



Desjardins Group
U.S. Resolution Plan
Public Section
December 31, 2016

Table of contents

1. Introduction	3
1.1 Regulatory requirements	3
1.2 Overview of Desjardins Group and its Canadian operations	3
2. Identification and description of U.S. material entities	5
3. Identification of U.S. core business lines and critical operations	6
4. Summary of financial information regarding assets, liabilities, capital and major funding sources	8
4.1 Desjardins Group – Summary financial information	8
4.2 Desjardins Bank, N.A. – Summary financial information	10
5. Description of derivative and hedging activities	11
6. List of memberships in material payment, clearing and settlement systems	11
7. Description of foreign operations	11
8. Identification of material supervisory authorities	12
9. Identification of the principal officers	13
10. Description of the corporate governance structure and process related to resolution planning	15
11. Description of material management information systems	15
12. Description, at a high level, of the covered company’s resolution strategy	15

1. Introduction

1.1 Regulatory Requirements

On September 13, 2011, the Board of Governors of the Federal Reserve System (“Federal Reserve”) and the Federal Deposit Insurance Corporation (“FDIC”) jointly adopted a final rule to implement resolution plan requirements for certain non-bank financial companies and bank holding companies pursuant to Section 165(d) of Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).

As a Foreign Banking Organization (“FBO”) with assets over \$50 billion, Desjardins Group is the foreign-based Covered Company for purposes of section 165(d) of the Dodd-Frank Act and implementing regulations jointly issued by the Federal Reserve [12 CFR Part 243] and the FDIC [12 CFR Part 381] (“Resolution Plan Rule”).

As of December 31, 2015, Desjardins Group has less than \$100 billion in total non-bank assets in the U.S. and is eligible to file a Tailored Resolution Plan as per __.4(a)(3)(i) of the Resolution Plan Rule. On March 30, 2016, Desjardins Group provided written notice to the Federal Reserve and the FDIC of its intent and eligibility to submit a tailored resolution plan, and received a notice from the Federal Reserve and the FDIC dated June 10, 2016, indicating that Desjardins Group is to provide Reduced Resolution Plans for submissions due by December 31 of 2016, 2017 and 2018.

Following their review of the 2015 Plan, the Federal Reserve and the FDIC have jointly determined, as authorized under section __.4(k) of the Resolution Plan Rule to reduce the informational content that the Desjardins Group is required to provide in its resolution plan submissions due by December 31 of 2016, 2017 and 2018. The Reduced Plan is required to contain only information concerning: (1) material changes, if any, the Covered Company has made to its resolution plan; (2) any actions taken by the Covered Company since its prior resolution plan to improve the effectiveness of its resolution plan; and (3) if applicable, the Covered Company’s strategy for ensuring that any insured depository institution subsidiary will be adequately protected from risks arising from the activities of any nonbank subsidiaries of the Covered Company (other than those that are subsidiaries of an insured depository institution). The exemption is subject to the Conditions for Reduced Plans, i.e. (1) Total.U.S. Assets remain below \$50 Billion, and (2) Absence of a Material Event.

The Reduced Plan submission must be approved by the Covered Company’s board of directors or the relevant delegate. The Reduced Plan must also include a public section which should contain an executive summary of the resolution plan that describes the business of the Covered Company and includes the eleven informational elements required by section __.8(c) of the Resolution Plan Rule.

In the unlikely event of material financial distress or failure, this Resolution Plan (the “Plan”) provides for the resolution of the material entities, core business lines and critical operations of Desjardins Group that are domiciled or conducted in whole or material part in the United States under applicable insolvency regimes. These include receivership under the Federal Deposit Insurance Act, as amended (the “FDIA”), reorganization or liquidation. This Plan outlines remedies and resolution procedures that can be executed in a reasonable period of time, without any extraordinary support from the U.S. or any other government, and in an organized manner in the event of material financial distress or failure in a way that substantially minimizes the risk that the failure of these entities, businesses or operations would have a serious adverse effect on financial stability in the U.S.

1.2 Overview of Desjardins Group and its Canadian Operations

Desjardins Group is the largest integrated cooperative financial group in Canada with assets of \$248 billion CAD as at December 31, 2015. It comprises a network of caisses, credit unions and business centers mainly in Quebec and Ontario, and some 20+ subsidiary companies in life and general insurance, securities brokerage, venture capital and asset management, many of which are active across Canada. Desjardins Group is not a legal entity itself but is the term used to describe the numerous legal entities that form the group.

