Desjardins

Pillar 3 Report (unaudited)

For the period ended December 31, 2020

TABLE OF CONTENTS

2 Notes to the reader
2 Use of this document
2 Scope of this document
2 Caution concerning forward-looking statements
3 Disclosure policy

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

7 Composition of capital and TLAC
7 Composition of regulatory capital [CC1]
10 Reconciliation of regulatory capital to balance sheet [CC2]
12 Main features of regulatory capital instruments and other TLAC-eligible instruments [CCA]
14 TLAC composition (at resolution group level) [TLAC1]
15 Resolution entity – creditor ranking at legal entity level [TLAC3]

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

19 Credit risk
19 General qualitative information about risk [CRA]
20 Credit quality of assets [CR1]
21 Changes in stock of defaulted loans and debt securities [CR2]
22 Additional disclosure related to the credit quality of assets [CRB]
23 Loan portfolio by borrower category by industry
23 Loan portfolio by geographic area
24 Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques [CRC]
25 Credit risk mitigation (CRM) techniques - overview [CR3]
26 Qualitative disclosures on Desjardins Group's use of external credit ratings under the standardized approach for credit risk [CRD]

Credit risk (continued)
27 Standardized approach – Credit risk exposure and credit risk mitigation (CRM) effects [CR4]
28 Standardized approach – Exposures by asset classes and risk weights [CR5]
29 Qualitative disclosures related to Internal Ratings-Based (IRB) models [CRE]
30 IRB – Credit risk exposures by portfolio and probability of default (PD) range [CR6]
34 Risk-weighted assets (RWA) flow statements of credit risk exposures under IRB [CR8]
34 IRB – Backtesting of probability of default (PD) per portfolio [CR9]

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

Counterparty credit risk (continued)
40 Credit derivatives exposures [CCR6]
41 Exposures to central counterparties (CCP) [CCR8]

42 Securitization
42 Qualitative disclosure requirements related to securitization exposures [SECA]
43 Securitization exposures in the banking book [SEC1]
44 Securitization exposures in the banking book and associated capital requirements (financial entity acting as investor) [SEC4]

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

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

48 Liquidity
48 Liquidity coverage ratio (LCR) [LIQ1]

49 Other information
49 Pillar 3 disclosure requirements
51 Abbreviations
52 Glossary

NOTES TO THE READER

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 https://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 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 financial markets, the outlook for the Québec, Canadian, U.S. and world economies as well as the possible impact of the COVID-19 pandemic on its operations, its results and its financial position and the economic and financial market conditions. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "plan", "project", "forecast" 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. Specifically, the uncertainty arising from the COVID-19 pandemic has greatly increased that risk as it made it more challenging to establish assumptions, predictions, projections and other forward-looking statements than in prior periods. 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.

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, 2020**	As at September 30, 2020	As at June 30, 2020	As at March 31, 2020	As at December 31, 2019
1	Total loss-absorbing capacity (TLAC) available	$ **28,775**	$ 28,374	$ 27,973	$ 27,502	$ 24,990
1a	Total loss-absorbing capacity (TLAC) available without the application of the transitional provisions for the provisioning of expected credit losses (ECLs)[2]	**28,772**	28,372	27,971	N/A	N/A
2	Total RWA at the level of the resolution group	**116,522**	116,773	113,475	112,856	110,798
3	TLAC as a percentage of RWA[3] (row 1 / row 2) (%)	**24.7** %	24.3 %	24.7 %	24.4 %	22.6 %
3a	TLAC as a percentage of RWA[3] (row 1a / row 2) (%) without the application of the transitional provisions for the provisioning of ECLs[2]	**24.7**	24.3	24.7	N/A	N/A
4	Leverage ratio exposure measure at the level of the resolution group	$ **301,805**	$ 304,861	$ 291,261	$ 273,219	$ 274,995
5	TLAC as a percentage of leverage ratio exposure measure[3] (row 1 / row 4)	**9.5** %	9.3 %	9.6 %	10.1 %	9.1 %
5a	TLAC as a percentage of leverage ratio exposure measure[3] (row 1a / row 4) without the application of the transitional provisions for the provisioning of ECLs[2]	**9.5**	9.3	9.6	N/A	N/A
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 Caisse Desjardins Ontario Credit Union Inc.

(2) On March 31, 2020, the AMF issued transitional provisions under which a portion of the general allowance, originally eligible for Tier 2 capital, can be included in Tier 1A capital. For more information, see the “Adjustments to capital requirements related to the COVID-19 pandemic” sub-section of the “Capital management” section of Desjardins Group’s Management’s Discussion and Analysis.

(3) 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.	2020 Annual Report	Risk factors that could impact future results Integrated risk management framework	62-64 65-70
OVA.b)	The risk governance structure: responsibilities attributed throughout Desjardins Group and the relationships between the structures involved in risk management processes.	2020 Annual Report	Risk management governance	68-70
OVA.c)	Channels to communicate, decline and enforce the risk culture within Desjardins Group.	2020 Annual Report	Proactive risk management approach Risk management governance	67-68 68-70
OVA.d)	The scope and main features of risk measurement systems.	2020 Annual Report	Risk appetite Risk measurement	67 66
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.	2020 Annual Report	Risk disclosure Risk appetite	67 67
OVA.f)	Qualitative information on stress testing.	2020 Annual Report	Risk measurement	66
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.	2020 Annual Report	Integrated risk management framework	65-70

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

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

		a	b	c
		RWA[1]		Minimum capital requirements[2]
	(in millions of dollars)	As at December 31, 2020	As at September 30, 2020	As at December 31, 2020
1	Credit risk (excluding counterparty credit risk – CCR)	**$ 89,637**	$ 90,625	**$ 7,171**
2	Of which: Standardized Approach (SA)	**17,484**	17,645	**1,399**
3	Of which: Internal Ratings-Based Approach (IRB)	**72,153**	72,980	**5,772**
4	Counterparty credit risk	**4,406**	4,746	**353**
5	Of which: Standardized Approach for counterparty credit risk (SA-CCR)	**4,406**	4,746	**353**
6	Of which: Internal Model Method (IMM)	**-**	-	**-**
7	Equity positions in the banking book under the market approach	**-**	-	**-**
8	Equity investments in funds – look-through approach	**-**	-	**-**
9	Equity investments in funds – mandate-based approach	**-**	-	**-**
10	Equity investments in funds – fall-back approach	**111**	105	**8**
11	Settlement risk	**-**	-	**-**
12	Securitization exposures in the banking book	**97**	109	**8**
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)	**97**	109	**8**
16	Market risk	**2,561**	2,453	**205**
17	Of which: Standardized Approach (SA)	**390**	428	**31**
18	Of which: approaches based on the Internal Model Method (IMM)	**2,171**	2,025	**174**
19	Operational risk	**13,705**	13,462	**1,096**
20	Of which: Basic Indicator Approach	**-**	-	**-**
21	Of which: Standardized Approach	**13,705**	13,462	**1,096**
22	Of which: advanced measurement approach	**-**	-	**-**
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**9,407**	9,103	**753**
24	Floor adjustment	**177**	-	**14**
25	**Total (1 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 16 + 19 + 23 + 24)**	**$ 120,101**	$ 120,603	**$ 9,608**

(1) The RWA presented include the 6% scaling factor applied on RWA measured using the Internal Ratings-Based Approach for credit exposures.
(2) The minimum capital requirement represents 8% of risk-weighted assets.

COMPOSITION OF CAPITAL AND TLAC

Template CC1 – Composition of regulatory capital

	(in millions of dollars and as a percentage)	As at December 31, 2020	Cross-reference[1]	As at September 30, 2020	As at June 30, 2020	As at March 31, 2020	As at December 31, 2019
	Tier 1A capital instruments: Instruments and reserves						
1	Directly issued qualifying Tier 1A capital instruments (and equivalent)	**$ 4,889**	A + B	$ 4,889	$ 4,889	$ 4,889	$ 4,889
2	Qualifying reserves and undistributed surplus earnings	**23,132**	C + D	22,436	21,945	22,668	21,222
3	Accumulated amounts of other general income (and other reserves) and accumulated other comprehensive income	**1,308**	E	1,185	1,046	460	223
4	Directly issued capital subject to phase-out from Tier 1A regulatory capital	**125**	F	132	141	154	238
5	Tier 1A capital instruments issued by subsidiaries and held by third parties (amount allowed in Tier 1A capital)	**-**		-	-	-	-
6	**Tier 1A capital instruments before regulatory adjustments**	**29,454**		28,642	28,021	28,171	26,572
	Tier 1A capital instruments: Regulatory adjustments						
7	Prudential valuation adjustments	**-**		-	-	-	-
8	Goodwill (net of related deferred tax liabilities)	**150**	G + H	150	121	6	6
9	Intangible assets other than mortgage servicing rights and software (net of qualifying deferred tax liabilities)	**354**	I + J	389	362	100	103
10	Deferred tax assets, excluding those arising from temporary differences (net of qualifying deferred tax liabilities)	**111**	K + L	137	179	196	167
11	Cash flow hedge reserve	**466**	M	501	531	441	(22)
12	Shortfall of allowances for expected losses[2]	**138**	Note	280	277	358	458
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	**25**	B	25	28	39	27
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)	**1,784**	N + O	1,180	908	963	1,253
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 financial institutions	**-**		-	-	-	-
24	Of which: mortgage servicing rights	**-**		-	-	-	-
25	Of which: deferred tax assets arising from temporary differences	**-**		-	-	-	-
26	Other specific regulatory adjustments[3]	**(29)**	Note	(20)	(20)	-	-
27	Regulatory adjustments applied to Tier 1A capital instruments due to insufficient Tier 1B capital and Tier 2 capital to cover deductions	**138**	X	140	142	334	31
28	**Total regulatory adjustments to Tier 1A capital**	**3,137**		2,782	2,528	2,437	2,023
29	**Total Tier 1A capital**	**26,317**		25,860	$ 25,493	$ 25,734	$ 24,549
29a	**Total Tier 1A capital without the application of the transitional provisions for the provisioning of expected credit losses (ECLs)[3]**	**$ 26,284**		$ 25,837	25,472	N/A	N/A

Footnotes to this table are presented on page 9.

