Desjardins

Pillar 3 Report
(unaudited)

For the period ended December 31, 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/ca/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/professionnels/institutions-de-depots-et-societes-de-fiducie/lignes-directrices (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 Québec and the Caisse Desjardins Ontario Credit Union Inc. (the caisses), the *Fédération des caisses Desjardins du Québec* (the Federation) and its subsidiaries, 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 Québec, 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 and based on valid foundations, it cannot guarantee that these expectations will materialize or 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 as contemplated as at the date hereof. 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.

TABLE OF CONTENTS

2 Pillar 3 Report
- 2 Use of this document
- 2 Scope of this document
- 2 Caution concerning forward-looking statements
- 3 Disclosure policy

5 Overview of risk management, key prudential metrics and risk-weighted assets
- 5 Key metrics – TLAC requirements (at resolution group level) [KM2]
- 6 Desjardins Group's risk management approach [OVA]
- 7 Overview of risk-weighted assets (RWA) [OV1]

8 Linkages between financial statements and regulatory exposures
- 8 Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories [LI1]
- 9 Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements [LI2]
- 10 Explanations of differences between accounting and regulatory exposure amounts [LIA]

11 Composition of capital and TLAC
- 11 Composition of regulatory capital [CC1]
- 14 Reconciliation of regulatory capital to balance sheet [CC2]
- 16 Main features of regulatory capital instruments [CCA]
- 18 TLAC composition (at resolution group level) [TLAC1]
- 19 Resolution entity – creditor ranking at legal entity level [TLAC3]

20 Leverage ratio
- 20 Summary comparison of accounting assets vs leverage ratio exposure measure [LR1]
- 20 Leverage ratio common disclosure template [LR2]

21 Macroprudential supervisory measures
- 21 Geographical distribution of credit credit exposures used in the countercyclical capital buffer [CCyB1]

22 Credit risk
- 22 General information about credit risk [CRA]
- 22 Credit quality of assets [CR1]
- 23 Changes in stock of defaulted loans and debt securities [CR2]
- 23 Additional disclosure related to the credit quality of assets [CRB]

Credit risk (continued)
- 24 Loans by borrower category and by industry
- 24 Loans by geographic distribution
- 25 Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques [CRC]
- 25 Credit risk mitigation (CRM) techniques – overview [RC3]
- 25 Qualitative disclosure on Desjardins Group's use of external credit ratings under the Standardized Approach for credit risk [CRD]
- 26 Standardized Approach – Credit risk exposure and credit risk mitigation (CRM) effects [CR4]
- 27 Standardized Approach – Exposures by asset class and risk weights [CR5]
- 28 Qualitative disclosures related to Internal Ratings-Based (IRB) models [CRE]
- 29 IRB – Credit risk exposures by portfolio and probability of default (PD) scale [CR6]
- 33 Risk-weighted assets (RWA) flow statements of credit risk exposures under IRB [CR8]
- 33 IRB – Backtesting of probability of default (PD) per portfolio [CR9]

35 Counterparty credit risk
- 35 Qualitative disclosure related to counterparty credit risk (CCR) [CCRA]
- 35 Analysis of counterparty credit risk (CCR) by approach [CCR1]
- 36 Credit valuation adjustment (CVA) capital charge [CCR2]
- 36 Standardized Approach – Counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights [CCR3]
- 37 IRB - Counterparty credit risk (CCR) exposures by portfolio and probability of default (PD) scale [CCR4]
- 38 Composition of collateral for counterparty credit risk (CCR) exposure [CCR5]
- 38 Credit derivatives exposures [CCR6]
- 39 Exposures to central counterparties (CCP) [CCR8]

40 Securitization
- 40 Qualitative disclosure requirements related to securitization exposures [SECA]
- 41 Securitization exposures in the banking book [SEC1]
- 42 Securitization exposures in the banking book and associated capital requirements [SEC4]

43 Other information
- 43 Pillar 3 disclosure requirements
- 45 Abbreviations
- 46 Glossary

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

Template KM2– Key metrics – TLAC requirements (at resolution group level)[1]

		a	b	c	d	e
	(in millions of dollars and as a percentage)	**As at December 31, 2019**	As at September 30, 2019	As at June 30, 2019	As at March 31, 2019	As at December 31, 2018
1	Total loss-absorbing capacity (TLAC) available	**$ 24,990**	$ 23,667	$ 22,996	$ 22,963	$ 22,290
2	Total RWA at the level of the resolution group	**110,798**	131,943	130,097	125,238	126,349
3	TLAC as a percentage of RWA[2] (row 1 / row 2) (%)	**22.6%**	17.9%	17.7%	18.3%	17.6%
4	Leverage ratio exposure measure at the level of the resolution group	**$ 274,995**	$ 276,308	$ 275,461	$ 270,251	$ 266,413
5	TLAC as a percentage of leverage ratio exposure measure[2] (row 1 / row 4)	**9.1%**	8.6%	8.3%	8.5%	8.4%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**yes**	yes	yes	yes	yes
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**no**	no	no	no	no
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognized as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognized as external TLAC if no cap was applied	**N/A**	N/A	N/A	N/A	N/A

[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.

Table OVA – Desjardins Group's risk management approach

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
OVA.a)	How the business model determines and interacts with the overall risk profile and how Desjardins Group's risk profile interacts with the risk tolerance approved by the Board of Directors.	2019 Annual Report	Risk factors that could impact future results	59-61
			Integrated risk management framework	62-67
OVA.b)	The risk governance structure: responsibilities attributed throughout Desjardins Group and the relationships between the structures involved in risk management processes.	2019 Annual Report	Risk management governance	65-67
OVA.c)	Channels to communicate, decline and enforce the risk culture within Desjardins Group.	2019 Annual Report	Proactive risk management approach	64-65
			Risk management governance	65-67
OVA.d)	The scope and main features of risk measurement systems.	2019 Annual Report	Risk appetite	64
			Risk measurement	63
OVA.e)	Description of the process of risk information reporting established by the board of directors and senior management, in particular, the scope and main content of reporting on risk exposure.	2019 Annual Report	Risk disclosure	63
			Risk appetite	64
OVA.f)	Qualitative information on stress testing.	2019 Annual Report	Risk measurement	63
OVA.g)	The strategies and processes to manage, hedge and mitigate risks that arise from Desjardins Group's business model and the processes for monitoring the continuing effectiveness of hedges and mitigants.	2019 Annual Report	Integrated risk management framework	62-67

[1] See the "Use of this document" section on page 2.

Template OV1 – Overview of risk-weighted assets (RWA)[1]

		a	b	c
		RWA[2]		Minimum capital requirements[3]
	(in millions of dollars)	As at December 31, 2019	As at September 30, 2019	As at December 31, 2019
1	Credit risk (excluding counterparty credit risk – CCR)	**$ 81,953**	$ 105,977	**$ 6,556**
2	Of which: Standardized Approach (SA)	**18,231**	75,648	**1,458**
3	Of which: Internal Ratings-Based Approach (IRB)	**63,722**	30,329	**5,098**
4	Counterparty credit risk	**4,309**	3,000	**344**
5	Of which: Standardized Approach for counterparty credit risk (SA-CCR)[4]	**4,309**	3,000	**344**
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	**112**	112	**9**
11	Settlement risk	**-**	-	**-**
12	Securitization exposures in the banking book	**151**	59	**12**
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)	**151**	59	**12**
16	Market risk	**3,095**	4,887	**248**
17	Of which: Standardized Approach (SA)	**422**	472	**34**
18	Of which: approaches based on the Internal Model Method (IMM)	**2,673**	4,415	**214**
19	Operational risk	**13,021**	12,666	**1,042**
20	Of which: Basic Indicator Approach	**-**	-	**-**
21	Of which: Standardized Approach	**13,021**	12,666	**1,042**
22	Of which: advanced measurement approach	**-**	-	**-**
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**8,274**	8,554	**662**
24	Floor adjustment	**2,946**	-	**236**
25	**Total (1 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 16 + 19 + 23 + 24)**	**$ 113,861**	$ 135,255	**$ 9,109**

(1) The information presented as at December 31, 2019 reflects the use of internal models to calculate risk for most exposures in the sovereign borrowers, financial institutions, businesses and SMEs similar to other retail client exposures asset classes, following the AMF authorization, which was received on December 5, 2019. For the periods prior to December 31, 2019, the information was prepared using the then-effective methods.

(2) The RWA presented include the 6% scaling factor applied on RWA measured using the Internal Ratings-Based Approach for credit exposures.

(3) The minimum capital requirement represents 8% of risk-weighted assets.

(4) 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.

