

Supplemental Financial Information (unaudited)

For the period ended December 31, 2016

TABLE OF CONTENTS

	Page		Page
Notes to readers	2	Table 16 – Details of the credit portfolio subject to the Internal Rating-Based Approach	24
		Table 17 – Credit risk exposure under the Advanced Approach: actual and estimated parameters	30
Financial information		Table 18 – Risk exposure by asset class and remaining contractual term to maturity	31
Table 1 – Combined Balance Sheets	3	Table 19 – Risk exposure by asset class and risk tranche (Standardized Approach)	32
Table 2 – Combined Statements of Income	5		
Capital management		Risk management	
Table 3 – Main capital components	6	Table 20 – Loan portfolio by borrower category and industry	34
Table 4 – Regulatory ratios and capital	7	Table 21 – Loan portfolio by geographic area	35
Table 5 – Quarterly changes in regulatory capital	9	Table 22 – Loan and acceptance portfolio by entity	35
Table 6 – Reconciliation of regulatory capital and equity	10	Table 23 – Loan and acceptance portfolio by product	36
Table 7 – Reconciliation of capital and combined regulatory balance sheet	11	Table 24 – Change in gross impaired loans	36
Table 8 – Leverage ratio	13	Table 25 – Personal residential mortgage loan portfolio	37
Table 9 – Reconciliation of Combined Balance Sheet and credit risk exposure	14	Table 26 – Average loan-to-value (LTV) ratio for uninsured personal residential mortgage loans granted during the quarter	38
Table 10 – Risk-weighted assets (RWA)	15	Table 27 – Remaining amortization period for personal residential mortgage loans	38
Table 11 – Change in risk-weighted assets	16		
Table 12 – Risk-weighted assets by business segment	18	Glossary	39
Table 13 – Risk exposure by asset class (exposure at default [EAD])	19		
Table 14 – Reconciliation of exposure at default and regulatory balance sheet	21		
Table 15 – Credit risk mitigation	22		

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 2016 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 and on the System for Electronic Document Analysis and Retrieval (SEDAR) website at 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, 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 December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
ASSETS					
Cash and deposits with financial institutions	\$ 1,876	\$ 1,929	\$ 2,183	\$ 1,897	\$ 1,716
Securities					
Securities at fair value through profit or loss	31,005	32,112	32,577	34,800	28,715
Available-for-sale securities	22,280	23,687	23,636	23,196	23,272
	53,285	55,799	56,213	57,996	51,987
Securities borrowed or purchased under reverse repurchase agreements	7,690	7,677	10,362	7,112	7,881
Loans					
Residential mortgages	106,695	105,908	104,977	102,992	102,323
Consumer, credit card and other personal loans	22,150	21,723	21,486	21,115	21,204
Business and government loans	37,626	37,095	36,682	36,485	36,433
	166,471	164,726	163,145	160,592	159,960
Allowance for credit losses	(456)	(462)	(459)	(454)	(455)
	166,015	164,264	162,686	160,138	159,505
Segregated fund net assets	11,965	11,620	10,255	9,992	9,781
Other assets					
Clients' liability under acceptances	11	23	47	85	376
Premiums receivable	1,957	2,071	1,936	1,669	1,662
Derivative financial instruments	3,572	3,978	3,919	3,948	4,818
Amounts receivable from clients, brokers and financial institutions	2,532	3,051	3,745	3,078	2,033
Reinsurance assets	2,582	2,509	2,311	2,013	1,964
Investment property	823	778	736	742	683
Property, plant and equipment	1,435	1,438	1,451	1,429	1,451
Goodwill	471	470	470	472	472
Intangible assets	690	691	705	668	661
Deferred tax assets	874	1,052	962	881	784
Other	2,589	2,807	2,730	3,017	2,354
	17,536	18,868	19,012	18,002	17,258
TOTAL ASSETS	\$ 258,367	\$ 260,157	\$ 260,711	\$ 255,137	\$ 248,128

TABLE 1 – COMBINED BALANCE SHEETS (continued)

(in millions of dollars)	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
LIABILITIES AND EQUITY					
LIABILITIES					
Deposit					
Individuals	\$ 96,278	\$ 95,122	\$ 93,588	\$ 92,215	\$ 91,243
Business and government	62,799	64,735	68,055	64,775	63,833
Deposit-taking institutions	1,469	1,480	2,019	1,770	1,498
	160,546	161,337	163,662	158,760	156,574
Other liabilities					
Acceptances	11	23	47	85	376
Commitments related to securities sold short	8,196	7,674	6,945	7,033	5,464
Commitments related to securities lent or sold under repurchase agreements	10,323	10,098	10,601	11,830	10,383
Derivative financial instruments	2,057	1,735	1,889	1,961	1,689
Amounts payable to clients, brokers and financial institutions	4,659	5,343	6,386	5,160	4,713
Insurance contract liabilities	27,493	28,988	28,371	27,308	26,734
Segregated fund net liabilities	11,957	11,607	10,247	9,983	9,776
Net defined benefit plan net liabilities	2,256	3,312	3,044	2,806	2,428
Deferred tax liabilities	179	163	170	167	163
Other	6,019	6,176	5,948	6,345	6,219
	73,150	75,119	73,648	72,678	67,945
Subordinated notes	1,378	1,385	1,384	1,875	1,884
TOTAL LIABILITIES	235,074	237,841	238,694	233,313	226,403
EQUITY					
Capital stock	5,292	5,272	5,258	5,167	5,158
Share capital	88	89	89	89	86
Undistributed surplus earnings	1,529	1,345	748	1,412	1,793
Accumulated other comprehensive income	514	790	730	614	589
Reserves	15,052	13,971	14,339	13,304	12,864
Equity – Group's share	22,475	21,467	21,164	20,586	20,490
Non-controlling interests	818	849	853	1,238	1,235
Total equity	23,293	22,316	22,017	21,824	21,725
TOTAL LIABILITIES AND EQUITY	\$ 258,367	\$ 260,157	\$ 260,711	\$ 255,137	\$ 248,128

TABLE 2 – COMBINED STATEMENTS OF INCOME

	For the three-month periods ended				
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016 ⁽¹⁾	December 31, 2015 ⁽¹⁾
(in millions of dollars)					
Interest income					
Loans	\$ 1,437	\$ 1,418	\$ 1,399	\$ 1,404	\$ 1,452
Securities	76	79	83	77	74
	1,513	1,497	1,482	1,481	1,526
Interest expense					
Deposits	416	415	406	406	385
Subordinated notes and other	18	18	23	26	34
	434	433	429	432	419
Net interest income	1,079	1,064	1,053	1,049	1,107
Net premiums	1,834	1,873	1,740	1,721	1,641
Other income					
Deposit and payment service charges	123	128	119	118	124
Lending fees and credit card service revenues	170	158	155	168	161
Brokerage and investment fund services	282	278	286	260	263
Management and custodial service fees	102	94	92	88	91
Net income (loss) on securities at fair value through profit or loss	(1,242)	385	878	512	230
Net income on available-for-sale securities	111	99	99	79	72
Net other investment income	49	49	50	50	48
Foreign exchange income	12	20	22	16	21
Other	(42)	(42)	46	65	56
	(435)	1,169	1,747	1,356	1,066
Total income	2,478	4,106	4,540	4,126	3,814
Provision for credit losses	55	98	75	91	83
Claims, benefits, annuities and changes in insurance contract liabilities	(104)	1,727	2,065	1,758	1,350
Non-interest expense					
Salaries and fringe benefits	890	841	907	910	861
Premises, equipment and furniture, including depreciation	185	158	165	159	163
Service agreements and outsourcing	70	75	78	83	76
Communications	88	66	82	71	85
Other	650	578	633	564	621
	1,883	1,718	1,865	1,787	1,806
Operating surplus earnings	644	563	535	490	575
Income taxes on surplus earnings	135	109	108	108	113
Surplus earnings before member dividends	509	454	427	382	462
Member dividends	57	35	22	30	45
Tax recovery on member dividends	(15)	(10)	(6)	(8)	(12)
Net surplus earnings for the period after member dividends	\$ 467	\$ 429	\$ 411	\$ 360	\$ 429
of which:					
Group's share	\$ 443	\$ 419	\$ 390	\$ 339	\$ 373
Non-controlling interests' share	24	10	21	21	56

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

⁽¹⁾ For a financial cooperative governed by the AMF, the Tier 1A and Tier 1B ratios are the equivalent of the CET1 and AT1 ratios for financial institutions.

⁽²⁾ 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.

⁽³⁾ 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 is subject to risk-weighting at a rate of 250%.

TABLE 4 – REGULATORY RATIOS AND CAPITAL ⁽¹⁾⁽²⁾

(in millions of dollars and as a percentage)	As at December 31, 2016	Cross- reference ⁽³⁾	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
Tier 1A capital						
Federation capital shares ⁽⁴⁾	\$ 4,142	B	\$ 4,071	\$ 3,969	\$ 3,690	\$ 3,544
Permanent shares and surplus shares subject to phase-out	1,078	C	1,115	1,194	1,261	1,471
Reserves	15,052	A	13,971	14,339	13,304	12,864
Undistributed surplus earnings	1,502	D	1,326	686	1,383	1,766
Eligible accumulated other comprehensive income	392	E + F	572	483	363	347
Non-controlling interests	-	G	5	15	15	15
Tier 1A capital: regulatory adjustments						
Goodwill (net of related deferred tax liabilities)	(33)	K	(35)	(35)	(35)	(35)
Intangible assets other than mortgage servicing rights and software (net of related deferred tax liabilities)	(42)	M+N	(43)	(43)	(43)	(44)
Software considered as intangible assets (net of related tax liabilities)	(217)	M+N	(228)	(240)	(205)	(200)
Deferred tax assets other than those attributable to temporary differences (net of related deferred tax liabilities)	(65)	J+P	(44)	(39)	(30)	(36)
Shortfall in allowance ⁽⁵⁾	(322)		(298)	(283)	(273)	(272)
Reciprocal cross-holdings in Tier 1A capital ⁽⁵⁾	(8)		(8)	(8)	(4)	(8)
Adjusted Tier 1A capital after allocation of allocated threshold deductions						
Significant investments in the Tier 1A capital of financial institutions (greater than 10%)	(2,759)	Q+T	(2,703)	(2,507)	(2,100)	(2,058)
Adjusted Tier 1A capital after allocated threshold deductions						
Amount greater than the 15% threshold						
Including: Significant investments in the Tier 1A capital of deconsolidated subsidiaries	-	R+U	(161)	(98)	(46)	-
Including: Deferred tax assets arising from temporary differences	-	S	(63)	(36)	(17)	-
Total net Tier 1A capital	18,720		17,477	17,397	17,263	17,354
Non-controlling interests	12	H	13	17	17	17
Total Tier 1B capital	12		13	17	17	17
Total Tier 1 capital	18,732		17,490	17,414	17,280	17,371
Tier 2 capital						
Subordinated notes ⁽⁶⁾ subject to phase-out	1,206	L	1,213	1,391	1,704	1,892
Eligible collective allowance	252	O	278	270	281	282
Eligible qualifying shares	25	W	24	24	25	25
Non-controlling interests	-	I	1	3	2	2
Tier 2 capital: regulatory adjustments						
Significant investments in financial entities	(872)	V	(872)	(872)	(872)	(872)
Total net Tier 2 capital	611		644	816	1,140	1,329
Total regulatory capital (Tier 1 and 2)	\$ 19,343		\$ 18,134	\$ 18,230	\$ 18,420	\$ 18,700
Total risk-weighted assets	\$ 108,144		\$ 107,055	\$ 109,686	\$ 109,226	\$ 108,484
Exposure measure for the leverage ratio	230,472		231,603	218,125	228,944	222,825

Footnotes to this table are presented on the next page.

