

# SUPPLEMENTARY FINANCIAL INFORMATION



April 30, 2013

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# HIGHLIGHTS



|  | QUARTERLY TREND |         |         |         |         |         |       |       |       | YEAR-TO-DATE |       | FULL YEAR |       |
|--|-----------------|---------|---------|---------|---------|---------|-------|-------|-------|--------------|-------|-----------|-------|
|  | 2013            |         | 2012    |         |         |         | 2011  |       |       | 2013         | 2012  | 2012      | 2011  |
|  | Q2              | Q1      | Q4      | Q3      | Q2      | Q1      | Q4    | Q3    | Q2    |              |       |           |       |
| <b>Operating Performance:</b>                                |                 |         |         |         |         |         |       |       |       |              |       |           |       |
| Net Income (\$MM)  | 1,601           | 1,625   | 1,519   | 2,051   | 1,460   | 1,436   | 1,157 | 1,303 | 1,621 | 3,226        | 2,896 | 6,466     | 5,330 |
| Net Income attributable to Common Shareholders (\$MM)        | 1,479           | 1,504   | 1,398   | 1,946   | 1,336   | 1,343   | 1,071 | 1,209 | 1,528 | 2,983        | 2,679 | 6,023     | 4,965 |
| EPS (\$) - Basic   | 1.24            | 1.27    | 1.20    | 1.70    | 1.18    | 1.23    | 0.99  | 1.12  | 1.42  | 2.51         | 2.41  | 5.31      | 4.63  |
| - Diluted  | 1.23            | 1.25    | 1.18    | 1.69    | 1.15    | 1.20    | 0.97  | 1.10  | 1.39  | 2.48         | 2.36  | 5.22      | 4.53  |
| ROE (%) <sup>(1)</sup>                                       | 16.2            | 16.6    | 16.4    | 24.6    | 18.6    | 19.8    | 16.4  | 19.1  | 25.7  | 16.4         | 19.1  | 19.7      | 20.3  |
| Core Banking Margin (TEB) (%) <sup>(1)</sup>                 | 2.31            | 2.30    | 2.35    | 2.33    | 2.37    | 2.25    | 2.26  | 2.31  | 2.30  | 2.30         | 2.31  | 2.32      | 2.32  |
| Productivity Ratio (TEB) (%) <sup>(1)</sup>                  | 53.6            | 53.5    | 54.9    | 46.9    | 53.7    | 53.5    | 57.9  | 53.7  | 50.9  | 53.5         | 53.6  | 52.0      | 53.9  |
| Effective Tax Rate (%)                                       | 21.5            | 21.1    | 17.0    | 17.7    | 22.2    | 22.3    | 20.5  | 23.3  | 17.9  | 21.3         | 22.2  | 19.6      | 21.1  |
| Effective Tax Rate (TEB) (%)                                 | 24.5            | 23.8    | 20.2    | 20.2    | 24.9    | 25.1    | 24.3  | 26.5  | 20.7  | 24.1         | 25.0  | 22.4      | 24.3  |
| <b>Cash Flow:</b>  |                 |         |         |         |         |         |       |       |       |              |       |           |       |
| Cash Net Income (\$MM) <sup>(2)</sup>                        | 1,620           | 1,644   | 1,535   | 2,068   | 1,475   | 1,451   | 1,172 | 1,318 | 1,636 | 3,264        | 2,926 | 6,529     | 5,385 |
| Adjusted EPS (\$) - Basic <sup>(2)</sup>                     | 1.26            | 1.28    | 1.21    | 1.72    | 1.19    | 1.24    | 1.00  | 1.13  | 1.43  | 2.54         | 2.43  | 5.37      | 4.68  |
| - Diluted <sup>(1)(2)</sup>                                  | 1.24            | 1.27    | 1.20    | 1.70    | 1.16    | 1.22    | 0.98  | 1.11  | 1.40  | 2.51         | 2.38  | 5.28      | 4.58  |
| Cash ROE (%) <sup>(2)</sup>                                  | 16.4            | 16.8    | 16.6    | 24.8    | 18.9    | 20.0    | 16.6  | 19.3  | 26.0  | 16.6         | 19.3  | 19.9      | 20.5  |
| <b>Balance Sheet:</b>  |                 |         |         |         |         |         |       |       |       |              |       |           |       |
| Total Assets (\$B)   | 754.2           | 736.4   | 668.0   | 670.0   | 659.7   | 637.1   | 594.4 | 587.6 | 590.7 |              |       |           |       |
| Customer Loans and Acceptances (\$B)                         | 404.9           | 398.4   | 361.4   | 355.4   | 344.9   | 340.9   | 327.2 | 318.1 | 309.9 |              |       |           |       |
| Deposits (\$B)   | 517.9           | 512.6   | 463.6   | 461.0   | 460.9   | 451.6   | 421.3 | 415.2 | 419.5 |              |       |           |       |
| Common Shareholders' Equity (\$B)                            | 38.0            | 36.8    | 35.3    | 32.4    | 30.6    | 28.1    | 26.4  | 25.6  | 24.6  |              |       |           |       |
| <b>Credit Quality:</b>                                       |                 |         |         |         |         |         |       |       |       |              |       |           |       |
| Net Impaired Loans (\$MM) <sup>(3)</sup>                     | 1,788           | 1,902   | 1,973   | 2,032   | 1,999   | 1,806   | 1,957 | 1,990 | 2,107 |              |       |           |       |
| - % of Customer Loans and Acceptances                        | 0.44            | 0.48    | 0.55    | 0.57    | 0.58    | 0.53    | 0.60  | 0.63  | 0.68  |              |       |           |       |
| Allowance for Credit Losses (\$MM) <sup>(3)</sup>            | 3,116           | 3,008   | 2,881   | 2,777   | 2,636   | 2,682   | 2,622 | 2,653 | 2,619 |              |       |           |       |
| Total Provision for Credit Losses (\$MM)                     | 343             | 310     | 321     | 402     | 264     | 265     | 281   | 250   | 270   | 653          | 529   | 1,252     | 1,076 |
| - % of Average Customer Loans and Acceptances <sup>(4)</sup> | 0.35            | 0.32    | 0.36    | 0.46    | 0.31    | 0.32    | 0.34  | 0.32  | 0.36  | 0.33         | 0.32  | 0.36      | 0.34  |
| <b>Capital Measures:<sup>(5)</sup></b>                       |                 |         |         |         |         |         |       |       |       |              |       |           |       |
| Common Equity Tier 1 Capital Ratio (%)                       | 8.6             | 8.2     | N/A     | N/A     | N/A     | N/A     |       |       |       |              |       |           |       |
| Tier 1 Capital Ratio (%)                                     | 10.7            | 10.3    | 13.6    | 12.6    | 12.2    | 11.4    |       |       |       |              |       |           |       |
| Total Capital Ratio (%)                                      | 13.6            | 13.5    | 16.7    | 14.4    | 14.0    | 13.2    |       |       |       |              |       |           |       |
| Tangible Common Equity Ratio (%)                             | 10.4            | 10.1    | 11.3    | 10.2    | 9.4     | 8.5     |       |       |       |              |       |           |       |
| Assets to Capital Multiple (X)                               | 17.5            | 17.3    | 15.0    | 17.2    | 17.5    | 17.7    |       |       |       |              |       |           |       |
| Risk-Weighted Assets (\$MM)                                  | 280,747         | 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).

(3) 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.

(4) 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%

(5) 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 |        |        |        |        |        |        |        |        | YEAR-TO-DATE |        | FULL YEAR |        |
|--|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|--------|-----------|--------|
|  | 2013            |        | 2012   |        |        |        | 2011   |        |        | 2013         | 2012   | 2012      | 2011   |
|  | Q2              | Q1     | Q4     | Q3     | Q2     | Q1     | Q4     | Q3     | Q2     |              |        |           |        |
| <b>Valuation:</b>  |                 |        |        |        |        |        |        |        |        |              |        |           |        |
| Book Value per Share (\$)                                | 31.73           | 30.85  | 29.76  | 28.29  | 26.78  | 25.49  | 24.20  | 23.59  | 22.78  | 31.73        | 26.78  | 29.76     | 24.20  |
| Share Price (\$) - High                                  | 61.84           | 59.20  | 55.00  | 54.89  | 57.18  | 56.95  | 54.96  | 59.73  | 61.28  | 61.84        | 57.18  | 57.18     | 61.28  |
| - Low  | 56.33           | 52.30  | 51.24  | 50.25  | 50.22  | 47.54  | 49.00  | 53.77  | 56.25  | 52.30        | 47.54  | 47.54     | 49.00  |
| - Close  | 58.09           | 58.65  | 54.25  | 52.35  | 54.80  | 51.53  | 52.53  | 54.18  | 57.69  | 58.09        | 54.80  | 54.25     | 52.53  |
| Share Price (Closing) as % Book Value                    | 183.1           | 190.1  | 182.3  | 185.0  | 204.6  | 202.2  | 217.1  | 229.7  | 253.2  | 183.1        | 204.6  | 182.3     | 217.1  |
| Price (Closing) / Earnings Ratio (X) <sup>(1)</sup>      | 10.7            | 11.0   | 10.2   | 10.3   | 12.1   | 10.8   | 11.3   | 11.7   | 12.8   | 10.7         | 12.1   | 10.2      | 11.3   |
| Market Capitalization (\$MM)                             | 69,602          | 69,896 | 64,252 | 59,988 | 62,545 | 56,840 | 57,204 | 58,799 | 62,434 | 69,602       | 62,545 | 64,252    | 57,204 |
| <b>Dividends:</b>  |                 |        |        |        |        |        |        |        |        |              |        |           |        |
| Common Dividends Paid (\$MM)                             | 716             | 676    | 672    | 628    | 626    | 567    | 564    | 563    | 561    | 1,392        | 1,193  | 2,493     | 2,200  |
| Common Dividends/Share (\$)                              | 0.60            | 0.57   | 0.57   | 0.55   | 0.55   | 0.52   | 0.52   | 0.52   | 0.52   | 1.17         | 1.07   | 2.19      | 2.05   |
| <b>Shares:</b>   |                 |        |        |        |        |        |        |        |        |              |        |           |        |
| Number of Common Shares Outstanding at Period End (MM)   | 1,198           | 1,192  | 1,184  | 1,146  | 1,141  | 1,103  | 1,089  | 1,085  | 1,082  |              |        |           |        |
| Average Number of Common Shares Outstanding (MM) - Basic | 1,193           | 1,186  | 1,166  | 1,142  | 1,134  | 1,091  | 1,086  | 1,082  | 1,078  | 1,189        | 1,112  | 1,133     | 1,072  |
| - Diluted  | 1,213           | 1,204  | 1,184  | 1,160  | 1,168  | 1,125  | 1,118  | 1,115  | 1,113  | 1,208        | 1,147  | 1,160     | 1,108  |
| <b>Other Information:</b> <sup>(2)</sup>                 |                 |        |        |        |        |        |        |        |        |              |        |           |        |
| Employees  | 83,894          | 82,618 | 81,497 | 81,281 | 80,932 | 77,302 | 75,362 | 74,902 | 73,558 |              |        |           |        |
| Branches and Offices                                     | 3,408           | 3,392  | 3,123  | 3,115  | 3,115  | 3,116  | 2,926  | 2,910  | 2,853  |              |        |           |        |
| ABMs   | 7,468           | 7,420  | 7,341  | 7,307  | 6,795  | 6,737  | 6,260  | 6,193  | 5,996  |              |        |           |        |
| <b>Senior Debt Credit Ratings:</b>                       |                 |        |        |        |        |        |        |        |        |              |        |           |        |
| Moody's  | Aa2             | Aa2    | Aa1    | Aa1    | Aa1    | Aa1    | Aa1    | Aa1    | Aa1    |              |        |           |        |
| Standard & Poor's  | A+              | A+     | AA-    | AA-    | AA-    | AA-    | AA-    | AA-    | AA-    |              |        |           |        |

(1) Based on trailing 4 quarters' EPS

(2) Excludes affiliates

## CONSOLIDATED STATEMENT OF INCOME



| (\$MM)   | QUARTERLY TREND |       |       |       |       |       |       |       |       | YEAR-TO-DATE |       | FULL YEAR |        |
|--|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|-------|-----------|--------|
|  | 2013            |       | 2012  |       |       |       | 2011  |       |       | 2013         | 2012  | 2012      | 2011   |
|  | Q2              | Q1    | Q4    | Q3    | Q2    | Q1    | Q4    | Q3    | Q2    |              |       |           |        |
| <b>CONSOLIDATED STATEMENT OF INCOME:</b>                         |                 |       |       |       |       |       |       |       |       |              |       |           |        |
| Interest Income (TEB)  | 4,653           | 4,693 | 4,363 | 4,422 | 4,254 | 4,132 | 4,059 | 4,040 | 3,817 | 9,346        | 8,386 | 17,171    | 15,876 |
| Interest Expense   | 1,866           | 1,918 | 1,779 | 1,850 | 1,770 | 1,752 | 1,725 | 1,738 | 1,676 | 3,784        | 3,522 | 7,151     | 6,841  |
| Net Interest Income (TEB)  | 2,787           | 2,775 | 2,584 | 2,572 | 2,484 | 2,380 | 2,334 | 2,302 | 2,141 | 5,562        | 4,864 | 10,020    | 9,035  |
| Net Fee and Commission Revenues (Page 10)                        | 1,736           | 1,661 | 1,634 | 1,563 | 1,577 | 1,500 | 1,489 | 1,467 | 1,527 | 3,397        | 3,077 | 6,274     | 5,727  |
| Net Income from Investments in Associated Corporations (Page 10) | 136             | 150   | 118   | 111   | 120   | 93    | 109   | 112   | 98    | 286          | 213   | 442       | 433    |
| Other Operating Income (TEB) (Page 10)                           | 645             | 670   | 602   | 1,343 | 592   | 716   | 367   | 490   | 942   | 1,315        | 1,308 | 3,253     | 2,402  |
| Total Revenue (TEB)  | 5,304           | 5,256 | 4,938 | 5,589 | 4,773 | 4,689 | 4,299 | 4,371 | 4,708 | 10,560       | 9,462 | 19,989    | 17,597 |
| Taxable Equivalent Adjustment                                    | 82              | 74    | 74    | 77    | 69    | 68    | 74    | 73    | 69    | 156          | 137   | 288       | 287    |
| Total Revenue  | 5,222           | 5,182 | 4,864 | 5,512 | 4,704 | 4,621 | 4,225 | 4,298 | 4,639 | 10,404       | 9,325 | 19,701    | 17,310 |
| Provision for Credit Losses                                      | 343             | 310   | 321   | 402   | 264   | 265   | 281   | 250   | 270   | 653          | 529   | 1,252     | 1,076  |
| Total Operating Expenses (Page 11)                               | 2,841           | 2,813 | 2,713 | 2,618 | 2,565 | 2,507 | 2,489 | 2,348 | 2,395 | 5,654        | 5,072 | 10,403    | 9,481  |
| Income before Taxes  | 2,038           | 2,059 | 1,830 | 2,492 | 1,875 | 1,849 | 1,455 | 1,700 | 1,974 | 4,097        | 3,724 | 8,046     | 6,753  |
| Income Tax Expense   | 437             | 434   | 311   | 441   | 415   | 413   | 298   | 397   | 353   | 871          | 828   | 1,580     | 1,423  |
| <b>Net Income</b>  | 1,601           | 1,625 | 1,519 | 2,051 | 1,460 | 1,436 | 1,157 | 1,303 | 1,621 | 3,226        | 2,896 | 6,466     | 5,330  |
| Amortization of Intangibles (net of taxes) <sup>(1)</sup>        | 19              | 19    | 16    | 17    | 15    | 15    | 15    | 15    | 15    | 38           | 30    | 63        | 55     |
| <b>Cash Net Income</b>   | 1,620           | 1,644 | 1,535 | 2,068 | 1,475 | 1,451 | 1,172 | 1,318 | 1,636 | 3,264        | 2,926 | 6,529     | 5,385  |
| <b>Net Income Attributable to Non-Controlling Interests</b>      |                 |       |       |       |       |       |       |       |       |              |       |           |        |
|  | 67              | 66    | 66    | 50    | 69    | 38    | 31    | 39    | 38    | 133          | 107   | 223       | 149    |
| Non-Controlling Interests in Subsidiaries                        | 61              | 59    | 59    | 58    | 56    | 25    | 17    | 24    | 24    | 120          | 81    | 198       | 91     |
| Capital Instrument Equity Holders                                | 6               | 7     | 7     | (8)   | 13    | 13    | 14    | 15    | 14    | 13           | 26    | 25        | 58     |
| <b>Net Income Attributable to Equity Holders of the Bank</b>     |                 |       |       |       |       |       |       |       |       |              |       |           |        |
|  | 1,534           | 1,559 | 1,453 | 2,001 | 1,391 | 1,398 | 1,126 | 1,264 | 1,583 | 3,093        | 2,789 | 6,243     | 5,181  |
| Preferred Shareholders   | 55              | 55    | 55    | 55    | 55    | 55    | 55    | 55    | 55    | 110          | 110   | 220       | 216    |
| Common Shareholders  | 1,479           | 1,504 | 1,398 | 1,946 | 1,336 | 1,343 | 1,071 | 1,209 | 1,528 | 2,983        | 2,679 | 6,023     | 4,965  |

(1) Excludes amortization of intangibles related to acquisitions (excluding software, net of taxes).

## BUSINESS SEGMENT PERFORMANCE: CANADIAN BANKING



| (\$MM)  | QUARTERLY TREND |            |            |            |            |            |            |            |            | YEAR-TO-DATE |            | FULL YEAR    |              |
|---|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|--------------|--------------|
|   | 2013            |            | 2012       |            |            |            | 2011       |            |            | 2013         | 2012       | 2012         | 2011         |
|   | Q2              | Q1         | Q4         | Q3         | Q2         | Q1         | Q4         | Q3         | Q2         |              |            |              |              |
| Net Interest Income (TEB)                                       | 1,352           | 1,361      | 1,229      | 1,197      | 1,156      | 1,174      | 1,145      | 1,160      | 1,088      | 2,713        | 2,330      | 4,756        | 4,553        |
| Net Fee and Commission Revenues                                 | 369             | 384        | 376        | 375        | 361        | 365        | 363        | 360        | 346        | 753          | 726        | 1,477        | 1,418        |
| Net Income (Loss) from Investments in Associated Corporations   | -               | 9          | (2)        | 5          | -          | 1          | 2          | 1          | 5          | 9            | 1          | 4            | 7            |
| Other Operating Income (TEB)                                    | 25              | 1          | (2)        | 43         | -          | 9          | 2          | (4)        | -          | 26           | 9          | 50           | 13           |
| Total Revenue (TEB)   | 1,746           | 1,755      | 1,601      | 1,620      | 1,517      | 1,549      | 1,512      | 1,517      | 1,439      | 3,501        | 3,066      | 6,287        | 5,991        |
| Provision for Credit Losses                                     | (136)           | (118)      | (132)      | (118)      | (120)      | (136)      | (135)      | (146)      | (146)      | (254)        | (256)      | (506)        | (592)        |
| Operating Expenses  | (869)           | (861)      | (820)      | (793)      | (771)      | (768)      | (797)      | (783)      | (773)      | (1,730)      | (1,539)    | (3,152)      | (3,084)      |
| Income Tax Expense (TEB)  | (194)           | (202)      | (168)      | (188)      | (165)      | (170)      | (161)      | (162)      | (146)      | (396)        | (335)      | (691)        | (645)        |
| <b>Net Income</b>   | <b>547</b>      | <b>574</b> | <b>481</b> | <b>521</b> | <b>461</b> | <b>475</b> | <b>419</b> | <b>426</b> | <b>374</b> | <b>1,121</b> | <b>936</b> | <b>1,938</b> | <b>1,670</b> |
| <b>Net Income Attributable to Non-Controlling Interests</b>     | -               | -          | -          | 1          | -          | 1          | -          | 1          | 1          | -            | 1          | 2            | 3            |
| <b>Net Income Attributable to Equity Holders of the Bank</b>    | <b>547</b>      | <b>574</b> | <b>481</b> | <b>520</b> | <b>461</b> | <b>474</b> | <b>419</b> | <b>425</b> | <b>373</b> | <b>1,121</b> | <b>935</b> | <b>1,936</b> | <b>1,667</b> |
| <b>Profitability Measurements:</b>                              |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Return on Economic Equity (%) <sup>(1)</sup>                    | 34.6            | 36.3       | 37.7       | 41.7       | 38.3       | 38.8       | 35.2       | 36.0       | 33.1       | 35.5         | 38.6       | 39.1         | 35.7         |
| Net Interest Margin <sup>(2)</sup>                              | 2.08            | 2.08       | 2.15       | 2.15       | 2.17       | 2.18       | 2.15       | 2.22       | 2.19       | 2.08         | 2.17       | 2.16         | 2.21         |
| Provision for Credit Losses as % of Average Loans & Acceptances | 0.21            | 0.18       | 0.23       | 0.21       | 0.22       | 0.25       | 0.25       | 0.27       | 0.29       | 0.19         | 0.23       | 0.23         | 0.28         |
| Productivity Ratio (%)  | 49.8            | 49.1       | 51.2       | 49.0       | 50.8       | 49.6       | 52.7       | 51.6       | 53.7       | 49.4         | 50.2       | 50.1         | 51.5         |
| <b>Average Balances (\$B):</b>                                  |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Residential Mortgages   | 185.9           | 180.3      | 153.5      | 149.5      | 146.4      | 144.6      | 142.1      | 139.1      | 136.6      | 183.1        | 145.5      | 148.5        | 138.3        |
| Personal & Credit Card Loans                                    | 51.7            | 51.1       | 49.9       | 48.5       | 47.4       | 47.3       | 47.0       | 46.2       | 45.5       | 51.4         | 47.3       | 48.3         | 46.1         |
| Business and Government Loans & Acceptances                     | 30.4            | 29.5       | 28.4       | 28.3       | 27.3       | 26.3       | 26.0       | 25.8       | 25.2       | 29.9         | 26.8       | 27.6         | 25.4         |
| Other Assets  | 4.8             | 5.7        | 0.4        | 0.6        | 0.5        | 0.7        | 0.7        | 0.7        | 0.7        | 5.3          | 0.6        | 0.5          | 0.7          |
| Total Assets  | 272.8           | 266.6      | 232.2      | 226.9      | 221.6      | 218.9      | 215.8      | 211.8      | 208.0      | 269.7        | 220.2      | 224.9        | 210.5        |
| Total Deposits  | 186.9           | 180.4      | 149.5      | 147.6      | 145.0      | 144.5      | 142.3      | 140.7      | 139.2      | 183.6        | 144.8      | 146.7        | 140.1        |
| Other Liabilities   | 4.6             | 4.8        | 3.9        | 4.0        | 3.6        | 3.4        | 3.3        | 3.1        | 3.0        | 4.7          | 3.6        | 3.7          | 3.1          |
| Total Liabilities   | 191.5           | 185.2      | 153.4      | 151.6      | 148.6      | 147.9      | 145.6      | 143.8      | 142.2      | 188.3        | 148.4      | 150.4        | 143.2        |
| <b>Other:</b>   |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Branches  | 1,039           | 1,038      | 1,037      | 1,035      | 1,032      | 1,030      | 1,029      | 1,027      | 1,024      |              |            |              |              |
| Employees   | 19,461          | 19,502     | 18,595     | 18,764     | 18,721     | 18,654     | 18,765     | 19,024     | 18,909     |              |            |              |              |
| ABMs  | 3,519           | 3,509      | 3,488      | 3,467      | 3,011      | 3,030      | 3,015      | 2,986      | 2,989      |              |            |              |              |

(1) Refer to page 5 for a discussion of non-GAAP measures.

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

## BUSINESS SEGMENT PERFORMANCE: INTERNATIONAL BANKING



| (\$MM)  | QUARTERLY TREND |            |            |            |            |            |            |            |            | YEAR-TO-DATE |            | FULL YEAR    |              |
|---|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|--------------|--------------|
|   | 2013            |            | 2012       |            |            |            | 2011       |            |            | 2013         | 2012       | 2012         | 2011         |
|   | Q2              | Q1         | Q4         | Q3         | Q2         | Q1         | Q4         | Q3         | Q2         |              |            |              |              |
| Net Interest Income (TEB)                                       | 1,248           | 1,200      | 1,153      | 1,175      | 1,137      | 1,003      | 941        | 918        | 848        | 2,448        | 2,140      | 4,468        | 3,579        |
| Net Fee and Commission Revenues                                 | 342             | 334        | 352        | 320        | 336        | 291        | 294        | 263        | 251        | 676          | 627        | 1,299        | 1,076        |
| Net Income from Investments in Associated Corporations          | 127             | 132        | 103        | 104        | 109        | 68         | 100        | 98         | 90         | 259          | 177        | 384          | 378          |
| Other Operating Income (TEB)                                    | 131             | 90         | 84         | 93         | 81         | 89         | 100        | 53         | 124        | 221          | 170        | 347          | 356          |
| Total Revenue (TEB)   | 1,848           | 1,756      | 1,692      | 1,692      | 1,663      | 1,451      | 1,435      | 1,332      | 1,313      | 3,604        | 3,114      | 6,498        | 5,389        |
| Provision for Credit Losses                                     | (194)           | (186)      | (176)      | (168)      | (145)      | (124)      | (158)      | (126)      | (112)      | (380)        | (269)      | (613)        | (509)        |
| Operating Expenses  | (1,029)         | (976)      | (979)      | (937)      | (926)      | (845)      | (820)      | (761)      | (702)      | (2,005)      | (1,771)    | (3,687)      | (3,038)      |
| Income Tax Expense (TEB)  | (154)           | (128)      | (84)       | (145)      | (144)      | (91)       | (86)       | (102)      | (105)      | (282)        | (235)      | (464)        | (375)        |
| <b>Net Income</b>   | <b>471</b>      | <b>466</b> | <b>453</b> | <b>442</b> | <b>448</b> | <b>391</b> | <b>371</b> | <b>343</b> | <b>394</b> | <b>937</b>   | <b>839</b> | <b>1,734</b> | <b>1,467</b> |
| <b>Net Income Attributable to Non-Controlling Interests</b>     | <b>52</b>       | <b>50</b>  | <b>52</b>  | <b>50</b>  | <b>49</b>  | <b>18</b>  | <b>9</b>   | <b>17</b>  | <b>16</b>  | <b>102</b>   | <b>67</b>  | <b>169</b>   | <b>59</b>    |
| <b>Net Income Attributable to Equity Holders of the Bank</b>    | <b>419</b>      | <b>416</b> | <b>401</b> | <b>392</b> | <b>399</b> | <b>373</b> | <b>362</b> | <b>326</b> | <b>378</b> | <b>835</b>   | <b>772</b> | <b>1,565</b> | <b>1,408</b> |
| <b>Profitability Measurements:</b>                              |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Return on Economic Equity (%) <sup>(1)</sup>                    | 13.8            | 13.9       | 12.4       | 11.7       | 12.4       | 12.7       | 13.3       | 12.3       | 14.6       | 13.9         | 12.5       | 12.3         | 13.2         |
| Net Interest Margin <sup>(2)</sup>                              | 4.24            | 4.19       | 4.17       | 4.23       | 4.20       | 3.98       | 3.85       | 3.94       | 3.92       | 4.22         | 4.08       | 4.14         | 3.89         |
| Provision for Credit Losses as % of Average Loans & Acceptances | 0.87            | 0.87       | 0.84       | 0.81       | 0.71       | 0.65       | 0.87       | 0.73       | 0.70       | 0.87         | 0.68       | 0.75         | 0.75         |
| Productivity Ratio (%)  | 55.7            | 55.6       | 57.9       | 55.4       | 55.7       | 58.2       | 57.1       | 57.1       | 53.5       | 55.6         | 56.9       | 56.7         | 56.4         |
| <b>Average Balances (\$B):</b>                                  |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Residential Mortgages   | 19.1            | 18.1       | 17.9       | 17.1       | 16.6       | 15.4       | 15.5       | 15.1       | 15.0       | 18.6         | 16.0       | 16.8         | 15.2         |
| Personal & Credit Card Loans                                    | 16.1            | 14.7       | 14.2       | 13.9       | 13.9       | 11.3       | 10.9       | 10.5       | 10.0       | 15.4         | 12.7       | 13.4         | 10.4         |
| Business and Government Loans & Acceptances                     | 57.5            | 53.7       | 52.4       | 53.0       | 53.3       | 49.9       | 46.5       | 43.1       | 41.7       | 55.6         | 51.6       | 52.1         | 43.1         |
| Investment Securities   | 12.2            | 12.0       | 11.7       | 10.9       | 10.5       | 9.6        | 9.5        | 9.3        | 8.9        | 12.1         | 10.0       | 10.7         | 9.3          |
| Deposits with Banks   | 10.6            | 9.9        | 9.0        | 9.9        | 9.6        | 8.6        | 8.9        | 8.4        | 7.5        | 10.2         | 9.1        | 9.3          | 8.3          |
| Other Assets  | 6.2             | 6.5        | 6.1        | 7.0        | 7.6        | 6.7        | 6.8        | 7.2        | 6.8        | 6.4          | 7.3        | 6.8          | 6.9          |
| Total Assets  | 121.7           | 114.9      | 111.3      | 111.8      | 111.5      | 101.5      | 98.1       | 93.6       | 89.9       | 118.3        | 106.7      | 109.1        | 93.2         |
| Total Deposits  | 61.7            | 59.8       | 57.5       | 56.1       | 55.2       | 48.5       | 46.9       | 45.4       | 44.0       | 60.7         | 51.8       | 54.3         | 45.2         |
| Other Liabilities   | 17.2            | 16.5       | 15.7       | 16.3       | 15.9       | 14.3       | 14.9       | 14.3       | 13.4       | 16.9         | 15.1       | 15.6         | 14.3         |
| Total Liabilities   | 78.9            | 76.3       | 73.2       | 72.4       | 71.1       | 62.8       | 61.8       | 59.7       | 57.4       | 77.6         | 66.9       | 69.9         | 59.5         |
| <b>Other: <sup>(3)</sup></b>                                    |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Branches  | 2,079           | 2,107      | 1,842      | 1,836      | 1,841      | 1,847      | 1,596      | 1,651      | 1,599      |              |            |              |              |
| Employees   | 45,368          | 45,237     | 45,242     | 44,836     | 44,696     | 41,101     | 39,273     | 38,558     | 37,625     |              |            |              |              |
| ABMs  | 3,949           | 3,911      | 3,853      | 3,840      | 3,784      | 3,707      | 3,245      | 3,207      | 3,007      |              |            |              |              |

(1) Refer to page 5 for a discussion of non-GAAP measures.

