

July 31, 2013

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Effective November 1, 2012, Canadian banks are subject to the revised capital adequacy requirements as published by the Basel Committee on Banking Supervision (BCBS) and commonly referred to as Basel III. Basel III builds on the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (Basel II). Refer to page 2 "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, Exchange Traded Derivatives and Other off-balance sheet claims.

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

- Under the AIRB approach, credit risk risk-weighted assets (RWA) are calculated by multiplying the capital requirement (K) by EAD times 12.5, where K is a function of the PD, LGD, maturity and prescribed correlation factors. This results in the capital calculations being more sensitive to underlying risks.
- Risk-weights for exposures which fall under the securitization framework are computed under the 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.

This Regulatory Capital Disclosure Supplementary has been updated to reflect OSFI's Advisory, "Required Public Disclosure Requirements related to Basel III Pillar 3", (issued July 2, 2013) and effective Q3/13 for all Domestic Systemically Important Banks. The main features template that sets out a summary of information on the terms and conditions of the main features of all capital instruments is posted on the Bank's website as follows: << <http://www.scotiabank.com/ca/en/0,,3066,00.html>>>

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 HIGHLIGHTS ⁽¹⁾



(\$MM)	Basel III - IFRS					
	Q3 2013		Q2 2013		Q1 2013	
	Transitional Approach	All-in Approach ⁽²⁾	Transitional Approach	All-in Approach ⁽²⁾	Transitional Approach	All-in Approach ⁽²⁾
Common Equity Tier 1 Capital	36,873	25,188	35,806	24,013	34,879	23,014
Tier 1 Capital	36,873	31,041	35,806	29,961	34,879	28,960
Total Capital	43,243	38,948	42,485	38,204	42,155	37,818
Total Risk-Weighted Assets	287,011	282,309	285,468	280,747	284,613	280,061
Capital Ratios						
Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.8	8.9	12.5	8.6	12.3	8.2
Tier 1 (as a percentage of risk-weighted assets)	12.8	11.0	12.5	10.7	12.3	10.3
Total Capital (as a percentage of risk-weighted assets)	15.1	13.8	14.9	13.6	14.8	13.5
OSFI Target - All-in Basis						
Common Equity Tier 1 minimum ratio		7.0		7.0		7.0
Capital instruments subject to phase-out arrangements						
<i>Current cap on Additional Tier 1 (AT1) instruments subject to phase-out arrangements</i>	90%	90%	90%	90%	90%	90%
<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	-	-	653	653	653	653
<i>Current cap on Tier 2 (T2) instruments subject to phase-out arrangements</i>	90%	90%	90%	90%	90%	90%
<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	-	-	-	-	878	878

⁽¹⁾ Prior quarters, which are under Basel II, are detailed on page 7 - 8.

⁽²⁾ '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 - DEFINITION OF CAPITAL COMPONENTS



\$MM

Common Equity Tier 1 Capital: Instruments and Reserves		Cross-Reference ⁽¹⁾	All-in Q3 2013
1	Directly issued qualifying common share capital plus related stock surplus	u+y	14,382
2	Retained Earnings	v	24,502
3	Accumulated Other Comprehensive Income	w	233
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	aa	454
6	Common Equity Tier 1 capital before regulatory adjustments		39,571
Common Equity Tier 1 Capital: Regulatory Adjustments			
8	Goodwill (net of related tax liability)	g	(6,794)
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	h-q+i-r	(2,883)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	k	(756)
11	Cash flow hedge reserve	x	(7)
14	Gains and losses due to changes in own credit risk on fair value liabilities	p	(143)
15	Defined-benefit pension fund net assets (net of related tax liability)	l-s	(337)
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	a	(15)
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	e	(2,724)
22	Amount exceeding the 15% threshold		(724)
23	of which: significant investments in the common stock of financials	f	(460)
25	of which: deferred tax assets arising from temporary differences	j	(264)
28	Total regulatory adjustments to Common Equity Tier 1		(14,383)
29	Common Equity Tier 1 capital (CET1)		25,188
Additional Tier 1 Capital: Instruments			
33	Directly issued capital instruments subject to phase out from Additional Tier 1	n+t+z+dd	5,784
34	Additional Tier 1 instruments (and CET1 instruments not included in row 4) issued by subsidiaries and held by third parties (amount allowed in group AT1)	bb	83
36	Additional Tier 1 capital before regulatory adjustments		5,867
Additional Tier 1 Capital: Regulatory Adjustments			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	b	(8)
41	Other deductions from Tier 1 capital as determined by OSFI	o	(6)
43	Total regulatory adjustments to Additional Tier 1 capital		(14)
44	Additional Tier 1 Capital (AT1)		5,853
45	Tier 1 Capital (T1=CET1 + AT1)		31,041

		Cross-Reference ⁽¹⁾	All-in Q3 2013
Tier 2 Capital: Instruments and Provisions			
47	Directly issued capital instruments subject to phase out from Tier 2	m	6,770
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	cc	110
50	Eligible Collective Allowance and Excess of allowance over expected loss	c+d	1,027
51	Tier 2 capital before regulatory adjustments		7,907
Tier 2 Capital: Regulatory Adjustments			
57	Total regulatory adjustments to Tier 2 capital		0
58	Tier 2 Capital (T2)		7,907
59	Total Capital (TC = T1 + T2)		38,948
60	Total Risk-Weighted Assets		282,309
Capital Ratios and Buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)		8.9
62	Tier 1 (as a percentage of risk weighted assets)		11.0
63	Total capital (as a percentage of risk weighted assets)		13.8
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)		7.0%
65	of which: capital conservation buffer requirement		2.5%
66	Not applicable.		-
67	of which: G-SIB buffer requirement		-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)		8.9
OSFI all-in target (minimum + capital conservation buffer + DSIB surcharge (if applicable))			
69	Common Equity Tier 1 all-in target ratio		7.0%
70	Tier 1 capital all-in target ratio		8.5%
71	Total capital all-in target ratio		10.5%
Amounts below the thresholds for the deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial institutions		1,258
73	Significant investments in the common stock of financial institutions		2,403
75	Deferred tax assets arising from temporary differences (net of related tax liability)		1,375
Applicable caps on the inclusion of allowances in Tier 2			
76	Allowances eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)		872
77	Cap on inclusion of allowances in Tier 2 under standardized approach		922
78	Allowances eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		155
79	Cap for inclusion of allowances in Tier 2 under internal ratings-based approach		975
Capital instruments subject to phase-out arrangements (only applicable between Jan 1 2018 and Jan 1 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		90%
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and		-
82	Current cap on AT1 instruments subject to phase out arrangements		90%
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		-
84	Current cap on T2 instruments subject to phase out arrangements		90%
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		-

(1) Cross-referenced to Consolidated Balance Sheet: Source of Definition of Capital Components on page 5 (refer to column: Under Regulatory Scope of Consolidation).

