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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 of the external credit assessment institutions (ECAI): S&P, Moody's and DBRS.
- A multiplier of 1.25 is applied to the correlation parameter of all exposures to all unregulated Financial Institutions, and regulated Financial Institutions with assets of at least US\$100 billion.
- Exchange-traded derivatives which previously were excluded from the capital calculation under Basel II are risk-weighted under Basel III.
- An overall scaling factor of 6% is added to the credit risk RWA for all AIRB portfolios. For the remaining portfolios, the Standardized Approach is used to compute credit risk.
- The Standardized Approach applies regulator prescribed risk weight factors to credit exposures based on the external credit assessments (public ratings), where available, and also considers other additional factors (e.g. provision levels for defaulted exposures, loan-to-value for retail, eligible collateral, etc).

Operational Risk

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

Prior period amounts have not been restated for IFRS, Basel III and IFRS10/IAS19R 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 2013, OSFI announced its decision to implement phase-in (over 5 years) of the regulatory capital for Credit Valuation Adjustment on Bilateral OTC derivatives effective Q1 2014. The bank has applied a 57% scalar for all tiers of capital this quarter. OSFI will communicate separate scalars for the various tiers of capital during 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 required Canadian deposit-taking institutions to fully implement the 2019 Basel III reforms in 2013, without the transitional phase-in provisions for capital deductions, and achieve a minimum 7% common equity target, by the first quarter of 2013 along with a minimum Tier 1 ratio of 7% and Total capital ratio of 10%. In the first quarter of 2014, the minimum Tier 1 ratio rose 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							
	Q1 2014		Q4 2013		Q3 2013		Q2 2013	
	Transitional Approach	All-in Approach ⁽²⁾	Transitional Approach	All-in Approach ⁽²⁾	Transitional Approach	All-in Approach ⁽²⁾	Transitional Approach	All-in Approach ⁽²⁾
Common Equity Tier 1 Capital	38,974	28,499	38,021	26,359	36,873	25,188	35,806	24,013
Tier 1 Capital	38,974	33,742	38,021	31,914	36,873	31,041	35,806	29,961
Total Capital	44,827	40,811	43,358	38,841	43,243	38,948	42,485	38,204
Total Risk-Weighted Assets	306,465	302,070	293,252	288,246	287,011	282,309	285,468	280,747
Capital Ratios								
Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.7	9.4	13.0	9.1	12.8	8.9	12.5	8.6
Tier 1 (as a percentage of risk-weighted assets)	12.7	11.2	13.0	11.1	12.8	11.0	12.5	10.7
Total Capital (as a percentage of risk-weighted assets)	14.6	13.5	14.8	13.5	15.1	13.8	14.9	13.6
OSFI Target - All-in Basis								
Common Equity Tier 1 minimum ratio		7.0		7.0		7.0		7.0
Tier 1 capital all-in minimum ratio		8.5						
Total capital all-in minimum ratio		10.5						
Capital instruments subject to phase-out arrangements								
<i>Current cap on Additional Tier 1 (AT1) instruments subject to phase-out arrangements</i>	80%	80%	90%	90%	90%	90%	90%	90%
<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	7	7	-	-	-	-	653	653
<i>Current cap on Tier 2 (T2) instruments subject to phase-out arrangements</i>	80%	80%	90%	90%	90%	90%	90%	90%
<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	-	-	-	-	-	-	-	-

⁽¹⁾ Prior quarters are detailed on pages 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 Q1 2014	All-in Q4 2013 ⁽²⁾
1	Directly issued qualifying common share capital plus related stock surplus	u+y	15,084	14,709
2	Retained Earnings	v	25,928	25,315
3	Accumulated Other Comprehensive Income	w	1,345	545
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	aa	487	479
6	Common Equity Tier 1 capital before regulatory adjustments		42,844	41,048
Common Equity Tier 1 Capital: Regulatory Adjustments				
8	Goodwill (net of related tax liability)	g	(6,959)	(6,867)
9	Intangibles other than mortgage-servicing rights (net or related tax liability)	h-q+i-r	(2,910)	(2,905)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	k	(728)	(752)
11	Cash flow hedge reserve	x	121	43
14	Gains and losses due to changes in own credit risk on fair value liabilities	p	(173)	(152)
15	Defined-benefit pension fund net assets (net of related tax liability)	t-s	(76)	(387)
16	Investments in own shares (if not already netted off paid-in capital on reported balance)	a	(23)	(39)
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	(2,881)	(2,727)
22	Amount exceeding the 15% threshold		(716)	(903)
23	of which: significant investments in the common stock of financials	f	(460)	(558)
25	of which: deferred tax assets arising from temporary differences	j	(256)	(345)
28	Total regulatory adjustments to Common Equity Tier 1		(14,345)	(14,689)
29	Common Equity Tier 1 capital (CET1)		28,499	26,359
Additional Tier 1 Capital: Instruments				
33	Directly issued capital instruments subject to phase out from Additional Tier 1	z+(3)	5,227	5,484
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	29	86
36	Additional Tier 1 capital before regulatory adjustments		5,256	5,570
Additional Tier 1 Capital: Regulatory Adjustments				
39	Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	b	(8)	(8)
41	Other deductions from Tier 1 capital as determined by OSFI	o	(5)	(7)
43	Total regulatory adjustments to Additional Tier 1 capital		(13)	(15)
44	Additional Tier 1 Capital (AT1)		5,243	5,555
45	Tier 1 Capital (T1=CET1 + AT1)		33,742	31,914

		Cross-Reference ⁽¹⁾	All-in Q1 2014	All-in Q4 2013 ⁽²⁾
Tier 2 Capital: Instruments and Provisions				
47	Directly issued capital instruments subject to phase out from Tier 2	m	5,874	5,841
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	cc	216	115
50	Eligible Collective Allowance and Excess of allowance over expected loss	c+d	979	971
51	Tier 2 capital before regulatory adjustments		7,069	6,927
Tier 2 Capital: Regulatory Adjustments				
57	Total regulatory adjustments to Tier 2 capital		0	0
58	Tier 2 Capital (T2)		7,069	6,927
59	Total Capital (TC = T1 + T2)		40,811	38,841
60	Total Risk-Weighted Assets		302,070	288,246
Capital Ratios and Buffers				
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)		9.4	9.1
62	Tier 1 (as a percentage of risk weighted assets)		11.2	11.1
63	Total capital (as a percentage of risk weighted assets)		13.5	13.5
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%	7.0%
65	of which: capital conservation buffer requirement		2.5%	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)		9.4	9.1
OSFI all-in target (minimum + capital conservation buffer + DSIB surcharge (if applicable))				
69	Common Equity Tier 1 all-in target ratio		7.0%	7.0%
70	Tier 1 capital all-in target ratio		8.5%	8.5%
71	Total capital all-in target ratio		10.5%	10.5%
Amounts below the thresholds for the deduction (before risk weighting)				
72	Non-significant investments in the capital of other financial institutions		1,389	1,369
73	Significant investments in the common stock of financial institutions		2,749	2,441
75	Deferred tax assets arising from temporary differences (net of related tax liability)		1,526	1,513
Applicable caps on the inclusion of allowances in Tier 2				
76	Allowances eligible for inclusion in Tier 2 in respect to exposures subject to standardized approach (prior to application of cap)		907	875
77	Cap on inclusion of allowances in Tier 2 under standardized approach		1,012	932
78	Allowances eligible for inclusion in Tier 2 in respect to exposures subject to internal ratings-based approach (prior to application of cap)		72	96
79	Cap for inclusion of allowances in Tier 2 under internal ratings-based approach		1,056	998
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		80%	90%
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		-	-
82	Current cap on AT1 instruments subject to phase out arrangements		80%	90%
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		7	-
84	Current cap on T2 instruments subject to phase out arrangements		80%	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).

(2) Capital measures for 2013 have not been restated for the new accounting standards, IFRS 10 (Consolidated Financial Statements) and IAS 19R (Employee Benefits) as they represent the actual amounts in that period for regulatory purposes.

(3) Line 33 also includes \$1,398 of capital instrument which are deconsolidated under accounting standard (IAS 10) which were previously on balance sheet.