Template CC1 – Composition of regulatory capital (continued)

	(in millions of dollars and as a percentage)	As at December 31, 2020	Cross-reference[1]	As at September 30, 2020	As at June 30, 2020	As at March 31, 2020	As at December 31, 2019
	Tier 1B capital instruments						
30	Directly issued qualifying Tier 1B capital instruments	**$ -**		$ -	$ -	$ -	$ -
31	Of which: instruments classified as equity under applicable accounting standards	**-**		-	-	-	-
32	Of which: instruments classified as liabilities under applicable accounting 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 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 (amount above 10% threshold)	**-**		-	-	-	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	**138**	X	140	142	144	-
41	Specific regulatory adjustments	**(138)**	X	(140)	(142)	(334)	(31)
42	Regulatory adjustments applied to Tier 1B capital due to insufficient Tier 2 capital to cover deductions	**-**		-	-	190	31
43	**Total regulatory adjustments to Tier 1B capital**	**-**		-	-	-	-
44	**Total Tier 1B capital**	**-**		-	-	-	-
45	**Total Tier 1 capital (1A + 1B)**	**26,317**		25,860	25,493	25,734	24,549
45a	**Total Tier 1 capital (1A + 1B) without the application of the transitional provisions for the provisioning of ECLs[3]**	**26,284**		25,837	25,472	N/A	N/A
	Tier 2 capital: Instruments and provisions						
46	Directly issued qualifying Tier 2 capital instruments[4]	**1,023**	P	998	1,004	25	25
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	**495**	Q	488	454	510	687
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	**105**	R	96	95	101	77
51	**Tier 2 capital before regulatory adjustments**	**1,623**		1,582	1,553	636	789
	Tier 2 capital: Regulatory adjustments						
52	Investments in own Tier 2 capital instruments[4]	**-**		-	-	-	-
53	Reciprocal cross-holdings in Tier 2 capital instruments and other TLAC liabilities	**-**		-	-	-	-
54	Investments of the "entity" in the capital and other TLAC liabilities 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 (amount above 10% threshold)	**-**		-	-	-	-
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of qualifying short positions)	**826**	S + T	826	826	826	820
56	Specific regulatory adjustments	**-**		-	-	(190)	(31)
57	**Total regulatory adjustments to Tier 2 capital**	**826**		826	826	636	789
58	**Total Tier 2 capital**	**797**		756	727	-	-
59	**Total capital (1A + 1B and 2)**	**27,114**		26,616	26,220	25,734	24,549
59a	**Total capital (1A + 1B and 2) without the application of the transitional provisions for the provisioning of ECLs[3]**	**27,111**		26,614	26,218	N/A	N/A
60	**Total risk-weighted assets**	**$ 120,101**		$ 120,603	$ 117,148	$ 115,921	$ 113,861

Footnotes to this table are presented on page 9.

Template CC1 – Composition of regulatory capital (continued)

	(in millions of dollars and as a percentage)	As at December 31, 2020	Cross-reference[1]	As at September 30, 2020	As at June 30, 2020	As at March 31, 2020	As at December 31, 2019
	Capital ratios and buffers						
61	Tier 1A (as a % of risk-weighted assets)	**21.9 %**		21.4 %	21.8 %	22.2 %	21.6 %
61a	Tier 1A (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**21.9**		21.4	21.7	N/A	N/A
62	Tier 1 (as a % of risk-weighted assets)	**21.9**		21.4	21.8	22.2	21.6
62a	Tier 1 (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**21.9**		21.4	21.7	N/A	N/A
63	Total capital (as a % of risk-weighted assets)	**22.6**		22.1	22.4	22.2	21.6
63a	Total capital (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**22.6**		22.1	22.4	N/A	N/A
64	Entity-specific buffer requirement (capital conservation buffer + countercyclical buffer + higher loss absorbency requirement, expressed as a % of risk-weighted assets)	**3.5**		3.5	3.5	3.5	3.5
65	Of which: capital conservation buffer	**2.5**		2.5	2.5	2.5	2.5
66	Of which: entity-specific countercyclical buffer	**N/A**		N/A	N/A	N/A	N/A
67	Of which: higher loss absorbency requirement	**1.0**		1.0	1.0	1.0	1.0
68	Tier 1A capital (as a % of risk-weighted assets) available after meeting minimum capital requirements	**19.1**		18.6	18.9	18.7	18.1
	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 and other liabilities of other financial entities	**$ 337**	U	$ 447	$ 136	$ 133	$ 136
73	Significant investments in Tier 1A capital instruments of financial entities	**2,824**	V	2,718	2,654	2,703	2,583
74	Mortgage servicing rights (net of related tax liabilities)	**-**		-	-	-	-
75	Deferred tax assets arising from temporary differences (net of related tax liabilities)	**939**	W	923	908	534	726
	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)	**134**		117	114	101	77
77	Cap on inclusion of provision in Tier 2 capital under the Standardized Approach	**134**		117	114	101	77
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 by January 1, 2022						
80	Current cap on Tier 1A capital instruments subject to phase-out	**420**		420	420	420	630
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	**618**		618	618	618	928
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.

(3) Includes the impact of the transitional provisions for the provisioning of expected credit losses announced by the AMF on March 31, 2020. The transitional provisions allow for the inclusion in Tier 1A capital of a portion of loss allowances for expected credit losses that would have otherwise been included in Tier 2 capital. The amount is subject to restrictions, including a scaling factor decreasing each year until 2022, and is also adjusted to take into account the tax impact.

(4) Data as at June 30, 2020 have been reclassified to conform with the presentation for the current period.

Template CC2 – Reconciliation of regulatory capital to balance sheet
As at December 31, 2020

(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	$ 12,126	$ 826	$ 11,300		
Securities	87,668	31,491	56,177		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				$ 337	U
Other securities				55,840	
Securities borrowed or purchased under reverse repurchase agreements	9,658	(259)	9,917		
Loans	212,533	2,649	209,884		
Significant investments in the Tier 2 capital of financial institutions				126	S
Other loans				209,758	
Allowance for credit losses	(1,112)	(6)	(1,106)		
General allowance allowed for inclusion in Tier 2 capital				(105)	R
Allowances not allowed for regulatory capital				(1,001)	
Segregated fund net assets	19,093	19,093	-	-	
Other assets					
Clients' liability under acceptances	328	-	328		
Premiums receivable	2,803	2,803	-		
Derivative financial instruments	5,820	336	5,484		
Amounts receivable from clients, brokers and financial institutions	2,499	14	2,485		
Reinsurance assets	1,962	1,962	-		
Right-of-use assets	565	(334)	899		
Investment property	924	910	14		
Property, plant and equipment	1,541	472	1,069		
Goodwill	156	115	41		G
Intangible assets	424	256	168		I
Deferred tax assets	1,154	348	806		
Deferred tax assets other than those attributable to temporary differences				153	K
Deferred tax liabilities other than those attributable to temporary differences				(42)	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				939	W
Deferred tax liabilities related to software and other intangible assets				(70)	J
Deferred tax liabilities related to goodwill				(6)	H
Other deferred tax assets				(168)	
Other				-	
Investments in associates and entities accounted for using the equity method	1,189	(4,707)	5,896		
Significant investments in the capital of other financial institutions exceeding the regulatory threshold of 10% of Tier 1A capital				138	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				2,824	V
Investments in deconsolidated subsidiaries exceeding the regulatory threshold of 10% of Tier 1A capital				1,646	O
Investments in deconsolidated subsidiaries exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				-	
Significant investments in the Tier 1B capital of other financial institutions				138	X
Significant investments in the Tier 2 capital of other financial institutions				700	T
Other adjustments related to investments				450	
Other items	2,704	711	1,993		
Total assets	$ 362,035	$ 56,680	$ 305,355		

Footnotes to this table are presented on the next page.

Template CC2 – Reconciliation of regulatory capital to balance sheet (continued)
As at December 31, 2020

(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	$ 225,236	$ (616)	$ 225,852		
Other liabilities					
Acceptances	328	-	328		
Commitments related to securities sold short	9,353	1	9,352		
Commitments related to securities lent or sold under repurchase agreements	19,152	211	18,941		
Derivative financial instruments	4,884	94	4,790		
Amounts payable to clients, brokers and financial institutions	6,810	93	6,717		
Lease liabilities	633	(339)	972		
Insurance contract liabilities	34,827	34,827	-		
Segregated fund net liabilities	19,089	19,089	-		
Net defined benefit plan liabilities	3,107	674	2,433		
Deferred tax liabilities	372	235	137		
Other	6,488	1,609	4,879		
Liabilities of the disposal group held to be transferred	-	-	-		
Subordinated notes	1,493	-	1,493		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase out				$ 495	Q
Subordinated notes allowed for inclusion in Tier 2 capital				998	P
Subordinated indebtedness not allowed for Tier 2 capital				-	
Total liabilities	331,772	55,878	275,894		
Equity					
Capital stock	5,021	-	5,021		
Permanent shares and surplus shares				125	F
Qualifying shares				25	P
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				(18)	
Federation capital shares				4,864	A
Reciprocal cross-holdings in Tier 1A capital instruments				25	B
Share capital	-	-	-		
Preferred shares allowed for inclusion in Tier 1A capital				-	
Preferred shares not allowed for regulatory capital				-	
Undistributed surplus earnings	1,874	58	1,816		C
Accumulated other comprehensive income	1,302	(6)	1,308		E
Net unrealized gains (losses) on debt securities classified as at fair value through other comprehensive income				674	
Gains (losses) on derivative financial instruments designated as cash flow hedges				466	M
Net unrealized gains (losses) related to the overlay approach adjustment for insurance operations financial assets				169	
Other				(1)	
Reserves	21,316	-	21,316		D
Non-controlling interests	750	750	-		
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				-	
Total equity	30,263	802	29,461		
Total liabilities and equity	$ 362,035	$ 56,680	$ 305,355		

(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 2020 Annual Report.
(2) Refer to Template "Composition of regulatory capital" in this report.