TABLE 4 – REGULATORY RATIOS AND CAPITAL ⁽¹⁾⁽²⁾ (continued)

(in millions of dollars and as a percentage)	As at December 31, 2016	Cross- reference ⁽³⁾	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
Ratios						
Tier 1A capital ratio	17.3 %		16.3 %	15.9 %	15.8 %	16.0 %
Tier 1 capital ratio	17.3		16.3	15.9	15.8	16.0
Total capital ratio	17.9		16.9	16.6	16.9	17.2
Leverage ratio	8.1		7.6	7.5	7.5	7.8
Minimum Ratios ⁽⁷⁾						
Tier 1A capital ratio	8.0		8.0	8.0	8.0	7.0
Tier 1 capital ratio	9.5		9.5	9.5	9.5	8.5
Total capital ratio	11.5		11.5	11.5	11.5	10.5
Leverage ratio	3.0		3.0	3.0	3.0	3.0
Amounts below the thresholds for deduction (before risk weighting)						
Non-significant investments in the capital of other financial institutions	\$ 94	AA	\$ 38	\$ 44	\$ 34	\$ 10
Significant investments in the Tier 1A capital of financial institutions	2,148	AC	1,880	1,906	1,897	1,941
Deferred tax assets arising from temporary differences (net of related tax liabilities)	656	AB	742	704	692	650
Caps on inclusion of allowances in Tier 2 capital						
Allowances eligible for inclusion in Tier 2 capital in respect of exposures subject to the Standardized Approach (before application of cap)	252		278	270	281	282
Cap on inclusion of allowances in Tier 2 capital under the Standardized Approach	252	O	278	270	281	282
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

⁽¹⁾ 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.

⁽²⁾ 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.

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

⁽⁴⁾ Includes capital shares held in a segregated fund.

⁽⁵⁾ Items considered only in regulatory capital.

⁽⁶⁾ Includes subordinated notes described in Note 18 to the 2016 Combined Financial Statements.

⁽⁷⁾ As a Domestic Systemically Important Financial Institution, Desjardins Group has been 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 December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
Tier 1A capital					
Balance at beginning of period	\$ 17,477	\$ 17,397	\$ 17,263	\$ 17,354	\$ 16,918
Increase in reserves and undistributed surplus earnings	1,257	272	338	57	276
Amortization of the amendments to IAS 19	-	-	-	-	-
Eligible accumulated other comprehensive income	(180)	89	120	16	32
Federation capital shares	71	102	279	146	79
Permanent shares and surplus shares subject to phase-out	(37)	(79)	(67)	(210)	-
Non-controlling interests	(5)	(10)	-	-	-
Deductions	137	(294)	(536)	(100)	49
Balance at end of period	18,720	17,477	17,397	17,263	17,354
Tier 1B capital					
Balance at beginning of period	13	17	17	17	17
Non-controlling interests	(1)	(4)	-	-	-
Balance at end of period	12	13	17	17	17
Total Tier 1 capital	18,732	17,490	17,414	17,280	17,371
Tier 2 capital					
Balance at beginning of period	644	816	1,140	1,329	1,604
Eligible qualifying shares	1	-	(1)	-	1
Non-controlling interests	(1)	(2)	1	-	(1)
Subordinated notes subject to phase-out	(7)	(178)	(313)	(188)	(272)
Eligible collective allowance	(26)	8	(11)	(1)	(3)
Deductions	-	-	-	-	-
Balance at end of period	611	644	816	1,140	1,329
Total capital	\$ 19,343	\$ 18,134	\$ 18,230	\$ 18,420	\$ 18,700

TABLE 6 - RECONCILIATION OF REGULATORY CAPITAL AND EQUITY

(in millions of dollars)	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
Equity balance in the Combined Financial Statements	\$ 22,475	\$ 21,467	\$ 21,164	\$ 20,586	\$ 20,490
Items eligible for Tier 1A capital					
Non-controlling interests	-	5	15	15	15
Items not eligible for Tier 1A capital					
Non-eligible portion of permanent shares and surplus shares	(55)	(62)	(69)	(189)	(116)
Preferred shares of La <i>Fédération des caisses populaires de l'Ontario</i> Inc. and the caisses in Ontario	(86)	(86)	(86)	(86)	(83)
Qualifying shares	(26)	(34)	(36)	(36)	(36)
Other	(142)	(230)	(302)	(274)	(263)
Deductions	(3,446)	(3,583)	(3,289)	(2,753)	(2,653)
Tier 1A capital	18,720	17,477	17,397	17,263	17,354
Non-controlling interests	12	13	17	17	17
Tier 1B capital	12	13	17	17	17
Tier 1 capital	18,732	17,490	17,414	17,280	17,371
Items eligible for Tier 2 capital					
Subordinated notes subject to phase-out	1,206	1,213	1,391	1,704	1,892
Eligible collective allowance	252	278	270	281	282
Eligible qualifying shares	25	24	24	25	25
Non-controlling interests	-	1	3	2	2
Deductions	(872)	(872)	(872)	(872)	(872)
Tier 2 capital	611	644	816	1,140	1,329
Total capital	\$ 19,343	\$ 18,134	\$ 18,230	\$ 18,420	\$ 18,700

TABLE 7 – RECONCILIATION OF CAPITAL AND COMBINED REGULATORY BALANCE SHEET⁽¹⁾

As at December 31, 2016

(in millions of dollars)					
	Balance sheet per the combined financial statements	Items deconsolidated for regulatory capital purposes ⁽²⁾	Balance sheet using the regulatory scope of consolidation	Including	Cross- reference to the capital table ⁽³⁾
Assets					
Cash and deposits with financial institutions	\$ 1,876	\$ 315	\$ 1,561		
Securities	53,285	24,364	28,921		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				\$ 94	AA
Significant investments in the Tier 2 capital of other financial institutions				872	V
Other securities				27,955	
Investments in associates and joint ventures accounted for using the equity method	567	(4,372)	4,939		
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				-	R
Significant investments in the capital of other financial institutions not exceeding the regulatory thresholds				2,148	AC
Investments in deconsolidated subsidiaries exceeding the regulatory thresholds of 10% of Tier 1A capital				2,695	T
Investments in deconsolidated subsidiaries exceeding the regulatory thresholds corresponding to the basket of 15% of Tier 1A capital				-	U
Other adjustments related to investments				32	
Securities borrowed or purchased under reverse repurchase agreements	7,690	(226)	7,916		
Loans	166,471	3,063	163,408		
Significant investments in the Tier 2 capital of other financial institutions				872	V
Other loans				162,536	
Allowances for credit losses	(456)	(2)	(454)		
Collective allowance allowed for inclusion in Tier 2 capital				(252)	O
Allowances not allowed for regulatory capital				(202)	
Segregated fund net assets	11,965	11,965	-		
Other assets					
Clients' liability under acceptances	11	-	11		
Premiums receivable	1,957	1,957	-		
Derivative financial instruments	3,572	331	3,241		
Amounts receivable from clients, brokers and financial institutions	2,532	96	2,436		
Reinsurance assets	2,582	2,582	-		
Land, buildings and equipment	2,258	1,326	932		
Goodwill	471	438	33		K
Software and other intangible assets	690	361	329		M
Deferred tax assets	874	263	611		
Deferred tax assets other than those attributable to temporary differences				145	J
Deferred tax liabilities other than those attributable to temporary differences				(80)	P
Deferred tax assets related to temporary differences exceeding the regulatory thresholds corresponding to the basket of 15% of Tier 1A capital				-	S
Deferred tax assets related to temporary differences not exceeding the regulatory thresholds				656	AB
Deferred tax liabilities related to software and other intangible assets				(70)	N
Deferred tax liabilities related to goodwill				-	K
Other deferred tax assets				(40)	
Miscellaneous	2,022	220	1,802		
Total assets	\$ 258,367	\$ 42,681	\$ 215,686		

Footnotes to this table are presented on the next page.

TABLE 7 – RECONCILIATION OF CAPITAL AND COMBINED REGULATORY BALANCE SHEET⁽¹⁾ (continued)

As at December 31, 2016

(in millions of dollars)	Balance sheet per the combined financial statements	Items deconsolidated for regulatory capital purposes ⁽²⁾	Balance sheet using the regulatory scope of consolidation	Including	Cross- reference to the capital table ⁽³⁾
Liabilities					
Deposits	\$ 160,546	\$ (463)	\$ 161,009		
Other liabilities					
Acceptances	11	-	11		
Commitments related to securities sold short	8,196	-	8,196		
Commitments related to securities lent or sold under repurchase agreements	10,323	(117)	10,440		
Derivative financial instruments	2,057	72	1,985		
Amounts payable to clients, brokers and financial institutions	4,659	56	4,603		
Insurance contract liabilities	27,493	27,493	-		
Segregated fund net liabilities	11,957	11,957	-		
Net defined benefit plan liabilities	2,256	568	1,688		
Deferred tax liabilities	179	178	1		
Other	6,019	2,134	3,885		
Subordinated notes	1,378	-	1,378		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase-out				\$ 1,206	L
Subordinated indebtedness not allowed for Tier 2 capital				172	
Total liabilities	235,074	41,878	193,196		
Equity					
Capital stock	5,292	-	5,292		
Permanent shares and surplus shares				1,078	C
Qualifying shares				25	W
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				47	
Federation capital shares				4,142	B
Share capital	88	-	88		
Preferred shares allowed for inclusion in Tier 1A capital				-	C
Preferred shares not allowed for regulatory capital				88	
Undistributed surplus earnings	1,529	27	1,502		D
Accumulated other comprehensive income	514	(20)	534		
Unrealized gains on available-for-sale securities				373	E
Gains on derivative financial instruments designated as cash flow hedges				143	
Unrealized gains on available-for-sale securities (FV hedges)				19	F
Miscellaneous				(1)	
Reserves	15,052	-	15,052		A
Non-controlling interests	818	796	22		
Portion allowed for inclusion in Tier 1A capital				-	G
Portion allowed for inclusion in additional Tier 1 capital				12	H
Portion allowed for inclusion in Tier 2 capital				-	I
Portion not allowed for regulatory capital				10	
Total equity	23,293	803	22,490		
Total liabilities and equity	\$ 258,367	\$ 42,681	\$ 215,686		

⁽¹⁾ Per the advisory on the public capital disclosure requirements related to Basel III Pillar 3.⁽²⁾ 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 2.2 of the MD&A, in the 2016 Annual Report.⁽³⁾ Refer to Table 4.

