# 2016

HSBC Bank Canada Regulatory Capital and Risk Management Pillar 3 Supplemental Disclosures as at September 30, 2016



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#### Notes to Users

**Regulatory Capital and Risk Management Pillar 3 Disclosures** 

The Office of the Superintendent of Financial Institutions ("OSFI") supervises HSBC Bank Canada (the "Bank") on a consolidated basis. OSFI has approved the Bank's application to apply the Advanced Internal Ratings Based ("AIRB") approach to credit risk on our portfolio and the Standardized Approach for measuring Operation and Risk. Please refer to the Annual Report and Accounts 2015 for further information on the Bank's risk and capital management framework. Further information regarding HSBC Group Risk Management Processes can be found in HSBC Holdings plc Capital and Risk Management Pillar 3 Disclosures available on HSBC Group's investor relations web site.

The Pillar 3 Supplemental Disclosures are additional summary descriptions and quantitative financial information which supple ment those already made in the Annual Report and Accounts 2015 for the disclosure requirements under OSFI's Pillar 3 Disclosure Requirements Advisory issued September 29, 2006 consistent with the "International Convergence of Capital Measurement and Capital Standards" ('Basel II') issued by the Basel Committee on Banking Supervision (BCBS) in June 2006 and the "Composition of capital disclosure requirements" ('Basel III') issued by the BCBS in June 2012 under OSFI's advisory letter requirements issued in July 2013 and revised April 2014.

Pillar 3 complements the minimum capital requirements and the supervisory review process. Its aim is to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess certain specified information on the scope of application of Basel II/III ('the Basel rules'), capital, particular risk exposures, risk assessment processes, and hence the capital adequacy of the institution.

The supervisory objectives of BCBS are to promote safety and soundness in the financial system and maintain an appropriate level of capital in the system, enhance competitive equality, constitute a more comprehensive approach to addressing risks, and focus on internationally active banks. The Basel rules are structured a round three "pillars": pillar 1, minimum capital requirements, pillar 2, supervisory review and pillar 3, market discipline.

On June 26, 2012, the BCBS issued the Basel III rules on the information banks must publicly disclose when detailing the comp osition of their capital, which set out a framework to ensure that the components of banks capital bases are publicly disclosed in standardised formats across and within jurisdictions for banks su bject to Basel III.

Basel III builds on Basel II. It also increases the level of risk-weighted assets for significant investments and deferred tax amounts due to temporary timing differences under defined thresholds, exposures to large or unregulated financial institutions meeting specific criteria, exposures to centralized counterparties and exposures that give rise to wrong way risk. In addition Basel III places a greater emphasis on common equity by introducing a new category of capital, Common Equity Tier 1 (CET1), which consists prima rily of common shareholders equity net of regulatory adjustments. These regulatory adjustments include goodwill, intangible assets, deferred tax assets, pension assets and investments in financial institutions over certain thresholds. Overall, the Basel III rules increase the level of regulatory deductions relative to Basel II.

Effective November 1, 2012, Canadian banks are subject to the revised capital adequacy requirements of Basel III as published by the BCBS. OSFI announced its decision to implementation of the Credit Valuation Adjustment (CVA) on Bilateral OTC derivatives starting Q1 2014.

Effective with public disclosures beginning in Q1, 2013, Banks are subject to disclosure requirements under OSFI's Guidelines on Residential Mortgage Underwriting Practices and Procedures (B-20).

Effective with public disclosures beginning in Q1, 2014 and Q3 2014, non-Domestic Systemically Important Banks (non-DSIBs as determined by OSFI) are required to disclose a modified version of the Capital Disclosure as described in the OSFI Advisory "Public Capital Disclosure Requirements related to Basel III Pillar 3" d ate July 2013 and revised April 2013.

Effective with public disclosures beginning in Q1, 2016, OSFI has authorized HSBC Bank Canada's Market Risk model. As a result, credit risk exposures exclude the trading book portfolio.

This report is unaudited and all amounts are in rounded millions of Canadian dollars, unless otherwise indicated.



#### Basel III Regulatory Capital

(\$ millions except as noted)

	All-in <sup>1</sup>									
Common Equity Tier 1 capital: instruments and reserves	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014		
1 Directly issued qualifying common share capital										
(and equivalent for non-joint stock companies) plus related stock surplus	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225		
2 Retained earnings	3,310	3,263	3,246	3,209	3,292	3,254	3,151	3,108		
3 Accumulated other comprehensive income (and other reserves)	167	146	90	92	83	154	233	117		
4 Directly issued capital subject to phase out from CET1	na	na	na	na	na	na	na	na		
<ul> <li>(only applicable to non-joint stock companies)</li> </ul>	-	-	-		-	-	-	-		
5 Common share capital issued by subsidiaries and held by third parties										
(amount allowed in group CET1)	na	na	na	na	na	na	na	na		
6 Common Equity Tier 1 capital before regulatory adjustments	4,702	4,634	4,561	4,526	4,600	4,633	4,609	4,450		
Common Equity Tier 1 capital: regulatory adjustments	(00.4)	(000)	(000)	(100)	(007)	(100)	(000)	(170)		
28 Total regulatory adjustments to Common Equity Tier 1	(221)	(220)	(233)	(198)	(207)	(190)	(236)	(170)		
29 Common Equity Tier 1 capital (CET1)	4,481	4,414	4,328	4,328	4,393	4,444	4,374	4,280		
Additional Tier 1 capital: instruments	500	500	500	500	500	500				
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	500	500	500 500	500	500	500	na	na		
31 of which: classified as equity under applicable accounting standards	500	500		500	500	500	na	na		
32 of which: classified as liabilities under applicable accounting standards	na	na	na	na	na	na	na	na		
33 Directly issued capital instruments subject to phase out from Additional Tier 1	350	350	350	350	350	350	550	550		
Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by										
subsidiaries and held by third parties (amount allowed in group AT1)	-	-	-	-	-	-	na	na		
35 of which: instruments issued by subsidiaries subject to phase out	-	-	-	-	-	-	-	-		
36 Additional Tier 1 capital before regulatory adjustments	850	850	850	850	850	850	550	550		
Additional Tier 1 capital: regulatory adjustments										
43 Total regulatory adjustments to Additional Tier 1 capital	na	na	na	na	na	na	na	na		
44 Additional Tier 1 capital (AT1)	850	850	850	850	850	850	550	550		
45 Tier 1 capital (T1 = CET1 + AT1)	5,331	5,264	5,178	5,178	5,243	5,294	4,924	4,830		
Tier 2 capital: instruments and allowances										
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	na	na	na	na	na	na	na	na		
47 Directly issued capital instruments subject to phase out from Tier 2	445	447	450	532	532	532	532	608		
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34)										
issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	na	na	na	na	na	na	na	na		
49 of which: instruments issued by subsidiaries subject to phase out	na	na	na	na	na	na	na	na		
50 Impairment allowances	7	9	49	53	4	4	4	3		
51 Tier 2 capital before regulatory adjustments	452	456	499	585	536	536	536	611		
Tier 2 capital: regulatory adjustments										
57 Total regulatory adjustments to Tier 2 capital	na	na	na	na	na	na	1	na		
58 Tier 2 capital (T2)	452	456	499	585	536	536	537	611		
59 Total capital (TC = T1 + T2)	5,783	5,720	5,677	5,763	5,779	5,829	5,460	5,441		
60 Total risk-weighted assets	na	na	na	na	na	na	na	na		
60a Common Equity Tier 1 (CET1) Capital RWA <sup>2</sup>	41,915	42,442	43,069	42,846	42,787	42,358	41,642	40,269		
60b Tier 1 Capital RWA <sup>2</sup>	41,915	42,442	43,069	42,846	42,787	42,358	41,642	40,269		
60c Total Capital RWA <sup>2</sup>	41,915	42,442	43,069	42,846	42,787	42,358	41,642	40,269		

(1) "All-in" regulatory capital assumes that all Basel III regulatory adjustments are applied effective January 1, 2013 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013 and continuing to January 1, 2022.

(2) At Q2 2016, CVA risk-weighted assets were calculated using the scalars of 0.64, 0.71 and 0.77 to compute CET1 capital ratio, Tier 1 capital ratio and Total capital ratio respectively. Including Regulatory Floor Adjustment.



## **Basel III Regulatory Capital (Continued)**

(\$ millions except as noted)

					All-in E	Basis <sup>1</sup>			
	Capital ratios	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	10.7%	10.4%	10.0%	10.1%	10.3%	10.5%	10.5%	10.6%
62	Tier 1 (as percentage of risk-weighted assets)	12.7%	12.4%	12.0%	12.1%	12.3%	12.5%	11.8%	12.0%
63	Total capital (as percentage of risk-weighted assets)	13.8%	13.5%	13.2%	13.5%	13.5%	13.8%	13.1%	13.5%
	OSFI all-in target								
69	Common Equity Tier 1 capital all-in target ratio	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
70	Tier 1 capital all-in target ratio	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
71	Total capital all-in target ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
	Current cap on CET1 instruments subject to phase out arrangements								
	(only applicable between 1 Jan 2013 and 1 Jan 2022)								
80	Current cap on CET1 instruments subject to phase out arrangements	60%	60%	60%	70%	70%	70%	70%	80%
81	(excess over cap after redemptions and maturities)	na	na	na	na	na	na	na	na
82	Current cap on AT1 instruments subject to phase out arrangements	60%	60%	60%	70%	70%	70%	70%	80%
02	Amounts excluded from AT1 due to cap								
03	(excess over cap after redemptions and maturities)	-	-	-	-	-	-	-	-
	Current cap on T2 instruments subject to phase out arrangements	60%	60%	60%	70%	70%	70%	70%	80%
85	Amounts excluded from T2 due to cap								
65	(excess over cap after redemptions and maturities)	-	-	-	121	124	129	132	57

					Transition	al Basis <sup>2</sup>			
	Capital	3Q 2016	2Q 2016	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015	4Q 2014
29	Common Equity Tier 1 capital (CET1)	4,526	4,444	4,385	4,391	4,451	4,494	4,427	4,367
45	Tier 1 capital (T1 = CET1 + AT1)	5,351	5,274	5,216	5,227	5,282	5,327	4,962	4,889
	Total capital (TC = T1 + T2)	5,802	5,730	5,715	5,812	5,813	5,859	5,499	5,491
60	Total risk-weighted assets	42,131	42,659	43,267	43,141	43,102	42,661	42,074	40,867
	Capital ratios								
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	10.7%	10.4%	10.1%	10.2%	10.3%	10.5%	10.5%	10.7%
	Tier 1 (as percentage of risk-weighted assets)	12.7%	12.4%	12.1%	12.1%	12.3%	12.5%	11.8%	12.0%
63	Total capital (as percentage of risk-weighted assets)	13.8%	13.4%	13.2%	13.5%	13.5%	13.7%	13.1%	13.4%
	Assets to Capital Multiple (ACM)	na	na	na	na	na	na	na	17.1
	Leverage Ratio	4.8%	4.8%	4.8%	4.7%	4.7%	4.9%	4.6%	na

(1) "All-in" regulatory capital assumes that all Basel III regulatory adjustments are applied effective January 1, 2013 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013 and continuing to January 1, 2022.

(2) Transitional regulatory capital assumes that all Basel III regulatory capital adjustments are phased in from January 1, 2014 to January 1, 2018 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013 and continuing to January 1, 2022.

(3) Leverage ratio was introduced and has replaced the assets to capital (ACM) ratio beginning in the first quarter of 2015.



#### **Risk-Weighted Assets<sup>1</sup>**

(\$ millions except as noted)

		Septembe	er 30, 2016			June 3	0, 2016			March 3	31, 2016			Decembe	r 31, 2015	
Risk-Weighted Assets (RWA)	Exposure		RWA		Exposure		RWA		Exposure		RWA		Exposure		RWA	
	(2)	Standardized	Advanced		(2)	Standardized	Advanced		(2)	Standardized	Advanced		(2)	Standardized	Advanced	
(\$ millions except as noted)		Approach	Approach	Total		Approach	Approach	Total		Approach	Approach	Total		Approach	Approach	Total
Corporate	48,470		26,314	26,314	49,261		27,758	27,758	49,747	-	27,040	27,040	53,899	-	27,896	27,896
Sovereign	22,805		653	653	21,107		624	624	21,533	-	676	676	25,740	-	850	850
Bank	11,992		551	551	11,083		612	612	13,636		640	640	11,953		679	679
Residential Mortgages	20,299		1,823	1,823	20,244		1,869	1,869	19,665	-	1,818	1,818	19,243	-	1,781	1,781
HELOC's	2,898		587	587	2,931		603	603	2,900	-	606	606	2,902	-	611	611
Other Retail (excluding QRR and SME)	2,181	395	319	714	2,261	407	318	725	2,350	434	331	765	2,506	482	365	847
Qualifying Revolving Retail	460		175	175	469		180	180	483	-	196	196	491	-	195	195
Retail SME	435		275	275	467		293	293	487	-	304	304	508	-	311	311
Exposures subject to standardized or IRB approaches (6)	109,540	395	30,696	31,091	107,822	407	32,256	32,663	110,802	434	31,613	32,046	117,241	482	32,688	33,170
Equity (3)	43		43	43	65		65	65	117	-	117	117	23	-	23	23
Securitization (4)															-	
Other assets not included in standardized or IRB approaches (5)	5,507			1,971	3,931			2,042	3,332	-	-	2,324	2,678	-	-	2,077
Adjustment to IRB risk-weighted assets for scaling factor				1,844				1,939	-	-	-	1,904	-	-	-	1,963
Total Credit Risk	115,090			34,949	111,818			36,709	114,251			36,391	119,942			37,232
Market Risk (6)				790				967				1,489				
Operational Risk - Standardized Approach				3,401				3,708				3,702				3,710
Total Risk-Weighted Assets before adjustments				39,141				41,384				41,581				40,942
Total RWA after adjustment for CVA phase-in (5)																
Common Equity Tier 1 (CET1) Capital RWA				38,755				40,970				41,112				40,519
Tier 1 Capital RWA				38,830				41,050				41,203				40,602
Total Capital RWA				38,894				41,119				41,282				40,672
Adjustment for Regulatory Floor (7)																
CET1 Capital RWA Floor				3,160				1,473				1,957				2,327
Tier 1 Capital RWA Floor				3,086				1,392				1,865				2,244
Total Capital RWA Floor				3,021	-			1,323				1,787				2,174
Adjusted Total Risk-Weighted Assets																
Adjusted Common Equity Tier 1 (CET1) Capital RWA				41,915				42,442				43,069				42,846
Adjusted Tier 1 Capital RWA				41,915				42,442				43,069				42,846
Adjusted Total Capital RWA				41,915				42,442				43,069				42,846

		Septembe	r 30, 2015			June 3	D, 2015			March 3	31, 2015			Decembe	r 31, 2014	
Risk-Weighted Assets (RWA)	Exposure		RWA													
(\$ millions except as noted)	(2)	Standardized Approach	Advanced Approach	Total												
Corporate	57,459		28,288	28,288	55,946		27,592	27,592	53,681		26,437	26.437	54.626		23,906	23,906
Sovereign	26,263		830	830	22.065		718	718	21.672		741	20,437	21.597		23,500	697
Bank	12,775		643	643	11,931		666	666	13,038		713	713	9,201		727	727
Residential Mortgages	19.099	_	1.761	1,761	18,699	_	1,687	1,687	18,266	-	1,661	1,661	18,328	105	1.709	1,814
HELOC's	2,945		626	626	2,951		617	617	2,971	_	631	631	3.046	-	652	652
Other Retail (excluding QRR and SME)	2,620	507	336	843	2,829	536	418	953	2,774	550	361	911	2.678	422	401	823
Qualifying Revolving Retail	502	507	196	196	506	000	200	200	514	000	203	203	527	422	211	211
Retail SME	508		318	318	561		354	354	554	_	350	350	593	_	369	369
Exposures subject to standardized or IRB approaches	122,171	507	32,999	33.506	115,489	536	32,252	32.787	113,469	550	31,097	31.647	110,595	527	28,672	29,199
Equity (3)	16		16	16	4		4	4	4	-	4	4	4	-	4	4
Securitization (4)									-	-	-	-	-	-	-	-
Trading Book	1,424			1,979	1,652			2,011								
Other assets not included in standardized or IRB approaches (5)	-	-	-	1,981	-	-	-	1,935	2,108	-	-	2,241	3,064	-	-	2,380
Adjustment to IRB risk-weighted assets for scaling factor	123.611			37,482	117.145			36,738	· -	-	-	1.866	-	-	-	1.721
Total Credit Risk				-				-	115,581			35,759	113,664			33,304
Market Risk (6)				3,764				3,792								
Operational Risk - Standardized Approach				41,247				40,529				3,831				3,882
Total Risk-Weighted Assets before adjustments												39,590				37,186
Total RWA after adjustment for CVA phase-in (5)				40,827				40,128								
Common Equity Tier 1 (CET1) Capital RWA				40,909				40,206				39,118				36,553
Tier 1 Capital RWA				40,979				40,273				39,209				36,671
Total Capital RWA												39,288				36,847
Adjustment for Regulatory Floor (7)				1,960				2,229								
CET1 Capital RWA Floor				1,878				2,151				2,524				3,716
Tier 1 Capital RWA Floor				1,808				2,084				2,433				3,598
Total Capital RWA Floor												2,354				3,422
Adjusted Total Risk-Weighted Assets				42,787				42,358								
Adjusted Common Equity Tier 1 (CET1) Capital RWA				42,787				42,358				41,642				40,269
Adjusted Tier 1 Capital RWA				42,787				42,358				41,642				40,269
Adjusted Total Capital RWA				41,642				41,642				41,642				40,269

Effective Q1 2013, amounts are calculated in accordance with the Basel III regulatory framework, and are presented based on the "all-in" methodology.
 Exposure represents gross exposure at default before allowances and credit risk mitigation.

