Desjardins

Pillar 3 Report (unaudited)

For the period ended March 31, 2021

TABLE OF CONTENTS

NOTES TO THE READER

USE OF THIS DOCUMENT

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

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

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

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

Unless indicated otherwise, all amounts are in Canadian dollars.

SCOPE OF THIS DOCUMENT

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

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

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Desjardins Group's public communications often include oral or written forward-looking statements. Such forward-looking statements are contained in Desjardins Group's reports and may be incorporated in other filings with Canadian regulators or in any other communications. Forward-looking statements include, but are not limited to, comments about Desjardins Group's objectives regarding financial performance, priorities, operations, the review of economic conditions and financial markets, the outlook for the Québec, Canadian, U.S. and world economies as well as the possible impact of the COVID-19 pandemic on its operations, its results and its financial position and the economic and financial market conditions. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "plan", "project", "forecast" and "may", words and expressions of similar import, and future and conditional verbs.

By their very nature, such statements involve assumptions, uncertainties and inherent risks, both general and specific. It is therefore possible that, due to many factors, the assumptions formulated may be incorrect, or the predictions, forecasts or other forward-looking statements as well as Desjardins Group's objectives and priorities may not materialize or may prove to be inaccurate and that actual results differ materially. Specifically, the uncertainty arising from the COVID-19 pandemic has greatly increased that risk as it made it more challenging to establish assumptions, predictions, projections and other forward-looking statements than in prior periods. Although Desjardins Group believes that the expectations expressed in these forward-looking statements are reasonable and based on valid foundations, it cannot guarantee that these expectations will materialize or prove to be correct. Desjardins Group cautions readers against placing undue reliance on these forward-looking statements to make decisions since actual results, conditions, actions and future events could differ significantly from the targets, expectations, estimates or intents in the forward-looking statements, either explicitly or implicitly.

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

DISCLOSURE POLICY

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

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

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

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

		a	b	c	d	e
	(in millions of dollars and as a percentage)	**As at March 31, 2021**	As at December 31, 2020	As at September 30, 2020	As at June 30, 2020	As at March 31, 2020
1	Total loss-absorbing capacity (TLAC) available	**$ 30,709**	$ 28,775	$ 28,374	$ 27,973	$ 27,502
1a	Total loss-absorbing capacity (TLAC) available without the application of the transitional provisions for the provisioning of expected credit losses (ECLs)[2]	**30,707**	28,772	28,372	27,971	N/A
2	Total RWA at the level of the resolution group	**120,539**	116,522	116,773	113,475	112,856
3	TLAC as a percentage of RWA[3] (row 1 / row 2) (%)	**25.5** %	24.7 %	24.3 %	24.7 %	24.4 %
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]	**25.5**	24.7	24.3	24.7	N/A
4	Leverage ratio exposure measure at the level of the resolution group	**$ 307,977**	$ 301,805	$ 304,861	$ 291,261	$ 273,219
5	TLAC as a percentage of leverage ratio exposure measure[3] (row 1 / row 4)	**10.0** %	9.5 %	9.3 %	9.6 %	10.1 %
5a	TLAC as a percentage of leverage ratio exposure measure[3] (row 1a / row 4) without the application of the transitional provisions for the provisioning of ECLs[2]	**10.0**	9.5	9.3	9.6	N/A
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**yes**	yes	yes	yes	yes
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**no**	no	no	no	no
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognized as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognized as external TLAC if no cap was applied	**N/A**	N/A	N/A	N/A	N/A

(1) The data in this template differ from those presented in Template CC1 because they refer to the resolution group that excludes Caisse Desjardins Ontario Credit Union Inc.