(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 |            |            |            |            |            |            |            |            | YEAR-TO-DATE |            | FULL YEAR    |              |
|--|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|--------------|--------------|
|  | 2013            |            | 2012       |            |            |            | 2011       |            |            | 2013         | 2012       | 2012         | 2011         |
|  | Q2              | Q1         | Q4         | Q3         | Q2         | Q1         | Q4         | Q3         | Q2         |              |            |              |              |
| Net Interest Income (TEB)                                    | 123             | 122        | 125        | 128        | 126        | 123        | 121        | 111        | 100        | 245          | 249        | 502          | 444          |
| Net Fee and Commission Revenues                              | 738             | 683        | 646        | 610        | 627        | 586        | 586        | 601        | 631        | 1,421        | 1,213      | 2,469        | 2,205        |
| Net Income from Investments in Associated Corporations       | 54              | 56         | 53         | 50         | 54         | 53         | 48         | 54         | 41         | 110          | 107        | 210          | 212          |
| Other Operating Income (TEB)                                 | 99              | 104        | 99         | 98         | 98         | 97         | 83         | 79         | 339        | 203          | 195        | 392          | 576          |
| Total Revenue (TEB)  | 1,014           | 965        | 923        | 886        | 905        | 859        | 838        | 845        | 1,111      | 1,979        | 1,764      | 3,573        | 3,437        |
| Provision for Credit Losses                                  | (1)             | (1)        | (2)        | (1)        | -          | -          | (1)        | -          | (1)        | (2)          | -          | (3)          | (2)          |
| Operating Expenses   | (591)           | (570)      | (538)      | (509)      | (525)      | (495)      | (513)      | (509)      | (542)      | (1,161)      | (1,020)    | (2,067)      | (1,900)      |
| Income Tax Expense (TEB)                                     | (87)            | (84)       | (83)       | (92)       | (82)       | (76)       | (62)       | (76)       | (74)       | (171)        | (158)      | (333)        | (280)        |
| <b>Net Income</b>  | <b>335</b>      | <b>310</b> | <b>300</b> | <b>284</b> | <b>298</b> | <b>288</b> | <b>262</b> | <b>260</b> | <b>494</b> | <b>645</b>   | <b>586</b> | <b>1,170</b> | <b>1,255</b> |
| <b>Net Income Attributable to Non-Controlling Interests</b>  | <b>9</b>        | <b>9</b>   | <b>6</b>   | <b>6</b>   | <b>7</b>   | <b>6</b>   | <b>8</b>   | <b>6</b>   | <b>7</b>   | <b>18</b>    | <b>13</b>  | <b>25</b>    | <b>29</b>    |
| <b>Net Income Attributable to Equity Holders of the Bank</b> | <b>326</b>      | <b>301</b> | <b>294</b> | <b>278</b> | <b>291</b> | <b>282</b> | <b>254</b> | <b>254</b> | <b>487</b> | <b>627</b>   | <b>573</b> | <b>1,145</b> | <b>1,226</b> |
| <b>Profitability Measurements:</b>                           |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Return on Economic Equity (%) <sup>(1)</sup>                 | 18.5            | 17.0       | 15.1       | 14.1       | 15.0       | 14.0       | 12.8       | 13.0       | 25.7       | 17.8         | 14.5       | 14.5         | 17.6         |
| Productivity Ratio (%)                                       | 58.3            | 59.1       | 58.3       | 57.4       | 58.0       | 57.6       | 61.2       | 60.2       | 48.8       | 58.7         | 57.8       | 57.9         | 55.3         |
| <b>Breakdown of Total Revenue (TEB):</b>                     |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Wealth Management  | 842             | 803        | 775        | 744        | 764        | 714        | 706        | 724        | 992        | 1,645        | 1,478      | 2,997        | 2,945        |
| Insurance  | 172             | 162        | 148        | 142        | 141        | 145        | 132        | 121        | 119        | 334          | 286        | 576          | 492          |
| Total  | 1,014           | 965        | 923        | 886        | 905        | 859        | 838        | 845        | 1,111      | 1,979        | 1,764      | 3,573        | 3,437        |
| <b>Average Balances (\$B):</b>                               |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Total Assets   | 14.1            | 13.7       | 13.8       | 13.8       | 13.4       | 13.2       | 13.4       | 13.2       | 12.8       | 13.9         | 13.3       | 13.5         | 12.3         |
| Total Deposits   | 16.8            | 16.0       | 15.4       | 15.6       | 15.5       | 14.5       | 11.9       | 12.0       | 11.7       | 16.4         | 15.0       | 15.2         | 11.8         |
| Other Liabilities  | 0.7             | 0.7        | 0.7        | 0.7        | 0.4        | 0.6        | 1.1        | 0.7        | 1.0        | 0.7          | 0.6        | 0.7          | 0.9          |
| Total Liabilities  | 17.5            | 16.7       | 16.1       | 16.3       | 15.9       | 15.1       | 13.0       | 12.7       | 12.7       | 17.1         | 15.6       | 15.9         | 12.7         |
| <b>Other: <sup>(2)</sup></b>                                 |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Assets under Administration (\$B)                            | 313             | 304        | 283        | 272        | 275        | 269        | 262        | 266        | 269        |              |            |              |              |
| Assets under Management (\$B)                                | 135             | 131        | 115        | 109        | 109        | 106        | 103        | 105        | 106        |              |            |              |              |
| Employees - In Canada  | 4,338           | 4,309      | 4,421      | 4,443      | 4,355      | 4,407      | 4,224      | 4,214      | 4,154      |              |            |              |              |
| - Outside Canada   | 3,145           | 2,095      | 2,003      | 2,022      | 2,089      | 2,074      | 2,058      | 2,038      | 2,069      |              |            |              |              |
| - Total  | 7,483           | 6,404      | 6,424      | 6,465      | 6,444      | 6,481      | 6,282      | 6,252      | 6,223      |              |            |              |              |

(1) Refer to page 5 for a discussion of non-GAAP measures.

(2) Excludes affiliates.

## BUSINESS SEGMENT PERFORMANCE: GLOBAL BANKING AND MARKETS



| (\$MM)   | QUARTERLY TREND |            |            |            |            |            |            |            |            | YEAR-TO-DATE |            | FULL YEAR    |              |
|--|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|--------------|--------------|
|  | 2013            |            | 2012       |            |            |            | 2011       |            |            | 2013         | 2012       | 2012         | 2011         |
|  | Q2              | Q1         | Q4         | Q3         | Q2         | Q1         | Q4         | Q3         | Q2         |              |            |              |              |
| Net Interest Income (TEB)  | 212             | 217        | 217        | 202        | 203        | 170        | 193        | 195        | 184        | 429          | 373        | 792          | 768          |
| Net Fee and Commission Revenues  | 337             | 305        | 338        | 289        | 330        | 289        | 282        | 301        | 324        | 642          | 619        | 1,246        | 1,198        |
| Net Income from Investments in Associated Corporations                         | -               | -          | 1          | -          | -          | -          | -          | -          | -          | -            | -          | 1            | -            |
| Other Operating Income (TEB)   | 352             | 427        | 361        | 419        | 377        | 386        | 194        | 273        | 337        | 779          | 763        | 1,543        | 1,174        |
| Total Revenue (TEB)  | 901             | 949        | 917        | 910        | 910        | 845        | 669        | 769        | 845        | 1,850        | 1,755      | 3,582        | 3,140        |
| Provision for Credit Losses  | (12)            | (5)        | (11)       | (15)       | 1          | (5)        | (17)       | (8)        | (11)       | (17)         | (4)        | (30)         | (33)         |
| Operating Expenses   | (396)           | (406)      | (390)      | (374)      | (365)      | (390)      | (370)      | (328)      | (383)      | (802)        | (755)      | (1,519)      | (1,482)      |
| Income Tax Expense (TEB)   | (132)           | (139)      | (120)      | (123)      | (159)      | (139)      | (39)       | (129)      | (75)       | (271)        | (298)      | (541)        | (367)        |
| <b>Net Income</b>  | <b>361</b>      | <b>399</b> | <b>396</b> | <b>398</b> | <b>387</b> | <b>311</b> | <b>243</b> | <b>304</b> | <b>376</b> | <b>760</b>   | <b>698</b> | <b>1,492</b> | <b>1,258</b> |
| <b>Net Income Attributable to Non-Controlling Interests</b>                    | -               | -          | 1          | 1          | -          | -          | -          | -          | -          | -            | -          | 2            | -            |
| <b>Net Income Attributable to Equity Holders of the Bank</b>                   | <b>361</b>      | <b>399</b> | <b>395</b> | <b>397</b> | <b>387</b> | <b>311</b> | <b>243</b> | <b>304</b> | <b>376</b> | <b>760</b>   | <b>698</b> | <b>1,490</b> | <b>1,258</b> |
| <b>Profitability Measurements:</b>   |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Return on Economic Equity (%) <sup>(1)</sup>                                   | 27.1            | 30.8       | 30.1       | 29.0       | 29.1       | 23.2       | 17.9       | 22.1       | 25.9       | 28.9         | 26.2       | 27.9         | 21.8         |
| Net Interest Margin <sup>(2) &amp; (3)</sup>                                   | 2.47            | 2.56       | 2.67       | 2.49       | 2.75       | 2.22       | 2.58       | 2.90       | 2.84       | 2.51         | 2.48       | 2.53         | 2.81         |
| Provision for Credit Losses as % of Average Loans & Acceptances <sup>(2)</sup> | 0.13            | 0.05       | 0.12       | 0.16       | (0.01)     | 0.06       | 0.21       | 0.12       | 0.15       | 0.09         | 0.03       | 0.09         | 0.11         |
| Productivity Ratio (%)   | 44.0            | 42.8       | 42.5       | 41.1       | 40.1       | 46.2       | 55.3       | 42.7       | 45.3       | 43.4         | 43.0       | 42.4         | 47.2         |
| <b>Average Balances (\$B):</b>   |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Business and Government Loans & Acceptances <sup>(4)</sup>                     | 39.7            | 39.1       | 36.7       | 34.8       | 32.3       | 31.4       | 30.4       | 28.1       | 27.1       | 39.4         | 31.9       | 33.8         | 28.2         |
| Securities Purchased Under Resale Agreements                                   | 73.4            | 67.0       | 63.4       | 53.4       | 47.7       | 50.9       | 46.6       | 39.8       | 41.6       | 70.1         | 49.3       | 53.9         | 42.3         |
| Trading Assets - Securities <sup>(4)</sup>                                     | 94.4            | 87.5       | 78.9       | 82.3       | 76.4       | 63.9       | 65.4       | 74.2       | 71.1       | 90.9         | 70.1       | 75.4         | 69.3         |
| - Loans  | 11.9            | 12.2       | 12.6       | 11.9       | 12.7       | 14.2       | 14.1       | 13.8       | 13.2       | 12.1         | 13.5       | 12.9         | 13.2         |
| Investment Securities  | 2.7             | 2.6        | 2.9        | 3.0        | 2.7        | 3.1        | 3.0        | 2.7        | 2.3        | 2.7          | 2.9        | 2.9          | 2.5          |
| Deposits with Banks  | 1.1             | 2.4        | 2.5        | 2.9        | 1.3        | 1.2        | 0.8        | 0.9        | 0.7        | 1.8          | 1.3        | 2.0          | 0.8          |
| Other Assets <sup>(4)</sup>  | 31.2            | 29.6       | 35.1       | 38.3       | 37.9       | 41.7       | 42.8       | 33.6       | 32.2       | 30.3         | 39.7       | 38.1         | 35.3         |
| Total Assets   | 254.4           | 240.4      | 232.1      | 226.6      | 211.0      | 206.4      | 203.1      | 193.1      | 188.2      | 247.3        | 208.7      | 219.0        | 191.6        |
| Total Deposits   | 47.3            | 48.7       | 46.9       | 45.1       | 45.7       | 48.2       | 49.4       | 49.0       | 44.7       | 48.0         | 47.0       | 46.5         | 47.0         |
| Other Liabilities  | 145.7           | 126.1      | 127.5      | 127.3      | 107.1      | 110.9      | 109.5      | 96.9       | 96.8       | 135.7        | 109.0      | 118.2        | 99.5         |
| Total Liabilities  | 193.0           | 174.8      | 174.4      | 172.4      | 152.8      | 159.1      | 158.9      | 145.9      | 141.5      | 183.7        | 156.0      | 164.7        | 146.5        |
| <b>Other:</b>  |                 |            |            |            |            |            |            |            |            |              |            |              |              |
| Employees  | 1,923           | 1,856      | 1,847      | 1,828      | 1,776      | 1,787      | 1,828      | 1,820      | 1,776      |              |            |              |              |

(1) Refer to page 5 for a discussion of non-GAAP measures.

(2) Global Corporate & Investment Banking only.

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

(4) Q1/13 amounts have been restated to conform with current quarter presentation.



## BUSINESS SEGMENT PERFORMANCE: OTHER <sup>(1)</sup>



| (\$MM)  | QUARTERLY TREND |              |              |            |              |             |              |             |             | YEAR-TO-DATE |              | FULL YEAR  |              |
|---|-----------------|--------------|--------------|------------|--------------|-------------|--------------|-------------|-------------|--------------|--------------|------------|--------------|
|   | 2013            |              | 2012         |            |              |             | 2011         |             |             | 2013         | 2012         | 2012       | 2011         |
|   | Q2              | Q1           | Q4           | Q3         | Q2           | Q1          | Q4           | Q3          | Q2          |              |              |            |              |
| Net Interest Income (TEB) <sup>(2)</sup>                              | (151)           | (129)        | (144)        | (135)      | (141)        | (95)        | (71)         | (88)        | (84)        | (280)        | (236)        | (515)      | (330)        |
| Net Fee and Commission Revenues                                       | (50)            | (45)         | (78)         | (31)       | (77)         | (31)        | (36)         | (58)        | (25)        | (95)         | (108)        | (217)      | (170)        |
| Net Income from Investments in Associated Corporations <sup>(3)</sup> | (45)            | (47)         | (37)         | (48)       | (43)         | (29)        | (41)         | (41)        | (38)        | (92)         | (72)         | (157)      | (164)        |
| Other Operating Income (TEB) <sup>(2)</sup>                           | (41)            | (22)         | (10)         | 618        | (30)         | 72          | (81)         | 22          | 78          | (63)         | 42           | 650        | 17           |
| Total Revenue (TEB)   | (287)           | (243)        | (269)        | 404        | (291)        | (83)        | (229)        | (165)       | (69)        | (530)        | (374)        | (239)      | (647)        |
| Provision for Credit Losses   | -               | -            | -            | (100)      | -            | -           | 30           | 30          | -           | -            | -            | (100)      | 60           |
| Operating Expenses  | 44              | -            | 14           | (5)        | 22           | (9)         | 11           | 33          | 5           | 44           | 13           | 22         | 23           |
| Income Tax Expense (TEB) <sup>(2)</sup>                               | 130             | 119          | 144          | 107        | 135          | 63          | 50           | 72          | 47          | 249          | 198          | 449        | 244          |
| <b>Net Income</b>   | <b>(113)</b>    | <b>(124)</b> | <b>(111)</b> | <b>406</b> | <b>(134)</b> | <b>(29)</b> | <b>(138)</b> | <b>(30)</b> | <b>(17)</b> | <b>(237)</b> | <b>(163)</b> | <b>132</b> | <b>(320)</b> |
| <b>Net Income Attributable to Non-Controlling Interests</b>           | <b>6</b>        | <b>7</b>     | <b>7</b>     | <b>(8)</b> | <b>13</b>    | <b>13</b>   | <b>14</b>    | <b>15</b>   | <b>14</b>   | <b>13</b>    | <b>26</b>    | <b>25</b>  | <b>58</b>    |
| <b>Net Income Attributable to Equity Holders of the Bank</b>          | <b>(119)</b>    | <b>(131)</b> | <b>(118)</b> | <b>414</b> | <b>(147)</b> | <b>(42)</b> | <b>(152)</b> | <b>(45)</b> | <b>(31)</b> | <b>(250)</b> | <b>(189)</b> | <b>107</b> | <b>(378)</b> |
| <b>Average Balances (\$B):</b> <sup>(4)</sup>                         |                 |              |              |            |              |             |              |             |             |              |              |            |              |
| Total Assets  | 92              | 93           | 89           | 95         | 89           | 97          | 85           | 87          | 76          | 93           | 92           | 93         | 79           |
| Total Deposits  | 207             | 200          | 195          | 204        | 197          | 197         | 189          | 178         | 170         | 204          | 197          | 198        | 172          |
| Other Liabilities   | 23              | 34           | 27           | 21         | 27           | 22          | 15           | 27          | 20          | 28           | 24           | 24         | 22           |
| Total Liabilities   | 230             | 234          | 222          | 225        | 224          | 219         | 204          | 205         | 190         | 232          | 221          | 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 |       |       |       |       |       |       |       |       | YEAR-TO-DATE |       | FULL YEAR |       |
|--|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|-------|-----------|-------|
|  | 2013            |       | 2012  |       |       |       | 2011  |       |       | 2013         | 2012  | 2012      | 2011  |
|  | Q2              | Q1    | Q4    | Q3    | Q2    | Q1    | Q4    | Q3    | Q2    |              |       |           |       |
| <b>NET INTEREST MARGIN:</b>                |                 |       |       |       |       |       |       |       |       |              |       |           |       |
| Net Interest Income (TEB)                  | 2,787           | 2,775 | 2,584 | 2,572 | 2,484 | 2,380 | 2,334 | 2,302 | 2,141 | 5,562        | 4,864 | 10,020    | 9,035 |
| Core Banking Margin % (TEB) <sup>(1)</sup> | 2.31            | 2.30  | 2.35  | 2.33  | 2.37  | 2.25  | 2.26  | 2.31  | 2.30  | 2.30         | 2.31  | 2.32      | 2.32  |

### REVENUE FROM TRADING OPERATIONS (TEB) (\$MM):

|                                 | 2013       |            | 2012       |            |            |            | 2011       |            |            | YEAR-TO-DATE |            | FULL YEAR    |              |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|--------------|--------------|
|                                 | Q2         | Q1         | Q4         | Q3         | Q2         | Q1         | Q4         | Q3         | Q2         | 2013         | 2012       | 2012         | 2011         |
| Interest Rate and Credit        | 121        | 161        | 119        | 183        | 112        | 106        | 47         | 21         | 133        | 282          | 218        | 520          | 322          |
| Equities                        | 26         | 15         | 18         | 37         | 39         | 21         | (22)       | 39         | (10)       | 41           | 60         | 115          | 27           |
| Commodities                     | 85         | 106        | 90         | 102        | 123        | 110        | 97         | 80         | 66         | 191          | 233        | 425          | 335          |
| Foreign Exchange <sup>(2)</sup> | 46         | 55         | 58         | 52         | 63         | 60         | 34         | 44         | 48         | 101          | 123        | 233          | 181          |
| Other <sup>(2)</sup>            | 20         | 17         | 34         | (17)       | (19)       | 25         | (1)        | (17)       | (21)       | 37           | 6          | 23           | (35)         |
| sub-total                       | 298        | 354        | 319        | 357        | 318        | 322        | 155        | 167        | 216        | 652          | 640        | 1,316        | 830          |
| Taxable Equivalent Adjustment   | 79         | 70         | 70         | 72         | 66         | 63         | 69         | 67         | 64         | 149          | 129        | 271          | 266          |
| <b>Total (TEB)</b>              | <b>377</b> | <b>424</b> | <b>389</b> | <b>429</b> | <b>384</b> | <b>385</b> | <b>224</b> | <b>234</b> | <b>280</b> | <b>801</b>   | <b>769</b> | <b>1,587</b> | <b>1,096</b> |

### ASSETS UNDER ADMINISTRATION (\$B):

|                                 | 2013         |              | 2012         |              |              |              | 2011         |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                 | Q2           | Q1           | Q4           | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           |
| Personal                        |              |              |              |              |              |              |              |              |              |
| Retail Brokerage                | 125.7        | 122.9        | 117.6        | 114.0        | 115.8        | 113.2        | 108.1        | 110.0        | 111.7        |
| Investment Management and Trust | 83.2         | 82.1         | 79.9         | 76.3         | 77.6         | 76.7         | 72.6         | 72.9         | 72.6         |
|                                 | 208.9        | 205.0        | 197.5        | 190.3        | 193.3        | 189.9        | 180.7        | 182.9        | 184.3        |
| Mutual Funds                    | 100.5        | 96.9         | 82.2         | 78.2         | 78.4         | 75.6         | 73.5         | 75.0         | 79.1         |
| Institutional                   | 53.2         | 50.2         | 48.3         | 46.9         | 46.5         | 45.3         | 43.5         | 44.6         | 42.3         |
| <b>Total</b>                    | <b>362.6</b> | <b>352.1</b> | <b>328.0</b> | <b>315.4</b> | <b>318.2</b> | <b>310.8</b> | <b>297.7</b> | <b>302.5</b> | <b>305.7</b> |

### ASSETS UNDER MANAGEMENT (\$B):

|               | 2013         |              | 2012         |              |              |              | 2011         |              |              |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|               | Q2           | Q1           | Q4           | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           |
| Personal      | 26.9         | 25.7         | 24.3         | 21.0         | 19.8         | 18.9         | 18.4         | 18.2         | 18.1         |
| Mutual Funds  | 90.8         | 87.7         | 73.8         | 71.3         | 71.6         | 69.9         | 67.7         | 69.2         | 70.7         |
| Institutional | 17.5         | 17.2         | 16.6         | 16.4         | 17.3         | 17.2         | 16.6         | 17.2         | 17.1         |
| <b>Total</b>  | <b>135.2</b> | <b>130.6</b> | <b>114.7</b> | <b>108.7</b> | <b>108.7</b> | <b>106.0</b> | <b>102.7</b> | <b>104.6</b> | <b>105.9</b> |

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

(2) Prior period amounts have been restated to conform with current period presentation.