The Personal Services and Business and Institutional Services, Wealth Management and Life and Health Insurance, and Property and Casualty Insurance business segments offer a full range of financial products and services tailored to the needs of its members and clients, individuals and businesses alike. As one of the largest employers in Canada, Desjardins Group capitalizes on the skills of more than 47,000 employees and the commitment of 4,800 elected officers as at December 31, 2015.

The Federation is a cooperative entity which is responsible for assuming orientation, framework, coordination and development activities for Desjardins Group. It provides the member caisses with a variety of services, including certain technical, financial and administrative services. The member caisses collectively control the Federation and each of them has a significant influence over the Federation.

Caisse centrale Desjardins du Québec (“CCD Canada”) carries out treasury operations and acts as official representative with the Bank of Canada and the Canadian banking system. CCD Canada is also a cooperative financial institution and an integral part of Desjardins Group.

The Autorité des marchés financiers (“AMF”) is the main government agency that oversees and monitors deposit-taking institutions (other than banks) that do business in Quebec, including the caisses and the Federation. Other regulations, including those developed by the Office of the Superintendent of Financial Institutions (“OSFI”), may also govern some operations of Desjardins Group entities, such as those related to insurance or securities brokerage. It should also be mentioned that Desjardins Bank, National Association, a wholly-owned subsidiary of Desjardins FSB Holdings, Inc., is authorized to conduct the business of banking as a national banking association by virtue of its Charter issued by the Office of the Comptroller of the Currency of the United States (OCC), its supervisory regulator. The operations Desjardins FSB Holdings, Inc. in the United States, as a small bank holding company and wholly-owned subsidiary of Caisse centrale Desjardins, are subject to the supervisory and regulatory authority of the Federal Reserve Bank of Atlanta. Caisse centrale Desjardins also operates a branch in the State of Florida, which is licensed by the OCC as a Limited Federal Branch of a Foreign Banking Organization (“Caisse centrale Desjardins U.S. Branch” or “CCD US BR”). CCD US BR is regulated by the OCC – International Banking Supervision - Large Banks. Desjardins Group is subject to the Bank Holding Company Act and has elected to be treated as a financial holding company (FHC) as of October 22, 2015.¹

Segment contributions to surplus earnings before member dividends in 2015 (as a percentage)²



The **Personal Services and Business and Institutional Services** business segment is responsible for developing and marketing an integrated and comprehensive service offering to meet the needs of individuals, businesses, institutions and cooperatives through the Desjardins caisse network, Desjardins business centres, and the major

¹ Desjardins Group Annual Report 2015, p.21

² Desjardins Group Annual Report 2015, p. 29

accounts and capital markets teams. The segment designs products to meet a range of needs including day-to-day and convenience transactions, securities investments, ATM and credit cards, financing, specialty services, access to capital markets, development capital and business ownership transfers and advice. It supports caisses and Desjardins business centres in distributing products and services by optimizing the performance and profitability of physical and virtual networks, and implementing and managing complementary access channels, including telephone, Internet, mobile applications and ATMs.

The **Wealth Management and Life and Health Insurance** business segment provides Desjardins Group members and clients with a range of products and services tailored to the changing asset management and financial security needs of individuals, groups, businesses and cooperatives. The Wealth Management segment is in charge of manufacturing and distributing mutual fund and guaranteed investment products, as well as of group retirement savings activities, and full-service and online brokerage services. It also provides private management and trust services. Desjardins Financial Security Life Assurance Company generated premium and annuity revenues in excess of \$4.0 billion for the year ended December 31, 2015 from life and health insurance and individual and group retirement savings products. Desjardins Financial Security Life Assurance Company provides products and services to Desjardins Group members and other client bases across Canada. The Wealth Management and Life and Health Insurance business segment distributes its products and services through advisors and financial planners across the Desjardins caisse network and in the Private Management team, financial security advisors, life insurance and employee benefits representatives and brokers, and securities brokers. Certain product lines are also distributed online via the Internet, mobile applications and client contact centres.