CONSOLIDATED BALANCE SHEET: SOURCE OF DEFINITION OF CAPITAL COMPONENTS



	Cross Reference to Page 4 Definition of Capital	Consolidated Statement of Financial Position ⁽¹⁾	Under regulatory scope of consolidation ⁽²⁾
		Q3 2013	Q3 2013
SMM			
Assets			
Cash and deposits with banks		52,157	52,030
Precious Metals		7,404	7,404
Trading Assets			
Trading Securities		91,829	91,829
- Investment in own shares	a		15
- Other trading securities			91,814
Trading Loans		9,525	9,525
Other Trading Assets		491	491
		101,845	101,845
Financial assets designated at fair value through profit or loss		117	117
Securities Purchased Under Resale Agreements		80,169	80,169
Derivative Instruments		26,152	26,152
Investment Securities		35,036	34,405
- Significant investments in Additional Tier 1 capital of other financial institutions reflected in regulatory capital	b		8
- Other securities			34,397
Loans			
Residential Mortgages		208,931	208,839
Personal and Credit Cards		73,189	73,185
Business and Government		118,322	118,321
Allowance For Credit Losses		400,442	400,345
- Collective Allowance reflected in Tier 2 capital	c		872
- Excess of allowances to expected loss	d		155
- Allowances not reflected in regulatory capital			2,177
		397,237	397,141
Other			
Customers' Liability Under Acceptances		10,947	10,947
Property and Equipment		2,228	2,225
Investments in Associates		5,131	5,694
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 10% regulatory thresholds	e		2,724
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 15% regulatory thresholds	f		460
- Significant Investments in other financial institutions including deconsolidated subsidiaries within regulatory thresholds			2,510
Goodwill & Other Intangibles		10,589	10,589
- Goodwill	g		6,794
- Intangibles (excl computer software)	h		2,936
- Computer software intangibles	i		859
Deferred tax assets		1,616	1,617
- Deferred tax assets arising from temporary differences exceeding the regulatory threshold	j		264
- Deferred tax assets that rely on future profitability	k		756
- Deferred tax assets not deducted from regulatory capital			597
Other Assets		11,997	11,870
- Defined pension fund assets	l		465
- Other assets			11,405
		42,508	42,942
Total Assets		742,625	742,205

	Cross Reference to Page 4 Definition of Capital	Consolidated Statement of Financial Position ⁽¹⁾	Under regulatory scope of consolidation ⁽²⁾
		Q3 2013	Q3 2013
Liabilities			
Deposits			
Personal		169,934	169,933
Business and Government		303,560	303,560
Banks		32,460	32,460
		505,954	505,953
Other			
Acceptances		10,947	10,947
Obligations Related to Securities Sold Short		24,572	24,572
Derivative Instruments		30,196	30,196
Obligations Related to Securities Sold Under Repurchase Agreements		86,282	86,282
Subordinated Debentures		7,020	7,020
- Regulatory capital amortization of maturing debentures			250
- Subordinated debentures used for regulatory capital			
- of which: are subject to phase out included in Tier 1 capital (90%)	m		6,770
- of which: are subject to phase out not included in Tier 1 capital			-
Capital Instrument Liabilities		650	650
- of which: are subject to phase out included in Tier 1 capital (90%)	n		650
- of which: are subject to phase out not included in Tier 1 capital			-
		31,677	31,258
Other Liabilities			
- Liquidity Reserves	o		6
- Gains/losses due to changes in own credit risk including DVA on derivatives	p		143
- Deferred tax liabilities			1,336
- Intangible assets (excl. computer software and mortgage servicing rights)	q		772
- Intangible assets - computer software	r		140
- Defined benefit pension fund assets	s		128
- Other deferred tax liabilities			296
- Other Liabilities			29,773
- Distributions Payable on Capital Instruments	t		18
- Other			29,755
		191,344	190,925
Total Liabilities		697,298	696,878
Shareholders' Equity			
Common Equity			
- Common Shares	u	14,188	14,188
- Retained Earnings	v	24,502	24,502
- Accumulated Other Comprehensive Income (Loss)	w	233	233
- Cash flow hedging reserve	x		7
- Other			226
- Other Reserves	y	194	194
Total Common Equity		39,117	39,117
Preferred Shares		4,384	4,384
- of which: are subject to phase out and included in Tier 1 capital (90%)	z		4,384
- of which: are subject to phase out and not included into Tier 1 capital			-
Total Equity Attributable to Equity Holders		43,501	43,501
Non-Controlling Interests			
Non-Controlling Interest in Subsidiaries			
- portion allowed for inclusion into CET1	aa	1,094	1,094
- portion allowed for inclusion into Tier 1 capital	bb		83
- portion allowed for inclusion into Tier 2 capital	cc		110
- portion not allowed for regulatory capital			447
Shareholders' Equity - Capital Instruments		732	732
- of which: are subject to phase out and included in Tier 1 capital (90%)	dd		732
- of which: are subject to phase out and not included into Tier 1 capital			-
Total Equity		45,327	45,327
Total Liabilities & Shareholders' Equity		742,625	742,205

⁽¹⁾ Consolidated Statement of Financial Position as reported in the 2013 Third Quarter Report to the Shareholders (page 35)

⁽²⁾ Legal Entities that are within the accounting scope of consolidation but excluded from the regulatory scope of consolidation represent the Bank's insurance subsidiaries including Scotia Insurance Barbados Ltd., Scotia Jamaica Life Insurance Co. Ltd., and Scotia Life Trinidad and Tobago Ltd.

REGULATORY CAPITAL CONTINUITY



	Q3 2013 ⁽¹⁾
C\$ MM	
Common Equity Tier 1 (CET1) Capital	
CET 1, beginning of quarter	24,013
Net Income attributable to Common Equity Holders of the Bank	1,703
Dividends paid to Equity Holders of the Bank	(773)
Movements in Accumulated Other Comprehensive Income, excluding Cash Flow Hedges	(300)
Shares issued under dividend reinvestment plan and shares issued due to the exercise of stock options	284
Change in Non-controlling interest in Common Equity of Subsidiaries, eligible for inclusion in CET 1	7
Change in Goodwill and other intangible assets (net of related tax liability)	(125)
Other changes including regulatory adjustments	379
–Deferred tax assets that rely on future profitability (excluding those arising from temporary differences)	(5)
–Defined benefit pension fund assets (net of eligible deferred tax liability)	(22)
–Significant investments in the common equity of other financial institutions (amount above 10% threshold)	(42)
–Basket amount exceeding the 15% threshold	195
–Other	253
Total Common Equity Tier 1 Capital, end of quarter	25,188
Additional Tier 1 Capital	
Additional Tier 1 capital, beginning of quarter	5,948
Issued	-
Redeemed	(750)
Other changes including regulatory adjustments and changes in phase-out of non-qualifying instruments	655
Additional Tier 1 Capital, end of quarter	5,853
Total Tier 1 Capital	31,041
Tier 2 Capital	
Tier 2 Capital, beginning of quarter	8,243
Issued	-
Redeemed	-
Collective allowances eligible for inclusion in Tier 2/and Excess Allowance under AIRB	(20)
Other changes including regulatory adjustments and changes in phase-out of non-qualifying instruments	(316)
Total Tier 2 Capital, end of quarter	7,907
Total Regulatory Capital, end of quarter	38,948

⁽¹⁾ For prior quarters on a more summarized basis, refer to page 7.

