

# SUPPLEMENTARY FINANCIAL INFORMATION



October 31, 2008

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# HIGHLIGHTS



	QUARTERLY TREND								FULL YEAR			
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Operating Performance:</b>												
Net Income (\$MM)	315	1,010	980	835	954	1,032	1,039	1,020	897	3,140	4,045	3,579
Net Income available to Common Shareholders (\$MM)	283	978	958	814	938	1,016	1,028	1,012	890	3,033	3,994	3,549
EPS (\$) - basic	0.28	0.99	0.97	0.83	0.95	1.03	1.04	1.02	0.90	3.07	4.04	3.59
- diluted	0.28	0.98	0.97	0.82	0.95	1.02	1.03	1.01	0.89	3.05	4.01	3.55
ROE (%)	6.0	21.0	21.4	18.3	21.0	21.7	22.4	22.1	21.1	16.7	22.0	22.1
Net Interest Margin (%) (1)	1.68	1.79	1.76	1.79	1.87	1.86	1.93	1.91	1.89	1.75	1.89	1.95
Productivity Ratio (TEB) (%)	75.2	54.3	54.8	56.5	54.4	53.0	53.8	53.6	56.9	59.4	53.7	55.3
Effective Tax Rate (%)	0.6	21.7	17.0	18.2	17.1	21.8	21.1	21.0	18.0	17.5	20.3	19.2
Effective Tax Rate (TEB) (%)	22.3	27.3	23.3	26.4	29.9	27.2	27.0	26.8	26.5	25.4	27.7	26.3
<b>Cash Flow:</b>												
Cash Net Income (\$MM) (2)	324	1,019	988	842	962	1,039	1,046	1,028	905	3,173	4,075	3,604
Cash EPS (\$) - basic (2)	0.30	1.00	0.98	0.83	0.96	1.04	1.04	1.03	0.91	3.11	4.07	3.62
- diluted (2)	0.30	0.99	0.97	0.83	0.96	1.03	1.03	1.02	0.90	3.09	4.04	3.57
Cash ROE (%) (2)	6.2	21.2	21.6	18.5	21.1	21.9	22.6	22.2	21.3	16.8	22.2	22.3
<b>Balance Sheet:</b>												
Total Assets (\$B)	507.6	462.4	452.6	449.4	411.5	408.1	411.7	396.5	379.0			
Loans and Acceptances (\$B)	300.6	283.7	267.9	260.5	238.7	233.0	226.3	222.7	212.3			
Deposits (\$B)	346.6	332.5	322.4	316.8	288.5	287.0	291.6	277.0	263.9			
Common Shareholders' Equity (\$B)	18.8	18.8	18.2	18.1	17.2	18.4	18.7	18.9	16.9			
<b>Credit Quality:</b>												
Net Impaired Loans (\$MM) (3)	1,191	1,009	845	689	601	584	579	579	570			
General Allowance for Credit Losses (\$MM)	1,323	1,323	1,323	1,298	1,298	1,298	1,298	1,323	1,307			
Net Impaired Loans as % of Loans and Acceptances (3)	0.40	0.36	0.32	0.26	0.25	0.25	0.26	0.26	0.27			
Specific Provisions (\$MM)	207	159	153	111	95	92	45	63	92	630	295	276
- % of Average Loans and Acceptances	0.29	0.23	0.24	0.18	0.16	0.16	0.08	0.12	0.18	0.24	0.13	0.14
<b>Capital Measures (4):</b>												
Tier 1 Capital Ratio (%)	9.3	9.8	9.6	9.0	9.3	9.7	10.1	10.4	10.2			
Total Capital Ratio (%)	11.1	11.5	11.7	10.2	10.5	10.6	11.4	11.7	11.7			
Tangible Common Equity Ratio (%)	7.3	7.6	7.5	7.2	7.2	7.7	8.0	8.4	8.3			
Risk-Weighted Assets (\$B)	250.6	225.8	218.9	234.9	218.3	219.8	213.1	206.8	197.0			

(1) Net Interest Income (TEB) as % of Average Total Assets.

(2) Excludes amortization of intangibles (net of taxes).

(3) Net Impaired Loans are Impaired Loans less Specific Allowance for Credit Losses.

(4) Effective Q1/08, regulatory capital ratios are determined in accordance with Basel II rules. Comparative amounts for periods prior to Q1/08 were determined under Basel I rules.

# COMMON SHARE AND OTHER INFORMATION



	QUARTERLY TREND									FULL YEAR		
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Valuation:</b>												
Book Value per Share (\$)	18.94	18.99	18.45	18.40	17.45	18.71	18.90	18.99	17.13	18.94	17.45	17.13
Share Price (\$) - High	51.55	52.51	50.00	54.00	53.49	54.67	54.73	53.39	49.50	54.00	54.73	49.80
- Low	35.25	41.95	42.00	43.10	46.70	48.91	49.34	48.80	45.36	35.25	46.70	41.55
- Close	40.19	49.98	47.82	48.19	53.48	49.45	53.39	50.76	49.30	40.19	53.48	49.30
Share Price (Closing) as % Book Value	212.2	263.2	259.2	261.9	306.5	264.3	282.5	267.3	287.8	212.2	306.5	287.8
Price (Closing)/Earnings Ratio (X) (1)	13.1	13.4	12.7	12.5	13.2	12.4	13.7	13.5	13.7	13.1	13.2	13.7
Market Capitalization (\$MM)	39,865	49,475	47,194	47,487	52,612	48,578	52,840	50,397	48,783	39,865	52,612	48,783

## Dividends:

Common Dividends Paid (\$MM)	485	485	463	463	442	445	417	416	386	1,896	1,720	1,483
Common Dividends/Share (\$)	0.49	0.49	0.47	0.47	0.45	0.45	0.42	0.42	0.39	1.92	1.74	1.50
Dividend Yield (%)	4.5	4.1	4.1	3.9	3.6	3.5	3.2	3.3	3.3	4.3	3.4	3.3

## Shares:

Number of Common Shares Outstanding at Period End (MM)	992	990	987	985	984	982	990	993	990			
Average Number of Common Shares Outstanding (MM) -- Basic	990	989	986	985	983	988	992	991	989	987	989	988
-- Diluted	994	994	992	992	991	996	1,001	1,001	1,000	993	997	1,001

## Share Buybacks:

Number of Common Shares Purchased (M)	750	125	-	-	-	7,680	4,357	-	777	875	12,037	7,648
Average Purchase Price (\$)	45.16	48.30	-	-	-	51.47	53.52	-	46.53	45.61	52.21	45.71

## Other Information:

Employees	69,049	62,209	62,143	62,002	58,113	57,152	55,926	54,889	54,199
Branches and Offices	2,672	2,557	2,529	2,458	2,331	2,289	2,242	2,225	2,191
ABMs	5,609	5,531	5,476	5,395	5,283	5,127	5,068	5,018	4,937

## Senior Debt Credit Ratings:

Standard & Poor's	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Moody's	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa3	Aa3

(1) based on trailing 4 quarters' EPS.

# CONSOLIDATED STATEMENT OF INCOME AND NET INCOME BY BUSINESS SEGMENT



(\$ MM)

## CONSOLIDATED STATEMENT OF INCOME:

	QUARTERLY TREND								FULL YEAR			
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Interest Income (TEB)	5,908	5,603	5,562	5,659	5,578	5,446	5,348	5,194	5,084	22,732	21,566	18,122
Interest Expense	3,872	3,554	3,589	3,727	3,646	3,533	3,445	3,313	3,301	14,742	13,937	11,274
Net Interest Income (TEB)	2,036	2,049	1,973	1,932	1,932	1,913	1,903	1,881	1,783	7,990	7,629	6,848
Other Income (see Page 9)	550	1,428	1,299	1,025	1,362	1,389	1,308	1,333	1,216	4,302	5,392	4,800
Total Revenue (TEB)	2,586	3,477	3,272	2,957	3,294	3,302	3,211	3,214	2,999	12,292	13,021	11,648
Taxable Equivalent Adjustment (TEB)	95	103	100	118	216	101	109	105	131	416	531	440
Total Revenue	2,491	3,374	3,172	2,839	3,078	3,201	3,102	3,109	2,868	11,876	12,490	11,208
Provision for Credit Losses	207	159	153	111	95	92	20	63	32	630	270	216
Total Non-interest Expenses (see Page 10)	1,944	1,889	1,794	1,669	1,792	1,752	1,726	1,724	1,708	7,296	6,994	6,443
Net Income before the undernoted:	340	1,326	1,225	1,059	1,191	1,357	1,356	1,322	1,128	3,950	5,226	4,549
Provision for Income Taxes	2	287	209	193	204	296	286	277	203	691	1,063	872
Non-controlling Interest in Net Income of Subsidiaries	23	29	36	31	33	29	31	25	28	119	118	98
<b>Net Income</b>	<b>315</b>	<b>1,010</b>	<b>980</b>	<b>835</b>	<b>954</b>	<b>1,032</b>	<b>1,039</b>	<b>1,020</b>	<b>897</b>	<b>3,140</b>	<b>4,045</b>	<b>3,579</b>
Amortization of Intangibles (net of taxes)	9	9	8	7	8	7	7	8	8	33	30	25
<b>Cash Net Income</b>	<b>324</b>	<b>1,019</b>	<b>988</b>	<b>842</b>	<b>962</b>	<b>1,039</b>	<b>1,046</b>	<b>1,028</b>	<b>905</b>	<b>3,173</b>	<b>4,075</b>	<b>3,604</b>

## NET INCOME BY BUSINESS SEGMENT:

	2008 Q4	2008 Q3	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2008	2007	2006
Canadian Banking (1)	466	463	422	373	439	395	367	363	338	1,724	1,564	1,288
International Banking	227	335	335	289	359	276	297	318	270	1,186	1,250	1,062
Scotia Capital	44	297	255	191	229	280	320	296	236	787	1,125	1,053
Other (2)	(422)	(85)	(32)	(18)	(73)	81	55	43	53	(557)	106	176
<b>Total Bank</b>	<b>315</b>	<b>1,010</b>	<b>980</b>	<b>835</b>	<b>954</b>	<b>1,032</b>	<b>1,039</b>	<b>1,020</b>	<b>897</b>	<b>3,140</b>	<b>4,045</b>	<b>3,579</b>

(1) includes Wealth Management.

(2) represents smaller operating segments including Group Treasury and corporate adjustments.