CONSOLIDATED BALANCE SHEET: SOURCE OF DEFINITION OF CAPITAL COMPONENTS



(\$MM)	Cross Reference to Page 4 Definition of Capital	Consolidated Statement of Financial Position ⁽¹⁾	Under regulatory scope of consolidation ⁽²⁾	Cross Reference to Page 4 Definition of Capital	Consolidated Statement of Financial Position ⁽¹⁾	Under regulatory scope of consolidation ⁽²⁾	
		Q1 2014	Q1 2014		Q1 2014	Q1 2014	
Assets				Liabilities			
Cash and deposits with banks		55,321	55,307	Deposits			
Precious Metals		7,571	7,571	Personal	174,124	174,123	
Trading Assets				Business and Government	329,906	329,906	
Trading Securities		99,583	99,582	Banks	35,569	35,569	
- Investment in own shares	a		23		539,599	539,598	
- Other trading securities			99,559	Other			
Trading Loans		11,798	11,798	Acceptances	11,250	11,250	
Other Trading Assets		1,594	1,594	Obligations Related to Securities Sold Short	27,106	27,106	
		112,975	112,974	Derivative Instruments	32,111	32,111	
Financial assets designated at fair value through profit or loss		114	114	Obligations Related to Securities Sold Under Repurchase Agreements	87,960	87,960	
Securities Purchased Under Resale Agreements		82,435	82,435	Subordinated Debentures	5,874	5,874	
Derivative Instruments		30,391	30,391	- Regulatory capital amortization of maturing debentures		-	
Investment Securities		37,893	37,240	- Subordinated debentures used for regulatory capital			
- Significant investments in Additional Tier 1 capital of other financial institutions reflected in regulatory capital	b		8	- of which: are subject to phase out included in Tier 1 capital (80%)	m	5,874	
- Other securities			37,232	- of which: are subject to phase out not included in Tier 1 capital		-	
Loans				Other Liabilities	31,576	31,368	
Residential Mortgages		211,062	210,942	- Liquidity Reserves		5	
Personal and Credit Cards		77,627	77,627	- Gains/losses due to changes in own credit risk including DVA on derivatives	p	173	
Business and Government		129,493	129,493	- Deferred tax liabilities		568	
		418,182	418,062	- intangible assets (excl. computer software and mortgage servicing rights)	q	779	
Allowance For Credit Losses		(3,361)	(3,361)	- Intangible assets - computer software	r	174	
- Collective Allowance reflected in Tier 2 capital	c		(907)	- Defined benefit pension fund assets	s	39	
- Excess of allowances to expected loss	d		(72)	- Other deferred tax liabilities		(424)	
- Allowances not reflected in regulatory capital			(2,382)	- Other Liabilities		30,622	
Other				Total Liabilities		195,877	
Customers' Liability Under Acceptances		11,250	11,250			735,476	
Property and Equipment		2,252	2,250	Shareholders' Equity			
Investments in Associates		5,517	6,188	Common Equity			
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 10% regulatory thresholds	e	2,881	2,881	- Common Shares	u	14,889	
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 15% regulatory thresholds	f	460	460	- Retained Earnings	v	25,928	
- Significant Investments in other financial institutions including deconsolidated subsidiaries within regulatory thresholds		2,176	2,847	- Accumulated Other Comprehensive Income (Loss)	w	1,345	
Goodwill & Other Intangibles		10,822	10,822	- Cash flow hedging reserve	x	(121)	
- Goodwill	g		6,959	- Other		1,466	
- Intangibles (excl computer software)	h		2,899	- Other Reserves	y	195	
- Computer software intangibles	i		964	Total Common Equity		42,357	
Deferred tax assets		1,970	1,970	Preferred Shares		3,834	
- Deferred tax assets arising from temporary differences exceeding the regulatory threshold	j		255	- of which: are subject to phase out and included in Tier 1 capital (80%)	z	3,829	
- Deferred tax assets that rely on future profitability	k		728	- of which: are subject to phase out and not included into Tier 1 capital		5	
- Deferred tax assets not deducted from regulatory capital			987	Total Equity Attributable to Equity Holders		46,191	
Other Assets		9,503	9,413	Non-Controlling Interests			
- Defined pension fund assets	l		115	Non-Controlling Interest in Subsidiaries		1,168	
- Other assets			9,281	- portion allowed for inclusion into CET1	aa	487	
		41,314	41,893	- portion allowed for inclusion into Tier 1 capital	bb	29	
				- portion allowed for inclusion into Tier 2 capital	cc	216	
				- portion not allowed for regulatory capital		436	
Total Assets		782,835	782,626	Total Equity		47,359	
				Total Liabilities & Shareholders' Equity		782,835	

⁽¹⁾ Consolidated Statement of Financial Position as reported in the 2014 First Quarter Results - Report to the Shareholders

⁽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 principle activities includes insurance, reinsurance, property and casualty insurance. Key subsidiaries are Scotia Insurance Barbados Ltd (assets:\$468, equity:\$311), Scotia Life Insurance Company (assets:\$59, equity:\$156), Scotia Jamaica Life Insurance Co. Ltd (assets:\$534, equity:\$97), Scotia Life Trinidad and Tobago Ltd (assets:\$235, equity:\$47) and Scotia Seguros (assets:\$57, equity:\$30).

BALANCE SHEET ASSET CATEGORIES CROSS-REFERENCED TO CREDIT RISK EXPOSURES


	Credit Risk Exposures					Other Exposures		Total
	Drawn		Other Exposures			Market Risk Exposures		
	Non-retail	Retail	Securitization	Repo-style Transactions	OTC Derivatives	Also subject to Credit Risk	All Other ⁽¹⁾	
As at January 31, 2014 (\$ millions)								
Cash and deposits with financial institutions	\$53,084	-	-	-	-	-	\$2,237	\$55,321
Precious metals	-	-	-	-	-	-	7,571	7,571
Trading assets								
Securities	-	-	-	-	-	-	99,583	99,583
Loans	8,319	-	-	-	-	8,319	3,479	11,798
Other	-	-	-	-	-	-	1,594	1,594
Financial assets designated at fair value through profit or loss	73	-	-	-	-	-	41	114
Securities purchased under resale agreements and securities borrowed	-	-	-	82,435	-	-	-	82,435
Derivative financial instruments	-	-	-	-	30,391	28,304	-	30,391
Investment securities	32,519	-	241	-	-	-	5,133	37,893
Loans:								
Residential Mortgages ⁽²⁾	87,088	123,863	-	-	-	-	111	211,062
Personal and credit cards	-	75,593	2,025	-	-	-	9	77,627
Business & government	121,779	-	7,683	-	-	-	31	129,493
Allowances for credit losses ⁽³⁾	(831)	-	-	-	-	-	(2,530)	(3,361)
Customers' liability under acceptances	11,250	-	-	-	-	-	-	11,250
Property and equipment	-	-	-	-	-	-	2,252	2,252
Investment in associates	-	-	-	-	-	-	5,517	5,517
Goodwill and other intangibles assets	-	-	-	-	-	-	10,822	10,822
Other (including Deferred tax assets)	877	137	-	-	-	-	10,459	11,473
Total	\$314,158	\$199,593	\$9,949	\$82,435	\$30,391	\$36,623	\$112,227	\$782,835

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

(2) Includes \$86.5 billion in mortgages guaranteed by Canada Mortgage Housing Corporation including 90% of privately insured mortgages.

(3) Gross of allowances against impaired loans for AIRB exposures and net of allowances against impaired loans for standardized exposures.

	Credit Risk Exposures					Other Exposures		Total
	Drawn		Other Exposures			Market Risk Exposures		
	Non-retail	Retail	Securitization	Repo-style Transactions	OTC Derivatives	Also subject to Credit Risk	All Other ⁽¹⁾	
As at October 31, 2013 (\$ millions) ⁽⁴⁾								
Cash and deposits with financial institutions	\$51,274	-	-	-	-	-	\$2,064	\$53,338
Precious metals	-	-	-	-	-	-	8,880	8,880
Trading assets								
Securities	-	-	-	-	-	-	84,195	84,196
Loans	7,812	-	-	-	-	7,812	3,413	11,225
Other	-	-	-	-	-	-	1,068	1,068
Financial assets designated at fair value through profit or loss	69	-	-	-	-	-	37	106
Securities purchased under resale agreements and securities borrowed	-	-	-	82,533	-	-	-	82,533
Derivative financial instruments	-	-	-	-	24,503	23,147	-	24,503
Investment securities	29,293	-	225	-	-	-	4,801	34,303
Loans:								
Residential Mortgages ⁽²⁾	86,729	123,039	-	-	-	-	97	209,865
Personal and credit cards	-	74,068	1,933	-	-	-	7	76,008
Business & government	113,505	-	5,811	201	-	-	98	119,550
Allowances for credit losses ⁽³⁾	(774)	-	-	-	-	-	(2,499)	(3,273)
Customers' liability under acceptances	10,556	-	-	-	-	-	-	10,556
Property and equipment	-	-	-	-	-	-	2,214	2,228
Investment in associates	-	-	-	-	-	-	5,326	5,294
Goodwill and other intangibles assets	-	-	-	-	-	-	10,704	10,704
Other (including Deferred tax assets)	1,741	172	-	-	-	-	10,548	12,704
Total	\$300,205	\$197,279	\$7,969	\$82,734	\$24,503	\$30,959	\$97,556	\$743,768

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

(2) Includes \$86.2 billion in mortgages guaranteed by Canada Mortgage Housing Corporation including 90% of privately insured mortgages.

(3) Gross of allowances against impaired loans for AIRB exposures and net of allowances against impaired loans for standardized exposures.

(4) Prior period amounts are retrospectively adjusted to reflect the adoption of new IFRS standards in 2014 (refer to note 3 in the condensed interim consolidated financial statements). Capital measures for 2013 have not been restated for the new IFRS standards as they represent the actual amounts in that period for regulatory purposes.

FLOW STATEMENT FOR REGULATORY CAPITAL



	Basel III All-in		
	2014	2013 ⁽¹⁾	
	Q1	Q4	Q3
(\$MM)			
Common tier 1 (CET1) capital			
Opening amount	26,359	25,188	24,013
New capital issues	-	-	-
Redeemed capital	-	-	-
Gross dividends	(798)	(800)	(773)
Share Purchase Plan	375	328	284
Profit for the quarter (attributable to shareholders of the parent company)	1,655	1,626	1,703
Removal of own credit spread (net of tax)	(21)	(8)	(6)
Movements in other comprehensive income, excluding cash flow hedges ⁽²⁾	1,038	363	(300)
Currency translation differences	1,055	297	(198)
Available-for-sale investments	18	66	(102)
Other	(35)	-	-
Goodwill and other intangible assets (deduction, net of related tax liability)	(97)	(97)	(125)
Other, including regulatory adjustments and transitional arrangements	(12)	(241)	392
Deferred tax assets that rely on future probability	24	(4)	(5)
Prudential valuation adjustments	-	-	-
Other, IFRS Impact ⁽²⁾	(142)	-	-
Other	106	(237)	397
Closing Amount	28,499	26,359	25,188
Other Additional Tier 1 Capital			
Opening amount	5,555	5,853	5,948
New Additional Tier 1 eligible capital issues			
Redeemed capital	(250)	(300)	(750)
Other, capital including regulatory adjustments and transitional arrangements	(62)	2	655
Closing Amount	5,243	5,555	5,853
Total Tier 1 capital	33,742	31,914	31,041
Tier 2 capital			
Opening amount	6,927	7,907	8,243
New tier 2 eligible capital issues	-	-	-
Redeemed capital	-	(1,200)	-
Amortization adjustments	-	250	-
Other, including regulatory adjustments and transitional adjustments	143	(30)	(336)
Closing Amount	7,070	6,927	7,907
Total regulatory capital	40,811	38,841	38,948

⁽¹⁾ Prior quarters on a more summarized basis, refer to page 8. Prior period amounts have not been restated for the new IFRS standards as they represent the actual amounts in that period for regulatory purposes.