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES

Template LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statements categories with regulatory risk categories
As at December 31, 2019

	a	b	c	d	e	f	g
			Carrying amounts of items[1]				
(in millions of dollars)	Carrying amounts as reported in published financial statements	Carrying amounts under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and deposits with financial institutions	$ 3,709	$ 2,124	$ 2,124	$ -	$ -	$ -	$ -
Securities at amortized cost	1,616	1,604	1,596	-	8	-	-
Securities at fair value through profit or loss	35,168	11,823	386	-	4	11,433	-
Securities at fair value through other comprehensive income	22,909	18,012	18,012	-	-	-	-
Loans and allowance for credit losses	203,082	200,273	200,153	-	-	-	120
Derivative financial instruments	4,246	4,071	-	4,068	-	229	3
Securities borrowed or purchased under reverse repurchase agreements	10,032	10,724	-	10,724	-	10,229	-
Investments in associates and joint ventures accounted for using the equity method	1,034	4,575	2,622	-	-	-	1,953
Assets including premiums receivable and reinsurance assets	21,713	-	-	-	-	-	-
Right-of-use assets	566	930	930	-	-	-	-
Land, buildings and equipment	2,428	1,008	1,008	-	-	-	-
Goodwill, software and other intangible assets	502	145	-	-	-	-	145
Deferred tax assets	1,292	982	982	-	-	-	-
Other assets	4,699	5,646	5,646	-	-	-	-
Total assets	**$ 312,996**	**$ 261,917**	**$ 233,459**	**$ 14,792**	**$ 12**	**$ 21,891**	**$ 2,221**
Liabilities							
Deposits	$ 193,918	$ 194,590	$ -	$ -	$ -	$ -	$ 194,590
Commitments related to securities	21,177	21,051	-	10,438	-	20,559	-
Derivative financial instruments	4,278	4,235	-	4,235	-	-	-
Segregated fund and insurance contract net liabilities	31,595	-	-	-	-	329	-
Deferred tax liabilities	281	41	-	-	-	-	41
Lease liabilities	624	987	-	-	-	-	987
Acceptances and amounts payable to clients, brokers and financial institutions	5,932	5,859	-	-	-	-	5,859
Net defined benefit plan liabilities and other liabilities	26,364	7,178	-	-	-	-	7,178
Subordinated notes	1,398	1,398	-	-	-	-	1,398
Total liabilities	**$ 285,567**	**$ 235,339**	**$ -**	**$ 14,673**	**$ -**	**$ 20,888**	**$ 210,053**

[1] Amounts in columns c to g are not necessarily equal to those in column b, as certain items may be subject to regulatory capital requirements for several risk categories.

Template LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statements categories with regulatory risk categories (continued)
As at December 31, 2019

	a	b	c	d	e	f	g
			Carrying amounts of items				
(in millions of dollars)	Carrying amounts as reported in published financial statements	Carrying amounts under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Equity							
Capital stock	$ 5,134	$ 5,134	$ -	$ -	$ -	$ -	$ 5,134
Share capital	-	-	-	-	-	-	-
Undistributed surplus earnings	2,352	2,263	-	-	-	-	2,263
Accumulated other comprehensive income	211	223	-	-	-	-	223
Reserves	18,959	18,959	-	-	-	-	18,959
Equity – Group's share	**26,656**	**26,579**	**-**	**-**	**-**	**-**	**26,579**
Non-controlling interests	**773**	**(1)**	**-**	**-**	**-**	**-**	**(1)**
Total equity	**27,429**	**26,578**	**-**	**-**	**-**	**-**	**26,578**
Total liabilities and equity	**$ 312,996**	**$ 261,917**	**$ -**	**$ 14,673**	**$ -**	**$ 20,888**	**$ 236,631**

Template LI2 – Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements
As at December 31, 2019

		a	b	c	d	e
			Items subject to[1]:			
	(in millions of dollars)	Total	Credit risk framework	Securitization framework	Counterparty credit risk framework	Market risk framework
1	Assets carrying amount under scope of regulatory consolidation (per Template LI1)	$ 261,917	$ 233,459	$ 12	$ 14,792	$ 21,891
2	Liabilities carrying amount under scope of regulatory consolidation (per Template LI1)	35,561	-	-	14,673	20,888
3	**Total net amount under scope of regulatory consolidation**	**226,356**	**233,459**	**12**	**119**	**1,003**
4	Off-balance sheet amounts[2]	115,797	53,418	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already reported in line 2	399	(147)	-	546	-
7	Differences due to consideration of provisions	602	602	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Adjustment for derivatives	3,594	-	-	3,594	-
10	Securities financing transaction exposures[3]	20,876	-	-	20,876	-
11	Other differences	-	-	-	-	-
12	**Regulatory exposure amounts[4]**	**$ 367,624**	**$ 287,332**	**$ 12**	**$ 25,135**	**$ 1,003**

[1] Amounts in columns b to e are not necessarily equal to those in column a, as certain items may be subject to regulatory capital requirements for several risk categories.
[2] The initial exposure is presented in column a; columns b to e present amounts after application of credit conversion factors, where relevant.
[3] As securities financing transaction exposures are deducted in line 2, an adjustment is required to obtain the exposure at default.
[4] Aggregate amount used to calculate RWA for each of the risk categories.

Table LIA – Explanations of differences between accounting and regulatory exposure amounts

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
LIA.a)	Explain the origin of any significant differences between the amounts in columns a and b in Template LI1.	Additional Financial Information	Table 5 – Reconciliation of regulatory capital and equity	8

[1] See the “Use of this document” section on page 2.

COMPOSITION OF CAPITAL AND TLAC

Template CC1 – Composition of regulatory capital

	(in millions of dollars and as a percentage)	As at December 31, 2019	Cross-reference[1]	As at September 30, 2019	As at June 30, 2019	As at March 31, 2019	As at December 31, 2018
	Tier 1A capital instruments: Instruments and reserves						
1	Directly issued qualifying Tier 1A capital instruments (and equivalent)	**$ 4,889**	A + B	$ 4,890	$ 4,888	$ 4,830	$ 4,784
2	Qualifying reserves and undistributed surplus earnings	**21,222**	C + D	20,609	20,024	19,761	19,555
3	Accumulated amounts of other general income (and other reserves) and accumulated other comprehensive income	**223**	E	364	433	372	(13)
4	Directly issued capital subject to phase-out from Tier 1A regulatory capital	**238**	F	277	304	369	532
5	Tier 1 A capital instruments issued by subsidiaries and held by third parties (amount allowed in Tier 1A capital)	**-**		-	-	-	-
6	**Tier 1A capital instruments before regulatory adjustments**	**26,572**		26,140	25,649	25,332	24,858
	Tier 1A capital instruments: Regulatory adjustments						
7	Prudential valuation adjustments	**-**		-	-	-	-
8	Goodwill (net of related deferred tax liabilities)	**6**	G + H	3	3	3	3
9	Intangible assets other than mortgage servicing rights and software (net of qualifying deferred tax liabilities)	**103**	I + J	108	111	115	125
10	Deferred tax assets, excluding those arising from temporary differences (net of qualifying deferred tax liabilities)	**167**	K + L	135	110	97	93
11	Cash flow hedge reserve	**(22)**	M	75	116	90	15
12	Shortfall of allowances for expected losses[2]	**458**	Note	488	461	427	427
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	**27**	B	25	13	13	13
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)	**1,253**	N + O	1,101	1,298	1,337	1,770
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	**-**		-	-	-	-
24	Of which: mortgage servicing rights	**-**		-	-	-	-
25	Of which: deferred tax assets arising from temporary differences	**-**		-	-	-	-
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	**31**		-	-	-	-
28	**Total regulatory adjustments to Tier 1A capital**	**2,023**		1,935	2,112	2,082	2,446
29	**Total Tier 1A capital**	**$ 24,549**		$ 24,205	$ 23,537	$ 23,250	$ 22,412

Footnotes to this table are presented on page 13.

Template CC1 – Composition of regulatory capital (continued)

	(in millions of dollars and as a percentage)	As at December 31, 2019	Cross-reference[1]	As at September 30, 2019	As at June 30, 2019	As at March 31, 2019	As at December 31, 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)	**-**		-	-	-	-
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	**(31)**		-	-	-	-
42	Regulatory adjustments applied to Tier 1B capital due to insufficient Tier 2 capital to cover deductions	**31**		-	-	-	-
43	**Total regulatory adjustments to Tier 1B capital**	**-**		-	-	-	-
44	**Total Tier 1B capital**	**-**		-	-	-	-
45	**Total Tier 1 capital (1A + 1B)**	**24,549**		24,205	23,537	23,250	22,412
	Tier 2 capital: Instruments and provisions						
46	Directly issued qualifying Tier 2 capital instruments	**25**	P	25	25	25	25
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	**687**	Q	681	688	672	844
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)	**-**		-	-	-	-
49	Of which: instruments issued by subsidiaries subject to phase-out	**-**		-	-	-	-
50	Provisions	**77**	R	327	307	388	377
51	**Tier 2 capital before regulatory adjustments**	**789**		1,033	1,020	1,085	1,246
	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**	S + T	820	820	820	820
56	Specific regulatory adjustments	**(31)**		-	-	-	-
57	**Total regulatory adjustments to Tier 2 capital**	**789**		820	820	820	820
58	**Total Tier 2 capital**	**-**		213	200	265	426
59	**Total capital (1A + 1B and 2)**	**24,549**		24,418	23,737	23,515	22,838
60	**Total risk-weighted assets**	**$ 113,861**		$ 135,255	$ 133,272	$ 128,305	$ 129,474

Footnotes to this table are presented on page 13.

