

SUPPLEMENTARY FINANCIAL INFORMATION



January 31, 2013

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1) Amortization of intangibles

The calculation for the amortization of intangibles, which is generally used for adjusted EPS, cash ROE and cash net income, now excludes the amortization of software. Prior period amounts have been restated to reflect the current period definition. This change generally reduces cash EPS by 1 cent per share for each quarter.

2) Reclassification of certain collateral accounts and deposits with banks and financial institutions

During the first quarter of 2013, "Deposits with banks" was changed to "Deposits with financial institutions" to include all deposits with bank and non-bank financial institutions. As a result, cash with non-bank financial institutions was retrospectively reclassified from "Loans - business and government" to "Deposits with financial institutions". Cash collateral for securities borrowed was retrospectively reclassified from "Deposits with financial institutions" and "Loans - business and government" to "Securities purchased under resale agreement and securities borrowed" to better reflect the nature of these balances. Related interest income lines were also retrospectively restated.

3) Basel III implementation

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. Regulatory capital ratios presented prior to 2013 were not restated and are measured based on the regulatory capital requirements in effect during those periods. Refer to page 27 "Basel III Implementation" for further details.

4) Change in the Economic Equity methodology

The Bank reviews models annually relative to industry practice and the ongoing evolution and update of parameters. The Bank introduced an inter-risk diversification benefit in its economic equity calculation, in addition to other model and assumption changes. Prior to 2013, the economic equity aggregation was very conservative as it simply added the economic equity calculated for each risk type. For 2013, on a prospective basis, the Bank developed a diversification model that simulates the combined distribution of credit, market, and operational risks. This results in a reduction in the economic equity attributed to each division.

HIGHLIGHTS



	QUARTERLY TREND								FULL YEAR		
	2013 Q1	2012				2011				2012	2011
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Operating Performance:											
Net Income (\$MM)	1,625	1,519	2,051	1,460	1,436	1,157	1,303	1,621	1,249	6,466	5,330
Net Income attributable to Common Shareholders (\$MM)	1,504	1,398	1,946	1,336	1,343	1,071	1,209	1,528	1,157	6,023	4,965
EPS (\$) - Basic	1.27	1.20	1.70	1.18	1.23	0.99	1.12	1.42	1.11	5.31	4.63
- Diluted	1.25	1.18	1.69	1.15	1.20	0.97	1.10	1.39	1.08	5.22	4.53
ROE (%) ⁽¹⁾	16.6	16.4	24.6	18.6	19.8	16.4	19.1	25.7	20.9	19.7	20.3
Core Banking Margin (TEB) (%) ⁽¹⁾	2.30	2.35	2.33	2.37	2.25	2.26	2.31	2.30	2.41	2.32	2.32
Productivity Ratio (TEB) (%) ⁽¹⁾	53.5	54.9	46.9	53.7	53.5	57.9	53.7	50.9	53.3	52.0	53.9
Effective Tax Rate (%)	21.1	17.0	17.7	22.1	22.3	20.5	23.3	17.9	23.1	19.6	21.1
Effective Tax Rate (TEB) (%)	23.8	20.2	20.2	24.9	25.1	24.3	26.5	20.7	26.3	22.4	24.3
Cash Flow:											
Cash Net Income (\$MM) ⁽²⁾	1,644	1,535	2,068	1,475	1,451	1,172	1,318	1,636	1,259	6,529	5,385
Adjusted EPS (\$) - Basic ⁽²⁾	1.28	1.21	1.72	1.19	1.24	1.00	1.13	1.43	1.12	5.37	4.68
- Diluted ^{(1) (2)}	1.27	1.20	1.70	1.16	1.22	0.98	1.11	1.40	1.09	5.28	4.58
Cash ROE (%) ⁽²⁾	16.8	16.6	24.8	18.9	20.0	16.6	19.3	26.0	21.0	19.9	20.5
Balance Sheet:											
Total Assets (\$B)	736.4	668.0	670.0	659.7	637.1	594.4	587.6	590.7	559.4		
Customer Loans and Acceptances (\$B) ⁽³⁾	398.4	361.4	355.4	344.9	340.9	327.2	318.1	309.9	309.0		
Deposits (\$B)	512.6	463.6	461.0	460.9	451.6	421.3	415.2	419.5	398.8		
Common Shareholders' Equity (\$B)	36.8	35.3	32.4	30.6	28.1	26.4	25.6	24.6	22.3		
Credit Quality:											
Net Impaired Loans (\$MM) ⁽⁴⁾	1,902	1,973	2,032	1,999	1,806	1,957	1,990	2,107	2,205		
- % of Customer Loans and Acceptances	0.48	0.55	0.57	0.58	0.53	0.60	0.63	0.68	0.71		
Allowance for Credit Losses (\$MM) ⁽⁴⁾	3,008	2,881	2,777	2,636	2,682	2,622	2,653	2,619	2,642		
Total Provision for Credit Losses (\$MM)	310	321	402	264	265	281	250	270	275	1,252	1,076
- % of Average Customer Loans and Acceptances ⁽⁵⁾	0.32	0.36	0.46	0.31	0.32	0.34	0.32	0.36	0.36	0.36	0.34
Capital Measures:⁽⁶⁾											
Common Equity Tier 1 Capital Ratio (%)	8.2	N/A	N/A	N/A	N/A						
Tier 1 Capital Ratio (%)	10.3	13.6	12.6	12.2	11.4						
Total Capital Ratio (%)	13.5	16.7	14.4	14.0	13.2						
Tangible Common Equity Ratio (%)	10.1	11.3	10.2	9.4	8.5						
Assets to Capital Multiple (X)	17.3	15.0	17.2	17.5	17.7						
Risk-Weighted Assets (\$MM)	280,061	253,309	252,399	252,862	253,075						

(1) Refer to page 5 in the Report to Shareholders for a discussion on non-GAAP measures.

(2) Excludes amortization of intangibles related to acquisitions (excluding software, net of taxes). Prior period amounts have been restated to reflect the current period definition.

(3) Prior period amounts have been restated to reflect the current period presentation of deposits with financial institutions and cash collateral on securities borrowed and derivative transactions (Refer to Note 3 in the Notes to the Condensed Interim Financial Statements in the Shareholder Report).

(4) Net Impaired Loans are Impaired Loans less Allowance for Credit Losses allocated against such loans. Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico. Allowance for credit losses excludes allowance for FDIC guaranteed loans.

(5) Excluding the Collective Allowance against Performing Loans, the PCL ratio would be Q3/12: 0.34%, Q4/11: 0.38%, Q3/11: 0.35% and full year 2012: 0.33% and 2011: 0.36%

(6) Effective November 1, 2012, regulatory capital ratios are determined in accordance with Basel III rules. Comparative amounts for prior periods were determined in accordance with Basel II rules and have not been restated.

COMMON SHARE AND OTHER INFORMATION



	QUARTERLY TREND										FULL YEAR	
	2013 Q1	2012				2011				2012	2011	
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Valuation:												
Book Value per Share (\$)	30.85	29.76	28.29	26.78	25.49	24.20	23.59	22.78	21.29	29.76	24.20	
Share Price (\$) - High	59.20	55.00	54.89	57.18	56.95	54.96	59.73	61.28	57.72	57.18	61.28	
- Low	52.30	51.24	50.25	50.22	47.54	49.00	53.77	56.25	52.11	47.54	49.00	
- Close	58.65	54.25	52.35	54.80	51.53	52.53	54.18	57.69	56.46	54.25	52.53	
Share Price (Closing) as % Book Value	190.1	182.3	185.0	204.6	202.2	217.1	229.7	253.2	265.2	182.3	217.1	
Price (Closing) / Earnings Ratio (X) ⁽¹⁾	11.0	10.2	10.3	12.1	10.8	11.3	11.7	12.8	13.8	10.2	11.3	
Market Capitalization (\$MM)	69,896	64,252	59,988	62,545	56,840	57,204	58,799	62,434	59,090	64,252	57,204	

Dividends:

Common Dividends Paid (\$MM)	676	672	629	625	567	564	563	561	512	2,493	2,200
Common Dividends/Share (\$)	0.57	0.57	0.55	0.55	0.52	0.52	0.52	0.52	0.49	2.19	2.05

Shares:

Number of Common Shares Outstanding at Period End (MM)	1,192	1,184	1,146	1,141	1,103	1,089	1,085	1,082	1,047		
Average Number of Common Shares Outstanding (MM) - Basic	1,186	1,166	1,142	1,134	1,091	1,086	1,082	1,078	1,044	1,133	1,072
- Diluted	1,204	1,184	1,160	1,168	1,125	1,118	1,115	1,113	1,081	1,160	1,108

Other Information: ⁽²⁾

Employees	82,618	81,497	81,281	80,932	77,302	75,362	74,902	73,558	71,653
Branches and Offices	3,392	3,123	3,115	3,115	3,116	2,926	2,910	2,853	2,794
ABMs	7,420	7,341	7,307	6,795	6,737	6,260	6,193	5,996	5,986

Senior Debt Credit Ratings:

Standard & Poor's	A+ ⁽³⁾	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Moody's	Aa2 ⁽³⁾	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1

(1) Based on trailing 4 quarters' EPS

(2) Excludes affiliates

(3) As at January 31, 2013, the rating outlook is Stable.

CONSOLIDATED STATEMENT OF INCOME



(\$ MM)

CONSOLIDATED STATEMENT OF INCOME:

	QUARTERLY TREND								FULL YEAR		
	2013	2012				2011				2012	2011
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Interest Income (TEB)	4,693	4,363	4,422	4,254	4,132	4,059	4,040	3,817	3,960	17,171	15,876
Interest Expense	1,918	1,779	1,850	1,770	1,752	1,725	1,738	1,676	1,702	7,151	6,841
Net Interest Income (TEB)	2,775	2,584	2,572	2,484	2,380	2,334	2,302	2,141	2,258	10,020	9,035
Net Fee and Commission Revenues (Page 10)	1,661	1,634	1,563	1,577	1,500	1,489	1,467	1,527	1,244	6,274	5,727
Net Income from Investments in Associated Corporations (Page 10)	150	118	111	120	93	109	112	98	114	442	433
Other Operating Income (TEB) (Page 10)	670	602	1,343	592	716	367	490	942	603	3,253	2,402
Total Revenue (TEB)	5,256	4,938	5,589	4,773	4,689	4,299	4,371	4,708	4,219	19,989	17,597
Taxable Equivalent Adjustment	74	74	77	69	68	74	73	69	71	288	287
Total Revenue	5,182	4,864	5,512	4,704	4,621	4,225	4,298	4,639	4,148	19,701	17,310
Provision for Credit Losses	310	321	402	264	265	281	250	270	275	1,252	1,076
Total Operating Expenses (Page 11)	2,813	2,713	2,618	2,565	2,507	2,489	2,348	2,395	2,249	10,403	9,481
Income before Taxes	2,059	1,830	2,492	1,875	1,849	1,455	1,700	1,974	1,624	8,046	6,753
Income Tax Expense	434	311	441	415	413	298	397	353	375	1,580	1,423
Net Income	1,625	1,519	2,051	1,460	1,436	1,157	1,303	1,621	1,249	6,466	5,330
Amortization of Intangibles (net of taxes) ⁽¹⁾	19	16	17	15	15	15	15	15	10	63	55
Cash Net Income	1,644	1,535	2,068	1,475	1,451	1,172	1,318	1,636	1,259	6,529	5,385
Net Income Attributable to Non-Controlling Interests	66	66	50	69	38	31	39	38	41	223	149
Non-Controlling Interests in Subsidiaries	59	59	58	56	25	17	24	24	26	198	91
Capital Instrument Equity Holders	7	7	(8)	13	13	14	15	14	15	25	58
Net Income Attributable to Equity Holders of the Bank	1,559	1,453	2,001	1,391	1,398	1,126	1,264	1,583	1,208	6,243	5,181
Preferred Shareholders	55	55	55	55	55	55	55	55	51	220	216
Common Shareholders	1,504	1,398	1,946	1,336	1,343	1,071	1,209	1,528	1,157	6,023	4,965

(1) Excludes amortization of intangibles related to acquisitions (excluding software, net of taxes). Prior period amounts have been restated to reflect the current period definition.

BUSINESS SEGMENT PERFORMANCE: CANADIAN BANKING



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013 Q1	2012				2011				2012	2011
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Net Interest Income (TEB)	1,361	1,229	1,197	1,156	1,174	1,145	1,160	1,088	1,160	4,756	4,553
Net Fee and Commission Revenues	384	376	375	361	365	363	360	346	349	1,477	1,418
Net Income (Loss) from Investments in Associated Corporations	9	(2)	5	-	1	2	1	5	(1)	4	7
Other Operating Income (TEB)	1	(2)	43	-	9	2	(4)	-	15	50	13
Total Revenue (TEB)	1,755	1,601	1,620	1,517	1,549	1,512	1,517	1,439	1,523	6,287	5,991
Provision for Credit Losses	(118)	(132)	(118)	(120)	(136)	(135)	(146)	(146)	(165)	(506)	(592)
Operating Expenses	(861)	(820)	(793)	(771)	(768)	(797)	(783)	(773)	(731)	(3,152)	(3,084)
Income Tax Expense (TEB)	(202)	(168)	(188)	(165)	(170)	(161)	(162)	(146)	(176)	(691)	(645)
Net Income	574	481	521	461	475	419	426	374	451	1,938	1,670
Net Income Attributable to Non-Controlling Interests	-	-	1	-	1	-	1	1	1	2	3
Net Income Attributable to Equity Holders of the Bank	574	481	520	461	474	419	425	373	450	1,936	1,667
Profitability Measurements:											
Return on Economic Equity (%) ⁽¹⁾	36.3	37.7	41.7	38.3	38.8	35.2	36.0	33.1	38.5	39.1	35.7
Net Interest Margin ⁽²⁾	2.08	2.15	2.15	2.17	2.18	2.15	2.22	2.19	2.27	2.16	2.21
Provision for Credit Losses as % of Average Loans & Acceptances	0.18	0.23	0.21	0.22	0.25	0.25	0.27	0.29	0.32	0.23	0.28
Productivity Ratio (%)	49.1	51.2	49.0	50.8	49.6	52.7	51.6	53.7	48.0	50.1	51.5
Average Balances (\$B):											
Residential Mortgages ⁽³⁾	180.3	153.5	149.5	146.4	144.6	142.1	139.1	136.6	135.4	148.5	138.3
Personal & Credit Card Loans	51.1	49.9	48.5	47.4	47.3	47.0	46.2	45.5	45.7	48.3	46.1
Business and Government Loans & Acceptances	29.5	28.4	28.3	27.3	26.3	26.0	25.8	25.2	24.4	27.6	25.4
Other Assets	5.7	0.4	0.6	0.5	0.7	0.7	0.7	0.7	0.9	0.5	0.7
Total Assets	266.6	232.2	226.9	221.6	218.9	215.8	211.8	208.0	206.4	224.9	210.5
Total Deposits ⁽³⁾	180.4	149.5	147.6	145.0	144.5	142.3	140.7	139.2	138.3	146.7	140.1
Other Liabilities	4.8	3.9	4.0	3.6	3.4	3.3	3.1	3.0	3.0	3.7	3.1
Total Liabilities	185.2	153.4	151.6	148.6	147.9	145.6	143.8	142.2	141.3	150.4	143.2
Other:											
Branches	1,038	1,037	1,035	1,032	1,030	1,029	1,027	1,024	1,024		
Employees	19,502	18,595	18,764	18,721	18,654	18,765	19,024	18,909	19,034		
ABMs	3,509	3,488	3,467	3,011	3,030	3,015	2,986	2,989	2,995		

(1) Refer to page 5 for a discussion of non-GAAP measures. Effective the first quarter of 2013 the Bank updated its economic equity methodology prospectively. The return measures for prior periods have not been restated for the revised methodology.

(2) Net Interest Income (TEB) as % of Average Earning Assets excluding Bankers Acceptances.

(3) Q1/13 average balances include \$24.6 billion growth in residential mortgages and \$30.1 billion growth in deposits from the ING acquisition. The average balances do not reflect a full quarter of growth. Spot balances as at January 31, 2013 for ING residential mortgages and deposits were \$29.1 billion and \$35.9 billion, respectively.