⁽²⁾ Impact on November 1, 2013, from the adoption of new accounting standards, IFRS 10 (Consolidated Financial Statements) and IAS 19R (Employee Benefits) is included in Other.

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 7 on a prospective basis. Prior period amounts have not been restated for the new IFRS standards as they represent the actual amounts in that period for regulatory purposes.
- (2) Under Basel III, Other Capital Deductions in Tier 1 and Tier 2 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 of 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 2011
	2014	2013			IFRS	2012				
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
RISK-WEIGHTED ASSETS:^(1,2)										
On- Balance Sheet Assets										
Cash Resources	2.5	2.9	3.1	3.0	2.6	2.7	2.9	4.1	3.0	3.5
Securities ⁽³⁾	16.4	15.4	15.9	16.3	17.5	12.6	12.7	17.1	17.4	13.7
Residential Mortgages Loans	19.1	19.0	18.5	18.1	17.6	13.0	12.4	12.4	12.1	10.5
- Personal Loans	37.1	36.3	34.3	33.4	32.5	30.8	29.7	28.6	28.6	26.4
- Non-Personal Loans	93.2	88.2	87.6	87.1	88.0	85.5	85.4	82.9	83.5	79.1
All Other ⁽⁴⁾	25.8	24.9	23.9	22.9	23.8	18.2	18.1	18.4	17.1	17.0
	194.1	186.7	183.3	180.8	182.0	162.8	161.2	163.5	161.7	150.2
Off- Balance Sheet Assets										
Indirect Credit Instruments	37.6	38.3	37.3	35.7	34.8	34.1	33.7	32.0	32.0	37.0
Derivative Instruments	13.0	7.6	7.6	7.6	8.0	5.6	5.9	5.8	6.0	5.9
	50.6	45.9	44.9	43.3	42.8	39.7	39.6	37.8	38.0	42.9
Total Credit Risk before AIRB scaling factor	244.7	232.6	228.2	224.1	224.8	202.5	200.8	201.3	199.7	193.1
AIRB Scaling factor ⁽⁵⁾	8.5	8.3	8.1	8.3	8.2	7.5	7.5	7.6	7.7	7.7
Total Credit Risk after AIRB scaling factor	253.2	240.9	236.3	232.4	233.0	210.0	208.3	208.9	207.4	200.8
Market Risk - Risk Assets Equivalent	16.7	15.4	14.5	17.4	16.5	13.8	14.8	14.8	16.5	5.9
Operational Risk - Risk Assets Equivalent	32.2	31.9	31.5	30.9	30.6	29.5	29.3	29.2	29.2	27.3
Total Risk-Weighted Assets	302.1	288.2	282.3	280.7	280.1	253.3	252.4	252.9	253.1	234.0
REGULATORY CAPITAL RATIOS (%):										
Common Equity Tier 1	9.4	9.1	8.9	8.6	8.2	n/a	n/a	n/a	n/a	n/a
Tier 1	11.2	11.1	11.0	10.7	10.3	13.6	12.6	12.2	11.4	12.2
Total	13.5	13.5	13.8	13.6	13.5	16.7	14.4	14.0	13.2	13.9

(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 12-13 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 include 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 and 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 a risk-weight of 1250%).

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


Credit risk RWA (\$ millions)	Q1 2014	
	Credit Risk	Of which Counterparty Credit Risk ⁽¹⁾
Credit risk-weighted assets as at October 31, 2013	\$240,940	\$10,471
Book size ⁽²⁾	3,297	785
Book quality ⁽³⁾	(4,313)	(828)
Model updates ⁽⁴⁾	-	-
Methodology and policy ⁽⁵⁾	5,003	5,003
Acquisitions and disposals	-	-
Foreign exchange movements	8,269	670
Other	-	-
Credit risk-weighted assets as at January 31, 2014	\$253,196	\$16,101

⁽¹⁾ Counterparty credit risk includes trading and investment over the counter derivatives (OTC), trades cleared through central counterparties and effective Q1/14, Credit Valuation Adjustment RWA(phased-in at 57%).

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

⁽³⁾ Book quality is defined as quality of book changes caused by experience such as underlying customer behaviour or demographics, including changes through model calibrations/realignments.

⁽⁴⁾ Model updates are defined as model implementation, change in model scope or any change to address model enhancement.

⁽⁵⁾ Methodology and policy is defined as methodology changes to the calculations driven by regulatory policy changes, such as new regulation e.g. Basel III, CVA phase in.

Market risk RWA (\$ millions)	Q1 2014
Market risk-weighted assets as at October 31, 2013	\$15,455
Movement in risk levels ⁽¹⁾	1,259
Model updates ⁽²⁾	-
Methodology and policy ⁽³⁾	-
Acquisitions and disposals	-
Other	-
Market risk-weighted assets as at January 31, 2014	\$16,714

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

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

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

Operational risk RWA (\$ millions)	Q1 2014
Operational risk-weighted assets as at October 31, 2013	\$31,851
Revenue Generation	309
Operational risk-weighted assets as at January 31, 2014	\$32,160

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


Risk-weighted Assets (RWA)	Q1 2014					
	Canadian Banking	International Banking	Global Wealth & Insurance	Global Banking & Markets	Other	All Bank
RWA (\$ billions)	\$81.3	\$106.1	\$11.6	\$90.3	\$12.8	\$302.1
Proportion of Bank	27%	35%	4%	30%	4%	100%
Comprised of:						
Credit risk	87%	89%	58%	76%	100%	84%
Market risk	- %	1%	- %	17%	- %	5%
Operational risk	13%	10%	42%	7%	- %	11%

Risk-weighted Assets (RWA)	Q4 2013					
	Canadian Banking	International Banking	Global Wealth & Insurance	Global Banking & Markets	Other	All Bank
RWA (\$ billions)	\$82.0	\$101.2	\$10.9	\$82.5	\$11.6	\$288.2
Proportion of Bank	28%	35%	4%	29%	4%	100%
Comprised of:						
Credit risk	87%	89%	56%	75%	100%	84%
Market risk	- %	1%	- %	17%	- %	5%
Operational risk	13%	10%	44%	8%	- %	11%

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


(\$MM)		Basel III - IFRS							
		Q1 2014						Q4 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	82,949	49,445	38,613	37,204	121,562	86,649	116,209	82,203
	Undrawn	40,074	17,565	2,894	2,879	42,968	20,444	45,758	21,547
	Other ⁽⁴⁾	27,164	7,803	3,766	3,737	30,930	11,540	24,902	9,520
	Total	150,187	74,813	45,273	43,820	195,460	118,633	186,869	113,270
Bank ⁽³⁾	Drawn	32,078	8,374	2,755	1,575	34,833	9,949	28,186	9,509
	Undrawn	11,778	3,440	101	67	11,879	3,507	12,463	3,968
	Other ⁽⁴⁾	7,871	1,271	33	33	7,904	1,304	11,361	2,071
	Total	51,727	13,085	2,889	1,675	54,616	14,760	52,010	15,548
Sovereign	Drawn	65,247	4,789	6,032	356	71,279	5,145	69,594	5,013
	Undrawn	1,440	263	-	-	1,440	263	1,568	234
	Other ⁽⁴⁾	1,191	28	-	-	1,191	28	4,837	84
	Total	67,878	5,080	6,032	356	73,910	5,436	75,999	5,331
Total Non-Retail	Drawn	180,274	62,608	47,400	39,135	227,674	101,743	213,989	96,725
	Undrawn	53,292	21,268	2,995	2,946	56,287	24,214	59,789	25,749
	Other ⁽⁴⁾	36,226	9,102	3,799	3,770	40,025	12,872	41,100	11,675
	Total	269,792	92,978	54,194	45,851	323,986	138,829	314,878	134,149
Retail									
Residential Mortgages	Drawn	188,165	9,516	22,526	9,569	210,691	19,085	209,581	18,956
	Undrawn	-	-	-	-	-	-	-	-
	Total	188,165	9,516	22,526	9,569	210,691	19,085	209,581	18,956
Secured Lines Of Credit	Drawn	18,220	4,552	-	-	18,220	4,552	18,241	4,802
	Undrawn	13,052	1,370	-	-	13,052	1,370	12,856	1,419
	Total	31,272	5,922	-	-	31,272	5,922	31,097	6,221
Qualifying Revolving Retail Exposures (QRRE)	Drawn	15,412	7,171	-	-	15,412	7,171	15,174	7,105
	Undrawn	13,400	1,678	-	-	13,400	1,678	12,900	1,672
	Total	28,812	8,849	-	-	28,812	8,849	28,074	8,777
Other Retail	Drawn	20,340	9,935	21,414	15,470	41,754	25,405	40,499	24,412
	Undrawn	733	91	-	-	733	91	735	90
	Total	21,073	10,026	21,414	15,470	42,487	25,496	41,234	24,502
Total Retail	Drawn	242,137	31,174	43,940	25,039	286,077	56,213	283,495	55,275
	Undrawn	27,185	3,139	-	-	27,185	3,139	26,491	3,181
	Total	269,322	34,313	43,940	25,039	313,262	59,352	309,986	58,456
Securitizations		19,837	7,211	63	62	19,900	7,273	17,975	7,049
Trading Derivatives ⁽³⁾		23,638	7,284	-	-	23,638	7,284	20,623	6,977
Derivatives - credit valuation adjustment ⁽⁷⁾		-	-	-	5,003	-	5,003	-	-
Total Credit Risk (Excluding Equities & Other Assets)		582,589	141,786	98,197	75,955	680,786	217,741	663,462	206,631
Equities		4,019	4,019	-	-	4,019	4,019	3,728	3,728
Other Assets ⁽⁵⁾		-	-	57,028	22,930	57,028	22,930	55,910	22,250
Total Credit Risk (Before Scaling Factor)		586,608	145,805	155,225	98,885	741,833	244,690	723,100	232,609
Add-on for 6% Scaling Factor ⁽⁶⁾		-	8,506	-	-	-	8,506	-	8,331
Total Credit Risk		586,608	154,311	155,225	98,885	741,833	253,196	723,100	240,940

⁽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 include exchange-traded derivatives which were previously excluded for capital calculation under Basel II and are now risk-weighted under Basel III.