TABLE 8 – LEVERAGE RATIO⁽¹⁾

(in millions of dollars and as a percentage)		As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE						
Total combined assets as per published financial statements	1	\$ 258,367	\$ 260,157	\$ 260,709	\$ 255,137	\$ 248,128
Adjustment for investments in banking, financial, insurance or commercial entities that are combined for accounting purposes but excluded from the scope of regulatory consolidation	2	(42,681)	(44,742)	(42,584)	(41,871)	(41,117)
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	1,403	1,700	1,467	1,262	1,613
Adjustment for securities financing transactions (SFT) (i.e. repos and similar secured lending)	5	880	1,100	976	894	899
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	6	15,981	17,079	16,544	16,421	16,161
Other adjustments	7	(3,478)	(3,691)	(3,505)	(2,899)	(2,859)
Leverage ratio exposure	8	\$ 230,472	\$ 231,603	\$ 233,607	\$ 228,944	\$ 222,825
LEVERAGE RATIO						
On-balance sheet exposures						
On-balance sheet items (excluding derivatives and SFTs and grandfathered securitization exposures but including collateral)	1	\$ 201,052	\$ 200,662	\$ 200,823	\$ 199,632	\$ 191,868
(Asset amounts deducted in determining Basel III transitional Tier 1 capital)	2	-	-	-	-	-
Total on-balance sheet exposures excluding derivatives and SFTs	3	201,052	200,662	200,823	199,632	191,868
Derivative exposures						
Replacement cost associated with all derivatives transactions (net of eligible cash variation margin)	4	2,673	2,970	2,778	2,847	3,964
Add-on amounts for potential future exposures (PFE) associated with all derivatives transactions	5	1,972	2,140	2,063	1,890	2,108
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	-	-	-	-	-
Total exposures on derivative	11	4,645	5,110	4,841	4,737	6,072
Securities financing transaction exposures						
Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	12	7,914	7,652	10,423	7,260	7,825
(Netted amounts of cash payables and cash receivables of gross SFT assets)	13	-	-	-	-	-
Counterparty credit risk (CCR) exposure for SFT assets	14	880	1,100	976	894	899
Agent transaction exposures	15	-	-	-	-	-
Total exposures on securities financing transactions	16	8,794	8,752	11,399	8,154	8,724
Other off-balance sheet exposures						
Off-balance sheet exposure at gross notional amount	17	92,649	92,227	89,941	88,210	86,471
Adjustments for conversion to credit equivalent amounts	18	(76,668)	(75,148)	(73,397)	(71,789)	(70,310)
Total other off-balance sheet exposures	19	15,981	17,079	16,544	16,421	16,161
Total exposures	21	\$ 230,472	\$ 231,603	\$ 233,607	\$ 228,944	\$ 222,825
Tier 1 capital – All-in basis	23	\$ 18,732	\$ 17,490	\$ 17,414	\$ 17,280	\$ 17,371
Leverage ratio – All-in basis	26	8.1%	7.6%	7.5%	7.5%	7.8%

⁽¹⁾ Line numbers are in accordance with the "Leverage Ratio Disclosure Requirements" guideline issued by the AMF.

TABLE 9 – RECONCILIATION OF COMBINED BALANCE SHEET AND CREDIT RISK EXPOSURE

	As at December 31, 2016									
	Carrying amounts per issued financial statements	Carrying amounts per regulatory scope of consolidation	Carrying amount of items							
			Subject to the credit risk framework		Subject to the counterparty risk framework		Subject to securitization provisions	Subject to the market risk framework		Not subject to capital requirements or subject to capital deductions
			Other than individuals	Individuals	Repo-style transactions	OTC derivatives			Also subject to credit risk	
(in millions of dollars)										
ASSETS										
Cash and deposits with financial institutions	\$ 1,876	\$ 1,561	\$ 1,561	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Securities										
Securities at fair value through profit or loss	31,005	13,675	723	-	-	-	807	-	12,145	-
Available-for-sale securities	22,280	14,546	14,546	-	-	-	-	-	-	-
Investment securities accounted for using the equity method	567	4,939	2,194	-	-	-	-	-	-	2,745
Other securities	-	700	-	-	-	-	-	-	-	700
	53,852	33,860	17,463	-	-	-	807	-	12,145	3,445
Securities borrowed or purchased under reverse repurchase agreements	7,690	7,916	-	-	7,916	-	-	7,540	-	-
Loans										
Residential mortgages	106,695	104,641	13,690	90,951	-	-	-	-	-	-
Consumer, credit card and other personal loans	22,150	21,961	1,446	20,515	-	-	-	-	-	-
Business and government loans	37,626	36,806	36,617	-	-	-	-	-	-	189
	166,471	163,408	51,753	111,466	-	-	-	-	-	189
Allowance for credit losses	(456)	(454)	(220)	(234)	-	-	-	-	-	-
	166,015	162,954	51,533	111,232	-	-	-	-	-	189
Segregated fund net assets	11,965	-	-	-	-	-	-	-	-	-
Other assets										
Clients' liabilities under acceptances	11	11	11	-	-	-	-	-	-	-
Premiums receivable	1,957	-	-	-	-	-	-	-	-	-
Derivative financial instruments	3,572	3,241	-	-	-	2,785	-	530	-	456
Amounts receivable from clients, brokers and financial institutions	2,532	2,436	2,436	-	-	-	-	-	-	-
Reinsurance assets	2,582	-	-	-	-	-	-	-	-	-
Land, buildings and equipment	2,258	932	932	-	-	-	-	-	-	-
Goodwill	471	33	-	-	-	-	-	-	-	33
Intangible assets	690	329	-	-	-	-	-	-	-	329
Deferred tax assets	874	611	611	-	-	-	-	-	-	-
Other	2,022	1,802	1,802	-	-	-	-	-	-	-
	16,969	9,395	5,792	-	-	2,785	-	530	-	818
Total assets	\$ 258,367	\$ 215,686	\$ 76,349	\$ 111,232	\$ 7,916	\$ 2,785	\$ 807	\$ 8,070	\$ 12,145	\$ 4,452

TABLE 10- RISK-WEIGHTED ASSETS (RWA)

	Internal Ratings-Based Approach		Standardized Approach		Total as at December 31, 2016				Risk-weighted assets			
	Exposure ⁽¹⁾	RWA	Exposure ⁽¹⁾	RWA	Exposure ⁽¹⁾	RWA	Capital requirement ⁽²⁾	Average risk-weighting rate	Q3-2016	Q2-2016	Q1-2016	Q4-2015
(in millions of dollars and as a percentage)												
Credit risk other than counterparty risk⁽³⁾												
Sovereign borrowers	\$ -	\$ -	\$ 14,867	\$ 2	\$ 14,867	\$ 2	\$ -	-%	\$ 17	\$ 3	\$ 3	\$ -
Financial institutions	-	-	7,676	1,668	7,676	1,668	133	22	1,656	1,600	1,723	1,634
Businesses	-	-	50,121	40,355	50,121	40,355	3,228	81	38,808	38,108	39,211	38,166
Securitization	-	-	807	1,138	807	1,138	91	141	918	921	937	1,043
Equities	-	-	98	98	98	98	8	100	155	236	156	95
SMEs similar to other retail client exposures	-	-	6,951	4,399	6,951	4,399	352	63	4,962	4,651	3,403	3,383
Mortgages	96,699	8,168	143	103	96,842	8,271	662	9	7,631	7,404	7,512	7,420
Other retail client exposures (excluding SMEs)	8,676	2,929	247	204	8,923	3,133	251	35	3,306	3,037	2,910	2,859
Qualifying-revolving retail client exposures	34,602	7,590	-	-	34,602	7,590	607	22	8,921	8,738	8,591	8,622
Sub-total - Credit risk other than counterparty risk	139,977	18,687	80,910	47,967	220,887	66,654	5,332	30	66,374	64,698	64,446	63,222
Counterparty risk⁽³⁾												
Sovereign borrowers	-	-	42	-	42	-	-	-	-	-	-	-
Financial institutions	-	-	1,584	317	1,584	317	25	20	338	339	287	320
Businesses	-	-	14	13	14	13	1	93	17	3	19	2
Trading portfolios	-	-	915	191	915	191	15	21	301	284	362	308
Credit valuation adjustment charge	-	-	-	-	-	807	65	-	920	900	810	912
Additional requirements related to the banking and trading portfolio	-	-	-	-	71	1	-	-	2	2	1	-
Sub-total – counterparty risk	-	-	2,555	521	2,626	1,329	106	51	1,578	1,528	1,479	1,542
Other assets ⁽⁴⁾	-	-	-	-	15,828	9,674	774	61	9,167	9,156	9,026	8,957
Scaling factors ⁽⁵⁾	-	1,121	-	-	-	1,121	90	-	1,176	1,141	1,131	1,124
Total - Credit risk	139,977	19,808	83,465	48,488	239,341	78,778	6,302	33	78,295	76,523	76,082	74,845
Interest rate position risk	-	-	-	1,428	-	1,428	114	-	2,007	1,992	1,817	2,006
Foreign exchange risk	-	-	-	262	-	262	21	-	222	215	169	83
Additional requirements related to other risks ⁽⁶⁾	-	-	-	120	-	120	10	-	118	111	215	68
Total - Market risk	-	-	-	1,810	-	1,810	145	-	2,347	2,318	2,201	2,157
Operational risk⁽⁷⁾	-	-	-	-	-	13,315	1,065	-	13,275	13,215	13,112	13,032
Total risk-weighted assets before threshold	\$ 139,977	\$ 19,808	\$ 83,465	\$ 50,298	\$ 239,341	\$ 93,903	\$ 7,512	-%	\$ 93,917	\$ 92,056	\$ 91,395	\$ 90,034
Risk-weighted assets after the transitional provisions for the CVA charge⁽⁸⁾												
RWA for Tier 1A capital	-	-	-	-	-	93,612	7,489	-	93,585	91,731	91,102	89,706
RWA for Tier 1 capital	-	-	-	-	-	93,668	7,492	-	93,649	91,794	91,159	89,769
RWA for total capital	-	-	-	-	-	93,716	7,497	-	93,704	91,848	91,207	89,824
Transitional threshold adjustment ⁽⁹⁾	-	-	-	-	-	14,532	1,163	-	13,470	17,955	18,124	18,778
Total risk-weighted assets	\$ 139,977	\$ 19,808	\$ 83,465	\$ 50,298	\$ 239,341	\$ 108,144	\$ 8,652	-%	\$ 107,055	\$ 109,686	\$ 109,226	\$ 108,484

⁽¹⁾ 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).

⁽²⁾ The capital requirement represents 8% of risk-weighted assets.

⁽³⁾ A reclassification between "Credit risk other than counterparty risk" and "Counterparty risk" has occurred as at December 31, 2016. Prior period data were restated.

⁽⁴⁾ 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 risk section.

⁽⁵⁾ 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.

⁽⁶⁾ Other risks include equities risk, commodities risk and options risk.

⁽⁷⁾ The Basic Indicator Approach was used to assess operational risk.

⁽⁸⁾ 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 ratio 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.

