SUPPLEMENTARY REGULATORY CAPITAL DISCLOSURE

Scotiabank

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INTRODUCTION

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Effective November 1, 2012, Canadian banks are subject to the revised capital adequacy requirements as published by the Basel Committee on Banking Supervision (BCBS) and commonly referred to as Basel III. Basel III builds on the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (Basel II). Refer to page 2 "Basel III Implementation" for further details.

The Basel III Framework is comprised of three Pillars:

- Pillar 1 – the actual methodologies that must be applied to calculate the minimum capital requirements.
- Pillar 2 – the requirement that banks have internal processes to assess their capital adequacy in relation to their strategies, risk appetite and actual risk profile. Regulators are expected to review these internal capital adequacy assessments.
- Pillar 3 – reflects the market disclosures required by banks to assist users of the information to better understand the risk profile.

This Appendix reflects the Pillar 3 market disclosures based on information gathered as part of the Pillar 1 process, and should assist users in understanding the changes to the risk-weighted assets and capital requirements.

Basel III classifies risk into three broad categories: credit risk, market risk and operational risk. Under Pillar 1 of the Basel III Framework, minimum capital for these three risks is calculated using one of the following approaches:

- Credit risk capital – Internal Ratings Based Approach (Advanced or Foundation) or Standardized Approach.
- Operational risk capital – Advanced Measurement Approach (AMA), Standardized Approach or Basic Indicator Approach.
- Market risk capital - Internal models or Standardized Approach.

Credit Risk

The credit risk component consists of on- and off- balance sheet claims. The Basel III rules are not applied to traditional balance sheet categories but to categories of on- and off- balance sheet exposures which represent general classes of assets/exposures (Corporate, Sovereign, Bank, Retail and Equity) based on their different underlying risk characteristics.

Generally, while calculating capital requirements, exposure types such as Corporate, Sovereign, Bank, Retail and Equity are analyzed by the following credit risk exposure sub-types: Drawn, Undrawn, Repo-style Transactions, Over-the-counter (OTC) Derivatives, Exchange Traded Derivatives and Other Off-balance Sheet claims.

The Bank uses the Advanced Internal Ratings Based (AIRB) approach for credit risk in its material Canadian, US and European portfolios and for a significant portion of international corporate and commercial portfolios. The Bank uses internal estimates, based on historical experience, for probability of default (PD), loss given default (LGD) and exposure at default (EAD).

- Under the AIRB approach, credit risk risk-weighted assets (RWA) are calculated by multiplying the capital requirement (K) by EAD times 12.5, where K is a function of the PD, LGD, maturity and prescribed correlation factors. This results in the capital calculations being more sensitive to underlying risks.
- Risk weights for exposures which fall under the securitization framework are computed under the Internal Assessments Approach (IAA) or the Ratings-Based Approach (RBA). RBA risk weights depend on the external rating grades given by two of the external credit assessment institutions (ECAI): S&P, Moody's and DBRS.
- A multiplier of 1.25 is applied to the correlation parameter of all exposures to all unregulated Financial Institutions, and regulated Financial Institutions with assets of at least US$100 billion.
- Exchange-traded derivatives which previously were excluded from the capital calculation under Basel II are risk-weighted under Basel III.
- An overall scaling factor of 6% is added to the credit risk RWA for all AIRB portfolios. For the remaining portfolios, the Standardized Approach is used to compute credit risk.
- The Standardized Approach applies regulator prescribed risk weight factors to credit exposures based on the external credit assessments (public ratings), where available, and also considers other additional factors (e.g. provision levels for defaulted exposures, loan-to-value for retail, eligible collateral, etc.).

Operational Risk

OSFI has approved Scotiabank's application to use the Advanced Measurement Approach (AMA) for Operational Risk, subject to a capital floor based on the Standardized Approach, in the first quarter of 2017. The Bank also utilizes the Standardized Approach for operational risk for units not covered under AMA. AMA utilizes risk drivers for capital movements (such as internal loss experience, business environment and internal control factors, external loss experience, and scenarios); while the Standardized Approach is based on a fixed percentage ranging from 12% to 18% of the average of the previous three years' gross income.

Market Risk

The Bank uses both internal models and standardized approaches to calculate market risk capital. Commencing Q1 2012, the Bank implemented additional market risk measures in accordance with Basel's Revisions of the Basel II market risk framework (July 2009). Additional measures include stressed Value-at-Risk, incremental risk charge and comprehensive risk measure.

IFRS

Effective Q1 2012, all amounts reflect the adoption of IFRS. Effective Q1 2014, all amounts reflect the adoption of new accounting standards, IFRS10 (Consolidated Financial Statements) and IAS19R (Employee Benefits).

This "Supplementary Regulatory Capital Disclosure" has been updated to reflect OSFI's Advisory, "Required Public Disclosure Requirements related to Basel III Pillar 3" (issued July 2, 2013), effective Q3 2013 for all D-SIBs. The main features template that sets out a summary of information on the terms and conditions of the main features of all capital instruments is posted on the Bank's website as follows: http://www.scotiabank.com/ca/en/0,,3066,00.htm

BASEL III IMPLEMENTATION

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Canadian banks are subject to the revised capital adequacy requirements as published by the Basel Committee on Banking Supervision (BCBS) - commonly referred to as Basel III - effective November 1, 2012. Basel III builds on the “International Convergence of Capital Measurement and Capital Standards: A Revised Framework” (Basel II). The Office of the Superintendent of Financial Institutions (OSFI) has issued guidelines, reporting requirements and disclosure guidance which are consistent with the Basel III reforms (except for implementation dates described below).

As compared to previous standards, Basel III places a greater emphasis on common equity by introducing a new category of capital, Common Equity Tier 1 (CET1), which consists primarily 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. Basel III 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.

To enable banks to meet the new standards, Basel III contains transitional arrangements commencing January 1, 2013, through January 1, 2019. Transitional requirements result in a phase-in of new deductions to common equity over 5 years. Under the transitional rules, all CET1 deductions are multiplied by a factor during the transitional period, beginning with 0% in 2013, 20% in 2014, 40% in 2015, 60% in 2016, 80% in 2017 and 100% in 2018. The portion of the CET1 regulatory adjustments not deducted during the transitional period will continue to be subject to Basel II treatment. In addition, non-qualifying capital instruments will be phased-out over 10 years and the capital conservation buffer will be phased in over 4 years. As of January 2019, the banks will be required to meet new minimum requirements related to risk-weighted assets of: Common Equity Tier 1 ratio of 4.5% plus a capital conservation buffer of 2.5%, collectively 7%. Including the capital conservation buffer, the minimum Tier 1 ratio will be 8.5%, and the Total capital ratio will be 10.5%.

OSFI required Canadian deposit-taking institutions to fully implement the 2019 Basel III reforms in 2013, without the transitional phase-in provisions for capital deductions, and achieve a minimum 7% common equity target, by the first quarter of 2013 along with a minimum Tier 1 ratio of 7% and Total capital ratio of 10%. Since the first quarter of 2014, the minimum Tier 1 ratio rose to 8.5% and the Total capital ratio rose to 10.5%.

The BCBS issued the rules on the assessment methodology for global systemically important banks (G-SIBs) and their additional loss absorbency requirements. In their view, additional policy measures for G-SIBs are required due to negative externalities (i.e., adverse side effects) created by systemically important banks which are not fully addressed by current regulatory policies. The assessment methodology for G-SIBs is based on an indicator-based approach and comprises five broad categories: size, interconnectedness, lack of readily available substitutes, global (cross-jurisdictional) activity and complexity. Additional loss absorbency requirements may range from 1% to 3.5% Common Equity Tier 1 depending upon a bank’s systemic importance and will be introduced in parallel with the Basel III capital conservation and countercyclical buffers from 2016 through to 2019. Scotiabank is not designated as a G-SIB.

Since similar externalities can apply at a domestic level, the BCBS extended the G-SIBs framework to domestic systemically important banks (D-SIBs) focusing on the impact that a distress or failure would have on a domestic economy. Given that the D-SIB framework complements the G-SIB framework, the Committee considers that it would be appropriate if banks identified as D-SIBs by their national authorities are required by those authorities to comply with the principles in line with phase-in arrangements for the G-SIB framework, i.e., January 2016. In a March 2013 advisory letter, OSFI designated the 6 largest banks in Canada as domestic systemically important banks (D-SIBs), increasing their minimum capital ratio requirements by 1% for the identified D-SIBs. This 1% surcharge is applicable to all minimum capital ratio requirements for CET1, Tier 1 and Total Capital, by no later than January 1, 2016, in line with the requirements for global systemically important banks.

As of January 2016, the Scotiabank and other Canadian D-SIB banks are also required to meet new D-SIB minimum requirements; a minimum Common Equity Tier 1 ratio of 8.0%, Tier 1 ratio of 9.5% and a Total capital ratio of 11.5%.

In December 2013, OSFI announced its decision to implement the phase-in (over 5 years) of the regulatory capital for Credit Valuation Adjustment (CVA) on Bilateral OTC Derivatives effective Q1 2014. In accordance with OSFI's requirements, this quarter a scalar for CVA risk-weighted assets (RWA) of 0.72, 0.77 and 0.81, respectively (0.64, 0.71 and 0.77, respectively in 2015 and 2016), is being applied to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.

OSFI required Canadian deposit-taking institutions to implement the BCBS' countercyclical buffer requirements, starting Q1, 2017. The countercyclical buffer is only applicable to private sector credit exposures in jurisdictions with published buffer requirements. At present only three jurisdictions apply a countercyclical buffer and the Bank's exposures within these three jurisdictions are not material.

Risk-weighted assets are computed on an all-in Basel III basis unless otherwise indicated. All-in is defined as capital calculated to include all of the regulatory adjustments that will be required by 2019 but retaining the phase-out rules for non-qualifying capital instruments.

As at January 31, 2013, all of the Bank’s preferred shares, capital instruments and subordinated debentures did not meet these additional criteria and are subject to phase-out commencing January 2013. The Bank reserves the right to redeem, call or repurchase any capital instruments within the terms of each offering at any time in the future.

Commencing in 2015 and continuing in 2016, the Bank issued subordinated debentures and preferred shares which contain non-viability contingent capital (NVCC) provisions necessary for the preferred shares and debentures to qualify as Tier 1 or Tier 2 regulatory capital. Under the NVCC provisions, the preferred shares and debentures are convertible into a variable number of common shares upon: (i) the public announcement by OSFI that the Bank has ceased, or is about to cease, to be viable; or (ii) by a federal or provincial government of Canada that the Bank accepted or agreed to accept a capital injection.

In addition to risk-based capital requirements, the Basel III reforms introduced a simpler, non risk-based Leverage ratio requirement to act as a supplementary measure to its risk-based capital requirements. The Leverage ratio is defined as a ratio of Basel III Tier 1 capital to a leverage exposure measure which includes on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions, as defined within the requirements. As a member of the BCBS, OSFI has adopted the Basel III Leverage requirements as part of its domestic requirements for banks, bank holding companies, federally regulated trust and loan companies in Canada.

In October 2014, OSFI released its Leverage Requirements Guideline which outlines the application of the Basel III Leverage ratio in Canada and the replacement of the former Assets-to-Capital Multiple (ACM), effective Q1 2015. Institutions are expected to maintain a material operating buffer above the 3% minimum. The Bank meets OSFI's authorized leverage ratio. Commencing Q1 2015, disclosure in accordance with OSFI's September 2014 Public Disclosure Requirements related to Basel III Leverage ratio has been made in the Supplementary Regulatory Capital Disclosure on pages 27-29.

OSFI has prescribed a minimum capital floor requirement for institutions that use the AIRB approach for credit risk. The capital floor add-on is determined by comparing a capital requirement calculated by reference to Basel I against the Basel III calculation, as prescribed by OSFI. A shortfall in the Basel III capital requirement compared with the Basel I capital floor is added to RWAs.

REGULATORY CAPITAL HIGHLIGHTS

($MM)	Basel III									
	Q3 2017		Q2 2017		Q1 2017		Q4 2016		Q3 2016	
	Transitional Approach	All-in Approach (1)	Transitional Approach	All-in Approach (1)	Transitional Approach	All-in Approach (1)	Transitional Approach	All-in Approach (1)	Transitional Approach	All-in Approach (1)
Common Equity Tier 1 capital	**44,070**	**41,369**	45,431	42,474	43,312	40,540	45,816	39,989	43,696	37,690
Tier 1 capital	**47,076**	**45,913**	48,357	47,048	46,415	45,247	47,668	45,066	45,041	42,264
Total capital	**55,051**	**53,929**	56,554	55,310	54,505	53,400	55,824	53,330	53,091	50,471
Risk-weighted Assets(2)(3)										
CET1 Capital Risk-weighted Assets	**376,358**	**365,411**	381,977	374,876	362,326	359,611	368,215	364,048	362,358	357,657
Tier 1 Capital Risk-weighted Assets	**376,358**	**365,411**	381,977	375,148	362,326	359,942	368,215	364,504	362,358	358,177
Total Capital Risk-weighted Assets	**376,358**	**365,411**	381,977	375,366	362,326	360,208	368,215	364,894	362,358	358,622
Capital Ratios (%)										
Common Equity Tier 1 (as a percentage of risk-weighted assets)	**11.7**	**11.3**	11.9	11.3	12.0	11.3	12.4	11.0	12.1	10.5
Tier 1 (as a percentage of risk-weighted assets)	**12.5**	**12.6**	12.7	12.5	12.8	12.6	12.9	12.4	12.4	11.8
Total capital (as a percentage of risk-weighted assets)	**14.6**	**14.8**	14.8	14.7	15.0	14.8	15.2	14.6	14.7	14.1
Leverage:										
Leverage Exposures	**1,033,500**	**1,032,443**	1,063,119	1,061,939	1,006,799	1,005,757	1,013,346	1,010,987	1,016,572	1,014,048
Leverage Ratio (%)	**4.6**	**4.4**	4.5	4.4	4.6	4.5	4.7	4.5	4.4	4.2
OSFI Target: All-in Basis (%)										
Common Equity Tier 1 minimum ratio		**8.0**		8.0		8.0		8.0		8.0
Tier 1 capital all-in minimum ratio		**9.5**		9.5		9.5		9.5		9.5
Total capital all-in minimum ratio		**11.5**		11.5		11.5		11.5		11.5
Leverage all-in minimum ratio		**3.0**		3.0		3.0		3.0		3.0
Capital instruments subject to phase-out arrangements										
Current cap on Additional Tier 1 (AT1) instruments subject to phase-out arrangements (%)	**50**	**50**	50	50	50	50	60	60	60	60
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	**-**	**-**	-	-	32	32	-	-	-	-
Current cap on Tier 2 (T2) instruments subject to phase-out arrangements (%)	**50**	**50**	50	50	50	50	60	60	60	60
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	**-**	**-**	-	-	-	-	-	-	-	-

(1) 'All-in' approach is defined as capital calculated to include all of the regulatory adjustments that will be required by 2019 but retaining the phase-out rules for non-qualifying capital instruments.

(2) As per OSFI guideline, effective Q1 2014, Credit Valuation Adjustment (CVA) RWA on derivatives was phased-in using Scalars. Commencing in Q1, 2017, the CVA risk-weighted assets have been calculated using scalars of 0.72, 0.77 and 0.81, to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.

(3) After application of Basel I capital floor adjustments in Q3 2017.