(3) Under OSFI guidelines the Bank is exempt from using the AIRB approach based on materiality. Accordingly equity investments are risk weighted at 100%.

(4) Securitization exposures are currently treated as on balance sheet exposures and included in the Basel III counterparty category to which the exposures relate.

(5) Commencing 2014, a new CVA regulatory capital charge has been added. For Q1 and Q2 2014 the CVA regulatory capital charge has been reflected in RWAs included in Other assets and is calculated using the standardized method and a scalar of .57. Commencing Q1 2015 the CVA risk-weighted assets were calculated using the scalars of 0.64, 0.71 and 0.77 to compute CET1 capital RWA, Tier 1 capital RWA and Total capital RWA respectively. (6) Market Risk is the risk that the value of a portfolio will decrease due to movements in market factors, such as interest rates, foreign exchange rates, credit spreads, equity prices and commodity prices. Effective Q1 2016, OSFI has authorised HSBC Bank Canada's Market Risk model. As a result, credit risk exposures exclude the trading portfolio.
(7) The Bank is subject to a regulatory capital floor according to transitional arrangements

prescribed by OSFI. OSFI has given the Bank their approval to reduce the capital floor to 90%. commencing with the third quarter 2008 regulatory reporting period.

#### Credit Exposure by Counterparty Type

(\$ millions except as noted)

	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total
			Septembe	er 30, 2016					June 3	0, 2016		
Corporate	28,058	11,599	4,216	1,288	3,310	48,470	28,411	12,306	3,785	1,255	3,504	49,261
Sovereign	21,716	405	457	158	70	22,805	20,122	235	511	170	70	21,107
Bank	3,780	9	6,632	692	879	11,992	3,752		5,477	989	864	11,083
Total Corporate, Sovereign and Bank (1)	53,553	12,013	11,305	2,138	4,258	83,267	52,284	12,541	9,773	2,414	4,438	81,451
Residential Mortgages	20,296	3				20,299	20,240	4				20,244
HELOC's	1,852	1,045				2,898	1,882	1,049				2,931
Other Retail (excluding QRR and SME)	2,001	179			2	2,181	2,079	179			2	2,261
Qualifying Revolving Retail	244	216				460	250	219				469
Retail SME	195	223			17	435	209	241			17	467
Total Retail	24,589	1,666			18	26,273	24,660	1,692			19	26,371
Total Gross Credit Exposure	78,142	13,678	11,305	2,138	4,277	109,540	76,944	14,233	9,773	2,414	4,458	107,822

			March 3	1, 2016					Decembe	r 31, 2015		
Corporate	28,364	12,143	4,506	1,287	3,447	49,747	29,569	12,995	5,908	1,917	3,511	53,899
Sovereign	20,786	229	349	99	70	21,533	24,807	195	262	406	70	25,740
Bank	2,878		8,302	1,846	610	13,636	3,511		6,738	1,222	482	11,953
Total Corporate, Sovereign and Bank	52,028	12,372	13,156	3,233	4,127	84,916	57,886	13,190	12,908	3,545	4,063	91,592
Residential Mortgages	19,665					19,665	19,239	4				19,243
HELOC's	1,855	1,045				2,900	1,862	1,040				2,902
Other Retail (excluding QRR and SME)	2,170	178			3	2,350	2,315	186			5	2,506
Qualifying Revolving Retail	261	223				483	267	224				491
Retail SME	216	253			18	487	228	262			18	508
Total Retail	24,167	1,699			21	25,886	23,911	1,716			23	25,649
Total Gross Credit Exposure	76,195	14,071	13,156	3,233	4,147	110,802	81,797	14,906	12,908	3,545	4,086	117,241

			Septembe	r 30, 2015			June 30, 2015						
Corporate	30,306	13,324	8,260	1,921	3,649	57,459	30,284	13,253	7,102	1,604	3,703	55,946	
Sovereign	25,502	40	389	262	70	26,263	21,659	34	190	111	70	22,065	
Bank	3,486		7,515	915	858	12,775	3,135		6,824	1,134	839	11,931	
Total Corporate, Sovereign and Bank	59,293	13,363	16,165	3,098	4,577	96,496	55,078	13,287	14,116	2,849	4,611	89,942	
Residential Mortgages	19,099					19,099	18,698	1				18,699	
HELOC's	1,910	1,035				2,945	1,950	1,001				2,951	
Other Retail (excluding QRR and SME)	2,411	196			13	2,620	2,620	196			13	2,829	
Qualifying Revolving Retail	277	226				502	280	226				506	
Retail SME	237	252			19	508	271	271			19	561	
Total Retail	23,933	1,709			32	25,674	23,819	1,696			32	25,547	
Total Gross Credit Exposure	83,227	15,072	16,165	3,098	4,609	122,171	78,897	14,983	14,116	2,849	4,644	115,489	

			March 3	31, 2015			December 31, 2014						
Corporate	30,122	12,356	5,899	1,815	3,489	53,681	28,088	12,137	9,539	1,212	3,650	54,626	
Sovereign	20,917	38	581	67	70	21,672	21,186	34	250	57	70	21,597	
Bank	3,162		7,615	1,459	802	13,038	3,269		3,067	2,237	628	9,201	
Bank	54,201	12,394	14,094	3,341	4,361	88,391	52,542	12,172	12,856	3,506	4,348	85,424	
Total Corporate, Sovereign and Bank	18,266					18,266	18,326	1				18,328	
Residential Mortgages	1,970	1,001				2,971	2,006	1,040				3,046	
HELOC's	2,573	196			4	2,774	2,451	197			30	2,678	
Qualifying Revolving Retail	285	229				514	293	234				527	
Retail SME	268	266			20	554	279	293			20	593	
Total Retail	23,362	1,691			24	25,078	23,355	1,765			51	25,171	
Total Gross Credit Exposure	77,563	14,085	14,094	3,341	4,385	113,469	75,898	13,937	12,856	3,506	4,399	110,595	



#### Credit Exposure by Geography

(\$ millions except as noted)

			Septembe	er 30, 2016					June 3	0, 2016		
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total
British Columbia	22,677	3,297	185	114	544	26,818	22,887	3,299	75	115	522	26,898
Western Canada, excluding British Columbia	9,338	4,047		734	955	15,073	9,664	4,369		743	1,149	15,924
Ontario	39,392	4,231	11,101	1,058	1,995	57,776	37,690	4,568	9,691	1,357	1,955	55,260
Quebec & Atlantic provinces	6,736	2,103	18	232	783	9,872		1,998	7	199	832	9,740
Total Gross Credit Exposure (1)	78,142	13,678	11,305	2,138	4,277	109,540	76,944	14,233	9,773	2,414	4,458	107,822

			March 3	31, 2016			December 31, 2015						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	
British Columbia	22,687	3,273		139	529	26,628	21,579	3,517		221	523	25,840	
Western Canada, excluding British Columbia	9,870	4,433		628	1,168	16,100	10,458	4,644		786	1,176	17,064	
Ontario	36,820	4,394	13,156	2,245	1,673	58,288	42,585	4,531	12,908	1,924	1,594	63,542	
Quebec & Atlantic provinces	6,817	1,971		220	777	9,785	7,175	2,214		614	793	10,796	
Total Gross Credit Exposure	76,195	14,071	13,156	3,233	4,147	110,802	81,797	14,906	12,908	3,545	4,086	117,241	

			Septembe	r 30, 2015					June 3	0, 2015		
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total
British Columbia	21,149	3,445	122	227	561	25,504	20,876	3,348	52	167	567	25,010
Western Canada, excluding British Columbia	11,070	4,821		832	1,074	17,797	11,310	4,969		625	1,168	18,071
Ontario	43,707	4,565	16,043	1,509	2,101	67,924	39,556	4,419	14,065	1,642	2,042	61,723
Quebec & Atlantic provinces	7,301	2,242		530	873	10,945	7,156	2,247		416	866	10,685
Total Gross Credit Exposure	83,227	15,072	16,165	3,098	4,609	122,171	78,897	14,983	14,116	2,849	4,644	115,489

			March 3	31, 2015					Decembe	r 31, 2014		
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total
British Columbia	20,614	3,021	215	205	552	24,607	20,277	3,080		109	542	24,007
Western Canada, excluding British Columbia	11,597	4,740		738	1,156	18,231	10,629	4,542		477	1,420	17,068
Ontario	38,159	4,237	13,879	1,945	1,919	60,140	38,375	4,204	12,856	2,632	1,564	59,631
Quebec & Atlantic provinces	7,193	2,087		454	759	10,492	6,617	2,110		288	873	9,888
Total Gross Credit Exposure	77,563	14,085	14,094	3,341	4,385	113,469	75,898	13,937	12,856	3,506	4,399	110,595



#### **Residual Contract Maturity Breakdown**

(\$ millions except as noted)

			Septembe	r 30, 2016					June 3	0, 2016		
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total
Within 1 year	22,674	8,033	11,305	820	3,178	46,009	24,096	8,466	9,773	956	3,506	46,797
1-5 years	46,462	5,406		716	1,049	53,633	44,193	5,360		816	896	51,266
Greater than 5 years	9,006	240		601	50	9,898	8,655	407		642	55	9,759
Total Gross Credit Exposure (1)	78,142	13,678	11,305	2,138	4,277	109,540	76,944	14,233	9,773	2,414	4,458	107,822

			March 3	31, 2016					Decembe	r 31, 2015		
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total
Within 1 year	24,297	8,432	13,156	1,412	3,167	50,464	24,670	8,766	12,908	1,760	3,145	51,249
1-5 years	41,915	5,441		1,037	913	49,307	45,243	5,777		1,230	875	53,125
Greater than 5 years	9,982	199		783	67	11,031	11,884	363		555	65	12,867
Total Gross Credit Exposure	76,195	14,071	13,156	3,233	4,147	110,802	81,797	14,906	12,908	3,545	4,086	117,241

			Septembe	r 30, 2015					June 3	0, 2015		
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total
Within 1 year	29,501	9,099	16,165	1,357	3,602	59,723	29,927	9,031	14,116	1,372	3,348	57,795
1-5 years	43,633	5,771		1,176	933	51,512	40,000	5,605		997	1,215	47,816
Greater than 5 years	10,093	203		565	74	10,936	8,970	346		480	81	9,878
Total Gross Credit Exposure	83,227	15,072	16,165	3,098	4,609	122,171	78,897	14,983	14,116	2,849	4,644	115,489

			March 3	31, 2015					December	r 31, 2014		
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	отс	Other Off Balance Sheet Items	Total
Within 1 year	30,042	8,675	14,094	1,430	3,182	57,423	30,388	8,688	12,856	1,347	3,289	56,568
1-5 years	38,446	4,988		1,232	1,135	45,801	37,140	4,982		1,252	1,056	44,429
Greater than 5 years	9,075	423		679	68	10,245	8,370	268		907	54	9,598
Total Gross Credit Exposure	77,563	14,085	14,094	3,341	4,385	113,469	75,898	13,937	12,856	3,506	4,399	110,595



#### Credit Risk Portfolio Exposure at Default

(\$ millions except as noted)

		Septembe	er 30, 2016			June 3	0, 2016			March 3	31, 2016			Decembe	r 31, 2015	
	Standa	ardized	AI	RB	Standa	ardized	AI	RB	Standa	ardized	AI	RB	Stand	ardized	AI	RB
	Loans (Drawn)	Credit Equivalent Amount on Undrawn														
Corporate			28,058	11,599			28,411	12,306			28,364	12,143			29,569	12,995
Sovereign			21,716	405			20,122	235			20,786	229			24,807	195
Bank			3,780	9			3,752				2,878				3,511	
Total Corporate, Sovereign and Bank (1)			53,553	12,013			52,284	12,541			52,028	12,372			57,886	13,190
Residential Mortgages			20,296	3			20,240	4			19,665				19,239	4
HELOC's			1,852	1,045			1,882	1,049			1,855	1,045			1,862	1,040
Other Retail (excluding QRR and SME)	515		1,486	179	539		1,540	179	573		1,597	178	638		1,678	186
Qualifying Revolving Retail			244	216			250	219			261	223			267	224
Retail SME			195	223			209	241			216	253			228	262
Total Retail	515		24,074	1,666	539		24,121	1,692	573		23,593	1,699	638		23,273	1,716
Total Gross Credit Exposure	515		77,627	13,678	539		76,405	14,233	573		75,621	14,071	638		81,159	14,906

		Septembe	r 30, 2015			June 3	0, 2015			March 3	81, 2015			Decembe	r 31, 2014	
	Standa	ardized	AI	RB	Standa	ardized	AI	RB	Standa	ardized	AI	RB	Stand	ardized	AI	IRB
	Loans (Drawn)	Credit Equivalent Amount on Undrawn														
Corporate			30,306	13,324			30,284	13,253			30,122	12,356			28,088	12,137
Sovereign			25,502	40			21,659	34			20,917	38			21,186	34
Bank			3,486				3,135				3,162				3,269	
Total Corporate, Sovereign and Bank			59,293	13,363			55,078	13,287			54,201	12,394			52,542	12,172
Residential Mortgages			19,099				18,698	1			18,266		238		18,088	1
HELOC's			1,910	1,035			1,950	1,001			1,970	1,001			2,006	1,040
Other Retail (excluding QRR and SME)	670		1,741	196	708		1,912	196	726		1,847	196	560		1,891	197
Qualifying Revolving Retail			277	226			280	226			285	229			293	234
Retail SME			237	252			271	271			268	266			279	293
Total Retail	670	-	23,264	1,709	708	-	23,111	1,696	726	-	22,636	1,691	798	-	22,557	1,765
Total Gross Credit Exposure	670	-	82,557	15,072	708	-	78,189	14,983	726	-	76,837	14,085	798	-	75,100	13,937