Template CC1 – Composition of regulatory capital (continued)

	(in millions of dollars and as a percentage)	As at December 31, 2019	Cross-reference[1]	As at September 30, 2019	As at June 30, 2019	As at March 31, 2019	As at December 31, 2018
	Capital ratios and buffers						
61	Tier 1A (as a % of risk-weighted assets)	**21.6%**		17.9%	17.7%	18.1%	17.3%
62	Tier 1 (as a % of risk-weighted assets)	**21.6**		17.9	17.7	18.1	17.3
63	Total capital (as a % of risk-weighted assets)	**21.6**		18.1	17.8	18.3	17.6
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)[2]	**18.1**		14.6	14.3	14.8	14.1
	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	**$ 136**	U	$ 128	$ 134	$ 138	$ 150
73	Significant investments in the Tier 1A capital of financial institutions	**2,583**	V	2,531	2,484	2,459	2,418
74	Mortgage servicing rights (net of related tax liabilities)	**-**		-	-	-	-
75	Deferred tax assets arising from temporary differences (net of related tax liabilities)	**726**	W	891	913	780	793
	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)	**77**	R	327	307	388	377
77	Cap on inclusion of provision in Tier 2 capital under the Standardized Approach	**77**	R	327	307	388	377
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)						
80	Current cap on Tier 1A capital instruments subject to phase-out	**630**		630	630	630	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	**928**		928	928	928	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 December 31, 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	$ 3,709	$ 1,585	$ 2,124		
Securities	59,693	28,254	31,439		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				$ 136	U
Other securities				31,303	
Securities borrowed or purchased under reverse repurchase agreements	10,032	(692)	10,724		
Loans	203,767	2,813	200,954		
Significant investments in the Tier 2 capital of financial institutions				120	S
Other loans				200,834	
Allowance for credit losses	(685)	(4)	(681)		
General allowance allowed for inclusion in Tier 2 capital				(77)	R
Allowances not allowed for regulatory capital				(604)	
Segregated fund net assets	17,026	17,026	-	-	
Other assets					
Clients' liability under acceptances	380	-	380		
Premiums receivable	2,686	2,686	-		
Derivative financial instruments	4,246	175	4,071		
Amounts receivable from clients, brokers and financial institutions	2,229	18	2,211		
Reinsurance assets	2,001	2,001	-		
Right-of-use assets	566	(364)	930		
Investment property	957	944	13		
Property, plant and equipment	1,471	476	995		
Goodwill	121	115	6		G
Intangible assets	381	242	139		I
Deferred tax assets	1,292	310	982		
Deferred tax assets other than those attributable to temporary differences				246	K
Deferred tax liabilities other than those attributable to temporary differences				(79)	L
Deferred tax assets related to temporary differences exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				-	
Deferred tax assets related to temporary differences not exceeding the regulatory thresholds				726	W
Deferred tax liabilities related to software and other intangible assets				(36)	J
Deferred tax liabilities related to goodwill				-	H
Other deferred tax assets				125	
Other				-	
Investments in associates and entities accounted for using the equity method	1,034	(3,541)	4,575		
Significant investments in the capital of other financial institutions exceeding the regulatory threshold of 10% of Tier 1A capital				114	N
Significant investments in the capital of other financial institutions exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				-	
Significant investments in the capital of financial institutions not exceeding the regulatory thresholds				2,583	V
Investments in deconsolidated subsidiaries exceeding the regulatory threshold of 10% of Tier 1A capital				1,139	O
Investments in deconsolidated subsidiaries exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				-	
Significant investments in the Tier 2 capital of other financial institutions				700	T
Other adjustments related to investments				39	
Other items	2,090	(965)	3,055		
Total assets	$ 312,996	$ 51,079	$ 261,917		

Footnotes to this table are presented on the next page.

Template CC2 – Reconciliation of regulatory capital to balance sheet (continued)
As at December 31, 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	$ 193,918	$ (672)	$ 194,590		
Other liabilities					
Acceptances	380	-	380		
Commitments related to securities sold short	10,615	2	10,613		
Commitments related to securities lent or sold under repurchase agreements	10,562	124	10,438		
Derivative financial instruments	4,278	43	4,235		
Amounts payable to clients, brokers and financial institutions	5,552	73	5,479		
Lease liabilities	624	(363)	987		
Insurance contract liabilities	31,595	31,595	-		
Segregated fund net liabilities	17,002	17,002	-		
Net defined benefit plan liabilities	3,068	706	2,362		
Deferred tax liabilities	281	240	41		
Other	6,294	1,478	4,816		
Liabilities of the disposal group held to be transferred	-	-	-		
Subordinated notes	1,398	-	1,398		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase out				$ 687	Q
Subordinated indebtedness not allowed for Tier 2 capital				711	
Total liabilities	285,567	50,228	235,339		
Equity					
Capital stock	5,134	-	5,134		
Permanent shares and surplus shares				238	F
Qualifying shares				25	P
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				(18)	
Federation capital shares				4,862	A
Reciprocal cross-holdings in Tier 1A capital instruments				27	B
Share capital	-	-	-		
Preferred shares allowed for inclusion in Tier 1A capital				-	
Preferred shares not allowed for regulatory capital				-	
Undistributed surplus earnings	2,352	89	2,263		C
Accumulated other comprehensive income	211	(12)	223		E
Net unrealized gains (losses) on debt securities classified as at fair value through other comprehensive income				85	
Gains (losses) on derivative financial instruments designated as cash flow hedges				(22)	M
Net unrealized gains (losses) related to the overlay approach adjustment for insurance operations financial assets				130	
Other				30	
Reserves	18,959	-	18,959		D
Non-controlling interests	773	774	(1)		
Portion allowed for inclusion in Tier 1A capital				-	
Portion allowed for inclusion in Tier 1 capital				-	
Portion allowed for inclusion in Tier 2 capital				-	
Portion not allowed for regulatory capital				(1)	
Total equity	27,429	851	26,578		
Total liabilities and equity	$ 312,996	$ 51,079	$ 261,917		

(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 2019 Annual Report.
(2) Refer to Template "Composition of regulatory capital" in this report.

Template CCA – Main features of regulatory capital instruments

As at December 31, 2019

	Features	Qualifying shares	Qualifying shares	Permanent shares	Surplus shares	F capital shares
1	Issuer	Desjardins caisses in Québec	*Fédération des caisses Desjardins du Québec*	Desjardins caisses in Québec	Desjardins caisses in Québec	*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	Québec	Québec	Québec	Québec	Québec
	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)	$24,840	$100	$212,259	$25,452	$4,889,464 [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 Québec(2)	Subordinated notes issued by Desjardins caisses of Québec(2)	Subordinated notes issued by Desjardins caisses of Québec(2)	Subordinated notes issued by Desjardins caisses of Québec(2)	Subordinated notes issued by Desjardins caisses of Québec(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.*

Template CCA – Main features of regulatory capital instruments (continued)
As at December 31, 2019

	Features	Series G Senior notes	Series J Senior notes
1	Issuer	Desjardins Capital Inc.	Desjardins Capital Inc.
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	CA 14006ZAD92	CA 14006ZAF41
3	Governing law(s) of the instrument	Québec	Québec
	Regulatory treatment:		
4	Transitional Basel III rules	Tier 2 instrument	Tier 2 instrument
5	Post-transitional Basel III rules	Non-qualifying	Non-qualifying
6	Eligible at financial entity/group/group and financial entity	Entity	Entity
7	Instrument type	Subordinated notes	Subordinated notes
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$187,831	$499,358
9	Par value of instrument	$900,000,000	$500,000,000
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Original date of issuance	May 5, 2010	December 15, 2011
12	Perpetual or dated	Dated	Dated
13	Original maturity date	May 5, 2020	December 15, 2026
14	Issuer call subject to prior approval by the AMF	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	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
	Coupon/dividends		
17	Fixed or floating dividend/coupon	Fixed	Fixed, then floating
18	Coupon rate or any related index	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	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Writedown feature	No	No
31	Writedown trigger(s)	N/A	N/A
32	Full or partial writedown	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A
34	If temporary writedown, description of writeup mechanism	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
36	Non-compliant transitioned features	Yes	Yes
37	If yes, specify non-compliant feature	No non-viability contingent capital criteria	No non-viability contingent capital criteria

Template TLAC1 – TLAC composition (at resolution group level[1])
As at December 31, 2019

		a
	(in millions of dollars)	**Amounts**
	Regulatory capital elements of TLAC and adjustments	
1	Qualifying Tier 1A capital instruments	**$ 23,990**
2	Additional Tier 1 capital before TLAC adjustments	**-**
3	Tier 1 instruments ineligible as TLAC as issued out of subsidiaries to third parties	**-**
4	Other adjustments	**-**
5	Tier 1 capital instruments eligible under the TLAC framework	**-**
6	Tier 2 capital before TLAC adjustments	**-**
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	**-**
10	Tier 2 instruments eligible under the TLAC framework	**-**
11	**TLAC arising from regulatory capital**	**23,990**
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the financial institution and subordinated to excluded liabilities	**1,000**
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**	**1,000**
	Non-regulatory capital elements of TLAC: adjustments	
18	**TLAC before deductions**	**24,990**
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**	**$ 24,990**
	Risk-weighted assets and leverage exposure measure for TLAC purposes	
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	**$ 110,798**
24	Leverage exposure measure	**$ 274,995**
	TLAC[2] ratios and buffers	
25	**TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)**	**22.6%**
26	**TLAC (as a percentage of leverage exposure)**	**9.1**
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 December 31, 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	$ 5,313	$ -	$ 1,398	$ -	N/A	**$ 6,711**
3	Subset of row 2 that are excluded liabilities	-	-	-	-	N/A	**-**
4	**Total capital and liabilities less excluded liabilities (row 2 minus row 3)**	**$ 5,313**	**$ -**	**$ 1,398**	**$ -**	**N/A**	**$ 6,711**
5	Subset of row 4 that are potentially eligible as TLAC	5,313	-	500	-	N/A	**5,813**
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	-	-	500	-	N/A	**500**
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**	**$ 5,313**	**$ -**	**$ -**	**$ -**	**N/A**	**$ 5,313**

[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 December 31, 2019

	(in millions of dollars)	a
1	Total consolidated assets as per published financial statements	**$ 312,996**
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	**(51,079)**
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	**(401)**
5	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	**934**
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**19,918**
7	Other adjustments	**(2,046)**
8	**Leverage ratio exposure measure**	**$ 280,322**