## BUSINESS SEGMENT PERFORMANCE -- CANADIAN BANKING



(\$MM)	QUARTERLY TREND									FULL YEAR		
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Net Interest Income (TEB)	<b>1,160</b>	1,122	1,051	991	954	1,006	942	953	957	<b>4,324</b>	3,855	3,682
Other Income	<b>554</b>	564	537	519	663	537	530	518	498	<b>2,174</b>	2,248	1,935
Total Revenue (TEB)	<b>1,714</b>	1,686	1,588	1,510	1,617	1,543	1,472	1,471	1,455	<b>6,498</b>	6,103	5,617
Provision for Credit Losses	<b>(107)</b>	(99)	(102)	(91)	(78)	(77)	(66)	(74)	(58)	<b>(399)</b>	(295)	(279)
Non-interest Expenses	<b>(939)</b>	(914)	(890)	(889)	(927)	(892)	(870)	(870)	(912)	<b>(3,632)</b>	(3,559)	(3,469)
Provision for Income Taxes (TEB)	<b>(202)</b>	(210)	(174)	(157)	(173)	(179)	(169)	(164)	(147)	<b>(743)</b>	(685)	(581)
<b>Net Income</b>	<b>466</b>	463	422	373	439	395	367	363	338	<b>1,724</b>	1,564	1,288
Amortization of Intangibles (net of taxes)	<b>6</b>	6	5	6	6	6	5	6	7	<b>23</b>	23	21
<b>Cash Net Income</b>	<b>472</b>	469	427	379	445	401	372	369	345	<b>1,747</b>	1,587	1,300
ROE (%)	<b>38.0</b>	38.5	35.3	30.6	37.0	31.8	32.0	31.1	27.3	<b>35.6</b>	33.0	27.8
Net Interest Margin												
- as % of Average Total Assets	<b>2.49</b>	2.52	2.49	2.35	2.33	2.56	2.58	2.58	2.62	<b>2.46</b>	2.51	2.70
- as % of Average Earning Assets	<b>2.54</b>	2.57	2.54	2.40	2.37	2.62	2.63	2.63	2.67	<b>2.51</b>	2.56	2.75
Specific Provisions as % of Average Loans & Acceptances	<b>0.23</b>	0.22	0.24	0.22	0.19	0.20	0.18	0.20	0.16	<b>0.23</b>	0.19	0.20
Productivity Ratio (%)	<b>54.8</b>	54.2	56.0	58.9	57.3	57.8	59.1	59.1	62.7	<b>55.9</b>	58.3	61.8
<b>Average Balances (\$B):</b>												
Total Assets	<b>185</b>	177	172	168	163	156	149	146	145	<b>175</b>	154	136
Residential Mortgages	<b>115</b>	112	109	106	104	98	94	91	90	<b>111</b>	97	83
Personal Loans	<b>41</b>	38	37	36	35	34	33	33	33	<b>38</b>	34	32
Business Loans & Acceptances	<b>28</b>	26	25	25	24	24	22	22	22	<b>26</b>	23	21
Personal Deposits	<b>87</b>	85	83	82	77	76	75	74	73	<b>84</b>	76	71
Non-personal Deposits	<b>45</b>	43	43	42	41	41	39	40	39	<b>43</b>	40	36
<b>Other:</b>												
Branches	<b>1,016</b>	1,010	1,010	1,006	1,005	988	981	977	972			
Wealth Management Offices	<b>102</b>	100	98	98	99	98	98	99	100			
Employees	<b>21,565</b>	21,269	21,401	21,505	21,827	21,637	21,253	20,865	20,810			
ABMs	<b>2,943</b>	2,896	2,896	2,869	2,852	2,808	2,781	2,761	2,742			

## BUSINESS SEGMENT PERFORMANCE -- INTERNATIONAL BANKING



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Net Interest Income (TEB)	940	847	797	731	710	703	679	670	628	3,315	2,762	2,306
Other Income	228	389	356	309	380	250	300	297	267	1,282	1,227	939
Total Revenue (TEB)	1,168	1,236	1,153	1,040	1,090	953	979	967	895	4,597	3,989	3,245
Provision for Credit Losses	(90)	(56)	(60)	(30)	(27)	(25)	(30)	(19)	(8)	(236)	(101)	(60)
Non-interest Expenses	(753)	(698)	(615)	(568)	(582)	(558)	(577)	(562)	(555)	(2,634)	(2,279)	(1,927)
Provision for Income Taxes (TEB)	(75)	(118)	(107)	(122)	(89)	(65)	(44)	(43)	(34)	(422)	(241)	(98)
Non-controlling Interest in Net Income of Subsidiaries	(23)	(29)	(36)	(31)	(33)	(29)	(31)	(25)	(28)	(119)	(118)	(98)
<b>Net Income</b>	<b>227</b>	<b>335</b>	<b>335</b>	<b>289</b>	<b>359</b>	<b>276</b>	<b>297</b>	<b>318</b>	<b>270</b>	<b>1,186</b>	<b>1,250</b>	<b>1,062</b>
Amortization of Intangibles (net of taxes)	2	2	2	1	1	1	2	1	1	7	5	2
<b>Cash Net Income</b>	<b>229</b>	<b>337</b>	<b>337</b>	<b>290</b>	<b>360</b>	<b>277</b>	<b>299</b>	<b>319</b>	<b>271</b>	<b>1,193</b>	<b>1,255</b>	<b>1,064</b>
ROE (%)	10.5	15.8	17.6	19.6	21.3	16.1	18.7	22.2	21.1	15.5	19.5	23.4
Net Interest Margin												
- as % of Average Total Assets	4.27	4.14	4.10	4.18	4.32	4.27	4.03	4.09	4.20	4.17	4.18	4.15
- as % of Average Earning Assets	4.28	4.15	4.11	4.19	4.33	4.28	4.03	4.10	4.21	4.18	4.19	4.17
Specific Provisions as % of Average Loans & Acceptances	0.59	0.40	0.47	0.27	0.26	0.25	0.29	0.19	0.09	0.44	0.25	0.18
Productivity Ratio (%)	64.5	56.5	53.3	54.6	53.4	58.6	58.9	58.1	62.0	57.3	57.1	59.4
<b>Average Balances (\$B):</b>												
Total Assets	88	81	79	70	65	65	69	65	59	79	66	56
Residential Mortgages	12	12	9	9	8	8	8	8	7	10	8	7
Personal Loans	9	8	8	7	7	7	7	6	6	8	7	5
Business Loans & Acceptances	40	36	35	29	26	25	28	26	23	35	26	21
Securities	14	16	16	15	15	15	16	14	13	15	15	13
Total Deposits (1)	48	47	48	40	48	49	50	48	44	45	49	41
<b>Other:</b>												
Branches and Offices	1,502	1,396	1,372	1,305	1,178	1,154	1,114	1,100	1,070			
Employees	37,280	30,702	30,599	30,324	26,829	26,087	25,545	24,919	24,447			
ABMs	2,666	2,635	2,580	2,526	2,431	2,319	2,287	2,257	2,195			

(1) Effective Q1/08, certain deposits, which were previously reported in the International segment, are now reported in the Other segment (Q1/08 impact: \$12 billion).

## BUSINESS SEGMENT PERFORMANCE -- SCOTIA CAPITAL



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Net Interest Income (TEB)	331	269	246	274	364	231	296	269	251	1,120	1,160	951
Other Income	(99)	383	292	131	156	413	360	361	324	707	1,290	1,437
Total Revenue (TEB)	232	652	538	405	520	644	656	630	575	1,827	2,450	2,388
Provision for Credit Losses	(10)	(4)	9	10	10	10	51	30	(26)	5	101	63
Non-interest Expenses	(249)	(254)	(243)	(191)	(225)	(267)	(262)	(259)	(216)	(937)	(1,013)	(955)
Provision for Income Taxes (TEB)	71	(97)	(49)	(33)	(76)	(107)	(125)	(105)	(97)	(108)	(413)	(443)
<b>Net Income</b>	<b>44</b>	<b>297</b>	<b>255</b>	<b>191</b>	<b>229</b>	<b>280</b>	<b>320</b>	<b>296</b>	<b>236</b>	<b>787</b>	<b>1,125</b>	<b>1,053</b>
Amortization of Intangibles (net of taxes)	1	1	1	-	1	-	-	1	-	3	2	2
<b>Cash Net Income</b>	<b>45</b>	<b>298</b>	<b>256</b>	<b>191</b>	<b>230</b>	<b>280</b>	<b>320</b>	<b>297</b>	<b>236</b>	<b>790</b>	<b>1,127</b>	<b>1,055</b>
ROE (%)	3.6	34.1	29.6	22.6	24.2	27.7	33.4	30.7	26.2	21.5	29.0	31.3
Net Interest Margin												
- as % of Average Total Assets	0.78	0.66	0.60	0.69	0.96	0.59	0.79	0.71	0.71	0.68	0.76	0.73
- as % of Average Earning Assets	1.00	0.82	0.76	0.86	1.16	0.69	0.92	0.82	0.82	0.86	0.89	0.87
Specific Provisions as a % of Average Loans & Acceptances (1)	0.10	0.04	(0.10)	(0.12)	(0.13)	(0.13)	(0.70)	(0.39)	0.36	(0.01)	(0.33)	(0.25)
Productivity Ratio (%)	107.3	39.0	45.2	47.2	43.3	41.5	39.9	41.1	37.6	51.3	41.3	40.0
<b>Average Balances (\$B):</b>												
Total Assets	169	162	167	157	150	156	153	150	140	164	152	130
Business Loans & Acceptances	58	57	54	48	41	43	41	41	36	54	42	32
Securities Purchased Under Resale Agreements	14	15	18	16	23	23	20	22	22	16	22	20
Securities -- Trading	52	56	58	58	57	63	61	58	53	56	60	50
-- Other	10	7	7	7	6	6	14	14	14	8	10	11
Deposits with Banks	8	6	6	8	7	6	5	4	3	7	6	3
Total Deposits	31	31	29	33	29	24	28	25	26	31	26	22
Employees	1,548	1,506	1,473	1,479	1,468	1,471	1,395	1,418	1,382			

(1) Corporate Banking only

## BUSINESS SEGMENT PERFORMANCE -- OTHER (1)



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Net Interest Income (2)	(490)	(292)	(221)	(182)	(312)	(128)	(123)	(116)	(184)	(1,185)	(679)	(531)
Other Income	(133)	92	114	66	163	189	118	157	127	139	627	489
Total Revenue	(623)	(200)	(107)	(116)	(149)	61	(5)	41	(57)	(1,046)	(52)	(42)
Provision for Credit Losses	-	-	-	-	-	-	25	-	60	-	25	60
Non-interest Expenses	(3)	(23)	(46)	(21)	(58)	(35)	(17)	(33)	(25)	(93)	(143)	(92)
Provision for Income Taxes (2)	204	138	121	119	134	55	52	35	75	582	276	250
<b>Net Income</b>	<b>(422)</b>	<b>(85)</b>	<b>(32)</b>	<b>(18)</b>	<b>(73)</b>	<b>81</b>	<b>55</b>	<b>43</b>	<b>53</b>	<b>(557)</b>	<b>106</b>	<b>176</b>
Amortization of Intangibles (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Net Income</b>	<b>(422)</b>	<b>(85)</b>	<b>(32)</b>	<b>(18)</b>	<b>(73)</b>	<b>81</b>	<b>55</b>	<b>43</b>	<b>53</b>	<b>(557)</b>	<b>106</b>	<b>176</b>
<b>Average Balances (\$B):</b>												
Total Assets	39	37	37	34	31	32	33	30	30	37	31	29
Deposits with Banks	15	14	15	14	14	14	13	11	13	15	13	12
Securities	17	16	16	16	13	13	13	13	12	16	13	12
Total Deposits (3)	127	121	116	107	95	97	89	85	80	118	91	73

(1) represents smaller operating segments including Group Treasury and corporate adjustments.

(2) includes elimination of the tax-exempt income gross-up reported in net interest income and provision for income taxes in the three business segments reported on pages 4 to 6.

(3) Effective Q1/08, certain deposits, which were previously reported in the International segment, are now reported in the Other segment (Q1/08 impact: \$12 billion).