## Standardized Exposures by Risk Weight Category (\$ millions except as noted)

				Septembe	er 30, 2016							June 3	0, 2016			
				Risk Weigh	t Category							Risk Weigl	nt Category			
	0%	20%	35%	50%	75%	100%	150%	Total	0%	20%	35%	50%	75%	100%	150%	Total
Corporate																
Sovereign																
Bank																
Total Corporate, Sovereign and Bank																
Residential Mortgages (1)																
Heloc's																
Other Retail					503		11	515					527	12		539
Retail SME																
Total Retail					503		11	515					527	12		539
Total Exposure at Default					503		11	515					527	12		539

]				March 3	31, 2016							Decembe	er 31, 2015			
				Risk Weigh	nt Category							Risk Weigl	ht Category			
	0%	20%	35%	50%	75%	100%	150%	Total	0%	20%	35%	50%	75%	100%	150%	Total
Corporate																
Sovereign																
Bank																
Total Corporate, Sovereign and Bank																
Residential Mortgages																
Heloc's																
Other Retail					558	15		573					621	16		638
Retail SME																
Total Retail					558	15		573					621	16		638
Total Exposure at Default					558	15		573					621	16		638

				Septembe	er 30, 2015							June 3	0, 2015			
				Risk Weigh	nt Category							Risk Weigh	nt Category			
	0%	20%	35%	50%	75%	100%	150%	Total	0%	20%	35%	50%	75%	100%	150%	Total
Corporate																
Sovereign																
Bank																
Total Corporate, Sovereign and Bank																
Residential Mortgages																
Heloc's																
Other Retail					652	18		670					689	19		708
Retail SME																
Total Retail					652	18		670					689	19		708
Total Exposure at Default					652	18		670					689	19		708

				March 3	31, 2015							Decembe	er 31, 2014			
				Risk Weigh	t Category							Risk Weigl	ht Category			
	0%	20%	35%	50%	75%	100%	150%	Total	0%	20%	35%	50%	75%	100%	150%	Total
Corporate																
Sovereign																
Bank																
Total Corporate, Sovereign and Bank																
Residential Mortgages											192		34	12		238
Heloc's																
Other Retail					705	22		726					551	8	1	560
Retail SME																
Total Retail					705	22		726			192		586	20	1	798
Total Exposure at Default					705	22		726			192		586	20	1	798



#### **Risk Assessment - IRB Retail Credit Portfolio**

(\$ millions except as noted)

			Septembe	er 30, 2016					June 3	0, 2016		
	Residential Mortgages	HELOC	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total	Residential Mortgages	HELOC	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	19,968	2,809	1,612	338	195	24,921	19,904	2,836	1,662	345	198	24,945
Medium	292	82	49	116	234	773	300	85	54	117	262	818
Sub-Standard			1	4		5			1	5		6
Impaired/Default	39	7	5	3	6	60	40	10	5	2	6	64
Total Exposure at Default	20,299	2.898	1,667	460	435	25,758	20,244	2,931	1,722	469	467	25,832

			March 3	31, 2016					December	r 31, 2015		
	Residential Mortgages	HELOC	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total	Residential Mortgages	HELOC	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	19,323	2,794	1,719	352	199	24,387	18,919	2,786	1,811	363	210	24,088
Medium	307	94	51	123	282	857	284	101	52	120	291	848
Sub-Standard			1	5		7			1	4	1	6
Impaired/Default	35	12	6	4	6	63	40	15	5	4	6	69
Total Exposure at Default	19,665	2,900	1,777	483	487	25,313	19,243	2,902	1,868	491	508	25,011

			Septembe	er 30, 2015					June 30	0, 2015		
	Residential Mortgages	HELOC	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total	Residential Mortgages	HELOC	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	18,808	2,862	1,897	370	211	24,147	18,425	2,876	2,067	372	215	23,955
Medium	256	66	49	125	289	784	241	61	48	126	339	816
Sub-Standard			1	4		6			1	4		5
Impaired/Default	36	18	4	4	7	68	33	14	5	4	8	63
Total Exposure at Default	19,099	2,945	1,950	502	508	25,005	18,699	2,951	2,121	506	561	24,839

			March 3	31, 2015					Decembe	r 31, 2014		
	Residential Mortgages	HELOC	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total	Residential Mortgages	HELOC	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	17,982	2,889	1,990	376	340	23,578	17,768	2,929	2,052	390	355	23,493
Medium	249	63	52	130	204	698	281	100	61	131	228	801
Sub-Standard			1	4		6			2	2		4
Impaired/Default	35	18	4	4	9	70	40	17	4	4	9	75
Total Exposure at Default	18,266	2,971	2,047	514	554	24,351	18,090	3,046	2,118	527	593	24,373



#### Risk Assessment - AIRB Non-Retail Credit Portfolio (1)

(\$ millions except as noted)

