

## Supplemental Financial Information (unaudited)

For the period ended September 30, 2016

### TABLE OF CONTENTS

	Page		Page
<b>Notes to readers</b>	2	<b>Risk management</b>	
<b>Financial information</b>		Table 12 – Loan and acceptance portfolio by product	23
Table 1 – Combined Balance Sheets	3	Table 13 – Loan and acceptance portfolio by entity	23
Table 2 – Combined Statements of Income	5	Table 14 – Personal residential mortgage loan portfolio	24
<b>Capital management</b>		Table 15 – Average loan-to-value (LTV) ratio for uninsured personal residential mortgage loans granted during the quarter	25
Table 3 – Main capital components	6	Table 16 – Remaining amortization period for personal residential mortgage loans	25
Table 4 – Regulatory ratios and capital	7	Table 17 – Risk exposure by asset class (exposure at default [EAD])	26
Table 5 – Quarterly changes in regulatory capital	9	Table 18 – Risk exposure by asset class and risk tranche (Standardized Approach)	28
Table 6 – Reconciliation of regulatory capital and equity	10	Table 19 – Risk exposure by asset class and remaining contractual term to maturity	30
Table 7 – Reconciliation of capital and the combined regulatory balance sheet	11	Table 20 – Credit risk mitigation	31
Table 8 – Leverage ratio	13	<b>Glossary</b>	33
Table 9 – Risk-weighted assets (RWA)	14		
Table 10 – Change in risk-weighted assets	15		
Table 11 – Details of the credit portfolio subject to the Internal Rating-Based Approach	17		

## NOTES TO READERS

### USE OF THIS DOCUMENT

---

The Supplemental Financial Information (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 2015 Annual Report. These reports, which include Desjardins Group's Combined Financial Statements as well as its MD&As, are available on its website at [www.desjardins.com/ca/about-us/investor-relations](http://www.desjardins.com/ca/about-us/investor-relations) and on the System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com) (under the *Capital Desjardins inc.* profile).

### BASIS OF PRESENTATION OF FINANCIAL INFORMATION

---

The Annual and Interim Combined Financial Statements have been prepared by Desjardins Group's management in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting requirements of the *Autorité des marchés financiers* (AMF) in Quebec, which do not differ from IFRS. For further information about the accounting policies applied, see the Interim and Annual Combined Financial Statements.

To assess its performance, Desjardins Group uses IFRS measures and various non-IFRS financial measures. Non-IFRS financial measures, other than the regulatory ratios, do not have a standardized definition and are not directly comparable to similar measures used by other companies, and may not be directly comparable to any IFRS measures. The non-IFRS measures may be useful to investors to analyze financial performance, among other things. They are defined in the interim and annual MD&As.

Unless indicated otherwise, all amounts are in Canadian dollars.

### SCOPE OF THIS DOCUMENT

---

The information presented in this document relates to the Desjardins Group entities that are included in its accounting scope. 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 Combined Financial Statements. In the tables on capital management and tables 17, 18, 19 and 20 of the "Risk management" section, the information presented is prepared using Desjardins Group's 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, data related to capital and risks are presented to meet the disclosure requirements set out in the recommendations of the *Enhanced Disclosure Task Force* document dated October 29, 2012 and the Residential Hypothecary Lending Guideline issued by the AMF as well as certain requirements of Basel III Pillar 3.

# FINANCIAL INFORMATION

TABLE 1 – COMBINED BALANCE SHEETS

(in millions of dollars)	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015	As at September 30, 2015
<b>ASSETS</b>					
<b>Cash and deposits with financial institutions</b>	<b>\$ 1,929</b>	<b>\$ 2,183</b>	<b>\$ 1,897</b>	<b>\$ 1,716</b>	<b>\$ 1,924</b>
<b>Securities</b>					
Securities at fair value through profit or loss	32,112	32,577	34,800	28,715	31,848
Available-for-sale securities	23,687	23,636	23,196	23,272	22,194
	55,799	56,213	57,996	51,987	54,042
<b>Securities borrowed or purchased under reverse repurchase agreements</b>	<b>7,677</b>	<b>10,362</b>	<b>7,112</b>	<b>7,881</b>	<b>10,134</b>
<b>Loans</b>					
Residential mortgages	105,908	104,977	102,992	102,323	101,420
Consumer, credit card and other personal loans	21,723	21,486	21,115	21,204	21,049
Business and government loans	37,095	36,682	36,485	36,433	34,915
	164,726	163,145	160,592	159,960	157,384
Allowance for credit losses	(462)	(459)	(454)	(455)	(478)
	164,264	162,686	160,138	159,505	156,906
<b>Segregated fund net assets</b>	<b>11,620</b>	<b>10,255</b>	<b>9,992</b>	<b>9,781</b>	<b>9,503</b>
<b>Other assets</b>					
Clients' liability under acceptances	23	47	85	376	613
Premiums receivable	2,071	1,936	1,669	1,662	1,675
Derivative financial instruments	3,978	3,919	3,948	4,818	4,739
Amounts receivable from clients, brokers and financial institutions	3,051	3,745	3,078	2,033	2,745
Reinsurance assets	2,509	2,311	2,013	1,964	1,750
Investment property	778	736	742	683	691
Property, plant and equipment	1,438	1,451	1,429	1,451	1,450
Goodwill	470	470	472	472	472
Intangible assets	691	705	668	661	659
Deferred tax assets	1,052	962	881	784	811
Other	2,807	2,730	3,017	2,354	2,858
	18,868	19,012	18,002	17,258	18,463
<b>TOTAL ASSETS</b>	<b>\$ 260,157</b>	<b>\$ 260,711</b>	<b>\$ 255,137</b>	<b>\$ 248,128</b>	<b>\$ 250,972</b>

TABLE 1 – COMBINED BALANCE SHEETS (continued)

(in millions of dollars)	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015	As at September 30, 2015
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>Deposit</b>					
Individuals	\$ 95,122	\$ 93,588	\$ 92,215	\$ 91,243	\$ 89,161
Business and government	64,735	68,055	64,775	63,833	63,553
Deposit-taking institutions	1,480	2,019	1,770	1,498	1,829
	161,337	163,662	158,760	156,574	154,543
<b>Other liabilities</b>					
Acceptances	23	47	85	376	613
Commitments related to securities sold short	7,674	6,945	7,033	5,464	8,582
Commitments related to securities lent or sold under repurchase agreements	10,098	10,601	11,830	10,383	9,405
Derivative financial instruments	1,735	1,889	1,961	1,689	1,624
Amounts payable to clients, brokers and financial institutions	5,343	6,386	5,160	4,713	6,809
Insurance contract liabilities	28,988	28,371	27,308	26,734	26,572
Segregated fund net liabilities	11,607	10,247	9,983	9,776	9,509
Net defined benefit plan net liabilities	3,312	3,044	2,806	2,428	2,416
Deferred tax liabilities	163	170	167	163	135
Other	6,176	5,948	6,345	6,219	6,830
	75,119	73,648	72,678	67,945	72,495
<b>Subordinated notes</b>	1,385	1,384	1,875	1,884	2,553
<b>TOTAL LIABILITIES</b>	237,841	238,694	233,313	226,403	229,591
<b>EQUITY</b>					
Capital stock	5,272	5,258	5,167	5,158	5,151
Share capital	89	89	89	86	87
Undistributed surplus earnings	1,345	748	1,412	1,793	1,429
Accumulated other comprehensive income	790	730	614	589	591
Reserves	13,971	14,339	13,304	12,864	12,948
<b>Equity – Group's share</b>	21,467	21,164	20,586	20,490	20,206
<b>Non-controlling interests</b>	849	853	1,238	1,235	1,175
<b>Total equity</b>	22,316	22,017	21,824	21,725	21,381
<b>TOTAL LIABILITIES AND EQUITY</b>	\$ 260,157	\$ 260,711	\$ 255,137	\$ 248,128	\$ 250,972

TABLE 2 – COMBINED STATEMENTS OF INCOME

(in millions of dollars)	For the three-month periods ended				
	September 30, 2016	June 30, 2016	March 31, 2016 <sup>(1)</sup>	December 31, 2015 <sup>(1)</sup>	September 30, 2015 <sup>(1)</sup>
<b>Interest income</b>					
Loans	\$ 1,418	\$ 1,399	\$ 1,404	\$ 1,452	\$ 1,464
Securities	79	83	77	74	79
	1,497	1,482	1,481	1,526	1,543
<b>Interest expense</b>					
Deposits	415	406	406	385	417
Subordinated notes and other	18	23	26	34	32
	433	429	432	419	449
<b>Net interest income</b>	<b>1,064</b>	<b>1,053</b>	<b>1,049</b>	<b>1,107</b>	<b>1,094</b>
<b>Net premiums</b>	<b>1,873</b>	<b>1,740</b>	<b>1,721</b>	<b>1,641</b>	<b>1,692</b>
<b>Other income</b>					
Deposit and payment service charges	128	119	118	124	125
Lending fees and credit card service revenues	158	155	168	161	149
Brokerage and investment fund services	278	286	260	263	255
Management and custodial service fees	94	92	88	67	90
Net income on securities at fair value through profit or loss	385	878	512	230	17
Net income on available-for-sale securities	99	99	79	72	34
Net other investment income	49	50	50	48	51
Foreign exchange income	20	22	16	21	20
Other	(42)	46	65	56	7
	1,169	1,747	1,356	1,042	748
<b>Total income</b>	<b>4,106</b>	<b>4,540</b>	<b>4,126</b>	<b>3,790</b>	<b>3,534</b>
<b>Provision for credit losses</b>	<b>98</b>	<b>75</b>	<b>91</b>	<b>83</b>	<b>102</b>
<b>Claims, benefits, annuities and changes in insurance contract liabilities</b>	<b>1,727</b>	<b>2,065</b>	<b>1,758</b>	<b>1,350</b>	<b>1,246</b>
<b>Non-interest expense</b>					
Salaries and fringe benefits	841	907	910	861	840
Premises, equipment and furniture, including depreciation	158	165	159	163	149
Service agreements and outsourcing	75	78	83	76	84
Communications	66	82	71	85	66
Other	578	633	564	597	529
	1,718	1,865	1,787	1,782	1,668
<b>Operating surplus earnings</b>	<b>563</b>	<b>535</b>	<b>490</b>	<b>575</b>	<b>518</b>
Income taxes on surplus earnings	109	108	108	113	114
<b>Surplus earnings before member dividends</b>	<b>454</b>	<b>427</b>	<b>382</b>	<b>462</b>	<b>404</b>
Member dividends	35	22	30	45	35
Tax recovery on member dividends	(10)	(6)	(8)	(12)	(9)
<b>Net surplus earnings for the period after member dividends</b>	<b>\$ 429</b>	<b>\$ 411</b>	<b>\$ 360</b>	<b>\$ 429</b>	<b>\$ 378</b>
of which:					
Group's share	\$ 419	\$ 390	\$ 339	\$ 373	\$ 361
Non-controlling interests' share	10	21	21	56	17

<sup>(1)</sup> Prior-period data have been reclassified to reflect the current period's presentation.

## CAPITAL MANAGEMENT

TABLE 3 - MAIN CAPITAL COMPONENTS

		Total capital	
		Tier 1 capital	Tier 2 capital
		Tier 1A <sup>(1)</sup>	Tier 1B <sup>(1)</sup>
<b>Eligible items</b>	<ul style="list-style-type: none"> <li>&gt; Reserves and undistributed surplus earnings</li> <li>&gt; Eligible accumulated other comprehensive income</li> <li>&gt; Federation capital shares</li> <li>&gt; Permanent shares and surplus shares subject to phase-out</li> <li>&gt; Non-controlling interests<sup>(2)</sup></li> </ul>	<ul style="list-style-type: none"> <li>&gt; Non-controlling interests<sup>(2)</sup></li> </ul>	<ul style="list-style-type: none"> <li>&gt; Eligible collective allowance</li> <li>&gt; Subordinated notes subject to phase-out</li> <li>&gt; Eligible qualifying shares</li> <li>&gt; Non-controlling interests<sup>(2)</sup></li> </ul>
<b>Regulatory adjustments</b>	<ul style="list-style-type: none"> <li>&gt; Goodwill</li> <li>&gt; Software</li> <li>&gt; Other intangible assets</li> <li>&gt; Deferred tax assets essentially resulting from loss carryforwards</li> <li>&gt; Shortfall in allowance</li> </ul>		
<b>Deductions</b>	<ul style="list-style-type: none"> <li>&gt; Mainly significant investments in financial entities<sup>(3)</sup></li> </ul>		<ul style="list-style-type: none"> <li>&gt; Investment in preferred shares of a component deconsolidated for regulatory capital purposes</li> <li>&gt; Subordinated financial instrument</li> </ul>

<sup>(1)</sup> The tier 1A and tier 1B ratios are the equivalent of the financial institutions CET 1 and AT1 ratios, for financial services co-operatives regulated by the AMF.

<sup>(2)</sup> The amount of non-controlling interests allocated to the various capital tiers is determined, in particular, based on the nature of the operations and the capitalization level of the investee.

<sup>(3)</sup> Represents the portion of investments in the components deconsolidated for regulatory capital purposes (mainly Desjardins Financial Corporation Inc.) that exceeds 10% of capital net of regulatory adjustments. In addition, when the non-deducted balance, plus deferred tax assets net of related deferred tax liabilities, exceeds 15% of such adjusted capital, the excess is also deducted from such capital. The non-deducted balance will be subject to risk-weighting at a rate of 250%.

