Desjardins

Pillar 3 Report (unaudited)

For the period ended June 30, 2021

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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/professionals/deposit-institutions-and-trust-companies/guidelines. 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 June 30, 2021**	As at March 31, 2021	As at December 31, 2020	As at September 30, 2020	As at June 30, 2020
1	Total loss-absorbing capacity (TLAC) available	**$ 33,571**	$ 30,709	$ 28,775	$ 28,374	$ 27,973
1a	Total loss-absorbing capacity (TLAC) available without the application of the transitional provisions for the provisioning of expected credit losses (ECLs)[2]	**33,553**	30,707	28,772	28,372	27,971
2	Total RWA at the level of the resolution group	**125,753**	120,539	116,522	116,773	113,475
3	TLAC as a percentage of RWA[3] (row 1 / row 2) (%)	**26.7** %	25.5 %	24.7 %	24.3 %	24.7 %
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]	**26.7**	25.5	24.7	24.3	24.7
4	Leverage ratio exposure measure at the level of the resolution group	**$ 322,244**	$ 307,977	$ 301,805	$ 304,861	$ 291,261
5	TLAC as a percentage of leverage ratio exposure measure[3] (row 1 / row 4)	**10.4** %	10.0 %	9.5 %	9.3 %	9.6 %
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]	**10.4**	10.0	9.5	9.3	9.6
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 2020 Annual Report.

(3) The AMF expects that the TLAC minimum requirements will be met as of April 1, 2022.

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

		a	b	c
		RWA[1]		Minimum capital requirements[2]
	(in millions of dollars)	As at June 30, 2021	As at March 31, 2021	As at June 30, 2021
1	Credit risk (excluding counterparty credit risk – CCR)	**$ 96,884**	$ 92,416	**$ 7,752**
2	Of which: Standardized Approach (SA)	**19,888**	18,649	**1,591**
3	Of which: Internal Ratings-Based Approach (IRB)	**76,996**	73,767	**6,161**
4	Counterparty credit risk	**4,791**	4,470	**383**
5	Of which: Standardized Approach for counterparty credit risk (SA-CCR)	**4,791**	4,470	**383**
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	**1,042**	113	**83**
11	Settlement risk	**-**	-	**-**
12	Securitization exposures in the banking book	**451**	150	**36**
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)	**451**	150	**36**
16	Market risk	**4,087**	2,861	**327**
17	Of which: Standardized Approach (SA)	**395**	432	**32**
18	Of which: approaches based on the Internal Model Method (IMM)	**3,692**	2,429	**295**
19	Operational risk	**14,004**	13,822	**1,120**
20	Of which: Basic Indicator Approach	**-**	-	**-**
21	Of which: Standardized Approach	**14,004**	13,822	**1,120**
22	Of which: advanced measurement approach	**-**	-	**-**
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**9,255**	9,160	**740**
24	Floor adjustment	**-**	1,412	**-**
25	**Total (1 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 16 + 19 + 23 + 24)**	**$ 130,514**	$ 124,404	**$ 10,441**

(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 June 30, 2021	Cross-reference[1]	As at March 31, 2021	As at December 31, 2020	As at September 30, 2020	As at June 30, 2020
	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	**25,799**	C + D	24,792	23,132	22,436	21,945
3	Accumulated amounts of other general income (and other reserves) and accumulated other comprehensive income	**1,037**	E	1,004	1,308	1,185	1,046
4	Directly issued capital subject to phase-out from Tier 1A regulatory capital	**101**	F	110	125	132	141
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**	**31,826**		30,795	29,454	28,642	28,021
	Tier 1A capital instruments: Regulatory adjustments						
7	Prudential valuation adjustments	**-**		-	-	-	-
8	Goodwill (net of related deferred tax liabilities)	**150**	G + H	150	150	150	121
9	Intangible assets other than mortgage servicing rights and software (net of qualifying deferred tax liabilities)	**408**	I + J	386	354	389	362
10	Deferred tax assets, excluding those arising from temporary differences (net of qualifying deferred tax liabilities)	**112**	K + L	107	111	137	179
11	Cash flow hedge reserve	**329**	M	404	466	501	531
12	Shortfall of allowances for expected losses[2]	**269**	Note	177	138	280	277
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	**21**	B	23	25	25	28
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)	**2,527**	N + O	1,929	1,784	1,180	908
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]	**(22)**	Note	(20)	(29)	(20)	(20)
27	Regulatory adjustments applied to Tier 1A capital instruments due to insufficient Tier 1B capital and Tier 2 capital to cover deductions	**134**	X	136	138	140	142
28	**Total regulatory adjustments to Tier 1A capital**	**3,928**		3,292	3,137	2,782	2,528
29	**Total Tier 1A capital**	**27,898**		27,503	26,317	25,860	25,493
29a	**Total Tier 1A capital without the application of the transitional provisions for the provisioning of expected credit losses (ECLs)[3]**	**$ 27,876**		$ 27,480	$ 26,284	$ 25,837	$ 25,472

Footnotes to this table are presented on page 8.

Template CC1 – Composition of regulatory capital (continued)

	(in millions of dollars and as a percentage)	As at June 30, 2021	Cross-reference[1]	As at March 31, 2021	As at December 31, 2020	As at September 30, 2020	As at June 30, 2020
	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	**134**	X	136	138	140	142
41	Specific regulatory adjustments	**(134)**	X	(136)	(138)	(140)	(142)
42	Regulatory adjustments applied to Tier 1B capital due to insufficient Tier 2 capital to cover deductions	**-**		-	-	-	-
43	**Total regulatory adjustments to Tier 1B capital**	**-**		-	-	-	-
44	**Total Tier 1B capital**	**-**		-	-	-	-
45	**Total Tier 1 capital (1A + 1B)**	**27,898**		27,503	26,317	25,860	25,493
45a	**Total Tier 1 capital (1A + 1B) without the application of the transitional provisions for the provisioning of ECLs[3]**	**27,876**		27,480	26,284	25,837	25,472
	Tier 2 capital: Instruments and provisions						
46	Directly issued qualifying Tier 2 capital instruments[4]	**1,992**	P	1,020	1,023	998	1,004
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	**309**	Q	309	495	488	454
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	**116**	R	112	105	96	95
51	**Tier 2 capital before regulatory adjustments**	**2,417**		1,441	1,623	1,582	1,553
	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	826
56	Specific regulatory adjustments	**-**		-	-	-	-
57	**Total regulatory adjustments to Tier 2 capital**	**826**		826	826	826	826
58	**Total Tier 2 capital**	**1,591**		615	797	756	727
59	**Total capital (1A + 1B and 2)**	**29,489**		28,118	27,114	26,616	26,220
59a	**Total capital (1A + 1B and 2) without the application of the transitional provisions for the provisioning of ECLs[3]**	**29,466**		28,116	27,111	26,614	26,218
60	**Total risk-weighted assets**	**$ 130,514**		$ 124,404	$ 120,101	$ 120,603	$ 117,148

Footnotes to this table are presented on page 8.