(2) On March 31, 2020, the AMF issued transitional provisions under which a portion of the general allowance, originally eligible for Tier 2 capital, can be included in Tier 1A capital. For more information, see the “Adjustments to capital requirements related to the COVID-19 pandemic” sub-section of the “Capital management” section of Desjardins Group’s 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 March 31, 2021	As at December 31, 2020	As at March 31, 2021
1	Credit risk (excluding counterparty credit risk – CCR)	$ 92,416	$ 89,637	$ 7,393
2	Of which: Standardized Approach (SA)	18,649	17,484	1,492
3	Of which: Internal Ratings-Based Approach (IRB)	73,767	72,153	5,901
4	Counterparty credit risk	4,470	4,406	358
5	Of which: Standardized Approach for counterparty credit risk (SA-CCR)	4,470	4,406	358
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	113	111	9
11	Settlement risk	-	-	-
12	Securitization exposures in the banking book	150	97	12
13	Of which: Internal Ratings-Based Approach (IRB)	-	-	-
14	Of which: prudential approach (PA) based on internal ratings	-	-	-
15	Of which: Standardized Approach (SA)/simplified prudential approach (SPA)	150	97	12
16	Market risk	2,861	2,561	229
17	Of which: Standardized Approach (SA)	432	390	35
18	Of which: approaches based on the Internal Model Method (IMM)	2,429	2,171	194
19	Operational risk	13,822	13,705	1,105
20	Of which: Basic Indicator Approach	-	-	-
21	Of which: Standardized Approach	13,822	13,705	1,105
22	Of which: advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	9,160	9,407	733
24	Floor adjustment	1,412	177	113
25	**Total (1 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 16 + 19 + 23 + 24)**	**$ 124,404**	$ 120,101	**$ 9,952**

[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 March 31, 2021	Cross-reference[1]	As at December 31, 2020	As at September 30, 2020	As at June 30, 2020	As at March 31, 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	**24,792**	C + D	23,132	22,436	21,945	22,668
3	Accumulated amounts of other general income (and other reserves) and accumulated other comprehensive income	**1,004**	E	1,308	1,185	1,046	460
4	Directly issued capital subject to phase-out from Tier 1A regulatory capital	**110**	F	125	132	141	154
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**	**30,795**		29,454	28,642	28,021	28,171
	Tier 1A capital instruments: Regulatory adjustments						
7	Prudential valuation adjustments	**-**		-	-	-	-
8	Goodwill (net of related deferred tax liabilities)	**150**	G + H	150	150	121	6
9	Intangible assets other than mortgage servicing rights and software (net of qualifying deferred tax liabilities)	**386**	I + J	354	389	362	100
10	Deferred tax assets, excluding those arising from temporary differences (net of qualifying deferred tax liabilities)	**107**	K + L	111	137	179	196
11	Cash flow hedge reserve	**404**	M	466	501	531	441
12	Shortfall of allowances for expected losses[2]	**177**	Note	138	280	277	358
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	**23**	B	25	25	28	39
18	Investments of the "entity" in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the entity does not own more than 10% of their capital, net of qualifying short positions (amount above threshold of 10% of the entity's capital)	**-**		-	-	-	-
19	Significant investments of the "entity" in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of qualifying short positions (amount above threshold of 10% of the entity's capital)	**1,929**	N + O	1,784	1,180	908	963
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]	**(20)**	Note	(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	**136**	X	138	140	142	334
28	**Total regulatory adjustments to Tier 1A capital**	**3,292**		3,137	2,782	2,528	2,437
29	**Total Tier 1A capital**	**27,503**		26,317	25,860	25,493	$ 25,734
29a	**Total Tier 1A capital without the application of the transitional provisions for the provisioning of expected credit losses (ECLs)[3]**	**$ 27,480**		$ 26,284	$ 25,837	$ 25,472	N/A

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 March 31, 2021	Cross-reference[1]	As at December 31, 2020	As at September 30, 2020	As at June 30, 2020	As at March 31, 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	**136**	X	138	140	142	144
41	Specific regulatory adjustments	**(136)**	X	(138)	(140)	(142)	(334)
42	Regulatory adjustments applied to Tier 1B capital due to insufficient Tier 2 capital to cover deductions	**-**		-	-	-	190
43	**Total regulatory adjustments to Tier 1B capital**	**-**		-	-	-	-
44	**Total Tier 1B capital**	**-**		-	-	-	-
45	**Total Tier 1 capital (1A + 1B)**	**27,503**		26,317	25,860	25,493	25,734
45a	**Total Tier 1 capital (1A + 1B) without the application of the transitional provisions for the provisioning of ECLs[3]**	**27,480**		26,284	25,837	25,472	N/A
	Tier 2 capital: Instruments and provisions						
46	Directly issued qualifying Tier 2 capital instruments[4]	**1,020**	P	1,023	998	1,004	25
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	**309**	Q	495	488	454	510
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	**112**	R	105	96	95	101
51	**Tier 2 capital before regulatory adjustments**	**1,441**		1,623	1,582	1,553	636
	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	**-**		-	-	-	(190)
57	**Total regulatory adjustments to Tier 2 capital**	**826**		826	826	826	636
58	**Total Tier 2 capital**	**615**		797	756	727	-
59	**Total capital (1A + 1B and 2)**	**28,118**		27,114	26,616	26,220	25,734
59a	**Total capital (1A + 1B and 2) without the application of the transitional provisions for the provisioning of ECLs[3]**	**28,116**		27,111	26,614	26,218	N/A
60	**Total risk-weighted assets**	**$ 124,404**		$ 120,101	$ 120,603	$ 117,148	$ 115,921