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

⁽⁷⁾ As per OSFI guideline, effective Q1/14, Credit Valuation Adjustment RWA on derivatives are phased-in at 57%.

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



(SMM)		Basel III - IFRS						Basel II - IFRS							
		2013						2012							
		Q3		Q2		Q1		Q4		Q3		Q2		Q1	
Exposure Type	Sub-type	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾
Non-Retail															
Corporate ⁽³⁾	Drawn	114,567	82,109	115,934	81,854	114,895	82,943	112,974	82,239	111,052	81,432	108,593	78,977	108,118	80,275
	Undrawn	45,477	21,329	42,956	20,029	42,742	19,656	43,056	20,311	42,226	20,017	41,356	19,239	42,114	19,118
	Other ⁽⁴⁾	22,156	8,532	21,444	8,604	21,602	8,854	16,765	7,095	17,710	7,488	16,325	6,514	15,472	6,837
	Total	182,200	111,970	180,334	110,487	179,239	111,453	172,795	109,645	170,988	108,937	166,274	104,730	165,704	106,230
Bank	Drawn	33,053	9,280	36,340	9,875	33,665	9,297	35,211	8,047	34,596	8,731	38,228	10,377	31,582	8,449
	Undrawn	12,374	4,114	11,930	3,810	11,330	3,479	11,060	2,754	10,731	2,631	10,731	2,583	11,825	2,778
	Other ⁽⁴⁾	12,772	1,779	11,955	1,723	9,159	1,694	7,842	1,190	11,435	1,769	11,555	1,657	10,432	1,403
	Total	58,199	15,173	60,225	15,408	53,954	14,470	54,113	11,991	56,762	13,131	60,514	14,617	53,839	12,630
Sovereign	Drawn	63,915	5,074	63,065	4,117	65,407	5,053	53,451	4,079	57,628	4,151	56,444	4,032	50,187	4,430
	Undrawn	1,276	247	1,539	306	1,605	269	1,281	220	1,412	249	1,288	235	1,142	218
	Other ⁽⁴⁾	2,549	5	2,278	5	281	6	291	27	438	25	380	29	356	42
	Total	67,740	5,326	66,882	4,428	67,293	5,328	55,023	4,326	59,478	4,425	58,112	4,296	51,685	4,690
Total Non-retail	Drawn	211,535	96,463	215,339	95,846	213,967	97,293	201,636	94,365	203,276	94,314	203,265	93,386	189,887	93,154
	Undrawn	59,127	25,690	56,425	24,145	55,477	23,404	55,397	23,285	54,369	22,897	53,375	22,057	55,081	22,114
	Other ⁽⁴⁾	37,477	10,316	35,677	10,332	31,042	10,554	24,898	8,312	29,583	9,282	28,260	8,200	26,260	8,282
	Total	308,139	132,469	307,441	130,323	300,486	131,251	281,931	125,962	287,228	126,493	284,900	123,643	271,228	123,550
Retail															
Residential Mortgages	Drawn	208,604	18,464	207,641	18,139	206,648	17,625	175,114	13,005	171,295	12,370	166,816	12,382	164,201	12,061
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	208,604	18,464	207,641	18,139	206,648	17,625	175,114	13,005	171,295	12,370	166,816	12,382	164,201	12,061
Secured Lines Of Credit	Drawn	18,346	4,512	18,475	4,540	18,328	4,530	18,404	4,701	18,144	4,502	17,841	4,428	17,767	4,484
	Undrawn	12,625	1,302	12,347	1,280	12,026	1,247	11,759	1,267	11,492	1,229	11,149	1,196	10,829	1,182
	Total	30,971	5,814	30,822	5,820	30,354	5,777	30,163	5,968	29,636	5,731	28,990	5,624	28,596	5,666
Qualifying Revolving	Drawn	14,944	6,691	14,711	6,553	14,517	6,489	14,414	6,444	14,194	6,128	14,371	6,058	14,243	6,095
	Undrawn	12,500	1,473	12,159	1,426	11,901	1,395	11,613	1,397	11,348	1,303	11,197	1,260	11,005	1,249
	Total	27,444	8,164	26,870	7,979	26,418	7,884	26,027	7,841	25,542	7,431	25,568	7,318	25,248	7,344
Other Retail	Drawn	38,184	23,088	36,497	22,326	35,018	21,501	32,938	19,642	32,002	19,047	30,109	18,088	29,923	18,020
	Undrawn	720	87	708	86	761	93	749	93	739	92	597	59	578	58
	Total	38,904	23,175	37,205	22,412	35,779	21,594	33,687	19,735	32,741	19,139	30,706	18,147	30,501	18,078
Total Retail	Drawn	280,078	52,755	277,324	51,558	274,511	50,145	240,870	43,792	235,635	42,047	229,137	40,956	226,134	40,660
	Undrawn	25,845	2,862	25,214	2,792	24,688	2,735	24,121	2,757	23,579	2,624	22,943	2,515	22,412	2,489
	Total	305,923	55,617	302,538	54,350	299,199	52,880	264,991	46,549	259,214	44,671	252,080	43,471	248,546	43,149
Securitized		18,145	7,606	18,183	7,857	18,046	8,036	17,636	4,170	16,955	4,404	15,240	4,060	14,258	3,606
Trading Derivatives ⁽⁵⁾		21,848	7,309	22,211	7,189	22,470	7,609	18,845	5,434	19,772	5,617	20,105	5,574	20,426	5,655
Total Credit risk (excl. Equities & Other Assets)		654,055	203,001	650,373	199,719	640,201	199,776	583,403	182,115	583,169	181,185	572,325	176,748	554,458	175,960
Equities ⁽⁵⁾		3,629	3,629	3,678	3,678	-	-	-	-	-	-	1,298	1,298	1,315	1,315
	Grandfathered	-	-	-	-	-	-	-	-	-	-	1,695	5,721	1,808	6,058
	Simple Method	-	-	-	-	-	-	-	-	-	-	433	510	434	520
	PD/LGD Approach	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	3,539	3,539	3,155	3,155	3,055	3,055	-	-	-	-
	Total Equities	3,629	3,629	3,678	3,678	3,539	3,539	3,155	3,155	3,055	3,055	3,426	7,529	3,557	7,893
Other Assets ⁽⁶⁾		53,664	21,594	51,101	20,800	51,040	21,472	41,514	17,197	37,760	16,477	38,970	16,894	39,863	15,876
		711,348	228,224	705,152	224,197	694,780	224,787	628,072	202,467	623,984	200,717	614,721	201,171	597,878	199,729
Add-on for 6% scaling factor ⁽⁷⁾			8,119		8,262		8,245		7,499		7,536		7,642		7,709
Total Credit Risk		711,348	236,343	705,152	232,459	694,780	233,032	628,072	209,966	623,984	208,253	614,721	208,813	597,878	207,438

(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)

Exposure at Default

(\$MM)	Basel III - IFRS									
	Q1 2014					Q4 2013				
	Non-Retail			Retail	Total	Non-Retail			Retail	Total
Drawn	Undrawn	Other ⁽³⁾	Drawn			Undrawn	Other ⁽³⁾			
Canada	58,604	25,975	26,380	275,914	386,873	58,348	28,100	29,499	274,666	390,613
USA	60,290	17,976	33,784	-	112,050	54,548	19,467	30,213	138	104,366
Mexico	10,520	358	1,183	7,326	19,387	9,755	324	1,096	6,684	17,859
Other International										
Europe	14,244	5,052	13,394	-	32,690	13,919	5,118	11,035	-	30,072
Caribbean	18,192	1,707	1,940	14,175	36,014	17,167	1,685	1,911	13,271	34,034
Latin America (excl. Mexico)	31,036	1,402	4,348	15,758	52,544	29,390	1,194	3,838	15,137	49,559
All Other	34,788	3,817	2,534	89	41,228	30,862	3,901	2,106	90	36,959
Total	227,674	56,287	83,563	313,262	680,786	213,989	59,789	79,698	309,986	663,462

	Basel III - IFRS			Basel II - IFRS	
	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Canada	390,736	384,672	374,866	339,320	335,328
USA	100,794	102,702	107,243	94,784	98,898
Mexico	17,321	17,400	15,422	14,079	13,729
Other International					
Europe	29,727	31,636	30,526	27,723	28,098
Caribbean	33,165	32,718	33,790	32,700	32,637
Latin America (excl. Mexico)	46,676	45,967	44,108	42,312	40,809
All Other	35,636	35,278	34,246	32,485	33,670
Total	654,055	650,373	640,201	583,403	583,169

⁽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 EXPOSURE AT DEFAULT

(\$MM)	Basel III - IFRS							
	Q1 2014				Q4 2013			
	Drawn	Undrawn	Other ⁽³⁾	Total	Drawn	Undrawn	Other ⁽³⁾	Total
Non-Retail								
Less than 1 year	113,200	15,710	47,816	176,726	108,156	17,823	47,740	173,719
1 to 5 years	59,723	32,123	29,670	121,516	53,539	37,674	27,960	119,173
Over 5 Years	7,351	5,459	2,215	15,025	6,136	1,270	1,613	9,019
Total Non-Retail	180,274	53,292	79,701	313,267	167,831	56,767	77,313	301,911
Retail								
Less than 1 year	25,261	13,785		39,046	25,734	13,591		39,325
1 to 5 years	166,964	-		166,964	166,712	-		166,712
Over 5 Years	15,000	-		15,000	14,653	-		14,653
Revolving Credits ⁽⁴⁾	34,912	13,400		48,312	34,722	12,900		47,622
Total Retail	242,137	27,185		269,322	241,821	26,491		268,312
Total	422,411	80,477	79,701	582,589	409,652	83,258	77,313	570,223