BUSINESS SEGMENT PERFORMANCE: INTERNATIONAL BANKING



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013 Q1	2012				2011				2012	2011
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Net Interest Income (TEB)	1,200	1,153	1,175	1,137	1,003	941	918	848	872	4,468	3,579
Net Fee and Commission Revenues	334	352	320	336	291	294	263	251	268	1,299	1,076
Net Income from Investments in Associated Corporations	132	103	104	109	68	100	98	90	90	384	378
Other Operating Income (TEB)	90	84	93	81	89	100	53	124	79	347	356
Total Revenue (TEB)	1,756	1,692	1,692	1,663	1,451	1,435	1,332	1,313	1,309	6,498	5,389
Provision for Credit Losses	(186)	(176)	(168)	(145)	(124)	(158)	(126)	(112)	(113)	(613)	(509)
Operating Expenses	(976)	(979)	(937)	(926)	(845)	(820)	(761)	(702)	(755)	(3,687)	(3,038)
Income Tax Expense (TEB)	(128)	(84)	(145)	(144)	(91)	(86)	(102)	(105)	(82)	(464)	(375)
Net Income	466	453	442	448	391	371	343	394	359	1,734	1,467
Net Income Attributable to Non-Controlling Interests	50	52	50	49	18	9	17	16	17	169	59
Net Income Attributable to Equity Holders of the Bank	416	401	392	399	373	362	326	378	342	1,565	1,408
Profitability Measurements:											
Return on Economic Equity (%) ⁽¹⁾	13.9	12.4	11.7	12.4	12.7	13.3	12.3	14.6	12.8	12.3	13.2
Net Interest Margin ⁽²⁾	4.19	4.17	4.23	4.20	3.98	3.85	3.94	3.92	3.85	4.14	3.89
Provision for Credit Losses as % of Average Loans & Acceptances	0.87	0.84	0.81	0.71	0.65	0.87	0.73	0.70	0.69	0.75	0.75
Productivity Ratio (%)	55.6	57.9	55.4	55.7	58.2	57.1	57.1	53.5	57.7	56.7	56.4
Average Balances (\$B):											
Residential Mortgages	18.1	17.9	17.1	16.6	15.4	15.5	15.1	15.0	15.2	16.8	15.2
Personal & Credit Card Loans	14.7	14.2	13.9	13.9	11.3	10.9	10.5	10.0	10.1	13.4	10.4
Business and Government Loans & Acceptances	53.7	52.4	53.0	53.3	49.9	46.5	43.1	41.7	41.2	52.1	43.1
Investment Securities	12.0	11.7	10.9	10.5	9.6	9.5	9.3	8.9	9.4	10.7	9.3
Deposits with Banks	9.9	9.0	9.9	9.6	8.6	8.9	8.4	7.5	8.3	9.3	8.3
Other Assets	6.5	6.1	7.0	7.6	6.7	6.8	7.2	6.8	6.8	6.8	6.9
Total Assets	114.9	111.3	111.8	111.5	101.5	98.1	93.6	89.9	91.0	109.1	93.2
Total Deposits	59.8	57.5	56.1	55.2	48.5	46.9	45.4	44.0	44.5	54.3	45.2
Other Liabilities	16.5	15.7	16.3	15.9	14.3	14.9	14.3	13.4	14.4	15.6	14.3
Total Liabilities	76.3	73.2	72.4	71.1	62.8	61.8	59.7	57.4	58.9	69.9	59.5
Other: ⁽³⁾											
Branches	2,107	1,842	1,836	1,841	1,847	1,596	1,651	1,599	1,554		
Employees	45,237	45,242	44,836	44,696	41,101	39,273	38,558	37,625	36,893		
ABMs	3,911	3,853	3,840	3,784	3,707	3,245	3,207	3,007	2,991		

(1) Refer to page 5 for a discussion of non-GAAP measures. Effective the first quarter of 2013 the Bank updated its economic equity methodology prospectively. The return measures for prior periods have not been restated for the revised methodology.

(2) Net Interest Income (TEB) as % of Average Earning Assets excluding Bankers Acceptances.

(3) Excludes affiliates.

BUSINESS SEGMENT PERFORMANCE: GLOBAL WEALTH MANAGEMENT



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013 Q1	2012				2011				2012	2011
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Net Interest Income (TEB)	122	125	128	126	123	121	111	100	112	502	444
Net Fee and Commission Revenues	683	646	610	627	586	586	601	631	387	2,469	2,205
Net Income from Investments in Associated Corporations	56	53	50	54	53	48	54	41	69	210	212
Other Operating Income (TEB)	104	99	98	98	97	83	79	339	75	392	576
Total Revenue (TEB)	965	923	886	905	859	838	845	1,111	643	3,573	3,437
Provision for Credit Losses	(1)	(2)	(1)	-	-	(1)	-	(1)	-	(3)	(2)
Operating Expenses	(570)	(538)	(509)	(525)	(495)	(513)	(509)	(542)	(336)	(2,067)	(1,900)
Income Tax Expense (TEB)	(84)	(83)	(92)	(82)	(76)	(62)	(76)	(74)	(68)	(333)	(280)
Net Income	310	300	284	298	288	262	260	494	239	1,170	1,255
Net Income Attributable to Non-Controlling Interests	9	6	6	7	6	8	6	7	8	25	29
Net Income Attributable to Equity Holders of the Bank	301	294	278	291	282	254	254	487	231	1,145	1,226
Profitability Measurements:											
Return on Economic Equity (%) ⁽¹⁾	17.0	15.1	14.1	15.0	14.0	12.8	13.0	25.7	20.1	14.5	17.6
Productivity Ratio (%)	59.1	58.3	57.4	58.0	57.6	61.2	60.2	48.8	52.3	57.9	55.3
Breakdown of Total Revenue (TEB):											
Wealth Management	803	775	744	764	714	706	724	992	523	2,997	2,945
Insurance	162	148	142	141	145	132	121	119	120	576	492
Total	965	923	886	905	859	838	845	1,111	643	3,573	3,437
Average Balances (\$B):											
Total Assets	13.7	13.8	13.8	13.4	13.2	13.4	13.2	12.8	9.8	13.5	12.3
Total Deposits	16.0	15.4	15.6	15.5	14.5	11.9	12.0	11.7	11.7	15.2	11.8
Other Liabilities	0.7	0.7	0.7	0.4	0.6	1.1	0.7	1.0	0.6	0.7	0.9
Total Liabilities	16.7	16.1	16.3	15.9	15.1	13.0	12.7	12.7	12.3	15.9	12.7
Other: ⁽²⁾											
Assets under Administration (\$B)	304	283	272	275	269	262	266	269	203		
Assets under Management (\$B)	131	115	109	109	106	103	105	106	56		
Employees - In Canada	4,309	4,421	4,443	4,355	4,407	4,224	4,214	4,154	3,074		
- Outside Canada	2,095	2,003	2,022	2,089	2,074	2,058	2,038	2,069	1,959		
- Total	6,404	6,424	6,465	6,444	6,481	6,282	6,252	6,223	5,033		

(1) Refer to page 5 for a discussion of non-GAAP measures. Effective the first quarter of 2013 the Bank updated its economic equity methodology prospectively. The return measures for prior periods have not been restated for the revised methodology.

(2) Excludes affiliates.

BUSINESS SEGMENT PERFORMANCE: GLOBAL BANKING AND MARKETS



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013	2012				2011				2012	2011
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Net Interest Income (TEB)	217	217	202	203	170	193	195	184	196	792	768
Net Fee and Commission Revenues	305	338	289	330	289	282	301	324	291	1,246	1,198
Net Income from Investments in Associated Corporations	0	1	-	-	-	-	-	-	-	1	-
Other Operating Income (TEB)	427	361	419	377	386	194	273	337	370	1,543	1,174
Total Revenue (TEB)	949	917	910	910	845	669	769	845	857	3,582	3,140
Provision for Credit Losses	(5)	(11)	(15)	1	(5)	(17)	(8)	(11)	3	(30)	(33)
Operating Expenses	(406)	(390)	(374)	(365)	(390)	(370)	(328)	(383)	(401)	(1,519)	(1,482)
Income Tax Expense (TEB)	(139)	(120)	(123)	(159)	(139)	(39)	(129)	(75)	(124)	(541)	(367)
Net Income	399	396	398	387	311	243	304	376	335	1,492	1,258
Net Income Attributable to Non-Controlling Interests	-	1	1	-	-	-	-	-	-	2	-
Net Income Attributable to Equity Holders of the Bank	399	395	397	387	311	243	304	376	335	1,490	1,258
Profitability Measurements:											
Return on Economic Equity (%) ⁽¹⁾	30.8	30.1	29.0	29.1	23.2	17.9	22.1	25.9	21.1	27.9	21.8
Net Interest Margin ^{(2) & (3)}	2.56	2.67	2.49	2.75	2.22	2.58	2.90	2.84	2.93	2.53	2.81
Provision for Credit Losses as % of Average Loans & Acceptances ⁽²⁾	0.05	0.12	0.16	(0.01)	0.06	0.21	0.12	0.15	(0.04)	0.09	0.11
Productivity Ratio (%)	42.8	42.5	41.1	40.1	46.2	55.3	42.7	45.3	46.8	42.4	47.2
Average Balances (\$B):											
Business and Government Loans & Acceptances	37.7	36.7	34.8	32.3	31.4	30.4	28.1	27.1	27.2	33.8	28.2
Securities Purchased Under Resale Agreements	67.0	63.4	53.4	47.7	50.9	46.6	39.8	41.6	41.2	53.9	42.3
Trading Assets - Securities	88.6	78.9	82.3	76.4	63.9	65.4	74.2	71.1	66.6	75.4	69.3
- Loans	12.2	12.6	11.9	12.7	14.2	14.1	13.8	13.2	11.5	12.9	13.2
Investment Securities	2.6	2.9	3.0	2.7	3.1	3.0	2.7	2.3	2.1	2.9	2.5
Deposits with Banks	2.4	2.5	2.9	1.3	1.2	0.8	0.9	0.7	0.8	2.0	0.8
Other Assets	29.9	35.1	38.3	37.9	41.7	42.8	33.6	32.2	32.3	38.1	35.3
Total Assets	240.4	232.1	226.6	211.0	206.4	203.1	193.1	188.2	181.7	219.0	191.6
Total Deposits	48.7	46.9	45.1	45.7	48.2	49.4	49.0	44.7	44.8	46.5	47.0
Other Liabilities	126.1	127.5	127.3	107.1	110.9	109.5	96.9	96.8	94.9	118.2	99.5
Total Liabilities	174.8	174.4	172.4	152.8	159.1	158.9	145.9	141.5	139.7	164.7	146.5
Other:											
Employees	1,856	1,847	1,828	1,776	1,787	1,828	1,820	1,776	1,751		

(1) Refer to page 5 for a discussion of non-GAAP measures. Effective the first quarter of 2013 the Bank updated its economic equity methodology prospectively. The return measures for prior periods have not been restated for the revised methodology.

(2) Global Corporate & Investment Banking only.

(3) Net Interest Income (TEB) as % of Average Earning Assets excluding Bankers Acceptances.

BUSINESS SEGMENT PERFORMANCE: OTHER ⁽¹⁾



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013 Q1	2012				2011				2012	2011
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Net Interest Income (TEB) ⁽²⁾	(129)	(144)	(135)	(141)	(95)	(71)	(88)	(84)	(87)	(515)	(330)
Net Fee and Commission Revenues	(45)	(78)	(31)	(77)	(31)	(36)	(58)	(25)	(51)	(217)	(170)
Net Income from Investments in Associated Corporations ⁽³⁾	(47)	(37)	(48)	(43)	(29)	(41)	(41)	(38)	(44)	(157)	(164)
Other Operating Income (TEB) ⁽²⁾	(22)	(10)	618	(30)	72	(81)	22	78	(2)	650	17
Total Revenue (TEB)	(243)	(269)	404	(291)	(83)	(229)	(165)	(69)	(184)	(239)	(647)
Provision for Credit Losses	-	-	(100)	-	-	30	30	-	-	(100)	60
Operating Expenses	-	14	(5)	22	(9)	11	33	5	(26)	22	23
Income Tax Expense (TEB) ⁽²⁾	119	144	107	135	63	50	72	47	75	449	244
Net Income	(124)	(111)	406	(134)	(29)	(138)	(30)	(17)	(135)	132	(320)
Net Income Attributable to Non-Controlling Interests	7	7	(8)	13	13	14	15	14	15	25	58
Net Income Attributable to Equity Holders of the Bank	(131)	(118)	414	(147)	(42)	(152)	(45)	(31)	(150)	107	(378)
Average Balances (\$B): ⁽⁴⁾											
Total Assets	93	89	95	90	97	85	87	76	64	93	79
Total Deposits	200	195	204	197	198	189	178	170	152	199	173
Other Liabilities	34	27	21	27	22	15	27	20	22	24	22
Total Liabilities	234	222	225	224	219	204	205	190	174	222	194

(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, other operating income and provision for income taxes in the four business segments reported on pages 4 to 7.

(3) Reflects elimination of tax normalization adjustments related to income from associated corporations in other business segments.

(4) Sum of Business Lines plus Other may not add to all-bank due to rounding.

CORE BANKING MARGIN, REVENUE FROM TRADING OPERATIONS AND ASSETS UNDER ADMINISTRATION AND MANAGEMENT



	QUARTERLY TREND								FULL YEAR		
	2013	2012				2011				2012	2011
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
NET INTEREST MARGIN:											
Net Interest Income (TEB)	2,775	2,584	2,572	2,484	2,380	2,334	2,302	2,141	2,258	10,020	9,035
Core Banking Margin % (TEB) ⁽¹⁾	2.30	2.35	2.33	2.37	2.25	2.26	2.31	2.30	2.41	2.32	2.32
REVENUE FROM TRADING OPERATIONS (TEB) (\$MM):											
Interest Rate and Credit	161	119	183	112	106	47	21	133	121	520	322
Equities	15	18	37	39	21	(22)	39	(10)	20	115	27
Commodities	106	90	102	123	110	97	80	66	92	425	335
Foreign Exchange	57	59	53	63	57	34	44	48	55	232	181
Other	15	33	(18)	(19)	28	(1)	(17)	(21)	4	24	(35)
sub-total	354	319	357	318	322	155	167	216	292	1,316	830
Taxable Equivalent Adjustment	70	70	72	66	63	69	67	64	66	271	266
Total (TEB)	424	389	429	384	385	224	234	280	358	1,587	1,096
ASSETS UNDER ADMINISTRATION (\$B):											
Personal											
Retail Brokerage	122.9	117.6	114.0	115.8	113.2	108.1	110.0	111.7	93.7		
Investment Management and Trust	82.1	79.9	76.3	77.6	76.7	72.6	72.9	72.6	69.1		
	205.0	197.5	190.3	193.3	189.9	180.7	182.9	184.3	162.8		
Mutual Funds	96.9	82.2	78.2	78.4	75.6	73.5	75.0	79.1	41.0		
Institutional	50.2	48.3	46.9	46.5	45.3	43.5	44.6	42.3	32.5		
Total	352.1	328.0	315.4	318.2	310.8	297.7	302.5	305.7	236.3		
ASSETS UNDER MANAGEMENT (\$B):											
Personal	25.7	24.3	21.0	19.8	18.9	18.4	18.2	18.1	14.6		
Mutual Funds	87.7	73.8	71.3	71.6	69.9	67.7	69.2	70.7	35.1		
Institutional	17.2	16.6	16.4	17.3	17.2	16.6	17.2	17.1	6.1		
Total	130.6	114.7	108.7	108.7	106.0	102.7	104.6	105.9	55.8		

(1) Refer to page 5 in the Report to Shareholders for a discussion on non-GAAP measures.