similar loop fails and loop fails an		S	eptembe	er 30, 201			June 3	0, 2016			March 3	31, 2016			Decembe	r 31, 2015	
Dependent manual flast.         Option         Option <thoption< th=""></thoption<>	Internal Dating	EAD			Weight	EAD			Weight	EAD			Weight	EAD			Weight
name         990         0.08         44         11         990         0.08         472         11         1.040         0.03         32         2.070         0.00         477         11           078 Ths         3.370         0.01         3.37         2.271         0.00         1.335         1.221         2.000         0.01         1.335         1.135         0.01         1.335         0.11         1.335         0.11         1.335         0.11         1.335         0.11         1.335         0.11		┝─────╋	. ,	. ,	(%)		. ,	. ,	(%)		. ,	. ,	(%)		. ,	. ,	(%)
ase Rask         3.370         0.11         4.91         4.77         4.94         4.94         4.94           Selfactory Rask         1.325         1.95         3.9         6.97         2.16         0.31         2.91         5.00         0.11         4.1         4.94           Selfactory Rask         1.325         1.95         3.9         6.97         2.95         0.33         3.97         6.96         3.97         6.97         6.97         1.10         3.9         4.97         6.	•															. –	
Summary Park         17 36         0.42         39         47         21,469         0.43         39         48         21,557         0.43         39         48         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,4         17,28         11,3         17,3         11,3         17,3 <th11,3< th="">         17,3         11,3&lt;</th11,3<>																	
Tar Declaritania         11,35         11,35         34         66         11,424         11,5         35         60         11,224         11,6         34         60         12,19         11,3         34         107           Grander Defan Rok         107         6.66         33         111         127         6.65         35         141         128         2.26         33         110         128         128         2.56         33         110         128         128         2.56         33         110         128         128         128         128         128         128         110         128         128         128         128         128         128         128         128         128         131         13         131         13         131         13         131         13         131         13         131         13         131         13         131         13	Low Risk	3,970	0.11	43		4,814	0.11	40	25	4,447	0.11		23	5,408	0.11		24
Address behave bind         3.226         3.228         3.32         2.28         3.31         88         3.271         6.73         5.73         6.73         5.74         6.75         3.54         110         1.214         6.64         3.33         116         9.86         6.86         3.8         116         9.86         3.8         116         9.86         3.8         116         11.214         6.64         3.31         116         9.86         3.8         116         11.214         6.64         3.31         116         9.86         3.8         116         11.214         6.64         11.214         6.64         3.31         116         11.214         6.64         11.214	Satisfactory Risk	21,280	0.42	36	47	21,160	0.43	36	48	21,515	0.43	37	48	21,600	0.43	37	49
Sparface Depart Plank in 1.015 0.02 3.3 0.177 1.373 0.78 0.46 101 1.226 10.3 31 014 0.96 3.38 0.160 0.960 0.980 0.	Fair Default Risk	11,355	1.15	34	69	11,428	1.15	34	69	11,224	1.14	34	68	12,119	1.13	34	67
Sparfielder Dehalt flaks 10.05 6.62 33 117 13.73 5.75 3.6 110 1226 0.56 33 116 0.82 6.84 3.4 112 0.000 200 100 0.200 100 0.200 100 0.200 100 0.200 100 0.200 100 0.200 100 0.200 100 0.200 100 0.200 100 0.200 100 0.200 100 0.200 0	Moderate Default Risk	3.326	2.82	31	81	3.218	2.92	31	84	3.226	2.86	33	86	3.637	2.94	34	90
informal Park			6.62	33	117		6.75	34	119			33	116		6.84		122
Special Management Istal         944         950         44         910         920         44         910         920         31         1150         427         38.8         92         113           Istal         0000         44         100         67         1000         44         100         44.20         1000         44         100         44.20         1000         44         1000         44         1000         44.20         1000         44         1000         44         1000         40																	
Instruct         914         (000)         47         150         889         10000         46         180         666         10000         470         172         660         10000         470         172         660         40.000         471         172         660         40.000         471         172         660         440         35         660         440         35         660         440         35         660         440         35         560         600         450         35         560         600         460         85         5         0.00         42         68         25         0.00         46         68         25         0.00         46         68         25         0.00         40         400         70         46         69         70         46         69         70         400         70         46         400         70         46         400         70         46         400         70         46         400         70         46         400         70         46         400         70         400         70         400         70         400         70         400         70         400         70								-									
Cond Corporate (?)         44.263         3.51         3.6         60         64.567         3.25         3.6         61         65.28         5.0         3.6         60         48.506         2.71         3.7         5.6           drimmal Rule         21,78         0.00         6         3         20,446         0.00         6         3         20,494         0.00         6         3         22,245         0.00         1         6         0.00         6         3         22,056         4.2         0.88         2         0.01         4.6         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.02         1         0.03         22         0         0.03         22         0         0.03         22         0         0.03         22         1         0.01         1         0.01         1         0.01         1         0.0																	
Dispersion         Date         S         20         S         20         8         3         20.94         0.02         8         3         20.94         0.02         8         3         20.94         0.02         8         3         20.94         0.02         8         3         20.94         0.02         8         3         20.94         0.02         8         3         20.94         0.02         8         3         20.94         0.02 <th0.02< th="">         0.02         <th0.02< th=""> <th0< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th0<></th0.02<></th0.02<>																	
Internal Rink         22,179         0.02         8         3         20,484         0.02         8         3         25,454         0.02         10         3           Salinfictory Risk         2         0.02         4         50         112         0.03         44         66         5         0.04         44         66         5         0.03         44         66           Salinfictory Risk         2         0.03         4         0.03         45         0.03         45         0.03         2         0         3         25,678         0.02         10         3           Salinfictory Risk         4,437         0.03         2         8         4,42         0.03         23         9         3,73         0.03         22         9         4,4131         0.13         3,33         36         6         0.01         3,33         26,451         11         0.03         22         9         3,33         36         6         0.01         23         9         1,357         13         13         13         14         13         26,471         13         15,57         5,75         16         14         10.00         15,57         15,75		44,200	0.01			40,401	0.00	00		40,240	0.01			40,000		0.	
cow Risk         113         0.08         13         13         112         0.05         13         14         10		22.470	0.02	0	2	20 496	0.02	•	2	20.004	0.02	0	2	25 245	0.02	10	2
Similar Deal         2         0.42         44         0.50         44         0.37         449         0.63         5         0.40         46         85         2         0.50         445         97           Datadi Descretarigin (2)         22.354         0.00         0         0         0         0.20         0.00         42         0.00         445         0.73           Observersign (2)         22.354         0.00         0         0         0.32         0.02         0.02         0.01         32.25,47         0.02         1.03         1.25         0.03         2.24         1.31         0.03         0.22         0.03         32.3         0.03         0.22         0.03         33         0.03         0.24         0.03         0.33         0.33         0.33         0.34         0.03         0.33         0.33         0.33         0.34 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>								-									
air Default       each       field																	
Default         -        -         -         - <td></td> <td>-</td> <td></td>		-															
Credit Severagin (2)         22,354         0.03         8         3         29,073         0.02         8         3         29,073         0.02         10         3           Mintmal Rak         4,437         0.03         20         8         4,520         0.03         22         6         4,482         0.03         22         2         9         3,773         0.03         22         0           Wintmal Rak         88         0.11         30         130         33         6         136         65         0.04         34         34         107         0.41         34         377         10.0         25         13         65         136         65         135         65         136         65         135         65         136         65         135		60	1.65	10	20	1	0.93	45	93	2	0.98	42	88	2	0.91	45	97
Bank Imma Ratik Minma Ratik         Lab. (1)         Lab. (2)         Lab. (2) <thlab. (2)         <thlab. (2)         <thlab.(< td=""><td></td><td></td><td>0.00</td><td></td><td></td><td>aa ar -</td><td>0.00</td><td></td><td></td><td></td><td>0.00</td><td></td><td></td><td>AR 477</td><td>0.00</td><td></td><td></td></thlab.(<></thlab. </thlab. 			0.00			aa ar -	0.00				0.00			AR 477	0.00		
Minima Rak         4437         0.03         20         8         4.420         0.03         22         9         3.77         0.03         22         9           Minima Rak         72         0.39         33         33         90         0.36         35         36         65         0.40         34         434         437         0.01         22         43           Satisfactory Rak         72         0.33         33         33         90         0.36         35         35         65         1.38         43         34         107         0.41         33         37         13         13         1         358         15         1         377         0.61         13         377         0.61         12         1         1000         13         137         0.61         13         137         0.61         13         1         357         1001         137         0.61         137         0.61         13         137         0.61         137         0.61         137         0.61         137         0.61         137         0.61         137         0.61         137         0.61         137         0.61         137         0.61 <t< td=""><td></td><td>22,354</td><td>0.03</td><td>8</td><td>3</td><td>20,603</td><td>0.02</td><td>8</td><td>3</td><td>21,184</td><td>0.02</td><td>8</td><td>3</td><td>25,478</td><td>0.02</td><td>10</td><td>3</td></t<>		22,354	0.03	8	3	20,603	0.02	8	3	21,184	0.02	8	3	25,478	0.02	10	3
cow Rak         688         0.11         30         19         1.022         0.12         28         17         644         0.11         32         24         1.311         0.10         28         15           air Default Risk         5         1.39         3.4         77         6         1.38         47         79         3         1.30         36         65         65         1.59         4.5         1.32         3.67         1.33         3.75         5.7         1.39         3.5         1.55         1.4         1.575         6.7         1.99         4.5         1.32         3.67         1.00         66         1.57         1.39         3.5         1.55         1.4         1.575         6.7         1.99         4.5         1.25         1         1.000         66         2.15         1         1.000         66         2.15         1         1.000         6.9         2.15         1         1.000         1.000         1.000         6.9         2.16         1         1.000         1.000         1.000         1.000         1.000         1.000         1.000         1.000         1.000         1.000         1.000         1.000         1.000         1.000	Bank	i I															
Batefieldory Pack         7Z         0.39         3Z         3Z <td></td>																	
air Default Risk       5       1.39       3.4       7.1       6       1.38       4.7       5       1.39       3.5       1.30       3.6       6.6       6.6       5       1.58       4.51       1.23         Significant Default Risk       2       3.33       0.1       1.57       5.75       6.1       1.99       1.4       5.75       5.75       1.99       1.1       5.75       5.77       1.99       1.9       5.75       5.77       1.99       1.9       5.75       5.77       1.99       1.9       5.75       5.77       1.99       1.9       5.75       5.77       1.99       1.9       5.75       5.77       1.99       2.9       0.08       2.21       1       1.000       5.75       5.77       1.99       2.97       2.06       2.15       1.99       2.08       2.16       1.99       2.97       0.06       2.10       1.99       2.99       0.08       2.41       1.99       2.99       0.08       2.41       1.99       2.99       0.08       2.10       1.99       2.99       0.08       2.10       1.99       2.99       0.08       2.10       1.99       2.99       0.08       2.10       1.99       2.99       2.10       <	Low Risk																
Adderate Default Risk         2         3.3         61         153         1         3.77         3.75         1.99         1         3.75         4.7         1.99         1         3.75         4.7         1.99         1.1         1.75         7.75         7.77         1.99         1.1         5.75         7.77         1.99         1.1         5.75         7.77         1.99         1.93         1.9	Satisfactory Risk	72	0.39			90	0.36		36	65	0.40		34	107	0.41		37
Adderate Default Risk         2         3.3         61         153         1         3.77         3.75         1.99         1         3.75         4.7         1.99         1         3.75         4.7         1.99         1.1         1.75         7.75         7.77         1.99         1.1         5.75         7.77         1.99         1.1         5.75         7.77         1.99         1.93         1.9	Fair Default Risk		1.39	34	71		1.36	47	90		1.30	36	65	65	1.59	45	132
Significant Default Risk special Management         1         0.00         59         216         1         10.00         59         215         1         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         59         215         11         10.00         10 <th< td=""><td>Moderate Default Risk</td><td>2</td><td>3.33</td><td>61</td><td>153</td><td>3</td><td>3.47</td><td>53</td><td>139</td><td>1</td><td>3.99</td><td>35</td><td>104</td><td>1</td><td>3.79</td><td>61</td><td>153</td></th<>	Moderate Default Risk	2	3.33	61	153	3	3.47	53	139	1	3.99	35	104	1	3.79	61	153
Igh Default Risk pecial Management         1         10.00         59         216         1         10.00         59         215         1         10.00         59         215           Ordal Bank (2)         5,405         0.06         22         10         5,713         0.06         24         12         5,259         0.08         24         12         5,259         0.08         24         12         5,259         0.08         24         12         5,259         0.08         24         12         5,259         0.08         24         12         5,259         0.08         24         12         5,259         0.08         24         12         5,259         0.08         24         12         5,259         0.08         24         13           Internal Rating         PD         LG0         Risk (%)         PD	Significant Default Risk	1				1	5.75	51	149	1	5.75	47	139	1	5.75	37	108
Special Management Detail         Special Management (2)         Special Management (		1	10.00	59	216					1		59		1			
Default         Odd         Oz         Oz        Oz        Oz <th< td=""><td></td><td>1</td><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td></th<>		1				-				-				-			
Fordel Bank (2)         5.405         0.06         22         10         5.713         0.06         24         10         5.397         0.06         24         12         5.259         0.08         24         13           September 30, 2015         June 30, 2015         June 30, 2015         Value 30, 2015         Value 30, 2015         December 31, 2014         PD         LGD         Risk Weight (%)         PD         LGD																	
September 30, 2015         June 30, 2015         March 31, 2015         December 31, 2014           Internal Rating         EAD         PD         LGD         Weight (%)         EAD         PD	Total Bank (2)	5.405	0.06	22	10	5.713	0.06	24	10	5.397	0.06	24	12	5.259	0.08	24	13
PD         LGD         Plast         EAD         PD         LGD         Risk         PD         LGD         Risk <th>· · · · · · · · · · · · · · · · · · ·</th> <th></th>	· · · · · · · · · · · · · · · · · · ·																
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$																	
Andread Problem         Control Techning         Control Techning </th <th></th> <th>l S</th> <th>•</th> <th>,</th> <th></th> <th></th> <th></th> <th></th> <th>Risk</th> <th></th> <th></th> <th>· ·</th> <th>Risk</th> <th>I</th> <th></th> <th>í (</th> <th></th>		l S	•	,					Risk			· ·	Risk	I		í (	
Minimal Risk         2,349         0.04         45         15         2,105         0.04         47         17.72         0.04         45         1.63         0.04         45         15           Satisfactory Risk         2,254         0.01         41         37         56         22,683         0.01         40         23         5,418         0.01         46         21,674         0.01         45         44           Car Default Risk         3,467         3.00         22,683         0.01         42         0.06         45         1,12         34         68         1,1,516         0.11         34         68         1,13         34         69         1,773         1,12         34         68         1,13         34         67           Orderize Default Risk         3,467         3.00         14         42,73         38         31,86         2.49         33         132         2.44         2.85         31         83         31,86         2.33         132         2.44         8.33         103         124         43.3         133         132         7.44         4.33         1.33         132         2.64         2.26         33         132         2.64			PD	LGD	Risk	EAD	PD	LGD		EAD	PD	LGD			PD	LGD	Risk Weight
Sow Risk         5,358         0.11         441         24         5,063         0.11         40         23         5,418         0.11         42         29         5,528         0.11         42         28           Satisfactory Risk         22,542         0.41         37         50         22,683         0.41         37         48         22,949         0.41         36         46         21,574         0.41         35         444           Adorerate Default Risk         3,467         300         32         86         3,414         2.73         33         83         3,166         2.93         32         85         2,644         2.65         31         163           Significant Default Risk         743         10.12         28         116         848         10.00         53         156         360         10.00         43         124         843         66.3         31         10.9         36         344         30         124         364         30         124         364         30         124         364         30         31         10.9         46         32         148           Special Management         4203         10.20         157 <td>Internal Rating</td> <td></td> <td>PD</td> <td>LGD</td> <td>Risk Weight</td> <td>EAD</td> <td>PD</td> <td>LGD</td> <td>Weight</td> <td>EAD</td> <td>PD</td> <td>LGD</td> <td>Weight</td> <td></td> <td>PD</td> <td>LGD</td> <td>Risk Weight</td>	Internal Rating		PD	LGD	Risk Weight	EAD	PD	LGD	Weight	EAD	PD	LGD	Weight		PD	LGD	Risk Weight
Satisfactory Risk       22,542       0.41       37       50       22,683       0.41       37       48       22,949       0.41       36       46       21,674       0.41       35       44         Fair Default Risk       32,628       1.15       34       69       12,547       1.13       34       69       11,731       1.12       34       68       11,516       1.13       34       69       11,731       1.12       34       68       11,516       1.13       34       69       11,731       1.12       34       68       11,516       1.33       34       663       31       109       119       341       6.83       30       105       1,316       6.49       35       124       843       6.63       31       109       125       124       843       6.63       31       109       124       843       6.63       31       103       22,641       33       132       2661       103,04       32       124       843       6.63       31       109       126       146       135       136       66       45,125       1.89       36       146       141       35       67       161       100,00       4779	Corporate	EAD	PD (%)	LGD (%)	Risk Weight (%)		PD (%)	LGD (%)	Weight (%)		PD (%)	LGD (%)	Weight (%)	EAD	PD (%)	LGD (%)	Risk Weight (%)
Fair Default Risk       12,628       1.15       3.4       69       12,731       1.12       3.4       68       11,516       1.13       3.4       67         vbderate Default Risk       1,447       6.83       3.441       2.73       3.3       83       3,186       2.93       3.2       65       2,644       2.85       3.1       83         significant Default Risk       1,24       6.83       3.00       3.2       1.62       3.144       6.83       3.1       109       10.9       3.2       2.65       2.644       2.85       3.1       83       109       10.9       3.1       109       10.9       3.1       109       10.3       2.8       119       6.13       10.39       30       124       843       6.63       3.1       109       10.3       124       843       6.63       3.1       109       10.3       124       843       6.63       3.1       109       124       843       6.63       3.1       116       5.64       14.92       3.46       3.4       10.0       3.1       117       3.44       4.61       3.3       18.97       10.0.0       10.00       3       19.911       0.00       10       3       16.97 <td>Corporate Minimal Risk</td> <td>EAD</td> <td>PD (%) 0.04</td> <td>LGD (%) 45</td> <td>Risk Weight (%)</td> <td></td> <td>PD (%) 0.04</td> <td>LGD (%) 47</td> <td>Weight (%) 17</td> <td></td> <td>PD (%) 0.04</td> <td>LGD (%) 45</td> <td>Weight (%) 15</td> <td>EAD</td> <td>PD (%) 0.04</td> <td>LGD (%) 45</td> <td>Risk Weight (%)</td>	Corporate Minimal Risk	EAD	PD (%) 0.04	LGD (%) 45	Risk Weight (%)		PD (%) 0.04	LGD (%) 47	Weight (%) 17		PD (%) 0.04	LGD (%) 45	Weight (%) 15	EAD	PD (%) 0.04	LGD (%) 45	Risk Weight (%)
Moderab Default Risk         3,467         3.00         3.22         8.68         3,444         2,73         3.33         8.33         1,316         2.33         3.22         8.55         2,644         2.6.55         3.13         8.33           Significant Default Risk         1,241         6.95         3.00         107         1,444         6.63         3.00         1.05         1.15         6.6.9         3.55         1.24         843         6.63         3.01         102           Special Management         4425         41.42         3.66         162         3.43         4.6.78         3.117         3.44         4.2.61         3.3         13.22         261         30.0.46         3.2         144           Default         4.55         100.00         5.5         100.00         4.79         5.66         3.00         4.44         4.2.61         3.3         13.2         261         30.0.46         3.2         144           Default         4.55         100.00         5.5         100.00         4.5         1.65         6.00         4.5,125         1.89         3.66         53           Sourceign         1         1.05         3         21,700         0.02         10 <td>Corporate</td> <td>EAD 2,349</td> <td>PD (%) 0.04</td> <td>LGD (%) 45 41</td> <td>Risk Weight (%)</td> <td>2,105</td> <td>PD (%) 0.04</td> <td>LGD (%) 47</td> <td>Weight (%) 17</td> <td>1,772</td> <td>PD (%) 0.04</td> <td>LGD (%) 45</td> <td>Weight (%) 15</td> <td>EAD 1,692</td> <td>PD (%) 0.04</td> <td>LGD (%) 45</td> <td>Risk Weight (%)</td>	Corporate	EAD 2,349	PD (%) 0.04	LGD (%) 45 41	Risk Weight (%)	2,105	PD (%) 0.04	LGD (%) 47	Weight (%) 17	1,772	PD (%) 0.04	LGD (%) 45	Weight (%) 15	EAD 1,692	PD (%) 0.04	LGD (%) 45	Risk Weight (%)
Moderato Default Risk         3,467         3.00         3.22         8.68         3,446         2.93         3.32         8.65         3.64         2.644         2.85         3.11         8.13         8.13         9	Corporate Minimal Risk	EAD 2,349 5,358	PD (%) 0.04 0.11	LGD (%) 45 41	Risk Weight (%) 15 24	2,105 5,063	<b>PD</b> (%) 0.04 0.11	LGD (%) 47 40	Weight (%) 17 23	1,772 5,418	PD (%) 0.04 0.11	LGD (%) 45 42	Weight (%) 15 29	EAD 1,692 5,528	PD (%) 0.04 0.11	LGD (%) 45 42	Risk Weight (%) 15 28
Tigh Default Risk       743       10.12       28       116       889       10.08       32       132       719       10.30       28       119       613       10.39       30       124         Special Management       425       41.42       36       162       334       46.78       31       117       344       42.61       33       132       2261       30.46       32       141         Total Corporate       49.208       2.32       37       56       48.869       2.12       37       56       47.795       2.07       36       56       45,125       1.89       36       53         Sovereign	Corporate Minimal Risk Low Risk	EAD 2,349 5,358 22,542	PD (%) 0.04 0.11 0.41	LGD (%) 45 41 37	Risk Weight (%) 15 24 50	2,105 5,063 22,683	PD (%) 0.04 0.11 0.41	LGD (%) 47 40 37	Weight (%) 17 23 48	1,772 5,418 22,949	PD (%) 0.04 0.11 0.41	LGD (%) 45 42 36	Weight (%) 15 29 46	EAD 1,692 5,528 21,674	PD (%) 0.04 0.11 0.41	LGD (%) 45 42 35	Risk Weight (%) 15 28 44