Template CC1 – Composition of regulatory capital (continued)

	(in millions of dollars and as a percentage)	As at June 30, 2021	Cross-reference[1]	As at March 31, 2021	As at December 31, 2020	As at September 30, 2020	As at June 30, 2020
	Capital ratios and buffers						
61	Tier 1A (as a % of risk-weighted assets)	**21.4 %**		22.1 %	21.9 %	21.4 %	21.8 %
61a	Tier 1A (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**21.4**		22.1	21.9	21.4	21.7
62	Tier 1 (as a % of risk-weighted assets)	**21.4**		22.1	21.9	21.4	21.8
62a	Tier 1 (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**21.4**		22.1	21.9	21.4	21.7
63	Total capital (as a % of risk-weighted assets)	**22.6**		22.6	22.6	22.1	22.4
63a	Total capital (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**22.6**		22.6	22.6	22.1	22.4
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**		19.1	19.1	18.6	18.9
	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	**$ 129**	U	$ 133	$ 337	$ 447	$ 136
73	Significant investments in Tier 1A capital instruments of financial entities	**3,056**	V	2,957	2,824	2,718	2,654
74	Mortgage servicing rights (net of related tax liabilities)	**-**		-	-	-	-
75	Deferred tax assets arising from temporary differences (net of related tax liabilities)	**646**	W	707	939	923	908
	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)	**138**		133	134	117	114
77	Cap on inclusion of provision in Tier 2 capital under the Standardized Approach	**138**		133	134	117	114
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	**210**		210	420	420	420
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	**309**		309	618	618	618
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 June 30, 2021

(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	$ 17,731	$ 852	$ 16,879		
Securities	90,707	31,517	59,190		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				$ 129	U
Other securities				59,061	
Securities borrowed or purchased under reverse repurchase agreements	14,345	(398)	14,743		
Loans	222,935	2,569	220,366		
Significant investments in the Tier 2 capital of financial institutions				126	S
Other loans				220,240	
Allowance for credit losses	(1,002)	(6)	(996)		
General allowance allowed for inclusion in Tier 2 capital				(116)	R
Allowances not allowed for regulatory capital				(880)	
Segregated fund net assets	21,474	21,474	-	-	
Other assets					
Clients' liability under acceptances	90	-	90		
Premiums receivable	2,797	2,797	-		
Derivative financial instruments	5,703	179	5,524		
Amounts receivable from clients, brokers and financial institutions	3,902	6	3,896		
Reinsurance assets	1,867	1,867	-		
Right-of-use assets	556	(320)	876		
Investment property	922	910	12		
Property, plant and equipment	1,505	460	1,045		
Goodwill	156	115	41		G
Intangible assets	476	265	211		I
Deferred tax assets	797	265	532		
Deferred tax assets other than those attributable to temporary differences				155	K
Deferred tax liabilities other than those attributable to temporary differences				(43)	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				646	W
Deferred tax liabilities related to software and other intangible assets				(68)	J
Deferred tax liabilities related to goodwill				(6)	H
Other deferred tax assets				(152)	
Other				-	
Investments in associates and entities accounted for using the equity method	1,281	(5,661)	6,942		
Significant investments in the capital of other financial institutions exceeding the regulatory threshold of 10% of Tier 1A capital				163	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				3,056	V
Investments in deconsolidated subsidiaries exceeding the regulatory threshold of 10% of Tier 1A capital				2,364	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				134	X
Significant investments in the Tier 2 capital of other financial institutions				700	T
Other adjustments related to investments				525	
Other items	3,036	570	2,466		
Total assets	$ 389,278	$ 57,461	$ 331,817		

Footnotes to this table are presented on the next page.

Template CC2 – Reconciliation of regulatory capital to balance sheet (continued)
As at June 30, 2021

(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	$ 238,670	$ (613)	$ 239,283		
Other liabilities					
Acceptances	90	-	90		
Commitments related to securities sold short	10,763	2	10,761		
Commitments related to securities lent or sold under repurchase agreements	25,194	102	25,092		
Derivative financial instruments	5,216	67	5,149		
Amounts payable to clients, brokers and financial institutions	10,002	141	9,861		
Lease liabilities	621	(326)	947		
Insurance contract liabilities	33,580	33,580	-		
Segregated fund net liabilities	21,468	21,468	-		
Net defined benefit plan liabilities	1,677	387	1,290		
Deferred tax liabilities	326	286	40		
Other	6,528	1,496	5,032		
Liabilities of the disposal group held to be transferred	-	-	-		
Subordinated notes	2,424	-	2,424		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase out				$ 309	Q
Subordinated notes allowed for inclusion in Tier 2 capital				1,967	P
Subordinated indebtedness not allowed for Tier 2 capital				148	
Total liabilities	356,559	56,590	299,969		
Equity					
Capital stock	5,007	-	5,007		
Permanent shares and surplus shares				101	F
Qualifying shares				25	P
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				(8)	
Federation capital shares				4,868	A
Reciprocal cross-holdings in Tier 1A capital instruments				21	B
Share capital	-	-	-		
Preferred shares allowed for inclusion in Tier 1A capital				-	
Preferred shares not allowed for regulatory capital				-	
Undistributed surplus earnings	1,863	42	1,821		C
Accumulated other comprehensive income	1,032	(5)	1,037		E
Net unrealized gains (losses) on debt securities classified as at fair value through other comprehensive income				(181)	
Gains (losses) on derivative financial instruments designated as cash flow hedges				329	M
Net unrealized gains (losses) related to the overlay approach adjustment for insurance operations financial assets				371	
Other				518	
Reserves	23,978	-	23,978		D
Non-controlling interests	839	834	5		
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				5	
Total equity	32,719	871	31,848		
Total liabilities and equity	$ 389,278	$ 57,461	$ 331,817		

(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 June 30, 2021

	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)	$25,016	$92,441	$8,484	$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

Footnotes to this table are presented on page 13.