Template LR2 – Leverage ratio common disclosure template

	(in millions of dollars)	a **As at December 31, 2019**	b As at September 30, 2019
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	**$ 245,084**	$ 241,824
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)**	**245,084**	241,824
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	**3,000**	3,073
5	Add-on amounts for PFE associated with all derivatives transactions	**670**	573
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)**	**3,670**	3,646
	Securities financing transaction exposures (SFT)		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	**10,716**	13,702
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**-**	-
14	Counterparty credit risk exposure for SFT assets	**934**	1,597
15	Agent transaction exposures	**-**	-
16	**Total SFT exposures (sum of rows 12 to 15)**	**11,650**	15,299
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	**115,440**	113,644
18	(Adjustments for conversion to credit equivalent amounts)	**(95,522)**	(92,885)
19	**Off-balance sheet items (sum of rows 17 and 18)**	**19,918**	20,759
	Capital and total exposures		
20	Tier 1 capital	**24,549**	24,205
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	**$ 280,322**	$ 281,528
	Leverage ratio		
22	Basel III leverage ratio	**8.8%**	8.6%

MACROPRUDENTIAL SUPERVISORY MEASURES

Template CCyB1 – Geographical distribution of credit exposures used in countercyclical capital buffer

As at December 31, 2019

	a	b	c	d	e
		Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer			
(in millions of dollars and as percentage)	Countercyclical capital buffer rate	Exposure values	Risk-weighted assets	Desjardins Group specific countercyclical capital buffer rate	Countercyclical buffer amount
Canada	- %	$ 216,293	$ 76,056	N/A	N/A
China	-	3	3	N/A	N/A
Spain	-	3	3	N/A	N/A
United States	-	121	291	N/A	N/A
France	0.25	151	104	N/A	N/A
Hong Kong SAR	2.00	91	20	N/A	N/A
Italy	-	16	-	N/A	N/A
Japan	-	4	1	N/A	N/A
Other countries	-	21	7	N/A	N/A
Total		$ 216,703	$ 76,485		

CREDIT RISK

Table CRA – General information about credit risk

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
CRA.a)	How the business model translates into the components of Desjardins Group's credit risk profile.	2019 Annual Report	Credit risk	69-79
CRA.b)	Criteria and approach used for defining credit risk management policy and for setting credit risk limits.	2019 Annual Report	Credit risk management	69-75
CRA.c)	Structure and organization of the credit risk management and control function.	2019 Annual Report	Risk management governance	65-67
CRA.d)	Relationships between the credit risk management and the risk control, compliance and internal audit functions.	2019 Annual Report	Risk management governance	65-67
CRA.e)	Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors.	2019 Annual Report	Risk measurement	63
			Risk disclosure	63
			Risk appetite	64
			Proactive risk management approach	64-65
			Risk management governance	65-67

[1] See the "Use of this document" section on page 2.

Template CR1 – Credit quality of assets

As at December 31, 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	$ 1,584	$ 199,630	$ 681	**$ 200,533**
2	Debt securities	-	1,089	-	**1,089**
3	Off-balance sheet exposures	186	115,612	-	**115,798**
4	**Total**	**$ 1,770**	**$ 316,331**	**$ 681**	**$ 317,420**

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

For the six-month period ended December 31, 2019

	(in millions of dollars)	Loans	Debt securities	Total
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ 1,547**	**$ -**	**$ 1,547**
2	Loans and debt securities that have defaulted since the last reporting period	874	-	**874**
3	Returned to non-defaulted status	(672)	-	**(672)**
4	Amounts written-off	(212)	-	**(212)**
5	Other changes	47	-	**47**
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ 1,584**	**$ -**	**$ 1,584**

Table CRB – Additional disclosure related to the credit quality of assets

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
CRB.a)	The scope and definitions of “past due” and “impaired” exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes.	2019 Annual Report	Credit risk management Note 2 – Basis of presentation and significant accounting policies	69-75 117-136
CRB.b)	The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.	2019 Annual Report	Note 2 – Basis of presentation and significant accounting policies Note 30 – Financial instrument risk management	117-136 199-203
CRB.c)	Description of methods used for determining impairments.	2019 Annual Report	Note 2 – Basis of presentation and significant accounting policies	117-136
CRB.d)	Desjardins Group’s own definition of “restructured exposure”.	2019 Annual Report	Note 2 – Basis of presentation and significant accounting policies	117-136
CRB.e)	Breakdown of exposures by residual maturity.	2019 Annual Report	Note 30 – Financial instrument risk management	199-203
CRB.g)	Ageing analysis of past-due exposures.	2019 Annual Report	Table 43 – Gross loans past due but not credit-impaired	77
CRB.h)	Breakdown of restructured exposures between impaired and not impaired exposures.	2019 Annual Report	Loan debt relief	75

[1] See the “Use of this document” section on page 2.

Loans by borrower category and by industry

(in millions of dollars)	As at December 31, 2019			For the twelve-month period ended December 31, 2019
	Gross loans	Gross credit-impaired loans	Allowance for credit losses	Write-offs and recoveries
Residential mortgages	$ 126,757	$ 326	$ 77	$ 20
Consumer, credit card and other personal loans	27,022	276	453	362
Public bodies[1]	3,319	-	-	-
Business				
Agriculture	9,971	147	20	3
Mining, oil and gas	358	2	2	-
Utilities	676	-	-	-
Construction	3,485	134	35	3
Manufacturing	4,257	61	29	2
Wholesale trade	1,663	11	6	1
Retail trade	3,274	36	13	1
Transportation	1,531	22	13	-
Information industry	388	2	1	3
Finance and insurance	1,723	-	1	-
Real estate	8,862	19	6	2
Professional services	964	4	2	-
Management of companies	976	6	3	-
Administrative services	354	16	2	-
Education	287	2	-	-
Health care	3,719	22	5	2
Arts and entertainment	822	14	5	-
Accommodation	1,755	31	7	-
Other services	1,112	10	5	2
Other businesses	492	1	-	-
Total business loans	**46,669**	**540**	**155**	**19**
Total loans	**$ 203,767**	**$ 1,142**	**$ 685**	**$ 401**

[1] Including loans to governments.

Loans by geographic distribution

(in millions of dollars)	As at December 31, 2019			For the twelve-month period ended December 31, 2019
	Gross loans	Gross credit-impaired loans	Allowance for credit losses	Write-offs and recoveries
Canada				
Québec	$ 183,835	$ 947	$ 532	$ 325
Other Canadian provinces	19,024	192	153	76
Total – Canada	**202,859**	**1,139**	**685**	**401**
Other countries	908	3	-	-
Total	**$ 203,767**	**$ 1,142**	**$ 685**	**$ 401**

Table CRC – Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
CRC.a)	Core features of policies and processes for, and an indication of the extent to which Desjardins Group makes use of, on- and off-balance sheet netting.	2019 Annual Report	Note 5 – Offsetting financial assets and liabilities	145-146
CRC.b)	Core features of policies and processes for collateral evaluation and management.	2019 Annual Report	Credit risk mitigation	74
CRC.c)	Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers).	2019 Annual Report	Credit risk mitigation	74

[1] See the "Use of this document" section on page 2.

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

As at December 31, 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	$ 141,400	$ 59,133	$ 57,964	$ 1,169	$ -
2	Debt securities	1,089	-	-	-	-
3	**Total**	**$ 142,489**	**$ 59,133**	**$ 57,964**	**$ 1,169**	**$ -**
4	Of which defaulted	$ 1,039	$ 467	$ 463	$ 4	$ -

Table CRD – Qualitative disclosure on Desjardins Group's use of external credit ratings under the Standardized Approach for credit risk

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
CRD	Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the entity, and the reasons for any changes over the reporting period.	2019 Annual Report	Counterparty and issuer risk	79

[1] See the "Use of this document" section on page 2.

To properly manage its risk exposure, Desjardins Group assigns a credit rating to each counterparty and issuer, based on the ratings of four external credit assessment institutions (DBRS, Moody's, Standard & Poor's and Fitch). The four credit assessment institutions meet the eligibility criteria of the Basel Accord and are authorized by the AMF. Desjardins Group uses this credit rating to calculate capital requirements using the Standardized Approach. It is also used to calculate capital requirements for an immaterial portion of the "Businesses", "Banks" and "Sovereign borrowers" asset classes and for the "Trading portfolio" asset class.