Tigh Default Risk       743       10.12       28       116       889       10.08       32       132       719       10.30       28       119       613       10.39       30       124         Special Management       425       41.42       36       162       334       46.78       31       117       344       42.61       33       132       2261       30.46       32       141         Total Corporate       49.208       2.32       37       56       48.869       2.12       37       56       47.795       2.07       36       56       45,125       1.89       36       53         Sovereign	Corporate Minimal Risk Low Risk Satisfactory Risk	EAD 2,349 5,358 22,542 12,628	PD (%) 0.04 0.11 0.41 1.15	LGD (%) 45 41 37 34	Risk Weight (%) 15 24 50 69	2,105 5,063 22,683 12,547	PD (%) 0.04 0.11 0.41 1.13	LGD (%) 47 40 37 34	Weight (%) 17 23 48 69	1,772 5,418 22,949 11,731	PD (%) 0.04 0.11 0.41 1.12	LGD (%) 45 42 36 34	Weight (%) 15 29 46 68	EAD 1,692 5,528 21,674 11,516	PD (%) 0.04 0.11 0.41 1.13	LGD (%) 45 42 35 34	Risk Weight (%) 15 28 44 67
Special Management         425         41.42         36         162         343         46.78         31         117         344         42.61         333         132         261         30.46         32         148           Default         455         100.00         50         191         354         100.00         53         156         360         100.00         47         152         354         100.00         45         141           Ordal Corporate         49.08         2.32         37         58         48.897         50         2.07         36         56         45,125         1.89         36         56           Sovereign         0.02         10         3         21,070         0.02         10         3         18,897         0.02         10         3         19,911         0.02         10         3           Correlign         3         0.33         400         3         0.40         35         5         0.02         10         3         18,897         0.02         10         3         21,89         0.07         14         6         10.00         40         41           Fair Default Risk         3         0.33	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk	EAD 2,349 5,358 22,542 12,628 3,467	PD (%) 0.04 0.11 0.41 1.15 3.00	45 (%) 45 41 37 34 32	Risk Weight (%) 15 24 50 69 86	2,105 5,063 22,683 12,547 3,441	PD (%) 0.04 0.11 0.41 1.13 2.73	LGD (%) 47 40 37 34 33	Weight (%) 17 23 48 69 83	1,772 5,418 22,949 11,731 3,186	PD (%) 0.04 0.11 0.41 1.12 2.93	LGD (%) 45 42 36 34 32	Weight (%) 15 29 46 68 85	EAD 1,692 5,528 21,674 11,516 2,644	PD (%) 0.04 0.11 0.41 1.13 2.85	LGD (%) 45 42 35 34 31	Risk Weight (%) 15 28 44 67 83
Default         455         100.00         50         191         354         100.00         53         156         360         100.00         47         152         354         100.00         45         141           Orda Corporate         49,008         2.32         37         58         48,869         2.12         37         56         47,795         2.07         36         56         45,125         1.89         36         55           Sovereign         uinimal Risk         25,668         0.02         10         3         18,897         0.02         10         3         19,911         0.02         10         3           auisfactory Risk         201         0.07         12         9         170         0.07         13         9         2,199         0.07         14         6         1,430         0.07         12         6           auisfactory Risk         3         0.03         40         3         0.04         40         35         5         5         0.02         10         3         21,947         0.02         10         3           auisfactory Risk         1         0.02         10         3         21,947         0.02 <td>Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk</td> <td>EAD 2,349 5,358 22,542 12,628 3,467 1,241</td> <td>PD (%) 0.04 0.11 0.41 1.15 3.00 6.95</td> <td>LGD (%) 45 41 37 34 32 30</td> <td>Risk Weight (%) 15 24 50 69 86 107</td> <td>2,105 5,063 22,683 12,547 3,441 1,444</td> <td>PD (%) 0.04 0.11 0.41 1.13 2.73 6.83</td> <td>LGD (%) 47 40 37 34 33 30</td> <td>Weight (%) 17 23 48 69 83 105</td> <td>1,772 5,418 22,949 11,731 3,186 1,316</td> <td>PD (%) 0.04 0.11 0.41 1.12 2.93 6.49</td> <td>LGD (%) 45 42 36 34 32 35</td> <td>Weight (%) 15 29 46 68 85 124</td> <td>EAD 1,692 5,528 21,674 11,516 2,644 843</td> <td>PD (%) 0.04 0.11 0.41 1.13 2.85 6.63</td> <td>LGD (%) 45 42 35 34 31 31</td> <td>Risk Weight (%) 15 28 44 67 83 109</td>	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95	LGD (%) 45 41 37 34 32 30	Risk Weight (%) 15 24 50 69 86 107	2,105 5,063 22,683 12,547 3,441 1,444	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83	LGD (%) 47 40 37 34 33 30	Weight (%) 17 23 48 69 83 105	1,772 5,418 22,949 11,731 3,186 1,316	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49	LGD (%) 45 42 36 34 32 35	Weight (%) 15 29 46 68 85 124	EAD 1,692 5,528 21,674 11,516 2,644 843	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63	LGD (%) 45 42 35 34 31 31	Risk Weight (%) 15 28 44 67 83 109
Total Corporate         49,208         2.32         37         58         48,869         2.12         37         56         47,795         2.07         36         56         45,125         1.89         36         53           Sovereign Winmal Risk         25,668         0.02         10         3         21,700         0.02         10         3         18,897         0.02         10         3         19,911         0.02         10         3           Satisfactory Risk         201         0.07         12         9         170         0.07         13         9         2,189         0.07         14         6         1,430         0.002         10         3           Satisfactory Risk         3         0.33         40         40         3         0.34         40         35         5         0.32         57         51         6         0.00         46         41           Fair Default Risk         1         1.05         37         83         0.02         10         3         21,091         0.03         11         3         21,347         0.02         10         3           Staffactory Risk         1,547         0.03         21 <th< td=""><td>Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk</td><td>EAD 2,349 5,358 22,542 12,628 3,467 1,241 743</td><td>PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12</td><td>LGD (%) 45 41 37 34 32 30 28</td><td>Risk Weight (%) 15 24 50 69 86 107 116</td><td>2,105 5,063 22,683 12,547 3,441 1,444 889</td><td>PD (%) 0.04 0.11 1.13 2.73 6.83 10.08</td><td>LGD (%) 47 40 37 34 33 30 32</td><td>Weight (%) 17 23 48 69 83 105 132</td><td>1,772 5,418 22,949 11,731 3,186 1,316 719</td><td>PD (%) 0.04 0.11 1.12 2.93 6.49 10.30</td><td>LGD (%) 45 42 36 34 32 35 28</td><td>Weight (%) 15 29 46 68 85 124 119</td><td>EAD 1,692 5,528 21,674 11,516 2,644 843 613</td><td>PD (%) 0.04 0.11 1.13 2.85 6.63 10.39</td><td>LGD (%) 45 42 35 34 31 31 31 30</td><td>Risk Weight (%) 15 28 44 67 83 109 124</td></th<>	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12	LGD (%) 45 41 37 34 32 30 28	Risk Weight (%) 15 24 50 69 86 107 116	2,105 5,063 22,683 12,547 3,441 1,444 889	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08	LGD (%) 47 40 37 34 33 30 32	Weight (%) 17 23 48 69 83 105 132	1,772 5,418 22,949 11,731 3,186 1,316 719	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30	LGD (%) 45 42 36 34 32 35 28	Weight (%) 15 29 46 68 85 124 119	EAD 1,692 5,528 21,674 11,516 2,644 843 613	PD (%) 0.04 0.11 1.13 2.85 6.63 10.39	LGD (%) 45 42 35 34 31 31 31 30	Risk Weight (%) 15 28 44 67 83 109 124
Sovereign Minimal Risk         25,668         0.02         10         3         21,700         0.02         10         3         18,897         0.02         10         3         19,911         0.02         10         3           ow Risk         201         0.07         12         9         170         0.07         13         9         2,189         0.07         14         6         1,430         0.07         12         6           air Default Risk         1         1.05         37         83         0.34         40         35         5         0.32         57         51         6         0.00         12         6         41           air Default Risk         1         1.05         37         83         0.02         10         3         21,091         0.03         11         3         21,347         0.02         10         3           Default         0.002         10         3         21,873         0.02         10         3         21,091         0.03         11         3         21,347         0.02         10         3           Jannel Risk         3,614         0.03         21         8         3,567         0.03	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42	LGD (%) 45 41 37 34 32 30 28 36	Risk Weight (%) 15 24 50 69 86 107 116 162	2,105 5,063 22,683 12,547 3,441 1,444 889 343	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78	LGD (%) 47 40 37 34 33 30 32 32 31	Weight (%) 17 23 48 69 83 105 132 117	1,772 5,418 22,949 11,731 3,186 1,316 719 344	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 42.61	LGD (%) 45 42 36 34 32 35 28 33	Weight (%) 15 29 46 68 85 124 119 132	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46	LGD (%) 45 42 35 34 31 31 30 30 32	Risk Weight (%) 15 28 44 67 83 109 124 124
Vinimal Risk         25,668         0.02         10         3         21,700         0.02         10         3         18,897         0.02         10         3         19,911         0.02         10         3           ow Risk         201         0.07         12         9         170         0.07         13         9         2,189         0.07         14         6         1,430         0.07         12         6           Satisfactory Risk         3         0.33         40         40         3         0.34         40         35         5         0.32         57         51         6         0.02         10         3           Satisfactory Risk         1         1.05         37         83         0.02         10         3         21,091         0.03         11         3         21,347         0.02         10         3           Oreal Sovereign         25,873         0.02         10         3         21,091         0.03         11         3         21,347         0.02         10         3           Satisfactory Risk         3,614         0.03         21         8         3,790         0.03         22         9         4,351	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00	LGD (%) 45 41 37 34 32 30 28 36 50	Risk Weight (%) 15 24 50 69 86 107 116 162 191	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00	LGD (%) 47 40 37 34 33 30 32 31 53	Weight (%) 17 23 48 69 83 105 132 132 117 156	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 42.61 100.00	LGD (%) 45 42 36 34 32 35 28 33 33 47	Weight (%) 15 29 46 68 85 124 119 132 132	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354	PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00	LGD (%) 45 45 35 34 31 31 31 30 32 45	Risk Weight (%) 15 28 44 67 83 109 124 148 141
cow Risk         201         0.07         12         9         170         0.07         13         9         2,189         0.07         14         6         1,430         0.07         12         6           Gatisfactory Risk         3         0.33         40         40         3         0.34         40         35         5         0.32         57         51         6         0.30         46         41           Fair Default Risk         1         0.05         37         83         21,873         0.02         10         3         21,091         0.03         11         3         21,347         0.02         10         3           Optal Sovereign         25,873         0.02         10         3         21,091         0.03         11         3         21,347         0.02         10         3           Jank         Jiminal Risk         3,614         0.03         21         8         3,567         0.03         22         8         3,790         0.03         22         9         4,951         0.01         28         19           Jatisfactory Risk         1,547         0.11         27         19         1,329         0.12 <t< td=""><td>Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate</td><td>EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455</td><td>PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00</td><td>LGD (%) 45 41 37 34 32 30 28 36 50</td><td>Risk Weight (%) 15 24 50 69 86 107 116 162 191</td><td>2,105 5,063 22,683 12,547 3,441 1,444 889 343 354</td><td>PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00</td><td>LGD (%) 47 40 37 34 33 30 32 31 53</td><td>Weight (%) 17 23 48 69 83 105 132 132 117 156</td><td>1,772 5,418 22,949 11,731 3,186 1,316 719 344 360</td><td>PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 42.61 100.00</td><td>LGD (%) 45 42 36 34 32 35 28 33 33 47</td><td>Weight (%) 15 29 46 68 85 124 119 132 132</td><td>EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354</td><td>PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00</td><td>LGD (%) 45 45 35 34 31 31 31 30 32 45</td><td>Risk Weight (%) 15 28 44 67 83 109 124 148 141</td></t<>	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00	LGD (%) 45 41 37 34 32 30 28 36 50	Risk Weight (%) 15 24 50 69 86 107 116 162 191	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00	LGD (%) 47 40 37 34 33 30 32 31 53	Weight (%) 17 23 48 69 83 105 132 132 117 156	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 42.61 100.00	LGD (%) 45 42 36 34 32 35 28 33 33 47	Weight (%) 15 29 46 68 85 124 119 132 132	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354	PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00	LGD (%) 45 45 35 34 31 31 31 30 32 45	Risk Weight (%) 15 28 44 67 83 109 124 148 141
Satisfactory Risk       3       0.33       40       40       3       0.34       40       35       5       0.32       57       51       6       0.30       46       41         air Default Risk       1       1.05       37       83       21,873       0.02       10       3       21,091       0.03       11       3       21,347       0.02       10       3         Satisfactory Risk       3,614       0.03       21       8       3,567       0.03       22       8       3,790       0.03       22       9       4,951       0.03       23       10       3         Satisfactory Risk       3,614       0.03       21       8       3,567       0.03       22       8       3,790       0.03       22       9       4,951       0.03       23       10         Satisfactory Risk       1,547       0.11       27       19       1,329       0.12       27       20       1,426       0.11       28       18       1,051       0.01       28       19       133       29       62       41       13       41       149       141       154       133       27 <th162< th="">       29       66<td>Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign</td><td>EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208</td><td>PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32</td><td>LGD (%) 45 41 37 34 32 30 28 30 28 36 50 37</td><td>Risk Weight (%) 15 24 50 69 86 107 116 162 191 58</td><td>2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869</td><td>PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00 2.12</td><td>LGD (%) 47 40 37 34 33 30 32 31 53 37</td><td>Weight (%) 17 23 48 69 83 105 132 117 156 56</td><td>1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795</td><td>PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07</td><td>LGD (%) 45 42 36 34 32 35 28 33 47 <b>36</b></td><td>Weight (%)           15           29           46           68           124           119           132           152           56</td><td>EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125</td><td>PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00 1.89</td><td>LGD (%) 45 42 35 35 34 31 31 31 31 30 30 32 45 <b>36</b></td><td>Risk Weight (%) 15 28 44 67 83 109 124 148 141 53</td></th162<>	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32	LGD (%) 45 41 37 34 32 30 28 30 28 36 50 37	Risk Weight (%) 15 24 50 69 86 107 116 162 191 58	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00 2.12	LGD (%) 47 40 37 34 33 30 32 31 53 37	Weight (%) 17 23 48 69 83 105 132 117 156 56	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07	LGD (%) 45 42 36 34 32 35 28 33 47 <b>36</b>	Weight (%)           15           29           46           68           124           119           132           152           56	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125	PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00 1.89	LGD (%) 45 42 35 35 34 31 31 31 31 30 30 32 45 <b>36</b>	Risk Weight (%) 15 28 44 67 83 109 124 148 141 53
Fair Default Risk       1       1.05       37       88	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02	LGD (%) 45 41 37 34 32 30 28 30 28 36 50 37 10	Risk Weight (%) 15 24 50 69 86 107 116 162 191 58 3	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02	LGD (%) 47 40 37 34 33 30 32 31 53 37 10	Weight (%) 17 23 48 69 83 105 132 117 156 56 56	1,772 5,418 22,949 11,731 3,186 1,316 719 344 <u>360</u> 47,795 18,897	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.02	LGD (%) 45 42 36 34 32 35 28 33 47 <b>36</b> 10	Weight (%) 15 29 46 68 85 124 119 132 152 56 56	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911	PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02	LGD (%) 45 42 35 34 31 31 31 30 32 45 36 10	Risk Weight (%) 15 28 44 67 83 109 124 148 141 148 141 53 3
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 49,208 25,668 201	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07	LGD (%) 45 41 37 34 32 30 28 36 50 50 37 10 12	Risk Weight (%) 15 24 50 69 86 107 116 162 191 58 3 9	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07	LGD (%) 47 40 37 34 33 30 32 31 53 31 53 37 10 13	Weight (%) 17 23 48 69 83 105 132 117 156 56 56 3 9	1,772 5,418 22,949 11,731 3,186 1,316 719 344 <u>360</u> 47,795 18,897 2,189	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.02 0.07	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 37 7 7 36	Weight (%) 15 29 46 68 85 124 119 132 132 152 56 3 6	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 <b>1.89</b> 0.02 0.07	LGD (%) 45 42 35 34 31 31 30 32 45 36 10 12	Risk Weight (%) 15 28 44 67 83 309 124 148 141 141 53 3 6
Fotal Sovereign         25,873         0.02         10         3         21,873         0.02         10         3         21,091         0.03         11         3         21,347         0.02         10         3           Bank         Minimal Risk         3,614         0.03         21         8         3,567         0.03         22         8         3,790         0.03         22         9         4,951         0.03         23         10           Jainificatory Risk         1,547         0.11         27         19         1,329         0.12         27         20         1,426         0.11         28         18         1,051         0.01         28         19           Jatisfactory Risk         126         0.37         33         32         193         0.34         32         32         195         0.33         34         33         123         0.31         33         29         62         4         1.31         47         84           Odderate Default Risk         1         1.150         134         1         3.97         57         1.40         26         3.09         28         82         5         3.07         27         82     <	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3	PD (%) 0.04 0.11 1.15 3.00 6.95 5.10.12 41.42 100.00 <b>2.32</b> 0.02 0.07 0.33	LGD (%) 45 41 37 34 32 30 28 36 50 37 10 12 40	Risk Weight (%) 15 24 50 69 86 107 116 162 191 58 3 9 40	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07	LGD (%) 47 40 37 34 33 30 32 31 53 31 53 37 10 13	Weight (%) 17 23 48 69 83 105 132 117 156 56 56 3 9	1,772 5,418 22,949 11,731 3,186 1,316 719 344 <u>360</u> 47,795 18,897 2,189	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.02 0.07	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 37 7 7 36	Weight (%) 15 29 46 68 85 124 119 132 132 152 56 3 6	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 <b>1.89</b> 0.02 0.07	LGD (%) 45 42 35 34 31 31 30 32 45 36 10 12	Risk Weight (%) 15 28 44 67 83 309 124 148 141 141 53 3 6
Sank         Minimal Risk         3,614         0.03         21         8         3,567         0.03         22         8         3,790         0.03         22         9         4,951         0.03         23         10           Junimal Risk         1,547         0.11         27         19         1,329         0.12         27         20         1,426         0.11         28         18         1,051         0.01         28         19         33         29         195         0.33         34         33         123         0.31         33         29         29         60         43         1.28         29         62         4         1.31         47         84           Voderate Default Risk         1         4.11         50         134         1         3.97         57         140         26         3.09         28         82         5         3.07         27         82           Significant Default Risk         6         5.75         38         109         7         10.00         59         217         7         10.00         47         173         6         10.02         49         183           Special Management        <	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3	PD (%) 0.04 0.11 1.15 3.00 6.95 5.10.12 41.42 100.00 <b>2.32</b> 0.02 0.07 0.33	LGD (%) 45 41 37 34 32 30 28 36 50 37 10 12 40	Risk Weight (%) 15 24 50 69 86 107 116 162 191 58 3 9 40	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07	LGD (%) 47 40 37 34 33 30 32 31 53 31 53 37 10 13	Weight (%) 17 23 48 69 83 105 132 117 156 56 56 3 9	1,772 5,418 22,949 11,731 3,186 1,316 719 344 <u>360</u> 47,795 18,897 2,189	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.02 0.07	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 37 7 7 36	Weight (%) 15 29 46 68 85 124 119 132 132 152 56 3 6	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 <b>1.89</b> 0.02 0.07	LGD (%) 45 42 35 34 31 31 30 32 45 36 10 12	Risk Weight (%) 15 28 44 67 83 309 124 148 141 141 53 3 6
vinimal Risk       3,614       0.03       21       8       3,667       0.03       22       8       3,790       0.03       22       9       4,951       0.03       23       10         .ow Risk       1,547       0.11       27       19       1,329       0.12       27       20       1,426       0.11       28       18       1,051       0.11       28       19         Satisfactory Risk       126       0.37       33       32       193       0.03       32       195       0.03       34       33       123       0.01       28       13       1.011       28       193       23       10         Satisfactory Risk       11       1.54       38       79       57       1.62       29       60       43       1.28       29       62       4       1.31       47       84         viocarate Default Risk       1       4.11       50       134       1       3.97       57       1.62       29       60       43       1.28       29       62       4       1.31       47       84         significant Default Risk       6       5.75       38       109       7       140 <t< td=""><td>Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Default</td><td>EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 49,208 25,668 201 3 1</td><td>PD (%) 0.04 0.11 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05</td><td>LGD (%) 41 37 34 32 30 28 30 28 36 50 37 37 10 12 40 37</td><td>Risk Weight (%) 15 24 50 69 86 107 116 162 191 158 3 9 40 83</td><td>2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3</td><td>PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34</td><td>LGD (%) 47 40 37 34 33 30 32 31 53 37 10 13 40</td><td>Weight (%)           17           23           48           69           83           105           132           117           136           56           33           9           35</td><td>1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,189 5</td><td>PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.02 0.07 0.32</td><td>LGD (%) 45 42 36 34 35 28 35 28 33 47 <b>36</b> 10 14 57</td><td>Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51</td><td>EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911 1,430 6</td><td>PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30</td><td>LGD (%) 45 42 35 34 31 31 30 32 45 <b>36</b> 10 12 46</td><td>Risk           Weight           15           28           44           67           83           109           124           148           141           53           6           41</td></t<>	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Default	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 49,208 25,668 201 3 1	PD (%) 0.04 0.11 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05	LGD (%) 41 37 34 32 30 28 30 28 36 50 37 37 10 12 40 37	Risk Weight (%) 15 24 50 69 86 107 116 162 191 158 3 9 40 83	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34	LGD (%) 47 40 37 34 33 30 32 31 53 37 10 13 40	Weight (%)           17           23           48           69           83           105           132           117           136           56           33           9           35	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,189 5	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.02 0.07 0.32	LGD (%) 45 42 36 34 35 28 35 28 33 47 <b>36</b> 10 14 57	Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911 1,430 6	PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30	LGD (%) 45 42 35 34 31 31 30 32 45 <b>36</b> 10 12 46	Risk           Weight           15           28           44           67           83           109           124           148           141           53           6           41