The **Property and Casualty Insurance** business segment offers insurance products to protect Desjardins Group members and clients against damage and loss. The segment includes the activities of Desjardins General Insurance Inc. and Western Financial Group Inc. Desjardins General Insurance Group Inc. (DGIG) provides a line of home and automobile insurance products to the general public and members of partner groups across Canada, as well as insurance products to businesses in the Quebec market. DGIG distributes its products through property and casualty insurance agents in the Desjardins caisse network and in several client contact centres and business centres, through a network of exclusive local agents and via Internet and mobile applications.

2. Identification and Description of U.S. Material Entities

A material entity is defined by the Resolution Plan Rule as a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line. Desjardins Group is a bank holding company and is treated as a financial holding company in the United States.

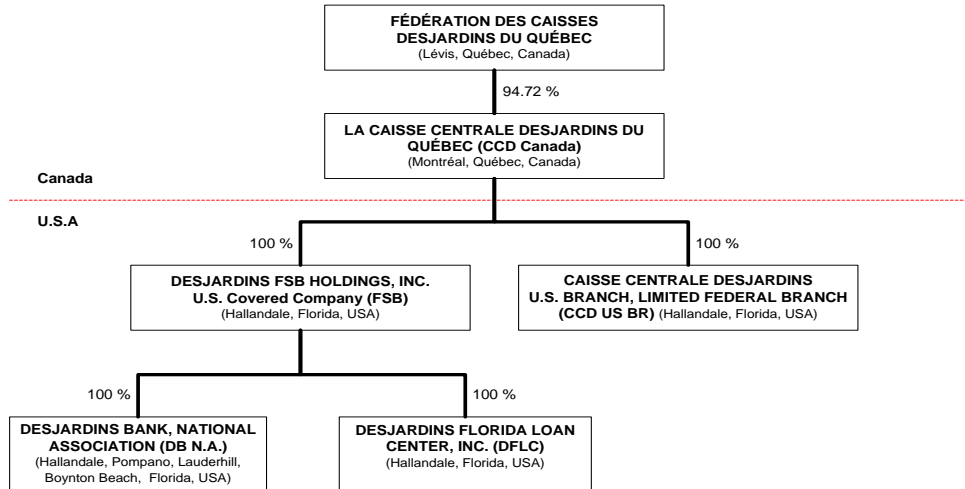
For the purposes of the U.S. Resolution Plan, Desjardins Group has four material entities in the U.S.

- Caisse centrale Desjardins U.S. Branch (“CCD US BR”) is a limited federal branch of a Foreign Banking Organization (FBO), namely CCD Canada. CCD US BR is not a separate legal entity from CCD Canada. CCD US BR allows Desjardins Group to support medium-sized and large businesses active in the U.S. by offering them the opportunity to carry out substantial financial transactions. It does not accept any deposits.
- Desjardins FSB Holdings, Inc. (“FSB”) is a Small Bank Holding Company and Financial Holding Company, and wholly-owned subsidiary of CCD Canada. Its only assets are Desjardins Bank, National Association, and Desjardins Florida Loan Center Inc. For purposes of this Plan, FSB is the U.S. Covered Company as a U.S. bank holding company and subsidiary of the FBO Covered Company Desjardins Group.
- Desjardins Bank, National Association, (“DB N.A”) is a wholly-owned subsidiary of FSB. DB N.A. is an FDIC insured deposit-taking institution engaged in the traditional banking practices of taking deposits, making loans, and processing foreign exchange transactions.
- Desjardins Florida Loan Center, Inc. (“DFLC”) is a Non-Banking Entity (as it does not hold a banking license) and wholly-owned subsidiary of FSB. Its function is to purchase impaired loans and Other Real Estate Owned (“OREO”) from DB N.A. on an as needed basis at the sole discretion of DB N.A. for purposes of concluding the foreclosure process and liquidating properties.

Desjardins Group does not have any other material entities in the U.S.

The diagram below represents Desjardins Group’s U.S. operations :

Desjardins Group



3. Identification of U.S. Core Business Lines and Critical Operations

Core business lines are defined by the Resolution Plan Rule as those business lines of the covered company, including associated operations, services, functions and support that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value.

