

Supplemental Financial Information (unaudited)

For the period ended March 31, 2017

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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 March 31, 2017	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
ASSETS					
Cash and deposits with financial institutions	\$ 2,333	\$ 1,876	\$ 1,929	\$ 2,183	\$ 1,897
Securities					
Securities at fair value through profit or loss	33,951	31,005	32,112	32,577	34,800
Available-for-sale securities	24,627	22,280	23,687	23,636	23,196
	58,578	53,285	55,799	56,213	57,996
Securities borrowed or purchased under reverse repurchase agreements	8,912	7,690	7,677	10,362	7,112
Loans					
Residential mortgages	107,246	106,695	105,908	104,977	102,992
Consumer, credit card and other personal loans	22,243	22,150	21,723	21,486	21,115
Business and government loans	38,567	37,626	37,095	36,682	36,485
	168,056	166,471	164,726	163,145	160,592
Allowance for credit losses	(458)	(456)	(462)	(459)	(454)
	167,598	166,015	164,264	162,686	160,138
Segregated fund net assets	12,429	11,965	11,620	10,255	9,992
Other assets					
Clients' liability under acceptances	105	11	23	47	85
Premiums receivable	1,822	1,957	2,071	1,936	1,669
Derivative financial instruments	2,986	3,572	3,978	3,919	3,948
Amounts receivable from clients, brokers and financial institutions	3,209	2,532	3,051	3,745	3,078
Reinsurance assets	2,167	2,582	2,509	2,311	2,013
Investment property	820	823	778	736	742
Property, plant and equipment	1,410	1,435	1,438	1,451	1,429
Goodwill	153	471	470	470	472
Intangible assets	528	690	691	705	668
Deferred tax assets	870	874	1,052	962	881
Other	3,073	2,589	2,807	2,730	3,017
Assets of the group held for sale	942	-	-	-	-
	18,085	17,536	18,868	19,012	18,002
TOTAL ASSETS	\$ 267,935	\$ 258,367	\$ 260,157	\$ 260,711	\$ 255,137

TABLE 1 – COMBINED BALANCE SHEETS (continued)

(in millions of dollars)	As at March 31, 2017	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
LIABILITIES AND EQUITY					
LIABILITIES					
Deposit					
Individuals	\$ 97,122	\$ 96,278	\$ 95,122	\$ 93,588	\$ 92,215
Business and government	69,966	62,799	64,735	68,055	64,775
Deposit-taking institutions	2,239	1,469	1,480	2,019	1,770
	169,327	160,546	161,337	163,662	158,760
Other liabilities					
Acceptances	105	11	23	47	85
Commitments related to securities sold short	7,167	8,196	7,674	6,945	7,033
Commitments related to securities lent or sold under repurchase agreements	9,521	10,323	10,098	10,601	11,830
Derivative financial instruments	2,186	2,057	1,735	1,889	1,961
Amounts payable to clients, brokers and financial institutions	6,461	4,659	5,343	6,386	5,160
Insurance contract liabilities	27,549	27,493	28,988	28,371	27,308
Segregated fund net liabilities	12,412	11,957	11,607	10,247	9,983
Net defined benefit plan net liabilities	2,287	2,256	3,312	3,044	2,806
Deferred tax liabilities	149	179	163	170	167
Other	5,480	6,019	6,176	5,948	6,345
Liabilities of the group held for sale	345	-	-	-	-
	73,662	73,150	75,119	73,648	72,678
Subordinated notes	1,390	1,378	1,385	1,384	1,875
TOTAL LIABILITIES	244,379	235,074	237,841	238,694	233,313
EQUITY					
Capital stock	5,283	5,292	5,272	5,258	5,167
Share capital	91	88	89	89	89
Undistributed surplus earnings	1,606	1,529	1,345	748	1,412
Accumulated other comprehensive income	622	514	790	730	614
Reserves	15,136	15,052	13,971	14,339	13,304
Equity – Group's share	22,738	22,475	21,467	21,164	20,586
Non-controlling interests	818	818	849	853	1,238
Total equity	23,556	23,293	22,316	22,017	21,824
TOTAL LIABILITIES AND EQUITY	\$ 267,935	\$ 258,367	\$ 260,157	\$ 260,711	\$ 255,137

TABLE 2 – COMBINED STATEMENTS OF INCOME

	For the three-month periods ended				
	March 31, 2017	December 31, 2016 ⁽¹⁾	September 30, 2016 ⁽¹⁾	June 30, 2016 ⁽¹⁾	March 31, 2016 ⁽¹⁾
(in millions of dollars)					
Interest income					
Loans	\$ 1,418	\$ 1,445	\$ 1,425	\$ 1,407	\$ 1,409
Securities	77	76	79	83	77
	1,495	1,521	1,504	1,490	1,486
Interest expense					
Deposits	420	416	415	406	406
Subordinated notes and other	18	18	18	23	26
	438	434	433	429	432
Net interest income	1,057	1,087	1,071	1,061	1,054
Net premiums	1,982	1,834	1,873	1,740	1,721
Other income					
Deposit and payment service charges	120	123	128	119	118
Lending fees and credit card service revenues	172	150	139	136	149
Brokerage and investment fund services	278	282	278	286	260
Management and custodial service fees	101	102	94	92	88
Net income on securities at fair value through profit or loss	301	(1,242)	385	878	512
Net income on available-for-sale securities	80	111	99	99	79
Net other investment income	54	49	49	50	50
Foreign exchange income	19	12	20	22	16
Other	26	(42)	(42)	46	65
	1,151	(455)	1,150	1,728	1,337
Total income	4,190	2,466	4,094	4,529	4,112
Provision for credit losses	92	55	98	75	91
Claims, benefits, annuities and changes in insurance contract liabilities	1,753	(104)	1,727	2,065	1,758
Non-interest expense					
Salaries and fringe benefits	893	890	841	907	910
Premises, equipment and furniture, including depreciation	168	185	158	165	159
Service agreements and outsourcing	70	70	75	78	83
Communications	66	88	66	82	71
Other	650	638	566	622	550
	1,847	1,871	1,706	1,854	1,773
Operating surplus earnings	498	644	563	535	490
Income taxes on surplus earnings	115	135	109	108	108
Surplus earnings before member dividends	383	509	454	427	382
Member dividends	35	57	35	22	30
Tax recovery on member dividends	(9)	(15)	(10)	(6)	(8)
Net surplus earnings for the period after member dividends	\$ 357	\$ 467	\$ 429	\$ 411	\$ 360
of which:					
Group's share	\$ 352	\$ 443	\$ 419	\$ 390	\$ 339
Non-controlling interests' share	5	24	10	21	21

⁽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 March 31, 2017	Cross- reference ⁽³⁾	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
Tier 1A capital						
Federation capital shares ⁽⁴⁾	\$ 4,262	B	\$ 4,142	\$ 4,071	\$ 3,969	\$ 3,690
Permanent shares and surplus shares subject to phase-out	951	C	1,078	1,115	1,194	1,261
Reserves	15,137	A	15,052	13,971	14,339	13,304
Undistributed surplus earnings	1,584	D	1,502	1,326	686	1,383
Eligible accumulated other comprehensive income	514	E + F	392	572	483	363
Non-controlling interests	-	G	-	5	15	15
Tier 1A capital: regulatory adjustments						
Goodwill (net of related deferred tax liabilities)	(35)	K	(33)	(35)	(35)	(35)
Intangible assets other than mortgage servicing rights and software (net of related deferred tax liabilities)	(44)	M+N	(42)	(43)	(43)	(43)
Software considered as intangible assets (net of related tax liabilities)	(219)	M+N	(217)	(228)	(240)	(205)
Deferred tax assets other than those attributable to temporary differences (net of related deferred tax liabilities)	(57)	J+P	(65)	(44)	(39)	(30)
Shortfall in allowance ⁽⁵⁾	(309)		(322)	(298)	(283)	(273)
Reciprocal cross-holdings in Tier 1A capital ⁽⁵⁾	(8)		(8)	(8)	(8)	(4)
Adjusted Tier 1A capital after allocation of allocated threshold deductions						
Significant investments in the Tier 1A capital of financial institutions (greater than 10%)	(2,841)	Q+T	(2,759)	(2,703)	(2,507)	(2,100)
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	18,935		18,720	17,477	17,397	17,263
Non-controlling interests	13	H	12	13	17	17
Total Tier 1B capital	13		12	13	17	17
Total Tier 1 capital	18,948		18,732	17,490	17,414	17,280
Tier 2 capital						
Subordinated notes ⁽⁶⁾ subject to phase-out	1,035	L	1,206	1,213	1,391	1,704
Eligible collective allowance	270	O	252	278	270	281
Eligible qualifying shares	24	W	25	24	24	25
Non-controlling interests	-	I	-	1	3	2
Tier 2 capital: regulatory adjustments						
Significant investments in financial entities	(872)	V	(872)	(872)	(872)	(872)
Total net Tier 2 capital	457		611	644	816	1,140
Total regulatory capital (Tier 1 and 2)	\$ 19,405		\$ 19,343	\$ 18,134	\$ 18,230	\$ 18,420
Total risk-weighted assets	\$ 110,369		\$ 108,144	\$ 107,055	\$ 109,686	\$ 109,226
Exposure measure for the leverage ratio	239,397		230,472	231,603	218,125	228,944

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 March 31, 2017	Cross- reference ⁽³⁾	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
Ratios						
Tier 1A capital ratio	17.2%		17.3%	16.3%	15.9%	15.8%
Tier 1 capital ratio	17.2		17.3	16.3	15.9	15.8
Total capital ratio	17.6		17.9	16.9	16.6	16.9
Leverage ratio	7.9		8.1	7.6	7.5	7.5
Minimum Ratios						
Tier 1A capital ratio	8.0		8.0	8.0	8.0	8.0
Tier 1 capital ratio	9.5		9.5	9.5	9.5	9.5
Total capital ratio	11.5		11.5	11.5	11.5	11.5
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	\$ 110	AA	\$ 94	\$ 38	\$ 44	\$ 34
Significant investments in the Tier 1A capital of financial institutions	2,178	AC	2,148	1,880	1,906	1,897
Deferred tax assets arising from temporary differences (net of related tax liabilities)	638	AB	656	742	704	692
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)	270		252	278	270	281
Cap on inclusion of allowances in Tier 2 capital under the Standardized Approach	270	O	252	278	270	281
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.