FEE & COMMISSION REVENUES & OTHER OPERATING INCOME



	QUARTERLY TREND								FULL YEAR		
	2013 Q1	2012				2011				2012	2011
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
(\$MM)											
<u>Fee and Commission Revenues:</u>											
Card Revenues	216	203	198	192	175	160	155	140	153	768	608
Deposit and Payment Services											
Deposit Services	215	219	219	211	197	198	193	186	184	846	761
Other Payment Services	62	62	61	58	56	54	51	52	55	237	212
	277	281	280	269	253	252	244	238	239	1,083	973
Credit Fees											
Commitment and Other Credit Fees	178	175	173	167	175	173	173	165	157	690	668
Acceptance Fees	55	57	50	51	49	49	49	44	46	207	188
	233	232	223	218	224	222	222	209	203	897	856
Other Banking Revenues	123	137	114	113	103	131	114	88	102	467	435
Total Banking Revenues	849	853	815	792	755	765	735	675	697	3,215	2,872
Mutual Funds	308	295	278	282	270	269	268	292	111	1,125	940
Brokerage Fees	202	182	174	187	178	187	194	199	148	721	728
Investment Management and Trust Services											
Investment Management and Custody	36	35	34	37	35	35	41	30	27	141	133
Personal and Corporate Trust	51	41	49	48	45	39	44	41	38	183	162
	87	76	83	85	80	74	85	71	65	324	295
Total Wealth Management Revenues	597	553	535	554	528	530	547	562	324	2,170	1,963
Underwriting and Other Advisory Fees	107	131	113	129	120	92	120	146	134	493	492
Non-Trading Foreign Exchange Fees	89	86	91	91	97	94	57	124	74	365	349
Other	88	75	75	74	69	67	67	69	64	293	267
Total Fee and Commission Revenues	1,730	1,698	1,629	1,640	1,569	1,548	1,526	1,576	1,293	6,536	5,943
<u>Fee and Commission Expenses:</u>											
Card Expenses	51	46	48	46	48	39	43	34	37	188	153
Deposit and Payment Services Expenses	18	18	18	17	15	16	12	12	12	68	52
Other Expenses	-	-	-	-	6	4	4	3	-	6	11
Total Fee and Commission Expenses	69	64	66	63	69	59	59	49	49	262	216
<u>Net Fee and Commission Revenues</u>	1,661	1,634	1,563	1,577	1,500	1,489	1,467	1,527	1,244	6,274	5,727
<u>Net Income from Investments in Associated Corporations</u>	150	118	111	120	93	109	112	98	114	442	433
<u>Other Operating Income (TEB):</u>											
Revenue from Trading Operations	354	319	357	318	322	155	166	216	293	1,316	830
Net Gain on Investment Securities	72	64	10	57	54	64	109	88	24	185	285
Insurance underwriting income, net of claims	108	99	100	95	94	85	76	54	79	388	294
Other	66	50	804	56	183	(6)	72	520	141	1,093	727
sub-total	600	532	1,271	526	653	298	423	878	537	2,982	2,136
Taxable Equivalent Adjustment	70	70	72	66	63	69	67	64	66	271	266
Total (TEB)	670	602	1,343	592	716	367	490	942	603	3,253	2,402

OPERATING EXPENSES



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013 Q1	2012				2011				2012	2011
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Salaries and Employee Benefits											
Salaries	851	828	820	784	799	792	768	731	727	3,231	3,018
Performance-Based Compensation	377	387	381	370	339	358	353	359	280	1,477	1,350
Stock-Based Compensation	115	28	53	27	100	37	41	46	122	208	246
Other Employee Benefits	253	159	222	241	211	183	193	222	146	833	744
	1,596	1,402	1,476	1,422	1,449	1,370	1,355	1,358	1,275	5,749	5,358
Premises											
Net Rent	88	90	82	77	72	72	69	70	65	321	276
Property Taxes	19	19	25	22	19	19	22	19	16	85	76
Other Premises Costs	93	96	91	89	86	89	84	82	79	362	334
	200	205	198	188	177	180	175	171	160	768	686
Technology	225	240	210	200	189	212	182	181	185	839	760
Depreciation and Amortization											
Depreciation	76	73	69	69	70	66	67	80	61	281	274
Amortization of Intangibles	52	46	48	39	36	42	36	34	27	169	139
	128	119	117	108	106	108	103	114	88	450	413
Communications	99	98	94	93	88	87	84	88	85	373	344
Advertising and Business Development	99	144	104	98	104	132	105	98	92	450	427
Professional	89	104	81	87	68	72	57	70	63	340	262
Business and Capital Taxes											
Business Taxes	56	53	51	54	45	36	38	36	44	203	154
Capital Taxes	11	15	11	10	9	7	6	8	8	45	29
	67	68	62	64	54	43	44	44	52	248	183
Other	310	333	276	305	272	285	243	271	249	1,186	1,048
Total Operating Expenses	2,813	2,713	2,618	2,565	2,507	2,489	2,348	2,395	2,249	10,403	9,481

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SPOT BALANCES)



(\$MM)	QUARTERLY TREND								
	2013	2012				2011			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Assets									
Cash and Deposits with Financial Institutions ⁽¹⁾	53,120	47,337	54,083	59,298	45,400	38,723	41,223	54,659	38,185
Precious Metals	10,975	12,387	9,177	10,116	10,810	9,249	10,069	9,000	8,510
Trading Assets									
- Securities	91,704	74,639	81,641	82,012	74,262	62,192	72,799	74,368	68,965
- Loans	12,605	12,857	12,139	11,864	13,631	13,607	14,271	14,250	11,563
- Other	184	100	17	338	193	-	-	-	-
- Total Trading Assets	104,493	87,596	93,797	94,214	88,086	75,799	87,070	88,618	80,528
Financial Assets Designated at Fair Value through Profit & Loss	154	197	257	317	362	375	376	442	722
Securities Purchased under Resale Agreements and Securities Borrowed ⁽¹⁾	73,460	66,189	63,037	59,717	53,134	47,181	43,186	40,931	46,756
Derivative Financial Instruments	27,292	30,338	33,862	31,767	37,204	37,322	29,580	28,445	23,112
Investment Securities	38,449	33,361	30,381	28,737	30,227	30,176	29,236	29,710	29,861
Loans to Customers									
- Residential Mortgages	206,646	175,630	171,888	167,325	164,828	161,685	158,724	155,291	153,918
- Personal and Credit Cards	69,803	68,277	67,174	65,560	65,697	63,317	62,735	61,702	62,390
- Business and Government ⁽¹⁾	115,258	111,549	110,546	106,121	105,193	96,743	91,211	87,881	87,713
- Sub-total	391,707	355,456	349,608	339,006	335,718	321,745	312,670	304,874	304,021
- Allowance for Credit Losses	(3,097)	(2,969)	(2,862)	(2,713)	(2,750)	(2,689)	(2,677)	(2,638)	(2,646)
- Total Net Loans	388,610	352,487	346,746	336,293	332,968	319,056	309,993	302,236	301,375
Other									
- Customers' Liability Under Acceptances	9,794	8,932	8,635	8,624	7,924	8,172	8,148	7,682	7,614
- Current Tax Assets	565	488	749	603	632	49	167	167	201
- Investment Property	29	33	252	252	252	252	254	250	253
- Land, Buildings and Equipment	2,267	2,227	1,893	2,380	2,371	2,252	2,192	2,175	2,164
- Investments in Associates	4,966	4,760	4,656	4,598	4,595	4,434	4,353	4,261	4,617
- Goodwill and Other Intangible Assets	10,345	8,692	8,708	8,633	7,672	7,639	7,467	7,383	3,629
- Deferred Tax Assets	1,842	1,936	2,065	2,092	2,026	2,214	2,091	2,139	2,897
- Other Assets	10,000	11,084	11,672	12,049	13,392	11,530	12,192	12,867	8,991
- Total Other Assets	39,808	38,152	38,630	39,231	38,864	36,542	36,864	36,924	30,366
Total Assets	736,361	668,044	669,970	659,690	637,055	594,423	587,597	590,965	559,415

(1) Prior period amounts have been restated to reflect the current period presentation of deposits with financial institutions and cash collateral on securities borrowed and derivative transactions. Refer to note 3 in the Notes to the Interim Consolidated Financial Statements in the Quarterly Shareholder Report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(SPOT BALANCES) (continued)



(\$MM)	QUARTERLY TREND								
	2013 Q1	2012				2011			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Liabilities									
Deposits									
- Personal	168,251	138,051	137,657	136,076	137,804	133,025	132,313	131,136	130,769
- Business and Government ⁽¹⁾	307,664	291,361	290,748	292,185	281,696	262,934	257,356	259,586	240,813
- Banks	36,646	34,178	32,617	32,641	32,109	25,376	25,503	28,779	27,170
- Total Deposits	512,561	463,590	461,022	460,902	451,609	421,335	415,172	419,501	398,752
Other									
- Acceptances	9,794	8,932	8,635	8,624	7,924	8,172	8,148	7,682	7,614
- Obligations Related to Securities Sold Short	24,673	18,622	20,780	22,395	17,139	15,450	22,045	25,470	25,717
- Derivative Financial Instruments	32,025	35,299	38,250	35,053	41,455	40,236	33,711	34,267	26,577
- Obligations Related to Securities Sold Under Repurchase Agreements and Securities Lent ⁽¹⁾	72,399	56,968	62,509	54,036	45,827	38,216	38,562	34,385	35,383
- Current Tax Liabilities	904	887	1,134	892	816	370	268	292	413
- Subordinated Debentures	8,780	10,143	6,899	6,896	6,930	6,923	6,905	6,887	6,913
- Capital Instrument Liabilities	1,374	1,358	1,342	2,046	2,024	2,003	1,982	1,962	1,941
- Provisions for Off-Balance Sheet Credit Risks and Other	359	365	325	302	306	283	276	294	303
- Deferred Tax Liabilities	580	538	609	481	450	478	463	435	446
- Other	29,948	29,963	29,979	31,396	28,438	28,717	28,629	29,021	27,580
- Total Other Liabilities	180,836	163,075	170,462	162,121	151,309	140,848	140,989	140,695	132,887
Total Liabilities	693,397	626,665	631,484	623,023	602,918	562,183	556,161	560,196	531,639
Equity									
Common Equity									
- Common Shares	13,552	13,139	11,163	10,964	9,069	8,336	8,142	7,971	5,933
- Retained Earnings	22,807	21,978	21,253	19,937	19,225	18,421	17,922	17,288	16,319
- Accumulated Other Comprehensive Income (Loss)	212	(31)	(141)	(445)	(287)	(497)	(548)	(676)	(10)
- Other Reserves	197	166	139	110	105	96	89	58	43
- Total Common Equity	36,768	35,252	32,414	30,566	28,112	26,356	25,605	24,641	22,285
Preferred Shares	4,384	4,384	4,384	4,384	4,384	4,384	4,384	4,384	3,975
Total Equity Attributable to Equity Holders of the Bank	41,152	39,636	36,798	34,950	32,496	30,740	29,989	29,025	26,260
Non-Controlling Interests									
- Non-Controlling Interests in Subsidiaries	1,073	966	918	887	823	626	587	559	615
- Capital Instrument Equity Holders	739	777	770	830	818	874	860	915	901
Total Equity	42,964	41,379	38,486	36,667	34,137	32,240	31,436	30,499	27,776
Total Liabilities and Equity	736,361	668,044	669,970	659,690	637,055	594,423	587,597	590,695	559,415

(1) Prior period amounts have been restated to reflect the current period presentation of deposits with financial institutions and cash collateral on securities borrowed and derivative transactions. Refer to note 3 in the Notes to the Interim Consolidated Financial Statements in the Quarterly Shareholder Report.

AVERAGE BALANCE SHEET



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013 Q1	2012				2011				2012	2011
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Deposits with Financial Institutions ⁽¹⁾	54,583	52,639	61,438	54,003	59,235	53,975	50,111	44,036	34,514	56,844	45,673
Trading Assets - Securities	91,255	81,369	84,271	79,397	66,909	68,907	78,707	75,687	69,297	77,979	73,128
- Loans	12,229	12,644	11,870	12,676	14,243	14,071	13,836	13,163	11,532	12,859	13,150
- Total	103,483	94,013	96,141	92,074	81,152	82,977	92,543	88,850	80,829	90,838	86,279
Securities Purchased under Resale Agreements and Securities Borrowed ⁽¹⁾	73,479	69,695	60,294	53,997	55,988	51,668	46,187	46,466	45,777	60,026	47,533
Investment Securities including Investments in Associates	41,675	35,414	35,013	33,412	34,669	34,837	33,358	32,408	34,787	34,633	33,859
Loans to Customers - Residential Mortgages	201,072	174,009	169,194	165,806	162,712	160,316	156,782	154,214	153,280	167,942	156,164
- Personal and Credit Cards	69,283	67,686	66,195	65,666	63,344	62,960	62,211	61,608	62,599	65,723	62,350
- Business and Government ⁽¹⁾	111,457	108,347	107,274	104,645	99,524	94,720	89,204	86,497	85,261	104,949	88,940
- Sub-total	381,812	350,043	342,663	336,118	325,580	317,996	308,197	302,320	301,139	338,614	307,455
- Allowance for Credit Losses	3,189	3,051	2,974	2,800	2,777	2,785	2,742	2,700	2,716	2,901	2,736
- Total	378,623	346,992	339,689	333,317	322,803	315,211	305,455	299,620	298,423	335,713	304,719
Total Earning Assets	651,843	598,753	592,576	566,802	553,846	538,668	527,653	511,379	494,331	578,055	518,063
Derivative Financial Instruments	29,910	33,556	37,288	35,138	38,508	33,732	28,627	25,375	25,009	36,128	28,209
Customers' Liability under Acceptances	9,564	9,333	8,999	8,474	8,338	8,480	7,944	7,761	7,545	8,788	7,934
Other Assets	37,767	36,803	36,182	37,054	35,516	34,080	34,295	30,912	26,551	36,564	31,895
Total Assets	729,084	678,445	675,046	647,468	636,208	614,961	598,519	575,428	553,436	659,535	586,101
Deposits from Customers	470,487	429,246	435,437	427,705	420,428	408,111	395,117	383,791	366,381	428,207	388,388
Deposits from Banks	34,937	35,365	32,962	30,880	32,733	31,679	29,877	26,105	24,908	32,997	28,159
	505,424	464,611	468,399	458,585	453,161	439,790	424,993	409,896	391,289	461,203	416,546
Securities Sold Short	23,133	21,689	24,098	17,929	16,874	19,914	25,207	26,602	27,857	20,159	24,881
Obligations Related to Securities Sold under Repurchase Agreements and Securities Lent ⁽¹⁾	66,499	63,854	59,523	47,664	46,781	42,427	38,384	35,284	33,185	54,493	37,337
Subordinated Debentures	9,131	8,631	6,929	6,929	6,929	6,923	6,898	6,899	6,924	7,345	6,911
Capital Instrument Liabilities	1,366	1,352	1,798	2,030	2,014	2,037	1,880	2,207	2,247	1,809	2,092
Other Liabilities	81,360	78,226	76,721	79,144	77,477	72,032	70,189	64,288	64,437	77,935	68,075
Shareholders' Equity											
- Common Shares, Retained Earnings, Accumulated Other Comprehensive Income (Loss) and Other Reserves	36,010	33,981	31,490	29,122	27,017	25,980	25,122	24,374	22,007	30,548	24,487
- Preferred Shares	4,384	4,384	4,384	4,384	4,384	4,384	4,384	4,384	3,975	4,384	4,281
- Non-Controlling Interests											
- Non-Controlling Interests in Subsidiaries	1,020	942	903	855	725	607	573	587	587	844	589
- Capital Instrument Equity Holders	758	774	801	824	846	867	888	908	928	814	901
- Total Shareholders' Equity	42,171	40,081	37,577	35,185	32,972	31,838	30,967	30,253	27,497	36,590	30,258
Total Liabilities and Shareholders' Equity	729,084	678,445	675,046	647,468	636,208	614,961	598,519	575,428	553,436	659,535	586,101