	Basel III - IFRS				Basel II - IFRS
	Q3 2013	Q2 2013	Q1 2013	Q4 2012	
Non-Retail					
Less than 1 year	165,006	164,157	156,107	138,958	
1 to 5 years	114,841	121,923	123,231	120,812	
Over 5 Years	15,399	9,275	8,772	9,746	
Total Non-Retail	295,246	295,355	288,110	269,516	
Retail					
Less than 1 year	38,183	38,671	40,063	31,904	
1 to 5 years	167,179	165,596	163,625	145,232	
Over 5 Years	13,318	11,655	10,679	6,241	
Revolving Credits ⁽⁴⁾	47,109	46,667	46,145	45,853	
Total Retail	265,789	262,589	260,512	229,230	
Total	561,035	557,944	548,622	498,746	

⁽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													
	Q1 2014							Q4 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%	1,073	8	5,179	6,260	9	1,016	1,025	1,167	8	5,053	6,228	16	1,077	1,093
20%	713	1,497	262	2,472	1,358	-	1,358	605	1,241	282	2,128	1,289	-	1,289
35%	-	-	-	-	16,957	504	17,461	-	-	-	-	15,238	499	15,737
50%	127	17	575	719	-	-	-	110	7	296	413	-	-	-
75%	-	-	-	-	3,357	19,352	22,709	-	-	-	-	3,840	18,412	22,252
100%	42,924	1,367	16	44,307	845	33	878	40,569	1,590	36	42,195	803	24	827
150%	499	-	-	499	-	509	509	593	8	-	601	-	476	476
Total	45,336	2,889	6,032	54,257	22,526	21,414	43,940	43,044	2,854	5,667	51,565	21,186	20,488	41,674

Risk-weight	Basel III - IFRS						BASEL II - IFRS							
	Q3 2013		Q2 2013		Q1 2013		Q4 2012		Q3 2012		Q2 2012		Q1 2012	
	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
0%	6,512	1,054	7,196	1,067	7,967	923	4,850	911	4,515	1,006	3,874	809	3,100	813
20%	2,925	1,285	3,096	1,280	3,256	1,469	4,153	1,521	3,817	1,590	5,905	1,610	3,463	1,741
35%	-	15,390	-	15,219	-	11,072	-	14,412	-	13,965	-	13,197	-	13,387
50%	474	-	571	-	605	-	650	-	604	-	971	-	1,220	-
75%	-	21,137	-	21,076	-	23,945	-	18,433	-	18,054	-	17,207	-	17,344
100%	42,410	842	41,073	839	40,605	788	38,824	425	37,650	424	34,770	968	34,193	688
150%	565	426	544	468	459	490	419	59	456	55	1,053	60	691	69
Total	52,886	40,134	52,480	39,949	52,892	38,687	48,896	35,761	47,042	35,094	46,573	33,851	42,667	34,042

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

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(SMM)	Category external ratings ⁽¹⁾	Internal grades	PD bands ⁽²⁾	Basel III - IFRS												
				Q1 2014				Q4 2013								
				Drawn Exposure at Default ⁽³⁾	Undrawn Exposure at Default ⁽³⁾	Other Exposure at Default ⁽³⁾	Total Exposure at Default ⁽³⁾	RWA ⁽⁴⁾	Weighted Average PD ^(5,7)	Weighted Average LGD ^(5,7)	Weighted Average RW ^(6,7)	Total Exposure at Default ⁽³⁾	RWA ⁽⁴⁾	Weighted Average PD ^(5,7)	Weighted Average LGD ^(5,7)	Weighted Average RW ^(6,7)
\$	\$	\$	\$		%	%	%	\$		%	%	%				
Investment Grade																
<u>Corporate ⁽⁷⁾</u>																
	AAA to AA+	99	0.00% - 0.06%	43,373	29,142	27,290	99,805	34,168	0.17	44	34	93,858	33,285	0.17	43	35
	AAA to AA+	98	0.00% - 0.06%	172	39	854	1,065	116	0.02	46	11	444	110	0.03	53	25
	AA to A-	95	0.06% - 0.16%	58	234	86	378	57	0.06	33	15	431	60	0.06	33	14
	AA to A-	90	0.07% - 0.17%	3,482	1,924	2,511	7,917	1,754	0.08	44	22	7,040	1,644	0.09	45	23
	BBB+ to BBB	87	0.10% - 0.26%	7,669	5,456	7,651	20,776	3,878	0.08	39	19	20,590	4,785	0.11	40	23
	BBB+ to BBB	85	0.15% - 0.37%	8,080	8,369	7,584	24,033	6,741	0.12	43	28	19,669	6,387	0.14	42	32
	BBB-	83	0.22% - 0.53%	9,623	6,777	5,164	21,564	8,395	0.18	45	39	21,983	8,621	0.19	43	39
				14,289	6,343	3,440	24,072	13,227	0.31	48	55	23,701	11,678	0.28	45	49
<u>Bank ⁽⁷⁾</u>																
	AAA to AA+	99	0.00% - 0.06%	26,568	11,628	19,054	57,250	12,450	0.14	35	22	54,383	14,419	0.15	35	27
	AAA to AA+	98	0.00% - 0.06%	104	12	1	117	6	0.03	40	5	150	8	0.03	36	6
	AA to A-	95	0.06% - 0.16%	5,055	1,116	867	7,038	763	0.06	28	11	2,721	213	0.06	24	8
	AA to A-	90	0.07% - 0.17%	4,495	4,910	7,886	17,291	3,089	0.06	39	18	22,425	4,644	0.08	36	21
	BBB+ to BBB	87	0.10% - 0.26%	8,060	3,156	6,098	17,314	3,702	0.10	34	21	14,703	3,999	0.14	35	27
	BBB+ to BBB	85	0.15% - 0.37%	1,472	1,719	2,859	6,050	1,540	0.13	32	25	5,791	1,874	0.15	32	32
	BBB-	83	0.22% - 0.53%	2,769	524	1,027	4,320	1,208	0.29	34	28	4,128	1,459	0.31	36	35
				4,613	191	316	5,120	2,142	0.52	39	42	4,465	2,222	0.50	40	50
<u>Sovereign</u>																
	AAA to AA+	99	0.00% - 0.06%	148,286	1,362	4,194	153,842	3,132	0.03	16	2	155,646	3,376	0.03	15	2
	AAA to AA+	98	0.00% - 0.06%	132,615	124	2,270	135,009	-	-	15	-	135,230	-	-	15	-
	AA to A-	95	0.06% - 0.16%	1,210	68	907	2,185	172	0.06	12	8	4,147	252	0.06	6	6
	AA to A-	90	0.07% - 0.17%	4,612	520	925	6,057	553	0.09	17	9	5,638	583	0.09	16	10
	BBB+ to BBB	87	0.10% - 0.26%	1,707	201	45	1,953	226	0.15	18	12	1,861	268	0.20	19	14
	BBB+ to BBB	85	0.15% - 0.37%	1,172	9	31	1,212	226	0.26	24	19	1,166	211	0.28	23	18
	BBB-	83	0.22% - 0.53%	5,479	311	10	5,800	1,357	0.37	24	23	5,838	1,338	0.39	24	23
				1,491	129	6	1,626	598	0.53	28	37	1,766	724	0.52	30	41
	Sub-Total			218,227	42,132	50,538	310,897	49,750	0.09	28	64	303,887	51,080	0.10	27	64
Non-Investment Grade																
<u>Corporate ⁽⁷⁾</u>																
	BB+	80	0.34% - 0.59%	36,318	10,781	8,728	55,827	37,293	0.73	43	67	54,076	34,772	0.78	41	64
	BB	77	0.53% - 0.66%	14,257	5,855	2,685	22,797	13,106	0.41	45	57	22,516	11,897	0.40	42	53
	BB-	75	0.66% - 0.83%	9,159	2,225	1,447	12,831	8,551	0.57	44	67	12,742	8,303	0.63	41	65
	B+ to B-	73	0.83% - 1.64%	9,032	1,746	3,699	14,477	10,060	0.83	40	69	12,844	9,125	0.94	39	71
	B+ to B-	70	1.64% - 3.09%	2,301	639	619	3,559	3,087	1.64	38	87	3,848	3,090	1.60	35	80
				1,569	316	278	2,163	2,489	3.09	42	115	2,126	2,357	3.11	40	111
<u>Bank ⁽⁷⁾</u>																
	BB+	80	0.34% - 0.59%	5,468	152	355	5,975	2,510	0.74	37	42	5,307	1,847	0.87	37	35
	BB	77	0.53% - 0.66%	3,478	141	281	3,900	1,659	0.57	37	43	3,168	1,131	0.65	37	36
	BB-	75	0.66% - 0.83%	1,201	1	34	1,236	594	0.66	39	48	1,456	617	0.92	39	42
	B+ to B-	73	0.83% - 1.64%	316	7	27	350	167	0.83	38	48	285	83	1.15	35	29
	B+ to B-	70	1.64% - 3.09%	275	1	7	283	83	1.64	31	29	215	11	1.60	28	5
				198	2	6	206	7	3.09	37	3	183	5	3.11	37	3
<u>Sovereign</u>																
	BB+	80	0.34% - 0.59%	3,093	76	30	3,199	1,662	1.91	24	52	3,091	1,663	1.98	23	54
	BB	77	0.53% - 0.66%	728	68	18	814	253	0.58	22	31	846	276	0.68	22	33
	BB-	75	0.66% - 0.83%	30	-	-	30	9	0.66	24	28	268	80	0.92	18	30
	B+ to B-	73	0.83% - 1.64%	532	2	8	542	90	0.83	20	17	238	52	1.22	24	22
	B+ to B-	70	1.64% - 3.09%	282	2	3	287	159	1.64	26	56	274	140	1.62	25	51
				1,521	4	1	1,526	1,151	3.09	25	75	1,465	1,115	3.11	25	76
	Sub-Total			44,879	11,009	9,113	65,001	41,465	0.79	39	64	62,474	38,282	0.84	37	64

⁽¹⁾ The cross references of the Bank's internal borrower grades (IG) with equivalent rating categories utilized by external rating agencies are outlined on page 182 of the Bank's 2013 Annual Report.