TABLE 5 - QUARTERLY CHANGES IN REGULATORY CAPITAL

(in millions of dollars)	As at March 31, 2017	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
Tier 1A capital					
Balance at beginning of period	\$ 18,720	\$ 17,477	\$ 17,397	\$ 17,263	\$ 17,354
Increase in reserves and undistributed surplus earnings	167	1,257	272	338	57
Amortization of the amendments to IAS 19	-	-	-	-	-
Eligible accumulated other comprehensive income	122	(180)	89	120	16
Federation capital shares	120	71	102	279	146
Permanent shares and surplus shares subject to phase-out	(127)	(37)	(79)	(67)	(210)
Non-controlling interests	-	(5)	(10)	-	-
Deductions	(67)	137	(294)	(536)	(100)
Balance at end of period	18,935	18,720	17,477	17,397	17,263
Tier 1B capital					
Balance at beginning of period	12	13	17	17	17
Non-controlling interests	1	(1)	(4)	-	-
Balance at end of period	13	12	13	17	17
Total Tier 1 capital	18,948	18,732	17,490	17,414	17,280
Tier 2 capital					
Balance at beginning of period	611	644	816	1,140	1,329
Eligible qualifying shares	(1)	1	-	(1)	-
Non-controlling interests	-	(1)	(2)	1	-
Subordinated notes subject to phase-out	(171)	(7)	(178)	(313)	(188)
Eligible collective allowance	18	(26)	8	(11)	(1)
Deductions	-	-	-	-	-
Balance at end of period	457	611	644	816	1,140
Total capital	\$ 19,405	\$ 19,343	\$ 18,134	\$ 18,230	\$ 18,420

TABLE 6 - RECONCILIATION OF REGULATORY CAPITAL AND EQUITY

(in millions of dollars)	As at March 31, 2017	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
Equity balance in the Combined Financial Statements	\$ 22,738	\$ 22,475	\$ 21,467	\$ 21,164	\$ 20,586
Items eligible for Tier 1A capital					
Non-controlling interests	-	-	5	15	15
Items not eligible for Tier 1A capital					
Non-eligible portion of permanent shares and surplus shares	(55)	(55)	(62)	(69)	(189)
Preferred shares of La <i>Fédération des caisses populaires de l'Ontario</i> Inc. and the caisses in Ontario	(89)	(86)	(86)	(86)	(86)
Qualifying shares	(24)	(26)	(34)	(36)	(36)
Other	(122)	(142)	(230)	(302)	(274)
Deductions	(3,513)	(3,446)	(3,583)	(3,289)	(2,753)
Tier 1A capital	18,935	18,720	17,477	17,397	17,263
Non-controlling interests	13	12	13	17	17
Tier 1B capital	13	12	13	17	17
Tier 1 capital	18,948	18,732	17,490	17,414	17,280
Items eligible for Tier 2 capital					
Subordinated notes subject to phase-out	1,035	1,206	1,213	1,391	1,704
Eligible collective allowance	270	252	278	270	281
Eligible qualifying shares	24	25	24	24	25
Non-controlling interests	-	-	1	3	2
Deductions	(872)	(872)	(872)	(872)	(872)
Tier 2 capital	457	611	644	816	1,140
Total capital	\$ 19,405	\$ 19,343	\$ 18,134	\$ 18,230	\$ 18,420

TABLE 7 – RECONCILIATION OF CAPITAL AND COMBINED REGULATORY BALANCE SHEET⁽¹⁾
As at March 31, 2017

(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	\$ 2,333	\$ 449	\$ 1,884		
Securities	58,578	25,214	33,364		
Non-significant investments in the capital of other financial institutions not exceeding regulatory thresholds				\$ 110	AA
Other securities				33,254	
Investments in associates and joint ventures accounted for using the equity method	567	(5,187)	5,754		
Significant investments in the capital of other financial institutions exceeding the regulatory thresholds of 10% of Tier 1A capital				62	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 financial institutions not exceeding the regulatory thresholds				2,178	AC
Investments in deconsolidated subsidiaries exceeding the regulatory thresholds of 10% of Tier 1A capital				2,779	T
Investments in deconsolidated subsidiaries exceeding the regulatory thresholds corresponding to the basket of 15% of Tier 1A capital				-	U
Significant investments in the Tier 2 capital of other financial institutions				700	V
Other adjustments related to investments				35	
Securities borrowed or purchased under reverse repurchase agreements	8,912	(139)	9,051		
Loans	168,056	3,134	164,922		
Significant investments in the Tier 2 capital of other financial institutions				172	V
Other loans				164,750	
Allowances for credit losses	(458)	(2)	(456)		
Collective allowance allowed for inclusion in Tier 2 capital				(270)	O
Allowances not allowed for regulatory capital				(186)	
Segregated fund net assets	12,429	12,429	-		
Other assets					
Clients' liability under acceptances	105	-	105		
Premiums receivable	1,822	1,822	-		
Derivative financial instruments	2,986	324	2,662		
Amounts receivable from clients, brokers and financial institutions	3,209	72	3,137		
Reinsurance assets	2,167	2,167	-		
Land, buildings and equipment	2,230	1,297	933		
Goodwill	153	118	35		K
Software and other intangible assets	528	196	332		M
Deferred tax assets	870	265	605		
Deferred tax assets other than those attributable to temporary differences				132	J
Deferred tax liabilities other than those attributable to temporary differences				(75)	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				638	AB
Deferred tax liabilities related to software and other intangible assets				(69)	N
Deferred tax liabilities related to goodwill				-	K
Other deferred tax assets				(21)	
Miscellaneous	3,448	1,376	2,072		
Total assets	\$ 267,935	\$ 43,535	\$ 224,400		

Footnotes to this table are presented on the next page.

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

As at March 31, 2017

(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	\$ 169,327	\$ (329)	\$ 169,656		
Other liabilities					
Acceptances	105	-	105		
Commitments related to securities sold short	7,167	22	7,145		
Commitments related to securities lent or sold under repurchase agreements	9,521	291	9,230		
Derivative financial instruments	2,186	71	2,115		
Amounts payable to clients, brokers and financial institutions	6,461	58	6,403		
Insurance contract liabilities	27,549	27,549	-		
Segregated fund net liabilities	12,412	12,412	-		
Net defined benefit plan liabilities	2,287	588	1,699		
Deferred tax liabilities	149	137	12		
Other	5,825	1,938	3,887		
Subordinated notes	1,390	-	1,390		
Subordinated notes allowed for inclusion in Tier 2 capital subject to phase-out				\$ 1,035	L
Subordinated indebtedness not allowed for Tier 2 capital				355	
Total liabilities	244,379	42,737	201,642		
Equity					
Capital stock	5,283	-	5,283		
Permanent shares and surplus shares				950	C
Qualifying shares				24	W
Qualifying shares, permanent shares and surplus shares not allowed for Tier 1A capital				47	
Federation capital shares				4,262	B
Share capital	91	-	91		
Preferred shares allowed for inclusion in Tier 1A capital				1	C
Preferred shares not allowed for regulatory capital				90	
Undistributed surplus earnings	1,606	22	1,584		D
Accumulated other comprehensive income	622	(20)	642		
Unrealized gains on available-for-sale securities				496	E
Gains on derivative financial instruments designated as cash flow hedges				128	
Unrealized gains on available-for-sale securities (FV hedges)				18	F
Miscellaneous				-	
Reserves	15,136	(1)	15,137		A
Non-controlling interests	818	797	21		
Portion allowed for inclusion in Tier 1A capital				-	G
Portion allowed for inclusion in additional Tier 1 capital				13	H
Portion allowed for inclusion in Tier 2 capital				-	I
Portion not allowed for regulatory capital				8	
Total equity	23,556	798	22,758		
Total liabilities and equity	\$ 267,935	\$ 43,535	\$ 224,400		

⁽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 March 31, 2017	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE						
Total combined assets as per published financial statements	1	\$ 267,935	\$ 258,367	\$ 260,157	\$ 260,709	\$ 255,137
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	(43,536)	(42,681)	(44,742)	(42,584)	(41,871)
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	1,353	1,403	1,700	1,467	1,262
Adjustment for securities financing transactions (SFT) (i.e. repos and similar secured lending)	5	784	880	1,100	976	894
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	6	16,298	15,981	17,079	16,544	16,421
Other adjustments	7	(3,437)	(3,478)	(3,691)	(3,505)	(2,899)
Leverage ratio exposure	8	\$ 239,397	\$ 230,472	\$ 231,603	\$ 233,607	\$ 228,944
LEVERAGE RATIO						
On-balance sheet exposures						
On-balance sheet items (excluding derivatives and SFTs and grandfathered securitization exposures but including collateral)	1	\$ 209,237	\$ 201,052	\$ 200,662	\$ 200,823	\$ 199,632
(Asset amounts deducted in determining Basel III transitional Tier 1 capital)	2	-	-	-	-	-
Total on-balance sheet exposures excluding derivatives and SFTs	3	209,237	201,052	200,662	200,823	199,632
Derivative exposures						
Replacement cost associated with all derivatives transactions (net of eligible cash variation margin)	4	2,063	2,673	2,970	2,778	2,847
Add-on amounts for potential future exposures (PFE) associated with all derivatives transactions	5	1,952	1,972	2,140	2,063	1,890
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	4,015	4,645	5,110	4,841	4,737
Securities financing transaction exposures						
Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	12	9,064	7,914	7,652	10,423	7,260
(Netted amounts of cash payables and cash receivables of gross SFT assets)	13	-	-	-	-	-
Counterparty credit risk (CCR) exposure for SFT assets	14	784	880	1,100	976	894
Agent transaction exposures	15	-	-	-	-	-
Total exposures on securities financing transactions	16	9,848	8,794	8,752	11,399	8,154
Other off-balance sheet exposures						
Off-balance sheet exposure at gross notional amount	17	94,370	92,649	92,227	89,941	88,210
Adjustments for conversion to credit equivalent amounts	18	(78,073)	(76,668)	(75,148)	(73,397)	(71,789)
Total other off-balance sheet exposures	19	16,297	15,981	17,079	16,544	16,421
Total exposures	21	\$ 239,397	\$ 230,472	\$ 231,603	\$ 233,607	\$ 228,944
Tier 1 capital – All-in basis	23	\$ 18,948	\$ 18,732	\$ 17,490	\$ 17,414	\$ 17,280
Leverage ratio – All-in basis	26	7.9%	8.1%	7.6%	7.5%	7.5%