Template CCA – Main features of regulatory capital instruments and other TLAC-eligible instruments

As at December 31, 2020

	Features	Qualifying shares	Permanent shares	Surplus shares	Qualifying shares	F capital shares
1	Issuer	Desjardins caisses in Québec	Desjardins caisses in Québec	Desjardins caisses in Québec	*Fédération des caisses Desjardins du 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
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	N/A	N/A	N/A	N/A	N/A
	Regulatory treatment:					
4	Transitional Basel III rules	Tier 2 instrument	Tier 1A instrument	Tier 1A instrument	Tier 2 instrument	Tier 1A instrument
5	Post-transitional Basel III rules	Tier 2 instrument	Non-qualifying	Non-qualifying	Tier 2 instrument	Tier 1A instrument
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity	Entity	Entity
7	Instrument type	Qualifying shares	Capital shares	Capital shares	Qualifying shares	Capital shares
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$25,149	$107,533	$16,968	$100	$4,889,464
9	Par value of instrument	$5	$10	$1	$5	$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
	Coupons / dividends					
17	Fixed or floating dividend/coupon	N/A	Floating	Floating	N/A	Floating
18	Coupon rate or any related index	N/A	0.5% per year	0.5% per year	N/A	4.25% per year
19	Existence of a payment stopper	N/A	Yes	Yes	N/A	Yes
20	Fully discretionary, partially discretionary or mandatory	N/A	Fully discretionary	Fully discretionary	N/A	Fully discretionary
21	Existence of step-up or other incentive to redeem	N/A	No	No	N/A	No
22	Non-cumulative or cumulative	N/A	Non-cumulative	Non-cumulative	N/A	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
34a	Type of subordination					
35	In the event of liquidation, position in subordination hierarchy (specify instrument type immediately senior to instrument)	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[1]	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[1]	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[1]	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[1]	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[1]
36	Non-compliant transitioned features	No	Yes	Yes	No	No
37	If yes, specify non-compliant feature	N/A	Redemption by the issuer not limited to liquidation	Redemption by the issuer not limited to liquidation	N/A	N/A

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

Template CCA – Main features of regulatory capital instruments and other TLAC-eligible instruments (continued)
As at December 31, 2020

	Features	Series J senior notes	NVCC subordinated notes	TLAC senior notes	TLAC senior notes
1	Issuer	Desjardins Capital Inc.	Fédération des caisses Desjardins du Québec	Fédération des caisses Desjardins du Québec	Fédération des caisses Desjardins du Québec
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	CA 14006ZAF41	31430WDW1 / CA31430WDW16	CA31430WCG74	31429KAD5 / 31429LAD3
3	Governing law(s) of the instrument	Québec	Québec, and applicable Canadian federal laws	Québec, and applicable Canadian federal laws	New York (United States), except specific exceptions (Québec, and applicable Canadian federal laws)
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	N/A	N/A	N/A	Contractual
	Regulatory treatment:				
4	Transitional Basel III rules	Tier 2 instrument	Tier 2 instrument	N/A	N/A
5	Post-transitional Basel III rules	Non-qualifying	Tier 2 instrument	N/A	N/A
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity	Entity
7	Instrument type	Subordinated notes	Subordinated notes	Other TLAC instruments	Other TLAC instruments
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$495,024	$997,983	Amount qualifying for TLAC purposes only	Amount qualifying for TLAC purposes only
9	Par value of instrument	$500,000,000	$1,000,000,000	$1,000,000,000	US$1,000,000,000
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Original date of issuance	December 15, 2011	May 26, 2020	October 4, 2019	February 10, 2020
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	December 15, 2026	May 26, 2030	October 4, 2024	February 10, 2025
14	Issuer call subject to prior approval by the AMF	Yes	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	On any date on or after December 15, 2021, at the early redemption price	On or after May 26, 2025, at par plus accrued and unpaid interest	N/A	N/A
16	Subsequent call dates, if applicable	N/A	On any date after May 26, 2025, at par plus accrued and unpaid interest	N/A	N/A
	Coupons / dividends				
17	Fixed or floating dividend/coupon	Fixed, then floating	Fixed, then floating	Fixed	Fixed
18	Coupon rate or any related index	4.954% per year until December 15, 2021. Afterwards, 90-day bankers' acceptance rate plus 2.67%	2.856% per year until, but excluding, May 26, 2025. Afterwards, annual rate equal to 3-month bankers' acceptance rate plus 2.11%	2.417% per year	2.05% per year
19	Existence of a payment stopper	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	See Note (1)	N/A	N/A
25	If convertible, fully or partially	N/A	Always fully convertible	N/A	N/A
26	If convertible, conversion rate	N/A	See Note (2)	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	Mandatory	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	Class Z-Contingent capital shares (Tier 1A instrument)	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	Fédération des caisses Desjardins du Québec	N/A	N/A
30	Writedown feature	No	No	No	No
31	Writedown trigger(s)	N/A	N/A	N/A	N/A
32	Full or partial writedown	N/A	N/A	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A	N/A	N/A
34	If temporary writedown, description of writeup mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination			Exemption	Exemption
35	In the event of liquidation, position in subordination hierarchy (specify instrument type immediately senior to instrument)	Senior creditors including depositors	Senior creditors including depositors	Pari passu with deposits	Pari passu with deposits
36	Non-compliant transitioned features	Yes	No	N/A	N/A
37	If yes, specify non-compliant feature	No non-viability contingent capital criteria	N/A	N/A	N/A

(1) NVCC trigger events:
i) the AMF publicly announces that the Federation has been advised, in writing, that the AMF is of the opinion that the Federation has ceased, or is about to cease, to be viable and that, after the conversion of the notes and other contingent instruments issued by the Federation, the viability of the Federation could be restored or maintained; or
ii) a federal or provincial government in Canada publicly announces that the Federation has accepted or agreed to accept a capital injection, or equivalent support from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Federation would have been determined by the AMF to be non-viable as a result of the weakness of the Federation's risk-based capital ratios.

(2) Upon the occurrence of a trigger event, each outstanding note will be converted into a number of Class Z-Contingent capital shares equal to: (multiplier × note value) ÷ conversion price, rounded down. For more details, refer to the prospectus supplement.

Template TLAC1 – TLAC composition (at resolution group level[1])
As at December 31, 2020

		a
	(in millions of dollars)	**Amounts**
	Regulatory capital elements of TLAC and adjustments	
1	Qualifying Tier 1A capital instruments	**$ 25,730**
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	**779**
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	**779**
11	**TLAC arising from regulatory capital**	**26,509**
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the financial institution and subordinated to excluded liabilities	**2,266**
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**	**2,266**
	Non-regulatory capital elements of TLAC: adjustments	
18	**TLAC before deductions**	**28,775**
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**	**$ 28,775**
	Risk-weighted assets and leverage exposure measure for TLAC purposes	
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	**$ 116,522**
24	Leverage exposure measure	**$ 301,805**
	TLAC[2] ratios and buffers	
25	**TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)**	**24.7%**
26	**TLAC (as a percentage of leverage exposure)**	**9.5**
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 Caisse Desjardins Ontario Credit Union Inc.
(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, 2020

	(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[2]	$ 5,200	$ -	$ 1,500	$ 2,273	N/A	**$ 8,973**
3	Subset of row 2 that are excluded liabilities	-	-	-	-	N/A	**-**
4	**Total capital and liabilities less excluded liabilities (row 2 minus row 3)**	**$ 5,200**	**$ -**	**$ 1,500**	**$ 2,273**	**N/A**	**$ 8,973**
5	Subset of row 4 that are potentially eligible as TLAC	5,200	-	1,500	2,273	N/A	**8,973**
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	-	-	-	2,273	N/A	**2,273**
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	-	1,500	-	N/A	**1,500**
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**	**$ 5,200**	**$ -**	**$ -**	**$ -**	**N/A**	**$ 5,200**

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

[2] Capital shares are presented at their carrying amount, while subordinated debts and internal recapitalization instruments are presented at their par value.