# FEE & COMMISSION REVENUES & OTHER OPERATING INCOME



| (\$MM)  | QUARTERLY TREND |       |       |       |       |       |       |       |       | YEAR-TO-DATE |       | FULL YEAR |       |
|---|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|-------|-----------|-------|
|   | 2013            |       | 2012  |       |       |       | 2011  |       |       | 2013         | 2012  | 2012      | 2011  |
|   | Q2              | Q1    | Q4    | Q3    | Q2    | Q1    | Q4    | Q3    | Q2    |              |       |           |       |
| <b>Fee and Commission Revenues:</b>                           |                 |       |       |       |       |       |       |       |       |              |       |           |       |
| <b>Card Revenues</b>  | 198             | 216   | 203   | 198   | 192   | 175   | 160   | 155   | 140   | 414          | 367   | 768       | 608   |
| <b>Deposit and Payment Services</b>                           |                 |       |       |       |       |       |       |       |       |              |       |           |       |
| Deposit Services  | 211             | 215   | 219   | 219   | 211   | 197   | 198   | 193   | 186   | 426          | 408   | 846       | 761   |
| Other Payment Services  | 62              | 62    | 62    | 61    | 58    | 56    | 54    | 51    | 52    | 124          | 114   | 237       | 212   |
|   | 273             | 277   | 281   | 280   | 269   | 253   | 252   | 244   | 238   | 550          | 522   | 1,083     | 973   |
| <b>Credit Fees</b>  |                 |       |       |       |       |       |       |       |       |              |       |           |       |
| Commitment and Other Credit Fees                              | 181             | 178   | 175   | 173   | 167   | 175   | 173   | 173   | 165   | 359          | 342   | 690       | 668   |
| Acceptance Fees   | 55              | 55    | 57    | 50    | 51    | 49    | 49    | 49    | 44    | 110          | 100   | 207       | 188   |
|   | 236             | 233   | 232   | 223   | 218   | 224   | 222   | 222   | 209   | 469          | 442   | 897       | 856   |
| <b>Other Banking Revenues</b>                                 | 145             | 123   | 137   | 114   | 113   | 103   | 131   | 114   | 88    | 268          | 216   | 467       | 435   |
| <b>Total Banking Revenues</b>                                 | 852             | 849   | 853   | 815   | 792   | 755   | 765   | 735   | 675   | 1,701        | 1,547 | 3,215     | 2,872 |
| <b>Mutual Funds</b>   | 317             | 308   | 295   | 278   | 282   | 270   | 269   | 268   | 292   | 625          | 552   | 1,125     | 940   |
| <b>Brokerage Fees</b>   | 207             | 202   | 182   | 174   | 187   | 178   | 187   | 194   | 199   | 409          | 365   | 721       | 728   |
| <b>Investment Management and Trust Services</b>               |                 |       |       |       |       |       |       |       |       |              |       |           |       |
| Investment Management and Custody                             | 39              | 36    | 35    | 34    | 37    | 35    | 35    | 41    | 30    | 75           | 72    | 141       | 133   |
| Personal and Corporate Trust                                  | 55              | 51    | 41    | 49    | 48    | 45    | 39    | 44    | 41    | 106          | 93    | 183       | 162   |
|   | 94              | 87    | 76    | 83    | 85    | 80    | 74    | 85    | 71    | 181          | 165   | 324       | 295   |
| <b>Total Wealth Management Revenues</b>                       | 618             | 597   | 553   | 535   | 554   | 528   | 530   | 547   | 562   | 1,215        | 1,082 | 2,170     | 1,963 |
| <b>Underwriting and Other Advisory Fees</b>                   | 140             | 107   | 131   | 113   | 129   | 120   | 92    | 120   | 146   | 247          | 249   | 493       | 492   |
| <b>Non-Trading Foreign Exchange Fees</b>                      | 110             | 89    | 86    | 91    | 91    | 97    | 94    | 57    | 124   | 199          | 188   | 365       | 349   |
| <b>Other</b>  | 89              | 88    | 75    | 75    | 74    | 69    | 67    | 67    | 69    | 177          | 143   | 293       | 267   |
| <b>Total Fee and Commission Revenues</b>                      | 1,809           | 1,730 | 1,698 | 1,629 | 1,640 | 1,569 | 1,548 | 1,526 | 1,576 | 3,539        | 3,209 | 6,536     | 5,943 |
| <b>Fee and Commission Expenses:</b>                           |                 |       |       |       |       |       |       |       |       |              |       |           |       |
| Card Expenses   | 54              | 51    | 46    | 48    | 46    | 48    | 39    | 43    | 34    | 105          | 94    | 188       | 153   |
| Deposit and Payment Services Expenses                         | 19              | 18    | 18    | 18    | 17    | 15    | 16    | 12    | 12    | 37           | 32    | 68        | 52    |
| Other Expenses  | -               | -     | -     | -     | -     | 6     | 4     | 4     | 3     | -            | 6     | 6         | 11    |
| <b>Total Fee and Commission Expenses</b>                      | 73              | 69    | 64    | 66    | 63    | 69    | 59    | 59    | 49    | 142          | 132   | 262       | 216   |
| <b>Net Fee and Commission Revenues</b>                        | 1,736           | 1,661 | 1,634 | 1,563 | 1,577 | 1,500 | 1,489 | 1,467 | 1,527 | 3,397        | 3,077 | 6,274     | 5,727 |
| <b>Net Income from Investments in Associated Corporations</b> | 136             | 150   | 118   | 111   | 120   | 93    | 109   | 112   | 98    | 286          | 213   | 442       | 433   |
| <b>Other Operating Income (TEB):</b>                          |                 |       |       |       |       |       |       |       |       |              |       |           |       |
| Revenue from Trading Operations                               | 298             | 354   | 319   | 357   | 318   | 322   | 155   | 166   | 216   | 652          | 640   | 1,316     | 830   |
| Net Gain on Investment Securities                             | 106             | 72    | 64    | 10    | 57    | 54    | 64    | 109   | 88    | 178          | 111   | 185       | 285   |
| Insurance underwriting income, net of claims                  | 116             | 108   | 99    | 100   | 95    | 94    | 85    | 76    | 54    | 224          | 189   | 388       | 294   |
| Other   | 46              | 66    | 50    | 804   | 56    | 183   | (6)   | 72    | 520   | 112          | 239   | 1,093     | 727   |
| sub-total   | 566             | 600   | 532   | 1,271 | 526   | 653   | 298   | 423   | 878   | 1,166        | 1,179 | 2,982     | 2,136 |
| Taxable Equivalent Adjustment                                 | 79              | 70    | 70    | 72    | 66    | 63    | 69    | 67    | 64    | 149          | 129   | 271       | 266   |
| <b>Total (TEB)</b>  | 645             | 670   | 602   | 1,343 | 592   | 716   | 367   | 490   | 942   | 1,315        | 1,308 | 3,253     | 2,402 |

## OPERATING EXPENSES



| (\$MM)                                      | QUARTERLY TREND |              |              |              |              |              |              |              |              |              | YEAR-TO-DATE |              | FULL YEAR     |              |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
|   | 2013            |              | 2012         |              |              |              | 2011         |              |              |              | 2013         | 2012         | 2012          | 2011         |
|   | Q2              | Q1           | Q4           | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           | Q1           |              |              |               |              |
| <b>Salaries and Employee Benefits</b>       |                 |              |              |              |              |              |              |              |              |              |              |              |               |              |
| Salaries                                    | 869             | 851          | 828          | 820          | 784          | 799          | 792          | 768          | 731          | 727          | 1,720        | 1,583        | 3,231         | 3,018        |
| Performance-Based Compensation              | 386             | 377          | 387          | 381          | 370          | 339          | 358          | 353          | 359          | 280          | 763          | 709          | 1,477         | 1,350        |
| Stock-Based Compensation                    | 51              | 115          | 28           | 53           | 27           | 100          | 37           | 41           | 46           | 122          | 166          | 127          | 208           | 246          |
| Other Employee Benefits                     | 265             | 253          | 159          | 222          | 241          | 211          | 183          | 193          | 222          | 146          | 518          | 452          | 833           | 744          |
|   | <b>1,571</b>    | <b>1,596</b> | <b>1,402</b> | <b>1,476</b> | <b>1,422</b> | <b>1,449</b> | <b>1,370</b> | <b>1,355</b> | <b>1,358</b> | <b>1,275</b> | <b>3,167</b> | <b>2,871</b> | <b>5,749</b>  | <b>5,358</b> |
| <b>Premises</b>                             |                 |              |              |              |              |              |              |              |              |              |              |              |               |              |
| Net Rent                                    | 98              | 88           | 90           | 82           | 77           | 72           | 72           | 69           | 70           | 65           | 186          | 149          | 321           | 276          |
| Property Taxes                              | 23              | 19           | 19           | 25           | 22           | 19           | 19           | 22           | 19           | 16           | 42           | 41           | 85            | 76           |
| Other Premises Costs                        | 99              | 93           | 96           | 91           | 89           | 86           | 89           | 84           | 82           | 79           | 192          | 175          | 362           | 334          |
|   | <b>220</b>      | <b>200</b>   | <b>205</b>   | <b>198</b>   | <b>188</b>   | <b>177</b>   | <b>180</b>   | <b>175</b>   | <b>171</b>   | <b>160</b>   | <b>420</b>   | <b>365</b>   | <b>768</b>    | <b>686</b>   |
| <b>Technology</b>                           | <b>232</b>      | <b>225</b>   | <b>240</b>   | <b>210</b>   | <b>200</b>   | <b>189</b>   | <b>212</b>   | <b>182</b>   | <b>181</b>   | <b>185</b>   | <b>457</b>   | <b>389</b>   | <b>839</b>    | <b>760</b>   |
| <b>Depreciation and Amortization</b>        |                 |              |              |              |              |              |              |              |              |              |              |              |               |              |
| Depreciation                                | 76              | 76           | 73           | 69           | 69           | 70           | 66           | 67           | 80           | 61           | 152          | 139          | 281           | 274          |
| Amortization of Intangibles                 | 54              | 52           | 46           | 48           | 39           | 36           | 42           | 36           | 34           | 27           | 106          | 75           | 169           | 139          |
|   | <b>130</b>      | <b>128</b>   | <b>119</b>   | <b>117</b>   | <b>108</b>   | <b>106</b>   | <b>108</b>   | <b>103</b>   | <b>114</b>   | <b>88</b>    | <b>258</b>   | <b>214</b>   | <b>450</b>    | <b>413</b>   |
| <b>Communications</b>                       | <b>100</b>      | <b>99</b>    | <b>98</b>    | <b>94</b>    | <b>93</b>    | <b>88</b>    | <b>87</b>    | <b>84</b>    | <b>88</b>    | <b>85</b>    | <b>199</b>   | <b>181</b>   | <b>373</b>    | <b>344</b>   |
| <b>Advertising and Business Development</b> | <b>128</b>      | <b>99</b>    | <b>144</b>   | <b>104</b>   | <b>98</b>    | <b>104</b>   | <b>132</b>   | <b>105</b>   | <b>98</b>    | <b>92</b>    | <b>227</b>   | <b>202</b>   | <b>450</b>    | <b>427</b>   |
| <b>Professional</b>                         | <b>96</b>       | <b>89</b>    | <b>104</b>   | <b>81</b>    | <b>87</b>    | <b>68</b>    | <b>72</b>    | <b>57</b>    | <b>70</b>    | <b>63</b>    | <b>185</b>   | <b>155</b>   | <b>340</b>    | <b>262</b>   |
| <b>Business and Capital Taxes</b>           |                 |              |              |              |              |              |              |              |              |              |              |              |               |              |
| Business Taxes                              | 57              | 56           | 53           | 51           | 54           | 45           | 36           | 38           | 36           | 44           | 113          | 99           | 203           | 154          |
| Capital Taxes                               | 13              | 11           | 15           | 11           | 10           | 9            | 7            | 6            | 8            | 8            | 24           | 19           | 45            | 29           |
|   | <b>70</b>       | <b>67</b>    | <b>68</b>    | <b>62</b>    | <b>64</b>    | <b>54</b>    | <b>43</b>    | <b>44</b>    | <b>44</b>    | <b>52</b>    | <b>137</b>   | <b>118</b>   | <b>248</b>    | <b>183</b>   |
| <b>Other</b>                                | <b>294</b>      | <b>310</b>   | <b>333</b>   | <b>276</b>   | <b>305</b>   | <b>272</b>   | <b>285</b>   | <b>243</b>   | <b>271</b>   | <b>249</b>   | <b>604</b>   | <b>577</b>   | <b>1,186</b>  | <b>1,048</b> |
| <b>Total Operating Expenses</b>             | <b>2,841</b>    | <b>2,813</b> | <b>2,713</b> | <b>2,618</b> | <b>2,565</b> | <b>2,507</b> | <b>2,489</b> | <b>2,348</b> | <b>2,395</b> | <b>2,249</b> | <b>5,654</b> | <b>5,072</b> | <b>10,403</b> | <b>9,481</b> |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SPOT BALANCES)



| (\$MM)   | QUARTERLY TREND |                |                |                |                |                |                |                |                |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2013            |                | 2012           |                |                |                | 2011           |                |                |
|  | Q2              | Q1             | Q4             | Q3             | Q2             | Q1             | Q4             | Q3             | Q2             |
| <b>Assets</b>  |                 |                |                |                |                |                |                |                |                |
| Cash and Deposits with Financial Institutions                        | 55,157          | 53,120         | 47,337         | 54,083         | 59,298         | 45,400         | 38,723         | 41,223         | 54,659         |
| Precious Metals  | 8,786           | 10,975         | 12,387         | 9,177          | 10,116         | 10,810         | 9,249          | 10,069         | 9,000          |
| Trading Assets   |                 |                |                |                |                |                |                |                |                |
| - Securities   | 93,588          | 91,704         | 74,639         | 81,641         | 82,012         | 74,262         | 62,192         | 72,799         | 74,368         |
| - Loans  | 10,435          | 12,605         | 12,857         | 12,139         | 11,864         | 13,631         | 13,607         | 14,271         | 14,250         |
| - Other  | 243             | 184            | 100            | 17             | 338            | 193            | -              | -              | -              |
| - Total Trading Assets   | 104,266         | 104,493        | 87,596         | 93,797         | 94,214         | 88,086         | 75,799         | 87,070         | 88,618         |
| Financial Assets Designated at Fair Value through Profit & Loss      | 115             | 154            | 197            | 257            | 317            | 362            | 375            | 376            | 442            |
| Securities Purchased under Resale Agreements and Securities Borrowed | 85,316          | 73,460         | 66,189         | 63,037         | 59,717         | 53,134         | 47,181         | 43,186         | 40,931         |
| Derivative Financial Instruments                                     | 29,906          | 27,292         | 30,338         | 33,862         | 31,767         | 37,204         | 37,322         | 29,580         | 28,445         |
| Investment Securities  | 35,646          | 38,449         | 33,361         | 30,381         | 28,737         | 30,227         | 30,176         | 29,236         | 29,710         |
| Loans to Customers   |                 |                |                |                |                |                |                |                |                |
| - Residential Mortgages  | 207,743         | 206,646        | 175,630        | 171,888        | 167,325        | 164,828        | 161,685        | 158,724        | 155,291        |
| - Personal and Credit Cards  | 71,427          | 69,803         | 68,277         | 67,174         | 65,560         | 65,697         | 63,317         | 62,735         | 61,702         |
| - Business and Government  | 118,715         | 115,258        | 111,549        | 110,546        | 106,121        | 105,193        | 96,743         | 91,211         | 87,881         |
| - Sub-total  | 397,885         | 391,707        | 355,456        | 349,608        | 339,006        | 335,718        | 321,745        | 312,670        | 304,874        |
| - Allowance for Credit Losses  | (3,212)         | (3,097)        | (2,969)        | (2,862)        | (2,713)        | (2,750)        | (2,689)        | (2,677)        | (2,638)        |
| - Total Net Loans  | 394,673         | 388,610        | 352,487        | 346,746        | 336,293        | 332,968        | 319,056        | 309,993        | 302,236        |
| Other  |                 |                |                |                |                |                |                |                |                |
| - Customers' Liability Under Acceptances                             | 10,210          | 9,794          | 8,932          | 8,635          | 8,624          | 7,924          | 8,172          | 8,148          | 7,682          |
| - Current Tax Assets   | 511             | 565            | 488            | 749            | 603            | 632            | 49             | 167            | 167            |
| - Investment Property  | 29              | 29             | 33             | 252            | 252            | 252            | 252            | 254            | 250            |
| - Land, Buildings and Equipment                                      | 2,236           | 2,267          | 2,227          | 1,893          | 2,380          | 2,371          | 2,252          | 2,192          | 2,175          |
| - Investments in Associates  | 5,000           | 4,966          | 4,760          | 4,656          | 4,598          | 4,595          | 4,434          | 4,353          | 4,261          |
| - Goodwill and Other Intangible Assets                               | 10,464          | 10,345         | 8,692          | 8,708          | 8,633          | 7,672          | 7,639          | 7,467          | 7,383          |
| - Deferred Tax Assets  | 1,748           | 1,842          | 1,936          | 2,065          | 2,092          | 2,026          | 2,214          | 2,091          | 2,139          |
| - Other Assets   | 10,093          | 10,000         | 11,084         | 11,672         | 12,049         | 13,392         | 11,530         | 12,192         | 12,867         |
| - Total Other Assets   | 40,291          | 39,808         | 38,152         | 38,630         | 39,231         | 38,864         | 36,542         | 36,864         | 36,924         |
| <b>Total Assets</b>  | <b>754,156</b>  | <b>736,361</b> | <b>668,044</b> | <b>669,970</b> | <b>659,690</b> | <b>637,055</b> | <b>594,423</b> | <b>587,597</b> | <b>590,965</b> |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(SPOT BALANCES) (continued)



| (\$MM)   | QUARTERLY TREND |                |                |                |                |                |                |                |                |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2013            |                | 2012           |                |                |                | 2011           |                |                |
|  | Q2              | Q1             | Q4             | Q3             | Q2             | Q1             | Q4             | Q3             | Q2             |
| <b>Liabilities</b>   |                 |                |                |                |                |                |                |                |                |
| Deposits   |                 |                |                |                |                |                |                |                |                |
| - Personal   | 169,108         | 168,251        | 138,051        | 137,657        | 136,076        | 137,804        | 133,025        | 132,313        | 131,136        |
| - Business and Government  | 313,961         | 307,664        | 291,361        | 290,748        | 292,185        | 281,696        | 262,934        | 257,356        | 259,586        |
| - Banks  | 34,827          | 36,646         | 34,178         | 32,617         | 32,641         | 32,109         | 25,376         | 25,503         | 28,779         |
| - Total Deposits   | 517,896         | 512,561        | 463,590        | 461,022        | 460,902        | 451,609        | 421,335        | 415,172        | 419,501        |
| Other  |                 |                |                |                |                |                |                |                |                |
| - Acceptances  | 10,210          | 9,794          | 8,932          | 8,635          | 8,624          | 7,924          | 8,172          | 8,148          | 7,682          |
| - Obligations Related to Securities Sold Short   | 25,080          | 24,673         | 18,622         | 20,780         | 22,395         | 17,139         | 15,450         | 22,045         | 25,470         |
| - Derivative Financial Instruments   | 33,602          | 32,025         | 35,299         | 38,250         | 35,053         | 41,455         | 40,236         | 33,711         | 34,267         |
| - Obligations Related to Securities Sold Under Repurchase Agreements and Securities Lent | 80,723          | 72,399         | 56,968         | 62,509         | 54,036         | 45,827         | 38,216         | 38,562         | 34,385         |
| - Current Tax Liabilities  | 739             | 904            | 887            | 1,134          | 892            | 816            | 370            | 268            | 292            |
| - Subordinated Debentures  | 7,087           | 8,780          | 10,143         | 6,899          | 6,896          | 6,930          | 6,923          | 6,905          | 6,887          |
| - Capital Instrument Liabilities   | 1,389           | 1,374          | 1,358          | 1,342          | 2,046          | 2,024          | 2,003          | 1,982          | 1,962          |
| - Provisions for Off-Balance Sheet Credit Risks and Other                                | 364             | 359            | 365            | 325            | 302            | 306            | 283            | 276            | 294            |
| - Deferred Tax Liabilities   | 560             | 580            | 538            | 609            | 481            | 450            | 478            | 463            | 435            |
| - Other  | 32,299          | 29,948         | 29,963         | 29,979         | 31,396         | 28,438         | 28,717         | 28,629         | 29,021         |
| - Total Other Liabilities  | 192,053         | 180,836        | 163,075        | 170,462        | 162,121        | 151,309        | 140,848        | 140,989        | 140,695        |
| <b>Total Liabilities</b>   | <b>709,949</b>  | <b>693,397</b> | <b>626,665</b> | <b>631,484</b> | <b>623,023</b> | <b>602,918</b> | <b>562,183</b> | <b>556,161</b> | <b>560,196</b> |
| <b>Equity</b>  |                 |                |                |                |                |                |                |                |                |
| Common Equity  |                 |                |                |                |                |                |                |                |                |
| - Common Shares  | 13,904          | 13,552         | 13,139         | 11,163         | 10,964         | 9,069          | 8,336          | 8,142          | 7,971          |
| - Retained Earnings  | 23,566          | 22,807         | 21,978         | 21,253         | 19,937         | 19,225         | 18,421         | 17,922         | 17,288         |
| - Accumulated Other Comprehensive Income (Loss)  | 351             | 212            | (31)           | (141)          | (445)          | (287)          | (497)          | (548)          | (676)          |
| - Other Reserves   | 191             | 197            | 166            | 139            | 110            | 105            | 96             | 89             | 58             |
| - Total Common Equity  | 38,012          | 36,768         | 35,252         | 32,414         | 30,566         | 28,112         | 26,356         | 25,605         | 24,641         |
| Preferred Shares   | 4,384           | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          |
| Total Equity Attributable to Equity Holders of the Bank                                  | 42,396          | 41,152         | 39,636         | 36,798         | 34,950         | 32,496         | 30,740         | 29,989         | 29,025         |
| Non-Controlling Interests  |                 |                |                |                |                |                |                |                |                |
| - Non-Controlling Interests in Subsidiaries  | 1,066           | 1,073          | 966            | 918            | 887            | 823            | 626            | 587            | 559            |
| - Capital Instrument Equity Holders  | 745             | 739            | 777            | 770            | 830            | 818            | 874            | 860            | 915            |
| <b>Total Equity</b>  | <b>44,207</b>   | <b>42,964</b>  | <b>41,379</b>  | <b>38,486</b>  | <b>36,667</b>  | <b>34,137</b>  | <b>32,240</b>  | <b>31,436</b>  | <b>30,499</b>  |
| <b>Total Liabilities and Equity</b>  | <b>754,156</b>  | <b>736,361</b> | <b>668,044</b> | <b>669,970</b> | <b>659,690</b> | <b>637,055</b> | <b>594,423</b> | <b>587,597</b> | <b>590,695</b> |

# AVERAGE BALANCE SHEET



| (\$MM)  | QUARTERLY TREND |                |                |                |                |                |                |                |                | YEAR-TO-DATE   |                | FULL YEAR      |                |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2013            |                | 2012           |                |                |                | 2011           |                |                | 2013           | 2012           | 2012           | 2011           |
|   | Q2              | Q1             | Q4             | Q3             | Q2             | Q1             | Q4             | Q3             | Q2             |                |                |                |                |
| Deposits with Financial Institutions  | 56,499          | 54,583         | 52,639         | 61,438         | 54,003         | 59,235         | 53,975         | 50,111         | 44,036         | 55,553         | 56,670         | 56,844         | 45,673         |
| Trading Assets - Securities   | 96,166          | 91,254         | 81,369         | 84,271         | 79,397         | 66,909         | 68,907         | 78,707         | 75,687         | 93,669         | 73,084         | 77,979         | 73,128         |
| - Loans   | 11,882          | 12,229         | 12,644         | 11,870         | 12,676         | 14,243         | 14,071         | 13,836         | 13,163         | 12,058         | 13,469         | 12,859         | 13,150         |
| - Total   | 108,048         | 103,483        | 94,013         | 96,141         | 92,074         | 81,152         | 82,977         | 92,543         | 88,850         | 105,727        | 86,553         | 90,838         | 86,279         |
| Securities Purchased under Resale Agreements and Securities Borrowed                                  | 78,822          | 73,479         | 69,695         | 60,294         | 53,997         | 55,988         | 51,668         | 46,187         | 46,466         | 76,106         | 55,003         | 60,026         | 47,533         |
| Investment Securities including Investments in Associates   | 40,348          | 41,675         | 35,414         | 35,013         | 33,412         | 34,669         | 34,837         | 33,358         | 32,408         | 41,022         | 34,047         | 34,633         | 33,859         |
| Loans to Customers - Residential Mortgages  | 207,693         | 201,072        | 174,009        | 169,194        | 165,806        | 162,712        | 160,316        | 156,782        | 154,214        | 204,328        | 164,242        | 167,942        | 156,164        |
| - Personal and Credit Cards   | 70,948          | 69,283         | 67,686         | 66,195         | 65,666         | 63,344         | 62,960         | 62,211         | 61,608         | 70,102         | 64,492         | 65,723         | 62,350         |
| - Business and Government   | 119,357         | 111,457        | 108,347        | 107,274        | 104,645        | 99,524         | 94,720         | 89,204         | 86,497         | 115,342        | 102,056        | 104,949        | 88,940         |
| - Sub-total   | 397,998         | 381,812        | 350,043        | 342,663        | 336,118        | 325,580        | 317,996        | 308,197        | 302,320        | 389,771        | 330,791        | 338,614        | 307,455        |
| - Allowance for Credit Losses   | 3,337           | 3,189          | 3,051          | 2,974          | 2,800          | 2,777          | 2,785          | 2,742          | 2,700          | 3,262          | 2,788          | 2,901          | 2,736          |
| - Total   | 394,661         | 378,623        | 346,992        | 339,689        | 333,317        | 322,803        | 315,211        | 305,455        | 299,620        | 386,509        | 328,002        | 335,713        | 304,719        |
| Total Earning Assets  | 678,378         | 651,843        | 598,753        | 592,576        | 566,802        | 553,846        | 538,668        | 527,653        | 511,379        | 664,918        | 560,276        | 578,055        | 518,062        |
| Derivative Financial Instruments  | 30,333          | 29,910         | 33,556         | 37,288         | 35,138         | 38,508         | 33,732         | 28,627         | 25,375         | 30,118         | 36,841         | 36,128         | 28,209         |
| Customers' Liability under Acceptances  | 10,467          | 9,564          | 9,333          | 8,999          | 8,474          | 8,338          | 8,480          | 7,944          | 7,761          | 10,008         | 8,405          | 8,788          | 7,934          |
| Other Assets  | 35,618          | 37,767         | 36,803         | 36,182         | 37,054         | 35,516         | 34,080         | 34,295         | 30,912         | 36,891         | 35,907         | 36,564         | 31,895         |
| <b>Total Assets</b>   | <b>754,796</b>  | <b>729,084</b> | <b>678,445</b> | <b>675,046</b> | <b>647,468</b> | <b>636,208</b> | <b>614,961</b> | <b>598,519</b> | <b>575,428</b> | <b>741,935</b> | <b>641,429</b> | <b>659,535</b> | <b>586,101</b> |
| Deposits from Customers   | 484,377         | 470,487        | 429,246        | 435,437        | 427,705        | 420,428        | 408,111        | 395,117        | 383,791        | 477,317        | 424,027        | 428,207        | 388,388        |
| Deposits from Banks   | 35,312          | 34,937         | 35,365         | 32,962         | 30,880         | 32,733         | 31,679         | 29,877         | 26,105         | 35,122         | 31,817         | 32,997         | 28,159         |
|   | 519,689         | 505,424        | 464,611        | 468,399        | 458,585        | 453,161        | 439,790        | 424,993        | 409,896        | 512,439        | 455,843        | 461,203        | 416,546        |
| Securities Sold Short   | 28,097          | 23,133         | 21,689         | 24,098         | 17,929         | 16,874         | 19,914         | 25,207         | 26,602         | 25,574         | 17,396         | 20,159         | 24,881         |
| Obligations Related to Securities Sold under Repurchase Agreements and Securities Lent <sup>(1)</sup> | 78,581          | 70,585         | 63,854         | 59,523         | 47,664         | 46,781         | 42,427         | 38,384         | 35,284         | 74,517         | 47,218         | 54,493         | 37,337         |
| Subordinated Debentures   | 8,129           | 9,131          | 8,631          | 6,929          | 6,929          | 6,929          | 6,923          | 6,898          | 6,899          | 8,638          | 7,433          | 7,345          | 6,911          |
| Capital Instrument Liabilities  | 1,381           | 1,366          | 1,352          | 1,798          | 2,030          | 2,014          | 2,037          | 1,880          | 2,207          | 1,373          | 1,518          | 1,809          | 2,092          |
| Other Liabilities <sup>(1)</sup>  | 75,333          | 77,274         | 78,226         | 76,721         | 79,144         | 77,477         | 72,032         | 70,189         | 64,288         | 76,544         | 77,817         | 77,935         | 68,075         |
| Shareholders' Equity  |                 |                |                |                |                |                |                |                |                |                |                |                |                |
| - Common Shares, Retained Earnings, Accumulated Other Comprehensive Income (Loss) and Other Reserves  | 37,390          | 36,009         | 33,981         | 31,490         | 29,122         | 27,017         | 25,980         | 25,122         | 24,374         | 36,677         | 28,200         | 30,548         | 24,487         |
| - Preferred Shares  | 4,384           | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,384          | 4,281          |
| - Non-Controlling Interests   |                 |                |                |                |                |                |                |                |                |                |                |                |                |
| - Non-Controlling Interests in Subsidiaries   | 1,070           | 1,020          | 942            | 903            | 855            | 725            | 607            | 573            | 587            | 1,035          | 779            | 844            | 589            |
| - Capital Instrument Equity Holders   | 742             | 758            | 774            | 801            | 824            | 846            | 867            | 888            | 908            | 754            | 841            | 814            | 901            |
| - Total Shareholders' Equity  | 43,586          | 42,171         | 40,081         | 37,577         | 35,185         | 32,972         | 31,838         | 30,967         | 30,253         | 42,850         | 34,203         | 36,590         | 30,258         |
| <b>Total Liabilities and Shareholders' Equity</b>   | <b>754,796</b>  | <b>729,084</b> | <b>678,445</b> | <b>675,046</b> | <b>647,468</b> | <b>636,208</b> | <b>614,961</b> | <b>598,519</b> | <b>575,428</b> | <b>741,935</b> | <b>641,429</b> | <b>659,535</b> | <b>586,101</b> |