REGULATORY CAPITAL - DEFINITION OF CAPITAL COMPONENTS

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($MM)

		Cross-Reference[1]	All-in Q3 2017	All-in Q2 2017
	Common Equity Tier 1 Capital: Instruments and Reserves			
1	Directly issued qualifying common share capital plus related stock surplus	*u+y*	**15,707**	15,740
2	Retained Earnings	v	**37,092**	36,234
3	Accumulated Other Comprehensive Income	w	**566**	3,141
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	bb	**622**	625
6	Common Equity Tier 1 capital before regulatory adjustments		**53,987**	55,740
	Common Equity Tier 1 Capital: Regulatory Adjustments			
8	Goodwill (net of related tax liability)	g	**(7,619)**	(7,969)
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	h-q+i-r	**(3,727)**	(3,747)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	k	**(435)**	(444)
11	Cash flow hedge reserve	x	**(253)**	(87)
12	Shortfall of allowances to expected losses	ee	**(2)**	(13)
14	Gains and losses due to changes in own credit risk on fair value liabilities	p	**(143)**	(275)
15	Defined-benefit pension fund net assets (net of related tax liability)	l-s	**(126)**	(134)
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	a	**(10)**	(10)
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	e	**(284)**	(506)
22	Amount exceeding the 15% threshold		**(16)**	(78)
23	of which: significant investments in the common stock of financials	f	**(11)**	(52)
25	of which: deferred tax assets arising from temporary differences	j	**(5)**	(26)
26	Other deductions from CET1 as determined by OSFI	o	**(3)**	(3)
28	Total regulatory adjustments to Common Equity Tier 1		**(12,618)**	(13,266)
29	**Common Equity Tier 1 Capital (CET1)**		**41,369**	42,474
	Additional Tier 1 Capital: Instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	z	**1,350**	1,350
31	of which: classified as equity under applicable accounting standards		**1,350**	1,350
33	Directly issued capital instruments subject to phase-out from Additional Tier 1	aa [2]	**3,069**	3,069
34	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)	cc	**125**	155
36	**Additional Tier 1 capital before regulatory adjustments**		**4,544**	4,574
	Additional Tier 1 Capital: Regulatory Adjustments			
39	Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)		**-**	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	b	**-**	-
41	Other deductions from Tier 1 capital as determined by OSFI		**-**	-
43	**Total regulatory adjustments to Additional Tier 1 capital**		**-**	-
44	**Additional Tier 1 Capital (AT1)**		**4,544**	4,574
45	**Tier 1 Capital (T1=CET1 + AT1)**		**45,913**	47,048
	Tier 2 Capital: Instruments and Provisions			
46	Directly issued qualifying Tier 2 instruments	m	**3,516**	3,711
47	Directly issued capital instruments subject to phase-out from Tier 2		**3,860**	3,910
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	dd	**89**	90
50	Eligible Collective Allowance and Excess of allowance over expected loss	c+d	**551**	551
51	Tier 2 capital before regulatory adjustments		**8,016**	8,262

		Cross-Reference[1]	All-in Q3 2017	All-in Q2 2017
	Tier 2 Capital: Regulatory Adjustments			
57	Total regulatory adjustments to Tier 2 capital		**-**	-
58	**Tier 2 Capital (T2)**		**8,016**	8,262
59	**Total Capital (TC = T1 + T2)**		**53,929**	55,310
60	**Total Risk-weighted Assets**			
60a	**Common Equity Tier 1 (CET1) Capital RWA**		**365,411**	374,876
60b	**Tier 1 Capital RWA**		**365,411**	375,148
60c	**Total Capital RWA**		**365,411**	375,366
	Capital Ratios and Buffers			
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**		**11.3**	11.3
62	**Tier 1 (as a percentage of risk-weighted assets)**		**12.6**	12.5
63	**Total capital (as a percentage of risk-weighted assets)**		**14.8**	14.7
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk-weighted assets)		**8.0%**	8.0%
65	of which: capital conservation buffer requirement		**2.5%**	2.5%
66	of which: bank specific countercyclical buffer requirement		**0.0%**	0.0%
67	of which: G-SIB buffer requirement		**0.0%**	0.0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)		**11.3**	11.3
	OSFI all-in target (minimum + capital conservation buffer + DSIB surcharge (if applicable))			
69	Common Equity Tier 1 All-in target ratio		**8.0%**	8.0%
70	Tier 1 capital all-in target ratio		**9.5%**	9.5%
71	Total capital all-in target ratio		**11.5%**	11.5%
	Amounts below the thresholds for the deduction (before risk-weighting)			
72	Non-significant investments in the capital of other financial institutions		**1,181**	1,339
73	Significant investments in the common stock of financial institutions		**4,156**	4,254
75	Deferred tax assets arising from temporary differences (net of related tax liability)		**2,049**	2,118
	Applicable caps on the inclusion of allowances in Tier 2			
76	Allowances eligible for inclusion in Tier 2 in respect to exposures subject to standardized approach (prior to application of cap)		**551**	551
77	Cap on inclusion of allowances in Tier 2 under standardized approach		**1,377**	1,445
78	Allowances eligible for inclusion in Tier 2 in respect to exposures subject to internal ratings-based approach (prior to application of cap)		**-**	-
79	Cap for inclusion of allowances in Tier 2 under internal ratings-based approach		**1,213**	1,272
	Capital instruments subject to phase-out arrangements (only applicable between Jan 1 2018 and Jan 1 2022)			
80	*Current cap on CET1 instruments subject to phase-out arrangements*		**50%**	50%
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*		**-**	-
82	*Current cap on AT1 instruments subject to phase-out arrangements*		**50%**	50%
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*		**-**	-
84	*Current cap on T2 instruments subject to phase-out arrangements*		**50%**	50%
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*		**-**	-

(1) Cross-referenced to the Consolidated Balance Sheet: Source of Definition of Capital Components on page 5 (refer to column: Under Regulatory Scope of Consolidation).
(2) Line 33 also includes $1,400 of capital instruments issued by trusts not consolidated under accounting standard IFRS 10, effective Q1 2014.

CONSOLIDATED BALANCE SHEET: SOURCE OF DEFINITION OF CAPITAL COMPONENTS

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($MM)	Cross Reference to Page 4 Definition of Capital Components	Consolidated Statement of Financial Position [1] Q3 2017	Under regulatory scope of consolidation [2] Q3 2017
Assets			
Cash and deposits with financial institutions		**57,750**	**57,750**
Precious metals		**7,621**	**7,621**
Trading Assets			
Securities		**86,090**	**86,086**
- Investment in own shares	a		**10**
- Other trading securities			**86,076**
Loans		**16,965**	**16,965**
Other		**2,093**	**2,093**
		105,148	**105,144**
Financial assets designated at fair value through profit or loss		**231**	**231**
Securities purchased under resale agreements and securities borrowed		**85,901**	**85,901**
Derivative financial instruments		**37,255**	**37,255**
Investment securities		**68,501**	**67,867**
- Significant investments in Additional Tier 1 capital of other financial institutions reflected in regulatory capital	b		**-**
-Other securities [3]			**67,867**
Loans			
Residential mortgages		**231,737**	**231,585**
Personal and credit cards [3]		**102,167**	**100,960**
Business and government [3]		**168,945**	**168,694**
		502,849	**501,239**
Allowance for credit losses		**4,290**	**4,290**
- Collective Allowance reflected in Tier 2 capital	c		**551**
- Shortfall of allowances to expected loss	ee		**(2)**
- Excess of allowances to expected loss	d		**-**
- Allowances not reflected in regulatory capital			**3,741**
Other			
Customers' liability under acceptances		**11,810**	**11,810**
Property and equipment		**2,228**	**2,224**
Investments in associates		**4,382**	**4,505**
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 10% regulatory thresholds	e		**284**
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 15% regulatory thresholds	f		**11**
- Significant Investments in other financial institutions including deconsolidated subsidiaries within regulatory thresholds			**4,210**
Goodwill & other intangible assets		**11,931**	**12,418**
- Goodwill	g		**7,132**
- Imputed goodwill for significant investments	g		**487**
- Intangibles (excl. computer software)	h		**2,945**
- Computer software intangibles	i		**1,854**
Deferred tax assets		**1,728**	**1,727**
- Deferred tax assets arising from temporary differences exceeding the regulatory threshold	j		**5**
- Deferred tax assets that rely on future profitability	k		**435**
- Deferred tax assets not deducted from regulatory capital			**1,287**
Other assets		**13,287**	**13,156**
- Defined pension fund assets	l		**188**
- Other assets			**12,968**
		45,366	**45,840**
Total assets		**906,332**	**904,558**

($MM)	Cross Reference to Page 4 Definition of Capital Components	Consolidated Statement of Financial Position [1] Q3 2017	Under regulatory scope of consolidation [2] Q3 2017
Liabilities			
Deposits			
Personal		**197,914**	**197,914**
Business and government		**377,883**	**377,883**
Financial institutions		**42,346**	**42,346**
		618,143	**618,143**
Financial instruments designated at fair value through profit or loss		**3,373**	**3,373**
Other			
Acceptances		**11,810**	**11,810**
Obligations related to securities sold short		**32,740**	**32,740**
Derivative financial instruments		**39,919**	**39,919**
Obligations related to securities sold under repurchase agreements and securities lent		**92,008**	**92,008**
Subordinated debentures		**7,376**	**7,376**
- Regulatory capital amortization of maturing debentures			
- Subordinated debentures used for regulatory capital			
- of which: are included in Tier 2 capital	m		**3,516**
- of which: are subject to phase-out included in Tier 2 capital (50%)			**3,860**
- of which: are subject to phase-out not included in Tier 2 capital			
Other liabilities		**43,045**	**41,271**
- Liquidity reserves	o		**3**
- Gains/losses due to changes in own credit risk including DVA on derivatives	p		**143**
- Deferred tax liabilities			**646**
- Intangible assets (excl. computer software and mortgage servicing rights)	q		**818**
- Intangible assets - computer software	r		**254**
- Defined benefit pension fund assets	s		**62**
- Other deferred tax liabilities			**(488)**
- Other liabilities			**40,479**
		226,898	**225,124**
Total liabilities		**848,414**	**846,640**
Equity			
Common equity			
- Common shares	u	**15,584**	**15,584**
- Retained earnings	v	**37,092**	**37,092**
- Accumulated other comprehensive income (loss)	w	**566**	**566**
- Cash flow hedging reserve	x		**253**
- Other			**313**
- Other reserves	y	**123**	**123**
Total common equity		**53,365**	**53,365**
Preferred shares		**3,019**	**3,019**
- of which: are qualifying Tier 1 capital	z		**1,350**
- of which: are subject to phase out and included in Tier 1 capital (50%)	aa		**1,669**
- of which: are subject to phase out and not included into Tier 1 capital			**-**
Total equity attributable to equity holders of the bank		**56,384**	**56,384**
Non-controlling interests			
Non-controlling interest in subsidiaries		**1,534**	**1,534**
- portion allowed for inclusion into CET1	bb		**622**
- portion allowed for inclusion into Tier 1 capital	cc		**125**
- portion allowed for inclusion into Tier 2 capital	dd		**89**
- portion not allowed for regulatory capital			**698**
Total equity		**57,918**	**57,918**
Total liabilities and equity		**906,332**	**904,558**

(1) Consolidated Statement of Financial Position as reported in the 2017 Quarterly Report - Third Quarter results (page 36).

(2) Legal Entities that are within the accounting scope of consolidation but excluded from the regulatory scope of consolidation represent the Bank's insurance subsidiaries whose principle activities include insurance, reinsurance, property and casualty insurance. Key subsidiaries are Scotia Insurance Barbados Ltd (assets: $175MM, equity: $321MM), Scotia Life Insurance Company (assets: $88MM, equity: $184MM), Scotia Jamaica Life Insurance Co. Ltd (assets: $532MM, equity: $17MM), Scotia Life Trinidad and Tobago Ltd (assets: $339MM, equity: $33MM) and Scotia Seguros (assets: $72MM, equity: $38MM).

(3) Effective Q3 2016, securitized credit card exposures are excluded from the regulatory scope of consolidation under OSFI's Securitization Framework.

BALANCE SHEET ASSET CATEGORIES CROSS-REFERENCED TO CREDIT RISK EXPOSURES

Scotiabank

	Credit Risk Exposures						Other Exposures			Total
	Drawn		Other Exposures				Market Risk Exposures		All Other[1]	
As at July 31, 2017 ($MM)	Non-retail	Retail	Securitization	Repo-style Transactions	OTC Derivatives	Equity	Also subject to Credit Risk			
Cash and deposits with financial institutions	55,263	-	-	-	-	-	-	-	2,487	57,750
Precious metals	-	-	-	-	-	-	-	7,621	-	7,621
Trading assets:										
Securities	-	-	-	-	-	-	-	86,090	-	86,090
Loans	9,509	-	-	-	-	-	9,509	7,456	-	16,965
Other	-	-	-	-	-	-	-	2,093	-	2,093
Financial assets designated at fair value through profit or loss	15	-	-	-	-	-	-	216	-	231
Securities purchased under resale agreements and securities borrowed	-	-	-	85,901	-	-	-	-	-	85,901
Derivative financial instruments	-	-	-	-	37,255	-	33,062	-	-	37,255
Investment securities	65,209	-	731	-	-	1,880	-	-	681	68,501
Loans:										
Residential mortgages[2]	99,317	132,268	-	-	-	-	-	-	152	231,737
Personal and credit cards	-	98,813	2,246	-	-	-	-	-	1,108	102,167
Business & government	158,746	2,767	7,398	-	-	-	-	-	34	168,945
Allowances for credit losses[3]	(897)	-	-	-	-	-	-	-	(3,393)	(4,290)
Customers' liability under acceptances	11,810	-	-	-	-	-	-	-	-	11,810
Property and equipment	-	-	-	-	-	-	-	-	2,228	2,228
Investments in associates	-	-	-	-	-	-	-	-	4,382	4,382
Goodwill and other intangible assets	-	-	-	-	-	-	-	-	11,931	11,931
Other (including Deferred tax assets)	1,343	523	-	-	-	-	-	-	13,149	15,015
Total	400,315	234,371	10,375	85,901	37,255	1,880	42,571	103,476	32,759	906,332

	Credit Risk Exposures						Other Exposures			Total
	Drawn		Other Exposures				Market Risk Exposures		All Other[1]	
As at April 30, 2017 ($MM)	Non-retail	Retail	Securitization	Repo-style Transactions	OTC Derivatives	Equity	Also subject to Credit Risk			
Cash and deposits with financial institutions	48,430	-	-	-	-	-	-	-	2,447	50,877
Precious metals	-	-	-	-	-	-	-	8,534	-	8,534
Trading assets:										
Securities	-	-	-	-	-	-	-	90,505	-	90,505
Loans	11,154	-	-	-	-	-	11,154	7,741	-	18,895
Other	-	-	-	-	-	-	-	2,431	-	2,431
Financial assets designated at fair value through profit or loss	16	-	-	-	-	-	-	235	-	251
Securities purchased under resale agreements and securities borrowed	-	-	-	101,643	-	-	-	-	-	101,643
Derivative financial instruments	-	-	-	-	37,641	-	33,792	-	-	37,641
Investment securities	65,962	-	546	-	-	2,333	-	-	951	69,792
Loans:										
Residential mortgages[2]	100,862	127,288	-	-	-	-	-	-	163	228,313
Personal and credit cards	-	97,780	2,401	-	-	-	-	-	1,110	101,291
Business & government	160,844	2,681	7,699	-	-	-	-	-	18	171,242
Allowances for credit losses[3]	(804)	-	-	-	-	-	-	-	(3,787)	(4,591)
Customers' liability under acceptances	10,378	-	-	-	-	-	-	-	-	10,378
Property and equipment	-	-	-	-	-	-	-	-	2,355	2,355
Investments in associates	-	-	-	-	-	-	-	-	4,523	4,523
Goodwill and other intangible assets	-	-	-	-	-	-	-	-	12,285	12,285
Other (including Deferred tax assets)	1,124	488	-	-	-	-	-	-	13,669	15,281
Total	397,966	228,237	10,646	101,643	37,641	2,333	44,946	109,446	33,734	921,646

(1) Includes the Bank's insurance subsidiaries' assets and all other assets which are not subject to credit and market risks.

(2) Includes $96.8 billion (Q2, 2017 - $98.4 billion) in mortgages guaranteed by Canada Mortgage Housing Corporation (CMHC) and portions of privately insured mortgages. CMHC guarantees under the PD substitution are reclassified to sovereign.

(3) Amounts for AIRB exposures are reported gross of allowances and amounts for Standardized exposures are reported net of allowances.