(1) Prior period amounts have been restated to reflect the current period presentation of deposits with financial institutions and cash collateral on securities borrowed and derivative transactions. Refer to note 3 in the Notes to the Interim Consolidated Financial Statements in the Quarterly Shareholder Report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013 Q1	Q4	2012		Q1	Q4	Q3	Q2	Q1	2012	2011
Common Shares:											
Balance at Beginning of Period	13,139	11,163	10,964	9,069	8,336	8,142	7,971	5,933	5,750	8,336	5,750
Shares Issued	413	1,976	199	1,895	733	194	171	2,038	183	4,803	2,586
Balance at End of Period	13,552	13,139	11,163	10,964	9,069	8,336	8,142	7,971	5,933	13,139	8,336
Retained Earnings:											
Balance at Beginning of Period	21,978	21,253	19,938	19,225	18,421	17,922	17,288	16,319	15,684	18,421	15,684
Net Income attributable to Common Shareholders of the Bank	1,504	1,398	1,946	1,336	1,343	1,071	1,209	1,528	1,157	6,023	4,965
Dividends Paid to Common Shareholders of the Bank	(676)	(672)	(629)	(625)	(567)	(564)	(563)	(561)	(512)	(2,493)	(2,200)
Shares issued	1	8	-	-	-	-	-	-	-	8	-
Other	-	(9)	(2)	2	28	(8)	(12)	2	(10)	19	(28)
Balance at End of Period	22,807	21,978	21,253	19,938	19,225	18,421	17,922	17,288	16,319	21,978	18,421
Accumulated Other Comprehensive Income (Loss):											
Balance at Beginning of Period	(31)	(141)	(445)	(287)	(497)	(548)	(676)	(10)	269	(497)	269
Other Comprehensive Income, net of Income Tax											
Currency Translation Reserve	133	35	285	(293)	142	234	197	(792)	(335)	169	(696)
Available-for-Sale Reserve	99	62	18	76	-	(196)	(55)	90	(15)	156	(176)
Cash Flow Hedging Reserve	4	11	(6)	62	49	13	(14)	36	71	116	106
Share of Associated Corporations	7	2	7	(3)	19	-	-	-	-	25	-
Total	243	110	304	(158)	210	51	128	(666)	(279)	466	(766)
Balance at End of Period	212	(31)	(141)	(445)	(287)	(497)	(548)	(676)	(10)	(31)	(497)
Other Reserves:											
Balance at Beginning of Period	166	139	110	105	96	89	58	43	25	96	25
Share-based payments	21	23	5	1	9	7	31	15	18	38	71
Shares issued	(16)	(26)	-	-	-	-	-	-	-	(26)	-
Other	26	30	24	4	-	-	-	-	-	58	-
Balance at End of Period	197	166	139	110	105	96	89	58	43	166	96
Total Common Equity at End of Period	36,768	35,252	32,414	30,567	28,112	26,356	25,605	24,641	22,285	35,252	26,356
Composition of Accumulated Other Comprehensive Income (Loss):											
Currency Translation Reserve	(395)	(528)	(563)	(848)	(555)	(697)	(930)	(1,127)	(335)		
Available-for-Sale Reserve	696	597	535	515	441	441	636	691	601		
Cash Flow Hedging Reserve	(131)	(135)	(146)	(140)	(203)	(252)	(264)	(250)	(286)		
Share of Associated Corporations	42	35	33	26	29	10	10	10	10		
Total	212	(31)	(141)	(447)	(287)	(497)	(548)	(676)	(10)		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013 Q1	Q4	2012		Q1	Q4	Q3	Q2	Q1	2012	2011
Preferred Shares:											
Balance at Beginning of Period	4,384	4,384	4,384	4,384	4,384	4,384	4,384	3,975	3,975	4,384	3,975
Shares Issued	-	-	-	-	-	-	-	409	-	-	409
Net Income attributable to Preferred Shareholders of the Bank	55	55	55	55	55	55	55	55	51	220	216
Dividends paid to Preferred Shareholders of the Bank	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(55)	(51)	(220)	(216)
Balance at End of Period	4,384	4,384	4,384	4,384	4,384	4,384	4,384	4,384	3,975	4,384	4,384
Non-Controlling Interests: Non-Controlling Interests in Subsidiaries:											
Balance at Beginning of Period	966	918	887	823	626	587	559	615	559	626	559
Net Income attributable to Non-Controlling Interests in Subsidiaries	59	59	58	56	25	17	24	24	26	198	91
Other Comprehensive Income, net of Income Tax	3	(11)	(1)	(12)	(1)	22	12	(24)	(5)	(25)	5
Distributions to Non-Controlling Interests	(13)	(11)	(11)	(10)	(12)	(10)	(10)	(13)	(9)	(44)	(42)
Other	58	11	(15)	30	185	10	2	(43)	44	211	13
Balance at End of Period	1,073	966	918	887	823	626	587	559	615	966	626
Non-Controlling Interests: Capital Instrument Equity Holders:											
Balance at Beginning of Period	777	770	830	818	874	860	915	901	956	874	956
Net Income attributable to Capital Instrument Holders of the Bank	7	7	(8)	13	13	14	15	14	15	25	58
Distribution made to Capital Instrument Holders of the Bank	(45)	-	(45)	(1)	(69)	-	(70)	-	(70)	(115)	(140)
Other	-	-	(7)	-	-	-	-	-	-	(7)	-
Balance at End of Period	739	777	770	830	818	874	860	915	901	777	874
Total Equity at End of Period	42,964	41,379	38,486	36,668	34,137	32,240	31,436	30,499	27,776	41,379	32,240

CUSTOMER LOANS AND ACCEPTANCES BY TYPE OF BORROWER⁽¹⁾



(\$B)	January 31, 2013		October 31, 2012		July 31, 2012		April 30, 2012		January 31, 2012	
	Balance	% of Total	Balance	% of Total	Balance	% of Total	Balance	% of Total	Balance	% of Total
Personal										
Residential Mortgages	206.6	51.5	175.6	48.3	171.9	48.0	167.3	48.2	164.8	48.0
Credit Cards	10.1	2.5	12.6	3.5	12.3	3.4	12.3	3.5	12.3	3.6
Personal Loans	59.7	14.9	55.7	15.3	54.8	15.3	53.3	15.4	53.4	15.6
	276.4	68.9	243.9	67.1	239.0	66.7	232.9	67.1	230.5	67.2
Business & Government										
Financial Services	14.2	3.5	14.7	4.0	14.9	4.2	12.5	3.7	13.5	3.8
Wholesale and Retail	13.4	3.3	12.7	3.5	13.1	3.7	12.9	3.7	11.2	3.3
Real Estate	11.4	2.8	11.5	3.1	11.2	3.1	11.1	3.2	10.9	3.2
Oil and Gas	11.4	2.8	11.8	3.1	11.1	3.1	10.1	2.9	10.5	3.1
Transportation	7.9	2.0	8.0	2.2	8.3	2.4	7.8	2.3	8.5	2.5
Automotive	7.0	1.8	6.7	1.8	6.5	1.8	6.6	1.9	5.8	1.7
Agriculture	6.0	1.5	5.7	1.6	5.7	1.6	4.9	1.4	5.4	1.6
Government	4.6	1.2	3.6	1.0	3.9	1.1	4.1	1.2	4.8	1.4
Hotels and Leisure	3.6	0.9	3.5	1.0	3.4	1.0	3.6	1.0	3.6	1.0
Mining and Primary Metals	5.6	1.4	5.7	1.6	5.9	1.6	6.0	1.7	6.6	1.9
Utilities	5.4	1.4	5.7	1.6	6.0	1.7	5.5	1.6	5.5	1.6
Health Care	3.8	1.0	3.7	1.0	3.8	1.1	3.9	1.1	4.1	1.2
Telecommunications and Cable	4.1	1.0	4.3	1.2	3.9	1.1	4.1	1.2	4.3	1.3
Media	1.3	0.3	1.3	0.4	1.2	0.3	1.3	0.4	1.4	0.4
Chemical	1.5	0.4	1.4	0.4	1.2	0.3	1.5	0.4	1.5	0.4
Food and Beverage	2.9	0.7	2.6	0.7	2.6	0.7	2.5	0.7	2.8	0.8
Forest Products	1.2	0.3	1.3	0.4	1.3	0.4	1.4	0.4	1.3	0.4
Other	19.3	4.8	15.8	4.3	14.8	4.1	14.4	4.1	10.9	3.2
sub-total	124.6	31.1	120.0	32.9	118.8	33.3	114.2	32.9	112.6	32.8
Total loans and acceptances before Collective Allowance	401.0	100.0	363.9	100.0	357.8	100.0	347.1	100.0	343.1	100.0
Collective Allowance	(2.6)		(2.5)		(2.4)		(2.2)		(2.2)	
Total loans and acceptances	398.4		361.4		355.4		344.9		340.9	

(1) Each class of loans is presented net of the individually assessed allowance. Prior period amounts have been restated to reflect the current period presentation of deposits with financial institutions and cash collateral on securities borrowed and derivative transactions. Refer to note 3 in the Notes to the Interim Consolidated Financial Statements in the Quarterly Shareholder Report.

IMPAIRED LOANS BY BUSINESS SEGMENT



(\$MM)	QUARTERLY TREND									
	2013 Q1	2012				2011				
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
GROSS IMPAIRED LOANS:⁽¹⁾										
<u>Canadian</u>										
Retail	777	765	771	773	810	826	855	848	882	
Commercial	316	326	277	279	313	294	324	355	337	
	1,093	1,091	1,048	1,052	1,123	1,120	1,179	1,203	1,219	
<u>International</u>										
Retail	1,456	1,397	1,390	1,365	1,330	1,350	1,341	1,341	1,329	
Commercial	821	784	793	821	738	766	747	754	814	
	2,277	2,181	2,183	2,186	2,068	2,116	2,088	2,095	2,143	
<u>Global Wealth Management</u>	15	11	11	12	12	13	14	15	15	
<u>Global Banking and Markets</u>										
Canada	18	80	72	29	50	35	48	39	63	
U.S.A.	155	139	140	95	15	8	6	80	103	
Europe	80	80	83	84	43	63	65	29	49	
	253	299	295	208	108	106	119	148	215	
Total Gross Impaired Loans	3,638	3,582	3,537	3,458	3,311	3,355	3,400	3,461	3,592	
NET IMPAIRED LOANS:										
<u>Canadian</u>										
Retail	312	303	302	298	340	374	395	387	418	
Commercial	107	114	78	81	79	77	120	178	161	
	419	417	380	379	419	451	515	565	579	
<u>International</u>										
Retail	671	711	774	811	806	888	880	902	878	
Commercial	612	612	638	645	515	548	527	537	582	
	1,283	1,323	1,412	1,456	1,321	1,436	1,407	1,439	1,460	
<u>Global Wealth Management</u>	13	10	11	9	10	11	12	12	12	
<u>Global Banking and Markets</u>										
Canada	-	52	60	20	36	21	11	4	38	
U.S.A.	134	118	112	75	2	-	-	68	79	
Europe	53	53	57	60	18	38	45	19	37	
	187	223	229	155	56	59	56	91	154	
Total Net Impaired Loans	1,902	1,973	2,032	1,999	1,806	1,957	1,990	2,107	2,205	

(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico.

CHANGES IN GROSS IMPAIRED LOANS BY BUSINESS SEGMENT



(\$MM)	QUARTERLY TREND								
	2013	2012 ⁽¹⁾				2011 ⁽¹⁾			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Balance at Beginning of Period	3,582	3,537	3,458	3,311	3,355	3,400	3,461	3,592	3,668
Net Classifications									
<u>Canadian Retail</u>									
New Classifications	391	388	335	343	361	389	385	401	392
Declassifications, Payments and Sales	(246)	(262)	(201)	(245)	(242)	(277)	(253)	(292)	(242)
Net Classifications	145	126	134	98	119	112	132	109	150
<u>Canadian Commercial</u>									
New Classifications	11	92	34	47	55	61	23	64	131
Declassifications, Payments and Sales	(9)	(33)	(19)	(41)	(30)	(73)	(38)	(30)	(34)
Net Classifications	2	59	15	6	25	(12)	(15)	34	97
<u>International Retail</u>									
New Classifications	185	169	151	161	135	112	132	204	168
Declassifications, Payments and Sales	-	-	-	-	-	-	-	-	-
Net Classifications	185	169	151	161	135	112	132	204	168
<u>International Commercial</u>									
New Classifications	68	40	51	114	26	20	7	9	-
Declassifications, Payments and Sales	(24)	(24)	(48)	(135)	(12)	-	(20)	(10)	(104)
Net Classifications	44	16	3	(21)	14	20	(13)	(1)	(104)
<u>Global Wealth Management</u>									
New Classifications	5	-	3	-	-	-	-	3	13
Declassifications, Payments and Sales	(1)	-	(1)	-	(1)	-	-	-	-
Net Classifications	4	-	2	-	(1)	-	-	3	13
<u>Global Banking and Markets</u>									
New Classifications	47	24	122	154	20	78	25	89	84
Declassifications, Payments and Sales	(78)	(20)	(33)	(43)	(17)	(69)	(45)	(139)	(82)
Net Classifications	(31)	4	89	111	3	9	(20)	(50)	2
Total	349	374	394	355	295	241	216	299	326
Write-offs									
Canadian Retail	(133)	(140)	(136)	(135)	(135)	(141)	(125)	(144)	(141)
Canadian Commercial	(16)	(20)	(18)	(40)	(11)	(19)	(15)	(16)	(12)
International Retail	(149)	(142)	(136)	(135)	(139)	(158)	(138)	(140)	(143)
International Commercial	(10)	(18)	(40)	(12)	(29)	(22)	(8)	(12)	(46)
Global Wealth Management	-	-	(3)	-	-	-	(1)	(1)	-
Global Banking and Markets	(14)	-	(4)	(2)	(3)	(30)	(5)	(4)	(3)
Total	(322)	(320)	(337)	(324)	(317)	(370)	(292)	(317)	(345)
Forex									
International Retail	23	(21)	10	10	(16)	57	5	(53)	(29)
International Commercial	3	(7)	9	114	(8)	21	14	(48)	(17)
Global Wealth Management	-	1	0	-	-	(1)	-	-	-
Canadian Commercial	4	10	1	-	2	-	-	-	-
Canadian Retail	-	8	-	-	-	-	-	-	-
Global Banking and Markets	(1)	-	2	(8)	-	7	(4)	(12)	(11)
Total	29	(9)	22	116	(22)	84	15	(113)	(57)
Balance at End of Period	3,638	3,582	3,537	3,458	3,311	3,355	3,400	3,461	3,592

(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico.

ALLOWANCE FOR CREDIT LOSSES & OTHER RESERVES



(\$MM)	QUARTERLY TREND								
	2013 Q1	2012				2011			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Balance, Beginning of Period	2,969	2,862	2,713	2,750	2,689	2,677	2,639	2,646	2,630
Acquisition Related	-	-	-	-	-	-	-	2	-
Write-offs	(322)	(320)	(337)	(324)	(317)	(370)	(292)	(317)	(345)
Recoveries	116	104	87	93	91	97	73	81	98
Provision for Credit Losses	310	321	402	264	265	281	250	270	275
Foreign Currency Adjustment and Other	24	2	(3)	(70)	22	4	7	(43)	(12)
Balance, End of Period	3,097	2,969	2,862	2,713	2,750	2,689	2,677	2,639	2,646
<u>Comprised of:</u>									
Individually Assessed Allowances	538	513	466	468	543	516	497	457	474
Collective Allowances	2,559	2,456	2,396	2,245	2,207	2,173	2,180	2,182	2,172
Total Allowance for Credit Losses	3,097	2,969	2,862	2,713	2,750	2,689	2,677	2,639	2,646
<u>Allocated as follows:</u>									
Impaired Loans ⁽¹⁾ -									
Residential Mortgages	345	341	349	307	306	238	257	259	238
Personal and Credit Cards	905	807	736	722	688	676	664	641	677
Business and Government	486	461	420	430	511	484	489	454	472
	1,736	1,609	1,505	1,459	1,505	1,398	1,410	1,354	1,387
Performing Loans-									
Residential Mortgages	185	186	189	153	150	161	154	135	111
Personal and Credit Cards	126	121	117	95	90	82	66	55	45
Business and Government	961	965	966	929	937	981	1,023	1,075	1,099
	1,272	1,272	1,272	1,177	1,177	1,224	1,243	1,265	1,255
Total Allowance for Credit Losses before FDIC Guaranteed Loans	3,008	2,881	2,777	2,636	2,682	2,622	2,653	2,619	2,642
FDIC Guaranteed Loans	89	88	85	77	68	67	24	20	4
Total Allowance for Credit Losses	3,097	2,969	2,862	2,713	2,750	2,689	2,677	2,639	2,646
Reserves against Unfunded Commitments and Other Off-Balance Sheet items included in Other Liabilities	184	184	184	183	185	137	148	156	165

(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico.