⁽⁹⁾ As prescribed in Section 1.6 of the AMF guideline. 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 11 – CHANGE IN RISK-WEIGHTED ASSETS⁽¹⁾

(in millions of dollars)	For the three-month periods ended								
	December 31, 2016			September 30, 2016			June 30, 2016		
	Credit risk other than counterparty risk	Counterparty risk	Total	Credit risk other than counterparty risk	Counterparty risk	Total	Credit risk other than counterparty risk	Counterparty risk	Total
Credit risk									
Risk-weighted assets at beginning of period ⁽²⁾	\$ 76,717	\$ 1,246	\$ 77,963	\$ 74,996	\$ 1,203	\$ 76,199	\$ 74,603	\$ 1,186	\$ 75,789
Size of portfolio ⁽³⁾	1,092	(60)	1,032	1,197	43	1,240	593	112	705
Quality of portfolio ⁽⁴⁾	173	(148)	25	494	-	494	(48)	(95)	(143)
Updating of models ⁽⁵⁾	(577)	-	(577)	-	-	-	-	-	-
Procedures and policies ⁽⁶⁾	-	-	-	-	-	-	(136)	-	(136)
Acquisitions and transfers	-	-	-	-	-	-	-	-	-
Change in exchange rates	44	-	44	34	-	34	(16)	-	(16)
Other	-	-	-	(4)	-	(4)	-	-	-
Total changes in risk-weighted assets	732	(208)	524	1,721	43	1,764	393	17	410
Risk-weighted assets at end of period	\$ 77,449	\$ 1,038	\$ 78,487	\$ 76,717	\$ 1,246	\$ 77,963	\$ 74,996	\$ 1,203	\$ 76,199

(in millions of dollars)	For the three-month periods ended					
	March 31, 2016			December 31, 2015		
	Credit risk other than counterparty risk	Counterparty risk	Total	Credit risk other than counterparty risk	Counterparty risk	Total
Credit risk						
Risk-weighted assets at beginning of period ⁽²⁾	\$ 73,303	\$ 1,214	\$ 74,517	\$ 71,952	\$ 1,242	\$ 73,194
Size of portfolio ⁽³⁾	1,373	(56)	1,317	1,164	(2)	1,162
Quality of portfolio ⁽⁴⁾	47	28	75	(162)	(26)	(188)
Updating of models ⁽⁵⁾	-	-	-	240	-	240
Procedures and policies ⁽⁶⁾	13	-	13	31	-	31
Acquisitions and transfers	-	-	-	-	-	-
Change in exchange rates	(133)	-	(133)	78	-	78
Other	-	-	-	-	-	-
Total changes in risk-weighted assets	1,300	(28)	1,272	1,351	(28)	1,323
Risk-weighted assets at end of period	\$ 74,603	\$ 1,186	\$ 75,789	\$ 73,303	\$ 1,214	\$ 74,517

Footnotes to this table are presented on the next page.

TABLE 11 – CHANGE IN RISK-WEIGHTED ASSETS⁽¹⁾ (continued)

(in millions of dollars)	For the three-month periods ended				
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Market risk					
Risk-weighted assets at beginning of period	\$ 2,347	\$ 2,318	\$ 2,201	\$ 2,157	\$ 2,410
Change in risk level ⁽⁷⁾	(537)	29	117	44	(253)
Updating of models ⁽⁵⁾	-	-	-	-	-
Procedures and policies ⁽⁶⁾	-	-	-	-	-
Acquisitions and transfers	-	-	-	-	-
Change in exchange rates	-	-	-	-	-
Other	-	-	-	-	-
Total changes in risk-weighted assets	(537)	29	117	44	(253)
Risk-weighted assets at end of period	\$ 1,810	\$ 2,347	\$ 2,318	\$ 2,201	\$ 2,157
Operational risk					
Risk-weighted assets at beginning of the period	\$ 13,275	\$ 13,215	\$ 13,112	\$ 13,032	\$ 12,969
Revenue generated	40	60	103	80	63
Acquisitions and transfers	-	-	-	-	-
Total changes in risk-weighted assets	40	60	103	80	63
Risk-weighted assets at end of period	\$ 13,315	\$ 13,275	\$ 13,215	\$ 13,112	\$ 13,032
Transitional threshold adjustment					
Risk-weighted assets at beginning of the period	\$ 13,470	\$ 17,955	\$ 18,124	\$ 18,778	\$ 18,188
Size of portfolio ⁽³⁾	429	(76)	(421)	(109)	815
Quality of portfolio ⁽⁴⁾	114	(99)	92	(424)	51
Updating of models ⁽⁵⁾	519	-	-	-	(271)
Procedures and policies ⁽⁶⁾	-	(4,309)	159	(121)	(5)
Acquisitions and transfers	-	-	-	-	-
Change in exchange rates	-	(1)	1	-	-
Other	-	-	-	-	-
Total changes in risk-weighted assets	1,062	(4,485)	(169)	(654)	590
Risk-weighted assets at end of year	\$ 14,532	\$ 13,470	\$ 17,955	\$ 18,124	\$ 18,778

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

⁽²⁾ A reclassification between "Credit risk other than counterparty risk" and "Counterparty risk" has occurred as at December 31, 2016. Prior period data were restated.

⁽³⁾ Increase or decrease in underlying risk exposure.

⁽⁴⁾ Change in risk mitigation factors and portfolio quality.

⁽⁵⁾ Changes in risk parameters and models.

⁽⁶⁾ Regulatory changes and developments in the regulatory capital calculation method.

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

TABLE 12 – RISK-WEIGHTED ASSETS⁽¹⁾ BY BUSINESS SEGMENT

(in millions of dollars)	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
Allocated to business segments					
Personal and Business Services	\$ 77,821	\$ 78,504	\$ 76,949	\$ 76,572	\$ 74,938
Wealth Management and Life and Health Insurance	4,985	4,563	4,473	4,129	4,273
Property and Casualty Insurance	2,637	2,157	2,255	2,457	2,594
Other	8,169	8,361	8,054	7,944	7,901
Not allocated ⁽²⁾	14,532	13,470	17,955	18,124	18,778
Total risk-weighted assets	\$ 108,144	\$ 107,055	\$ 109,686	\$ 109,226	\$ 108,484

⁽¹⁾ Risk-weighted assets represent the amount of risk-weighted assets used in calculating the Tier 1A capital ratio.

⁽²⁾ Includes risk-weighted assets related to the threshold adjustment.

TABLE 13 - RISK EXPOSURE BY ASSET CLASS (EXPOSURE AT DEFAULT [EAD])

(in millions of dollars)	As at December 31, 2016							As at September 30, 2016						
	Exposure classes ⁽¹⁾							Exposure classes ⁽¹⁾						
	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure ⁽²⁾	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure ⁽²⁾
Standardized Approach														
Sovereign borrowers	\$ 14,321	\$ 457	\$ 861	\$ 2	\$ 89	\$ 15,730	\$ 14,909	\$ 15,255	\$ 451	\$ 19	\$ 3	\$ 85	\$ 15,813	\$ 15,795
Financial institutions	4,849	2,618	957	3,786	781	12,991	9,260	4,879	2,362	1,513	3,906	1,218	13,878	9,220
Businesses	45,398	4,498	517	-	935	51,348	50,135	42,696	4,770	499	4	728	48,697	47,685
SMEs similar to other retail client exposures	6,922	56	-	-	42	7,020	6,951	8,725	63	-	-	36	8,824	8,753
Mortgages	143	-	-	-	-	143	143	131	-	-	-	-	131	131
Other retail client exposures (excluding SMEs)	1,521	17	-	-	-	1,538	247	1,481	26	-	-	-	1,507	265
Securitization	807	-	-	-	-	807	807	809	1,193	-	-	-	2,002	2,002
Equities	98	-	-	-	-	98	98	155	-	-	-	-	155	155
Trading portfolio	-	-	14,563	844	-	15,407	915	-	-	15,499	1,107	-	16,606	1,204
Internal Ratings-Based approach														
Mortgages	88,199	8,500	-	-	-	96,699	96,699	87,789	5,539	-	-	-	93,328	93,328
Revolving retail client exposures	10,682	23,920	-	-	-	34,602	34,602	10,519	25,499	-	-	-	36,018	36,018
Other retail client exposures	8,332	326	-	-	18	8,676	8,676	8,067	186	-	-	7	8,260	8,260
Total	\$ 181,272	\$ 40,392	\$ 16,898	\$ 4,632	\$ 1,865	\$ 245,059	\$ 223,442	\$ 180,506	\$ 40,089	\$ 17,530	\$ 5,020	\$ 2,074	\$ 245,219	\$ 222,816
(in millions of dollars)	As at June 30, 2016							As at March 31, 2016						
	Exposure classes ⁽¹⁾							Exposure classes ⁽¹⁾						
	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure ⁽²⁾	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure ⁽²⁾
Standardized Approach														
Sovereign borrowers	\$ 14,769	\$ 446	\$ 744	\$ 3	\$ 84	\$ 16,046	\$ 15,330	\$ 14,884	\$ 465	\$ -	\$ 3	\$ 84	\$ 15,436	\$ 15,436
Financial institutions	4,936	2,600	4,660	3,595	1,013	16,804	9,428	5,183	2,579	1,015	3,391	824	12,992	9,351
Businesses	43,562	4,209	134	1	686	48,592	47,944	44,499	4,325	20	19	1,049	49,912	49,099
SMEs similar to other retail client exposures	7,243	32	-	-	35	7,310	7,242	5,513	20	-	-	25	5,558	5,513
Mortgages	119	-	-	-	-	119	119	117	-	-	-	-	117	117
Other retail client exposures (excluding SMEs)	1,391	23	-	-	-	1,414	175	1,444	15	-	-	-	1,459	175
Securitization	806	1,193	-	-	-	1,999	1,999	830	1,193	-	-	-	2,023	2,023
Equities	236	-	-	-	-	236	236	156	-	-	-	-	156	156
Trading portfolio	-	-	14,901	1,174	-	16,075	1,092	-	-	17,543	1,312	-	18,855	1,198
Internal Ratings-Based Approach														
Mortgages	87,140	5,418	-	-	-	92,558	92,558	85,416	5,203	-	-	-	90,619	90,619
Revolving retail client exposures	10,466	25,161	-	-	-	35,627	35,627	10,239	24,713	-	-	-	34,952	34,952
Other retail client exposures	7,870	185	-	-	6	8,061	8,061	7,726	174	-	-	7	7,907	7,906
Total	\$ 178,538	\$ 39,267	\$ 20,439	\$ 4,773	\$ 1,824	\$ 244,841	\$ 219,811	\$ 176,007	\$ 38,687	\$ 18,578	\$ 4,725	\$ 1,989	\$ 239,986	\$ 216,545

Footnotes to this table are presented on the next page.

TABLE 13 - RISK EXPOSURE BY ASSET CLASS (EXPOSURE AT DEFAULT [EAD]) (continued)

	As at December 31, 2015							
	Exposure classes ⁽¹⁾							
(in millions of dollars)	Used exposure	Unused exposure	Repo-style transactions	OTC derivatives	Off-balance sheet exposure	Total	Net exposure ⁽²⁾	
Standardized Approach								
Sovereign borrowers	\$ 15,199	\$ 477	\$ 1,169	\$ 2	\$ 59	\$ 16,906	\$ 15,760	
Financial institutions	5,449	2,335	1,478	4,537	1,042	14,841	9,628	
Businesses	43,533	4,446	71	1	702	48,753	48,154	
SMEs similar to other retail client exposures	5,516	21	-	-	25	5,562	5,518	
Mortgages	124	-	-	-	-	124	124	
Other retail client exposures (excluding SMEs)	1,482	14	-	-	-	1,496	173	
Securitization	828	1,193	-	-	-	2,021	2,021	
Equities	95	-	-	-	-	95	95	
Trading portfolio	-	-	15,130	1,529	-	16,659	1,167	
Internal Ratings-Based Approach								
Mortgages	85,068	5,062	-	-	-	90,130	90,130	
Revolving retail client exposures	10,466	24,010	-	-	-	34,476	34,476	
Other retail client exposures	7,621	172	-	-	6	7,799	7,799	
Total	\$ 175,381	\$ 37,730	\$ 17,848	\$ 6,069	\$ 1,834	\$ 238,862	\$ 215,045	