FLOW STATEMENT FOR REGULATORY CAPITAL

Scotiabank

	Basel III All-in										
($MM)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Common Equity Tier 1 (CET1) capital											
Opening amount	**42,474**	40,540	39,989	37,690	35,911	37,645	36,965	36,077	34,750	34,389	33,742
Net income attributable to equity holders of the Bank	**2,045**	1,997	1,948	1,939	1,897	1,523	1,758	1,783	1,795	1,757	1,679
Dividends paid to equity holders of the Bank	**(940)**	(947)	(934)	(924)	(904)	(899)	(871)	(870)	(851)	(853)	(832)
Shares issued	**21**	93	138	185	114	22	42	22	33	16	26
Shared repurchased/redeemed	**(299)**	(572)	(138)	-	-	(15)	(65)	(311)	(170)	(29)	(445)
Removal of own credit spread (net of tax)	**132**	(4)	40	5	(8)	143	(142)	(26)	(59)	37	(110)
Movements in other comprehensive income, excluding cash flow hedges	**(2,740)**	1,611	(534)	894	627	(2,835)	842	(330)	1,376	(1,180)	1,586
Currency translation differences	**(2,885)**	1,835	(1,151)	802	991	(2,826)	1,455	(276)	1,400	(1,450)	2,259
Available-for-sale investments	**(92)**	103	(49)	(49)	33	13	(177)	(306)	(87)	(33)	(43)
Employee Benefits	**222**	(338)	667	133	(386)	(25)	(443)	246	80	303	(643)
Other	**15**	11	(1)	8	(11)	3	7	6	(17)	-	13
Goodwill and other intangible assets (deduction, net of related tax liability)	**370**	(233)	106	(123)	(166)	(121)	(161)	(27)	(462)	157	(208)
Other, including regulatory adjustments and transitional arrangements	**306**	(11)	(75)	323	219	448	(723)	647	(335)	456	(1,049)
Deferred tax assets that rely on future probability	**9**	23	17	3	11	41	-	45	18	13	5
Threshold deductions	**284**	(181)	32	373	203	308	(655)	552	(288)	421	(1,044)
Other	**13**	147	(124)	(53)	5	99	(68)	50	(65)	22	(10)
Closing Amount	**41,369**	**42,474**	**40,540**	**39,989**	**37,690**	**35,911**	**37,645**	**36,965**	**36,077**	**34,750**	**34,389**
Other Additional Tier 1 capital											
Opening amount	**4,574**	4,707	5,077	4,574	4,848	4,338	4,401	4,397	4,327	4,328	4,331
New Additional Tier 1 eligible capital issues	**-**	-	-	500	-	500	350				
Redeemed capital	**-**	(230)	(345)	-	(345)	(345)	-	-	-	-	-
Other, capital including regulatory adjustments and transitional arrangements	**(30)**	97	(25)	3	71	355	(413)	4	70	(1)	(3)
Closing Amount	**4,544**	4,574	4,707	5,077	4,574	4,848	4,338	4,401	4,397	4,327	4,328
Total Tier 1 capital	**45,913**	**47,048**	**45,247**	**45,066**	**42,264**	**40,759**	**41,983**	**41,366**	**40,474**	**39,077**	**38,717**
Tier 2 capital											
Opening amount	**8,262**	8,153	8,264	8,207	8,080	8,430	6,864	6,837	6,786	5,637	5,519
New Tier 2 eligible capital issues	**-**	-	-	-	-	-	2,537	-	-	1,250	-
Redeemed capital	**-**	-	-	-	(16)	(19)	(1,000)	-	-	-	-
Amortization adjustments	**-**	-	-	-	-	-	-	-	-	-	-
Other, including regulatory adjustments and transitional adjustments	**(246)**	109	(111)	57	143	(331)	29	27	51	(101)	118
Closing Amount	**8,016**	8,262	8,153	8,264	8,207	8,080	8,430	6,864	6,837	6,786	5,637
Total regulatory capital	**53,929**	**55,310**	**53,400**	**53,330**	**50,471**	**48,839**	**50,413**	**48,230**	**47,311**	**45,863**	**44,354**

RISK-WEIGHTED ASSETS AND CAPITAL RATIOS

Scotiabank

($B)	Basel III - All-in										
	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
RISK-WEIGHTED ASSETS:(1)											
On-Balance Sheet Assets											
Cash Resources	**3.0**	4.3	3.5	3.7	3.9	4.1	3.7	3.3	3.3	3.0	3.2
Securities	**9.2**	10.2	9.4	9.6	10.7	10.3	11.2	9.5	10.3	11.4	12.4
Residential Mortgages	**28.8**	27.9	25.7	25.0	23.2	22.5	25.9	25.0	24.9	22.2	21.9
Loans											
- Personal Loans	**52.1**	51.9	50.5	52.0	49.5	49.0	48.7	46.2	45.2	43.4	43.9
- Non-Personal Loans	**115.1**	121.0	114.6	118.8	118.6	120.4	125.1	117.4	111.7	104.8	106.9
All Other	**29.5**	29.8	29.2	28.8	27.6	27.0	29.0	28.9	28.7	26.6	27.2
	237.7	**245.1**	**232.9**	**237.9**	**233.5**	**233.2**	**243.6**	**230.3**	**224.1**	**211.4**	**215.5**
Off-Balance Sheet Assets											
Indirect Credit Instruments	**51.6**	58.1	53.1	54.1	51.0	48.5	49.2	49.2	46.8	43.2	43.4
Derivative Instruments	**11.2**	12.0	13.4	12.1	12.9	13.2	20.0	17.9	18.2	16.8	19.7
	62.8	**70.1**	**66.5**	**66.2**	**63.9**	**61.7**	**69.2**	**67.1**	**65.0**	**60.0**	**63.1**
Total Credit Risk before AIRB scaling factor	**300.5**	**315.2**	**299.4**	**304.1**	**297.4**	**294.9**	**312.8**	**297.4**	**289.1**	**271.4**	**278.6**
AIRB Scaling factor(2)	**10.3**	10.9	10.4	10.7	10.5	10.6	11.1	10.6	10.2	9.6	9.8
Total Credit Risk after AIRB scaling factor	**310.8**	**326.1**	**309.8**	**314.8**	**307.9**	**305.5**	**323.9**	**308.0**	**299.3**	**281.0**	**288.4**
Market Risk - Risk Assets Equivalent	**8.9**	9.2	10.6	10.6	11.7	13.9	14.1	14.4	13.5	13.5	13.1
Operational Risk - Risk Assets Equivalent	**40.1**	39.6	39.2	38.6	38.1	37.5	36.5	35.6	35.2	34.2	33.7
Basel I Capital Floor Adjustments	**5.6**	-	-	-	-	-	-	-	-	-	-
CET1 Risk-weighted Assets(3)(4)	**365.4**	**374.9**	**359.6**	**364.0**	**357.7**	**356.9**	**374.5**	**358.0**	**348.0**	**328.7**	**335.2**
Tier 1 Risk-weighted Assets(3)(4)	**365.4**	**375.1**	**359.9**	**364.5**	**358.2**	**357.4**	**375.4**	**358.8**	**348.8**	**329.4**	**336.1**
Total Risk-weighted Assets(3)(4)	**365.4**	**375.4**	**360.2**	**364.9**	**358.6**	**357.8**	**376.1**	**359.5**	**349.5**	**330.1**	**336.9**
REGULATORY CAPITAL RATIOS (%):											
Common Equity Tier 1	**11.3**	11.3	11.3	11.0	10.5	10.1	10.1	10.3	10.4	10.6	10.3
Tier 1	**12.6**	12.5	12.6	12.4	11.8	11.4	11.2	11.5	11.6	11.9	11.5
Total	**14.8**	14.7	14.8	14.6	14.1	13.6	13.4	13.4	13.5	13.9	13.2

(1) For purposes of this presentation only, Risk-weighted Assets (RWA) are shown by balance sheet categories. Details by Basel III exposure type are shown on pages 11-12 entitled, "Exposure at Default and Risk-Weighted Assets for Credit Risk Portfolios".

(2) The Basel Framework requires an additional 6% scaling factor to AIRB credit risk portfolios (excluding exposures with a risk-weight of 1250%).

(3) As per OSFI guideline, effective Q1 2014, Credit Valuation Adjustment RWA on derivatives was phased-in . Starting Q1, 2017 the CVA risk-weighted assets have been calculated using the scalars of 0.72, 0.77 and 0.81, to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.

(4) After application of Basel I capital floor adjustments of $5.6 billion, $5.3 billion and $5.1 billion for CET1 RWA, Tier 1 RWA, and Total RWA, respectively.

MOVEMENT OF RISK-WEIGHTED ASSETS BY RISK TYPE (ALL-IN BASIS)

Scotiabank

Credit Risk Risk-weighted Assets (RWA) ($MM)	Q3 2017 Credit Risk[1]	Q3 2017 Of which Counterparty Credit Risk	Q2 2017 Credit Risk[1]	Q2 2017 Of which Counterparty Credit Risk
CET1 Credit risk-weighted assets as at beginning of Quarter	**326,110**	**17,509**	309,719	18,379
Book size[2][3]	**6,809**	**156**	6,150	(1,247)
Book quality[4]	**(3,685)**	**(39)**	(960)	(620)
Model updates[5]	**(1,659)**	**219**	-	-
Methodology and policy[6]	**-**	**-**	-	-
Acquisitions and disposals	**-**	**-**	-	-
Foreign exchange movements	**(16,738)**	**(1,309)**	11,201	997
Other	**-**	**-**	-	-
CET1 Credit risk-weighted assets as at end of Quarter	**310,837**	**16,536**	326,110	17,509
Tier 1 CVA scalar	**259**	**259**	272	272
Tier 1 Credit risk-weighted assets as at end of Quarter	**311,096**	**16,795**	326,382	17,781
Total CVA scalar	**207**	**207**	218	218
Total Credit risk-weighted assets as at end of Quarter	**311,303**	**17,002**	326,600	17,999

(1) In accordance with OSFI's requirements, in 2017 scalars for CVA risk-weighted assets (RWA) of 0.72, 0.77 and 0.81 were used to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.

(2) Book size is defined as organic changes in book size and composition (including new business and maturing loans).

(3) Book size for Counterparty Credit Risk for Q2 2017 includes a 6% scalar adjustment of $755 million RWA.

(4) Book quality is defined as quality of book changes, including those caused by experience such as underlying customer behaviour or demographics, and changes through model calibrations/realignments. Included in Q3 2017, are parameter recalibrations of -$3.7 billion RWA.

(5) Model updates are defined as model implementation, change in model scope or any change to address model enhancement.

(6) Methodology and policy is defined as methodology changes to the calculations driven by regulatory policy changes, such as new regulation (e.g. Basel III).

Market Risk RWA ($MM)	Q3 2017	Q2 2017
Market risk-weighted assets as at beginning of Quarter	**9,152**	10,643
Movement in risk levels[1]	**(248)**	(1,573)
Model updates[2]	**-**	82
Methodology and policy[3]	**-**	-
Acquisitions and disposals	**-**	-
Other	**-**	-
Market risk-weighted assets as at end of Quarter	**8,904**	9,152

(1) Movement in risk levels are defined as changes in risk due to position changes and market movements. Foreign exchange movements are embedded within Movement in risk levels.

(2) Model updates are defined as updates to the model to reflect recent experience and change in model scope.

(3) Methodology and policy is defined as methodology changes to the calculations driven by regulatory policy changes (e.g. Basel III).

Operational Risk RWA ($MM)	Q3 2017	Q2 2017
Operational risk-weighted assets as at beginning of Quarter	**39,614**	39,249
Acquisitions and disposals	**-**	-
Higher Revenue	**463**	365
Operational risk-weighted assets as at end of Quarter	**40,077**	39,614

RISK-WEIGHTED ASSETS ARISING FROM THE ACTIVITIES OF THE BANK'S BUSINESSES

Scotiabank

CET1 Risk-weighted Assets (RWA)	Q3 2017 Canadian Banking	International Banking	Global Banking & Markets	Other(1)	All Bank(1)
CET1 RWA ($B)	**$118.6**	**$133.6**	**$98.5**	**$14.7**	**$365.4**
Proportion of Bank	**32%**	**37%**	**27%**	**4%**	**100%**
Comprised of:					
Credit risk	**85%**	**87%**	**87%**	**57%**	**85%**
Market risk	**- %**	**2%**	**5%**	**8%**	**2%**
Operational risk	**15%**	**11%**	**8%**	**-3%**	**11%**
Other	**- %**	**- %**	**- %**	**38%**	**2%**

CET1 Risk-weighted Assets (RWA)	Q2 2017 Canadian Banking	International Banking	Global Banking & Markets	Other	All Bank
CET1 RWA ($B)	$112.5	$140.8	$111.4	$10.2	**$374.9**
Proportion of Bank	30%	38%	30%	2%	**100%**
Comprised of:					
Credit risk	84%	88%	88%	96%	**87%**
Market risk	- %	2%	5%	7%	**2%**
Operational risk	16%	10%	7%	-3%	**11%**
Other	- %	- %	- %	- %	**- %**

(1) Includes Basel I capital floor adjustments.