IMPAIRED LOANS BY TYPE OF BORROWER



(\$MM)	January 31, 2013 ⁽¹⁾ Allowance for Credit			October 31, 2012 ⁽¹⁾ Allowance for Credit			January 31, 2012 ⁽¹⁾ Allowance for Credit		
	Gross	Losses	Net	Gross	Losses	Net	Gross	Losses	Net
Personal									
Residential Mortgages	1,262	345	917	1,301	341	960	1,273	300	973
Other Personal Loans	971	905	66	861	807	54	831	694	137
	2,233	1,250	983	2,162	1,148	1,014	2,104	994	1,110
Business & Government									
Financial Services	13	7	6	8	2	6	45	33	12
Wholesale and Retail	174	102	72	150	69	81	122	48	74
Real Estate	251	54	197	257	51	206	216	46	170
Oil and Gas	40	34	6	57	41	16	55	51	4
Transportation	80	34	46	86	35	51	138	57	81
Automotive	15	3	12	9	4	5	7	3	4
Agriculture	90	31	59	92	31	61	56	23	33
Government	59	27	32	53	9	44	37	8	29
Hotels and Leisure	196	37	159	196	31	165	157	34	123
Mining and Primary Metals	18	7	11	15	5	10	13	8	5
Utilities	40	4	36	57	5	52	5	5	-
Health Care	37	19	18	40	21	19	33	13	20
Telecommunications and Cable	11	5	6	14	7	7	30	10	20
Media	37	19	18	92	30	62	48	18	30
Chemical	1	-	1	1	-	1	1	1	-
Food and Beverage	22	6	16	15	4	11	27	14	13
Forest Products	18	12	6	17	11	6	22	8	14
Other	303	85	218	261	105	156	159	131	28
	1,405	486	919	1,420	461	959	1,171	511	660
Impaired Loans, net of Related Allowances	3,638	1,736	1,902	3,582	1,609	1,973	3,275	1,505	1,770

(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico.

PROVISION FOR CREDIT LOSSES BY TYPE OF BORROWER



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2013	2012				2011				2012	2011
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
PROVISIONS AGAINST IMPAIRED LOANS:											
Personal											
Residential Mortgages	39	16	32	40	24	56	41	45	34	112	176
Personal & Credit Card Loans	240	242	222	198	213	179	177	195	209	875	760
	279	258	254	238	237	235	218	240	243	987	936
Business & Government											
Financial Services	-	-	1	1	-	-	-	(7)	-	2	(7)
Wholesale and Retail	12	6	8	6	1	6	4	3	10	21	23
Real Estate	5	7	6	4	8	12	-	3	14	25	29
Oil and Gas	-	4	-	(1)	-	-	36	12	-	3	48
Transportation	-	-	2	(2)	6	14	10	19	-	6	43
Automotive	-	2	-	-	-	-	-	(1)	(1)	2	(2)
Agriculture	-	12	5	1	1	-	(1)	(1)	1	19	(1)
Government	-	-	-	2	-	-	-	-	-	2	-
Hotels and Leisure	5	2	1	3	-	4	1	-	1	6	6
Mining and Primary Metals	(1)	-	-	-	-	1	-	-	-	-	1
Utilities	(1)	-	2	(1)	3	-	3	-	-	4	3
Health Care	-	-	1	(1)	10	1	1	1	1	10	4
Telecommunications and Cable	-	3	-	(6)	(4)	5	2	-	(6)	(7)	1
Media	2	11	3	-	-	8	-	7	-	14	15
Chemical	-	-	-	-	-	-	-	-	-	-	-
Food and Beverage	2	-	3	-	(3)	3	-	-	-	-	3
Forest Products	2	4	-	2	1	1	2	2	(1)	7	4
Other	5	12	16	18	5	21	4	(8)	13	51	30
	31	63	48	26	28	76	62	30	32	165	200
Total Provisions against Impaired Loans	310	321	302	264	265	311	280	270	275	1,152	1,136
Change in Collective Allowance for Performing Loans	-	-	100	-	-	(30)	(30)	-	-	100	(60)
Total Provisions	310	321	402	264	265	281	250	270	275	1,252	1,076
Individually Assessed Provisions	31	63	48	26	28	76	62	30	32	165	200
Collective Provisions	279	258	354	238	237	205	188	240	243	1,087	876
Total Provisions	310	321	402	264	265	281	250	270	275	1,252	1,076

CROSS BORDER EXPOSURES TO SELECT COUNTRIES IN ASIA AND LATIN AMERICA⁽¹⁾



Outstandings (net of provisions), US\$MM

	<u>Loans</u>	<u>Trade</u>	<u>Interbank Deposits</u>	<u>Govt./ Other Sec.</u>	<u>Invest. in Affiliates</u>	<u>Other⁽²⁾</u>	Jan 31/13 Total	Oct 31/12 Total	Oct 31/11 Total
ASIA									
China	2,615	3,299	212	534	246	15	6,920	6,164	5,679
India	2,285	1,617	60	133	-	32	4,127	3,767	3,799
South Korea	1,525	571	-	473	-	47	2,615	2,368	2,755
Thailand	417	32	-	7	1,682	4	2,142	2,004	1,501
Hong Kong	579	248	59	207	-	29	1,122	1,185	1,449
Malaysia	757	76	-	278	268	11	1,391	1,450	1,274
Japan	428	64	14	1,010	-	221	1,738	1,581	722
Other ⁽³⁾	690	280	77	115	-	75	1,237	1,085	1,235
Total	9,296	6,187	422	2,756	2,196	435	21,291	19,603	18,414
LATIN AMERICA									
Mexico	2,660	301	-	128	2,436	35	5,560	5,158	4,578
Chile	3,123	371	165	34	2,624	33	6,350	5,800	4,357
Peru	1,591	498	280	0	2,345	7	4,721	4,035	2,905
Brazil	1,899	1,583	-	172	181	8	3,844	3,636	2,903
Panama	2,355	91	21	2	-	15	2,483	1,622	1,730
Costa Rica	1,028	159	-	1	613	-	1,799	2,296	1,879
El Salvador	418	24	-	-	390	-	832	714	590
Uruguay	107	20	-	15	306	-	448	448	479
Colombia	446	190	-	2	1,421	5	2,064	1,651	467
Venezuela	5	1	-	-	182	-	188	169	142
Total	13,631	3,238	466	354	10,497	104	28,289	25,529	20,030

(1) Cross-border exposure represents a claim, denominated in a currency other than the local one, against a borrower in a foreign country on the basis of ultimate risk. Totals may not add due to rounding.

(2) Includes forex contracts, precious metals, derivatives (positive mark-to-market).

(3) Includes Indonesia, the Philippines, Singapore and Taiwan.

FINANCIAL INVESTMENTS AND INTEREST RATE SENSITIVITY



FINANCIAL INVESTMENTS - UNREALIZED GAINS (LOSSES) (\$MM):

	2013 Q1	QUARTERLY TREND 2012				2011 Q4
		Q4	Q3	Q2	Q1	
Bonds of Emerging Markets	206	242	269	249	260	320
Other Debt Securities	357	397	345	267	321	258
Common and Preferred Shares	580	454	439	443	406	385
	1,143	1,093	1,053	959	987	963
Net Fair Value of Derivative Instruments and Other Hedge Amounts	(120)	(202)	(230)	(131)	(255)	(227)
Net Unrealized Gains (Losses)	1,023	891	823	828	732	736

INTEREST RATE SENSITIVITY (\$B):

January 31, 2013

	Within 3 Months	4 to 12 Months	Cumulative Under 1 Year	Over 1 Year	Non-Interest Rate Sensitive
Canadian Currency Gap	16.5	(28.9)	(12.5)	13.8	(1.4)
Foreign Currency Gap	(11.8)	14.3	2.6	16.5	(19.0)
Total Currency Gap	4.7	(14.6)	(9.9)	30.3	(20.4)

() denotes liability gap

Note: Based on the Bank's interest rate positions as at Jan 31, 2013, an immediate and sustained 100 basis point rise in interest rates, across all currencies and maturities, would decrease net income after-tax by approximately \$45MM over the next 12 months, and lower after-tax economic value of shareholders' equity, in present value terms, by approximately \$718MM. Conversely, an immediate and sustained 100 basis point fall in interest rates, across all currencies and maturities, would increase net income after-tax by approximately \$28MM over the next 12 months, and increase after-tax economic value of shareholders' equity, in present value terms, by approximately \$506MM.

January 31, 2013

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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 27 "Basel III Implementation" for further details.

The Basel III Framework is composed 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 and 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 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 effective 2011 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 Ratings-Based Approach (RBA). Risk weights depend on the external rating grades given by two 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 BII, 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

The Bank uses 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.

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 III 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.

Prior period amounts have not been restated for IFRS or Basel III as they represent the actual amounts reported in that period for regulatory purposes.

Basel III Implementation



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. In December 2012, OSFI announced its decision to defer the implementation of the Credit Valuation Adjustment on Bilateral OTC derivatives until Q1 2014.

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, etc; through to 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. As a result the transitional Tier 1 and Total capital are generally aligned to Basel II ratios in the first year of adoption.

In addition, non-qualifying capital instruments will be phased out over 10 years and the capital conservation buffer will be phased in over 5 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 requires 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 the Total capital ratio of 10%. In the first quarter of 2014, the minimum Tier 1 ratio rises to 8.5% and the Total capital ratio rises to 10.5%.

Furthermore, on January 13, 2011, additional guidance was issued by the BCBS, with respect to requirements for loss absorbency of capital at the point of non-viability. These requirements are effective on January 1, 2013 for Canadian banks. These rules affect the eligibility of instruments for inclusion in regulatory capital and provide for a transition and phase-out of any non-eligible instruments. As at January 31, 2013, all of the Bank's preferred shares, capital instruments and subordinated debentures do not meet these additional criteria and will be subject to phase-out commencing January 2013. Certain innovative Tier 1 capital instruments issued by the Bank contain regulatory event redemption rights. The Bank has no present intention of invoking any regulatory event redemption features in these capital instruments. However, 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.

Finally, the BCBS has 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. At present, OSFI has not identified which Canadian banks it classifies as D-SIBs nor has it provided amounts or implementation timelines of the higher loss absorbency requirement.

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.

Prior period amounts have not been restated for Basel III as they represent the actual amounts reported in that period for regulatory purposes.

REGULATORY CAPITAL - BASEL III



(\$MM)	Basel III - IFRS	
	Q1 2013	
	Transitional Approach	All-in Approach ⁽¹⁾
Common Equity Tier 1 Capital	34,879	23,014
Tier 1 Capital	34,879	28,960
Total Capital	42,155	37,818
Total Risk-Weighted Assets	284,613	280,061
Capital Ratios		
Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.3	8.2
Tier 1 (as a percentage of risk-weighted assets)	12.3	10.3
Total Capital (as a percentage of risk-weighted assets)	14.8	13.5
OSFI Target - All-in Basis		
Common Equity Tier 1 minimum ratio		7.0
Capital instruments subject to phase-out arrangements		
<i>Current cap on Additional Tier 1 (AT1) instruments subject to phase-out arrangements</i>	90%	
<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	653	
<i>Current cap on Tier 2 (T2) instruments subject to phase-out arrangements</i>	90%	
<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	878	

⁽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.

REGULATORY CAPITAL COMPONENTS - BASEL III



(\$MM)	Basel III - IFRS	
	Q1 2013	
	Transitional Approach	All-in Approach ⁽¹⁾
Common Equity Tier 1 Capital (CET1): Instruments and Reserves		
Directly issued qualifying common share capital and other reserves	13,749	13,749
Retained Earnings	22,807	22,807
Accumulated Other Comprehensive Income, excluding cash flow hedges	343	343
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	437	437
Common Equity Tier 1 Capital: Regulatory Adjustments		
Regulatory adjustments applied to Common Equity Tier 1 under Basel III ⁽²⁾⁽³⁾	(2,457)	(14,322)
Common Equity Tier 1 Capital	34,879	23,014
Additional Tier 1 Capital (AT1): Instruments		
Directly issued capital instruments subject to phase-out from Additional Tier 1	5,880	5,880
Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in AT1)	77	77
Additional Tier 1 Capital: Regulatory Adjustments		
Regulatory adjustments applied to Additional Tier 1 under Basel III ⁽⁴⁾	(5,957)	(11)
AT1	-	5,946
Tier 1 Capital (T1=CET1 + AT1)	34,879	28,960
Tier 2 Capital (T2): Instruments and Provisions		
Directly issued capital instruments subject to phase-out from Tier 2	7,902	7,902
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in Tier 2)	103	103
Provisions	853	853
Tier 2 Capital: Regulatory Adjustments		
Regulatory adjustments applied to Tier 2 under Basel III ⁽⁵⁾	(1,582)	-
T2	7,276	8,858
Total Capital (TC = T1 + T2)	42,155	37,818

⁽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

⁽²⁾ For the transitional approach, the CET1 regulatory adjustments include such items as all-in deductions (refer to (3) below) multiplied by a phase-in factor. During the transition period, the amount of the CET1 regulatory adjustment not deducted will continue to be subject to previous treatment under Basel II. Additional Tier 1 deductions for which there is insufficient Additional Tier 1 Capital will be deducted from CET1.

⁽³⁾ For the all-in approach, the CET1 regulatory adjustments include such items as goodwill, intangibles, deferred tax assets, defined pension assets, significant investments and investments in financial institutions over 10% of net adjusted CET1.

⁽⁴⁾ For the transitional approach, the Tier 1 regulatory adjustments include regulatory adjustments that are not included in CET1 during the phase-in period of the CET1 regulatory adjustment, which were Tier 1 deductions under Basel II such as goodwill, intangibles, and 50% of significant investments, shortfall in allowance.

⁽⁵⁾ For the transitional approach, the Tier 2 regulatory adjustments include regulatory adjustments that are not included in CET1 during the phase-in period of the CET1 regulatory adjustment, which were Tier 2 deductions under Basel II such as 50% of all investments in certain specified corporations etc.

CHANGES IN REGULATORY CAPITAL - BASEL III



(\$MM)	Basel III - IFRS	
	Q1 2013	
	Transitional Approach	All-in Approach ⁽¹⁾
CHANGES IN REGULATORY CAPITAL:		
Basel II Capital, Beginning of Period	42,193	42,193
Internally Generated Capital		
Net Income attributable to equity holders of the Bank	1,559	1,559
Preferred and Common Dividends	(731)	(731)
	828	828
External Financing		
Common Shares Issued	413	413
Subordinated Debt (net of amortization)	(1,362)	(1,362)
	(949)	(949)
Other		
Net change in Regulatory Adjustments and other items ⁽²⁾	1,614	(2,723)
Phase-out of Tier 1 and Tier 2 Capital ⁽³⁾	(1,531)	(1,531)
	83	(4,254)
Capital Generated / (Used)	(38)	(4,375)
Total Capital, End of Period	42,155	37,818

(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) For both the transitional and all-in approaches, the net change in regulatory adjustments represents the change between Basel III regulatory adjustments in Q1 2013 as compared to Basel II regulatory adjustments in Q4 2012. Other items include such items as adjustment for transition to IFRS and changes in AOCI.

(3) Basel III rules affect the eligibility of instruments for inclusion in regulatory capital and provide the phase-out of any non-qualifying capital instruments over 10 years. All of the Bank's current preferred shares, capital instruments and subordinated debentures do not meet these additional criteria and will be subject to phase-out commencing January 2013.

