Pillar 3 Report (unaudited)

For the period ended June 30, 2020

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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/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 markets, as well as the outlook for the Québec, Canadian, U.S. and world economies. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intend", "estimate", "plan" and "may", words and expressions of similar import, and future and conditional verbs.

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

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

DISCLOSURE POLICY

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

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

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

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

	(in millions of dollars and as a percentage)	a As at June 30, 2020	b As at March 31, 2020	c As at December 31, 2019	d As at September 30, 2019	e As at June 30, 2019
1	Total loss-absorbing capacity (TLAC) available	**$ 27,973**	$ 27,502	$ 24,990	$ 23,667	$ 22,996
1a	Total loss-absorbing capacity (TLAC) available without the application of the transitional provisions for the provisioning of expected credit losses (ECLs)[2]	**27,971**	N/A	N/A	N/A	N/A
2	Total RWA at the level of the resolution group	**113,475**	112,856	110,798	131,943	130,097
3	TLAC as a percentage of RWA[3] (row 1 / row 2) (%)	**24.7** %	24.4 %	22.6 %	17.9 %	17.7 %
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]	**24.7**	N/A	N/A	N/A	N/A
4	Leverage ratio exposure measure at the level of the resolution group	**$ 291,261**	$ 273,219	$ 274,995	$ 276,308	$ 275,461
5	TLAC as a percentage of leverage ratio exposure measure[3] (row 1 / row 4)	**9.6** %	10.1 %	9.1 %	8.6 %	8.3 %
5a	TLAC as a percentage of leverage ratio exposure measure[3] (row 1a / row 4) without the application of the transitional provisions for the provisioning of ECLs[2]	**9.6**	N/A	N/A	N/A	N/A
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**yes**	yes	yes	yes	yes
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**no**	no	no	no	no
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognized as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognized as external TLAC if no cap was applied	**N/A**	N/A	N/A	N/A	N/A

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

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

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

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

	(in millions of dollars)	a RWA[1] As at June 30, 2020	b RWA[1] As at March 31, 2020	c Minimum capital requirements[2] As at June 30, 2020
1	Credit risk (excluding counterparty credit risk – CCR)	**$ 86,264**	$ 83,756	**$ 6,902**
2	Of which: Standardized Approach (SA)	**16,909**	16,717	**1,353**
3	Of which: Internal Ratings-Based Approach (IRB)	**69,355**	67,039	**5,549**
4	Counterparty credit risk	**5,539**	5,867	**443**
5	Of which: Standardized Approach for counterparty credit risk (SA-CCR)	**5,539**	5,867	**443**
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	**104**	96	**8**
11	Settlement risk	**-**	-	**-**
12	Securitization exposures in the banking book	**121**	84	**10**
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)	**121**	84	**10**
16	Market risk[3]	**2,962**	2,368	**237**
17	Of which: Standardized Approach (SA)	**435**	667	**35**
18	Of which: approaches based on the Internal Model Method (IMM)	**2,527**	1,701	**202**
19	Operational risk	**13,253**	13,109	**1,060**
20	Of which: Basic Indicator Approach	**-**	-	**-**
21	Of which: Standardized Approach	**13,253**	13,109	**1,060**
22	Of which: advanced measurement approach	**-**	-	**-**
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	**8,905**	8,091	**712**
24	Floor adjustment	**-**	2,550	**-**
25	**Total (1 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 16 + 19 + 23 + 24)**	**$ 117,148**	$ 115,921	**$ 9,372**

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

COMPOSITION OF CAPITAL AND TLAC

Template CC1 – Composition of regulatory capital

	(in millions of dollars and as a percentage)	As at June 30, 2020	Cross-reference[1]	As at March 31, 2020	As at December 31, 2019	As at September 30, 2019	As at June 30, 2019
	Tier 1A capital instruments: Instruments and reserves						
1	Directly issued qualifying Tier 1A capital instruments (and equivalent)	**$ 4,889**	A + B	$ 4,889	$ 4,889	$ 4,890	$ 4,888
2	Qualifying reserves and undistributed surplus earnings	**21,945**	C + D	22,668	21,222	20,609	20,024
3	Accumulated amounts of other general income (and other reserves) and accumulated other comprehensive income	**1,046**	E	460	223	364	433
4	Directly issued capital subject to phase-out from Tier 1A regulatory capital	**141**	F	154	238	277	304
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**	**28,021**		28,171	26,572	26,140	25,649
	Tier 1A capital instruments: Regulatory adjustments						
7	Prudential valuation adjustments	**-**		-	-	-	-
8	Goodwill (net of related deferred tax liabilities)	**121**	G + H	6	6	3	3
9	Intangible assets other than mortgage servicing rights and software (net of qualifying deferred tax liabilities)	**362**	I + J	100	103	108	111
10	Deferred tax assets, excluding those arising from temporary differences (net of qualifying deferred tax liabilities)	**179**	K + L	196	167	135	110
11	Cash flow hedge reserve	**531**	M	441	(22)	75	116
12	Shortfall of allowances for expected losses[2]	**277**	Note	358	458	488	461
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	**28**	B	39	27	25	13
18	Investments of the "entity" in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the entity does not own more than 10% of their capital, net of qualifying short positions (amount above threshold of 10% of the entity's capital)	**-**		-	-	-	-
19	Significant investments of the "entity" in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of qualifying short positions (amount above threshold of 10% of the entity's capital)	**908**	N + O	963	1,253	1,101	1,298
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	-	-	-	-
27	Regulatory adjustments applied to Tier 1A capital instruments due to insufficient Tier 1B capital and Tier 2 capital to cover deductions	**142**	X	334	31	-	-
28	**Total regulatory adjustments to Tier 1A capital**	**2,528**		2,437	2,023	1,935	2,112
29	**Total Tier 1A capital**	**25,493**		$ 25,734	$ 24,549	$ 24,205	$ 23,537
29a	**Total Tier 1A capital without the application of the transitional provisions for the provisioning of expected credit losses (ECLs)[3]**	**$ 25,472**		N/A	N/A	N/A	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 June 30, 2020	Cross-reference[1]	As at March 31, 2020	As at December 31, 2019	As at September 30, 2019	As at June 30, 2019
	Tier 1B capital instruments						
30	Directly issued qualifying Tier 1B capital instruments	**$ -**		$ -	$ -	$ -	$ -
31	Of which: instruments classified as equity under applicable accounting standards	**-**		-	-	-	-
32	Of which: instruments classified as liabilities under applicable accounting standards	**-**		-	-	-	-
33	Directly issued capital instruments subject to phase-out from Tier 1B capital	**-**		-	-	-	-
34	Tier 1B capital instruments (and Tier 1A instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in Tier 1B capital)	**-**		-	-	-	-
35	Of which: instruments issued by subsidiaries and subject to phase-out	**-**		-	-	-	-
36	**Tier 1B capital before regulatory adjustments**	**-**		-	-	-	-
	Tier 1B capital: Regulatory adjustments						
37	Investments in own Tier 1B capital instruments	**-**		-	-	-	-
38	Reciprocal cross-holdings in Tier 1B capital instruments	**-**		-	-	-	-
39	Investments of the “entity” in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the entity does not own more than 10% of their issued Tier 1A capital instruments (amount above 10% threshold)	**-**		-	-	-	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	**142**	X	144	-	-	-
41	Specific regulatory adjustments	**(142)**	X	(334)	(31)	-	-
42	Regulatory adjustments applied to Tier 1B capital due to insufficient Tier 2 capital to cover deductions	**-**		190	31	-	-
43	**Total regulatory adjustments to Tier 1B capital**	**-**		-	-	-	-
44	**Total Tier 1B capital**	**-**		-	-	-	-
45	**Total Tier 1 capital (1A + 1B)**	**25,493**		25,734	24,549	24,205	23,537
45a	**Total Tier 1 capital (1A + 1B) without the application of the transitional provisions for the provisioning of ECLs[3]**	**25,472**		N/A	N/A	N/A	N/A
	Tier 2 capital: Instruments and provisions						
46	Directly issued qualifying Tier 2 capital instruments	**1,022**	P	25	25	25	25
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	**454**	Q	510	687	681	688
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)	**-**		N/A	N/A	N/A	N/A
49	Of which: instruments issued by subsidiaries subject to phase-out	**-**		-	-	-	-
50	Provisions	**95**	R	101	77	327	307
51	**Tier 2 capital before regulatory adjustments**	**1,571**		636	789	1,033	1,020
	Tier 2 capital: Regulatory adjustments						
52	Investments in own Tier 2 capital instruments	**18**		-	-	-	-
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	820	820	820
56	Specific regulatory adjustments	**-**		(190)	(31)	-	-
57	**Total regulatory adjustments to Tier 2 capital**	**844**		636	789	820	820
58	**Total Tier 2 capital**	**727**		-	-	213	200
59	**Total capital (1A + 1B and 2)**	**26,220**		25,734	24,549	24,418	23,737
59a	**Total capital (1A + 1B and 2) without the application of the transitional provisions for the provisioning of ECLs[3]**	**26,218**		N/A	N/A	N/A	N/A
60	**Total risk-weighted assets**	**$ 117,148**		$ 115,921	$ 113,861	$ 135,255	$ 133,272