(1) Q1/13 and YTD 2013 amounts have been restated to conform with current quarter presentation.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



| (\$MM)   | QUARTERLY TREND |               |               |               |               |               |               |               |               | YEAR-TO-DATE  |               | FULL YEAR     |               |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2013            |               | 2012          |               |               |               | 2011          |               |               | 2013          | 2012          | 2012          | 2011          |
|  | Q2              | Q1            | Q4            | Q3            | Q2            | Q1            | Q4            | Q3            | Q2            |               |               |               |               |
| <b>Common Shares:</b>  |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Balance at Beginning of Period                                       | 13,552          | 13,139        | 11,163        | 10,964        | 9,069         | 8,336         | 8,142         | 7,971         | 5,933         | 13,139        | 8,336         | 8,336         | 5,750         |
| Shares Issued  | 352             | 413           | 1,976         | 199           | 1,895         | 733           | 194           | 171           | 2,038         | 765           | 2,628         | 4,803         | 2,586         |
| <b>Balance at End of Period</b>                                      | <b>13,904</b>   | <b>13,552</b> | <b>13,139</b> | <b>11,163</b> | <b>10,964</b> | <b>9,069</b>  | <b>8,336</b>  | <b>8,142</b>  | <b>7,971</b>  | <b>13,904</b> | <b>10,964</b> | <b>13,139</b> | <b>8,336</b>  |
| <b>Retained Earnings:</b>  |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Balance at Beginning of Period                                       | 22,807          | 21,978        | 21,253        | 19,937        | 19,225        | 18,421        | 17,922        | 17,288        | 16,319        | 21,978        | 18,421        | 18,421        | 15,684        |
| Net Income attributable to Common Shareholders of the Bank           | 1,479           | 1,504         | 1,398         | 1,946         | 1,336         | 1,343         | 1,071         | 1,209         | 1,528         | 2,983         | 2,679         | 6,023         | 4,965         |
| Dividends Paid to Common Shareholders of the Bank                    | (716)           | (676)         | (672)         | (628)         | (626)         | (567)         | (564)         | (563)         | (561)         | (1,392)       | (1,193)       | (2,493)       | (2,200)       |
| Shares issued  | -               | 1             | -             | -             | 2             | 6             | -             | -             | -             | 1             | 8             | 8             | -             |
| Other  | (4)             | -             | (1)           | (2)           | -             | 22            | (8)           | (12)          | 2             | (4)           | 22            | 19            | (28)          |
| <b>Balance at End of Period</b>                                      | <b>23,566</b>   | <b>22,807</b> | <b>21,978</b> | <b>21,253</b> | <b>19,937</b> | <b>19,225</b> | <b>18,421</b> | <b>17,922</b> | <b>17,288</b> | <b>23,566</b> | <b>19,937</b> | <b>21,978</b> | <b>18,421</b> |
| <b>Accumulated Other Comprehensive Income (Loss):</b>                |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Balance at Beginning of Period                                       | 212             | (31)          | (141)         | (445)         | (287)         | (497)         | (548)         | (676)         | (10)          | (31)          | (497)         | (497)         | 269           |
| Other Comprehensive Income, net of Income Tax                        |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Currency Translation Reserve   | 123             | 133           | 35            | 285           | (293)         | 142           | 234           | 197           | (792)         | 256           | (151)         | 169           | (696)         |
| Available-for-Sale Reserve   | 43              | 99            | 62            | 18            | 76            | -             | (196)         | (55)          | 90            | 142           | 76            | 156           | (176)         |
| Cash Flow Hedging Reserve  | (44)            | 4             | 11            | (6)           | 62            | 49            | 13            | (14)          | 36            | (40)          | 111           | 116           | 106           |
| Share of Associated Corporations                                     | 17              | 7             | 2             | 7             | (3)           | 19            | -             | -             | -             | 24            | 16            | 25            | -             |
| Total  | 139             | 243           | 110           | 304           | (158)         | 210           | 51            | 128           | (666)         | 382           | 52            | 466           | (766)         |
| <b>Balance at End of Period</b>                                      | <b>351</b>      | <b>212</b>    | <b>(31)</b>   | <b>(141)</b>  | <b>(445)</b>  | <b>(287)</b>  | <b>(497)</b>  | <b>(548)</b>  | <b>(676)</b>  | <b>351</b>    | <b>(445)</b>  | <b>(31)</b>   | <b>(497)</b>  |
| <b>Other Reserves:</b>   |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Balance at Beginning of Period                                       | 197             | 166           | 139           | 110           | 105           | 96            | 89            | 58            | 43            | 166           | 96            | 96            | 25            |
| Share-based payments   | 6               | 21            | 23            | 5             | 4             | 22            | 7             | 31            | 15            | 27            | 26            | 54            | 71            |
| Shares issued  | (12)            | (16)          | (26)          | (1)           | (3)           | (13)          | -             | -             | -             | (28)          | (16)          | (43)          | -             |
| Other  | -               | 26            | 30            | 25            | 4             | -             | -             | -             | -             | 26            | 4             | 59            | -             |
| <b>Balance at End of Period</b>                                      | <b>191</b>      | <b>197</b>    | <b>166</b>    | <b>139</b>    | <b>110</b>    | <b>105</b>    | <b>96</b>     | <b>89</b>     | <b>58</b>     | <b>191</b>    | <b>110</b>    | <b>166</b>    | <b>96</b>     |
| <b>Total Common Equity at End of Period</b>                          | <b>38,012</b>   | <b>36,768</b> | <b>35,252</b> | <b>32,414</b> | <b>30,566</b> | <b>28,112</b> | <b>26,356</b> | <b>25,605</b> | <b>24,641</b> | <b>38,012</b> | <b>30,566</b> | <b>35,252</b> | <b>26,356</b> |
| <b>Composition of Accumulated Other Comprehensive Income (Loss):</b> |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Currency Translation Reserve   | (272)           | (395)         | (528)         | (563)         | (848)         | (555)         | (697)         | (930)         | (1,127)       |               |               |               |               |
| Available-for-Sale Reserve   | 739             | 696           | 597           | 535           | 515           | 441           | 441           | 636           | 691           |               |               |               |               |
| Cash Flow Hedging Reserve  | (175)           | (131)         | (135)         | (146)         | (140)         | (203)         | (252)         | (264)         | (250)         |               |               |               |               |
| Share of Associated Corporations                                     | 59              | 42            | 35            | 33            | 26            | 29            | 10            | 10            | 10            |               |               |               |               |
| Total  | 351             | 212           | (31)          | (141)         | (447)         | (287)         | (497)         | (548)         | (676)         |               |               |               |               |



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**


| (\$MM)   | QUARTERLY TREND |               |               |               |               |               |               |               |               | YEAR-TO-DATE  |               | FULL YEAR     |               |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2013            |               | 2012          |               |               |               | 2011          |               |               | 2013          | 2012          | 2012          | 2011          |
|  | Q2              | Q1            | Q4            | Q3            | Q2            | Q1            | Q4            | Q3            | Q2            |               |               |               |               |
| <b>Preferred Shares:</b>   |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Balance at Beginning of Period   | 4,384           | 4,384         | 4,384         | 4,384         | 4,384         | 4,384         | 4,384         | 4,384         | 3,975         | 4,384         | 4,384         | 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            | 55            | 110           | 110           | 220           | 216           |
| Dividends paid to Preferred Shareholders of the Bank                         | (55)            | (55)          | (55)          | (55)          | (55)          | (55)          | (55)          | (55)          | (55)          | (110)         | (110)         | (220)         | (216)         |
| <b>Balance at End of Period</b>  | <b>4,384</b>    | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  | <b>4,384</b>  |
| <b>Non-Controlling Interests: Non-Controlling Interests in Subsidiaries:</b> |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Balance at Beginning of Period   | 1,073           | 966           | 918           | 887           | 823           | 626           | 587           | 559           | 615           | 966           | 626           | 626           | 559           |
| Net Income attributable to Non-Controlling Interests in Subsidiaries         | 61              | 59            | 59            | 58            | 56            | 25            | 17            | 24            | 24            | 120           | 81            | 198           | 91            |
| Other Comprehensive Income, net of Income Tax                                | (17)            | 3             | (11)          | (1)           | (12)          | (1)           | 22            | 12            | (24)          | (14)          | (13)          | (25)          | 5             |
| Distributions to Non-Controlling Interests                                   | (42)            | (13)          | (11)          | (11)          | (10)          | (12)          | (10)          | (10)          | (13)          | (55)          | (22)          | (44)          | (42)          |
| Other  | (9)             | 58            | 11            | (15)          | 30            | 185           | 10            | 2             | (43)          | 49            | 215           | 211           | 13            |
| <b>Balance at End of Period</b>  | <b>1,066</b>    | <b>1,073</b>  | <b>966</b>    | <b>918</b>    | <b>887</b>    | <b>823</b>    | <b>626</b>    | <b>587</b>    | <b>559</b>    | <b>1,066</b>  | <b>887</b>    | <b>966</b>    | <b>626</b>    |
| <b>Non-Controlling Interests: Capital Instrument Equity Holders:</b>         |                 |               |               |               |               |               |               |               |               |               |               |               |               |
| Balance at Beginning of Period   | 739             | 777           | 770           | 830           | 818           | 874           | 860           | 915           | 901           | 777           | 874           | 874           | 956           |
| Net Income attributable to Capital Instrument Holders of the Bank            | 6               | 7             | 7             | (8)           | 13            | 13            | 14            | 15            | 14            | 13            | 26            | 25            | 58            |
| Distribution made to Capital Instrument Holders of the Bank                  | -               | (45)          | -             | (45)          | (1)           | (69)          | -             | (70)          | -             | (45)          | (70)          | (115)         | (140)         |
| Other  | -               | -             | -             | (7)           | -             | -             | -             | -             | -             | -             | -             | (7)           | -             |
| <b>Balance at End of Period</b>  | <b>745</b>      | <b>739</b>    | <b>777</b>    | <b>770</b>    | <b>830</b>    | <b>818</b>    | <b>874</b>    | <b>860</b>    | <b>915</b>    | <b>745</b>    | <b>830</b>    | <b>777</b>    | <b>874</b>    |
| <b>Total Equity at End of Period</b>   | <b>44,207</b>   | <b>42,964</b> | <b>41,379</b> | <b>38,486</b> | <b>36,667</b> | <b>34,137</b> | <b>32,240</b> | <b>31,436</b> | <b>30,499</b> | <b>44,207</b> | <b>36,667</b> | <b>41,379</b> | <b>32,240</b> |

## CUSTOMER LOANS AND ACCEPTANCES BY TYPE OF BORROWER<sup>(1)</sup>



| (\$B)   | April 30, 2013 |              | January 31, 2013 |            | October 31, 2012 |            | July 31, 2012 |            | April 30, 2012 |            |
|---|----------------|--------------|------------------|------------|------------------|------------|---------------|------------|----------------|------------|
|   | Balance        | % of Total   | Balance          | % of Total | Balance          | % of Total | Balance       | % of Total | Balance        | % of Total |
| <b>Personal</b>   |                |              |                  |            |                  |            |               |            |                |            |
| Residential Mortgages                                   | 207.7          | 51.0         | 206.6            | 51.5       | 175.6            | 48.3       | 171.9         | 48.0       | 167.3          | 48.2       |
| Personal Loans & Credit Cards                           | 71.5           | 17.5         | 69.8             | 17.4       | 68.3             | 18.8       | 67.1          | 18.7       | 65.6           | 18.9       |
|   | <b>279.2</b>   | <b>68.5</b>  | 276.4            | 68.9       | 243.9            | 67.1       | 239.0         | 66.7       | 232.9          | 67.1       |
| <b>Business &amp; Government</b>                        |                |              |                  |            |                  |            |               |            |                |            |
| Financial Services                                      | 16.0           | 3.9          | 14.2             | 3.5        | 14.7             | 4.0        | 14.9          | 4.2        | 12.5           | 3.7        |
| Wholesale and Retail                                    | 12.8           | 3.1          | 13.4             | 3.3        | 12.7             | 3.5        | 13.1          | 3.7        | 12.9           | 3.7        |
| Real Estate   | 12.8           | 3.1          | 11.4             | 2.8        | 11.5             | 3.1        | 11.2          | 3.1        | 11.1           | 3.2        |
| Oil and Gas   | 11.7           | 2.9          | 11.4             | 2.8        | 11.8             | 3.1        | 11.1          | 3.1        | 10.1           | 2.9        |
| Transportation  | 8.0            | 2.0          | 7.9              | 2.0        | 8.0              | 2.2        | 8.3           | 2.4        | 7.8            | 2.3        |
| Automotive  | 7.9            | 1.9          | 7.0              | 1.8        | 6.7              | 1.8        | 6.5           | 1.8        | 6.6            | 1.9        |
| Agriculture   | 5.9            | 1.5          | 6.0              | 1.5        | 5.7              | 1.6        | 5.7           | 1.6        | 4.9            | 1.4        |
| Government  | 3.4            | 0.8          | 4.6              | 1.2        | 3.6              | 1.0        | 3.9           | 1.1        | 4.1            | 1.2        |
| Hotels and Leisure                                      | 3.5            | 0.9          | 3.6              | 0.9        | 3.5              | 1.0        | 3.4           | 1.0        | 3.6            | 1.0        |
| Mining and Primary Metals                               | 5.8            | 1.4          | 5.6              | 1.4        | 5.7              | 1.6        | 5.9           | 1.6        | 6.0            | 1.7        |
| Utilities   | 6.3            | 1.6          | 5.4              | 1.4        | 5.7              | 1.6        | 6.0           | 1.7        | 5.5            | 1.6        |
| Health Care   | 3.9            | 1.0          | 3.8              | 1.0        | 3.7              | 1.0        | 3.8           | 1.1        | 3.9            | 1.1        |
| Telecommunications and Cable                            | 5.0            | 1.2          | 4.1              | 1.0        | 4.3              | 1.2        | 3.9           | 1.1        | 4.1            | 1.2        |
| Media   | 1.2            | 0.3          | 1.3              | 0.3        | 1.3              | 0.4        | 1.2           | 0.3        | 1.3            | 0.4        |
| Chemical  | 1.5            | 0.4          | 1.5              | 0.4        | 1.4              | 0.4        | 1.2           | 0.3        | 1.5            | 0.4        |
| Food and Beverage                                       | 3.2            | 0.8          | 2.9              | 0.7        | 2.6              | 0.7        | 2.6           | 0.7        | 2.5            | 0.7        |
| Forest Products   | 1.4            | 0.3          | 1.2              | 0.3        | 1.3              | 0.4        | 1.3           | 0.4        | 1.4            | 0.4        |
| Other   | 18.0           | 4.4          | 19.3             | 4.8        | 15.8             | 4.3        | 14.8          | 4.1        | 14.4           | 4.1        |
| sub-total   | <b>128.3</b>   | <b>31.5</b>  | 124.6            | 31.1       | 120.0            | 32.9       | 118.8         | 33.3       | 114.2          | 32.9       |
| Total loans and acceptances before Collective Allowance | <b>407.5</b>   | <b>100.0</b> | 401.0            | 100.0      | 363.9            | 100.0      | 357.8         | 100.0      | 347.1          | 100.0      |
| Collective Allowance                                    | <b>(2.6)</b>   |              | (2.6)            |            | (2.5)            |            | (2.4)         |            | (2.2)          |            |
| Total loans and acceptances                             | <b>404.9</b>   |              | 398.4            |            | 361.4            |            | 355.4         |            | 344.9          |            |

(1) Each class of loans is presented net of the individually assessed allowance.

# IMPAIRED LOANS BY BUSINESS SEGMENT



| (\$MM)                                      | QUARTERLY TREND |              |              |              |              |              |              |              |              |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2013            |              | 2012         |              |              |              | 2011         |              |              |
|   | Q2              | Q1           | Q4           | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           |
| <b>GROSS IMPAIRED LOANS:</b> <sup>(1)</sup> |                 |              |              |              |              |              |              |              |              |
| <u>Canadian</u>                             |                 |              |              |              |              |              |              |              |              |
| Retail                                      | 747             | 777          | 765          | 771          | 773          | 810          | 826          | 855          | 848          |
| Commercial                                  | 285             | 316          | 326          | 277          | 279          | 313          | 294          | 324          | 355          |
|   | <b>1,032</b>    | <b>1,093</b> | <b>1,091</b> | <b>1,048</b> | <b>1,052</b> | <b>1,123</b> | <b>1,120</b> | <b>1,179</b> | <b>1,203</b> |
| <u>International</u>                        |                 |              |              |              |              |              |              |              |              |
| Retail                                      | 1,516           | 1,456        | 1,397        | 1,390        | 1,365        | 1,330        | 1,350        | 1,341        | 1,341        |
| Commercial                                  | 859             | 821          | 784          | 793          | 821          | 738          | 766          | 747          | 754          |
|   | <b>2,375</b>    | <b>2,277</b> | <b>2,181</b> | <b>2,183</b> | <b>2,186</b> | <b>2,068</b> | <b>2,116</b> | <b>2,088</b> | <b>2,095</b> |
| <u>Global Wealth Management</u>             | 15              | 15           | 11           | 11           | 12           | 12           | 13           | 14           | 15           |
| <u>Global Banking and Markets</u>           |                 |              |              |              |              |              |              |              |              |
| Canada                                      | 14              | 18           | 80           | 72           | 29           | 50           | 35           | 48           | 39           |
| U.S.A.                                      | 148             | 155          | 139          | 140          | 95           | 15           | 8            | 6            | 80           |
| Europe                                      | 48              | 80           | 80           | 83           | 84           | 43           | 63           | 65           | 29           |
|   | <b>210</b>      | <b>253</b>   | <b>299</b>   | <b>295</b>   | <b>208</b>   | <b>108</b>   | <b>106</b>   | <b>119</b>   | <b>148</b>   |
| <b>Total Gross Impaired Loans</b>           | <b>3,632</b>    | <b>3,638</b> | <b>3,582</b> | <b>3,537</b> | <b>3,458</b> | <b>3,311</b> | <b>3,355</b> | <b>3,400</b> | <b>3,461</b> |
| <b>NET IMPAIRED LOANS:</b>                  |                 |              |              |              |              |              |              |              |              |
| <u>Canadian</u>                             |                 |              |              |              |              |              |              |              |              |
| Retail                                      | 276             | 312          | 303          | 302          | 298          | 340          | 374          | 395          | 387          |
| Commercial                                  | 68              | 107          | 114          | 78           | 81           | 79           | 77           | 120          | 178          |
|   | <b>344</b>      | <b>419</b>   | <b>417</b>   | <b>380</b>   | <b>379</b>   | <b>419</b>   | <b>451</b>   | <b>515</b>   | <b>565</b>   |
| <u>International</u>                        |                 |              |              |              |              |              |              |              |              |
| Retail                                      | 671             | 671          | 711          | 774          | 811          | 806          | 888          | 880          | 902          |
| Commercial                                  | 623             | 612          | 612          | 638          | 645          | 515          | 548          | 527          | 537          |
|   | <b>1,294</b>    | <b>1,283</b> | <b>1,323</b> | <b>1,412</b> | <b>1,456</b> | <b>1,321</b> | <b>1,436</b> | <b>1,407</b> | <b>1,439</b> |
| <u>Global Wealth Management</u>             | 12              | 13           | 10           | 11           | 9            | 10           | 11           | 12           | 12           |
| <u>Global Banking and Markets</u>           |                 |              |              |              |              |              |              |              |              |
| Canada                                      | -               | -            | 52           | 60           | 20           | 36           | 21           | 11           | 4            |
| U.S.A.                                      | 117             | 134          | 118          | 112          | 75           | 2            | -            | -            | 68           |
| Europe                                      | 21              | 53           | 53           | 57           | 60           | 18           | 38           | 45           | 19           |
|   | <b>138</b>      | <b>187</b>   | <b>223</b>   | <b>229</b>   | <b>155</b>   | <b>56</b>    | <b>59</b>    | <b>56</b>    | <b>91</b>    |
| <b>Total Net Impaired Loans</b>             | <b>1,788</b>    | <b>1,902</b> | <b>1,973</b> | <b>2,032</b> | <b>1,999</b> | <b>1,806</b> | <b>1,957</b> | <b>1,990</b> | <b>2,107</b> |

(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 <sup>(1)</sup> |       | 2012 <sup>(1)</sup> |       |       |       | 2011 <sup>(1)</sup> |       |       |
|                                       | Q2                  | Q1    | Q4                  | Q3    | Q2    | Q1    | Q4                  | Q3    | Q2    |
| <b>Balance at Beginning of Period</b> | <b>3,638</b>        | 3,582 | 3,537               | 3,458 | 3,311 | 3,355 | 3,400               | 3,461 | 3,592 |
| <b>Net Classifications</b>            |                     |       |                     |       |       |       |                     |       |       |
| <u>Canadian Retail</u>                |                     |       |                     |       |       |       |                     |       |       |
| New Classifications                   | 333                 | 391   | 388                 | 335   | 343   | 361   | 389                 | 385   | 401   |
| Declassifications, Payments and Sales | (240)               | (246) | (262)               | (201) | (245) | (242) | (277)               | (253) | (292) |
| Net Classifications                   | 93                  | 145   | 126                 | 134   | 98    | 119   | 112                 | 132   | 109   |
| <u>Canadian Commercial</u>            |                     |       |                     |       |       |       |                     |       |       |
| New Classifications                   | 47                  | 11    | 92                  | 34    | 47    | 55    | 61                  | 23    | 64    |
| Declassifications, Payments and Sales | (55)                | (9)   | (33)                | (19)  | (41)  | (30)  | (73)                | (38)  | (30)  |
| Net Classifications                   | (8)                 | 2     | 59                  | 15    | 6     | 25    | (12)                | (15)  | 34    |
| <u>International Retail</u>           |                     |       |                     |       |       |       |                     |       |       |
| New Classifications                   | 232                 | 185   | 169                 | 151   | 161   | 135   | 112                 | 132   | 204   |
| Declassifications, Payments and Sales | -                   | -     | -                   | -     | -     | -     | -                   | -     | -     |
| Net Classifications                   | 232                 | 185   | 169                 | 151   | 161   | 135   | 112                 | 132   | 204   |
| <u>International Commercial</u>       |                     |       |                     |       |       |       |                     |       |       |
| New Classifications                   | 84                  | 68    | 40                  | 51    | 114   | 26    | 20                  | 7     | 9     |
| Declassifications, Payments and Sales | (39)                | (24)  | (24)                | (48)  | (135) | (12)  | -                   | (20)  | (10)  |
| Net Classifications                   | 45                  | 44    | 16                  | 3     | (21)  | 14    | 20                  | (13)  | (1)   |
| <u>Global Wealth Management</u>       |                     |       |                     |       |       |       |                     |       |       |
| New Classifications                   | -                   | 5     | -                   | 3     | -     | -     | -                   | -     | 3     |
| Declassifications, Payments and Sales | -                   | (1)   | -                   | (1)   | -     | (1)   | -                   | -     | -     |
| Net Classifications                   | -                   | 4     | -                   | 2     | -     | (1)   | -                   | -     | 3     |
| <u>Global Banking and Markets</u>     |                     |       |                     |       |       |       |                     |       |       |
| New Classifications                   | -                   | 47    | 24                  | 122   | 154   | 20    | 78                  | 25    | 89    |
| Declassifications, Payments and Sales | (36)                | (78)  | (20)                | (33)  | (43)  | (17)  | (69)                | (45)  | (139) |
| Net Classifications                   | (36)                | (31)  | 4                   | 89    | 111   | 3     | 9                   | (20)  | (50)  |
| <b>Total</b>                          | <b>326</b>          | 349   | 374                 | 394   | 355   | 295   | 241                 | 216   | 299   |
| <b>Write-offs</b>                     |                     |       |                     |       |       |       |                     |       |       |
| Canadian Retail                       | (128)               | (133) | (140)               | (136) | (135) | (135) | (141)               | (125) | (144) |
| Canadian Commercial                   | (25)                | (16)  | (20)                | (18)  | (40)  | (11)  | (19)                | (15)  | (16)  |
| International Retail                  | (171)               | (149) | (142)               | (136) | (135) | (139) | (158)               | (138) | (140) |
| International Commercial              | (17)                | (10)  | (18)                | (40)  | (12)  | (29)  | (22)                | (8)   | (12)  |
| Global Wealth Management              | -                   | -     | -                   | (3)   | -     | -     | -                   | (1)   | (1)   |
| Global Banking and Markets            | (9)                 | (14)  | -                   | (4)   | (2)   | (3)   | (30)                | (5)   | (4)   |
| <b>Total</b>                          | <b>(350)</b>        | (322) | (320)               | (337) | (324) | (317) | (370)               | (292) | (317) |
| <b>Forex</b>                          |                     |       |                     |       |       |       |                     |       |       |
| International Retail                  | (1)                 | 23    | (21)                | 10    | 10    | (16)  | 57                  | 5     | (53)  |
| International Commercial              | 10                  | 3     | (7)                 | 9     | 114   | (8)   | 21                  | 14    | (48)  |
| Global Wealth Management              | -                   | -     | 1                   | -     | -     | -     | (1)                 | -     | -     |
| Canadian Commercial                   | 2                   | 4     | 10                  | 1     | -     | 2     | -                   | -     | -     |
| Canadian Retail                       | 5                   | -     | 8                   | -     | -     | -     | -                   | -     | -     |
| Global Banking and Markets            | 2                   | (1)   | -                   | 2     | (8)   | -     | 7                   | (4)   | (12)  |
| <b>Total</b>                          | <b>18</b>           | 29    | (9)                 | 22    | 116   | (22)  | 84                  | 15    | (113) |
| <b>Balance at End of Period</b>       | <b>3,632</b>        | 3,638 | 3,582               | 3,537 | 3,458 | 3,311 | 3,355               | 3,400 | 3,461 |

(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            |       | 2012  |       |       |       | 2011  |       |       |
|                                       | Q2              | Q1    | Q4    | Q3    | Q2    | Q1    | Q4    | Q3    | Q2    |
| Balance, Beginning of Period          | 3,097           | 2,969 | 2,862 | 2,713 | 2,750 | 2,689 | 2,677 | 2,639 | 2,646 |
| Acquisition Related                   | -               | -     | -     | -     | -     | -     | -     | -     | 2     |
| Write-offs                            | (350)           | (322) | (320) | (337) | (324) | (317) | (370) | (292) | (317) |
| Recoveries                            | 115             | 116   | 104   | 87    | 93    | 91    | 97    | 73    | 81    |
| Provision for Credit Losses           | 343             | 310   | 321   | 402   | 264   | 265   | 281   | 250   | 270   |
| Foreign Currency Adjustment and Other | 7               | 24    | 2     | (3)   | (70)  | 22    | 4     | 7     | (43)  |
| Balance, End of Period                | 3,212           | 3,097 | 2,969 | 2,862 | 2,713 | 2,750 | 2,689 | 2,677 | 2,639 |

Comprised of:

|                                   |       |       |       |       |       |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Individually Assessed Allowances  | 587   | 538   | 513   | 466   | 468   | 543   | 516   | 497   | 457   |
| Collective Allowances             | 2,625 | 2,559 | 2,456 | 2,396 | 2,245 | 2,207 | 2,173 | 2,180 | 2,182 |
| Total Allowance for Credit Losses | 3,212 | 3,097 | 2,969 | 2,862 | 2,713 | 2,750 | 2,689 | 2,677 | 2,639 |

Allocated as follows:

|   |              |              |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Impaired Loans <sup>(1)</sup> -   |              |              |              |              |              |              |              |              |              |
| Residential Mortgages   | 385          | 345          | 341          | 349          | 307          | 306          | 238          | 257          | 259          |
| Personal and Credit Cards   | 931          | 905          | 807          | 736          | 722          | 688          | 676          | 664          | 641          |
| Business and Government   | 528          | 486          | 461          | 420          | 430          | 511          | 484          | 489          | 454          |
|   | 1,844        | 1,736        | 1,609        | 1,505        | 1,459        | 1,505        | 1,398        | 1,410        | 1,354        |
| Performing Loans-   |              |              |              |              |              |              |              |              |              |
| Residential Mortgages   | 180          | 185          | 186          | 189          | 153          | 150          | 161          | 154          | 135          |
| Personal and Credit Cards   | 131          | 126          | 121          | 117          | 95           | 90           | 82           | 66           | 55           |
| Business and Government   | 961          | 961          | 965          | 966          | 929          | 937          | 981          | 1,023        | 1,075        |
|   | 1,272        | 1,272        | 1,272        | 1,272        | 1,177        | 1,177        | 1,224        | 1,243        | 1,265        |
| <b>Total Allowance for Credit Losses before FDIC Guaranteed Loans</b>                                 | <b>3,116</b> | <b>3,008</b> | <b>2,881</b> | <b>2,777</b> | <b>2,636</b> | <b>2,682</b> | <b>2,622</b> | <b>2,653</b> | <b>2,619</b> |
| <b>FDIC Guaranteed Loans</b>  | <b>96</b>    | <b>89</b>    | <b>88</b>    | <b>85</b>    | <b>77</b>    | <b>68</b>    | <b>67</b>    | <b>24</b>    | <b>20</b>    |
| <b>Total Allowance for Credit Losses</b>  | <b>3,212</b> | <b>3,097</b> | <b>2,969</b> | <b>2,862</b> | <b>2,713</b> | <b>2,750</b> | <b>2,689</b> | <b>2,677</b> | <b>2,639</b> |
| Reserves against Unfunded Commitments and Other Off-Balance Sheet items included in Other Liabilities | 184          | 184          | 184          | 184          | 183          | 185          | 137          | 148          | 156          |