TABLE 4 – REGULATORY RATIOS AND CAPITAL <sup>(1)(2)</sup>

(in millions of dollars and as a percentage)	As at September 30, 2016	Cross- reference <sup>(3)</sup>	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015	As at September 30, 2015
<b>Tier 1A capital</b>						
Federation capital shares <sup>(4)</sup>	\$ 4,071	B	\$ 3,969	\$ 3,690	\$ 3,544	\$ 3,465
Permanent shares and surplus shares subject to phase-out	1,115	C	1,194	1,261	1,471	1,471
Reserves	13,971	A	14,339	13,304	12,864	12,948
Undistributed surplus earnings	1,326	D	686	1,383	1,766	1,406
Eligible accumulated other comprehensive income	572	E + F	483	363	347	315
Non-controlling interests	5	G	15	15	15	15
<b>Tier 1A capital: regulatory adjustments</b>						
Goodwill (net of related deferred tax liabilities)	(35)	K	(35)	(35)	(35)	(35)
Intangible assets other than mortgage servicing rights and software (net of related deferred tax liabilities)	(43)	M+N	(43)	(43)	(44)	(50)
Software considered as intangible assets (net of related tax liabilities)	(228)	M+N	(240)	(205)	(200)	(204)
Deferred tax assets other than those attributable to temporary differences (net of related deferred tax liabilities)	(44)	J+P	(39)	(30)	(36)	(26)
Shortfall in allowance <sup>(5)</sup>	(298)		(283)	(273)	(272)	(265)
Reciprocal cross-holdings in Tier 1A capital <sup>(5)</sup>	(8)		(8)	(4)	(8)	(7)
<b>Adjusted Tier 1A capital after allocation of allocated threshold deductions</b>						
Significant investments in the Tier 1A capital of financial institutions (greater than 10%)	(2,703)	Q+T	(2,507)	(2,100)	(2,058)	(2,109)
<b>Adjusted Tier 1A capital after allocated threshold deductions</b>						
Amount greater than the 15% threshold						
Including: Significant investments in the Tier 1A capital of deconsolidated subsidiaries	(161)	R+U	(98)	(46)	-	(5)
Including: Deferred tax assets arising from temporary differences	(63)	S	(36)	(17)	-	(1)
<b>Total net Tier 1A capital</b>	<b>17,477</b>		<b>17,397</b>	<b>17,263</b>	<b>17,354</b>	<b>16,918</b>
Non-controlling interests	13	H	17	17	17	17
<b>Total Tier 1B capital</b>	<b>13</b>		<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b>Total Tier 1 capital</b>	<b>17,490</b>		<b>17,414</b>	<b>17,280</b>	<b>17,371</b>	<b>16,935</b>
<b>Tier 2 capital</b>						
Subordinated notes <sup>(6)</sup> subject to phase-out	1,213	L	1,391	1,704	1,892	2,164
Eligible collective allowance	278	O	270	281	282	285
Eligible qualifying shares	24	W	24	25	25	24
Non-controlling interests	1	I	3	2	2	3
<b>Tier 2 capital: regulatory adjustments</b>						
Significant investments in financial entities	(872)	V	(872)	(872)	(872)	(872)
<b>Total net Tier 2 capital</b>	<b>644</b>		<b>816</b>	<b>1,140</b>	<b>1,329</b>	<b>1,604</b>
<b>Total regulatory capital (Tier 1 and 2)</b>	<b>\$ 18,134</b>		<b>\$ 18,230</b>	<b>\$ 18,420</b>	<b>\$ 18,700</b>	<b>\$ 18,539</b>
<b>Total risk-weighted assets</b>	<b>\$ 107,054</b>		<b>\$ 109,686</b>	<b>\$ 109,226</b>	<b>\$ 108,484</b>	<b>\$ 106,761</b>
<b>Exposure measure for the leverage ratio</b>	<b>231,603</b>		<b>218,125</b>	<b>228,944</b>	<b>222,825</b>	<b>225,196</b>

Footnotes to this table are presented on the next page.

**TABLE 4 – REGULATORY RATIOS AND CAPITAL <sup>(1)(2)</sup> (continued)**

(in millions of dollars and as a percentage)	As at September 30, 2016	Cross- reference <sup>(3)</sup>	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015	As at September 30, 2015
<b>Ratios</b>						
Tier 1A capital ratio	16.3 %		15.9 %	15.8 %	16.0 %	15.8 %
Tier 1 capital ratio	16.3		15.9	15.8	16.0	15.9
Total capital ratio	16.9		16.6	16.9	17.2	17.4
Leverage ratio	7.6		7.5	7.5	7.8	7.5
<b>Minimum Ratios <sup>(7)</sup></b>						
Tier 1A capital ratio	8.0		8.0	8.0	7.0	7.0
Tier 1 capital ratio	9.5		9.5	9.5	8.5	8.5
Total capital ratio	11.5		11.5	11.5	10.5	10.5
Leverage ratio	3.0		3.0	3.0	3.0	3.0
<b>Amounts below the thresholds for deduction (before risk weighting)</b>						
Non-significant investments in the capital of other financial institutions	\$ 38	AA	\$ 44	\$ 34	\$ 10	\$ 19
Significant investments in the Tier 1A capital of financial institutions	1,880	AC	1,906	1,897	1,941	1,898
Deferred tax assets arising from temporary differences (net of related tax liabilities)	742	AB	704	692	650	639
<b>Caps on inclusion of allowances in Tier 2 capital</b>						
Allowances eligible for inclusion in Tier 2 capital in respect of exposures subject to the Standardized Approach (before application of cap)	278		270	281	282	285
Cap on inclusion of allowances in Tier 2 capital under the Standardized Approach	278	O	270	281	282	285
Allowances eligible for inclusion in Tier 2 capital in respect of exposures subject to the Internal Ratings-Based Approach (before application of cap)	N/A		N/A	N/A	N/A	N/A
Cap on inclusion of allowances in Tier 2 capital under the Internal Ratings-Based Approach	N/A		N/A	N/A	N/A	N/A

<sup>(1)</sup> Amounts included in this document comply with the "all-in" method, which is defined by the AMF as equity calculated to include all of the regulatory adjustments that will be required by 2019 but retaining the phase-out rules for non-eligible capital instruments.

<sup>(2)</sup> Per the advisory on the public capital disclosure requirements related to Basel III Pillar 3, in accordance with the calculations under the Basel III all-in method.

<sup>(3)</sup> Cross-reference to the consolidated regulatory balance sheet. Refer to Table 7.

<sup>(4)</sup> Includes capital shares held in a segregated fund.

<sup>(5)</sup> Items considered only in regulatory capital.

<sup>(6)</sup> Includes subordinated notes described in Note 18 to the 2015 Combined Financial Statements.

<sup>(7)</sup> As a D-SIFI, Desjardins Group is subject to an additional capital requirement of 1% on its minimum capital ratios since January 1, 2016.



TABLE 5 - QUARTERLY CHANGES IN REGULATORY CAPITAL

(in millions of dollars)	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015	As at September 30, 2015
<b>Tier 1A capital</b>					
Balance at beginning of period	\$ 17,397	\$ 17,263	\$ 17,354	\$ 16,918	\$ 16,207
Increase in reserves and undistributed surplus earnings	272	338	57	276	358
Amortization of the amendments to IAS 19	-	-	-	-	-
Eligible accumulated other comprehensive income	89	120	16	32	(191)
Federation capital shares	102	279	146	79	217
Permanent shares and surplus shares subject to phase-out	(79)	(67)	(210)	-	-
Non-controlling interests	(10)	-	-	-	-
Deductions	(294)	(536)	(100)	49	327
Balance at end of period	17,477	17,397	17,263	17,354	16,918
<b>Tier 1B capital</b>					
Balance at beginning of period	17	17	17	17	19
Non-controlling interests	(4)	-	-	-	(2)
Balance at end of period	13	17	17	17	17
<b>Total Tier 1 capital</b>	<b>17,490</b>	<b>17,414</b>	<b>17,280</b>	<b>17,371</b>	<b>16,935</b>
<b>Tier 2 capital</b>					
Balance at beginning of period	816	1,140	1,329	1,604	1,655
Eligible qualifying shares	-	(1)	-	1	-
Non-controlling interests	(2)	1	-	(1)	-
Subordinated notes subject to phase-out	(178)	(313)	(188)	(272)	-
Eligible collective allowance	8	(11)	(1)	(3)	1
Deductions	-	-	-	-	(52)
Balance at end of period	644	816	1,140	1,329	1,604
<b>Total capital</b>	<b>\$ 18,134</b>	<b>\$ 18,230</b>	<b>\$ 18,420</b>	<b>\$ 18,700</b>	<b>\$ 18,539</b>

TABLE 6 - RECONCILIATION OF REGULATORY CAPITAL AND EQUITY

(in millions of dollars)	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015	As at September 30, 2015
<b>Equity balance in the Combined Financial Statements</b>	<b>\$ 21,467</b>	<b>\$ 21,164</b>	<b>\$ 20,586</b>	<b>\$ 20,490</b>	<b>\$ 20,206</b>
<b>Items eligible for Tier 1A capital</b>					
Non-controlling interests	5	15	15	15	15
<b>Items not eligible for Tier 1A capital</b>					
Non-eligible portion of permanent shares and surplus shares	(62)	(69)	(189)	(116)	(192)
Preferred shares of La Fédération des caisses populaires de l'Ontario Inc. and the caisses in Ontario	(86)	(86)	(86)	(83)	(84)
Qualifying shares	(34)	(36)	(36)	(36)	(34)
Other	(230)	(302)	(274)	(263)	(291)
Deductions	(3,583)	(3,289)	(2,753)	(2,653)	(2,702)
<b>Tier 1A capital</b>	<b>17,477</b>	<b>17,397</b>	<b>17,263</b>	<b>17,354</b>	<b>16,918</b>
Non-controlling interests	13	17	17	17	17
<b>Tier 1B capital</b>	<b>13</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b>Tier 1 capital</b>	<b>17,490</b>	<b>17,414</b>	<b>17,280</b>	<b>17,371</b>	<b>16,935</b>
<b>Items eligible for Tier 2 capital</b>					
Subordinated notes subject to phase-out	1,213	1,391	1,704	1,892	2,164
Eligible collective allowance	278	270	281	282	285
Eligible qualifying shares	24	24	25	25	24
Non-controlling interests	1	3	2	2	3
Deductions	(872)	(872)	(872)	(872)	(872)
<b>Tier 2 capital</b>	<b>644</b>	<b>816</b>	<b>1,140</b>	<b>1,329</b>	<b>1,604</b>
<b>Total capital</b>	<b>\$ 18,134</b>	<b>\$ 18,230</b>	<b>\$ 18,420</b>	<b>\$ 18,700</b>	<b>\$ 18,539</b>

**TABLE 7 – RECONCILIATION OF CAPITAL AND THE COMBINED REGULATORY BALANCE SHEET<sup>(1)</sup>**

As at September 30, 2016

(in millions of dollars)					
	Balance sheet per the combined financial statements	Items deconsolidated for regulatory capital purposes <sup>(2)</sup>	Balance sheet using the regulatory scope of consolidation	Including	Cross- reference to the capital table <sup>(3)</sup>
<b>Assets</b>					
<b>Cash and deposits with financial institutions</b>	\$ 1,929	\$ 578	\$ 1,351		
<b>Securities</b>	55,799	25,839	29,960		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				\$ 38	AA
Significant investments in the Tier 2 capital of other financial institutions				872	V
Other securities				29,050	
<b>Investments in associates and joint ventures accounted for using the equity method</b>	552	(4,227)	4,779		
Significant investments in the capital of other financial institutions exceeding the regulatory thresholds of 10% of Tier 1A capital				64	Q
Significant investments in the capital of other financial institutions exceeding the regulatory threshold corresponding to the basket of 15% of Tier 1A capital				4	R
Significant investments in the capital of other financial institutions not exceeding the regulatory thresholds				1,880	AC
Investments in deconsolidated subsidiaries exceeding the regulatory thresholds of 10% of Tier 1A capital				2,639	T
Investments in deconsolidated subsidiaries exceeding the regulatory thresholds corresponding to the basket of 15% of Tier 1A capital				157	U
Other adjustments related to investments				35	
<b>Securities borrowed or purchased under reverse repurchase agreements</b>	7,677	37	7,640		
<b>Loans</b>	164,726	2,787	161,939		
Significant investments in the Tier 2 capital of other financial institutions				(872)	V
Other loans				162,811	
<b>Allowances for credit losses</b>	(462)	(1)	(461)		
Collective allowance allowed for inclusion in Tier 2 capital				(278)	O
Allowances not allowed for regulatory capital				(183)	
<b>Segregated fund net assets</b>	11,620	11,620	-		
<b>Other assets</b>					
Clients' liability under acceptances	23	-	23		
Premiums receivable	2,071	2,071	-		
Derivative financial instruments	3,978	569	3,409		
Amounts receivable from clients, brokers and financial institutions	3,051	58	2,993		
Reinsurance assets	2,509	2,509	-		
Land, buildings and equipment	2,216	1,292	924		
Goodwill	470	435	35		K
Software and other intangible assets	691	361	330		M
Deferred tax assets	1,052	320	732		
Deferred tax assets other than those attributable to temporary differences				99	J
Deferred tax liabilities other than those attributable to temporary differences				(55)	P
Deferred tax assets related to temporary differences exceeding the regulatory thresholds corresponding to the basket of 15% of Tier 1A capital				63	S
Deferred tax assets related to temporary differences not exceeding the regulatory thresholds				742	AB
Deferred tax liabilities related to software and other intangible assets				(59)	N
Deferred tax liabilities related to goodwill				-	K
Other deferred tax assets				(58)	
Miscellaneous	2,255	494	1,761		
<b>Total assets</b>	\$ 260,157	\$ 44,742	\$ 215,415		

Footnotes to this table are presented on the next page.