cow Risk       1,547       0.11       27       19       1,329       0.12       27       20       1,426       0.11       28       18       1,051       0.11       28       19         Satisfactory Risk       126       0.37       33       32       193       0.34       32       32       195       0.33       34       33       123       0.31       33       29         Fair Default Risk       11       1.54       38       79       57       1.62       29       60       43       1.28       29       62       4       1.31       47       84         Odderate Default Risk       1       4.11       50       134       1       3.97       57       140       26       3.09       28       82       5       307       27       82         Significant Default Risk       1       1.0.00       59       217       7       10.02       47       173       6       10.02       49       183         Special Management	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Default Total Sovereign	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 49,208 25,668 201 3 1	PD (%) 0.04 0.11 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05	LGD (%) 41 37 34 32 30 28 30 28 36 50 37 37 10 12 40 37	Risk Weight (%) 15 24 50 69 86 107 116 162 191 158 3 9 40 83	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34	LGD (%) 47 40 37 34 33 30 32 31 53 37 10 13 40	Weight (%)           17           23           48           69           83           105           132           117           136           56           33           9           35	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,189 5	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.02 0.07 0.32	LGD (%) 45 42 36 34 35 28 35 28 33 47 <b>36</b> 10 14 57	Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911 1,430 6	PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30	LGD (%) 45 42 35 34 31 31 30 32 45 <b>36</b> 10 12 46	Risk           Weight           15           28           44           67           83           109           124           148           141           53           6           41
Satisfactory Risk       126       0.37       33       32       193       0.34       32       32       195       0.33       34       33       123       0.31       33       29         air Default Risk       11       1.54       38       79       57       1.62       29       60       43       1.28       29       62       4       1.31       47       84         Odderate Default Risk       1       4.11       50       134       1       3.97       57       140       26       3.09       28       82       5       3.07       27       82         Significant Default Risk       6       5.75       38       109       7       140       26       3.09       28       82       5       3.07       27       82         Special Management       1       10.00       59       217       7       10.00       59       217       7       10.02       47       173       6       10.02       49       183         Special Management       0       0       0       59       217       7       0       0       0       0       0       0       0       0       0       0 <td>Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Satisfactory Risk Eair Default Risk Default Total Sovereign Bank</td> <td>EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 25,873</td> <td>PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05 0.02 0.02</td> <td>LGD (%) 45 41 37 34 32 30 28 36 50 50 37 10 12 40 37 10 12 40 37 10</td> <td>Risk Weight (%) 15 24 50 69 86 60 107 116 162 191  58 3 9 40 83  3 3 3</td> <td>2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873</td> <td>PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.00 2.12 0.02 0.07 0.34 0.02 0.02 0.02</td> <td>LGD (%) 47 40 37 34 33 30 32 31 53 37 10 13 40 10 110</td> <td>Weight (%)           17           23           48           69           83           105           132           117           156           56           3           9           35           3           3           3           3           3           3           35</td> <td>1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,189 5 21,091</td> <td>PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 4.261 100.00 <b>2.07</b> 0.02 0.07 0.32 <b>0.03</b></td> <td>LGD (%) 45 42 36 34 32 35 28 33 35 28 33 34 7 36 10 14 57 11</td> <td>Weight (%)           15           29           46           68           85           124           119           132           152           56           51           3           6           51</td> <td>EAD 1,692 5,528 21,674 11,516 2,644 843 613 2611 354 45,125 19,911 1,430 6 21,347</td> <td>PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.02</td> <td>LGD (%) 45 42 35 34 31 31 30 32 45 <b>36</b> 10 12 46 10</td> <td>Risk           Weight           15           28           44           67           83           109           124           141           53           3           6           41           3           6           3           3</td>	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Satisfactory Risk Eair Default Risk Default Total Sovereign Bank	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 25,873	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05 0.02 0.02	LGD (%) 45 41 37 34 32 30 28 36 50 50 37 10 12 40 37 10 12 40 37 10	Risk Weight (%) 15 24 50 69 86 60 107 116 162 191  58 3 9 40 83  3 3 3	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.00 2.12 0.02 0.07 0.34 0.02 0.02 0.02	LGD (%) 47 40 37 34 33 30 32 31 53 37 10 13 40 10 110	Weight (%)           17           23           48           69           83           105           132           117           156           56           3           9           35           3           3           3           3           3           3           35	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,189 5 21,091	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 4.261 100.00 <b>2.07</b> 0.02 0.07 0.32 <b>0.03</b>	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 34 7 36 10 14 57 11	Weight (%)           15           29           46           68           85           124           119           132           152           56           51           3           6           51	EAD 1,692 5,528 21,674 11,516 2,644 843 613 2611 354 45,125 19,911 1,430 6 21,347	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.02	LGD (%) 45 42 35 34 31 31 30 32 45 <b>36</b> 10 12 46 10	Risk           Weight           15           28           44           67           83           109           124           141           53           3           6           41           3           6           3           3
Fair Default Risk       11       1.54       38       79       57       1.62       29       60       43       1.28       29       62       4       1.31       47       84         Moderate Default Risk       1       4.11       50       134       1       3.97       57       140       26       3.09       28       82       5       3.07       27       82         Significant Default Risk       6       5.75       38       109       7       10.00       59       217       7       10.02       47       173       6       10.02       49       183       29       61       10.02       49       183         Special Management	Corporate Minimal Risk Satisfactory Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Default Ris	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 1 25,873 3,614	PD (%) 0.04 0.11 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05 0.02 0.02 0.03	LGD (%) 45 41 37 34 32 30 28 30 28 30 28 30 28 30 28 30 28 30 28 30 28 30 37 10 12 40 37 10 21	Risk Weight (%) 15 24 50 69 86 107 116 162 191 58 3 9 40 83 3 3 8	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873 3,567	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34 0.02 0.02 0.02 0.03	LGD (%) 47 40 37 34 33 30 32 31 53 37 10 13 40 <b>10</b> <b>10</b> 22	Weight (%)           17           23           48           69           83           105           132           117           156           56           3           9           35           3           3           8	1,772 5,418 22,949 11,731 3,186 1,316 1,316 719 344 360 47,795 18,897 2,189 5 21,091 3,790	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.32 0.02 0.07 0.32 0.03	LGD (%) 45 42 36 34 32 35 28 33 347 <b>36</b> 10 14 57 <b>11</b> 11	Weight (%)           15           29           46           68           825           124           119           132           152           56           3           6           51           3           3           9	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911 1,430 6 21,347 4,951	PD (%) 0.04 0.11 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.02 0.02	LGD (%) 45 42 35 34 31 31 30 32 45 <b>36</b> 10 12 46 <b>10</b> 23	Risk           Weight           15           28           44           67           83           109           124           148           141           53           3           6           41           3           10
Moderate Default Risk       1       4.11       50       134       1       3.97       57       140       26       3.09       28       82       5       3.07       27       82         Significant Default Risk       6       5.75       38       109       1       10.00       59       217       7       140       26       3.09       28       82       5       3.07       27       82         Jigh Default Risk       1       10.00       59       217       7       10.02       47       173       6       10.02       49       183       Secial Management       Evaluation	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk High Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 25,873 3,614 1,547	PD (%) 0.04 0.11 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.07 0.33 1.05 0.02 0.02 0.03 0.11	LGD (%) 45 41 37 34 32 30 28 36 50 28 37 10 12 40 37 10 12 40 37 10 12 21 27	Risk Weight (%) 15 24 50 69 86 107 116 162 191 58 3 9 40 0 83 3 9 40 83 8 8 8 19	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 3 21,873 3,567 1,329	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34 0.02 0.02 0.02 0.03 0.02	LGD (%) 47 47 34 33 30 32 31 53 37 7 10 13 3 40 10 10 22 27	Weight (%)           17           23           48           69           83           105           132           117           156           566           3           9           35           3           3           3           3           3           3           3           3	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,199 18,897 2,1091 3,790 1,426	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.32 0.02 0.07 0.32 0.03 0.03 0.03	LGD (%) 45 45 42 36 35 28 33 35 28 33 347 7 <b>36</b> 10 14 4 57 11 11 22 28	Weight (%)           15           29           46           68           85           124           119           132           152           56           51           3           6           51           3           9           18	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911 1,430 6 21,347 4,951 1,051	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 100.09 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.07 0.30	LGD (%) 45 42 35 34 31 31 31 31 32 45 <b>36</b> 10 12 246 46 <b>10</b> 23 28	Risk Weight (%) 15 28 44 67 83 109 124 148 141 153 3 6 41 41 <b>3</b> 10 119
Significant Default Risk     6     5.75     38     109       ligh Default Risk     1     10.00     59     217     1     10.00     59     217     7     10.02     47     173     6     10.02     49     183       Special Management     0     0     0     0     0     0     0     0     10.02     47     173     6     10.02     49     183	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Default Total Sovereign Bank Minimal Risk Low Risk Satisfactory Risk Satisfactory Risk Satisfactory Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 25,873 3,614 1,547 126	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05 0.02 0.02 0.03 0.01 0.03 0.11 0.37	LGD (%) 45 41 37 34 32 30 28 36 50 50 50 37 10 12 40 40 37 10 21 27 23 33	Risk Weight (%) 15 24 50 69 86 107 116 162 162 191 58 3 9 40 83 3 9 40 83 3 9 40 83 3 9 40 83 3 9 9 40 83 3 9 9 40 86 80 86 86 86 86 86 86 86 86 86 86 86 86 86	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873 3,567 1,329 193	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34 0.02 0.34 0.02 0.34	LGD (%) 47 40 37 37 34 33 30 32 31 53 37 10 13 40 22 27 27 27 22	Weight (%)           17           23           48           69           83           105           132           117           156           56           3           9           35           3           8           20           32	1,772 5,418 22,949 11,731 3,186 1,316 719 344 4360 47,795 18,897 2,189 5 21,091 3,790 1,426 195	PD (%) 0.04 0.11 0.41 1.12 2.93 6.49 10.30 4.261 100.00 <b>2.07</b> 0.32 0.02 0.07 0.32 <b>0.03</b> 0.11 10.33	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 35 28 33 35 28 33 47 10 11 14 57 11 22 28 8 34	Weight (%)           15           29           46           68           85           124           119           132           155           56           51           3           6           51           3           9           18           33	EAD 1,692 5,528 21,674 11,516 2,644 843 613 261 354 45,125 19,911 1,430 6 21,347 4,951 1,051	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.30 0.02 0.30 0.01 0.03 0.11	LGD (%) 45 42 35 34 31 31 31 30 22 45 <b>36</b> 10 12 46 <b>10</b> 12 46 <b>10</b> 12 33 28 33	Risk           Weight           15           28           44           67           83           109           124           148           141           53           3           6           41           53           3           10           11           29
High Default Risk       1       10.00       59       217       1       10.00       59       217       7       10.02       47       173       6       10.02       49       183         Special Management       Default                  183	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Default Total Sovereign Bank Minimal Risk Low Risk Satisfactory Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 25,873 3,614 1,547 126	PD (%) 0.04 0.11 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05 0.02 0.07 0.03 0.11 0.37 1.54	LGD (%) 45 41 37 30 28 30 28 30 28 36 50 37 10 12 40 37 7 10 12 40 37 37 33 38	Risk Weight (%) 15 24 50 69 86 107 116 162 191 15 58 3 9 40 83 3 9 40 83 3 9 20 7 9 22 7 9	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873 3,567 1,329 193	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34 0.02 0.07 0.34 0.02 0.03 0.12 0.03 0.12 0.03 0.12	LGD (%) 47 40 037 34 33 30 32 31 53 330 32 31 53 337 10 13 40 10 13 40 22 27 32 22 22 22	Weight (%)           17           23           48           69           83           105           132           117           156           56           3           9           35           3           8           20           32           60	1,772 5,418 22,949 11,731 3,186 1,316 7,119 3,44 3,60 47,795 18,897 2,189 5 21,091 3,790 1,426 195 43	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.32 0.07 0.32 0.03 0.03 0.11 0.33 1.28	LGD (%) 45 42 36 33 35 28 33 34 7 36 10 14 57 11 11 22 28 34 34 29	Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51           9           18           33           62	EAD 1,692 5,528 21,674 11,516 2,644 843 613 2611 354 45,125 19,911 1,430 6 21,347 4,951 1,051 123	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.07 0.30 0.02 0.03 0.11 0.31 1.31	LGD (%) 45 42 35 34 31 31 30 32 45 36 10 12 46 10 12 46 10 12 46 33 34 33 34 33 34 33 34 33 34 33 34 33 34 33 34 33 34 33 34 33 34 34	Risk           Weight           15           28           44           67           83           109           124           148           141           53           6           41           3           6           41           3           6           41           83           3           6           41           84
Special Management	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Default Total Sovereign Bank Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Moderate Default Risk Moderate Default Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 449,208 25,668 201 3 1 25,873 3,614 1,547 126 11 1	PD (%) 0.04 0.11 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.07 0.33 1.05 0.02 0.07 0.33 1.05 0.02 0.03 0.11 0.37 1.54 4.11	LGD (%) 45 41 37 34 32 30 28 36 50 37 10 12 40 37 10 12 40 37 10 12 21 27 33 38 50	Risk Weight (%)           15           24           50           69           86           107           116           162           191           58           3           9           40           83           19           32           79           134	2,105 5,063 22,683 12,567 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873 3,567 1,329 193 57	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34 0.02 0.07 0.34 0.02 0.03 0.12 0.03 0.12 0.03 0.12	LGD (%) 47 40 037 34 33 30 32 31 53 330 32 31 53 337 10 13 40 10 13 40 22 27 32 22 22 22 22	Weight (%)           17           23           48           69           83           105           132           117           156           56           3           9           35           3           8           20           32           60	1,772 5,418 22,949 11,731 3,186 1,316 7,119 3,44 3,60 47,795 18,897 2,189 5 21,091 3,790 1,426 195 43	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.32 0.07 0.32 0.03 0.03 0.11 0.33 1.28	LGD (%) 45 42 36 33 35 28 33 34 7 36 10 14 57 11 11 22 28 34 34 29	Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51           9           18           33           62	EAD 1,692 5,528 21,674 11,516 2,644 843 613 2611 354 45,125 19,911 1,430 6 21,347 4,951 1,051 123	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.07 0.30 0.02 0.03 0.11 0.31 1.31	LGD (%) 45 42 35 34 31 31 30 32 45 36 10 12 46 10 12 46 10 12 46 33 34 33 34 33 34 33 34 33 34 33 34 33 34 33 34 33 34 33 34 33 34 34	Risk           Weight           15           28           44           67           83           109           124           148           141           53           6           41           3           6           41           3           6           41           83           3           6           41           84
Special Management Default	Corporate Minimal Risk Satisfactory Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Sati	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 449,208 25,668 201 3 1 25,873 3,614 1,547 126 11 1	PD (%) 0.04 0.11 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.07 0.33 1.05 0.02 0.07 0.33 1.05 0.02 0.03 0.11 0.37 1.54 4.11	LGD (%) 45 41 37 34 32 30 28 36 50 30 37 10 12 40 37 10 12 40 37 7 10 12 40 33 7 10 33 8 50 38	Risk Weight (%) 15 24 50 69 86 107 116 107 116 102 191 <b>58</b> 3 9 40 8 3 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 86 9 15 15 15 15 15 15 15 15 15 15 15 15 15	2,105 5,063 22,683 12,567 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873 3,567 1,329 193 57	PD (%) 0.04 0.11 1.13 2.73 6.83 10.08 46.78 100.00 2.12 0.02 0.07 0.34 0.02 0.07 0.34 0.02 0.03 0.12 0.03 0.12 0.03 0.12	LGD (%) 47 40 037 34 33 30 32 31 53 330 32 31 53 337 10 13 40 10 13 40 22 27 32 22 22 22 22	Weight (%)           17           23           48           69           83           105           132           117           156           56           3           9           35           3           8           20           32           60	1,772 5,418 22,949 11,731 3,186 1,316 7,119 3,44 3,60 47,795 18,897 2,189 5 21,091 3,790 1,426 195 43	PD (%) 0.04 0.11 1.12 2.93 6.49 10.30 42.61 100.00 2.07 0.32 0.07 0.32 0.03 0.03 0.11 0.33 1.28	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 34 7 <b>36</b> 10 14 57 <b>11</b> 22 28 34 29 28	Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51           3           9           18           33           62           82	EAD 1,692 5,528 21,674 11,516 2,644 843 613 2611 354 45,125 19,911 1,430 6 21,347 4,951 1,051 123	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.07 0.30 0.02 0.03 0.11 0.31 1.31	LGD (%) 45 42 35 34 31 31 31 30 22 45 <b>36</b> 10 12 46 10 12 46 <b>10</b> 12 23 28 33 33 47 27	Risk           Weight           15           28           44           67           83           109           124           148           141           53           3           6           411           53           3           6           41           82
Default	Corporate Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Significant Default Risk High Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Default Total Sovereign Bank Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Moderate Default Risk Moderate Default Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 25,873 3,614 1,547 126 11 1 6	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05 0.02 0.02 0.03 0.03 0.01 1.54 4.11 1.54 4.111	LGD (%) 45 41 37 34 32 30 28 36 50 30 37 10 12 40 37 10 12 40 37 7 10 12 40 33 7 10 33 8 50 38	Risk Weight (%) 15 24 50 69 86 107 116 107 116 102 191 <b>58</b> 3 9 40 8 3 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 86 9 15 15 15 15 15 15 15 15 15 15 15 15 15	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873 3,567 1,329 193 57 1	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.00 2.12 0.02 0.07 0.34 0.02 0.34 0.02 0.34 1.62 3.97	LGD (%) 47 40 37 37 34 33 30 37 37 10 13 40 10 13 40 22 27 29 57	Weight (%)           17           23           48           69           83           105           132           117           156           56           33           9           35           3           8           20           32           60           140	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,189 5 21,091 3,790 1,426 195 43 26	PD (%) 0.04 0.11 0.293 6.49 10.30 42.61 100.00 2.07 0.32 0.02 0.07 0.32 0.03 0.03 0.03 0.13 0.13 1.28 3.09	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 34 7 <b>36</b> 10 14 57 <b>11</b> 22 28 34 29 28	Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51           3           9           18           33           62           82	EAD 1,692 5,528 21,674 11,516 2,644 843 613 2611 354 45,125 19,911 1,430 6 21,347 4,951 1,023 4 5	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.07 0.30 0.02 0.30 0.31 1.31 3.37	LGD (%) 45 42 35 34 31 31 31 30 22 45 <b>36</b> 10 12 46 10 12 46 <b>10</b> 12 23 28 33 33 47 27	Risk           Weight           (%)           15           28           44           67           109           124           148           144           53           3           6           41           3           10           19           29           84           82
	Corporate Minimal Risk Uow Risk Satisfactory Risk Satisfactory Risk Significant Default Risk Significant Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Default Total Sovereign Bank Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Moderate Default Risk Moderate Default Risk Moderate Default Risk Significant Default Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 25,873 3,614 1,547 126 11 1 6	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05 0.02 0.02 0.03 0.03 0.01 1.54 4.11 1.54 4.111	LGD (%) 45 41 37 34 32 30 28 36 50 30 37 10 12 40 37 10 12 40 37 7 10 12 40 33 7 10 33 8 50 38	Risk Weight (%) 15 24 50 69 86 107 116 107 116 102 191 <b>58</b> 3 9 40 8 3 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 86 9 15 15 15 15 15 15 15 15 15 15 15 15 15	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873 3,567 1,329 193 57 1	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.00 2.12 0.02 0.07 0.34 0.02 0.34 0.02 0.34 1.62 3.97	LGD (%) 47 40 37 37 34 33 30 37 37 10 13 40 10 13 40 22 27 29 57	Weight (%)           17           23           48           69           83           105           132           117           156           56           33           9           35           3           8           20           32           60           140	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,189 5 21,091 3,790 1,426 195 43 26	PD (%) 0.04 0.11 0.293 6.49 10.30 42.61 100.00 2.07 0.32 0.02 0.07 0.32 0.03 0.03 0.03 0.13 0.13 1.28 3.09	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 34 7 <b>36</b> 10 14 57 <b>11</b> 22 28 34 29 28	Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51           3           9           18           33           62           82	EAD 1,692 5,528 21,674 11,516 2,644 843 613 2611 354 45,125 19,911 1,430 6 21,347 4,951 1,023 4 5	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.07 0.30 0.02 0.30 0.31 1.31 3.37	LGD (%) 45 42 35 34 31 31 31 30 22 45 <b>36</b> 10 12 46 10 12 46 <b>10</b> 12 23 28 33 33 47 27	Risk           Weight           (%)           15           28           44           67           109           124           148           144           53           3           6           41           3           10           19           29           84           82
	Corporate Minimal Risk Satisfactory Risk Satisfactory Risk Fair Default Risk Significant Default Risk Significant Default Risk Significant Default Risk Special Management Default Total Corporate Sovereign Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Default Total Sovereign Bank Minimal Risk Low Risk Satisfactory Risk Fair Default Risk Koderate Default Risk Significant Default Risk Significant Default Risk High Default Risk	EAD 2,349 5,358 22,542 12,628 3,467 1,241 743 425 455 49,208 25,668 201 3 1 25,873 3,614 1,547 126 11 1 6	PD (%) 0.04 0.11 0.41 1.15 3.00 6.95 10.12 41.42 100.00 2.32 0.02 0.07 0.33 1.05 0.02 0.02 0.03 0.03 0.01 1.54 4.11 1.54 4.111	LGD (%) 45 41 37 34 32 30 28 36 50 30 37 10 12 40 37 10 12 40 37 7 10 12 40 33 7 10 33 8 50 38	Risk Weight (%) 15 24 50 69 86 107 116 107 116 102 191 <b>58</b> 3 9 40 8 3 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 83 <b>3</b> 9 40 86 9 15 15 15 15 15 15 15 15 15 15 15 15 15	2,105 5,063 22,683 12,547 3,441 1,444 889 343 354 48,869 21,700 170 3 21,873 3,567 1,329 193 57 1	PD (%) 0.04 0.11 0.41 1.13 2.73 6.83 10.00 2.12 0.02 0.07 0.34 0.02 0.34 0.02 0.34 1.62 3.97	LGD (%) 47 40 37 37 34 33 30 37 37 10 13 40 10 13 40 22 27 29 57	Weight (%)           17           23           48           69           83           105           132           117           156           56           33           9           35           3           8           20           32           60           140	1,772 5,418 22,949 11,731 3,186 1,316 719 344 360 47,795 18,897 2,189 5 21,091 3,790 1,426 195 43 26	PD (%) 0.04 0.11 0.293 6.49 10.30 42.61 100.00 2.07 0.32 0.02 0.07 0.32 0.03 0.03 0.03 0.13 0.13 1.28 3.09	LGD (%) 45 42 36 34 32 35 28 33 35 28 33 34 7 <b>36</b> 10 14 57 <b>11</b> 22 28 34 29 28	Weight (%)           15           29           46           68           85           124           119           132           152           56           3           6           51           3           9           18           33           62           82	EAD 1,692 5,528 21,674 11,516 2,644 843 613 2611 354 45,125 19,911 1,430 6 21,347 4,951 1,023 4 5	PD (%) 0.04 0.11 0.41 1.13 2.85 6.63 10.39 30.46 100.00 1.89 0.02 0.07 0.30 0.02 0.07 0.30 0.02 0.30 0.31 1.31 3.37	LGD (%) 45 42 35 34 31 31 31 30 22 45 <b>36</b> 10 12 46 10 12 46 <b>10</b> 12 23 28 33 33 47 27	Risk           Weight           (%)           15           28           44           67           109           124           148           144           53           3           6           41           3           10           19           29           84           82