(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)   | April 30, 2013 <sup>(1)</sup><br>Allowance for<br>Credit |              |              | January 31, 2013 <sup>(1)</sup><br>Allowance for<br>Credit |              |              | April 30, 2012 <sup>(1)</sup><br>Allowance for<br>Credit |              |              |
|--|--|--------------|--------------|--|--------------|--------------|--|--------------|--------------|
|  | Gross  | Losses       | Net          | Gross  | Losses       | Net          | Gross  | Losses       | Net          |
| <b>Personal</b>                                  |  |              |              |  |              |              |  |              |              |
| Residential Mortgages                            | 1,261  | 385          | 876          | 1,262  | 345          | 917          | 1,316  | 339          | 977          |
| Other Personal Loans                             | 1,002  | 931          | 71           | 971  | 905          | 66           | 861  | 729          | 132          |
|  | <b>2,263</b>   | <b>1,316</b> | <b>947</b>   | <b>2,233</b>   | <b>1,250</b> | <b>983</b>   | <b>2,177</b>   | <b>1,068</b> | <b>1,109</b> |
| <b>Business &amp; Government</b>                 |  |              |              |  |              |              |  |              |              |
| Financial Services                               | 9  | 4            | 5            | 13   | 7            | 6            | 43   | 25           | 18           |
| Wholesale and Retail                             | 140  | 77           | 63           | 174  | 102          | 72           | 158  | 71           | 87           |
| Real Estate                                      | 311  | 71           | 240          | 251  | 54           | 197          | 242  | 79           | 163          |
| Oil and Gas                                      | 72   | 61           | 11           | 40   | 34           | 6            | 38   | 31           | 7            |
| Transportation                                   | 60   | 44           | 16           | 80   | 34           | 46           | 118  | 42           | 76           |
| Automotive                                       | 7  | 4            | 3            | 15   | 3            | 12           | 8  | 4            | 4            |
| Agriculture                                      | 78   | 34           | 44           | 90   | 31           | 59           | 61   | 22           | 39           |
| Government                                       | 41   | 7            | 34           | 59   | 27           | 32           | 65   | 9            | 56           |
| Hotels and Leisure                               | 198  | 44           | 154          | 196  | 37           | 159          | 244  | 41           | 203          |
| Mining and Primary Metals                        | 17   | 8            | 9            | 18   | 7            | 11           | 14   | 8            | 6            |
| Utilities  | 36   | 2            | 34           | 40   | 4            | 36           | 22   | 4            | 18           |
| Health Care                                      | 29   | 20           | 9            | 37   | 19           | 18           | 34   | 15           | 19           |
| Telecommunications and Cable                     | 10   | 4            | 6            | 11   | 5            | 6            | 8  | 5            | 3            |
| Media  | 37   | 19           | 18           | 37   | 19           | 18           | 40   | 16           | 24           |
| Chemical   | -  | -            | -            | 1  | -            | 1            | 1  | -            | 1            |
| Food and Beverage                                | 23   | 7            | 16           | 22   | 6            | 16           | 19   | 3            | 16           |
| Forest Products                                  | 17   | 12           | 5            | 18   | 12           | 6            | 15   | 13           | 2            |
| Other  | 284  | 110          | 174          | 303  | 85           | 218          | 250  | 80           | 170          |
|  | <b>1,369</b>   | <b>528</b>   | <b>841</b>   | <b>1,405</b>   | <b>486</b>   | <b>919</b>   | <b>1,380</b>   | <b>468</b>   | <b>912</b>   |
| <b>Impaired Loans, net of Related Allowances</b> | <b>3,632</b>   | <b>1,844</b> | <b>1,788</b> | <b>3,638</b>   | <b>1,736</b> | <b>1,902</b> | <b>3,557</b>   | <b>1,536</b> | <b>2,021</b> |

(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         |
|   | Q2              | Q1         | Q4         | Q3         | Q2         | Q1         | Q4         | Q3         | Q2         |              |              |
| <b>PROVISIONS AGAINST IMPAIRED LOANS:</b>           |                 |            |            |            |            |            |            |            |            |              |              |
| <b>Personal</b>                                     |                 |            |            |            |            |            |            |            |            |              |              |
| Residential Mortgages                               | 24              | 39         | 16         | 32         | 40         | 24         | 56         | 41         | 45         | 112          | 176          |
| Personal & Credit Card Loans                        | 262             | 240        | 242        | 222        | 198        | 213        | 179        | 177        | 195        | 875          | 760          |
|   | <b>286</b>      | <b>279</b> | <b>258</b> | <b>254</b> | <b>238</b> | <b>237</b> | <b>235</b> | <b>218</b> | <b>240</b> | <b>987</b>   | <b>936</b>   |
| <b>Business &amp; Government</b>                    |                 |            |            |            |            |            |            |            |            |              |              |
| Financial Services                                  | -               | -          | -          | 1          | 1          | -          | -          | -          | (7)        | 2            | (7)          |
| Wholesale and Retail                                | 8               | 12         | 6          | 8          | 6          | 1          | 6          | 4          | 3          | 21           | 23           |
| Real Estate   | 12              | 5          | 7          | 6          | 4          | 8          | 12         | -          | 3          | 25           | 29           |
| Oil and Gas   | 22              | -          | 4          | -          | (1)        | -          | -          | 36         | 12         | 3            | 48           |
| Transportation                                      | -               | -          | -          | 2          | (2)        | 6          | 14         | 10         | 19         | 6            | 43           |
| Automotive  | -               | -          | 2          | -          | -          | -          | -          | -          | (1)        | 2            | (2)          |
| Agriculture   | 1               | -          | 12         | 5          | 1          | 1          | -          | (1)        | (1)        | 19           | (1)          |
| Government  | (2)             | -          | -          | -          | 2          | -          | -          | -          | -          | 2            | -            |
| Hotels and Leisure                                  | -               | 5          | 2          | 1          | 3          | -          | 4          | 1          | -          | 6            | 6            |
| Mining and Primary Metals                           | -               | (1)        | -          | -          | -          | -          | 1          | -          | -          | -            | 1            |
| Utilities   | -               | (1)        | -          | 2          | (1)        | 3          | -          | 3          | -          | 4            | 3            |
| Health Care   | 1               | -          | -          | 1          | (1)        | 10         | 1          | 1          | 1          | 10           | 4            |
| Telecommunications and Cable                        | -               | -          | 3          | -          | (6)        | (4)        | 5          | 2          | -          | (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          | 7            | 4            |
| Other   | 15              | 5          | 12         | 16         | 18         | 5          | 21         | 4          | (8)        | 51           | 30           |
|   | <b>57</b>       | <b>31</b>  | <b>63</b>  | <b>48</b>  | <b>26</b>  | <b>28</b>  | <b>76</b>  | <b>62</b>  | <b>30</b>  | <b>165</b>   | <b>200</b>   |
| <b>Total Provisions against Impaired Loans</b>      | <b>343</b>      | <b>310</b> | <b>321</b> | <b>302</b> | <b>264</b> | <b>265</b> | <b>311</b> | <b>280</b> | <b>270</b> | <b>1,152</b> | <b>1,136</b> |
| Change in Collective Allowance for Performing Loans | -               | -          | -          | 100        | -          | -          | (30)       | (30)       | -          | 100          | (60)         |
| <b>Total Provisions</b>                             | <b>343</b>      | <b>310</b> | <b>321</b> | <b>402</b> | <b>264</b> | <b>265</b> | <b>281</b> | <b>250</b> | <b>270</b> | <b>1,252</b> | <b>1,076</b> |
| Individually Assessed Provisions                    | 57              | 31         | 63         | 48         | 26         | 28         | 76         | 62         | 30         | 165          | 200          |
| Collective Provisions                               | 286             | 279        | 258        | 354        | 238        | 237        | 205        | 188        | 240        | 1,087        | 876          |
| <b>Total Provisions</b>                             | <b>343</b>      | <b>310</b> | <b>321</b> | <b>402</b> | <b>264</b> | <b>265</b> | <b>281</b> | <b>250</b> | <b>270</b> | <b>1,252</b> | <b>1,076</b> |

## CROSS BORDER EXPOSURES TO SELECT COUNTRIES IN ASIA AND LATIN AMERICA<sup>(1)</sup>



Outstandings (net of provisions), US\$MM

|                      | <u>Loans</u>  | <u>Trade</u> | <u>Interbank<br/>Deposits</u> | <u>Govt./<br/>Other Sec.</u> | <u>Invest. in<br/>Affiliates</u> | <u>Other<sup>(2)</sup></u> | <b>Apr 30/13<br/>Total</b> | <b>Oct 31/12<br/>Total</b> | <b>Oct 31/11<br/>Total</b> |
|----------------------|---------------|--------------|-------------------------------|------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>ASIA</b>          |               |              |                               |                              |                                  |                            |                            |                            |                            |
| China                | 2,663         | 3,899        | 235                           | 340                          | 262                              | 63                         | <b>7,462</b>               | 6,164                      | 5,679                      |
| India                | 2,099         | 1,731        | 44                            | 173                          | -                                | 48                         | <b>4,096</b>               | 3,767                      | 3,799                      |
| South Korea          | 1,406         | 825          | -                             | 437                          | -                                | 69                         | <b>2,737</b>               | 2,368                      | 2,755                      |
| Thailand             | 12            | 51           | 400                           | 7                            | 1,739                            | 17                         | <b>2,225</b>               | 2,004                      | 1,501                      |
| Hong Kong            | 690           | 227          | 109                           | 210                          | -                                | 11                         | <b>1,247</b>               | 1,185                      | 1,449                      |
| Malaysia             | 699           | 143          | -                             | 259                          | 278                              | 3                          | <b>1,382</b>               | 1,450                      | 1,274                      |
| Japan                | 318           | 84           | 26                            | 994                          | -                                | 208                        | <b>1,630</b>               | 1,581                      | 722                        |
| Other <sup>(3)</sup> | 765           | 260          | 103                           | 114                          | -                                | 22                         | <b>1,263</b>               | 1,085                      | 1,235                      |
| <b>Total</b>         | <b>8,653</b>  | <b>7,220</b> | <b>916</b>                    | <b>2,534</b>                 | <b>2,279</b>                     | <b>440</b>                 | <b>22,041</b>              | 19,603                     | 18,414                     |
| <b>LATIN AMERICA</b> |               |              |                               |                              |                                  |                            |                            |                            |                            |
| Mexico               | 2,176         | 425          | -                             | 124                          | 2,607                            | 44                         | <b>5,377</b>               | 5,158                      | 4,578                      |
| Chile                | 3,213         | 368          | 163                           | 13                           | 2,653                            | 49                         | <b>6,459</b>               | 5,800                      | 4,357                      |
| Peru                 | 1,403         | 605          | -                             | 0                            | 2,484                            | 20                         | <b>4,512</b>               | 4,035                      | 2,905                      |
| Brazil               | 2,131         | 1,914        | -                             | 171                          | 177                              | 15                         | <b>4,408</b>               | 3,636                      | 2,903                      |
| Panama               | 2,097         | 127          | 25                            | -                            | -                                | 15                         | <b>2,263</b>               | 1,622                      | 1,730                      |
| Costa Rica           | 927           | 166          | -                             | 1                            | 621                              | -                          | <b>1,714</b>               | 2,296                      | 1,879                      |
| El Salvador          | 434           | 22           | -                             | -                            | 398                              | -                          | <b>853</b>                 | 714                        | 590                        |
| Uruguay              | 114           | 19           | -                             | -                            | 321                              | -                          | <b>453</b>                 | 448                        | 479                        |
| Colombia             | 403           | 206          | -                             | 2                            | 1,417                            | 6                          | <b>2,034</b>               | 1,651                      | 467                        |
| Venezuela            | 5             | 0            | -                             | -                            | 144                              | -                          | <b>150</b>                 | 169                        | 142                        |
| <b>Total</b>         | <b>12,902</b> | <b>3,852</b> | <b>188</b>                    | <b>310</b>                   | <b>10,821</b>                    | <b>148</b>                 | <b>28,222</b>              | 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):

|   | QUARTERLY TREND |       |       |       |       |       | 2011<br>Q4 |
|---|-----------------|-------|-------|-------|-------|-------|------------|
|   | 2013            |       | 2012  |       |       |       |            |
|   | Q2              | Q1    | Q4    | Q3    | Q2    | Q1    |            |
| Bonds of Emerging Markets   | 176             | 206   | 242   | 269   | 249   | 260   | 320        |
| Other Debt Securities   | 411             | 357   | 397   | 345   | 267   | 321   | 258        |
| Common and Preferred Shares   | 675             | 580   | 454   | 439   | 443   | 406   | 385        |
|   | 1,262           | 1,143 | 1,093 | 1,053 | 959   | 987   | 963        |
| Net Fair Value of Derivative Instruments<br>and Other Hedge Amounts | (188)           | (120) | (202) | (230) | (131) | (255) | (227)      |
| Net Unrealized Gains (Losses)                                       | 1,074           | 1,023 | 891   | 823   | 828   | 732   | 736        |

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

#### April 30, 2013

|                       | Within 3<br>Months | 4 to 12<br>Months | Cumulative<br>Under 1 Year | Over 1<br>Year | Non-Interest<br>Rate Sensitive |
|-----------------------|--------------------|-------------------|----------------------------|----------------|--------------------------------|
| Canadian Currency Gap | 17.7               | (28.8)            | (11.1)                     | 14.0           | (2.9)                          |
| Foreign Currency Gap  | -                  | 4.3               | 4.3                        | 14.1           | (18.4)                         |
| Total Currency Gap    | 17.7               | (24.5)            | (6.8)                      | 28.1           | (21.3)                         |

( ) denotes liability gap

Note: Based on the Bank's interest rate positions as at April 30, 2013, an immediate and sustained 100 basis point rise in interest rates, across all currencies and maturities, would increase net income after-tax by approximately \$13MM over the next 12 months, and lower after-tax economic value of shareholders' equity, in present value terms, by approximately \$732MM. Conversely, an immediate and sustained 100 basis point fall in interest rates, across all currencies and maturities, would decrease net income after-tax by approximately \$16MM over the next 12 months, and increase after-tax economic value of shareholders' equity, in present value terms, by approximately \$521MM.

April 30, 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 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, effective 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.

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. In a March 2013 advisory letter, OSFI designated the 6 largest banks in Canada as domestic systemically important banks (D-SIBs), increasing their minimum capital ratio requirements by 1% for the identified D-SIBS. This 1% surcharge is applicable to all minimum capital ratio requirements for CET1, Tier 1 and Total Capital, by no later than January 1, 2016, in line with the requirements for global systemically important banks.

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      |                                |                       |                                |
|---|-----------------------|--------------------------------|-----------------------|--------------------------------|
|   | Q2 2013               |                                | Q1 2013               |                                |
|   | Transitional Approach | All-in Approach <sup>(1)</sup> | Transitional Approach | All-in Approach <sup>(1)</sup> |
| <b>Common Equity Tier 1 Capital</b>   | <b>35,806</b>         | <b>24,013</b>                  | 34,879                | 23,014                         |
| <b>Tier 1 Capital</b>   | <b>35,806</b>         | <b>29,961</b>                  | 34,879                | 28,960                         |
| <b>Total Capital</b>  | <b>42,485</b>         | <b>38,204</b>                  | 42,155                | 37,818                         |
| <b>Total Risk-Weighted Assets</b>   | <b>285,468</b>        | <b>280,747</b>                 | 284,613               | 280,061                        |
| <b>Capital Ratios</b>   |                       |                                |                       |                                |
| Common Equity Tier 1 (as a percentage of risk-weighted assets)                                | <b>12.5</b>           | <b>8.6</b>                     | 12.3                  | 8.2                            |
| Tier 1 (as a percentage of risk-weighted assets)  | <b>12.5</b>           | <b>10.7</b>                    | 12.3                  | 10.3                           |
| Total Capital (as a percentage of risk-weighted assets)                                       | <b>14.9</b>           | <b>13.6</b>                    | 14.8                  | 13.5                           |
| <b>OSFI Target - All-in Basis</b>   |                       |                                |                       |                                |
| Common Equity Tier 1 minimum ratio  |                       | <b>7.0</b>                     |                       | 7.0                            |
| <b>Capital instruments subject to phase-out arrangements</b>                                  |                       |                                |                       |                                |
| <i>Current cap on Additional Tier 1 (AT1) instruments subject to phase-out arrangements</i>   | <b>90%</b>            | <b>90%</b>                     | 90%                   | 90%                            |
| <i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i> | <b>653</b>            | <b>653</b>                     | 653                   | 653                            |
| <i>Current cap on Tier 2 (T2) instruments subject to phase-out arrangements</i>               | <b>90%</b>            | <b>90%</b>                     | 90%                   | 90%                            |
| <i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>  | -                     | -                              | 878                   | 878                            |

<sup>(1)</sup> '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      |                                |                        |                                |
|--|-----------------------|--------------------------------|------------------------|--------------------------------|
|  | Q2 2013               |                                | Q1 2013 <sup>(1)</sup> |                                |
|  | Transitional Approach | All-in Approach <sup>(2)</sup> | Transitional Approach  | All-in Approach <sup>(2)</sup> |
| <b>Common Equity Tier 1 Capital (CET1): Instruments and Reserves</b>                           |                       |                                |                        |                                |
| Directly issued qualifying common share capital and other reserves                             | 14,095                | 14,095                         | 13,749                 | 13,749                         |
| Retained Earnings  | 23,566                | 23,566                         | 22,807                 | 22,807                         |
| Accumulated Other Comprehensive Income, excluding cash flow hedges                             | 351                   | 351                            | 343                    | 343                            |
| Common share capital issued by subsidiaries and held by third parties (amount allowed in CET1) | 864                   | 447                            | 826                    | 437                            |
| <b>Common Equity Tier 1 Capital: Regulatory Adjustments</b>                                    |                       |                                |                        |                                |
| Regulatory adjustments applied to Common Equity Tier 1 under Basel III <sup>(3)(4)</sup>       | (3,070)               | (14,446)                       | (2,846)                | (14,322)                       |
| <b>Common Equity Tier 1 Capital</b>  | <b>35,806</b>         | <b>24,013</b>                  | <b>34,879</b>          | <b>23,014</b>                  |
| <b>Additional Tier 1 Capital (AT1): Instruments</b>  |                       |                                |                        |                                |
| Directly issued capital instruments subject to phase-out from Additional Tier 1                | 5,880                 | 5,880                          | 5,880                  | 5,880                          |
| Capital issued by subsidiaries and held by third parties (amount allowed in AT1)               | -                     | 81                             | -                      | 77                             |
| <b>Additional Tier 1 Capital: Regulatory Adjustments</b>                                       |                       |                                |                        |                                |
| Regulatory adjustments applied to Additional Tier 1 under Basel III <sup>(5)</sup>             | (5,880)               | (13)                           | (5,880)                | (11)                           |
| <b>AT1</b>   | <b>-</b>              | <b>5,948</b>                   | <b>-</b>               | <b>5,946</b>                   |
| <b>Tier 1 Capital (T1=CET1 + AT1)</b>  | <b>35,806</b>         | <b>29,961</b>                  | <b>34,879</b>          | <b>28,960</b>                  |
| <b>Tier 2 Capital (T2): Instruments and Provisions</b>   |                       |                                |                        |                                |
| Directly issued capital instruments subject to phase-out from Tier 2                           | 7,087                 | 7,087                          | 7,902                  | 7,902                          |
| Capital issued by subsidiaries and held by third parties (amount allowed in Tier 2)            | -                     | 108                            | -                      | 103                            |
| Provisions   | 1,048                 | 1,048                          | 853                    | 853                            |
| <b>Tier 2 Capital: Regulatory Adjustments</b>  |                       |                                |                        |                                |
| Regulatory adjustments applied to Tier 2 under Basel III <sup>(6)</sup>                        | (1,456)               | -                              | (1,479)                | -                              |
| <b>T2</b>  | <b>6,679</b>          | <b>8,243</b>                   | <b>7,276</b>           | <b>8,858</b>                   |
| <b>Total Capital (TC = T1 + T2)</b>  | <b>42,485</b>         | <b>38,204</b>                  | <b>42,155</b>          | <b>37,818</b>                  |

<sup>(1)</sup> Certain amounts have been reclassified to conform with current period presentation.

<sup>(2)</sup> '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.

<sup>(3)</sup> For the transitional approach, the CET1 regulatory adjustments include such items as all-in deductions (refer to (4) 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.

<sup>(4)</sup> 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.

<sup>(5)</sup> 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.

<sup>(6)</sup> 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      |                                |                       |                                |
|---|-----------------------|--------------------------------|-----------------------|--------------------------------|
|   | Q2 2013               |                                | Q1 2013               |                                |
|   | Transitional Approach | All-in Approach <sup>(1)</sup> | Transitional Approach | All-in Approach <sup>(1)</sup> |
| <b>CHANGES IN REGULATORY CAPITAL:</b>                               |                       |                                |                       |                                |
| <b>Capital, Beginning of Period<sup>(2)</sup></b>                   | <b>42,155</b>         | <b>37,818</b>                  | 42,193                | 42,193                         |
| <b>Internally Generated Capital</b>                                 |                       |                                |                       |                                |
| Net Income attributable to equity holders of the Bank               | 1,534                 | 1,534                          | 1,559                 | 1,559                          |
| Preferred and Common Dividends                                      | (771)                 | (771)                          | (731)                 | (731)                          |
|   | <b>763</b>            | <b>763</b>                     | 828                   | 828                            |
| <b>External Financing</b>   |                       |                                |                       |                                |
| Common Shares Issued  | 352                   | 352                            | 413                   | 413                            |
| Subordinated Debt (net of amortization)                             | (1,710)               | (1,710)                        | (1,362)               | (1,362)                        |
|   | <b>(1,358)</b>        | <b>(1,358)</b>                 | (949)                 | (949)                          |
| <b>Other</b>  |                       |                                |                       |                                |
| Net change in Regulatory Adjustments and other items <sup>(3)</sup> | 47                    | 103                            | 1,614                 | (2,723)                        |
| Phase-out of Tier 1 and Tier 2 Capital <sup>(4)</sup>               | 878                   | 878                            | (1,531)               | (1,531)                        |
|   | <b>925</b>            | <b>981</b>                     | 83                    | (4,254)                        |
| <b>Capital Generated / (Used)</b>                                   | <b>330</b>            | <b>386</b>                     | (38)                  | (4,375)                        |
| <b>Total Capital, End of Period</b>                                 | <b>42,485</b>         | <b>38,204</b>                  | 42,155                | 37,818                         |

<sup>(1)</sup> '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.

<sup>(2)</sup> Capital at the beginning of the period for Q1 2013 is reported under Basel II rules.

<sup>(3)</sup> For both the transitional and all-in approaches, the Q2 2013 net change in regulatory adjustments represents the change between Basel III regulatory adjustments in Q2 2013 as compared to regulatory adjustments in Q1 2013. The Q1 2013 net change includes the impact of Basel III implementation.

<sup>(4)</sup> 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 <sup>(1)</sup>



| (\$MM)  | Basel II      |               |               |               |               |               |                |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
|   | IFRS          |               |               |               | CGAAP         |               |                |               |
|   | 2012          |               |               |               | 2011          |               |                |               |
|   | Q4            | Q3            | Q2            | Q1            | Q4            | Q3            | Q2             | Q1            |
| <b>REGULATORY CAPITAL:</b>  |               |               |               |               |               |               |                |               |
| 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           |
| <b>Gross Tier 1 Capital</b>   | <b>42,577</b> | <b>40,087</b> | <b>39,298</b> | <b>37,237</b> | <b>35,856</b> | <b>34,782</b> | <b>33,733</b>  | <b>31,186</b> |
| Goodwill and Non-qualifying Intangibles   | (5,239)       | (5,363)       | (5,375)       | (4,586)       | (4,662)       | (4,585)       | (4,596)        | (3,026)       |
| Other Capital Deductions <sup>(2)</sup>   | (2,902)       | (2,850)       | (2,949)       | (3,773)       | (2,705)       | (2,635)       | (2,522)        | (2,750)       |
| <b>Net Tier 1 Capital</b>   | <b>34,436</b> | <b>31,874</b> | <b>30,974</b> | <b>28,878</b> | <b>28,489</b> | <b>27,562</b> | <b>26,615</b>  | <b>25,410</b> |
| 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 <sup>(3)</sup>   | 454           | 444           | 401           | 391           | 353           | 363           | 364            | 383           |
| <b>Tier 2 Capital</b>   | <b>10,652</b> | <b>7,431</b>  | <b>7,392</b>  | <b>7,375</b>  | <b>7,228</b>  | <b>7,347</b>  | <b>7,405</b>   | <b>7,411</b>  |
| Other Capital Deductions <sup>(4)</sup>   | (2,895)       | (2,847)       | (2,946)       | (2,961)       | (3,184)       | (3,212)       | (3,063)        | (3,333)       |
| <b>Total Regulatory Capital</b>   | <b>42,193</b> | <b>36,458</b> | <b>35,420</b> | <b>33,292</b> | <b>32,533</b> | <b>31,697</b> | <b>30,957</b>  | <b>29,488</b> |
| <b>CHANGES IN REGULATORY CAPITAL:</b>   |               |               |               |               |               |               |                |               |
| <b>Total Capital, Beginning of Period</b>   | <b>36,458</b> | <b>35,420</b> | <b>33,292</b> | <b>32,533</b> | <b>31,697</b> | <b>30,957</b> | <b>29,488</b>  | <b>29,599</b> |
| <b>Internally Generated Capital</b>   |               |               |               |               |               |               |                |               |
| 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)         |
|   | <b>725</b>    | <b>1,318</b>  | <b>712</b>    | <b>776</b>    | <b>602</b>    | <b>641</b>    | <b>903</b>     | <b>611</b>    |
| <b>External Financing</b>   |               |               |               |               |               |               |                |               |
| 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           |
|   | <b>5,170</b>  | <b>(547)</b>  | <b>1,860</b>  | <b>740</b>    | <b>163</b>    | <b>188</b>    | <b>2,421</b>   | <b>(344)</b>  |
| <b>Other</b>  |               |               |               |               |               |               |                |               |
| Net Change in Foreign Currency Translation Gains / (Losses) <sup>(5)</sup>                      | 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 <sup>(6)</sup>  | (259)         | (41)          | (256)         | (1,184)       | (129)         | (231)         | (1,077)        | (198)         |
|   | <b>(160)</b>  | <b>267</b>    | <b>(444)</b>  | <b>(757)</b>  | <b>71</b>     | <b>(89)</b>   | <b>(1,855)</b> | <b>(378)</b>  |
| <b>Total Capital Generated / (Used)</b>   | <b>5,735</b>  | <b>1,038</b>  | <b>2,128</b>  | <b>759</b>    | <b>836</b>    | <b>740</b>    | <b>1,469</b>   | <b>(111)</b>  |
| <b>Total Capital, End of Period</b>   | <b>42,193</b> | <b>36,458</b> | <b>35,420</b> | <b>33,292</b> | <b>32,533</b> | <b>31,697</b> | <b>30,957</b>  | <b>29,488</b> |

(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 <sup>(6)</sup>.