REGULATORY CAPITAL ⁽¹⁾



(\$MM)	2013 (Basel III All-in)		2012 (Basel II)				2011 (Basel II)
	IFRS		IFRS				CGAAP
	Q2	Q1	Q4	Q3	Q2	Q1	Q4
REGULATORY CAPITAL:							
Common Shares, Contributed Surplus & Retained Earnings	37,661	36,556	35,283	32,555	31,011	28,399	33,094
Adjustment for transition to measurement base under IFRS	-	-	322	643	964	1,286	
Accumulated Other Comprehensive Income, excluding cash flow hedges	351	343					
Accumulated Foreign Currency Translation Losses			(528)	(563)	(848)	(555)	(5,162)
Non-Controlling Interest of Subsidiaries	447	437	966	918	887	823	640
Goodwill and Non-qualifying Intangibles			(5,239)	(5,363)	(5,375)	(4,586)	(4,662)
Other deductions	(14,446)	(14,322)					
CET1	24,013	23,014					
Non-Cumulative Preferred Shares	3,945	3,945	4,384	4,384	4,384	4,384	4,384
Innovative Capital Instruments	1,935	1,935	2,150	2,150	2,900	2,900	2,900
Other Capital Deductions ⁽²⁾	68	66	(2,902)	(2,850)	(2,949)	(3,773)	(2,705)
Net Tier 1 Capital	29,961	28,960	34,436	31,874	30,974	28,878	28,489
Accumulated Net Unrealized Gains (after-tax) on Available-For-Sale Equity Securities			305	288	296	254	152
Subordinated Debentures (net of Amortization)	7,087	7,902	9,893	6,699	6,695	6,730	6,723
Eligible Allowance for Credit Losses ⁽³⁾	1,048	853	454	444	401	391	353
Capital issued by consolidated subsidiaries to third parties	108	103					
Tier 2 Capital	8,243	8,858	10,652	7,431	7,392	7,375	7,228
Other Capital Deductions ⁽⁴⁾			(2,895)	(2,847)	(2,946)	(2,961)	(3,184)
Total Regulatory Capital	38,204	37,818	42,193	36,458	35,420	33,292	32,533
CHANGES IN REGULATORY CAPITAL:							
Total Capital, Beginning of Period	37,818	42,193	36,458	35,420	33,292	32,533	31,697
Internally Generated Capital							
Net Income attributable to Equity Holders of the Bank	1,534	1,559	1,453	2,001	1,391	1,398	1,222
Preferred and Common Share Dividends	(771)	(731)	(728)	(683)	(679)	(622)	(620)
	763	828	725	1,318	712	776	602
External Financing							
Subordinated Debentures (net of Amortization)	(1,710)	(1,362)	3,194	4	(35)	7	(31)
Innovative Capital Instruments	-	-	-	(750)	-	-	-
Preferred Shares	-	-	-	-	-	-	-
Common Shares Issued	352	413	1,976	199	1,895	733	194
	(1,358)	(949)	5,170	(547)	1,860	740	163
Other							
Net Change in Foreign Currency Translation Gains / (Losses) ⁽⁵⁾	-	-	34	285	(294)	142	239
Net Change in Net Unrealized Gains / Losses (after-tax) on Available-For-Sale Equity Securities	-	-	17	(8)	42	102	(78)
Non-controlling Interest of Subsidiaries	-	-	48	31	64	183	39
Other ⁽⁶⁾	981	(4,254)	(259)	(41)	(256)	(1,184)	(129)
	981	(4,254)	(160)	267	(444)	(757)	71
Total Capital Generated / (Used)	386	(4,375)	5,735	1,038	2,128	759	836
Total Capital, End of Period	38,204	37,818	42,193	36,458	35,420	33,292	32,533

(1) Effective Q3 2013, this schedule has been replaced with pages 4 and 6 on a prospective basis.

(2) Under Basel III, Other Capital Deductions is comprised of Non-controlling interest of subsidiaries. Under Basel II, Other Capital Deductions is 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) Under Basel II, comprised of 50% of all investments in certain specified corporations (includes insurance subsidiaries effective November 1, 2011), 100% of investments in insurance subsidiaries prior to November 1, 2011 and other items.

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

(6) Includes changes to eligible allowances for credit losses, regulatory capital deductions relating to goodwill, non-qualifying intangibles, investments in associated corporations and insurance entities. Effective Q1 2012, also includes the impact to retained earnings and AOCI Foreign Currency Translation from the adoption to IFRS. For Q1/13, includes transition amount for conversion from Basel II to Basel III

RISK-WEIGHTED ASSETS AND CAPITAL RATIOS



(\$B)	Basel III - All-in			Basel II				CGAAP	
				IFRS				2011	
	2013			2012					
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
RISK-WEIGHTED ASSETS:^(1,2)									
On- Balance Sheet Assets									
Cash Resources	3.1	3.0	2.6	2.7	2.9	4.1	3.0	3.5	4.4
Securities ⁽³⁾	15.9	16.3	17.5	12.6	12.7	17.1	17.4	13.7	14.2
Residential Mortgages	18.5	18.1	17.6	13.0	12.4	12.4	12.1	10.5	10.1
Loans									
- Personal Loans	34.3	33.4	32.5	30.8	29.7	28.6	28.6	26.4	25.0
- Non-Personal Loans	87.6	87.1	88.0	85.5	85.4	82.9	83.5	79.1	74.3
All Other ⁽⁴⁾	23.9	22.9	23.8	18.2	18.1	18.4	17.1	17.0	16.8
	183.3	180.8	182.0	162.8	161.2	163.5	161.7	150.2	144.8
Off- Balance Sheet Assets									
Indirect Credit Instruments	37.3	35.7	34.8	34.1	33.7	32.0	32.0	37.0	33.7
Derivative Instruments	7.6	7.6	8.0	5.6	5.9	5.8	6.0	5.9	5.6
	44.9	43.3	42.8	39.7	39.6	37.8	38.0	42.9	39.3
Total Credit Risk before AIRB scaling factor	228.2	224.1	224.8	202.5	200.8	201.3	199.7	193.1	184.0
AIRB Scaling factor ⁽⁵⁾	8.1	8.3	8.2	7.5	7.5	7.6	7.7	7.7	7.3
Total Credit Risk after AIRB scaling factor	236.3	232.4	233.0	210.0	208.3	208.9	207.4	200.8	191.3
Market Risk - Risk Assets Equivalent ⁽⁶⁾	14.5	17.4	16.5	13.8	14.8	14.8	16.5	5.9	6.7
Operational Risk - Risk Assets Equivalent	31.5	30.9	30.6	29.5	29.3	29.2	29.2	27.3	26.8
Total Risk-Weighted Assets	282.3	280.7	280.1	253.3	252.4	252.9	253.1	234.0	224.8
REGULATORY CAPITAL RATIOS (%):									
Common Equity Tier 1	8.9	8.6	8.2	n/a	n/a	n/a	n/a	n/a	n/a
Tier 1	11.0	10.7	10.3	13.6	12.6	12.2	11.4	12.2	12.3
Total	13.8	13.6	13.5	16.7	14.4	14.0	13.2	13.9	14.1

(1) For purposes of this presentation only, Risk Weighted Assets (RWA) is shown by balance sheet categories. Details by Basel III exposure type are shown on pages 9-10 entitled, "Exposure at Default and Risk-Weighted Assets for Credit Risk"

(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, default fund contributions to QCCP 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 (excluding exposures with risk-weight of 1250%).

(6) The Q3 2013 related capital charge for total comprehensive risk measure including securitization exposures is \$252MM (Q2 2013: \$420MM) broken down as follows: Market Simulation \$52MM (Q2 2013: \$62MM), Default & Migration Risk \$87MM (Q2 2013: \$212MM), and Surcharge \$113MM (Q2 2013: \$146MM).

