SUPPLEMENTARY REGULATORY CAPITAL DISCLOSURE

Scotiabank

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BASEL III INTRODUCTION

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. 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 three 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.

This "Supplementary Regulatory Capital Disclosure" has been updated to reflect OSFI's Advisory, "Required Public Disclosure Requirements related to Basel III Pillar 3" (issued July 2, 2013), effective Q3 2013 for all D-SIBs. 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.htm

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.

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. 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%.

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.

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 rose to 10.5%.

In December 2013, OSFI announced its decision to implement the phase-in (over 5 years) of the regulatory capital for Credit Valuation Adjustment (CVA) on Bilateral OTC Derivatives effective Q1 2014. In accordance with OSFI's requirements, a scalar for CVA risk-weighted assets (RWA) of 0.57 was used in the first two quarters of 2014. For the third and fourth quarters of 2014, CVA RWA were calculated using scalars of 0.57, 0.65, and 0.77 to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively. As at January 31, 2015, these scalars are 0.64, 0.71 and 0.77, respectively.

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.

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.

In addition to risk-based capital requirements, the Basel III reforms introduced a simpler, non-risk-based Leverage ratio requirement to act as a supplementary measure to its risk-based capital requirements. The Leverage ratio is defined as a ratio of Basel III Tier 1 capital to a leverage exposure measure which includes on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions, as defined within the requirements. In January 2014, the BCBS issued revisions to the Basel III Leverage Ratio framework. Revisions to the framework relate primarily to the exposure measure, i.e. the denominator of the ratio, and consist mainly of: lower credit conversion factors for certain off-balance sheet commitments; further clarification on the treatment for derivatives, related collateral, and securities financing transactions; additional requirements for written credit derivatives; and, minimum public disclosure requirements commencing January 2015. The final calibration will be completed by 2017, with a view to migrating to a Pillar 1 (minimum capital requirement) treatment by January 2018. As a member of the BCBS, OSFI intends to adopt the Basel requirements as part of its domestic requirements for banks, bank holding companies, federally regulated trust and loan companies in Canada.

In October 2014, OSFI released its Leverage Requirements Guideline which outlines the application of the Basel III leverage ratio in Canada and the replacement of the existing Assets-to-Capital Multiple (ACM), effective Q1 2015. Institutions will be expected to maintain a material operating buffer above the 3% miniumum. The Bank meets OSFI's authorized leverage ratio. Effective Q1 2015, disclosure in accordance with OSFI's September 2014 Public Disclosure Requirements related to Basel III Leverage ratio has been made in the Supplementary Regulatory Capital Disclosure on pages 28-30.

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 2015		Q4 2014		Q3 2014		Q2 2014		Q1 2014	
	Transitional Approach	All-in Approach [2]	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	**42,646**	**34,389**	41,712	33,742	41,767	33,670	39,172	29,311	38,974	28,499
Tier 1 capital	**42,646**	**38,717**	41,712	38,073	41,767	38,022	39,172	33,966	38,974	33,742
Total capital	**47,959**	**44,354**	47,100	43,592	47,235	43,544	44,067	40,004	44,827	40,811
Risk-weighted Assets[3]										
CET1 Capital Risk-weighted Assets	**342,740**	**335,200**	319,936	312,473	314,701	307,795	304,507	300,155	306,465	302,070
Tier 1 Capital Risk-weighted Assets	**342,740**	**336,092**	319,936	313,263	314,701	308,502	304,507	300,155	306,465	302,070
Total Capital Risk-weighted Assets	**342,740**	**336,857**	319,936	314,449	314,701	309,563	304,507	300,155	306,465	302,070
Capital Ratios (%)										
Common Equity Tier 1 (as a percentage of risk-weighted assets)	**12.4**	**10.3**	13.0	10.8	13.3	10.9	12.9	9.8	12.7	9.4
Tier 1 (as a percentage of risk-weighted assets)	**12.4**	**11.5**	13.0	12.2	13.3	12.3	12.9	11.3	12.7	11.2
Total capital (as a percentage of risk-weighted assets)	**14.0**	**13.2**	14.7	13.9	15.0	14.1	14.5	13.3	14.6	13.5
Leverage: All-in Basis[4]										
Leverage Exposures	**957,249**	**953,626**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Leverage Ratio	**4.5**	**4.1**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OSFI Target: All-in Basis (%)										
Common Equity Tier 1 minimum ratio		**7.0**		7.0		7.0		7.0		7.0
Tier 1 capital all-in minimum ratio		**8.5**		8.5		8.5		8.5		8.5
Total capital all-in minimum ratio		**10.5**		10.5		10.5		10.5		10.5
Leverage all-in minimum ratio		**3.0**		N/A		N/A		N/A		N/A
Capital instruments subject to phase-out arrangements (%)										
Current cap on Additional Tier 1 (AT1) instruments subject to phase-out	**70**	**70**	80	80	80	80	80	80	80	80
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	**-**	**-**	-	-	-	-	-	-	7	7
Current cap on Tier 2 (T2) instruments subject to phase-out arrangements	**70**	**70**	80	80	80	80	80	80	80	80
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	**-**	**-**	-	-	-	-	-	-	-	-

(1) Prior quarters are detailed on pages 7-9.

(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.

(3) As per OSFI guideline, effective the first two quarters of 2014, Credit Valuation Adjustment RWA on derivatives was phased-in at 57%. For the third and fourth quarters of 2014, CVA risk-weighted assets were calculated using the scalars of 0.57, 0.65 and 0.77 to compute CET1 capital ratio, Tier 1 capital ratio and Total capital ratio respectively. As at January 31, 2015, these scalars are 0.64, 0.71 and 0.77, respectively.

(4) Effective Q1 2015, the Bank implemented the Leverage Requirements Guideline issued by OSFI in October 2014. Prior periods' leverage exposures and leverage ratios are not applicable.

REGULATORY CAPITAL - DEFINITION OF CAPITAL COMPONENTS

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	($MM)	Cross-Reference[1]	All-in Q1 2015	All-in Q4 2014
	Common Equity Tier 1 Capital: Instruments and Reserves			
1	Directly issued qualifying common share capital plus related stock surplus	u+y	**15,354**	15,407
2	Retained Earnings	v	**29,103**	28,609
3	Accumulated Other Comprehensive Income	w	**2,436**	949
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	aa	**486**	513
6	Common Equity Tier 1 capital before regulatory adjustments		**47,379**	45,478
	Common Equity Tier 1 Capital: Regulatory Adjustments			
8	Goodwill (net of related tax liability)	g	**(7,567)**	(7,383)
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	h-q+i-r	**(3,119)**	(3,095)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	k	**(615)**	(620)
11	Cash flow hedge reserve	x	**147**	49
12	Shortfall of allowances to expected losses	ee	**(129)**	(137)
14	Gains and losses due to changes in own credit risk on fair value liabilities	p	**(261)**	(151)
15	Defined-benefit pension fund net assets (net of related tax liability)	l-s	**(88)**	(78)
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	a	**(5)**	(12)
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	**(591)**	(144)
22	Amount exceeding the 15% threshold		**(758)**	(161)
23	of which: significant investments in the common stock of financials	f	**(458)**	(105)
25	of which: deferred tax assets arising from temporary differences	j	**(300)**	(56)
26	Other deductions from CET1 as determined by OSFI	o	**(4)**	(4)
28	Total regulatory adjustments to Common Equity Tier 1		**(12,990)**	(11,736)
29	**Common Equity Tier 1 Capital (CET1)**		**34,389**	33,742
	Additional Tier 1 Capital: Instruments			
33	Directly issued capital instruments subject to phase-out from Additional Tier 1	z + (2)	**4,334**	4,334
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	bb	**26**	26
36	**Additional Tier 1 capital before regulatory adjustments**		**4,360**	4,360
	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	**(13)**	(13)
41	Other deductions from Tier 1 capital as determined by OSFI		**(19)**	(16)
43	**Total regulatory adjustments to Additional Tier 1 capital**		**(32)**	(29)
44	**Additional Tier 1 Capital (AT1)**		**4,328**	4,331
45	**Tier 1 Capital (T1=CET1 + AT1)**		**38,717**	38,073
	Tier 2 Capital: Instruments and Provisions			
47	Directly issued capital instruments subject to phase-out from Tier 2	m	**4,973**	4,871
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	cc	**204**	180
50	Eligible Collective Allowance and Excess of allowance over expected loss	c+d	**460**	468
51	Tier 2 capital before regulatory adjustments		**5,637**	5,519

		Cross-Reference[1]	All-in Q1 2015	All-in Q4 2014
	Tier 2 Capital: Regulatory Adjustments			
57	Total regulatory adjustments to Tier 2 capital		**-**	-
58	**Tier 2 Capital (T2)**		**5,637**	5,519
59	**Total Capital (TC = T1 + T2)**		**44,354**	43,592
60	**Total Risk-weighted Assets**		**339,787**	316,721
60a	**Common Equity Tier 1 (CET1) Capital RWA**		**335,200**	312,473
60b	**Tier 1 Capital RWA**		**336,092**	313,263
60c	**Total Capital RWA**		**336,857**	314,449
	Capital Ratios and Buffers			
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**		**10.3**	10.8
62	**Tier 1 (as a percentage of risk-weighted assets)**		**11.5**	12.2
63	**Total capital (as a percentage of risk-weighted assets)**		**13.2**	13.9
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)		**10.3**	10.8
	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		**1,780**	1,246
73	Significant investments in the common stock of financial institutions		**3,116**	3,261
75	Deferred tax assets arising from temporary differences (net of related tax liability)		**2,043**	1,762
	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)		**460**	469
77	Cap on inclusion of allowances in Tier 2 under standardized approach		**1,015**	1,073
78	Allowances eligible for inclusion in Tier 2 in respect to exposures subject to internal ratings-based approach (prior to application of cap)		**-**	-
79	Cap for inclusion of allowances in Tier 2 under internal ratings-based approach		**1,049**	1,082
	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*		**70%**	80%
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*		**70%**	80%
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*		**-**	-
84	*Current cap on T2 instruments subject to phase-out arrangements*		**70%**	80%
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*		**-**	-

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

[2] Line 33 also includes $1,400 of capital instruments issued by trusts not consolidated under accounting standard IFRS 10, effective Q1 2014.