**TABLE 7 – RECONCILIATION OF CAPITAL AND THE COMBINED REGULATORY BALANCE SHEET<sup>(1)</sup> (continued)**

As at September 30, 2016

(in millions of dollars)	Balance sheet per the combined financial statements	Items deconsolidated for regulatory capital purposes <sup>(2)</sup>	Balance sheet using the regulatory scope of consolidation	Including	Cross- reference to the capital table <sup>(3)</sup>
<b>Liabilities</b>					
<b>Deposits</b>	\$ 161,337	\$ (425)	\$ 161,762		
<b>Other liabilities</b>					
Acceptances	23	-	23		
Commitments related to securities sold short	7,674	201	7,473		
Commitments related to securities lent or sold under repurchase agreements	10,098	274	9,824		
Derivative financial instruments	1,735	69	1,666		
Amounts payable to clients, brokers and financial institutions	5,343	81	5,262		
Insurance contract liabilities	28,988	28,988	-		
Segregated fund net liabilities	11,607	11,607	-		
Net defined benefit plan liabilities	3,312	836	2,476		
Deferred tax liabilities	163	147	16		
Other	6,176	2,196	3,980		
<b>Subordinated notes</b>	1,385	-	1,385		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase-out				\$ 1,213	L
Subordinated indebtedness not allowed for Tier 2 capital				172	
<b>Total liabilities</b>	<b>237,841</b>	<b>43,974</b>	<b>193,867</b>		
<b>Equity</b>					
<b>Capital stock</b>	5,272	-	5,272		
Permanent shares and surplus shares				1,113	C
Qualifying shares				24	W
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				64	
Federation capital shares				4,071	B
<b>Share capital</b>	89	-	89		
Preferred shares allowed for inclusion in Tier 1A capital				2	C
Preferred shares not allowed for regulatory capital				87	
<b>Undistributed surplus earnings</b>	1,345	19	1,326		D
<b>Accumulated other comprehensive income</b>	790	(18)	808		
Unrealized gains on available-for-sale securities				563	E
Gains on derivative financial instruments designated as cash flow hedges				236	
Unrealized gains on available-for-sale securities (FV hedges)				9	F
Miscellaneous				-	
<b>Reserves</b>	13,971	-	13,971		A
<b>Non-controlling interests</b>	849	767	82		
Portion allowed for inclusion in Tier 1A capital				5	G
Portion allowed for inclusion in additional Tier 1 capital				13	H
Portion allowed for inclusion in Tier 2 capital				1	I
Portion not allowed for regulatory capital				63	
<b>Total equity</b>	<b>22,316</b>	<b>768</b>	<b>21,548</b>		
<b>Total liabilities and equity</b>	<b>\$ 260,157</b>	<b>\$ 44,742</b>	<b>\$ 215,415</b>		

<sup>(1)</sup> Per the advisory on the public capital disclosure requirements related to Basel III Pillar 3.<sup>(2)</sup> Mainly Desjardins Financial Corporation Inc., which encompasses, among others, the Desjardins Financial Security Life Assurance Company and Desjardins General Insurance Group Inc. insurance companies. A description of their activities can be found in section 2.3 of the MD&A, in the 2015 Annual Report.<sup>(3)</sup> Refer to Table 4.

TABLE 8 – LEVERAGE RATIO<sup>(1)</sup>

(in millions of dollars and as a percentage)		As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015	As at September 30, 2015
<b>SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE</b>						
<b>Total consolidated assets as per published financial statements</b>	1	<b>\$ 260,157</b>	\$ 260,709	\$ 255,137	\$ 248,128	\$ 250,972
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but excluded from the scope of regulatory consolidation	2	<b>(44,742)</b>	(42,584)	(41,871)	(41,117)	(41,049)
Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting standard, but excluded from the leverage ratio exposure measure	3	-	-	-	-	-
Adjustment for derivative financial instruments	4	<b>1,700</b>	1,467	1,262	1,613	1,469
Adjustment for securities financing transactions (SFT) (i.e. repos and similar secured lending)	5	<b>1,100</b>	976	894	899	820
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	6	<b>17,079</b>	16,544	16,421	16,161	15,954
Other adjustments	7	<b>(3,691)</b>	(3,505)	(2,899)	(2,859)	(2,970)
<b>Leverage ratio exposure</b>	8	<b>\$ 231,603</b>	\$ 233,607	\$ 228,944	\$ 222,825	\$ 225,196
<b>LEVERAGE RATIO</b>						
<b>On-balance sheet exposures</b>						
On-balance sheet items (excluding derivatives and SFTs and grandfathered securitization exposures but including collateral)	1	<b>\$ 200,662</b>	\$ 200,823	\$ 199,632	\$ 191,868	\$ 192,548
(Asset amounts deducted in determining Basel III transitional Tier 1 capital)	2	-	-	-	-	-
<b>Total on-balance sheet exposures excluding derivatives and SFTs</b>	3	<b>200,662</b>	200,823	199,632	191,868	192,548
<b>Derivative exposures</b>						
Replacement cost associated with all derivatives transactions (net of eligible cash variation margin)	4	<b>2,970</b>	2,778	2,847	3,964	3,867
Add-on amounts for potential future exposures (PFE) associated with all derivatives transactions	5	<b>2,140</b>	2,063	1,890	2,108	1,983
Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting standard	6	-	-	-	-	-
(Deductions of receivables assets for cash variation margin provided in derivative transactions)	7	-	-	-	-	-
(Exempted central counterparty-leg of client cleared trade exposures)	8	-	-	-	-	-
Adjusted effective notional amount of written credit derivatives	9	-	-	-	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	10	-	-	-	-	-
<b>Total exposures on derivative</b>	11	<b>5,110</b>	4,841	4,737	6,072	5,850
<b>Securities financing transaction exposures</b>						
Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	12	<b>7,652</b>	10,423	7,260	7,825	10,024
(Netted amounts of cash payables and cash receivables of gross SFT assets)	13	-	-	-	-	-
Counterparty credit risk (CCR) exposure for SFT assets	14	<b>1,100</b>	976	894	899	820
Agent transaction exposures	15	-	-	-	-	-
<b>Total exposures on securities financing transactions</b>	16	<b>8,752</b>	11,399	8,154	8,724	10,844
<b>Other off-balance sheet exposures</b>						
Off-balance sheet exposure at gross notional amount	17	<b>92,227</b>	89,941	88,210	86,471	85,491
Adjustments for conversion to credit equivalent amounts	18	<b>(75,148)</b>	(73,397)	(71,789)	(70,310)	(69,537)
<b>Total other off-balance sheet exposures</b>	19	<b>17,079</b>	16,544	16,421	16,161	15,954
<b>Total exposures</b>	21	<b>\$ 231,603</b>	\$ 233,607	\$ 228,944	\$ 222,825	\$ 225,196
<b>Tier 1 capital – All-in basis</b>	23	<b>\$ 17,490</b>	\$ 17,414	\$ 17,280	\$ 17,371	\$ 16,935
<b>Leverage ratio – All-in basis</b>	26	<b>7.6%</b>	7.5%	7.5%	7.8%	7.5%

<sup>(1)</sup> Line numbers are in accordance with the "Leverage Ratio Disclosure Requirements" general instructions issued by the AMF.

TABLE 9 - RISK-WEIGHTED ASSETS (RWA)

	Internal Ratings-Based Approach		Standardized Approach		Total as at September 30, 2016				Risk-weighted assets			
(in millions of dollars and as a percentage)	Exposure <sup>(1)</sup>	RWA	Exposure <sup>(1)</sup>	RWA	Exposure <sup>(1)</sup>	RWA	Capital requirement <sup>(2)</sup>	Average risk-weighting rate	Q2-2016	Q1-2016	Q4-2015	Q3-2015
<b>Credit risk</b>												
Sovereign borrowers	\$ -	\$ -	\$ 917	\$ 17	\$ 917	\$ 17	\$ 1	2%	\$ 3	\$ 3	\$ -	\$ -
Financial institutions	-	-	5,673	1,175	5,673	1,175	94	21	1,180	1,265	1,393	1,286
Businesses	-	-	46,363	37,906	46,363	37,906	3,033	82	37,240	38,375	37,392	36,682
SMEs similar to other retail client exposures	-	-	8,753	4,962	8,753	4,962	397	57	4,651	3,403	3,383	3,451
Mortgages	93,328	7,591	131	40	93,459	7,631	610	8	7,404	7,512	7,420	7,277
Other retail client exposures (excluding SMEs)	8,260	3,085	265	221	8,525	3,306	264	39	3,037	2,910	2,859	2,849
Qualifying-revolving retail client exposures	36,018	8,921	-	-	36,018	8,921	714	25	8,738	8,591	8,622	8,518
<b>Sub-total - Credit risk</b>	<b>137,606</b>	<b>19,597</b>	<b>62,102</b>	<b>44,321</b>	<b>199,708</b>	<b>63,918</b>	<b>5,113</b>	<b>32</b>	<b>62,253</b>	<b>62,059</b>	<b>61,069</b>	<b>60,063</b>
<b>Counterparty and issuer risk</b>												
Sovereign borrowers	-	-	14,877	-	14,877	-	-	-	-	-	-	-
Financial institutions	-	-	3,547	818	3,547	818	65	23	759	745	561	626
Businesses	-	-	1,322	919	1,322	919	75	70	871	855	776	601
Securitization	-	-	2,002	918	2,002	918	73	46	921	937	1,043	1,047
Equities	-	-	155	155	155	155	12	100	236	156	95	128
Trading portfolios	-	-	1,204	301	1,204	301	24	25	284	362	308	380
Credit valuation adjustment charge	-	-	-	-	-	920	74	-	900	810	912	876
Additional requirements related to the banking and trading portfolio	-	-	-	-	14	2	-	-	2	1	-	1
<b>Sub-total - counterparty and issuer risk</b>	<b>-</b>	<b>-</b>	<b>23,107</b>	<b>3,111</b>	<b>23,121</b>	<b>4,033</b>	<b>323</b>	<b>17</b>	<b>3,973</b>	<b>3,866</b>	<b>3,695</b>	<b>3,659</b>
Other assets <sup>(3)</sup>	-	-	-	-	16,894	9,167	734	54	9,156	9,026	8,957	8,680
Scaling factors <sup>(4)</sup>	-	1,176	-	-	-	1,176	94	-	1,141	1,131	1,124	1,108
<b>Total - Credit risk</b>	<b>137,606</b>	<b>20,773</b>	<b>85,209</b>	<b>47,432</b>	<b>239,723</b>	<b>78,294</b>	<b>6,264</b>	<b>33</b>	<b>76,523</b>	<b>76,082</b>	<b>74,845</b>	<b>73,510</b>
Interest rate position risk	-	-	-	2,007	-	2,007	161	-	1,992	1,817	2,006	2,197
Foreign exchange risk	-	-	-	222	-	222	18	-	215	169	83	129
Additional requirements related to other risks <sup>(5)</sup>	-	-	-	118	-	118	9	-	111	215	68	84
<b>Total - Market risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,347</b>	<b>-</b>	<b>2,347</b>	<b>188</b>	<b>-</b>	<b>2,318</b>	<b>2,201</b>	<b>2,157</b>	<b>2,410</b>
<b>Operational risk<sup>(6)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,275</b>	<b>1,062</b>	<b>-</b>	<b>13,215</b>	<b>13,112</b>	<b>13,032</b>	<b>12,969</b>
<b>Total risk-weighted assets before threshold</b>	<b>\$ 137,606</b>	<b>\$ 20,773</b>	<b>\$ 85,209</b>	<b>\$ 49,779</b>	<b>\$ 239,723</b>	<b>\$ 93,916</b>	<b>\$ 7,514</b>	<b>-%</b>	<b>\$ 92,056</b>	<b>\$ 91,395</b>	<b>\$ 90,034</b>	<b>\$ 88,889</b>
<b>Risk-weighted assets after the transitional provisions for the CVA charge<sup>(7)</sup></b>												
RWA for Tier 1A capital	-	-	-	-	-	93,585	7,486	-	91,731	91,102	89,706	88,573
RWA for Tier 1 capital	-	-	-	-	-	93,649	7,491	-	91,794	91,159	89,769	88,635
RWA for total capital	-	-	-	-	-	93,704	7,496	-	91,848	91,207	89,824	88,687
Transitional threshold adjustment <sup>(8)</sup>	-	-	-	-	-	13,470	1,078	-	17,955	18,124	18,778	18,188
<b>Total risk-weighted assets</b>	<b>\$ 137,606</b>	<b>\$ 20,773</b>	<b>\$ 85,209</b>	<b>\$ 49,779</b>	<b>\$ 239,723</b>	<b>\$ 107,055</b>	<b>\$ 8,564</b>	<b>-%</b>	<b>\$ 109,686</b>	<b>\$ 109,226</b>	<b>\$ 108,484</b>	<b>\$ 106,761</b>

<sup>(1)</sup> Net exposure after credit risk mitigation (net of specific allowances under the Standardized Approach but not under the Internal Ratings-Based Approach, in accordance with the AMF guideline).

<sup>(2)</sup> The capital requirement represents 8% of risk-weighted assets.

<sup>(3)</sup> Other assets are measured using a method other than the Standardized Approach or the Internal Ratings-Based Approach. Other assets include the portion of investments in components that are deconsolidated for regulatory capital purposes (mainly Desjardins Financial Corporation Inc.), below a certain threshold, the portion of investments in associates below a certain threshold, as well as the portion of other deferred tax assets below a certain threshold. These three items are weighted at 250% and the deducted portion (above a certain threshold) is weighted at 0%. This class excludes the CVA charge and the additional requirements related to the banking and trading portfolio, which are disclosed in the counterparty and issuer risk section.

<sup>(4)</sup> The scaling factor is a 6% calibration of risk-weighted assets measured using the Internal Ratings-Based Approach for credit exposures in accordance with Section 1.3 of the AMF guideline.

<sup>(5)</sup> Other risks include equities risk, commodities risk and options risk.

<sup>(6)</sup> The Basic Indicator Approach was used to assess operational risk.

<sup>(7)</sup> The scaling factors used to take into account the requirements for the CVA charge have been applied gradually in calculating the Tier 1A capital ratio, the Tier 1 capital and the total capital ratio since January 1, 2014. They respectively stand at 64%, 71% and 77%. They will reach 100% for each tier by 2019.

<sup>(8)</sup> As prescribed in Section 1.6 of the AMF guideline. In Since 2014, this threshold is presented to take into account risk-weighted assets after the transitional provisions for the CVA for applicable to Tier 1A capital.