(1) Net of collateral, guarantees and credit derivates "EAD" - Exposure at Default, "PD" - Probabilitity of Default, "LGD" - Loss Given Default, "Risk Weight %" is a Weighted Average based on EAD
 (2) Effective Q1 2016, OSFI has authorised HSBC Bank Canada's Market Risk model. As a result, credit risk exposures exclude the trading portfolio.

# Exposures Covered By Credit Risk Mitigation (\$ millions except as noted)

	S	eptember 30, 20	016		June 30, 2016			March 31, 2016	5	D	ecember 31, 201	15
	Stand	ardized	AIRB	Stand	ardized	AIRB	Standa	ardized	AIRB	Standa	ardized	AIRB
Counterparty Type	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees									
Corporate			1,043			1,009			1,016			1,032
Sovereign												1
Bank												1
Total Corporate, Sovereign and Bank			1,043			1,009			1,016			1,032
Residential Mortgages			1,802			1,940			2,007			2,030
HELOC's												l I
Other Retail (excluding QRR and SME)												l I
Qualifying Revolving Retail												l I
Retail SME												l
Total Retail			1,802			1,940			2,007			2,030
Total			2,845			2,949			3,023			3,062

	S	eptember 30, 20	)15		June 30, 2015			March 31, 2015	5	D	ecember 31, 20 <sup>-</sup>	14
	Standa	ardized	AIRB									
Counterparty Type	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees									
Corporate			1,274			1,294			1,283			1,294
Sovereign												
Bank												
Total Corporate, Sovereign and Bank			1,274			1,294			1,283			1,294
Residential Mortgages			2,213			2,483			2,448			2,437
HELOC's												
Other Retail (excluding QRR and SME)												
Qualifying Revolving Retail												
Retail SME												
Total Retail			2,213			2,483			2,448			2,437
Total			3,487			3,777			3,730			3,731



# AIRB Credit Risk Exposures - Credit Commitments (\$ millions except as noted)

	Septembe	r 30, 2016	June 30	), 2016	March 3	31, 2016	December	r 31, 2015
Counterparty Type	Notional Undrawn	EAD on Undrawn						
Corporate	28,823	11,599	30,313	12,306	29,966	12,143	32,094	12,995
Sovereign	988	405	574	235	588	229	511	195
Bank	180	9	127		327		156	
Total Corporate, Sovereign and Bank	29,991	12,013	31,013	12,541	30,882	12,372	32,761	13,190
Residential Mortgages	9	3	14	4	18		26	4
HELOC's	3,333	1,045	3,305	1,049	3,319	1,045	3,281	1,040
Other Retail (excluding QRR and SME)	620	179	626	179	632	178	655	186
Qualifying Revolving Retail	902	216	909	219	915	223	922	224
Retail SME	225	223	242	241	254	253	263	262
Total Retail	5,089	1,666	5,096	1,692	5,138	1,699	5,147	1,716
Total	35,080	13,678	36,109	14,233	36,020	14,071	37,908	14,906

	Septembe	r 30, 2015	June 30	0, 2015	March 3	31, 2015	December	<sup>·</sup> 31, 2014
	Notional	EAD on	Notional	EAD on	Notional	EAD on	Notional	EAD on
Counterparty Type	Undrawn	Undrawn	Undrawn	Undrawn	Undrawn	Undrawn	Undrawn	Undrawn
Corporate	32,775	13,324	32,619	13,253	30,479	12,356	29,974	12,137
Sovereign	137	40	124	34	123	38	116	34
Bank	79		89		58		88	
Total Corporate, Sovereign and Bank	32,992	13,363	32,832	13,287	30,660	12,394	30,178	12,172
Residential Mortgages	25		24	1	27		30	1
HELOC's	3,260	1,035	3,176	1,001	3,165	1,001	3,144	1,040
Other Retail (excluding QRR and SME)	675	196	679	196	694	196	691	197
Qualifying Revolving Retail	920	226	926	226	936	229	941	234
Retail SME	257	252	283	271	269	266	294	293
Total Retail	5,137	1,709	5,089	1,696	5,090	1,691	5,101	1,765
Total	38,129	15,072	37,921	14,983	35,751	14,085	35,279	13,937



## **Securitization**

#### Securitization strategy

HSBC acts as originator, sponsor, investor, liquidity provider and derivative counterparty to its own originated and sponsored securitizations, as well as those of third party securitizations. Our strategy is to use securitizations to meet our needs for aggregate funding or capital management, to the extent that market regulatory treatments and other conditions are suitable, and for customer facilitation.

Our roles in the securitization process are as follows:

*Originator*: where we originate the assets being securitized;

Sponsor: where we establish and manage a securitization programme that purchases exposures from third parties and provide derivatives or liquidity facilities; and

Investor: where we invest in a securitization transaction directly.

#### HSBC as an originator

We securitize National Housing Act ('NHA') mortgage backed securities ('MBS') through programs sponsored by the Canada Mortgage and Housing Corporation. Under International Financial Reporting Standards ('IFRS'), the terms of the transaction do not meet the de-recognition criteria included within IAS 39 because the pass-through test is not met. Therefore, the transaction is accounted for as a secured borrowing with the underlying mortgages of the MBS remaining on balance sheet and a liability recognized for the funding received, with no recognition of gains or losses on transfer.

Risk weighted assets are calculated on the mortgage pools and no regulatory relief is taken on the securitization. As a result, these are not considered securitization exposures and have been excluded from all securitization quantitative disclosures.

#### HSBC as sponsor

We act as financial services agent for a multi-seller asset-backed commercial paper conduit program ('multi-seller conduit') and also provide swap and liquidity facilities.

This multi-seller conduit provides the bank's clients with alternate sources of financing through the securitization of their assets. Clients sell financial assets to the conduit and the conduit funds its purchase of such financial assets through the issuance of short-term asset-backed commercial paper to investors. Each client continues to service the financial assets they have sold to the multi-seller conduit and absorbs the first losses associated with such assets. The bank has no rights to the assets as they are owned by the multi-seller conduit.

For more detail on the liquidity facilities outlined above, refer to the note on contingent liabilities, contractual commitments and guarantees, Annual Report and Accounts 2015.



## **Securitization**

## HSBC as investor

We have exposure to third party securitizations in the form of NHA MBS, Canada Housing Trust bullet bonds, non-NHA residential mortgage securitizations and asset backed commercial paper.