Desjardins Group has identified the following U.S. Core Business Lines:

Core Business Lines	Description	FSB		CCD US BR
		DB N.A.	DFLC	
Retail Checking and Savings	The offering and management of transaction banking facilities, including check, debit card, ATM, as well as savings and time deposits on behalf of personal, private and small business clients.	X		
Small Business Lending	Secured and unsecured commercial lending facilities for small business customers.	X		
Secured Retail Lending	Lending to retail customers where an advance is secured with specified non-real estate collateral.	X		
Residential Mortgage and Commercial Lending	The management and administration of residential mortgage loans on behalf of internal and external customers, including the collection and remittance of principal and interest payments, administration of escrows and payment of property taxes and insurance premiums when due, production and delivery of mortgage loan statements and tax reports, the handling of client inquiries, and foreclosure activities.	X	X	
Corporate Lending	Debt facilities to domestic and international commercial and corporate companies and financial institutions to			X

	finance non-real estate-related business activity.			
--	--	--	--	--

Critical operations are defined by the Resolution Plan Rule as those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which, in the view of the covered company or as jointly directed by the Federal Reserve and the FDIC would pose threat to the financial stability of the United States.

No U.S. operations of Desjardins Group have been designated by the Federal Reserve or the FDIC as critical operations for the purposes of Resolution Plan Regulations.

4. Summary of Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

4.1 Desjardins Group – Summary Financial Information

COMBINED BALANCE SHEETS			
(in millions of Canadian dollars)	Notes	As at December 31, 2015	As at December 31, 2014
ASSETS			
Cash and deposits with financial institutions		\$ 1,716	\$ 1,781
Securities	6 and 8		
Securities at fair value through profit or loss		28,715	24,845
Available-for-sale securities		23,272	19,890
		51,987	44,735
Securities borrowed or purchased under reverse repurchase agreements		7,881	9,959
Loans	7 and 8		
Residential mortgages		102,323	97,512
Consumer, credit card and other personal loans		21,204	20,495
Business and government		36,433	32,903
		159,960	150,910
Allowance for credit losses	7	(455)	(456)
		159,505	150,454
Segregated fund net assets	9	9,781	8,695
Other assets			
Clients' liability under acceptances		376	858
Premiums receivable		1,662	1,127
Derivative financial instruments	19	4,818	3,133
Amounts receivable from clients, brokers and financial institutions		2,033	1,742
Reinsurance assets	15	1,964	785
Investment property	10	683	571
Property, plant and equipment	10	1,451	1,374
Goodwill	11	472	472
Intangible assets	11	661	569
Deferred tax assets	27	784	1,043
Other	12	2,354	2,089
		17,258	13,763
TOTAL ASSETS		\$ 248,128	\$ 229,387
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits	14		
Individuals		\$ 91,243	\$ 88,463
Business and government		63,833	56,516
Deposit-taking institutions		1,498	1,345
		156,574	146,324
Other liabilities			
Acceptances		376	858
Commitments related to securities sold short		5,464	6,304
Commitments related to securities lent or sold under repurchase agreements		10,383	13,072
Derivative financial instruments	19	1,689	1,675
Amounts payable to clients, brokers and financial institutions		4,713	3,713
Insurance contract liabilities	15	26,734	19,435
Segregated fund net liabilities	9	9,776	8,706
Net defined benefit plan liabilities	16	2,428	2,700
Deferred tax liabilities	27	163	329
Other	17	6,219	4,814
		67,945	61,606
Subordinated notes	18	1,884	2,564
TOTAL LIABILITIES		226,403	210,494
EQUITY			
Capital stock	21	5,158	4,777
Share capital	22	86	85
Undistributed surplus earnings		1,793	1,468
Accumulated other comprehensive income	23	589	615
Reserves		12,864	11,476
Equity - Group's share		20,490	18,421
Non-controlling interests	13 and 15	1,235	472
TOTAL EQUITY		21,725	18,893
TOTAL LIABILITIES AND EQUITY		\$ 248,128	\$ 229,387

Capital Management

As at December 31, 2015, the Tier 1a, Tier 1 and total capital ratios of Desjardins Group, calculated in accordance with Basel III requirements :