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



(\$MM)		Basel III - IFRS							
		Q3 2013						Q2 2013	
		AIRB		Standardized		Total		Total	
Exposure Type	Sub-type	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾
Non-Retail									
Corporate ⁽³⁾	Drawn	77,012	45,921	37,555	36,188	114,567	82,109	115,934	81,854
	Undrawn	42,542	18,405	2,935	2,924	45,477	21,329	42,956	20,029
	Other ⁽⁴⁾	20,037	6,458	2,119	2,074	22,156	8,532	21,444	8,604
	Total	139,591	70,784	42,609	41,186	182,200	111,970	180,334	110,487
Bank ⁽³⁾	Drawn	30,403	7,504	2,650	1,776	33,053	9,280	36,340	9,875
	Undrawn	12,231	4,000	143	114	12,374	4,114	11,930	3,810
	Other ⁽⁴⁾	12,742	1,749	30	30	12,772	1,779	11,955	1,723
	Total	55,376	13,253	2,823	1,920	58,199	15,173	60,225	15,408
Sovereign	Drawn	56,715	4,216	7,200	858	63,915	5,074	63,065	4,117
	Undrawn	1,110	214	166	33	1,276	247	1,539	306
	Other ⁽⁴⁾	2,549	5	-	-	2,549	5	2,278	5
	Total	60,374	4,435	7,366	891	67,740	5,326	66,882	4,428
Total Non-Retail	Drawn	164,130	57,641	47,405	38,822	211,535	96,463	215,339	95,846
	Undrawn	55,883	22,619	3,244	3,071	59,127	25,690	56,425	24,145
	Other ⁽⁴⁾	35,328	8,212	2,149	2,104	37,477	10,316	35,677	10,332
	Total	255,341	88,472	52,798	43,997	308,139	132,469	307,441	130,323
Retail									
Residential Mortgages	Drawn	188,096	9,554	20,508	8,910	208,604	18,464	207,641	18,139
	Undrawn	-	-	-	-	-	-	-	-
	Total	188,096	9,554	20,508	8,910	208,604	18,464	207,641	18,139
Secured Lines Of Credit	Drawn	18,346	4,512	-	-	18,346	4,512	18,475	4,540
	Undrawn	12,625	1,302	-	-	12,625	1,302	12,347	1,280
	Total	30,971	5,814	-	-	30,971	5,814	30,822	5,820
Qualifying Revolving Retail Exposures (QRRE)	Drawn	14,944	6,691	-	-	14,944	6,691	14,711	6,553
	Undrawn	12,500	1,473	-	-	12,500	1,473	12,159	1,426
	Total	27,444	8,164	-	-	27,444	8,164	26,870	7,979
Other Retail	Drawn	18,558	9,042	19,626	14,046	38,184	23,088	36,497	22,326
	Undrawn	720	87	-	-	720	87	708	86
	Total	19,278	9,129	19,626	14,046	38,904	23,175	37,205	22,412
Total Retail	Drawn	239,944	29,799	40,134	22,956	280,078	52,755	277,324	51,558
	Undrawn	25,845	2,862	-	-	25,845	2,862	25,214	2,792
	Total	265,789	32,661	40,134	22,956	305,923	55,617	302,538	54,350
Securitized		18,057	7,520	88	86	18,145	7,606	18,183	7,857
Trading Derivatives ⁽³⁾		21,848	7,309	-	-	21,848	7,309	22,211	7,189
Total Credit Risk (Excluding Equities & Other Assets)		561,035	135,962	93,020	67,039	654,055	203,001	650,373	199,719
Equities		3,629	3,629	-	-	3,629	3,629	3,678	3,678
Other Assets ⁽⁵⁾				53,664	21,594	53,664	21,594	51,101	20,800
Total Credit Risk (Before Scaling Factor)		564,664	139,591	146,684	88,633	711,348	228,224	705,152	224,197
Add-on for 6% Scaling Factor ⁽⁶⁾			8,119				8,119		8,262
Total Credit Risk		564,664	147,710	146,684	88,633	711,348	236,343	705,152	232,459

(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) Effective Q1 2013, 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 (excluding exposure with risk weight of 1250%).

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



(\$MM)		Basel III - IFRS				Basel II - IFRS						Basel II - CGAAP			
		2013		2012								2011			
		Q1		Q4		Q3		Q2		Q1		Q4		Q3	
Exposure Type	Sub-type	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾
Non-Retail															
Corporate ⁽³⁾	Drawn	114,895	82,943	112,974	82,239	111,052	81,432	108,593	78,977	108,118	80,275	99,796	75,405	94,929	71,729
	Undrawn	42,742	19,656	43,056	20,311	42,226	20,017	41,356	19,239	42,114	19,118	42,509	20,783	40,861	19,198
	Other ⁽⁴⁾	21,602	8,854	16,765	7,095	17,710	7,488	16,325	6,514	15,472	6,837	15,222	7,307	13,490	6,314
	Total	179,239	111,453	172,795	109,645	170,988	108,937	166,274	104,730	165,704	106,230	157,527	103,495	149,280	97,241
Bank	Drawn	33,665	9,297	35,211	8,047	34,596	8,731	38,228	10,377	31,582	8,449	26,024	8,473	25,943	8,595
	Undrawn	11,130	3,479	11,060	2,754	10,731	2,631	10,731	2,583	11,825	2,778	11,341	2,851	11,147	2,747
	Other ⁽⁴⁾	9,159	1,694	7,842	1,190	11,435	1,769	11,555	1,657	10,432	1,403	10,425	1,536	11,055	1,577
	Total	53,954	14,470	54,113	11,991	56,762	13,131	60,514	14,617	53,839	12,630	47,790	12,860	48,145	12,919
Sovereign	Drawn	65,407	5,053	53,451	4,079	57,628	4,151	56,444	4,032	50,187	4,430	50,012	4,392	49,591	4,188
	Undrawn	1,605	269	1,281	220	1,412	249	1,288	235	1,142	218	1,128	225	1,043	217
	Other ⁽⁴⁾	281	6	291	27	438	25	380	29	356	42	236	17	260	23
	Total	67,293	5,328	55,023	4,326	59,478	4,425	58,112	4,296	51,685	4,690	51,376	4,634	50,894	4,428
Total Non-retail	Drawn	213,967	97,293	201,636	94,365	203,276	94,314	203,265	93,386	189,887	93,154	175,832	88,270	170,462	84,512
	Undrawn	55,477	23,404	55,397	23,285	54,369	22,897	53,375	22,057	55,081	22,114	54,978	23,859	53,051	22,162
	Other ⁽⁴⁾	31,042	10,554	24,898	8,312	29,583	9,282	28,260	8,200	26,260	8,282	25,883	8,860	24,804	7,914
	Total	300,486	131,251	281,931	125,962	287,228	126,493	284,900	123,643	271,228	123,550	256,693	120,989	248,317	114,588
Retail															
Residential Mortgages	Drawn	206,648	17,625	175,114	13,005	171,295	12,370	166,816	12,382	164,201	12,061	143,941	10,446	142,424	10,089
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	206,648	17,625	175,114	13,005	171,295	12,370	166,816	12,382	164,201	12,061	143,941	10,446	142,424	10,089
Secured Lines Of Credit	Drawn	18,328	4,530	18,404	4,701	18,144	4,502	17,841	4,428	17,767	4,484	17,937	4,651	17,862	4,513
	Undrawn	12,026	1,247	11,759	1,267	11,492	1,229	11,149	1,196	10,829	1,182	11,780	1,393	11,579	1,385
	Total	30,354	5,777	30,163	5,968	29,636	5,731	28,990	5,624	28,596	5,666	29,717	6,044	29,441	5,898
Qualifying Revolving	Drawn	14,517	6,489	14,414	6,444	14,194	6,128	14,371	6,058	14,243	6,095	14,239	5,867	14,090	5,637
	Undrawn	11,901	1,395	11,613	1,397	11,348	1,303	11,197	1,260	11,005	1,249	12,195	1,418	12,043	1,397
	Total	26,418	7,884	26,027	7,841	25,542	7,431	25,568	7,318	25,248	7,344	26,434	7,285	26,133	7,034
Other Retail	Drawn	35,018	21,501	32,938	19,642	32,002	19,047	30,109	18,088	29,923	18,020	27,209	15,911	26,341	14,817
	Undrawn	761	93	749	93	739	92	597	59	578	58	630	67	634	69
	Total	35,779	21,594	33,687	19,735	32,741	19,139	30,706	18,147	30,501	18,078	27,839	15,978	26,975	14,886
Total Retail	Drawn	274,511	50,145	240,870	43,792	235,635	42,047	229,137	40,956	226,134	40,660	203,326	36,875	200,717	35,056
	Undrawn	24,688	2,735	24,121	2,757	23,579	2,624	22,943	2,515	22,412	2,489	24,605	2,878	24,256	2,851
	Total	299,199	52,880	264,991	46,549	259,214	44,671	252,080	43,471	248,546	43,149	227,931	39,753	224,973	37,907
Securitized		18,046	8,036	17,636	4,170	16,955	4,404	15,240	4,060	14,258	3,606	14,466	4,423	14,099	3,923
Trading Derivatives ⁽³⁾		22,470	7,609	18,845	5,434	19,772	5,617	20,105	5,574	20,426	5,655	21,540	5,612	19,525	5,292
Total Credit risk (excl. Equities & Other Assets)		640,201	199,776	583,403	182,115	583,169	181,185	572,325	176,748	554,458	175,960	520,630	170,777	506,914	161,710
Equities⁽⁵⁾															
	Grandfathered	-	-	-	-	-	-	1,298	1,298	1,315	1,315	1,309	1,309	1,389	1,389
	Simple Method	-	-	-	-	-	-	1,695	5,721	1,808	6,058	1,450	4,771	1,391	4,517
	PD/LGD Approach	-	-	-	-	-	-	433	510	434	520	425	526	462	573
	Other	3,539	3,539	3,155	3,155	3,055	3,055	-	-	-	-	-	-	-	-
	Total Equities	3,539	3,539	3,155	3,155	3,055	3,055	3,426	7,529	3,557	7,893	3,184	6,606	3,242	6,479
Other Assets⁽⁶⁾															
		51,040	21,472	41,514	17,197	37,760	16,477	38,970	16,894	39,863	15,876	35,968	15,622	36,981	15,820
		694,780	224,787	628,072	202,467	623,984	200,717	614,721	201,171	597,878	199,729	559,782	193,005	547,137	184,009
Add-on for 6% scaling factor ⁽⁷⁾			8,245		7,499		7,536		7,642		7,709		7,743		7,325
Total Credit Risk		694,780	233,032	628,072	209,966	623,984	208,253	614,721	208,813	597,878	207,438	559,782	200,748	547,137	191,334