# NET INTEREST MARGIN, TRADING REVENUE AND ASSETS UNDER ADMINISTRATION & MANAGEMENT



	QUARTERLY TREND									FULL YEAR		
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>NET INTEREST MARGIN:</b>												
Net Interest Income (TEB) (\$MM)	<b>2,036</b>	2,049	1,973	1,932	1,932	1,913	1,903	1,881	1,783	<b>7,990</b>	7,629	6,848
Net Interest Income (TEB) as % of Average Total Assets	<b>1.68</b>	1.79	1.76	1.79	1.87	1.86	1.93	1.91	1.89	<b>1.75</b>	1.89	1.95
Net Interest Income (TEB) as % of Average Earning Assets	<b>1.93</b>	2.03	2.03	2.04	2.11	2.07	2.14	2.11	2.10	<b>2.00</b>	2.11	2.18
<b>TRADING REVENUE (TEB) (\$MM):</b>												
Securities Trading	<b>(55)</b>	19	20	(11)	(1)	(2)	24	44	25	<b>(27)</b>	65	145
Foreign Exchange and Precious Metals Trading	<b>124</b>	77	92	91	91	85	81	66	70	<b>384</b>	323	301
Derivative and Other Trading	<b>(8)</b>	151	106	(1)	64	229	151	137	159	<b>248</b>	581	585
<b>Total</b>	<b>61</b>	247	218	79	154	312	256	247	254	<b>605</b>	969	1,031
Reported in Other Income (see Page 9)	<b>(41)</b>	150	123	(44)	(67)	217	151	149	138	<b>188</b>	450	637
Reported in Net Interest Income	<b>102</b>	97	95	123	221	95	105	98	116	<b>417</b>	519	394
<b>Total</b>	<b>61</b>	247	218	79	154	312	256	247	254	<b>605</b>	969	1,031
<b>DEFERRED REVENUES (\$MM):</b>	<b>384</b>	327	339	403	333	290	286	259	243			
<b>ASSETS UNDER ADMINISTRATION (\$B):</b>												
Personal												
Retail Brokerage	<b>74.3</b>	75.5	75.2	76.8	77.4	77.9	76.3	74.0	69.7			
Investment Management and Trust	<b>55.8</b>	57.9	56.8	53.5	53.1	56.5	62.8	62.7	59.5			
	<b>130.1</b>	133.4	132.0	130.3	130.5	134.4	139.1	136.7	129.2			
Mutual Funds	<b>27.9</b>	29.7	26.0	25.1	24.8	24.5	23.6	21.4	19.8			
Institutional	<b>45.1</b>	44.3	44.3	39.8	39.8	39.9	45.7	45.0	42.9			
<b>Total</b>	<b>203.1</b>	207.4	202.3	195.2	195.1	198.8	208.4	203.1	191.9			
<b>ASSETS UNDER MANAGEMENT (\$B):</b>												
Personal	<b>12.5</b>	12.6	11.3	11.2	11.2	11.1	10.9	11.1	10.0			
Mutual Funds	<b>19.6</b>	20.6	17.1	16.0	15.9	15.9	15.4	13.5	13.2			
Institutional	<b>4.6</b>	4.6	4.5	4.5	4.3	4.0	4.1	4.6	4.6			
<b>Total</b>	<b>36.7</b>	37.8	32.9	31.7	31.4	31.0	30.4	29.2	27.8			

# OTHER INCOME



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Card Revenues</b>	<b>107</b>	102	93	95	92	92	89	93	83	<b>397</b>	366	307
<b>Deposit and Payment Services</b>												
Deposit Services	<b>172</b>	176	165	162	161	167	159	165	160	<b>675</b>	652	622
Other Payment Services	<b>50</b>	49	43	45	43	41	40	41	36	<b>187</b>	165	144
	<b>222</b>	225	208	207	204	208	199	206	196	<b>862</b>	817	766
<b>Mutual Funds</b>	<b>78</b>	83	78	78	78	77	73	68	63	<b>317</b>	296	241
<b>Investment Management, Brokerage and Trust Services</b>												
Retail Brokerage	<b>133</b>	140	131	134	135	139	141	138	121	<b>538</b>	553	481
Personal and Corporate Trust	<b>32</b>	32	33	29	28	31	31	30	31	<b>126</b>	120	115
Investment Management and Custody	<b>24</b>	24	25	23	22	22	23	20	19	<b>96</b>	87	70
	<b>189</b>	196	189	186	185	192	195	188	171	<b>760</b>	760	666
<b>Credit Fees</b>												
Commitment and Other Credit Fees	<b>106</b>	125	106	99	93	111	98	101	97	<b>436</b>	403	414
Acceptance Fees	<b>36</b>	39	34	34	33	32	31	31	30	<b>143</b>	127	116
	<b>142</b>	164	140	133	126	143	129	132	127	<b>579</b>	530	530
<b>Trading Revenues</b>	<b>(41)</b>	150	123	(44)	(67)	217	151	149	138	<b>188</b>	450	637
<b>Investment Banking</b>												
Underwriting Fees and Other Commissions	<b>101</b>	116	90	95	100	126	137	135	122	<b>402</b>	498	453
Foreign Exchange and Other	<b>88</b>	77	80	69	64	58	58	59	53	<b>314</b>	239	206
	<b>189</b>	193	170	164	164	184	195	194	175	<b>716</b>	737	659
<b>Net Gain on Securities, other than Trading</b>	<b>(543)</b>	90	59	20	148	134	79	127	64	<b>(374)</b>	488	371
<b>Other</b>	<b>207</b>	225	239	186	432	142	198	176	199	<b>857</b>	948	623
<b>Total Other Income</b>	<b>550</b>	1,428	1,299	1,025	1,362	1,389	1,308	1,333	1,216	<b>4,302</b>	5,392	4,800
% of Total Revenue (TEB)	<b>21.3</b>	41.1	39.7	34.7	41.3	42.1	40.7	41.5	40.5	<b>35.0</b>	41.4	41.2

# NON-INTEREST EXPENSES



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Salaries and Employee Benefits</b>												
Salaries	685	646	610	608	595	584	571	565	558	2,549	2,315	2,100
Stock-based Compensation	10	27	16	36	27	20	29	57	50	89	133	164
Other Performance-based Compensation	221	253	237	202	236	278	259	244	217	913	1,017	936
Pension and Other Employee Benefits	142	142	142	132	105	131	145	137	141	558	518	568
	<b>1,058</b>	<b>1,068</b>	<b>1,005</b>	<b>978</b>	<b>963</b>	<b>1,013</b>	<b>1,004</b>	<b>1,003</b>	<b>966</b>	<b>4,109</b>	<b>3,983</b>	<b>3,768</b>
<b>Premises and Technology</b>												
Net Premises Rent	57	55	55	50	50	50	49	48	46	217	197	181
Premises Repairs and Maintenance	24	22	20	17	22	17	17	19	17	83	75	60
Property Taxes	14	19	18	13	16	18	16	15	17	64	65	61
Computer Equipment, Software and Data Processing	182	161	158	149	170	148	144	141	152	650	603	549
Depreciation	71	58	58	56	56	56	53	56	50	243	221	192
Other Premises Costs	49	53	50	42	48	46	50	48	40	194	192	171
	<b>397</b>	<b>368</b>	<b>359</b>	<b>327</b>	<b>362</b>	<b>335</b>	<b>329</b>	<b>327</b>	<b>322</b>	<b>1,451</b>	<b>1,353</b>	<b>1,214</b>
<b>Communications</b>												
Telecommunications	22	20	19	18	19	19	17	18	19	79	73	68
Stationery, Postage and Courier	67	62	61	57	57	57	58	55	56	247	227	208
	<b>89</b>	<b>82</b>	<b>80</b>	<b>75</b>	<b>76</b>	<b>76</b>	<b>75</b>	<b>73</b>	<b>75</b>	<b>326</b>	<b>300</b>	<b>276</b>
<b>Advertising and Business Development</b>												
Advertising and Promotion	64	50	51	41	60	42	42	49	41	206	193	126
Travel and Business Development	32	27	27	28	34	29	28	27	32	114	118	106
	<b>96</b>	<b>77</b>	<b>78</b>	<b>69</b>	<b>94</b>	<b>71</b>	<b>70</b>	<b>76</b>	<b>73</b>	<b>320</b>	<b>311</b>	<b>232</b>
<b>Professional</b>	<b>59</b>	<b>55</b>	<b>68</b>	<b>45</b>	<b>81</b>	<b>53</b>	<b>48</b>	<b>45</b>	<b>58</b>	<b>227</b>	<b>227</b>	<b>174</b>
<b>Business and Capital Taxes</b>												
Business Taxes	27	28	26	9	24	27	27	29	25	90	107	98
Capital Taxes	(3)	12	12	5	9	10	7	10	11	26	36	35
	<b>24</b>	<b>40</b>	<b>38</b>	<b>14</b>	<b>33</b>	<b>37</b>	<b>34</b>	<b>39</b>	<b>36</b>	<b>116</b>	<b>143</b>	<b>133</b>
<b>Other</b>												
Employee Training	14	8	10	11	18	13	10	12	16	43	53	47
Amortization of Intangibles	13	13	12	11	12	11	11	12	12	49	46	38
Other	194	178	144	139	153	143	145	137	150	655	578	561
	<b>221</b>	<b>199</b>	<b>166</b>	<b>161</b>	<b>183</b>	<b>167</b>	<b>166</b>	<b>161</b>	<b>178</b>	<b>747</b>	<b>677</b>	<b>646</b>
<b>Total Non-Interest Expenses</b>	<b>1,944</b>	<b>1,889</b>	<b>1,794</b>	<b>1,669</b>	<b>1,792</b>	<b>1,752</b>	<b>1,726</b>	<b>1,724</b>	<b>1,708</b>	<b>7,296</b>	<b>6,994</b>	<b>6,443</b>
Productivity Ratio (TEB) (%)	<b>75.2</b>	<b>54.3</b>	<b>54.8</b>	<b>56.5</b>	<b>54.4</b>	<b>53.0</b>	<b>53.8</b>	<b>53.6</b>	<b>56.9</b>	<b>59.4</b>	<b>53.7</b>	<b>55.3</b>

# BALANCE SHEET



(\$MM)	QUARTERLY TREND								
	2008				2007				2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash Resources	37,318	32,896	32,487	36,411	29,195	28,776	31,122	26,384	23,376
Securities - Trading	48,292	56,016	62,138	60,702	59,685	63,797	71,547	64,307	62,490
- Available for Sale	38,823	34,314	34,322	32,992	28,426	28,636	28,474	36,037	-
- Investment	-	-	-	-	-	-	-	-	32,870
- Equity Accounted Investments	920	853	802	788	724	424	153	171	142
	88,035	91,183	97,262	94,482	88,835	92,857	100,174	100,515	95,502
Securities Purchased under Resale Agreements	19,451	17,774	15,323	20,362	22,542	26,834	25,867	24,129	25,705
Loans - Residential Mortgages	115,084	113,830	108,382	105,532	102,154	99,000	94,706	92,055	89,590
- Personal and Credit Cards	50,719	48,971	45,273	43,513	41,734	41,360	40,408	39,757	39,058
- Business and Government	125,503	111,921	104,928	101,389	85,500	84,778	83,424	83,067	76,733
- Sub-total	291,306	274,722	258,583	250,434	229,388	225,138	218,538	214,879	205,381
Allowance for Credit Losses	(2,626)	(2,477)	(2,490)	(2,451)	(2,241)	(2,423)	(2,505)	(2,620)	(2,607)
- Total Net Loans	288,680	272,245	256,093	247,983	227,147	222,715	216,033	212,259	202,774
Customers' Liability under Acceptances	11,969	11,497	11,782	12,518	11,538	10,289	10,277	10,431	9,555
Derivative Instruments	44,810	23,504	25,638	25,217	21,960	16,635	16,186	12,529	12,098
Land, Buildings and Equipment	2,688	2,542	2,506	2,460	2,271	2,296	2,308	2,344	2,256
Goodwill	2,273	2,134	2,162	1,266	1,134	1,140	1,176	1,121	873
Other Intangible Assets	282	287	263	273	273	287	301	317	294
Other Assets	12,119	8,345	9,057	8,450	6,615	6,286	8,266	6,441	6,573
<b>Total Assets</b>	<b>507,625</b>	<b>462,407</b>	<b>452,573</b>	<b>449,422</b>	<b>411,510</b>	<b>408,115</b>	<b>411,710</b>	<b>396,470</b>	<b>379,006</b>
Deposits - Personal	118,919	112,872	109,994	108,219	100,823	98,171	97,218	96,823	93,450
- Banks	27,095	28,358	35,566	32,806	26,406	32,146	36,466	31,201	29,392
- Business and Government	200,566	191,239	176,878	175,772	161,229	156,668	157,919	148,995	141,072
- Total	346,580	332,469	322,438	316,797	288,458	286,985	291,603	277,019	263,914
Other Liabilities									
- Securities Sold Under Repurchase Agreements	36,506	29,116	27,446	32,967	28,137	31,223	29,577	29,612	33,470
- Securities Sold Short	11,700	11,765	15,028	13,570	16,039	21,322	21,521	18,201	13,396
- Derivative Instruments	42,811	22,981	24,010	25,046	24,689	15,352	14,167	12,106	12,869
- Other	43,534	40,677	38,782	38,399	33,173	31,042	31,796	36,647	34,789
- Total	134,551	104,539	105,266	109,982	102,038	98,939	97,061	96,566	94,524
Subordinated Debentures	4,352	3,538	3,946	2,150	1,710	1,774	2,301	2,340	2,271
Capital Instrument Liabilities	500	500	500	500	500	750	750	750	750
Equity - Preferred Shares	2,860	2,560	2,210	1,865	1,635	1,290	1,290	945	600
- Common Shares and Contributed Surplus	3,829	3,728	3,643	3,614	3,566	3,521	3,539	3,520	3,425
- Retained Earnings	18,549	18,784	18,300	17,809	17,460	16,967	16,763	16,376	15,843
- Accumulated Other Comprehensive Income (Loss)	(3,596)	(3,711)	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)	(2,321)
- Common Equity	18,782	18,801	18,213	18,128	17,169	18,377	18,705	18,850	16,947
- Total Equity	21,642	21,361	20,423	19,993	18,804	19,667	19,995	19,795	17,547
<b>Total Liabilities and Shareholders' Equity</b>	<b>507,625</b>	<b>462,407</b>	<b>452,573</b>	<b>449,422</b>	<b>411,510</b>	<b>408,115</b>	<b>411,710</b>	<b>396,470</b>	<b>379,006</b>