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, 2020	Cross-reference[1]	As at March 31, 2020	As at December 31, 2019	As at September 30, 2019	As at June 30, 2019
	Capital ratios and buffers						
61	Tier 1A (as a % of risk-weighted assets)	**21.8 %**		22.2 %	21.6 %	17.9 %	17.7 %
61a	Tier 1A (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**21.7**		N/A	N/A	N/A	N/A
62	Tier 1 (as a % of risk-weighted assets)	**21.8**		22.2	21.6	17.9	17.7
62a	Tier 1 (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**21.7**		N/A	N/A	N/A	N/A
63	Total capital (as a % of risk-weighted assets)	**22.4**		22.2	21.6	18.1	17.8
63a	Total capital (as a % or risk-weighted assets) without the application of the transitional provisions for the provisioning of ECLs[3]	**22.4**		N/A	N/A	N/A	N/A
64	Entity-specific buffer requirement (capital conservation buffer + countercyclical buffer + higher loss absorbency requirement, expressed as a % of risk-weighted assets)	**3.5**		3.5	3.5	3.5	3.5
65	Of which: capital conservation buffer	**2.5**		2.5	2.5	2.5	2.5
66	Of which: entity-specific countercyclical buffer	**N/A**		N/A	N/A	N/A	N/A
67	Of which: higher loss absorbency requirement	**1.0**		1.0	1.0	1.0	1.0
68	Tier 1A capital (as a % of risk-weighted assets) available after meeting minimum capital requirements	**18.9**		18.7	18.1	14.6	14.3
	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	**$ 136**	U	$ 133	$ 136	$ 128	$ 134
73	Significant investments in Tier 1A capital instruments of financial entities	**2,654**	V	2,703	2,583	2,531	2,484
74	Mortgage servicing rights (net of related tax liabilities)	**-**		-	-	-	-
75	Deferred tax assets arising from temporary differences (net of related tax liabilities)	**908**	W	534	726	891	913
	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)	**114**		101	77	327	307
77	Cap on inclusion of provision in Tier 2 capital under the Standardized Approach	**114**		101	77	327	307
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to the Internal Ratings-Based Approach (prior to application of cap)	**N/A**		N/A	N/A	N/A	N/A
79	Cap on inclusion of provisions in Tier 2 capital under the Internal Ratings-Based Approach	**N/A**		N/A	N/A	N/A	N/A
	Capital instruments subject to phase-out by January 1, 2022						
80	Current cap on Tier 1A capital instruments subject to phase-out	**420**		420	630	630	630
81	Amount excluded from Tier 1A capital due to cap (excess over cap after redemptions and maturities)	**-**		-	-	-	-
82	Current cap on Tier 1B capital instruments subject to phase-out	**-**		-	-	-	-
83	Amount excluded from Tier 1B capital due to cap (excess over cap after redemptions and maturities)	**-**		-	-	-	-
84	Current cap of Tier 2 capital instruments subject to phase-out	**618**		618	928	928	928
85	Amount excluded from Tier 2 capital du to cap (excess over cap after redemptions and maturities)	**-**		-	-	-	-

(1) Cross-reference to the combined regulatory balance sheet. Refer to Template "Reconciliation of regulatory capital to balance sheet" in this report.
(2) Items considered only in regulatory capital.
(3) Includes the impact of the transitional provisions for the provisioning of expected credit losses announced by the AMF on March 31, 2020. The transitional provisions allow for the inclusion in Tier 1A capital of a portion of loss allowances for expected credit losses that would have otherwise been included in Tier 2 capital. The amount is subject to restrictions, including a scaling factor decreasing each year until 2022, and is also adjusted to take into account the tax impact.

Template CC2 – Reconciliation of regulatory capital to balance sheet
As at June 30, 2020

(in millions of dollars)	Balance sheet per the Combined Financial Statements	Items excluded from the scope of regulatory consolidation[1]	Balance sheet using the scope of regulatory consolidation	Including	Cross-reference to the capital table[2]
Assets					
Cash and deposits with financial institutions	$ 14,496	$ 1,153	$ 13,343		
Securities	77,615	30,238	47,377		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				$ 136	U
Other securities				47,241	
Securities borrowed or purchased under reverse repurchase agreements	10,710	(383)	11,093		
Loans	208,009	2,717	205,292		
Significant investments in the Tier 2 capital of financial institutions				126	S
Other loans				205,166	
Allowance for credit losses	(1,048)	(7)	(1,041)		
General allowance allowed for inclusion in Tier 2 capital				(95)	R
Allowances not allowed for regulatory capital				(946)	
Segregated fund net assets	17,198	17,198	-	-	
Other assets					
Clients' liability under acceptances	208	-	208		
Premiums receivable	2,740	2,740	-		
Derivative financial instruments	5,882	429	5,453		
Amounts receivable from clients, brokers and financial institutions	3,710	27	3,683		
Reinsurance assets	2,074	2,074	-		
Right-of-use assets	564	(345)	909		
Investment property	941	928	13		
Property, plant and equipment	1,485	466	1,019		
Goodwill	121	115	6		G
Intangible assets	398	252	146		I
Deferred tax assets	1,184	314	870		
Deferred tax assets other than those attributable to temporary differences				210	K
Deferred tax liabilities other than those attributable to temporary differences				(31)	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				908	W
Deferred tax liabilities related to software and other intangible assets				(36)	J
Deferred tax liabilities related to goodwill				-	H
Other deferred tax assets				(181)	
Other				-	
Investments in associates and entities accounted for using the equity method	1,146	(3,685)	4,831		
Significant investments in the capital of other financial institutions exceeding the regulatory threshold of 10% of Tier 1A capital				90	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				2,654	V
Investments in deconsolidated subsidiaries exceeding the regulatory threshold of 10% of Tier 1A capital				818	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				142	X
Significant investments in the Tier 2 capital of other financial institutions				700	T
Other adjustments related to investments				427	
Other items	2,501	610	1,891		
Total assets	$ 349,934	$ 54,841	$ 295,093		

Footnotes to this table are presented on the next page.