⁽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 March 31, 2017									
	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	\$ 2,333	\$ 1,884	\$ 1,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Securities										
Securities at fair value through profit or loss	33,951	16,528	1,018	-	-	-	8	-	15,502	-
Available-for-sale securities	24,627	16,836	16,836	-	-	-	-	-	-	-
Investment securities accounted for using the equity method	567	5,754	2,230	-	-	-	-	-	-	3,524
Other securities	-	-	-	-	-	-	-	-	-	-
	59,145	39,118	20,084	-	-	-	8	-	15,502	3,524
Securities borrowed or purchased under reverse repurchase agreements	8,912	9,051	-	-	9,051	-	-	8,719	-	-
Loans										
Residential mortgages	107,246	105,199	13,898	91,301	-	-	-	-	-	-
Consumer, credit card and other personal loans	22,243	22,046	1,543	20,503	-	-	-	-	-	-
Business and government loans	38,567	37,677	37,488	-	-	-	-	-	-	189
	168,056	164,922	52,929	111,804	-	-	-	-	-	189
Allowance for credit losses	(458)	(456)	(219)	(237)	-	-	-	-	-	-
	167,598	164,466	52,710	111,567	-	-	-	-	-	189
Segregated fund net assets	12,429	-	-	-	-	-	-	-	-	-
Other assets										
Clients' liabilities under acceptances	105	105	105	-	-	-	-	-	-	-
Premiums receivable	1,822	-	-	-	-	-	-	-	-	-
Derivative financial instruments	2,986	2,662	-	-	-	2,195	-	443	-	467
Amounts receivable from clients, brokers and financial institutions	3,209	3,137	3,137	-	-	-	-	-	-	-
Reinsurance assets	2,167	-	-	-	-	-	-	-	-	-
Land, buildings and equipment	2,230	933	933	-	-	-	-	-	-	-
Goodwill	153	35	-	-	-	-	-	-	-	35
Intangible assets	528	332	-	-	-	-	-	-	-	332
Deferred tax assets	870	605	605	-	-	-	-	-	-	-
Other	3,448	2,072	2,072	-	-	-	-	-	-	-
	17,518	9,881	6,852	-	-	2,195	-	443	-	834
Total assets	\$ 267,935	\$ 224,400	\$ 81,530	\$ 111,567	\$ 9,051	\$ 2,195	\$ 8	\$ 9,162	\$ 15,502	\$ 4,547

TABLE 10- RISK-WEIGHTED ASSETS (RWA)

	Internal Ratings-Based Approach		Standardized Approach		Total as at March 31, 2017				Risk-weighted assets			
	Exposure ⁽¹⁾	RWA	Exposure ⁽¹⁾	RWA	Exposure ⁽¹⁾	RWA	Capital requirement ⁽²⁾	Average risk-weighting rate	Q4-2016	Q3-2016	Q2-2016	Q1-2016
(in millions of dollars and as a percentage)												
Credit risk other than counterparty risk⁽³⁾												
Sovereign borrowers	\$ -	\$ -	\$ 15,479	\$ 2	\$ 15,479	\$ 2	\$ -	-%	\$ 2	\$ 17	\$ 3	\$ 3
Financial institutions	-	-	9,739	2,050	9,739	2,050	164	21	1,668	1,656	1,600	1,723
Businesses	-	-	51,671	41,748	51,671	41,748	3,340	81	40,355	38,808	38,108	39,211
Securitization	-	-	8	98	8	98	8	1,225	1,138	918	921	937
Equities	-	-	122	123	122	123	10	101	98	155	236	156
SMEs similar to other retail client exposures	-	-	7,207	4,611	7,207	4,611	369	64	4,399	4,962	4,651	3,403
Mortgages	97,212	8,371	186	66	97,398	8,437	675	9	8,271	7,631	7,404	7,512
Other retail client exposures (excluding SMEs)	8,905	2,990	221	181	9,126	3,171	254	35	3,133	3,306	3,037	2,910
Qualifying-revolving retail client exposures	35,104	7,581	-	-	35,104	7,581	606	22	7,590	8,921	8,738	8,591
Sub-total - Credit risk other than counterparty risk	141,221	18,942	84,633	48,879	225,854	67,821	5,426	30	66,654	66,374	64,698	64,446
Counterparty risk⁽³⁾												
Sovereign borrowers	-	-	3	-	3	-	-	-	-	-	-	-
Financial institutions	-	-	1,472	295	1,472	295	24	20	317	338	339	287
Businesses	-	-	8	8	8	8	1	100	13	17	3	19
Trading portfolios	-	-	938	250	938	250	20	27	191	301	284	362
Credit valuation adjustment charge (CVA)	-	-	-	-	-	738	58	-	807	920	900	810
Additional requirements related to the banking and trading portfolio	-	-	-	-	97	2	-	-	1	2	2	1
Sub-total – counterparty risk	-	-	2,421	553	2,518	1,293	103	51	1,329	1,578	1,528	1,479
Other assets ⁽⁴⁾	-	-	-	-	16,298	9,958	797	61	9,674	9,167	9,156	9,026
Scaling factors ⁽⁵⁾	-	1,137	-	-	-	1,137	91	-	1,121	1,176	1,141	1,131
Total - Credit risk	141,221	20,079	87,054	49,432	244,670	80,209	6,417	33	78,778	78,295	76,523	76,082
Interest rate position risk	-	-	-	2,211	-	2,211	177	-	1,428	2,007	1,992	1,817
Foreign exchange risk	-	-	-	258	-	258	21	-	262	222	215	169
Additional requirements related to other risks ⁽⁶⁾	-	-	-	139	-	139	11	-	120	118	111	215
Total - Market risk	-	-	-	2,608	-	2,608	209	-	1,810	2,347	2,318	2,201
Operational risk⁽⁷⁾	-	-	-	-	-	13,365	1,069	-	13,315	13,275	13,215	13,112
Total risk-weighted assets before threshold	\$ 141,221	\$ 20,079	\$ 87,054	\$ 52,040	\$ 244,670	\$ 96,182	\$ 7,695	-%	\$ 93,903	\$ 93,917	\$ 92,056	\$ 91,395
Risk-weighted assets after the transitional provisions for the CVA charge⁽⁸⁾												
RWA for Tier 1A capital	-	-	-	-	-	95,976	7,678	-	93,612	93,585	91,731	91,102
RWA for Tier 1 capital	-	-	-	-	-	96,013	7,681	-	93,668	93,649	91,794	91,159
RWA for total capital	-	-	-	-	-	96,042	7,683	-	93,716	93,704	91,848	91,207
Transitional threshold adjustment ⁽⁹⁾	-	-	-	-	-	14,393	1,151	-	14,532	13,470	17,955	18,124
Total risk-weighted assets	\$ 141,221	\$ 20,079	\$ 87,054	\$ 52,040	\$ 244,670	\$ 110,369	\$ 8,829	-%	\$ 108,144	\$ 107,055	\$ 109,686	\$ 109,226

⁽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 since January 1, 2014 to account for the requirements for the CVA charge are being phased in to calculate the Tier 1A, Tier 1 and total capital ratios, which are 72%, 77% and 81%, respectively, in 2017 (64%, 71% and 77% in 2016). They will reach 100% for each capital 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								
	March 31, 2017			December 31, 2016			September 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⁾	\$ 77,449	\$ 1,038	\$ 78,487	\$ 76,717	\$ 1,246	\$ 77,963	\$ 74,996	\$ 1,203	\$ 76,199
Size of portfolio ⁽³⁾	2,051	(11)	2,040	1,092	(60)	1,032	1,197	43	1,240
Quality of portfolio ⁽⁴⁾	(788)	1	(787)	173	(148)	25	494	-	494
Updating of models ⁽⁵⁾	-	-	-	(577)	-	(577)	-	-	-
Procedures and policies ⁽⁶⁾	242	59	301	-	-	-	-	-	-
Acquisitions and transfers	-	-	-	-	-	-	-	-	-
Change in exchange rates	(38)	-	(38)	44	-	44	34	-	34
Other	-	-	-	-	-	-	(4)	-	(4)
Total changes in risk-weighted assets	1,467	49	1,516	732	(208)	524	1,721	43	1,764
Risk-weighted assets at end of period	\$ 78,916	\$ 1,087	\$ 80,003	\$ 77,449	\$ 1,038	\$ 78,487	\$ 76,717	\$ 1,246	\$ 77,963

(in millions of dollars)	For the three-month periods ended					
	June 30, 2016			March 31, 2016		
	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⁾	\$ 74,603	\$ 1,186	\$ 75,789	\$ 73,303	\$ 1,214	\$ 74,517
Size of portfolio ⁽³⁾	593	112	705	1,373	(56)	1,317
Quality of portfolio ⁽⁴⁾	(48)	(95)	(143)	47	28	75
Updating of models ⁽⁵⁾	-	-	-	-	-	-
Procedures and policies ⁽⁶⁾	(136)	-	(136)	13	-	13
Acquisitions and transfers	-	-	-	-	-	-
Change in exchange rates	(16)	-	(16)	(133)	-	(133)
Other	-	-	-	-	-	-
Total changes in risk-weighted assets	393	17	410	1,300	(28)	1,272
Risk-weighted assets at end of period	\$ 74,996	\$ 1,203	\$ 76,199	\$ 74,603	\$ 1,186	\$ 75,789

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				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Market risk					
Risk-weighted assets at beginning of period	\$ 1,810	\$ 2,347	\$ 2,318	\$ 2,201	\$ 2,157
Change in risk level ⁽⁷⁾	798	(537)	29	117	44
Updating of models ⁽⁵⁾	-	-	-	-	-
Procedures and policies ⁽⁶⁾	-	-	-	-	-
Acquisitions and transfers	-	-	-	-	-
Change in exchange rates	-	-	-	-	-
Other	-	-	-	-	-
Total changes in risk-weighted assets	798	(537)	29	117	44
Risk-weighted assets at end of period	\$ 2,608	\$ 1,810	\$ 2,347	\$ 2,318	\$ 2,201
Operational risk					
Risk-weighted assets at beginning of the period	\$ 13,315	\$ 13,275	\$ 13,215	\$ 13,112	\$ 13,032
Revenue generated	50	40	60	103	80
Acquisitions and transfers	-	-	-	-	-
Total changes in risk-weighted assets	50	40	60	103	80
Risk-weighted assets at end of period	\$ 13,365	\$ 13,315	\$ 13,275	\$ 13,215	\$ 13,112
Transitional threshold adjustment					
Risk-weighted assets at beginning of the period	\$ 14,532	\$ 13,470	\$ 17,955	\$ 18,124	\$ 18,778
Size of portfolio ⁽³⁾	(200)	429	(76)	(421)	(109)
Quality of portfolio ⁽⁴⁾	308	114	(99)	92	(424)
Updating of models ⁽⁵⁾	-	519	-	-	-
Procedures and policies ⁽⁶⁾	(247)	-	(4,309)	159	(121)
Acquisitions and transfers	-	-	-	-	-
Change in exchange rates	-	-	(1)	1	-
Other	-	-	-	-	-
Total changes in risk-weighted assets	(139)	1,062	(4,485)	(169)	(654)
Risk-weighted assets at end of year	\$ 14,393	\$ 14,532	\$ 13,470	\$ 17,955	\$ 18,124