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 March 31, 2021	Cross-reference[1]	As at December 31, 2020	As at September 30, 2020	As at June 30, 2020	As at March 31, 2020
	Capital ratios and buffers						
61	Tier 1A (as a % of risk-weighted assets)	**22.1%**		21.9%	21.4%	21.8%	22.2%
61a	Tier 1A (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**22.1**		21.9	21.4	21.7	N/A
62	Tier 1 (as a % of risk-weighted assets)	**22.1**		21.9	21.4	21.8	22.2
62a	Tier 1 (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**22.1**		21.9	21.4	21.7	N/A
63	Total capital (as a % of risk-weighted assets)	**22.6**		22.6	22.1	22.4	22.2
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	22.1	22.4	N/A
64	Entity-specific buffer requirement (capital conservation buffer + countercyclical buffer + higher loss absorbency requirement, expressed as a % of risk-weighted assets)	**3.5**		3.5	3.5	3.5	3.5
65	Of which: capital conservation buffer	**2.5**		2.5	2.5	2.5	2.5
66	Of which: entity-specific countercyclical buffer	**N/A**		N/A	N/A	N/A	N/A
67	Of which: higher loss absorbency requirement	**1.0**		1.0	1.0	1.0	1.0
68	Tier 1A capital (as a % of risk-weighted assets) available after meeting minimum capital requirements	**19.1**		19.1	18.6	18.9	18.7
	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	**$ 133**	U	$ 337	$ 447	$ 136	$ 133
73	Significant investments in Tier 1A capital instruments of financial entities	**2,957**	V	2,824	2,718	2,654	2,703
74	Mortgage servicing rights (net of related tax liabilities)	**-**		-	-	-	-
75	Deferred tax assets arising from temporary differences (net of related tax liabilities)	**707**	W	939	923	908	534
	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)	**133**		134	117	114	101
77	Cap on inclusion of provision in Tier 2 capital under the Standardized Approach	**133**		134	117	114	101
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**		420	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**		618	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 March 31, 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	$ 19,853	$ 636	$ 19,217		
Securities	83,429	30,512	52,917		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				$ 133	U
Other securities				52,784	
Securities borrowed or purchased under reverse repurchase agreements	13,634	(213)	13,847		
Loans	215,915	2,693	213,222		
Significant investments in the Tier 2 capital of financial institutions				126	S
Other loans				213,096	
Allowance for credit losses	(1,064)	(6)	(1,058)		
General allowance allowed for inclusion in Tier 2 capital				(112)	R
Allowances not allowed for regulatory capital				(946)	
Segregated fund net assets	20,662	20,662	-	-	
Other assets					
Clients' liability under acceptances	154	-	154		
Premiums receivable	2,641	2,641	-		
Derivative financial instruments	5,585	172	5,413		
Amounts receivable from clients, brokers and financial institutions	5,389	6	5,383		
Reinsurance assets	1,904	1,904	-		
Right-of-use assets	563	(328)	891		
Investment property	918	906	12		
Property, plant and equipment	1,514	463	1,051		
Goodwill	156	115	41		G
Intangible assets	455	260	195		I
Deferred tax assets	833	290	543		
Deferred tax assets other than those attributable to temporary differences				157	K
Deferred tax liabilities other than those attributable to temporary differences				(50)	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				707	W
Deferred tax liabilities related to software and other intangible assets				(69)	J
Deferred tax liabilities related to goodwill				(6)	H
Other deferred tax assets				(196)	
Other				-	
Investments in associates and entities accounted for using the equity method	1,238	(4,966)	6,204		
Significant investments in the capital of other financial institutions exceeding the regulatory threshold of 10% of Tier 1A capital				139	N
Significant investments in the capital of other financial institutions exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				-	
Significant investments in the capital of financial institutions not exceeding the regulatory thresholds				2,957	V
Investments in deconsolidated subsidiaries exceeding the regulatory threshold of 10% of Tier 1A capital				1,790	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				136	X
Significant investments in the Tier 2 capital of other financial institutions				700	T
Other adjustments related to investments				482	
Other items	3,202	694	2,508		
Total assets	$ 376,981	$ 56,441	$ 320,540		

Footnotes to this table are presented on the next page.