These securitization positions are managed by a dedicated team that uses a combination of market standard systems and third party data providers to monitor performance data and manage market and credit risks.

For a description of the bank's credit and market risk policies please refer to the credit risk and market risk sections in Management's Discussion and Analysis, Annual Report and Accounts 2015.

## Valuation of securitization positions

The valuation process of our investments in securitization exposures primarily focuses on quotations from third parties, observed trade levels and calibrated valuations from market standard models. This process has not changed during 2015. Further details may be found in the notes on significant account policies and fair value of financial instruments, Annual Report and Accounts 2015.

Securitization activities during 2016

To date, there has not been any securitization activity during 2016.

## Calculation of risk-weighted assets for securitization exposures

Securitization exposures are currently treated as on balance sheet and included in the Basel III category to which the exposures relate. The bank uses the Advanced Internal Ratings Based approach (AIRB). This approach uses the bank's own historical experience of probability of default (PD), loss given default (LGD) and exposure at default (EAD) and other key risk assumptions to calculate credit risk capital requirements.

## Securitization accounting treatment

For information on the bank's securitization accounting treatment, please refer to the note on significant account policies, Annual Report and Accounts 2015.



#### Securitization Exposures

#### (\$ millions except as noted)

#### Securitization exposure - by trading and banking book<sup>1</sup><sup>2</sup>

Securitization exposure - by trading a	I Daliking DC	JOK' -										
	At S	September 30, 20	016		At June 30, 2016		A	t March 31, 2016	6	At	December 31, 20	015
	Trading	Banking	Total	Trading	Banking	Total	Trading	Banking	Total	Trading	Banking	Total
As Sponsor <sup>3</sup>												
Trade receivables		51	51		230	230		230	230		230	230
As Investor												
Residential mortgages												
Trade receivables												
		51	51		230	230		230	230		230	230
	At S	September 30, 20	015		At June 30, 2015		A	t March 31, 2015	5	At	December 31, 20	014
	Trading	Banking	Total	Trading	Banking	Total	Trading	Banking	Total	Trading	Banking	Total
As Sponsor <sup>3</sup>												
Trade receivables		245	245		245	245		245	245		245	245
As Investor												
Residential mortgages												
Trade receivables												

1 All securitizations exposures result from traditional securitizations. National Housing Association MBS and bonds issued by Canada Housing Trust are not considered securitization exposures and are excluded.

2 All securitization exposures in role of Investor are recorded on-Balance Sheet; exposures in role of Sponsor are off-Balance Sheet with the exception of \$4 million at March 2014 (zero for periods thereafter)

in respect of derivative contracts with the bank sponsored multi-seller conduit.

3 Securitization exposures in role of sponsor are reported pre credit conversion factor.

#### Securitization exposure - movement year to date

	Total at	Year to date	movement	Total at
	January 1	As sponsor	As investor	September 30
2016				
Aggregate amount of securitization exposures (retained or purchased)				
Residential mortgages				
Trade receivables	230	(179)	-	51
	230	(179)	-	51

#### Securitization exposure - asset values and impairment charges

Securitization exposure - asset values	ana mpann											
	At S	September 30,	2016		At June 30, 20 <sup>,</sup>	16	-	At March 31, 20	016	At	December 31,	2015
			Securitization			Securitization			Securitization			Securitization
	Underlyi	ng assets <sup>1</sup>	exposures	Underlyi	ng assets <sup>1</sup>	exposures	Underlyi	ng assets <sup>1</sup>	exposures	Underlyi	ng assets <sup>1</sup>	exposures
		Impaired &	Impairment		Impaired &	Impairment		Impaired &	Impairment		Impaired &	Impairment
	Total	past due	charge	Total	past due	charge	Total	past due	charge	Total	past due	charge
As Sponsor												
Trade receivables	94			306			306			290		
As Investor	_											
Residential mortgages												
Trade receivables												
												1 1
	At S	September 30,			At June 30, 20 <sup>-</sup>	15		At March 31, 20	015	At	December 31,	2014
	At S	September 30,	2015 Securitization		At June 30, 20	15 Securitization		At March 31, 20	015 Securitization	At	December 31,	2014 Securitization
		September 30, ng assets <sup>1</sup>			At June 30, 20 <sup>.</sup> ng assets <sup>1</sup>			At March 31, 20			December 31, ing assets <sup>1</sup>	
			Securitization			Securitization			Securitization			Securitization
		ng assets <sup>1</sup>	Securitization exposures		ng assets <sup>1</sup>	Securitization exposures	Underlyi	ng assets <sup>1</sup>	Securitization exposures		ng assets <sup>1</sup>	Securitization exposures
As Sponsor	Underlyi	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi	ing assets <sup>1</sup> Impaired &	Securitization exposures Impairment
<b>As Sponsor</b> Trade receivables	Underlyi	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment	Underlyi	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment
Trade receivables	Underlyin Total	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment
Trade receivables As Investor <sup>1</sup>	Underlyin Total	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment
Trade receivables <b>As Investor<sup>1</sup></b> Residential mortgages	Underlyin Total	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment
Trade receivables As Investor <sup>1</sup>	Underlyin Total	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired &	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment	Underlyi Total	ng assets <sup>1</sup> Impaired & past due	Securitization exposures Impairment

1 For securitisations where HSBC acts as investor, information on third-party underlying assets is not available.



## Securitization Exposures

(\$ millions except as noted)

#### Securitization exposures by risk weighting

	Exposure value at September 30, 2016			Exposure value at June 30, 2016			Exposure value at March 31, 2016			Exposure value at December 31, 2015			
	Trading	Banking		Trading	Banking		Trading	Banking		Trading	Banking		
	book	book	Total	book	book	Total	book	book	Total	book	book	Total	
Category risk weights													
≤ 10%													
> 10% ≤ 20%		51	51		230	230		230	230		230	230	
> 20% ≤ 50%													
> 50% ≤ 100%													
> 100% ≤ 650%													
> 650% < 1250%													
1250%													
Total		51	51		230	230		230	230		230	230	

	Exposure value at September 30, 2015			Exposure value at June 30, 2015			Exposure value at March 31, 2015			Exposure value at December 31, 2014		
	Trading	Banking		Trading	Banking		Trading	Banking		Trading	Banking	
	book	book	Total	book	book	Total	book	book	Total	book	book	Total
Category risk weights												
≤ 10%												
> 10% ≤ 20%		245	245		245	245		245	245		245	245
> 20% ≤ 50%												
> 50% ≤ 100%												
> 100% ≤ 650%												
> 650% < 1250%												
1250%												
Total		245	245		245	245		245	245		245	245

Capital required by risk weighting

Capital required by risk weig	mang											
	Capital require	ed at Septembe	er 30, 2016	Capital requ	uired at June	30, 2016	Capital requ	ired at March	31, 2016	Capital require	ed at Decembe	r 31, 2015
	Trading	Banking		Trading	Banking		Trading	Banking		Trading	Banking	
	book	book	Total	book	book	Total	book	book	Total	book	book	Tota
Category risk weights												
≤ 10%												
> 10% ≤ 20%		1	1		1	1		1	1		1	1
> 20% ≤ 50%			-									
> 50% ≤ 100%												
> 100% ≤ 650%												
> 650% < 1250%												
1250%												
Total		1	1		1	1		1	1		1	1
lotal		-	- 1		-	-		-	-		-	-
	Capital require	ed at Septembe	er 30, 2015	Capital requ	uired at June	30, 2015	Capital requ	ired at March	31, 2015	Capital require	ed at Decembe	r 31, 2014
	Trading	Banking		Trading	Banking		Trading	Banking		Trading	Banking	
	book	book	Total	book	book	Total	book	book	Total	book	book	Tota
Category risk weights												
≤ 10%												
> 10% ≤ 20%		1	1		1	1		2	2		2	2
> 20% ≤ 50%												
> 50% ≤ 100%												
> 100% ≤ 650%												
> 650% < 1250%												
1250%												

Total



2

2

1

1

1

1

2

2

## Market Risk

#### Market Risk

Market Risk is the risk that movements in market factors, such as foreign exchange rates, interest rates, credit spread, equity prices and commodity prices will reduce the value of our portfolios.

#### Market Risk Governance

HSBC Bank Canada's strategic objectives in undertaking trading activities are to solidify the Bank's position as the leading international bank in Canada through finance-focused and emerging markets-led strategy. The Bank delivers global products and solutions to domestic clients, and provides global clients access to local products and services. The Bank uses global models and systems for measuring market risk. Information from the Primary Trading Systems is sent to global HSBC Group systems, where the VaR calculations and aggregations are performed. The calculations are performed daily and the risk measures are compared to limits. Breaches are escalated to senior management.

Market Risk is the independent oversight unit within HSBC Bank Canada and has a mandate to ensure that market risks are within the risk appetite of the Bank. Market Risk is responsible for the daily calculation of market risk measures and backtesting reports, setting of limits and monitoring exposures against limits, and calculation and reporting of capital charges. The Global Risk Analytics team, which is responsible for development and validation of model methodology as well as liaison with external regulators, works closely with the core Market Risk team.

The Audit and Risk Committee (ARC), a committee of the Board of Directors, has non-executive responsibility for oversight and advice to the Board on matters related to financial reporting and high level risk related matters and risk governance. The Risk Management Committee (RMC) has a mission to provide strategic enterprise-wide risk management. A subcommittee of the RMC is the Wholesale Credit and Market Risk Model Oversight Committee which is primarily responsible for oversight (including approval, monitoring, vetting, ensuring fitness of purpose, etc) of models, primarily Basel models used in the estimation of regulatory capital charges. The Market Risk IMA Steering Committee is responsible for providing guidance on preparation of the Market Risk IMA application. As OSFI granted conditional approval for the Market Risk IMA application in January 2016, the Steering Committee's main focus now is on tracking and oversight of remediation work to obtain full approval for the IMA.



Market Risk RWA (\$ millions except as noted)

#### Internal Model Approach (IMA)

At HSBC Bank Canada, the IMA is used to measure VaR and Stressed VaR for the Trading Book for regulatory purposes. A historical simulation approach is used for General Market Risk and a Standardized Approach is used for Specific Risk. The VaR model used by HSBC Bank Canadais an HSBC Group model used in jurisdictions around the world. For regulatory purposes, 99% VaR 10-day is computed while for internal purposes 1-day VaR is used.

VaR and stressed VaR are computed using the historical scenarios approach. For VaR, 500 scenarios (roughly 2 years of scenarios) are used, whereas for stressed VaR 250 scenarios (roughly 1 year of scenarios) are used. For VaR, the 10-day VaR is obtained from 1-day VaR by multiplying by the square root of 10. For stressed VaR, the 10-day VaR is computed directly. Historical scenarios are updated every 2 weeks, and a Taylor-series approach, as opposed to full revaluation, is used to compute the daily profit and loss vectors used in the VaR calculation.

For general market risk, VaR is computed for the entire Trading Book as well as for the individual lines of business. For general market risk the profit and loss vectors are aggregated from the different lines of business before the VaR is computed for the Trading Book. The specific risk component is computed separately.

For the stressed VaR calculation, each quarter a VaR calculation is done using overlapping 250-day windows to determine the largest VaR value. The 250-day period corresponding to the largest VaR value is the stressed VaR period, which is then used for the remainder of the quarter to determine the stressed VaR. Backtesting is performed on a daily basis to monitor the performance of the VaR model. VaR for each day is compared to the hypothetical profit and loss (profit and loss between next business day and VaR day, assuming portfolio has not changed). If the profit and loss exceeds the VaR, then a breach is said to occur. Breaches of 99% 1-day VaR

## Market Risk RWA

(\$ millions except as noted)

	Se	ptember 30	, 2016		June 30, 2	2016	March 31, 2016		
RWA flow statement of market risk exposures	VaR	Stressed VaR	Total RWA	VaR	Stressed VaR	Total RWA	VaR	Stressed VaR	Total RWA
Internal model approach:									
RWA at previous quarter-end	217	383	600	274	536	810			
Movement in risk levels (1)	12	(52)	(40)	(57)	(153)	(210)			
Methodology and policy (2)							274	536	810
RWA at end of reporting period	229	331	560	217	383	600	274	536	810
Standardised method:									
Interest rate position risk (specific)			230			367			678
RWA at end of reporting period			790			967			1,488

(1) Movement due to position changes; foreign exchange movements are embedded in the movement in risk levels.

(2) HSBC has been authorised to use its internal models to calculate Market Risk beginning with Q1 2016.

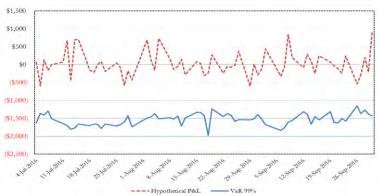


#### IMA values for trading portfolios

(\$ thousands except as noted)

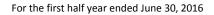
		Septembe	r 30, 2016	June 30	, 2016	March 31, 2016		
		VaR	Stressed VaR	VaR	Stressed VaR	VaR	Stressed VaR	
1	Maximum value	7,011	8,853	7,029	10,029	8,095	10,897	
2	Average value	4,551	6,602	4,430	6,232	5,427	8,035	
3	Minimum value	2,949	5,136	2,427	3,493	3,752	6,085	
4	Period end	4,374	5,420	4,532	8,659	6,430	10,861	

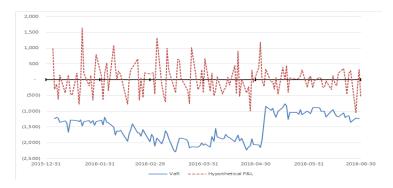
## Comparison of VaR estimates with gains/losses (\$ thousands except as noted)

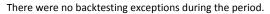


For the current quarter ended at September 30, 2016

There were no backtesting exceptions during the period.









#### Glossary

Advanced Internal Ratings Based (AIRB) approach for credit risk - Under this approach, banks use their own internal historical experience of PD, LGD, EAD and other key risk assumptions to calculate credit risk capital requirements.

All-in regulatory capital assumes that all Basel III regulatory adjustments are applied effective January 1, 2013 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013 and continuing to January 1, 2022.

Bank - Deposit taking institutions, securities firms and certain public sector entities.

Commitments (Undrawn) - A credit risk exposure resulting from the unutilized portion of an authorized credit line/committed credit facility.

Corporate - Exposures to corporations, partnerships and proprietorships.

Drawn - A credit risk exposure resulting from loans advanced to a borrower.

Exposure At Default (EAD) - An estimate of the amount of exposure to a customer at the time of default.

Home Equity Lines of Credit (HELOC) - Revolving personal lines of credit secured by home equity.

Loss Given Default (LGD) - An estimate of the economic loss, expressed as a percentage (0%-100%) of the exposure at default, that the Bank will incur in the event a borrower defaults

OTC Derivatives - Over-the-counter derivatives contracts.

**Other Off Balance Sheet Items -** Off-balance sheet arrangements other than derivatives and undrawn commitments, such as standby letters of credit and letters of guarantee.

Other Retail - Personal loans not captured in Retail Mortages, HELOCs and QRR.

**Probability of Default (PD)** - An estimate of the likelihood of a customer defaulting on any credit related obligation within a 1 year time horizon, expressed as a percentage.

Qualifying Revolving Retail (QRR) - Credit cards and unsecured lines of credit extended to individuals.

Repo-Style Transactions - Repurchase and reverse repurchase agreements as well as securities borrowing and lending.

Retail SME - Retail Small Medium Enterprises eg. small business loans.

Sovereign - Exposures to central governments, central banks, multilateral development banks and certain public sector entities.

**Standardized Approach for credit risk -** Under this approach, banks use a standardized set of risk-weights as prescribed by OSFI to calculate credit risk capital requirements. The standardized risk-weights are based on external credit assessments, where available, and other risk-related factors, including exposure asset class, collateral, etc.

**Transitional regulatory capital** assumes that all Basel III regulatory capital adjustments are phased in from January 1, 2014 to January 1, 2018 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013 and continuing to January 1, 2022.