⁽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 March 31, 2017	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
Allocated to business segments					
Personal and Business Services	\$ 80,845	\$ 77,821	\$ 78,504	\$ 76,949	\$ 76,572
Wealth Management and Life and Health Insurance	5,359	4,985	4,563	4,473	4,129
Property and Casualty Insurance	2,561	2,637	2,157	2,255	2,457
Other	7,211	8,169	8,361	8,054	7,944
Not allocated ⁽²⁾	14,393	14,532	13,470	17,955	18,124
Total risk-weighted assets	\$ 110,369	\$ 108,144	\$ 107,055	\$ 109,686	\$ 109,226

⁽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 March 31, 2017							As at December 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	\$ 14,945	\$ 449	\$ 7	\$ 3	\$ 85	\$ 15,489	\$ 15,482	\$ 14,321	\$ 457	\$ 861	\$ 2	\$ 89	\$ 15,730	\$ 14,909
Financial institutions	6,885	2,676	379	3,198	624	13,762	11,211	4,849	2,618	957	3,786	781	12,991	9,260
Businesses	46,940	4,579	287	-	646	52,452	51,679	45,398	4,498	517	-	935	51,348	50,135
SMEs similar to other retail														
client exposures	7,169	66	-	-	44	7,279	7,207	6,922	56	-	-	42	7,020	6,951
Mortgages	186	-	-	-	-	186	186	143	-	-	-	-	143	143
Other retail client exposures														
(excluding SMEs)	1,463	18	-	-	-	1,481	221	1,521	17	-	-	-	1,538	247
Securitization	8	-	-	-	-	8	8	807	-	-	-	-	807	807
Equities	122	-	-	-	-	122	122	98	-	-	-	-	98	98
Trading portfolio	-	-	15,957	784	-	16,741	938	-	-	14,563	844	-	15,407	915
Internal Ratings-Based approach														
Mortgages	88,448	8,764	-	-	-	97,212	97,212	88,199	8,500	-	-	-	96,699	96,699
Revolving retail client exposures	10,451	24,653	-	-	-	35,104	35,104	10,682	23,920	-	-	-	34,602	34,602
Other retail client exposures	8,540	344	-	-	21	8,905	8,905	8,332	326	-	-	18	8,676	8,676
Total	\$ 185,157	\$ 41,549	\$ 16,630	\$ 3,985	\$ 1,420	\$ 248,741	\$ 228,275	\$ 181,272	\$ 40,392	\$ 16,898	\$ 4,632	\$ 1,865	\$ 245,059	\$ 223,442
(in millions of dollars)	As at September 30, 2016							As at June 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	\$ 15,255	\$ 451	\$ 19	\$ 3	\$ 85	\$ 15,813	\$ 15,795	\$ 14,769	\$ 446	\$ 744	\$ 3	\$ 84	\$ 16,046	\$ 15,330
Financial institutions	4,879	2,362	1,513	3,906	1,218	13,878	9,220	4,936	2,600	4,660	3,595	1,013	16,804	9,428
Businesses	42,696	4,770	499	4	728	48,697	47,685	43,562	4,209	134	1	686	48,592	47,944
SMEs similar to other retail														
client exposures	8,725	63	-	-	36	8,824	8,753	7,243	32	-	-	35	7,310	7,242
Mortgages	131	-	-	-	-	131	131	119	-	-	-	-	119	119
Other retail client exposures														
(excluding SMEs)	1,481	26	-	-	-	1,507	265	1,391	23	-	-	-	1,414	175
Securitization	809	1,193	-	-	-	2,002	2,002	806	1,193	-	-	-	1,999	1,999
Equities	155	-	-	-	-	155	155	236	-	-	-	-	236	236
Trading portfolio	-	-	15,499	1,107	-	16,606	1,204	-	-	14,901	1,174	-	16,075	1,092
Internal Ratings-Based Approach														
Mortgages	87,789	5,539	-	-	-	93,328	93,328	87,140	5,418	-	-	-	92,558	92,558
Revolving retail client exposures	10,519	25,499	-	-	-	36,018	36,018	10,466	25,161	-	-	-	35,627	35,627
Other retail client exposures	8,067	186	-	-	7	8,260	8,260	7,870	185	-	-	6	8,061	8,061
Total	\$ 180,506	\$ 40,089	\$ 17,530	\$ 5,020	\$ 2,074	\$ 245,219	\$ 222,816	\$ 178,538	\$ 39,267	\$ 20,439	\$ 4,773	\$ 1,824	\$ 244,841	\$ 219,811

Footnotes to this table are presented on the next page.

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

	As at March 31, 2016							
	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	\$ 14,884	\$ 465	\$ -	\$ 3	\$ 84	\$ 15,436	\$ 15,436	
Financial institutions	5,183	2,579	1,015	3,391	824	12,992	9,351	
Businesses	44,499	4,325	20	19	1,049	49,912	49,099	
SMEs similar to other retail client exposures	5,513	20	-	-	25	5,558	5,513	
Mortgages	117	-	-	-	-	117	117	
Other retail client exposures (excluding SMEs)	1,444	15	-	-	-	1,459	175	
Securitization	830	1,193	-	-	-	2,023	2,023	
Equities	156	-	-	-	-	156	156	
Trading portfolio	-	-	17,543	1,312	-	18,855	1,198	
Internal Ratings-Based Approach								
Mortgages	85,416	5,203	-	-	-	90,619	90,619	
Revolving retail client exposures	10,239	24,713	-	-	-	34,952	34,952	
Other retail client exposures	7,726	174	-	-	7	7,907	7,906	
Total	\$ 176,007	\$ 38,687	\$ 18,578	\$ 4,725	\$ 1,989	\$ 239,986	\$ 216,545	

⁽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 March 31, 2017				
	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	\$ 1,884	\$ 1,884	\$ -	\$ -	\$ -
Securities	39,118	20,083	8	-	19,027
Securities borrowed or purchased under reverse repurchase agreements	9,051	-	-	9,051	-
Loans	164,466	164,277	-	-	189
Segregated fund net assets	-	-	-	-	-
Other assets	9,881	6,852	-	2,195	834
Total assets	224,400	193,096	8	11,246	\$ 20,050
Commitments related to securities lent or sold under repurchase agreements	9,230	-	-	9,230	
Off-balance sheet derivative financial instruments	1,790	-	-	1,790	
Unused commitments	93,099	41,550	-	-	
Other off-balance sheet items	2,056	1,420	-	-	
Differences arising from the recognition of allowances	371	371	-	-	
Adjustments to account for differences related to on-balance sheet exposures	729	359	-	370	
Total exposure at default for credit risk	\$ 331,675	\$ 236,796	\$ 8	\$ 22,636	

⁽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 March 31, 2017			As at December 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	\$ 15,489	\$ 7	\$ 2	\$ 15,730	\$ 821	\$ 2
Financial institutions	13,762	2,551	307	12,991	3,731	315
Businesses	52,452	773	9,690	51,348	1,213	9,548
SMEs similar to other retail client exposures	7,279	72	1,642	7,020	69	1,681
Mortgages	186	-	-	143	-	-
Other retail client exposure (excluding SMEs)	1,481	1,260	-	1,538	1,291	-
Securitization	8	-	-	807	-	-
Equities	122	-	-	98	-	-
Trading portfolio	16,741	15,803	-	15,407	14,492	-
Internal Ratings-Based Approach⁽²⁾						
Mortgages	97,212	-	27,226	96,699	-	27,285
Revolving retail client exposures	35,104	-	-	34,602	-	-
Other retail client exposures	8,905	-	2,394	8,676	-	2,328
Total	\$ 248,741	\$ 20,466	\$ 41,261	\$ 245,059	\$ 21,617	\$ 41,159

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

Footnotes to this table are presented on the next page.

TABLE 15 – CREDIT RISK MITIGATION (continued)

	As at March 31, 2016		
	Exposure at default (EAD)	Exposure covered by collateral ⁽¹⁾	Exposure covered by guarantees/ credit derivatives
(in millions of dollars)			
Standardized Approach			
Sovereign borrowers	\$ 15,436	\$ -	\$ 3
Financial institutions	12,992	3,642	317
Businesses	49,912	848	9,512
SMEs similar to other retail client exposures	5,558	48	1,403
Mortgages	117	-	21
Other retail client exposure (excluding SMEs)	1,459	1,284	-
Securitization	2,023	-	400
Equities	156	-	-
Trading portfolio	18,855	17,658	-
Internal Ratings-Based Approach⁽²⁾			
Mortgages	90,619	-	26,246
Revolving retail client exposures	34,952	-	-
Other retail client exposures	7,907	-	2,375
Total	\$ 239,986	\$ 23,480	\$ 40,277