Desjardins Group	Tier 1a	Tier 1	Total
Ratios as at December 31, 2015	16,0%	16,0%	17,2%
External target	15,0%	15,0%	16,5%
Minimal regulatory requirements ³	7,0%	8,5%	10,5%

³ including a 2.5% capital conservation buffer

Major Funding Sources

Deposits

As at December 31, 2015, Desjardins Group's outstanding deposits totalled \$156.6 billion, up by \$10.3 billion, or 7.0%, over the year, compared to a year-over-year increase of \$9.6 billion, or 7.0%, during 2014. This sustained growth was the result of savings recruitment from individuals, businesses and governments. These savings constitute Desjardins Group's main source of financing and represented 99.0% of the outstanding deposit portfolio as at December 31, 2015.

Other liabilities

Other liabilities amounted to \$67.9 billion as at December 31, 2015, for an increase of \$6.3 billion, or 10.3%. The acquisition of State Farm's Canadian operations essentially accounted for the increase.

Equity

As at December 31, 2015, equity totalled \$21.7 billion, an increase of \$2.8 billion, or 15.0% since December 2014. Net surplus earnings after member dividends, which totalled \$1,846 million and the \$989 million in capital shares issued by the Federation, contributed to this growth. In addition, equity related to non-controlling interests was also up \$650 million following the acquisition of State Farm's Canadian operations. The repurchase of permanent shares, amounting to \$629 million, reduced equity.

4.2 Desjardins Bank, N.A. – Summary Financial Information

Desjardins Bank, N.A.

(A wholly-owned subsidiary of Desjardins FSB Holdings, Inc.)

Balance Sheets

December 31, 2015 and 2014

	2015	2014
Assets		
Cash and due from banks	\$ 6,554,563	\$ 4,405,792
Interest earning deposits with banks	6,321,938	24,200,642
Cash and cash equivalents	12,876,501	28,606,434
Investments held to maturity	31,416,986	36,976,162
FHLB and FRB stock, at cost	862,184	855,700
Loans receivable, net of allowance for loan losses of \$2,191,479 and \$2,253,193 at December 31, 2015 and 2014, respectively	160,244,193	154,238,250
Accrued interest receivable	817,841	752,426
Premises and equipment, net	1,055,491	569,544
Other assets	3,084,350	1,717,423
Total assets	<u>\$ 210,357,546</u>	<u>\$ 223,715,939</u>
Liabilities and Stockholder's Equity		
Deposits		
Demand		
Noninterest bearing	\$ 140,442,448	\$ 143,363,040
Interest bearing checking, savings and money market	11,158,674	29,209,917
Time	6,174,446	15,984,870
Total deposits	157,775,568	188,557,827
Investment line of credit - CCD	22,000,000	5,000,000
Other liabilities	1,905,322	1,877,204
Total liabilities	181,680,890	195,435,031
Commitments and contingencies (Note 9)		
Stockholder's equity		
Common stock, \$600 par value, 100 shares issued and outstanding	60,000	60,000
Additional paid in capital	22,040,000	22,040,000
Retained earnings	6,576,656	6,180,908
Total stockholder's equity	28,676,656	28,280,908
Total liabilities and stockholder's equity	<u>\$ 210,357,546</u>	<u>\$ 223,715,939</u>

Capital Management

DB N.A. maintains capital levels above “well-capitalized” standards. As of December 31, 2015, DB N.A. was at 28.19% of Total Capital Ratio vs. the 8% minimum requirement for capital adequacy purposes. The Tier 1 Capital Ratio was at 26.93% vs. the 4% minimum requirement for capital adequacy purposes. In addition, DB N.A.’s capital augmentation plan stipulates that if the Tier 1 capital ratio shall become less than 8% at any time DB N.A will request a capital augmentation from CCD Canada.

Major Funding Sources

As of December 31, 2015, the balance sheet assets of \$210.4 million were funded mainly by \$157.8 million of deposits and \$28.7 million of shareholder equity. DB N.A. has no brokered deposits outside of the DB N.A.'s core deposit base. There are no other short or long term liabilities outside of general accruals and trade accounts payable and \$22 million outstanding on the investment line of credit.

As of December 31, 2015, DB N.A. has access to a non-revocable line of credit from CCD Canada. In addition, DB N.A. has access to a collateralized line of credit from the FHLB

5. Description of Derivative and Hedging Activities

Desjardins Group has no derivatives and hedging activities in U.S.