CONSOLIDATED BALANCE SHEET: SOURCE OF DEFINITION OF CAPITAL COMPONENTS

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($MM)	Cross Reference to Page 4 Definition of Capital Components	Consolidated Statement of Financial Position [(1)] Q1 2015	Under regulatory scope of consolidation [(2)] Q1 2015
Assets			
Cash and deposits with banks		65,894	65,894
Precious Metals		9,698	9,698
Trading Assets			
Trading Securities		86,695	86,693
- Investment in own shares	a		5
- Other trading securities			86,688
Trading Loans		18,990	18,990
Other Trading Assets		3,934	3,934
		109,619	109,617
Financial assets designated at fair value through profit or loss		119	119
Securities Purchased Under Resale Agreements		87,217	87,217
Derivative Instruments		55,435	55,435
Investment Securities		40,905	40,185
- Significant investments in Additional Tier 1 capital of other financial institutions reflected in regulatory capital	b		13
-Other securities			40,172
Loans			
Residential Mortgages		214,791	214,627
Personal and Credit Cards		85,929	85,929
Business and Government		142,984	142,968
		443,704	443,524
Allowance For Credit Losses		3,788	3,788
- Collective Allowance reflected in Tier 2 capital	c		460
- Shortfall of allowances to expected loss	ee		(129)
- Excess of allowances to expected loss	d		-
- Allowances not reflected in regulatory capital			3,457
Other			
Customers' Liability Under Acceptances		11,898	11,898
Property and Equipment		2,334	2,331
Investments in Associates		3,907	4,180
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 10% regulatory thresholds	e		591
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 15% regulatory thresholds	f		458
- Significant Investments in other financial institutions including deconsolidated subsidiaries within regulatory thresholds			3,131
Goodwill & Other Intangibles		11,068	11,561
- Goodwill	g		7,567
- Intangibles (excl computer software)	h		2,818
- Computer software intangibles	i		1,176
Deferred tax assets		2,354	2,354
- Deferred tax assets arising from temporary differences exceeding the regulatory threshold	j		300
- Deferred tax assets that rely on future profitability	k		615
- Deferred tax assets not deducted from regulatory capital			1,439
Other Assets		11,509	11,403
- Defined pension fund assets	l		132
- Other assets			11,271
		43,070	43,727
Total Assets		851,873	851,628

($MM)	Cross Reference to Page 4 Definition of Capital Components	Consolidated Statement of Financial Position [(1)] Q1 2015	Under regulatory scope of consolidation [(2)] Q1 2015
Liabilities			
Deposits			
Personal		180,973	180,973
Business and Government		364,260	364,260
Banks		39,365	39,365
		584,598	584,598
Financial instruments designated at fair value through profit or loss[(3)]		736	736
Other			
Acceptances		11,898	11,898
Obligations Related to Securities Sold Short		22,784	22,784
Derivative Instruments		57,725	57,725
Obligations Related to Securities Sold Under Repurchase Agreements		79,322	79,322
Subordinated Debentures		4,973	4,973
- Regulatory capital amortization of maturing debentures			
- Subordinated debentures used for regulatory capital			
- of which: are subject to phase-out included in Tier 2 capital (70%)	m		4,973
- of which: are subject to phase-out not included in Tier 2 capital			
Other Liabilities		38,656	38,411
- Liquidity Reserves	o		4
- Gains/losses due to changes in own credit risk including DVA on derivatives	p		261
- Deferred tax liabilities			493
- Intangible assets (excl. computer software and mortgage servicing rights)	q		758
- Intangible assets - computer software	r		117
- Defined benefit pension fund assets	s		44
- Other deferred tax liabilities			(426)
- Other Liabilities			37,653
		215,358	215,113
Total Liabilities		800,692	800,447
Shareholders' Equity			
Common Equity			
- Common Shares	u	15,173	15,173
- Retained Earnings	v	29,103	29,103
- Accumulated Other Comprehensive Income (Loss)	w	2,436	2,436
- Cash flow hedging reserve	x		(147)
- Other			2,583
- Other Reserves	y	181	181
Total Common Equity		46,893	46,893
Preferred Shares		2,934	2,934
- of which: are subject to phase-out and included in Tier 1 capital (70%)	z		2,934
- of which: are subject to phase-out and not included into Tier 1 capital			
Total Equity Attributable to Equity Holders		49,827	49,827
Non-Controlling Interests			
Non-Controlling Interest in Subsidiaries		1,354	1,354
- portion allowed for inclusion into CET1	aa		486
- portion allowed for inclusion into Tier 1 capital	bb		26
- portion allowed for inclusion into Tier 2 capital	cc		204
- portion not allowed for regulatory capital			638
Total Equity		51,181	51,181
Total Liabilities & Shareholders' Equity		851,873	851,628

[(1)] Consolidated Statement of Financial Position as reported in the 2015 Quarterly Report Report - First quarter results (page 36)

[(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 incldues insurance, reinsurance, property and casualty insurance. Key subsidiaries are Scotia Insurance Barbados Ltd (assets: $76, equity: $341), Scotia Life Insurance Company (assets: $80, equity: $187),Scotia Jamaica Life Insurance Co. Ltd (assets: $520, equity: $95), Scotia Life Trinidad and Tobago Ltd (assets: $283, equity: $66) and Scotia Seguros: (assets: $53, equity: $43).

BALANCE SHEET ASSET CATEGORIES CROSS-REFERENCED TO CREDIT RISK EXPOSURES

Scotiabank

	Credit Risk Exposures						Other Exposures			Total
	Drawn		Other Exposures				Market Risk Exposures			
As at January 31, 2015 ($MM)	Non-retail	Retail	Securitization	Repo-style Transactions	OTC Derivatives	Equity	Also subject to Credit Risk		All Other[1]	
Cash and deposits with financial institutions	**63,541**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,353**	**65,894**
Precious metals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,698**	**-**	**9,698**
Trading assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**86,695**	**-**	**86,695**
Loans	**11,240**	**-**	**-**	**-**	**-**	**-**	**11,240**	**7,750**	**-**	**18,990**
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,934**	**-**	**3,934**
Financial assets designated at fair value through profit or loss	**80**	**-**	**-**	**-**	**-**	**39**	**-**	**-**	**-**	**119**
Securities purchased under resale agreements and securities borrowed	**-**	**-**	**-**	**87,217**	**-**	**-**	**-**	**-**	**-**	**87,217**
Derivative financial instruments	**-**	**-**	**-**	**-**	**55,435**	**-**	**51,077**	**-**	**-**	**55,435**
Investment securities	**35,479**	**-**	**-**	**-**	**-**	**4,093**	**-**	**-**	**1,333**	**40,905**
Loans:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residential mortgages[2]	**93,714**	**120,929**	**-**	**-**	**-**	**-**	**-**	**-**	**148**	**214,791**
Personal and credit cards	**-**	**84,080**	**1,833**	**-**	**-**	**-**	**-**	**-**	**16**	**85,929**
Business & government	**135,808**	**-**	**7,136**	**-**	**-**	**-**	**-**	**-**	**40**	**142,984**
Allowances for credit losses[3]	**(860)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,928)**	**(3,788)**
Customers' liability under acceptances	**11,898**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,898**
Property and equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,334**	**2,334**
Investment in associates	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,907**	**3,907**
Goodwill and other intangibles assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,068**	**11,068**
Other (including Deferred tax assets)	**390**	**157**	**-**	**-**	**-**	**-**	**-**	**-**	**13,316**	**13,863**
Total	**351,290**	**205,166**	**8,969**	**87,217**	**55,435**	**4,132**	**62,317**	**108,077**	**31,587**	**851,873**