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

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

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

CREDIT RISK EXPOSURES BY GEOGRAPHY ^(1,2)


(\$MM)	Basel III - IFRS									
	Q3 2013					Q2 2013				
	Non-Retail			Retail	Total	Non-Retail			Retail	Total
Drawn	Undrawn	Other ⁽³⁾	Drawn			Undrawn	Other ⁽³⁾			
Canada	60,225	28,367	30,234	271,910	390,736	61,343	26,572	28,254	268,503	384,672
USA	52,313	18,704	29,607	170	100,794	55,375	18,026	29,105	196	102,702
Mexico	9,358	405	1,118	6,440	17,321	9,156	351	1,425	6,468	17,400
Other International										
Europe	14,637	5,170	9,920	-	29,727	15,937	5,421	10,278	-	31,636
Caribbean	16,965	1,544	1,692	12,964	33,165	16,442	1,636	1,857	12,783	32,718
Latin America (excl. Mexico)	28,440	1,245	2,642	14,349	46,676	28,019	838	2,620	14,490	45,967
All Other	29,597	3,692	2,257	90	35,636	29,067	3,581	2,532	98	35,278
Total	211,535	59,127	77,470	305,923	654,055	215,339	56,425	76,071	302,538	650,373

	Basel III - IFRS	Basel II - IFRS			
	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Canada	374,866	339,320	335,328	329,421	321,471
USA	107,243	94,784	98,898	95,142	87,889
Mexico	15,422	14,079	13,729	12,942	13,086
Other International					
Europe	30,526	27,723	28,098	31,494	27,437
Caribbean	33,790	32,700	32,637	31,904	32,515
Latin America (excl. Mexico)	44,108	42,312	40,809	39,248	37,736
All Other	34,246	32,485	33,670	32,174	34,324
Total	640,201	583,403	583,169	572,325	554,458

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

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

⁽³⁾ Includes off-balance sheet lending instruments such as letters of credit and letters of guarantee and OTC derivatives, securitization and repo-style transactions net of related collateral.

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



NON-RETAIL AND RETAIL PORTFOLIO

(\$MM)	Basel III - IFRS							
	Q3 2013				Q2 2013			
	Drawn	Undrawn	Other ⁽³⁾	Total	Drawn	Undrawn	Other ⁽³⁾	Total
Non-Retail								
Less than 1 year	103,179	17,078	44,749	165,006	106,064	16,224	41,869	164,157
1 to 5 years	55,139	31,501	28,201	114,841	55,250	36,278	30,395	121,923
Over 5 Years	5,812	7,304	2,283	15,399	6,591	1,170	1,514	9,275
Total Non-Retail	164,130	55,883	75,233	295,246	167,905	53,672	73,778	295,355
Retail								
Less than 1 year	24,838	13,345		38,183	25,616	13,055		38,671
1 to 5 years	167,179	-		167,179	165,596	-		165,596
Over 5 Years	13,318	-		13,318	11,655	-		11,655
Revolving Credits ⁽⁴⁾	34,609	12,500		47,109	34,508	12,159		46,667
Total Retail	239,944	25,845		265,789	237,375	25,214		262,589
Total	404,074	81,728	75,233	561,035	405,280	78,886	73,778	557,944

	Basel III - IFRS		Basel II - IFRS	
	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Non-Retail				
Less than 1 year	156,107	138,958	150,492	148,382
1 to 5 years	123,231	120,812	116,108	113,902
Over 5 Years	8,772	9,746	10,313	11,388
Total Non-Retail	288,110	269,516	276,913	273,672
Retail				
Less than 1 year	40,063	31,904	28,946	26,401
1 to 5 years	163,625	145,232	144,623	142,613
Over 5 Years	10,679	6,241	5,420	4,703
Revolving Credits ⁽⁴⁾	46,145	45,853	45,131	44,512
Total Retail	260,512	229,230	224,120	218,229
Total	548,622	498,746	501,033	491,901

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

⁽²⁾ Remaining term to maturity of the credit exposure.

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

⁽⁴⁾ Credit cards and lines of credit with unspecified maturity.

STANDARDIZED CREDIT RISK EXPOSURES BY RISK-WEIGHT



EXPOSURE AT DEFAULT⁽¹⁾

(\$MM)	Basel III - IFRS													
	Q3 2013							Q2 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%	1,175	8	5,329	6,512	31	1,023	1,054	1,225	8	5,963	7,196	128	939	1,067
20%	629	1,117	1,179	2,925	1,285	-	1,285	708	2,141	247	3,096	1,280	-	1,280
35%	-	-	-	-	14,866	524	15,390	-	-	-	-	14,663	556	15,219
50%	57	12	405	474	-	-	-	73	8	490	571	-	-	-
75%	-	-	-	-	3,505	17,632	21,137	-	-	-	-	3,550	17,526	21,076
100%	40,278	1,679	453	42,410	821	21	842	39,271	1,506	296	41,073	819	20	839
150%	558	7	-	565	-	426	426	539	5	-	544	-	468	468
Total	42,697	2,823	7,366	52,886	20,508	19,626	40,134	41,816	3,668	6,996	52,480	20,440	19,509	39,949

Risk-weight	Basel III - IFRS		Basel II - IFRS								Basel II - CGAAP			
	Q1 2013		Q4 2012		Q3 2012		Q2 2012		Q1 2012		Q4 2011		Q3 2011	
	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
	0%	7,967	923	4,850	911	4,515	1,006	3,874	809	3,100	813	2,656	800	2,642
20%	3,256	1,469	4,153	1,521	3,817	1,590	5,905	1,610	3,463	1,741	4,087	2,111	3,253	1,963
35%	-	11,072	-	14,412	-	13,965	-	13,197	-	13,387	-	11,961	-	11,853
50%	605	-	650	-	604	-	971	-	1,220	-	758	-	602	-
75%	-	23,945	-	18,433	-	18,054	-	17,207	-	17,344	-	14,602	-	13,510
100%	40,605	788	38,824	425	37,650	424	34,770	968	34,193	688	29,861	720	28,829	705
150%	459	490	419	59	456	55	1,053	60	691	69	607	67	569	68
Total	52,892	38,687	48,896	35,761	47,042	35,094	46,573	33,851	42,667	34,042	37,969	30,261	35,895	29,494