Template CCA – Main features of regulatory capital instruments and other TLAC-eligible instruments (continued)
As at June 30, 2021

	Features	Series J senior notes	NVCC subordinated notes	NVCC subordinated notes
1	Issuer	Desjardins Capital Inc.	Fédération des caisses Desjardins du Québec	Fédération des caisses Desjardins du Québec
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	CA14006ZAF41	31430WDW1 / CA31430WDW16	CA31430WGC25/31430WGC2
3	Governing law(s) of the instrument	Québec	Québec, and applicable Canadian federal laws	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
	Regulatory treatment:			
4	Transitional Basel III rules	Tier 2 instrument	Tier 2 instrument	Tier 2 instrument
5	Post-transitional Basel III rules	Non-qualifying	Tier 2 instrument	Tier 2 instrument
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity
7	Instrument type	Subordinated notes	Subordinated notes	Subordinated notes
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$308,116	$975,977	$991,127
9	Par value of instrument	$500,000,000	$1,000,000,000	$1,000,000,000
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Original date of issuance	December 15, 2011	May 26, 2020	May 28, 2021
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	December 15, 2026	May 26, 2030	May 28, 2031
14	Issuer call subject to prior approval by the AMF	Yes	Yes	Yes
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	On or after May 28, 2026, at par plus accrued and unpaid interest
16	Subsequent call dates, if applicable	N/A	On any date after May 26, 2025, at par plus accrued and unpaid interest	On any date after May 28, 2026, at par plus accrued and unpaid interest
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed, then floating	Fixed, then floating	Fixed, then floating
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%	1.992% per year until, but excluding, May 28, 2026. Afterwards, annual rate equal to 3-month bankers' acceptance rate plus 0.60%
19	Existence of a payment stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	See Note (2)	See Note (2)
25	If convertible, fully or partially	N/A	Always fully convertible	Always fully convertible
26	If convertible, conversion rate	N/A	See Note (3)	See Note (3)
27	If convertible, mandatory or optional conversion	N/A	Mandatory	Mandatory
28	If convertible, specify instrument type convertible into	N/A	Class Z-Contingent capital shares (Tier 1A instrument)	Class Z-Contingent capital shares (Tier 1A instrument)
29	If convertible, specify issuer of instrument it converts into	N/A	Fédération des caisses Desjardins du Québec	Fédération des caisses Desjardins du Québec
30	Writedown feature	No	No	No
31	Writedown trigger(s)	N/A	N/A	N/A
32	Full or partial writedown	N/A	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A	N/A
34	If temporary writedown, description of writeup mechanism	N/A	N/A	N/A
34a	Type of subordination			
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	Senior creditors including depositors
36	Non-compliant transitioned features	Yes	No	No
37	If yes, specify non-compliant feature	No non-viability contingent capital criteria	N/A	N/A

Footnotes to this table are presented on page 13.

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

As at June 30, 2021

	Features	TLAC senior notes	TLAC senior notes	TLAC senior notes	TLAC senior notes	TLAC senior notes
1	Issuer	Fédération des caisses Desjardins du Québec	Fédération des caisses Desjardins du Québec	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)	CA31430WCG74	31429KAD5 / 31429LAD3	31430WFL3 / CA31430WFL33	CUSIP : 31429KAF0 / 31429LAF8 ISIN: US31429KAF03 / US31429LAF85	CUSIP : 31429KAE3 / 31429LAE1 ISIN: US 31429KAE38 / US31429LAE11
3	Governing law(s) of the instrument	Québec, and applicable Canadian federal laws	New York (United States), except specific exceptions (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)	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	Contractual	N/A	Contractual	Contractual
	Regulatory treatment:					
4	Transitional Basel III rules	N/A	N/A	N/A	N/A	N/A
5	Post-transitional Basel III rules	N/A	N/A	N/A	N/A	N/A
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity	Entity	Entity
7	Instrument type	Other TLAC instruments	Other TLAC instruments	Other TLAC instruments	Other TLAC instruments	Other TLAC instruments
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	Amount qualifying for TLAC purposes only	Amount qualifying for TLAC purposes only	Amount qualifying for TLAC purposes only	Amount qualifying for TLAC purposes only	Amount qualifying for TLAC purposes only
9	Par value of instrument	$1,000,000,000	US$1,000,000,000	$1,000,000,000	$500,000,000	$750,000,000
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Original date of issuance	October 4, 2019	February 10, 2020	January 21, 2021	May 21, 2021	May 21, 2021
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	October 4, 2024	February 10, 2025	January 21, 2026	May 21, 2024	May 21, 2024
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	Fixed	Fixed	Fixed	Variable	Fixed
18	Coupon rate or any related index	2.417% per year	2.05% per year	1.093% per year	Compound SOFR + 0.43%	0.7% per year
19	Existence of a payment stopper	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	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	Exemption	Exemption	Exemption	Exemption	Exemption
35	In the event of liquidation, position in subordination hierarchy (specify instrument type immediately senior to instrument)	Pari passu with deposits	Pari passu with deposits	Pari passu with deposits	Pari passu with deposits	Pari passu with deposits
36	Non-compliant transitioned features	N/A	N/A	N/A	N/A	N/A
37	If yes, specify non-compliant feature	N/A	N/A	N/A	N/A	N/A

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

(2) 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.

(3) 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 June 30, 2021

		a
	(in millions of dollars)	**Amounts**
	Regulatory capital elements of TLAC and adjustments	
1	Qualifying Tier 1A capital instruments	**$ 27,235**
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	**1,571**
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	**1,571**
11	**TLAC arising from regulatory capital**	**28,806**
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the financial institution and subordinated to excluded liabilities	**4,765**
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**	**4,765**
	Non-regulatory capital elements of TLAC: adjustments	
18	**TLAC before deductions**	**33,571**
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**	**$ 33,571**
	Risk-weighted assets and leverage exposure measure for TLAC purposes	
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	**$ 125,753**
24	Leverage exposure measure	**$ 322,244**
	TLAC[2] ratios and buffers	
25	**TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)**	**26.7%**
26	**TLAC (as a percentage of leverage exposure)**	**10.4**
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 June 30, 2021

	(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]	$ 5,186	$ -	$ 2,500	$ 4,789	N/A	**$ 12,475**
3	Subset of row 2 that are excluded liabilities	-	-	-	-	N/A	**-**
4	**Total capital and liabilities less excluded liabilities (row 2 minus row 3)**	**$ 5,186**	**$ -**	**$ 2,500**	**$ 4,789**	**N/A**	**$ 12,475**
5	Subset of row 4 that are potentially eligible as TLAC	5,186	-	2,500	4,789	N/A	**12,475**
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	-	-	-	4,789	N/A	**4,789**
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	-	2,500	-	N/A	**2,500**
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**	**$ 5,186**	**$ -**	**$ -**	**$ -**	**N/A**	**$ 5,186**

[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.