Template CC2 – Reconciliation of regulatory capital to balance sheet (continued)
As at June 30, 2020

(in millions of dollars)	Balance sheet per the Combined Financial Statements	Items excluded from the scope of regulatory consolidation[1]	Balance sheet using the scope of regulatory consolidation	Including	Cross-reference to the capital table[2]
Liabilities					
Deposits	$ 220,270	$ (738)	$ 221,008		
Other liabilities					
Acceptances	208	-	208		
Commitments related to securities sold short	6,022	117	5,905		
Commitments related to securities lent or sold under repurchase agreements	19,489	884	18,605		
Derivative financial instruments	4,058	133	3,925		
Amounts payable to clients, brokers and financial institutions	7,780	93	7,687		
Lease liabilities	627	(347)	974		
Insurance contract liabilities	34,455	34,455	-		
Segregated fund net liabilities	17,184	17,184	-		
Net defined benefit plan liabilities	3,070	705	2,365		
Deferred tax liabilities	376	216	160		
Other	6,177	1,400	4,777		
Liabilities of the disposal group held to be transferred	-	-	-		
Subordinated notes	1,451	-	1,451		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase out				$ 454	Q
Subordinated notes allowed for inclusion in Tier 2 capital				979	P
Subordinated indebtedness not allowed for Tier 2 capital				18	P
Total liabilities	321,167	54,102	267,065		
Equity					
Capital stock	5,037	-	5,037		
Permanent shares and surplus shares				141	F
Qualifying shares				25	P
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				(18)	
Federation capital shares				4,861	A
Reciprocal cross-holdings in Tier 1A capital instruments				28	B
Share capital	-	-	-		
Preferred shares allowed for inclusion in Tier 1A capital				-	
Preferred shares not allowed for regulatory capital				-	
Undistributed surplus earnings	1,985	55	1,930		C
Accumulated other comprehensive income	1,047	1	1,046		E
Net unrealized gains (losses) on debt securities classified as at fair value through other comprehensive income				650	
Gains (losses) on derivative financial instruments designated as cash flow hedges				531	M
Net unrealized gains (losses) related to the overlay approach adjustment for insurance operations financial assets				(27)	
Other				(108)	
Reserves	20,015	-	20,015		D
Non-controlling interests	683	683	-		
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	28,767	739	28,028		
Total liabilities and equity	$ 349,934	$ 54,841	$ 295,093		

[1] Include the insurance subsidiaries Desjardins General Insurance Group Inc. and Desjardins Financial Security Life Assurance Company, which are excluded from the scope of regulatory consolidation. A description of their activities can be found in section 2.3 of the MD&A, in the Desjardins Group's 2019 Annual Report.
[2] Refer to Template "Composition of regulatory capital" in this report.

Template CCA – Main features of regulatory capital instruments and other TLAC-eligible instruments
As at June 30, 2020

	Features	Qualifying shares	Permanent shares	Surplus shares	Qualifying shares	F capital shares
1	Issuer	Desjardins caisses in Québec	Desjardins caisses in Québec	Desjardins caisses in Québec	*Fédération des caisses Desjardins du Québec*	*Fédération des caisses Desjardins du Québec*
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A
3	Governing law(s) of the instrument	Québec	Québec	Québec	Québec	Québec
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	N/A	N/A	N/A	N/A	N/A
	Regulatory treatment:					
4	Transitional Basel III rules	Tier 2 instrument	Tier 1A instrument	Tier 1A instrument	Tier 2 instrument	Tier 1A instrument
5	Post-transitional Basel III rules	Tier 2 instrument	Non-qualifying	Non-qualifying	Tier 2 instrument	Tier 1A instrument
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity	Entity	Entity
7	Instrument type	Qualifying shares	Capital shares	Capital shares	Qualifying shares	Capital shares
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$24,514	$124,223	$16,968	$100	$4,861,779
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
	Coupon/dividends					
17	Fixed or floating dividend/coupon	N/A	Floating	Floating	N/A	Floating
18	Coupon rate or any related index	N/A	0.5% per year	0.5% per year	N/A	4.25% per year
19	Existence of a payment stopper	N/A	Yes	Yes	N/A	Yes
20	Fully discretionary, partially discretionary or mandatory	N/A	Fully discretionary	Fully discretionary	N/A	Fully discretionary
21	Existence of step-up or other incentive to redeem	N/A	No	No	N/A	No
22	Non-cumulative or cumulative	N/A	Non-cumulative	Non-cumulative	N/A	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown feature	No	No	No	No	No
31	Writedown trigger(s)	N/A	N/A	N/A	N/A	N/A
32	Full or partial writedown	N/A	N/A	N/A	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A	N/A	N/A	N/A
34	If temporary writedown, description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination					
35	In the event of liquidation, position in subordination hierarchy (specify instrument type immediately senior to instrument)	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[(1)]	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[(1)]	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[(1)]	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[(1)]	NVCC subordinated notes issued by Fédération des caisses Desjardins du Québec[(1)]
36	Non-compliant transitioned features	No	Yes	Yes	No	No
37	If yes, specify non-compliant feature	N/A	Redemption by the issuer not limited to liquidation	Redemption by the issuer not limited to liquidation	N/A	N/A

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

Template CCA – Main features of regulatory capital instruments and other TLAC-eligible instruments (continued)
As at June 30, 2020

	Features	Series J senior notes	NVCC subordinated notes	TLAC senior notes	TLAC senior notes
1	Issuer	Desjardins Capital Inc.	Fédération des caisses Desjardins du Québec	Fédération des caisses Desjardins du Québec	Fédération des caisses Desjardins du Québec
2	Unique identifier (CUSIP, ISIN or Bloomberg identifier for private placement)	CA 14006ZAF41	31430WDW1 / CA31430WDW16	CA31430WCG74	31429KAD5 / 31429LAD3
3	Governing law(s) of the instrument	Québec	Québec, and applicable Canadian federal laws	Québec, and applicable Canadian federal laws	New York (United States), except specific exceptions (Québec, and applicable Canadian federal laws)
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	N/A	N/A	N/A	Contractual
	Regulatory treatment:				
4	Transitional Basel III rules	Tier 2 instrument	Tier 2 instrument	N/A	N/A
5	Post-transitional Basel III rules	Non-qualifying	Tier 2 instrument	N/A	N/A
6	Eligible at financial entity/group/group and financial entity	Entity	Entity	Entity	Entity
7	Instrument type	Subordinated notes	Subordinated notes	Other TLAC instruments	Other TLAC instruments
8	Amount recognized in regulatory capital (currency in thousands, as at the most recent reporting date)	$454,393	$978,918	Amount qualifying for TLAC purposes only	Amount qualifying for TLAC purposes only
9	Par value of instrument	$500,000,000	$1,000,000,000	$1,000,000,000	US$1,000,000,000
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Original date of issuance	December 15, 2011	May 26, 2020	October 4, 2019	February 10, 2020
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	December 15, 2026	May 26, 2030	October 4, 2024	February 10, 2025
14	Issuer call subject to prior approval by the AMF	Yes	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	On any date on or after December 15, 2021, at the early redemption price	On or after May 26, 2025, at par plus accrued and unpaid interest	N/A	N/A
16	Subsequent call dates, if applicable	N/A	On any date after May 26, 2025, at par plus accrued and unpaid interest	N/A	N/A
	Coupon/dividends				
17	Fixed or floating dividend/coupon	Fixed, then floating	Fixed, the floating	Fixed	Fixed
18	Coupon rate or any related index	4.954% per year until December 15, 2021. Afterwards, 90-day bankers' acceptance rate plus 2.67%	2.856% per year until, but excluding, May 26, 2025. Afterwards, annual rate equal to 3-month bankers' acceptance rate plus 2.11%	2.417% per year	2.05% per year
19	Existence of a payment stopper	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	See Note (1)	N/A	N/A
25	If convertible, fully or partially	N/A	Always fully convertible	N/A	N/A
26	If convertible, conversion rate	N/A	See Note (2)	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	Mandatory	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	Class Z-Contingent capital shares (Tier 1A instrument)	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	Fédération des caisses Desjardins du Québec	N/A	N/A
30	Writedown feature	No	No	No	No
31	Writedown trigger(s)	N/A	N/A	N/A	N/A
32	Full or partial writedown	N/A	N/A	N/A	N/A
33	Permanent or temporary writedown	N/A	N/A	N/A	N/A
34	If temporary writedown, description of writeup mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination			Exemption	Exemption
35	In the event of liquidation, position in subordination hierarchy (specify instrument type immediately senior to instrument)	Senior creditors including depositors	Senior creditors including depositors	Pari passu with deposits	Pari passu with deposits
36	Non-compliant transitioned features	Yes	No	N/A	N/A
37	If yes, specify non-compliant feature	No non-viability contingent capital criteria	N/A	N/A	N/A

(1) NVCC trigger events:
i) the AMF publicly announces that the Federation has been advised, in writing, that the AMF is of the opinion that the Federation has ceased, or is about to cease, to be viable and that, after the conversion of the notes and other contingent instruments issued by the Federation, the viability of the Federation could be restored or maintained; or ii) a federal or provincial government in Canada publicly announces that the Federation has accepted or agreed to accept a capital injection, or equivalent support from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Federation would have been determined by the AMF to be non-viable as a result of the Federation's risk-based capital ratios.
(2) Upon the occurrence of a trigger event, each outstanding note will be converted into a number of Class Z-Contingent capital shares equal to: (multiplier × note value) ÷ conversion price, rounded down. For more details, refer to the prospectus supplement.