Template CC2 – Reconciliation of regulatory capital to balance sheet (continued)
As at March 31, 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	$ 230,919	$ (515)	$ 231,434		
Other liabilities					
Acceptances	154	-	154		
Commitments related to securities sold short	11,589	138	11,451		
Commitments related to securities lent or sold under repurchase agreements	21,883	294	21,589		
Derivative financial instruments	5,236	75	5,161		
Amounts payable to clients, brokers and financial institutions	11,047	148	10,899		
Lease liabilities	631	(333)	964		
Insurance contract liabilities	32,822	32,822	-		
Segregated fund net liabilities	20,660	20,660	-		
Net defined benefit plan liabilities	1,877	424	1,453		
Deferred tax liabilities	334	264	70		
Other	6,712	1,632	5,080		
Liabilities of the disposal group held to be transferred	-	-	-		
Subordinated notes	1,473	-	1,473		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase out				$ 309	Q
Subordinated notes allowed for inclusion in Tier 2 capital				995	P
Subordinated indebtedness not allowed for Tier 2 capital				169	
Total liabilities	345,337	55,609	289,728		
Equity					
Capital stock	5,016	-	5,016		
Permanent shares and surplus shares				110	F
Qualifying shares				25	P
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				(8)	
Federation capital shares				4,866	A
Reciprocal cross-holdings in Tier 1A capital instruments				23	B
Share capital	-	-	-		
Preferred shares allowed for inclusion in Tier 1A capital				-	
Preferred shares not allowed for regulatory capital				-	
Undistributed surplus earnings	2,369	47	2,322		C
Accumulated other comprehensive income	999	(5)	1,004		E
Net unrealized gains (losses) on debt securities classified as at fair value through other comprehensive income				(317)	
Gains (losses) on derivative financial instruments designated as cash flow hedges				404	M
Net unrealized gains (losses) related to the overlay approach adjustment for insurance operations financial assets				270	
Other				647	
Reserves	22,470	-	22,470		D
Non-controlling interests	790	790	-		
Portion allowed for inclusion in Tier 1A capital				-	
Portion allowed for inclusion in Tier 1 capital				-	
Portion allowed for inclusion in Tier 2 capital				-	
Portion not allowed for regulatory capital				-	
Total equity	31,644	832	30,812		
Total liabilities and equity	$ 376,981	$ 56,441	$ 320,540		

[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 March 31, 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	$101,260	$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 March 31, 2021

	Features	Series J senior notes	NVCC subordinated notes
1	Issuer	Desjardins Capital Inc.	Fédération des caisses Desjardins du Québec
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	CA 14006ZAF41	31430WDW1 / CA31430WDW16
3	Governing law(s) of the instrument	Québec	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
	Regulatory treatment:		
4	Transitional Basel III rules	Tier 2 instrument	Tier 2 instrument
5	Post-transitional Basel III rules	Non-qualifying	Tier 2 instrument
6	Eligible at financial entity/group/group and financial entity	Entity	Entity
7	Instrument type	Subordinated notes	Subordinated notes
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$308,116	$995,296
9	Par value of instrument	$500,000,000	$1,000,000,000
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Original date of issuance	December 15, 2011	May 26, 2020
12	Perpetual or dated	Dated	Dated
13	Original maturity date	December 15, 2026	May 26, 2030
14	Issuer call subject to prior approval by the AMF	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	On any date on or after December 15, 2021, at the early redemption price	On or after May 26, 2025, 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
	Coupons / dividends		
17	Fixed or floating dividend/coupon	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%
19	Existence of a payment stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	See Note (2)
25	If convertible, fully or partially	N/A	Always fully convertible
26	If convertible, conversion rate	N/A	See Note (3)
27	If convertible, mandatory or optional conversion	N/A	Mandatory
28	If convertible, specify instrument type convertible into	N/A	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
30	Writedown feature	No	No
31	Writedown trigger(s)	N/A	N/A
32	Full or partial writedown	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A
34	If temporary writedown, description of writeup mechanism	N/A	N/A
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
36	Non-compliant transitioned features	Yes	No
37	If yes, specify non-compliant feature	No non-viability contingent capital criteria	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 March 31, 2021