EXPOSURE AT DEFAULT AND RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS

Scotiabank

($MM)		Basel III																	
		Q3 2017						Q2 2017		Q1 2017		Q4 2016		Q3 2016		Q2 2016		Q1 2016	
		AIRB		Standardized		Total		Total		Total		Total		Total		Total		Total	
Exposure Type	Sub-type	EAD [1]	RWA [2][4]	EAD [1]	RWA [2]	EAD [1]	RWA [2][4]	EAD [1]	RWA [2][4]	EAD [1]	RWA [2][4]	EAD [1]	RWA [2][4]	EAD [1]	RWA [2][4]	EAD [1]	RWA [2][4]	EAD [1]	RWA [2]
Non-Retail																			
Corporate	Drawn	**130,275**	**65,455**	**50,003**	**48,003**	**180,278**	**113,458**	181,498	119,608	171,433	113,535	175,784	117,178	175,250	117,309	173,987	118,625	175,672	122,318
	Undrawn	**71,949**	**28,806**	**5,474**	**5,366**	**77,423**	**34,172**	82,966	39,115	74,738	34,789	73,711	34,499	70,614	32,197	67,024	30,648	71,934	32,458
	Other [3]	**39,436**	**12,249**	**2,933**	**2,849**	**42,369**	**15,098**	43,339	16,227	38,657	16,060	39,943	16,356	40,458	16,043	42,964	15,968	45,648	16,314
	Total	**241,660**	**106,510**	**58,410**	**56,218**	**300,070**	**162,728**	**307,803**	**174,950**	**284,828**	**164,384**	**289,438**	**168,033**	**286,322**	**165,549**	**283,975**	**165,241**	**293,254**	**171,090**
Bank	Drawn	**15,708**	**3,721**	**2,786**	**2,253**	**18,494**	**5,974**	24,561	7,125	20,462	5,670	26,022	6,567	26,609	6,662	24,836	6,579	25,881	7,522
	Undrawn	**2,427**	**350**	**84**	**80**	**2,511**	**430**	3,895	732	1,953	345	1,982	368	1,894	271	1,847	315	1,784	260
	Other [3]	**9,750**	**1,286**	**55**	**55**	**9,805**	**1,341**	11,074	1,639	9,118	1,328	13,175	2,567	12,313	1,749	10,497	1,539	12,430	2,069
	Total	**27,885**	**5,357**	**2,925**	**2,388**	**30,810**	**7,745**	**39,530**	**9,496**	**31,533**	**7,343**	**41,179**	**9,502**	**40,816**	**8,682**	**37,180**	**8,433**	**40,095**	**9,851**
Sovereign	Drawn	**98,385**	**3,491**	**6,365**	**1,051**	**104,750**	**4,542**	**93,554**	**4,976**	95,419	4,640	88,760	5,161	108,164	5,266	99,458	5,698	109,153	5,654
	Undrawn	**721**	**90**	**22**	**12**	**743**	**102**	963	134	898	103	1,052	119	841	98	872	129	816	46
	Other [3]	**909**	**10**	**2**	**-**	**911**	**10**	769	10	1,018	13	497	12	547	3	371	4	508	8
	Total	**100,015**	**3,591**	**6,389**	**1,063**	**106,404**	**4,654**	**95,286**	**5,120**	**97,335**	**4,756**	**90,309**	**5,292**	**109,552**	**5,367**	**100,701**	**5,831**	**110,477**	**5,708**
Total Non-Retail	Drawn	**244,368**	**72,667**	**59,154**	**51,307**	**303,522**	**123,974**	299,613	131,709	287,314	123,845	290,566	128,906	310,023	129,237	298,281	130,902	310,706	135,494
	Undrawn	**75,097**	**29,246**	**5,580**	**5,458**	**80,677**	**34,704**	87,824	39,981	77,589	35,237	76,745	34,986	73,349	32,566	69,743	31,092	74,534	32,764
	Other [3]	**50,095**	**13,545**	**2,990**	**2,904**	**53,085**	**16,449**	55,182	17,876	48,793	17,401	53,615	18,935	53,318	17,795	53,832	17,511	58,586	18,391
	Total	**369,560**	**115,458**	**67,724**	**59,669**	**437,284**	**175,127**	**442,619**	**189,566**	**413,696**	**176,483**	**420,926**	**182,827**	**436,690**	**179,598**	**421,856**	**179,505**	**443,826**	**186,649**
Retail																			
Residential Mortgages	Drawn	**197,263**	**14,380**	**32,305**	**14,371**	**229,568**	**28,751**	226,173	27,857	221,928	25,739	220,917	25,028	217,538	23,207	214,633	22,467	217,345	25,942
	Undrawn	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-	-	-	-	**-**	**-**
	Total	**197,263**	**14,380**	**32,305**	**14,371**	**229,568**	**28,751**	**226,173**	**27,857**	**221,928**	**25,739**	**220,917**	**25,028**	**217,538**	**23,207**	**214,633**	**22,467**	**217,345**	**25,942**
Secured Lines Of Credit	Drawn	**20,234**	**3,193**	**-**	**-**	**20,234**	**3,193**	19,642	3,079	19,099	3,056	19,233	4,497	19,200	4,412	18,918	4,390	18,550	4,310
	Undrawn	**15,007**	**857**	**-**	**-**	**15,007**	**857**	14,648	827	14,334	793	14,587	1,359	14,298	1,286	14,045	1,268	13,778	1,225
	Total	**35,241**	**4,050**	**-**	**-**	**35,241**	**4,050**	34,290	3,906	**33,433**	**3,849**	**33,820**	**5,856**	**33,498**	**5,698**	**32,963**	**5,658**	**32,328**	**5,535**
Qualifying Revolving Retail Exposures (QRRE)	Drawn	**16,908**	**9,580**	**-**	**-**	**16,908**	**9,580**	16,875	9,413	16,753	9,683	16,717	9,463	16,483	9,316	17,474	9,997	17,244	9,953
	Undrawn	**26,726**	**3,164**	**-**	**-**	**26,726**	**3,164**	26,309	3,102	25,916	3,085	21,108	2,656	20,519	2,564	20,100	2,549	19,693	2,481
	Total	**43,634**	**12,744**	**-**	**-**	**43,634**	**12,744**	**43,184**	**12,515**	**42,669**	**12,768**	**37,825**	**12,119**	**37,002**	**11,880**	**37,574**	**12,546**	**36,937**	**12,434**
Other Retail	Drawn	**29,858**	**13,944**	**34,597**	**25,430**	**64,455**	**39,374**	63,900	39,367	61,325	37,777	62,182	38,006	58,627	35,742	56,615	34,574	56,432	34,436
	Undrawn	**1,183**	**276**	**-**	**-**	**1,183**	**276**	1,042	233	1,009	225	799	203	691	165	674	159	669	158
	Total	**31,041**	**14,220**	**34,597**	**25,430**	**65,638**	**39,650**	**64,942**	**39,600**	**62,334**	**38,002**	**62,981**	**38,209**	**59,318**	**35,907**	**57,289**	**34,733**	**57,101**	**34,594**
Total Retail	Drawn	**264,263**	**41,097**	**66,902**	**39,801**	**331,165**	**80,898**	326,590	79,716	319,105	76,255	319,049	76,994	311,848	72,677	307,640	71,428	309,571	74,641
	Undrawn	**42,916**	**4,297**	**-**	**-**	**42,916**	**4,297**	41,999	4,162	41,259	4,103	36,494	4,218	35,508	4,015	34,819	3,976	34,140	3,864
	Total	**307,179**	**45,394**	**66,902**	**39,801**	**374,081**	**85,195**	**368,589**	**83,878**	**360,364**	**80,358**	**355,543**	**81,212**	**347,356**	**76,692**	**342,459**	**75,404**	**343,711**	**78,505**
Securitizations		**23,278**	**2,529**	**-**	**-**	**23,278**	**2,529**	24,785	2,717	23,589	2,561	25,025	2,613	25,110	2,793	23,763	2,588	23,527	2,719
Trading Derivatives [4]		**21,844**	**6,942**	**-**	**-**	**21,844**	**6,942**	24,370	7,547	24,842	8,295	23,421	6,599	23,633	6,758	23,144	6,924	31,216	9,042
Derivatives - credit valuation adjustment [4][5]		**-**	**-**	**-**	**3,733**	**-**	**3,733**	-	3,923	-	4,775	-	4,165	-	4,749	-	4,778	**-**	8,304
Total Credit Risk (Excluding Equities & Other Assets)		**721,861**	**170,323**	**134,626**	**103,203**	**856,487**	**273,526**	**860,363**	**287,631**	**822,491**	**272,472**	**824,915**	**277,416**	**832,789**	**270,590**	**811,222**	**269,199**	**842,280**	**285,219**
Equities		**1,880**	**1,811**	**-**	**-**	**1,880**	**1,811**	2,333	2,276	2,386	2,426	2,042	2,042	2,331	2,331	2,393	2,393	2,703	2,703
Other Assets		**-**	**-**	**49,430**	**25,172**	**49,430**	**25,172**	51,607	25,339	46,171	24,380	49,829	24,659	50,229	24,486	53,444	23,297	59,267	24,882
Total Credit Risk (Before Scaling Factor)		**723,741**	**172,134**	**184,056**	**128,375**	**907,797**	**300,509**	**914,303**	**315,246**	**871,048**	**299,278**	**876,786**	**304,117**	**885,349**	**297,407**	**867,059**	**294,889**	**904,250**	**312,804**
Add-on for 6% Scaling Factor [6]			**10,328**				10,328		10,864		10,441		10,705		10,513		10,576		11,095
Total Credit Risk		**723,741**	**182,462**	**184,056**	**128,375**	**907,797**	**310,837**	**914,303**	**326,110**	**871,048**	**309,719**	**876,786**	**314,822**	**885,349**	**307,920**	**867,059**	**305,465**	**904,250**	**323,899**

(1) Exposure at default, before credit risk mitigation for AIRB exposures, after related allowances for credit losses for Standardized exposures.
(2) CET1 Risk-weighted Assets.
(3) Includes lending instruments such as letters of credit and letters of guarantee; banking book derivatives and repo-style exposures, net of related collateral.
(4) As of Q2 2016, the bank implemented the Internal Modelling Method for determination of Counterparty Credit Risk and Credit Valuation Adjustment RWA.
(5) As per OSFI guideline, effective Q1 2014, Credit Valuation Adjustment (CVA) RWA on derivatives was phased-in using scalars. Starting Q1, 2017 the CVA risk-weighted assets have been calculated using the scalars of 0.72, 0.77 and 0.81, to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.
(6) The Basel Framework requires an additional 6% scaling factor to AIRB credit risk portfolios (excluding exposures with a risk-weight of 1250%).

EXPOSURE AT DEFAULT AND RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS (CONTINUED)

Scotiabank

		Basel III															
($MM)		Q4 2015		Q3 2015		Q2 2015		Q1 2015		Q4 2014		Q3 2014		Q2 2014		Q1 2014	
Exposure Type	Sub-type	**EAD (1)**	**RWA(2)**	**EAD (1)**	**RWA(2)**	**EAD (1)**	**RWA(2)**	**EAD (1)**	**RWA(2)**	**EAD (1)**	**RWA(2)**	**EAD (1)**	**RWA(2)**	**EAD (1)**	**RWA(2)**	**EAD (1)**	**RWA(2)**
Non-Retail																	
Corporate	Drawn	157,514	112,836	151,360	106,697	146,075	100,609	145,012	101,339	130,621	90,240	128,408	90,365	128,608	90,079	121,562	86,649
	Undrawn	58,915	29,035	56,306	27,606	51,361	24,589	53,974	24,963	47,082	22,314	44,855	21,274	41,619	19,554	42,968	20,444
	Other(3)	40,425	15,476	43,981	16,093	37,643	14,254	35,068	12,327	31,678	11,496	31,704	11,246	26,552	10,126	30,930	11,540
	Total	**256,854**	**157,347**	**251,647**	**150,396**	**235,079**	**139,452**	**234,054**	**138,629**	**209,381**	**124,050**	**204,967**	**122,885**	**196,779**	**119,759**	**195,460**	**118,633**
Bank	Drawn	27,165	8,344	27,400	7,109	25,700	6,679	32,358	8,435	25,883	7,500	26,237	7,882	29,067	9,053	34,833	9,949
	Undrawn	11,386	3,726	11,741	3,793	11,406	3,672	12,222	3,914	10,954	3,356	11,552	3,559	10,620	3,279	11,879	3,507
	Other(3)	14,906	3,253	12,351	2,188	10,190	1,830	9,535	1,753	8,195	1,486	7,929	1,394	8,228	1,370	7,904	1,304
	Total	**53,457**	**15,323**	**51,492**	**13,090**	**47,296**	**12,181**	**54,115**	**14,102**	**45,032**	**12,342**	**45,718**	**12,835**	**47,915**	**13,702**	**54,616**	**14,760**
Sovereign	Drawn	96,263	4,203	102,869	5,471	80,325	5,527	82,035	5,544	76,107	4,858	68,768	4,664	77,072	4,717	71,279	5,145
	Undrawn	2,133	355	1,802	168	1,543	161	1,465	139	1,352	140	1,353	177	1,359	189	1,440	263
	Other(3)	1,016	36	694	46	544	15	1,137	63	805	33	775	26	856	31	1,191	28
	Total	**99,412**	**4,594**	**105,365**	**5,685**	**82,412**	**5,703**	**84,637**	**5,746**	**78,264**	**5,031**	**70,896**	**4,867**	**79,287**	**4,937**	**73,910**	**5,436**
Total Non-retail	Drawn	280,942	125,383	281,629	119,277	252,100	112,815	259,405	115,318	232,611	102,598	223,413	102,911	234,747	103,849	227,674	101,743
	Undrawn	72,434	33,116	69,849	31,567	64,310	28,422	67,661	29,016	59,388	25,810	57,760	25,010	53,598	23,022	56,287	24,214
	Other(3)	56,347	18,765	57,026	18,327	48,377	16,099	45,740	14,143	40,678	13,015	40,408	12,666	35,636	11,527	40,025	12,872
	Total	**409,723**	**177,264**	**408,504**	**169,171**	**364,787**	**157,336**	**372,806**	**158,477**	**332,677**	**141,423**	**321,581**	**140,587**	**323,981**	**138,398**	**323,986**	**138,829**
Retail																	
Residential Mortgages	Drawn	215,590	24,967	214,183	24,854	211,805	22,196	213,185	21,893	211,341	19,766	210,743	19,360	210,451	19,466	210,691	19,085
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**215,590**	**24,967**	**214,183**	**24,854**	**211,805**	**22,196**	**213,185**	**21,893**	**211,341**	**19,766**	**210,743**	**19,360**	**210,451**	**19,466**	**210,691**	**19,085**
Secured Lines Of Credit	Drawn	18,804	4,197	18,992	4,207	19,047	4,293	18,952	4,435	19,115	4,487	18,590	4,409	18,459	4,509	18,220	4,552
	Undrawn	12,631	1,133	12,553	1,181	12,354	1,158	12,312	1,243	12,209	1,282	17,724	1,857	13,265	1,394	13,052	1,370
	Total	**31,435**	**5,330**	**31,545**	**5,388**	**31,401**	**5,451**	**31,264**	**5,678**	**31,324**	**5,769**	**36,314**	**6,266**	**31,724**	**5,903**	**31,272**	**5,922**
Qualifying Revolving	Drawn	16,910	10,031	16,602	9,662	16,426	9,556	16,257	9,564	16,011	9,356	15,953	7,622	15,653	7,153	15,412	7,171
	Undrawn	17,705	2,241	17,123	2,135	16,734	2,058	16,716	2,151	16,196	2,105	18,311	2,360	13,638	1,674	13,400	1,678
	Total	**34,615**	**12,272**	**33,725**	**11,797**	**33,160**	**11,614**	**32,973**	**11,715**	**32,207**	**11,461**	**34,264**	**9,982**	**29,291**	**8,827**	**28,812**	**8,849**
Other Retail	Drawn	53,313	32,002	51,959	31,308	48,315	29,555	48,656	29,929	47,080	28,848	45,380	27,624	42,989	26,216	41,754	25,405
	Undrawn	712	178	677	164	660	156	667	165	659	161	999	126	736	91	733	91
	Total	**54,025**	**32,180**	**52,636**	**31,472**	**48,975**	**29,711**	**49,323**	**30,094**	**47,739**	**29,009**	**46,379**	**27,750**	**43,725**	**26,307**	**42,487**	**25,496**
Total Retail	Drawn	304,617	71,197	301,736	70,031	295,593	65,600	297,050	65,821	293,547	62,457	290,666	59,015	287,552	57,344	286,077	56,213
	Undrawn	31,048	3,552	30,353	3,480	29,748	3,372	29,695	3,559	29,064	3,548	37,034	4,343	27,639	3,159	27,185	3,139
	Total	**335,665**	**74,749**	**332,089**	**73,511**	**325,341**	**68,972**	**326,745**	**69,380**	**322,611**	**66,005**	**327,700**	**63,358**	**315,191**	**60,503**	**313,262**	**59,352**
Securitizations		21,000	2,759	20,926	3,705	20,083	3,711	21,166	4,086	19,982	4,621	18,163	4,947	19,406	5,527	19,900	7,273
Trading Derivatives		28,234	8,232	30,013	8,485	28,854	7,971	36,673	10,178	25,249	8,041	22,886	7,559	22,139	7,454	23,638	7,284
Derivatives - credit valuation adjustment(4)		-	7,183	-	7,282	-	6,732	-	8,154	-	5,632	-	5,039	-	4,793	-	5,003
Total Credit risk (excl. Equities & Other Assets)		**794,622**	**270,187**	**791,532**	**262,154**	**739,065**	**244,722**	**757,390**	**250,275**	**700,519**	**225,722**	**690,330**	**221,490**	**680,717**	**216,675**	**680,786**	**217,741**
Equities		2,985	2,985	3,427	3,427	3,636	3,636	4,132	4,132	4,269	4,269	4,451	4,451	4,002	4,002	4,019	4,019
Other Assets		50,873	24,265	52,878	23,551	54,146	23,056	59,475	24,208	52,288	23,065	52,377	23,550	52,771	22,224	57,028	22,930
		848,480	**297,437**	**847,837**	**289,132**	**796,847**	**271,414**	**820,997**	**278,615**	**757,076**	**253,056**	**747,158**	**249,491**	**737,490**	**242,901**	**741,833**	**244,690**
Add-on for 6% scaling factor(5)			10,597		10,183		9,593		9,801		8,831		8,672		8,491		8,506
Total Credit Risk		**848,480**	**308,034**	**847,837**	**299,315**	**796,847**	**281,007**	**820,997**	**288,416**	**757,076**	**261,887**	**747,158**	**258,163**	**737,490**	**251,392**	**741,833**	**253,196**

(1) Exposure at default, before credit risk mitigation for AIRB exposures, after related allowances for credit losses for Standardized exposures.

(2) CET1 Risk-weighted Assets.

(3) Includes lending instruments such as letters of credit and letters of guarantee; banking book derivatives and repo-style exposures, net of related collateral.

(4) As per OSFI guideline, effective Q1 2014, Credit Valuation Adjustment (CVA) RWA on derivatives was phased-in using scalars. Starting Q1, 2017 the CVA risk-weighted assets have been calculated using the scalars of 0.72, 0.77 and 0.81, to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.

(5) The Basel Framework requires an additional 6% scaling factor to AIRB credit risk portfolios (excluding exposure with risk weight of 1250%).

CREDIT RISK EXPOSURES BY GEOGRAPHY (1)(2)

Scotiabank

Exposure at Default

($MM)	Basel III									
	Q3 2017					Q2 2017				
	Non-Retail			Retail	Total	Non-Retail			Retail	Total
	Drawn	Undrawn	Other (3)			Drawn	Undrawn	Other (3)		
Canada	**90,904**	**35,342**	**34,684**	**321,910**	**482,840**	91,031	37,676	38,876	313,708	**481,291**
USA	**88,289**	**29,577**	**38,806**	**-**	**156,672**	79,104	30,717	41,436	-	**151,257**
Mexico	**17,579**	**1,177**	**4,968**	**9,478**	**33,202**	16,993	1,287	2,346	9,468	**30,094**
Peru	**15,175**	**1,422**	**3,332**	**7,545**	**27,474**	17,027	1,562	3,383	8,001	**29,973**
Chile	**11,466**	**857**	**2,157**	**11,826**	**26,306**	12,073	847	1,852	11,929	**26,701**
Colombia	**4,685**	**149**	**419**	**5,333**	**10,586**	5,045	244	289	5,821	**11,399**
Other International										
Europe	**27,517**	**6,386**	**9,441**	**-**	**43,344**	26,585	9,198	11,346	-	**47,129**
Caribbean	**18,230**	**1,633**	**1,300**	**17,321**	**38,484**	20,127	1,675	1,475	18,940	**42,217**
Latin America (other)	**6,454**	**566**	**537**	**668**	**8,225**	7,458	680	573	722	**9,433**
All Other	**23,223**	**3,568**	**2,563**	**-**	**29,354**	24,170	3,937	2,762	-	**30,869**
Total	**303,522**	**80,677**	**98,207**	**374,081**	**856,487**	**299,613**	**87,823**	**104,338**	**368,589**	**860,363**

	Basel III				
	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Canada	472,304	468,923	462,242	448,512	449,077
USA	141,195	143,808	161,506	155,502	172,472
Mexico	24,561	26,873	24,431	24,467	25,255
Peru	27,368	28,328	26,338	26,101	28,798
Chile	24,367	23,510	22,995	21,271	22,180
Colombia	10,597	10,943	10,318	10,837	10,044
Other International					
Europe	41,444	41,525	44,132	43,796	44,444
Caribbean	40,009	41,168	40,010	38,794	42,343
Latin America (other)	8,995	8,908	9,151	9,598	10,245
All Other	31,651	30,929	31,666	32,344	37,422
Total	**822,491**	**824,915**	**832,789**	**811,222**	**842,280**

(1) Before credit risk mitigation, excluding AFS equity securities and other assets.
(2) Geographic segmentation is based upon the location of the ultimate risk of the credit exposure.
(3) Includes off-balance sheet lending instruments such as letters of credit and letters of guarantee, OTC derivatives, securitization and repo-style transactions net of related collateral.