Template CR4 – Standardized Approach – Credit risk exposure and Credit Risk Mitigation (CRM) effects[1]
As at December 31, 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	$ 103	$ -	$ 103	$ -	$ -	-%
2	Non-central government public sector entities	6,152	9,015	5,928	454	1,277	20.00
3	Multilateral development banks	-	-	-	-	-	-
4	Banks and deposit-taking institutions	1,400	80	1,400	40	310	21.56
5	Investment companies	-	-	-	-	-	-
6	Businesses	7,843	5,415	7,803	1,874	9,195	95.03
7	Regulatory retail portfolios	1,692	3,263	883	639	1,140	74.94
8	Secured by residential property	384	17	384	6	137	35.00
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity	213	-	213	-	213	100.00
11	Past-due loans	239	21	229	1	344	150.00
12	Higher-risk categories[3]	83	27	83	14	145	150.00
13	Other assets[4]	14,645	-	14,645	-	5,470	37.35
14	**Total**	**$ 32,754**	**$ 17,838**	**$ 31,671**	**$ 3,028**	**$ 18,231**	**52.54%**

(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 December 31, 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	$ 103	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 103**
2	Non-central government public sector entities	-	-	6,383	-	-	-	-	-	-	**6,383**
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	1,365	-	75	-	-	-	-	**1,440**
5	Investment companies	-	-	-	-	-	-	-	-	-	**-**
6	Businesses	29	-	210	-	564	-	8,873	-	-	**9,676**
7	Regulatory retail portfolios	1	-	-	-	-	1,520	-	-	-	**1,521**
8	Secured by residential property	-	-	-	391	-	-	-	-	-	**391**
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	**-**
10	Equity	-	-	-	-	-	-	213	-	-	**213**
11	Past-due loans	-	-	-	-	-	-	4	226	-	**230**
12	Higher-risk categories[3]	-	-	-	-	-	-	-	97	-	**97**
13	Other assets[4]	8,817	-	447	-	-	-	5,381	-	-	**14,645**
14	**Total**	**$ 8,950**	**$ -**	**$ 8,405**	**$ 391**	**$ 639**	**$ 1,520**	**$ 14,471**	**$ 323**	**$ -**	**$ 34,699**

(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%.

Table CRE – Qualitative disclosures related to Internal Ratings-Based (IRB) models

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
CRE.d)	Scope of the AMF's acceptance of approach.	2019 Annual Report	Risk-weighted assets (RWA) Basel capital accord	55-56 67-68
CRE.e)	For each of the portfolios, the entity must indicate the part of EAD within the group (in percentage of total EAD) covered by the Standardized, Foundation IRB or Advanced IRB Approach and the part of portfolios that are involved in a roll-out plan.	2019 Annual Report	Table 37 – Risk exposure by asset class (Exposure at default [EAD])	71

[1] See the "Use of this document" section on page 2.

Model design and development

Model design and development are based on the first line of defense, which necessarily must:

- use a selection of models that are proven to be relevant prior to development. Model selection must be documented;
- ensure that the risk of the credit portfolio is rated using rating systems in accordance with regulatory requirements and the risk profile of the organization;
- consider items underlying risk parameters, including the definition of default, segmentation, CRM collateral, recognized guarantors and governance;
- comply with risk appetite (RA) principles and indicators, when applicable;
- include measurement methods for sensitivity analyses, sources of uncertainty and levels of conservatism;
- comply with the frameworks in place developed by the Integrated Risk Management and Credit Risk Executive Division (IRMCRED).

In addition, models must be based on a comprehensive, detailed and accessible documentation, that includes:

- the modelling techniques adopted, the assumptions, approximations, data sources, data and indirect data used as well as all the relevant weaknesses and limitations of the model;
- an updated model inventory, to include, among other things, the sector concerned as part of the user test;
- an updated list of model uses.

The models developed on this basis are only implemented once they have been independently validated by the second line of defence, when applicable, and approved by the relevant authority, as defined in the guidelines. Ultimately, the third line of defence ensures that the work performed by the second line was truly independent from the first line and reserves the right to audit the work performed by the other two lines of defence.

Main features of approved models

The personal and retail business PD and LGD internal models approved for the calculation of regulatory capital are based on behavioural scoring models used in the operations or on collateral classes. The personal and retail business PD IRB models are segmented using behavioural models with data going back to 2005.

For the non-retail business clients, the PD and LGD internal models approved for the calculation of regulatory capital are based on statistical and expert models used in assessing risk upon granting or in revising risk. The data history for these IRB models goes back to their implementation, in 2016.

For PD, the assessment is performed on the overall portfolio based on a definition of default of 12 months. For LGD, the current method is used (which represents the latest assessment performed on flows) and quantifies all flows associated with the default.

The credit conversion factor (CCF) is also based on data going back to 2005, but it is segmented using the utilization rate or behavioural scoring.

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) scale

As at December 31, 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 sovereign borrowers	0.00 to < 0.15	$ 15,656	$ 4,039	43.52 %	$ 52,249	0.02 %	94
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	3	15	27.35	7	24.00	1
	100.00 (default)	-	-	-	-	-	-
	Sub-total	15,659	4,054	43.47	52,256	0.02	95
Exposures related to financial institutions	0.00 to < 0.15	2,332	1,689	27.08	2,715	0.08	88
	0.15 to < 0.25	119	503	28.97	265	0.24	11
	0.25 to < 0.50	15	86	24.13	36	0.39	9
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	9	-	-	-	1
	10.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Sub-total	2,466	2,287	27.43	3,016	0.10	109
Exposures related to businesses	0.00 to < 0.15	2,179	1,774	83.83	3,520	0.09	2,333
	0.15 to < 0.25	9,784	1,705	52.62	9,689	0.18	27,247
	0.25 to < 0.50	12,724	3,475	46.71	10,898	0.35	9,996
	0.50 to < 0.75	7,885	2,182	48.70	7,097	0.57	4,934
	0.75 to < 2.50	18,743	5,959	48.03	18,998	1.40	14,629
	2.50 to < 10.00	6,618	1,560	41.73	5,934	4.60	5,678
	10.00 to < 100.00	982	163	38.53	790	20.26	1,314
	100.00 (default)	541	95	-	353	100.00	11,066
	Sub-total	59,456	16,913	51.32	57,279	2.01	77,197
Total non-retail clients		**$ 77,581**	**$ 23,254**	**47.67 %**	**$ 112,551**	**1.04 %**	**77,401**

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) scale (continued)
As at December 31, 2019

		g	h	i	j	k	l
(in millions de dollars and as percentage)	PD scale (%)	Average LGD	Average maturity[1]	RWA[2]	RWA proportion	Expected loss[3]	Provisions[4]
Exposures related to sovereign borrowers	0.00 to < 0.15	25.91 %	4.1	$ 4,456	8.53 %	$ 2	N/A
	0.15 to < 0.25	-	-	-	-	-	N/A
	0.25 to < 0.50	-	-	-	-	-	N/A
	0.50 to < 0.75	-	-	-	-	-	N/A
	0.75 to < 2.50	-	-	-	-	-	N/A
	2.50 to < 10.00	-	-	-	-	-	N/A
	10.00 to < 100.00	74.27	1.0	31	404.53	2	N/A
	100.00 (default)	-	-	-	-	-	N/A
	Sub-total	25.91	4.1	4,487	8.59	4	$ 27
Exposures related to financial institutions	0.00 to < 0.15	46.12	1.3	575	21.16	1	N/A
	0.15 to < 0.25	21.19	1.4	46	17.37	-	N/A
	0.25 to < 0.50	44.70	1.6	23	65.27	-	N/A
	0.50 to < 0.75	-	-	-	-	-	N/A
	0.75 to < 2.50	-	-	-	-	-	N/A
	2.50 to < 10.00	-	-	-	-	-	N/A
	10.00 to < 100.00	-	-	-	-	-	N/A
	100.00 (default)	-	-	-	-	-	N/A
	Sub-total	43.92	1.3	644	21.36	1	4
Exposures related to businesses	0.00 to < 0.15	41.93	2.8	810	23.01	1	N/A
	0.15 to < 0.25	18.26	4.5	1,863	19.23	3	N/A
	0.25 to < 0.50	27.87	3.8	4,031	36.98	10	N/A
	0.50 to < 0.75	31.04	3.7	3,702	52.16	13	N/A
	0.75 to < 2.50	27.69	3.7	11,664	61.39	76	N/A
	2.50 to < 10.00	22.99	3.8	4,011	67.59	60	N/A
	10.00 to < 100.00	31.95	3.9	1,194	151.28	53	N/A
	100.00 (default)	24.60	3.6	728	206.65	64	N/A
	Sub-total	26.97	3.8	28,003	48.89	280	229
Total non-retail clients		**26.94 %**	**3.9**	**$ 33,134**	**29.44 %**	**$ 285**	**$ 260**

Footnotes to this table are presented on page 32.