	Credit Risk Exposures						Other Exposures			Total
	Drawn		Other Exposures				Market Risk Exposures			
As at October 31, 2014 ($MM)	Non-retail	Retail	Securitization	Repo-style Transactions	OTC Derivatives	Equity	Also subject to Credit Risk		All Other[1]	
Cash and deposits with financial institutions	54,774	-	-	-	-	-	-	-	1,956	**56,730**
Precious metals	-	-	-	-	-	-	-	7,286	-	**7,286**
Trading assets										
Securities	-	-	-	-	-	-	-	95,363	-	**95,363**
Loans	8,465	-	-	-	-	-	8,465	6,043	-	**14,508**
Other	-	-	-	-	-	-	-	3,377	-	**3,377**
Financial assets designated at fair value through profit or loss	72	-	-	-	-	39	-	-	-	**111**
Securities purchased under resale agreements and securities borrowed	-	-	-	93,866	-	-	-	-	-	**93,866**
Derivative financial instruments	-	-	-	-	33,439	-	31,405	-	-	**33,439**
Investment securities	33,417	-	-	-	-	4,230	-	-	1,015	**38,662**
Loans:										
Residential mortgages[2]	84,973	127,543	-	-	-	-	-	-	132	**212,648**
Personal and credit cards	-	82,417	1,776	-	-	-	-	-	11	**84,204**
Business & government	124,800	-	6,277	-	-	-	-	-	21	**131,098**
Allowances for credit losses[3]	(861)	-	-	-	-	-	-	-	(2,780)	**(3,641)**
Customers' liability under acceptances	9,876	-	-	-	-	-	-	-	-	**9,876**
Property and equipment	-	-	-	-	-	-	-	-	2,272	**2,272**
Investment in associates	-	-	-	-	-	-	-	-	3,461	**3,461**
Goodwill and other intangibles assets	-	-	-	-	-	-	-	-	10,884	**10,884**
Other (including Deferred tax assets)	539	142	-	-	-	-	-	-	10,841	**11,522**
Total	**316,055**	**210,102**	**8,053**	**93,866**	**33,439**	**4,269**	**39,870**	**112,069**	**27,813**	**805,666**

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

(2) Includes $91.9 billion (Q4, 2014 - $83.4 billion) in mortgages guaranteed by Canada Mortgage Housing Corporation (CMHC) including 90% of privately insured mortgages. CMHC guarantees under the PD substitution are reclassified to sovereign. The increase from Q4 2014 primarily relates to Tangerine (formerly ING Direct Canada), a wholly owned subsidiary, which are now using new models based on the PD substitution approach. Previously, Tangerine models applied LGD substitution.

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

FLOW STATEMENT FOR REGULATORY CAPITAL[1]

Scotiabank

	Basel III All-in						
	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013 [2]	Q3 2013 [2]
($MM)							
Common Equity Tier 1 (CET1) capital							
Opening amount	**33,742**	33,670	29,311	28,499	26,359	25,188	24,013
Net income attributable to equity holders of the Bank	**1,679**	1,373	2,301	1,742	1,655	1,626	1,703
Dividends paid to equity holders of the Bank	**(832)**	(833)	(813)	(821)	(798)	(800)	(773)
Shares Issued	**26**	90	152	110	375	328	284
Shared repurchased/redeemed	**(445)**	(176)	(144)	-	-	-	-
Normal Course Issuer Bid	-	-	-	-	-	-	-
Removal of own credit spread (net of tax)	**(110)**	-	2	20	(21)	(8)	(6)
Movements in other comprehensive income, excluding cash flow hedges [3]	**1,586**	211	(246)	(434)	979	435	326
Currency translation differences	**2,259**	309	(101)	(385)	1,055	297	(198)
Available-for-sale investments	**(43)**	(85)	14	6	18	66	(102)
Employee Benefits [1]	**(643)**	(46)	(168)	(50)	(59)	72	626
Other	**13**	33	9	(5)	(35)	-	-
Goodwill and other intangible assets (deduction, net of related tax liability)	**(208)**	(378)	(172)	(59)	(97)	(97)	(125)
Other, including regulatory adjustments and transitional arrangements	**(1,049)**	(215)	3,279	254	47	(313)	(234)
Deferred tax assets that rely on future probability	**5**	(2)	68	42	24	(4)	(5)
Prudential valuation adjustments	-	-	-	-	-	-	-
Other, IFRS Impact [3]	-	-	-	-	-	-	-
Threshold deductions [1]	**(1,044)**	(113)	3,196	209	33	(182)	154
Other	**(10)**	(100)	15	3	73	(127)	(383)
Closing Amount	**34,389**	**33,742**	**33,670**	**29,311**	**28,499**	**26,359**	**25,188**
Other Additional Tier 1 capital							
Opening amount	**4,331**	4,352	4,655	5,243	5,555	5,853	5,948
New Additional Tier 1 eligible capital issues							
Redeemed capital	-	-	(300)	(600)	(250)	(300)	(750)
Other, capital including regulatory adjustments and transitional arrangements	**(3)**	(21)	(3)	12	(62)	2	655
Closing Amount	**4,328**	4,331	4,352	4,655	5,243	5,555	5,853
Total Tier 1 capital	**38,717**	**38,073**	**38,022**	**33,966**	**33,742**	**31,914**	**31,041**
Tier 2 capital							
Opening amount	**5,519**	5,522	6,038	7,070	6,927	7,907	8,243
New Tier 2 eligible capital issues	-	-	-	-	-	-	-
Redeemed capital	-	-	-	(1,000)	-	(1,200)	-
Amortization adjustments	-	-	-	-	-	250	-
Other, including regulatory adjustments and transitional adjustments	**118**	(3)	(516)	(32)	143	(30)	(336)
Closing Amount	**5,637**	5,519	5,522	6,038	7,070	6,927	7,907
Total regulatory capital	**44,354**	**43,592**	**43,544**	**40,004**	**40,811**	**38,841**	**38,948**

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

(2) 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.

(3) 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 - PRIOR PERIODS (1)

Scotiabank

($MM)	Basel III All-in		Basel II			
	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
REGULATORY CAPITAL:						
Common Shares, Contributed Surplus & Retained Earnings	37,661	36,556	35,283	32,555	31,011	28,399
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)
Non-Controlling Interest of Subsidiaries	447	437	966	918	887	823
Goodwill and Non-qualifying Intangibles			(5,239)	(5,363)	(5,375)	(4,586)
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
Innovative Capital Instruments	1,935	1,935	2,150	2,150	2,900	2,900
Other Capital Deductions (2)	68	66	(2,902)	(2,850)	(2,949)	(3,773)
Net Tier 1 Capital	**29,961**	**28,960**	**34,436**	**31,874**	**30,974**	**28,878**
Accumulated Net Unrealized Gains (after-tax) on Available-For-Sale Equity Securities			305	288	296	254
Subordinated Debentures (net of Amortization)	7,087	7,902	9,893	6,699	6,695	6,730
Eligible Allowance for Credit Losses (3)	1,048	853	454	444	401	391
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**
Other Capital Deductions (4)			(2,895)	(2,847)	(2,946)	(2,961)
Total Regulatory Capital	**38,204**	**37,818**	**42,193**	**36,458**	**35,420**	**33,292**
CHANGES IN REGULATORY CAPITAL:						
Total Capital, Beginning of Period	**37,818**	**42,193**	**36,458**	**35,420**	**33,292**	**32,533**
Internally Generated Capital						
Net Income attributable to Equity Holders of the Bank	1,534	1,559	1,453	2,001	1,391	1,398
Preferred and Common Share Dividends	(771)	(731)	(728)	(683)	(679)	(622)
	763	**828**	**725**	**1,318**	**712**	**776**
External Financing						
Subordinated Debentures (net of Amortization)	(1,710)	(1,362)	3,194	4	(35)	7
Innovative Capital Instruments	-	-	-	(750)	-	-
Preferred Shares	-	-	-	-	-	-
Common Shares Issued	352	413	1,976	199	1,895	733
	(1,358)	**(949)**	**5,170**	**(547)**	**1,860**	**740**
Other						
Net Change in Foreign Currency Translation Gains / (Losses)(5)	-	-	34	285	(294)	142
Net Change in Net Unrealized Gains / Losses (after-tax) on Available-For-Sale Equity Securities	-	-	17	(8)	42	102
Non-Controlling Interest of Subsidiaries	-	-	48	31	64	183
Other (6)	981	(4,254)	(259)	(41)	(256)	(1,184)
	981	**(4,254)**	**(160)**	**267**	**(444)**	**(757)**
Total Capital Generated / (Used)	**386**	**(4,375)**	**5,735**	**1,038**	**2,128**	**759**
Total Capital, End of Period	**38,204**	**37,818**	**42,193**	**36,458**	**35,420**	**33,292**

(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

(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, other capital deductions was 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) 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 2013, includes transition amount for conversion from Basel II to Basel III.