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES

Template LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories
As at December 31, 2020

	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	$ 12,126	$ 11,300	$ 11,300	$ -	$ -	$ -	$ -
Securities at amortized cost	29	17	13	-	4	-	-
Securities at fair value through profit or loss	34,960	8,579	483	-	4	8,092	-
Securities at fair value through other comprehensive income	52,679	47,581	47,581	-	-	-	-
Loans and allowance for credit losses	211,421	208,778	208,652	-	-	-	126
Derivative financial instruments	5,820	5,484	-	5,479	-	412	5
Securities borrowed or purchased under reverse repurchase agreements	9,658	9,917	-	9,917	-	9,371	-
Investments in associates and joint ventures accounted for using the equity method	1,189	5,896	2,903	-	-	-	2,993
Assets including premiums receivable and reinsurance assets	23,858	-	-	-	-	-	-
Right-of-use assets	565	899	899	-	-	-	-
Land, buildings and equipment	2,465	1,083	1,083	-	-	-	-
Goodwill, software and other intangible assets	580	209	-	-	-	-	209
Deferred tax assets	1,154	806	806	-	-	-	-
Other assets	5,531	4,806	4,806	-	-	-	-
Total assets	**$ 362,035**	**$ 305,355**	**$ 278,526**	**$ 15,396**	**$ 8**	**$ 17,875**	**$ 3,333**
Liabilities							
Deposits	$ 225,236	$ 225,852	$ -	$ -	$ -	$ -	$ 225,852
Commitments related to securities	28,505	28,293	-	18,941	-	-	-
Derivative financial instruments	4,884	4,790	-	4,790	-	-	-
Segregated fund and insurance contract net liabilities	34,827	-	-	-	-	548	-
Deferred tax liabilities	372	137	-	-	-	-	137
Lease liabilities	633	972	-	-	-	-	972
Acceptances and amounts payable to clients, brokers and financial institutions	7,138	7,045	-	-	-	-	7,045
Net defined benefit plan liabilities and other liabilities	28,684	7,312	-	-	-	-	7,312
Subordinated notes	1,493	1,493	-	-	-	-	1,493
Total liabilities	**$ 331,772**	**$ 275,894**	**$ -**	**$ 23,731**	**$ -**	**$ 548**	**$ 242,811**

[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 statement categories with regulatory risk categories (continued)
As at December 31, 2020

	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	$ 5,021	$ 5,021	$ -	$ -	$ -	$ -	$ 5,021
Share capital	-	-	-	-	-	-	-
Undistributed surplus earnings	1,874	1,816	-	-	-	-	1,816
Accumulated other comprehensive income	1,302	1,308	-	-	-	-	1,308
Reserves	21,316	21,316	-	-	-	-	21,316
Equity – Group's share	**29,513**	**29,461**	**-**	**-**	**-**	**-**	**29,461**
Non-controlling interests	**750**	**-**	**-**	**-**	**-**	**-**	**-**
Total equity	**30,263**	**29,461**	**-**	**-**	**-**	**-**	**29,461**
Total liabilities and equity	**$ 362,035**	**$ 305,355**	**$ -**	**$ 23,731**	**$ -**	**$ 548**	**$ 272,272**

Template LI2 – Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements
As at December 31, 2020

		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)	$ 302,022	$ 278,526	$ 8	$ 15,396	$ 17,875
2	Liabilities carrying amount under scope of regulatory consolidation (per Template LI1)	24,279	-	-	23,731	548
3	**Total net amount under scope of regulatory consolidation**	**277,743**	**278,526**	**8**	**(8,335)**	**17,327**
4	Off-balance sheet amounts[2]	125,576	57,339	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already reported in line 2	3,983	(283)	-	4,266	-
7	Differences due to consideration of provisions	958	958	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Adjustment for derivatives	3,897	-	-	3,897	-
10	Securities financing transaction exposures[3]	37,882	-	-	37,882	-
11	Other differences	-	-	-	-	-
12	**Regulatory exposure amounts[4]**	**$ 450,039**	**$ 336,540**	**$ 8**	**$ 37,710**	**$ 17,327**

[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.

CREDIT RISK

Table CRA – General qualitative 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.	2020 Annual Report	Credit risk	72-82
CRA.b)	Criteria and approach used for defining credit risk management policy and for setting credit risk limits.	2020 Annual Report	Credit risk management	72-78
CRA.c)	Structure and organization of the credit risk management and control function.	2020 Annual Report	Risk management governance	68-70
CRA.d)	Relationships between the credit risk management and the risk control, compliance and internal audit functions.	2020 Annual Report	Risk management governance	68-70
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.	2020 Annual Report	Risk measurement Risk disclosure Risk appetite Proactive risk management approach Risk management governance	66 67 67 67-68 68-70

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

Template CR1 – Credit quality of assets

As at December 31, 2020

		a	b	c	d	e	f	g
		Gross carrying amounts of						
	Type of exposure (in millions of dollars)	Defaulted exposures (a)	Non-defaulted exposures (b)	Allowances / impairments (c)	Specific allowances (d)	General allowances (e)	Allowances for expected credit losses on IRB exposures (f)	Net values (a + b - c)
1	Loans	$ 1,704	$ 208,378	$ 1,106	$ 148	$ 958	$ 790	$ **208,976**
1.1	Sovereigns and their central banks	-	362	-	-	-	-	**362**
1.2	Non-central government public sector entities	-	3,112	-	-	-	-	**3,112**
1.3	Multilateral development banks	-	-	-	-	-	-	**-**
1.4	Deposit-taking institutions and banks	-	376	1	-	1	-	**375**
1.5	Investment companies	-	-	-	-	-	-	**-**
1.6	Businesses	693	41,669	295	140	155	250	**42,067**
1.7	Regulatory retail portfolios	422	30,656	609	2	607	371	**30,469**
1.8	Secured by residential property	527	121,487	188	4	184	122	**121,826**
1.9	Secured by commercial real estate	46	10,623	12	2	10	47	**10,657**
1.10	Equity	-	-	-	-	-	-	**-**
1.11	Past-due loans[1]	-	-	-	-	-	-	**-**
1.12	Higher-risk categories	16	93	1	-	1	-	**108**
1.13	Other loans	-	-	-	-	-	-	**-**
2	Debt securities	-	58,612	-	-	-	8	**58,612**
3	Off-balance sheet exposures	255	124,419	78	-	78	156	**124,596**
4	**Total**	**$ 1,959**	**$ 391,409**	**$ 1,184**	**$ 148**	**$ 1,036**	**$ 954**	**$ 392,184**

[1] Past-due loan exposures are entirely reflected in the “Defaulted exposures” column.

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

For the six-month period ended December 31, 2020

	(in millions of dollars)	Sovereigns and their central banks	Non-central government public sector entities	Multilateral development banks	Deposit-taking institutions and banks
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ -**	**$ 13**	**$ -**	**$ -**
2	Loans and debt securities that have defaulted since the last reporting period	-	-	-	-
3	Returned to non-defaulted status	-	(25)	-	-
4	Amounts written-off	-	-	-	-
5	Other changes	-	12	-	-
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ -**	**$ -**	**$ -**	**$ -**

		Investment companies	Businesses	Regulatory retail portfolios	Secured by residential property
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ -**	**$ 589**	**$ 457**	**$ 532**
2	Loans and debt securities that have defaulted since the last reporting period	-	801	401	239
3	Returned to non-defaulted status	-	(742)	(306)	(221)
4	Amounts written-off	-	(25)	(174)	(4)
5	Other changes	-	69	44	(19)
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ -**	**$ 692**	**$ 422**	**$ 527**

		Secured by commercial real estate	Equity	Past-due loans[1]	Higher-risk categories
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ 40**	**$ -**	**$ -**	**$ 104**
2	Loans and debt securities that have defaulted since the last reporting period	36	-	-	14
3	Returned to non-defaulted status	(39)	-	-	(82)
4	Amounts written-off	-	-	-	-
5	Other changes	9	-	-	(20)
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ 46**	**$ -**	**$ -**	**$ 16**

		Other loans	Total loans	Debt securities	Total
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ -**	**$ 1,735**	**$ -**	**$ 1,735**
2	Loans and debt securities that have defaulted since the last reporting period	-	1,491	-	**1,491**
3	Returned to non-defaulted status	-	(1,415)	-	**(1,415)**
4	Amounts written-off	-	(203)	-	**(203)**
5	Other changes	-	95	-	**95**
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ -**	**$ 1,703**	**$ -**	**$ 1,703**

[1] Past-due loan exposures are entirely reflected in the “Defaulted exposures” column.

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.	2020 Annual Report	Credit risk management	72-78
			Note 2 – Basis of presentation and significant accounting policies	121-139
CRB.b)	The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.	2020 Annual Report	Note 2 – Basis of presentation and significant accounting policies	121-139
			Note 30 – Financial instrument risk management	200-204
CRB.c)	Description of methods used for determining impairments.	2020 Annual Report	Note 2 – Basis of presentation and significant accounting policies	121-139
CRB.d)	Desjardins Group's own definition of "restructured exposure".	2020 Annual Report	Note 2 – Basis of presentation and significant accounting policies	121-139
CRB.e)	Breakdown of exposures by residual maturity.	2020 Annual Report	Note 30 – Financial instrument risk management	200-204
CRB.g)	Ageing analysis of past-due exposures.	2020 Annual Report	Table 43 – Gross loans past due but not credit-impaired	80
CRB.h)	Breakdown of restructured exposures between impaired and not impaired exposures.	2020 Annual Report	Loan debt relief	78

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

Loan portfolio by borrower category and by industry

(in millions of dollars)	As at December 31, 2020			For the twelve-month period ended December 31, 2020
	Gross loans	Gross credit-impaired loans	Allowance for credit losses	Write-offs and recoveries
Residential mortgages	$ 136,208	$ 374	$ 191	$ 2
Consumer, credit card and other personal loans	25,310	212	545	335
Public bodies[1]	3,017	-	-	-
Business				
Agriculture	9,738	125	23	5
Mining, oil and gas	389	44	17	1
Utilities	720	-	-	-
Construction	3,904	117	61	13
Manufacturing	4,324	111	71	9
Wholesale trade	1,568	35	20	2
Retail trade	3,389	73	32	5
Transportation	1,359	34	25	3
Information industry	312	14	5	-
Finance and insurance	855	1	2	-
Real estate	10,573	43	28	1
Professional services	887	8	6	2
Management of companies	993	9	7	-
Administrative services	353	13	4	2
Education	255	2	1	-
Health care	3,666	35	14	1
Arts and entertainment	786	19	11	8
Accommodation	1,834	48	31	3
Other services	1,133	6	11	4
Other businesses	960	-	7	-
Total business loans	**47,998**	**737**	**376**	**59**
Total loans	**$ 212,533**	**$ 1,323**	**$ 1,112**	**$ 396**

[1] Including loans to governments.