(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     |              |              |              | CGAAP        |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   |              |              | IFRS         |              |              |              | 2011         |              |              |
|   | 2013         |              |              | 2012         |              |              |              |              |              |
|   | Q2           | Q1           | Q4           | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           |
| <b>RISK-WEIGHTED ASSETS:<sup>(1,2)</sup></b>        |              |              |              |              |              |              |              |              |              |
| <b>On- Balance Sheet Assets</b>                     |              |              |              |              |              |              |              |              |              |
| Cash Resources                                      | 3.0          | 2.6          | 2.7          | 2.9          | 4.1          | 3.0          | 3.5          | 4.4          | 4.5          |
| Securities <sup>(3)</sup>                           | 16.3         | 17.5         | 12.6         | 12.7         | 17.1         | 17.4         | 13.7         | 14.2         | 14.5         |
| Residential Mortgages Loans                         | 18.1         | 17.6         | 13.0         | 12.4         | 12.4         | 12.1         | 10.5         | 10.1         | 9.7          |
| - Personal Loans                                    | 33.4         | 32.5         | 30.8         | 29.7         | 28.6         | 28.6         | 26.4         | 25.0         | 24.4         |
| - Non-Personal Loans                                | 87.1         | 88.0         | 85.5         | 85.4         | 82.9         | 83.5         | 79.1         | 74.3         | 72.2         |
| All Other <sup>(4)</sup>                            | 22.9         | 23.8         | 18.2         | 18.1         | 18.4         | 17.1         | 17.0         | 16.8         | 16.7         |
|   | <b>180.8</b> | <b>182.0</b> | <b>162.8</b> | <b>161.2</b> | <b>163.5</b> | <b>161.7</b> | <b>150.2</b> | <b>144.8</b> | <b>142.0</b> |
| <b>Off- Balance Sheet Assets</b>                    |              |              |              |              |              |              |              |              |              |
| Indirect Credit Instruments                         | 35.7         | 34.8         | 34.1         | 33.7         | 32.0         | 32.0         | 37.0         | 33.7         | 33.6         |
| Derivative Instruments                              | 7.6          | 8.0          | 5.6          | 5.9          | 5.8          | 6.0          | 5.9          | 5.6          | 6.2          |
|   | <b>43.3</b>  | <b>42.8</b>  | <b>39.7</b>  | <b>39.6</b>  | <b>37.8</b>  | <b>38.0</b>  | <b>42.9</b>  | <b>39.3</b>  | <b>39.8</b>  |
| <b>Total Credit Risk before AIRB scaling factor</b> | <b>224.1</b> | <b>224.8</b> | <b>202.5</b> | <b>200.8</b> | <b>201.3</b> | <b>199.7</b> | <b>193.1</b> | <b>184.0</b> | <b>181.8</b> |
| AIRB Scaling factor <sup>(5)</sup>                  | 8.3          | 8.2          | 7.5          | 7.5          | 7.6          | 7.7          | 7.7          | 7.3          | 7.3          |
| <b>Total Credit Risk after AIRB scaling factor</b>  | <b>232.4</b> | <b>233.0</b> | <b>210.0</b> | <b>208.3</b> | <b>208.9</b> | <b>207.4</b> | <b>200.8</b> | <b>191.3</b> | <b>189.1</b> |
| Market Risk - Risk Assets Equivalent <sup>(6)</sup> | 17.4         | 16.5         | 13.8         | 14.8         | 14.8         | 16.5         | 5.9          | 6.7          | 6.8          |
| Operational Risk - Risk Assets Equivalent           | 30.9         | 30.6         | 29.5         | 29.3         | 29.2         | 29.2         | 27.3         | 26.8         | 26.4         |
| <b>Total Risk-Weighted Assets</b>                   | <b>280.7</b> | <b>280.1</b> | <b>253.3</b> | <b>252.4</b> | <b>252.9</b> | <b>253.1</b> | <b>234.0</b> | <b>224.8</b> | <b>222.3</b> |
| <b>BASEL III ALL-IN CAPITAL RATIOS (%):</b>         |              |              |              |              |              |              |              |              |              |
| Common Equity Tier 1                                | 8.6          | 8.2          | n/a          | n/a          | n/a          | n/a          | n/a          | n/a          | n/a          |
| Tier 1  | 10.7         | 10.3         | 13.6         | 12.6         | 12.2         | 11.4         | 12.2         | 12.3         | 12.0         |
| Total   | 13.6         | 13.5         | 16.7         | 14.4         | 14.0         | 13.2         | 13.9         | 14.1         | 13.9         |

- (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, "Exposure at Default and Risk-Weighted Assets for Credit Risk Portfolios".
- (2) Effective Q1 2013, under Basel III, risk-weight computations include a multiplier of 1.25 to the correlation parameter of all credit exposures to certain large or unregulated financial institutions meeting specific criteria.
- (3) Effective Q1 2013, under Basel III, Securities include amounts for trade exposures related to securities financing transactions.
- (4) Effective Q1 2013, under Basel III, 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 Q2 2013 related capital charge for total comprehensive risk measure including securitization exposures is \$420MM (Q1 2013: \$386MM) broken down as follows: Market Simulation \$62MM (Q1 2013: \$69MM), Default & Migration Risk \$212MM (Q1 2013: \$129MM), and Surcharge \$146MM (Q1 2013: \$188MM).

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



| (\$MM)   |                      | Basel III - IFRS     |                    |                    |                    |                    |                    |                    |                    |                |
|--|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|
|  |                      | Q2 2013              |                    |                    |                    |                    |                    | Q1 2013            |                    |                |
|  |                      | AIRB                 |                    | Standardized       |                    | Total              |                    | Total              |                    |                |
| Exposure Type  | Sub-type             | EAD <sup>(1)</sup>   | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> |                |
| <b>Non-Retail</b>  |                      |                      |                    |                    |                    |                    |                    |                    |                    |                |
| Corporate <sup>(3)</sup>   | Drawn                | 78,995               | 46,389             | 36,939             | 35,465             | 115,934            | 81,854             | 114,895            | 82,943             |                |
|  | Undrawn              | 40,346               | 17,466             | 2,610              | 2,563              | 42,956             | 20,029             | 42,742             | 19,656             |                |
|  | Other <sup>(4)</sup> | 19,266               | 6,458              | 2,178              | 2,146              | 21,444             | 8,604              | 21,602             | 8,854              |                |
|  | <b>Total</b>         | <b>138,607</b>       | <b>70,313</b>      | <b>41,727</b>      | <b>40,174</b>      | <b>180,334</b>     | <b>110,487</b>     | <b>179,239</b>     | <b>111,453</b>     |                |
| Bank <sup>(3)</sup>  | Drawn                | 32,746               | 7,976              | 3,594              | 1,899              | 36,340             | 9,875              | 33,665             | 9,297              |                |
|  | Undrawn              | 11,882               | 3,789              | 48                 | 21                 | 11,930             | 3,810              | 11,130             | 3,479              |                |
|  | Other <sup>(4)</sup> | 11,929               | 1,697              | 26                 | 26                 | 11,955             | 1,723              | 9,159              | 1,694              |                |
|  | <b>Total</b>         | <b>56,557</b>        | <b>13,462</b>      | <b>3,668</b>       | <b>1,946</b>       | <b>60,225</b>      | <b>15,408</b>      | <b>53,954</b>      | <b>14,470</b>      |                |
| Sovereign  | Drawn                | 56,164               | 3,568              | 6,901              | 549                | 63,065             | 4,117              | 65,407             | 5,053              |                |
|  | Undrawn              | 1,444                | 264                | 95                 | 42                 | 1,539              | 306                | 1,605              | 269                |                |
|  | Other <sup>(4)</sup> | 2,278                | 5                  | -                  | -                  | 2,278              | 5                  | 281                | 6                  |                |
|  | <b>Total</b>         | <b>59,886</b>        | <b>3,837</b>       | <b>6,996</b>       | <b>591</b>         | <b>66,882</b>      | <b>4,428</b>       | <b>67,293</b>      | <b>5,328</b>       |                |
| <b>Total Non-Retail</b>  |                      | Drawn                | 167,905            | 57,933             | 47,434             | 37,913             | 215,339            | 95,846             | 213,967            | 97,293         |
|  |                      | Undrawn              | 53,672             | 21,519             | 2,753              | 2,626              | 56,425             | 24,145             | 55,477             | 23,404         |
|  |                      | Other <sup>(4)</sup> | 33,473             | 8,160              | 2,204              | 2,172              | 35,677             | 10,332             | 31,042             | 10,554         |
|  |                      | <b>Total</b>         | <b>255,050</b>     | <b>87,612</b>      | <b>52,391</b>      | <b>42,711</b>      | <b>307,441</b>     | <b>130,323</b>     | <b>300,486</b>     | <b>131,251</b> |
| <b>Retail</b>  |                      |                      |                    |                    |                    |                    |                    |                    |                    |                |
| Residential Mortgages  | Drawn                | 187,201              | 9,270              | 20,440             | 8,869              | 207,641            | 18,139             | 206,648            | 17,625             |                |
|  | Undrawn              | -                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  |                |
|  | <b>Total</b>         | <b>187,201</b>       | <b>9,270</b>       | <b>20,440</b>      | <b>8,869</b>       | <b>207,641</b>     | <b>18,139</b>      | <b>206,648</b>     | <b>17,625</b>      |                |
| Secured Lines Of Credit  | Drawn                | 18,475               | 4,540              | -                  | -                  | 18,475             | 4,540              | 18,328             | 4,530              |                |
|  | Undrawn              | 12,347               | 1,280              | -                  | -                  | 12,347             | 1,280              | 12,026             | 1,247              |                |
|  | <b>Total</b>         | <b>30,822</b>        | <b>5,820</b>       | <b>-</b>           | <b>-</b>           | <b>30,822</b>      | <b>5,820</b>       | <b>30,354</b>      | <b>5,777</b>       |                |
| Qualifying Revolving Retail Exposures (QRRE)                     | Drawn                | 14,711               | 6,553              | -                  | -                  | 14,711             | 6,553              | 14,517             | 6,489              |                |
|  | Undrawn              | 12,159               | 1,426              | -                  | -                  | 12,159             | 1,426              | 11,901             | 1,395              |                |
|  | <b>Total</b>         | <b>26,870</b>        | <b>7,979</b>       | <b>-</b>           | <b>-</b>           | <b>26,870</b>      | <b>7,979</b>       | <b>26,418</b>      | <b>7,884</b>       |                |
| Other Retail   | Drawn                | 16,988               | 8,291              | 19,509             | 14,035             | 36,497             | 22,326             | 35,018             | 21,501             |                |
|  | Undrawn              | 708                  | 86                 | -                  | -                  | 708                | 86                 | 761                | 93                 |                |
|  | <b>Total</b>         | <b>17,696</b>        | <b>8,377</b>       | <b>19,509</b>      | <b>14,035</b>      | <b>37,205</b>      | <b>22,412</b>      | <b>35,779</b>      | <b>21,594</b>      |                |
| <b>Total Retail</b>  |                      | Drawn                | 237,375            | 28,654             | 39,949             | 22,904             | 277,324            | 51,558             | 274,511            | 50,145         |
|  |                      | Undrawn              | 25,214             | 2,792              | -                  | -                  | 25,214             | 2,792              | 24,688             | 2,735          |
|  |                      | <b>Total</b>         | <b>262,589</b>     | <b>31,446</b>      | <b>39,949</b>      | <b>22,904</b>      | <b>302,538</b>     | <b>54,350</b>      | <b>299,199</b>     | <b>52,880</b>  |
| Securitized  |                      |                      | 18,094             | 7,771              | 89                 | 86                 | 18,183             | 7,857              | 18,046             | 8,036          |
| Trading Derivatives <sup>(3)</sup>                               |                      |                      | 22,211             | 7,189              | -                  | -                  | 22,211             | 7,189              | 22,470             | 7,609          |
| <b>Total Credit Risk (Excluding Equities &amp; Other Assets)</b> |                      |                      | <b>557,944</b>     | <b>134,018</b>     | <b>92,429</b>      | <b>65,701</b>      | <b>650,373</b>     | <b>199,719</b>     | <b>640,201</b>     | <b>199,776</b> |
| Equities   |                      |                      |                    |                    |                    |                    |                    | 3,539              | 3,539              |                |
| <b>Total Equities</b>  |                      |                      | <b>3,678</b>       | <b>3,678</b>       |                    |                    | <b>3,678</b>       | <b>3,678</b>       | <b>3,539</b>       |                |
| Other Assets <sup>(5)</sup>                                      |                      |                      |                    |                    | 51,101             | 20,800             | 51,101             | 20,800             | 51,040             | 21,472         |
| <b>Total Credit Risk (Before Scaling Factor)</b>                 |                      |                      | <b>561,622</b>     | <b>137,696</b>     | <b>143,530</b>     | <b>86,501</b>      | <b>705,152</b>     | <b>224,197</b>     | <b>694,780</b>     | <b>224,787</b> |
| Add-on for 6% Scaling Factor <sup>(6)</sup>                      |                      |                      |                    | 8,262              |                    |                    | 8,262              |                    | 8,245              |                |
| <b>Total Credit Risk</b>   |                      |                      | <b>561,622</b>     | <b>145,958</b>     | <b>143,530</b>     | <b>86,501</b>      | <b>705,152</b>     | <b>232,459</b>     | <b>694,780</b>     | <b>233,032</b> |

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

(2) Risk-Weighted Assets.

(3) Effective Q1 2013, under Basel III, risk-weight computations 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) Other Assets includes exchange-traded derivatives which previously were excluded for capital calculation under Basel II, are now risk-weighted under Basel III.

(6) 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)



| (\$MM)   |                       | Basel II - IFRS    |                    |                    |                    |                    |                    |                    |                    | Basel II - CGAAP   |                    |                    |                    |                    |                    |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  |                       | 2012               |                    |                    |                    |                    |                    |                    |                    | 2011               |                    |                    |                    |                    |                    |
|  |                       | Q4                 |                    | Q3                 |                    | Q2                 |                    | Q1                 |                    | Q4                 |                    | Q3                 |                    | Q2                 |                    |
| Exposure Type  | Sub-type              | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> | EAD <sup>(1)</sup> | RWA <sup>(2)</sup> |
| <b>Non-Retail</b>  |                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Corporate  | Drawn                 | 112,974            | 82,239             | 111,052            | 81,432             | 108,593            | 78,977             | 108,118            | 80,275             | 99,796             | 75,405             | 94,929             | 71,729             | 92,166             | 69,135             |
|  | Undrawn               | 43,056             | 20,311             | 42,226             | 20,017             | 41,356             | 19,239             | 42,114             | 19,118             | 42,509             | 20,783             | 40,861             | 19,198             | 39,981             | 19,436             |
|  | Other <sup>(3)</sup>  | 16,765             | 7,095              | 17,710             | 7,488              | 16,325             | 6,514              | 15,472             | 6,837              | 15,222             | 7,307              | 13,490             | 6,314              | 13,635             | 6,316              |
|  | <b>Total</b>          | <b>172,795</b>     | <b>109,645</b>     | <b>170,988</b>     | <b>108,937</b>     | <b>166,274</b>     | <b>104,730</b>     | <b>165,704</b>     | <b>106,230</b>     | <b>157,527</b>     | <b>103,495</b>     | <b>149,280</b>     | <b>97,241</b>      | <b>145,782</b>     | <b>94,887</b>      |
| Bank   | Drawn                 | 35,211             | 8,047              | 34,596             | 8,731              | 38,228             | 10,377             | 31,582             | 8,449              | 26,024             | 8,473              | 25,943             | 8,595              | 30,620             | 9,157              |
|  | Undrawn               | 11,060             | 2,754              | 10,731             | 2,631              | 10,731             | 2,583              | 11,825             | 2,778              | 11,341             | 2,851              | 11,147             | 2,747              | 10,611             | 2,720              |
|  | Other <sup>(3)</sup>  | 7,842              | 1,190              | 11,435             | 1,769              | 11,555             | 1,657              | 10,432             | 1,403              | 10,425             | 1,536              | 11,055             | 1,577              | 12,349             | 1,704              |
|  | <b>Total</b>          | <b>54,113</b>      | <b>11,991</b>      | <b>56,762</b>      | <b>13,131</b>      | <b>60,514</b>      | <b>14,617</b>      | <b>53,839</b>      | <b>12,630</b>      | <b>47,790</b>      | <b>12,860</b>      | <b>48,145</b>      | <b>12,919</b>      | <b>53,580</b>      | <b>13,581</b>      |
| Sovereign  | Drawn                 | 53,451             | 4,079              | 57,628             | 4,151              | 56,444             | 4,032              | 50,187             | 4,430              | 50,012             | 4,392              | 49,591             | 4,188              | 58,501             | 4,161              |
|  | Undrawn               | 1,281              | 220                | 1,412              | 249                | 1,288              | 235                | 1,142              | 218                | 1,128              | 225                | 1,043              | 217                | 840                | 179                |
|  | Other <sup>(3)</sup>  | 291                | 27                 | 438                | 25                 | 380                | 29                 | 356                | 42                 | 236                | 17                 | 260                | 23                 | 340                | 48                 |
|  | <b>Total</b>          | <b>55,023</b>      | <b>4,326</b>       | <b>59,478</b>      | <b>4,425</b>       | <b>58,112</b>      | <b>4,296</b>       | <b>51,685</b>      | <b>4,690</b>       | <b>51,376</b>      | <b>4,634</b>       | <b>50,894</b>      | <b>4,428</b>       | <b>59,681</b>      | <b>4,388</b>       |
| <b>Total Non-retail</b>                                      | Drawn                 | 201,636            | 94,365             | 203,276            | 94,314             | 203,265            | 93,386             | 189,887            | 93,154             | 175,832            | 88,270             | 170,462            | 84,512             | 181,287            | 82,453             |
|  | Undrawn               | 55,397             | 23,285             | 54,369             | 22,897             | 53,375             | 22,057             | 55,081             | 22,114             | 54,978             | 23,859             | 53,051             | 22,162             | 51,432             | 22,335             |
|  | Other <sup>(3)</sup>  | 24,898             | 8,312              | 29,583             | 9,282              | 28,260             | 8,200              | 26,260             | 8,282              | 25,883             | 8,860              | 24,804             | 7,914              | 26,324             | 8,068              |
|  | <b>Total</b>          | <b>281,931</b>     | <b>125,962</b>     | <b>287,228</b>     | <b>126,493</b>     | <b>284,900</b>     | <b>123,643</b>     | <b>271,228</b>     | <b>123,550</b>     | <b>256,693</b>     | <b>120,989</b>     | <b>248,317</b>     | <b>114,588</b>     | <b>259,043</b>     | <b>112,856</b>     |
| <b>Retail</b>  |                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Residential Mortgages  | Drawn                 | 175,114            | 13,005             | 171,295            | 12,370             | 166,816            | 12,382             | 164,201            | 12,061             | 143,941            | 10,446             | 142,424            | 10,089             | 139,448            | 9,712              |
|  | Undrawn               | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
|  | <b>Total</b>          | <b>175,114</b>     | <b>13,005</b>      | <b>171,295</b>     | <b>12,370</b>      | <b>166,816</b>     | <b>12,382</b>      | <b>164,201</b>     | <b>12,061</b>      | <b>143,941</b>     | <b>10,446</b>      | <b>142,424</b>     | <b>10,089</b>      | <b>139,448</b>     | <b>9,712</b>       |
| Secured Lines Of Credit                                      | Drawn                 | 18,404             | 4,701              | 18,144             | 4,502              | 17,841             | 4,428              | 17,767             | 4,484              | 17,937             | 4,651              | 17,862             | 4,513              | 17,834             | 4,420              |
|  | Undrawn               | 11,759             | 1,267              | 11,492             | 1,229              | 11,149             | 1,196              | 10,829             | 1,182              | 11,780             | 1,393              | 11,579             | 1,385              | 11,322             | 1,335              |
|  | <b>Total</b>          | <b>30,163</b>      | <b>5,968</b>       | <b>29,636</b>      | <b>5,731</b>       | <b>28,990</b>      | <b>5,624</b>       | <b>28,596</b>      | <b>5,666</b>       | <b>29,717</b>      | <b>6,044</b>       | <b>29,441</b>      | <b>5,898</b>       | <b>29,156</b>      | <b>5,755</b>       |
| Qualifying Revolving   | Drawn                 | 14,414             | 6,444              | 14,194             | 6,128              | 14,371             | 6,058              | 14,243             | 6,095              | 14,239             | 5,867              | 14,090             | 5,637              | 13,968             | 5,458              |
|  | Undrawn               | 11,613             | 1,397              | 11,348             | 1,303              | 11,197             | 1,260              | 11,005             | 1,249              | 12,195             | 1,418              | 12,043             | 1,397              | 11,902             | 1,342              |
|  | <b>Total</b>          | <b>26,027</b>      | <b>7,841</b>       | <b>25,542</b>      | <b>7,431</b>       | <b>25,568</b>      | <b>7,318</b>       | <b>25,248</b>      | <b>7,344</b>       | <b>26,434</b>      | <b>7,285</b>       | <b>26,133</b>      | <b>7,034</b>       | <b>25,870</b>      | <b>6,800</b>       |
| Other Retail   | Drawn                 | 32,938             | 19,642             | 32,002             | 19,047             | 30,109             | 18,088             | 29,923             | 18,020             | 27,209             | 15,911             | 26,341             | 14,817             | 24,898             | 14,497             |
|  | Undrawn               | 749                | 93                 | 739                | 92                 | 597                | 59                 | 578                | 58                 | 630                | 67                 | 634                | 69                 | 618                | 65                 |
|  | <b>Total</b>          | <b>33,687</b>      | <b>19,735</b>      | <b>32,741</b>      | <b>19,139</b>      | <b>30,706</b>      | <b>18,147</b>      | <b>30,501</b>      | <b>18,078</b>      | <b>27,839</b>      | <b>15,978</b>      | <b>26,975</b>      | <b>14,886</b>      | <b>25,516</b>      | <b>14,562</b>      |
| <b>Total Retail</b>  | Drawn                 | 240,870            | 43,792             | 235,635            | 42,047             | 229,137            | 40,956             | 226,134            | 40,660             | 203,326            | 36,875             | 200,717            | 35,056             | 196,148            | 34,087             |
|  | Undrawn               | 24,121             | 2,757              | 23,579             | 2,624              | 22,943             | 2,515              | 22,412             | 2,489              | 24,605             | 2,878              | 24,256             | 2,851              | 23,842             | 2,742              |
|  | <b>Total</b>          | <b>264,991</b>     | <b>46,549</b>      | <b>259,214</b>     | <b>44,671</b>      | <b>252,080</b>     | <b>43,471</b>      | <b>248,546</b>     | <b>43,149</b>      | <b>227,931</b>     | <b>39,753</b>      | <b>224,973</b>     | <b>37,907</b>      | <b>219,990</b>     | <b>36,829</b>      |
| Securitized  |                       | 17,636             | 4,170              | 16,955             | 4,404              | 15,240             | 4,060              | 14,258             | 3,606              | 14,466             | 4,423              | 14,099             | 3,923              | 13,978             | 4,225              |
| Trading Derivatives  |                       | 18,845             | 5,434              | 19,772             | 5,617              | 20,105             | 5,574              | 20,426             | 5,655              | 21,540             | 5,612              | 19,525             | 5,292              | 20,317             | 5,876              |
| <b>Total Credit risk (excl. Equities &amp; Other Assets)</b> |                       | <b>583,403</b>     | <b>182,115</b>     | <b>583,169</b>     | <b>181,185</b>     | <b>572,325</b>     | <b>176,748</b>     | <b>554,458</b>     | <b>175,960</b>     | <b>520,630</b>     | <b>170,777</b>     | <b>506,914</b>     | <b>161,710</b>     | <b>513,328</b>     | <b>159,786</b>     |
| Equities <sup>(4)</sup>                                      |                       | 3,155              | 3,155              | -                  | -                  | 1,298              | 1,298              | 1,315              | 1,315              | 1,309              | 1,309              | 1,389              | 1,389              | 1,490              | 1,490              |
|  | Grandfathered         | -                  | -                  | -                  | -                  | 1,298              | 1,298              | 1,315              | 1,315              | 1,309              | 1,309              | 1,389              | 1,389              | 1,490              | 1,490              |
|  | Simple Method         | -                  | -                  | -                  | -                  | 1,695              | 5,721              | 1,808              | 6,058              | 1,450              | 4,771              | 1,391              | 4,517              | 1,328              | 4,396              |
|  | PD/LGD Approach       | -                  | -                  | -                  | -                  | 433                | 510                | 434                | 520                | 425                | 526                | 462                | 573                | 471                | 586                |
|  | Other                 | -                  | -                  | 3,055              | 3,055              | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
|  | <b>Total Equities</b> | <b>3,155</b>       | <b>3,155</b>       | <b>3,055</b>       | <b>3,055</b>       | <b>3,426</b>       | <b>7,529</b>       | <b>3,557</b>       | <b>7,893</b>       | <b>3,184</b>       | <b>6,606</b>       | <b>3,242</b>       | <b>6,479</b>       | <b>3,289</b>       | <b>6,472</b>       |
| Other Assets   |                       | 41,514             | 17,197             | 37,760             | 16,477             | 38,970             | 16,894             | 39,863             | 15,876             | 35,968             | 15,622             | 36,981             | 15,820             | 35,712             | 15,585             |
| <b>Total Credit Risk (before Scaling Factor)</b>             |                       | <b>628,072</b>     | <b>202,467</b>     | <b>623,984</b>     | <b>200,717</b>     | <b>614,721</b>     | <b>201,171</b>     | <b>597,878</b>     | <b>199,729</b>     | <b>559,782</b>     | <b>193,005</b>     | <b>547,137</b>     | <b>184,009</b>     | <b>552,329</b>     | <b>181,843</b>     |
| Add-on for 6% scaling factor <sup>(5)</sup>                  |                       |                    | 7,499              |                    | 7,536              |                    | 7,642              |                    | 7,709              |                    | 7,743              |                    | 7,325              |                    | 7,293              |
| <b>Total Credit Risk</b>                                     |                       | <b>628,072</b>     | <b>209,966</b>     | <b>623,984</b>     | <b>208,253</b>     | <b>614,721</b>     | <b>208,813</b>     | <b>597,878</b>     | <b>207,438</b>     | <b>559,782</b>     | <b>200,748</b>     | <b>547,137</b>     | <b>191,334</b>     | <b>552,329</b>     | <b>189,136</b>     |

(1) Exposure at default, 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) 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.

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

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


| (\$MM)                       | Basel III - IFRS |                      |               |                |                |                |                      |               |                |                |
|------------------------------|------------------|----------------------|---------------|----------------|----------------|----------------|----------------------|---------------|----------------|----------------|
|                              | Q2 2013          |                      |               |                |                | Q1 2013        |                      |               |                |                |
|                              | Non-Retail       |                      |               | Retail         | Total          | Non-Retail     |                      |               | Retail         | Total          |
| Drawn                        | Undrawn          | Other <sup>(3)</sup> | Drawn         |                |                | Undrawn        | Other <sup>(3)</sup> |               |                |                |
| Canada                       | 61,343           | 26,572               | 28,254        | 268,503        | 384,672        | 57,620         | 26,623               | 24,524        | 266,099        | 374,866        |
| USA                          | 55,375           | 18,026               | 29,105        | 196            | 102,702        | 59,012         | 17,423               | 30,579        | 229            | 107,243        |
| Mexico                       | 9,156            | 351                  | 1,425         | 6,468          | 17,400         | 8,187          | 342                  | 1,006         | 5,887          | 15,422         |
| Other International          |                  |                      |               |                |                |                |                      |               |                |                |
| Europe                       | 15,937           | 5,421                | 10,278        | -              | 31,636         | 16,410         | 4,989                | 9,127         | -              | 30,526         |
| Caribbean                    | 16,442           | 1,636                | 1,857         | 12,783         | 32,718         | 17,144         | 2,070                | 1,904         | 12,672         | 33,790         |
| Latin America (excl. Mexico) | 28,019           | 838                  | 2,620         | 14,490         | 45,967         | 26,960         | 831                  | 2,106         | 14,211         | 44,108         |
| All Other                    | 29,067           | 3,581                | 2,532         | 98             | 35,278         | 28,634         | 3,199                | 2,312         | 101            | 34,246         |
| <b>Total</b>                 | <b>215,339</b>   | <b>56,425</b>        | <b>76,071</b> | <b>302,538</b> | <b>650,373</b> | <b>213,967</b> | <b>55,477</b>        | <b>71,558</b> | <b>299,199</b> | <b>640,201</b> |

|                              | Basel II - IFRS |                |                |                | Basel II - CGAAP |
|------------------------------|-----------------|----------------|----------------|----------------|------------------|
|                              | Q3 2012         | Q3 2012        | Q2 2012        | Q1 2012        | Q4 2011          |
| Canada                       | 339,320         | 335,328        | 329,421        | 321,471        | 305,644          |
| USA                          | 94,784          | 98,898         | 95,142         | 87,889         | 80,603           |
| Mexico                       | 14,079          | 13,729         | 12,942         | 13,086         | 12,501           |
| Other International          |                 |                |                |                |                  |
| Europe                       | 27,723          | 28,098         | 31,494         | 27,437         | 27,279           |
| Caribbean                    | 32,700          | 32,637         | 31,904         | 32,515         | 31,835           |
| Latin America (excl. Mexico) | 42,312          | 40,809         | 39,248         | 37,736         | 29,476           |
| All Other                    | 32,485          | 33,670         | 32,174         | 34,324         | 33,292           |
| <b>Total</b>                 | <b>583,403</b>  | <b>583,169</b> | <b>572,325</b> | <b>554,458</b> | <b>520,630</b>   |

<sup>(1)</sup> Before credit risk mitigation, excluding AFS equity securities and other assets.