## AVERAGE BALANCE SHEET



(\$MM)	QUARTERLY TREND									FULL YEAR		
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Deposits with Other Banks	<b>32,122</b>	27,783	28,165	28,815	26,944	26,785	25,461	22,407	23,163	<b>29,227</b>	25,399	20,989
Securities - Trading	<b>38,228</b>	60,601	63,352	63,644	62,854	69,775	67,227	64,059	58,489	<b>35,146</b>	65,968	57,022
- Other	<b>55,657</b>	34,967	34,402	32,969	28,741	27,595	36,650	35,153	33,649	<b>60,799</b>	31,997	30,643
	<b>93,885</b>	95,568	97,754	96,613	91,595	97,370	103,877	99,212	92,138	<b>95,945</b>	97,965	87,665
Securities Purchased under Resale Agreements	<b>19,009</b>	18,461	21,730	19,471	26,461	26,877	23,426	26,461	25,820	<b>19,656</b>	25,826	23,614
Loans - Residential Mortgages	<b>114,741</b>	111,342	105,874	103,599	100,777	96,477	93,163	90,982	89,091	<b>108,905</b>	95,367	81,845
- Personal and Credit Cards	<b>49,206</b>	45,463	43,960	42,159	41,051	40,255	39,564	38,680	38,205	<b>45,204</b>	39,890	36,599
- Business and Government	<b>111,038</b>	103,198	98,701	86,995	76,838	78,765	78,413	75,298	69,052	<b>99,991</b>	77,320	62,823
- Total	<b>274,985</b>	260,003	248,535	232,753	218,666	215,497	211,140	204,960	196,348	<b>254,100</b>	212,577	181,267
Total Earning Assets	<b>420,001</b>	401,815	396,184	377,652	363,666	366,529	363,904	353,040	337,469	<b>398,928</b>	361,767	313,535
Customers' Liability under Acceptances	<b>11,929</b>	12,442	12,715	11,884	11,316	10,881	10,653	10,419	9,574	<b>12,240</b>	10,819	9,011
Other Assets	<b>48,819</b>	42,419	46,511	39,001	33,819	31,736	29,787	28,080	27,551	<b>44,371</b>	30,889	28,163
<b>Total Assets</b>	<b>480,749</b>	456,676	455,410	428,537	408,801	409,146	404,344	391,539	374,594	<b>455,539</b>	403,475	350,709
Deposits - Personal	<b>112,687</b>	111,948	108,072	102,729	97,544	96,542	96,246	94,233	92,184	<b>108,863</b>	96,140	88,445
- Banks	<b>30,374</b>	29,767	33,200	29,970	28,450	35,480	32,306	30,817	29,377	<b>30,815</b>	31,759	28,481
- Business and Government	<b>195,877</b>	185,561	177,637	170,561	164,171	155,615	152,475	146,891	141,347	<b>182,435</b>	154,808	126,818
- Total	<b>338,938</b>	327,276	318,909	303,260	290,165	287,637	281,027	271,941	262,908	<b>322,113</b>	282,707	243,744
Other Liabilities	<b>116,049</b>	104,092	112,919	103,753	96,999	98,737	100,423	97,722	91,358	<b>109,441</b>	98,665	87,210
Subordinated Debentures	<b>3,741</b>	3,894	2,906	1,738	1,749	2,191	2,326	2,286	2,270	<b>3,071</b>	2,137	2,359
Capital Instrument Liabilities	<b>500</b>	500	500	500	750	750	750	750	750	<b>500</b>	750	750
Shareholders' Equity												
- Preferred Shares	<b>2,729</b>	2,408	2,006	1,638	1,365	1,290	1,040	630	600	<b>2,196</b>	1,082	600
- Common Shares, Contributed Surplus, Retained Earnings and Accumulated Other Comprehensive Income (Loss)	<b>18,792</b>	18,506	18,170	17,648	17,773	18,541	18,778	18,210	16,708	<b>18,218</b>	18,134	16,046
- Total	<b>21,521</b>	20,914	20,176	19,286	19,138	19,831	19,818	18,840	17,308	<b>20,414</b>	19,216	16,646
<b>Total Liabilities and Shareholders' Equity</b>	<b>480,749</b>	456,676	455,410	428,537	408,801	409,146	404,344	391,539	374,594	<b>455,539</b>	403,475	350,709

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2008				2007				2006	2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Preferred Shares:</b>												
Balance at Beginning of Period	2,560	2,210	1,865	1,635	1,290	1,290	945	600	600	1,635	600	600
Preferred Shares Issued	300	350	345	230	345	-	345	345	-	1,225	1,035	-
<b>Balance at End of Period</b>	<b>2,860</b>	<b>2,560</b>	<b>2,210</b>	<b>1,865</b>	<b>1,635</b>	<b>1,290</b>	<b>1,290</b>	<b>945</b>	<b>600</b>	<b>2,860</b>	<b>1,635</b>	<b>600</b>
<b>Common Shares and Contributed Surplus:</b>												
Balance at Beginning of Period	3,728	3,643	3,614	3,566	3,521	3,539	3,520	3,425	3,393	3,566	3,425	3,317
Common Shares Issued less Purchased for Cancellation	101	85	29	48	45	(18)	19	95	32	263	141	108
<b>Balance at End of Period</b>	<b>3,829</b>	<b>3,728</b>	<b>3,643</b>	<b>3,614</b>	<b>3,566</b>	<b>3,521</b>	<b>3,539</b>	<b>3,520</b>	<b>3,425</b>	<b>3,829</b>	<b>3,566</b>	<b>3,425</b>
<b>Retained Earnings:</b>												
Balance at Beginning of Period	18,784	18,300	17,809	17,460	16,967	16,763	16,376	15,843	15,372	17,460	15,843	14,126
Cumulative Effect of Adopting New Accounting Policies	-	-	-	-	-	-	-	(61)	-	-	(61)	(25)
Adjusted Balance at Beginning of Period	18,784	18,300	17,809	17,460	16,967	16,763	16,376	15,782	15,372	17,460	15,782	14,101
Net Income	315	1,010	980	835	954	1,032	1,039	1,020	897	3,140	4,045	3,579
Dividends - Preferred	(32)	(32)	(22)	(21)	(16)	(16)	(11)	(8)	(7)	(107)	(51)	(30)
- Common	(485)	(485)	(463)	(463)	(442)	(445)	(417)	(416)	(386)	(1,896)	(1,720)	(1,483)
Premium on Purchase of Shares for Cancellation	(31)	(6)	-	-	-	(368)	(218)	-	(33)	(37)	(586)	(324)
Other	(2)	(3)	(4)	(2)	(3)	1	(6)	(2)	-	(11)	(10)	-
<b>Balance at End of Period</b>	<b>18,549</b>	<b>18,784</b>	<b>18,300</b>	<b>17,809</b>	<b>17,460</b>	<b>16,967</b>	<b>16,763</b>	<b>16,376</b>	<b>15,843</b>	<b>18,549</b>	<b>17,460</b>	<b>15,843</b>
<b>Accumulated Other Comprehensive Income (Loss) (1):</b>												
Balance at Beginning of Period	(3,711)	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)	(2,321)	(2,297)	(3,857)	(2,321)	(1,961)
Cumulative Effect of Adopting New Accounting Policies	-	-	-	-	-	-	-	683	-	-	683	-
Other Comprehensive Income-												
Net Change in Unrealized Foreign Currency Translation Gains/Losses	1,375	193	(85)	885	(1,697)	(465)	(588)	522	(24)	2,368	(2,228)	(360)
Net Change in Unrealized Gains/Losses on available-for-sale Securities	(1,075)	(243)	(210)	(60)	14	(146)	17	48	-	(1,588)	(67)	-
Net Change in Gains/Losses on Derivative Instruments, designated as cash flow hedges	(185)	69	(140)	(263)	(63)	97	20	22	-	(519)	76	-
Total	115	19	(435)	562	(1,746)	(514)	(551)	592	(24)	261	(2,219)	(360)
<b>Balance at End of Period</b>	<b>(3,596)</b>	<b>(3,711)</b>	<b>(3,730)</b>	<b>(3,295)</b>	<b>(3,857)</b>	<b>(2,111)</b>	<b>(1,597)</b>	<b>(1,046)</b>	<b>(2,321)</b>	<b>(3,596)</b>	<b>(3,857)</b>	<b>(2,321)</b>
<b>Total Shareholders' Equity at End of Period</b>	<b>21,642</b>	<b>21,361</b>	<b>20,423</b>	<b>19,993</b>	<b>18,804</b>	<b>19,667</b>	<b>19,995</b>	<b>19,795</b>	<b>17,547</b>	<b>21,642</b>	<b>18,804</b>	<b>17,547</b>
<b>Composition of Accumulated Other Comprehensive Income (Loss):</b>												
Unrealized Foreign Currency Translation Losses	(2,181)	(3,556)	(3,749)	(3,664)	(4,549)	(2,852)	(2,387)	(1,799)	(2,321)			
Unrealized Gains on available-for-sale Securities	(949)	126	369	579	639	625	771	754	-			
Gains on Derivative Instruments, designated as cash flow hedges	(466)	(281)	(350)	(210)	53	116	19	(1)	-			
<b>Total</b>	<b>(3,596)</b>	<b>(3,711)</b>	<b>(3,730)</b>	<b>(3,295)</b>	<b>(3,857)</b>	<b>(2,111)</b>	<b>(1,597)</b>	<b>(1,046)</b>	<b>(2,321)</b>			

(1) Accumulated Other Comprehensive Income balances prior to Q1/07 were previously reported as Cumulative Foreign Currency Translation Losses.

## GROSS IMPAIRED LOANS



(\$MM)	QUARTERLY TREND									
	2008				2007				2006	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
<b>GROSS IMPAIRED LOANS:</b>										
<u>Domestic</u>										
Retail	523	472	444	422	391	362	366	362	374	
Commercial	238	228	244	207	197	207	228	264	263	
	<b>761</b>	<b>700</b>	<b>688</b>	<b>629</b>	<b>588</b>	<b>569</b>	<b>594</b>	<b>626</b>	<b>637</b>	
<u>International</u>										
Retail	833	688	664	559	426	488	486	460	411	
Commercial	776	674	604	566	471	576	602	592	569	
	<b>1,609</b>	<b>1,362</b>	<b>1,268</b>	<b>1,125</b>	<b>897</b>	<b>1,064</b>	<b>1,088</b>	<b>1,052</b>	<b>980</b>	
<u>Scotia Capital</u>										
Canada	-	-	24	48	18	18	18	18	18	
U.S.A.	107	86	8	16	11	18	20	107	119	
Europe	17	15	24	24	30	40	66	73	116	
	<b>124</b>	<b>101</b>	<b>56</b>	<b>88</b>	<b>59</b>	<b>76</b>	<b>104</b>	<b>198</b>	<b>253</b>	
<b>Total Gross Impaired Loans</b>	<b>2,494</b>	<b>2,163</b>	<b>2,012</b>	<b>1,842</b>	<b>1,544</b>	<b>1,709</b>	<b>1,786</b>	<b>1,876</b>	<b>1,870</b>	
Specific Allowance for Credit Losses	(1,303)	(1,154)	(1,167)	(1,153)	(943)	(1,125)	(1,207)	(1,297)	(1,300)	
<b>Total Net Impaired Loans after Specific Allowance</b>	<b>1,191</b>	<b>1,009</b>	<b>845</b>	<b>689</b>	<b>601</b>	<b>584</b>	<b>579</b>	<b>579</b>	<b>570</b>	
General Allowance for Credit Losses	(1,323)	(1,323)	(1,323)	(1,298)	(1,298)	(1,298)	(1,298)	(1,323)	(1,307)	
<b>Total Net Impaired Loans after General Allowance</b>	<b>(132)</b>	<b>(314)</b>	<b>(478)</b>	<b>(609)</b>	<b>(697)</b>	<b>(714)</b>	<b>(719)</b>	<b>(744)</b>	<b>(737)</b>	