Template TLAC1 – TLAC composition (at resolution group level[1])
As at June 30, 2020

	(in millions of dollars)	a Amounts
	Regulatory capital elements of TLAC and adjustments	
1	Qualifying Tier 1A capital instruments	$ 24,949
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	711
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	711
11	**TLAC arising from regulatory capital**	25,660
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the financial institution and subordinated to excluded liabilities	2,313
13	External TLAC instruments issued directly by the financial institution which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	-
14	Of which: amount eligible as TLAC after application of the caps	-
15	External TLAC instruments issued by funding vehicles prior to January 1, 2022	-
16	Eligible ex ante commitments to recapitalize a G-SIFI in resolution	-
17	**TLAC arising from non-regulatory capital instruments before adjustments**	2,313
	Non-regulatory capital elements of TLAC: adjustments	
18	**TLAC before deductions**	27,973
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**	$ 27,973
	Risk-weighted assets and leverage exposure measure for TLAC purposes	
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	$ 113,475
24	Leverage exposure measure	$ 291,261
	TLAC[2] ratios and buffers	
25	**TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)**	24.7%
26	**TLAC (as a percentage of leverage exposure)**	9.6
27	**Tier 1A ratio (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements**	N/A
28	Institution-specific buffer requirement (capital conservation buffer + countercyclical buffer + higher loss absorbency requirement, expressed as a % of risk-weighted assets)	3.5
29	Of which: capital conservation buffer requirement	2.5
30	Of which: financial institution specific countercyclical buffer requirement	-
31	Of which: systemically important financial institution buffer	1.0

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

Template TLAC3 – Resolution entity – creditor ranking at legal entity level
As at June 30, 2020

	(in millions of dollars)	Creditor ranking 1 (most junior)	2	3	4	5 (most senior)	Sum of 1 to 5
1	Description of creditor ranking	**Capital shares**	**Preferred shares**	**Subordinated debts**	**Internal recapitalization instruments**	**Other liabilities excluding internal recapitalization instruments[1]**	
2	Total capital and liabilities net of credit risk mitigation[2]	$ 5,216	$ -	$ 1,500	$ 2,330	N/A	**$ 9,046**
3	Subset of row 2 that are excluded liabilities	-	-	-	-	N/A	**-**
4	**Total capital and liabilities less excluded liabilities (row 2 minus row 3)**	**$ 5,216**	**$ -**	**$ 1,500**	**$ 2,330**	**N/A**	**$ 9,046**
5	Subset of row 4 that are potentially eligible as TLAC	5,216	-	1,500	2,330	N/A	**9,046**
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	-	-	-	-	N/A	**-**
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	-	-	-	2,330	N/A	**2,330**
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	-	-	1,500	-	N/A	**1,500**
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	N/A	**-**
10	**Subset of row 5 that is perpetual securities**	**$ 5,216**	**$ -**	**$ -**	**$ -**	**N/A**	**$ 5,216**

(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, 2020

		a	b	c	d	e	f	g
		Gross carrying amounts of						
	(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	$ 1,735	$ 203,639	$ 1,041	$ 149	$ 892	$ 840	$ 204,333
1.1	Sovereigns and their central banks	-	335	1	-	1	-	334
1.2	Non-central government public sector entities	13	2,667	6	6	-	-	2,674
1.3	Multilateral development banks	-	-	-	-	-	-	-
1.4	Deposit-taking institutions and banks	-	485	1	-	1	-	484
1.5	Investment companies	-	-	-	-	-	-	-
1.6	Businesses	589	30,035	270	136	134	278	30,354
1.7	Regulatory retail portfolios	457	31,003	532	3	529	374	30,928
1.8	Secured by residential property	532	128,789	182	2	180	132	129,139
1.9	Secured by commercial real estate	40	10,227	22	1	21	56	10,245
1.10	Equity	-	-	-	-	-	-	-
1.11	Past-due loans(1)	-	-	-	-	-	-	-
1.12	Higher-risk categories	104	98	27	1	26	-	175
1.13	Other loans	-	-	-	-	-	-	-
2	Debt securities	-	51,016	-	-	-	14	51,016
3	Off-balance sheet exposures	259	121,481	61	-	61	143	121,679
4	**Total**	**$ 1,994**	**$ 376,136**	**$ 1,102**	**$ 149**	**$ 953**	**$ 997**	**$ 377,028**

(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, 2020

	(in millions of dollars)	Sovereigns and their central banks	Non-central government public sector entities	Multilateral development banks	Deposit-taking institutions and banks
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ -**	**$ -**	**$ -**	**$ -**
2	Loans and debt securities that have defaulted since the last reporting period	-	13	-	-
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)**	**$ -**	**$ 13**	**$ -**	**$ -**

		Investment companies	Businesses	Regulatory retail portfolios	Secured by residential property
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ -**	**$ 435**	**$ 363**	**$ 507**
2	Loans and debt securities that have defaulted since the last reporting period	-	251	484	292
3	Returned to non-defaulted status	-	(192)	(306)	(233)
4	Amounts written-off	-	(4)	(182)	(7)
5	Other changes	-	99	98	(27)
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ -**	**$ 589**	**$ 457**	**$ 532**

		Secured by commercial real estate	Equity	Past-due loans[(1)]	Higher-risk categories
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ 37**	**$ -**	**$ -**	**$ 242**
2	Loans and debt securities that have defaulted since the last reporting period	12	-	-	59
3	Returned to non-defaulted status	(7)	-	-	(23)
4	Amounts written-off	-	-	-	-
5	Other changes	(2)	-	-	(174)
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ 40**	**$ -**	**$ -**	**$ 104**

		Other loans	Total loans	Debt securities	Total
1	**Defaulted loans and debt securities at end of the previous reporting period**	**$ -**	**$ 1,584**	**$ -**	**$ 1,584**
2	Loans and debt securities that have defaulted since the last reporting period	-	1,111	-	**1,111**
3	Returned to non-defaulted status	-	(761)	-	**(761)**
4	Amounts written-off	-	(193)	-	**(193)**
5	Other changes	-	(6)	-	**(6)**
6	**Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)**	**$ -**	**$ 1,735**	**$ -**	**$ 1,735**

(1) Past-due loan exposures are entirely reflected in the "Defaulted exposures" column.