CREDIT RISK

Template CR1 – Credit quality of assets
As at June 30, 2021

		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	$ 1,525	$ 218,804	$ 996	$ 144	$ 852	$ 855	$ **219,333**
1.1	Sovereigns and their central banks	-	424	-	-	-	-	**424**
1.2	Non-central government public sector entities	-	3,000	-	-	-	-	**3,000**
1.3	Multilateral development banks	-	-	-	-	-	-	**-**
1.4	Deposit-taking institutions and banks	-	375	-	-	-	-	**375**
1.5	Investment companies	-	-	-	-	-	-	**-**
1.6	Businesses	219	32,164	187	37	150	191	**32,196**
1.7	Regulatory retail portfolios	104	30,492	472	2	470	332	**30,124**
1.8	Secured by residential property	316	141,071	155	-	155	166	**141,232**
1.9	Secured by commercial real estate	10	11,184	10	-	10	62	**11,184**
1.10	Equity	-	-	-	-	-	-	**-**
1.11	Past-due loans[(1)]	-	-	-	-	-	-	**-**
1.12	Higher-risk categories	876	94	172	105	67	104	**798**
1.13	Other loans	-	-	-	-	-	-	**-**
2	Debt securities	-	64,956	-	-	-	10	**64,956**
3	Off-balance sheet exposures	39	127,490	75	-	75	140	**127,454**
4	**Total**	**$ 1,564**	**$ 411,250**	**$ 1,071**	**$ 144**	**$ 927**	**$ 1,005**	**$ 411,743**

(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 June 30, 2021

	(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[1]**	**$ -**	**$ -**	**$ -**	**$ -**
2	Loans and debt securities that have defaulted since the last reporting period	-	-	-	-
3	Returned to non-defaulted status	-	-	-	-
4	Amounts written-off	-	-	-	-
5	Other changes	-	-	-	-
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[1]**	**$ -**	**$ 234**	**$ 106**	**$ 473**
2	Loans and debt securities that have defaulted since the last reporting period	-	436	175	175
3	Returned to non-defaulted status	-	(441)	(137)	(309)
4	Amounts written-off	-	(18)	(95)	(1)
5	Other changes	-	8	55	(22)
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ -**	**$ 219**	**$ 104**	**$ 316**

		Secured by commercial real estate	Equity	Past-due loans[2]	Higher-risk categories
1	**Defaulted loans and debt securities at end of the previous reporting period[1]**	**$ 10**	**$ -**	**$ -**	**$ 881**
2	Loans and debt securities that have defaulted since the last reporting period	35	-	-	640
3	Returned to non-defaulted status	(12)	-	-	(645)
4	Amounts written-off	-	-	-	-
5	Other changes	(23)	-	-	-
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ 10**	**$ -**	**$ -**	**$ 876**

		Other loans	Total loans	Debt securities	Total
1	**Defaulted loans and debt securities at end of the previous reporting period[1]**	**$ -**	**$ 1,704**	**$ -**	**$ 1,704**
2	Loans and debt securities that have defaulted since the last reporting period	-	1,461	-	**1,461**
3	Returned to non-defaulted status	-	(1,544)	-	**(1,544)**
4	Amounts written-off	-	(114)	-	**(114)**
5	Other changes	-	18	-	**18**
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ -**	**$ 1,525**	**$ -**	**$ 1,525**

[1] The information as at December 31, 2020 has been reclassified to conform with the presentation for the current period as a result of a methodology refinement.

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

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

As at June 30, 2021

		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	$ 184,256	$ 34,913	$ 33,800	$ 2,203	$ 1,277	$ -	$ -
1.1	Sovereigns and their central banks	424	-	-	-	-	-	-
1.2	Non-central government public sector entities	2,758	242	242	-	-	-	-
1.3	Multilateral development banks	-	-	-	-	-	-	-
1.4	Deposit-taking institutions and banks	375	-	-	-	-	-	-
1.5	Investment companies	-	-	-	-	-	-	-
1.6	Businesses	28,039	4,311	3,994	331	163	-	-
1.7	Regulatory retail portfolios	27,120	2,396	2,123	939	881	-	-
1.8	Secured by residential property	114,765	26,718	26,273	664	194	-	-
1.9	Secured by commercial real estate	9,979	1,186	1,166	249	39	-	-
1.10	Equity	-	-	-	-	-	-	-
1.11	Past-due loans	-	-	-	-	-	-	-
1.12	Higher-risk categories	796	60	2	20	-	-	-
1.13	Other loans	-	-	-	-	-	-	-
2	Debt securities	64,956	-	-	-	-	-	-
3	**Total**	**$ 249,212**	**$ 34,913**	**$ 33,800**	**$ 2,203**	**$ 1,277**	**$ -**	**$ -**
4	Of which defaulted	$ 1,015	$ 419	$ 360	$ 27	$ 6	$ -	$ -

Template CR4 – Standardized approach – Credit risk exposure and credit risk mitigation (CRM) effects[1]
As at June 30, 2021

		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	$ 14,622	$ -	$ 14,622	$ -	$ 26	0.18%
2	Non-central government public sector entities	7,155	11,290	6,913	736	1,530	20.00
3	Multilateral development banks	-	-	-	-	-	-
4	Banks and deposit-taking institutions	2,178	73	2,178	34	448	20.26
5	Investment companies	-	-	-	-	-	-
6	Businesses	6,544	6,938	6,439	2,578	8,301	92.08
7	Regulatory retail portfolios	1,643	3,323	911	646	1,164	74.80
8	Secured by residential property	2,297	212	2,474	13	2,111	84.86
9	Secured by commercial real estate	704	30	703	2	698	98.94
10	Equity	206	-	206	-	206	100.00
11	Past-due loans	84	13	81	3	91	108.42
12	Higher-risk categories	80	35	80	18	147	150.00
13	Other assets[3]	18,632	-	18,630	-	5,166	27.73
14	**Total**	**$ 54,145**	**$ 21,914**	**$ 53,237**	**$ 4,030**	**$ 19,888**	**34.73%**

(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 June 30, 2021

		a	b	c	d	e	f	g	h	i	j
		Risk weights									Total credit exposures amount (post-CCF and post-CRM)[2]
	(in millions of dollars)	0%	10%	20%	35%	50%	75%	100%	150%	Other	
	Asset classes										
1	Sovereigns and their central banks	$ 14,596	$ -	$ -	$ -	$ -	$ -	$ 26	$ -	$ -	**$ 14,622**
2	Non-central government public sector entities	-	-	7,649	-	-	-	-	-	-	**7,649**
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	2,205	-	-	-	7	-	-	**2,212**
5	Investment companies	-	-	-	-	-	-	-	-	-	**-**
6	Businesses	6	-	555	-	530	-	7,926	-	-	**9,017**
7	Regulatory retail portfolios	4	-	-	-	-	1,553	-	-	-	**1,557**
8	Secured by residential property	18	-	-	393	186	41	1,849	-	-	**2,487**
9	Secured by commercial real estate	7	-	-	-	-	-	698	-	-	**705**
10	Equity	-	-	-	-	-	-	206	-	-	**206**
11	Past-due loans	-	-	-	-	-	-	70	14	-	**84**
12	Higher-risk categories	-	-	-	-	-	-	-	98	-	**98**
13	Other assets[3]	13,042	-	798	-	-	-	4,771	-	19	**18,630**
14	**Total**	**$ 27,673**	**$ -**	**$ 11,207**	**$ 393**	**$ 716**	**$ 1,594**	**$ 15,553**	**$ 112**	**$ 19**	**$ 57,267**