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

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

TABLE 14 – RECONCILIATION OF EXPOSURE AT DEFAULT AND REGULATORY BALANCE SHEET⁽¹⁾

	As at December 31, 2016				
	Total	Items subject to:			Items not subject to credit risk
(in millions of dollars)		Credit risk framework	Securitization provisions	Counterparty risk framework	
Cash and deposits with financial institutions	\$ 1,561	\$ 1,561	\$ -	\$ -	\$ -
Securities	33,860	17,463	807	-	15,590
Securities borrowed or purchased under reverse repurchase agreements	7,916	-	-	7,916	-
Loans	162,954	162,765	-	-	189
Segregated fund net assets	-	-	-	-	-
Other assets	9,395	5,791	-	2,785	818
Total assets	\$ 215,686	\$ 187,580	\$ 807	\$ 10,701	\$ 16,597
Commitments related to securities lent or sold under repurchase agreements	10,440	-	-	10,440	
Off-balance sheet derivative financial instruments	1,847	-	-	1,847	
Unused commitments	91,486	40,392	-	-	
Other off-balance sheet items	2,437	1,864	-	-	
Differences arising from the recognition of allowances	368	368	-	-	
Adjustments to account for differences related to on-balance sheet exposures	647	219	-	429	
Total exposure at default for credit risk	\$ 322,911	\$ 230,423	\$ 807	\$ 23,417	

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

TABLE 15 – CREDIT RISK MITIGATION

(in millions of dollars)	As at December 31, 2016			As at September 30, 2016		
	Exposure at default (EAD)	Exposure covered by collateral ⁽¹⁾	Exposure covered by guarantees/ credit derivatives	Exposure at default (EAD)	Exposure covered by collateral ⁽¹⁾	Exposure covered by guarantees/ credit derivatives
Standardized Approach						
Sovereign borrowers	\$ 15,730	\$ 821	\$ 2	\$ 15,813	\$ 18	\$ 2
Financial institutions	12,991	3,731	315	13,878	4,658	345
Businesses	51,348	1,213	9,548	48,697	1,012	8,304
SMEs similar to other retail client exposures	7,020	69	1,681	8,824	71	2,850
Mortgages	143	-	-	131	-	19
Other retail client exposure (excluding SMEs)	1,538	1,291	-	1,507	1,242	-
Securitization	807	-	-	2,002	-	400
Equities	98	-	-	155	-	-
Trading portfolio	15,407	14,492	-	16,606	15,402	-
Internal Ratings-Based Approach⁽²⁾						
Mortgages	96,699	-	27,285	93,328	-	26,389
Revolving retail client exposures	34,602	-	-	36,018	-	-
Other retail client exposures	8,676	-	2,328	8,260	-	2,213
Total	\$ 245,059	\$ 21,617	\$ 41,159	\$ 245,219	\$ 22,403	\$ 40,522

(in millions of dollars)	As at June 30, 2016			As at March 31, 2016		
	Exposure at default (EAD)	Exposure covered by collateral ⁽¹⁾	Exposure covered by guarantees/ credit derivatives	Exposure at default (EAD)	Exposure covered by collateral ⁽¹⁾	Exposure covered by guarantees/ credit derivatives
Standardized Approach						
Sovereign borrowers	\$ 16,046	\$ 716	\$ 2	\$ 15,436	\$ -	\$ 3
Financial institutions	16,804	7,376	337	12,992	3,642	317
Businesses	48,592	648	9,376	49,912	848	9,512
SMEs similar to other retail client exposures	7,310	68	1,682	5,558	48	1,403
Mortgages	119	-	20	117	-	21
Other retail client exposure (excluding SMEs)	1,414	1,239	-	1,459	1,284	-
Securitization	1,999	-	400	2,023	-	400
Equities	236	-	-	156	-	-
Trading portfolio	16,075	14,983	-	18,855	17,658	-
Internal Ratings-Based Approach⁽²⁾						
Mortgages	92,558	-	26,625	90,619	-	26,246
Revolving retail client exposures	35,627	-	-	34,952	-	-
Other retail client exposures	8,061	-	2,280	7,907	-	2,375
Total	\$ 244,841	\$ 25,030	\$ 40,722	\$ 239,986	\$ 23,480	\$ 40,277

Footnotes to this table are presented on the next page.

TABLE 15 – CREDIT RISK MITIGATION (continued)

	As at December 31, 2015		
	Exposure at default (EAD)	Exposure covered by collateral ⁽¹⁾	Exposure covered by guarantees/ credit derivatives
(in millions of dollars)			
Standardized Approach			
Sovereign borrowers	\$ 16,906	\$ 1,146	\$ 3
Financial institutions	14,841	5,212	388
Businesses	48,753	643	9,512
SMEs similar to other retail client exposures	5,562	48	1,440
Mortgages	124	-	21
Other retail client exposure (excluding SMEs)	1,496	1,322	-
Securitization	2,021	-	400
Equities	95	-	-
Trading portfolio	16,659	15,493	-
Internal Ratings-Based Approach⁽²⁾			
Mortgages	90,130	-	26,531
Revolving retail client exposures	34,476	-	-
Other retail client exposures	7,799	-	2,308
Total	\$ 238,862	\$ 23,864	\$ 40,603

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

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

TABLE 16 – DETAILS OF THE CREDIT PORTFOLIO SUBJECT TO THE INTERNAL RATING-BASED APPROACH

Used exposure

(in millions of dollars and as a percentage)

			As at December 31, 2016						
	PD scale (%)		EAD-weighted average PD	EAD-weighted average LGD	EAD	RWA	RWA as a percentage of EAD ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾
Exposures related to residential mortgage loans									
Insured exposures									
Excellent	0.00-0.14		0.07%	8.48%	\$ 7,804	\$ 119	1.53%	\$ 0.5	1.60%
Very low	0.15-0.24		-	-	-	-	-	-	-
	0.25-0.49		0.26	8.41	7,015	287	4.10	1.5	4.37
Low	0.50-0.74		0.59	8.39	6,157	453	7.35	3.1	7.97
	0.75-2.49		1.44	8.42	5,557	736	13.25	6.7	14.76
Medium	2.50-9.99		5.54	8.41	1,544	438	28.37	7.2	34.19
High	10.00-99.99		27.39	8.50	422	209	49.61	9.8	78.70
Default	100.00		100.00	8.65	247	263	106.73	0.9	111.50
Uninsured exposures									
Excellent	0.00-0.14		0.07	10.64	20,801	399	1.92	1.5	2.01
Very low	0.15-0.24		-	-	-	-	-	-	-
	0.25-0.49		0.26	10.69	15,792	823	5.21	4.4	5.56
Low	0.50-0.74		0.59	10.71	10,987	1,030	9.37	6.9	10.16
	0.75-2.49		1.45	10.81	8,823	1,510	17.11	13.9	19.07
Medium	2.50-9.99		5.45	10.82	2,354	853	36.24	14.0	43.62
High	10.00-99.99		27.42	10.67	493	307	62.29	14.4	98.86
Default	100.00		100.00	10.67	203	226	111.04	11.7	183.07
Total			1.48	9.96	88,199	7,653	8.68	96.5	10.04
Qualifying revolving retail client exposures (QRRCE)									
Excellent	0.00-0.14		0.07	77.29	2,778	93	3.37	1.5	4.05
Very low	0.15-0.24		-	-	-	-	-	-	-
	0.25-0.49		0.33	75.30	1,518	184	12.14	3.8	15.27
Low	0.50-0.74		0.68	65.05	444	82	18.48	2.0	24.01
	0.75-2.49		1.70	77.17	3,556	1,528	42.95	46.3	59.23
Medium	2.50-9.99		4.38	71.66	1,085	865	79.66	34.2	119.00
High	10.00-99.99		17.49	59.62	1,183	1,746	147.52	123.5	277.95
Default	100.00		100.00	59.95	118	807	686.12	8.3	774.63
Total			4.14	73.74	10,682	5,305	49.66	219.6	75.35
Other retail client exposures, excluding SMEs similar to the other retail client exposures									
Excellent	0.00-0.14		0.08	27.60	945	51	5.43	0.2	5.69
Very low	0.15-0.24		-	-	-	-	-	-	-
	0.25-0.49		0.28	26.17	1,376	180	13.08	1.0	13.98
Low	0.50-0.74		0.64	27.45	1,490	333	22.33	2.6	24.49
	0.75-2.49		1.60	33.70	1,628	665	40.85	9.1	47.80
Medium	2.50-9.99		3.34	36.04	2,483	1,251	50.32	29.4	65.18
High	10.00-99.99		22.87	28.98	333	223	67.13	21.4	147.43
Default	100.00		100.00	34.71	77	165	214.82	16.7	486.27
Total			3.32	31.16	8,332	2,868	34.42	80.4	46.49
Overall total			1.89%	17.96%	\$ 107,213	\$ 15,826	14.76%	\$ 396.5	19.38%

Footnotes to this table are presented on page 29.

TABLE 16 – 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, 2016																
	EAD-weighted average PD	EAD-weighted average LGD	EAD	RWA	RWA as a percentage of EAD ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾	EAD-weighted average PD	EAD-weighted average LGD	EAD	RWA	RWA as a percentage of EAD ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾		
Exposures related to residential mortgage loans																
Insured exposures																
Excellent	0.23%	9.47%	\$ 6,117	\$ 258	4.22%	\$ 1.3	4.49%	0.07%	8.48%	\$ 14,085	\$ 250	1.53%	\$ 0.9	1.60%		
Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Low	0.26	9.70	13,594	245	4.75	-	5.07	0.59	8.39	6,136	254	7.35	1.2	7.97		
Medium-low	0.52	9.45	4,084	1	7.58	2.0	8.20	1.44	8.42	25	1	13.25	-	14.76		
Medium	0.61	9.49	23	310	15.86	4.5	17.77	5.54	8.41	3,991	296	28.37	1.8	34.19		
Medium-high	1.61	9.49	2,894	459	32.74	2.7	39.20	5.40	8.50	2,794	433	49.61	4.1	78.70		
High	5.40	9.57	503	164	55.53	8.8	81.17	20.95	8.65	484	157	-	2.4	-		
Very high	20.95	9.79	422	235	55.53	-	1.26	20.95	8.65	406	220	-	8.1	111.50		
Default	100.00	9.86	265	321	121.08	1.1	126.22	100.00	8.59	294	355	106.73	1.4	-		
Uninsured exposures																
Excellent	0.23	16.39	36,251	837	7.29	4.3	7.76	0.26	10.69	36,170	1,072	5.21	4.1	5.56		
Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Low	0.52	16.49	11,456	840	13.21	4.3	14.29	1.45	10.81	11,095	809	17.11	4.2	19.07		
Medium-low	1.59	16.59	6,353	1,079	27.47	5.6	30.77	5.45	10.82	6,084	802	36.24	5.2	43.62		
Medium	5.45	16.62	4,412	1,212	57.23	11.7	68.55	20.94	10.67	4,262	1,172	62.29	11.2	98.86		
Medium-high	20.94	16.42	713	407	93.13	6.6	136.10	27.42	16.47	657	375	111.04	5.9	183.07		
High	20.94	16.42	218	374	93.13	16.7	136.10	27.42	16.47	430	402	49.66	14.8	225.40		
Very high	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Default	100.00	16.27	484	451	-	12.4	67.38	100.00	73.74	227	390	-	12.7	75.35		
Total	1.12	14.20	87,789	7,193	8.19	82.0	9.36	1.48	9.96	87,140	6,988	8.68	78.0	10.04		
Qualifying revolving retail client exposures (QRRCE)																
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%	\$ 331.0	17.66%		

Footnotes to this table are presented on page 29.