AIRB CREDIT RISK EXPOSURES BY MATURITY (1)(2)

Scotiabank

NON-RETAIL AND RETAIL PORTFOLIO EXPOSURE AT DEFAULT

($MM)	Basel III							
	Q3 2017				Q2 2017			
	Drawn	Undrawn	Other (3)	Total	Drawn	Undrawn	Other (3)	Total
Non-Retail								
Less than 1 year	**131,012**	**21,664**	**63,176**	**215,852**	124,023	24,621	63,200	**211,844**
1 to 5 years	**103,278**	**51,653**	**25,590**	**180,521**	103,715	53,453	29,977	**187,145**
Over 5 Years	**10,078**	**1,780**	**6,451**	**18,309**	9,074	3,070	7,969	**20,113**
Total Non-Retail	**244,368**	**75,097**	**95,217**	**414,682**	**236,812**	**81,144**	**101,146**	**419,102**
Retail								
Less than 1 year	**31,620**	**16,190**		**47,810**	24,278	15,689		**39,967**
1 to 5 years	**177,145**	**-**		**177,145**	176,341	-		**176,341**
Over 5 Years	**17,009**	**-**		**17,009**	19,388	-		**19,388**
Revolving Credits(4)	**38,489**	**26,726**		**65,215**	37,741	26,310		**64,051**
Total Retail	**264,263**	**42,916**		**307,179**	**257,748**	**41,999**		**299,747**
Total	**508,631**	**118,013**	**95,217**	**721,861**	**494,560**	**123,143**	**101,146**	**718,849**

	Basel III			
	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Non-Retail				
Less than 1 year	197,585	195,369	221,088	210,853
1 to 5 years	182,036	188,751	179,413	175,155
Over 5 Years	17,458	18,880	20,236	19,395
Total Non-Retail	**397,079**	**403,000**	**420,737**	**405,403**
Retail				
Less than 1 year	41,006	44,215	44,934	44,915
1 to 5 years	173,686	167,999	163,994	162,707
Over 5 Years	18,908	20,243	21,247	19,639
Revolving Credits(4)	62,991	58,285	57,408	57,609
Total Retail	**296,591**	**290,742**	**287,583**	**284,870**
Total	**693,670**	**693,742**	**708,320**	**690,273**

(1) Before credit risk mitigation, excluding AFS equity securities and other assets.
(2) Remaining term to maturity of the credit exposure.
(3) Off-balance sheet lending instruments such as letters of credit and letters of guarantee, securitization, derivatives and repo-style transactions net of related collateral.
(4) Credit cards and lines of credit with unspecified maturity.

STANDARDIZED CREDIT RISK EXPOSURES BY RISK-WEIGHT

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EXPOSURE AT DEFAULT (1)

($MM)	Basel III													
	Q3 2017							Q2 2017						
Risk-weight	Non-Retail				Retail			Non-Retail				Retail		
	Corporate	Bank	Sovereign	Total	Res Mtgs	Other Retail	Total	Corporate	Bank	Sovereign	Total	Res Mtgs	Other Retail	Total
0%	2,013	-	4,365	**6,378**	2,159	1,470	**3,629**	2,034	-	5,947	**7,981**	1,743	1,364	**3,107**
20%	725	642	-	**1,367**	1,587	-	**1,587**	579	736	85	**1,400**	1,780	-	**1,780**
35%	-	-	-	**-**	19,069	-	**19,069**	-	-	-	**-**	19,343	-	**19,343**
50%	63	46	1,923	**2,032**	-	277	**277**	49	217	1,542	**1,808**	-	339	**339**
75%	-	-	-	**-**	8,442	31,979	**40,421**	-	-	-	**-**	9,444	32,782	**42,226**
100%	54,746	2,237	101	**57,084**	1,048	-	**1,048**	57,411	2,357	550	**60,318**	1,135	-	**1,135**
150%+	863	-	-	**863**	-	871	**871**	1,165	-	-	**1,165**	-	912	**912**
Total	**58,410**	**2,925**	**6,389**	**67,724**	**32,305**	**34,597**	**66,902**	**61,238**	**3,310**	**8,124**	**72,672**	**33,445**	**35,397**	**68,842**

	Basel III													
	Q1 2017		Q4 2016		Q3 2016		Q2 2016		Q1 2016		Q4 2015		Q3 2015	
Risk-weight	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
0%	6,892	2,779	7,801	2,507	7,117	2,078	6,375	1,886	6,921	1,895	6,115	1,689	6,123	1,248
20%	1,259	1,737	2,326	1,823	2,037	1,821	2,306	1,985	3,362	2,223	1,695	2,146	1,649	1,779
35%	-	17,715	-	17,025	-	16,295	-	15,819	-	16,733	-	16,004	-	16,198
50%	282	331	462	345	634	419	835	203	916	186	478	215	382	222
75%	-	39,257	-	41,048	-	36,866	-	35,648	-	36,021	-	32,321	-	31,942
100%	55,967	1,117	55,022	1,221	54,192	1,295	53,109	1,288	56,139	1,421	54,632	1,313	53,122	1,336
150%+	648	837	761	832	716	998	735	760	823	739	539	712	636	690
Total	**65,048**	**63,773**	**66,372**	**64,801**	**64,696**	**59,772**	**63,360**	**57,589**	**68,161**	**59,218**	**63,459**	**54,400**	**61,912**	**53,415**

(1) Net of specific allowances for credit losses, after credit risk mitigation.

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NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

($MM)			Basel III												
			Q3 2017								Q2 2017				
Category external ratings [1]	Internal grades	PD bands[2]	Drawn Exposure at Default[3]	Undrawn Exposure at Default[3]	Other Exposure at Default[3]	Total Exposure at Default[3]	RWA	Weighted Average PD[4][7]	Weighted Average LGD[5][7]	Weighted Average RW[6][7]	Total Exposure at Default[3]	RWA	Weighted Average PD[4][7]	Weighted Average LGD[5][7]	Weighted Average RW[6][7]
			$	$	$	$	$	%	%	%	$	$	%	%	%
Investment Grade															
Corporate			**75,335**	**54,207**	**35,559**	**165,101**	**45,944**	**0.13**	**41**	**28**	**167,844**	**47,949**	**0.13**	**41**	**29**
	99	0.00% - 0.05%	**387**	**450**	**484**	**1,321**	**112**	**0.03**	**45**	**8**	1,530	128	0.03	44	8
AAA to AA+	98	0.00% - 0.05%	**324**	**824**	**129**	**1,277**	**139**	**0.04**	**25**	**11**	2,467	205	0.05	34	8
AA to A-	95	0.05% - 0.13%	**5,719**	**5,964**	**6,478**	**18,161**	**2,572**	**0.05**	**40**	**14**	21,085	3,421	0.06	40	16
AA to A-	90	0.06% - 0.14%	**15,984**	**13,025**	**8,035**	**37,044**	**6,145**	**0.06**	**37**	**17**	38,709	6,551	0.07	37	17
BBB+ to BBB	87	0.09% - 0.22%	**13,890**	**11,107**	**7,978**	**32,975**	**8,061**	**0.09**	**41**	**24**	33,929	8,505	0.10	40	25
BBB+ to BBB	85	0.13% - 0.32%	**18,243**	**11,960**	**7,006**	**37,209**	**12,632**	**0.15**	**44**	**34**	37,073	13,416	0.16	44	36
BBB-	83	0.19% - 0.46%	**20,788**	**10,877**	**5,449**	**37,114**	**16,283**	**0.24**	**45**	**44**	33,051	15,723	0.25	45	48
Bank			**13,750**	**2,359**	**18,404**	**34,513**	**6,389**	**0.10**	**37**	**19**	**43,008**	**8,025**	**0.11**	**36**	**19**
	99	0.00% - 0.05%	**22**	**-**	**-**	**22**	**2**	**0.03**	**40**	**11**	59	3	0.03	43	5
AAA to AA+	98	0.00% - 0.05%	**1,195**	**751**	**453**	**2,399**	**280**	**0.04**	**30**	**12**	2,094	292	0.05	30	14
AA to A-	95	0.05% - 0.13%	**4,082**	**482**	**5,112**	**9,676**	**1,840**	**0.05**	**45**	**19**	13,934	2,353	0.06	42	17
AA to A-	90	0.06% - 0.14%	**4,925**	**1,036**	**7,315**	**13,276**	**1,882**	**0.08**	**33**	**14**	13,773	1,924	0.08	33	14
BBB+ to BBB	87	0.09% - 0.22%	**1,191**	**54**	**1,758**	**3,003**	**584**	**0.12**	**36**	**19**	4,062	912	0.14	36	22
BBB+ to BBB	85	0.13% - 0.32%	**1,614**	**11**	**1,900**	**3,525**	**1,097**	**0.24**	**36**	**31**	4,817	1,388	0.23	33	29
BBB-	83	0.19% - 0.46%	**721**	**25**	**1,866**	**2,612**	**704**	**0.25**	**33**	**27**	4,269	1,153	0.25	32	27
Sovereign			**92,411**	**688**	**4,887**	**97,986**	**2,371**	**0.03**	**11**	**2**	**85,704**	**2,747**	**0.04**	**16**	**3**
	99	0.00% - 0.05%	**66,532**	**125**	**2,563**	**69,220**	**-**	**-**	**9**	**-**	56,672	-	-	15	-
AAA to AA+	98	0.00% - 0.05%	**3,090**	**39**	**673**	**3,802**	**248**	**0.04**	**15**	**7**	3,194	202	0.05	15	6
AA to A-	95	0.05% - 0.13%	**14,788**	**315**	**745**	**15,848**	**995**	**0.05**	**16**	**6**	15,901	1,093	0.07	16	7
AA to A-	90	0.06% - 0.14%	**2,103**	**20**	**408**	**2,531**	**196**	**0.10**	**17**	**8**	1,274	70	0.09	18	5
BBB+ to BBB	87	0.09% - 0.22%	**3,739**	**1**	**489**	**4,229**	**409**	**0.22**	**13**	**10**	5,987	648	0.24	16	11
BBB+ to BBB	85	0.13% - 0.32%	**1,019**	**164**	**9**	**1,192**	**208**	**0.32**	**15**	**17**	2,028	516	0.34	25	25
BBB-	83	0.19% - 0.46%	**1,140**	**24**	**-**	**1,164**	**315**	**0.46**	**24**	**27**	648	218	0.47	30	34
Sub-Total			**181,496**	**57,254**	**58,850**	**297,600**	**54,704**	**0.09**	**31**	**18**	**296,556**	**58,721**	**0.10**	**33**	**20**
Non-Investment Grade															
Corporate			**52,613**	**16,529**	**12,006**	**81,148**	**50,588**	**0.65**	**43**	**62**	**83,613**	**55,378**	**0.65**	**45**	**66**
BB+	80	0.29% - 0.51%	**21,619**	**8,767**	**2,471**	**32,857**	**17,476**	**0.34**	**45**	**53**	35,362	20,240	0.36	47	57
BB	77	0.47% - 0.57%	**13,910**	**3,592**	**4,268**	**21,770**	**12,540**	**0.49**	**43**	**58**	20,535	13,341	0.51	45	65
BB-	75	0.57% - 0.75%	**10,808**	**2,529**	**3,956**	**17,293**	**11,924**	**0.75**	**43**	**69**	17,566	12,311	0.74	45	70
B+	73	0.75% - 1.44%	**4,091**	**959**	**998**	**6,048**	**5,351**	**1.44**	**40**	**88**	7,117	6,186	1.42	41	87
B to B-	70	1.44% - 2.77%	**2,185**	**682**	**313**	**3,180**	**3,297**	**2.77**	**39**	**104**	3,033	3,300	2.72	42	109
Bank			**1,864**	**70**	**392**	**2,326**	**1,148**	**0.60**	**37**	**49**	**2,787**	**1,451**	**0.61**	**37**	**52**
BB+	80	0.29% - 0.51%	**658**	**10**	**206**	**874**	**424**	**0.47**	**38**	**48**	990	482	0.48	40	49
BB	77	0.47% - 0.57%	**1,080**	**55**	**143**	**1,278**	**602**	**0.57**	**35**	**47**	1,434	718	0.58	35	50
BB-	75	0.57% - 0.75%	**65**	**2**	**40**	**107**	**56**	**0.75**	**39**	**52**	290	193	0.74	38	67
B+	73	0.75% - 1.44%	**5**	**1**	**2**	**8**	**7**	**1.44**	**35**	**85**	14	10	1.42	31	72
B to B-	70	1.44% - 2.77%	**56**	**2**	**1**	**59**	**59**	**2.77**	**40**	**98**	59	48	2.72	32	80
Sovereign			**3,394**	**30**	**51**	**3,475**	**1,139**	**1.51**	**17**	**33**	**3,453**	**665**	**1.63**	**20**	**19**
BB+	80	0.29% - 0.51%	**573**	**-**	**-**	**573**	**123**	**0.51**	**17**	**21**	622	104	0.52	17	17
BB	77	0.47% - 0.57%	**933**	**3**	**18**	**954**	**266**	**0.57**	**21**	**28**	916	142	0.58	12	15
BB-	75	0.57% - 0.75%	**256**	**24**	**33**	**313**	**48**	**0.75**	**11**	**15**	222	21	0.74	33	9
B+	73	0.75% - 1.44%	**261**	**-**	**-**	**261**	**15**	**1.44**	**3**	**6**	-	-	-	-	-
B to B-	70	1.44% - 2.77%	**1,371**	**3**	**-**	**1,374**	**687**	**2.77**	**18**	**50**	1,693	398	2.72	24	24
Sub-Total			**57,871**	**16,629**	**12,449**	**86,949**	**52,875**	**0.68**	**42**	**61**	**89,853**	**57,494**	**0.69**	**44**	**64**

(1) The cross references of the Bank's internal borrower grades (IG) with equivalent rating categories utilized by external rating agencies are outlined on page 205 of the Bank's 2016 Annual Report.
(2) PD ranges overlap across IG codes as the Bank utilizes two risk rating systems for its AIRB portfolios and each risk rating system has its own separate IG to PD mapping.
(3) Amounts are before credit risk mitigation (excludes government guaranteed residential mortgages), and includes all non-retail exposures except securitization, equity and other assets.
(4) PD - Probability of Default, see glossary for details.
(5) LGD - Loss Given Default including certain conservative factors as per Basel accord, see glossary for details.
(6) RW - risk weight.
(7) Exposure at default (EAD) used as basis for estimated weightings, see glossary for details.