# CHANGES IN GROSS IMPAIRED LOANS



(\$MM)	QUARTERLY TREND									
	2008				2007				2006	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
<b>Balance at Beginning of Period</b>	<b>2,163</b>	2,012	1,842	1,544	1,709	1,786	1,876	1,870	1,844	
<b>Acquisition of Subsidiaries</b>										
Domestic Retail	-	-	-	-	-	-	1	-	-	
Domestic Commercial	-	-	-	-	-	-	-	-	-	
International	<b>38</b>	-	75	228	-	-	6	26	16	
Scotia Capital	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>38</b>	-	75	228	-	-	7	26	16	
<b>Net Classifications</b>										
<u>Domestic Retail</u>										
New Classifications	<b>277</b>	234	242	224	234	193	199	193	170	
Declassifications, Payments and Sales	<b>(129)</b>	(119)	(128)	(108)	(127)	(116)	(121)	(112)	(93)	
<b>Net Classifications</b>	<b>148</b>	115	114	116	107	77	78	81	77	
<u>Domestic Commercial</u>										
New Classifications	<b>39</b>	47	50	33	30	9	10	40	63	
Declassifications, Payments and Sales	<b>(14)</b>	(32)	(10)	(13)	(22)	(8)	(30)	(34)	(34)	
<b>Net Classifications</b>	<b>25</b>	15	40	20	8	1	(20)	6	29	
<u>International</u>										
New Classifications	<b>293</b>	265	178	126	77	117	148	86	77	
Declassifications, Payments and Sales	<b>(16)</b>	(68)	(43)	(79)	(23)	(24)	(20)	(21)	(50)	
<b>Net Classifications</b>	<b>277</b>	197	135	47	54	93	128	65	27	
<u>Scotia Capital</u>										
New Classifications	<b>6</b>	83	-	61	1	1	-	-	63	
Declassifications, Payments and Sales	-	(33)	(26)	(28)	(12)	(25)	(121)	(75)	(27)	
<b>Net Classifications</b>	<b>6</b>	50	(26)	33	(11)	(24)	(121)	(75)	36	
<b>Total</b>	<b>456</b>	377	263	216	158	147	65	77	169	
<b>Write-offs</b>										
Domestic Retail	<b>(97)</b>	(87)	(92)	(85)	(78)	(81)	(75)	(93)	(49)	
Domestic Commercial	<b>(15)</b>	(31)	(3)	(10)	(18)	(22)	(16)	(5)	(20)	
International	<b>(166)</b>	(94)	(88)	(92)	(119)	(75)	(44)	(61)	(49)	
Scotia Capital	-	(6)	(7)	(7)	-	(1)	(1)	(9)	(32)	
<b>Total</b>	<b>(278)</b>	(218)	(190)	(194)	(215)	(179)	(136)	(168)	(150)	
<b>Forex</b>										
Domestic Retail	-	-	-	-	-	-	-	-	-	
Domestic Commercial	-	-	-	-	-	-	-	-	-	
International	<b>98</b>	(9)	21	45	(102)	(42)	(54)	42	(8)	
Scotia Capital	<b>17</b>	1	1	3	(6)	(3)	28	29	(1)	
<b>Total</b>	<b>115</b>	(8)	22	48	(108)	(45)	(26)	71	(9)	
<b>Balance at End of Period</b>	<b>2,494</b>	2,163	2,012	1,842	1,544	1,709	1,786	1,876	1,870	



# NET IMPAIRED LOANS AND ALLOWANCE FOR CREDIT LOSSES



(\$MM)	QUARTERLY TREND								2006 Q4
	2008				2007				
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
<b>NET IMPAIRED LOANS:</b>									
<u>Domestic</u>									
Retail	243	198	171	148	139	120	125	131	130
Commercial	111	110	120	96	90	88	90	114	115
	<b>354</b>	<b>308</b>	<b>291</b>	<b>244</b>	<b>229</b>	<b>208</b>	<b>215</b>	<b>245</b>	<b>245</b>
<u>International</u>									
Retail	273	249	234	173	115	137	113	94	61
Commercial	481	377	291	219	245	220	216	145	146
	<b>754</b>	<b>626</b>	<b>525</b>	<b>392</b>	<b>360</b>	<b>357</b>	<b>329</b>	<b>239</b>	<b>207</b>
<u>Scotia Capital</u>									
Canada	-	-	18	36	2	2	2	2	2
U.S.A.	80	72	4	10	4	3	3	58	45
Europe	3	3	7	7	6	14	30	35	71
	<b>83</b>	<b>75</b>	<b>29</b>	<b>53</b>	<b>12</b>	<b>19</b>	<b>35</b>	<b>95</b>	<b>118</b>
<b>Total Net Impaired Loans after Specific Allowance</b>	<b>1,191</b>	<b>1,009</b>	<b>845</b>	<b>689</b>	<b>601</b>	<b>584</b>	<b>579</b>	<b>579</b>	<b>570</b>
General Allowance for Credit Losses	(1,323)	(1,323)	(1,323)	(1,298)	(1,298)	(1,298)	(1,298)	(1,323)	(1,307)
<b>Total Net Impaired Loans after General Allowance</b>	<b>(132)</b>	<b>(314)</b>	<b>(478)</b>	<b>(609)</b>	<b>(697)</b>	<b>(714)</b>	<b>(719)</b>	<b>(744)</b>	<b>(737)</b>
Coverage Ratio (%) (1)	<b>105.3</b>	<b>114.5</b>	<b>123.8</b>	<b>134.9</b>	<b>145.1</b>	<b>141.8</b>	<b>140.3</b>	<b>139.7</b>	<b>139.4</b>
<b>ALLOWANCE FOR CREDIT LOSSES:</b>									
Balance, Beginning of Period	2,485	2,498	2,462	2,252	2,433	2,516	2,631	2,618	2,706
Acquisition of Subsidiaries	89	(6)	(3)	177	1	10	17	26	18
Write-offs	(278)	(218)	(190)	(194)	(215)	(179)	(136)	(168)	(150)
Recoveries	77	52	51	51	50	38	64	34	36
Provision for Credit Losses	207	159	153	111	95	92	20	63	32
Foreign Currency Adjustment and Other	54	-	25	65	(112)	(44)	(80)	58	(24)
<b>Balance, End of Period</b>	<b>2,634</b>	<b>2,485</b>	<b>2,498</b>	<b>2,462</b>	<b>2,252</b>	<b>2,433</b>	<b>2,516</b>	<b>2,631</b>	<b>2,618</b>
<u>Comprised of:</u>									
Specific Allowance	1,303	1,154	1,167	1,153	943	1,125	1,207	1,297	1,300
General Allowance	1,323	1,323	1,323	1,298	1,298	1,298	1,298	1,323	1,307
Other Liabilities	8	8	8	11	11	10	11	11	11
<b>Total Allowance for Credit Losses</b>	<b>2,634</b>	<b>2,485</b>	<b>2,498</b>	<b>2,462</b>	<b>2,252</b>	<b>2,433</b>	<b>2,516</b>	<b>2,631</b>	<b>2,618</b>

(1) Specific and General Allowances for Credit Losses as a percentage of Total Gross Impaired Loans.

## CROSS BORDER EXPOSURES TO SELECT COUNTRIES IN ASIA AND LATIN AMERICA



Outstandings (net of provisions), US\$ millions

	<u>Loans</u>	<u>Trade</u>	<u>Interbank Deposits</u>	<u>Govt./ Other Sec.</u>	<u>Invest. in Affiliates</u>	<u>Other (1)</u>	<u>Oct 31/08 Total</u>	<u>Jul 31/08 Total</u>	<u>Oct 31/07 Total</u>
<b>ASIA</b>									
South Korea	1,549	553	-	435	-	173	<b>2,710</b>	2,346	1,756
Japan	649	33	13	67	-	472	<b>1,234</b>	887	984
India	1,324	850	29	243	-	58	<b>2,504</b>	2,684	1,803
Malaysia	631	26	-	298	152	7	<b>1,114</b>	1,192	650
Hong Kong	397	83	-	486	-	33	<b>999</b>	1,223	822
China	684	1,072	50	22	-	71	<b>1,899</b>	2,052	1,516
Thailand	66	32	-	87	208	1	<b>394</b>	372	348
Other (2)	566	315	146	263	-	33	<b>1,323</b>	1,113	923
<b>Total</b>	<b>5,866</b>	<b>2,964</b>	<b>238</b>	<b>1,901</b>	<b>360</b>	<b>848</b>	<b>12,177</b>	11,869	8,802
<b>LATIN AMERICA</b>									
Mexico	1,562	76	-	494	1,933	31	<b>4,096</b>	4,350	4,018
Chile	885	60	-	1	1,226	2	<b>2,174</b>	2,428	1,237
Brazil	436	862	-	263	-	6	<b>1,567</b>	1,529	1,647
Peru	257	120	-	-	1,079	1	<b>1,457</b>	1,328	790
El Salvador	401	8	-	-	352	-	<b>761</b>	708	555
Costa Rica	910	120	-	-	411	-	<b>1,441</b>	1,295	1,042
Venezuela	5	-	-	-	93	-	<b>98</b>	99	93
Other (3)	973	87	25	18	-	15	<b>1,118</b>	1,025	713
<b>Total</b>	<b>5,429</b>	<b>1,333</b>	<b>25</b>	<b>776</b>	<b>5,094</b>	<b>55</b>	<b>12,712</b>	12,762	10,095

(1) includes forex contracts, precious metals, derivatives (positive mark-to-market).

(2) includes Indonesia, The Philippines, Singapore and Taiwan.

(3) includes Argentina, Colombia, Panama and Uruguay.

## ASSET SECURITIZATION, RESERVES AND INTEREST RATE SENSITIVITY



	QUARTERLY TREND									
	2008				2007				2006	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
<b>ASSET SECURITIZATION (\$MM):</b>										
Balance, Beginning of Period	11,650	11,909	11,450	12,045	12,103	11,988	11,955	12,083	12,736	
Acquisition of subsidiaries	-	-	-	-	-	-	335	-	-	
Securizations	2,577	900	1,142	555	1,010	1,351	605	861	703	
Paydowns/Maturities	(1,205)	(1,159)	(683)	(1,150)	(1,068)	(1,236)	(907)	(989)	(1,356)	
Balance, End of Period										
Personal Loans	235	249	265	285	414	452	505	170	170	
Mortgages	12,787	11,401	11,644	11,165	11,631	11,651	11,483	11,785	11,913	
	13,022	11,650	11,909	11,450	12,045	12,103	11,988	11,955	12,083	

### AVAILABLE-FOR-SALE SECURITIES - UNREALIZED GAINS (LOSSES) (\$MM):

Bonds of Emerging Markets	237	345	493	547	530	527	676	667	658
Other Fixed Income	(1,194)	(292)	(179)	89	(14)	(103)	(33)	(80)	(88)
Common and Preferred Shares	(271)	140	257	259	456	536	565	574	521
	(1,228)	193	571	895	972	960	1,208	1,161	1,091
Net Fair Value of Derivative Instruments and Other Hedge Amounts	(92)	14	(16)	(40)	5	20	(10)	7	(90)
Net Unrealized Gains (Losses)	(1,320)	207	555	855	977	980	1,198	1,168	1,001

### INTEREST RATE SENSITIVITY (\$B):

	Within 3 Months	3 to 12 Months	Cumulative Under 1 Year	Over 1 Year	Non-Interest Rate Sensitive
<b>October 31, 2008</b>					
Canadian Currency Gap	34.4	(17.1)	17.3	(11.1)	(6.2)
Foreign Currency Gap	(11.6)	7.1	(4.5)	22.6	(18.1)
Total Currency Gap	22.8	(10.0)	12.8	11.5	(24.3)

( ) denotes liability gap

Note: Based on the Bank's interest rate positions as at October 31, 2008, an immediate and sustained 100 basis point rise in interest rates, across all currencies and maturities, would increase net income after-tax by approximately \$133MM over the next 12 months, and lower common shareholders' equity, in present value terms, by approximately \$553MM. Conversely, an immediate and sustained 100 basis point fall in interest rates, across all currencies and maturities, would decrease net income after-tax by approximately \$148MM over the next 12 months, and increase common shareholders' equity, in present value terms, by approximately \$513MM.