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

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(SMM)	Basel III - IFRS												Basel II - IFRS			
	Q3 2013				Q2 2013				Q1 2013				Q4 2012			
	Exposure at Default ⁽²⁾	Weighted Average PD ^(3,6)	Weighted Average LGD ^(4,6)	Weighted Average RW ^(5,6)	Exposure at Default ⁽²⁾	Weighted Average PD ^(3,6)	Weighted Average LGD ^(4,6)	Weighted Average RW ^(5,6)	Exposure at Default ⁽²⁾	Weighted Average PD ^(3,6)	Weighted Average LGD ^(4,6)	Weighted Average RW ^(5,6)	Exposure at Default ⁽²⁾	Weighted Average PD ^(3,6)	Weighted Average LGD ^(4,6)	Weighted Average RW ^(5,6)
	\$	%	%	%	\$	%	%	%	\$	%	%	%	\$	%	%	%
Investment Grade																
Corporate ⁽⁷⁾	90,970	0.18	43	36	89,583	0.18	43	36	89,086	0.18	43	36	85,087	0.19	43	37
Bank ⁽⁷⁾	61,801	0.13	34	23	61,673	0.15	34	24	54,644	0.15	35	26	55,278	0.15	33	20
Sovereign	147,147	0.03	6	2	150,340	0.02	6	2	149,159	0.02	7	2	138,302	0.02	6	2
Sub-Total	299,918	0.10	23	17	301,596	0.09	23	16	292,889	0.09	23	17	278,667	0.10	23	16
Non-Investment Grade																
Corporate ⁽⁷⁾	52,664	0.78	40	64	53,229	0.78	40	64	54,331	0.77	40	65	50,377	0.80	41	67
Bank ⁽⁷⁾	4,956	0.89	37	58	4,530	0.94	37	57	4,065	0.93	37	58	4,024	0.96	37	55
Sovereign	2,882	2.15	24	58	2,589	2.16	24	59	1,264	1.16	24	43	2,898	2.27	24	59
Sub-Total	60,502	0.85	39	63	60,348	0.85	39	64	59,660	0.79	40	64	57,299	0.88	40	66
Watch List																
Corporate ⁽⁷⁾	2,279	20.13	44	209	2,110	19.84	42	202	2,426	20.43	41	200	2,606	21.83	39	192
Bank ⁽⁷⁾	21	27.80	47	241	10	26.18	45	239	50	35.13	48	269	42	38.02	48	246
Sovereign	22	11.01	33	132	1	13.93	40	162	1,498	36.78	24	131	13	37.07	33	173
Sub-Total	2,322	20.11	44	209	2,121	19.86	42	203	3,974	26.78	35	175	2,661	22.16	39	192
Default⁽⁸⁾	1,698	100.00	42	212	1,969	100.00	40	199	1,952	100.00	42	221	1,997	100.00	42	221
Total	364,440	0.81	26	27	366,034	0.87	26	26	358,475	1.05	26	28	340,624	0.99	26	27

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

(2) Amounts are after certain credit risk mitigation (i.e. guarantees accounted for under the PD substitution approach), includes all non-retail exposures except securitization, 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	
	Q3 2013		Q2 2013		Q1 2013		Q4 2012			
	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)
Corporate	72,742	58	69,283	58	68,997	58	69,719	58		
Bank	19,551	63	18,985	63	17,722	63	17,307	63		
Sovereign	1,744	64	2,222	65	2,300	66	1,837	65		
Total	94,037	59	90,490	59	89,019	59	88,863	59		

RISK ASSESSMENT OF CREDIT RISK EXPOSURES

RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(\$MM)	Basel III - IFRS												Basel II - IFRS				
	Q3 2013				Q2 2013				Q1 2013				Q4 2012				
	EAD ^(2,6)	PD ^(3,6)	LGD ^(4,6,8)	RW ^(5,6)	EAD ^(2,6)	PD ^(3,6)	LGD ^(4,6,8)	RW ^(5,6)	EAD ^(2,6)	PD ^(3,6)	LGD ^(4,6)	RW ^(5,6)	EAD ^(2,6)	PD ^(3,6)	LGD ^(4,6)	RW ^(5,6)	
Category of PD Grades ⁽¹⁾	\$	%	%	%	\$	%	%	%	\$	%	%	%	\$	%	%	%	
Real Estate Secured																	
Very Low	89,149	0.10	18	4	86,969	0.11	18	4	86,499	0.11	17	4	67,536	0.10	17	4	
Low	6,565	0.28	24	12	6,262	0.28	24	12	6,363	0.28	17	9	4,989	0.28	17	9	
Medium	30,806	0.97	18	22	30,850	0.97	18	22	30,810	0.97	17	19	20,768	1.06	18	23	
High	3,802	5.34	22	74	3,726	5.40	22	74	3,570	5.40	20	71	3,338	5.52	22	76	
Very High	1,238	31.01	17	92	1,185	31.33	17	91	1,263	31.95	15	80	844	32.63	18	97	
Default ⁽⁷⁾	256	100.00	38	-	257	100.00	37	-	278	100.00	38	-	210	100.00	49	-	
Sub-total	131,816	0.95	18	12	129,249	0.96	19	13	128,783	1.00	17	11	97,685	0.99	18	12	
Qualifying Revolving Retail Exposures(QRRE)																	
Very Low	11,414	0.09	82	5	11,120	0.09	81	5	10,883	0.09	81	5	10,613	0.09	81	5	
Low	4,761	0.32	80	13	4,651	0.32	80	13	4,602	0.32	80	13	4,528	0.32	80	13	
Medium	7,962	1.56	79	41	7,860	1.55	79	40	7,720	1.56	79	41	7,635	1.55	79	40	
High	2,789	7.20	78	115	2,745	7.28	77	116	2,688	7.19	78	115	2,735	7.12	77	114	
Very High	329	41.44	65	185	293	42.35	65	183	321	40.95	66	183	321	41.05	66	182	
Default ⁽⁷⁾	189	100.00	85	-	202	100.00	85	-	204	100.00	85	-	195	100.00	85	-	
Sub-total	27,444	2.46	80	30	26,871	2.50	80	30	26,418	2.55	80	30	26,027	2.55	80	30	
Other Retail																	
Very Low	2,253	0.11	40	11	2,245	0.11	40	11	2,400	0.11	40	11	2,382	0.11	40	11	
Low	8,620	0.33	53	30	7,647	0.33	53	30	7,164	0.33	53	30	7,060	0.33	52	30	
Medium	6,229	1.52	62	70	5,786	1.52	62	70	5,501	1.52	62	69	5,467	1.52	62	69	
High	1,711	6.39	57	88	1,582	6.36	57	88	1,527	6.43	56	87	1,474	6.49	56	87	
Very High	354	40.56	59	139	327	40.97	59	139	331	41.88	59	136	293	42.95	58	135	
Default ⁽⁷⁾	111	100.00	86	-	109	100.00	86	-	110	100.00	86	-	98	100.00	86	-	
Sub-total	19,278	2.54	55	47	17,696	2.59	55	47	17,033	2.68	55	47	16,774	2.55	54	46	
Total Retail																	
Very Low	102,816	0.10	25	4	100,334	0.10	25	4	99,782	0.10	24	4	80,531	0.10	26	4	
Low	19,946	0.31	50	20	18,560	0.31	50	19	18,129	0.31	47	18	16,577	0.31	49	19	
Medium	44,997	1.15	35	32	44,496	1.15	35	31	44,031	1.14	33	29	33,870	1.24	39	34	
High	8,302	6.18	48	91	8,053	6.23	48	91	7,785	6.22	47	89	7,547	6.03	49	92	
Very High	1,921	34.55	33	117	1,805	34.87	33	114	1,915	35.17	31	106	1,458	36.47	37	123	
Default ⁽⁷⁾	556	100.00	64	-	568	100.00	64	-	592	100.00	63	-	503	100.00	70	-	
Total	178,538	1.35	32	18	173,816	1.36	32	18	172,234	1.40	30	17	140,486	1.47	34	19	

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

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

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

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

⁽⁵⁾ RW - risk-weight.