Template CR3 – Credit risk mitigation (CRM) techniques – overview
As at June 30, 2020

	(in millions of dollars)	a Exposures unsecured: Gross carrying amount (a)	b Exposures secured by collateral (b)	c Exposures secured by collateral, of which: secured amount (c)	d Exposures secured by financial guarantees (d)	e Exposures secured by financial guarantees, of which: secured amount (e)	f Exposures secured by credit derivatives (f)	g Exposures secured by credit derivatives, of which: secured amount (g)
1	Loans	$ 168,037	$ 35,784	$ 34,935	$ 2,285	$ 1,361	$ -	$ -
1.1	Sovereigns and their central banks	334	-	-	-	-	-	-
1.2	Non-central government public sector entities	2,465	209	209	-	-	-	-
1.3	Multilateral development banks	-	-	-	-	-	-	-
1.4	Deposit-taking institutions and banks	484	-	-	-	-	-	-
1.5	Investment companies	-	-	-	-	-	-	-
1.6	Businesses	26,544	3,871	3,640	368	170	-	-
1.7	Regulatory retail portfolios	28,612	1,445	1,345	1,013	971	-	-
1.8	Secured by residential property	100,451	29,013	28,511	631	177	-	-
1.9	Secured by commercial real estate	8,979	1,239	1,224	271	42	-	-
1.10	Equity	-	-	-	-	-	-	-
1.11	Past-due loans	-	-	-	-	-	-	-
1.12	Higher-risk categories	168	7	6	2	1	-	-
1.13	Other loans	-	-	-	-	-	-	-
2	Debt securities	51,016	-	-	-	-	-	-
3	**Total**	**$ 219,053**	**$ 35,784**	**$ 34,935**	**$ 2,285**	**$ 1,361**	**$ -**	**$ -**
4	Of which defaulted	$ 1,109	$ 502	$ 473	$ 8	$ 4	$ -	$ -

Template CR4 – Standardized Approach – Credit risk exposure and Credit Risk Mitigation (CRM) effects[(1)]
As at June 30, 2020

		a	b	c	d	e	f
		Exposures before credit conversion factors (CCF) and CRM[(2)]		Exposures post CCF and CRM[(2)]		RWA and RWA proportion	
	(in millions of dollars)	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA proportion
	Asset classes						
1	Sovereigns and their central banks	$ 11,532	$ -	$ 11,532	$ -	$ -	-%
2	Non-central government public sector entities	6,126	9,839	5,918	458	1,275	20.00
3	Multilateral development banks	-	-	-	-	-	-
4	Banks and deposit-taking institutions	1,478	80	1,478	40	320	21.08
5	Investment companies	-	-	-	-	-	-
6	Businesses	8,009	5,338	7,984	1,610	8,937	93.15
7	Regulatory retail portfolios	1,837	3,523	1,056	687	1,305	74.87
8	Secured by residential property	385	-	385	-	135	35.06
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity	206	-	206	-	206	100.00
11	Past-due loans	178	27	170	3	222	128.32
12	Higher-risk categories	98	17	98	9	160	149.53
13	Other assets[(3)]	16,150	-	16,150	-	4,349	26.93
14	**Total**	**$ 45,999**	**$ 18,824**	**$ 44,977**	**$ 2,807**	**$ 16,909**	**35.39%**

(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, 2020

		a	b	c	d	e	f	g	h	i	j
		Risk weights									Total credit exposures amount (post-CCF and post-CRM)[2]
	(in millions of dollars)	0%	10%	20%	35%	50%	75%	100%	150%	Other	
	Asset classes										
1	Sovereigns and their central banks	$ 11,532	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 11,532**
2	Non-central government public sector entities	-	-	6,376	-	-	-	-	-	-	**6,376**
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	1,463	-	55	-	-	-	-	**1,518**
5	Investment companies	-	-	-	-	-	-	-	-	-	**-**
6	Businesses	30	-	477	-	488	-	8,599	-	-	**9,594**
7	Regulatory retail portfolios	4	-	-	-	-	1,739	-	-	-	**1,743**
8	Secured by residential property	-	-	-	385	-	-	-	-	-	**385**
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	**-**
10	Equity	-	-	-	-	-	-	206	-	-	**206**
11	Past-due loans	-	-	-	-	-	-	76	97	-	**173**
12	Higher-risk categories	-	-	-	-	-	-	-	107	-	**107**
13	Other assets[3]	11,265	-	670	-	-	-	4,215	-	-	**16,150**
14	**Total**	**$ 22,831**	**$ -**	**$ 8,986**	**$ 385**	**$ 543**	**$ 1,739**	**$ 13,096**	**$ 204**	**$ -**	**$ 47,784**

(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, 2020

(in millions of dollars and as a percentage)	PD scale (%)	a Original on-balance sheet gross exposure	b Off-balance sheet exposures pre-CCF	c Average CCF	d EAD post-CRM and post-CCF	e Average PD	f Number of debtors
Exposures related to sovereign borrowers	0.00 to < 0.15	$ 31,548	$ 4,297	43.20 %	$ 68,366	0.02 %	57
	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	-	15	28.10	5	24.00	1
	100.00 (default)	-	-	-	-	-	-
	Sub-total	31,548	4,312	43.15	68,371	0.02	58
Exposures related to financial institutions	0.00 to < 0.15	3,711	1,802	26.77	4,116	0.07	82
	0.15 to < 0.25	91	773	28.99	315	0.24	21
	0.25 to < 0.50	-	1	59.41	1	0.29	1
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	2.50 to < 10.00	-	12	-	-	-	-
	10.00 to < 100.00	59	-	-	59	27.96	4
	100.00 (default)	-	-	-	-	-	-
	Sub-total	3,861	2,588	27.53	4,491	0.45	108
Exposures related to businesses	0.00 to < 0.15	2,062	1,846	89.83	3,539	0.09	2,551
	0.15 to < 0.25	10,379	1,846	55.23	10,441	0.18	30,358
	0.25 to < 0.50	13,726	3,614	46.68	11,814	0.35	10,308
	0.50 to < 0.75	8,026	2,316	42.56	7,127	0.57	5,185
	0.75 to < 2.50	19,406	6,158	44.57	19,561	1.39	14,715
	2.50 to < 10.00	7,023	1,923	41.15	6,367	4.70	5,929
	10.00 to < 100.00	1,603	359	41.22	1,402	22.36	1,406
	100.00 (default)	631	126	3.49	480	100.00	966
	Sub-total	62,856	18,188	49.88	60,731	2.42	71,418
Total non-retail clients		**$ 98,265**	**$ 25,088**	**46.49 %**	**$ 133,593**	**1.13 %**	**71,584**

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at June 30, 2020

(in millions de dollars and as percentage)	PD scale (%)	g Average LGD	h Average maturity(1)	i RWA(2)	j RWA proportion	k Expected loss(3)	l Provisions(4)
Exposures related to sovereign borrowers	0.00 to < 0.15	25.66 %	4.2	$ 6,658	9.74 %	$ 3	N/A
	0.15 to < 0.25	-	-	-	-	-	N/A
	0.25 to < 0.50	-	-	-	-	-	N/A
	0.50 to < 0.75	-	-	-	-	-	N/A
	0.75 to < 2.50	-	-	-	-	-	N/A
	2.50 to < 10.00	-	-	-	-	-	N/A
	10.00 to < 100.00	74.73	1.0	19	407.04	1	N/A
	100.00 (default)	-	-	-	-	-	N/A
	Sub-total	25.66	4.2	6,677	9.77	4	$ 61
Exposures related to financial institutions	0.00 to < 0.15	56.12	1.2	979	23.79	1	N/A
	0.15 to < 0.25	20.23	1.3	52	16.46	-	N/A
	0.25 to < 0.50	53.99	1.0	-	48.48	-	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	65.99	1.0	214	365.80	11	N/A
	100.00 (default)	-	-	-	-	-	N/A
	Sub-total	53.74	1.2	1,245	27.74	12	11
Exposures related to businesses	0.00 to < 0.15	42.55	2.7	789	22.30	1	N/A
	0.15 to < 0.25	18.74	4.5	2,061	19.74	4	N/A
	0.25 to < 0.50	27.76	3.8	4,403	37.27	11	N/A
	0.50 to < 0.75	26.93	3.9	3,247	45.54	11	N/A
	0.75 to < 2.50	26.62	3.7	11,683	59.73	73	N/A
	2.50 to < 10.00	22.59	3.8	4,315	67.77	66	N/A
	10.00 to < 100.00	45.83	3.8	3,249	231.78	155	N/A
	100.00 (default)	32.11	3.1	1,176	244.60	113	N/A
	Sub-total	26.51	3.8	30,923	50.92	434	388
Total non-retail clients		**26.99 %**	**3.9**	**$ 38,845**	**29.08 %**	**$ 450**	**$ 460**

Footnotes to this table are presented on page 23.