TABLE 16 – 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 ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾	EAD-weighted average PD	EAD-weighted average LGD	EAD	RWA	RWA as a percentage of EAD ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾
Exposures related to residential mortgage loans															
Insured exposures															
	Excellent	0.07%	8.44%	\$ 13,907	\$ 248	1.52%	\$ 1.0	0.23%	0.07%	8.44%	\$ 14,128	\$ 254	1.52%	\$ 1.4	1.60%
	Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Low	0.26	8.32	6,064	255	4.05	1.3	0.27	0.26	8.32	6,138	258	4.05	1.0	4.32
	Medium-low	0.59	8.30	24	1	7.27	-	0.52	0.59	8.30	25	1	7.27	-	7.88
	Medium	1.44	8.30	3,959	298	13.07	1.9	1.62	1.44	8.30	3,978	301	13.07	1.9	14.56
	Medium-high	5.53	8.29	2,867	452	27.94	4.4	5.40	5.53	8.29	2,889	459	27.94	4.5	33.67
	High	27.39	8.31	979	420	48.53	11.9	20.95	27.39	8.31	1,001	425	48.53	11.9	76.99
	Very high	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Default	100.00	8.35	316	392	102.88	1.0	108.35	100.00	8.35	314	380	102.88	1.0	108.35
Uninsured exposures															
	Excellent	0.07	10.62	34,860	1,033	1.91	4.0	2.01	0.23	16.32	34,460	1,019	7.27	4.0	7.74
	Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Low	0.26	10.69	10,702	779	5.21	4.1	5.55	0.52	16.40	10,584	769	13.14	3.9	14.21
	Medium-low	0.59	10.71	5,999	789	9.38	5.2	10.17	1.62	16.50	5,829	767	27.58	5.0	30.91
	Medium	1.45	10.82	4,325	1,189	17.13	11.5	19.09	5.45	16.46	4,344	1,199	56.66	11.6	67.88
	Medium-high	5.46	10.83	679	387	36.29	6.1	43.67	20.94	16.33	677	383	92.64	6.1	135.39
	High	27.42	10.69	505	472	62.40	17.3	99.03	20.94	16.24	492	456	169.87	16.9	246.18
	Very high	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Default	100.00	10.85	228	394	114.93	12.9	181.68	100.00	75.20	209	357	44.21	12.8	65.78
	Total	1.23	14.09	85,414	7,109	8.32	82.6	9.53	1.21	14.04	85,068	7,028	8.26	82.0	9.46
Qualifying revolving retail client exposures (QRRCE)															
	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 the 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%	\$ 103,379	\$ 14,418	13.95%	\$ 329.2	17.93%	1.52%	22.05%	\$103,155	\$ 14,350	13.91%	\$ 330.9	17.92%

Footnotes to this table are presented on page 29.

TABLE 16 – 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)

(in millions of dollars and as a percentage)			As at December 31, 2016								
		PD scale (%)	EAD-weighted average PD	EAD-weighted average LGD	Notional amount of unused commitment	EAD	EAD as a percentage of notional amount	RWA	RWA as a percentage of EAD ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾
Exposures related to residential mortgage loans											
Insured exposures											
	Excellent	0.00 - 0.14	0.07%	8.20%	\$ 8	\$ 4	50.00%	\$ -	1.48%	\$ -	1.55%
	Very low	0.15 - 0.24	-	-	-	-	-	-	-	-	-
		0.25 - 0.49	0.26	8.16	20	10	50.00	-	3.98	-	4.24
	Low	0.50 - 0.74	0.59	8.16	20	10	50.00	1	7.14	-	7.74
		0.75 - 2.49	1.43	8.15	17	9	50.00	1	12.81	-	14.27
	Medium	2.50 - 9.99	5.63	8.16	6	3	50.00	1	27.75	-	33.49
	High	10.00 - 99.99	27.31	8.32	1	-	50.00	-	48.55	-	76.96
	Default	100.00	100.00	8.82	-	-	50.00	-	110.31	-	110.31
Uninsured exposures											
	Excellent	0.00 - 0.14	0.07	10.96	7,736	3,965	51.27	78	1.98	0.3	2.07
	Very low	0.15 - 0.24	-	-	-	-	-	-	-	-	-
		0.25 - 0.49	0.26	11.09	4,857	2,506	51.60	136	5.40	0.7	5.76
	Low	0.50 - 0.74	0.59	11.35	2,507	1,220	48.65	121	9.94	0.8	10.77
		0.75 - 2.49	1.43	11.75	1,425	644	45.18	119	18.47	1.2	20.57
	Medium	2.50 - 9.99	4.90	12.55	269	116	43.18	47	40.30	0.7	48.10
	High	10.00 - 99.99	27.42	13.72	37	13	35.21	11	80.10	0.5	127.12
	Default	100.00	100.00	10.32	25	-	1.26	-	128.97	-	128.97
	Total		0.42	11.13	16,928	8,500	50.22	515	6.06	4.2	6.67
Qualifying revolving retail client exposures (QRRCE)											
	Excellent	0.00 - 0.14	0.08	79.24	28,139	18,339	65.17	673	3.67	10.9	4.41
	Very low	0.15 - 0.24	-	-	-	-	-	-	-	-	-
		0.25 - 0.49	0.34	77.91	3,897	2,471	63.41	318	12.86	6.6	16.20
	Low	0.50 - 0.74	0.68	65.88	440	243	55.14	45	18.72	1.1	24.32
		0.75 - 2.49	1.45	78.74	4,849	2,612	53.86	1,000	38.27	29.3	52.29
	Medium	2.50 - 9.99	4.23	71.35	592	183	30.91	142	77.51	5.6	115.47
	High	10.00 - 99.99	17.96	60.00	595	72	12.15	108	149.96	7.8	285.12
	Default	100.00	100.00	-	8	-	-	-	-	-	-
	Total		0.35	78.79	38,520	23,920	62.10	2,286	9.56	61.3	12.76
Other retail client exposures, excluding SMEs similar to other retail client exposures											
	Excellent	0.00 - 0.14	0.07	41.53	338	219	64.69	16	7.49	0.1	7.84
	Very low	0.15 - 0.24	-	-	-	-	-	-	-	-	-
		0.25 - 0.49	0.28	45.38	117	69	59.38	16	23.00	0.1	24.60
	Low	0.50 - 0.74	0.68	52.28	57	30	53.44	13	44.36	0.1	48.80
		0.75 - 2.49	1.34	49.26	29	16	52.78	9	55.93	0.1	64.14
	Medium	2.50 - 9.99	3.26	38.16	16	8	49.79	4	53.32	0.1	69.38
	High	10.00 - 99.99	24.09	44.54	6	2	37.97	3	105.72	0.2	238.34
	Default	100.00	100.00	77.13	1	-	0.11	-	964.13	-	964.13
	Total		0.46	43.55	564	344	61.02	61	17.82	0.7	20.43
Overall total			0.37%	60.87%	\$ 56,012	\$ 32,764	58.50%	\$ 2,862	8.74%	\$ 66.2	11.26%

Footnotes to this table are presented on page 29.

TABLE 16 – 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 ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾	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 ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾
Exposures related to residential mortgage loans																		
Insured exposures																		
Excellent	0.05%	17.72%	\$ 38	\$ 19	33.20%	\$ -	2.45%	\$ -	2.56%	0.07%	8.20%	\$ 45	\$ 23	50.00%	\$ -	1.48%	\$ -	1.55%
Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low	0.10	18.64	30	14	33.48	1	4.43	-	4.66	0.26	8.16	31	16	-	1	-	-	-
Medium-low	0.23	20.22	-	-	33.69	-	9.00	-	9.58	0.59	8.16	-	-	50.00	-	3.98	-	4.24
Medium	0.52	22.18	19	9	33.86	-	17.78	-	19.22	1.43	8.15	23	11	50.00	1	7.14	-	7.74
Medium-high	1.11	22.11	17	8	33.97	1	29.69	-	32.75	5.63	8.16	15	7	50.00	1	12.81	-	14.27
High	2.42	23.68	2	1	34.35	-	51.94	-	59.11	5.63	8.16	2	1	50.00	1	27.75	-	33.49
Very high	5.45	27.66	1	-	35.00	-	95.21	-	114.06	27.31	8.32	-	-	50.00	-	48.55	-	76.96
Default	-	29.95	-	-	34.23	1	169.87	-	248.25	-	8.82	-	-	50.00	-	110.31	-	110.30
Uninsured exposures																		
Excellent	0.07	18.09	12,145	4,040	33.27	132	3.25	0.7	3.40	0.07	10.96	11,947	3,975	51.27	130	1.98	0.5	2.10
Very low	-	-	-	-	-	-	-	0.4	-	-	-	2,453	822	-	74	-	0.4	-
Low	0.52	22.27	2,553	856	33.54	79	17.85	0.4	19.30	0.26	11.09	1,001	336	51.60	59	5.40	0.4	5.80
Medium-low	1.55	22.94	1,039	349	33.66	64	37.75	0.7	42.30	0.59	11.35	592	199	48.65	75	9.94	0.7	10.80
Medium	5.45	29.67	619	210	33.86	79	102.13	0.3	122.30	1.43	11.75	47	16	45.18	16	18.47	0.3	20.60
Medium-high	20.94	31.96	58	20	33.95	19	181.29	0.8	264.90	4.90	12.55	32	11	43.18	20	40.30	0.7	48.10
High	20.94	17.94	38	13	3.97	22	224.19	-	224.20	27.42	13.72	-	1	35.21	2	80.10	-	127.10
Default	-	-	25	-	-	1	-	-	-	-	10.32	23	-	1.26	-	128.97	-	129.00
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 (QRRCE)																		
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																		
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%

Footnotes to this table are presented on page 29.

TABLE 16 – 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 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 ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾	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 ⁽¹⁾	EL	RWA adjusted for EL, as a percentage of EAD ⁽¹⁾⁽²⁾
Exposures related to residential mortgage loans																		
Insured exposures																		
Excellent	0.08%	8.75%	\$ 32	\$ 16	50.00%	\$ -	1.80%	\$ -	1.90%	0.08%	8.82%	\$ 31	\$ 15	50.00%	\$ -	1.79%	\$ -	1.90%
Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Low	0.25	8.59	22	11	50.00	-	4.07	-	4.30	0.25	8.59	23	11	-	-	-	-	-
Medium-low	0.52	8.66	-	-	50.00	1	6.95	-	7.50	0.52	8.74	-	4	50.00	-	4.07	-	4.30
Medium	1.66	8.65	15	7	50.00	1	14.73	-	16.50	1.75	8.74	14	6	50.00	-	7.01	-	7.60
Medium-high	5.50	8.83	11	6	50.00	-	30.49	-	36.60	5.25	9.06	13	6	50.00	1	15.36	-	17.30
High	20.94	9.73	1	1	50.00	-	55.20	-	80.70	20.94	9.62	2	1	50.00	-	30.53	-	36.50
Very high	-	-	1	1	-	-	-	-	-	20.94	9.62	1	1	50.00	-	54.54	-	79.70
Default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uninsured exposures																		
Excellent	0.07	18.01	11,486	3,815	33.21	123	3.23	0.5	3.40	0.07	17.90	11,149	3,702	33.23	120	3.21	0.5	3.40
Very low	-	-	2,375	792	-	72	-	0.3	-	-	-	2,315	774	-	69	-	0.4	-
Low	0.52	22.17	971	325	33.48	59	17.76	0.4	19.20	0.52	21.63	942	316	33.53	56	17.33	0.4	18.70
Medium-low	1.54	22.79	607	203	33.50	76	37.37	0.7	41.80	1.55	22.47	588	198	33.59	73	37.03	0.7	41.50
Medium	5.45	31.35	44	15	33.97	16	107.92	0.3	129.30	5.45	28.64	47	16	33.98	16	98.59	0.3	118.10
Medium-high	20.94	30.27	35	12	33.90	20	171.68	0.8	250.90	20.94	29.00	34	12	33.95	19	164.52	0.6	240.40
High	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Very high	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	0.25	18.80	15,600	5,204	33.36	368	7.07	3.0	7.80	0.25	18.62	15,159	5,062	33.40	354	7.00	2.9	7.70
Qualifying revolving retail client exposures (QRRCE)																		
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%

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

TABLE 17 – CREDIT RISK EXPOSURE UNDER THE ADVANCE APPROACH: ACTUAL AND ESTIMATED PARAMETERS⁽¹⁾

	As at December 31, 2016										
	Weighted average PD ⁽²⁾	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which: new defaulted obligors in the year	Average historical annual default rate	EAD- weighted average LGD ⁽²⁾	EAD- weighted actual LGD ⁽²⁾	EAD- weighted average CCF ⁽²⁾	EAD- weighted actual CCF ⁽²⁾
			End of previous year	End of the year							
Exposures related to residential mortgages											
Insured exposures	2.04%	2.09%	197,404	190,473	3,760	1,952	1.08%	8.34%	7.25%	50.00%	50.00%
Uninsured exposures	1.14	1.15	499,873	530,752	4,300	2,417	0.71	10.75	9.19	50.22	21.22
Qualifying revolving retail client exposures	1.51	1.99	5,412,873	5,579,006	70,983	63,949	1.56	77.23	73.81	62.10	44.66
Other retail client exposures, excluding SME's similar to other retail client exposures	3.20%	21.40%	766,774	842,461	176,521	100,770	2.31%	31.65%	25.51%	61.02%	49.12%

⁽¹⁾ In this table, "PD" stands for probability of default, "LGD" stands for loss given default, "EAD" stands for exposure at default, and "CCF" stands for credit conversion factor.