TABLE 10 – CHANGE IN RISK-WEIGHTED ASSETS<sup>(1)</sup>

(in millions of dollars)	For the three-month periods ended								
	September 30, 2016			June 30, 2016			March 31, 2016		
	Credit risk other than counterparty and issuer risk	Counterparty and issuer risk	Total	Credit risk other than counterparty and issuer risk	Counterparty and issuer risk	Total	Credit risk other than counterparty and issuer risk	Counterparty and issuer risk	Total
<b>Credit risk</b>									
Risk-weighted assets at beginning of period <sup>(2)</sup>	\$ 72,549	\$ 3,650	\$ 76,199	\$ 72,246	\$ 3,543	\$ 75,789	\$ 71,150	\$ 3,367	\$ 74,517
Size of portfolio <sup>(3)</sup>	1,313	(73)	1,240	668	37	705	953	364	1,317
Quality of portfolio <sup>(4)</sup>	368	126	494	(213)	70	(143)	263	(188)	75
Updating of models <sup>(5)</sup>	-	-	-	-	-	-	-	-	-
Procedures and policies <sup>(6)</sup>	-	-	-	(136)	-	(136)	13	-	13
Acquisitions and transfers	-	-	-	-	-	-	-	-	-
Change in exchange rates	34	-	34	(16)	-	(16)	(133)	-	(133)
Other	(4)	-	(4)	-	-	-	-	-	-
Total changes in risk-weighted assets	1,711	53	1,764	303	107	410	1,096	176	1,272
<b>Risk-weighted assets at end of period</b>	<b>\$ 74,260</b>	<b>\$ 3,703</b>	<b>\$ 77,963</b>	<b>\$ 72,549</b>	<b>\$ 3,650</b>	<b>\$ 76,199</b>	<b>\$ 72,246</b>	<b>\$ 3,543</b>	<b>\$ 75,789</b>

(in millions of dollars)	For the three-month periods ended					
	December 31, 2015			September 30, 2015		
	Credit risk other than counterparty and issuer risk	Counterparty and issuer risk	Total	Credit risk other than counterparty and issuer risk	Counterparty and issuer risk	Total
<b>Credit risk</b>						
Risk-weighted assets at beginning of period <sup>(2)</sup>	\$ 69,852	\$ 3,342	\$ 73,194	\$ 68,318	\$ 3,581	\$ 71,899
Size of portfolio <sup>(3)</sup>	1,049	113	1,162	769	(462)	307
Quality of portfolio <sup>(4)</sup>	(100)	(88)	(188)	404	229	633
Updating of models <sup>(5)</sup>	240	-	240	-	-	-
Procedures and policies <sup>(6)</sup>	31	-	31	-	-	-
Acquisitions and transfers	-	-	-	246	(6)	240
Change in exchange rates	78	-	78	115	-	115
Other	-	-	-	-	-	-
Total changes in risk-weighted assets	1,298	25	1,323	1,534	(239)	1,295
<b>Risk-weighted assets at end of period</b>	<b>\$ 71,150</b>	<b>\$ 3,367</b>	<b>\$ 74,517</b>	<b>\$ 69,852</b>	<b>\$ 3,342</b>	<b>\$ 73,194</b>

Footnotes to this table are presented on the next page.

TABLE 10 – CHANGE IN RISK-WEIGHTED ASSETS<sup>(1)</sup> (continued)

(in millions of dollars)	For the three-month periods ended				
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
<b>Market risk</b>					
Risk-weighted assets at beginning of period	\$ 2,318	\$ 2,201	\$ 2,157	\$ 2,410	\$ 2,536
Change in risk level <sup>(7)</sup>	29	117	44	(253)	(126)
Updating of models <sup>(5)</sup>	-	-	-	-	-
Procedures and policies <sup>(6)</sup>	-	-	-	-	-
Acquisitions and transfers	-	-	-	-	-
Change in exchange rates	-	-	-	-	-
Other	-	-	-	-	-
Total changes in risk-weighted assets	29	117	44	(253)	(126)
<b>Risk-weighted assets at end of period</b>	<b>\$ 2,347</b>	<b>\$ 2,318</b>	<b>\$ 2,201</b>	<b>\$ 2,157</b>	<b>\$ 2,410</b>
<b>Operational risk</b>					
Risk-weighted assets at beginning of the period	\$ 13,215	\$ 13,112	\$ 13,032	\$ 12,969	\$ 12,996
Revenue generated	60	103	80	63	165
Acquisitions and transfers	-	-	-	-	(192)
Total changes in risk-weighted assets	60	103	80	63	(27)
<b>Risk-weighted assets at end of period</b>	<b>\$ 13,275</b>	<b>\$ 13,215</b>	<b>\$ 13,112</b>	<b>\$ 13,032</b>	<b>\$ 12,969</b>
<b>Transitional threshold adjustment</b>					
Risk-weighted assets at beginning of the period	\$ 17,955	\$ 18,124	\$ 18,778	\$ 18,188	\$ 13,809
Size of portfolio <sup>(3)</sup>	(76)	(421)	(109)	815	2,890
Quality of portfolio <sup>(4)</sup>	(99)	92	(424)	51	(398)
Updating of models <sup>(5)</sup>	-	-	-	(271)	-
Procedures and policies <sup>(6)</sup>	(4,309)	159	(121)	(5)	-
Acquisitions and transfers	-	-	-	-	1,884
Change in exchange rates	(1)	1	-	-	3
Other	-	-	-	-	-
Total changes in risk-weighted assets	(4,485)	(169)	(654)	590	4,379
<b>Risk-weighted assets at end of year</b>	<b>\$ 13,470</b>	<b>\$ 17,955</b>	<b>\$ 18,124</b>	<b>\$ 18,778</b>	<b>\$ 18,188</b>

<sup>(1)</sup> Risk-weighted assets account for the transitional provision for to the CVA applicable to Tier 1A capital.

<sup>(2)</sup> A reclassification between "Credit risk other than counterparty and issuer risk" and "Counterparty and issuer risk" has occurred as of the second quarter of 2015. Prior period data were not restated.

<sup>(3)</sup> Increase or decrease in underlying risk exposure.

<sup>(4)</sup> Change in risk mitigation factors and portfolio quality.

<sup>(5)</sup> Changes in risk parameters and models.

<sup>(6)</sup> Regulatory changes and developments in the regulatory capital calculation method.

<sup>(7)</sup> Change in risk levels and change in exchange rates, which are not considered to be material.



**TABLE 11 – DETAILS OF THE CREDIT PORTFOLIO SUBJECT TO THE INTERNAL RATING-BASED APPROACH**

Used exposure

(in millions of dollars and as a percentage)		As at September 30, 2016							As at June 30, 2016						
		EAD-weighted average PD	EAD-weighted average LGD	EAD	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>	EAD-weighted average PD	EAD-weighted average LGD	EAD	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>
Exposures related to residential mortgage loans															
	Excellent	0.05%	14.58%	\$ 27,053	\$ 546	2.02%	\$ 2.0	2.11%	0.05%	14.50%	\$ 27,417	\$ 550	2.01%	\$ 2.0	2.10%
	Very low	0.10	14.37	22,793	778	3.41	3.0	3.59	0.10	14.22	22,839	771	3.38	3.2	3.55
	Low	0.23	13.98	17,595	1,094	6.22	6.0	6.62	0.23	13.86	17,253	1,066	6.17	5.5	6.57
	Medium-low	0.52	13.74	10,438	1,150	11.01	7.0	11.90	0.52	13.60	10,076	1,098	10.90	7.1	11.78
	Medium	1.11	13.77	4,585	848	18.50	7.0	20.41	1.11	13.65	4,397	806	18.34	6.7	20.23
	Medium-high	2.42	13.77	2,732	826	30.21	9.0	34.38	2.42	13.70	2,670	802	30.05	8.9	34.19
	High	5.45	13.74	1,203	569	47.32	9.0	56.69	5.45	13.59	1,130	529	46.79	8.4	56.05
	Very high	20.95	13.33	907	686	75.61	26.0	110.51	20.95	13.10	837	622	74.32	22.9	108.62
	Default	100.00	12.75	483	696	144.01	13.0	178.25	100.00	12.62	521	744	142.80	14.2	176.76
	Total	1.12	14.20	87,789	7,193	8.19	82.0	9.36	1.15	14.09	87,140	6,988	8.02	78.9	9.15
Qualifying revolving retail client exposures															
	Excellent	0.17	81.00	1,291	102	7.87	2.0	9.73	0.17	81.12	1,355	107	7.90	2.0	9.78
	Very low	0.26	74.19	1,122	114	10.15	2.0	12.78	0.26	74.19	1,137	116	10.18	2.4	12.81
	Low	0.42	74.68	1,184	177	14.92	4.0	19.06	0.42	74.91	1,189	179	15.08	4.0	19.27
	Medium-low	0.84	80.29	1,590	432	27.20	11.0	35.80	0.84	80.47	1,595	436	27.32	11.0	35.96
	Medium	1.53	80.91	1,864	799	42.89	23.0	58.46	1.53	81.00	1,866	802	42.95	23.3	58.55
	Medium-high	2.93	72.72	2,193	1,347	61.43	47.0	88.04	2.93	72.70	2,125	1,306	61.40	45.2	88.01
	High	5.82	62.63	607	510	84.03	22.0	129.55	5.82	62.60	558	468	84.01	20.3	129.53
	Very high	21.70	53.17	601	865	143.85	70.0	288.15	21.69	53.10	573	823	143.63	66.1	287.68
	Default	100.00	54.35	67	383	574.50	8.0	727.36	100.00	54.23	68	389	575.61	8.2	726.35
	Total	3.31	74.89	10,519	4,729	44.96	189.0	67.38	3.24	75.14	10,466	4,626	44.19	182.5	65.99
Other retail client exposures, excluding SMEs similar to the other retail client exposures															
	Excellent	0.05	41.66	362	23	6.46	-	6.75	0.05	42.36	365	24	6.61	0.1	6.90
	Very low	0.10	37.46	1,000	93	9.34	-	9.81	0.10	37.10	1,009	93	9.25	0.4	9.71
	Low	0.23	34.53	1,498	224	14.99	1.0	15.95	0.23	34.08	1,489	221	14.83	1.1	15.78
	Medium-low	0.53	33.73	1,400	330	23.54	2.0	25.56	0.53	32.67	1,374	314	22.84	2.2	24.80
	Medium	1.04	38.29	993	367	36.99	3.0	41.34	1.06	36.77	983	350	35.58	3.3	39.79
	Medium-high	1.80	49.30	1,722	1,032	59.87	14.0	70.03	1.82	48.49	1,641	966	58.90	13.1	68.91
	High	4.90	48.92	715	513	71.70	16.0	100.16	4.93	48.01	658	463	70.38	14.7	98.32
	Very high	20.57	34.60	324	246	75.97	23.0	159.72	20.59	33.94	299	223	74.47	19.6	156.51
	Default	100.00	60.14	53	219	409.75	17.0	806.36	100.00	58.98	52	211	406.14	16.0	790.07
	Total	2.59	40.14	8,067	3,047	37.77	76.0	49.59	2.52	39.27	7,870	2,865	36.41	70.5	47.60
Overall total		1.45%	22.17%	\$ 106,375	\$ 14,969	14.07%	\$ 347.0	18.15%	1.46%	22.03%	\$ 105,476	\$ 14,479	13.73%	\$ 331.9	17.66%

Footnote to this table is presented on page 22.

**TABLE 11 – DETAILS OF THE CREDIT PORTFOLIO SUBJECT TO THE INTERNAL RATING-BASED APPROACH (continued)**

Used exposure

(in millions of dollars and as a percentage)

		As at March 31, 2016							As at December 31, 2015						
		EAD-weighted average PD	EAD-weighted average LGD	EAD	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>	EAD-weighted average PD	EAD-weighted average LGD	EAD	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>
Exposures related to residential mortgage loans															
	Excellent	0.05%	14.49%	\$ 26,816	\$ 538	2.01%	\$ 1.9	2.10%	0.05%	14.44%	\$ 26,638	\$ 533	2.00%	\$ 1.9	2.09%
	Very low	0.10	14.25	21,951	743	3.38	3.0	3.56	0.10	14.19	21,951	740	3.37	3.1	3.55
	Low	0.23	13.85	16,787	1,035	6.16	5.3	6.56	0.23	13.79	16,743	1,028	6.14	5.3	6.54
	Medium-low	0.52	13.63	9,960	1,087	10.92	7.1	11.81	0.52	13.58	9,810	1,068	10.89	6.9	11.77
	Medium	1.11	13.70	4,446	818	18.40	6.8	20.30	1.11	13.69	4,427	814	18.40	6.7	20.30
	Medium-high	2.42	13.63	2,759	825	29.90	9.1	34.02	2.42	13.66	2,818	845	29.98	9.3	34.12
	High	5.46	13.54	1,190	555	46.61	8.8	55.84	5.45	13.38	1,210	558	46.06	8.8	55.18
	Very high	20.95	13.22	961	721	74.98	26.6	109.59	20.95	13.12	947	705	74.42	26.1	108.77
	Default	100.00	12.68	545	787	144.41	14.0	176.24	100.00	12.41	524	737	140.85	13.8	173.62
	Total	1.23	14.09	85,415	7,109	8.32	82.6	9.53	1.21	14.04	85,068	7,028	8.26	81.9	9.46
Qualifying revolving retail client exposures															
	Excellent	0.16	80.29	1,264	96	7.63	1.8	9.44	0.17	80.81	1,342	105	7.82	2.0	9.67
	Very low	0.25	73.39	1,081	106	9.81	2.2	12.34	0.25	73.78	1,121	113	10.05	2.3	12.64
	Low	0.42	74.59	1,151	171	14.89	3.8	19.02	0.42	74.73	1,187	178	15.00	4.0	19.17
	Medium-low	0.84	80.45	1,613	441	27.31	11.1	35.94	0.84	80.78	1,665	458	27.52	11.6	36.23
	Medium	1.53	80.88	1,906	817	42.87	23.8	58.44	1.53	80.94	1,917	823	42.92	23.9	58.50
	Medium-high	2.93	72.66	2,097	1,289	61.37	44.7	87.97	2.93	72.68	2,085	1,280	61.39	44.4	87.99
	High	5.83	62.56	506	425	84.00	18.4	129.53	5.83	62.57	509	427	84.04	18.5	129.61
	Very high	21.71	53.28	545	785	144.17	63.0	288.84	21.70	53.15	566	814	143.80	65.3	288.05
	Default	100.00	53.87	76	437	577.42	8.7	721.69	100.00	54.11	74	429	580.79	8.6	725.78
	Total	3.29	74.98	10,239	4,567	44.60	177.5	66.27	3.26	75.20	10,466	4,627	44.21	180.6	65.78
Other retail client exposures, excluding SMEs similar to other retail client exposures															
	Excellent	0.05	42.04	363	24	6.54	0.1	6.82	0.05	41.97	359	24	6.56	0.1	6.84
	Very low	0.10	36.90	963	88	9.18	0.4	9.64	0.10	36.45	980	89	9.07	0.4	9.53
	Low	0.23	33.08	1,449	208	14.38	1.1	15.30	0.23	33.01	1,461	209	14.33	1.1	15.25
	Medium-low	0.53	31.38	1,409	310	22.01	2.1	23.90	0.53	32.04	1,381	310	22.41	2.1	24.34
	Medium	1.07	35.57	997	343	34.43	3.2	38.50	1.06	36.70	960	341	35.53	3.2	39.73
	Medium-high	1.85	47.85	1,625	945	58.20	12.9	68.13	1.85	47.91	1,546	901	58.27	12.3	68.21
	High	5.01	46.27	546	371	67.88	11.9	95.02	5.01	46.51	569	388	68.25	12.4	95.59
	Very high	20.67	33.53	322	238	73.70	21.0	155.09	20.68	33.26	315	230	73.11	20.3	153.83
	Default	100.00	59.20	52	215	414.80	16.4	812.08	100.00	58.91	50	203	406.72	16.4	818.01
	Total	2.57	38.22	7,726	2,742	35.49	69.1	46.67	2.55	38.37	7,621	2,695	35.36	68.3	46.57
Overall total		1.54%	21.93%	\$ 103,380	\$ 14,418	13.95%	\$ 329.2	17.93%	1.52%	22.05%	\$103,155	\$ 14,350	13.91%	\$ 330.8	17.92%

Footnote to this table is presented on page 22.