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at June 30, 2020

		a	b	c	d	e	f
(in millions of dollars and as a percentage)	PD scale (%)	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of debtors
Exposures related to residential mortgage loans Insured exposures	0.00 to < 0.15	$ 9	$ -	50.00 %	$ 6,728	0.08 %	25,783
	0.15 to < 0.25	7,819	26	50.00	457	0.18	44,855
	0.25 to < 0.50	30	-	-	-	0.42	45,532
	0.50 to < 0.75	5,805	27	50.00	252	0.56	33,374
	0.75 to < 2.50	6,065	28	50.00	206	1.30	28,369
	2.50 to < 10.00	2,046	9	50.00	53	4.50	8,541
	10.00 to < 100.00	291	1	50.00	9	23.82	3,394
	100.00 (default)	185	-	-	15	100.00	544
	Sub-total	22,250	91	49.87	7,720	0.39	190,392
Exposures related to residential mortgage loans Uninsured exposures	0.00 to < 0.15	33,317	12,480	64.09	34,584	0.08	459,426
	0.15 to < 0.25	18,733	6,527	70.13	22,853	0.22	257,739
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	12,240	3,007	67.90	14,029	0.52	152,725
	0.75 to < 2.50	9,723	1,756	65.02	10,659	1.24	109,231
	2.50 to < 10.00	2,657	366	62.52	2,833	3.93	29,248
	10.00 to < 100.00	458	50	54.22	475	19.98	9,999
	100.00 (default)	254	40	-	238	100.00	3,622
	Sub-total	77,382	24,226	66.11	85,671	0.81	1,021,990
Other retail client exposures (QRRCE)	0.00 to < 0.15	2,616	32,982	50.70	19,339	0.07	1,942,562
	0.15 to < 0.25	595	2,596	35.06	1,505	0.16	349,256
	0.25 to < 0.50	1,675	4,089	43.04	3,435	0.36	594,986
	0.50 to < 0.75	349	375	63.36	586	0.68	50,645
	0.75 to < 2.50	3,767	5,154	32.44	5,439	1.82	3,250,613
	2.50 to < 10.00	934	663	32.25	1,148	4.80	205,976
	10.00 to < 100.00	923	546	27.74	1,074	18.76	275,136
	100.00 (default)	134	55	-	134	100.00	29,042
	Sub-total	10,993	46,460	46.64	32,660	1.60	6,698,216
SMEs similar to other retail client exposures	0.00 to < 0.15	662	1,541	47.00	1,379	0.09	27,585
	0.15 to < 0.25	970	1,356	50.77	1,645	0.19	37,975
	0.25 to < 0.50	1,888	2,037	41.01	2,649	0.38	117,383
	0.50 to < 0.75	157	18	46.83	69	0.65	996
	0.75 to < 2.50	2,494	1,295	51.29	2,849	1.28	68,999
	2.50 to < 10.00	793	218	45.12	751	4.72	19,401
	10.00 to < 100.00	253	68	16.26	231	20.03	9,259
	100.00 (default)	118	10	-	77	100.00	3,184
	Sub-total	7,335	6,543	46.31	9,650	2.18	284,782
Other retail client exposures (non QRRCE) except SMEs	0.00 to < 0.15	1,105	714	71.46	1,609	0.08	40,798
	0.15 to < 0.25	969	3	30.33	954	0.19	34,541
	0.25 to < 0.50	1,223	185	68.31	1,304	0.37	112,080
	0.50 to < 0.75	1,008	68	54.79	1,045	0.53	121,320
	0.75 to < 2.50	5,336	30	55.44	5,110	1.85	147,171
	2.50 to < 10.00	943	20	54.18	746	4.04	227,857
	10.00 to < 100.00	404	2	45.36	366	22.88	45,481
	100.00 (default)	200	1	-	114	100.00	85,009
	Sub-total	11,188	1,023	68.73	11,248	2.99	814,257
Total retail clients		**$ 129,148**	**$ 78,343**	**52.92 %**	**$ 146,949**	**1.04 %**	**9,009,637**

Template CR6 – IRB – Credit risk exposures by portfolio and probability of default (PD) range (continued)
As at June 30, 2020

(in millions of dollars and as a percentage)	PD scale (%)	g Average LGD	h Average maturity[(1)]	i RWA[(2)]	j RWA proportion	k Expected loss[(3)]	l Provisions[(4)]
Exposures related to residential mortgage loans Insured exposures	0.00 to < 0.15	29.10 %	N/A	$ 414	6.17 %	$ 1	N/A
	0.15 to < 0.25	27.76	N/A	50	10.98	-	N/A
	0.25 to < 0.50	49.80	N/A	-	36.85	-	N/A
	0.50 to < 0.75	30.71	N/A	69	27.38	-	N/A
	0.75 to < 2.50	30.34	N/A	97	46.67	1	N/A
	2.50 to < 10.00	25.20	N/A	42	80.08	1	N/A
	10.00 to < 100.00	26.64	N/A	16	161.41	1	N/A
	100.00 (default)	23.98	N/A	49	317.79	-	N/A
	Sub-total	29.06	N/A	737	9.54	4	$ 7
Exposures related to residential mortgage loans Uninsured exposures	0.00 to < 0.15	15.58	N/A	1,113	3.22	4	N/A
	0.15 to < 0.25	16.44	N/A	1,730	7.57	8	N/A
	0.25 to < 0.50	-	N/A	-	-	-	N/A
	0.50 to < 0.75	16.81	N/A	2,009	14.32	12	N/A
	0.75 to < 2.50	17.28	N/A	2,798	26.25	23	N/A
	2.50 to < 10.00	17.19	N/A	1,453	51.30	19	N/A
	10.00 to < 100.00	16.46	N/A	464	97.74	16	N/A
	100.00 (default)	15.02	N/A	474	199.01	-	N/A
	Sub-total	17.33	N/A	10,041	11.72	82	89
Other retail client exposures (QRRCE)	0.00 to < 0.15	84.22	N/A	798	4.13	12	N/A
	0.15 to < 0.25	90.94	N/A	129	8.56	2	N/A
	0.25 to < 0.50	84.66	N/A	535	15.61	11	N/A
	0.50 to < 0.75	72.98	N/A	129	21.98	3	N/A
	0.75 to < 2.50	85.19	N/A	2,846	52.32	83	N/A
	2.50 to < 10.00	78.47	N/A	1,129	98.35	43	N/A
	10.00 to < 100.00	65.45	N/A	1,902	177.01	132	N/A
	100.00 (default)	78.82	N/A	1,402	1,044.35	-	N/A
	Sub-total	83.69	N/A	8,870	27.16	286	79
SMEs similar to other retail client exposures	0.00 to < 0.15	59.92	N/A	209	15.14	1	N/A
	0.15 to < 0.25	58.25	N/A	396	24.07	2	N/A
	0.25 to < 0.50	55.69	N/A	943	35.61	6	N/A
	0.50 to < 0.75	22.37	N/A	14	19.65	-	N/A
	0.75 to < 2.50	61.17	N/A	1,993	69.97	22	N/A
	2.50 to < 10.00	61.48	N/A	717	95.46	22	N/A
	10.00 to < 100.00	59.02	N/A	306	132.69	27	N/A
	100.00 (default)	59.51	N/A	611	788.50	-	N/A
	Sub-total	58.67	N/A	5,189	53.77	80	46
Other retail client exposures (non-QRRCE), except SMEs	0.00 to < 0.15	65.68	N/A	251	15.60	1	N/A
	0.15 to < 0.25	91.74	N/A	363	38.02	2	N/A
	0.25 to < 0.50	67.80	N/A	582	44.69	3	N/A
	0.50 to < 0.75	39.77	N/A	331	31.55	2	N/A
	0.75 to < 2.50	39.46	N/A	2,610	51.09	37	N/A
	2.50 to < 10.00	42.74	N/A	486	65.09	13	N/A
	10.00 to < 100.00	41.57	N/A	378	103.53	35	N/A
	100.00 (default)	44.34	N/A	672	587.56	-	N/A
	Sub-total	51.30	N/A	5,673	50.44	93	50
Total retail clients		**35.96 %**	**N/A**	**$ 30,510**	**20.76 %**	**$ 545**	**$ 271**