REGULATORY CAPITAL - BASEL II ⁽¹⁾


(\$MM)	Basel II							
	IFRS				CGAAP			
	2012				2011			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
REGULATORY CAPITAL:								
Common Shares, Contributed Surplus & Retained Earnings	35,283	32,555	31,011	28,399	33,094	32,297	31,464	28,509
Adjustment for transition to measurement base under IFRS	322	643	964	1,286				
Accumulated Foreign Currency Translation Losses	(528)	(563)	(848)	(555)	(5,162)	(5,401)	(5,591)	(4,831)
Non-Cumulative Preferred Shares	4,384	4,384	4,384	4,384	4,384	4,384	4,384	3,975
Innovative Capital Instruments	2,150	2,150	2,900	2,900	2,900	2,900	2,900	2,900
Non-Controlling Interest of Subsidiaries	966	918	887	823	640	602	576	633
Gross Tier 1 Capital	42,577	40,087	39,298	37,237	35,856	34,782	33,733	31,186
Goodwill and Non-qualifying Intangibles	(5,239)	(5,363)	(5,375)	(4,586)	(4,662)	(4,585)	(4,596)	(3,026)
Other Capital Deductions ⁽²⁾	(2,902)	(2,850)	(2,949)	(3,773)	(2,705)	(2,635)	(2,522)	(2,750)
Net Tier 1 Capital	34,436	31,874	30,974	28,878	28,489	27,562	26,615	25,410
Accumulated Net Unrealized Gains (after-tax) on Available-For-Sale Equity Securities	305	288	296	254	152	230	304	265
Subordinated Debentures (net of Amortization)	9,893	6,699	6,695	6,730	6,723	6,754	6,737	6,763
Eligible Allowance for Credit Losses ⁽³⁾	454	444	401	391	353	363	364	383
Tier 2 Capital	10,652	7,431	7,392	7,375	7,228	7,347	7,405	7,411
Other Capital Deductions ⁽⁴⁾	(2,895)	(2,847)	(2,946)	(2,961)	(3,184)	(3,212)	(3,063)	(3,333)
Total Regulatory Capital	42,193	36,458	35,420	33,292	32,533	31,697	30,957	29,488
CHANGES IN REGULATORY CAPITAL:								
Total Capital, Beginning of Period	36,458	35,420	33,292	32,533	31,697	30,957	29,488	29,599
Internally Generated Capital								
Net Income attributable to Equity Holders of the Bank	1,453	2,001	1,391	1,398	1,222	1,259	1,519	1,174
Preferred and Common Share Dividends	(728)	(683)	(679)	(622)	(620)	(618)	(616)	(563)
	725	1,318	712	776	602	641	903	611
External Financing								
Subordinated Debentures (net of Amortization)	3,194	4	(35)	7	(31)	17	(26)	(27)
Innovative Capital Instruments	-	(750)	-	-	-	-	-	(500)
Preferred Shares	-	-	-	-	-	-	409	-
Common Shares Issued	1,976	199	1,895	733	194	171	2,038	183
	5,170	(547)	1,860	740	163	188	2,421	(344)
Other								
Net Change in Foreign Currency Translation Gains / (Losses) ⁽⁵⁾	34	285	(294)	142	239	190	(760)	(323)
Net Change in Net Unrealized Gains / Losses (after-tax) on Available-For-Sale Equity Securities	17	(8)	42	102	(78)	(74)	39	89
Non-controlling Interest of Subsidiaries	48	31	64	183	39	26	(57)	54
Other ⁽⁶⁾	(259)	(41)	(256)	(1,184)	(129)	(231)	(1,077)	(198)
	(160)	267	(444)	(757)	71	(89)	(1,855)	(378)
Total Capital Generated / (Used)	5,735	1,038	2,128	759	836	740	1,469	(111)
Total Capital, End of Period	42,193	36,458	35,420	33,292	32,533	31,697	30,957	29,488

(1) Effective Q1 2013, this schedule has been replaced with pages 28-30, which are computed under Basel III requirements.

(2) Comprised of 50% of all investments in certain specified corporations (includes insurance subsidiaries effective November 1, 2011) and other items.

(3) Under Basel II, eligible general allowances in excess of expected losses under AIRB approach and allocated allowances under Standardized approach can be included in capital, subject to certain limitations.

(4) Comprised of 50% of all investments in certain specified corporations (includes insurance subsidiaries effective November 1, 2011), 100% of investments in insurance subsidiaries prior to November 1, 2011 and other items.

(5) Q1 2012 excludes reclassification of \$4.5 billion from AOCI to Retained Earnings as a result of the adoption of IFRS, which is included in Other ⁽⁶⁾.

(6) Includes changes to eligible allowances for credit losses, regulatory capital deductions relating to goodwill, non-qualifying intangibles, investments in associated corporations and insurance entities. Effective Q1 2012, also includes the impact to retained earnings and AOCI Foreign Currency Translation from the adoption to IFRS.

RISK-WEIGHTED ASSETS AND CAPITAL RATIOS



(\$B)	Basel III	Basel II								
	2013	IFRS				CGAAP				
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
RISK-WEIGHTED ASSETS:^(1,2)										
On- Balance Sheet Assets										
Cash Resources	2.6	2.7	2.9	4.1	3.0	3.5	4.4	4.5	4.9	
Securities ⁽³⁾	17.5	12.6	12.7	17.1	17.4	13.7	14.2	14.5	14.4	
Residential Mortgages Loans	17.6	13.0	12.4	12.4	12.1	10.5	10.1	9.7	9.4	
- Personal Loans	32.5	30.8	29.7	28.6	28.6	26.4	25.0	24.4	24.5	
- Non-Personal Loans	88.0	85.5	85.4	82.9	83.5	79.1	74.3	72.2	71.7	
All Other ⁽⁴⁾	23.8	18.2	18.1	18.4	17.1	17.0	16.8	16.7	12.6	
	182.0	162.8	161.2	163.5	161.7	150.2	144.8	142.0	137.5	
Off- Balance Sheet Assets										
Indirect Credit Instruments	34.8	34.1	33.7	32.0	32.0	37.0	33.7	33.6	33.6	
Derivative Instruments	8.0	5.6	5.9	5.8	6.0	5.9	5.6	6.2	5.4	
	42.8	39.7	39.6	37.8	38.0	42.9	39.3	39.8	39.0	
Total Credit Risk before AIRB scaling factor	224.8	202.5	200.8	201.3	199.7	193.1	184.0	181.8	176.5	
AIRB Scaling factor ⁽⁵⁾	8.2	7.5	7.5	7.6	7.7	7.7	7.3	7.3	7.1	
Total Credit Risk after AIRB scaling factor	233.0	210.0	208.3	208.9	207.4	200.8	191.3	189.1	183.6	
Market Risk - Risk Assets Equivalent ⁽⁶⁾	16.5	13.8	14.8	14.8	16.5	5.9	6.7	6.8	7.0	
Operational Risk - Risk Assets Equivalent	30.6	29.5	29.3	29.2	29.2	27.3	26.8	26.4	24.7	
Total Risk-Weighted Assets	280.1	253.3	252.4	252.9	253.1	234.0	224.8	222.3	215.3	
BASEL III ALL-IN CAPITAL RATIOS (%):										
Common Equity Tier 1	8.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Tier 1	10.3	13.6	12.6	12.2	11.4	12.2	12.3	12.0	11.8	
Total	13.5	16.7	14.4	14.0	13.2	13.9	14.1	13.9	13.7	

(1) For purposes of this presentation only, RWA is shown by balance sheet categories. Details by Basel II exposure type are shown on pages 33-34 entitled, "Risk-Weighted Assets for Credit Risk Portfolios".

(2) Under Basel III, which is effective Q1 2013, risk-weight computations will include a multiplier of 1.25 to the correlation parameter of all credit exposures to large or unregulated financial institutions meeting specific criteria.

(3) Under Basel III, which is effective Q1 2013, Securities include amounts for trade exposures related to securities financing transactions.

(4) Under Basel III, which is effective Q1 2013, Other assets includes amounts for initial margin related to trade exposures to QCCP, default fund contributions to QCCP and NQCCP and exchange-traded derivatives (previously were excluded for capital calculation under Basel II, are now risk-weighted as per OSFI guideline)

(5) The Basel Framework requires an additional 6% scaling factor to AIRB credit risk portfolios.

(6) The Q1 2013 related capital charge for total comprehensive risk measure including securitization exposures is \$386MM (Q4 2012: \$333MM) broken down as follows: Market Simulation \$69MM (Q4 2012: \$79MM), Default & Migration Risk \$129MM (Q4 2012: \$85MM), and Surcharge \$188MM (Q4 2012: \$169MM).

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



(\$MM)		Basel III - IFRS						Basel II - IFRS		
		Q1 2013						Q4 2012		
		AIRB		Standardized		Total		Total		
Exposure Type	Sub-type	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	
Non-Retail										
Corporate ⁽³⁾	Drawn	78,910	48,022	35,985	34,921	114,895	82,943	112,974	82,239	
	Undrawn	40,098	17,057	2,644	2,599	42,742	19,656	43,056	20,311	
	Other ⁽⁴⁾	19,617	6,923	1,985	1,931	21,602	8,854	16,765	7,095	
	Total	138,625	72,002	40,614	39,451	179,239	111,453	172,795	109,645	
Bank ⁽³⁾	Drawn	29,883	7,231	3,782	2,066	33,665	9,297	35,211	8,047	
	Undrawn	11,077	3,450	53	29	11,130	3,479	11,060	2,754	
	Other ⁽⁴⁾	9,128	1,664	31	30	9,159	1,694	7,842	1,190	
	Total	50,088	12,345	3,866	2,125	53,954	14,470	54,113	11,991	
Sovereign	Drawn	57,211	4,514	8,196	539	65,407	5,053	53,451	4,079	
	Undrawn	1,522	227	83	42	1,605	269	1,281	220	
	Other ⁽⁴⁾	281	6	-	-	281	6	291	27	
	Total	59,014	4,747	8,279	581	67,293	5,328	55,023	4,326	
Total Non-Retail		Drawn	166,004	59,767	47,963	37,526	213,967	97,293	201,636	94,365
		Undrawn	52,697	20,734	2,780	2,670	55,477	23,404	55,397	23,285
		Other ⁽⁴⁾	29,026	8,593	2,016	1,961	31,042	10,554	24,898	8,312
		Total	247,727	89,094	52,759	42,157	300,486	131,251	281,931	125,962
Retail										
Residential Mortgages	Drawn	186,707	9,093	19,941	8,532	206,648	17,625	175,114	13,005	
	Undrawn	-	-	-	-	-	-	-	-	
	Total	186,707	9,093	19,941	8,532	206,648	17,625	175,114	13,005	
Secured Lines Of Credit	Drawn	18,328	4,530	-	-	18,328	4,530	18,404	4,701	
	Undrawn	12,026	1,247	-	-	12,026	1,247	11,759	1,267	
	Total	30,354	5,777	-	-	30,354	5,777	30,163	5,968	
Qualifying Revolving Retail Exposures (QRRE)	Drawn	14,517	6,489	-	-	14,517	6,489	14,414	6,444	
	Undrawn	11,901	1,395	-	-	11,901	1,395	11,613	1,397	
	Total	26,418	7,884	-	-	26,418	7,884	26,027	7,841	
Other Retail	Drawn	16,272	7,886	18,746	13,615	35,018	21,501	32,938	19,642	
	Undrawn	761	93	-	-	761	93	749	93	
	Total	17,033	7,979	18,746	13,615	35,779	21,594	33,687	19,735	
Total Retail		Drawn	235,824	27,998	38,687	22,147	274,511	50,145	240,870	43,792
		Undrawn	24,688	2,735	-	-	24,688	2,735	24,121	2,757
		Total	260,512	30,733	38,687	22,147	299,199	52,880	264,991	46,549
Securizations			17,913	7,945	133	91	18,046	8,036	17,636	4,170
Trading Derivatives ⁽³⁾			22,470	7,609	-	-	22,470	7,609	18,845	5,434
Total Credit Risk (Excluding Equities & Other Assets)			548,622	135,381	91,579	64,395	640,201	199,776	583,403	182,115
Equities ⁽⁵⁾			3,539	3,539	-	-	3,539	3,539	3,155	3,155
Total Equities			3,539	3,539	-	-	3,539	3,539	3,155	3,155
Other Assets ⁽⁶⁾					51,040	21,472	51,040	21,472	41,514	17,197
Total Credit Risk (Before Scaling Factor)			552,161	138,920	142,619	85,867	694,780	224,787	628,072	202,467
Add-on for 6% Scaling Factor ⁽⁷⁾				8,245			8,245			7,499
Total Credit Risk			552,161	147,165	142,619	85,867	694,780	233,032	628,072	209,966

(1) Before credit risk mitigation for AIRB exposures, after related allowances for credit losses for Standardized exposures.

(2) Risk-weighted Assets.

(3) Under Basel III, which is effective Q1 2013, risk-weight computations will include a multiplier of 1.25 to the correlation parameter of all credit exposures to certain large or unregulated financial institutions meeting specific criteria.

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

(5) Effective July 31, 2012, the Bank's equity portfolio, including both preferred and grandfathered securities, qualified for the materiality threshold exemption under OSFI's Capital Adequacy Requirements for equities.

(6) Exchange-traded derivatives which previously were excluded for capital calculation under Basel II, are now risk-weighted under Basel III.

(7) The Basel Framework requires an additional 6% scaling factor to AIRB credit risk portfolios.

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



(SMM)		Basel II - IFRS								Basel II - CGAAP							
		2012								2011							
		Q3		Q2		Q1		Q4		Q3		Q2		Q1			
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⁾		
Non-Retail																	
Corporate	Drawn	111,052	81,432	108,593	78,977	108,118	80,275	99,796	75,405	94,929	71,729	92,166	69,135	91,309	69,482		
	Undrawn	42,226	20,017	41,356	19,239	42,114	19,118	42,509	20,783	40,861	19,198	39,981	19,436	40,353	19,227		
	Other ⁽³⁾	17,710	7,488	16,325	6,514	15,472	6,837	15,222	7,307	13,490	6,314	13,635	6,316	13,281	6,133		
	Total	170,988	108,937	166,274	104,730	165,704	106,230	157,527	103,495	149,280	97,241	145,782	94,887	144,943	94,842		
Bank	Drawn	34,596	8,731	38,228	10,377	31,582	8,449	26,024	8,473	25,943	8,595	30,620	9,157	26,931	8,088		
	Undrawn	10,731	2,631	10,731	2,583	11,825	2,778	11,341	2,851	11,147	2,747	10,611	2,720	10,964	2,679		
	Other ⁽³⁾	11,435	1,769	11,555	1,657	10,432	1,403	10,425	1,536	11,055	1,577	12,349	1,704	12,752	1,715		
	Total	56,762	13,131	60,514	14,617	53,839	12,630	47,790	12,860	48,145	12,919	53,580	13,581	50,647	12,482		
Sovereign	Drawn	57,628	4,151	56,444	4,032	50,187	4,430	50,012	4,392	49,591	4,188	58,501	4,161	44,919	5,643		
	Undrawn	1,412	249	1,288	235	1,142	218	1,128	225	1,043	217	840	179	886	139		
	Other ⁽³⁾	438	25	380	29	356	42	236	17	260	23	340	48	417	27		
	Total	59,478	4,425	58,112	4,296	51,685	4,690	51,376	4,634	50,894	4,428	59,681	4,388	46,222	5,809		
Total Non-retail	Drawn	203,276	94,314	203,265	93,386	189,887	93,154	175,832	88,270	170,462	84,512	181,287	82,453	163,159	83,213		
	Undrawn	54,369	22,897	53,375	22,057	55,081	22,114	54,978	23,859	53,051	22,162	51,432	22,335	52,203	22,045		
	Other ⁽³⁾	29,583	9,282	28,260	8,200	26,260	8,282	25,883	8,860	24,804	7,914	26,324	8,068	26,450	7,875		
	Total	287,228	126,493	284,900	123,643	271,228	123,550	256,693	120,989	248,317	114,588	259,043	112,856	241,812	113,133		
Retail																	
Residential Mortgages	Drawn	171,295	12,370	166,816	12,382	164,201	12,061	143,941	10,446	142,424	10,089	139,448	9,712	138,464	9,422		
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total	171,295	12,370	166,816	12,382	164,201	12,061	143,941	10,446	142,424	10,089	139,448	9,712	138,464	9,422		
Secured Lines Of Credit	Drawn	18,144	4,502	17,841	4,428	17,767	4,484	17,937	4,651	17,862	4,513	17,834	4,420	17,936	4,127		
	Undrawn	11,492	1,229	11,149	1,196	10,829	1,182	11,780	1,393	11,579	1,385	11,322	1,335	11,051	1,201		
	Total	29,636	5,731	28,990	5,624	28,596	5,666	29,717	6,044	29,441	5,898	29,156	5,755	28,987	5,328		
Qualifying Revolving	Drawn	14,194	6,128	14,371	6,058	14,243	6,095	14,239	5,867	14,090	5,637	13,968	5,458	13,914	5,669		
	Undrawn	11,348	1,303	11,197	1,260	11,005	1,249	12,195	1,418	12,043	1,397	11,902	1,342	11,800	1,391		
	Total	25,542	7,431	25,568	7,318	25,248	7,344	26,434	7,285	26,133	7,034	25,870	6,800	25,714	7,060		
Other Retail	Drawn	32,002	19,047	30,109	18,088	29,923	18,020	27,209	15,911	26,341	14,817	24,898	14,497	24,745	13,689		
	Undrawn	739	92	597	59	578	58	630	67	634	69	618	65	600	58		
	Total	32,741	19,139	30,706	18,147	30,501	18,078	27,839	15,978	26,975	14,886	25,516	14,562	25,345	13,747		
Total Retail	Drawn	235,635	42,047	229,137	40,956	226,134	40,660	203,326	36,875	200,717	35,056	196,148	34,087	195,059	32,907		
	Undrawn	23,579	2,624	22,943	2,515	22,412	2,489	24,605	2,878	24,256	2,851	23,842	2,742	23,451	2,650		
	Total	259,214	44,671	252,080	43,471	248,546	43,149	227,931	39,753	224,973	37,906	219,990	36,829	218,510	35,557		
Securitized		16,955	4,404	15,240	4,060	14,258	3,606	14,466	4,423	14,099	3,923	13,978	4,225	14,787	4,441		
Trading Derivatives		19,772	5,617	20,105	5,574	20,426	5,655	21,540	5,612	19,525	5,292	20,317	5,876	19,382	5,133		
Total Credit risk (excl. Equities & Other Assets)		583,169	181,185	572,325	176,748	554,458	175,960	520,630	170,777	506,914	161,709	513,327	159,786	494,491	158,264		
Equities⁽⁵⁾																	
	Grandfathered	-	-	1,298	1,298	1,315	1,315	1,309	1,309	1,389	1,389	1,490	1,490	1,493	1,493		
	Simple Method	-	-	1,695	5,721	1,808	6,058	1,450	4,771	1,391	4,517	1,328	4,396	1,036	3,588		
	PD/LGD Approach	-	-	433	510	434	520	425	526	462	573	471	586	468	584		
	Other	3,055	3,055	-	-	-	-	-	-	-	-	-	-	-	-		
	Total Equities	3,055	3,055	3,426	7,529	3,557	7,893	3,184	6,606	3,242	6,479	3,289	6,472	2,997	5,665		
Other Assets		37,760	16,477	38,971	16,895	39,863	15,876	35,968	15,622	36,981	15,821	35,713	15,585	30,616	12,620		
Total Credit Risk (before Scaling Factor)		623,984	200,717	614,721	201,171	597,878	199,729	559,782	193,005	547,137	184,009	552,329	181,843	528,104	176,549		
Add-on for 6% scaling factor ⁽⁴⁾			7,536		7,642		7,709		7,743		7,325		7,293		7,050		
Total Credit Risk		623,984	208,253	614,721	208,813	597,878	207,438	559,782	200,748	547,137	191,334	552,329	189,136	528,104	183,599		