⁽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 March 31, 2017						
	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%	8.44%	\$ 7,833	\$ 119	1.52%	\$ 0.5	1.60%
Very low	0.15-0.24		-	-	-	-	-	-	-
	0.25-0.49		0.26	8.39	6,957	284	4.09	1.5	4.36
Low	0.50-0.74		0.59	8.40	6,045	444	7.35	3.0	7.97
	0.75-2.49		1.44	8.37	5,477	725	13.20	6.6	14.71
Medium	2.50-9.99		5.50	8.41	1,503	424	28.25	6.9	34.02
High	10.00-99.99		27.39	8.48	417	206	49.49	9.7	78.51
Default	100.00		100.00	8.63	236	253	107.02	0.7	110.84
Sub-total			2.01	8.41	28,468	2,455	8.62	28.9	9.89
Uninsured exposures									
Excellent	0.00-0.14		0.07	10.91	21,209	417	1.97	1.6	2.06
Very low	0.15-0.24		-	-	-	-	-	-	-
	0.25-0.49		0.26	11.14	15,905	863	5.43	4.6	5.79
Low	0.50-0.74		0.59	11.24	11,004	1,082	9.84	7.3	10.66
	0.75-2.49		1.45	11.35	8,835	1,588	17.97	14.5	20.02
Medium	2.50-9.99		5.38	11.41	2,337	886	37.91	14.3	45.55
High	10.00-99.99		27.42	11.19	494	322	65.32	15.2	103.66
Default	100.00		100.00	10.88	196	224	114.16	11.1	185.14
Sub-total			1.18	11.12	59,980	5,382	8.97	68.6	10.40
Total			1.44	10.25	88,448	7,837	8.86	97.5	10.24
Qualifying revolving retail client exposures (QRRCE)									
Excellent	0.00-0.14		0.07	76.78	2,642	89	3.37	1.4	4.05
Very low	0.15-0.24		-	-	-	-	-	-	-
	0.25-0.49		0.33	75.44	1,488	181	12.16	3.7	15.30
Low	0.50-0.74		0.68	64.88	454	84	18.43	2.0	23.95
	0.75-2.49		1.70	77.15	3,553	1,522	42.85	46.1	59.09
Medium	2.50-9.99		4.37	71.62	1,067	848	79.48	33.5	118.70
High	10.00-99.99		17.49	59.66	1,122	1,656	147.64	117.3	278.24
Default	100.00		100.00	59.94	125	869	696.55	7.4	770.78
Total			4.19	73.63	10,451	5,249	50.23	211.4	75.52
Other retail client exposures, excluding SMEs similar to the other retail client exposures									
Excellent	0.00-0.14		0.08	28.35	971	54	5.55	0.2	5.81
Very low	0.15-0.24		-	-	-	-	-	-	-
	0.25-0.49		0.28	26.78	1,378	184	13.38	1.0	14.30
Low	0.50-0.74		0.65	27.29	1,547	344	22.22	2.7	24.36
	0.75-2.49		1.60	33.20	1,705	686	40.25	9.3	47.10
Medium	2.50-9.99		3.29	35.93	2,538	1,270	50.09	29.7	47.10
High	10.00-99.99		22.87	28.87	320	214	66.84	20.4	146.76
Default	100.00		100.00	34.11	81	166	204.95	17.8	480.74
Total			3.27	31.20	8,540	2,918	34.18	81.1	46.05
Overall total			1.86%	18.08%	\$ 107,439	\$ 16,004	14.90%	\$ 390.0	19.44%

Footnotes to this table are presented on page 31.

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 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
	Sub-total		2.04	8.43	28,746	2,505	8.72	29.7	10.01
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
	Sub-total		1.20	10.70	59,453	5,148	8.66	66.8	10.06
	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 31.

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⁾
Exposures related to residential mortgage loans								
Insured exposures								
	Excellent	0.23%	9.47%	\$ 6,117	\$ 258	4.22%	\$ 1.3	4.49%
	Very low	-	-	-	-	-	-	-
	Low	0.26	9.70	13,594	245	4.75	-	5.07
	Medium-low	0.52	9.45	4,084	1	7.58	2.0	8.20
	Medium	0.61	9.49	23	310	15.86	4.5	17.77
	Medium-high	1.61	9.49	2,894	459	32.74	2.7	39.20
	High	5.40	9.57	503	164	55.53	8.8	81.17
	Very high	20.95	9.79	422	235	55.53	-	1.26
	Default	100.00	9.86	265	321	121.08	1.1	126.22
	Sub-total	1.70	9.59	27,902	1,993	7.14	20.4	8.09
Uninsured exposures								
	Excellent	0.23	16.39	36,251	837	7.29	4.3	7.76
	Very low	-	-	-	-	-	-	-
	Low	0.52	16.49	11,456	840	13.21	4.3	14.29
	Medium-low	1.59	16.59	6,353	1,079	27.47	5.6	30.77
	Medium	5.45	16.62	4,412	1,212	57.23	11.7	68.55
	Medium-high	20.94	16.42	713	407	93.13	6.6	136.10
	High	20.94	16.42	218	374	93.13	16.7	136.10
	Very high	-	-	-	-	-	-	-
	Default	100.00	16.27	484	451	-	12.4	67.38
	Sub-total	0.86	16.35	59,887	5,200	8.68	61.6	9.95
	Total	1.12	14.20	87,789	7,193	8.19	82.0	9.36
Qualifying revolving retail client exposures (QRRCE)								
	Excellent	0.17	81.00	1,291	102	7.87	2.0	9.73
	Very low	0.26	74.19	1,122	114	10.15	2.0	12.78
	Low	0.42	74.68	1,184	177	14.92	4.0	19.06
	Medium-low	0.84	80.29	1,590	432	27.20	11.0	35.80
	Medium	1.53	80.91	1,864	799	42.89	23.0	58.46
	Medium-high	2.93	72.72	2,193	1,347	61.43	47.0	88.04
	High	5.82	62.63	607	510	84.03	22.0	129.55
	Very high	21.70	53.17	601	865	143.85	70.0	288.15
	Default	100.00	54.35	67	383	574.50	8.0	727.36
	Total	3.31	74.89	10,519	4,729	44.96	189.0	67.38
Other retail client exposures, excluding SMEs similar to the other retail client exposures								
	Excellent	0.05	41.66	362	23	6.46	-	6.75
	Very low	0.10	37.46	1,000	93	9.34	-	9.81
	Low	0.23	34.53	1,498	224	14.99	1.0	15.95
	Medium-low	0.53	33.73	1,400	330	23.54	2.0	25.56
	Medium	1.04	38.29	993	367	36.99	3.0	41.34
	Medium-high	1.80	49.30	1,722	1,032	59.87	14.0	70.03
	High	4.90	48.92	715	513	71.70	16.0	100.16
	Very high	20.57	34.60	324	246	75.97	23.0	159.72
	Default	100.00	60.14	53	219	409.75	17.0	806.36
	Total	2.59	40.14	8,067	3,047	37.77	76.0	49.59
Overall total		1.45%	22.17%	\$ 106,375	\$ 14,969	14.07%	\$ 347.0	18.15%

Footnotes to this table are presented on page 31.

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)

(in millions of dollars and as a percentage)			As at June 30, 2016						As at March 31, 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	0.07%	8.48%	\$ 14,085	\$ 250	1.53%	\$ 0.9	1.60%	0.07%	8.44%	\$ 13,907	\$ 248	1.52%	\$ 1.0	0.23%	
Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Low	0.59	8.39	6,136	254	7.35	1.2	7.97	0.26	8.32	6,064	255	4.05	1.3	0.27	
Medium-low	1.44	8.42	25	1	13.25	-	14.76	0.59	8.30	24	1	7.27	-	0.52	
Medium	5.54	8.41	3,991	296	28.37	1.8	34.19	1.44	8.30	3,959	298	13.07	1.9	1.62	
Medium-high	5.40	8.50	2,794	433	49.61	4.1	78.70	5.53	8.29	2,867	452	27.94	4.4	5.40	
High	20.95	8.65	484	157	-	2.4	-	27.39	8.31	979	420	48.53	11.9	20.95	
Very high	20.95	8.65	406	220	-	8.1	111.50	-	-	-	-	-	-	-	
Default	100.00	8.59	294	355	106.73	1.4	-	100.00	8.35	316	392	102.88	1.0	108.35	
Sub-total	1.76	9.42	28,215	1,966	6.97	19.9	7.87	1.89	9.55	28,116	2,066	7.35	21.5	8.31	
Uninsured exposures															
Excellent	0.26	10.69	36,170	1,072	5.21	4.1	5.56	0.07	10.62	34,860	1,033	1.91	4.0	2.01	
Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Low	1.45	10.81	11,095	809	17.11	4.2	19.07	0.26	10.69	10,702	779	5.21	4.1	5.55	
Medium-low	5.45	10.82	6,084	802	36.24	5.2	43.62	0.59	10.71	5,999	789	9.38	5.2	10.17	
Medium	20.94	10.67	4,262	1,172	62.29	11.2	98.86	1.45	10.82	4,325	1,189	17.13	11.5	19.09	
Medium-high	27.42	16.47	657	375	111.04	5.9	183.07	5.46	10.83	679	387	36.29	6.1	43.67	
High	27.42	16.47	430	402	49.66	14.8	225.40	27.42	10.69	505	472	62.40	17.3	99.03	
Very high	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Default	100.00	73.74	227	390	-	12.7	75.35	100.00	10.85	228	394	114.93	12.9	181.68	
Sub-total	0.86	16.33	58,925	5,022	8.52	58.1	9.76	0.91	16.32	57,298	5,043	8.80	61.1	10.13	
Total	1.48	9.96	87,140	6,988	8.68	78.0	10.04	1.23	14.09	85,414	7,109	8.32	82.6	9.53	
Qualifying revolving retail client exposures (QRRCE)															
Excellent	0.17	81.12	1,355	107	7.90	2.0	9.78	0.16	80.29	1,264	96	7.63	1.8	9.44	
Very low	0.26	74.19	1,137	116	10.18	2.4	12.81	0.25	73.39	1,081	106	9.81	2.2	12.34	
Low	0.42	74.91	1,189	179	15.08	4.0	19.27	0.42	74.59	1,151	171	14.89	3.8	19.02	
Medium-low	0.84	80.47	1,595	436	27.32	11.0	35.96	0.84	80.45	1,613	441	27.31	11.1	35.94	
Medium	1.53	81.00	1,866	802	42.95	23.3	58.55	1.53	80.88	1,906	817	42.87	23.8	58.44	
Medium-high	2.93	72.70	2,125	1,306	61.40	45.2	88.01	2.93	72.66	2,097	1,289	61.37	44.7	87.97	
High	5.82	62.60	558	468	84.01	20.3	129.53	5.83	62.56	506	425	84.00	18.4	129.53	
Very high	21.69	53.10	573	823	143.63	66.1	287.68	21.71	53.28	545	785	144.17	63.0	288.84	
Default	100.00	54.23	68	389	575.61	8.2	726.35	100.00	53.87	76	437	577.42	8.7	721.69	
Total	3.24	75.14	10,466	4,626	44.19	182.5	65.99	3.29	74.98	10,239	4,567	44.60	177.5	66.27	
Other retail client exposures, excluding SMEs similar to the other retail client exposures															
Excellent	0.05	42.36	365	24	6.61	0.1	6.90	0.05	42.04	363	24	6.54	0.1	6.82	
Very low	0.10	37.10	1,009	93	9.25	0.4	9.71	0.10	36.90	963	88	9.18	0.4	9.64	
Low	0.23	34.08	1,489	221	14.83	1.1	15.78	0.23	33.08	1,449	208	14.38	1.1	15.30	
Medium-low	0.53	32.67	1,374	314	22.84	2.2	24.80	0.53	31.38	1,409	310	22.01	2.1	23.90	
Medium	1.06	36.77	983	350	35.58	3.3	39.79	1.07	35.57	997	343	34.43	3.2	38.50	
Medium-high	1.82	48.49	1,641	966	58.90	13.1	68.91	1.85	47.85	1,625	945	58.20	12.9	68.13	
High	4.93	48.01	658	463	70.38	14.7	98.32	5.01	46.27	546	371	67.88	11.9	95.02	
Very high	20.59	33.94	299	223	74.47	19.6	156.51	20.67	33.53	322	238	73.70	21.0	155.09	
Default	100.00	58.98	52	211	406.14	16.0	790.07	100.00	59.20	52	215	414.80	16.4	812.08	
Total	2.52	39.27	7,870	2,865	36.41	70.5	47.60	2.57	38.22	7,726	2,742	35.49	69.1	46.67	
Overall total	1.46%	22.03%	\$ 105,476	\$ 14,479	13.73%	\$ 331.0	17.66%	1.54%	21.93%	\$103,379	\$ 14,418	13.95%	\$ 329.2	17.93%	

Footnotes to this table are presented on page 31.