Loan portfolio by geographic area

(in millions of dollars)	As at December 31, 2020			For the twelve-month period ended December 31, 2020
	Gross loans	Gross credit-impaired loans	Allowance for credit losses	Write-offs and recoveries
Canada				
Québec	$ 193,489	$ 1,133	$ 873	$ 319
Other Canadian provinces	18,639	190	233	107
Total – Canada	**212,128**	**1,323**	**1,106**	**426**
Other countries	405	-	6	(30)
Total	**$ 212,533**	**$ 1,323**	**$ 1,112**	**$ 396**

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.	2020 Annual Report	Note 5 – Offsetting financial assets and liabilities	148-149
CRC.b)	Core features of policies and processes for collateral evaluation and management.	2020 Annual Report	Credit risk mitigation	77
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).	2020 Annual Report	Credit risk mitigation	77

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

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

As at December 31, 2020

		a	b	c	d	e	f	g
	(in millions of dollars)	Exposures unsecured: Gross carrying amount (a)	Exposures secured by collateral (b)	Exposures secured by collateral, of which: secured amount (c)	Exposures secured by financial guarantees (d)	Exposures secured by financial guarantees, of which: secured amount (e)	Exposures secured by credit derivatives (f)	Exposures secured by credit derivatives, of which: secured amount (g)
1	Loans	$ 172,698	$ 36,121	$ 34,987	$ 2,212	$ 1,291	$ -	$ -
1.1	Sovereigns and their central banks	362	-	-	-	-	-	-
1.2	Non-central government public sector entities	2,874	238	238	-	-	-	-
1.3	Multilateral development banks	-	-	-	-	-	-	-
1.4	Deposit-taking institutions and banks	375	-	-	-	-	-	-
1.5	Investment companies	-	-	-	-	-	-	-
1.6	Businesses	37,639	4,554	4,249	490	179	-	-
1.7	Regulatory retail portfolios	28,110	1,726	1,438	974	921	-	-
1.8	Secured by residential property	93,758	28,429	27,910	528	158	-	-
1.9	Secured by commercial real estate	9,475	1,172	1,150	219	32	-	-
1.10	Equity	-	-	-	-	-	-	-
1.11	Past-due loans	-	-	-	-	-	-	-
1.12	Higher-risk categories	105	2	2	1	1	-	-
1.13	Other loans	-	-	-	-	-	-	-
2	Debt securities	58,612	-	-	-	-	-	-
3	**Total**	**$ 231,310**	**$ 36,121**	**$ 34,987**	**$ 2,212**	**$ 1,291**	**$ -**	**$ -**
4	Of which defaulted	$ 1,108	$ 500	$ 444	$ 9	$ 4	$ -	$ -

Table CRD – Qualitative disclosures 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.	2020 Annual Report	Counterparty and issuer risk	81-82

[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, 2020

		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	$ 9,793	$ -	$ 9,793	$ -	$ -	-%
2	Non-central government public sector entities	7,461	10,435	7,223	730	1,591	20.01
3	Multilateral development banks	-	-	-	-	-	-
4	Banks and deposit-taking institutions	1,956	73	1,956	35	404	20.29
5	Investment companies	-	-	-	-	-	-
6	Businesses	6,449	5,918	6,332	1,870	7,525	91.75
7	Regulatory retail portfolios	1,637	3,600	867	702	1,176	74.95
8	Secured by residential property	1,484	172	1,468	9	1,259	85.24
9	Secured by commercial real estate	578	37	571	2	573	100.00
10	Equity	255	-	255	-	255	100.15
11	Past-due loans	88	8	83	1	92	109.52
12	Higher-risk categories	87	28	87	15	152	149.02
13	Other assets[3]	15,505	-	15,505	-	4,457	28.75
14	**Total**	**$ 45,293**	**$ 20,271**	**$ 44,140**	**$ 3,364**	**$ 17,484**	**36.81%**

(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) 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, 2020

		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	$ 9,793	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 9,793**
2	Non-central government public sector entities	-	-	7,953	-	-	-	-	-	-	**7,953**
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	1,984	-	-	-	7	-	-	**1,991**
5	Investment companies	-	-	-	-	-	-	-	-	-	**-**
6	Businesses	-	-	637	-	338	-	7,227	-	-	**8,202**
7	Regulatory retail portfolios	-	-	-	-	-	1,569	-	-	-	**1,569**
8	Secured by residential property	-	-	-	422	-	-	1,055	-	-	**1,477**
9	Secured by commercial real estate	-	-	-	-	-	-	573	-	-	**573**
10	Equity	-	-	-	-	-	-	255	-	-	**255**
11	Past-due loans	-	-	-	-	-	-	71	13	-	**84**
12	Higher-risk categories	-	-	-	-	-	-	-	102	-	**102**
13	Other assets[3]	10,957	-	179	-	-	-	4,364	-	5	**15,505**
14	**Total**	**$ 20,750**	**$ -**	**$ 10,753**	**$ 422**	**$ 338**	**$ 1,569**	**$ 13,552**	**$ 115**	**$ 5**	**$ 47,504**

(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) 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.	2020 Annual Report	Risk-weighted assets (RWA) Basel capital accord	57-58 70-72
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.	2020 Annual Report	Table 37 – Risk exposure by asset class (Exposure at default [EAD])	74

[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) range

As at December 31, 2020

		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	$ 39,595	$ 3,924	45.44 %	$ 76,471	0.02 %	103
	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	-	5	49.66	3	24.87	1
	100.00 (default)	-	-	-	-	-	-
	Sub-total	39,595	3,929	45.45	76,474	0.02	104
Exposures related to financial institutions	0.00 to < 0.15	3,537	1,804	23.93	3,904	0.08	108
	0.15 to < 0.25	-	677	30.72	208	0.24	14
	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	24	50	49.01	45	27.96	5
	100.00 (default)	-	-	-	-	-	-
	Sub-total	3,561	2,531	26.43	4,157	0.38	127
Exposures related to businesses	0.00 to < 0.15	2,074	1,859	78.81	3,345	0.08	4,847
	0.15 to < 0.25	11,301	1,641	50.53	11,097	0.18	10,733
	0.25 to < 0.50	14,812	4,329	49.23	13,035	0.35	14,596
	0.50 to < 0.75	7,686	2,046	41.96	6,631	0.57	9,594
	0.75 to < 2.50	19,157	6,245	43.52	19,394	1.37	21,061
	2.50 to < 10.00	7,641	2,147	40.73	6,934	4.88	10,567
	10.00 to < 100.00	1,637	475	46.27	1,488	19.47	2,301
	100.00 (default)	711	164	-	549	100.00	1,065
	Sub-total	65,019	18,906	48.27	62,473	2.48	74,764
Total non-retail clients		**$ 108,175**	**$ 25,366**	**45.80 %**	**$ 143,104**	**1.11 %**	**74,995**

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at December 31, 2020

		g	h	i	j	k	l
(in millions of 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	25.69 %	2.3	$ 7,826	10.23 %	$ 4	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	74.52	1.0	11	408.04	1	N/A
	100.00 (default)	-	-	-	-	-	N/A
	Sub-total	25.69	2.3	7,837	10.25	5	$ 79
Exposures related to financial institutions	0.00 to < 0.15	57.92	0.3	1,343	34.39	1	N/A
	0.15 to < 0.25	10.26	1.0	21	10.20	-	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	70.12	0.5	174	388.67	9	N/A
	100.00 (default)	-	-	-	-	-	N/A
	Sub-total	55.67	0.4	1,538	37.00	10	15
Exposures related to businesses	0.00 to < 0.15	39.84	2.9	694	20.74	1	N/A
	0.15 to < 0.25	18.47	4.5	2,192	19.75	4	N/A
	0.25 to < 0.50	28.41	3.8	4,883	37.46	12	N/A
	0.50 to < 0.75	24.33	4.0	2,756	41.58	9	N/A
	0.75 to < 2.50	26.22	3.7	11,295	58.24	69	N/A
	2.50 to < 10.00	21.82	3.7	4,661	67.20	74	N/A
	10.00 to < 100.00	32.79	3.8	2,336	157.07	104	N/A
	100.00 (default)	30.36	3.4	1,269	231.99	103	N/A
	Sub-total	25.54	3.9	30,086	48.17	376	402
Total non-retail clients		**26.49 %**	**2.9**	**$ 39,461**	**27.58 %**	**$ 391**	**$ 496**

Footnotes to this table are presented on page 33.