(1) Before credit risk mitigation for AIRB exposures, after related allowances for credit losses for Standardized exposures.

(2) 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) The Basel Framework requires an additional 6% scaling factor to AIRB credit risk portfolios.

(5) Effective July 31, 2012, the Bank's equity portfolio, including both preferred and grandfathered securities, qualified for the materiality threshold exemption under OSFI's Capital Adequacy Requirements for equities.

TOTAL CREDIT RISK EXPOSURES BY GEOGRAPHY ^(1,2)


(\$MM)	Basel III - IFRS					Basel II - IFRS				
	Q1 2013					Q4 2012				
	Non-Retail			Retail	Total	Non-Retail			Retail	Total
Drawn	Undrawn	Other ⁽³⁾	Drawn			Undrawn	Other ⁽³⁾			
Canada	57,620	26,623	24,524	266,099	374,866	55,549	27,222	23,375	233,174	339,320
USA	59,012	17,423	30,579	229	107,243	52,787	17,173	24,555	269	94,784
Mexico	8,187	342	1,006	5,887	15,422	7,913	242	759	5,165	14,079
Other International										
Europe	16,410	4,989	9,127	-	30,526	16,308	4,997	6,418	-	27,723
Caribbean	17,144	2,070	1,904	12,672	33,790	16,247	1,744	2,014	12,695	32,700
Latin America (excl. Mexico)	26,960	831	2,106	14,211	44,108	25,653	874	2,207	13,578	42,312
All Other	28,634	3,199	2,312	101	34,246	27,179	3,145	2,051	110	32,485
Total	213,967	55,477	71,558	299,199	640,201	201,636	55,397	61,379	264,991	583,403

	Basel II - IFRS			Basel II - CGAAP	
	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Canada	335,328	329,421	321,471	305,644	295,879
USA	98,898	95,142	87,889	80,603	80,739
Mexico	13,729	12,942	13,086	12,501	12,694
Other International					
Europe	28,098	31,494	27,437	27,279	28,927
Caribbean	32,637	31,904	32,515	31,835	29,755
Latin America (excl. Mexico)	40,809	39,248	37,736	29,476	28,197
All Other	33,670	32,174	34,324	33,292	30,723
Total	583,169	572,325	554,458	520,630	506,914

⁽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 and OTC derivatives, securitization and repo-style transactions net of related collateral.

CREDIT RISK EXPOSURES BY MATURITY ^(1,2)



AIRB NON-RETAIL AND RETAIL PORTFOLIO

(\$MM)	Basel III - IFRS				Basel II - IFRS			
	Q1 2013				Q4 2012			
	Drawn	Undrawn	Other ⁽³⁾	Total	Drawn	Undrawn	Other ⁽³⁾	Total
Non-Retail								
Less than 1 year	102,512	16,833	36,762	156,107	93,462	16,744	28,752	138,958
1 to 5 years	57,580	34,655	30,996	123,231	57,071	34,696	29,045	120,812
Over 5 Years	5,912	1,209	1,651	8,772	6,837	1,211	1,698	9,746
Total Non-Retail	166,004	52,697	69,409	288,110	157,370	52,651	59,495	269,516
Retail								
Less than 1 year	27,276	12,787		40,063	19,396	12,508		31,904
1 to 5 years	163,625	-		163,625	145,232	-		145,232
Over 5 Years	10,679	-		10,679	6,241	-		6,241
Revolving Credits ⁽⁴⁾	34,244	11,901		46,145	34,240	11,613		45,853
Total Retail	235,824	24,688		260,512	205,109	24,121		229,230
Total	401,828	77,385	69,409	548,622	362,479	76,772	59,495	498,746

	Basel II - IFRS				Basel II - CGAAP
	Q3 2012	Q2 2012	Q1 2012	Q4 2011	
Non-Retail					
Less than 1 year	150,492	148,382	142,515	130,689	
1 to 5 years	116,108	113,902	107,972	112,417	
Over 5 Years	10,313	11,388	12,758	11,624	
Total Non-Retail	276,913	273,672	263,245	254,730	
Retail					
Less than 1 year	28,946	26,401	27,972	27,925	
1 to 5 years	144,623	142,613	138,191	120,296	
Over 5 Years	5,420	4,703	4,247	3,990	
Revolving Credits ⁽⁴⁾	45,131	44,512	44,094	45,459	
Total Retail	224,120	218,229	214,504	197,670	
Total	501,033	491,901	477,749	452,400	

⁽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.

CREDIT RISK EXPOSURES BY RISK-WEIGHT - STANDARDIZED APPROACH



EXPOSURE AT DEFAULT⁽¹⁾

(\$MM)	Basel III - IFRS							Basel II - IFRS						
	Q1 2013							Q4 2012						
	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%	680	9	7,278	7,967	55	868	923	692	-	4,158	4,850	67	844	911
20%	886	2,161	209	3,256	1,469	-	1,469	1,299	2,657	197	4,153	1,521	-	1,521
35%	-	-	-	-	10,668	404	11,072	-	-	-	-	14,011	401	14,412
50%	85	14	506	605	-	-	-	132	10	508	650	-	-	-
75%	-	-	-	-	6,975	16,970	23,945	-	-	-	-	2,885	15,548	18,433
100%	38,644	1,675	286	40,605	774	14	788	37,356	1,126	342	38,824	364	61	425
150%	452	7	-	459	-	490	490	419	-	-	419	-	59	59
Total	40,747	3,866	8,279	52,892	19,941	18,746	38,687	39,898	3,793	5,205	48,896	18,848	16,913	35,761

Rsk-weight	Basel II - IFRS						Basel II - CGAAP							
	Q3 2012		Q2 2012		Q1 2012		Q4 2011		Q3 2011		Q2 2011		Q1 2011	
	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
	0%	4,515	1,006	3,874	809	3,100	813	2,656	800	2,642	1,395	2,759	686	1,993
20%	3,817	1,590	5,905	1,610	3,463	1,741	4,087	2,111	3,253	1,963	3,654	1,881	3,291	1,998
35%	-	13,965	-	13,197	-	13,387	-	11,961	-	11,853	-	11,631	-	11,989
50%	604	-	971	-	1,220	-	758	-	602	-	727	-	791	-
75%	-	18,054	-	17,207	-	17,344	-	14,602	-	13,510	-	13,347	-	13,432
100%	37,650	424	34,770	968	34,193	688	29,861	720	28,829	705	27,409	720	28,141	867
150%	456	55	1,053	60	691	69	607	67	569	68	632	64	1,098	44
Total	47,042	35,094	46,573	33,851	42,667	34,042	37,969	30,261	35,895	29,494	35,181	28,329	35,314	29,147

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

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(SMM)	Basel III - IFRS				Basel II - IFRS											
	Q1 2013				Q4 2012				Q3 2012				Q2 2012			
	Exposure at Default ⁽²⁾	Weighted Average PD ^(3,6)	Weighted Average LGD ^(4,6)	Weighted Average RW ^(5,6)	Exposure at Default ⁽²⁾	Weighted Average PD ^(3,6)	Weighted Average LGD ^(4,6)	Weighted Average RW ^(5,6)	Exposure at Default ⁽²⁾	Weighted Average PD ^(3,6)	Weighted Average LGD ^(4,6)	Weighted Average RW ^(5,6)	Exposure at Default ⁽²⁾	Weighted Average PD ^(3,6)	Weighted Average LGD ^(4,6)	Weighted Average RW ^(5,6)
	\$	%	%	%	\$	%	%	%	\$	%	%	%	\$	%	%	%
Investment Grade																
Corporate ⁽⁷⁾	89,086	0.18	43	36	85,087	0.19	43	37	84,526	0.19	43	37	81,921	0.19	43	37
Bank ⁽⁷⁾	54,644	0.15	35	26	55,278	0.15	33	20	57,412	0.15	33	20	60,659	0.15	33	20
Sovereign	149,159	0.02	7	2	138,302	0.02	6	2	141,976	0.02	6	1	133,271	0.02	6	1
Sub-Total	292,889	0.09	23	17	278,667	0.10	23	16	283,914	0.10	23	16	275,851	0.10	23	16
Non-Investment Grade																
Corporate ⁽⁷⁾	54,331	0.77	40	65	50,377	0.80	41	67	51,521	0.80	41	67	50,711	0.80	41	67
Bank ⁽⁷⁾	4,065	0.93	37	58	4,024	0.96	37	55	4,063	0.97	37	55	4,072	0.98	38	56
Sovereign	1,264	1.16	24	43	2,898	2.27	24	59	3,202	2.16	24	58	2,988	2.32	23	59
Sub-Total	59,660	0.79	40	64	57,299	0.88	40	66	58,786	0.89	40	66	57,771	0.89	40	66
Watch List																
Corporate ⁽⁷⁾	2,426	20.43	41	200	2,606	21.83	39	192	3,260	25.62	39	193	3,165	26.06	40	192
Bank ⁽⁷⁾	50	35.13	48	269	42	38.02	48	246	65	34.39	43	235	63	31.34	40	222
Sovereign	1,498	36.78	24	131	13	37.07	33	173	118	17.38	33	143	106	17.67	33	144
Sub-Total	3,974	26.78	35	175	2,661	22.16	39	192	3,443	25.50	39	192	3,334	25.89	39	191
Default⁽⁸⁾	1,952	100.00	42	221	1,997	100.00	42	221	1,512	100.00	44	291	1,520	100.00	42	227
Total	358,475	1.05	26	28	340,624	0.99	26	27	347,655	0.92	26	27	338,476	0.94	26	27

(1) The cross references of the Bank's internal borrower grades with equivalent rating categories utilized by external rating agencies are outlined on page 170 of the Bank's 2012 Annual Report.

(2) Amounts are after certain credit risk mitigation (i.e. guarantees accounted for under the PD substitution approach), includes all non-retail exposures except securitization and equity; includes government guaranteed residential mortgages.

(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 (EAD) used as basis for estimated weightings, see glossary for details.

(7) Under Basel III, effective Q1 2013, risk-weight computations will include a multiplier of 1.25 to the correlation parameter of all credit exposures to certain large or unregulated financial institutions meeting specific criteria.

(8) EAD for defaulted exposures before related specific provisions and write-offs.

NON-RETAIL AIRB PORTFOLIO - CREDIT COMMITMENTS

(SMM)	Basel III - IFRS		Basel II - IFRS					
	Q1 2013		Q4 2012		Q3 2012		Q2 2012	
	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)
Corporate	68,997	58	69,719	58	68,873	58	67,157	58
Bank	17,722	63	17,307	63	16,740	63	17,094	64
Sovereign	2,300	66	1,837	65	1,984	68	1,958	67
Total	89,019	59	88,863	59	87,597	59	86,209	59

RISK ASSESSMENT OF CREDIT RISK EXPOSURES

RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(\$MM)	Basel III - IFRS				Basel II - IFRS											
	Q1 2013				Q4 2012				Q3 2012				Q2 2012			
	EAD ^(2,6)	PD ^(3,6)	LGD ^(4,6,8)	RW ^(5,6)	EAD ^(2,6)	PD ^(3,6)	LGD ^(4,6)	RW ^(5,6)	EAD ^(2,6)	PD ^(3,6)	LGD ^(4,6)	RW ^(5,6)	EAD ^(2,6)	PD ^(3,6)	LGD ^(4,6)	RW ^(5,6)
	\$	%	%	%	\$	%	%	%	\$	%	%	%	\$	%	%	%
Real Estate Secured																
Very Low	86,499	0.11	17	4	67,536	0.10	17	4	66,590	0.09	17	4	69,623	0.09	17	4
Low	6,363	0.28	17	9	4,989	0.28	17	9	4,793	0.28	17	9	4,652	0.28	18	9
Medium	30,810	0.97	17	19	20,768	1.06	18	23	19,451	1.04	18	23	19,553	1.02	18	22
High	3,570	5.40	20	71	3,338	5.52	22	76	3,143	5.47	22	76	3,091	5.45	22	75
Very High	1,263	31.95	15	80	844	32.63	18	97	794	32.28	18	98	809	31.93	18	97
Default ⁽⁷⁾	278	100.00	38	-	210	100.00	49	-	206	100.00	49	-	218	100.00	50	-
Sub-total	128,783	1.00	17	11	97,685	0.99	18	12	94,977	0.96	18	11	97,946	0.94	17	11
Qualifying Revolving Retail Exposures(QRRE)																
Very Low	10,883	0.09	81	5	10,613	0.09	81	5	10,646	0.09	81	5	10,615	0.10	81	5
Low	4,602	0.32	80	13	4,528	0.32	80	13	4,472	0.32	80	13	4,529	0.32	79	12
Medium	7,720	1.56	79	41	7,635	1.55	79	40	7,439	1.55	79	40	7,468	1.54	78	40
High	2,688	7.19	78	115	2,735	7.12	77	114	2,487	7.07	77	113	2,462	6.97	77	112
Very High	321	40.95	66	183	321	41.05	66	182	305	40.50	66	182	305	41.47	66	180
Default ⁽⁷⁾	204	100.00	85	-	195	100.00	85	-	193	100.00	85	-	189	100.00	85	-
Sub-total	26,418	2.55	80	30	26,027	2.55	80	30	25,542	2.47	80	29	25,568	2.45	79	29
Other Retail																
Very Low	2,400	0.11	40	11	2,382	0.11	40	11	2,333	0.11	39	11	2,109	0.11	38	10
Low	7,164	0.33	53	30	7,060	0.33	52	30	6,596	0.33	53	30	6,141	0.33	52	29
Medium	5,501	1.52	62	69	5,467	1.52	62	69	5,290	1.52	62	69	4,877	1.51	62	69
High	1,527	6.43	56	87	1,474	6.49	56	87	1,319	6.47	56	86	1,190	6.53	56	86
Very High	331	41.88	59	136	293	42.95	58	135	262	42.00	59	136	250	41.85	59	136
Default ⁽⁷⁾	110	100.00	86	-	98	100.00	86	-	104	100.00	87	-	104	100.00	87	-
Sub-total	17,033	2.68	55	47	16,774	2.55	54	46	15,904	2.54	54	46	14,671	2.61	54	46
Total Retail																
Very Low	99,782	0.10	24	4	80,531	0.10	26	4	79,569	0.10	27	4	82,347	0.09	26	4
Low	18,129	0.31	47	18	16,577	0.31	49	19	15,861	0.31	50	19	15,322	0.31	50	18
Medium	44,031	1.14	33	29	33,870	1.24	39	34	32,180	1.23	39	34	31,898	1.21	39	33
High	7,785	6.22	47	89	7,547	6.03	49	92	6,949	6.23	48	91	6,743	6.20	48	90
Very High	1,915	35.17	31	106	1,458	36.47	37	123	1,361	35.99	37	124	1,364	35.88	36	122
Default ⁽⁷⁾	592	100.00	63	-	503	100.00	70	-	503	100.00	71	-	511	100.00	71	-
Total	172,234	1.40	30	17	140,486	1.47	34	19	136,423	1.43	34	19	138,185	1.40	33	18

(1) The general relationship between probability of default (PD) ranges and the category of PD grades is detailed on page 170-171 of the Bank's 2012 Annual Report.