# Basel II Appendix



October 31, 2008

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## Basel II Introduction



Effective November 1, 2007, Canadian banks are subject to revised capital adequacy requirements based on the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework", commonly known as Basel II. The new Framework is designed to reflect more risk-sensitive capital requirements and to strengthen soundness and stability of banks by promoting adoption of stronger risk management practices.

The Basel II Framework introduces the concept of 3 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 arising from the new Framework.

### Basel II vs. Basel I

Basel II classifies risk into three broad categories: credit risk, market risk and operational risk (new), while Basel I had only two categories: credit risk and market risk. The regulatory capital required under Basel I, for credit risk, was based on pre-specified risk weights applied to categories of claims. This did not provide for a granular differentiation of credit risk capital (e.g. all corporate loans were risk-weighted 100% irrespective of the quality of the loans).

Under Pillar 1 of the new Basel II Framework, minimum capital 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 - more granular treatment for specific risk under Standardized approach compared to Basel I.

### Credit Risk

The credit risk component consists of on- and off- balance sheet claims. The new rules are not applied to the traditional balance sheet categories but introduce new categories of on- and off- balance sheet exposures which represent general classes of assets/exposures (corporate, sovereign, bank, retail, equity) based on their different underlying risk characteristics.

Generally, while calculating capital requirements, exposure classes such as Corporate, Sovereign, Bank, Retail, Equity are analyzed by the following credit risk exposure sub-types<sup>1</sup>: Drawn, Undrawn, Repo-style transactions, Over-the-counter (OTC) Derivatives and Other off-balance sheet claims.

The Bank has received approval from OSFI to use the Advanced Internal Ratings Based (AIRB) Approach, subject to certain conditions, for credit risk of its material portfolios booked in Canada, US and Europe. The Bank uses internal estimates, based on historical experience, for probability of default (PD<sup>1</sup>), loss given default (LGD<sup>1</sup>) and exposure at default (EAD<sup>1</sup>).

- 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.
- To address concerns that the new Basel II rules might cause significant decreases in capital required, banks are currently required to add an overall scaling factor of 6% to the credit risk RWA for AIRB portfolios.

For the remaining material portfolios, the interim treatment is the Standardized approach, until such time they become AIRB compliant.

- 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

The Bank is using the Standardized Approach for operational risk, where the capital charge is based on a fixed percentage of the average of the previous 3 years' gross income. The fixed percentages range from 12% - 18% and are based on the type of business, with retail banking activities at the low end of the range and investment banking and capital markets activities at the high end.

### Transitional Considerations

The regulator's transitional arrangements prescribe that for institutions receiving full approval to use the AIRB approach, a capital floor will be applied for at least two years post approval. The floor is based on a regulatory formula that essentially compares the minimum capital required under Basel I to the minimum capital required under Basel II, and does not allow the latter to fall below the floor based on the former. If a floor is invoked, a prescribed adjustment to risk weighted assets is required to increase the capital to the targeted floor threshold. The Bank's AIRB approval conditions required a 100% floor to be applied for Q1/08. Subsequently, OSFI has given the Bank their approval to move to 90% floor effective Q2/08.

<sup>1</sup> refer to glossary

# REGULATORY CAPITAL



(\$MM)	QUARTERLY TREND											
	Basel II				Basel I							
	2008				2008				2007			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>REGULATORY CAPITAL:</b>												
Common Shares, Contributed Surplus & Retained Earnings	22,378	22,512	21,943	21,423	22,378	22,512	21,943	21,423	21,026	20,488	20,302	19,896
OCI - Accumulated Foreign Currency Translation Losses	(2,181)	(3,556)	(3,749)	(3,664)	(2,181)	(3,556)	(3,749)	(3,664)	(4,549)	(2,852)	(2,387)	(1,799)
Non-Cumulative Preferred Shares	2,860	2,560	2,210	1,865	2,860	2,560	2,210	1,865	1,635	1,290	1,290	945
Innovative Capital Instruments	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	3,000	3,000	3,000
Non-Controlling Interest in Subsidiaries	502	455	588	548	502	455	588	548	497	505	496	491
Gross Tier 1 Capital	<b>26,309</b>	<b>24,721</b>	<b>23,742</b>	<b>22,922</b>	26,309	24,721	23,742	22,922	21,359	22,431	22,701	22,533
Less: Goodwill and Excess Intangibles	(2,273)	(2,134)	(2,162)	(1,266)	(2,273)	(2,134)	(2,162)	(1,266)	(1,134)	(1,140)	(1,176)	(1,121)
Other Capital Deductions (1)	(773)	(512)	(507)	(490)	(195)	-	-	-	-	-	-	-
Net Tier 1 Capital	<b>23,263</b>	<b>22,075</b>	<b>21,073</b>	<b>21,166</b>	23,841	22,587	21,580	21,656	20,225	21,291	21,525	21,412
OCI - Accumulated Net Unrealized Gains (after-tax) on available-for-sale Equity Securities	-	122	200	161	-	122	200	161	298	350	368	374
Debentures (net of amortization) (2)	5,227	4,234	4,659	2,859	5,227	4,234	4,659	2,859	2,452	1,531	2,043	2,060
Eligible Allowance for Credit Losses (3)	534	747	783	754	1,323	1,323	1,323	1,298	1,298	1,298	1,298	1,323
Tier 2 Capital	<b>5,761</b>	<b>5,103</b>	<b>5,642</b>	<b>3,774</b>	6,550	5,679	6,182	4,318	4,048	3,179	3,709	3,757
Less: Investment in Insurance Entities and Associated Corporations and other items	(1,177)	(1,134)	(1,127)	(1,066)	(1,601)	(1,525)	(1,517)	(1,442)	(1,292)	(1,158)	(942)	(949)
<b>Total Regulatory Capital</b>	<b>27,847</b>	<b>26,044</b>	<b>25,588</b>	<b>23,874</b>	28,790	26,741	26,245	24,532	22,981	23,312	24,292	24,220
<b>CHANGES IN REGULATORY CAPITAL:</b>												
<b>Total Capital, Beginning of Period</b>	<b>26,044</b>	<b>25,588</b>	<b>23,874</b>	<b>22,321</b>					23,312	24,292	24,220	22,986
<b>Internally Generated Capital</b>												
Net Income	315	1,010	980	835					954	1,032	1,039	1,020
Preferred and Common Share Dividends	(517)	(517)	(485)	(484)					(458)	(461)	(428)	(424)
	(202)	493	495	351					496	571	611	596
<b>External Financing</b>												
Debentures (net of amortization) (2)	993	(425)	1,800	407					921	(512)	(17)	14
Innovative Capital Instruments	-	-	-	-					(250)	-	-	-
Preferred Shares	300	350	345	230					345	-	345	345
Common Shares Issued less Purchased for Cancellation	101	85	29	48					45	(18)	19	95
Premium on Purchase of Shares for Cancellation	(31)	(6)	-	-					-	(368)	(218)	-
	1,363	4	2,174	685					1,061	(898)	129	454
<b>Other</b>												
OCI - Net Change in Foreign Currency Translation Gains Losses	1,375	193	(85)	885					(1,697)	(465)	(588)	522
OCI - Net Change in Net Unrealized Gains / Losses (after-tax) on available-for-sale Equity Securities	(317)	(78)	39	(137)					(52)	(18)	(6)	374
Non-controlling Interest in Subsidiaries	47	(133)	40	51					(8)	9	5	56
Other (4)	(463)	(23)	(949)	(282)					(131)	(179)	(79)	(768)
	642	(41)	(955)	517					(1,888)	(653)	(668)	184
<b>Total Capital Generated (Used)</b>	<b>1,803</b>	<b>456</b>	<b>1,714</b>	<b>1,553</b>					(331)	(980)	72	1,234
<b>Total Capital, End of Period</b>	<b>27,847</b>	<b>26,044</b>	<b>25,588</b>	<b>23,874</b>					22,981	23,312	24,292	24,220

(1) Comprised of net after-tax gains on sale of securitized assets, net after-tax unrealized losses on AFS equity securities, and 50% of investments in certain specified corporations acquired after November 1, 2007, and other items.

(2) Includes Scotia Trust Subordinated Notes - Series A.

(3) Under Basel I, the general allowance is included in Tier 2 capital up to a maximum of 0.875% of risk-weighted assets as per OSFI guidelines. Under Basel II, eligible general allowances in excess of expected losses can be included in capital, subject to certain limitations.

(4) Represents changes to eligible general allowance, regulatory capital deductions for goodwill, securitization-related amounts and investments in insurance entities and associated corporations, and other charges (credits) to retained earnings. Q1/07 includes a \$61MM charge for cumulative effect of adopting new accounting policy on financial instruments.

(5) OCI = Other Comprehensive Income

# RISK-WEIGHTED ASSETS AND CAPITAL RATIOS



(\$B)

	QUARTERLY TREND											
	Basel II				Basel I							
	2008				2008				2007			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>RISK-WEIGHTED ASSETS:</b>												
On- Balance Sheet Assets												
Cash Resources					4.7	4.6	4.8	5.5	4.3	4.3	4.5	3.7
Securities					12.6	13.3	13.5	12.0	10.7	10.0	9.7	13.2
Residential Mortgages					40.4	40.1	38.1	36.8	35.0	33.9	32.1	31.4
Loans <sup>(1)</sup> & Acceptances					156.1	139.9	132.2	127.0	113.0	112.4	110.3	109.7
All Other					12.9	9.7	9.8	9.3	8.1	7.3	8.8	7.4
					226.7	207.6	198.4	190.6	171.1	167.9	165.4	165.4
Off- Balance Sheet Assets												
Indirect Credit Instruments					39.7	37.5	34.0	33.7	30.9	34.2	32.6	30.4
Interest Rate, Foreign Exchange and Other Derivative Instruments					10.8	6.9	8.1	6.9	6.3	6.2	6.7	4.9
<b>Total Credit Risk before AIRB scaling factor <sup>(2)</sup></b>	207.5	185.9	179.1	177.2	277.2	252.0	240.5	231.2	208.3	208.3	204.7	200.7
<b>Total Credit Risk after AIRB scaling factor <sup>(3)</sup></b>	<b>214.5</b>	<b>192.2</b>	<b>185.3</b>	<b>183.2</b>								
Market Risk -- Risk Assets Equivalent	15.5	13.5	13.8	12.9	14.2	11.1	12.3	11.9	10.0	11.5	8.4	6.1
Operational Risk -- Risk Assets Equivalent <sup>(4)</sup>	20.6	20.1	19.8	19.6								
<b>Total Risk Weighted Assets before Transitional Adjustment</b>	250.6	225.8	218.9	215.7	291.4	263.1	252.8	243.1	218.3	219.8	213.1	206.8
Transitional Adjustment				19.2								
<b>Total Risk Weighted Assets</b>	<b>250.6</b>	<b>225.8</b>	<b>218.9</b>	<b>234.9</b>								
<b>RISK-WEIGHTED CAPITAL RATIOS (%):</b>												
Tier I	9.3	9.8	9.6	9.0	8.2	8.6	8.5	8.9	9.3	9.7	10.1	10.4
Total	11.1	11.5	11.7	10.2	9.9	10.2	10.4	10.1	10.5	10.6	11.4	11.7
Tangible Common Equity	7.3	7.6	7.5	7.2	6.3	6.5	6.5	6.9	7.2	7.7	8.0	8.4

(1) Basel I comparatives include Securities Purchased under Resale Agreements.

(2) Details by Basel II exposure type shown in the following page "risk-weighted assets for credit risk portfolios".

(3) The Basel II framework imposes an additional 6% scaling factor to AIRB credit risk portfolios.