6. List of Memberships in Material Payment, Clearing and Settlement Systems

DB N.A. only uses systems that facilitate check payment and wire transactions:

System	Description
Fedline	A wire transfer service provider that is owned and operated by the Federal Reserve. Fedwire Funds is a real-time gross settlement system. Payments are continuously settled on an individual, order-by-order basis without netting
SWIFT Alliance	Secure, automated and standardized platform to exchange international wire payments
FHLB Access	Correspondent Bank Accounts Reconciliation
FISERV WireXchange	Wire Transfers
Federal Reserve Bank	Vault Cash Replenishment
Fed On Line	Cash Shipment

7. Description of Foreign Operations

Except Desjardins FSB Holdings, Inc. and CCD US Branch in the U.S., Desjardins Group does not have other significant foreign operations outside of Canada.

8. Identification of Material Supervisory Authorities

Desjardins Group's entities are subject to a variety of regulatory regimes. Please see the table below for a description of the material entities and their corresponding regulatory authorities.

Desjardins Entity	Material Supervisory Authority
Federation des caisses Desjardins du Québec (Federation)	Autorité des marchés financiers (AMF)
	Quebec Ministry of Finance and Economy
	Canadian Ministry of Finance
	Office of the Superintendent of Financial Institutions Canada (OSFI)
	Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)
	Federal Reserve Board
Caisse centrale Desjardins (CCD Canada)	Autorité des marchés financiers (AMF)
	Quebec Ministry of Finance and Economy
	Canadian Ministry of Finance
	Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)
	Ontario Securities Commission (OSC)
	Canadian Securities Administrator
Caisse centrale Desjardins U.S. Branch (CCD US BR)	Federal Reserve Board (including the Federal Reserve Bank of Atlanta)
	The Office of the Comptroller of the Currency (OCC)
Desjardins FSB Holdings, Inc, (FSB Holdings)	Federal Reserve Board (including the Federal Reserve Bank of Atlanta)
Desjardins Bank, N.A. (DB N.A.)	The Office of the Comptroller of the Currency (OCC)
	The Federal Deposit Insurance Corporation (FDIC)
Desjardins Florida Loan Center (DFLC)	DFLC is not a supervised entity

9. Identification of the Principal Officers

Desjardins Group Executive	
Name	Position
Guy Cormier	President and CEO, Chair of the Board
Denis Berthiaume	Senior Executive Vice-President and Chief Operating Officer
Éric Lachaine	Senior Vice-President, Caisse Network and Member and Client Services
André Chatelain	Senior Vice-President, Personal Services and Desjardins Group Marketing
Marie-Claude Boisvert	Senior Vice-President, Business Services
Gregory Chrispin	Senior Vice-President, Wealth Management and Life and Health Insurance
Denis Dubois	Senior Vice-President, Property and Casualty Insurance
Réal Bellemare	Senior Vice-President, Finance, Treasury and Administration
Francine Champoux	Senior Vice-President, Risk Management
Chadi Habib	Senior Vice-President, Information Technology
Marie-Huguette Cormier	Senior Vice-President, Human Resources and Communications

FSB Holdings, Inc. Executive	
Name	Position
Guy Cormier	President and Chief Executive Officer
Yvon Vinet	Vice-Chair of the Board
Jean-Robert Laporte	Board Secretary
Éric Lachaine Renaud Coulombe	Assistant Secretaries
Sylvie Béchar	Treasurer
Wilfredo Tirado	Assistant Treasurer

Desjardins Bank, N.A. Executive	
Name	Position
Bruno Morin	Chairperson
Robert L. Menconi	Chairperson of Loan Committee
Robert E. Dubow	Chairperson of Compliance Committee
Johanne Champoux	Interim Chairperson of Audit Committee
Daniel Veilleux	President and CEO
Wilfredo Tirado	Controller
Régis Sellier	Risk Management & DFCL Manager, CRA Officer & Chief Lending Officer
Marc-Antoine Paré	Senior Operations Officer
Louise Poitras	Chief Compliance Officer & SAFE Act Officer
Chantal Dutrisac	Retail Operations Manager & Security Officer
Leslie R. Carratalà	BSA/AML/ATF/OFAC Compliance Officer
Sonia Bolduc	Residential, Consumer & Commercial Loan Manager