**TABLE 11 – DETAILS OF THE CREDIT PORTFOLIO SUBJECT TO THE INTERNAL RATING-BASED APPROACH (continued)**

Used exposure

(in millions of dollars and as a percentage)

As at September 30, 2015

	EAD- weighted average PD	EAD- weighted average LGD	EAD	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>
Exposures related to residential mortgage loans							
Excellent	0.05%	14.19%	\$ 24,579	\$ 483	1.96%	\$ 1.7	2.05%
Very low	0.10	13.89	21,545	711	3.30	3.0	3.47
Low	0.23	13.43	17,265	1,032	5.98	5.3	6.36
Medium-low	0.52	13.07	10,537	1,104	10.47	7.2	11.32
Medium	1.11	13.11	4,735	834	17.61	6.9	19.43
Medium-high	2.42	13.13	2,933	845	28.81	9.3	32.79
High	5.45	12.91	1,245	553	44.44	8.8	53.24
Very high	20.95	12.59	936	668	71.40	24.6	104.36
Default	100.00	11.82	485	644	132.79	13.3	166.93
Total	1.19	13.67	84,260	6,874	8.16	80.1	9.35
Qualifying revolving retail client exposures							
Excellent	0.16	80.48	1,275	99	7.76	1.9	9.60
Very low	0.25	73.65	1,110	111	10.01	2.3	12.59
Low	0.42	74.46	1,184	176	14.88	3.9	19.01
Medium-low	0.84	80.57	1,719	471	27.41	11.9	36.08
Medium	1.53	80.82	1,900	814	42.83	23.6	58.38
Medium-high	2.93	72.58	2,023	1,241	61.31	43.1	87.87
High	5.84	62.45	491	412	83.97	17.9	129.52
Very high	21.70	53.12	542	779	143.73	62.5	287.92
Default	100.00	54.21	72	409	569.43	9.3	732.04
Total	3.21	75.10	10,316	4,512	43.73	176.4	65.11
Other retail client exposures, excluding SMEs similar to other retail client exposures							
Excellent	0.05	42.59	338	22	6.62	0.1	6.91
Very low	0.10	37.31	926	86	9.29	0.3	9.76
Low	0.23	33.61	1,427	208	14.59	1.1	15.52
Medium-low	0.53	33.02	1,365	315	23.06	2.2	25.03
Medium	1.06	37.17	966	348	36.00	3.3	40.26
Medium-high	1.87	47.04	1,501	858	57.27	11.8	67.09
High	4.99	46.74	624	428	68.57	13.7	95.96
Very high	20.71	33.76	301	224	74.35	19.8	156.72
Default	100.00	59.12	48	189	391.08	16.7	825.04
Total	2.56	38.78	7,496	2,678	35.74	69.0	47.25
Overall total	1.49%	21.72%	\$ 102,072	\$ 14,064	13.78%	\$ 325.5	17.77%

Footnote to this table is presented on page 22.

TABLE 11 – DETAILS OF THE CREDIT PORTFOLIO SUBJECT TO THE INTERNAL RATING-BASED APPROACH (continued)

Unused exposure and off-balance sheet exposure

(in millions of dollars and as a percentage)

	As at September 30, 2016									As at June 30, 2016								
	EAD-weighted average PD	EAD-weighted average LGD	Notional amount of unused commitments	EAD	EAD as a percentage of notional amount	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>	EAD-weighted average PD	EAD-weighted average LGD	Notional amount of unused commitments	EAD	EAD as a percentage of notional amount	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>
Exposures related to residential mortgage loans																		
Excellent	0.05%	17.72%	\$ 7,297	\$ 2,424	33.20%	\$ 59	2.45%	\$ 0.2	2.56%	0.05%	17.67%	\$ 7,190	\$ 2,389	33.22%	\$ 58	2.45%	\$ 0.2	2.56%
Very low	0.10	18.64	4,886	1,636	33.48	72	4.43	0.3	4.66	0.10	18.58	4,802	1,609	33.50	71	4.41	0.3	4.65
Low	0.23	20.22	2,583	870	33.69	78	9.00	0.4	9.58	0.23	20.21	2,485	838	33.73	76	8.99	0.4	9.57
Medium-low	0.52	22.18	1,058	358	33.86	64	17.78	0.4	19.22	0.52	21.83	1,023	347	33.90	61	17.49	0.4	18.91
Medium	1.11	22.11	425	144	33.97	43	29.69	0.4	32.75	1.11	21.85	400	136	34.12	40	29.35	0.3	32.38
Medium-high	2.42	23.68	210	72	34.35	38	51.94	0.4	59.11	2.42	23.60	206	70	33.91	36	51.77	0.4	58.91
High	5.45	27.66	61	21	35.00	20	95.21	0.3	114.06	5.45	28.18	50	17	34.65	17	97.02	0.3	116.22
Very high	20.94	29.95	39	13	34.23	23	169.87	0.9	248.25	20.94	30.96	32	11	34.42	19	175.64	0.7	256.68
Default	-	-	25	1	-	2	-	-	-	-	-	23	1	-	2	-	-	-
Total	0.27	18.93	16,584	5,539	33.40	399	7.20	3.3	7.94	0.26	18.84	16,211	5,418	33.42	380	7.01	3.0	7.71
Qualifying revolving retail client exposures																		
Excellent	0.20	80.99	20,699	14,644	70.76	1,266	8.65	24.1	10.71	0.20	81.02	20,397	14,441	70.80	1,247	8.65	23.7	10.70
Very low	0.31	79.36	5,133	3,723	72.53	469	12.59	9.9	15.91	0.31	79.29	5,047	3,660	72.52	460	12.56	9.7	15.88
Low	0.50	81.30	3,555	2,611	73.43	487	18.64	11.1	23.95	0.51	81.46	3,526	2,594	73.55	486	18.73	11.1	24.07
Medium-low	0.89	84.05	2,972	2,010	67.62	594	29.53	15.1	38.95	0.89	84.26	2,990	2,025	67.72	601	29.66	15.3	39.13
Medium	1.54	81.89	2,450	1,326	54.12	578	43.56	16.8	59.40	1.54	81.97	2,506	1,355	54.06	591	43.62	17.2	59.48
Medium-high	2.93	73.00	2,380	1,012	42.51	624	61.67	21.6	88.39	2.93	72.99	2,223	945	42.51	583	61.66	20.2	88.37
High	5.81	62.85	566	128	22.67	108	84.28	4.7	129.94	5.82	62.78	447	102	22.82	86	84.26	3.7	129.93
Very high	21.78	54.16	379	45	11.89	66	146.74	5.3	294.32	21.79	54.36	326	39	12.04	58	147.33	4.7	295.57
Default	-	-	23	-	-	-	-	-	-	-	-	19	-	-	-	-	-	-
Total	0.54	80.62	38,157	25,499	66.83	4,192	16.44	108.6	21.77	0.53	80.71	37,481	25,161	67.13	4,112	16.34	105.6	21.59
Other retail client exposures, excluding SMEs similar to other retail client exposures																		
Excellent	0.06	44.27	147	54	36.75	4	8.25	-	8.68	0.07	46.36	147	55	37.66	5	9.79	-	10.32
Very low	0.11	41.12	180	61	34.72	7	11.12	-	11.72	0.11	41.45	173	59	35.00	7	11.60	-	12.25
Low	0.26	46.47	115	40	34.35	9	22.82	0.1	24.40	0.27	45.84	109	39	35.28	8	23.57	0.1	25.27
Medium-low	0.61	50.62	66	22	33.58	9	40.60	0.1	44.48	0.62	54.32	63	22	34.10	10	43.99	0.1	48.24
Medium	1.33	49.16	24	8	33.23	5	56.05	0.1	64.27	1.34	50.47	28	10	33.75	6	57.73	0.1	66.26
Medium-high	2.89	41.41	13	5	34.26	3	57.46	0.1	72.43	2.89	40.33	14	5	33.84	3	55.96	0.1	70.54
High	6.44	40.33	2	1	32.64	-	61.25	-	93.63	6.44	41.82	2	1	31.81	1	63.52	-	97.12
Very high	22.50	34.55	5	2	34.31	1	80.63	-	177.78	22.50	48.67	1	-	39.63	-	113.59	-	250.46
Default	100.00	70.12	1	-	0.09	-	788.47	-	914.01	100.00	67.25	1	-	0.11	-	717.00	-	852.94
Total	0.52	44.46	553	193	34.92	38	19.82	0.4	22.57	0.38	45.65	538	191	35.53	40	20.93	0.4	23.26
Overall total	0.50%	69.45%	\$ 55,294	\$ 31,231	56.48%	\$ 4,629	14.82%	\$ 112.3	19.32%	0.48%	69.60%	\$ 54,230	\$ 30,770	56.74%	\$ 4,532	14.73%	\$ 109.0	19.16%

Footnote to this table is presented on page 22.

TABLE 11 – DETAILS OF THE CREDIT PORTFOLIO SUBJECT TO THE INTERNAL RATING-BASED APPROACH (continued)

Unused exposure and off-balance sheet exposure

(in percentage)	As at March 31, 2016									As at December 31, 2015								
	EAD-weighted average PD	EAD-weighted average LGD	Notional amount of unused commitments	EAD	EAD as a percentage of notional amount	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>	EAD-weighted average PD	EAD-weighted average LGD	Notional amount of unused commitments	EAD	EAD as a percentage of notional amount	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>
Exposures related to residential mortgage loans																		
Excellent	0.05%	17.58%	\$ 6,929	\$ 2,301	33.20%	\$ 56	2.43%	\$ 0.2	2.54%	0.05%	17.48%	\$ 6,701	\$ 2,224	33.20%	\$ 54	2.42%	\$ 0.2	2.53%
Very low	0.10	18.55	4,589	1,530	33.35	67	4.41	0.3	4.64	0.10	18.43	4,479	1,495	33.38	65	4.38	0.3	4.61
Low	0.23	20.19	2,398	804	33.53	73	8.98	0.4	9.56	0.23	19.87	2,337	787	33.65	69	8.84	0.4	9.42
Medium-low	0.52	21.87	986	332	33.73	58	17.52	0.4	18.94	0.52	21.35	956	323	33.77	55	17.11	0.4	18.49
Medium	1.11	21.74	414	140	33.78	41	29.19	0.3	32.21	1.11	21.44	395	134	33.92	39	28.79	0.3	31.76
Medium-high	2.42	23.77	203	69	33.84	36	52.15	0.4	59.34	2.42	23.15	206	70	34.01	36	50.77	0.4	57.77
High	5.45	30.38	45	16	34.44	16	104.58	0.3	125.28	5.45	27.75	49	17	34.48	16	95.51	0.3	114.41
Very high	20.94	29.43	36	12	34.36	21	166.93	0.7	243.96	20.94	28.20	36	12	34.40	20	159.98	0.6	233.79
Default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	0.25	18.80	15,600	5,204	33.36	368	7.07	3.0	7.79	0.25	18.62	15,159	5,062	33.40	354	7.00	2.9	7.71
Qualifying revolving retail client exposures																		
Excellent	0.20	81.13	19,978	14,165	70.90	1,228	8.67	23.3	10.72	0.20	81.18	19,163	13,601	70.97	1,176	8.66	22.4	10.71
Very low	0.31	79.24	4,971	3,607	72.55	453	12.55	9.6	15.87	0.31	79.08	4,883	3,539	72.47	441	12.47	9.3	15.76
Low	0.50	81.31	3,419	2,514	73.52	469	18.65	10.7	23.97	0.50	81.01	3,263	2,391	73.28	442	18.47	10.1	23.73
Medium-low	0.89	84.16	3,010	2,035	67.63	602	29.60	15.4	39.04	0.89	84.12	2,923	1,978	67.68	585	29.58	14.9	39.01
Medium	1.54	81.95	2,518	1,361	54.07	594	43.61	17.2	59.47	1.54	81.87	2,419	1,309	54.11	570	43.55	16.6	59.38
Medium-high	2.93	72.98	2,171	923	42.54	569	61.66	19.7	88.37	2.93	73.01	2,547	1,082	42.49	668	61.68	23.1	88.40
High	5.85	62.69	325	76	23.39	64	84.37	2.8	130.17	5.84	62.71	339	79	23.31	67	84.36	2.9	130.15
Very high	21.85	54.91	239	31	12.92	46	148.96	3.7	299.14	21.84	54.75	241	31	12.75	46	148.51	3.7	298.17
Default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	0.52	80.77	36,631	24,712	67.46	4,025	16.29	102.4	21.47	0.54	80.67	35,778	24,010	67.11	3,995	16.64	103.0	22.00
Other retail client exposures, excluding SMEs similar to other retail client exposures																		
Excellent	0.06	44.60	141	52	37.01	5	8.69	-	9.15	0.06	43.18	137	51	36.61	4	8.13	-	8.55
Very low	0.11	40.37	159	56	34.79	6	10.78	-	11.36	0.11	41.49	167	57	34.80	7	11.38	-	12.00
Low	0.25	42.20	110	37	33.88	6	20.08	-	21.43	0.25	45.12	105	36	34.00	8	21.58	-	23.03
Medium-low	0.61	53.36	64	21	33.59	8	42.78	0.1	46.86	0.60	51.18	57	19	33.36	7	40.76	0.1	44.61
Medium	1.33	52.39	23	8	33.39	5	59.63	0.1	68.34	1.33	47.53	23	8	33.52	4	54.14	-	62.07
Medium-high	2.89	36.08	15	5	33.88	3	50.07	0.1	63.11	2.89	37.49	16	5	33.99	3	52.02	0.1	65.57
High	6.48	39.57	3	1	33.75	1	60.17	-	92.21	6.46	31.32	3	1	33.90	-	47.58	-	72.77
Very high	22.49	47.82	2	1	34.74	1	111.60	0.1	246.05	22.49	45.95	2	1	34.11	1	107.22	0.1	236.39
Default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	0.43	43.92	517	181	34.96	35	19.73	0.4	22.21	0.41	43.83	510	178	34.88	34	19.18	0.3	21.48
Overall total	0.47%	69.84%	\$ 52,748	\$ 30,097	57.06%	\$ 4,428	14.71%	\$ 105.8	19.11%	0.49%	69.71%	\$ 51,447	\$ 29,250	56.85%	\$ 4,383	14.99%	\$ 106.2	19.52%

Footnote to this table is presented on page 22.

