rates, credit spreads and their volatility.

Off-balance sheet exposure
Includes guarantees, commitments, derivatives and other contractual agreements whose total notional amount may not be recognized on the balance sheet.

Office of the Superintendent of Financial Institutions (OSFI)
Organization whose mission is to enforce all laws governing the financial industry in Canada, particularly as concerns banks, insurance companies, trust companies, loan companies, cooperative credit associations, fraternal companies and private pension plans subject to federal oversight.

Operational risk
Risk of inadequacy or failure attributable to processes, people, internal systems or external events and resulting in losses, failure to achieve objectives or a negative impact on reputation.

Permanent share or capital share
Equity security offered to Desjardins caisse members.

Probability of default
Probability that a borrower defaults on his obligations over a period of one year.

Regulatory capital
In accordance with the definition set out in the guideline on adequacy of capital base standards applicable to financial services cooperatives issued by the AMF, the regulatory capital under Basel III comprises Tier 1A capital, Tier 1 capital and Tier 2 capital. The composition of these various tiers is presented in the “Capital management” section of the Management's Discussion and Analysis.

Risk-weighted assets
Assets adjusted based on a risk-weighting factor prescribed by regulations to reflect the level of risk associated with items presented in the combined balance sheets. Some assets are not weighted, but rather deducted from capital. The calculation method is defined in the AMF guidelines. For more details, see the “Capital management” section of the Management’s Discussion and Analysis.

Scaling factor
Adjustment representing 6.0% of risk assets measured using the Internal Ratings-Based Approach, applied to credit exposures in compliance with section 1.3 of the AMF guideline on adequacy of capital base standards applicable to financial services cooperatives.

Securitization
Process by which financial assets, such as mortgage loans, are converted into asset-backed securities and transferred to a trust.

Standardized Approach
- Credit risk
  Default approach used to calculate risk-weighted assets. Under this method, the entity uses valuations performed by external credit assessment institutions recognized by the AMF to determine the risk-weighting factors related to the various exposure categories.
- Market risk
  Default approach used to calculate risk-weighted assets for the four areas of market risk: interest rate risk, equity price risk, foreign exchange risk and commodity risk. The calculation is based on predefined rules such as those on the size and nature of the financial instruments held.
- Operational risk
  Risk measurement approach used to assess the capital charge for operational risk. For this measurement, activities are divided into predefined business lines for a financial institution. The capital charge is calculated by multiplying each business line’s gross income by a specific factor. The total capital charge represents the three-year average of the summation of the capital charges across each of the business lines in each year.

Unused exposure
Amount of credit authorizations offered in the form of margins or loans that is not yet used.

Used exposure
Amount of funds invested in or advanced to a member or client.

Value at Risk
Estimate of the potential loss over a certain period of time at a given confidence level, calculated using historical data for a one-year interval.