⁽²⁾ PD and LGD are weighted using the exposure at default, while CCF is weighted using the total commitment.

TABLE 18 - RISK EXPOSURE BY ASSET CLASS⁽¹⁾ AND REMAINING CONTRACTUAL TERM TO MATURITY

	As at December 31, 2016				As at September 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)								
Internal Ratings-Based Approach								
Mortgages	\$ 94,844	\$ 835	\$ 1,020	\$ 96,699	\$ 91,400	\$ 979	\$ 949	\$ 93,328
Revolving retail client exposures	34,602	-	-	34,602	36,018	-	-	36,018
Other retail client exposures	3,084	1,028	4,564	8,676	2,816	1,179	4,265	8,260
Total	\$ 132,530	\$ 1,863	\$ 5,584	\$ 139,977	\$ 130,234	\$ 2,158	\$ 5,214	\$ 137,606

	As at June 30, 2016				As at March 31, 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)								
Internal Ratings-Based Approach								
Mortgages	\$ 90,652	\$ 1,084	\$ 822	\$ 92,558	\$ 89,051	\$ 1,101	\$ 467	\$ 90,619
Revolving retail client exposures	35,627	-	-	35,627	34,952	-	-	34,952
Other retail client exposures	2,890	1,298	3,873	8,061	2,987	1,433	3,486	7,906
Total	\$ 129,169	\$ 2,382	\$ 4,695	\$ 136,246	\$ 126,990	\$ 2,534	\$ 3,953	\$ 133,477

	As at December 31, 2015			
	Remaining contractual term to maturity			
	Less than 1 year	1 to 5 years	Over 5 years	Total
(in millions of dollars)				
Internal Ratings-Based Approach				
Mortgages	\$ 88,515	\$ 1,266	\$ 349	\$ 90,130
Revolving retail client exposures	34,476	-	-	34,476
Other retail client exposures	2,933	1,572	3,294	7,799
Total	\$ 125,924	\$ 2,838	\$ 3,643	\$ 132,405

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

TABLE 19 - RISK EXPOSURE BY ASSET CLASS⁽¹⁾ AND RISK TRANCHE (STANDARDIZED APPROACH)

(in millions of dollars)	As at December 31, 2016								As at September 30, 2016							
	Risk Tranches								Risk Tranches							
	0%	20%	35%	50%	75%	100%	Other	Total	0%	20%	35%	50%	75%	100%	Other	Total
Sovereign borrowers	\$ 15,726	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 15,730	\$ 15,794	\$ -	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ 15,813
Financial institutions	-	12,399	-	9	-	580	3	12,991	-	13,267	-	8	-	601	2	13,878
Businesses	-	239	-	452	-	50,108	549	51,348	-	493	-	708	-	47,020	476	48,697
SMEs similar to other retail																
client exposures	-	-	-	-	5,057	1,828	135	7,020	-	-	-	-	6,051	2,641	132	8,824
Mortgages	-	-	11	-	132	-	-	143	-	-	130	-	-	1	-	131
Other retail client exposure																
(excluding SMEs)	-	-	-	-	1,463	74	1	1,538	-	-	-	-	1,419	88	-	1,507
Securitization	-	-	-	-	-	139	668	807	400	-	-	-	-	140	1,462	2,002
Equities	-	-	-	-	-	98	-	98	-	-	-	-	-	155	-	155
Trading portfolio	8,388	6,318	-	4	-	693	4	15,407	9,000	5,905	-	542	-	1,155	4	16,606
Total	\$ 24,114	\$ 18,956	\$ 11	\$ 465	\$ 6,652	\$ 53,524	\$ 1,360	\$ 105,082	\$ 25,194	\$ 19,665	\$ 130	\$ 1,258	\$ 7,470	\$ 51,820	\$ 2,076	\$ 107,613

(in millions of dollars)	As at June 30, 2016								As at March 31, 2016							
	Risk Tranches								Risk Tranches							
	0%	20%	35%	50%	75%	100%	Other	Total	0%	20%	35%	50%	75%	100%	Other	Total
Sovereign borrowers	\$ 16,041	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 16,046	\$ 15,431	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 15,436
Financial institutions	-	16,327	-	13	-	462	2	16,804	-	12,448	-	3	-	538	3	12,992
Businesses	-	349	-	761	-	46,946	536	48,592	-	257	-	680	-	48,359	617	49,913
SMEs similar to other retail																
client exposures	-	-	-	-	5,111	2,109	90	7,310	-	-	-	-	3,856	1,640	62	5,558
Mortgages	-	-	95	-	23	1	-	119	-	-	115	-	-	2	-	117
Other retail client exposure																
(excluding SMEs)	-	-	-	-	1,414	-	-	1,414	-	-	-	-	1,459	-	-	1,459
Securitization	400	-	-	-	-	139	1,460	1,999	400	-	-	28	-	138	1,457	2,023
Equities	-	-	-	-	-	236	-	236	-	-	-	-	-	156	-	156
Trading portfolio	6,922	7,619	-	561	-	970	3	16,075	7,025	9,238	-	1,237	-	1,350	5	18,855
Total	\$ 23,363	\$ 24,295	\$ 95	\$ 1,335	\$ 6,548	\$ 50,868	\$ 2,091	\$ 108,595	\$ 22,856	\$ 21,943	\$ 115	\$ 1,948	\$ 5,315	\$ 52,188	\$ 2,144	\$ 106,509

Footnote to this table are presented on the next page.

TABLE 19 - RISK EXPOSURE BY ASSET CLASS⁽¹⁾ AND RISK TRANCHE (STANDARDIZED APPROACH) (continued)

(in millions of dollars)	As at December 31, 2015							
	Risk Tranches							Total
	0%	20%	35%	50%	75%	100%	Other	
Sovereign borrowers	\$ 16,903	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 16,906
Financial institutions	62	14,349	-	3	-	427	-	14,841
Businesses	-	366	-	684	-	47,198	505	48,753
SMEs similar to other retail								
client exposures	-	-	-	-	3,820	1,685	57	5,562
Mortgages	-	-	98	-	24	2	-	124
Other retail client exposure								
(excluding SMEs)	-	-	-	-	1,496	-	-	1,496
Securitization	400	1	-	-	-	138	1,482	2,021
Equities	-	-	-	-	-	95	-	95
Trading portfolio	8,308	7,371	-	440	-	532	8	16,659
Total	\$ 25,673	\$ 22,087	\$ 98	\$ 1,127	\$ 5,340	\$ 50,080	\$ 2,052	\$ 106,457

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

RISK MANAGEMENT

TABLE 20 – LOAN PORTFOLIO BY BORROWER CATEGORY AND INDUSTRY

	As at December 31, 2016		As at September 30, 2016		As at June 30, 2016		As at March 31, 2016		As at December 31, 2015	
	Gross loans	Gross impaired loans	Gross loans	Gross impaired loans	Gross loans	Gross impaired loans	Gross loans	Gross impaired loans	Gross loans	Gross impaired loans
(in millions of dollars)										
Residential mortgages	\$ 106,695	\$ 174	\$ 105,908	\$ 194	\$ 104,977	\$ 199	\$ 102,992	\$ 210	\$ 102,323	\$ 182
Consumer, credit card and other personal loans	22,150	102	21,723	96	21,486	93	21,115	90	21,204	99
Public agency loans ⁽¹⁾	2,672	-	2,795	-	2,724	-	2,833	-	3,588	-
Business loans										
Agriculture	6,946	36	6,710	39	6,642	28	6,514	31	6,424	35
Mining, oil and gas	294	1	312	5	444	5	494	4	436	-
Utilities	422	-	509	7	338	7	332	-	348	-
Construction	2,146	45	2,074	44	2,066	42	2,233	36	2,155	37
Manufacturing	2,482	40	2,521	46	2,507	41	2,421	47	2,451	44
Wholesale trade	1,066	7	1,098	8	1,063	8	1,010	8	1,016	12
Retail trade	2,665	22	2,366	23	2,360	22	2,540	17	2,322	17
Transportation	1,271	10	1,297	9	1,265	10	1,126	9	1,191	10
Information industry	372	7	395	7	418	9	314	10	331	11
Finance and insurance	599	1	593	-	633	-	564	-	699	-
Real estate	9,666	15	9,106	21	8,982	19	8,763	16	8,713	15
Professional services	578	5	568	4	565	4	533	4	476	4
Company management	842	2	817	3	916	4	914	2	875	2
Administrative services	259	6	285	5	270	3	270	3	253	3
Education	163	2	161	2	162	3	163	3	161	-
Health care	2,102	13	2,184	15	2,159	15	2,032	19	1,907	18
Arts and entertainment	697	7	657	14	657	13	649	13	651	13
Accommodation	1,184	26	1,128	38	1,135	28	1,122	27	1,106	26
Other services	868	10	823	13	810	11	784	11	760	9
Other businesses	332	1	696	5	566	3	874	4	570	4
Total business loans	\$ 34,954	\$ 256	\$ 34,300	\$ 308	\$ 33,958	\$ 275	\$ 33,652	\$ 264	\$ 32,845	\$ 260
Total loans	\$ 166,471	\$ 532	\$ 164,726	\$ 598	\$ 163,145	\$ 567	\$ 160,592	\$ 564	\$ 159,960	\$ 541

⁽¹⁾ Includes government loans.