**TABLE 11 – DETAILS OF THE CREDIT PORTFOLIO SUBJECT TO THE INTERNAL RATING-BASED APPROACH (continued)**

Unused exposure and off-balance sheet exposure

(in millions of dollars and as a percentage)

As at September 30, 2015

	EAD-weighted average PD	EAD-weighted average LGD	Notional amount of unused commitments	EAD	EAD as a percentage of notional amount	RWA	RWA as a percentage of EAD <sup>(1)</sup>	EL	RWA adjusted for EL, as a percentage of EAD <sup>(1)(2)</sup>
Exposures related to residential mortgage loans									
Excellent	0.05%	17.38%	\$ 6,141	\$ 2,042	33.23%	\$ 49	2.41%	\$ 0.2	2.51%
Very low	0.10	18.14	4,477	1,499	33.49	65	4.31	0.3	4.54
Low	0.23	19.45	2,443	823	33.70	70	8.65	0.3	9.21
Medium-low	0.52	21.02	1,029	349	33.94	59	16.85	0.4	18.21
Medium	1.11	21.15	401	136	33.95	39	28.41	0.3	31.34
Medium-high	2.42	22.52	215	74	34.43	37	49.40	0.4	56.22
High	5.45	27.72	50	17	34.94	17	95.41	0.3	114.30
Very high	20.94	28.44	32	11	35.49	18	161.34	0.7	235.80
Default	-	-	-	-	-	-	-	-	-
Total	0.26	18.45	14,788	4,951	33.48	354	7.15	2.9	7.87
Qualifying revolving retail client exposures									
Excellent	0.20	81.25	18,674	13,259	71.01	1,152	8.68	21.9	10.75
Very low	0.31	78.99	4,933	3,574	72.45	445	12.45	9.4	15.73
Low	0.50	80.82	3,332	2,440	73.24	448	18.38	10.2	23.61
Medium-low	0.89	84.03	3,040	2,056	67.64	607	29.52	15.5	38.94
Medium	1.54	81.85	2,467	1,336	54.14	582	43.54	16.9	59.36
Medium-high	2.93	72.99	2,542	1,080	42.49	666	61.66	23.0	88.38
High	5.86	62.66	305	73	23.79	61	84.49	2.7	130.41
Very high	21.84	54.74	241	31	12.70	45	148.48	3.7	298.10
Default	-	-	-	-	-	-	-	-	-
Total	0.55	80.68	35,534	23,849	67.12	4,006	16.80	103.3	22.21
Other retail client exposures, excluding SMEs similar to other retail client exposures									
Excellent	0.06	44.20	134	49	36.59	4	8.32	-	8.76
Very low	0.11	39.87	155	55	34.68	6	10.70	-	11.28
Low	0.25	43.33	114	38	33.68	8	20.44	-	21.81
Medium-low	0.60	58.52	109	36	33.01	17	46.66	0.2	51.08
Medium	1.34	50.23	23	8	33.67	4	57.36	0.1	65.80
Medium-high	2.89	37.83	15	5	34.58	3	52.50	0.1	66.20
High	6.48	38.34	3	1	34.71	1	58.30	-	89.35
Very high	22.50	50.70	1	-	39.60	-	118.33	-	260.91
Default	-	-	-	-	-	-	-	-	-
Total	0.42	45.53	554	192	34.57	43	22.25	0.4	24.79
Overall total	0.50%	69.82%	\$ 50,876	\$ 28,992	56.99%	\$ 4,403	15.19%	\$ 106.6	19.78%

<sup>(1)</sup> Amounts have been revised to make them comparable as per the current presentation, following a methodology refinement.<sup>(2)</sup> Risk-weighted assets adjusted for expected losses as a percentage of exposure at default is calculated as follows:  $(RWA + 12.5 \times EL) / EAD$ .

# RISK MANAGEMENT

TABLE 12 - LOAN AND ACCEPTANCE PORTFOLIO BY PRODUCT

(in millions of dollars and as a percentage)	As at September 30, 2016						As at June 30, 2016					
	Total		Guaranteed or insured loans <sup>(1)</sup>		Gross impaired loans		Total		Guaranteed or insured loans <sup>(1)</sup>		Gross impaired loans	
<b>Desjardins Group</b>												
Residential mortgages	\$ 105,908	64.3%	\$ 33,841	76.2%	\$ 194	32.4%	\$ 104,977	64.3%	\$ 33,932	76.4%	\$ 199	35.1%
Consumer, credit card and other personal loans	21,723	13.2	3,564	8.0	96	16.1	21,486	13.2	3,629	8.2	93	16.4
Business and government loans	37,118	22.5	7,020	15.8	308	51.5	36,729	22.5	6,836	15.4	275	48.5
<b>Total</b>	<b>\$ 164,749</b>	<b>100.0%</b>	<b>\$ 44,425</b>	<b>100.0%</b>	<b>\$ 598</b>	<b>100.0%</b>	<b>\$ 163,192</b>	<b>100.0%</b>	<b>\$ 44,397</b>	<b>100.0%</b>	<b>\$ 567</b>	<b>100.0%</b>
	As at March 31, 2016						As at December 31, 2015					
<b>Desjardins Group</b>												
Residential mortgages	\$ 102,992	64.1%	\$ 33,463	76.8%	\$ 210	37.2%	\$ 102,323	63.8%	\$ 33,688	75.1%	\$ 182	33.6%
Consumer, credit card and other personal loans	21,115	13.1	3,769	8.7	90	16.0	21,204	13.2	3,743	8.4	99	18.3
Business and government loans	36,570	22.8	6,307	14.5	264	46.8	36,809	23.0	7,386	16.5	260	48.1
<b>Total</b>	<b>\$ 160,677</b>	<b>100.0%</b>	<b>\$ 43,539</b>	<b>100.0%</b>	<b>\$ 564</b>	<b>100.0%</b>	<b>\$ 160,336</b>	<b>100.0%</b>	<b>\$ 44,817</b>	<b>100.0%</b>	<b>\$ 541</b>	<b>100.0%</b>
	As at September 30, 2015											
<b>Desjardins Group</b>												
Residential mortgages	\$ 101,420	64.2%	\$ 33,577	76.9%	\$ 165	29.4%						
Consumer, credit card and other personal loans	21,049	13.3	3,730	8.5	98	17.5						
Business and government loans	35,528	22.5	6,386	14.6	298	53.1						
<b>Total</b>	<b>\$ 157,997</b>	<b>100.0%</b>	<b>\$ 43,693</b>	<b>100.0%</b>	<b>\$ 561</b>	<b>100.0%</b>						

<sup>(1)</sup> Loans fully or partially guaranteed or insured by a public insurer or a government (excluding private insurers).

TABLE 13 - LOAN AND ACCEPTANCE PORTFOLIO BY ENTITY

(in millions of dollars and as a percentage)	As at September 30, 2016		As at June 30, 2016		As at March 31, 2016		As at December 31, 2015		As at September 30, 2015	
	Total		Total		Total		Total		Total	
<b>Desjardins Group</b>										
Caisse network	\$ 136,651	82.9%	\$ 135,734	83.2%	\$ 134,001	83.5%	\$ 133,056	83.0%	\$ 131,730	83.4%
Card and payment services	14,317	8.7	14,426	8.8	13,729	8.5	13,790	8.6	13,460	8.5
Caisse centrale Desjardins	9,857	6.0	9,725	6.0	9,700	6.0	10,247	6.4	9,573	6.1
Desjardins Financial Security Life Assurance Company	3,142	1.9	3,066	1.9	3,058	1.9	3,058	1.9	3,044	1.9
Other entities	782	0.5	241	0.1	189	0.1	185	0.1	190	0.1
<b>Total</b>	<b>\$ 164,749</b>	<b>100.0%</b>	<b>\$ 163,192</b>	<b>100.0%</b>	<b>\$ 160,677</b>	<b>100.0%</b>	<b>\$ 160,336</b>	<b>100.0%</b>	<b>\$ 157,997</b>	<b>100.0%</b>

**TABLE 14 - PERSONAL RESIDENTIAL MORTGAGE LOAN PORTFOLIO<sup>(1)</sup>**Caisse network in Quebec and Ontario<sup>(2)</sup>

(in millions of dollars and as a percentage)	As at September 30, 2016								As at June 30, 2016							
	Guaranteed or insured loans <sup>(3)</sup>		Uninsured loans <sup>(4)</sup>		Home equity lines of credit <sup>(5)</sup>		Total		Guaranteed or insured loans <sup>(3)</sup>		Uninsured loans <sup>(4)</sup>		Home equity lines of credit <sup>(5)</sup>		Total	
Quebec	\$ 25,506	97.0%	\$ 54,461	96.8%	\$ 6,894	95.2%	\$ 86,861	96.8%	\$ 25,798	97.1%	\$ 53,554	96.8%	\$ 6,874	95.1%	\$ 86,226	96.7%
Ontario	763	2.9	1,800	3.2	344	4.7	2,907	3.2	771	2.9	1,715	3.1	345	4.8	2,831	3.2
Other <sup>(6)</sup>	26	0.1	-	-	6	0.1	32	-	-	-	55	0.1	6	0.1	61	0.1
<b>All geographic areas</b>	<b>\$ 26,295</b>	<b>100.0%</b>	<b>\$ 56,261</b>	<b>100.0%</b>	<b>\$ 7,244</b>	<b>100.0%</b>	<b>\$ 89,800</b>	<b>100.0%</b>	<b>\$ 26,569</b>	<b>100.0%</b>	<b>\$ 55,324</b>	<b>100.0%</b>	<b>\$ 7,225</b>	<b>100.0%</b>	<b>\$ 89,118</b>	<b>100.0%</b>

(in millions of dollars and as a percentage)	As at March 31, 2016								As at December 31, 2015							
	Guaranteed or insured loans <sup>(3)</sup>		Uninsured loans <sup>(4)</sup>		Home equity lines of credit <sup>(5)</sup>		Total		Guaranteed or insured loans <sup>(3)</sup>		Uninsured loans <sup>(4)</sup>		Home equity lines of credit <sup>(5)</sup>		Total	
Quebec	\$ 25,523	97.0%	\$ 52,174	96.7%	\$ 6,914	95.2%	\$ 84,611	96.7%	\$ 25,805	96.9%	\$ 51,492	96.5%	\$ 6,840	94.8%	\$ 84,137	96.4%
Ontario	763	2.9	1,727	3.2	337	4.6	2,827	3.2	772	2.9	1,654	3.1	329	4.6	2,755	3.2
Other <sup>(6)</sup>	26	0.1	54	0.1	17	0.2	97	0.1	54	0.2	214	0.4	42	0.6	310	0.4
<b>All geographic areas</b>	<b>\$ 26,312</b>	<b>100.0%</b>	<b>\$ 53,955</b>	<b>100.0%</b>	<b>\$ 7,268</b>	<b>100.0%</b>	<b>\$ 87,535</b>	<b>100.0%</b>	<b>\$ 26,631</b>	<b>100.0%</b>	<b>\$ 53,360</b>	<b>100.0%</b>	<b>\$ 7,211</b>	<b>100.0%</b>	<b>\$ 87,202</b>	<b>100.0%</b>

(in millions of dollars and as a percentage)	As at September 30, 2015							
	Guaranteed or insured loans <sup>(3)</sup>		Uninsured loans <sup>(4)</sup>		Home equity lines of credit <sup>(5)</sup>		Total	
Quebec	\$ 25,830	97.0%	\$ 50,758	96.5%	\$ 6,852	94.8%	\$ 83,440	96.5%
Ontario	746	2.8	1,578	3.0	332	4.6	2,656	3.1
Other <sup>(6)</sup>	53	0.2	263	0.5	46	0.6	362	0.4
<b>All geographic areas</b>	<b>\$ 26,629</b>	<b>100.0%</b>	<b>\$ 52,599</b>	<b>100.0%</b>	<b>\$ 7,230</b>	<b>100.0%</b>	<b>\$ 86,458</b>	<b>100.0%</b>

<sup>(1)</sup> Represents all personal loans secured by a property with up to four units. Residential mortgage loans on properties with up to four units held outside of the caisse network in Quebec and Ontario totalled \$224 million as at September 30, 2016. They amounted to \$212 million, \$222 million, \$163 million, and \$160 million, respectively, at the end of the quarters ended June 2016, March 2016, December 2015, and September 2015.

<sup>(2)</sup> Caisses in Ontario are not legally subject to the AMF rules but are instead subject to the Deposit Insurance Corporation of Ontario's rules.

<sup>(3)</sup> Term mortgages and amortized portion of home equity lines of credit for which Desjardins Group has a full or partial guarantee or insurance from a mortgage insurer (public or private) or a government.

<sup>(4)</sup> Conventional term mortgages including the conventional amortized portion of home equity lines of credit and amortized consumer loans secured by a property with up to four units.