RISK-WEIGHTED ASSETS AND CAPITAL RATIOS

($B)	Basel III - All-in									Basel II	
	IFRS										
	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
RISK-WEIGHTED ASSETS:[1,2]											
On-Balance Sheet Assets											
Cash Resources	**3.2**	2.2	2.2	2.7	2.5	2.9	3.1	3.0	2.6	2.7	2.9
Securities[3]	**12.4**	12.8	13.4	13.8	16.4	15.4	15.9	16.3	17.5	12.6	12.7
Residential Mortgages	**21.9**	19.8	19.4	19.5	19.1	19.0	18.5	18.1	17.6	13.0	12.4
Loans											
- Personal Loans	**43.9**	42.7	39.6	37.8	37.1	36.3	34.3	33.4	32.5	30.8	29.7
- Non-Personal Loans	**106.9**	95.6	95.7	95.9	93.2	88.2	87.6	87.1	88.0	85.5	85.4
All Other[4]	**27.2**	25.9	26.3	24.3	25.8	24.9	23.9	22.9	23.8	18.2	18.1
	215.5	**199.0**	**196.6**	**194.0**	**194.1**	**186.7**	**183.3**	**180.8**	**182.0**	**162.8**	**161.2**
Off-Balance Sheet Assets											
Indirect Credit Instruments	**43.4**	39.5	*39.3*	35.6	37.6	38.3	37.3	35.7	34.8	34.1	33.7
Derivative Instruments	**19.7**	14.6	13.5	13.3	13.0	7.6	7.6	7.6	8.0	5.6	5.9
	63.1	**54.1**	**52.8**	**48.9**	**50.6**	**45.9**	**44.9**	**43.3**	**42.8**	**39.7**	**39.6**
Total Credit Risk before AIRB scaling factor	**278.6**	**253.1**	**249.4**	**242.9**	**244.7**	**232.6**	**228.2**	**224.1**	**224.8**	**202.5**	**200.8**
AIRB Scaling factor[5]	**9.8**	8.8	8.8	8.5	8.5	8.3	8.1	8.3	8.2	7.5	7.5
Total Credit Risk after AIRB scaling factor	**288.4**	**261.9**	**258.2**	**251.4**	**253.2**	**240.9**	**236.3**	**232.4**	**233.0**	**210.0**	**208.3**
Market Risk - Risk Assets Equivalent	**13.1**	17.3	16.7	16.4	16.7	15.4	14.5	17.4	16.5	13.8	14.8
Operational Risk - Risk Assets Equivalent	**33.7**	33.3	32.9	32.4	32.2	31.9	31.5	30.9	30.6	29.5	29.3
CET1 Risk-weighted Assets[6]	**335.2**	**312.5**	**307.8**	**300.2**	**302.1**	**288.2**	**282.3**	**280.7**	**280.1**	**253.3**	**252.4**
Tier 1 Risk-weighted Assets[6]	**336.1**	**313.3**	**308.5**	**300.2**	**302.1**	**288.2**	**282.3**	**280.7**	**280.1**	**253.3**	**252.4**
Total Risk-weighted Assets[6]	**336.9**	**314.4**	**309.6**	**300.2**	**302.1**	**288.2**	**282.3**	**280.7**	**280.1**	**253.3**	**252.4**
REGULATORY CAPITAL RATIOS (%):											
Common Equity Tier 1	**10.3**	10.8	10.9	9.8	9.4	9.1	8.9	8.6	8.2	n/a	n/a
Tier 1	**11.5**	12.2	12.3	11.3	11.2	11.1	11.0	10.7	10.3	13.6	12.6
Total	**13.2**	13.9	14.1	13.3	13.5	13.5	13.8	13.6	13.5	16.7	14.4

(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.

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

(6) As per OSFI guideline, effective Q1 2014, Credit Valuation Adjustment RWA on derivatives was phased-in at 57%. Effective Q3 2014, CVA risk-weighted assets were calculated using the scalars of 0.57, 0.65 and 0.77 to compute CET1 capital ratio, Tier 1 capital ratio and Total capital ratio respectively. As at January 31, 2015, these scalars are 0.64, 0.71 and 0.77, respectively.

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

Credit Risk Risk-weighted Assets (RWA)	Q1 2015		Q4 2014	
($MM)	Credit Risk [1]	Of which Counterparty Credit Risk	Credit Risk [1]	Of which Counterparty Credit Risk
CET1 Credit risk-weighted assets as at beginning of Quarter	**261,887**	**17,935**	258,163	16,562
Book size[2]	**11,114**	**2,696**	(1,211)	962
Book quality[3]	**(1,431)**	**18**	600	123
Model updates[4]	**1,330**	**-**	932	-
Methodology and policy[5]	**892**	**892**	-	-
Acquisitions and disposals	**-**	**-**	(45)	-
Foreign exchange movements	**14,624**	**1,455**	3,448	288
Other	**-**	**-**	-	-
CET1 Credit risk-weighted assets as at end of Quarter	**288,416**	**22,996**	261,887	17,935
Tier 1 CVA scalar	**892**	**892**	790	790
Tier 1 Credit risk-weighted assets as at end of Quarter	**289,308**	**23,888**	262,677	18,725
Total CVA scalar	**765**	**765**	1,186	1,186
Total Credit risk-weighted assets as at end of Quarter	**290,073**	**24,653**	263,863	19,911

[1] In accordance with OSFI's requirements, as at Q1 2015 scalars for CVA risk-weighted assets (RWA) of 0.64, 0.71 and 0.77 were used to compute CET1 capital ratio, Tier 1 capital ratio and Total capital ratio respectively.
Q4 2014, scalars for CVA risk-weighted assets (RWA) were 0.57, 0.65 and 0.77, respectively.

[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).

Market Risk RWA ($MM)	Q1 2015	Q4 2014
Market risk-weighted assets as at beginning of Quarter	**17,251**	16,717
Movement in risk levels[1]	**350**	732
Model updates[2]	**(2,286)**	(198)
Methodology and policy[3]	**(2,182)**	**-**
Acquisitions and disposals	**-**	**-**
Other	**-**	**-**
Market risk-weighted assets as at end of Quarter	**13,133**	**17,251**

(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 and 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 ($MM)	Q1 2015	Q4 2014
Operational risk-weighted assets as at beginning of Quarter	**33,334**	32,914
Higher Revenue	**318**	420
Operational risk-weighted assets as at end of Quarter	**33,652**	**33,334**

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

Scotiabank

	Q1 2015				
Risk-weighted Assets (RWA)	**Canadian Banking**	**International Banking**	**Global Banking & Markets**	**Other**	**All Bank**
RWA ($ billions)	**$99.1**	**$113.3**	**$113.7**	**$9.1**	**$335.2**
Proportion of Bank	**29%**	**34%**	**34%**	**3%**	**100%**
Comprised of:					
Credit risk	**86%**	**88%**	**83%**	**100%**	**86%**
Market risk	**- %**	**1%**	**10%**	**- %**	**4%**
Operational risk	**14%**	**11%**	**7%**	**- %**	**10%**

	Q4 2014 [1]				
Risk-weighted Assets (RWA)	**Canadian Banking**	**International Banking**	**Global Banking & Markets**	**Other**	**All Bank**
RWA ($ billions)	$96.3	$101.8	$105.6	$8.8	**$312.5**
Proportion of Bank	31%	32%	34%	3%	**100%**
Comprised of:					
Credit risk	85%	88%	78%	100%	**83%**
Market risk	- %	1%	15%	- %	**6%**
Operational risk	15%	11%	7%	- %	**11%**

(1) Prior period business line allocation has been adjusted, consistent with current period presentation.