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

Template CR8 – Risk-weighted assets (RWA) flow statements of credit risk exposures under IRB
As at June 30, 2020

		a
		RWA amounts
1	**RWA as at end of previous reporting period**	**$ 67,039**
2	Asset size[(1)]	**2,923**
3	Asset quality[(2)]	**(959)**
4	Model updates[(3)]	**-**
5	Methodology and policy[(4)]	**547**
6	Acquisitions and disposals[(5)]	**-**
7	Foreign exchange movements[(6)]	**(195)**
8	Other	**-**
9	**RWA as at end of reporting period**	**$ 69,355**

(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, 2020

	(in millions of dollars)	a Replacement cost	b Potential future exposure	c EEPE	d Alpha used for computing regulatory EAD	e EAD post-CRM	f RWA
1	SA – CCR (for derivatives)	$ 3,584	$ 475	N/A	1.4	$ 4,044	$ 3,080
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	1,812	378
5	VaR for SFTs	N/A	N/A	N/A	N/A	N/A	-
6	**Total**	**$ 3,584**	**$ 475**	**$ -**	**N/A**	**$ 5,856**	**$ 3,458**

(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, 2020

	(in millions of dollars)	a EAD post-CRM	b RWA
	Total portfolios subject to the Advanced CVA capital charge	**$ -**	**$ -**
1	(i) VaR component (including the 3 x multiplier)	N/A	-
2	(ii) Stressed VaR component (including the multiplier x 1)[1]	N/A	-
3	**All portfolios subject to the Standardized CVA capital charge**	**4,035**	**2,069**
4	**Total subject to the CVA capital charge**	**$ 4,035**	**$ 2,069**

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

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

As at June 30, 2020

		a	b	c	d	e	f	g	h	i
	(in millions of dollars)	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure
	Risk weight / Regulatory portfolio									
1	Sovereigns and their central banks	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
2	Non-central government public sector entities	-	-	27	-	-	-	-	-	**27**
3	Multilateral development banks	-	-	-	-	-	-	-	-	**-**
4	Banks and deposit-taking institutions	-	-	308	-	-	-	-	-	**308**
5	Investment companies	-	-	-	-	-	-	-	-	**-**
6	Businesses	-	-	29	1	-	494	-	-	**524**
7	Regulatory retail portfolios	-	-	-	-	-	-	-	-	**-**
8	Secured by residential property	-	-	-	-	-	-	-	-	**-**
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	**-**
10	Equity	-	-	-	-	-	-	-	-	**-**
11	Past-due loans	-	-	-	-	-	-	6	-	**6**
12	Higher-risk categories	-	-	-	-	-	-	1	-	**1**
13	Other assets	-	-	-	-	-	-	-	-	**-**
14	**Total**	**$ -**	**$ -**	**$ 364**	**$ 1**	**$ -**	**$ 494**	**$ 7**	**$ -**	**$ 866**

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

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

As at June 30, 2020

(in millions of dollars and as a percentage)	PD scale (%)	a EAD post-CRM	b Average PD	c Number of debtors	d Average LGD	e Average maturity	f RWA[1]	g RWA proportion
Exposures related to sovereign borrowers	0.00 to < 0.15	$ 1,320	0.01 %	165	9.97 %	0.55	$ 6	0.47 %
	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	1,320	0.01	165	9.97	0.55	6	0.47
Exposures related to financial institutions	0.00 to < 0.15	3,265	0.07	4,475	94.54	2.20	2,162	-
	0.15 to < 0.25	1	0.12	142	49.56	2.02	1	98.86
	0.25 to < 0.50	13	0.26	7	88.88	4.79	22	172.81
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	1	0.92	25	51.51	0.06	2	177.75
	2.50 to < 10.00	14	3.33	40	95.98	0.01	32	229.97
	10.00 to < 100.00	1	27.96	5	95.98	1.00	3	532.05
	100.00 (default)	-	-	-	-	-	-	-
	Sub-total	3,295	0.09	4,694	94.55	2.20	2,222	67.42
Exposures related to businesses	0.00 to < 0.15	74	0.12	187	83.13	1.73	40	53.54
	0.15 to < 0.25	24	0.21	880	80.86	1.23	15	62.91
	0.25 to < 0.50	59	0.34	1,015	82.85	2.10	61	101.69
	0.50 to < 0.75	22	0.59	122	80.59	4.45	37	168.65
	0.75 to < 2.50	179	1.45	1,581	79.44	2.99	331	185.24
	2.50 to < 10.00	29	5.05	964	81.46	1.29	73	250.21
	10.00 to < 100.00	19	24.61	298	80.04	1.33	84	441.95
	100.00 (default)	1	49.03	14	41.31	1.85	11	1,116.31
	Sub-total	407	2.57	5,061	82.14	2.40	652	159.80
Total (all portfolios)		**$ 5,022**	**0.27 %**	**9,920**	**71.33 %**	**1.78**	**$ 2,880**	**57.32 %**

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

Template CCR5 – Composition of collateral for counterparty credit risk (CCR) exposure
As at June 30, 2020

		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	(in millions of dollars)	Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash – Domestic currency	$ -	$ 827	$ -	$ 39	$ 18,605	$ 11,093
2	Cash – Other currencies	-	2,700	-	354	-	-
3	Domestic sovereign debt	46	-	4	-	-	-
4	Other sovereign debt	-	-	-	-	9,512	15,341
5	Government agency debt	-	-	-	-	1,512	3,151
6	Corporate bonds	117	-	138	-	70	114
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-
	Total	**$ 163**	**$ 3,527**	**$ 142**	**$ 393**	**$ 29,699**	**$ 29,699**

Template CCR6 – Credit derivatives exposures
As at June 30, 2020

	(in millions of dollars)	a Protection bought	b Protection sold
	Notional amounts		
1	Single-name credit default swaps	$ -	$ -
2	Index credit default swaps	-	760
3	Total return swaps	146	146
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notional amounts**	**$ 146**	**$ 906**
	Fair values		
7	Positive fair value (asset)	$ -	$ 13
8	Negative fair value (liability)	4	-

Template CCR8 – Exposures to central counterparties (CCP)
As at June 30, 2020

	(in millions of dollars)	a EAD post-CRM	b RWA
1	**Exposures to QCCPs (total)**	**$ 258**	**$ 12**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	222	4
3	i) OTC derivatives	162	3
4	ii) Exchange-traded derivatives	35	1
5	iii) Securities financing transactions	25	-
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	36	8
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, 2020

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

Template SEC4 – Securitization exposures in the banking book and associated capital requirements (financial entity acting as investor)
As at June 30, 2020

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

		j	k	l	m	n	o	p	q
		RWA (by regulatory approach)				Capital charge after cap			
	(in millions of dollars)	SEC-IRB (including IAA)	SEC-ERB	SA/SFA	1,250%	SEC-IRB (including IAA)	SEC-ERB	SA/SFA	1,250%
1	**Total exposures**	**$ -**	**$ -**	**$ -**	**$ 121**	**$ -**	**$ -**	**$ -**	**$ 10**
2	Traditional securitization	-	-	-	121	-	-	-	10
3	Of which securitization	-	-	-	64	-	-	-	5
4	Of which retail underlying	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	64	-	-	-	5
6	Of which re-securitization	-	-	-	57	-	-	-	5
7	Of which senior	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	57	-	-	-	5
9	Synthetic securitizations	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-
11	Of which retail underlying	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-