⁽²⁾ PD ranges overlap across IG codes as the Bank utilizes two risk rating systems for its AIRB portfolios, and each risk rating system has its own separate IG to PD mapping.

⁽³⁾ Amounts are 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.

⁽⁴⁾ PD - Probability of Default, see glossary for details.

⁽⁵⁾ LGD - downturn Loss Given Default including a certain conservative factor as per Basel accord, see glossary for details.

⁽⁶⁾ RW - risk-weight.

⁽⁷⁾ Exposure at default (EAD) used as basis for estimated weightings, see glossary for details.

⁽⁸⁾ 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.

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY (CONTINUED)

(\$MM)			Basel III - IFRS								Q4 2013				
			Q1 2014				RWA ⁽⁸⁾	Weighted Average PD ^(4,7)	Weighted Average LGD ^(5,7)	Weighted Average RW ^(6,7)	Total Exposure at Default ⁽³⁾	RWA ⁽⁸⁾	Weighted Average PD ^(4,7)	Weighted Average LGD ^(5,7)	Weighted Average RW ^(6,7)
Category external ratings ⁽¹⁾	Internal grades	PD bands ⁽²⁾	Drawn Exposure at Default ⁽³⁾	Undrawn Exposure at Default ⁽³⁾	Other Exposure at Default ⁽³⁾	Total Exposure at Default ⁽³⁾									
			\$	\$	\$	\$	%	%	%	\$		%	%	%	
Watch List (CCC+ to CC)															
Corporate ⁽⁷⁾	65 - 30	3.09% - 60.85%	1,871	116	58	2,045	4,539	20.36	46	222	2,134	4,508	20.92	44	211
Bank ⁽⁷⁾	65 - 30	3.09% - 60.85%	34	-	2	36	78	30.36	48	213	14	27	18.12	47	208
Sovereign	65 - 30	3.09% - 60.85%	345	-	3	348	426	10.82	31	122	190	242	10.92	32	128
Sub-Total			2,250	116	63	2,429	5,043	19.14	44	207	2,338	4,777	20.09	43	204
Default⁽⁹⁾															
Corporate	27-21	+100%	1,386	35	149	1,570	3,988	100.00	48	254	1,470	3,291	100.00	44	224
Bank	27-21	+100%	8	-	-	8	3	100.00	35	34	48	2	100.00	31	5
Sovereign	27-21	+100%	8	-	1	9	34	100.00	30	378	9	34	100.00	30	380
Sub-Total			1,402	35	150	1,587	4,025	100.00	48	254	1,527	3,327	100.00	43	218
Total			266,758	53,292	59,864	379,914	100,283	0.75	31	26	370,226	97,466	0.76	30	26

⁽¹⁾ The cross references of the Bank's internal borrower grades (IG) with equivalent rating categories utilized by external rating agencies are outlined on page 182 of the Bank's 2013 Annual Report.

⁽²⁾ PD ranges overlap across IG codes as the Bank utilizes two risk rating systems for its AIRB portfolios, and each risk rating system has its own separate IG to PD mapping.

⁽³⁾ Amounts are 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.

⁽⁴⁾ PD - Probability of Default, see glossary for details.

⁽⁵⁾ LGD - downturn Loss Given Default including a certain conservative factor as per Basel accord, see glossary for details.

⁽⁶⁾ RW - risk-weight.

⁽⁷⁾ Exposure at default (EAD) used as basis for estimated weightings, see glossary for details.

⁽⁸⁾ 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.

⁽⁹⁾ EAD for defaulted exposures before related specific provisions and write-offs.

NON-RETAIL AIRB PORTFOLIO - CREDIT COMMITMENTS

(\$MM)	Basel III - IFRS					
	Q1 2014			Q4 2013		
	Notional Undrawn	Weighted Average	EAD (%)	Notional Undrawn	Weighted Average	EAD (%)
Corporate	79,715	50		73,254	58	
Bank	20,921	56		19,779	63	
Sovereign	2,538	57		2,426	65	
Total	103,174	52		95,459	59	

RISK ASSESSMENT OF CREDIT RISK EXPOSURES

RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(SMM)		Basel III - IFRS																			
		Q1 2014					Q4 2013					Q3 2013					Q2 2013				
		Category of PD Grades ^(1,2)	PD Range ⁽²⁾	EAD ^(3,6)	RWA	PD ^(2,6)	LGD ^(4,6,8)	RW ^(5,6)	EAD ^(3,6)	RWA	PD ^(2,6)	LGD ^(4,6,8)	RW ^(5,6)	EAD ^(3,6)	RWA	PD ^(2,6)	LGD ^(4,6,8)	RW ^(5,6)	EAD ^(3,6)	RWA	PD ^(2,6)
\$	\$			%	%	%	\$	\$	%	%	%	\$	\$	%	%	%	\$	\$	%	%	%
Real Estate Secured																					
Exceptionally Low	0.00% to 0.04%	16,537	222	0.04	12	1	16,003	184	0.03	12	1	15,672	180	0.03	12	1	15,050	174	0.03	12	1
Very Low	0.05% to 0.19%	69,397	3,423	0.11	20	5	74,081	3,669	0.12	19	5	73,478	3,652	0.12	19	5	71,917	3,576	0.12	19	5
Low	0.20% to 0.99%	33,651	4,604	0.48	19	14	27,928	4,000	0.51	19	14	27,782	3,943	0.51	19	14	27,438	3,856	0.51	19	14
Medium Low	1.00% to 2.99%	6,523	2,710	1.85	22	42	7,388	2,657	1.49	22	36	7,529	2,710	1.50	22	36	7,655	2,753	1.51	22	36
Medium	3.00% to 9.99%	5,056	2,961	4.01	20	59	6,045	3,785	4.12	21	63	5,529	3,311	4.08	20	60	5,398	3,202	4.09	20	59
High	10.00% to 19.99%	317	406	11.59	27	128	303	393	12.02	27	130	332	432	12.06	27	130	349	456	12.11	27	131
Externely High	20.00% to 99.99%	1,191	1,111	32.94	18	93	1,254	1,214	30.87	18	97	1,238	1,139	31.01	17	92	1,185	1,074	31.33	17	91
Default ⁽⁷⁾	100%+	282	0	100.00	38	0	274	0	100.00	37	0	256	0	100.00	38	0	257	0	100.00	36	0
Sub-total		132,954	15,437	0.96	19	12	133,276	15,902	0.97	19	12	131,816	15,367	0.95	18	12	129,249	15,091	0.96	18	12
Qualifying Revolving Retail Exposures(QRRE)																					
Exceptionally Low	0.00% to 0.04%	17	0	0.03	79	2	16	0	0.03	79	2	14	0	0.03	79	2	14	0	0.03	78	2
Very Low	0.05% to 0.19%	11,824	568	0.10	81	5	11,433	507	0.09	82	4	11,399	515	0.09	82	5	11,106	502	0.09	81	5
Low	0.20% to 0.99%	8,818	1,615	0.54	79	18	6,578	954	0.39	80	14	6,594	958	0.39	80	15	6,445	936	0.39	80	15
Medium Low	1.00% to 2.99%	4,340	2,466	2.38	79	57	6,073	2,823	1.84	79	46	6,130	2,871	1.85	79	47	6,066	2,829	1.85	79	47
Medium	3.00% to 9.99%	2,586	2,451	5.21	76	95	2,718	2,636	5.34	76	97	2,164	2,162	5.45	78	100	2,106	2,103	5.45	78	100
High	10.00% to 19.99%	628	1,030	12.93	76	164	630	1,058	13.27	77	168	625	1,051	13.27	77	168	639	1,072	13.29	77	168
Externely High	20.00% to 99.99%	392	720	38.91	65	183	423	799	39.77	66	189	329	608	41.44	65	185	293	537	42.35	65	183
Default ⁽⁷⁾	100%+	207	0	100.00	84	0	203	0	100.00	85	0	189	0	100.00	85	0	202	0	100.00	85	0
Sub-total		28,812	8,850	2.56	80	31	28,074	8,777	2.66	80	31	27,444	8,165	2.46	80	30	26,871	7,979	2.50	80	30
Other Retail																					
Exceptionally Low	0.00% to 0.04%	0	0	0.00	0	0	559	23	0.04	32	4	576	24	0.04	32	4	575	24	0.04	32	4
Very Low	0.05% to 0.19%	2,429	286	0.12	41	12	1,741	234	0.14	43	13	1,676	222	0.14	43	13	1,670	220	0.14	42	13
Low	0.20% to 0.99%	13,061	5,096	0.49	56	39	11,552	3,936	0.39	55	34	10,434	3,579	0.39	55	34	9,375	3,248	0.39	55	35
Medium Low	1.00% to 2.99%	3,191	2,430	1.98	60	76	4,467	3,374	1.87	61	76	4,414	3,305	1.86	60	75	4,056	3,042	1.87	60	75
Medium	3.00% to 9.99%	1,841	1,614	6.08	57	88	1,906	1,674	6.29	57	88	1,712	1,505	6.38	57	88	1,582	1,388	6.35	57	88
High	10.00% to 19.99%	0	0	0.00	0	0	1	1	12.03	27	48	1	1	12.15	27	48	2	2	11.84	47	83
Externely High	20.00% to 99.99%	424	600	37.64	59	142	400	557	40.04	59	139	354	493	40.56	59	139	327	453	40.97	59	139
Default ⁽⁷⁾	100%+	127	0	100.00	86	0	120	0	100.00	86	0	111	0	100.00	86	0	109	0	100.00	86	0
Sub-total		21,073	10,026	2.51	55	48	20,746	9,799	2.56	55	47	19,278	9,129	2.54	55	47	17,696	8,377	2.59	55	47
Total Retail																					
Exceptionally Low	0.00% to 0.04%	16,554	222	0.04	12	1	16,578	207	0.03	13	1	16,262	204	0.03	13	1	15,639	198	0.03	13	1
Very Low	0.05% to 0.19%	83,650	4,277	0.11	29	5	87,255	4,410	0.12	28	5	86,553	4,389	0.12	28	5	84,693	4,298	0.12	28	5
Low	0.20% to 0.99%	55,530	11,315	0.49	37	20	46,058	8,890	0.46	37	19	44,810	8,480	0.46	36	19	43,258	8,040	0.47	36	19
Medium Low	1.00% to 2.99%	14,054	7,606	2.04	48	54	17,928	8,854	1.70	51	49	18,073	8,886	1.71	51	49	17,777	8,624	1.71	50	49
Medium	3.00% to 9.99%	9,483	7,026	4.74	43	74	10,669	8,095	4.82	41	76	9,405	6,978	4.82	40	74	9,086	6,693	4.80	40	74
High	10.00% to 19.99%	945	1,436	12.48	60	152	934	1,452	12.86	61	156	958	1,484	12.85	60	155	990	1,530	12.87	59	154
Externely High	20.00% to 99.99%	2,007	2,431	35.10	36	121	2,077	2,570	34.45	36	124	1,921	2,240	34.55	33	177	1,805	2,064	34.87	33	114
Default ⁽⁷⁾	100%+	616	0	100.00	63	0	597	0	100.00	63	0	556	0	100.00	64	0	568	0	100.00	63	0
Total		182,839	34,313	1.39	32	19	182,096	34,478	1.41	32	19	178,538	32,661	1.35	32	18	173,816	31,447	1.36	32	18