	Features	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
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	CA31430WCG74	31429KAD5 / 31429LAD3	31430WFL3 / CA31430WFL33
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
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
	Regulatory treatment:			
4	Transitional Basel III rules	N/A	N/A	N/A
5	Post-transitional Basel III rules	N/A	N/A	N/A
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity
7	Instrument type	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
9	Par value of instrument	$1,000,000,000	US$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	October 4, 2019	February 10, 2020	January 21, 2021
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	October 4, 2024	February 10, 2025	January 21, 2026
14	Issuer call subject to prior approval by the AMF	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate or any related index	2.417% per year	2.05% per year	1.093% per year
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	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Writedown feature	No	No	No
31	Writedown trigger(s)	N/A	N/A	N/A
32	Full or partial writedown	N/A	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A	N/A
34	If temporary writedown, description of writeup mechanism	N/A	N/A	N/A
34a	Type of subordination	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
36	Non-compliant transitioned features	N/A	N/A	N/A
37	If yes, specify non-compliant feature	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.

CREDIT RISK

Template CR8 – Risk-weighted assets (RWA) flow statements of credit risk exposures under IRB
As at March 31, 2021

	(in millions of dollars)	a RWA amounts
1	**RWA as at end of previous reporting period**	**$ 72,153**
2	Asset size[(1)]	**(32)**
3	Asset quality[(2)]	**171**
4	Model updates[(3)]	**548**
5	Methodology and policy[(4)]	**977**
6	Acquisitions and disposals[(5)]	**-**
7	Foreign exchange movements[(6)]	**(50)**
8	Other	**-**
9	**RWA as at end of reporting period**	**$ 73,767**

(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.

LEVERAGE RATIO

Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure
As at March 31, 2021

	(in millions of dollars)	a
1	Total consolidated assets as per published financial statements	$ 376,981
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(56,441)
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	(1,010)
5	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	1,346
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	21,919
7	Other adjustments[(1)]	(28,467)
8	**Leverage ratio exposure measure**	**$ 314,328**

[(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

	(in millions of dollars)	a As at March 31, 2021	b As at December 31, 2020
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	**$ 272,815**	$ 271,010
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)**	**272,815**	271,010
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	**3,972**	3,720
5	Add-on amounts for PFE associated with all derivatives transactions	**431**	258
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)**	**4,403**	3,978
	Securities financing transaction exposures (SFT)		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	**13,845**	9,915
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**-**	-
14	Counterparty credit risk exposure for SFT assets	**1,346**	1,552
15	Agent transaction exposures	**-**	-
16	**Total SFT exposures (sum of rows 12 to 15)**	**15,191**	11,467
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	**125,416**	124,872
18	(Adjustments for conversion to credit equivalent amounts)	**(103,497)**	(103,402)
19	**Off-balance sheet items (sum of rows 17 and 18)**	**21,919**	21,470
	Capital and total exposures		
20	Tier 1 capital	**27,503**	26,317
20a	Tier 1 capital without the application of the transitional provisions for the provisioning of ECLs[(1)]	**27,480**	26,284
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	**$ 314,328**	$ 307,925
	Leverage ratio		
22	Basel III leverage ratio	**8.7%**	8.5%
22a	Leverage ratio without the application of the transitional provisions for the provisioning of ECLs[(1)]	**8.7%**	8.5%