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

Scotiabank

($MM)		Basel III - IFRS											
		Q1 2015						Q4 2014		Q3 2014		Q2 2014	
		AIRB		Standardized		Total		Total		Total		Total	
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]**
Non-Retail													
Corporate[3]	Drawn	**100,558**	**58,623**	**44,454**	**42,716**	**145,012**	**101,339**	130,621	90,240	128,408	90,365	128,608	90,079
	Undrawn	**49,807**	**20,826**	**4,167**	**4,137**	**53,974**	**24,963**	47,082	22,314	44,855	21,274	41,619	19,554
	Other[4]	**32,571**	**9,851**	**2,497**	**2,476**	**35,068**	**12,327**	31,678	11,496	31,704	11,246	26,552	10,126
	Total	**182,936**	**89,300**	**51,118**	**49,329**	**234,054**	**138,629**	**209,381**	**124,050**	**204,967**	**122,885**	**196,779**	**119,759**
Bank[3]	Drawn	**29,714**	**6,864**	**2,644**	**1,571**	**32,358**	**8,435**	25,883	7,500	26,237	7,882	29,067	9,053
	Undrawn	**12,165**	**3,898**	**57**	**16**	**12,222**	**3,914**	10,954	3,356	11,552	3,559	10,620	3,279
	Other[4]	**9,449**	**1,683**	**86**	**70**	**9,535**	**1,753**	8,195	1,486	7,929	1,394	8,228	1,370
	Total	**51,328**	**12,445**	**2,787**	**1,657**	**54,115**	**14,102**	**45,032**	**12,342**	**45,718**	**12,835**	**47,915**	**13,702**
Sovereign	Drawn	**74,909**	**4,601**	**7,126**	**943**	**82,035**	**5,544**	76,107	4,858	68,768	4,664	77,072	4,717
	Undrawn	**1,462**	**138**	**3**	**1**	**1,465**	**139**	1,352	140	1,353	177	1,359	189
	Other[4]	**1,137**	**63**	**-**	**-**	**1,137**	**63**	805	33	775	26	856	31
	Total	**77,508**	**4,802**	**7,129**	**944**	**84,637**	**5,746**	**78,264**	**5,031**	**70,896**	**4,867**	**79,287**	**4,937**
Total Non-Retail	Drawn	**205,181**	**70,088**	**54,224**	**45,230**	**259,405**	**115,318**	232,611	102,598	223,413	102,911	234,747	103,849
	Undrawn	**63,434**	**24,862**	**4,227**	**4,154**	**67,661**	**29,016**	59,388	25,810	57,760	25,010	53,598	23,022
	Other[4]	**43,157**	**11,597**	**2,583**	**2,546**	**45,740**	**14,143**	40,678	13,015	40,408	12,666	35,636	11,527
	Total	**311,772**	**106,547**	**61,034**	**51,930**	**372,806**	**158,477**	**332,677**	**141,423**	**321,581**	**140,587**	**323,981**	**138,398**
Retail													
Residential Mortgages	Drawn	**186,913**	**10,107**	**26,272**	**11,786**	**213,185**	**21,893**	211,341	19,766	210,743	19,360	210,451	19,466
	Undrawn	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-
	Total	**186,913**	**10,107**	**26,272**	**11,786**	**213,185**	**21,893**	**211,341**	**19,766**	**210,743**	**19,360**	**210,451**	**19,466**
Secured Lines Of Credit	Drawn	**18,952**	**4,435**	**-**	**-**	**18,952**	**4,435**	19,115	4,487	18,590	4,409	18,459	4,509
	Undrawn	**12,312**	**1,243**	**-**	**-**	**12,312**	**1,243**	12,209	1,282	17,724	1,857	13,265	1,394
	Total	**31,264**	**5,678**	**-**	**-**	**31,264**	**5,678**	**31,324**	**5,769**	**36,314**	**6,266**	**31,724**	**5,903**
Qualifying Revolving Retail Exposures (QRRE)	Drawn	**16,257**	**9,564**	**-**	**-**	**16,257**	**9,564**	16,011	9,356	15,953	7,622	15,653	7,153
	Undrawn	**16,716**	**2,151**	**-**	**-**	**16,716**	**2,151**	16,196	2,105	18,311	2,360	13,638	1,674
	Total	**32,973**	**11,715**	**-**	**-**	**32,973**	**11,715**	**32,207**	**11,461**	**34,264**	**9,982**	**29,291**	**8,827**
Other Retail	Drawn	**24,715**	**12,528**	**23,941**	**17,401**	**48,656**	**29,929**	47,080	28,848	45,380	27,624	42,989	26,216
	Undrawn	**667**	**165**	**-**	**-**	**667**	**165**	659	161	999	126	736	91
	Total	**25,382**	**12,693**	**23,941**	**17,401**	**49,323**	**30,094**	**47,739**	**29,009**	**46,379**	**27,750**	**43,725**	**26,307**
Total Retail	Drawn	**246,837**	**36,634**	**50,213**	**29,187**	**297,050**	**65,821**	293,547	62,457	290,666	59,015	287,552	57,344
	Undrawn	**29,695**	**3,559**	**-**	**-**	**29,695**	**3,559**	29,064	3,548	37,034	4,343	27,639	3,159
	Total	**276,532**	**40,193**	**50,213**	**29,187**	**326,745**	**69,380**	**322,611**	**66,005**	**327,700**	**63,358**	**315,191**	**60,503**
Securitizations		**21,107**	**4,027**	**59**	**59**	**21,166**	**4,086**	19,982	4,621	18,163	4,947	19,406	5,527
Trading Derivatives[3]		**36,673**	**10,178**	**-**	**-**	**36,673**	**10,178**	25,249	8,041	22,886	7,559	22,139	7,454
Derivatives - credit valuation adjustment[5]		**-**	**-**	**-**	**8,154**	**-**	**8,154**	-	5,632	-	5,039	-	4,793
Total Credit Risk (Excluding Equities & Other Assets)		**646,084**	**160,945**	**111,306**	**89,330**	**757,390**	**250,275**	**700,519**	**225,722**	**690,330**	**221,490**	**680,717**	**216,675**
Equities		**4,132**	**4,132**	**-**	**-**	**4,132**	**4,132**	4,269	4,269	4,451	4,451	4,002	4,002
Other Assets[6]		**-**	**-**	**59,475**	**24,208**	**59,475**	**24,208**	52,288	23,065	52,377	23,550	52,771	22,224
Total Credit Risk (Before Scaling Factor)		**650,216**	**165,077**	**170,781**	**113,538**	**820,997**	**278,615**	**757,076**	**253,056**	**747,158**	**249,491**	**737,490**	**242,901**
Add-on for 6% Scaling Factor[7]			**9,801**				**9,801**		8,831		8,672		8,491
Total Credit Risk		**650,216**	**174,878**	**170,781**	**113,538**	**820,997**	**288,416**	**757,076**	**261,887**	**747,158**	**258,163**	**737,490**	**251,392**

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

(2) CET1 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) As per OSFI guideline, effective the first two quarters of 2014, Credit Valuation Adjustment RWA on derivatives was phased-in at 57%. For the third and fourth quarters of 2014, CVA risk-weighted assets were calculated using the scalars of 0.57, 0.65 and 0.77 to compute CET1 capital ratio, Tier 1 capital ratio and Total capital ratio respectively. As at January 31, 2015, these scalars are 0.64, 0.71 and 0.77, respectively.

(6) 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.

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

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

Scotiabank

($MM)		Basel III - IFRS										Basel II - IFRS			
		Q1 2014		Q4 2013		Q3 2013		Q2 2013		Q1 2013		Q4 2012		Q3 2012	
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	121,562	86,649	116,209	82,203	114,567	82,109	115,934	81,854	114,895	82,943	112,974	82,239	111,052	81,432
	Undrawn	42,968	20,444	45,758	21,547	45,477	21,329	42,956	20,029	42,742	19,656	43,056	20,311	42,226	20,017
	Other[4]	30,930	11,540	24,902	9,520	22,156	8,532	21,444	8,604	21,602	8,854	16,765	7,095	17,710	7,488
	Total	**195,460**	**118,633**	**186,869**	**113,270**	**182,200**	**111,970**	**180,334**	**110,487**	**179,239**	**111,453**	**172,795**	**109,645**	**170,988**	**108,937**
Bank	Drawn	34,833	9,949	28,186	9,509	33,053	9,280	36,340	9,875	33,665	9,297	35,211	8,047	34,596	8,731
	Undrawn	11,879	3,507	12,463	3,968	12,374	4,114	11,930	3,810	11,130	3,479	11,060	2,754	10,731	2,631
	Other[4]	7,904	1,304	11,361	2,071	12,772	1,779	11,955	1,723	9,159	1,694	7,842	1,190	11,435	1,769
	Total	**54,616**	**14,760**	**52,010**	**15,548**	**58,199**	**15,173**	**60,225**	**15,408**	**53,954**	**14,470**	**54,113**	**11,991**	**56,762**	**13,131**
Sovereign	Drawn	71,279	5,145	69,594	5,013	63,915	5,074	63,065	4,117	65,407	5,053	53,451	4,079	57,628	4,151
	Undrawn	1,440	263	1,568	234	1,276	247	1,539	306	1,605	269	1,281	220	1,412	249
	Other[4]	1,191	28	4,837	84	2,549	5	2,278	5	281	6	291	27	438	25
	Total	**73,910**	**5,436**	**75,999**	**5,331**	**67,740**	**5,326**	**66,882**	**4,428**	**67,293**	**5,328**	**55,023**	**4,326**	**59,478**	**4,425**
Total Non-retail	Drawn	227,674	101,743	213,989	96,725	211,535	96,463	215,339	95,846	213,967	97,293	201,636	94,365	203,276	94,314
	Undrawn	56,287	24,214	59,789	25,749	59,127	25,690	56,425	24,145	55,477	23,404	55,397	23,285	54,369	22,897
	Other[4]	40,025	12,872	41,100	11,675	37,477	10,316	35,677	10,332	31,042	10,554	24,898	8,312	29,583	9,282
	Total	**323,986**	**138,829**	**314,878**	**134,149**	**308,139**	**132,469**	**307,441**	**130,323**	**300,486**	**131,251**	**281,931**	**125,962**	**287,228**	**126,493**
Retail															
Residential Mortgages	Drawn	210,691	19,085	209,581	18,956	208,604	18,464	207,641	18,139	206,648	17,625	175,114	13,005	171,295	12,370
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**210,691**	**19,085**	**209,581**	**18,956**	**208,604**	**18,464**	**207,641**	**18,139**	**206,648**	**17,625**	**175,114**	**13,005**	**171,295**	**12,370**
Secured Lines Of Credit	Drawn	18,220	4,552	18,241	4,802	18,346	4,512	18,475	4,540	18,328	4,530	18,404	4,701	18,144	4,502
	Undrawn	13,052	1,370	12,856	1,419	12,625	1,302	12,347	1,280	12,026	1,247	11,759	1,267	11,492	1,229
	Total	**31,272**	**5,922**	**31,097**	**6,221**	**30,971**	**5,814**	**30,822**	**5,820**	**30,354**	**5,777**	**30,163**	**5,968**	**29,636**	**5,731**
Qualifying Revolving	Drawn	15,412	7,171	15,174	7,105	14,944	6,691	14,711	6,553	14,517	6,489	14,414	6,444	14,194	6,128
	Undrawn	13,400	1,678	12,900	1,672	12,500	1,473	12,159	1,426	11,901	1,395	11,613	1,397	11,348	1,303
	Total	**28,812**	**8,849**	**28,074**	**8,777**	**27,444**	**8,164**	**26,870**	**7,979**	**26,418**	**7,884**	**26,027**	**7,841**	**25,542**	**7,431**
Other Retail	Drawn	41,754	25,405	40,499	24,412	38,184	23,088	36,497	22,326	35,018	21,501	32,938	19,642	32,002	19,047
	Undrawn	733	91	735	90	720	87	708	86	761	93	749	93	739	92
	Total	**42,487**	**25,496**	**41,234**	**24,502**	**38,904**	**23,175**	**37,205**	**22,412**	**35,779**	**21,594**	**33,687**	**19,735**	**32,741**	**19,139**
Total Retail	Drawn	286,077	56,213	283,495	55,275	280,078	52,755	277,324	51,558	274,511	50,145	240,870	43,792	235,635	42,047
	Undrawn	27,185	3,139	26,491	3,181	25,845	2,862	25,214	2,792	24,688	2,735	24,121	2,757	23,579	2,624
	Total	**313,262**	**59,352**	**309,986**	**58,456**	**305,923**	**55,617**	**302,538**	**54,350**	**299,199**	**52,880**	**264,991**	**46,549**	**259,214**	**44,671**
Securitizations		19,900	7,273	17,975	7,049	18,145	7,606	18,183	7,857	18,046	8,036	17,636	4,170	16,955	4,404
Trading Derivatives[3]		23,638	7,284	20,623	6,977	21,848	7,309	22,211	7,189	22,470	7,609	18,845	5,434	19,772	5,617
Derivatives - credit valuation adjustment		-	5,003												
Total Credit risk (excl. Equities & Other Assets)		**680,786**	**217,741**	**663,462**	**206,631**	**654,055**	**203,001**	**650,373**	**199,719**	**640,201**	**199,776**	**583,403**	**182,115**	**583,169**	**181,185**
Equities[5]		4,019	4,019	3,728	3,728	3,629	3,629	3,678	3,678	-	-	-	-	-	-
	Grandfathered	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Simple Method	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PD/LGD Approach	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	3,539	3,539	3,155	3,155	3,055	3,055
	Total Equities	**4,019**	**4,019**	**3,728**	**3,728**	**3,629**	**3,629**	**3,678**	**3,678**	**3,539**	**3,539**	**3,155**	**3,155**	**3,055**	**3,055**
Other Assets[6]		57,028	22,930	55,910	22,250	53,664	21,594	51,101	20,800	51,040	21,472	41,514	17,197	37,760	16,477
		741,833	**244,690**	**723,100**	**232,609**	**711,348**	**228,224**	**705,152**	**224,197**	**694,780**	**224,787**	**628,072**	**202,467**	**623,984**	**200,717**
Add-on for 6% scaling factor[7]			8,506		8,331		8,119		8,262		8,245		7,499		7,536
Total Credit Risk		**741,833**	**253,196**	**723,100**	**240,940**	**711,348**	**236,343**	**705,152**	**232,459**	**694,780**	**233,032**	**628,072**	**209,966**	**623,984**	**208,253**