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 March 31, 2017								
		PD scale (%)	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	0.00 - 0.14	0.07%	8.21%	\$ 9	\$ 5	50.00%	\$ -	1.48%	\$ -	1.55%
	Very low	0.15 - 0.24	-	-	-	-	-	-	-	-	-
		0.25 - 0.49	0.26	8.24	22	11	50.00	-	4.01	-	4.28
	Low	0.50 - 0.74	0.59	8.19	28	14	50.00	2	7.17	-	7.77
		0.75 - 2.49	1.43	8.17	23	11	50.00	1	12.81	0.1	14.27
	Medium	2.50 - 9.99	5.74	8.24	7	3	50.00	1	28.25	-	34.16
	High	10.00 - 99.99	27.42	8.33	2	1	50.00	-	48.64	-	77.19
	Default	100.00	100.00	9.06	-	-	50.00	-	113.31	-	113.31
	Sub-total		1.88	8.21	91	45	50.00	4	9.87	0.1	11.41
Uninsured exposures											
	Excellent	0.00 - 0.14	0.07	11.03	8,069	4,149	51.42	83	1.99	0.3	2.09
	Very low	0.15 - 0.24	-	-	-	-	-	-	-	-	-
		0.25 - 0.49	0.26	11.26	4,960	2,570	51.80	141	5.48	0.8	5.85
	Low	0.50 - 0.74	0.59	11.61	2,511	1,219	48.55	124	10.16	0.8	11.02
		0.75 - 2.49	1.43	12.06	1,447	655	45.30	124	18.95	1.1	21.11
	Medium	2.50 - 9.99	4.88	12.96	264	113	42.74	47	41.57	0.7	49.61
	High	10.00 - 99.99	27.42	13.65	38	13	34.73	11	79.68	0.5	126.46
	Default	100.00	100.00	10.24	24	-	0.86	-	127.95	-	127.95
	Sub-total		0.41	11.29	17,313	8,719	50.36	530	6.07	4.2	6.68
	Total		0.41	11.27	17,404	8,764	50.36	534	6.09	4.3	6.71
Qualifying revolving retail client exposures (QRRCE)											
	Excellent	0.00 - 0.14	0.08	79.34	28,984	18,890	65.17	693	3.67	11.3	7.78
	Very low	0.15 - 0.24	-	-	-	-	-	-	-	-	-
		0.25 - 0.49	0.34	78.14	4,018	2,553	63.54	330	12.92	6.9	23.40
	Low	0.50 - 0.74	0.68	65.71	438	241	55.08	45	18.67	1.1	49.22
		0.75 - 2.49	1.44	78.81	5,057	2,731	54.00	1,040	38.06	30.3	66.91
	Medium	2.50 - 9.99	4.26	71.61	602	185	30.65	144	78.10	5.7	116.39
	High	10.00 - 99.99	18.13	60.25	430	53	12.37	80	151.18	5.8	252.51
	Default	100.00	100.00	-	9	-	-	-	-	-	-
	Total		0.33	78.92	39,538	24,653	62.35	2,332	9.46	61.1	12.56
Other retail client exposures, excluding SMEs similar to other retail client exposures											
	Excellent	0.00 - 0.14	0.07	42.38	346	225	65.05	17	7.43	0.1	7.78
	Very low	0.15 - 0.24	-	-	-	-	-	-	-	-	-
		0.25 - 0.49	0.28	43.12	113	69	61.33	15	21.88	0.1	23.40
	Low	0.50 - 0.74	0.68	52.73	65	35	53.39	15	44.74	0.1	49.22
		0.75 - 2.49	1.33	51.71	32	17	52.13	10	58.40	0.1	66.91
	Medium	2.50 - 9.99	2.88	51.37	33	17	51.02	12	70.64	0.2	88.75
	High	10.00 - 99.99	24.91	45.63	5	2	50.52	3	110.44	0.3	252.51
	Default	100.00	100.00	72.87	1	-	0.05	-	804.47	-	938.90
	Total		0.52	44.37	595	365	61.41	72	19.65	0.9	22.74
Overall total			0.35%	61.00%	\$ 57,537	\$ 33,782	58.72%	\$ 2,938	8.69%	\$ 66.3	11.15%

Footnotes to this table are presented on page 31.

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 December 31, 2016

	PD scale (%)	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	0.00 - 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
Sub-total		1.83	8.17	72	36	50.00	3	9.65	-	11.06
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
Sub-total		0.42	11.14	16,856	8,464	50.22	512	6.04	4.2	6.66
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 31.

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

	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%
Very low	-	-	-	-	-	-	-	-	-
Low	0.10	18.64	30	14	33.48	1	4.43	-	4.66
Medium-low	0.23	20.22	-	-	33.69	-	9.00	-	9.58
Medium	0.52	22.18	19	9	33.86	-	17.78	-	19.22
Medium-high	1.11	22.11	17	8	33.97	1	29.69	-	32.75
High	2.42	23.68	2	1	34.35	-	51.94	-	59.11
Very high	5.45	27.66	1	-	35.00	-	95.21	-	114.06
Default	-	29.95	-	-	34.23	1	169.87	-	248.25
Sub-total	1.13	8.82	107	51	50.00	3	6.95	-	7.83
Uninsured exposures									
Excellent	0.07	18.09	12,145	4,040	33.27	132	3.25	0.7	3.40
Very low	-	-	-	-	-	-	-	0.4	-
Low	0.52	22.27	2,553	856	33.54	79	17.85	0.4	19.30
Medium-low	1.55	22.94	1,039	349	33.66	64	37.75	0.7	42.30
Medium	5.45	29.67	619	210	33.86	79	102.13	0.3	122.30
Medium-high	20.94	31.96	58	20	33.95	19	181.29	0.8	264.90
High	20.94	17.94	38	13	3.97	22	224.19	-	224.20
Very high	-	-	-	-	-	-	-	-	-
Default	-	-	25	-	-	1	-	-	-
Sub-total	0.26	19.03	16,477	5,488	33.29	396	7.21	3.3	7.94
Total	0.27	18.93	16,584	5,539	33.40	399	7.20	3.3	7.94
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
Very low	0.31	79.36	5,133	3,723	72.53	469	12.59	9.9	15.91
Low	0.50	81.30	3,555	2,611	73.43	487	18.64	11.1	23.95
Medium-low	0.89	84.05	2,972	2,010	67.62	594	29.53	15.1	38.95
Medium	1.54	81.89	2,450	1,326	54.12	578	43.56	16.8	59.40
Medium-high	2.93	73.00	2,380	1,012	42.51	624	61.67	21.6	88.39
High	5.81	62.85	566	128	22.67	108	84.28	4.7	129.94
Very high	21.78	54.16	379	45	11.89	66	146.74	5.3	294.32
Default	-	-	23	-	-	-	-	-	-
Total	0.54	80.62	38,157	25,499	66.83	4,192	16.44	108.6	21.77
Other retail client exposures, excluding SMEs similar to other retail client exposures									
Excellent	0.06	44.27	147	54	36.75	4	8.25	-	8.68
Very low	0.11	41.12	180	61	34.72	7	11.12	-	11.72
Low	0.26	46.47	115	40	34.35	9	22.82	0.1	24.40
Medium-low	0.61	50.62	66	22	33.58	9	40.60	0.1	44.48
Medium	1.33	49.16	24	8	33.23	5	56.05	0.1	64.27
Medium-high	2.89	41.41	13	5	34.26	3	57.46	0.1	72.43
High	6.44	40.33	2	1	32.64	-	61.25	-	93.63
Very high	22.50	34.55	5	2	34.31	1	80.63	-	177.78
Default	100.00	70.12	1	-	0.09	-	788.47	-	914.01
Total	0.52	44.46	553	193	34.92	38	19.82	0.4	22.57
Overall total	0.50%	69.45%	\$ 55,294	\$ 31,231	56.48%	\$ 4,629	14.82%	\$ 112.3	19.32%

Footnotes to this table are presented on page 31.