MACROPRUDENTIAL SUPERVISORY MEASURES

Template CCyB1 – Geographical distribution of credit exposures used in countercyclical capital buffer
As at June 30, 2020

	a	b	c	d	e
		Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer			
(in millions of dollars and as percentage)	Countercyclical capital buffer rate	Exposure values	Risk-weighted assets	Desjardins Group specific countercyclical capital buffer rate	Countercyclical buffer amount
Canada	- %	$ 224,052	$ 79,841	N/A	N/A
China	-	3	3	N/A	N/A
Spain	-	3	3	N/A	N/A
United States	-	174	288	N/A	N/A
France	-	105	83	N/A	N/A
Hong Kong SAR	1.00	98	21	N/A	N/A
Japan	-	26	13	N/A	N/A
Other countries	-	5	5	N/A	N/A
Total		**$ 224,466**	**$ 80,257**		

LEVERAGE RATIO

Template LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

As at June 30, 2020

	(in millions of dollars)	a
1	Total consolidated assets as per published financial statements	**$ 349,934**
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	**(54,842)**
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	**(1,318)**
5	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	**1,901**
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**20,706**
7	Other adjustments[1]	**(19,480)**
8	**Leverage ratio exposure measure**	**$ 296,901**

[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 June 30, 2020	b As at March 31, 2020
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	**$ 259,064**	$ 242,920
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)**	**259,064**	242,920
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	**3,603**	4,030
5	Add-on amounts for PFE associated with all derivatives transactions	**533**	661
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)**	**4,136**	4,691
	Securities financing transaction exposures (SFT)		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	**11,094**	10,747
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**-**	-
14	Counterparty credit risk exposure for SFT assets	**1,901**	484
15	Agent transaction exposures	**-**	-
16	**Total SFT exposures (sum of rows 12 to 15)**	**12,995**	11,231
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	**121,933**	117,460
18	(Adjustments for conversion to credit equivalent amounts)	**(101,227)**	(97,803)
19	**Off-balance sheet items (sum of rows 17 and 18)**	**20,706**	19,657
	Capital and total exposures		
20	Tier 1 capital	**25,493**	25,734
20a	Tier 1 capital without the application of the transitional provisions for the provisioning of ECLs[1]	**25,472**	-
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	**$ 296,901**	$ 278,499
	Leverage ratio		
22	Basel III leverage ratio	**8.6%**	9.2%
22a	Leverage ratio without the application of the transitional provisions for the provisioning of ECLs(1)	**8.6%**	N/A

[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 1 capital. For more information, see the “Adjustments to capital requirements related to the COVID-19 pandemic” sub-section of the “Capital management” section of Desjardins Group’s Management’s Discussion and Analysis.

LIQUIDITY

Template LIQ1 – Liquidity coverage ratio (LCR)

As at June 30, 2020

		a	b
	(in millions of dollars)	Total unweighted value	Total weighted value
	High-quality liquid assets		
1	Total HQLA	**N/A**	**$ 43,530**
	Cash outflows		
2	Retail deposits and deposits from small business clients, of which:	**$ 80,561**	**5,298**
3	Stable deposits	**39,398**	**1,182**
4	Less stable deposits	**41,163**	**4,116**
5	Unsecured wholesale funding, of which:	**30,984**	**15,995**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**8,174**	**1,952**
7	Non-operational deposits (all counterparties)	**14,919**	**6,152**
8	Unsecured debt	**7,891**	**7,891**
9	Secured wholesale funding	**N/A**	**14**
10	Additional requirements, of which:	**13,240**	**2,913**
11	Outflows related to derivative exposures and other collateral requirements	**1,262**	**1,144**
12	Outflows related to loss of funding on debt products	**113**	**113**
13	Credit and liquidity facilities	**11,865**	**1,656**
14	Other contractual funding obligations	**3,447**	**1,777**
15	Other contingent funding obligations	**91,295**	**2,340**
16	**Total cash outflows**	**N/A**	**$ 28,337**
	Cash inflows		
17	Secured lending (eg reverse repos)	**16,629**	**73**
18	Inflows from fully performing exposures	**3,341**	**1,671**
19	Other cash inflows	**476**	**476**
20	**Total cash inflows**	**$ 20,446**	**$ 2,220**
21	Total HQLA	**N/A**	**$ 43,530**
22	Total net cash outflows	**N/A**	**26,117**
23	Liquidity coverage ratio (%)	**N/A**	**166.7%**

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 2019	6
OV1	Overview of risk-weighted assets (RWA)	Quarterly	This report	6
Composition of capital and TLC				
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	13
TLAC3	Resolution entity – creditor ranking at legal entity level	Semi-annually	This report	14
Linkages between financial statements and regulatory exposures				
LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statements with regulatory risk categories	Annually	4th quarter of 2019	8
LI2	Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements	Annually	4th quarter of 2019	9
LIA	Explanations of differences between accounting and regulatory exposure amounts	Annually	4th quarter of 2019	10
Credit risk				
CRA	General information about credit risk	Annually	4th quarter of 2019	22
CR1	Credit quality of assets	Semi-annually	This report	15
CR2	Changes in stock of defaulted loans and debt securities	Semi-annually	This report	16
CRB	Additional disclosure related to the credit quality of assets	Annually	4th quarter of 2019	23
CRC	Qualitative disclosure requirements related to credit risk mitigation (CRM) techniques	Annually	4th quarter of 2019	25
CR3	Credit risk mitigation (CRM) techniques – overview	Semi-annually	This report	17
CRD	Qualitative disclosures on the Desjardins Group’s use of external credit ratings under the standardized approach for credit risk	Annually	4th quarter of 2019	25
CR4	Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects	Semi-annually	This report	18
CR5	Standardized approach – exposures by asset classes and risk weights	Semi-annually	This report	19
CRE	Qualitative disclosures related to IRB models	Annually	4th quarter of 2019	28
CR6	IRB – credit risk exposures by portfolio and probability of default (PD) scale	Semi-annually	This report	20
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	24
CR9	IRB – backtesting of probability of default (PD) per portfolio	Annually	4th quarter of 2019	33
CR10	IRB – specialized lending and equities under the simple risk weight method	Semi-annually	Desjardins Group does not use the IRB Approach for specialized lending and equities.	

(1) Indicates the most recent Pillar 3 Report in which the required disclosures were made.

PILLAR 3 DISCLOSURE REQUIREMENTS (continued)

Templates and tables		Frequency	Most recent disclosure	
			Report[(1)]	Page
Counterparty credit risk				
CCRA	Qualitative disclosure related to counterparty credit risk (CCR)	Annually	4th quarter of 2019	35
CCR1	Analysis of counterparty credit risk (CCR) exposure by approach	Semi-annually	This report	25
CCR2	Credit valuation adjustment (CVA) capital charge	Semi-annually	This report	25
CCR3	Standardized approach – counterparty credit risk (CCR) exposures by regulatory portfolio and risk weights	Semi-annually	This report	26
CCR4	IRB – counterparty credit risk (CCR) regulatory exposures by portfolio and probability of default (PD) scale	Semi-annually	This report	27
CCR5	Composition of collateral for counterparty credit risk (CCR) exposure	Semi-annually	This report	28
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	29
Securitization				
SECA	Qualitative disclosure requirements related to securitization exposures	Annually	4th quarter of 2019	40
SEC1	Securitization exposures in the banking book	Semi-annually	This report	30
SEC2	Securitization exposures in the trading book	Semi-annually	Desjardins Group's securitization exposure is not material	
SEC3	Securitization exposures in the banking book and associated regulatory capital requirements (financial entity acting as originator or as sponsor)	Semi-annually	Desjardins Group does not act as originator or sponsor	
SEC4	Securitization exposures in the banking book and associated regulatory capital requirements (financial entity acting as investor)	Semi-annually	This report	31
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	32
Leverage ratio				
LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Quarterly	This report	33
LR2	Leverage ratio common disclosure template	Quarterly	This report	34
Liquidity				
LIQ1	Liquidity coverage ratio (LCR)	Quarterly	This report	35

(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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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