(2) After credit risk mitigation, includes drawn and undrawn commitments; excludes government guaranteed residential mortgages.

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

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

(5) RW - risk-weight.

(6) Weighted averages provided based on exposure at default (EAD) for estimated weightings.

(7) Gross defaulted exposures, before any related specific provisions.

(8) The Bank uses PD substitution to account for the CMHC guarantee, whereas ING Direct Canada, its wholly owned subsidiary (acquired on November 15, 2012), utilizes LGD substitution. CMHC guarantees under the PD substitution are reclassified to sovereign.

Exposure Type	Basel III - IFRS		Basel II - IFRS							
	Q1 2013		Q4 2012 ⁽³⁾		Q4 2012 ⁽³⁾		Q2 2012 ⁽³⁾		Q1 2012 ⁽³⁾	
	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	0.13	1.31	0.15	1.38	0.16	1.48	0.19	1.45	0.19	1.49
Sovereign	-	0.15	-	0.35	-	0.22	-	0.16	-	0.17
Bank	-	0.52	-	0.53	-	0.51	-	0.58	-	0.54
Retail⁽²⁾										
Real Estate Secured	0.02	0.15	0.02	0.14	0.02	0.14	0.02	0.14	0.02	0.12
QRRE	1.92	3.15	1.91	2.90	1.94	2.88	1.88	2.78	1.92	2.86
Other Retail	0.53	1.91	0.57	1.80	0.61	1.80	0.66	1.85	0.74	1.89

- (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. Prior periods have been restated to conform with the current presentation.
- (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.
- (3) Effective November 1, 2010, the Bank adopted the AIRB approach for a significant portion of non-retail international corporate, bank and sovereign portfolios. This resulted in ~\$48 billion in EAD moving from Standardized to AIRB in Q1 2011, which is reflected in the expected loss rate commencing Q1 2012.

EXPOSURE AT DEFAULT⁽¹⁾

(SMM)	Basel III - IFRS						Basel II - IFRS					
	Q1 2013			Q4 2012			Q3 2012			Q2 2012		
	Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives	
Basel II 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
Non-Retail												
Corporate	610	699	3,429	1,002	799	3,212	1,035	815	3,301	1,009	835	3,748
Bank	-	-	7,192	-	-	6,787	-	-	7,428	-	-	7,502
Sovereign	-	9	496	-	-	448	-	-	290	-	-	416
Total Non-Retail	610	708	11,117	1,002	799	10,447	1,035	815	11,019	1,009	835	11,666
Retail												
Residential Mortgages ⁽²⁾	77	2,043	104,088	67	3,389	88,744	59	3,430	87,697	57	3,394	80,044
Secured Lines of Credit												
Qualifying Revolving Retail Exposures (QRRE)												
Other Retail	566	707	-	562	683	-	577	785	-	573	599	-
Total Retail	643	2,750	104,088	629	4,072	88,744	636	4,215	87,697	630	3,993	80,044
Total	1,253	3,458	115,205	1,631	4,871	99,191	1,671	5,030	98,716	1,639	4,828	91,710

⁽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 (CMHC). The Bank uses PD substitution to account for the CMHC guarantee, whereas ING Direct Canada, a wholly owned subsidiary (acquired on November 15, 2012), utilizes LGD substitution. CMHC guarantees under the PD substitution are reclassified to sovereign.

(SMM)	Basel III - IFRS				Basel II - IFRS											
	Q1 2013				Q4 2012				Q3 2012				Q2 2012			
	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount
Contract Types																
Interest Rate Contracts:																
Futures and Forward Rate Agreements	363,919	2	1,111	97	352,329	0	144	25	346,402	7	128	23	328,482	3	125	23
Swaps	1,776,882	2,221	7,451	1,764	1,660,618	2,721	4,993	1,633	1,572,021	4,010	5,676	1,864	1,548,000	2,353	5,142	1,711
Options Purchased	39,741	2	187	39	32,760	3	23	9	46,315	6	24	9	96,702	16	17	6
Options Written	47,937	-	-	-	35,503	-	-	-	57,675	-	-	-	105,572	-	-	-
Total	2,228,479	2,225	8,749	1,900	2,081,210	2,724	5,160	1,667	2,022,413	4,023	5,828	1,896	2,078,756	2,372	5,284	1,740
Foreign Exchange Contracts:																
Futures, Spots and Forwards	294,077	11	4,619	1,044	315,453	956	3,812	819	323,391	1,315	4,266	845	293,832	698	3,219	736
Swaps	187,633	2,800	4,672	1,224	184,996	1,421	4,268	1,077	188,577	1,584	4,440	1,129	193,910	1,629	4,557	1,129
Options Purchased	2,386	19	76	18	3,265	26	60	15	3,361	29	70	17	3,937	34	61	14
Options Written	1,788	-	-	-	3,001	-	-	-	3,202	-	-	-	3,992	-	-	-
Total	485,884	2,830	9,367	2,286	506,715	2,403	8,140	1,911	518,531	2,928	8,776	1,991	495,671	2,361	7,837	1,879
Other Derivatives Contracts:																
Equity	52,136	509	4,088	1,864	44,037	445	1,750	515	43,042	464	1,740	534	43,546	929	3,024	522
Credit	71,882	499	2,915	603	68,384	360	2,171	432	70,400	370	2,331	545	69,746	394	2,404	670
Other	72,682	736	5,872	1,499	65,719	1,072	2,422	1,109	54,255	1,004	2,055	890	54,339	1,000	2,509	1,011
Total	196,700	1,744	12,875	3,966	178,140	1,877	6,343	2,056	167,697	1,838	6,126	1,969	167,631	2,323	7,937	2,203
Total Derivatives after Netting and Collateral	2,911,063	6,799	30,991	8,152	2,766,065	7,004	19,643	5,634	2,708,641	8,789	20,730	5,856	2,742,058	7,056	21,058	5,822

(SMM)	Basel II - IFRS		Basel II - CGAAP					
	Q1 2012		Q4 2011		Q3 2011		Q2 2011	
	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount
Contract Types								
Interest Rate Contracts:								
Futures and Forward Rate Agreements	276,007	29	260,462	52	322,723	75	288,677	48
Swaps	1,453,482	5,785	1,476,115	6,337	1,565,446	4,963	1,482,913	3,543
Options Purchased	70,853	16	80,003	14	99,283	28	108,975	17
Options Written	76,399	-	85,212	-	84,333	-	89,920	-
Total	1,876,741	5,830	1,901,792	6,403	2,071,785	5,065	1,970,485	3,608
Foreign Exchange Contracts:								
Futures, Spots and Forwards	294,268	3,498	292,886	4,311	283,259	3,644	268,800	3,761
Swaps	189,869	4,876	189,198	5,163	185,442	5,731	184,188	6,305
Options Purchased	4,077	40	3,993	30	3,794	91	3,861	118
Options Written	4,322	-	4,489	-	4,249	-	4,727	-
Total	492,536	8,414	490,566	9,504	476,744	9,466	461,576	10,184
Other Derivatives Contracts:								
Equity	35,949	2,309	34,608	2,525	45,480	3,165	50,265	2,926
Credit	72,828	2,504	72,997	2,165	71,856	2,096	75,290	2,174
Other	52,379	2,360	41,881	1,817	41,909	994	38,527	2,608
Total	161,156	7,173	149,486	6,507	159,245	6,255	164,082	7,708
Total Derivatives	2,530,433	21,417	2,541,844	22,414	2,707,774	20,786	2,596,143	21,500
Risk-weighted Amount⁽²⁾		5,974		5,870		5,589		6,175

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

(2) Under Basel III, risk-weighted assets for derivatives now include the impact of wrong way risk. In addition, exchange-traded derivatives which previously were excluded for capital calculation under Basel II, are now risk-weighted as per OSFI guideline and include

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


(\$MM)			Basel III				Basel 2.5 - IFRS				Basel 2.5 - IFRS							
			Q1 2013 ⁽²⁾			Q4 2012			Q3 2012			Q2 2012						
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets				
			On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total	
Securitization																		
Investment Grade	AAA to A A- to BBB-	7 - 25 35 - 100	6,536 1,365	9,112 19	15,648 1,384	1,375 730	6,335 1,309	8,979 89	15,314 1,398	1,318 689	5,919 1,266	8,626 22	14,545 1,288	1,258 652	5,202 1,221	7,625 20	12,827 1,241	1,103 648
Non-Investment Grade	BB+ to BB- Below BB-	150 - 650 1250 - (Capital Deduction) ⁽⁴⁾	79 190	- -	79 190	367 2,374	40 198	- -	40 198	140 -	41 210	- -	41 210	150 n/a	55 210	- -	55 210	196 n/a
Resecuritization																		
Investment Grade	AAA to A A- to BBB-	20 - 65 100 - 350	107 176	197 -	304 176	186 242	75 133	197 -	272 133	168 244	161 210	200 -	361 210	204 439	67 303	200 -	267 303	163 855
Non-Investment Grade	BB+ to BB- Below BB-	500 - 850 1250 - (Capital Deduction) ⁽⁴⁾	99 166	- -	99 166	692 2,070	220 61	- -	220 61	1,611 -	234 66	- -	234 66	1,701 n/a	155 182	- -	155 182	1,095 n/a
Total			8,718	9,328	18,046	8,036	8,371	9,265	17,636	4,170	8,107	8,848	16,955	4,404	7,395	7,845	15,240	4,060

(\$MM)		Basel III				Basel 2.5 - IFRS				Basel 2.5 - IFRS							
		Q1 2013 ⁽²⁾			Q4 2012			Q3 2012			Q2 2012						
Underlying Asset		Exposure at Default ⁽³⁾			Exposures at Default (RW=1250%) ⁽⁴⁾	Exposure at Default ⁽³⁾			Capital Deduction ⁽⁴⁾	Exposure at Default ⁽³⁾			Capital Deduction ⁽⁴⁾				
		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total	
Residential Mortgages		122	510	632	-	161	510	671	-	218	510	728	2	232	510	742	1
Commercial Mortgages		59	-	59	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit cards/Consumer receivables		517	42	559	-	520	41	561	-	509	53	562	-	11	39	50	-
Auto loans/Leases		3,666	4,563	8,229	184	3,664	4,776	8,440	192	3,476	4,720	8,196	203	3,556	3,862	7,418	203
Diversified asset-backed securities		325	197	522	168	265	197	462	67	440	200	640	71	451	200	651	167
Business Loans		931	-	931	4	924	-	924	-	928	-	928	-	1,039	-	1,039	10
Trade receivables		1,958	3,980	5,938	-	1,697	3,699	5,396	-	1,847	3,328	5,175	-	1,557	3,214	4,771	-
Other		1,140	36	1,176	-	1,140	42	1,182	-	689	37	726	-	549	20	569	11
Total		8,718	9,328	18,046	356	8,371	9,265	17,636	259	8,107	8,848	16,955	276	7,395	7,845	15,240	392

(1) Effective Q1 2012, the Bank implemented the revised regulatory guidance as contained in the BIS Enhancements to the Basel II Framework, issued July 2009. 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) Q1 2013 amounts include securitization under standardized approach: externally rated AAA (\$43MM), A- (\$16MM) and Resecuritization A (\$74MM).

(3) 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.

(4) Under Basel III, Non-investment grade exposures externally rated below BB- are risk-weighted 1250%, whereas under Basel II, these exposures were deducted 50% from Tier 1 capital and 50% from Tier 2 capital.

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


(\$MM)			Basel 2.5 - IFRS ⁽²⁾			
			Q1 2012			
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default ⁽³⁾			Risk-Weighted Assets
			On - Balance Sheet	Off - Balance Sheet	Total	
Securitization						
Investment Grade	AAA to A	7 - 25	5,449	6,493	11,942	1,080
	A- to BBB-	35 - 100	1,064	16	1,080	568
Non-Investment Grade	BB+ to BB-	150 - 650	49	-	49	164
	Below BB-	Capital Deduction ⁽⁴⁾	215	-	215	n/a
			6,777	6,509	13,286	1,812
Resecuritization						
Investment Grade	AAA to A	20 - 65	126	200	326	136
	A- to BBB-	100 - 350	288	-	288	486
Non-Investment Grade	BB+ to BB-	500 - 850	168	-	168	1,172
	Below BB-	Capital Deduction ⁽⁴⁾	190	-	190	n/a
			772	200	972	1,794
Total			7,549	6,709	14,258	3,606

(\$MM)		Basel 2.5 - IFRS ⁽²⁾			
		Q1 2012			
Underlying Asset	Exposure at Default ⁽³⁾			Capital Deduction ⁽⁴⁾	
	On - Balance Sheet	Off - Balance Sheet	Total		
Residential Mortgages	149	204	353	-	
Credit cards/Consumer receivables	23	28	51	-	
Auto loans/Leases	3,755	3,251	7,006	209	
Diversified asset-backed securities	485	200	685	175	
Business Loans	1,067	-	1,067	10	
Trade receivables	1,614	3,007	4,621	-	
Other	456	19	475	11	
Total	7,549	6,709	14,258	405	

(1) Effective Q1 2012, the Bank implemented the revised regulatory guidance as contained in the BIS Enhancements to the Basel II Framework, issued July 2009. 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) Effective Q1 2012, certain special purpose vehicles have been consolidated under IFRS, however will continue to fall under the securitization framework for capital purposes.

(3) 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.

(4) Securitization related deductions are 50% from Tier 1 capital and 50% from Tier 2 capital.

(\$MM)			Basel II - CGAAP											
			Q4 2011				Q3 2011				Q2 2011			
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default ⁽⁵⁾			Risk-Weighted Assets	Exposure at Default ⁽⁵⁾			Risk-Weighted Assets	Exposure at Default ⁽⁵⁾			Risk-Weighted Assets
			On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total	
Investment Grade	AAA to A	7 - 25	3,037	9,061	12,098	1,143	3,439	8,268	11,707	1,169	4,019	7,536	11,555	1,194
	A- to BBB-	35 - 100	962	389	1,351	826	915	379	1,294	841	827	390	1,217	795
Non-Investment Grade	BB+ to BB-	150 - 650	92	332	424	2,454	142	323	465	1,913	225	331	556	2,236
	Below BB-	Capital Deduction ⁽⁶⁾	366	227	593	n/a	409	224	633	n/a	420	230	650	n/a
Total			4,457	10,009	14,466	4,423	4,905	9,194	14,099	3,923	5,491	8,487	13,978	4,225

(5) Includes banking book on-balance sheet investments in asset backed securities (ABS), mortgage backed securities (MBS), 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.

(6) Securitization related deductions are 50% from Tier 1 capital and 50% from Tier 2 capital.

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	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). 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.
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.
ETD	Exchange traded derivatives contracts. These include four product types: 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.
QCCP	A qualifying central counterparty (QCCP) is licensed as a central counterparty and is also considered to 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.
NQCCP	Non-qualifying central counterparties (NQCCPs) are defined as those 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	
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 (AVC) multiplier. 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.
Specific WWR	Specific Wrong-Way Risk arises when the exposure to a particular counterpart is positively correlated with the probability of default of the counterparty due to the nature of the transactions with the counterparty.