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

LIQUIDITY

Template LIQ1 – Liquidity coverage ratio (LCR)
As at March 31, 2021

	(in millions of dollars)	a Total unweighted value	b Total weighted value
	High-quality liquid assets		
1	Total HQLA	N/A	$ 46,101
	Cash outflows		
2	Retail deposits and deposits from small business clients, of which:	$ 95,275	6,265
3	Stable deposits	46,601	1,398
4	Less stable deposits	48,674	4,867
5	Unsecured wholesale funding, of which:	34,022	17,202
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	9,572	2,281
7	Non-operational deposits (all counterparties)	16,206	6,677
8	Unsecured debt	8,244	8,244
9	Secured wholesale funding	N/A	6
10	Additional requirements, of which:	14,623	3,097
11	Outflows related to derivative exposures and other collateral requirements	1,349	1,231
12	Outflows related to loss of funding on debt products	78	78
13	Credit and liquidity facilities	13,196	1,788
14	Other contractual funding obligations	4,170	2,470
15	Other contingent funding obligations	98,447	2,493
16	**Total cash outflows**	N/A	$ 31,533
	Cash inflows		
17	Secured lending (eg reverse repos)	12,097	41
18	Inflows from fully performing exposures	3,399	1,700
19	Other cash inflows	113	113
20	**Total cash inflows**	$ 15,609	$ 1,854
21	Total HQLA	N/A	$ 46,101
22	Total net cash outflows	N/A	29,679
23	Liquidity coverage ratio (%)	N/A	155%

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	4th quarter of 2020	14
TLAC3	Resolution entity – creditor ranking at legal entity level	Semi-annually	4th quarter of 2020	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	4th quarter of 2020	20
CR2	Changes in stock of defaulted loans and debt securities	Semi-annually	4th quarter of 2020	21
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	4th quarter of 2020	25
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	4th quarter of 2020	27
CR5	Standardized approach – Exposures by asset classes and risk weights	Semi-annually	4th quarter of 2020	28
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	4th quarter of 2020	30
CR7	IRB – Effect on risk-weighted assets (RWA) of credit derivatives used as credit risk mitigation (CRM) techniques	Semi-annually	Desjardins Group does not use the effect of credit derivatives in the IRB method.	
CR8	Risk-weighted assets (RWA) flow statements of credit risk exposures under IRB	Quarterly	This report	14
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	4th quarter of 2020	37
CCR2	Credit valuation adjustment (CVA) capital charge	Semi-annually	4th quarter of 2020	37
CCR3	Standardized approach – Counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights	Semi-annually	4th quarter of 2020	38
CCR4	IRB – Counterparty credit risk (CCR) regulatory exposures by portfolio and probability of default (PD) range	Semi-annually	4th quarter of 2020	39
CCR5	Composition of collateral for counterparty credit risk (CCR) exposure	Semi-annually	4th quarter of 2020	40
CCR6	Credit derivatives exposures	Semi-annually	4th quarter of 2020	40
CCR7	Risk-weighted assets (RWA) flow statements of counterparty credit risk (CCR) exposures under the Internal Model Method (IMM)	Quarterly	Desjardins Group does not use the IRB Approach for counterparty credit risk	
CCR8	Exposures to central counterparties (CCP)	Semi-annually	4th quarter of 2020	41
	Securitization			
SECA	Qualitative disclosure requirements related to securitization exposures	Annually	4th quarter of 2020	42
SEC1	Securitization exposures in the banking book	Semi-annually	4th quarter of 2020	43
SEC2	Securitization exposures in the trading book	Semi-annually	Desjardins Group's securitization exposure is not material	
SEC3	Securitization exposures in the banking book and associated regulatory capital requirements (financial entity acting as originator or as sponsor)	Semi-annually	Desjardins Group does not act as originator or sponsor	
SEC4	Securitization exposures in the banking book and associated capital requirements (financial entity acting as investor)	Semi-annually	4th quarter of 2020	44
	Market risk			
MRA	Qualitative disclosure requirements related to market risk	Annually	Desjardins Group has deferred the disclosure of market risk-specific information to the second phase of the implementation of Pillar 3 disclosure requirements.	
MR1	Market risk under the standardized approach	Semi-annually		
MRB	Qualitative disclosures for financial entities using the internal models approach (IMA)	Annually		
MR2	Risk-weighted assets (RWA) flow statements of market risk exposures under the internal models approach (IMA)	Quarterly		
MR3	Internal models approach (IMA) values for trading portfolios	Semi-annually		
MR4	Comparison of VaR estimates with gains/losses	Semi-annually		
	Macroprudential supervisory measures			
CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer	Semi-annually	4th quarter of 2020	45
	Leverage ratio			
LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Quarterly	This report	15
LR2	Leverage ratio common disclosure template	Quarterly	This report	16
	Liquidity			
LIQ1	Liquidity coverage ratio (LCR)	Quarterly	This report	17

[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.