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 June 30, 2016																			As at March 31, 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	0.07%	8.20%	\$ 45	\$ 23	50.00%	\$ -	1.48%	\$ -	1.55%	0.08%	8.75%	\$ 32	\$ 16	50.00%	\$ -	1.80%	\$ -	1.90%										
Very low	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Low	0.26	8.16	31	16	-	1	-	-	-	0.25	8.59	22	11	50.00	-	4.07	-	4.30										
Medium-low	0.59	8.16	-	-	50.00	-	3.98	-	4.24	0.52	8.66	-	-	50.00	1	6.95	-	7.50										
Medium	1.43	8.15	23	11	50.00	1	7.14	-	7.74	1.66	8.65	15	7	50.00	1	14.73	-	16.50										
Medium-high	5.63	8.16	15	7	50.00	1	12.81	-	14.27	5.50	8.83	11	6	50.00	-	30.49	-	36.60										
High	5.63	8.16	2	1	50.00	1	27.75	-	33.49	20.94	9.73	1	1	50.00	-	55.20	-	80.70										
Very high	27.31	8.32	-	-	50.00	-	48.55	-	76.96	-	-	1	1	-	-	-	-	-										
Default	-	8.82	-	-	50.00	-	110.31	-	110.30	-	-	-	-	-	-	-	-	-										
Sub-total	1.07	8.72	116	58	50.00	4	6.37	-	7.09	0.77	8.73	82	42	50.00	2	6.19	-	7.06										
Uninsured exposures																												
Excellent	0.07	10.96	11,947	3,975	51.27	130	1.98	0.5	2.10	0.07	18.01	11,486	3,815	33.21	123	3.23	0.5	3.40										
Very low	-	-	2,453	822	-	74	-	0.4	-	-	-	2,375	792	-	72	-	0.3	-										
Low	0.26	11.09	1,001	336	51.60	59	5.40	0.4	5.80	0.52	22.17	971	325	33.48	59	17.76	0.4	19.20										
Medium-low	0.59	11.35	592	199	48.65	75	9.94	0.7	10.80	1.54	22.79	607	203	33.50	76	37.37	0.7	41.80										
Medium	1.43	11.75	47	16	45.18	16	18.47	0.3	20.60	5.45	31.35	44	15	33.97	16	107.92	0.3	129.30										
Medium-high	4.90	12.55	32	11	43.18	20	40.30	0.7	48.10	20.94	30.27	35	12	33.90	20	171.68	0.8	250.90										
High	27.42	13.72	-	1	35.21	2	80.10	-	127.10	-	-	-	-	-	-	-	-	-										
Very high	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Default	-	10.32	23	-	1.26	-	128.97	-	129.00	-	-	-	-	-	-	-	-	-										
Sub-total	0.25	18.95	16,095	5,360	33.30	376	7.02	3.0	7.71	0.24	18.88	15,518	5,162	33.27	366	7.07	3.0	7.79										
Total	0.26	18.84	16,211	5,418	33.42	380	7.01	3.0	7.71	0.25	18.80	15,600	5,204	33.36	368	7.07	3.0	7.80										
Qualifying revolving retail client exposures (QRRCE)																												
Excellent	0.20	81.02	20,397	14,441	70.80	1,247	8.65	23.7	10.70	0.20	81.13	19,978	14,165	70.90	1,228	8.67	23.3	10.72										
Very low	0.31	79.29	5,047	3,660	72.52	460	12.56	9.7	15.88	0.31	79.24	4,971	3,607	72.55	453	12.55	9.6	15.87										
Low	0.51	81.46	3,526	2,594	73.55	486	18.73	11.1	24.07	0.50	81.31	3,419	2,514	73.52	469	18.65	10.7	23.97										
Medium-low	0.89	84.26	2,990	2,025	67.72	601	29.66	15.3	39.13	0.89	84.16	3,010	2,035	67.63	602	29.60	15.4	39.04										
Medium	1.54	81.97	2,506	1,355	54.06	591	43.62	17.2	59.48	1.54	81.95	2,518	1,361	54.07	594	43.61	17.2	59.47										
Medium-high	2.93	72.99	2,223	945	42.51	583	61.66	20.2	88.37	2.93	72.98	2,171	923	42.54	569	61.66	19.7	88.37										
High	5.82	62.78	447	102	22.82	86	84.26	3.7	129.93	5.85	62.69	325	76	23.39	64	84.37	2.8	130.17										
Very high	21.79	54.36	326	39	12.04	58	147.33	4.7	295.57	21.85	54.91	239	31	12.92	46	148.96	3.7	299.14										
Default	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Total	0.53	80.71	37,481	25,161	67.13	4,112	16.34	105.6	21.59	0.52	80.77	36,631	24,712	67.46	4,025	16.29	102.4	21.47										
Other retail client exposures, excluding SMEs similar to other retail client exposures																												
Excellent	0.07	46.36	147	55	37.66	5	9.79	-	10.32	0.06	44.60	141	52	37.01	5	8.69	-	9.15										
Very low	0.11	41.45	173	59	35.00	7	11.60	-	12.25	0.11	40.37	159	56	34.79	6	10.78	-	11.36										
Low	0.27	45.84	109	39	35.28	8	23.57	0.1	25.27	0.25	42.20	110	37	33.88	6	20.08	-	21.43										
Medium-low	0.62	54.32	63	22	34.10	10	43.99	0.1	48.24	0.61	53.36	64	21	33.59	8	42.78	0.1	46.86										
Medium	1.34	50.47	28	10	33.75	6	57.73	0.1	66.26	1.33	52.39	23	8	33.39	5	59.63	0.1	68.34										
Medium-high	2.89	40.33	14	5	33.84	3	55.96	0.1	70.54	2.89	36.08	15	5	33.88	3	50.07	0.1	63.11										
High	6.44	41.82	2	1	31.81	1	63.52	-	97.12	6.48	39.57	3	1	33.75	1	60.17	-	92.21										
Very high	22.50	48.67	1	-	39.63	-	113.59	-	250.46	22.49	47.82	2	1	34.74	1	111.60	0.1	246.05										
Default	100.00	67.25	1	-	0.11	-	717.00	-	852.94	-	-	-	-	-	-	-	-	-										
Total	0.38	45.65	538	191	35.53	40	20.93	0.4	23.26	0.43	43.92	517	181	34.96	35	19.73	0.4	22.21										
Overall total	0.48%	69.60%	\$ 54,230	\$ 30,770	56.74%	\$ 4,532	14.73%	\$ 109.0	19.16%	0.47%	69.84%	\$ 52,748	\$ 30,097	57.06%	\$ 4,428	14.71%	\$ 105.8	19.11%										

⁽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 × EL) / EAD.

TABLE 17 - RISK EXPOSURE BY ASSET CLASS⁽¹⁾ AND REMAINING CONTRACTUAL TERM TO MATURITY

	As at March 31, 2017				As at December 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	\$ 95,557	\$ 1,648	\$ 7	\$ 97,212	\$ 94,844	\$ 835	\$ 1,020	\$ 96,699
Revolving retail client exposures	35,104	-	-	35,104	34,602	-	-	34,602
Other retail client exposures	3,264	1,945	3,696	8,905	3,084	1,028	4,564	8,676
Total	\$ 133,925	\$ 3,593	\$ 3,703	\$ 141,221	\$132,530	\$ 1,863	\$ 5,584	\$139,977

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

	As at March 31, 2016			
	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	\$ 89,051	\$ 1,101	\$ 467	\$ 90,619
Revolving retail client exposures	34,952	-	-	34,952
Other retail client exposures	2,987	1,433	3,486	7,906
Total	\$126,990	\$ 2,534	\$ 3,953	\$133,477

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

TABLE 18 - RISK EXPOSURE BY ASSET CLASS⁽¹⁾ AND RISK TRANCHE (STANDARDIZED APPROACH)

(in millions of dollars)	As at March 31, 2017								As at December 31, 2016							
	Risk Tranches								Risk Tranches							
	0%	20%	35%	50%	75%	100%	Other	Total	0%	20%	35%	50%	75%	100%	Other	Total
Sovereign borrowers	\$ 15,485	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 15,489	\$ 15,726	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 15,730
Financial institutions	-	13,152	-	172	-	424	14	13,762	-	12,399	-	9	-	580	3	12,991
Businesses	-	340	-	491	-	50,864	757	52,452	-	239	-	452	-	50,108	549	51,348
SMEs similar to other retail																
client exposures	-	-	-	-	5,372	1,764	143	7,279	-	-	-	-	5,057	1,828	135	7,020
Mortgages	-	-	185	-	-	1	-	186	-	-	11	-	132	-	-	143
Other retail client exposure																
(excluding SMEs)	-	-	-	-	1,422	58	1	1,481	-	-	-	-	1,463	74	1	1,538
Securitization	-	-	-	-	-	-	8	8	-	-	-	-	-	139	668	807
Equities	-	-	-	-	-	122	-	122	-	-	-	-	-	98	-	98
Trading portfolio	7,173	7,823	-	132	-	1,610	3	16,741	8,388	6,318	-	4	-	693	4	15,407
Total	\$ 22,658	\$ 21,315	\$ 185	\$ 795	\$ 6,794	\$ 54,847	\$ 926	\$ 107,520	\$ 24,114	\$ 18,956	\$ 11	\$ 465	\$ 6,652	\$ 53,524	\$ 1,360	\$ 105,082

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

Footnote to this table are presented on the next page.

TABLE 18 - RISK EXPOSURE BY ASSET CLASS⁽¹⁾ AND RISK TRANCHE (STANDARDIZED APPROACH) (continued)

(in millions of dollars)	As at March 31, 2016							
	Risk Tranches							
	0%	20%	35%	50%	75%	100%	Other	Total
Sovereign borrowers	\$ 15,431	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 15,436
Financial institutions	-	12,448	-	3	-	538	3	12,992
Businesses	-	257	-	680	-	48,359	617	49,913
SMEs similar to other retail								
client exposures	-	-	-	-	3,856	1,640	62	5,558
Mortgages	-	-	115	-	-	2	-	117
Other retail client exposure								
(excluding SMEs)	-	-	-	-	1,459	-	-	1,459
Securitization	400	-	-	28	-	138	1,457	2,023
Equities	-	-	-	-	-	156	-	156
Trading portfolio	7,025	9,238	-	1,237	-	1,350	5	18,855
Total	\$ 22,856	\$ 21,943	\$ 115	\$ 1,948	\$ 5,315	\$ 52,188	\$ 2,144	\$ 106,509

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

RISK MANAGEMENT

TABLE 19 – LOAN PORTFOLIO BY BORROWER CATEGORY AND INDUSTRY⁽¹⁾

	As at March 31, 2017		As at December 31, 2016		As at September 30, 2016		As at June 30, 2016		As at March 31, 2016	
	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	\$ 107,246	\$ 178	\$ 106,695	\$ 174	\$ 105,908	\$ 194	\$ 104,977	\$ 199	\$ 102,992	\$ 210
Consumer, credit card and other personal loans	22,243	100	22,150	102	21,723	96	21,486	93	21,115	90
Public agency loans ⁽²⁾	2,632	-	2,925	-	3,051	-	2,986	-	3,089	-
Business loans										
Agriculture	7,426	36	7,506	37	7,221	39	7,174	29	7,010	32
Mining, oil and gas	302	1	321	1	338	6	485	5	537	4
Utilities	654	7	518	-	608	7	422	7	360	-
Construction	2,225	45	2,109	45	2,019	44	2,013	42	2,197	37
Manufacturing	2,751	42	2,640	41	2,672	47	2,668	42	2,562	48
Wholesale trade	1,232	5	1,118	7	1,152	8	1,117	8	1,055	8
Retail trade	2,773	23	2,737	22	2,417	24	2,412	22	2,603	17
Transportation	1,436	11	1,307	10	1,331	9	1,301	10	1,152	9
Information industry	371	7	387	7	412	7	440	10	325	10
Finance and insurance	743	1	649	1	640	-	686	-	608	-
Real estate	7,511	11	7,195	13	6,939	20	6,766	17	6,611	15
Professional services	575	4	550	5	542	4	543	4	504	4
Company management	899	3	907	2	876	3	988	4	982	2
Administrative services	243	12	231	6	268	5	255	3	255	3
Education	333	-	324	2	324	2	331	3	173	2
Health care	2,344	15	2,306	13	2,383	15	2,365	16	2,179	20
Arts and entertainment	694	6	733	7	687	14	690	13	677	13
Accommodation	1,236	24	1,217	26	1,159	38	1,165	28	1,144	28
Other services	871	12	887	11	837	14	829	11	747	11
Other businesses	1,316	1	1,059	-	1,219	2	1,046	1	1,715	1
Total business loans	\$ 35,935	\$ 266	\$ 34,701	\$ 256	\$ 34,044	\$ 308	\$ 33,696	\$ 275	\$ 33,396	\$ 264
Total loans	\$ 168,056	\$ 544	\$ 166,471	\$ 532	\$ 164,726	\$ 598	\$ 163,145	\$ 567	\$ 160,592	\$ 564

⁽¹⁾ Amounts as at March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016 have been restated as a result of a methodology refinement.