(4) New capital requirements for operational risk under Basel II.

**RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS**


(\$MM)

October 31, 2008

Basel II Exposure Type		Basel II						Basel I
		Internal Ratings Based		Standardized		Total		
Basel II Exposure Sub-type		Exposure at Default	Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>	Risk-Weighted Assets	Exposure at Default	Risk-Weighted Assets	Risk-Weighted Assets
<b>Non-retail</b>								
Corporate	Drawn	68,056	46,960	49,593	48,728	117,649	95,688	
	Undrawn	39,864	20,840	4,079	4,046	43,943	24,886	
	Other <sup>(2)</sup>	14,314	6,131	2,542	2,484	16,856	8,615	
	<b>Total</b>	<b>122,234</b>	<b>73,931</b>	<b>56,214</b>	<b>55,258</b>	<b>178,448</b>	<b>129,189</b>	
Bank	Drawn	23,710	4,538	9,276	2,746	32,986	7,284	
	Undrawn	16,477	3,031	109	25	16,586	3,056	
	Other <sup>(2)</sup>	16,226	2,669	361	191	16,587	2,860	
	<b>Total</b>	<b>56,413</b>	<b>10,238</b>	<b>9,746</b>	<b>2,962</b>	<b>66,159</b>	<b>13,200</b>	
Sovereign	Drawn	12,872	227	11,754	2,306	24,626	2,533	
	Undrawn	961	73	309	137	1,270	210	
	Other <sup>(2)</sup>	1,275	62	5	5	1,280	67	
	<b>Total</b>	<b>15,108</b>	<b>362</b>	<b>12,068</b>	<b>2,448</b>	<b>27,176</b>	<b>2,810</b>	
<b>Total Non-retail</b>								
	Drawn	104,638	51,725	70,623	53,780	175,261	105,505	123,977
	Undrawn	57,302	23,944	4,497	4,208	61,799	28,152	22,631
	Other <sup>(2)</sup>	31,815	8,862	2,908	2,680	34,723	11,542	15,966
	<b>Total</b>	<b>193,755</b>	<b>84,531</b>	<b>78,028</b>	<b>60,668</b>	<b>271,783</b>	<b>145,199</b>	<b>162,574</b>
<b>Retail</b>								
Retail residential mortgages	Drawn	97,012	2,571	23,697	6,838	120,709	9,409	39,592
	Undrawn	3,292	33	0	0	3,292	33	0
	<b>Total</b>	<b>100,304</b>	<b>2,604</b>	<b>23,697</b>	<b>6,838</b>	<b>124,001</b>	<b>9,442</b>	<b>39,592</b>
Home Equity Lines Of Credit (HELOCs)	Drawn	14,644	544			14,644	544	7,795
	Undrawn	0	0			0	0	0
	<b>Total</b>	<b>14,644</b>	<b>544</b>			<b>14,644</b>	<b>544</b>	<b>7,795</b>
Qualifying Revolving Retail Exposures (QRRE)	Drawn	12,051	4,005			12,051	4,005	11,511
	Undrawn	7,076	756			7,076	756	0
	<b>Total</b>	<b>19,127</b>	<b>4,761</b>			<b>19,127</b>	<b>4,761</b>	<b>11,511</b>
Other Retail	Drawn	9,754	4,213	13,699	9,874	23,453	14,087	22,401
	Undrawn	23	22	220	165	243	187	0
	<b>Total</b>	<b>9,777</b>	<b>4,235</b>	<b>13,919</b>	<b>10,039</b>	<b>23,696</b>	<b>14,274</b>	<b>22,401</b>
<b>Total Retail</b>								
	Drawn	133,461	11,333	37,396	16,712	170,857	28,045	81,299
	Undrawn	10,391	811	220	165	10,611	976	0
	<b>Total</b>	<b>143,852</b>	<b>12,144</b>	<b>37,616</b>	<b>16,877</b>	<b>181,468</b>	<b>29,021</b>	<b>81,299</b>
Securitized		28,539	4,354			28,539	4,354	7,204
Trading derivatives		24,451	8,595			24,451	8,595	9,872
<b>Total Credit risk (excl. Equities &amp; Other Assets)</b>		<b>390,597</b>	<b>109,624</b>	<b>115,644</b>	<b>77,545</b>	<b>506,241</b>	<b>187,169</b>	<b>260,949</b>
Equities		3,375	6,142			3,375	6,142	3,375
Other Assets				21,929	14,215	21,929	14,215	12,925
<b>Total Credit Risk, before scaling factor</b>		<b>393,972</b>	<b>115,766</b>	<b>137,573</b>	<b>91,760</b>	<b>531,545</b>	<b>207,526</b>	<b>277,249</b>
Add-on for 6% scaling factor <sup>3</sup>			6,946				6,946	
<b>Total Credit Risk</b>		<b>393,972</b>	<b>122,712</b>	<b>137,573</b>	<b>91,760</b>	<b>531,545</b>	<b>214,472</b>	<b>277,249</b>

(1) Net of related allowances for credit losses.

(2) Other exposures include lending instruments such as letters of credit and letters of guarantee, OTC derivatives and repo-style exposures, net of related collateral.

(3) Basel Committee imposed scaling factor (6%) on risk-weighted assets for AIRB credit risk portfolios.



**RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS**


(\$MM)

 July 31, 2008 <sup>(1)</sup>

Basel II Exposure Type		Basel II						Basel I	
		Internal Ratings Based		Standardized		Total			
Basel II Exposure Sub-type		Exposure at Default	Risk-Weighted Assets	Exposure at Default <sup>(2)</sup>	Risk-Weighted Assets	Exposure at Default	Risk-Weighted Assets	Risk-Weighted Assets	
<b>Non-retail</b>									
Corporate	Drawn	59,335	39,854	43,899	43,116	103,234	82,970		
	Undrawn	37,440	19,701	3,341	3,330	40,781	23,031		
	Other <sup>(3)</sup>	13,712	6,149	2,341	2,289	16,053	8,438		
	<b>Total</b>	<b>110,487</b>	<b>65,704</b>	<b>49,581</b>	<b>48,735</b>	<b>160,068</b>	<b>114,439</b>		
Bank	Drawn	24,347	4,484	10,328	2,946	34,675	7,430		
	Undrawn	14,729	2,776	135	33	14,864	2,809		
	Other <sup>(3)</sup>	15,944	2,528	406	179	16,350	2,707		
	<b>Total</b>	<b>55,020</b>	<b>9,788</b>	<b>10,869</b>	<b>3,158</b>	<b>65,889</b>	<b>12,946</b>		
Sovereign	Drawn	4,678	178	10,649	3,276	15,327	3,454		
	Undrawn	1,092	93	234	34	1,326	127		
	Other <sup>(3)</sup>	296	8	0	0	296	8		
	<b>Total</b>	<b>6,066</b>	<b>279</b>	<b>10,883</b>	<b>3,310</b>	<b>16,949</b>	<b>3,589</b>		
<b>Total Non-retail</b>		Drawn	88,360	44,516	64,876	49,338	153,236	93,854	110,484
		Undrawn	53,261	22,570	3,710	3,397	56,971	25,967	21,062
		Other <sup>(3)</sup>	29,952	8,685	2,747	2,468	32,699	11,153	15,395
		<b>Total</b>	<b>171,573</b>	<b>75,771</b>	<b>71,333</b>	<b>55,203</b>	<b>242,906</b>	<b>130,974</b>	<b>146,941</b>
<b>Retail</b>									
Retail residential mortgages	Drawn	91,720	2,163	21,294	6,661	113,014	8,824	39,273	
	Undrawn	2,489	33	0	0	2,489	33	0	
	<b>Total</b>	<b>94,209</b>	<b>2,196</b>	<b>21,294</b>	<b>6,661</b>	<b>115,503</b>	<b>8,857</b>	<b>39,273</b>	
Home Equity Lines Of Credit (HELOCs)	Drawn	14,029	469			14,029	469	7,568	
	Undrawn	21	3			21	3	0	
	<b>Total</b>	<b>14,050</b>	<b>472</b>			<b>14,050</b>	<b>472</b>	<b>7,568</b>	
Qualifying Revolving Retail Exposures (QRRE)	Drawn	11,863	3,830			11,863	3,830	11,339	
	Undrawn	8,004	784			8,004	784	0	
	<b>Total</b>	<b>19,867</b>	<b>4,614</b>			<b>19,867</b>	<b>4,614</b>	<b>11,339</b>	
Other Retail	Drawn	9,619	4,195	12,988	9,351	22,607	13,546	21,607	
	Undrawn	33	25	129	97	162	122	0	
	<b>Total</b>	<b>9,652</b>	<b>4,220</b>	<b>13,117</b>	<b>9,448</b>	<b>22,769</b>	<b>13,668</b>	<b>21,607</b>	
<b>Total Retail</b>		Drawn	127,231	10,657	34,282	16,012	161,513	26,669	79,787
		Undrawn	10,547	845	129	97	10,676	942	0
		<b>Total</b>	<b>137,778</b>	<b>11,502</b>	<b>34,411</b>	<b>16,109</b>	<b>172,189</b>	<b>27,611</b>	<b>79,787</b>
Securitizations			31,977	4,603			31,977	4,603	6,518
Trading derivatives			19,252	7,125			19,252	7,125	6,077
<b>Total Credit risk (excl. Equities &amp; Other Assets)</b>			<b>360,580</b>	<b>99,001</b>	<b>105,744</b>	<b>71,312</b>	<b>466,324</b>	<b>170,313</b>	<b>239,323</b>
Equities			2,911	5,116			2,911	5,116	2,911
Other Assets					19,773	10,516	19,773	10,516	9,745
<b>Total Credit Risk, before scaling factor</b>			<b>363,491</b>	<b>104,117</b>	<b>125,517</b>	<b>81,828</b>	<b>489,009</b>	<b>185,945</b>	<b>251,979</b>
Add-on for 6% scaling factor <sup>(4)</sup>				6,247			6,247		
<b>Total Credit Risk</b>			<b>363,491</b>	<b>110,364</b>	<b>125,517</b>	<b>81,828</b>	<b>489,009</b>	<b>192,192</b>	<b>251,979</b>

(1) Comparative amounts have been reclassified to conform with the current presentation.

(2) Net of related allowances for credit losses.

(3) Other exposures include lending instruments such as letters of credit and letters of guarantee, OTC derivatives and repo-style exposures, net of related collateral.

(4) Basel Committee imposed scaling factor (6%) on risk weighted assets for AIRB credit risk portfolios.

# TOTAL CREDIT RISK EXPOSURES BY GEOGRAPHY <sup>(1,2)</sup>



(\$MM)	October 31, 2008			
	Drawn	Undrawn	Other Exposures <sup>(3)</sup>	Total
Canada	199,672	44,376	34,722	278,770
USA	34,262	17,949	37,240	89,451
Mexico	13,858	332	947	15,137
Other International				
Europe	26,298	4,637	8,551	39,486
Carribbean	27,085	1,632	2,071	30,788
Latin America (excl. Mexico)	20,751	844	1,058	22,653
All Other	24,192	2,640	3,124	29,956
<b>Total</b>	<b>346,118</b>	<b>72,410</b>	<b>87,713</b>	<b>506,241</b>

(\$MM)	July 31, 2008 <sup>(4)</sup>			
	Drawn	Undrawn	Other Exposures <sup>(3)</sup>	Total
Canada	189,209	44,013	36,940	270,162
USA	22,323	16,730	32,565	71,618
Mexico	13,823	319	1,301	15,443
Other International				
Europe	26,134	2,848	7,866	36,848
Carribbean	22,672	1,228	1,956	25,856
Latin America (excl. Mexico)	19,101	597	988	20,686
All Other	21,487	1,911	2,313	25,711
<b>Total</b>	<b>314,749</b>	<b>67,646</b>	<b>83,929</b>	<b>466,324</b>

(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.

(4) Comparative amounts have been reclassified to conform with the current presentation.