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) scale (continued)
As at December 31, 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	$ -	50.00 %	$ 5,973	0.08 %	66,704
	0.15 to < 0.25	7,516	17	50.00	486	0.17	-
	0.25 to < 0.50	33	-	-	1	0.44	45,660
	0.50 to < 0.75	5,906	18	50.00	275	0.56	36,725
	0.75 to < 2.50	6,313	24	50.00	253	1.31	30,850
	2.50 to < 10.00	2,076	6	50.00	65	4.69	9,206
	10.00 to < 100.00	299	1	50.00	16	23.63	3,693
	100.00 (default)	182	-	-	16	100.00	15
	Sub-total	22,333	66	49.48	7,085	0.47	192,853
Exposures related to residential mortgage loans – Uninsured exposures	0.00 to < 0.15	29,749	11,264	64.22	31,010	0.08	427,959
	0.15 to < 0.25	18,226	6,203	69.62	22,057	0.22	-
	0.25 to < 0.50	1	-	-	-	-	265,403
	0.50 to < 0.75	12,527	3,054	67.95	14,326	0.52	169,233
	0.75 to < 2.50	9,955	1,745	65.33	10,841	1.24	122,236
	2.50 to < 10.00	2,662	338	62.64	2,809	3.97	33,214
	10.00 to < 100.00	477	47	52.10	485	19.90	10,808
	100.00 (default)	249	41	-	233	100.00	1,779
	Sub-total	73,846	22,692	66.12	81,761	0.85	1,030,632
Other retail client exposures (QRRCE)	0.00 to < 0.15	2,719	30,929	50.58	18,360	0.07	1,820,882
	0.15 to < 0.25	602	2,527	34.37	1,471	0.16	330,658
	0.25 to < 0.50	1,738	4,068	42.49	3,466	0.36	587,950
	0.50 to < 0.75	428	416	62.45	688	0.68	61,196
	0.75 to < 2.50	4,233	5,634	31.25	5,994	1.86	3,292,873
	2.50 to < 10.00	1,170	740	30.91	1,399	4.82	252,293
	10.00 to < 100.00	1,241	614	26.63	1,405	18.74	346,623
	100.00 (default)	133	23	-	133	100.00	78,171
	Sub-total	12,264	44,951	45.94	32,916	1.85	6,770,646
SMEs similar to other retail client exposures	0.00 to < 0.15	792	1,701	46.12	1,573	0.09	28,922
	0.15 to < 0.25	958	1,277	51.08	1,601	0.19	38,322
	0.25 to < 0.50	1,898	1,848	39.93	2,582	0.38	56,229
	0.50 to < 0.75	150	18	46.68	65	0.65	961
	0.75 to < 2.50	2,798	1,131	52.50	3,057	1.30	68,679
	2.50 to < 10.00	853	182	45.94	786	4.67	20,626
	10.00 to < 100.00	291	51	16.86	255	20.66	9,369
	100.00 (default)	51	5	-	23	100.00	9,488
	Sub-total	7,791	6,213	46.18	9,942	1.67	232,596
Other retail client exposures (non QRRCE) except SMEs	0.00 to < 0.15	896	496	68.79	1,234	0.08	59,522
	0.15 to < 0.25	855	3	28.67	843	0.19	-
	0.25 to < 0.50	1,238	164	67.53	1,306	0.37	99,047
	0.50 to < 0.75	920	63	54.61	954	0.54	124,121
	0.75 to < 2.50	5,564	27	56.13	5,282	1.87	155,223
	2.50 to < 10.00	980	29	58.83	732	4.01	244,983
	10.00 to < 100.00	463	2	48.21	382	22.90	48,286
	100.00 (default)	176	1	-	117	100.00	101,224
	Sub-total	11,092	785	66.32	10,850	3.19	832,406
Total retail clients		**$ 127,326**	**$ 74,707**	**52.31 %**	**$ 142,554**	**1.10 %**	**9,059,133**

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) scale (continued)
As at December 31, 2019

		g	h	i	j	k	l
(in millions of dollars and as a percentage)	PD scale (%)	Average LGD	Average maturity[1]	RWA[2]	RWA proportion	Expected loss[3]	Provisions[4]
Exposures related to residential mortgage loans Insured exposures	0.00 to < 0.15	27.12 %	N/A	$ 343	5.75 %	$ 1.0	N/A
	0.15 to < 0.25	26.55	N/A	51	10.40	-	N/A
	0.25 to < 0.50	40.05	N/A	-	30.24	-	N/A
	0.50 to < 0.75	29.27	N/A	72	26.14	-	N/A
	0.75 to < 2.50	28.40	N/A	110	44.00	2.0	N/A
	2.50 to < 10.00	24.16	N/A	52	78.87	1.0	N/A
	10.00 to < 100.00	25.26	N/A	25	153.04	1.0	N/A
	100.00 (default)	22.87	N/A	48	303.07	-	N/A
	Sub-total	27.17	N/A	701	9.90	5.0	$ 4
Exposures related to residential mortgage loans Uninsured exposures	0.00 to < 0.15	14.14	N/A	903	2.92	3.0	N/A
	0.15 to < 0.25	14.91	N/A	1,515	6.87	7.0	N/A
	0.25 to < 0.50	-	N/A	-	-	-	N/A
	0.50 to < 0.75	15.21	N/A	1,855	12.95	11.0	N/A
	0.75 to < 2.50	15.60	N/A	2,564	23.65	22.0	N/A
	2.50 to < 10.00	15.52	N/A	1,311	46.66	18.0	N/A
	10.00 to < 100.00	14.87	N/A	429	88.31	14.0	N/A
	100.00 (default)	13.87	N/A	429	183.79	-	N/A
	Sub-total	15.77	N/A	9,006	11.02	75.0	53
Other retail client exposures (QRRCE)	0.00 to < 0.15	84.02	N/A	756	4.12	12.0	N/A
	0.15 to < 0.25	90.94	N/A	126	8.56	2.0	N/A
	0.25 to < 0.50	84.20	N/A	534	15.43	11.0	N/A
	0.50 to < 0.75	72.94	N/A	151	21.97	3.0	N/A
	0.75 to < 2.50	84.89	N/A	3,181	53.06	93.0	N/A
	2.50 to < 10.00	78.50	N/A	1,379	98.60	53.0	N/A
	10.00 to < 100.00	65.41	N/A	2,484	176.82	172.0	N/A
	100.00 (default)	78.87	N/A	1,392	1,045.05	-	N/A
	Sub-total	83.23	N/A	10,003	30.39	346.0	59
SMEs similar to other retail client exposures	0.00 to < 0.15	60.35	N/A	234	14.92	1.0	N/A
	0.15 to < 0.25	60.27	N/A	400	24.96	2.0	N/A
	0.25 to < 0.50	56.31	N/A	930	36.00	5.0	N/A
	0.50 to < 0.75	21.91	N/A	12	19.25	-	N/A
	0.75 to < 2.50	61.57	N/A	2,168	70.91	25.0	N/A
	2.50 to < 10.00	62.48	N/A	762	96.91	23.0	N/A
	10.00 to < 100.00	59.86	N/A	346	135.43	31.0	N/A
	100.00 (default)	85.96	N/A	258	1,138.92	-	N/A
	Sub-total	59.62	N/A	5,110	51.40	87.0	30
Other retail client exposures (non-QRRCE), except SMEs	0.00 to < 0.15	74.35	N/A	211	17.06	1.0	N/A
	0.15 to < 0.25	91.34	N/A	319	37.86	1.0	N/A
	0.25 to < 0.50	72.37	N/A	624	47.82	4.0	N/A
	0.50 to < 0.75	40.95	N/A	312	32.62	2.0	N/A
	0.75 to < 2.50	39.58	N/A	2,718	51.46	39.0	N/A
	2.50 to < 10.00	44.32	N/A	493	67.34	13.0	N/A
	10.00 to < 100.00	42.21	N/A	402	105.16	37.0	N/A
	100.00 (default)	44.34	N/A	689	587.51	-	N/A
	Sub-total	52.09	N/A	5,768	53.16	97.0	34
Total retail clients		**35.75 %**	**N/A**	**$ 30,588**	**21.46 %**	**$ 610.0**	**$ 180**

(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 December 31, 2019

		a
		RWA amounts
1	**RWA as at end of previous reporting period**	**$ 30,329**
2	Asset size[1]	**17**
3	Asset quality[2]	**(93)**
4	Model updates[3]	**2,702**
5	Methodology and policy[4]	**33,055**
6	Acquisitions and disposals[5]	**-**
7	Foreign exchange movements[6]	**(60)**
8	Other	**-**
9	**RWA as at end of reporting period**	**$ 65,950**

(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.

Template CR9 – IRB – Backtesting of probability of default (PD) per portfolio
As at December 31, 2019

a	b	c	d	e	f		g	h	i
					Number of debtors				
(as a percentage)	PD scale	External rating equivalent	Weighted average PD	Arithmetic average PD by debtors	End of previous year	End of the year	Defaulted debtors in the year	Of which: new defaulted debtors in the year	Average historical annual default rate
Exposures related to sovereign borrowers	0.00 to < 0.15	AAA to A-	0.02%	-%	53	94	-	-	-%
	0.15 to < 0.25	BBB+	-	-	-	-	-	-	-
	0.25 to < 0.50	BBB to BBB-	-	-	-	-	-	-	-
	0.50 to < 0.75	BB+	-	-	-	-	-	-	-
	0.75 to < 2.50	BB to BB-	-	-	-	-	-	-	-
	2.50 to < 10.00	B+ to B	-	0.02	-	-	-	-	-
	10.00 to < 100.00	B- to C	24.00	0.12	3	1	-	-	-
Exposures related to financial institutions	0.00 to < 0.15	AAA to A-	0.08	0.05	99	88	-	-	-
	0.15 to < 0.25	BBB+	0.24	0.12	1	11	-	-	-
	0.25 to < 0.50	BBB to BBB-	0.39	0.24	9	9	-	-	-
	0.50 to < 0.75	BB+	-	0.29	-	-	-	-	-
	0.75 to < 2.50	BB to BB-	-	0.75	-	-	-	-	-
	2.50 to < 10.00	B+ to B	-	4.67	-	1	-	-	-
	10.00 to < 100.00	B- to C	-	21.45	-	-	-	-	-
Exposures related to businesses	0.00 to < 0.15	AAA to A-	0.09	0.09	2,278	2,333	-	-	0.09
	0.15 to < 0.25	BBB+	0.18	0.22	27,414	27,247	43	5	0.20
	0.25 to < 0.50	BBB to BBB-	0.35	0.35	9,238	9,996	31	-	0.40
	0.50 to < 0.75	BB+	0.57	0.59	4,666	4,934	21	-	0.73
	0.75 to < 2.50	BB to BB-	1.40	1.51	13,754	14,629	122	7	0.86
	2.50 to < 10.00	B+ to B	4.60	5.19	5,082	5,678	186	1	3.11
	10.00 to < 100.00	B- to C	20.26	20.75	976	1,314	139	3	21.58
Total non-retail clients					**63,573**	**66,335**	**542**	**16**	