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

As at June 30, 2021

		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	$ 37,739	$ 3,927	44.86 %	$ 73,325	0.02 %	100
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50[5]	-	-	30.00	-	0.34	3
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00[5]	-	-	30.00	-	24.35	1
	100.00 (default)[5]	-	-	-	-	100.00	6
	Sub-total	37,739	3,927	44.86	73,325	0.02	110
Exposures related to financial institutions	0.00 to < 0.15	3,398	233	-	3,398	0.08	69
	0.15 to < 0.25	443	1,575	20.30	758	0.16	40
	0.25 to < 0.50	3	707	26.24	188	0.31	16
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50[5]	-	-	50.00	-	1.94	1
	2.50 to < 10.00	-	-	-	-	-	-
	10.00 to < 100.00	35	5	-	35	27.96	3
	100.00 (default)	-	-	-	-	-	-
	Sub-total	3,879	2,520	22.16	4,379	0.32	129
Exposures related to businesses	0.00 to < 0.15	2,263	2,059	69.35	3,518	0.09	4,820
	0.15 to < 0.25	11,826	1,744	52.07	11,711	0.18	10,890
	0.25 to < 0.50	16,348	4,554	42.12	14,168	0.35	15,049
	0.50 to < 0.75	8,295	2,099	37.96	7,198	0.56	10,392
	0.75 to < 2.50	20,183	6,558	40.75	20,152	1.37	21,148
	2.50 to < 10.00	7,935	1,993	41.66	7,268	4.74	10,314
	10.00 to < 100.00	2,176	535	42.05	1,937	20.67	2,682
	100.00 (default)	750	144	-	613	100.00	948
	Sub-total	69,776	19,686	44.69	66,565	2.63	76,243
Total non-retail clients		**$ 111,394**	**$ 26,133**	**42.77 %**	**$ 144,269**	**1.23 %**	**76,482**

Footnotes to this table are presented on page 24.

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at June 30, 2021

		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	26.78 %	4.3	$ 7,862	10.72 %	$ 4	N/A
	0.15 to < 0.25	-	-	-	-	-	N/A
	0.25 to < 0.50[5]	71.87	1.0	-	69.66	-	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[5]	71.87	1.0	-	392.28	-	N/A
	100.00 (default)[5]	74.49	1.0	-	986.95	-	N/A
	Sub-total	26.78	4.3	7,862	10.72	4	$ 67
Exposures related to financial institutions	0.00 to < 0.15	65.99	1.6	1,386	40.76	2	N/A
	0.15 to < 0.25	20.67	1.8	154	20.23	-	N/A
	0.25 to < 0.50	11.22	1.1	25	13.60	-	N/A
	0.50 to < 0.75	-	-	-	-	-	N/A
	0.75 to < 2.50[5]	75.00	1.0	-	208.34	-	N/A
	2.50 to < 10.00	-	-	-	-	-	N/A
	10.00 to < 100.00	65.99	1.0	128	366.78	7	N/A
	100.00 (default)	-	-	-	-	-	N/A
	Sub-total	55.79	1.6	1,693	38.65	9	14
Exposures related to businesses	0.00 to < 0.15	43.06	3.0	855	24.33	2	N/A
	0.15 to < 0.25	18.78	4.5	2,345	20.02	4	N/A
	0.25 to < 0.50	27.41	3.9	5,288	37.32	13	N/A
	0.50 to < 0.75	23.79	4.0	2,950	40.99	10	N/A
	0.75 to < 2.50	25.50	3.7	11,431	56.72	70	N/A
	2.50 to < 10.00	23.08	3.7	5,100	70.17	79	N/A
	10.00 to < 100.00	40.84	3.9	3,952	203.99	181	N/A
	100.00 (default)	27.67	3.7	1,235	201.43	104	N/A
	Sub-total	25.67	3.9	33,156	49.81	463	382
Total non-retail clients		**27.15 %**	**4.0**	**$ 42,711**	**29.60 %**	**$ 476**	**$ 463**

Footnotes to this table are presented on page 24.

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at June 30, 2021

		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	$ 7	$ 9	50.00 %	$ 6,953	0.08 %	17,533
	0.15 to < 0.25	5,610	35	50.00	2,684	0.16	31,209
	0.25 to < 0.50	33	-	-	1	0.45	251
	0.50 to < 0.75	5,922	36	50.00	272	0.57	29,404
	0.75 to < 2.50	6,048	35	50.00	155	1.29	30,363
	2.50 to < 10.00	1,584	11	50.00	35	4.72	7,237
	10.00 to < 100.00	199	1	50.00	8	23.15	936
	100.00 (default)	122	-	-	8	100.00	434
	Sub-total	19,525	127	49.85	10,116	0.24	117,367
Exposures related to residential mortgage loans – Uninsured exposures	0.00 to < 0.15	36,679	14,116	63.97	38,752	0.08	509,535
	0.15 to < 0.25	20,350	7,390	66.82	22,601	0.22	310,038
	0.25 to < 0.50	3,771	38	50.91	3,790	0.25	1,358
	0.50 to < 0.75	14,330	3,487	62.68	16,242	0.53	183,787
	0.75 to < 2.50	10,352	1,917	60.59	11,356	1.24	116,046
	2.50 to < 10.00	2,069	281	57.95	2,196	4.00	22,617
	10.00 to < 100.00	319	38	53.42	331	20.47	4,296
	100.00 (default)	176	26	-	169	100.00	2,669
	Sub-total	88,046	27,293	64.19	95,437	0.67	1,150,346
Other retail client exposures (QRRCE)	0.00 to < 0.15	2,759	22,150	47.17	13,206	0.05	1,786,034
	0.15 to < 0.25	604	2,482	32.97	1,422	0.20	320,857
	0.25 to < 0.50	1,627	14,802	50.62	9,119	0.31	2,453,591
	0.50 to < 0.75	321	344	66.15	549	0.70	27,364
	0.75 to < 2.50	1,238	1,940	33.23	1,883	1.10	375,581
	2.50 to < 10.00	2,999	2,942	28.42	3,835	3.41	843,242
	10.00 to < 100.00	765	380	25.59	862	19.51	182,513
	100.00 (default)	77	10	-	77	100.00	9,962
	Sub-total	10,390	45,050	45.65	30,953	1.42	5,999,144
SMEs similar to other retail client exposures	0.00 to < 0.15	815	2,154	45.87	1,789	0.09	55,433
	0.15 to < 0.25	1,099	1,532	51.38	1,854	0.19	52,664
	0.25 to < 0.50	1,366	1,518	45.65	1,794	0.35	75,869
	0.50 to < 0.75	844	194	38.28	770	0.51	15,357
	0.75 to < 2.50	2,489	1,074	52.25	2,715	1.28	72,162
	2.50 to < 10.00	654	150	44.89	591	4.77	17,894
	10.00 to < 100.00	165	38	14.71	139	20.28	5,215
	100.00 (default)	157	19	-	116	100.00	3,552
	Sub-total	7,589	6,679	47.57	9,768	2.28	298,146
Other retail client exposures (non QRRCE) except SMEs	0.00 to < 0.15	1,229	748	72.59	1,760	0.08	82,184
	0.15 to < 0.25	957	3	27.97	931	0.19	67,582
	0.25 to < 0.50	1,239	172	64.00	822	0.33	74,500
	0.50 to < 0.75	1,061	65	59.33	1,099	0.55	44,344
	0.75 to < 2.50	5,286	33	55.85	5,053	1.87	256,940
	2.50 to < 10.00	892	17	51.42	694	4.16	48,328
	10.00 to < 100.00	305	4	53.44	246	23.47	142,342
	100.00 (default)	119	1	-	62	100.00	57,414
	Sub-total	11,088	1,043	69.23	10,667	2.39	773,634
Total retail clients		**$ 136,638**	**$ 80,192**	**52.42 %**	**$ 156,941**	**0.83 %**	**8,338,637**