RISK ASSESSMENT OF CREDIT RISK EXPOSURES - NON-RETAIL AIRB PORTFOLIO (CONTINUED)

Scotiabank

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

($MM)			Basel III												
			Q3 2017								Q2 2017				
Category external ratings[1]	Internal grades	PD bands[2]	Drawn Exposure at Default[3]	Undrawn Exposure at Default[3]	Other Exposure at Default[3]	Total Exposure at Default[3]	RWA	Weighted Average PD[4][7]	Weighted Average LGD[5][7]	Weighted Average RW[6][7]	Total Exposure at Default[3]	RWA	Weighted Average PD[4][7]	Weighted Average LGD[5][7]	Weighted Average RW[6][7]
			$	$	$	$	$	%	%	%	$	$	%	%	%
Watch List (CCC+ to CC)															
Corporate	65 - 30	2.77% - 59.51%	**2,552**	**849**	**392**	**3,793**	**7,131**	**22.48**	**39**	**188**	4,482	8,729	22.34	40	195
Bank	65 - 30	2.77% - 59.51%	**93**	**1**	**27**	**121**	**193**	**19.58**	**34**	**160**	61	106	18.83	37	171
Sovereign	65 - 30	2.77% - 59.51%	**1,047**	**1**	**-**	**1,048**	**317**	**10.18**	**8**	**30**	1,075	615	9.99	22	57
Sub-Total			**3,692**	**851**	**419**	**4,962**	**7,641**	**19.81**	**32**	**154**	**5,618**	**9,450**	**19.94**	**37**	**168**
Default[8]															
Corporate	27-21	100%	**1,307**	**363**	**221**	**1,891**	**7,180**	**100.00**	**45**	**380**	2,282	8,199	100.00	43	359
Bank	27-21	100%	**2**	**-**	**-**	**2**	**-**	**100.00**	**33**	**0**	2	-	100.00	39	0
Sovereign	27-21	100%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	6	-	100.00	3	-
Sub-Total			**1,309**	**363**	**221**	**1,893**	**7,180**	**100.00**	**45**	**379**	**2,290**	**8,199**	**100.00**	**43**	**358**
Total			**244,368**	**75,097**	**71,939**	**391,404**	**122,400**	**0.96**	**33**	**31**	**394,317**	**133,864**	**1.10**	**36**	**34**

(1) The cross references of the Bank's internal borrower grades (IG) with equivalent rating categories utilized by external rating agencies are outlined on page 205 of the Bank's 2016 Annual Report.
(2) PD ranges overlap across IG codes as the Bank utilizes two risk rating systems for its AIRB portfolios and each risk rating system has its own separate IG to PD mapping.
(3) Amounts are before credit risk mitigation (excludes government guaranteed residential mortgages), and includes all non-retail exposures except securitization, equity and other assets.
(4) PD - Probability of Default, see glossary for details.
(5) LGD - Loss Given Default including certain conservative factors as per Basel accord, see glossary for details.
(6) RW - risk weight.
(7) Exposure at default (EAD) used as basis for estimated weightings, see glossary for details.
(8) EAD for defaulted exposures before related specific provisions and write-offs.

NON-RETAIL AIRB PORTFOLIO - CREDIT COMMITMENTS

($MM)	Basel III			
	Q3 2017		Q2 2017	
Exposure Type[1]	**Notional Undrawn**	**Weighted Average EAD**	**Notional Undrawn**	**Weighted Average EAD**
	$	**%**	**$**	**%**
Corporate	133,876	52	141,828	52
Bank	4,022	57	6,231	58
Sovereign	1,174	57	1,539	56
Total	**139,072**	**52**	**149,598**	**53**

(1) Excludes unconditionally cancellable commitments.

RISK ASSESSMENT OF CREDIT RISK EXPOSURES - RETAIL AIRB PORTFOLIO

Scotiabank

RETAIL AIRB PORTFOLIO EXPOSURES - CREDIT QUALITY (1)

($MM)

Basel III Q3 2017

Category of PD Grades	PD Range	EAD(2)	Notional of undrawn commitments	Exposure weighted-average EAD(3)	Exposure weighted-average PD	Exposure weighted-average LGD(4)	Exposure weighted-average RW	RWA	EL	EL adjusted average risk weight(5)
		$	$	%	%	%	%	$	$	%
Residential Real Estate Secured(6)										
Insured Drawn and Undrawn(7)										
Exceptionally Low	0.01% to 0.04%	96,821	-	100.00	0.00	23	-	1	-	-
Very Low	0.05% to 0.19%	1,911	1	99.97	0.05	21	3	57	-	3
Low	0.20% to 0.99%	2,518	-	93.86	0.40	22	14	348	2	15
Medium Low	1.00% to 2.99%	-	-	102.85	2.02	36	70	-	-	79
Medium	3.00% to 9.99%	-	-	102.40	4.96	23	74	-	-	88
High	10.00% to 19.99%	-	-	-	-	-	-	-	-	-
Extremely High	20.00% to 99.99%	1	-	102.85	28.54	21	123	1	-	198
Default	100%	20	-	100.00	100.00	69	-	-	14	868
Sub-total		101,271	1	99.84	0.03	23	0	407	16	1
Uninsured Undrawn										
Exceptionally Low	0.00% to 0.04%	-	-	-	-	-	-	-	-	-
Very Low	0.05% to 0.19%	14,439	37,267	19.37	0.08	23	4	639	3	5
Low	0.20% to 0.99%	429	1,000	21.44	0.62	29	26	113	1	29
Medium Low	1.00% to 2.99%	107	212	25.31	2.02	35	68	73	1	77
Medium	3.00% to 9.99%	21	46	22.56	4.96	25	81	17	-	96
High	10.00% to 19.99%	9	15	29.65	13.70	26	135	12	-	180
Extremely High	20.00% to 99.99%	2	1	98.14	37.63	26	141	3	-	265
Default	100%	-	-	100.00	-	-	-	-	-	-
Sub-total		15,007	38,541	19.50	0.13	23	6	857	5	6
Uninsured Drawn										
Exceptionally Low	0.00% to 0.04%	3,749	-	100.00	0.05	27	4	135	-	4
Very Low	0.05% to 0.19%	46,357	-	100.00	0.07	21	4	1,851	8	4
Low	0.20% to 0.99%	58,782	-	100.00	0.53	23	18	10,655	73	20
Medium Low	1.00% to 2.99%	5,649	-	100.00	2.50	25	55	3,123	35	63
Medium	3.00% to 9.99%	714	-	100.00	6.17	23	82	582	10	99
High	10.00% to 19.99%	376	-	100.00	13.75	23	115	432	12	154
Extremely High	20.00% to 99.99%	367	-	100.00	36.87	19	105	388	26	196
Default	100%	232	-	100.00	100.00	60	-	-	140	755
Sub-total		116,226	-	100.00	0.82	22	15	17,166	304	18
Qualifying Revolving Retail Exposures (QRRE)										
Exceptionally Low	0.00% to 0.04%	11,722	16,591	34.24	0.05	77	2	283	4	3
Very Low	0.05% to 0.19%	8,400	11,042	36.61	0.17	69	7	549	10	8
Low	0.20% to 0.99%	11,399	8,504	52.15	0.49	79	16	1,878	43	21
Medium Low	1.00% to 2.99%	5,804	1,196	81.11	1.40	87	44	2,528	72	59
Medium	3.00% to 9.99%	5,410	948	84.91	5.58	86	109	5,919	262	170
High	10.00% to 19.99%	-	-	-	-	-	-	-	-	-
Extremely High	20.00% to 99.99%	739	17	101.02	35.35	82	215	1,587	213	574
Default	100%	160	-	100.00	100.00	90	-	-	144	1,126
Sub-total		43,634	38,298	53.26	2.02	78	29	12,744	748	51
Other Retail										
Exceptionally Low	0.00% to 0.04%	580	777	35.45	0.05	74	10	60	-	11
Very Low	0.05% to 0.19%	6,973	2	99.95	0.10	50	13	874	4	13
Low	0.20% to 0.99%	15,170	687	95.58	0.51	56	39	5,909	43	43
Medium Low	1.00% to 2.99%	4,743	12	99.73	1.74	65	80	3,800	54	94
Medium	3.00% to 9.99%	2,447	1	99.96	5.40	63	94	2,304	83	136
High	10.00% to 19.99%	531	-	100.00	19.74	57	127	675	60	268
Extremely High	20.00% to 99.99%	397	-	100.00	41.64	58	151	598	96	452
Default	100%	200	-	100.00	100.00	92	-	-	184	1,150
Sub-total		31,041	1,479	96.58	2.48	57	46	14,220	524	67
Total Retail										
Exceptionally Low	0.01% to 0.04%	112,872	17,368	92.84	0.01	29	0	479	4	0
Very Low	0.05% to 0.19%	78,080	48,312	78.27	0.09	29	5	3,970	25	5
Low	0.20% to 0.99%	88,298	10,191	92.51	0.52	36	21	18,903	162	24
Medium Low	1.00% to 2.99%	16,303	1,420	92.70	1.88	59	58	9,524	162	71
Medium	3.00% to 9.99%	8,592	995	90.30	5.58	74	103	8,822	355	154
High	10.00% to 19.99%	916	15	99.30	17.22	43	122	1,119	72	221
Extremely High	20.00% to 99.99%	1,506	18	100.50	37.38	60	171	2,577	335	449
Default	100%	612	-	100.00	100.00	79	-	-	482	985
Total		307,179	78,319	89.03	0.86	34	15	45,394	1,597	21

(1) Represents retail exposures under the AIRB Approach which are domiciled in Canada.

(2) Amounts are before allowance for credit losses and before credit risk mitigation.

(3) EAD rate represents combined drawn and undrawn exposure for a facility.

(4) Effective November 1, 2016, new exposures secured by residential real estate located in Canada are subject to a downturn LGD (DLGD) floor equivalent to the sum of the segment's long-run default-weighted average LGD and an add-on. The Bank implemented DLGD floor in Q1, 2017.

(5) EL adjusted average risk weight is calculated as (RWA + 12.5 X EL) / EAD.

(6) Includes Canadian residential mortgages and home equity lines of credit.

(7) The Bank uses the PD Substitution approach to reflect default insurance.

RETAIL AIRB PORTFOLIO EXPOSURES - CREDIT QUALITY (1)

($MM)		Basel III Q2 2017								
Category of PD Grades	PD Range	EAD(2)	Notional of undrawn commitments	Exposure weighted-average EAD(3)	Exposure weighted-average PD	Exposure weighted-average LGD (4)	Exposure weighted-average RW	RWA	EL	EL adjusted average risk weight(5)
		$	$	%	%	%	%	$	$	%
Residential Real Estate Secured(6)										
Insured Drawn and Undrawn(7)										
Exceptionally Low	0.01% to 0.04%	98,379	-	100.00	0.00	23	-	1	-	-
Very Low	0.05% to 0.19%	1,897	2	99.93	0.05	21	3	57	-	3
Low	0.20% to 0.99%	2,894	-	105.93	0.35	20	12	352	2	13
Medium Low	1.00% to 2.99%	-	-	102.85	2.02	21	41	-	-	47
Medium	3.00% to 9.99%	-	-	102.71	4.96	22	72	-	-	85
High	10.00% to 19.99%	1	-	102.85	13.70	21	107	1	-	143
Extremely High	20.00% to 99.99%	-	-	-	-	-	-	-	-	-
Default	100%	19	-	100.00	100.00	71	-	-	14	887
Sub-total		103,190	2	100.16	0.03	23	0	411	16	1
Uninsured Undrawn										
Exceptionally Low	0.00% to 0.04%	-	-	-	-	-	-	-	-	-
Very Low	0.05% to 0.19%	14,046	36,108	19.45	0.08	22	4	606	2	5
Low	0.20% to 0.99%	468	1,036	22.60	0.62	29	26	123	1	29
Medium Low	1.00% to 2.99%	101	198	25.35	2.02	33	66	66	1	74
Medium	3.00% to 9.99%	21	42	24.34	4.96	24	79	16	-	94
High	10.00% to 19.99%	10	16	30.85	13.70	25	125	12	-	167
Extremely High	20.00% to 99.99%	2	1	108.10	38.06	26	141	3	-	266
Default	100%	-	-	100.00	-	-	-	-	-	-
Sub-total		14,648	37,401	19.62	0.13	23	6	826	4	6
Uninsured Drawn										
Exceptionally Low	0.00% to 0.04%	3,933	-	100.00	0.05	27	4	142	1	4
Very Low	0.05% to 0.19%	45,679	-	100.00	0.07	20	4	1,770	7	4
Low	0.20% to 0.99%	52,321	-	100.00	0.52	22	17	8,994	62	19
Medium Low	1.00% to 2.99%	5,660	-	100.00	2.50	24	53	3,023	34	61
Medium	3.00% to 9.99%	739	-	100.00	6.21	22	80	588	10	96
High	10.00% to 19.99%	376	-	100.00	13.74	22	111	416	11	148
Extremely High	20.00% to 99.99%	228	-	100.00	34.95	20	109	248	16	196
Default	100%	244	-	100.00	100.00	63	-	-	154	788
Sub-total		109,180	-	100.00	0.80	22	14	15,181	295	17
Qualifying Revolving Retail Exposures (QRRE)										
Exceptionally Low	0.00% to 0.04%	11,692	16,489	34.31	0.05	77	2	282	4	3
Very Low	0.05% to 0.19%	8,207	10,843	36.50	0.17	68	7	534	10	8
Low	0.20% to 0.99%	11,288	8,235	52.73	0.49	78	16	1,841	42	21
Medium Low	1.00% to 2.99%	5,777	1,183	81.31	1.40	87	43	2,507	71	59
Medium	3.00% to 9.99%	5,306	943	84.73	5.57	86	109	5,789	256	169
High	10.00% to 19.99%	-	-	-	-	-	-	-	-	-
Extremely High	20.00% to 99.99%	731	15	101.23	35.62	82	214	1,562	211	575
Default	100%	183	-	100.00	100.00	88	-	-	161	1,105
Sub-total		43,184	37,708	53.43	2.07	78	29	12,515	755	51
Other Retail										
Exceptionally Low	0.00% to 0.04%	577	772	35.43	0.05	74	10	59	-	11
Very Low	0.05% to 0.19%	6,772	3	99.95	0.10	50	13	852	3	13
Low	0.20% to 0.99%	14,381	546	96.26	0.51	56	39	5,633	41	43
Medium Low	1.00% to 2.99%	4,387	13	99.67	1.74	65	80	3,528	50	95
Medium	3.00% to 9.99%	2,299	-	99.98	5.39	63	94	2,165	78	136
High	10.00% to 19.99%	520	-	100.00	19.74	57	127	659	59	268
Extremely High	20.00% to 99.99%	386	-	100.00	41.54	57	150	580	92	450
Default	100%	223	-	100.00	100.00	92	-	-	205	1,147
Sub-total		29,545	1,334	96.86	2.59	57	46	13,476	528	68
Total Retail										
Exceptionally Low	0.01% to 0.04%	114,581	17,261	92.97	0.01	29	0	484	5	0
Very Low	0.05% to 0.19%	76,601	46,956	78.42	0.09	28	5	3,819	22	5
Low	0.20% to 0.99%	81,352	9,817	92.54	0.51	36	21	16,943	148	23
Medium Low	1.00% to 2.99%	15,925	1,394	92.66	1.89	58	57	9,124	156	69
Medium	3.00% to 9.99%	8,365	985	90.12	5.58	74	102	8,558	344	154
High	10.00% to 19.99%	907	16	99.26	17.18	42	120	1,088	70	217
Extremely High	20.00% to 99.99%	1,347	16	100.68	37.20	64	178	2,393	319	474
Default	100%	669	-	100.00	100.00	80	-	-	534	997
Total		299,747	76,445	89.11	0.86	34	14	42,409	1,598	21

(1) Represents retail exposures under the AIRB Approach which are domiciled in Canada.

(2) Amounts are before allowance for credit losses and before credit risk mitigation.

(3) EAD rate represents combined drawn and undrawn exposure for a facility.

(4) Effective November 1, 2016, new exposures secured by residential real estate located in Canada are subject to a downturn LGD (DLGD) floor equivalent to the sum of the segment's long-run default-weighted average LGD and an add-on. The Bank implemented DLGD floor in Q1, 2017.

(5) EL adjusted average risk weight is calculated as (RWA + 12.5 X EL) / EAD.

(6) Includes Canadian residential mortgages and home equity lines of credit.

(7) The Bank uses the PD Substitution approach to reflect default insurance.