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

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

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

Exposure Type	Basel III - IFRS						Basel II - IFRS			
	Q3 2013		Q2 2013		Q1 2013		Q4 2012		Q3 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 (%)
Non-Retail⁽¹⁾										
Corporate	0.09	1.09	0.12	1.15	0.13	1.31	0.15	1.38	0.16	1.48
Sovereign	-	0.38	-	0.31	-	0.15	-	0.35	-	0.22
Bank	-	0.40	-	0.54	-	0.52	-	0.53	-	0.51
Retail⁽²⁾										
Real Estate Secured	0.01	0.14	0.01	0.14	0.02	0.15	0.02	0.14	0.02	0.14
QRRE	1.90	3.17	1.87	3.10	1.92	3.15	1.91	2.90	1.94	2.88
Other Retail	0.48	1.74	0.49	1.80	0.53	1.91	0.57	1.80	0.61	1.80

(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⁽¹⁾

(SMM)	Basel III - IFRS									Basel II - IFRS		
	Q3 2013			Q2 2013			Q1 2013			Q4 2012		
	Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives	
Basel II Exposure type	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach
Non-Retail												
Corporate	552	1,169	3,752	542	1,277	3,997	610	699	3,429	1,002	799	3,212
Bank	-	8	7,445	-	8	7,884	-	0	7,192	-	-	6,787
Sovereign	-	-	360	-	-	499	-	9	496	-	-	448
Total Non-Retail	552	1,177	11,557	542	1,285	12,380	610	708	11,117	1,002	799	10,447
Retail												
Residential Mortgages ⁽²⁾	1	3,242	101,190	83	3,175	103,920	77	2,043	104,088	67	3,389	88,744
Secured Lines of Credit												
Qualifying Revolving Retail Exposures (QRRE)												
Other Retail	561	985	-	556	938	-	566	707	-	562	683	-
Total Retail	562	4,227	101,190	639	4,113	103,920	643	2,750	104,088	629	4,072	88,744
Total	1,114	5,404	112,747	1,181	5,398	116,300	1,253	3,458	115,205	1,631	4,871	99,191

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

⁽²⁾ Primarily includes residential mortgages guaranteed by Canada Mortgage Housing Corporation (CMHC). The Bank uses PD substitution to account for the CMHC guarantee, whereas ING Direct Canada, a wholly owned subsidiary (acquired on November 15, 2012), utilizes LGD substitution. CMHC guarantees under the PD substitution are reclassified to sovereign.

DERIVATIVES - COUNTERPARTY CREDIT RISK^(1,2)


(\$MM)	Basel III - IFRS												Basel II - IFRS			
	Q3 2013				Q2 2013				Q1 2013				Q4 2012			
	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount ⁽²⁾	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount (2)	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount (2)	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount
Contract Types																
Interest Rate Contracts:																
Futures and Forward Rate Agreements	376,466	3	488	10	275,858	-	576	20	363,919	2	1,111	97	352,329	-	144	25
Swaps	1,905,681	1,907	7,832	1,561	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
Options Purchased	67,047	22	345	15	40,230	3	187	39	39,741	2	187	39	32,760	3	23	9
Options Written	69,429	-	-	-	49,176	-	-	-	47,937	-	-	-	35,503	-	-	-
Total	2,418,623	1,932	8,665	1,586	2,084,867	2,986	9,018	2,005	2,228,479	2,225	8,749	1,900	2,081,210	2,724	5,160	1,667
Foreign Exchange Contracts:																
Futures, Spots and Forwards	284,562	1,523	4,510	1,215	319,153	1,203	4,316	1,092	294,077	11	4,619	1,044	315,453	956	3,812	819
Swaps	188,888	1,115	4,123	1,070	190,757	1,439	4,525	1,275	187,633	2,800	4,672	1,224	184,996	1,421	4,268	1,077
Options Purchased	2,312	21	67	17	2,379	18	61	15	2,386	19	76	18	3,265	26	60	15
Options Written	1,813	-	-	-	1,766	-	-	-	1,788	-	-	-	3,001	-	-	-
Total	477,575	2,659	8,700	2,302	514,055	2,660	8,902	2,382	485,884	2,830	9,367	2,286	506,715	2,403	8,140	1,911
Other Derivatives Contracts:																
Equity	46,631	539	4,353	1,819	45,715	473	3,814	1,478	52,136	509	4,088	1,864	44,037	445	1,750	515
Credit	74,264	589	3,113	592	70,079	564	2,623	558	71,882	499	2,915	603	68,384	360	2,171	432
Other	80,456	839	6,388	1,550	77,167	649	5,753	1,346	72,682	736	5,872	1,499	65,719	1,072	2,422	1,109
Total	201,351	1,967	13,854	3,961	192,961	1,686	12,190	3,382	196,700	1,744	12,875	3,966	178,140	1,877	6,343	2,056
Total Derivatives after Netting and Collateral	3,097,549	6,558	31,219	7,849	2,791,883	7,332	30,110	7,769	2,911,063	6,799	30,991	8,152	2,766,065	7,004	19,643	5,634

Contract Types	Basel II - IFRS						Basel II - CGAAP	
	Q3 2012		Q2 2012		Q1 2012		Q4 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
Interest Rate Contracts:								
Futures and Forward Rate Agreements	346,402	128	328,482	125	276,007	29	260,462	52
Swaps	1,572,021	5,676	1,548,000	5,142	1,453,482	5,785	1,476,115	6,337
Options Purchased	46,315	24	96,702	17	70,853	16	80,003	14
Options Written	57,675	-	105,572	-	76,399	-	85,212	-
Total	2,022,413	5,828	2,078,756	5,284	1,876,741	5,830	1,901,792	6,403
Foreign Exchange Contracts:								
Futures, Spots and Forwards	323,391	4,266	293,832	3,219	294,268	3,498	292,886	4,311
Swaps	188,577	4,440	193,910	4,557	189,869	4,876	189,198	5,163
Options Purchased	3,361	70	3,937	61	4,077	40	3,993	30
Options Written	3,202	-	3,992	-	4,322	-	4,489	-
Total	518,531	8,776	495,671	7,837	492,536	8,414	490,566	9,504
Other Derivatives Contracts:								
Equity	43,042	1,740	43,546	3,024	35,949	2,309	34,608	2,525
Credit	70,400	2,331	69,746	2,404	72,828	2,504	72,997	2,165
Other	54,255	2,055	54,339	2,509	52,379	2,360	41,881	1,817
Total	167,697	6,126	167,631	7,937	161,156	7,173	149,486	6,507
Total Derivatives	2,708,641	20,730	2,742,058	21,058	2,530,433	21,417	2,541,844	22,414
Risk-weighted Amount		5,856		5,822		5,974		5,870

(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 ⁽¹⁾


(\$MM)			Basel III - IFRS											Basel 2.5 - IFRS								
			Q3 2013 ⁽²⁾				Q2 2013 ⁽²⁾				Q1 2013 ⁽²⁾			Q4 2012								
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default ⁽³⁾				Exposure at Default ⁽³⁾				Exposure at Default ⁽³⁾				Exposure at Default ⁽³⁾							
			On - Balance Sheet	Off - Balance Sheet	Total	Risk-Weighted Assets	On - Balance Sheet	Off - Balance Sheet	Total	Risk-Weighted Assets	On - Balance Sheet	Off - Balance Sheet	Total	Risk-Weighted Assets	On - Balance Sheet	Off - Balance Sheet	Total	Risk-Weighted Assets				
Securitization																						
Investment Grade	AAA to A A- to BBB-	7 - 25 35 - 100	6,424 769	9,887 110	16,311 879	1,452 600	6,732 842	9,504 115	16,236 957	1,448 624	6,536 1,365	9,112 19	15,648 1,384	1,375 730	6,335 1,309	8,979 89	15,314 1,398	1,318 689				
Non-Investment Grade	BB+ to BB- Below BB-	150 - 650 1250 - (Capital Deduction) ⁽⁴⁾	56 189	- -	56 189	267 2,364	67 187	- -	67 187	311 2,339	79 190	- -	79 190	367 2,374	40 198	- -	40 198	140 -				
Resecuritization																						
Investment Grade	AAA to A A- to BBB-	20 - 65 100 - 350	127 172	197 -	324 172	200 338	113 167	197 167	310 167	192 253	107 176	197 -	304 176	186 242	75 133	197 -	272 133	168 244				
Non-Investment Grade	BB+ to BB- Below BB-	500 - 850 1250 - (Capital Deduction) ⁽⁴⁾	62 152	- -	62 152	490 1,895	97 162	- -	97 162	668 2,022	99 166	- -	99 166	692 2,070	220 61	- -	220 61	1,611 -				
Total			7,951	10,194	18,145	7,606	8,367	9,816	18,183	7,857	8,718	9,328	18,046	8,036	8,371	9,265	17,636	4,170				