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at December 31, 2020

		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	$ 9	$ 11	50.00 %	$ 6,916	0.08 %	18,219
	0.15 to < 0.25	7,771	26	50.00	451	0.18	32,081
	0.25 to < 0.50	33	-	42.82	1	0.43	238
	0.50 to < 0.75	5,808	26	50.00	256	0.56	28,516
	0.75 to < 2.50	5,952	26	50.00	213	1.28	29,758
	2.50 to < 10.00	1,752	8	50.00	47	4.57	8,185
	10.00 to < 100.00	272	2	50.00	9	24.25	1,267
	100.00 (default)	178	-	-	12	100.00	735
	Sub-total	21,775	99	49.60	7,905	0.34	118,999
Exposures related to residential mortgage loans – Uninsured exposures	0.00 to < 0.15	35,041	13,299	62.54	36,435	0.08	492,913
	0.15 to < 0.25	19,997	6,822	65.74	24,036	0.22	297,466
	0.25 to < 0.50	3	1	79.67	-	0.27	31
	0.50 to < 0.75	12,973	3,174	62.49	14,702	0.52	177,192
	0.75 to < 2.50	9,827	1,752	59.52	10,655	1.23	115,820
	2.50 to < 10.00	2,283	313	56.52	2,413	3.96	26,736
	10.00 to < 100.00	438	45	49.91	451	19.93	5,893
	100.00 (default)	263	37	-	251	100.00	3,807
	Sub-total	80,825	25,443	63.00	88,943	0.78	1,119,858
Other retail client exposures (QRRCE)	0.00 to < 0.15	2,542	21,713	48.41	13,053	0.05	1,745,907
	0.15 to < 0.25	569	2,487	35.20	1,444	0.20	320,772
	0.25 to < 0.50	1,616	15,927	52.45	9,970	0.31	2,617,141
	0.50 to < 0.75	339	360	63.95	569	0.68	28,959
	0.75 to < 2.50	1,273	2,066	34.42	1,985	1.09	397,692
	2.50 to < 10.00	3,234	3,314	29.20	4,202	3.40	942,351
	10.00 to < 100.00	901	485	26.79	1,031	19.48	227,463
	100.00 (default)	105	23	-	105	100.00	16,823
	Sub-total	10,579	46,375	46.96	32,359	1.59	6,297,108
SMEs similar to other retail client exposures	0.00 to < 0.15	761	1,821	48.32	1,631	0.09	44,429
	0.15 to < 0.25	1,008	1,526	51.43	1,768	0.19	46,186
	0.25 to < 0.50	1,983	2,211	39.86	2,750	0.38	96,570
	0.50 to < 0.75	157	18	47.18	66	0.65	2,772
	0.75 to < 2.50	2,347	1,227	51.97	2,634	1.27	68,169
	2.50 to < 10.00	696	202	45.04	643	4.69	18,293
	10.00 to < 100.00	213	58	14.89	182	20.05	6,398
	100.00 (default)	171	21	-	127	100.00	3,543
	Sub-total	7,336	7,084	46.47	9,801	2.48	286,360
Other retail client exposures (non QRRCE) except SMEs	0.00 to < 0.15	1,183	707	70.76	1,679	0.08	82,819
	0.15 to < 0.25	959	4	28.95	947	0.19	71,372
	0.25 to < 0.50	1,279	166	61.41	1,341	0.37	79,697
	0.50 to < 0.75	1,070	64	57.87	1,107	0.53	44,939
	0.75 to < 2.50	5,486	29	57.84	5,260	1.84	267,784
	2.50 to < 10.00	878	22	56.04	694	4.03	49,356
	10.00 to < 100.00	392	1	52.94	320	22.91	141,667
	100.00 (default)	143	1	-	86	100.00	58,618
	Sub-total	11,390	994	67.42	11,434	2.61	796,252
Total retail clients		**$ 131,905**	**$ 79,995**	**52.27 %**	**$ 150,442**	**1.01 %**	**8,618,577**

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at December 31, 2020

		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	33.02 %	N/A	$ 484	7.00 %	$ 2	N/A
	0.15 to < 0.25	30.24	N/A	55	12.14	-	N/A
	0.25 to < 0.50	24.60	N/A	-	18.52	-	N/A
	0.50 to < 0.75	34.12	N/A	78	30.34	-	N/A
	0.75 to < 2.50	34.67	N/A	114	53.55	1	N/A
	2.50 to < 10.00	33.06	N/A	50	106.28	1	N/A
	10.00 to < 100.00	35.12	N/A	19	212.97	1	N/A
	100.00 (default)	31.99	N/A	51	423.87	-	N/A
	Sub-total	32.94	N/A	851	10.76	5	$ 8
Exposures related to residential mortgage loans Uninsured exposures	0.00 to < 0.15	18.34	N/A	1,384	3.80	5	N/A
	0.15 to < 0.25	19.59	N/A	2,168	9.02	11	N/A
	0.25 to < 0.50	15.19	N/A	-	8.06	-	N/A
	0.50 to < 0.75	20.09	N/A	2,514	17.11	15	N/A
	0.75 to < 2.50	20.68	N/A	3,329	31.24	27	N/A
	2.50 to < 10.00	20.38	N/A	1,476	61.16	19	N/A
	10.00 to < 100.00	19.90	N/A	533	118.09	18	N/A
	100.00 (default)	17.92	N/A	597	237.48	-	N/A
	Sub-total	20.42	N/A	12,001	13.49	95	119
Other retail client exposures (QRRCE)	0.00 to < 0.15	83.39	N/A	383	2.93	5	N/A
	0.15 to < 0.25	90.95	N/A	148	10.29	3	N/A
	0.25 to < 0.50	85.68	N/A	1,362	13.66	26	N/A
	0.50 to < 0.75	73.58	N/A	126	22.16	3	N/A
	0.75 to < 2.50	88.88	N/A	762	38.39	19	N/A
	2.50 to < 10.00	81.79	N/A	3,351	79.73	116	N/A
	10.00 to < 100.00	65.43	N/A	1,851	179.66	132	N/A
	100.00 (default)	79.15	N/A	1,100	1,048.70	-	N/A
	Sub-total	83.81	N/A	9,083	28.07	304	90
SMEs similar to other retail client exposures	0.00 to < 0.15	61.30	N/A	251	15.46	1	N/A
	0.15 to < 0.25	59.54	N/A	436	24.65	2	N/A
	0.25 to < 0.50	54.38	N/A	954	34.67	6	N/A
	0.50 to < 0.75	21.49	N/A	12	18.88	-	N/A
	0.75 to < 2.50	60.55	N/A	1,817	68.98	20	N/A
	2.50 to < 10.00	60.79	N/A	607	94.39	18	N/A
	10.00 to < 100.00	60.18	N/A	247	135.77	22	N/A
	100.00 (default)	51.30	N/A	867	679.72	-	N/A
	Sub-total	58.39	N/A	5,191	52.97	69	52
Other retail client exposures (non-QRRCE), except SMEs	0.00 to < 0.15	68.20	N/A	269	16.03	1	N/A
	0.15 to < 0.25	91.76	N/A	360	38.05	2	N/A
	0.25 to < 0.50	67.75	N/A	601	44.74	4	N/A
	0.50 to < 0.75	39.82	N/A	350	31.57	2	N/A
	0.75 to < 2.50	39.37	N/A	2,675	50.90	38	N/A
	2.50 to < 10.00	42.92	N/A	454	65.35	12	N/A
	10.00 to < 100.00	41.97	N/A	335	104.66	31	N/A
	100.00 (default)	45.95	N/A	522	608.80	-	N/A
	Sub-total	51.65	N/A	5,566	48.68	90	55
Total retail clients		**37.25 %**	**N/A**	**$ 32,692**	**21.73 %**	**$ 563**	**$ 324**

[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, 2020

		a
	(in millions of dollars)	RWA amounts
1	**RWA as at end of previous reporting period**	**$ 72,980**
2	Asset size[1]	**152**
3	Asset quality[2]	**(1,685)**
4	Model updates[3]	**879**
5	Methodology and policy[4]	**-**
6	Acquisitions and disposals[5]	**-**
7	Foreign exchange movements[6]	**(173)**
8	Other	**-**
9	**RWA as at end of reporting period**	**$ 72,153**

(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, 2020

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%	0.02%	94	103	-	-	-%
	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	-	-	-	-	-	-	-
	10.00 to < 100.00	B- to C	24.87	12.29	1	1	-	-	-
Exposures related to financial institutions	0.00 to < 0.15	AAA to A-	0.08	0.05	88	108	-	-	-
	0.15 to < 0.25	BBB+	0.24	0.12	11	14	-	-	-
	0.25 to < 0.50	BBB to BBB-	-	-	9	-	-	-	-
	0.50 to < 0.75	BB+	-	-	-	-	-	-	-
	0.75 to < 2.50	BB to BB-	-	-	-	-	-	-	-
	2.50 to < 10.00	B+ to B	-	-	1	-	-	-	-
	10.00 to < 100.00	B- to C	27.96	21.45	-	5	-	-	-
Exposures related to businesses	0.00 to < 0.15	AAA to A-	0.08	0.09	2,333	4,847	2	-	0.08
	0.15 to < 0.25	BBB+	0.18	0.22	27,247	10,733	35	7	0.18
	0.25 to < 0.50	BBB to BBB-	0.35	0.35	9,996	14,596	32	2	0.39
	0.50 to < 0.75	BB+	0.57	0.59	4,934	9,594	26	1	0.71
	0.75 to < 2.50	BB to BB-	1.37	1.51	14,629	21,061	118	7	0.88
	2.50 to < 10.00	B+ to B	4.88	5.19	5,678	10,567	196	3	3.09
	10.00 to < 100.00	B- to C	19.47	20.75	1,314	2,301	179	7	21.21
Total non-retail clients					**66,335**	**73,930**	**588**	**27**	

Template CR9 – IRB – Backtesting of probability of default (PD) per portfolio (continued)
As at December 31, 2020