AIRB CREDIT LOSSES

Scotiabank

Exposure Type	Basel III									
	Q3 2017		Q2 2017		Q1 2017		Q4 2016		Q3 2016	
	Actual Loss Rate	Expected Loss Rate	Actual Loss Rate	Expected Loss Rate	Actual Loss Rate	Expected Loss Rate	Actual Loss Rate	Expected Loss Rate	Actual Loss Rate	Expected Loss Rate
	%	%	%	%	%	%	%	%	%	%
Non-Retail(1)										
Corporate	**0.11**	**0.81**	0.14	0.78	0.22	0.67	0.25	0.80	0.24	0.80
Sovereign	**-**	**0.02**	-	0.02	-	0.04	-	0.02	-	0.02
Bank	**-**	**0.09**	-	0.10	-	0.11	-	0.09	-	0.09
Retail(2)										
Real Estate Secured	**0.01**	**0.11**	0.01	0.11	0.01	0.13	0.01	0.12	0.01	0.12
QRRE	**2.77**	**4.16**	2.62	4.23	2.36	4.29	2.21	4.37	2.55	4.37
Other Retail	**0.66**	**1.91**	0.62	1.86	0.59	1.86	0.60	1.72	0.59	1.72

(1) Non-retail actual loss rates represent the credit losses net of recoveries for the current and prior three quarters divided by the 5-point average of outstanding loan balances for the same four-quarter period beginning 12 months ago. Expected loss rates represent the expected losses that were predicted at the beginning of the four-quarter period divided by outstanding loan balances at the beginning of the four-quarter period.

(2) Retail actual loss rates represent write-offs net of recoveries for the current and prior three quarters divided by the 5-point average of outstanding loan balances for the same four-quarter period beginning 12 months ago. Expected loss rates represent the expected losses that were predicted at the beginning of the four-quarter period divided by outstanding loan balances at the beginning of the four-quarter period.

ESTIMATED AND ACTUAL LOSS PARAMETERS - NON-RETAIL AND RETAIL AIRB PORTFOLIOS

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	Q3 2017 (1)						Q2 2017 (1)					
	Average estimated PD %	Actual default rate %	Average estimated LGD %	Actual LGD %	Average estimated CCF(2) %	Actual CCF(2) %	Average estimated PD %	Actual default rate %	Average estimated LGD %	Actual LGD %	Average estimated CCF(2) %	Actual CCF(2) %
Non-Retail	**0.89**	**0.45**	**41.22**	**22.85**	**51.33**	**9.03**	0.88	0.57	51.30	23.02	51.28	17.58

(1) Reporting is on a one quarter lag basis. For reporting as of Q3/17, estimated parameters are based on portfolio averages at Q2/16 whereas actual parameters are based on averages of realized parameters during the subsequent four quarters (Q3/16 – Q2/17).

(2) EAD back-testing is performed through Credit Conversion Factor (CCF) back-testing, as EAD is computed using the sum of the drawn exposure and the committed undrawn exposure multiplied by the estimated CCF.

	Four-quarter period ending Q3 2017 (1)						Four-quarter period ending Q2 2017(1)					
($MM)	Average estimated PD(2)(7) %	Actual default rate(2)(5) %	Average estimated LGD(3)(7) %	Actual LGD(3)(6) %	Estimated EAD(4)(7) $	Actual EAD(4)(5) $	Average estimated PD(2)(7) %	Actual default rate(2)(5) %	Average estimated LGD(3)(7) %	Actual LGD(3)(6) %	Estimated EAD(4)(7) $	Actual EAD(4)(5) $
Residential real estate secured												
Residential mortgages												
Insured mortgages(8)	**0.73**	**0.60**	**-**	**-**	**-**	**-**	0.82	0.73	-	-	-	-
Uninsured mortgages	**0.49**	**0.48**	**17.87**	**10.90**	**-**	**-**	0.45	0.42	18.19	10.53	-	-
Secured lines of credit	**0.76**	**0.31**	**28.99**	**14.72**	**103**	**90**	0.77	0.30	28.91	16.15	99	86
Qualifying revolving retail exposures	**2.09**	**1.98**	**77.37**	**63.21**	**756**	**659**	2.09	1.95	77.44	63.02	744	647
Other retail	**2.14**	**1.33**	**58.58**	**45.84**	**7**	**7**	2.16	1.35	58.41	46.08	6	6

(1) Estimates and Actual Values are recalculated to align with new models implemented during the period.

(2) Account weighted aggregation.

(3) Default weighted aggregation.

(4) EAD is estimated for revolving products only.

(5) Actual based on accounts not at default as at four quarters prior to reporting date.

(6) Actual LGD calculated based on 24 month recovery period after default and therefore excludes any recoveries received after the 24 month period.

(7) Estimates are based on the four quarters prior to the reporting date.

(8) Actual and Estimated LGD for insured mortgages are not shown. Actual LGD includes the insurance benefit, whereas estimated LGD may not.

CREDIT RISK MITIGATION

Scotiabank

EXPOSURE AT DEFAULT [1]

($MM)	Basel III														
	Q3 2017			Q2 2017			Q1 2017			Q4 2016			Q3 2016		
	Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives	
Exposure type	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach
Non-Retail															
Corporate	**628**	**1,866**	**15,745**	580	1,840	19,210	472	1,559	18,722	527	1,509	17,919	643	1,362	15,298
Bank	**-**	**-**	**8,436**	-	-	8,703	-	-	9,428	-	-	9,727	-	-	9,563
Sovereign	**2**	**76**	**6,288**	-	-	6,124	-	86	7,272	-	95	7,701	-	92	6,904
Total Non-Retail	**630**	**1,942**	**30,469**	**580**	**1,840**	**34,037**	**472**	**1,645**	**35,422**	**527**	**1,604**	**35,347**	**643**	**1,454**	**31,765**
Retail															
Residential Mortgages [2]	**-**	**3,746**	**96,794**	-	3,522	98,354	-	3,165	101,005	-	2,945	102,514	-	2,396	105,718
Secured Lines of Credit															
Qualifying Revolving Retail Exposures (QRRE)															
Other Retail	**547**	**1,199**	**-**	637	1,067	-	613	1,071	-	637	1,105	-	717	1,206	-
Total Retail	**547**	**4,945**	**96,794**	**637**	**4,589**	**98,354**	**613**	**4,236**	**101,005**	**637**	**4,050**	**102,514**	**717**	**3,602**	**105,718**
Total	**1,177**	**6,887**	**127,263**	**1,217**	**6,429**	**132,391**	**1,085**	**5,881**	**136,427**	**1,164**	**5,654**	**137,861**	**1,360**	**5,056**	**137,483**

(1) Includes drawn, undrawn and other off-balance sheet exposures (e.g., letters of credit and letters of guarantee) covered by eligible collateral and guarantees.

(2) Primarily includes insured drawn Canadian residential mortgages (e.g. CMHC insured mortgages).

DERIVATIVES - COUNTERPARTY CREDIT RISK [1]

($MM)	Basel III															
	Q3 2017				Q2 2017				Q1 2017				Q4 2016			
Contract Types	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount[3]	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount[3]	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount[3]	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount[3]
Interest Rate Contracts:																
Futures and Forward Rate Agreements	**415,898**	**17**	**157**	**14**	476,404	17	251	14	332,808	35	204	25	422,104	9	100	17
Swaps	**2,640,075**	**94**	**4,716**	**1,350**	2,343,203	840	6,046	1,626	2,230,451	755	5,938	1,774	2,294,534	2,703	7,331	2,125
Options Purchased	**51,756**	**12**	**106**	**49**	40,690	44	161	77	47,480	5	103	51	50,830	6	107	52
Options Written	**51,034**	**-**	**124**	**36**	43,454	11	14	3	39,102	-	95	21	40,147	-	1	-
Total	**3,158,763**	**123**	**5,103**	**1,449**	**2,903,751**	**912**	**6,472**	**1,720**	**2,649,841**	**795**	**6,340**	**1,871**	**2,807,615**	**2,718**	**7,539**	**2,194**
Foreign Exchange Contracts:																
Futures and Forwards	**436,986**	**2,379**	**4,961**	**1,493**	461,815	3,529	5,124	1,375	444,052	2,642	5,051	1,303	485,153	2,057	5,458	1,342
Swaps	**363,821**	**3,908**	**6,722**	**2,015**	377,982	4,298	7,359	1,881	360,893	3,735	6,693	1,821	354,604	2,532	5,976	1,594
Options Purchased	**29,540**	**752**	**578**	**152**	26,363	565	554	226	21,701	446	507	233	16,616	322	532	129
Options Written	**30,850**	**-**	**69**	**10**	26,732	-	77	38	21,607	-	44	20	16,245	-	127	19
Total	**861,197**	**7,039**	**12,330**	**3,670**	**892,892**	**8,392**	**13,114**	**3,520**	**848,253**	**6,823**	**12,295**	**3,377**	**872,618**	**4,911**	**12,093**	**3,084**
Other Derivatives Contracts:																
Equity	**91,683**	**160**	**5,291**	**1,470**	100,502	431	4,966	1,740	105,035	12	5,043	1,670	87,908	871	5,308	1,677
Credit	**37,431**	**18**	**1,423**	**217**	42,705	90	1,205	196	43,928	11	1,975	496	49,058	32	2,032	340
Other	**95,161**	**145**	**8,361**	**683**	118,764	696	11,342	905	111,153	23	7,163	1,259	78,753	1,109	6,493	645
Total	**224,275**	**323**	**15,075**	**2,370**	**261,971**	**1,217**	**17,513**	**2,841**	**260,116**	**46**	**14,181**	**3,425**	**215,719**	**2,012**	**13,833**	**2,662**
Credit Valuation Adjustment[2][3]				**3,733**				**3,923**				**4,769**				**4,165**
Total Derivatives after Netting and Collateral	**4,244,235**	**7,485**	**32,508**	**11,222**	**4,058,614**	**10,521**	**37,099**	**12,004**	**3,758,210**	**7,664**	**32,816**	**13,442**	**3,895,952**	**9,641**	**33,465**	**12,105**

	Basel III							
	Q3 2016		Q2 2016		Q1 2016		Q4 2015	
Contract Types	Notional Amount	Risk-weighted Amount	Notional Amount	Risk-weighted Amount	Notional Amount	Risk-weighted Amount	Notional Amount	Risk-weighted Amount
Interest Rate Contracts:								
Futures and Forward Rate Agreements	517,818	19	707,435	12	936,412	52	997,269	45
Swaps	2,404,362	2,321	2,442,636	1,913	2,850,581	2,083	2,815,412	1,871
Options Purchased	58,697	59	67,398	62	69,257	150	61,404	138
Options Written	50,236	-	59,001	-	62,841	-	61,655	-
Total	**3,031,113**	**2,399**	**3,276,470**	**1,987**	**3,919,091**	**2,285**	**3,935,740**	**2,054**
Foreign Exchange Contracts:								
Futures and Forwards	484,425	1,564	477,938	1,949	543,686	2,055	458,256	1,865
Swaps	341,829	1,359	334,784	1,434	364,107	2,545	338,328	2,214
Options Purchased	20,451	134	9,244	129	5,766	126	5,633	98
Options Written	20,173	16	8,850	3	4,920	-	4,884	-
Total	**866,878**	**3,073**	**830,816**	**3,515**	**918,479**	**4,726**	**807,101**	**4,177**
Other Derivatives Contracts:								
Equity	77,185	1,556	63,384	1,618	64,934	2,201	62,549	2,049
Credit	46,779	388	49,220	505	60,447	611	63,933	608
Other	76,838	739	80,213	809	86,902	1,930	149,806	1,945
Total	**200,802**	**2,683**	**192,817**	**2,932**	**212,283**	**4,742**	**276,288**	**4,602**
Total Derivatives	**4,098,793**	**8,155**	**4,300,103**	**8,434**	**5,049,853**	**11,753**	**5,019,129**	**10,833**
Credit Valuation Adjustment[2]		**4,749**		**4,778**		**8,305**		**7,183**
Risk-weighted Amount		**12,904**		**13,212**		**20,058**		**18,016**

(1) The impact of Master Netting Agreements and Collateral has been incorporated within the various contracts. As a result, risk-weighted amounts are reported net of impact of collateral and master netting arrangements.

(2) As per OSFI guideline, Credit Valuation Adjustment RWA on derivatives was phased-in 2014. Starting Q1, 2017 the CVA risk-weighted assets have been calculated using the scalars of 0.72, 0.77 and 0.81, to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.

(3) As of Q2 2016, the bank implemented the Internal Modelling Method for determination of Counterparty Credit Risk and Credit Valuation Adjustment RWA.

RISK-WEIGHTED ASSETS FOR SECURITIZATION EXPOSURES - BANKING BOOK[1]

Scotiabank

($MM)			Basel III															
			Q3 2017				Q2 2017				Q1 2017				Q4 2016			
			Exposure at Default[2]				Exposure at Default[2]				Exposure at Default[2]				Exposure at Default[2]			
Risk Category	External Rating (S&P)	Risk-Weight %	On- Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On- Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On- Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On- Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets
Securitization																		
Investment Grade	AAA to A	7 - 25	**10,157**	**12,567**	**22,724**	**2,070**	10,423	14,132	**24,555**	2,225	9,999	13,363	**23,362**	2,074	10,176	14,602	**24,778**	2,081
	A- to BBB- [3]	35 - 100	**130**	**335**	**465**	**223**	134	4	**138**	114	142	4	**146**	117	136	12	**148**	119
Non-Investment Grade	BB+ to BB-	150 - 650	**18**	**1**	**19**	**95**	13	-	**13**	57	-	-	**-**	-	-	-	**-**	-
	Below BB-	1250	**-**	**-**	**-**	**-**	-	-	**-**	-	-	-	**-**	-	-	-	**-**	-
			10,305	**12,903**	**23,208**	**2,388**	**10,570**	**14,136**	**24,706**	**2,396**	**10,141**	**13,367**	**23,508**	**2,191**	**10,312**	**14,614**	**24,926**	**2,200**
Resecuritization																		
Investment Grade	AAA to A	20 - 65	**-**	**-**	**-**	**-**	-	-	**-**	-	-	-	**-**	-	-	-	**-**	-
	A- to BBB-	100 - 350	**70**	**-**	**70**	**141**	62	2	**64**	128	61	-	**61**	122	79	-	**79**	158
					-				**-**				**-**				**-**	
Non-Investment Grade	BB+ to BB-	500 - 850	**-**	**-**	**-**	**-**	-	-	**-**	-	-	-	**-**	-	-	-	**-**	-
	Below BB-	1250	**-**	**-**	**-**	**-**	15	-	**15**	193	20	-	**20**	248	20	-	**20**	255
			70	**-**	**70**	**141**	**77**	**2**	**79**	**321**	**81**	**-**	**81**	**370**	**99**	**-**	**99**	**413**
Total			**10,375**	**12,903**	**23,278**	**2,529**	**10,647**	**14,138**	**24,785**	**2,717**	**10,222**	**13,367**	**23,589**	**2,561**	**10,411**	**14,614**	**25,025**	**2,613**

($MM)	Basel III															
	Q3 2017				Q2 2017				Q1 2017				Q4 2016			
	Exposure at Default[2]				Exposure at Default[2]				Exposure at Default[2]				Exposure at Default[2]			
Underlying Asset	On- Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On- Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On- Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On- Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)
Residential Mortgages	**6**	**1,608**	**1,614**	**-**	-	1,275	**1,275**	-	468	1,275	**1,743**	-	510	1,275	**1,785**	-
Commercial Mortgages	**-**	**-**	**-**	**-**	-	-	**-**	-	-	-	**-**	-	-	-	**-**	-
Credit cards/Consumer receivables	**642**	**2,665**	**3,307**	**-**	703	2,720	**3,423**	-	614	2,213	**2,827**	-	623	2,304	**2,927**	-
Auto loans/Leases	**5,107**	**5,915**	**11,022**	**-**	5,461	6,355	**11,816**	-	4,180	6,440	**10,620**	-	4,295	6,889	**11,184**	-
Diversified asset-backed securities	**189**	**2**	**191**	**-**	125	38	**163**	15	54	61	**115**	20	136	34	**170**	20
Business Loans	**-**	**-**	**-**	**-**	-	-	**-**	-	-	12	**12**	-	-	22	**22**	-
Trade receivables	**3,935**	**2,703**	**6,638**	**-**	3,604	3,714	**7,318**	-	4,176	3,342	**7,518**	-	3,963	4,070	**8,033**	-
Other	**496**	**10**	**506**	**-**	754	36	**790**	-	730	24	**754**	-	884	20	**904**	-
Total	**10,375**	**12,903**	**23,278**	**-**	**10,647**	**14,138**	**24,785**	**15**	**10,222**	**13,367**	**23,589**	**20**	**10,411**	**14,614**	**25,025**	**20**

(1) Capital charges related to trading book securitization exposures are based upon the Bank's internal market risk models including its comprehensive risk measure.

(2) Includes banking book on-balance sheet investments in asset backed securities (ABS), collateralized loan obligations (CLOs), collateralized debt obligations (CDOs), and off-balance sheet liquidity lines and credit enhancements to Bank sponsored and non-bank sponsored ABCP conduits.