Template CR9 – IRB – Backtesting of probability of default (PD) per portfolio (continued)
As at December 31, 2019

a	b	c	d	e	f		g	h	i
					Number of debtors				
(as a percentage)	PD scale	External rating equivalent	Weighted average PD	Arithmetic average PD by debtors	End of previous year	End of the year	Defaulted debtors in the year	Of which: new defaulted debtors in the year	Average historical annual default rate
Exposures related to residential mortgage loans – Insured exposures	0.00 to < 0.15	1	0.08 %	0.08 %	65,310	66,704	76	6	0.12 %
	0.15 to < 0.25	2	0.17	-	-	-	-	-	-
	0.25 to < 0.50	3	0.44	0.26	46,187	45,660	214	11	0.40
	0.50 to < 0.75	4	0.56	0.65	37,376	36,725	333	18	0.81
	0.75 to < 2.50	5	1.31	1.57	32,202	30,850	572	42	1.60
	2.50 to < 10.00	6	4.69	5.45	9,274	9,206	443	21	4.44
	10.00 to < 100.00	7	23.63	57.55	3,726	3,693	2,085	92	20.58
Exposures related to residential mortgage loans – Uninsured exposures	0.00 to < 0.15	1	0.08	0.08	401,363	427,959	257	6	0.05
	0.15 to < 0.25	2	0.22	-	-	-	-	-	-
	0.25 to < 0.50	3	-	0.26	252,143	265,403	502	29	0.15
	0.50 to < 0.75	4	0.52	0.65	163,584	169,233	755	50	0.35
	0.75 to < 2.50	5	1.24	1.56	120,563	122,236	1,342	119	0.87
	2.50 to < 10.00	6	3.97	5.37	32,125	33,214	1,171	79	2.97
	10.00 to < 100.00	7	19.90	51.86	9,977	10,808	4,719	301	15.91
Qualifying revolving retail client exposures (QRRCE)	0.00 to < 0.15	1	0.07	0.06	1,780,368	1,820,882	869	15	0.04
	0.15 to < 0.25	2	0.16	0.19	330,043	330,658	693	15	0.16
	0.25 to < 0.50	3	0.36	0.40	596,587	587,950	2,533	73	0.36
	0.50 to < 0.75	4	0.68	0.68	65,792	61,196	438	36	0.59
	0.75 to < 2.50	5	1.86	1.91	3,268,068	3,292,873	34,924	5,923	0.81
	2.50 to < 10.00	6	4.82	5.05	255,968	252,293	14,442	1,839	4.55
	10.00 to < 100.00	7	18.74	29.37	333,016	346,623	95,067	1,811	17.13
SMEs similar to other retail client exposures	0.00 to < 0.15	1	0.09	0.09	27,596	28,922	36	-	0.04
	0.15 to < 0.25	2	0.19	0.19	37,405	38,322	104	3	0.09
	0.25 to < 0.50	3	0.38	0.38	55,741	56,229	303	33	0.22
	0.50 to < 0.75	4	0.65	0.65	947	961	5	-	0.45
	0.75 to < 2.50	5	1.30	1.29	68,458	68,679	1,235	97	0.66
	2.50 to < 10.00	6	4.67	4.63	20,940	20,626	1,143	21	2.14
	10.00 to < 100.00	7	20.66	19.10	8,819	9,369	1,863	6	5.02
Other retail client exposures (non-QRRCE), except SMEs	0.00 to < 0.15	1	0.08	0.08	57,649	59,522	55	5	0.07
	0.15 to < 0.25	2	0.19	-	-	-	-	-	-
	0.25 to < 0.50	3	0.37	0.28	97,103	99,047	204	20	0.14
	0.50 to < 0.75	4	0.54	0.63	121,735	124,121	553	88	0.32
	0.75 to < 2.50	5	1.87	1.57	148,112	155,223	1,642	299	0.77
	2.50 to < 10.00	6	4.01	3.24	238,553	244,983	7,248	1,514	2.08
	10.00 to < 100.00	7	22.90	41.86	39,184	48,286	18,074	2,269	19.06
Total retail clients					**8,725,914**	**8,868,456**	**193,900**	**14,841**	

COUNTERPARTY CREDIT RISK

Table CCRA – Qualitative disclosure related to counterparty credit risk (CCR)

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
CCRA.a)	The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures and for central counterparties (CCPs) exposures.	2019 Annual Report	Credit risk management	69-75
			Counterparty and issuer risk	79
CCRA.a)	Policies relating to guarantees and other risk mitigants and assessments concerning counterparty risk, including exposures towards CCPs.	2019 Annual Report	Counterparty and issuer risk	79
			Note 5 – Offsetting financial assets and liabilities	145-146
			Note 20 – Derivative financial instruments and hedging activities	179-188
CCRA.a)	Policies with respect to wrong-way risk exposures.	2019 Annual Report	Counterparty and issuer risk	79
CCRA.a)	The impact in terms of the amount of collateral that Desjardins Group would be required to provide given a credit rating downgrade.	2019 Annual Report	Credit ratings of securities issued and outstanding	90-91

[1] See the "Use of this document" section on page 2.

Template CCR1 – Analysis of counterparty credit risk (CCR) by approach[1]

As at December 31, 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]	$ 2,997	$ 580	N/A	1.4	$ 3,563	$ 2,371
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	805	301
5	VaR for SFTs	N/A	N/A	N/A	N/A	N/A	-
6	**Total**	**$ 2,997**	**$ 580**	**$ -**	**N/A**	**$ 4,368**	**$ 2,672**

[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 December 31, 2019

	(in millions of dollars)	a EAD post-CRM	b 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**	**3,557**	**1,612**
4	**Total subject to the CVA capital charge**	**$ 3,557**	**$ 1,612**

Template CCR3 – Standardized Approach – Counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights[1][2]
As at December 31, 2019

	(in millions of dollars)	a 0%	b 10%	c 20%	d 35%	e 50%	f 75%	g 100%	h 150%	i Other	j Total credit exposure
	Risk weight / Regulatory portfolio										
1	Sovereigns and their central banks	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
2	Non-central government public sector entities	-	-	44	-	-	-	-	-	-	**44**
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	259	-	-	-	-	-	-	**259**
5	Investment companies	-	-	-	-	-	-	-	-	-	**-**
6	Businesses	-	-	33	-	1	-	375	-	-	**409**
7	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-	**-**
8	Secured by residential property	-	-	-	-	-	-	-	-	-	**-**
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	**-**
10	Equity	-	-	-	-	-	-	-	-	-	**-**
11	Past-due loans	-	-	-	-	-	-	-	-	-	**-**
12	Higher-risk categories	-	-	-	-	-	-	-	2	-	**2**
13	Other assets	-	-	-	-	-	-	-	-	-	**-**
14	**Total**	**$ -**	**$ -**	**$ 336**	**$ -**	**$ 1**	**$ -**	**$ 375**	**$ 2**	**$ -**	**$ 714**

(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 CCR4 – IRB – Counterparty credit risk (CCR) exposures by portfolio and probability of default (PD) scale

As at December 31, 2019

		a	b	c	d	e	f	g
(in millions of dollars and as a percentage)	PD scale (%)	EAD post-CRM	Average PD	Number of debtors	Average LGD	Average maturity	RWA[1]	RWA proportion
Exposures related to sovereign borrowers	0.00 to < 0.15	$ 440	0.02 %	138	10.00 %	0.69	$ 5	0.96 %
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	Sub-total	440	0.02	138	10.00	0.69	5	0.96
Exposures related to financial institutions	0.00 to < 0.15	2,985	0.07	5,647	94.69	2.15	1,926	-
	0.15 to < 0.25	2	0.24	576	95.98	2.23	3	103.35
	0.25 to < 0.50	7	0.28	1,721	95.98	4.19	12	158.79
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	1	0.93	36	52.25	0.07	2	178.03
	2.50 to < 10.00	2	3.33	17	95.98	0.01	5	229.99
	10.00 to < 100.00	-	-	77	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	Sub-total	2,997	0.07	8,074	94.70	2.15	1,948	64.98
Exposures related to businesses	0.00 to < 0.15	53	0.11	283	82.72	1.28	25	44.89
	0.15 to < 0.25	37	0.21	860	82.04	1.11	24	62.77
	0.25 to < 0.50	25	0.37	526	80.99	2.10	27	109.49
	0.50 to < 0.75	20	0.58	288	80.30	4.31	36	178.50
	0.75 to < 2.50	104	1.52	1,828	64.33	1.87	142	137.33
	2.50 to < 10.00	7	5.00	364	73.28	1.19	18	270.94
	10.00 to < 100.00	1	9.51	61	38.37	1.00	3	405.63
	100.00 (default)	-	-	-	-	-	-	-
	Sub-total	247	1.01	4,210	75.86	1.83	275	111.06
Total (all portfolios)		**$ 3,684**	**0.13 %**	**12,422**	**83.34 %**	**1.95**	**$ 2,228**	**60.43 %**

(1) Includes the 6% scaling factor applied on RWA using the Internal Ratings-Based for credit exposures.