<sup>(5)</sup> Unamortized portion of home equity lines of credit and consumer lines of credit secured by a property with up to four units.

<sup>(6)</sup> Represents the geographic areas of Canada other than Quebec and Ontario.



**TABLE 15 - AVERAGE LOAN-TO-VALUE (LTV) RATIO FOR UNINSURED PERSONAL RESIDENTIAL MORTGAGE LOANS GRANTED DURING THE QUARTER**Caisse network in Quebec and Ontario<sup>(1)</sup>

(average loan-to-value ratio, by geographic area)	As at September 30, 2016			As at June 30, 2016			As at March 31, 2016		
	Uninsured loans <sup>(2)</sup>	Home equity lines of credit and related loans <sup>(3)</sup>	Total uninsured	Uninsured loans <sup>(2)</sup>	Home equity lines of credit and related loans <sup>(3)</sup>	Total uninsured	Uninsured loans <sup>(2)</sup>	Home equity lines of credit and related loans <sup>(3)</sup>	Total uninsured
Quebec	65.1%	70.8%	69.3%	68.0%	71.3%	70.2%	68.1%	70.5%	69.7%
Ontario	72.6	71.1	71.6	72.2	71.3	71.6	68.4	71.3	70.3
Other <sup>(4)</sup>	72.5	75.9	73.9	72.9	76.2	74.4	80.7	70.1	73.4
<b>All geographic areas</b>	<b>65.5</b>	<b>70.8</b>	<b>69.4</b>	<b>68.2</b>	<b>71.3</b>	<b>70.2</b>	<b>68.2</b>	<b>70.5</b>	<b>69.8</b>

(average loan-to-value ratio, by geographic area)	As at December 31, 2015			As at September 30, 2015		
	Uninsured loans <sup>(2)</sup>	Home equity lines of credit and related loans <sup>(3)</sup>	Total uninsured	Uninsured loans <sup>(2)</sup>	Home equity lines of credit and related loans <sup>(3)</sup>	Total uninsured
Quebec	67.6%	70.2%	69.4%	66.6%	70.7%	69.7%
Ontario	71.8	71.1	71.4	69.2	71.4	70.7
Other <sup>(4)</sup>	78.0	70.1	75.3	73.6	68.4	70.8
<b>All geographic areas</b>	<b>67.9</b>	<b>70.3</b>	<b>69.5</b>	<b>66.8</b>	<b>70.7</b>	<b>69.7</b>

<sup>(1)</sup> Caisses in Ontario are not legally subject to the AMF rules but are instead subject to the Deposit Insurance Corporation of Ontario's rules.<sup>(2)</sup> Conventional term mortgages and amortized consumer loans secured by a property with up to four units.<sup>(3)</sup> Home equity lines of credit including related amortized loans and consumer lines of credit secured by a property with up to four units.<sup>(4)</sup> Represents the geographic areas of Canada other than Quebec and Ontario.**TABLE 16 - REMAINING AMORTIZATION PERIOD FOR PERSONAL RESIDENTIAL MORTGAGE LOANS**Caisse network in Quebec and Ontario<sup>(1)</sup>

(in millions of dollars in gross loans and as a percentage of total by remaining amortization category)	Total amortized loans									
	As at September 30, 2016		As at June 30, 2016		As at March 31, 2016		As at December 31, 2015		As at September 30, 2015	
0-10 years	\$ 2,644	3.2%	\$ 2,611	3.2%	\$ 2,550	3.2%	\$ 2,561	3.2%	\$ 2,529	3.2%
10-20 years	16,266	19.7	16,097	19.7	15,890	19.8	15,787	19.7	15,635	19.7
20-25 years	54,027	65.5	53,310	65.0	51,501	64.2	51,080	63.9	50,227	63.4
25-30 years	7,218	8.7	7,369	9.0	7,614	9.5	7,715	9.6	7,815	9.9
30-35 years	1,999	2.4	2,092	2.6	2,272	2.8	2,399	3.0	2,571	3.2
35 years or more	401	0.5	414	0.5	441	0.5	449	0.6	452	0.6
<b>All amortization periods</b>	<b>\$ 82,555</b>	<b>100.0%</b>	<b>\$ 81,893</b>	<b>100.0%</b>	<b>\$ 80,268</b>	<b>100.0%</b>	<b>\$ 79,991</b>	<b>100.0%</b>	<b>\$ 79,229</b>	<b>100.0%</b>

<sup>(1)</sup> Caisses in Ontario are not legally subject to the AMF rules but are instead subject to the Deposit Insurance Corporation of Ontario's rules.

TABLE 17 - RISK EXPOSURE BY ASSET CLASS (EXPOSURE AT DEFAULT [EAD])

(in millions of dollars)	As at September 30, 2016							As at June 30, 2016						
	Exposure classes <sup>(1)</sup>							Exposure classes <sup>(1)</sup>						
	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure <sup>(2)</sup>	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure <sup>(2)</sup>
<b>Standardized Approach</b>														
Sovereign borrowers	\$ 15,255	\$ 451	\$ 19	\$ 3	\$ 85	\$ 15,813	\$ 15,795	\$ 14,769	\$ 446	\$ 744	\$ 3	\$ 84	\$ 16,046	\$ 15,330
Financial institutions	4,879	2,362	1,513	3,906	1,218	13,878	9,220	4,936	2,600	4,660	3,595	1,013	16,804	9,428
Businesses	42,696	4,770	499	4	728	48,697	47,685	43,562	4,209	134	1	686	48,592	47,944
SMEs similar to other retail client exposures	8,725	63	-	-	36	8,824	8,753	7,243	32	-	-	35	7,310	7,242
Mortgages	131	-	-	-	-	131	131	119	-	-	-	-	119	119
Other retail client exposures (excluding SMEs)	1,481	26	-	-	-	1,507	265	1,391	23	-	-	-	1,414	175
Securitization	809	1,193	-	-	-	2,002	2,002	806	1,193	-	-	-	1,999	1,999
Equities	155	-	-	-	-	155	155	236	-	-	-	-	236	236
Trading portfolio	-	-	15,499	1,107	-	16,606	1,204	-	-	14,901	1,174	-	16,075	1,092
<b>Internal Ratings-Based approach</b>														
Mortgages	87,789	5,539	-	-	-	93,328	93,328	87,140	5,418	-	-	-	92,558	92,558
Revolving retail client exposures	10,519	25,499	-	-	-	36,018	36,018	10,466	25,161	-	-	-	35,627	35,627
Other retail client exposures	8,067	186	-	-	7	8,260	8,260	7,870	185	-	-	6	8,061	8,061
<b>Total</b>	<b>\$ 180,506</b>	<b>\$ 40,089</b>	<b>\$ 17,530</b>	<b>\$ 5,020</b>	<b>\$ 2,074</b>	<b>\$ 245,219</b>	<b>\$ 222,816</b>	<b>\$ 178,538</b>	<b>\$ 39,267</b>	<b>\$ 20,439</b>	<b>\$ 4,773</b>	<b>\$ 1,824</b>	<b>\$ 244,841</b>	<b>\$ 219,811</b>

  

(in millions of dollars)	As at March 31, 2016							As at December 31, 2015						
	Exposure classes <sup>(1)</sup>							Exposure classes <sup>(1)</sup>						
	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure <sup>(2)</sup>	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure <sup>(2)</sup>
<b>Standardized Approach</b>														
Sovereign borrowers	\$ 14,884	\$ 465	\$ -	\$ 3	\$ 84	\$ 15,436	\$ 15,436	\$ 15,199	\$ 477	\$ 1,169	\$ 2	\$ 59	\$ 16,906	\$ 15,760
Financial institutions	5,183	2,579	1,015	3,391	824	12,992	9,351	5,449	2,335	1,478	4,537	1,042	14,841	9,628
Businesses	44,499	4,325	20	19	1,049	49,912	49,099	43,533	4,446	71	1	702	48,753	48,154
SMEs similar to other retail client exposures	5,513	20	-	-	25	5,558	5,513	5,516	21	-	-	25	5,562	5,518
Mortgages	117	-	-	-	-	117	117	124	-	-	-	-	124	124
Other retail client exposures (excluding SMEs)	1,444	15	-	-	-	1,459	175	1,482	14	-	-	-	1,496	173
Securitization	830	1,193	-	-	-	2,023	2,023	828	1,193	-	-	-	2,021	2,021
Equities	156	-	-	-	-	156	156	95	-	-	-	-	95	95
Trading portfolio	-	-	17,543	1,312	-	18,855	1,198	-	-	15,130	1,529	-	16,659	1,167
<b>Internal Ratings-Based Approach</b>														
Mortgages	85,416	5,203	-	-	-	90,619	90,619	85,068	5,062	-	-	-	90,130	90,130
Revolving retail client exposures	10,239	24,713	-	-	-	34,952	34,952	10,466	24,010	-	-	-	34,476	34,476
Other retail client exposures	7,726	174	-	-	7	7,907	7,906	7,621	172	-	-	6	7,799	7,799
<b>Total</b>	<b>\$ 176,007</b>	<b>\$ 38,687</b>	<b>\$ 18,578</b>	<b>\$ 4,725</b>	<b>\$ 1,989</b>	<b>\$ 239,986</b>	<b>\$ 216,545</b>	<b>\$ 175,381</b>	<b>\$ 37,730</b>	<b>\$ 17,848</b>	<b>\$ 6,069</b>	<b>\$ 1,834</b>	<b>\$ 238,862</b>	<b>\$ 215,045</b>

Footnotes to this table are presented on the next page.

TABLE 17 - RISK EXPOSURE BY ASSET CLASS (EXPOSURE AT DEFAULT [EAD]) (continued)

(in millions of dollars)	As at September 30, 2015						
	Exposure classes <sup>(1)</sup>						
	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure <sup>(2)</sup>
<b>Standardized Approach</b>							
Sovereign borrowers	\$ 14,668	\$ 526	\$ 260	\$ 2	\$ 72	\$ 15,528	\$ 15,239
Financial institutions	5,161	2,497	1,037	4,178	837	13,710	9,310
Businesses	42,754	4,155	29	6	800	47,744	47,125
SMEs similar to other retail client exposures	5,624	24	-	-	26	5,674	5,627
Mortgages	161	-	-	-	-	161	161
Other retail client exposures (excluding SMEs)	1,570	12	-	-	-	1,582	169
Securitization	825	1,193	-	-	-	2,018	2,018
Equities	128	-	-	-	-	128	128
Trading portfolio	-	-	17,055	1,660	-	18,715	1,117
<b>Internal Ratings-Based Approach</b>							
Mortgages	84,260	4,951	-	-	-	89,211	89,211
Revolving retail client exposures	10,316	23,849	-	-	-	34,165	34,165
Other retail client exposures	7,496	187	-	-	5	7,688	7,688
<b>Total</b>	<b>\$ 172,963</b>	<b>\$ 37,394</b>	<b>\$ 18,381</b>	<b>\$ 5,846</b>	<b>\$ 1,740</b>	<b>\$ 236,324</b>	<b>\$ 211,958</b>

<sup>(1)</sup> The definition of exposure classes related to regulatory capital requirements differs from the accounting classification.

<sup>(2)</sup> After using credit risk mitigation (CRM) techniques, including collateral, guarantees and credit derivatives.

TABLE 18 - RISK EXPOSURE BY ASSET CLASS<sup>(1)</sup> AND RISK TRANCHE (STANDARDIZED APPROACH)

(in millions of dollars)	As at September 30, 2016								As at June 30, 2016							
	Risk Tranches								Risk Tranches							
	0%	20%	35%	50%	75%	100%	Other	Total	0%	20%	35%	50%	75%	100%	Other	Total
Sovereign borrowers	\$ 15,794	\$ -	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ 15,813	\$ 16,041	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 16,046
Financial institutions	-	13,267	-	8	-	601	2	13,878	-	16,327	-	13	-	462	2	16,804
Businesses	-	493	-	708	-	47,020	476	48,697	-	349	-	761	-	46,946	536	48,592
SMEs similar to other retail client exposures	-	-	-	-	6,051	2,641	132	8,824	-	-	-	-	5,111	2,109	90	7,310
Mortgages	-	-	130	-	-	1	-	131	-	-	95	-	23	1	-	119
Other retail client exposure (excluding SMEs)	-	-	-	-	1,419	88	-	1,507	-	-	-	-	1,414	-	-	1,414
Securitization	400	-	-	-	-	140	1,462	2,002	400	-	-	-	-	139	1,460	1,999
Equities	-	-	-	-	-	155	-	155	-	-	-	-	-	236	-	236
Trading portfolio	9,000	5,905	-	542	-	1,155	4	16,606	6,922	7,619	-	561	-	970	3	16,075
<b>Total</b>	<b>\$ 25,194</b>	<b>\$ 19,665</b>	<b>\$ 130</b>	<b>\$ 1,258</b>	<b>\$ 7,470</b>	<b>\$ 51,820</b>	<b>\$ 2,076</b>	<b>\$ 107,613</b>	<b>\$ 23,363</b>	<b>\$ 24,295</b>	<b>\$ 95</b>	<b>\$ 1,335</b>	<b>\$ 6,548</b>	<b>\$ 50,868</b>	<b>\$ 2,091</b>	<b>\$ 108,595</b>

  

(in millions of dollars)	As at March 31, 2016								As at December 31, 2015							
	Risk Tranches								Risk Tranches							
	0%	20%	35%	50%	75%	100%	Other	Total	0%	20%	35%	50%	75%	100%	Other	Total
Sovereign borrowers	\$ 15,431	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 15,436	\$ 16,903	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 16,906
Financial institutions	-	12,448	-	3	-	538	3	12,992	62	14,349	-	3	-	427	-	14,841
Businesses	-	257	-	680	-	48,359	617	49,913	-	366	-	684	-	47,198	505	48,753
SMEs similar to other retail client exposures	-	-	-	-	3,856	1,640	62	5,558	-	-	-	-	3,820	1,685	57	5,562
Mortgages	-	-	115	-	-	2	-	117	-	-	98	-	24	2	-	124
Other retail client exposure (excluding SMEs)	-	-	-	-	1,459	-	-	1,459	-	-	-	-	1,496	-	-	1,496
Securitization	400	-	-	28	-	138	1,457	2,023	400	1	-	-	-	138	1,482	2,021
Equities	-	-	-	-	-	156	-	156	-	-	-	-	-	95	-	95
Trading portfolio	7,025	9,238	-	1,237	-	1,350	5	18,855	8,308	7,371	-	440	-	532	8	16,659
<b>Total</b>	<b>\$ 22,856</b>	<b>\$ 21,943</b>	<b>\$ 115</b>	<b>\$ 1,948</b>	<b>\$ 5,315</b>	<b>\$ 52,188</b>	<b>\$ 2,144</b>	<b>\$ 106,509</b>	<b>\$ 25,673</b>	<b>\$ 22,087</b>	<b>\$ 98</b>	<b>\$ 1,127</b>	<b>\$ 5,340</b>	<b>\$ 50,080</b>	<b>\$ 2,052</b>	<b>\$ 106,457</b>

Footnote to this table are presented on the next page.