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at June 30, 2021

		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	38.24 %	N/A	$ 573	8.24 %	$ 2	N/A
	0.15 to < 0.25	33.72	N/A	324	12.05	1	N/A
	0.25 to < 0.50	24.55	N/A	-	18.93	-	N/A
	0.50 to < 0.75	36.37	N/A	89	32.77	-	N/A
	0.75 to < 2.50	38.67	N/A	94	60.17	1	N/A
	2.50 to < 10.00	38.09	N/A	43	124.59	1	N/A
	10.00 to < 100.00	40.37	N/A	20	243.24	1	N/A
	100.00 (default)	35.94	N/A	36	476.15	-	N/A
	Sub-total	36.99	N/A	1,179	11.65	6	$ 10
Exposures related to residential mortgage loans Uninsured exposures	0.00 to < 0.15	22.07	N/A	1,801	4.65	7	N/A
	0.15 to < 0.25	24.21	N/A	2,506	11.08	12	N/A
	0.25 to < 0.50	20.41	N/A	386	10.19	2	N/A
	0.50 to < 0.75	24.38	N/A	3,421	21.06	21	N/A
	0.75 to < 2.50	24.88	N/A	4,284	37.73	35	N/A
	2.50 to < 10.00	24.92	N/A	1,650	75.19	22	N/A
	10.00 to < 100.00	23.98	N/A	474	143.00	16	N/A
	100.00 (default)	21.60	N/A	483	286.26	-	N/A
	Sub-total	23.31	N/A	15,005	15.72	115	126
Other retail client exposures (QRRCE)	0.00 to < 0.15	82.05	N/A	385	2.91	5	N/A
	0.15 to < 0.25	87.67	N/A	140	9.83	2	N/A
	0.25 to < 0.50	83.08	N/A	1,228	13.47	24	N/A
	0.50 to < 0.75	74.79	N/A	126	23.00	3	N/A
	0.75 to < 2.50	86.08	N/A	704	37.38	18	N/A
	2.50 to < 10.00	78.99	N/A	2,961	77.20	103	N/A
	10.00 to < 100.00	63.19	N/A	1,498	173.62	106	N/A
	100.00 (default)	76.44	N/A	775	1,012.87	-	N/A
	Sub-total	81.81	N/A	7,817	25.25	261	66
SMEs similar to other retail client exposures	0.00 to < 0.15	63.17	N/A	288	16.13	1	N/A
	0.15 to < 0.25	61.38	N/A	478	25.80	2	N/A
	0.25 to < 0.50	66.28	N/A	740	41.24	4	N/A
	0.50 to < 0.75	41.04	N/A	241	31.24	2	N/A
	0.75 to < 2.50	62.33	N/A	1,941	71.48	22	N/A
	2.50 to < 10.00	62.27	N/A	572	96.91	18	N/A
	10.00 to < 100.00	61.92	N/A	194	139.17	17	N/A
	100.00 (default)	51.58	N/A	794	683.45	-	N/A
	Sub-total	61.21	N/A	5,248	53.72	66	44
Other retail client exposures (non-QRRCE), except SMEs	0.00 to < 0.15	69.77	N/A	293	16.69	1	N/A
	0.15 to < 0.25	91.68	N/A	358	38.47	2	N/A
	0.25 to < 0.50	50.35	N/A	252	30.68	1	N/A
	0.50 to < 0.75	41.21	N/A	365	33.15	3	N/A
	0.75 to < 2.50	40.39	N/A	2,646	52.36	38	N/A
	2.50 to < 10.00	43.49	N/A	461	66.48	12	N/A
	10.00 to < 100.00	43.62	N/A	270	109.70	25	N/A
	100.00 (default)	47.84	N/A	392	633.85	-	N/A
	Sub-total	50.88	N/A	5,037	47.22	82	42
Total retail clients		**38.43 %**	**N/A**	**$ 34,286**	**21.85 %**	**$ 530**	**$ 288**

[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.
[5] These rows include exposure amounts that are not equal to zero, but are lower than $1 million.

Template CR8 – Risk-weighted assets (RWA) flow statements of credit risk exposures under IRB

As at June 30, 2021

		a
	(in millions of dollars)	RWA amounts
1	**RWA as at end of previous reporting period**	**$ 73,767**
2	Asset size[1]	**2,200**
3	Asset quality[2]	**(702)**
4	Model updates[3]	**-**
5	Methodology and policy[4]	**1,780**
6	Acquisitions and disposals[5]	**-**
7	Foreign exchange movements[6]	**(49)**
8	Other	**-**
9	**RWA as at end of reporting period**	**$ 76,996**

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

COUNTERPARTY CREDIT RISK

Template CCR1 – Analysis of counterparty credit risk (CCR) by approach[1]
As at June 30, 2021

		a	b	c	d	e	f
	(in millions of dollars)	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA – CCR (for derivatives)	$ 199	$ 2,648	N/A	1.4	$ 3,986	$ 2,366
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	1,248	633
5	VaR for SFTs	N/A	N/A	N/A	N/A	N/A	-
6	**Total**	**$ 199**	**$ 2,648**	**$ -**	**N/A**	**$ 5,234**	**$ 2,999**