(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 2015					Q4 2014				
	Non-Retail			Retail	Total	Non-Retail			Retail	Total
	Drawn	Undrawn	Other [3]			Drawn	Undrawn	Other [3]		
Canada	**71,442**	**27,815**	**44,299**	**284,051**	**427,607**	61,914	26,735	33,969	283,100	**405,718**
USA	**69,525**	**24,247**	**35,069**	**-**	**128,841**	64,690	19,436	32,843	-	**116,969**
Mexico	**12,053**	**299**	**1,412**	**8,321**	**22,085**	11,473	307	1,032	7,963	**20,775**
Other International										
Europe	**15,932**	**6,861**	**12,947**	**-**	**35,740**	13,962	5,787	9,522	-	**29,271**
Caribbean	**18,950**	**1,556**	**1,683**	**16,209**	**38,398**	17,279	1,382	1,519	14,387	**34,567**
Latin America (excl. Mexico)	**36,667**	**2,246**	**4,998**	**18,164**	**62,075**	32,921	1,918	4,031	17,079	**55,949**
All Other	**34,840**	**4,637**	**3,167**	**0**	**42,644**	30,372	3,823	2,993	82	**37,270**
Total	**259,409**	**67,661**	**103,575**	**326,745**	**757,390**	**232,611**	**59,388**	**85,909**	**322,611**	**700,519**

	Basel III - IFRS				
	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Canada	408,142	394,260	392,859	390,613	390,736
USA	106,872	110,695	111,611	104,366	100,794
Mexico	19,890	20,004	19,387	17,859	17,321
Other International					
Europe	27,867	28,208	27,523	30,072	29,727
Caribbean	34,096	34,367	36,014	34,034	33,165
Latin America (excl. Mexico)	54,701	52,168	52,164	49,559	46,676
All Other	38,762	41,015	41,228	36,959	35,636
Total	**690,330**	**680,717**	**680,786**	**663,462**	**654,055**

[1] Before credit risk mitigation, excluding AFS equity securities and other assets.
[2] Geographic segmentation is based upon the location of the ultimate risk of the credit exposure.
[3] Includes off-balance sheet lending instruments such as letters of credit and letters of guarantee, OTC derivatives, securitization and repo-style transactions net of related collateral.

AIRB CREDIT RISK EXPOSURES BY MATURITY [1,2]

Scotiabank

NON-RETAIL AND RETAIL PORTFOLIO EXPOSURE AT DEFAULT

($MM)	Basel III - IFRS							
	Q1 2015				Q4 2014			
	Drawn	Undrawn	Other [3]	Total	Drawn	Undrawn	Other [3]	Total
Non-Retail								
Less than 1 year	**127,779**	**19,468**	**61,812**	**209,059**	115,182	17,613	46,581	**179,376**
1 to 5 years	**69,965**	**37,271**	**29,711**	**136,947**	61,439	36,797	30,071	**128,307**
Over 5 Years	**7,437**	**6,695**	**9,414**	**23,546**	6,961	1,229	6,519	**14,709**
Total Non-Retail	**205,181**	**63,434**	**100,937**	**369,552**	183,582	55,639	83,171	**322,392**
Retail								
Less than 1 year	**36,600**	**12,978**		**49,578**	36,048	12,868		**48,916**
1 to 5 years	**154,382**	-		**154,382**	154,437	-		**154,437**
Over 5 Years	**19,599**	-		**19,599**	20,138	-		**20,138**
Revolving Credits [4]	**36,256**	**16,717**		**52,973**	36,192	16,196		**52,388**
Total Retail	**246,837**	**29,695**		**276,532**	246,815	29,064		**275,879**
Total	**452,018**	**93,129**	**100,937**	**646,084**	**430,397**	**84,703**	**83,171**	**598,271**

	Basel III - IFRS			
	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Non-Retail				
Less than 1 year	172,250	174,205	176,726	173,719
1 to 5 years	118,313	122,752	121,516	119,173
Over 5 Years	17,288	15,114	15,025	9,019
Total Non-Retail	**307,851**	**312,071**	**313,267**	**301,911**
Retail				
Less than 1 year	53,881	43,120	39,046	39,325
1 to 5 years	158,610	163,589	166,964	166,712
Over 5 Years	15,567	15,042	15,000	14,653
Revolving Credits [4]	54,174	49,047	48,312	47,622
Total Retail	**282,232**	**270,798**	**269,322**	**268,312**
Total	**590,083**	**582,869**	**582,589**	**570,223**

(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

Scotiabank

EXPOSURE AT DEFAULT[1]

($MM)	Basel III - IFRS													
	Q1 2015							Q4 2014						
Risk-weight	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%	**1,476**	**5**	**5,000**	**6,481**	**-**	**1,141**	**1,141**	1,180	5	4,232	**5,417**	-	1,087	**1,087**
20%	**631**	**1,308**	**1,148**	**3,087**	**1,526**	**245**	**1,771**	562	1,315	705	**2,582**	1,354	-	**1,354**
35%	**-**	**-**	**-**	**-**	**18,375**	**213**	**18,588**	-	-	-	**-**	16,887	490	**17,377**
50%	**106**	**168**	**532**	**806**	**-**	**21,663**	**21,663**	77	76	219	**372**	-	-	**-**
75%	**-**	**-**	**-**	**-**	**5,281**	**40**	**5,321**	-	-	-	**-**	4,816	20,550	**25,366**
100%	**48,482**	**1,294**	**449**	**50,225**	**1,090**	**639**	**1,729**	45,469	1,276	19	**46,764**	921	38	**959**
150%	**482**	**12**	**-**	**494**	**-**	**-**	**-**	372	9	-	**381**	-	590	**590**
Total	**51,177**	**2,787**	**7,129**	**61,093**	**26,272**	**23,941**	**50,213**	**47,660**	**2,681**	**5,175**	**55,516**	**23,978**	**22,755**	**46,733**

	Basel III - IFRS													
	Q3 2014		Q2 2014		Q1 2014		Q4 2013		Q3 2013		Q2 2013		Q1 2013	
Risk-weight	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
0%	5,594	1,160	5,632	979	6,260	1,025	6,228	1,093	6,512	1,054	7,196	1,067	7,967	923
20%	1,737	1,327	2,087	1,335	2,472	1,358	2,128	1,289	2,925	1,285	3,096	1,280	3,256	1,469
35%	-	16,821	-	16,694	-	17,461	-	15,737	-	15,390	-	15,219	-	11,072
50%	337	-	637	-	719	-	413	-	474	-	571	-	605	-
75%	-	24,666	-	23,916	-	22,709	-	22,252	-	21,137	-	21,076	-	23,945
100%	46,689	899	44,679	902	44,307	878	42,195	827	42,410	842	41,073	839	40,605	788
150%	422	595	420	567	499	509	601	476	565	426	544	468	459	490
Total	**54,779**	**45,468**	**53,455**	**44,393**	**54,257**	**43,940**	**51,565**	**41,674**	**52,886**	**40,134**	**52,480**	**39,949**	**52,892**	**38,687**

[1] Net of specific allowances for credit losses, after credit risk mitigation.