**TABLE 18 - RISK EXPOSURE BY ASSET CLASS<sup>(1)</sup> AND RISK TRANCHE (STANDARDIZED APPROACH) (continued)**

(in millions of dollars)	As at September 30, 2015							
	Risk Tranches							
	0%	20%	35%	50%	75%	100%	Other	Total
Sovereign borrowers	\$ 15,525	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 15,528
Financial institutions	-	13,264	-	3	-	443	-	13,710
Businesses	-	378	-	586	-	46,291	489	47,744
SMEs similar to other retail								
client exposures	-	-	-	-	3,899	1,716	59	5,674
Mortgages	-	-	160	-	-	1	-	161
Other retail client exposure								
(excludind SMEs)	-	-	-	-	1,582	-	-	1,582
Securitization	400	1	-	-	-	136	1,481	2,018
Equities	-	-	-	-	-	128	-	128
Trading portfolio	8,808	5,745	-	319	-	3,837	6	18,715
<b>Total</b>	<b>\$ 24,733</b>	<b>\$ 19,388</b>	<b>\$ 160</b>	<b>\$ 908</b>	<b>\$ 5,481</b>	<b>\$ 52,555</b>	<b>\$ 2,035</b>	<b>\$ 105,260</b>

<sup>(1)</sup> The definition of exposure classes related to regulatory capital requirements differs from the accounting classification.

TABLE 19 - RISK EXPOSURE BY ASSET CLASS<sup>(1)</sup> AND REMAINING CONTRACTUAL TERM TO MATURITY

	As at September 30, 2016				As at June 30, 2016			
	Remaining contractual term to maturity				Remaining contractual term to maturity			
	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
(in millions of dollars)								
<b>Internal Ratings-Based Approach</b>								
Mortgages	\$ 91,400	\$ 979	\$ 949	\$ 93,328	\$ 90,652	\$ 1,084	\$ 822	\$ 92,558
Revolving retail client exposures	36,018	-	-	36,018	35,627	-	-	35,627
Other retail client exposures	2,816	1,179	4,265	8,260	2,890	1,298	3,873	8,061
<b>Total</b>	<b>\$ 130,234</b>	<b>\$ 2,158</b>	<b>\$ 5,214</b>	<b>\$ 137,606</b>	<b>\$ 129,169</b>	<b>\$ 2,382</b>	<b>\$ 4,695</b>	<b>\$ 136,246</b>

	As at March 31, 2016				As at December 31, 2015			
	Remaining contractual term to maturity				Remaining contractual term to maturity			
	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
(in millions of dollars)								
<b>Internal Ratings-Based Approach</b>								
Mortgages	\$ 89,051	\$ 1,101	\$ 467	\$ 90,619	\$ 88,515	\$ 1,266	\$ 349	\$ 90,130
Revolving retail client exposures	34,952	-	-	34,952	34,476	-	-	34,476
Other retail client exposures	2,987	1,433	3,486	7,906	2,933	1,572	3,294	7,799
<b>Total</b>	<b>\$ 126,990</b>	<b>\$ 2,534</b>	<b>\$ 3,953</b>	<b>\$ 133,477</b>	<b>\$ 125,924</b>	<b>\$ 2,838</b>	<b>\$ 3,643</b>	<b>\$ 132,405</b>

	As at September 30, 2015			
	Remaining contractual term to maturity			
	Less than 1 year	1 to 5 years	Over 5 years	Total
(in millions of dollars)				
<b>Internal Ratings-Based Approach</b>				
Mortgages	\$ 87,564	\$ 1,558	\$ 89	\$ 89,211
Revolving retail client exposures	34,165	-	-	34,165
Other retail client exposures	2,885	1,718	3,085	7,688
<b>Total</b>	<b>\$ 124,614</b>	<b>\$ 3,276</b>	<b>\$ 3,174</b>	<b>\$ 131,064</b>

<sup>(1)</sup> The definition of exposure classes related to regulatory capital requirements differs from the accounting classification.

TABLE 20 – CREDIT RISK MITIGATION

	As at September 30, 2016			As at June 30, 2016		
	Exposure at default (EAD)	Exposure covered by collateral <sup>(1)</sup>	Exposure covered by guarantees/ credit derivatives	Exposure at default (EAD)	Exposure covered by collateral <sup>(1)</sup>	Exposure covered by guarantees/ credit derivatives
(in millions of dollars)						
<b>Standardized Approach</b>						
Sovereign borrowers	\$ 15,813	\$ 18	\$ 2	\$ 16,046	\$ 716	\$ 2
Financial institutions	13,878	4,658	345	16,804	7,376	337
Businesses	48,697	1,012	8,304	48,592	648	9,376
SMEs similar to other retail client exposures	8,824	71	2,850	7,310	68	1,682
Mortgages	131	-	19	119	-	20
Other retail client exposure (excluding SMEs)	1,507	1,242	-	1,414	1,239	-
Securitization	2,002	-	400	1,999	-	400
Equities	155	-	-	236	-	-
Trading portfolio	16,606	15,402	-	16,075	14,983	-
<b>Internal Ratings-Based Approach<sup>(2)</sup></b>						
Mortgages	93,328	-	26,389	92,558	-	26,625
Revolving retail client exposures	36,018	-	-	35,627	-	-
Other retail client exposures	8,260	-	2,213	8,061	-	2,280
<b>Total</b>	<b>\$ 245,219</b>	<b>\$ 22,403</b>	<b>\$ 40,522</b>	<b>\$ 244,841</b>	<b>\$ 25,030</b>	<b>\$ 40,722</b>

  

	As at March 31, 2016			As at December 31, 2015		
	Exposure at default (EAD)	Exposure covered by collateral <sup>(1)</sup>	Exposure covered by guarantees/ credit derivatives	Exposure at default (EAD)	Exposure covered by collateral <sup>(1)</sup>	Exposure covered by guarantees/ credit derivatives
(in millions of dollars)						
<b>Standardized Approach</b>						
Sovereign borrowers	\$ 15,436	\$ -	\$ 3	\$ 16,906	\$ 1,146	\$ 3
Financial institutions	12,992	3,642	317	14,841	5,212	388
Businesses	49,913	848	9,512	48,753	643	9,512
SMEs similar to other retail client exposures	5,558	48	1,403	5,562	48	1,440
Mortgages	117	-	21	124	-	21
Other retail client exposure (excluding SMEs)	1,459	1,284	-	1,496	1,322	-
Securitization	2,023	-	400	2,021	-	400
Equities	156	-	-	95	-	-
Trading portfolio	18,855	17,658	-	16,659	15,493	-
<b>Internal Ratings-Based Approach<sup>(2)</sup></b>						
Mortgages	90,619	-	26,246	90,130	-	26,531
Revolving retail client exposures	34,952	-	-	34,476	-	-
Other retail client exposures	7,906	-	2,375	7,799	-	2,308
<b>Total</b>	<b>\$ 239,986</b>	<b>\$ 23,480</b>	<b>\$ 40,277</b>	<b>\$ 238,862</b>	<b>\$ 23,864</b>	<b>\$ 40,603</b>

Footnotes to this table are presented on the next page.

TABLE 20 – CREDIT RISK MITIGATION (continued)

(in millions of dollars)	As at September 30, 2015		
	Exposure at default (EAD)	Exposure covered by collateral <sup>(1)</sup>	Exposure covered by guarantees/ credit derivatives
<b>Standardized Approach</b>			
Sovereign borrowers	\$ 15,528	\$ 290	\$ 3
Financial institutions	13,710	4,400	333
Businesses	47,744	664	9,383
SMEs similar to other retail client exposures	5,674	51	1,465
Mortgages	161	-	22
Other retail client exposure (excluding SMEs)	1,582	1,413	-
Securitization	2,018	-	400
Equities	128	-	-
Trading portfolio	18,715	17,598	-
<b>Internal Ratings-Based Approach<sup>(2)</sup></b>			
Mortgages	89,211	-	26,483
Revolving retail client exposures	34,165	-	-
Other retail client exposures	7,688	-	2,203
<b>Total</b>	<b>\$ 236,324</b>	<b>\$ 24,416</b>	<b>\$ 40,292</b>

<sup>(1)</sup> Qualifying financial collateral includes cash, gold, qualifying debt securities, shares and mutual funds.

<sup>(2)</sup> For exposures under the IRB Approach, qualifying financial collateral is taken into account when estimating loss given default (LGD) in our internal models.



## GLOSSARY

### ALLOWANCE FOR CREDIT LOSSES

Amount deemed sufficient by management to cover the anticipated losses on a loan portfolio. The allowance for credit losses is increased by individual and collective provisions and decreased by write-offs, net of recoveries.

### BASIC INDICATOR APPROACH

Risk measurement approach used to assess capital requirements for operational risk. This measure corresponds to average annual gross revenues for the last three years multiplied by a fixed percentage of 15%.

### 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 *Autorité des marchés financiers*, which are based on the standards developed by the Basel Committee on Banking Supervision.

### COLLECTIVE ALLOWANCE

Allowance established for loan portfolios that are not subject to an individual allowance and are included in groups of financial assets having similar credit characteristics.

### COMMITMENT

- Constitutes a direct commitment any agreement entered into by a Desjardins Group component with a natural or legal person creating a on- or off-balance sheet exposure, either disbursed or non-disbursed, revocable or irrevocable, with or without condition, that may lead to losses for the component if the debtor is unable to meet its obligations.
- Constitutes an indirect commitment any financial receivable creating a credit exposure that is acquired by a Desjardins Group component in connection with a purchase on the market or the delivery of financial collateral by a client/counterparty, whose value may change in particular as a result of the deterioration of the creditworthiness of the counterparty associated to this receivable or changes in market prices.

### 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 or counterparty's failure to honour its contractual obligations, whether or not such obligations appear on the Combined Balance Sheets.

### CREDIT VALUATION ADJUSTMENT

Adjustment representing the market value of a potential loss on over-the-counter derivatives due to counterparty risk.

### EXPECTED LOSS (EL)

Measure of the expected loss on a given portfolio over a one-year period. It is equal to the product of the three credit risk parameters, PD, EAD and LGD.

### EXPOSURE AT DEFAULT (EAD)

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

### EXPOSURES RELATED TO RESIDENTIAL MORTGAGE LOANS

In accordance with the regulatory capital framework, risk category that includes mortgage loans and credit margins secured by real property granted to individuals.

### FAIR VALUE

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

### IMPAIRED LOAN

Loan, except a credit card balance, whose collection is doubtful as a result of a deterioration in credit quality. A loan is classified as impaired when one of the following conditions is met: in management's opinion, there is reasonable doubt that the principal or the interest will be collected on scheduled dates; the interest or principal payment is 90 days or more past due, unless the loan is fully secured and in the process of collection; or the interest or principal is more than 180 days past due.

### INDIVIDUAL ALLOWANCE

Specific allowance established for an individual loan portfolio for which, in Desjardins Group's opinion, there is objective evidence of impairment and a loss should be recognized in the combined statements of income. Loan portfolios for which an individual allowance has not been established are then included in groups of assets having similar credit risk characteristics and are subject to a collective allowance.

### 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 weighing factors determined using internal parameters: the borrower's probability of default (PD), loss given default (LGD), effective maturity (EM) and exposure at default (EAD).

**LEVERAGE RATIO**

Ratio defined 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.

**LOSS GIVEN DEFAULT (LGD)**

Significance of the economic loss that may be incurred should the borrower default. It is expressed as a percentage of exposure at default (EAD).

**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**

Guarantees, commitments, derivatives and other contractual agreements whose gross principal amount may not be recognized on the balance-sheet.

**OPERATIONAL RISK**

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

**OTHER RETAIL CLIENT EXPOSURES**

In accordance with the regulatory capital framework, this risk category includes all loans granted to individuals other than exposures related to residential mortgage loans and qualifying revolving retail client exposures.

**PROBABILITY OF DEFAULT (PD)**

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

**QUALIFYING REVOLVING RETAIL CLIENT EXPOSURES**

In accordance with the regulatory capital framework, risk category that includes credit card loans and unsecured credit margins granted to individuals.

**REGULATORY CAPITAL**

In accordance with the definition set out in the AMF guideline on capital adequacy for financial services co-operatives, the regulatory capital under Basel III comprises Tier 1A capital, Tier 1 capital and Tier 2 capital. The composition of these various tiers is presented in the "Capital management" section of the Management's Discussion and Analysis.

**REGULATORY FUNDS**

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

**REPURCHASE AGREEMENT**

Agreement involving both the sale of securities for cash and the repurchase of these securities for value at a later date. Represents a form of short-term financing.

**REVERSE REPURCHASE AGREEMENT**

Agreement involving both the purchase of securities for cash and the sale of these securities for value at a later date. Represents a form of short-term financing.

**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 *Autorité des marchés financiers* guidelines. For more details, see the "Capital management" section of the Management's Discussion and Analysis.

**SCALING FACTOR**

Adjustment representing 6.0% of assets valued according to the internal rating-based approach, applied to credit exposures in compliance with section 1.3 of the AMF guideline on the capital adequacy 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 financial institution uses valuations performed by external credit assessment institutions recognized by the *Autorité des marchés financiers* 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 categories of market risks, namely interest rates risk, price risk, currency risk and commodities risk, according to pre-defined factors like the size and nature of the financial instruments held.

**UNUSED EXPOSURE**

Represents the amount of credit in loans or margins that has been authorized, but not yet used.

**USED EXPOSURE**

Represents the amount of funds invested, or advanced to a member or client.