# CREDIT RISK EXPOSURES BY MATURITY <sup>(1,2)</sup>



## AIRB Non-retail and Retail portfolio

(\$ MM)	October 31, 2008			
	Drawn	Undrawn	Other Exposures <sup>(3)</sup>	Total
<b>Non-retail</b>				
Less than 1 year	43,663	21,306	37,508	<b>102,477</b>
One to 5 years	50,000	34,386	41,232	<b>125,618</b>
Over 5 Years	10,975	1,610	6,065	<b>18,650</b>
<b>Total Non-Retail</b>	<b>104,638</b>	<b>57,302</b>	<b>84,805</b>	<b>246,745</b>
<b>Retail</b>				
Less than 1 year	13,710	10,391		<b>24,101</b>
One to 5 years	90,120	0		<b>90,120</b>
Over 5 Years	1,782	0		<b>1,782</b>
Revolving Credits <sup>(4)</sup>	27,849	0		<b>27,849</b>
<b>Total Retail</b>	<b>133,461</b>	<b>10,391</b>		<b>143,852</b>
<b>Total</b>	<b>238,099</b>	<b>67,693</b>	<b>84,805</b>	<b>390,597</b>

(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.

# CREDIT RISK EXPOSURES BY RISK WEIGHT - STANDARDIZED APPROACH



(\$MM)

October 31, 2008

Risk Weight	Non-Retail					Retail			
	Exposure at Default <sup>(1)</sup>				Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets
	Corporate	Bank	Sovereign	Total		Residential Mortgages	Other Retail	Total	
0%	782	219	8,352	9,353	-	7,076	282	7,358	-
20%	245	8,204	1,586	10,035	2,007				
35%						14,200	618	14,818	5,186
50%	7	3	-	10	5				
75%						2,211	12,891	15,102	11,327
100%	55,129	1,320	2,130	58,579	58,579	210	74	284	284
150%	51	-	-	51	77	-	54	54	80
<b>Total</b>	<b>56,214</b>	<b>9,746</b>	<b>12,068</b>	<b>78,028</b>	<b>60,668</b>	<b>23,697</b>	<b>13,919</b>	<b>37,616</b>	<b>16,877</b>

(\$MM)

July 31, 2008

Risk Weight	Non-Retail					Retail			
	Exposure at Default <sup>(1)</sup>				Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets
	Corporate	Bank	Sovereign	Total		Residential Mortgages	Other Retail	Total	
0%	687	237	7,556	8,480	-	4,982	313	5,295	-
20%	216	9,341	21	9,578	1,916				
35%						14,045	457	14,502	5,076
50%	16	5	-	21	11				
75%						2,089	12,256	14,345	10,759
100%	48,617	1,286	3,306	53,209	53,209	178	81	259	259
150%	45	0	-	45	67	-	10	10	15
<b>Total</b>	<b>49,581</b>	<b>10,869</b>	<b>10,883</b>	<b>71,333</b>	<b>55,203</b>	<b>21,294</b>	<b>13,117</b>	<b>34,411</b>	<b>16,109</b>

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

## RISK ASSESSMENT OF CREDIT RISK EXPOSURES



### Non-retail AIRB - Credit quality <sup>(1)</sup>

Category of Internal Grades	October 31, 2008			
	Exposure at default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>
	\$	%	%	%
Investment Grade	196,911	0.13	31	23
Non-investment Grade	54,567	0.82	43	75
Watch List	2,735	24.41	44	229
Default	297 <sup>(7)</sup>	100.00	53	546
<b>Total</b>	<b>254,510</b>	<b>0.65</b>	<b>34</b>	<b>37</b>

(1) After credit risk mitigation, includes all non-retail exposures except securitization.

(2) Includes residential mortgages (\$36.3 bn) guaranteed by Canada Mortgage Housing Corporation.

(3) PD - Probability of Default, see glossary for details.

(4) LGD - downturn Loss Given Default including a certain conservative factor as per Basel accord, see glossary for details.

(5) RW - Risk Weight.

(6) Exposure at default used as basis for estimated weightings.

(7) Gross defaulted exposures, before any related allowances. Defaulted exposures under Basel II definition may be higher than those under accounting definition.

### Non-retail AIRB - Credit commitments

Exposure Type	October 31, 2008	
	Notional Undrawn	Weighted Average EAD (%)
<b>Non-retail</b>		
Corporate	69,426	57
Bank	23,691	70
Sovereign	1,405	69
<b>Total</b>	<b>94,522</b>	<b>61</b>

## RISK ASSESSMENT OF CREDIT RISK EXPOSURES



### Credit quality of retail AIRB portfolio<sup>(1)</sup>

(\$ MM) October 31, 2008

Category of PD Grades	Exposure at default (2)	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>
	\$	%	%	%
<b>Residential mortgages<sup>5</sup></b>				
Very Low	49,441	0.08	12	2
Low	8,204	0.38	12	8
Medium	5,921	0.77	12	12
High	342	12.71	12	58
Very High	0	0.00	0	0
Default	92 <sup>(7)</sup>	100.00	12	0
<b>Sub-total</b>	<b>64,000</b>	<b>0.39</b>	<b>12</b>	<b>4</b>
<b>Home equity line of credit (HELOC)</b>				
Very Low	12,513	0.07	12	2
Low	1,039	0.34	12	7
Medium	849	0.95	12	14
High	227	8.78	12	50
Very High	0	0.00	0	0
Default	16 <sup>(7)</sup>	100.00	12	0
<b>Sub-total</b>	<b>14,644</b>	<b>0.38</b>	<b>12</b>	<b>4</b>
<b>Qualifying revolving retail exposures(QRRE)</b>				
Very Low	7,755	0.11	86	5
Low	3,860	0.37	86	15
Medium	6,406	1.16	86	36
High	599	4.50	86	97
Very High	395	19.54	86	224
Default	112 <sup>(7)</sup>	100.00	86	0
<b>Sub-total</b>	<b>19,127</b>	<b>1.64</b>	<b>86</b>	<b>25</b>
<b>Other retail</b>				
Very Low	4,505	0.12	70	19
Low	2,071	0.37	70	42
Medium	2,686	1.19	70	72
High	300	7.20	70	110
Very High	123	44.97	70	184
Default	92 <sup>(7)</sup>	100.00	70	0
<b>Sub-total</b>	<b>9,777</b>	<b>2.19</b>	<b>70</b>	<b>43</b>
<b>Total retail</b>				
Very Low	74,214	0.08	23	4
Low	15,174	0.37	39	14
Medium	15,862	1.01	52	32
High	1,468	7.62	54	84
Very High	518	25.59	82	215
Default	312 <sup>(7)</sup>	100.00	55	0
<b>Total</b>	<b>107,548</b>	<b>0.77</b>	<b>30</b>	<b>11</b>

(1) After credit risk mitigation, includes drawn and undrawn commitments

(2) Excludes residential mortgages (\$36.3 bn) guaranteed by Canada Mortgage Housing Corporation.

(3) PD - Probability of Default, see glossary for details.

(4) LGD - downturn Loss Given Default, see glossary for details.

(5) RW - Risk Weight

(6) Exposure at default used as basis for estimated weightings.

(7) Gross defaulted exposures, before any related allowances.

# CREDIT RISK MITIGATION



(\$ MM)

October 31, 2008

## Exposures at Default<sup>(1)</sup>

Basel II Exposure type	Financial Collateral	Guarantees / Credit Derivatives	
	Standardized Approach	Standardized Approach	AIRB Approach
<b>Non-Retail</b>			
Corporate	789	238	3,659
Bank	219	0	79
Sovereign	45	23	0
<b>Sub-total</b>	<b>1,053</b>	<b>261</b>	<b>3,738</b>
<b>Retail</b>			
Residential mortgages <sup>(2)</sup>	37	7,039	36,304
Home equity line of credit (HELOC)			0
Qualifying revolving retail exposures(QRRE)			0
Other Retail	816	84	0
<b>Sub-total</b>	<b>853</b>	<b>7,123</b>	<b>36,304</b>
<b>Total</b>	<b>1,906</b>	<b>7,384</b>	<b>40,042</b>

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

(2) Primarily includes residential mortgages guaranteed by Canada Mortgage Housing Corporation.

# DERIVATIVES



(\$MM)	October 31, 2008				July 31, 2008	
	Notional Amount	Credit Risk Amount	Potential Future Exposure	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount
<u>Interest Rate Contracts:</u>						
Futures and Forward Rate Agreements	103,872	20	-	20	129,280	13
Swaps	741,732	10,197	3,438	13,635	674,394	9,737
Options Purchased	72,412	351	75	426	77,871	330
Options Written	63,679	-	-	-	62,531	-
<u>Foreign Exchange Contracts:</u>						
Futures, Spot and Forwards	290,429	13,053	2,910	15,963	265,464	6,698
Swaps	127,005	6,662	5,670	12,332	108,302	11,587
Options Purchased	4,651	375	60	435	3,810	241
Options Written	4,908	-	-	-	4,431	-
<u>Other Derivative Contracts:</u>						
Equity	25,852	1,936	1,527	3,463	41,582	3,710
Credit	120,399	11,067	6,767	17,834	110,206	10,798
Other	7,002	1,149	560	1,709	7,092	1,040
<b>Total Derivatives</b>	<b>1,561,941</b>	<b>44,810</b>	<b>21,007</b>	<b>65,817</b>	<b>1,484,963</b>	<b>44,154</b>
Less: Impact of Master Netting Agreements, Collateral		24,076	13,220	37,296		22,016
<b>Total after Netting &amp; Collateral</b>		<b>20,734</b>	<b>7,787</b>	<b>28,521</b>		<b>22,138</b>
<b>Total Risk-Weighted Assets</b>				<b>9,653</b>		<b>7,867</b>



# RISK-WEIGHTED ASSETS FOR SECURITIZATION EXPOSURES <sup>(1)</sup>



\$ (MM )

October 31, 2008

Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default	Risk-Weighted Assets
Investment Grade	AAA to A	7 - 25	25,823	2,662
	A- to BBB-	35 - 100	2,474	1,563
Non-Investment Grade	BB+ to BB-	150 - 650	24	129
	Below BB-	First Loss protection	218	n/a <sup>(2)</sup>
<b>Total</b>			<b>28,539</b>	<b>4,354</b>

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

(2) First loss protection amounts are deducted 50/50 from tier 1 and tier 2 capital.

## RISK-WEIGHTED ASSETS FOR EQUITY EXPOSURES



(\$MM)

Equity Investments	October 31, 2008	
	Gross Exposures	Risk-Weighted Assets
Grandfathered equity investments	1,793	1,793
Non-grandfathered - Simple risk weight method	1,043 <sup>(1)</sup>	3,504
Preferred Shares - PD/LGD Approach	539	845
<b>Total</b>	<b>3,375</b>	<b>6,142</b>

(1) Of the non-grandfathered equity exposures, approximately 64% are traded in a public exchange, with the remaining 36% representing private equity investments which are not actively traded.

<b>Credit Risk Parameters</b>	
Exposure at Default (EAD)	Generally represents the expected gross exposure - outstanding amount for on-balance sheet exposure and loan equivalent amount for off-balance sheet exposure.
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.
<b>Exposure Types</b>	
<i>Non-retail</i>	
Corporate	Defined as a debt obligation of a corporation, partnership, or proprietorship.
Bank	Defined as a debt obligation of a bank or bank equivalent (including certain public sector entities (PSEs) treated as Bank equivalent exposures).
Sovereign	Defined as a 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), and off- balance sheet liquidity lines and credit enhancements to Bank's sponsored ABCP conduits and liquidity lines to non-bank sponsored ABCP conduits.
<i>Retail</i>	
Real Estate Secured	
Residential Mortgages	Loans to individuals against residential property (four units or less).
Home Equity Lines Of Credit (HELOCs)	Revolving personal lines of credit secured by home equity.
Qualifying Revolving Retail Exposures (QRRE)	Credit cards and unsecured line of credit for individuals.
Other Retail	All other personal loans.
<b>Exposure Sub-types</b>	
Drawn	Outstanding amounts for loans, leases, acceptances, deposits with banks and available-for-sale debt securities.
Undrawn	Unutilized portion of an authorized credit line.
Other Exposures	
Repo-Style transactions	Reverse repurchase agreements (reverse repos) and repurchase agreements (repos), securities lending and borrowing.
OTC Derivatives	Over-the-counter derivatives contracts.
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.