Scotiabank

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

($MM)			Basel III - IFRS												
			Q1 2015								Q4 2014				
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]	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]
			$	$	$	$	$	%	%	%	$	$	%	%	%
Investment Grade															
Corporate[7]			**52,800**	**36,876**	**36,006**	**125,682**	**41,843**	**0.16**	**43**	**33**	**106,359**	**35,154**	**0.16**	**43**	**33**
	99	0.00% - 0.03%	**1,217**	**36**	**880**	**2,133**	**57**	**0.03**	**45**	**3**	2,015	83	0.03	46	4
AAA to AA+	98	0.00% - 0.06%	**77**	**668**	**180**	**925**	**56**	**0.06**	**20**	**6**	730	45	0.06	19	6
AA to A-	95	0.05% - 0.16%	**3,883**	**2,700**	**5,536**	**12,119**	**2,552**	**0.07**	**45**	**21**	10,539	2,078	0.07	43	20
AA to A-	90	0.06% - 0.17%	**9,184**	**8,070**	**10,315**	**27,569**	**5,360**	**0.07**	**39**	**19**	21,588	4,138	0.08	39	19
BBB+ to BBB	87	0.10% - 0.26%	**10,029**	**9,436**	**6,584**	**26,049**	**6,955**	**0.11**	**41**	**27**	21,690	6,141	0.12	41	28
BBB+ to BBB	85	0.14% - 0.38%	**12,509**	**7,338**	**5,735**	**25,582**	**10,113**	**0.19**	**45**	**40**	23,796	9,348	0.19	44	39
BBB-	83	0.21% - 0.54%	**15,901**	**8,628**	**6,776**	**31,305**	**16,750**	**0.29**	**47**	**54**	26,001	13,321	0.30	47	51
Bank[7]			**25,809**	**12,015**	**25,388**	**63,212**	**14,316**	**0.13**	**35**	**23**	**49,464**	**11,909**	**0.14**	**36**	**24**
	99	0.00% - 0.03%	**290**	**-**	**-**	**290**	**21**	**0.03**	**44**	**7**	48	1	0.02	44	2
AAA to AA+	98	0.00% - 0.06%	**-**	**94**	**200**	**294**	**30**	**0.06**	**36**	**10**	229	18	0.06	36	8
AA to A-	95	0.05% - 0.16%	**9,637**	**5,465**	**11,556**	**26,658**	**5,075**	**0.06**	**36**	**19**	16,840	3,830	0.06	41	23
AA to A-	90	0.06% - 0.17%	**7,756**	**3,603**	**7,814**	**19,173**	**4,053**	**0.10**	**34**	**21**	17,513	3,070	0.10	34	18
BBB+ to BBB	87	0.10% - 0.26%	**1,582**	**2,030**	**3,214**	**6,826**	**1,938**	**0.13**	**32**	**28**	6,198	1,700	0.13	32	27
BBB+ to BBB	85	0.14% - 0.38%	**2,720**	**619**	**1,876**	**5,215**	**1,192**	**0.27**	**36**	**23**	4,706	1,550	0.27	35	33
BBB-	83	0.21% - 0.54%	**3,824**	**204**	**728**	**4,756**	**2,007**	**0.46**	**37**	**42**	3,930	1,740	0.49	37	44
Sovereign			**71,459**	**1,458**	**7,564**	**80,481**	**3,029**	**0.05**	**16**	**4**	**73,676**	**3,014**	**0.05**	**16**	**4**
	99	0.00% - 0.03%	**55,299**	**217**	**3,932**	**59,448**	**-**	**-**	**15**	**-**	54,133	-	-	15	-
AAA to AA+	98	0.00% - 0.06%	**2,240**	**369**	**1,920**	**4,529**	**296**	**0.06**	**15**	**7**	3,890	252	0.06	15	6
AA to A-	95	0.05% - 0.16%	**4,753**	**468**	**942**	**6,163**	**535**	**0.09**	**17**	**9**	5,973	576	0.09	17	10
AA to A-	90	0.06% - 0.17%	**580**	**186**	**562**	**1,328**	**107**	**0.10**	**17**	**8**	1,013	107	0.12	19	11
BBB+ to BBB	87	0.10% - 0.26%	**5,821**	**10**	**182**	**6,013**	**994**	**0.26**	**23**	**17**	5,324	909	0.26	24	17
BBB+ to BBB	85	0.14% - 0.38%	**1,100**	**206**	**17**	**1,323**	**464**	**0.36**	**26**	**35**	1,841	679	0.37	27	37
BBB-	83	0.21% - 0.54%	**1,666**	**2**	**9**	**1,677**	**633**	**0.51**	**28**	**38**	1,502	491	0.51	26	33
Sub-Total			**150,068**	**50,349**	**68,958**	**269,375**	**59,188**	**0.12**	**33**	**22**	**229,499**	**50,077**	**0.12**	**33**	**22**
Non-Investment Grade															
Corporate[7]			**44,909**	**12,785**	**10,014**	**67,708**	**46,076**	**0.72**	**44**	**68**	**62,295**	**41,947**	**0.75**	**43**	**67**
BB+	80	0.33% - 0.60%	**16,953**	**6,908**	**3,427**	**27,288**	**15,811**	**0.39**	**45**	**58**	23,827	13,662	0.40	45	57
BB	77	0.52% - 0.66%	**11,728**	**2,630**	**1,867**	**16,225**	**10,695**	**0.54**	**44**	**66**	15,244	10,024	0.56	44	66
BB-	75	0.65% - 0.83%	**10,140**	**2,197**	**3,571**	**15,908**	**11,277**	**0.80**	**42**	**71**	15,977	10,989	0.83	41	69
B+	73	0.82% - 1.64%	**3,969**	**849**	**687**	**5,505**	**4,888**	**1.54**	**39**	**89**	4,814	4,222	1.64	38	88
B to B-	70	1.63% - 3.09%	**2,119**	**201**	**462**	**2,782**	**3,405**	**2.97**	**48**	**122**	2,433	3,050	3.09	48	125
Bank[7]			**3,837**	**150**	**581**	**4,568**	**1,797**	**0.66**	**37**	**39**	**4,347**	**1,611**	**0.77**	**36**	**37**
BB+	80	0.33% - 0.60%	**2,622**	**139**	**352**	**3,113**	**1,236**	**0.54**	**37**	**40**	2,800	1,084	0.56	37	39
BB	77	0.52% - 0.66%	**797**	**4**	**87**	**888**	**303**	**0.62**	**38**	**34**	975	323	0.66	38	33
BB-	75	0.65% - 0.83%	**117**	**5**	**136**	**258**	**136**	**0.80**	**34**	**53**	159	61	0.83	34	38
B+	73	0.82% - 1.64%	**213**	**-**	**3**	**216**	**49**	**1.54**	**37**	**23**	203	48	1.64	36	23
B to B-	70	1.63% - 3.09%	**88**	**2**	**3**	**93**	**73**	**2.97**	**36**	**79**	210	95	3.09	26	45
Sovereign			**3,298**	**2**	**18**	**3,318**	**1,770**	**2.08**	**24**	**53**	**3,143**	**1,747**	**2.21**	**24**	**56**
BB+	80	0.33% - 0.60%	**617**	**-**	**8**	**625**	**182**	**0.57**	**24**	**29**	548	168	0.59	24	31
BB	77	0.52% - 0.66%	**52**	**-**	**-**	**52**	**16**	**0.63**	**22**	**31**	34	10	0.66	24	30
BB-	75	0.65% - 0.83%	**461**	**-**	**-**	**461**	**118**	**0.80**	**24**	**26**	442	130	0.83	24	29
B+	73	0.82% - 1.64%	**226**	**-**	**-**	**226**	**137**	**1.54**	**33**	**61**	206	131	1.64	33	64
B to B-	70	1.63% - 3.09%	**1,942**	**2**	**10**	**1,954**	**1,317**	**2.97**	**24**	**67**	1,913	1,308	3.09	24	68
Sub-Total			**52,044**	**12,937**	**10,613**	**75,594**	**49,643**	**0.78**	**43**	**66**	**69,785**	**45,305**	**0.82**	**42**	**65**

[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 194 of the Bank's 2014 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 before credit risk mitigation (excludes government guaranteed residential mortgages), and includes all non-retail exposures except securitization, equity and other assets.
[4] PD - Probability of Default, see glossary for details.
[5] LGD - Loss Given Default including certain conservative factors 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.