⁽¹⁾ The general relationship between probability of default (PD) ranges and the category of PD grades is detailed on page 183 of the Bank's 2013 Annual Report.

⁽²⁾ PD - Probability of Default, see glossary for details.

⁽³⁾ After credit risk mitigation, includes drawn and undrawn commitments; excludes government guaranteed residential mortgages.

⁽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.

AIRB CREDIT LOSSES



Exposure Type	Basel III - IFRS									
	Q1 2014		Q4 2013		Q3 2013		Q2 2013		Q1 2013	
	Actual Loss Rate (%)	Expected Loss Rate (%)	Actual Loss Rate (%)	Expected Loss Rate (%)	Actual Loss Rate (%)	Expected Loss Rate (%)	Actual Loss Rate (%)	Expected Loss Rate (%)	Actual Loss Rate (%)	Expected Loss Rate (%)
Non-Retail⁽¹⁾										
Corporate	0.11	1.10	0.12	1.13	0.09	1.09	0.12	1.15	0.13	1.31
Sovereign	-	0.62	-	0.41	-	0.38	-	0.31	-	0.15
Bank	-	0.06	-	0.40	-	0.40	-	0.54	-	0.52
Retail⁽²⁾										
Real Estate Secured	0.01	0.13	0.01	0.14	0.01	0.14	0.01	0.14	0.02	0.15
QRRE	1.78	3.31	1.84	3.27	1.90	3.17	1.87	3.10	1.92	3.15
Other Retail	0.49	1.82	0.47	1.72	0.48	1.74	0.49	1.80	0.53	1.91

⁽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.

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


(\$ millions)	Four-quarter period ending October 31, 2013						Four-quarter period ending July 31, 2013					
	Average estimated PD (%)	Actual default rate (%)	Average estimated LGD (%)	Actual LGD (%)	Average estimated CCF(%) ⁽²⁾	Actual CCF(%) ⁽²⁾	Average estimated PD (%)	Actual default rate (%)	Average estimated LGD (%)	Actual LGD (%)	Average estimated CCF(%) ⁽²⁾	Actual CCF(%) ⁽²⁾
Non Retail ⁽¹⁾	0.99	0.33	38.41	15.97	61.07	14.93	1.02	0.50	38.37	22.70	60.94	10.85

⁽¹⁾ Estimated parameters are based on portfolio averages at Q4/12, whereas actual parameters are based on averages of realized parameters during the subsequent four quarters.

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

(\$ millions)	Four-quarter period ending October 31, 2013						Four-quarter period ending July 31, 2013					
	Average estimated PD (%) ⁽²⁾⁽⁷⁾	Actual default rate (%) ⁽²⁾⁽⁵⁾	Average estimated LGD (%) ⁽³⁾⁽⁷⁾	Actual LGD (%) ⁽³⁾⁽⁶⁾	Estimated (EAD) (\$) ⁽⁴⁾⁽⁷⁾	Actual EAD (\$) ⁽⁴⁾⁽⁵⁾	Average estimated PD (%) ⁽²⁾⁽⁷⁾	Actual default rate (%) ⁽²⁾⁽⁵⁾	Average estimated LGD (%) ⁽³⁾⁽⁷⁾	Actual LGD (%) ⁽³⁾⁽⁶⁾	Estimated (EAD) (\$) ⁽⁴⁾⁽⁷⁾	Actual EAD (\$) ⁽⁴⁾⁽⁵⁾
Residential real estate secured ⁽¹⁾												
Residential mortgages												
Insured mortgages ⁽⁸⁾	0.92	0.62	-	-	-	-	0.90	0.65	-	-	-	-
Uninsured mortgages	0.54	0.39	15.87	10.76	-	-	0.53	0.40	15.71	10.49	-	-
Secured lines of credit	0.96	0.23	27.12	17.23	76	69	0.91	0.26	27.44	16.46	83	76
Qualifying revolving retail exposures	1.61	1.34	71.63	68.21	415	407	1.53	1.34	71.57	67.72	410	402
Other retail	1.94	1.27	65.59	56.33	11	10	1.91	1.27	65.75	57.80	11	10

⁽¹⁾ Excludes the acquisition ING Bank of Canada (ING DIRECT) .

⁽²⁾ Account weighted aggregation.

⁽³⁾ Default weighted aggregation.

⁽⁴⁾ EAD is estimated for revolving products only.

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

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

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

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

EXPOSURE AT DEFAULT⁽¹⁾

(\$MM)	Basel III - IFRS											
	Q1 2014			Q4 2013			Q3 2014			Q2 2013		
	Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives	
	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach
Basel II Exposure type												
Non-Retail												
Corporate	450	1,180	4,970	501	1,171	4,489	552	1,169	3,752	542	1,277	3,997
Bank	-	8	1,410	-	8	1,132	-	8	7,445	-	8	7,884
Sovereign	-	-	6,018	-	-	5,481	-	-	360	-	-	499
Total Non-Retail	450	1,188	12,398	501	1,179	11,102	552	1,177	11,557	542	1,285	12,380
Retail												
Residential Mortgages ⁽²⁾	-	3,509	98,865	-	3,284	98,981	1	3,242	101,190	83	3,175	103,920
Secured Lines of Credit												
Qualifying Revolving Retail Exposures (QRRE)												
Other Retail	595	927	-	570	1,007	-	561	985	-	556	938	-
Total Retail	595	4,436	98,865	570	4,291	98,981	562	4,227	101,190	639	4,113	103,920
Total	1,045	5,624	111,263	1,071	5,470	110,083	1,114	5,404	112,747	1,181	5,398	116,300

⁽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, utilizes LGD substitution. CMHC guarantees under the PD substitution are reclassified to sovereign.

(\$MM)	Basel III - IFRS															
	Q1 2014				Q4 2013				Q3 2013				Q2 2013			
	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 ⁽²⁾
Contract Types																
Interest Rate Contracts:																
Futures and Forward Rate Agreements	446,895	2	1,035	30	379,882	7	883	29	376,466	3	488	10	275,858	-	576	20
Swaps	2,441,658	744	8,977	1,564	2,085,682	1,764	8,639	1,744	1,905,681	1,907	7,832	1,561	1,719,603	2,983	8,255	1,946
Options Purchased	78,637	8	52	31	60,127	13	54	16	67,047	22	345	15	40,230	3	187	39
Options Written	71,915	-	-	-	55,410	-	-	-	69,429	-	-	-	49,176	-	-	-
Total	3,039,105	754	10,064	1,625	2,581,101	1,784	9,576	1,789	2,418,623	1,932	8,665	1,586	2,084,867	2,986	9,018	2,005
Foreign Exchange Contracts:																
Futures, Spots and Forwards	364,273	2,232	5,275	1,342	293,658	1,338	3,946	1,067	284,562	1,523	4,510	1,215	319,153	1,203	4,316	1,092
Swaps	230,766	1,303	5,097	1,163	206,298	916	4,171	1,181	188,888	1,115	4,123	1,070	190,757	1,439	4,525	1,275
Options Purchased	2,839	32	68	22	2,484	16	47	13	2,312	21	67	17	2,379	18	61	15
Options Written	2,554	-	-	-	2,050	-	-	-	1,813	-	-	-	1,766	-	-	-
Total	600,432	3,567	10,440	2,527	504,490	2,270	8,164	2,261	477,575	2,659	8,700	2,302	514,055	2,660	8,902	2,382
Other Derivatives Contracts:																
Equity	51,275	533	4,954	1,889	42,791	460	4,017	1,775	46,631	539	4,353	1,819	45,715	473	3,814	1,478
Credit	75,146	483	2,988	502	77,497	539	3,273	587	74,264	589	3,113	592	70,079	564	2,623	558
Other	96,830	1,291	8,603	1,731	88,929	830	7,409	1,434	80,456	839	6,388	1,550	77,167	649	5,753	1,346
Total	223,251	2,307	16,545	4,122	209,217	1,829	14,699	3,796	201,351	1,967	13,854	3,961	192,961	1,686	12,190	3,382
Credit Valuation Adjustment⁽³⁾				5,003				n.a.				n.a.				n.a.
Total Derivatives after Netting and Collateral	3,862,788	6,628	37,049	13,277	3,294,808	5,883	32,439	7,846	3,097,549	6,558	31,219	7,849	2,791,883	7,332	30,110	7,769