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%	-%	66,704	18,219	-	-	-%
	0.15 to < 0.25	2	0.18	0.15	-	32,081	43	1	0.39
	0.25 to < 0.50	3	0.43	-	45,660	238	-	-	-
	0.50 to < 0.75	4	0.56	0.62	36,725	28,516	108	5	0.78
	0.75 to < 2.50	5	1.28	1.47	30,850	29,758	256	28	1.54
	2.50 to < 10.00	6	4.57	4.55	9,206	8,185	259	10	3.91
	10.00 to < 100.00	7	24.25	55.87	3,693	1,267	978	50	16.48
Exposures related to residential mortgage loans – Uninsured exposures	0.00 to < 0.15	1	0.08	0.07	427,959	492,913	213	15	0.06
	0.15 to < 0.25	2	0.22	0.23	-	297,466	448	20	0.19
	0.25 to < 0.50	3	0.27	-	265,403	31	-	-	-
	0.50 to < 0.75	4	0.52	0.55	169,233	177,192	614	52	0.44
	0.75 to < 2.50	5	1.23	1.23	122,236	115,820	1,115	79	1.05
	2.50 to < 10.00	6	3.96	4.12	33,214	26,736	1,119	57	3.40
	10.00 to < 100.00	7	19.93	50.59	10,808	5,893	6,003	350	17.12
Qualifying revolving retail client exposures (QRRCE)	0.00 to < 0.15	1	0.05	0.05	1,820,882	1,745,907	1,078	22	0.05
	0.15 to < 0.25	2	0.20	0.20	330,658	320,772	740	17	0.18
	0.25 to < 0.50	3	0.31	0.30	587,950	2,617,141	5,969	97	0.21
	0.50 to < 0.75	4	0.68	0.68	61,196	28,959	288	15	0.59
	0.75 to < 2.50	5	1.09	1.08	3,292,873	397,692	4,177	103	0.91
	2.50 to < 10.00	6	3.40	3.41	252,293	942,351	36,175	5,002	2.90
	10.00 to < 100.00	7	19.48	29.97	346,623	227,463	99,380	1,040	17.59
SMEs similar to other retail client exposures	0.00 to < 0.15	1	0.09	0.09	28,922	44,429	34	1	0.12
	0.15 to < 0.25	2	0.19	0.19	38,322	46,186	105	3	0.27
	0.25 to < 0.50	3	0.38	0.38	56,229	96,570	357	36	0.32
	0.50 to < 0.75	4	0.65	0.65	961	2,772	10	-	1.04
	0.75 to < 2.50	5	1.27	1.29	68,679	68,169	1,342	77	1.93
	2.50 to < 10.00	6	4.69	4.63	20,626	18,293	1,162	20	5.57
	10.00 to < 100.00	7	20.05	19.10	9,369	6,398	2,177	72	21.25
Other retail client exposures (non-QRRCE), except SMEs	0.00 to < 0.15	1	0.08	0.11	59,522	82,819	55	8	0.08
	0.15 to < 0.25	2	0.19	0.19	-	71,372	163	15	0.16
	0.25 to < 0.50	3	0.37	0.42	99,047	79,697	388	41	0.36
	0.50 to < 0.75	4	0.53	0.52	124,121	44,939	74	5	0.27
	0.75 to < 2.50	5	1.84	1.80	155,223	267,784	3,168	196	1.22
	2.50 to < 10.00	6	4.03	3.76	244,983	49,356	2,938	424	3.17
	10.00 to < 100.00	7	22.91	45.66	48,286	141,667	22,520	1,566	20.20
Total retail clients					**8,868,456**	**8,535,051**	**193,456**	**9,427**	

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.	2020 Annual Report	Credit risk management	72-78
			Counterparty and issuer risk	81-82
CCRA.a)	Policies relating to guarantees and other risk mitigants and assessments concerning counterparty risk, including exposures towards CCPs.	2020 Annual Report	Counterparty and issuer risk	81-82
			Note 5 – Offsetting financial assets and liabilities	148-149
			Note 20 – Derivative financial instruments and hedging activities	182-191
CCRA.a)	Policies with respect to wrong-way risk exposures.	2020 Annual Report	Counterparty and issuer risk	81-82
CCRA.a)	The impact in terms of the amount of collateral that Desjardins Group would be required to provide given a credit rating downgrade.	2020 Annual Report	Credit ratings of securities issued	93-94

[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, 2020

	(in millions of dollars)	a Replacement cost	b Potential future exposure	c EEPE	d Alpha used for computing regulatory EAD	e EAD post-CRM	f RWA
1	SA – CCR (for derivatives)	$ 3,719	$ 143	N/A	1.4	$ 3,897	$ 2,161
2	Internal Model Method (for derivatives and securities financing transactions – SFTs)	N/A	N/A	$ -	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)	N/A	N/A	N/A	N/A	-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)	N/A	N/A	N/A	N/A	1,379	372
5	VaR for SFTs	N/A	N/A	N/A	N/A	N/A	-
6	**Total**	**$ 3,719**	**$ 143**	**$ -**	**N/A**	**$ 5,276**	**$ 2,533**

[1] Excluding exposures and RWA for the credit valuation adjustment (presented in Template CCR2) and central counterparties (presented in Template CCR8).

Template CCR2 – Credit valuation adjustment (CVA) capital charge
As at December 31, 2020

	(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 multiplier x 1)[1]	N/A	-
3	**All portfolios subject to the Standardized CVA capital charge**	**3,837**	**1,854**
4	**Total subject to the CVA capital charge**	**$ 3,837**	**$ 1,854**

[1] Since March 31, 2020, the simulated value at risk multiplier has been reduced in the calculation of market risk in accordance with the relief measures implemented by the AMF in response to the COVID-19 pandemic.

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

As at December 31, 2020

		a	b	c	d	e	f	g	h	i
	(in millions of dollars)	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Other**	**Total credit exposure**
	Risk weight / Regulatory portfolio									
1	Sovereigns and their central banks	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
2	Non-central government public sector entities	-	-	43	-	-	-	-	-	**43**
3	Multilateral development banks	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	285	-	-	-	-	-	**285**
5	Investment companies	-	-	-	-	-	-	-	-	**-**
6	Businesses	-	-	20	30	-	517	-	-	**567**
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	-	-	-	-	-	-	11	-	**11**
13	Other assets	-	-	-	-	-	-	-	-	**-**
14	**Total**	**$ -**	**$ -**	**$ 348**	**$ 30**	**$ -**	**$ 517**	**$ 11**	**$ -**	**$ 906**

[1] 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, 2020

(in millions of dollars and as a percentage)	PD scale (%)	a EAD post-CRM	b Average PD	c Number of debtors	d Average LGD	e Average maturity	f RWA[1]	g RWA proportion
Exposures related to sovereign borrowers	0.00 to < 0.15	$ 931	0.02 %	150	10.00 %	0.33	$ 4	0.43 %
	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	931	0.02	150	10.00	0.33	4	0.43
Exposures related to financial institutions	0.00 to < 0.15	3,139	0.08	4,129	65.41	2.06	1,468	46.75
	0.15 to < 0.25	-	0.05	103	14.95	1.57	-	61.14
	0.25 to < 0.50	1	0.16	11	53.96	0.08	1	63.88
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	1	0.76	15	42.55	0.08	1	178.19
	2.50 to < 10.00	16	3.33	48	95.98	0.02	37	230.04
	10.00 to < 100.00	-	27.96	2	65.99	1.00	1	365.78
	100.00 (default)	-	-	-	-	-	-	-
	Sub-total	3,157	0.10	4,308	65.59	2.05	1,508	47.74
Exposures related to businesses	0.00 to < 0.15	58	0.11	176	82.82	1.89	31	54.01
	0.15 to < 0.25	14	0.19	493	78.71	3.01	7	52.15
	0.25 to < 0.50	55	0.32	754	82.74	2.03	54	97.90
	0.50 to < 0.75	34	0.59	364	81.88	4.34	56	160.77
	0.75 to < 2.50	99	1.43	1,269	78.91	3.22	185	186.27
	2.50 to < 10.00	16	4.34	711	79.17	2.38	41	266.39
	10.00 to < 100.00	5	17.39	548	71.07	1.02	22	403.53
	100.00 (default)	1	38.71	2	32.61	1.50	7	1,116.31
	Sub-total	282	1.54	4,317	82.36	2.75	403	142.68
Total (all portfolios)		**$ 4,370**	**0.17 %**	**8,775**	**54.85 %**	**1.73**	**$ 1,915**	**43.80 %**

(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, 2020

		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	$ -	$ 1,311	$ -	$ 13	$ 18,675	$ 9,919
2	Cash – Other currencies	-	2,951	-	746	-	-
3	Domestic sovereign debt	84	-	6	-	-	-
4	Other sovereign debt	-	-	-	-	8,526	15,961
5	Government agency debt	-	-	-	-	1,387	2,976
6	Corporate bonds	29	-	83	-	3	4
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-
	Total	**$ 113**	**$ 4,262**	**$ 89**	**$ 759**	**$ 28,591**	**$ 28,860**

Template CCR6 – Credit derivatives exposures
As at December 31, 2020

		a	b
	(in millions of dollars)	Protection bought	Protection sold
	Notional amounts		
1	Single-name credit default swaps	$ -	$ -
2	Index credit default swaps	-	649
3	Total return swaps	159	159
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notional amounts**	**$ 159**	**$ 808**
	Fair values		
7	Positive fair value (asset)	$ -	$ 21
8	Negative fair value (liability)	5	-

Template CCR8 – Exposures to central counterparties (CCP)
As at December 31, 2020

		a	b
	(in millions of dollars)	EAD post-CRM	RWA
1	**Exposures to QCCPs (total)**	**$ 482**	**$ 19**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	447	9
3	i) OTC derivatives	82	2
4	ii) Exchange-traded derivatives	338	6
5	iii) Securities financing transactions	27	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	35	10
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.	2020 Annual Report	Structured entities	61
			Note 8, "Derecognition of financial assets"	161
			Note 13, "Interests in other entities"	167-170
			Note 29, "Commitments, guarantees and contingent liabilities"	198-200
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).	2020 Annual Report	Risk-weighted assets	57-58
			Structured entities	61
			Additional information related to certain risk exposures	61
			Note 6, "Securities"	150-151
			Note 8, "Derecognition of financial assets"	161
			Note 13, "Interests in other entities"	167-170
			Note 29, "Commitments, guarantees and contingent liabilities"	198-200
SECA.c)	Summary of Desjardins Group's accounting policies for securitization activities.	2020 Annual Report	Counterparty and issuer risk	81-82
			Liquidity risk	88-94
			Financing programs and strategies	91-92
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.	2020 Annual Report	Counterparty and issuer risk	81-82

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

Template SEC1 – Securitization exposures in the banking book

As at December 31, 2020

		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:**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8**	**$ -**	**$ 8**
7	Business loans	-	-	-	-	-	-	-	-	-
8	Commercial mortgage	-	-	-	-	-	-	-	-	-
9	Lease and receivables	-	-	-	-	-	-	-	-	-
10	Other wholesale exposures	-	-	-	-	-	-	4	-	4
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, 2020