[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 June 30, 2021

		a	b
	(in millions of dollars)	EAD post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	**$ -**	**$ -**
1	(i) VaR component (including the multiplier x 3)	N/A	-
2	(ii) Stressed VaR component (including the multiplier x 3)[1]	N/A	-
3	**All portfolios subject to the Standardized CVA capital charge**	**3,932**	**1,765**
4	**Total subject to the CVA capital charge**	**$ 3,932**	**$ 1,765**

[1] Since June 30, 2021, the simulated value at risk multiplier has been increased back to 3 in the calculation of market risk. It had been decreased to 1 in March 2020, 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 June 30, 2021

		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	-	-	55	-	-	-	-	-	**55**
3	Multilateral development banks	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	374	-	-	-	-	-	**374**
5	Investment companies	-	-	-	-	-	-	-	-	**-**
6	Businesses	-	-	40	15	-	613	-	-	**668**
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	-	-	-	-	-	-	3	-	**3**
13	Other assets	-	-	-	-	-	-	-	-	**-**
14	**Total**	**$ -**	**$ -**	**$ 469**	**$ 15**	**$ -**	**$ 613**	**$ 3**	**$ -**	**$ 1,100**

[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 scale

As at June 30, 2021

		a	b	c	d	e	f	g
(in millions of dollars and as a percentage)	PD scale (%)	EAD post-CRM	Average PD	Number of debtors	Average LGD	Average maturity	RWA[1]	RWA proportion
Exposures related to sovereign borrowers	0.00 to < 0.15	$ 386	0.02 %	156	10.00 %	0.22	$ 3	0.65 %
	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	386	0.02	156	10.00	0.22	3	0.65
Exposures related to financial institutions	0.00 to < 0.15	2,743	0.09	3,330	63.71	1.94	1,320	48.12
	0.15 to < 0.25	733	0.15	660	64.06	2.41	544	74.19
	0.25 to < 0.50	1	0.14	68	33.16	0.99	1	74.18
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	0.39	11	17.10	0.07	-	196.16
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	22	43.03	43	95.93	0.02	112	512.46
	100.00 (default)	-	-	-	-	-	-	-
	Sub-total	3,499	0.37	4,112	63.99	2.03	1,977	56.49
Exposures related to businesses	0.00 to < 0.15	44	0.12	172	82.39	1.68	23	51.86
	0.15 to < 0.25	13	0.19	465	78.14	2.89	7	58.04
	0.25 to < 0.50	41	0.30	624	82.23	1.89	38	93.54
	0.50 to < 0.75	24	0.58	599	80.91	3.76	36	149.40
	0.75 to < 2.50	109	1.65	1,431	61.76	1.69	134	124.37
	2.50 to < 10.00	15	3.94	784	78.97	2.82	36	246.35
	10.00 to < 100.00	3	17.10	350	65.13	1.00	15	426.46
	100.00 (default)	-	29.11	4	24.53	1.00	5	1,116.31
	Sub-total	249	1.58	4,429	74.42	2.04	294	118.57
Total (all portfolios)		**$ 4,134**	**0.41 %**	**8,697**	**59.59 %**	**1.86**	**$ 2,274**	**55.01 %**

(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 exposure

As at June 30, 2021

		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	$ -	$ 1,534	$ -	$ 3	$ 25,152	$ 14,774
2	Cash – Other currencies	-	3,631	-	633	-	-
3	Domestic sovereign debt	30	-	8	-	-	-
4	Other sovereign debt	-	-	-	-	13,863	23,457
5	Government agency debt	-	-	-	-	878	1,628
6	Corporate bonds	50	-	75	-	2	7
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-
	Total	**$ 80**	**$ 5,165**	**$ 83**	**$ 636**	**$ 39,895**	**$ 39,866**

Template CCR6 – Credit derivatives exposures

As at June 30, 2021

		a	b
	(in millions of dollars)	Protection bought	Protection sold
	Notional amounts		
1	Single-name credit default swaps	$ -	$ -
2	Index credit default swaps	-	1,260
3	Total return swaps	205	205
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notional amounts**	**$ 205**	**$ 1,465**
	Fair values		
7	Positive fair value (asset)	$ -	$ 19
8	Negative fair value (liability)	3	-

Template CCR8 – Exposures to central counterparties (CCP)

As at June 30, 2021

		a	b
	(in millions of dollars)	EAD post-CRM	RWA
1	**Exposures to QCCPs (total)**	**$ 305**	**$ 26**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	220	5
3	i) OTC derivatives	63	1
4	ii) Exchange-traded derivatives	26	1
5	iii) Securities financing transactions	131	3
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	85	21
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**	**$ -**	**$ -**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	i) OTC derivatives	-	-
14	ii) Exchange-traded derivatives	-	-
15	iii) Securities financing transactions	-	-
16	iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

SECURITIZATION

Template SEC1 – Securitization exposures in the banking book

As at June 30, 2021

		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:**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 36**	**$ -**	**$ 36**
7	Business loans	-	-	-	-	-	-	-	-	-
8	Commercial mortgage	-	-	-	-	-	-	-	-	-
9	Lease and receivables	-	-	-	-	-	-	-	-	-
10	Other wholesale exposures	-	-	-	-	-	-	32	-	32
11	Re-securitization	-	-	-	-	-	-	4	-	4

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

As at June 30, 2021

		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**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 36**	**$ -**	**$ -**	**$ -**	**$ 36**
2	Traditional securitization	-	-	-	-	36	-	-	-	36
3	Of which securitization	-	-	-	-	32	-	-	-	32
4	Of which retail underlying	-	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	-	32	-	-	-	32
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**	**$ -**	**$ -**	**$ -**	**$ 451**	**$ -**	**$ -**	**$ -**	**$ 36**
2	Traditional securitization	-	-	-	451	-	-	-	36
3	Of which securitization	-	-	-	402	-	-	-	32
4	Of which retail underlying	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	402	-	-	-	32
6	Of which re-securitization	-	-	-	49	-	-	-	4
7	Of which senior	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	49	-	-	-	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 June 30, 2021

	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	-%	$ 242,319	$ 89,927	N/A	N/A
United States	-	253	469	N/A	N/A
Hong Kong SAR	1.00	111	23	N/A	N/A
United Kingdom	-	12	154	N/A	N/A
Other countries	-	32	11	N/A	N/A
Total		$ 242,727	$ 90,584		

LEVERAGE RATIO

Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure
As at June 30, 2021

	(in millions of dollars)		a
1	Total consolidated assets as per published financial statements	**$**	**389,278**
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation		**(57,461)**
3	Adjustments for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure		**-**
4	Adjustments for derivative financial instruments		**(1,449)**
5	Adjustments for securities financing transactions (i.e. repos and similar secured lending)		**1,487**
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)		**22,828**
7	Other adjustments[(1)]		**(26,170)**
8	**Leverage ratio exposure measure**	**$**	**328,513**