(3) Included in on-balance sheet exposures effective Q3 2016 are investment grade subordinated notes retained by the Bank, issued by Trillium Credit Card Trust II, and backed by bank originated credit card receivables. OSFI's Securitization Framework is applied.

RISK-WEIGHTED ASSETS FOR SECURITIZATION EXPOSURES - BANKING BOOK [1] (CONTINUED)

Scotiabank

($MM)			Basel III															
			Q3 2016				Q2 2016				Q1 2016				Q4 2015			
			Exposure at Default[2]				Exposure at Default[2]				Exposure at Default [2]				Exposure at Default [2]			
Risk Category	External Rating (S&P)	Risk-Weight %	On-Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On-Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On-Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On - Balance Sheet	Off - Balance Sheet	Total	Risk-Weighted Assets
Securitization																		
Investment Grade	AAA to A	7 - 25	10,183	14,600	**24,783**	2,090	9,268	14,271	**23,539**	1,980	10,231	12,965	**23,196**	1,961	8,581	12,110	**20,691**	1,807
	A- to BBB-	35 - 100	169	10	**179**	151	69	9	**78**	75	160	15	**175**	170	118	13	**131**	124
Non-Investment Grade	BB+ to BB-	150 - 650	3	-	**3**	8	3	-	**3**	8	3	-	**3**	8	3	-	**3**	8
	Below BB-	1250	-	-	**-**	-	-	-	**-**	-	-	-	**-**	-	28	-	**28**	350
			10,355	**14,610**	**24,965**	**2,249**	**9,340**	**14,280**	**23,620**	**2,063**	**10,394**	**12,980**	**23,374**	**2,139**	**8,730**	**12,123**	**20,853**	**2,289**
Resecuritization																		
Investment Grade	AAA to A	20 - 65	-	38	**38**	25	-	38	**38**	25	-	38	**38**	25	-	38	**38**	25
	A- to BBB-	100 - 350	69	-	**69**	151	67	-	**67**	147	74	-	**74**	160	89	-	**89**	196
Non-Investment Grade	BB+ to BB-	500 - 850	18	-	**18**	119	18	-	**18**	115	20	-	**20**	128	-	-	**-**	-
	Below BB-	1250	20	-	**20**	249	19	-	**19**	238	21	-	**21**	267	20	-	**20**	249
			107	**38**	**145**	**544**	**104**	**38**	**142**	**525**	**115**	**38**	**153**	**580**	**109**	**38**	**147**	**470**
Total			**10,462**	**14,648**	**25,110**	**2,793**	**9,444**	**14,318**	**23,762**	**2,588**	**10,509**	**13,018**	**23,527**	**2,719**	**8,839**	**12,161**	**21,000**	**2,759**

($MM)	Basel III															
	Q3 2016				Q2 2016				Q1 2016				Q4 2015			
	Exposure at Default [2]				`				Exposure at Default [2]				Exposure at Default [2]			
Underlying Asset	On-Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On-Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On-Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On-Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)
Residential Mortgages	461	1,275	**1,736**	-	415	1,275	**1,690**	-	487	1,275	**1,762**	-	187	1,275	**1,462**	-
Commercial Mortgages	3	-	**3**	-	3	-	**3**	-	3	-	**3**	-	9	-	**9**	-
Credit cards/Consumer receivables	765	2,491	**3,256**	-	757	2,835	**3,592**	-	992	2,631	**3,623**	-	576	2,658	**3,234**	-
Auto loans/Leases	4,242	6,824	**11,066**	-	3,472	5,931	**9,403**	-	4,395	3,967	**8,362**	-	3,914	2,940	**6,854**	28
Diversified asset-backed securities	169	14	**183**	20	165	59	**224**	19	267	71	**338**	21	211	43	**254**	20
Business Loans	-	32	**32**	-	-	46	**46**	-	-	62	**62**	-	-	80	**80**	-
Trade receivables	4,093	3,850	**7,943**	-	3,633	4,101	**7,734**	-	3,604	4,934	**8,538**	-	3,083	5,116	**8,199**	-
Other	729	162	**891**	-	999	71	**1,070**	-	761	78	**839**	-	859	49	**908**	-
Total	**10,462**	**14,648**	**25,110**	**20**	**9,444**	**14,318**	**23,762**	**19**	**10,509**	**13,018**	**23,527**	**21**	**8,839**	**12,161**	**21,000**	**48**

(1) Capital charges related to trading book securitization exposures are based upon the Bank's internal market risk models including its comprehensive risk measure. Prior periods have been restated to conform with current presentation.

(2) Includes banking book on-balance sheet investments in asset backed securities (ABS), collateralized loan obligations (CLOs), collateralized debt obligations (CDOs), and off-balance sheet liquidity lines and credit enhancements to bank sponsored and non-bank sponsored ABCP conduits.

TOTAL MARKET RISK-WEIGHTED ASSETS

Scotiabank

($MM)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
All Bank VaR	**1,398**	1,390	1,498	1,306	1,439
All Bank stressed VaR	**3,368**	3,201	3,660	2,616	3,542
Incremental risk charge	**3,383**	3,557	4,361	5,086	5,301
Comprehensive risk measure[(1)]	**264**	602	708	963	838
Standardized approach	**491**	402	416	600	576
Market risk-weighted assets as at end of Quarter	**8,904**	**9,152**	**10,643**	**10,571**	**11,696**

(1) The Q3 2017 related capital charge for total comprehensive risk measure including securitization exposures is $21MM (Q2 2017: $48MM) broken down as follows: Market Simulation $3MM (Q2 2017: $14MM), Default & Migration Risk $18MM (Q2 2017: $34MM).

SUMMARY COMPARISON OF ACCOUNTING BASIS vs LEVERAGE RATIO EXPOSURE MEASURE - TRANSITIONAL BASIS

Scotiabank

($MM)	Item	Q3 2017	Q2 2017
1	Total consolidated assets as per published financial statements	**906,332**	921,646
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	**(631)**	(473)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	**-**	-
4	Adjustments for derivative financial instruments	**1,743**	9,227
5	Adjustment for securities financing transactions (i.e., repo assets and similar secured lending)	**14,538**	12,849
6	Adjustment for off balance-sheet items (i.e., credit equivalent amounts of off-balance sheet exposures)	**122,937**	131,681
7	Other adjustments	**(11,419)**	(11,811)
8	Leverage Ratio Exposure (transitional basis)	**1,033,500**	**1,063,119**

LEVERAGE RATIO FRAMEWORK

Scotiabank

($MM)	Item	Q3 2017	Q2 2017
	On-balance sheet exposures [(1)]		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	**782,545**	781,890
2	(Asset amounts deducted in determining Basel III transitional Tier 1 capital)	**(11,419)**	(11,811)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	**771,126**	770,079
	Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	**6,219**	8,740
5	Add-on amounts for PFE associated with all derivative transactions	**32,454**	37,727
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	**-**	-
7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	**(3,305)**	(3,592)
8	(Exempted CCP-leg of client cleared trade exposures)	**-**	-
9	Adjusted effective notional amount of written credit derivatives	**9,638**	11,753
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(6,007)**	(7,760)
11	Total derivative exposures (sum of lines 4 to 10)	**38,999**	46,868
	Securities financing transaction exposures		
12	Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	**97,281**	116,373
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(11,380)**	(14,731)
14	Counterparty credit risk (CCR) exposure for SFT assets	**14,537**	12,849
15	Agent transaction exposures	**-**	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	**100,438**	114,491
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	**381,877**	402,041
18	(Adjustments for conversion to credit equivalent amounts)	**(258,940)**	(270,360)
19	Off-balance sheet items (sum of lines 17 and 18)	**122,937**	131,681
	Capital and Total Exposures - Transitional Basis		
20	Tier 1 capital	**47,076**	48,357
21	Total Exposures (sum of lines 3, 11, 16 and 19)	**1,033,500**	1,063,119
	Leverage Ratios - Transitional Basis		
22	Basel III leverage ratio	**4.6%**	4.5%
	All-in basis (Required by OSFI)		
23	Tier 1 capital – All-in basis	**45,913**	47,048
24	(Regulatory adjustments)	**(12,476)**	(12,991)
25	Total Exposures (sum of lines 21 and 24, less the amount reported in line 2) – All-in basis	**1,032,443**	1,061,939
26	Leverage ratio – All-in basis	**4.4%**	4.4%

(1) On-balance sheet items excludes securities purchased under resale agreements and securities borrowed ($85,901MM), derivative financial instruments ($37,255MM), assets outside the regulatory scope of consolidation ($631MM).

LEVERAGE RATIO FRAMEWORK - DESCRIPTION OF LINE ITEMS

Scotiabank

Row Number	Explanation
1	On-balance sheet assets (excluding derivatives, Securities Financing Transactions (SFTs) and grandfathered securitization exposures but including collateral) according to paragraphs 14 and 17 to 20 of the Leverage Requirements Guideline.
2	Deductions from Basel III Tier 1 capital determined by paragraphs 4, 15 and 16 of the Leverage Requirements Guideline and excluded from the leverage ratio exposure measure, reported as negative amounts.(1)
3	Sum of lines 1 and 2.
4	Replacement cost (RC) associated with all derivative transactions, (including exposure resulting from transactions described in paragraph 42 of the Leverage Requirements Guideline), net of cash variation margin received and with, where applicable, bilateral netting according to paragraphs 22 to 35 and 40 of the Leverage Requirements Guideline.
5	Add-on amount for all derivatives exposure according to paragraphs 22 to 35 of the Leverage Requirements Guideline.
6	Grossed-up amount for collateral provided according to paragraph 38 of the Leverage Requirements Guideline.
7	Deductions of receivables assets from cash variation margin provided in derivative transactions according to paragraph 40 of the Leverage Requirements Guideline, reported as negative amounts.
8	Exempted trade exposures associated with the CCP-leg of derivative transactions resulting from client cleared transactions according to paragraph 41 of the Leverage Requirements Guideline, reported as negative amounts.
9	Adjusted effective notional amount (i.e. the effective notional amount reduced by any negative change in fair value) for written credit derivatives according to paragraphs 45 to 47 of the Leverage Requirements Guideline.
10	Adjusted effective notional offsets of written credit derivatives according to paragraphs 45 to 47 of the Leverage Requirements Guideline and deducted add-on amounts relating to written credit derivatives according to paragraph 48 of the Leverage Requirements Guideline, reported as negative amounts.
11	Sum of lines 4 to 10.
12	Gross SFT assets recognized for accounting purposes with no recognition of any netting other than novation with QCCPs as set out in footnote 30 of the Leverage Requirements Guideline, removing certain securities received as determined by paragraph 50 (i) of the Leverage Requirements Guideline and adjusting for any sales accounting transactions as determined by paragraph 53 of the Leverage Requirements Guideline.
13	Cash payables and cash receivables of Gross SFT assets netted according to paragraph 50 (i) of the Leverage Requirements Guideline, reported as negative amounts.
14	Measure of counterparty credit risk for SFTs as determined by paragraph 50 (ii) of the Leverage Requirements Guideline.
15	Agent transaction exposure amount determined according to paragraphs 54 to 56 of the Leverage Requirements Guideline.
16	Sum of lines 12 to 15.
17	Total off-balance sheet exposure amounts on a gross notional basis, before any adjustment for credit conversion factors according to paragraphs 57 to 65 of the Leverage Requirements Guideline.
18	Reduction in gross amount of off-balance sheet exposures due to the application of credit conversion factors in paragraphs 57 to 65 of the Leverage Requirements Guideline.
19	Sum of lines 17 and 18.
20	Tier 1 capital as determined by paragraph 10 of the Leverage Requirements Guideline.(1)
21	Sum of lines 3, 11, 16 and 19.
22	Basel III leverage ratio according to paragraph 5 of the Leverage Requirements Guideline.(1) (Line 20/21)
23	Tier 1 capital measured on an all-in basis as specified in Chapter 2 of OSFI's Capital Adequacy Requirements Guideline.
24	Regulatory adjustments to Tier 1 capital measured on an all-in basis as specified in Chapter 2 of OSFI's Capital Adequacy Requirements Guideline, reported as negative amounts.
25	Sum of lines 21 and 24, less the amount reported in line 2.
26	Leverage ratio measured on all-in basis; the ratio of the Tier 1 capital amount reported in line 23 to the Total Exposure amount reported in line 25.

(1) Measured on transitional basis.

GLOSSARY

Credit Risk Parameters	
Exposure at Default (EAD)	Generally represents the expected gross exposures at default and includes outstanding amounts for on-balance sheet exposures and loan equivalent amounts for off-balance sheet exposures.
Probability of Default (PD)	Measures the likelihood that a borrower will default within a 1-year time horizon, expressed as a percentage.
Loss Given Default (LGD)	Measures the severity of loss on a facility in the event of a borrower's default, expressed as a percentage of exposure at default.
Exposure Types	
Non-retail	
Corporate	Debt obligation of a corporation, partnership, or proprietorship.
Bank	Debt obligation of a bank or bank equivalent (including certain public sector entities (PSEs) treated as Bank equivalent exposures).
Sovereign	Debt obligation of a sovereign, central bank, certain Multi Development Banks (MDBs) and certain PSEs treated as Sovereign.
Securitization	On-balance sheet investments in asset backed securities (ABS), mortgage backed securities (MBS), collateralized loan obligations (CLOs) and collateralized debt obligations (CDOs). Off-balance sheet liquidity lines including credit enhancements to Bank's sponsored ABCP conduits and liquidity lines to non-bank sponsored ABCP conduits.
Retail	
Real Estate Secured	
Residential Mortgages	Loans to individuals against residential property (four units or less).
Secured Lines Of Credit	Revolving personal lines of credit secured by first charge on residential real estate.
Qualifying Revolving Retail Exposures (QRRE)	Credit cards and unsecured line of credit for individuals.
Other Retail	All other personal loans.
Exposure Sub-types	
Drawn	Outstanding amounts for loans, leases, acceptances, deposits with banks and available-for-sale debt securities.
Undrawn	Unutilized portion of an authorized credit line.
Repo-Style Transactions	Reverse repurchase agreements (reverse repos) and repurchase agreements (repos), securities lending and borrowing.
Over-the Counter (OTC) Derivatives	Over-the-counter derivatives contracts.
Exchange-traded derivatives (ETD)	Derivative contracts (e.g. futures contracts and options) that are transacted on an organized futures exchange. These include Futures contracts (both Long and Short positions), Purchased Options and Written Options.
Other Off- Balance Sheet	Direct credit substitutes such as standby letters of credits and guarantees, trade letters of credits, and performance letters of credits and guarantees.
Qualifying central counterparty (QCCP)	A qualifying central counterparty (QCCP) is licensed as a central counterparty and is also considered as “qualifying” when it is compliant with CPSS-IOSCO standards and is able to assist clearing member banks in properly capitalizing for CCP exposures by either undertaking the calculations and/or making available sufficient information to its clearing members, or others, to enable the completion of capital calculations.
Non-qualifying central counterparties (NQCCP)	Defined as those central counterparties which are not compliant with CPSS-IOSCO standards as outlined under qualifying CCP’s. The exposures to NQCCP will follow standardized treatment under the Basel accord.
Other	
Asset Value Correlation Multiplier (AVC)	Basel III has increased the risk-weights on exposures to certain Financial Institutions (FIs) relative to the non-financial corporate sector by introducing an Asset Value Correlation multiplier (AVC). The correlation factor in the risk-weight formula is multiplied by this AVC factor of 1.25 for all exposures to regulated FIs whose total assets are greater than or equal to US $100 billion and all exposures to unregulated FIs.
Basel I Capital Floor	A capital floor based on the Basel I approach is calculated by banks using advanced approaches for credit risk or operational risk, as prescribed by OSFI in CAR. If applicable, this floor is applied at aggregate level.
Specific Wrong-Way Risk (WWR)	Specific Wrong-Way Risk arises when the exposure to a particular counterparty is positively correlated with the probability of default of the counterparty due to the nature of the transactions with the counterparty.
Credit Valuation Adjustment (CVA)	Credit Valuation Adjustment (CVA) is the difference between the risk free value of a portfolio and the true value of that portfolio, accounting for the possible default of a counterparty. CVA adjustment aims to identify the impact of Counterparty Risk.
Advanced Measurement Approaches (AMA)	Under the AMA, the regulatory capital requirement for Operational Risk will equal the risk measure generated by the bank's internal operational risk measurement system using the quantitative and qualitative criteria. AMA utilizes risk drivers for capital movements (such as internal loss experience, business environment and internal control factors, external loss experience, and scenarios).