<sup>(2)</sup> Geographic segmentation is based upon the location of the ultimate risk of the credit exposure.

<sup>(3)</sup> 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 <sup>(1,2)</sup>



## AIRB NON-RETAIL AND RETAIL PORTFOLIO

| (\$MM)                           | Basel III - IFRS |               |                      |                |                |               |                      |                |
|----------------------------------|------------------|---------------|----------------------|----------------|----------------|---------------|----------------------|----------------|
|                                  | Q2 2013          |               |                      |                | Q1 2013        |               |                      |                |
|                                  | Drawn            | Undrawn       | Other <sup>(3)</sup> | Total          | Drawn          | Undrawn       | Other <sup>(3)</sup> | Total          |
| <b>Non-Retail</b>                |                  |               |                      |                |                |               |                      |                |
| Less than 1 year                 | 106,064          | 16,224        | 41,869               | 164,157        | 102,512        | 16,833        | 36,762               | 156,107        |
| 1 to 5 years                     | 55,250           | 36,278        | 30,395               | 121,923        | 57,580         | 34,655        | 30,996               | 123,231        |
| Over 5 Years                     | 6,591            | 1,170         | 1,514                | 9,275          | 5,912          | 1,209         | 1,651                | 8,772          |
| <b>Total Non-Retail</b>          | <b>167,905</b>   | <b>53,672</b> | <b>73,778</b>        | <b>295,355</b> | <b>166,004</b> | <b>52,697</b> | <b>69,409</b>        | <b>288,110</b> |
| <b>Retail</b>                    |                  |               |                      |                |                |               |                      |                |
| Less than 1 year                 | 25,616           | 13,055        |                      | 38,671         | 27,276         | 12,787        |                      | 40,063         |
| 1 to 5 years                     | 165,596          | -             |                      | 165,596        | 163,625        | -             |                      | 163,625        |
| Over 5 Years                     | 11,655           | -             |                      | 11,655         | 10,679         | -             |                      | 10,679         |
| Revolving Credits <sup>(4)</sup> | 34,508           | 12,159        |                      | 46,667         | 34,244         | 11,901        |                      | 46,145         |
| <b>Total Retail</b>              | <b>237,375</b>   | <b>25,214</b> |                      | <b>262,589</b> | <b>235,824</b> | <b>24,688</b> |                      | <b>260,512</b> |
| <b>Total</b>                     | <b>405,280</b>   | <b>78,886</b> | <b>73,778</b>        | <b>557,944</b> | <b>401,828</b> | <b>77,385</b> | <b>69,409</b>        | <b>548,622</b> |

|                                  | Basel II - IFRS |                |                |                |
|----------------------------------|-----------------|----------------|----------------|----------------|
|                                  | Q4 2012         | Q3 2012        | Q2 2012        | Q1 2012        |
| <b>Non-Retail</b>                |                 |                |                |                |
| Less than 1 year                 | 138,958         | 150,492        | 148,382        | 142,515        |
| 1 to 5 years                     | 120,812         | 116,108        | 113,902        | 107,972        |
| Over 5 Years                     | 9,746           | 10,313         | 11,388         | 12,758         |
| <b>Total Non-Retail</b>          | <b>269,516</b>  | <b>276,913</b> | <b>273,672</b> | <b>263,245</b> |
| <b>Retail</b>                    |                 |                |                |                |
| Less than 1 year                 | 31,904          | 28,946         | 26,401         | 27,972         |
| 1 to 5 years                     | 145,232         | 144,623        | 142,613        | 138,191        |
| Over 5 Years                     | 6,241           | 5,420          | 4,703          | 4,247          |
| Revolving Credits <sup>(4)</sup> | 45,853          | 45,131         | 44,512         | 44,094         |
| <b>Total Retail</b>              | <b>229,230</b>  | <b>224,120</b> | <b>218,229</b> | <b>214,504</b> |
| <b>Total</b>                     | <b>498,746</b>  | <b>501,033</b> | <b>491,901</b> | <b>477,749</b> |

<sup>(1)</sup> Before credit risk mitigation, excluding AFS equity securities and other assets.

<sup>(2)</sup> Remaining term to maturity of the credit exposure.

<sup>(3)</sup> Off-balance sheet lending instruments such as letters of credit and letters of guarantee, securitization, derivatives and repo-style transactions net of related collateral.

<sup>(4)</sup> Credit cards and lines of credit with unspecified maturity.

# CREDIT RISK EXPOSURES BY RISK-WEIGHT - STANDARDIZED APPROACH



## EXPOSURE AT DEFAULT<sup>(1)</sup>

| (\$MM)       | Basel III - IFRS |              |              |               |               |               |               |               |              |              |               |               |               |               |
|--------------|------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|
|              | Q2 2013          |              |              |               |               |               |               | Q1 2013       |              |              |               |               |               |               |
|              | 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%           | 1,225            | 8            | 5,963        | 7,196         | 128           | 939           | 1,067         | 680           | 9            | 7,278        | 7,967         | 55            | 868           | 923           |
| 20%          | 708              | 2,141        | 247          | 3,096         | 1,280         | -             | 1,280         | 886           | 2,161        | 209          | 3,256         | 1,469         | -             | 1,469         |
| 35%          | -                | -            | -            | -             | 14,663        | 556           | 15,219        | -             | -            | -            | -             | 10,668        | 404           | 11,072        |
| 50%          | 73               | 8            | 490          | 571           | -             | -             | -             | 85            | 14           | 506          | 605           | -             | -             | -             |
| 75%          | -                | -            | -            | -             | 3,550         | 17,526        | 21,076        | -             | -            | -            | -             | 6,975         | 16,970        | 23,945        |
| 100%         | 39,271           | 1,506        | 296          | 41,073        | 819           | 20            | 839           | 38,644        | 1,675        | 286          | 40,605        | 774           | 14            | 788           |
| 150%         | 539              | 5            | -            | 544           | -             | 468           | 468           | 452           | 7            | -            | 459           | -             | 490           | 490           |
| <b>Total</b> | <b>41,816</b>    | <b>3,668</b> | <b>6,996</b> | <b>52,480</b> | <b>20,440</b> | <b>19,509</b> | <b>39,949</b> | <b>40,747</b> | <b>3,866</b> | <b>8,279</b> | <b>52,892</b> | <b>19,941</b> | <b>18,746</b> | <b>38,687</b> |

| Risk-weight  | Basel II - IFRS |               |               |               |               |               |               |               | Basel II - CGAAP |               |               |               |               |               |
|--------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|---------------|---------------|---------------|---------------|---------------|
|              | Q4 2012         |               | Q3 2012       |               | Q2 2012       |               | Q1 2012       |               | Q4 2011          |               | Q3 2011       |               | Q2 2011       |               |
|              | Non-Retail      | Retail        | Non-Retail    | Retail        | Non-Retail    | Retail        | Non-Retail    | Retail        | Non-Retail       | Retail        | Non-Retail    | Retail        | Non-Retail    | Retail        |
|              | 0%              | 4,850         | 911           | 4,515         | 1,006         | 3,874         | 809           | 3,100         | 813              | 2,656         | 800           | 2,642         | 1,395         | 2,759         |
| 20%          | 4,153           | 1,521         | 3,817         | 1,590         | 5,905         | 1,610         | 3,463         | 1,741         | 4,087            | 2,111         | 3,253         | 1,963         | 3,654         | 1,881         |
| 35%          | -               | 14,412        | -             | 13,965        | -             | 13,197        | -             | 13,387        | -                | 11,961        | -             | 11,853        | -             | 11,631        |
| 50%          | 650             | -             | 604           | -             | 971           | -             | 1,220         | -             | 758              | -             | 602           | -             | 727           | -             |
| 75%          | -               | 18,433        | -             | 18,054        | -             | 17,207        | -             | 17,344        | -                | 14,602        | -             | 13,510        | -             | 13,347        |
| 100%         | 38,824          | 425           | 37,650        | 424           | 34,770        | 968           | 34,193        | 688           | 29,861           | 720           | 28,829        | 705           | 27,409        | 720           |
| 150%         | 419             | 59            | 456           | 55            | 1,053         | 60            | 691           | 69            | 607              | 67            | 569           | 68            | 632           | 64            |
| <b>Total</b> | <b>48,896</b>   | <b>35,761</b> | <b>47,042</b> | <b>35,094</b> | <b>46,573</b> | <b>33,851</b> | <b>42,667</b> | <b>34,042</b> | <b>37,969</b>    | <b>30,261</b> | <b>35,895</b> | <b>29,494</b> | <b>35,181</b> | <b>28,329</b> |

<sup>(1)</sup> Net of specific allowances for credit losses, after credit risk mitigation.

## NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

| (SMM)                        | Basel III - IFRS                   |                                      |                                       |                                      |                                    |                                      |                                       |                                      | Basel II - IFRS                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |
|------------------------------|------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|                              | Q2 2013                            |                                      |                                       |                                      | Q1 2013                            |                                      |                                       |                                      | Q4 2012                            |                                      |                                       |                                      | Q3 2012                            |                                      |                                       |                                      |
|                              | Exposure at Default <sup>(2)</sup> | Weighted Average PD <sup>(3,6)</sup> | Weighted Average LGD <sup>(4,6)</sup> | Weighted Average RW <sup>(5,6)</sup> | Exposure at Default <sup>(2)</sup> | Weighted Average PD <sup>(3,6)</sup> | Weighted Average LGD <sup>(4,6)</sup> | Weighted Average RW <sup>(5,6)</sup> | Exposure at Default <sup>(2)</sup> | Weighted Average PD <sup>(3,6)</sup> | Weighted Average LGD <sup>(4,6)</sup> | Weighted Average RW <sup>(5,6)</sup> | Exposure at Default <sup>(2)</sup> | Weighted Average PD <sup>(3,6)</sup> | Weighted Average LGD <sup>(4,6)</sup> | Weighted Average RW <sup>(5,6)</sup> |
|                              | \$                                 | %                                    | %                                     | %                                    | \$                                 | %                                    | %                                     | %                                    | \$                                 | %                                    | %                                     | %                                    | \$                                 | %                                    | %                                     | %                                    |
| <b>Investment Grade</b>      |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |
| Corporate <sup>(7)</sup>     | 89,583                             | 0.18                                 | 43                                    | 36                                   | 89,086                             | 0.18                                 | 43                                    | 36                                   | 85,087                             | 0.19                                 | 43                                    | 37                                   | 84,526                             | 0.19                                 | 43                                    | 37                                   |
| Bank <sup>(7)</sup>          | 61,673                             | 0.15                                 | 34                                    | 24                                   | 54,644                             | 0.15                                 | 35                                    | 26                                   | 55,278                             | 0.15                                 | 33                                    | 20                                   | 57,412                             | 0.15                                 | 33                                    | 20                                   |
| Sovereign                    | 150,340                            | 0.02                                 | 6                                     | 2                                    | 149,159                            | 0.02                                 | 7                                     | 2                                    | 138,302                            | 0.02                                 | 6                                     | 2                                    | 141,976                            | 0.02                                 | 6                                     | 1                                    |
| <b>Sub-Total</b>             | <b>301,596</b>                     | <b>0.09</b>                          | <b>23</b>                             | <b>16</b>                            | <b>292,889</b>                     | <b>0.09</b>                          | <b>23</b>                             | <b>17</b>                            | <b>278,667</b>                     | <b>0.10</b>                          | <b>23</b>                             | <b>16</b>                            | <b>283,914</b>                     | <b>0.10</b>                          | <b>23</b>                             | <b>16</b>                            |
| <b>Non-Investment Grade</b>  |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |
| Corporate <sup>(7)</sup>     | 53,229                             | 0.78                                 | 40                                    | 64                                   | 54,331                             | 0.77                                 | 40                                    | 65                                   | 50,377                             | 0.80                                 | 41                                    | 67                                   | 51,521                             | 0.80                                 | 41                                    | 67                                   |
| Bank <sup>(7)</sup>          | 4,530                              | 0.94                                 | 37                                    | 57                                   | 4,065                              | 0.93                                 | 37                                    | 58                                   | 4,024                              | 0.96                                 | 37                                    | 55                                   | 4,063                              | 0.97                                 | 37                                    | 55                                   |
| Sovereign                    | 2,589                              | 2.16                                 | 24                                    | 59                                   | 1,264                              | 1.16                                 | 24                                    | 43                                   | 2,898                              | 2.27                                 | 24                                    | 59                                   | 3,202                              | 2.16                                 | 24                                    | 58                                   |
| <b>Sub-Total</b>             | <b>60,348</b>                      | <b>0.85</b>                          | <b>39</b>                             | <b>64</b>                            | <b>59,660</b>                      | <b>0.79</b>                          | <b>40</b>                             | <b>64</b>                            | <b>57,299</b>                      | <b>0.88</b>                          | <b>40</b>                             | <b>66</b>                            | <b>58,786</b>                      | <b>0.89</b>                          | <b>40</b>                             | <b>66</b>                            |
| <b>Watch List</b>            |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |                                    |                                      |                                       |                                      |
| Corporate <sup>(7)</sup>     | 2,110                              | 19.84                                | 42                                    | 202                                  | 2,426                              | 20.43                                | 41                                    | 200                                  | 2,606                              | 21.83                                | 39                                    | 192                                  | 3,260                              | 25.62                                | 39                                    | 193                                  |
| Bank <sup>(7)</sup>          | 10                                 | 26.18                                | 45                                    | 239                                  | 50                                 | 35.13                                | 48                                    | 269                                  | 42                                 | 38.02                                | 48                                    | 246                                  | 65                                 | 34.39                                | 43                                    | 235                                  |
| Sovereign                    | 1                                  | 13.93                                | 40                                    | 162                                  | 1,498                              | 36.78                                | 24                                    | 131                                  | 13                                 | 37.07                                | 33                                    | 173                                  | 118                                | 17.38                                | 33                                    | 143                                  |
| <b>Sub-Total</b>             | <b>2,121</b>                       | <b>19.86</b>                         | <b>42</b>                             | <b>203</b>                           | <b>3,974</b>                       | <b>26.78</b>                         | <b>35</b>                             | <b>175</b>                           | <b>2,661</b>                       | <b>22.16</b>                         | <b>39</b>                             | <b>192</b>                           | <b>3,443</b>                       | <b>25.50</b>                         | <b>39</b>                             | <b>192</b>                           |
| <b>Default<sup>(8)</sup></b> | <b>1,969</b>                       | <b>100.00</b>                        | <b>40</b>                             | <b>199</b>                           | <b>1,952</b>                       | <b>100.00</b>                        | <b>42</b>                             | <b>221</b>                           | <b>1,997</b>                       | <b>100.00</b>                        | <b>42</b>                             | <b>221</b>                           | <b>1,512</b>                       | <b>100.00</b>                        | <b>44</b>                             | <b>291</b>                           |
| <b>Total</b>                 | <b>366,034</b>                     | <b>0.87</b>                          | <b>26</b>                             | <b>26</b>                            | <b>358,475</b>                     | <b>1.05</b>                          | <b>26</b>                             | <b>28</b>                            | <b>340,624</b>                     | <b>0.99</b>                          | <b>26</b>                             | <b>27</b>                            | <b>347,655</b>                     | <b>0.92</b>                          | <b>26</b>                             | <b>27</b>                            |

(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, equity and other assets; 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) Effective Q1 2013, under Basel III, risk-weight computations 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  |                          |                  |                          |
|--------------|------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|
|              | Q2 2013          |                          | Q1 2013          |                          | Q4 2012          |                          | Q3 2012          |                          |
|              | Notional Undrawn | Weighted Average EAD (%) | Notional Undrawn | Weighted Average EAD (%) | Notional Undrawn | Weighted Average EAD (%) | Notional Undrawn | Weighted Average EAD (%) |
| Corporate    | 69,283           | 58                       | 68,997           | 58                       | 69,719           | 58                       | 68,873           | 58                       |
| Bank         | 18,985           | 63                       | 17,722           | 63                       | 17,307           | 63                       | 16,740           | 63                       |
| Sovereign    | 2,222            | 65                       | 2,300            | 66                       | 1,837            | 65                       | 1,984            | 68                       |
| <b>Total</b> | <b>90,490</b>    | <b>59</b>                | <b>89,019</b>    | <b>59</b>                | <b>88,863</b>    | <b>59</b>                | <b>87,597</b>    | <b>59</b>                |

**RISK ASSESSMENT OF CREDIT RISK EXPOSURES**

**RETAIL AIRB PORTFOLIO - CREDIT QUALITY**

| (\$MM)<br>Category of PD Grades <sup>(1)</sup>     | Basel III - IFRS     |                     |                        |                     |                      |                     |                      |                     | Basel II - IFRS      |                     |                      |                     |                      |                     |                      |                     |
|--|----------------------|---------------------|------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|  | Q2 2013              |                     |                        |                     | Q1 2013              |                     |                      |                     | Q4 2012              |                     |                      |                     | Q3 2012              |                     |                      |                     |
|  | EAD <sup>(2,6)</sup> | PD <sup>(3,6)</sup> | LGD <sup>(4,6,8)</sup> | RW <sup>(5,6)</sup> | EAD <sup>(2,6)</sup> | PD <sup>(3,6)</sup> | LGD <sup>(4,6)</sup> | RW <sup>(5,6)</sup> | EAD <sup>(2,6)</sup> | PD <sup>(3,6)</sup> | LGD <sup>(4,6)</sup> | RW <sup>(5,6)</sup> | EAD <sup>(2,6)</sup> | PD <sup>(3,6)</sup> | LGD <sup>(4,6)</sup> | RW <sup>(5,6)</sup> |
|  | \$                   | %                   | %                      | %                   | \$                   | %                   | %                    | %                   | \$                   | %                   | %                    | %                   | \$                   | %                   | %                    | %                   |
| <b>Real Estate Secured</b>                         |                      |                     |                        |                     |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Very Low   | 86,969               | 0.11                | 18                     | 4                   | 86,499               | 0.11                | 17                   | 4                   | 67,536               | 0.10                | 17                   | 4                   | 66,590               | 0.09                | 17                   | 4                   |
| Low  | 6,262                | 0.28                | 24                     | 12                  | 6,363                | 0.28                | 17                   | 9                   | 4,989                | 0.28                | 17                   | 9                   | 4,793                | 0.28                | 17                   | 9                   |
| Medium   | 30,850               | 0.97                | 18                     | 22                  | 30,810               | 0.97                | 17                   | 19                  | 20,768               | 1.06                | 18                   | 23                  | 19,451               | 1.04                | 18                   | 23                  |
| High   | 3,726                | 5.40                | 22                     | 74                  | 3,570                | 5.40                | 20                   | 71                  | 3,338                | 5.52                | 22                   | 76                  | 3,143                | 5.47                | 22                   | 76                  |
| Very High  | 1,185                | 31.33               | 17                     | 91                  | 1,263                | 31.95               | 15                   | 80                  | 844                  | 32.63               | 18                   | 97                  | 794                  | 32.28               | 18                   | 98                  |
| Default <sup>(7)</sup>                             | 257                  | 100.00              | 37                     | -                   | 278                  | 100.00              | 38                   | -                   | 210                  | 100.00              | 49                   | -                   | 206                  | 100.00              | 49                   | -                   |
| <b>Sub-total</b>                                   | <b>129,249</b>       | <b>0.96</b>         | <b>19</b>              | <b>13</b>           | <b>128,783</b>       | <b>1.00</b>         | <b>17</b>            | <b>11</b>           | <b>97,685</b>        | <b>0.99</b>         | <b>18</b>            | <b>12</b>           | <b>94,977</b>        | <b>0.96</b>         | <b>18</b>            | <b>11</b>           |
| <b>Qualifying Revolving Retail Exposures(QRRE)</b> |                      |                     |                        |                     |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Very Low   | 11,120               | 0.09                | 81                     | 5                   | 10,883               | 0.09                | 81                   | 5                   | 10,613               | 0.09                | 81                   | 5                   | 10,646               | 0.09                | 81                   | 5                   |
| Low  | 4,651                | 0.32                | 80                     | 13                  | 4,602                | 0.32                | 80                   | 13                  | 4,528                | 0.32                | 80                   | 13                  | 4,472                | 0.32                | 80                   | 13                  |
| Medium   | 7,860                | 1.55                | 79                     | 40                  | 7,720                | 1.56                | 79                   | 41                  | 7,635                | 1.55                | 79                   | 40                  | 7,439                | 1.55                | 79                   | 40                  |
| High   | 2,745                | 7.28                | 77                     | 116                 | 2,688                | 7.19                | 78                   | 115                 | 2,735                | 7.12                | 77                   | 114                 | 2,487                | 7.07                | 77                   | 113                 |
| Very High  | 293                  | 42.35               | 65                     | 183                 | 321                  | 40.95               | 66                   | 183                 | 321                  | 41.05               | 66                   | 182                 | 305                  | 40.50               | 66                   | 182                 |
| Default <sup>(7)</sup>                             | 202                  | 100.00              | 85                     | -                   | 204                  | 100.00              | 85                   | -                   | 195                  | 100.00              | 85                   | -                   | 193                  | 100.00              | 85                   | -                   |
| <b>Sub-total</b>                                   | <b>26,871</b>        | <b>2.50</b>         | <b>80</b>              | <b>30</b>           | <b>26,418</b>        | <b>2.55</b>         | <b>80</b>            | <b>30</b>           | <b>26,027</b>        | <b>2.55</b>         | <b>80</b>            | <b>30</b>           | <b>25,542</b>        | <b>2.47</b>         | <b>80</b>            | <b>29</b>           |
| <b>Other Retail</b>                                |                      |                     |                        |                     |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Very Low   | 2,245                | 0.11                | 40                     | 11                  | 2,400                | 0.11                | 40                   | 11                  | 2,382                | 0.11                | 40                   | 11                  | 2,333                | 0.11                | 39                   | 11                  |
| Low  | 7,647                | 0.33                | 53                     | 30                  | 7,164                | 0.33                | 53                   | 30                  | 7,060                | 0.33                | 52                   | 30                  | 6,596                | 0.33                | 53                   | 30                  |
| Medium   | 5,786                | 1.52                | 62                     | 70                  | 5,501                | 1.52                | 62                   | 69                  | 5,467                | 1.52                | 62                   | 69                  | 5,290                | 1.52                | 62                   | 69                  |
| High   | 1,582                | 6.36                | 57                     | 88                  | 1,527                | 6.43                | 56                   | 87                  | 1,474                | 6.49                | 56                   | 87                  | 1,319                | 6.47                | 56                   | 86                  |
| Very High  | 327                  | 40.97               | 59                     | 139                 | 331                  | 41.88               | 59                   | 136                 | 293                  | 42.95               | 58                   | 135                 | 262                  | 42.00               | 59                   | 136                 |
| Default <sup>(7)</sup>                             | 109                  | 100.00              | 86                     | -                   | 110                  | 100.00              | 86                   | -                   | 98                   | 100.00              | 86                   | -                   | 104                  | 100.00              | 87                   | -                   |
| <b>Sub-total</b>                                   | <b>17,696</b>        | <b>2.59</b>         | <b>55</b>              | <b>47</b>           | <b>17,033</b>        | <b>2.68</b>         | <b>55</b>            | <b>47</b>           | <b>16,774</b>        | <b>2.55</b>         | <b>54</b>            | <b>46</b>           | <b>15,904</b>        | <b>2.54</b>         | <b>54</b>            | <b>46</b>           |
| <b>Total Retail</b>                                |                      |                     |                        |                     |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |                      |                     |
| Very Low   | 100,334              | 0.10                | 25                     | 4                   | 99,782               | 0.10                | 24                   | 4                   | 80,531               | 0.10                | 26                   | 4                   | 79,569               | 0.10                | 27                   | 4                   |
| Low  | 18,560               | 0.31                | 50                     | 19                  | 18,129               | 0.31                | 47                   | 18                  | 16,577               | 0.31                | 49                   | 19                  | 15,861               | 0.31                | 50                   | 19                  |
| Medium   | 44,496               | 1.15                | 35                     | 31                  | 44,031               | 1.14                | 33                   | 29                  | 33,870               | 1.24                | 39                   | 34                  | 32,180               | 1.23                | 39                   | 34                  |
| High   | 8,053                | 6.23                | 48                     | 91                  | 7,785                | 6.22                | 47                   | 89                  | 7,547                | 6.03                | 49                   | 92                  | 6,949                | 6.23                | 48                   | 91                  |
| Very High  | 1,805                | 34.87               | 33                     | 114                 | 1,915                | 35.17               | 31                   | 106                 | 1,458                | 36.47               | 37                   | 123                 | 1,361                | 35.99               | 37                   | 124                 |
| Default <sup>(7)</sup>                             | 568                  | 100.00              | 64                     | -                   | 592                  | 100.00              | 63                   | -                   | 503                  | 100.00              | 70                   | -                   | 503                  | 100.00              | 71                   | -                   |
| <b>Total</b>                                       | <b>173,816</b>       | <b>1.36</b>         | <b>32</b>              | <b>18</b>           | <b>172,234</b>       | <b>1.40</b>         | <b>30</b>            | <b>17</b>           | <b>140,486</b>       | <b>1.47</b>         | <b>34</b>            | <b>19</b>           | <b>136,423</b>       | <b>1.43</b>         | <b>34</b>            | <b>19</b>           |

<sup>(1)</sup> 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.

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

<sup>(3)</sup> PD - Probability of Default, see glossary for details.

<sup>(4)</sup> LGD - downturn Loss Given Default, see glossary for details.

<sup>(5)</sup> RW - risk-weight.

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

<sup>(7)</sup> Gross defaulted exposures, before any related specific provisions.

<sup>(8)</sup> 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      |                        |                      |                        |                      |                        |
|---------------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|
|                                 | Q2 2013              |                        | Q1 2013              |                        | Q4 2012              |                        | Q3 2012              |                        | Q2 2012              |                        |
|                                 | 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 (%) |
| <b>Non-Retail<sup>(1)</sup></b> |                      |                        |                      |                        |                      |                        |                      |                        |                      |                        |
| Corporate                       | <b>0.12</b>          | <b>1.15</b>            | 0.13                 | 1.31                   | 0.15                 | 1.38                   | 0.16                 | 1.48                   | 0.19                 | 1.45                   |
| Sovereign                       | -                    | <b>0.31</b>            | -                    | 0.15                   | -                    | 0.35                   | -                    | 0.22                   | -                    | 0.16                   |
| Bank                            | -                    | <b>0.54</b>            | -                    | 0.52                   | -                    | 0.53                   | -                    | 0.51                   | -                    | 0.58                   |
| <b>Retail<sup>(2)</sup></b>     |                      |                        |                      |                        |                      |                        |                      |                        |                      |                        |
| Real Estate Secured             | <b>0.01</b>          | <b>0.14</b>            | 0.02                 | 0.15                   | 0.02                 | 0.14                   | 0.02                 | 0.14                   | 0.02                 | 0.14                   |
| QRRE                            | <b>1.87</b>          | <b>3.10</b>            | 1.92                 | 3.15                   | 1.91                 | 2.90                   | 1.94                 | 2.88                   | 1.88                 | 2.78                   |
| Other Retail                    | <b>0.49</b>          | <b>1.80</b>            | 0.53                 | 1.91                   | 0.57                 | 1.80                   | 0.61                 | 1.80                   | 0.66                 | 1.85                   |

(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.