Contract Types	Basel III - IFRS				Basel II - IFRS			
	Q1 2013		Q4 2012		Q3 2012		Q2 2012	
	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	363,919	1,111	352,329	144	346,402	128	328,482	125
Swaps	1,776,882	7,451	1,660,618	4,993	1,572,021	5,676	1,548,000	5,142
Options Purchased	39,741	187	32,760	23	46,315	24	96,702	17
Options Written	47,937	-	35,503	-	57,675	-	105,572	-
Total	2,228,479	8,749	2,081,210	5,160	2,022,413	5,828	2,078,756	5,284
Foreign Exchange Contracts:								
Futures, Spots and Forwards	294,077	4,619	315,453	3,812	323,391	4,266	293,832	3,219
Swaps	187,633	4,672	184,996	4,268	188,577	4,440	193,910	4,557
Options Purchased	2,386	76	3,265	60	3,361	70	3,937	61
Options Written	1,788	-	3,001	-	3,202	-	3,992	-
Total	485,884	9,367	506,715	8,140	518,531	8,776	495,671	7,837
Other Derivatives Contracts:								
Equity	52,136	4,088	44,037	1,750	43,042	1,740	43,546	3,024
Credit	71,882	2,915	68,384	2,171	70,400	2,331	69,746	2,404
Other	72,682	5,872	65,719	2,422	54,255	2,055	54,339	2,509
Total	196,700	12,875	178,140	6,343	167,697	6,126	167,631	7,937
Total Derivatives	2,911,063	30,991	2,766,065	19,643	2,708,641	20,730	2,742,058	21,058
Risk-weighted Amount		8,152		5,634		5,856		5,822

⁽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 were previously excluded for capital calculations under Basel II, are now risk-weighted as per OSFI guideline and are included above.

⁽³⁾ As per OSFI guideline, effective Q1/14, Credit Valuation Adjustment RWA on derivatives was phased-in at 57%.

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


(\$MM)			Basel III - IFRS															
			Q1 2014				Q4 2013 ⁽²⁾				Q3 2013 ⁽²⁾				Q2 2013 ⁽²⁾			
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	Exposure at Default ⁽³⁾			Risk-Weighted Assets
			On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total	
Securitization																		
Investment Grade	AAA to A	7 - 25	8,695	9,670	18,365	1,664	6,537	9,696	16,233	1,418	6,424	9,887	16,311	1,452	6,732	9,504	16,236	1,448
	A- to BBB-	35 - 100	526	126	652	324	712	113	825	560	769	110	879	600	842	115	957	624
Non-Investment Grade	BB+ to BB-	150 - 650	49	-	49	217	50	-	50	234	56	-	56	267	67	-	67	311
	Below BB-	1250 - (Capital Deduction) ⁽⁴⁾	164	-	164	2,262	158	-	158	1,981	189	-	189	2,364	187	-	187	2,339
			9,434	9,796	19,230	4,467	7,457	9,809	17,266	4,193	7,438	9,997	17,435	4,683	7,828	9,619	17,447	4,722
Resecuritization																		
Investment Grade	AAA to A	20 - 65	125	155	280	168	140	197	337	209	127	197	324	200	113	197	310	192
	A- to BBB-	100 - 350	164	-	164	336	164	-	164	334	172	-	172	338	167	-	167	253
Non-Investment Grade	BB+ to BB-	500 - 850	67	-	67	525	63	-	63	495	62	-	62	490	97	-	97	668
	Below BB-	1250 - (Capital Deduction) ⁽⁴⁾	159	-	159	1,777	145	-	145	1,818	152	-	152	1,895	162	-	162	2,022
			515	155	670	2,806	512	197	709	2,856	513	197	710	2,923	539	197	736	3,135
Total			9,949	9,951	19,900	7,273	7,969	10,006	17,975	7,049	7,951	10,194	18,145	7,606	8,367	9,816	18,183	7,857

(\$MM)	Basel III - IFRS															
	Q1 2014 ⁽²⁾				Q4 2013 ⁽²⁾				Q3 2013 ⁽²⁾				Q2 2013 ⁽²⁾			
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⁾			Exposures at Default (RW=1250%) ⁽⁴⁾	Exposure at Default ⁽³⁾			Exposures at Default (RW=1250%) ⁽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	166	1,275	1,441	-	169	1,275	1,444	-	169	1,020	1,189	-	108	1,020	1,128	-
Commercial Mortgages	12	-	12	-	13	-	13	-	14	-	14	-	15	-	15	-
Credit cards/Consumer receivables	584	41	625	-	547	37	584	-	525	51	576	-	517	49	566	-
Auto loans/Leases	4,402	4,159	8,561	159	3,167	4,234	7,401	152	3,131	4,717	7,848	183	3,317	4,153	7,470	181
Diversified asset-backed securities	294	155	449	159	287	197	484	147	305	197	502	153	318	197	515	164
Business Loans	598	-	598	5	637	-	637	5	640	-	640	4	940	-	940	4
Trade receivables	2,516	4,280	6,796	-	2,034	4,227	6,261	-	2,039	4,172	6,211	-	1,994	4,367	6,361	-
Other	1,377	41	1,418	-	1,115	36	1,151	-	1,128	37	1,165	-	1,158	30	1,188	-
Total	9,949	9,951	19,900	323	7,969	10,006	17,975	304	7,951	10,194	18,145	340	8,367	9,816	18,183	349

⁽¹⁾ Effective Q1 2012, the Bank implemented the revised regulatory guidance as outlined 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⁾ Q1 2014 amounts include securitization under standardized approach; externally rated A+:\$12MM (Q4 2013:\$13MM), Resecuritization A-:\$48MM (Q4 2013:\$57MM) and BBB: \$4MM (Q4 2013:\$4MM).

⁽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 at 1250%, whereas under Basel II, these exposures were deducted at 50% from Tier 1 capital and 50% from Tier 2 capital.

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


(MMM)			Basel III				Basel II - IFRS ⁽²⁾											
			Q1 2013				Q4 2012				Q3 2012				Q2 2012			
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets
			On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total		On - Balance Sheet	Off - Balance Sheet	Total	
Securitization																		
Investment Grade	AAA to A A- to BBB-	7 - 25 35 - 100	6,536 1,365	9,112 19	15,648 1,384	1,375 730	6,335 1,309	8,979 89	15,314 1,398	1,318 689	5,919 1,266	8,626 22	14,545 1,288	1,258 652	5,202 1,221	7,625 20	12,827 1,241	1,103 648
Non-Investment Grade	BB+ to BB- Below BB-	150 - 650 Capital Deduction ⁽⁴⁾	79 190	- -	79 190	367 2,374	40 198	- -	40 198	140 -	41 210	- -	41 210	150 n/a	55 210	- -	55 210	196 n/a
			8,170	9,131	17,301	4,846	7,882	9,068	16,950	2,147	7,436	8,648	16,084	2,060	6,688	7,645	14,333	1,947
Resecuritization																		
Investment Grade	AAA to A A- to BBB-	20 - 65 100 - 350	107 176	197 -	304 176	186 242	75 133	197 -	272 133	168 244	161 210	200 -	361 210	204 439	67 303	200 -	267 303	163 855
Non-Investment Grade	BB+ to BB- Below BB-	500 - 850 Capital Deduction ⁽⁴⁾	99 166	- -	99 166	692 2,070	220 61	- -	220 61	1,611 -	234 66	- -	234 66	1,701 n/a	155 182	- -	155 182	1,095 n/a
			548	197	745	3,190	489	197	686	2,023	671	200	871	2,344	707	200	907	2,113
Total			8,718	9,328	18,046	8,036	8,371	9,265	17,636	4,170	8,107	8,848	16,955	4,404	7,395	7,845	15,240	4,060

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

⁽¹⁾ Effective Q1 2012, the Bank implemented the revised regulatory guidance as outlined 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⁾ 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.

TOTAL MARKET RISK CAPITAL



Total Market Risk RWA ⁽¹⁾ (\$ millions)	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
All Bank VaR	\$2,582	\$2,403	\$2,379	\$2,207	\$2,221
All Bank stressed VaR	5,250	4,969	5,177	5,511	5,032
Incremental Risk Charge	4,740	4,226	3,358	3,921	3,790
Comprehensive risk measure ⁽¹⁾	2,203	2,074	1,744	3,427	2,477
CRM surcharge ⁽¹⁾	1,363	1,400	1,413	1,825	2,350
Standardized approach	576	384	409	481	648
Market risk-weighted assets as at January 31, 2014	\$16,713	\$15,455	\$14,479	\$17,372	\$16,517

⁽¹⁾ The Q1 2014 related capital charge for total comprehensive risk measure including securitization exposures is \$285MM (Q4 2013: \$278MM) broken down as follows: Market Simulation \$46MM (Q4 2013: \$50MM), Default & Migration Risk \$130MM (Q4 2013: \$116MM), and Surcharge \$109MM (Q4 2013: \$112MM).

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 derivative contracts are derivative contracts (e.g. futures contracts and options) that are transacted on an organized futures exchange. These include Futures contracts (both Long and Short positions), Purchased options and Written Options.
Other Off Balance Sheet	Direct credit substitutes such as standby letters of credits and guarantees, trade letters of credits, and performance letters of credits and guarantees.
QCCP	A qualifying central counterparty (QCCP) is licensed as a central counterparty and is also considered as "qualifying" when it is compliant with CPSS-IOSCO standards and is able to assist clearing member banks in properly capitalizing for CCP exposures by either undertaking the calculations and/or making available sufficient information to its clearing members, or others, to enable the completion of capital calculations.
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.