(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 June 30, 2021**	As at March 31, 2021
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	**$ 285,388**	$ 272,815
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)**	**285,388**	272,815
	Derivative exposures[1]		
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	**296**	3,972
5	Add-on amounts for PFE associated with all derivatives transactions	**3,779**	431
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)**	**4,075**	4,403
	Securities financing transaction exposures (SFT)		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	**14,735**	13,845
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**-**	-
14	Counterparty credit risk exposure for SFT assets	**1,487**	1,346
15	Agent transaction exposures	**-**	-
16	**Total SFT exposures (sum of rows 12 to 15)**	**16,222**	15,191
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	**127,935**	125,416
18	(Adjustments for conversion to credit equivalent amounts)	**(105,107)**	(103,497)
19	**Off-balance sheet items (sum of rows 17 and 18)**	**22,828**	21,919
	Capital and total exposures		
20	Tier 1 capital	**27,898**	27,503
20a	Tier 1 capital without the application of the transitional provisions for the provisioning of ECLs[2]	**27,876**	27,480
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	**$ 328,513**	$ 314,328
	Leverage ratio		
22	Basel III leverage ratio	**8.5%**	8.7%
22a	Leverage ratio without the application of the transitional provisions for the provisioning of ECLs[2]	**8.5%**	8.7%

[1] As of June 30,2021, the presentation of data in the "Derivative exposures" section has been revised. This change in presentation has no impact on total derivative exposures and leverage ratio.

[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 2020 Annual Report.

LIQUIDITY

Template LIQ1 – Liquidity coverage ratio (LCR)
As at June 30, 2021

		a	b
	(in millions of dollars)	**Total unweighted value**	**Total weighted value**
	High-quality liquid assets		
1	Total HQLA	**N/A**	**$ 47,629**
	Cash outflows		
2	Retail deposits and deposits from small business clients, of which:	**$ 98,459**	**6,470**
3	Stable deposits	**48,215**	**1,446**
4	Less stable deposits	**50,244**	**5,024**
5	Unsecured wholesale funding, of which:	**37,422**	**17,936**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**11,379**	**2,721**
7	Non-operational deposits (all counterparties)	**18,485**	**7,657**
8	Unsecured debt	**7,558**	**7,558**
9	Secured wholesale funding	**N/A**	**10**
10	Additional requirements, of which:	**14,824**	**3,154**
11	Outflows related to derivative exposures and other collateral requirements	**1,354**	**1,236**
12	Outflows related to loss of funding on debt products	**114**	**114**
13	Credit and liquidity facilities	**13,356**	**1,804**
14	Other contractual funding obligations	**4,870**	**3,240**
15	Other contingent funding obligations	**99,484**	**2,542**
16	**Total cash outflows**	**N/A**	**$ 33,352**
	Cash inflows		
17	Secured lending (eg reverse repos)	**7,524**	**164**
18	Inflows from fully performing exposures	**3,259**	**1,629**
19	Other cash inflows	**80**	**80**
20	**Total cash inflows**	**$ 10,863**	**$ 1,873**
21	Total HQLA	**N/A**	**$ 47,629**
22	Total net cash outflows	**N/A**	**31,479**
23	Liquidity coverage ratio (%)	**N/A**	**151%**

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	4th quarter of 2020	5
OV1	Overview of risk-weighted assets (RWA)	Quarterly	This report	5
	Composition of capital and TLAC			
CC1	Composition of regulatory capital	Quarterly	This report	6
CC2	Reconciliation of regulatory capital to balance sheet	Quarterly	This report	9
CCA	Main features of regulatory capital instruments and other TLAC-eligible instruments	Quarterly	This report	11
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	4th quarter of 2020	16
LI2	Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements	Annually	4th quarter of 2020	17
LIA	Explanations of differences between accounting and regulatory exposure amounts	Annually	4th quarter of 2020	18
	Credit risk			
CRA	General qualitative information about credit risk	Annually	4th quarter of 2020	19
CR1	Credit quality of assets	Semi-annually	This report	16
CR2	Changes in stock of defaulted loans and debt securities	Semi-annually	This report	17
CRB	Additional disclosure related to the credit quality of assets	Annually	4th quarter of 2020	22
CRC	Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques	Annually	4th quarter of 2020	24
CR3	Credit risk mitigation (CRM) techniques – overview	Semi-annually	This report	18
CRD	Qualitative disclosures on Desjardins Group’s use of external credit ratings under the standardized approach for credit risk	Annually	4th quarter of 2020	26
CR4	Standardized approach – Credit risk exposure and credit risk mitigation (CRM) effects	Semi-annually	This report	19
CR5	Standardized approach – Exposures by asset classes and risk weights	Semi-annually	This report	20
CRE	Qualitative disclosures related to Internal Ratings-Based (IRB) models	Annually	4th quarter of 2020	29
CR6	IRB – Credit risk exposures by portfolio and probability of default (PD) range	Semi-annually	This report	21
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	25
CR9	IRB – Backtesting of probability of default (PD) per portfolio	Annually	4th quarter of 2020	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.	

The footnote to this table is presented on the next page.

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	4th quarter of 2020	36
CCR1	Analysis of counterparty credit risk (CCR) exposure by approach	Semi-annually	This report	26
CCR2	Credit valuation adjustment (CVA) capital charge	Semi-annually	This report	26
CCR3	Standardized approach – Counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights	Semi-annually	This report	27
CCR4	IRB – Counterparty credit risk (CCR) regulatory exposures by portfolio and probability of default (PD) range	Semi-annually	This report	28
CCR5	Composition of collateral for counterparty credit risk (CCR) exposure	Semi-annually	This report	29
CCR6	Credit derivatives exposures	Semi-annually	This report	29
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	30
	Securitization			
SECA	Qualitative disclosure requirements related to securitization exposures	Annually	4th quarter of 2020	42
SEC1	Securitization exposures in the banking book	Semi-annually	This report	31
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	32
	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	33
	Leverage ratio			
LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Quarterly	This report	34
LR2	Leverage ratio common disclosure template	Quarterly	This report	35
	Liquidity			
LIQ1	Liquidity coverage ratio (LCR)	Quarterly	This report	36

[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 calculated in accordance with the guideline on adequacy of capital base standards applicable to financial services cooperatives issued by the AMF.

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. A financial asset is therefore considered credit-impaired when it is in default, unless the detrimental impact on the estimated future cash flows is considered insignificant. The definition of default is associated with an instrument for which contractual payments are 90 days past due, in addition to certain other criteria.

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 Tier 1 capital divided by the exposure measure. The exposure measure is independent from risk and 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.