EXPOSURE AT DEFAULT<sup>(1)</sup>

| (SMM)  | Basel III - IFRS      |                                 |                |                       |                                 |                | Basel II - IFRS       |                                 |               |                       |                                 |               |
|--|-----------------------|---------------------------------|----------------|-----------------------|---------------------------------|----------------|-----------------------|---------------------------------|---------------|-----------------------|---------------------------------|---------------|
|  | Q2 2013               |                                 |                | Q1 2013               |                                 |                | Q4 2012               |                                 |               | Q3 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 |
| <b>Non-Retail</b>                            |                       |                                 |                |                       |                                 |                |                       |                                 |               |                       |                                 |               |
| Corporate                                    | 542                   | 1,277                           | 3,997          | 610                   | 699                             | 3,429          | 1,002                 | 799                             | 3,212         | 1,035                 | 815                             | 3,301         |
| Bank   | -                     | 8                               | 7,884          | -                     | -                               | 7,192          | -                     | -                               | 6,787         | -                     | -                               | 7,428         |
| Sovereign                                    | -                     | -                               | 499            | -                     | 9                               | 496            | -                     | -                               | 448           | -                     | -                               | 290           |
| <b>Total Non-Retail</b>                      | <b>542</b>            | <b>1,285</b>                    | <b>12,380</b>  | <b>610</b>            | <b>708</b>                      | <b>11,117</b>  | <b>1,002</b>          | <b>799</b>                      | <b>10,447</b> | <b>1,035</b>          | <b>815</b>                      | <b>11,019</b> |
| <b>Retail</b>                                |                       |                                 |                |                       |                                 |                |                       |                                 |               |                       |                                 |               |
| Residential Mortgages <sup>(2)</sup>         | 83                    | 3,175                           | 103,920        | 77                    | 2,043                           | 104,088        | 67                    | 3,389                           | 88,744        | 59                    | 3,430                           | 87,697        |
| Secured Lines of Credit                      |                       |                                 |                |                       |                                 |                |                       |                                 |               |                       |                                 |               |
| Qualifying Revolving Retail Exposures (QRRE) |                       |                                 |                |                       |                                 |                |                       |                                 |               |                       |                                 |               |
| Other Retail                                 | 556                   | 938                             | -              | 566                   | 707                             | -              | 562                   | 683                             | -             | 577                   | 785                             | -             |
| <b>Total Retail</b>                          | <b>639</b>            | <b>4,113</b>                    | <b>103,920</b> | <b>643</b>            | <b>2,750</b>                    | <b>104,088</b> | <b>629</b>            | <b>4,072</b>                    | <b>88,744</b> | <b>636</b>            | <b>4,215</b>                    | <b>87,697</b> |
| <b>Total</b>                                 | <b>1,181</b>          | <b>5,398</b>                    | <b>116,300</b> | <b>1,253</b>          | <b>3,458</b>                    | <b>115,205</b> | <b>1,631</b>          | <b>4,871</b>                    | <b>99,191</b> | <b>1,671</b>          | <b>5,030</b>                    | <b>98,716</b> |

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

<sup>(2)</sup> 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.

**DERIVATIVES - COUNTERPARTY CREDIT RISK<sup>(1,2)</sup>**


| (MM)  | Basel III - IFRS |                    |                               |                      |                  |                    |                               |                      | Basel II - IFRS  |                    |                               |                      |                  |                    |                               |                      |
|---|------------------|--------------------|-------------------------------|----------------------|------------------|--------------------|-------------------------------|----------------------|------------------|--------------------|-------------------------------|----------------------|------------------|--------------------|-------------------------------|----------------------|
|   | Q2 2013          |                    |                               |                      | Q1 2013          |                    |                               |                      | Q4 2012          |                    |                               |                      | Q3 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 |
| <b>Contract Types</b>                                 |                  |                    |                               |                      |                  |                    |                               |                      |                  |                    |                               |                      |                  |                    |                               |                      |
| <b>Interest Rate Contracts:</b>                       |                  |                    |                               |                      |                  |                    |                               |                      |                  |                    |                               |                      |                  |                    |                               |                      |
| Futures and Forward Rate Agreements                   | 275,858          | -                  | 576                           | 20                   | 363,919          | 2                  | 1,111                         | 97                   | 352,329          | -                  | 144                           | 25                   | 346,402          | 7                  | 128                           | 23                   |
| Swaps   | 1,719,603        | 2,983              | 8,255                         | 1,946                | 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                |
| Options Purchased                                     | 40,230           | 3                  | 187                           | 39                   | 39,741           | 2                  | 187                           | 39                   | 32,760           | 3                  | 23                            | 9                    | 46,315           | 6                  | 24                            | 9                    |
| Options Written                                       | 49,176           | -                  | -                             | -                    | 47,937           | -                  | -                             | -                    | 35,503           | -                  | -                             | -                    | 57,675           | -                  | -                             | -                    |
| <b>Total</b>  | <b>2,084,867</b> | <b>2,986</b>       | <b>9,018</b>                  | <b>2,005</b>         | <b>2,228,479</b> | <b>2,225</b>       | <b>8,749</b>                  | <b>1,900</b>         | <b>2,081,210</b> | <b>2,724</b>       | <b>5,160</b>                  | <b>1,667</b>         | <b>2,022,413</b> | <b>4,023</b>       | <b>5,828</b>                  | <b>1,896</b>         |
| <b>Foreign Exchange Contracts:</b>                    |                  |                    |                               |                      |                  |                    |                               |                      |                  |                    |                               |                      |                  |                    |                               |                      |
| Futures, Spots and Forwards                           | 319,153          | 1,203              | 4,316                         | 1,092                | 294,077          | 11                 | 4,619                         | 1,044                | 315,453          | 956                | 3,812                         | 819                  | 323,391          | 1,315              | 4,266                         | 845                  |
| Swaps   | 190,757          | 1,439              | 4,525                         | 1,275                | 187,633          | 2,800              | 4,672                         | 1,224                | 184,996          | 1,421              | 4,268                         | 1,077                | 188,577          | 1,584              | 4,440                         | 1,129                |
| Options Purchased                                     | 2,379            | 18                 | 61                            | 15                   | 2,386            | 19                 | 76                            | 18                   | 3,265            | 26                 | 60                            | 15                   | 3,361            | 29                 | 70                            | 17                   |
| Options Written                                       | 1,766            | -                  | -                             | -                    | 1,788            | -                  | -                             | -                    | 3,001            | -                  | -                             | -                    | 3,202            | -                  | -                             | -                    |
| <b>Total</b>  | <b>514,055</b>   | <b>2,660</b>       | <b>8,902</b>                  | <b>2,382</b>         | <b>485,884</b>   | <b>2,830</b>       | <b>9,367</b>                  | <b>2,286</b>         | <b>506,715</b>   | <b>2,403</b>       | <b>8,140</b>                  | <b>1,911</b>         | <b>518,531</b>   | <b>2,928</b>       | <b>8,776</b>                  | <b>1,991</b>         |
| <b>Other Derivatives Contracts:</b>                   |                  |                    |                               |                      |                  |                    |                               |                      |                  |                    |                               |                      |                  |                    |                               |                      |
| Equity  | 45,715           | 473                | 3,814                         | 1,478                | 52,136           | 509                | 4,088                         | 1,864                | 44,037           | 445                | 1,750                         | 515                  | 43,042           | 464                | 1,740                         | 534                  |
| Credit  | 70,079           | 564                | 2,623                         | 558                  | 71,882           | 499                | 2,915                         | 603                  | 68,384           | 360                | 2,171                         | 432                  | 70,400           | 370                | 2,331                         | 545                  |
| Other   | 77,167           | 649                | 5,753                         | 1,346                | 72,682           | 736                | 5,872                         | 1,499                | 65,719           | 1,072              | 2,422                         | 1,109                | 54,255           | 1,004              | 2,055                         | 890                  |
| <b>Total</b>  | <b>192,961</b>   | <b>1,686</b>       | <b>12,190</b>                 | <b>3,382</b>         | <b>196,700</b>   | <b>1,744</b>       | <b>12,875</b>                 | <b>3,966</b>         | <b>178,140</b>   | <b>1,877</b>       | <b>6,343</b>                  | <b>2,056</b>         | <b>167,697</b>   | <b>1,838</b>       | <b>6,126</b>                  | <b>1,969</b>         |
| <b>Total Derivatives after Netting and Collateral</b> | <b>2,791,883</b> | <b>7,332</b>       | <b>30,110</b>                 | <b>7,769</b>         | <b>2,911,063</b> | <b>6,799</b>       | <b>30,991</b>                 | <b>8,152</b>         | <b>2,766,065</b> | <b>7,004</b>       | <b>19,643</b>                 | <b>5,634</b>         | <b>2,708,641</b> | <b>8,789</b>       | <b>20,730</b>                 | <b>5,856</b>         |

| Contract Types                            | Basel II - IFRS  |                               |                  |                               | Basel II - CGAAP |                               |                  |                               |
|---|------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|
|   | Q2 2012          |                               | Q1 2012          |                               | Q4 2011          |                               | Q3 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 |
| <b>Interest Rate Contracts:</b>           |                  |                               |                  |                               |                  |                               |                  |                               |
| Futures and Forward Rate Agreements       | 328,482          | 125                           | 276,007          | 29                            | 260,462          | 52                            | 322,723          | 75                            |
| Swaps                                     | 1,548,000        | 5,142                         | 1,453,482        | 5,785                         | 1,476,115        | 6,337                         | 1,565,446        | 4,963                         |
| Options Purchased                         | 96,702           | 17                            | 70,853           | 16                            | 80,003           | 14                            | 99,283           | 28                            |
| Options Written                           | 105,572          | -                             | 76,399           | -                             | 85,212           | -                             | 84,333           | -                             |
| <b>Total</b>                              | <b>2,078,756</b> | <b>5,284</b>                  | <b>1,876,741</b> | <b>5,830</b>                  | <b>1,901,792</b> | <b>6,403</b>                  | <b>2,071,785</b> | <b>5,065</b>                  |
| <b>Foreign Exchange Contracts:</b>        |                  |                               |                  |                               |                  |                               |                  |                               |
| Futures, Spots and Forwards               | 293,832          | 3,219                         | 294,268          | 3,498                         | 292,886          | 4,311                         | 283,259          | 3,644                         |
| Swaps                                     | 193,910          | 4,557                         | 189,869          | 4,876                         | 189,198          | 5,163                         | 185,442          | 5,731                         |
| Options Purchased                         | 3,937            | 61                            | 4,077            | 40                            | 3,993            | 30                            | 3,794            | 91                            |
| Options Written                           | 3,992            | -                             | 4,322            | -                             | 4,489            | -                             | 4,249            | -                             |
| <b>Total</b>                              | <b>495,671</b>   | <b>7,837</b>                  | <b>492,536</b>   | <b>8,414</b>                  | <b>490,566</b>   | <b>9,504</b>                  | <b>476,744</b>   | <b>9,466</b>                  |
| <b>Other Derivatives Contracts:</b>       |                  |                               |                  |                               |                  |                               |                  |                               |
| Equity                                    | 43,546           | 3,024                         | 35,949           | 2,309                         | 34,608           | 2,525                         | 45,480           | 3,165                         |
| Credit                                    | 69,746           | 2,404                         | 72,828           | 2,504                         | 72,997           | 2,165                         | 71,856           | 2,096                         |
| Other                                     | 54,339           | 2,509                         | 52,379           | 2,360                         | 41,881           | 1,817                         | 41,909           | 994                           |
| <b>Total</b>                              | <b>167,631</b>   | <b>7,937</b>                  | <b>161,156</b>   | <b>7,173</b>                  | <b>149,486</b>   | <b>6,507</b>                  | <b>159,245</b>   | <b>6,255</b>                  |
| <b>Total Derivatives</b>                  | <b>2,742,058</b> | <b>21,058</b>                 | <b>2,530,433</b> | <b>21,417</b>                 | <b>2,541,844</b> | <b>22,414</b>                 | <b>2,707,774</b> | <b>20,786</b>                 |
| <b>Risk-weighted Amount<sup>(2)</sup></b> |                  | <b>5,822</b>                  |                  | <b>5,974</b>                  |                  | <b>5,870</b>                  |                  | <b>5,589</b>                  |

(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 include the impact of wrong way risk. In addition, exchange-traded derivatives which previously were excluded for capital calculations under Basel II, are now risk-weighted as per OSFI guideline and included above.

**RISK-WEIGHTED ASSETS FOR SECURITIZATION EXPOSURES - BANKING BOOK <sup>(1)</sup>**


| (\$MM)                  |                         |  | Basel III                          |                     |               |                      |                                    |                     |                 | Basel 2.5 - IFRS     |                                    |                     |                 |                      |                                    |              |                 |                      |
|-------------------------|-------------------------|--|------------------------------------|---------------------|---------------|----------------------|------------------------------------|---------------------|-----------------|----------------------|------------------------------------|---------------------|-----------------|----------------------|------------------------------------|--------------|-----------------|----------------------|
|                         |                         |  | Q2 2013 <sup>(2)</sup>             |                     |               |                      | Q1 2013 <sup>(2)</sup>             |                     |                 | Q4 2012              |                                    |                     |                 | Q3 2012              |                                    |              |                 |                      |
|                         |                         |  | Exposure at Default <sup>(3)</sup> |                     |               | Risk-Weighted Assets | Exposure at Default <sup>(3)</sup> |                     |                 | Risk-Weighted Assets | Exposure at Default <sup>(3)</sup> |                     |                 | Risk-Weighted Assets | Exposure at Default <sup>(3)</sup> |              |                 | 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           |                      |                                    |              |                 |                      |
| Risk Category           | External Rating (S&P)   | Risk-Weight %  |                                    |                     |               |                      |                                    |                     |                 |                      |                                    |                     |                 |                      |                                    |              |                 |                      |
| <b>Securitization</b>   |                         |  |                                    |                     |               |                      |                                    |                     |                 |                      |                                    |                     |                 |                      |                                    |              |                 |                      |
| Investment Grade        | AAA to A<br>A- to BBB-  | 7 - 25<br>35 - 100                                     | 6,732<br>842                       | 9,504<br>115        | 16,236<br>957 | 1,448<br>624         | 6,536<br>1,365                     | 9,112<br>19         | 15,648<br>1,384 | 1,375<br>730         | 6,335<br>1,309                     | 8,979<br>89         | 15,314<br>1,398 | 1,318<br>689         | 5,919<br>1,266                     | 8,626<br>22  | 14,545<br>1,288 | 1,258<br>652         |
| Non-Investment Grade    | BB+ to BB-<br>Below BB- | 150 - 650<br>1250 - (Capital Deduction) <sup>(4)</sup> | 67<br>187                          | -<br>-              | 67<br>187     | 311<br>2,339         | 79<br>190                          | -<br>-              | 79<br>190       | 367<br>2,374         | 40<br>198                          | -<br>-              | 40<br>198       | 140<br>-             | 41<br>210                          | -<br>-       | 41<br>210       | 150<br>n/a           |
| <b>Resecuritization</b> |                         |  |                                    |                     |               |                      |                                    |                     |                 |                      |                                    |                     |                 |                      |                                    |              |                 |                      |
| Investment Grade        | AAA to A<br>A- to BBB-  | 20 - 65<br>100 - 350                                   | 113<br>167                         | 197<br>-            | 310<br>167    | 192<br>253           | 107<br>176                         | 197<br>-            | 304<br>176      | 186<br>242           | 75<br>133                          | 197<br>-            | 272<br>133      | 168<br>244           | 161<br>210                         | 200<br>-     | 361<br>210      | 204<br>439           |
| Non-Investment Grade    | BB+ to BB-<br>Below BB- | 500 - 850<br>1250 - (Capital Deduction) <sup>(4)</sup> | 97<br>162                          | -<br>-              | 97<br>162     | 668<br>2,022         | 99<br>166                          | -<br>-              | 99<br>166       | 692<br>2,070         | 220<br>61                          | -<br>-              | 220<br>61       | 1,611<br>-           | 234<br>66                          | -<br>-       | 234<br>66       | 1,701<br>n/a         |
| <b>Total</b>            |                         |  | <b>8,367</b>                       | <b>9,816</b>        | <b>18,183</b> | <b>7,857</b>         | <b>8,718</b>                       | <b>9,328</b>        | <b>18,046</b>   | <b>8,036</b>         | <b>8,371</b>                       | <b>9,265</b>        | <b>17,636</b>   | <b>4,170</b>         | <b>8,107</b>                       | <b>8,848</b> | <b>16,955</b>   | <b>4,404</b>         |

| (\$MM)                              |                    | Basel III                          |                   |                    |  |                                    |                   |                    | Basel 2.5 - IFRS                 |                                    |                   |                    |                                  |                                    |               |            |
|-------------------------------------|--------------------|------------------------------------|-------------------|--------------------|--|------------------------------------|-------------------|--------------------|----------------------------------|------------------------------------|-------------------|--------------------|----------------------------------|------------------------------------|---------------|------------|
|                                     |                    | Q2 2013 <sup>(2)</sup>             |                   |                    |  | Q1 2013 <sup>(2)</sup>             |                   |                    | Q4 2012                          |                                    |                   |                    | Q3 2012                          |                                    |               |            |
|                                     |                    | Exposure at Default <sup>(3)</sup> |                   |                    | Exposures at Default (RW=1250%) <sup>(4)</sup> | Exposure at Default <sup>(3)</sup> |                   |                    | Capital Deduction <sup>(4)</sup> | Exposure at Default <sup>(3)</sup> |                   |                    | Capital Deduction <sup>(4)</sup> | Exposure at Default <sup>(3)</sup> |               |            |
| 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                              |               |            |
| Underlying Asset                    |                    |                                    |                   |                    |  |                                    |                   |                    |                                  |                                    |                   |                    |                                  |                                    |               |            |
| Residential Mortgages               | 108                | 1,020                              | 1,128             |                    | 122  | 510                                | 632               | -                  | 161                              | 510                                | 671               | -                  | 218                              | 510                                | 728           | 2          |
| Commercial Mortgages                | 15                 | -                                  | 15                |                    | 59   | -                                  | 59                | -                  | -                                | -                                  | -                 | -                  | -                                | -                                  | -             | -          |
| Credit cards/Consumer receivables   | 517                | 49                                 | 566               |                    | 517  | 42                                 | 559               | -                  | 520                              | 41                                 | 561               | -                  | 509                              | 53                                 | 562           | -          |
| Auto loans/Leases                   | 3,317              | 4,153                              | 7,470             | 181                | 3,666  | 4,563                              | 8,229             | 184                | 3,664                            | 4,776                              | 8,440             | 192                | 3,476                            | 4,720                              | 8,196         | 203        |
| Diversified asset-backed securities | 318                | 197                                | 515               | 164                | 325  | 197                                | 522               | 168                | 265                              | 197                                | 462               | 67                 | 440                              | 200                                | 640           | 71         |
| Business Loans                      | 940                | -                                  | 940               | 4                  | 931  | -                                  | 931               | 4                  | 924                              | -                                  | 924               | -                  | 928                              | -                                  | 928           | -          |
| Trade receivables                   | 1,994              | 4,367                              | 6,361             |                    | 1,958  | 3,980                              | 5,938             | -                  | 1,697                            | 3,699                              | 5,396             | -                  | 1,847                            | 3,328                              | 5,175         | -          |
| Other                               | 1,158              | 30                                 | 1,188             |                    | 1,140  | 36                                 | 1,176             | -                  | 1,140                            | 42                                 | 1,182             | -                  | 689                              | 37                                 | 726           | -          |
| <b>Total</b>                        | <b>8,367</b>       | <b>9,816</b>                       | <b>18,183</b>     | <b>349</b>         | <b>8,718</b>                                   | <b>9,328</b>                       | <b>18,046</b>     | <b>356</b>         | <b>8,371</b>                     | <b>9,265</b>                       | <b>17,636</b>     | <b>259</b>         | <b>8,107</b>                     | <b>8,848</b>                       | <b>16,955</b> | <b>276</b> |

- (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.
- (2) Q2 2013 amounts include securitization under standardized approach: externally rated A+:\$15MM (Q1 2013:\$16MM) and Resecuritization A-:\$71MM (Q1 2013:\$74MM), BBB: \$3MM.
- (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<sup>(1)</sup>**


| (\$MM)                  |                       |                                  | Basel 2.5 - IFRS <sup>(2)</sup>    |                     |               |                      |                                    |                     |               |                      |
|-------------------------|-----------------------|----------------------------------|------------------------------------|---------------------|---------------|----------------------|------------------------------------|---------------------|---------------|----------------------|
|                         |                       |                                  | Q2 2012                            |                     |               |                      | Q1 2012                            |                     |               |                      |
| Risk Category           | External Rating (S&P) | Risk-Weight %                    | Exposure at Default <sup>(3)</sup> |                     |               | Risk-Weighted Assets | Exposure at Default <sup>(3)</sup> |                     |               | Risk-Weighted Assets |
|                         |                       |                                  | On - Balance Sheet                 | Off - Balance Sheet | Total         |                      | On - Balance Sheet                 | Off - Balance Sheet | Total         |                      |
| <u>Securitization</u>   |                       |                                  |                                    |                     |               |                      |                                    |                     |               |                      |
| Investment Grade        | AAA to A              | 7 - 25                           | 5,202                              | 7,625               | 12,827        | 1,103                | 5,449                              | 6,493               | 11,942        | 1,080                |
|                         | A- to BBB-            | 35 - 100                         | 1,221                              | 20                  | 1,241         | 648                  | 1,064                              | 16                  | 1,080         | 568                  |
| Non-Investment Grade    | BB+ to BB-            | 150 - 650                        | 55                                 | -                   | 55            | 196                  | 49                                 | -                   | 49            | 164                  |
|                         | Below BB-             | Capital Deduction <sup>(4)</sup> | 210                                | -                   | 210           | n/a                  | 215                                | -                   | 215           | n/a                  |
|                         |                       |                                  | <b>6,688</b>                       | <b>7,645</b>        | <b>14,333</b> | <b>1,947</b>         | <b>6,777</b>                       | <b>6,509</b>        | <b>13,286</b> | <b>1,812</b>         |
| <u>Resecuritization</u> |                       |                                  |                                    |                     |               |                      |                                    |                     |               |                      |
| Investment Grade        | AAA to A              | 20 - 65                          | 67                                 | 200                 | 267           | 163                  | 126                                | 200                 | 326           | 136                  |
|                         | A- to BBB-            | 100 - 350                        | 303                                | -                   | 303           | 855                  | 288                                | -                   | 288           | 486                  |
| Non-Investment Grade    | BB+ to BB-            | 500 - 850                        | 155                                | -                   | 155           | 1,095                | 168                                | -                   | 168           | 1,172                |
|                         | Below BB-             | Capital Deduction <sup>(4)</sup> | 182                                | -                   | 182           | n/a                  | 190                                | -                   | 190           | n/a                  |
|                         |                       |                                  | <b>707</b>                         | <b>200</b>          | <b>907</b>    | <b>2,113</b>         | <b>772</b>                         | <b>200</b>          | <b>972</b>    | <b>1,794</b>         |
| <b>Total</b>            |                       |                                  | <b>7,395</b>                       | <b>7,845</b>        | <b>15,240</b> | <b>4,060</b>         | <b>7,549</b>                       | <b>6,709</b>        | <b>14,258</b> | <b>3,606</b>         |

| (\$MM)                              |                                    | Basel 2.5 - IFRS <sup>(2)</sup> |               |                                  |                                    |                     |               |                                  |  |
|-------------------------------------|------------------------------------|---------------------------------|---------------|----------------------------------|------------------------------------|---------------------|---------------|----------------------------------|--|
|                                     |                                    | Q2 2012                         |               |                                  |                                    | Q1 2012             |               |                                  |  |
| Underlying Asset                    | Exposure at Default <sup>(3)</sup> |                                 |               | Capital Deduction <sup>(4)</sup> | Exposure at Default <sup>(3)</sup> |                     |               | Capital Deduction <sup>(4)</sup> |  |
|                                     | On - Balance Sheet                 | Off - Balance Sheet             | Total         |                                  | On - Balance Sheet                 | Off - Balance Sheet | Total         |                                  |  |
| Residential Mortgages               | 232                                | 510                             | 742           | 1                                | 149                                | 204                 | 353           | -                                |  |
| Credit cards/Consumer receivables   | 11                                 | 39                              | 50            | -                                | 23                                 | 28                  | 51            | -                                |  |
| Auto loans/Leases                   | 3,556                              | 3,862                           | 7,418         | 203                              | 3,755                              | 3,251               | 7,006         | 209                              |  |
| Diversified asset-backed securities | 451                                | 200                             | 651           | 167                              | 485                                | 200                 | 685           | 175                              |  |
| Business Loans                      | 1,039                              | -                               | 1,039         | 10                               | 1,067                              | -                   | 1,067         | 10                               |  |
| Trade receivables                   | 1,557                              | 3,214                           | 4,771         | -                                | 1,614                              | 3,007               | 4,621         | -                                |  |
| Other                               | 549                                | 20                              | 569           | 11                               | 456                                | 19                  | 475           | 11                               |  |
| <b>Total</b>                        | <b>7,395</b>                       | <b>7,845</b>                    | <b>15,240</b> | <b>392</b>                       | <b>7,549</b>                       | <b>6,709</b>        | <b>14,258</b> | <b>405</b>                       |  |

(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 <sup>(5)</sup> |                     |               | Risk-Weighted Assets | Exposure at Default <sup>(5)</sup> |                     |               | Risk-Weighted Assets | Exposure at Default <sup>(5)</sup> |                     |               | 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 <sup>(6)</sup> | 366                                | 227                 | 593           | n/a                  | 409                                | 224                 | 633           | n/a                  | 420                                | 230                 | 650           | n/a                  |
| <b>Total</b>         |                       |                                  | <b>4,457</b>                       | <b>10,009</b>       | <b>14,466</b> | <b>4,423</b>         | <b>4,905</b>                       | <b>9,194</b>        | <b>14,099</b> | <b>3,923</b>         | <b>5,491</b>                       | <b>8,487</b>        | <b>13,978</b> | <b>4,225</b>         |

(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.

|  |   |
|--|---|
| <b>Credit Risk Parameters</b>                |   |
| 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.   |
| <b>Exposure Types</b>                        |   |
| 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.   |
| <b>Exposure Sub-types</b>                    |   |
| Drawn  | Outstanding amounts for loans, leases, acceptances, deposits with banks and available-for-sale debt securities.   |
| Undrawn                                      | Unutilized portion of an authorized credit line.  |
| Other Exposures                              |   |
| Repo-Style Transactions                      | Reverse repurchase agreements (reverse repos) and repurchase agreements (repos), securities lending and borrowing.  |
| OTC Derivatives                              | Over-the-counter derivatives contracts.   |
| ETD  | Exchange traded derivatives contracts. These include: Futures contracts (both Long and Short positions), Purchased Options and Written Options.   |
| Other Off Balance Sheet                      | Direct credit substitutes such as standby letters of credits and guarantees, trade letters of credits, and performance letters of credits and guarantees.   |
| 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.   |
| <b>Other</b>                                 |   |
| Asset Value Correlation Multiplier (AVC)     | Basel III has increased the risk-weights on exposures to certain Financial Institutions (FIs) relative to the non-financial corporate sector by introducing an Asset Value Correlation multiplier (AVC). The correlation factor in the risk-weight formula is multiplied by this AVC factor of 1.25 for all exposures to regulated FIs whose total assets are greater than or equal to US \$100 billion and all exposures to unregulated FIs. |
| Specific Wrong-Way Risk (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.  |