TABLE 21 – LOAN PORTFOLIO BY GEOGRAPHIC AREA

	As at December 31, 2016		As at September 30, 2016		As at June 30, 2016		As at March 31, 2016		As at December 31, 2015	
(in millions of dollars)	Gross loans	Gross impaired loans	Gross loans	Gross impaired loans	Gross loans	Gross impaired loans	Gross loans	Gross impaired loans	Gross loans	Gross impaired loans
Canada										
Quebec	\$ 154,551	\$ 480	\$ 153,214	\$ 532	\$ 151,575	\$ 501	\$ 152,243	\$ 504	\$ 151,435	\$ 481
Other Canadian provinces	11,587	51	11,493	66	11,233	64	8,329	60	8,190	58
Total - Canada	\$ 166,138	\$ 531	\$ 164,707	\$ 598	\$ 162,808	\$ 565	\$ 160,572	\$ 564	\$ 159,625	\$ 539
Other countries	333	1	19	-	337	2	20	-	335	2
Total	\$ 166,471	\$ 532	\$ 164,726	\$ 598	\$ 163,145	\$ 567	\$ 160,592	\$ 564	\$ 159,960	\$ 541

TABLE 22 - LOAN AND ACCEPTANCE PORTFOLIO BY ENTITY

	As at December 31, 2016		As at September 30, 2016		As at June 30, 2016		As at March 31, 2016		As at December 31, 2015	
(in millions of dollars and as a percentage)	Total		Total		Total		Total		Total	
Desjardins Group										
Caisse network	\$ 137,749	82.7%	\$ 136,651	82.9%	\$ 135,734	83.2%	\$ 134,001	83.5%	\$ 133,056	83.0%
Fédération des caisses Desjardins du Québec	24,624	14.8	24,174	14.7	24,151	14.8	23,429	14.5	24,037	15.0
Desjardins Financial Security Life Assurance Company	3,323	2.0	3,142	1.9	3,066	1.9	3,058	1.9	3,058	1.9
Other entities	786	0.5	782	0.5	241	0.1	189	0.1	185	0.1
Total	\$ 166,482	100.0%	\$ 164,749	100.0%	\$ 163,192	100.0%	\$ 160,677	100.0%	\$ 160,336	100.0%

TABLE 23 - LOAN AND ACCEPTANCE PORTFOLIO BY PRODUCT

	As at December 31, 2016						As at September 30, 2016					
(in millions of dollars and as a percentage)	Total		Guaranteed or insured loans ⁽¹⁾		Gross impaired loans		Total		Guaranteed or insured loans ⁽¹⁾		Gross impaired loans	
Desjardins Group												
Residential mortgages	\$ 106,695	64.1%	\$ 34,857	76.8%	\$ 174	32.7%	\$ 105,908	64.3%	\$ 33,841	76.2%	\$ 194	32.4%
Consumer, credit card and other personal loans	22,150	13.3	3,726	8.2	102	19.2	21,723	13.2	3,564	8.0	96	16.1
Business and government loans	37,637	22.6	6,789	15.0	256	48.1	37,118	22.5	7,020	15.8	308	51.5
Total	\$ 166,482	100.0%	\$ 45,372	100.0%	\$ 532	100.0%	\$ 164,749	100.0%	\$ 44,425	100.0%	\$ 598	100.0%
	As at June 30, 2016						As at March 31, 2016					
Desjardins Group												
Residential mortgages	\$ 104,977	64.3%	\$ 33,932	76.4%	\$ 199	35.1%	\$ 102,992	64.1%	\$ 33,463	76.8%	\$ 210	37.2%
Consumer, credit card and other personal loans	21,486	13.2	3,629	8.2	93	16.4	21,115	13.1	3,769	8.7	90	16.0
Business and government loans	36,729	22.5	6,836	15.4	275	48.5	36,570	22.8	6,307	14.5	264	46.8
Total	\$ 163,192	100.0%	\$ 44,397	100.0%	\$ 567	100.0%	\$ 160,677	100.0%	\$ 43,539	100.0%	\$ 564	100.0%
	As at December 31, 2015											
Desjardins Group												
Residential mortgages	\$ 102,323	63.8%	\$ 33,688	75.1%	\$ 182	33.6%						
Consumer, credit card and other personal loans	21,204	13.2	3,743	8.4	99	18.3						
Business and government loans	36,809	23.0	7,386	16.5	260	48.1						
Total	\$ 160,336	100.0%	\$ 44,817	100.0%	\$ 541	100.0%						

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

TABLE 24 – CHANGE IN GROSS IMPAIRED LOANS

	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
(in millions of dollars)					
Gross impaired loans at end of previous period	\$ 598	\$ 567	\$ 564	\$ 541	\$ 561
Gross loans that became impaired since the last period	254	274	242	253	242
Gross loans that came back to an unimpaired status	(232)	(162)	(175)	(128)	(169)
Write-offs	(98)	(89)	(85)	(95)	(102)
Other change	10	8	21	(7)	9
Gross impaired loans at end of current period	\$ 532	\$ 598	\$ 567	\$ 564	\$ 541

TABLE 25 - PERSONAL RESIDENTIAL MORTGAGE LOAN PORTFOLIO⁽¹⁾Caisse network in Quebec and Ontario⁽²⁾

(in millions of dollars and as a percentage)	As at December 31, 2016								As at September 30, 2016							
	Guaranteed or insured loans ⁽³⁾		Uninsured loans ⁽⁴⁾		Home equity lines of credit ⁽⁵⁾		Total		Guaranteed or insured loans ⁽³⁾		Uninsured loans ⁽⁴⁾		Home equity lines of credit ⁽⁵⁾		Total	
Quebec	\$ 26,393	97.1%	\$ 54,033	96.7%	\$ 6,831	95.1%	\$ 87,257	96.7%	\$ 25,506	97.0%	\$ 54,461	96.8%	\$ 6,894	95.2%	\$ 86,861	96.8%
Ontario	761	2.8	1,788	3.2	343	4.8	2,892	3.2	763	2.9	1,800	3.2	344	4.7	2,907	3.2
Other ⁽⁶⁾	27	0.1	56	0.1	6	0.1	89	0.1	26	0.1	-	-	6	0.1	32	-
All geographic areas	\$ 27,181	100.0%	\$ 55,877	100.0%	\$ 7,180	100.0%	\$ 90,238	100.0%	\$ 26,295	100.0%	\$ 56,261	100.0%	\$ 7,244	100.0%	\$ 89,800	100.0%

(in millions of dollars and as a percentage)	As at June 30, 2016								As at March 31, 2016							
	Guaranteed or insured loans ⁽³⁾		Uninsured loans ⁽⁴⁾		Home equity lines of credit ⁽⁵⁾		Total		Guaranteed or insured loans ⁽³⁾		Uninsured loans ⁽⁴⁾		Home equity lines of credit ⁽⁵⁾		Total	
Quebec	\$ 25,798	97.1%	\$ 53,554	96.8%	\$ 6,874	95.1%	\$ 86,226	96.7%	\$ 25,523	97.0%	\$ 52,174	96.7%	\$ 6,914	95.2%	\$ 84,611	96.7%
Ontario	771	2.9	1,715	3.1	345	4.8	2,831	3.2	763	2.9	1,727	3.2	337	4.6	2,827	3.2
Other ⁽⁶⁾	-	-	55	0.1	6	0.1	61	0.1	26	0.1	54	0.1	17	0.2	97	0.1
All geographic areas	\$ 26,569	100.0%	\$ 55,324	100.0%	\$ 7,225	100.0%	\$ 89,118	100.0%	\$ 26,312	100.0%	\$ 53,955	100.0%	\$ 7,268	100.0%	\$ 87,535	100.0%

(in millions of dollars and as a percentage)	As at December 31, 2015							
	Guaranteed or insured loans ⁽³⁾		Uninsured loans ⁽⁴⁾		Home equity lines of credit ⁽⁵⁾		Total	
Quebec	\$ 25,805	96.9%	\$ 51,492	96.5%	\$ 6,840	94.8%	\$ 84,137	96.4%
Ontario	772	2.9	1,654	3.1	329	4.6	2,755	3.2
Other ⁽⁶⁾	54	0.2	214	0.4	42	0.6	310	0.4
All geographic areas	\$ 26,631	100.0%	\$ 53,360	100.0%	\$ 7,211	100.0%	\$ 87,202	100.0%

⁽¹⁾ 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 \$135 million as at December 31, 2016. They amounted to \$136 million, \$111 million, \$115 million, and \$163 million, respectively, for the September 2016, June 2016, March 2016 and December 2015 quarters. Amounts for March 2016, June 2016 and September 2016 have been restated as a result of a methodology refinement.

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

⁽³⁾ 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.

⁽⁴⁾ 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.

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

⁽⁶⁾ Represents the geographic areas of Canada other than Quebec and Ontario.

TABLE 26 - AVERAGE LOAN-TO-VALUE (LTV) RATIO FOR UNINSURED PERSONAL RESIDENTIAL MORTGAGE LOANS GRANTED DURING THE QUARTERCaisse network in Quebec and Ontario⁽¹⁾

(average loan-to-value ratio, by geographic area)	As at December 31, 2016			As at September 30, 2016			As at June 30, 2016		
	Uninsured loans ⁽²⁾	Home equity lines of credit and related loans ⁽³⁾	Total uninsured	Uninsured loans ⁽²⁾	Home equity lines of credit and related loans ⁽³⁾	Total uninsured	Uninsured loans ⁽²⁾	Home equity lines of credit and related loans ⁽³⁾	Total uninsured
Quebec	67.6%	69.3%	68.7%	65.1%	70.8%	69.3%	68.0%	71.3%	70.2%
Ontario	71.5	68.4	69.6	72.6	71.1	71.6	72.2	71.3	71.6
Other ⁽⁴⁾	66.0	72.1	68.1	72.5	75.9	73.9	72.9	76.2	74.4
All geographic areas	67.8	69.3	68.8	65.5	70.8	69.4	68.2	71.3	70.2

(average loan-to-value ratio, by geographic area)	As at March 31, 2016			As at December 31, 2015		
	Uninsured loans ⁽²⁾	Home equity lines of credit and related loans ⁽³⁾	Total uninsured	Uninsured loans ⁽²⁾	Home equity lines of credit and related loans ⁽³⁾	Total uninsured
Quebec	68.1%	70.5%	69.7%	67.6%	70.2%	69.4%
Ontario	68.4	71.3	70.3	71.8	71.1	71.4
Other ⁽⁴⁾	80.7	70.1	73.4	78.0	70.1	75.3
All geographic areas	68.2	70.5	69.8	67.9	70.3	69.5

⁽¹⁾ Caisses in Ontario are not legally subject to the AMF rules but are instead subject to the Deposit Insurance Corporation of Ontario's rules.⁽²⁾ Conventional term mortgages and amortized consumer loans secured by a property with up to four units.⁽³⁾ Home equity lines of credit including related amortized loans and consumer lines of credit secured by a property with up to four units.⁽⁴⁾ Represents the geographic areas of Canada other than Quebec and Ontario.**TABLE 27 - REMAINING AMORTIZATION PERIOD FOR PERSONAL RESIDENTIAL MORTGAGE LOANS**Caisse network in Quebec and Ontario⁽¹⁾

(in millions of dollars in gross loans and as a percentage of total by remaining amortization category)	Total amortized loans									
	As at December 31, 2016		As at September 30, 2016		As at June 30, 2016		As at March 31, 2016		As at December 31, 2015	
0-10 years	\$ 2,649	3.2%	\$ 2,644	3.2%	\$ 2,611	3.2%	\$ 2,550	3.2%	\$ 2,561	3.2%
10-20 years	16,400	19.7	16,266	19.7	16,097	19.7	15,890	19.8	15,787	19.7
20-25 years	54,590	65.8	54,027	65.5	53,310	65.0	51,501	64.2	51,080	63.9
25-30 years	7,099	8.5	7,218	8.7	7,369	9.0	7,614	9.5	7,715	9.6
30-35 years	1,930	2.3	1,999	2.4	2,092	2.6	2,272	2.8	2,399	3.0
35 years or more	390	0.5	401	0.5	414	0.5	441	0.5	449	0.6
All amortization periods	\$ 83,058	100.0%	\$ 82,555	100.0%	\$ 81,893	100.0%	\$ 80,268	100.0%	\$ 79,991	100.0%

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

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 cooperatives, 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.