Desjardins Florida Loan Center Executive	
Name	Position
Daniel Veilleux	President and Chief Financial Officer
Régis Sellier	Vice-President, Chief Operations Officer

Caisse centrale Desjardins U.S. Branch Executive	
Name	Position
Christian P. Roy	General Branch Manager
Michel Brouillet	Vice-President, Financing and Banking Services
Patricia Grimm	BSA/AML Compliance Officer
Michele Ouellet	Assistant Manager

10. Description of the Corporate Governance Structure and Process Related to Resolution Planning

DB N.A. has an established governance framework in place where clear roles and responsibilities are defined to ensure effective working processes and compliance with decision-making authorities. These processes would be used to prepare, verify, and sign off on resolution plans. This assures that the Executive Committee and the Board of Directors take responsibility for the content of the deliverables, are comfortable that provided information is appropriate, and implementation issues are adequately addressed at all levels.

The Board of Directors («BOD») of DB N.A. is actively involved in the capital and liquidity management of DB N.A. The BOD is provided with financial information on a monthly basis and call reports and corresponding capital ratios on a quarterly basis.

DB N.A. has independent Risk and Compliance functions who are responsible for maintaining the Resolution Plan and for reporting financial condition to the BOD. The Compliance Committee is responsible for ensuring the resolution of identified findings, violations or recommendations.

DB N.A. has an independent Audit Committee responsible for ensuring accurate and independent internal and external auditing programs including remediation of identified issues.

As required by the Resolution Plan Rule, the resolution plan submission must be approved by the Covered Company's Board of Directors. Prior to submission for board approval, the Plan is also presented and recommended by the following committees within the Desjardins Group: the Steering Committee of Caisse Centrale Desjardins, U.S. Risk Management Committee and the Board of Directors of FSB Holdings, Inc.

11. Description of Material Management Information Systems

The principal information system utilized by DB N.A. is the Fiserv platform which offers online, real-time Teller services, account processing, wire payment, loan booking and servicing and bill payment. This provides DB N.A. with the strategic tools and critical information needed for decision making. The Fiserv platform provides an integration point for retail and commercial services, business intelligence, risk management tools, e-commerce solutions, images and front and back office processes.

Fiserv serves as the primary platform for both DB N.A. and DFCL. This platform provides a strong basis for key management, accounting, compliance and financial reporting and has the analytical capabilities essential for executive management and the board.

12. Description of the Covered Company's Resolution Strategy

FSB would only be liquidated if DB N.A. and DFCL were resolved and sold or liquidated. If both of these subsidiaries were to be liquidated, FSB would close under the Delaware Bankruptcy Law and Procedures.

DB N.A. could be subject to an OCC intervention. The OCC can assign a conservator to DB N.A. in order to take on responsibility for day-to-day operations and return DB N.A. to its normal state. Beyond these steps, DB N.A. would be subject to FDIC actions. The FDIC would choose the least costly to the deposit insurance fund of all possible methods for resolving DB N.A.

DFCL is not a deposit-taking institution; therefore, there would be a limited impact on DB N.A. and none to the FDIC, if DFCL were to be dissolved. The assets would be sold and the proceeds would be rolled up in to FSB. Assets would be categorized based on status of foreclosure. For all foreclosed properties, the property itself would be offered for sale. For non-performing foreclosed loans, the loans would be sold to a third party investor. Performing loans would be sold to another financial institution. DFCL would then close under the Delaware Bankruptcy Law and Procedures or be dissolved by FSB.

CCD US BR does not accept any deposits; therefore, there would be no impact to the FDIC. The only event where CCD US BR would require resolution is if the Covered Company would not be viable. CCD US BR would then execute

an orderly winding down of its operations that minimize any market disruptions. The existing loan portfolio mainly consists of performing syndicated commercial loans to large institutions. In most cases, CCD US BR's parent in Canada, Caisse centrale Desjardins could assume CCD US BR's syndicated loan participations. Once the portfolio is liquidated, CCD US BR would close under the Florida Bankruptcy Law and Procedures. CCD US BR would then have to relinquish its Limited Federal Charter back to the OCC.