		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**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8**	**$ -**	**$ -**	**$ -**	**$ 8**
2	Traditional securitization	-	-	-	-	8	-	-	-	8
3	Of which securitization	-	-	-	-	4	-	-	-	4
4	Of which retail underlying	-	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	-	4	-	-	-	4
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)	SEC-IRB (including IAA)	SEC-ERB	SA/SFA	1,250%	SEC-IRB (including IAA)	SEC-ERB	SA/SFA	1,250%
1	**Total exposures**	**$ -**	**$ -**	**$ -**	**$ 97**	**$ -**	**$ -**	**$ -**	**$ 8**
2	Traditional securitization	-	-	-	97	-	-	-	8
3	Of which securitization	-	-	-	45	-	-	-	4
4	Of which retail underlying	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	45	-	-	-	4
6	Of which re-securitization	-	-	-	52	-	-	-	4
7	Of which senior	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	52	-	-	-	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	-	-	-	-	-	-	-	-

MACROPRUDENTIAL SUPERVISORY MEASURES

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

As at December 31, 2020

	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	- %	$ 230,159	$ 81,914	N/A	N/A
United States	-	146	208	N/A	N/A
France	-	69	69	N/A	N/A
Hong Kong SAR	1.00	122	24	N/A	N/A
Other countries	-	35	14	N/A	N/A
Total		$ 230,531	$ 82,229		

LEVERAGE RATIO

Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure
As at December 31, 2020

	(in millions of dollars)		a
1	Total consolidated assets as per published financial statements	$	**362,035**
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation		**(56,679)**
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		**(1,505)**
5	Adjustments for securities financing transactions (i.e. repos and similar secured lending)		**1,552**
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)		**21,470**
7	Other adjustments[(1)]		**(18,948)**
8	**Leverage ratio exposure measure**	$	**307,925**

(1) Since March 31, 2020, reserves with central banks and securities issued by sovereign states that meet the eligibility criteria for high-quality liquid assets have been excluded from the total leverage ratio exposure in accordance with the relief measures introduced by the AMF in response to the COVID-19 pandemic.

Template LR2 – Leverage ratio common disclosure template

		a	b
	(in millions of dollars)	**As at December 31, 2020**	As at September 30, 2020
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	**$ 271,010**	$ 273,596
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)**	**271,010**	273,596
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	**3,720**	3,738
5	Add-on amounts for PFE associated with all derivatives transactions	**258**	435
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)**	**3,978**	4,173
	Securities financing transaction exposures (SFT)		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	**9,915**	10,137
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**-**	-
14	Counterparty credit risk exposure for SFT assets	**1,552**	1,672
15	Agent transaction exposures	**-**	-
16	**Total SFT exposures (sum of rows 12 to 15)**	**11,467**	11,809
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	**124,872**	122,504
18	(Adjustments for conversion to credit equivalent amounts)	**(103,402)**	(101,577)
19	**Off-balance sheet items (sum of rows 17 and 18)**	**21,470**	20,927
	Capital and total exposures		
20	Tier 1 capital	**26,317**	25,860
20a	Tier 1 capital without the application of the transitional provisions for the provisioning of ECLs[(1)]	**26,284**	25,837
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	**$ 307,925**	$ 310,505
	Leverage ratio		
22	Basel III leverage ratio	**8.5%**	8.3%
22a	Leverage ratio without the application of the transitional provisions for the provisioning of ECLs[(1)]	**8.5%**	8.3%

(1) On March 31, 2020, the AMF issued transitional provisions under which a portion of the general allowance, originally eligible for Tier 2 capital, can be included in Tier 1A capital. For more information, see the "Adjustments to capital requirements related to the COVID-19 pandemic" sub-section of the "Capital management" section of Desjardins Group's Management's Discussion and Analysis.

LIQUIDITY

Template LIQ1 – Liquidity coverage ratio (LCR)
As at December 31, 2020

		a	b
	(in millions of dollars)	**Total unweighted value**	**Total weighted value**
	High-quality liquid assets		
1	Total HQLA	**N/A**	**$ 47,028**
	Cash outflows		
2	Retail deposits and deposits from small business clients, of which:	**$ 91,158**	**5,998**
3	Stable deposits	**44,540**	**1,336**
4	Less stable deposits	**46,618**	**4,662**
5	Unsecured wholesale funding, of which:	**34,412**	**17,911**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**8,653**	**2,057**
7	Non-operational deposits (all counterparties)	**16,791**	**6,886**
8	Unsecured debt	**8,968**	**8,968**
9	Secured wholesale funding	**N/A**	**13**
10	Additional requirements, of which:	**15,021**	**3,634**
11	Outflows related to derivative exposures and other collateral requirements	**1,333**	**1,216**
12	Outflows related to loss of funding on debt products	**644**	**644**
13	Credit and liquidity facilities	**13,044**	**1,774**
14	Other contractual funding obligations	**3,898**	**2,209**
15	Other contingent funding obligations	**93,631**	**2,343**
16	**Total cash outflows**	**N/A**	**$ 32,108**
	Cash inflows		
17	Secured lending (eg reverse repos)	**13,040**	**39**
18	Inflows from fully performing exposures	**3,377**	**1,689**
19	Other cash inflows	**516**	**516**
20	**Total cash inflows**	**$ 16,933**	**$ 2,244**
21	Total HQLA	**N/A**	**$ 47,028**
22	Total net cash outflows	**N/A**	**29,864**
23	Liquidity coverage ratio (%)	**N/A**	**157.5%**

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	4
OVA	Desjardins Group's risk management approach	Annually	This report	5
OV1	Overview of risk-weighted assets (RWA)	Quarterly	This report	6
	Composition of capital and TLAC			
CC1	Composition of regulatory capital	Quarterly	This report	7
CC2	Reconciliation of regulatory capital to balance sheet	Quarterly	This report	10
CCA	Main features of regulatory capital instruments and other TLAC-eligible instruments	Quarterly	This report	12
TLAC1	TLAC composition (at resolution group level)	Semi-annually	This report	14
TLAC3	Resolution entity – creditor ranking at legal entity level	Semi-annually	This report	15
	Linkages between financial statements and regulatory exposures			
LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	Annually	This report	16
LI2	Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements	Annually	This report	17
LIA	Explanations of differences between accounting and regulatory exposure amounts	Annually	This report	18
	Credit risk			
CRA	General qualitative information about credit risk	Annually	This report	19
CR1	Credit quality of assets	Semi-annually	This report	20
CR2	Changes in stock of defaulted loans and debt securities	Semi-annually	This report	21
CRB	Additional disclosure related to the credit quality of assets	Annually	This report	22
CRC	Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques	Annually	This report	24
CR3	Credit risk mitigation (CRM) techniques – overview	Semi-annually	This report	25
CRD	Qualitative disclosures on Desjardins Group’s use of external credit ratings under the standardized approach for credit risk	Annually	This report	26
CR4	Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects	Semi-annually	This report	27
CR5	Standardized approach – exposures by asset classes and risk weights	Semi-annually	This report	28
CRE	Qualitative disclosures related to IRB models	Annually	This report	29
CR6	IRB – credit risk exposures by portfolio and probability of default (PD) scale	Semi-annually	This report	30
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	34
CR9	IRB – backtesting of probability of default (PD) per portfolio	Annually	This report	34
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.	

[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
	Counterparty credit risk			
CCRA	Qualitative disclosure related to counterparty credit risk (CCR)	Annually	This report	36
CCR1	Analysis of counterparty credit risk (CCR) exposure by approach	Semi-annually	This report	37
CCR2	Credit valuation adjustment (CVA) capital charge	Semi-annually	This report	37
CCR3	Standardized approach – counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights	Semi-annually	This report	38
CCR4	IRB – counterparty credit risk (CCR) regulatory exposures by portfolio and probability of default (PD) scale	Semi-annually	This report	39
CCR5	Composition of collateral for counterparty credit risk (CCR) exposure	Semi-annually	This report	40
CCR6	Credit derivatives exposures	Semi-annually	This report	40
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	41
	Securitization			
SECA	Qualitative disclosure requirements related to securitization exposures	Annually	This report	42
SEC1	Securitization exposures in the banking book	Semi-annually	This report	43
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 capital requirements (financial entity acting as investor)	Semi-annually	This report	44
	Market risk			
MRA	Qualitative disclosure requirements related to market risk	Annually	Desjardins Group has deferred the disclosure of market risk-specific information to the second phase of the implementation of Pillar 3 disclosure requirements.	
MR1	Market risk under the standardized approach	Semi-annually		
MRB	Qualitative disclosures for financial entities using the internal models approach (IMA)	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		
	Macroprudential supervisory measures			
CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer	Semi-annually	This report	45
	Leverage ratio			
LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Quarterly	This report	46
LR2	Leverage ratio common disclosure template	Quarterly	This report	47
	Liquidity			
LIQ1	Liquidity coverage ratio (LCR)	Quarterly	This report	48

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

GLOSSARY

Acceptance
Short-term debt security traded on the money market, guaranteed by a financial institution for a borrower in exchange for a stamping fee.

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.

Fair value
Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date.

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.

GLOSSARY (continued)

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

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

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

NVCC subordinated notes
Securities that meet the non-viability contingent capital (NVCC) requirements set out in the guideline on adequacy of capital base standards applicable to financial services cooperatives issued by the AMF, in particular securities issued by the Federation with a clause providing for their automatic conversion into capital shares of the Federation upon the occurrence of a trigger event as defined in the guideline.

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.

Other retail client exposures
In accordance with the regulatory capital framework, risk category that includes all loans granted to individuals except for exposures related to residential mortgage loans and qualifying revolving retail client exposures.

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.

Regulatory funds
Funds needed to cover unexpected losses, calculated according to parameters and methods prescribed by regulatory authorities.

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 guideline on adequacy of capital base standards applicable to financial services cooperatives issued by the AMF. 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.

GLOSSARY (continued)

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.