⁽²⁾ Includes government loans.

TABLE 20 – LOAN PORTFOLIO BY GEOGRAPHIC AREA

	As at March 31, 2017		As at December 31, 2016		As at September 30, 2016		As at June 30, 2016		As at March 31, 2016	
(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	\$ 153,257	\$ 488	\$ 154,551	\$ 480	\$ 153,214	\$ 532	\$ 151,575	\$ 501	\$ 152,243	\$ 504
Other Canadian provinces	14,560	55	11,587	51	11,493	66	11,233	64	8,329	60
Total - Canada	\$ 167,817	\$ 543	\$ 166,138	\$ 531	\$ 164,707	\$ 598	\$ 162,808	\$ 565	\$ 160,572	\$ 564
Other countries	239	1	333	1	19	-	337	2	20	-
Total	\$ 168,056	\$ 544	\$ 166,471	\$ 532	\$ 164,726	\$ 598	\$ 163,145	\$ 567	\$ 160,592	\$ 564

TABLE 21 - LOAN AND ACCEPTANCE PORTFOLIO BY ENTITY

	As at March 31, 2017		As at December 31, 2016		As at September 30, 2016		As at June 30, 2016		As at March 31, 2016	
(in millions of dollars and as a percentage)	Total		Total		Total		Total		Total	
Desjardins Group										
Caisse network	\$ 138,631	82.4%	\$ 137,749	82.7%	\$ 136,651	82.9%	\$ 135,734	83.2%	\$ 134,001	83.5%
Fédération des caisses Desjardins du Québec	25,336	15.1	24,624	14.8	24,174	14.7	24,151	14.8	23,429	14.5
Desjardins Financial Security Life Assurance Company	3,398	2.0	3,323	2.0	3,142	1.9	3,066	1.9	3,058	1.9
Other entities	796	0.5	786	0.5	782	0.5	241	0.1	189	0.1
Total	\$ 168,161	100.0%	\$ 166,482	100.0%	\$ 164,749	100.0%	\$ 163,192	100.0%	\$ 160,677	100.0%

TABLE 22 - LOAN AND ACCEPTANCE PORTFOLIO BY PRODUCT

(in millions of dollars and as a percentage)	As at March 31, 2017						As at December 31, 2016					
	Total		Guaranteed or insured loans ⁽¹⁾		Gross impaired loans		Total		Guaranteed or insured loans ⁽¹⁾		Gross impaired loans	
Desjardins Group												
Residential mortgages	\$ 107,246	63.8%	\$ 34,860	77.0%	\$ 178	32.7%	\$ 106,695	64.1%	\$ 34,857	76.8%	\$ 174	32.7%
Consumer, credit card and other personal loans	22,243	13.2	3,761	8.3	100	18.4	22,150	13.3	3,726	8.2	102	19.2
Business and government loans	38,672	23.0	6,677	14.7	266	48.9	37,637	22.6	6,789	15.0	256	48.1
Total	\$ 168,161	100.0%	\$ 45,298	100.0%	\$ 544	100.0%	\$ 166,482	100.0%	\$ 45,372	100.0%	\$ 532	100.0%

(in millions of dollars and as a percentage)	As at September 30, 2016						As at June 30, 2016					
	Total		Guaranteed or insured loans ⁽¹⁾		Gross impaired loans		Total		Guaranteed or insured loans ⁽¹⁾		Gross impaired loans	
Desjardins Group												
Residential mortgages	\$ 105,908	64.3%	\$ 33,841	76.2%	\$ 194	32.4%	\$ 104,977	64.3%	\$ 33,932	76.4%	\$ 199	35.1%
Consumer, credit card and other personal loans	21,723	13.2	3,564	8.0	96	16.1	21,486	13.2	3,629	8.2	93	16.4
Business and government loans	37,118	22.5	7,020	15.8	308	51.5	36,729	22.5	6,836	15.4	275	48.5
Total	\$ 164,749	100.0%	\$ 44,425	100.0%	\$ 598	100.0%	\$ 163,192	100.0%	\$ 44,397	100.0%	\$ 567	100.0%

(in millions of dollars and as a percentage)	As at March 31, 2016					
	Total		Guaranteed or insured loans ⁽¹⁾		Gross impaired loans	
Desjardins Group						
Residential mortgages	\$ 102,992	64.1%	\$ 33,463	76.8%	\$ 210	37.2%
Consumer, credit card and other personal loans	21,115	13.1	3,769	8.7	90	16.0
Business and government loans	36,570	22.8	6,307	14.5	264	46.8
Total	\$ 160,677	100.0%	\$ 43,539	100.0%	\$ 564	100.0%

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

TABLE 23 – CHANGE IN GROSS IMPAIRED LOANS

(in millions of dollars)	As at March 31, 2017	As at December 31, 2016	As at September 30, 2016	As at June 30, 2016	As at March 31, 2016
Gross impaired loans at end of previous period	\$ 532	\$ 598	\$ 567	\$ 564	\$ 541
Gross loans that became impaired since the last period	265	254	274	242	253
Gross loans that came back to an unimpaired status	(169)	(232)	(162)	(175)	(128)
Write-offs	(91)	(97)	(90)	(85)	(95)
Other change	7	9	9	21	(7)
Gross impaired loans at end of current period	\$ 544	\$ 532	\$ 598	\$ 567	\$ 564

TABLE 24 - PERSONAL RESIDENTIAL MORTGAGE LOAN PORTFOLIO⁽¹⁾Caisse network in Quebec and Ontario⁽²⁾

(in millions of dollars and as a percentage)	As at March 31, 2017								As at December 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	\$ 26,300	97.1%	\$ 54,313	96.7%	\$ 6,834	95.1%	\$ 87,447	96.7%	\$ 26,393	97.1%	\$ 54,033	96.7%	\$ 6,831	95.1%	\$ 87,257	96.7%
Ontario	785	2.9	1,797	3.2	345	4.8	2,927	3.2	761	2.8	1,788	3.2	343	4.8	2,892	3.2
Other ⁽⁶⁾	-	-	57	0.1	5	0.1	62	0.1	27	0.1	56	0.1	6	0.1	89	0.1
All geographic areas	\$ 27,085	100.0%	\$ 56,167	100.0%	\$ 7,184	100.0%	\$ 90,436	100.0%	\$ 27,181	100.0%	\$ 55,877	100.0%	\$ 7,180	100.0%	\$ 90,238	100.0%

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

(in millions of dollars and as a percentage)	As at March 31, 2016							
	Guaranteed or insured loans ⁽³⁾		Uninsured loans ⁽⁴⁾		Home equity lines of credit ⁽⁵⁾		Total	
Quebec	\$ 25,523	97.0%	\$ 52,174	96.7%	\$ 6,914	95.2%	\$ 84,611	96.7%
Ontario	763	2.9	1,727	3.2	337	4.6	2,827	3.2
Other ⁽⁶⁾	26	0.1	54	0.1	17	0.2	97	0.1
All geographic areas	\$ 26,312	100.0%	\$ 53,955	100.0%	\$ 7,268	100.0%	\$ 87,535	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 \$144 million as at March 31, 2017. They amounted to \$135 million, \$136 million, \$111 million and \$115 million, respectively, for the December 2016, September 2016, June 2016 and March 2016 quarters.

⁽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 25 - 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 March 31, 2017			As at December 31, 2016			As at September 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	68.0%	69.4%	68.9%	67.6%	69.3%	68.7%	65.1%	70.8%	69.3%
Ontario	74.3	69.6	71.3	71.5	68.4	69.6	72.6	71.1	71.6
Other ⁽⁴⁾	73.9	69.8	71.8	66.0	72.1	68.1	72.5	75.9	73.9
All geographic areas	68.3	69.4	69.0	67.8	69.3	68.8	65.5	70.8	69.4

(average loan-to-value ratio, by geographic area)	As at June 30, 2016			As at March 31, 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
Quebec	68.0%	71.3%	70.2%	68.1%	70.5%	69.7%
Ontario	72.2	71.3	71.6	68.4	71.3	70.3
Other ⁽⁴⁾	72.9	76.2	74.4	80.7	70.1	73.4
All geographic areas	68.2	71.3	70.2	68.2	70.5	69.8

⁽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 26 - 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 March 31, 2017		As at December 31, 2016		As at September 30, 2016		As at June 30, 2016		As at March 31, 2016	
0-10 years	\$ 2,625	3.2%	\$ 2,649	3.2%	\$ 2,644	3.2%	\$ 2,611	3.2%	\$ 2,550	3.2%
10-20 years	16,414	19.7	16,400	19.7	16,266	19.7	16,097	19.7	15,890	19.8
20-25 years	54,930	65.9	54,590	65.8	54,027	65.5	53,310	65.0	51,501	64.2
25-30 years	7,022	8.4	7,099	8.5	7,218	8.7	7,369	9.0	7,614	9.5
30-35 years	1,884	2.3	1,930	2.3	1,999	2.4	2,092	2.6	2,272	2.8
35 years or more	376	0.5	390	0.5	401	0.5	414	0.5	441	0.5
All amortization periods	\$ 83,251	100.0%	\$ 83,058	100.0%	\$ 82,555	100.0%	\$ 81,893	100.0%	\$ 80,268	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.