(\$MM)		Basel III - IFRS											Basel 2.5 - IFRS				
		Q3 2013 ⁽²⁾				Q2 2013 ⁽²⁾				Q1 2013 ⁽²⁾			Q4 2012				
Underlying Asset		Exposure at Default ⁽³⁾			Exposures at Default (RW=1250%) ⁽⁴⁾	Exposure at Default ⁽³⁾			Exposures at Default (RW=1250%) ⁽⁴⁾	Exposure at Default ⁽³⁾			Capital Deduction ⁽⁴⁾	Exposure at Default ⁽³⁾			Capital Deduction ⁽⁴⁾
		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total	
Residential Mortgages		169	1,020	1,189	-	108	1,020	1,128	-	122	510	632	-	161	510	671	-
Commercial Mortgages		14	-	14	-	15	-	15	-	59	-	59	-	-	-	-	-
Credit cards/Consumer receivables		525	51	576	-	517	49	566	-	517	42	559	-	520	41	561	-
Auto loans/Leases		3,131	4,717	7,848	183	3,317	4,153	7,470	181	3,666	4,563	8,229	184	3,664	4,776	8,440	192
Diversified asset-backed securities		305	197	502	153	318	197	515	164	325	197	522	168	265	197	462	67
Business Loans		640	-	640	4	940	-	940	4	931	-	931	4	924	-	924	-
Trade receivables		2,039	4,172	6,211	-	1,994	4,367	6,361	-	1,958	3,980	5,938	-	1,697	3,699	5,396	-
Other		1,128	37	1,165	-	1,158	30	1,188	-	1,140	36	1,176	-	1,140	42	1,182	-
Total		7,951	10,194	18,145	340	8,367	9,816	18,183	349	8,718	9,328	18,046	356	8,371	9,265	17,636	259

(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) Q3 2013 amounts include securitization under standardized approach: externally rated A+:\$14MM (Q2 2013:\$15MM) and Resecuritization A-:\$71MM (Q2 2013:\$71MM), BBB: \$3MM (Q2 2013:\$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⁽¹⁾


(\$MM)			Basel 2.5 - IFRS ⁽²⁾											
			Q3 2012				Q2 2012				Q1 2012			
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets
			On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total	
<u>Securitization</u>														
Investment Grade	AAA to A	7 - 25	5,919	8,626	14,545	1,258	5,202	7,625	12,827	1,103	5,449	6,493	11,942	1,080
	A- to BBB-	35 - 100	1,266	22	1,288	652	1,221	20	1,241	648	1,064	16	1,080	568
Non-Investment Grade	BB+ to BB-	150 - 650	41	-	41	150	55	-	55	196	49	-	49	164
	Below BB-	Capital Deduction ⁽⁴⁾	210	-	210	n/a	210	-	210	n/a	215	-	215	n/a
			7,436	8,648	16,084	2,060	6,688	7,645	14,333	1,947	6,777	6,509	13,286	1,812
<u>Resecuritization</u>														
Investment Grade	AAA to A	20 - 65	161	200	361	204	67	200	267	163	126	200	326	136
	A- to BBB-	100 - 350	210	-	210	439	303	-	303	855	288	-	288	486
Non-Investment Grade	BB+ to BB-	500 - 850	234	-	234	1,701	155	-	155	1,095	168	-	168	1,172
	Below BB-	Capital Deduction ⁽⁴⁾	66	-	66	n/a	182	-	182	n/a	190	-	190	n/a
			671	200	871	2,344	707	200	907	2,113	772	200	972	1,794
Total			8,107	8,848	16,955	4,404	7,395	7,845	15,240	4,060	7,549	6,709	14,258	3,606

(\$MM)		Basel 2.5 - IFRS ⁽²⁾										
		Q3 2012				Q2 2012				Q1 2012		
Underlying Asset	Exposure at Default ⁽³⁾			Capital Deduction ⁽⁴⁾	Exposure at Default ⁽³⁾			Capital Deduction ⁽⁴⁾	Exposure at Default ⁽³⁾			Capital Deduction ⁽⁴⁾
	On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total	
Residential Mortgages	218	510	728	2	232	510	742	1	149	204	353	-
Credit cards/Consumer receivables	509	53	562	-	11	39	50	-	23	28	51	-
Auto loans/Leases	3,476	4,720	8,196	203	3,556	3,862	7,418	203	3,755	3,251	7,006	209
Diversified asset-backed securities	440	200	640	71	451	200	651	167	485	200	685	175
Business Loans	928	-	928	-	1,039	-	1,039	10	1,067	-	1,067	10
Trade receivables	1,847	3,328	5,175	-	1,557	3,214	4,771	-	1,614	3,007	4,621	-
Other	689	37	726	-	549	20	569	11	456	19	475	11
Total	8,107	8,848	16,955	276	7,395	7,845	15,240	392	7,549	6,709	14,258	405

(1) Effective Q1 2012, the Bank implemented the revised regulatory guidance as contained in the BIS Enhancements to the Basel II Framework, issued July 2009. Capital charges related to trading book securitization exposures are based upon the Bank's internal market risk models including its comprehensive risk measure. Prior periods have been restated to conform with current presentation.

(2) Effective Q1 2012, certain special purpose vehicles have been consolidated under IFRS, however will continue to fall under the securitization framework for capital purposes.

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

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

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

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

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

Credit Risk Parameters	
Exposure at Default (EAD)	Generally represents the expected gross exposures at default and includes outstanding amounts for on-balance sheet exposures and loan equivalent amounts for off-balance sheet exposures.
Probability of Default (PD)	Measures the likelihood that a borrower will default within a 1-year time horizon, expressed as a percentage.
Loss Given Default (LGD)	Measures the severity of loss on a facility in the event of a borrower's default, expressed as a percentage of exposure at default.
Exposure Types	
Non-retail	
Corporate	Defined as a debt obligation of a corporation, partnership, or proprietorship.
Bank	Defined as a debt obligation of a bank or bank equivalent (including certain public sector entities (PSEs) treated as Bank equivalent exposures).
Sovereign	Defined as a debt obligation of a sovereign, central bank, certain Multi Development Banks (MDBs) and certain PSEs treated as Sovereign.
Securitization	On- balance sheet investments in asset backed securities (ABS), mortgage backed securities (MBS), collateralized loan obligations (CLOs) and collateralized debt obligations (CDOs). Off- balance sheet liquidity lines including credit enhancements to Bank's sponsored ABCP conduits and liquidity lines to non-bank sponsored ABCP conduits.
Retail	
Real Estate Secured	
Residential Mortgages	Loans to individuals against residential property (four units or less).
Secured Lines Of Credit	Revolving personal lines of credit secured by first charge on residential real estate.
Qualifying Revolving Retail Exposures (QRRE)	Credit cards and unsecured line of credit for individuals.
Other Retail	All other personal loans.
Exposure Sub-types	
Drawn	Outstanding amounts for loans, leases, acceptances, deposits with banks and available-for-sale debt securities.
Undrawn	Unutilized portion of an authorized credit line.
Other Exposures	
Repo-Style Transactions	Reverse repurchase agreements (reverse repos) and repurchase agreements (repos), securities lending and borrowing.
OTC Derivatives	Over-the-counter derivatives contracts.
ETD	Exchange traded derivatives contracts. These include: Futures contracts (both Long and Short positions), Purchased Options and Written Options.
Other Off Balance Sheet	Direct credit substitutes such as standby letters of credits and guarantees, trade letters of credits, and performance letters of credits and guarantees.
QCCP	A qualifying central counterparty (QCCP) is licensed as a central counterparty and is also considered to as "qualifying" when it is compliant with CPSS-IOSCO standards and is able to assist clearing member banks in properly capitalizing for CCP exposures by either undertaking the calculations and/or making available sufficient information to its clearing members, or others, to enable the completion of capital calculations.
NQCCP	Non-qualifying central counterparties (NQCCPs) are defined as those which are not compliant with CPSS-IOSCO standards as outlined under qualifying CCP's. The exposures to NQCCP will follow standardized treatment under the Basel accord.
Other	
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.