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

As at December 31, 2019

		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			
	(in millions of dollars)	Segregated	Unsegregated	Segregated	Unsegregated	Fair value of collateral received	Fair value of posted collateral
1	Cash – Domestic currency	$ -	$ 874	$ -	$ 85	$ 10,386	$ 10,641
2	Cash – Other currencies	-	2,154	-	195	-	-
3	Domestic sovereign debt	60	-	4	-	-	-
4	Other sovereign debt	-	-	-	-	10,488	10,231
5	Government agency debt	-	-	-	-	235	204
6	Corporate bonds	116	-	91	-	-	2
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-
	Total	**$ 176**	**$ 3,028**	**$ 95**	**$ 280**	**$ 21,109**	**$ 21,078**

Template CCR6 – Credit derivatives exposures

As at December 31, 2019

		a	b
	(in millions of dollars)	Protection bought	Protection sold
	Notional amounts		
1	Single-name credit default swaps	$ -	$ -
2	Index credit default swaps	-	195
3	Total return swaps	142	248
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notional amounts**	**$ 142**	**$ 443**
	Fair values		
7	Positive fair value (asset)	$ -	$ 8
8	Negative fair value (liability)	(2)	-

Template CCR8 – Exposures to central counterparties (CCP)
As at December 31, 2019

		a	b
	(in millions of dollars)	EAD post-CRM	RWA
1	**Exposures to QCCPs (total)**	**$ 357**	**$ 23**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	328	6
3	i) OTC derivatives	216	4
4	ii) Exchange-traded derivatives	54	1
5	iii) Securities financing transactions	58	1
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	29	17
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

Table SECA – Qualitative disclosure requirements related to securitization exposures

Information disclosed in separate reports[1]

Reference	Wording	Location		
		Document(s)	Section(s)	Page(s)
SECA.a)	Desjardins Group's objectives in relation to securitization and re-securitization activity, including the extent to which these activities transfer credit risk of the underlying securitized exposures away from Desjardins Group to other entities as well as the types of risks borne or retained.	2019 Annual Report	Structured entities	58
			Note 8, "Derecognition of financial assets"	157
			Note 13, "Interests in other entities"	164-166
			Note 29, "Commitments, guarantees and contingent liabilities"	197-199
SECA.b)	A list of: • special purpose entities (SPEs) where Desjardins Group acts as sponsor (but not as an originator such as an ABCP conduit), indicating whether Desjardins Group consolidates the SPEs into its scope or regulatory consolidation; • affiliated entities (i) that Desjardins Group manages or advises and (ii) that invest either in the securitization exposures that Desjardins Group has securitized or in SPEs that Desjardins Group sponsors; • entities to which Desjardins Group provides implicit support and the associated capital impact for each of them (as required in paragraphs 551 and 546 of the securitization framework).	2019 Annual Report	Risk-weighted assets	55-56
			Structured entities	58
			Additional information related to certain risk exposures	95
			Note 6, "Securities"	147-148
			Note 8, "Derecognition of financial assets"	157
			Note 13, "Interests in other entities"	164-166
			Note 29, "Commitments, guarantees and contingent liabilities"	197-199
SECA.c)	Summary of Desjardins Group's accounting policies for securitization activities.	2019 Annual Report	Counterparty and issuer risk	79
			Liquidity risk	85-91
			Financing programs and strategies	88-89
SECA.d)	If applicable, the names of external credit assessment institutions (ECAIs) used for securitizations and the type of securitization exposure for which each agency is used.	2019 Annual Report	Counterparty and issuer risk	79

[1] See the "Use of this document" section on page 2.

Template SEC1 – Securitization exposures in the banking book

As at December 31, 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**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 12**	**$ -**	**$ 12**
7	Business loans	-	-	-	-	-	-	-	-	-
8	Commercial mortgage	-	-	-	-	-	-	-	-	-
9	Lease and receivables	-	-	-	-	-	-	-	-	-
10	Other wholesale exposures	-	-	-	-	-	-	8	-	8
11	Re-securitization	-	-	-	-	-	-	4	-	4

Template SEC4 – Securitization exposures in the banking book and associated capital requirements (financial entity acting as investor)

As at December 31, 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**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 12**	**$ -**	**$ -**	**$ -**	**$ 12**
2	Traditional securitization	-	-	-	-	12	-	-	-	12
3	Of which securitization	-	-	-	-	8	-	-	-	8
4	Of which retail underlying	-	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	-	8	-	-	-	8
6	Of which re-securitization	-	-	-	-	4	-	-	-	4
7	Of which senior	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	4	-	-	-	4
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**	**$ -**	**$ -**	**$ -**	**$ 151**	**$ -**	**$ -**	**$ -**	**$ 12**
2	Traditional securitization	-	-	-	151	-	-	-	12
3	Of which securitization	-	-	-	95	-	-	-	8
4	Of which retail underlying	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	95	-	-	-	8
6	Of which re-securitization	-	-	-	56	-	-	-	4
7	Of which senior	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	56	-	-	-	4
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			
KM2	Key metrics – TLAC requirements (at resolution group level)	Quarterly	This report	5
OVA	Desjardins Group's risk management approach	Annually	This report	6
OV1	Overview of risk-weighted assets (RWA)	Quarterly	This report	7
	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	This report	8
LI2	Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements	Annually	This report	9
LIA	Explanations of differences between accounting and regulatory exposure amounts	Annually	This report	10
	Composition of capital and TLAC			
CC1	Composition of regulatory capital	Quarterly	This report	11
CC2	Reconciliation of regulatory capital to balance sheet	Quarterly	This report	14
CCA	Main features of regulatory capital instruments	Quarterly	This report	16
TLAC1	TLAC composition (at resolution group level)	Semi-annually	This report	18
TLAC3	Resolution entity – creditor ranking at legal entity level	Semi-annually	This report	19
	Leverage ratio			
LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Quarterly	This report	20
LR2	Leverage ratio common disclosure template	Quarterly	This report	20
	Macroprudential supervisory measures			
CCyB1	Geographical distribution of credit exposures used in the countercyclical capital buffer	Semi-annually	This report	21
	Credit risk			
CRA	General information about credit risk	Annually	This report	22
CR1	Credit quality of assets	Semi-annually	This report	22
CR2	Changes in stock of defaulted loans and debt securities	Semi-annually	This report	23
CRB	Additional disclosure related to the credit quality of assets	Annually	This report	23
CRC	Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques	Annually	This report	25
CR3	Credit risk mitigation (CRM) techniques – overview	Semi-annually	This report	25
CRD	Qualitative disclosures on the “entity”’s use of external credit ratings under the Standardized Approach for credit risk	Annually	This report	25
CR4	Standardized Approach – Credit risk exposure and Credit Risk Mitigation (CRM) effects	Semi-annually	This report	26
CR5	Standardized Approach – Exposures by asset classes and risk weights	Semi-annually	This report	27

[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	This report	28
CR6	IRB – Credit risk exposures by portfolio and probability of default (PD) scale	Semi-annually	This report	29
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	33
CR9	IRB – Backtesting of probability of default (PD) per portfolio	Annually	This report	33
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	This report	35
CCR1	Analysis of counterparty credit risk (CCR) exposure by approach	Semi-annually	This report	35
CCR2	Credit valuation adjustment (CVA) capital charge	Semi-annually	This report	36
CCR3	Standardized Approach – Counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights	Semi-annually	This report	36
CCR4	IRB – Counterparty credit risk (CCR) exposures by regulatory portfolio and probability of default (PD) scale	Semi-annually	This report	37
CCR5	Composition of collateral for counterparty credit risk (CCR) exposure	Semi-annually	This report	38
CCR6	Credit derivatives exposures	Semi-annually	This report	38
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	39
	Securitization			
SECA	Qualitative disclosure requirements related to securitization exposures	Annually	This report	40
SEC1	Securitization exposures in the banking book	Semi-annually	This report	41
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	42
	Market risk			
MRA	Qualitative disclosure requirements related to market risk	Annually		
MRB	Qualitative disclosures for financial entities using the Internal Models Approach (IMA)	Annually	Desjardins Group has deferred the disclosure of market risk-specific information to the second phase of the implementation of Pillar 3 disclosure requirements.	
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	**IFRS**	International Financial Reporting Standards
ARFSC	*Act respecting financial services cooperatives*	**IMM**	Internal Models Method
AT1	Additional Tier 1 capital	**IRB**	Internal Ratings-Based Approach
BCBS	Basel Committee on Banking Supervision	**IRC**	Incremental Risk Charge
BIS	Bank for International Settlements	**LCR**	Liquidity coverage ratio
CCF	Credit conversion factor	**LGD**	Loss given default
CCP	Central counterparty	**NSFR**	Net stable funding ratio
CCR	Counterparty credit risk	**OSFI**	Office of the Superintendent of Financial Institutions
CET1	Common Equity Tier 1	**PD**	Probability of default
CRM	Credit risk mitigation	**PFE**	Potential future exposure
CVA	Credit valuation adjustment	**QCCP**	Qualifying central counterparty
D-SIFI	Domestic systemically important financial institution	**QRRCE**	Qualifying revolving retail client exposures
EAD	Exposure at default	**RBA**	Ratings-based approach
ECAI	External credit assessment institution	**RWA**	Risk-weighted assets
ECL	Expected credit loss	**SA**	Standardized approach
EEPE	Effective expected positive exposure	**SFT**	Securities financing transactions
G-SIFI	Global systemically important financial institution	**SPA**	Simplified prudential approach
HQLA	High-quality liquid assets	**sVaR**	Stressed Value at Risk
HVCRE	High-volatility commercial real estate	**T2**	Tier 2 capital
IAA	Internal assessment approach	**TLAC**	Total Loss Absorbing Capacity
FSB	Financial Stability Board	**VaR**	Value at Risk

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.

Countercyclical buffer
The countercyclical buffer aims to ensure that capital requirements take account of the macro-financial environment in which Desjardins Group operates. The AMF could deploy this buffer when it judges that excessive credit growth is associated with a build-up of system-wide risks and, as such, would provide a buffer of capital to absorb potential losses.

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.

GLOSSARY (continued)

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.