RISK ASSESSMENT OF CREDIT RISK EXPOSURES - NON-RETAIL AIRB PORTFOLIO CONTINUED

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

($MM)			Basel III - IFRS Q1 2015								Q4 2014				
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]	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]
			$	$	$	$	$	%	%	%	$	$	%	%	%
Watch List (CCC+ to CC)															
Corporate[7]	65 - 30	3.08% - 60.85%	**1,604**	**116**	**248**	**1,968**	**4,200**	**22.11**	**45**	**213**	2,018	4,433	22.55	46	220
Bank[7]	65 - 30	3.08% - 60.85%	**69**	**-**	**1**	**70**	**18**	**10.94**	**6**	**25**	38	39	31.77	48	103
Sovereign	65 - 30	3.08% - 60.85%	**145**	**-**	**-**	**145**	**208**	**13.98**	**34**	**142**	112	163	14.46	34	145
Sub-Total			**1,818**	**116**	**249**	**2,183**	**4,426**	**21.21**	**43**	**203**	**2,168**	**4,635**	**22.29**	**46**	**214**
Default[9]															
Corporate	27-21	100%	**1,243**	**31**	**10**	**1,284**	**3,436**	**100.00**	**52**	**268**	1,008	1,434	100.00	48	142
Bank	27-21	100%	**-**	**-**	**-**	**-**	**-**	**100.00**	**30**	**375**	2	3	100.00	47	114
Sovereign	27-21	100%	**8**	**1**	**-**	**9**	**32**	**100.00**	**29**	**360**	8	30	100.00	31	382
Sub-Total			**1,251**	**32**	**10**	**1,293**	**3,468**	**100.00**	**52**	**268**	**1,018**	**1,467**	**100.00**	**48**	**144**
Total			**205,181**	**63,434**	**79,830**	**348,445**	**116,725**	**0.76**	**35**	**33**	**302,470**	**101,484**	**0.78**	**35**	**34**

[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 194 of the Bank's 2014 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 before credit risk mitigation (excludes government guaranteed residential mortgages), and includes all non-retail exposures except securitization, equity and other assets.
[4] PD - Probability of Default, see glossary for details.
[5] LGD - Loss Given Default including certain conservative factors 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 2015		Q4 2014	
Exposure Type	**Notional Undrawn**	**Weighted Average EAD**	**Notional Undrawn**	**Weighted Average EAD**
	$	**%**	**$**	**%**
Corporate	98,189	51	86,261	50
Bank	22,187	55	19,760	55
Sovereign	2,594	57	2,390	57
Total	**122,970**	**52**	**108,411**	**51**

RETAIL AIRB PORTFOLIO EXPOSURES - CREDIT QUALITY (1)(2)

($MM)		Basel III - IFRS								
		Q1 2015								
Category of PD Grades	PD Range	EAD(3)	Notional of undrawn commitments	Exposure weighted-average EAD(4)	Exposure weighted-average PD	Exposure weighted-average LGD	Exposure weighted-average RW	RWA	EL	EL adjusted average risk weight(5)
		$	$	%	%	%	%	$	$	%
Residential mortgages and HELOCs										
Insured Drawn and Undrawn(6)										
Exceptionally Low	0.01% to 0.04%	93,103	0	100.00	0.00	25	0	33	0	0
Very Low	0.05% to 0.19%	1,376	3	99.87	0.17	25	9	120	1	9
Low	0.20% to 0.99%	1,490	1	100.01	0.69	30	28	412	3	30
Medium Low	1.00% to 2.99%	292	0	96.77	2.14	30	58	168	2	65
Medium	3.00% to 9.99%	112	0	100.00	5.66	29	100	112	2	120
High	10.00% to 19.99%	52	0	100.12	12.28	24	119	62	2	156
Extremely High	20.00% to 99.99%	77	0	100.03	34.49	24	134	104	6	238
Default	100%	18	0	100.00	100.00	58	0	0	10	721
Sub-total		96,520	4	99.99	0.08	25	1	1,011	26	1
Uninsured Undrawn(7)										
Exceptionally Low	0.00% to 0.04%	0	0	0.00	0.00	0	0	0	0	0
Very Low	0.05% to 0.19%	8,848	24,286	18.22	0.08	20	4	377	2	4
Low	0.20% to 0.99%	2,245	5,145	21.82	0.27	25	12	276	1	13
Medium Low	1.00% to 2.99%	1,140	1,503	37.93	1.54	26	43	491	5	48
Medium	3.00% to 9.99%	0	0	0.00	0.00	0	0	0	0	0
High	10.00% to 19.99%	44	43	51.25	11.20	24	116	51	1	151
Extremely High	20.00% to 99.99%	33	19	87.40	36.12	25	140	47	3	256
Default	100%	0	0	100.00	0.00	0	0	0	0	0
Sub-total		12,310	30,996	21.00	0.39	22	10	1,242	12	11
Uninsured Drawn(8)										
Exceptionally Low	0.00% to 0.04%	39,657	0	100.00	0.04	20	2	920	3	2
Very Low	0.05% to 0.19%	32,805	0	100.00	0.16	19	6	2,056	10	7
Low	0.20% to 0.99%	25,209	0	100.00	0.57	22	17	4,354	29	19
Medium Low	1.00% to 2.99%	8,853	0	100.00	1.82	25	44	3,879	38	49
Medium	3.00% to 9.99%	1,015	0	100.00	5.68	19	67	677	11	80
High	10.00% to 19.99%	760	0	100.00	11.89	21	101	765	19	131
Extremely High	20.00% to 99.99%	788	0	100.00	34.42	20	112	881	55	200
Default	100%	259	0	100.00	100.00	52	0	0	134	647
Sub-total		109,346	0	100.00	0.96	20	12	13,532	299	16
Qualifying Revolving Retail Exposures(QRRE)										
Exceptionally Low	0.00% to 0.04%	6,576	13,218	24.03	0.04	73	2	124	2	2
Very Low	0.05% to 0.19%	5,570	8,577	30.98	0.15	65	5	300	5	7
Low	0.20% to 0.99%	9,185	7,759	45.81	0.49	76	15	1,423	33	20
Medium Low	1.00% to 2.99%	7,005	1,859	74.55	1.73	85	48	3,363	103	66
Medium	3.00% to 9.99%	2,316	197	92.35	5.84	86	116	2,674	116	178
High	10.00% to 19.99%	1,386	55	97.11	10.97	87	171	2,369	132	290
Extremely High	20.00% to 99.99%	693	15	100.85	38.99	80	211	1,462	213	595
Default	100%	242	0	100.00	100.00	87	0	0	210	1,086
Sub-total		32,973	31,680	52.04	2.96	77	36	11,715	814	66
Other Retail										
Exceptionally Low	0.00% to 0.04%	410	773	25.20	0.04	69	8	33	0	8
Very Low	0.05% to 0.19%	1,298	2	99.80	0.15	50	16	213	1	17
Low	0.20% to 0.99%	17,454	305	98.34	0.49	57	40	6,948	51	43
Medium Low	1.00% to 2.99%	3,508	23	99.24	1.95	63	80	2,807	44	96
Medium	3.00% to 9.99%	1,942	1	99.96	6.33	61	94	1,835	77	144
High	10.00% to 19.99%	14	0	98.09	11.07	79	137	19	1	246
Extremely High	20.00% to 99.99%	573	0	100.03	37.54	61	146	838	132	435
Default	100%	183	0	100.00	100.00	89	0	0	164	1,116
Sub-total		25,382	1,104	97.53	2.68	58	50	12,693	470	73
Total Retail										
Exceptionally Low	0.01% to 0.04%	139,747	13,992	96.21	0.01	26	1	1,110	5	1
Very Low	0.05% to 0.19%	49,896	32,867	77.78	0.14	25	6	3,066	19	7
Low	0.20% to 0.99%	55,584	13,209	87.37	0.52	42	24	13,413	117	27
Medium Low	1.00% to 2.99%	20,798	3,385	87.85	1.80	52	51	10,708	192	63
Medium	3.00% to 9.99%	5,385	198	96.70	5.98	63	98	5,298	206	146
High	10.00% to 19.99%	2,255	98	97.27	11.32	62	145	3,266	155	231
Extremely High	20.00% to 99.99%	2,165	34	100.09	36.74	50	154	3,332	409	391
Default	100%	702	0	100.00	100.00	74	0	0	518	923
Total		276,532	63,783	90.53	1.02	32	15	40,193	1,621	22

(1) Represents retail exposures under the AIRB Approach which are domiciled in Canada.
(2) New Revolving and HELOC models were implemented in Q4 2014 and new Residential Mortgage models were implemented Q1 2015.
(3) Amounts are before allowance for credit losses and before credit risk mitigation.
(4) EAD rate represents combined drawn and undrawn exposure for a facility.
(5) EL adjusted average risk-weight is calculated as (RWA + 12.5 X EL) / EAD.
(6) Includes insured drawn and undrawn Canadian residential mortgages and home equity lines of credit (e.g. CMHC insured mortgages). The Bank uses the PD Substitution approach to reflect default insurance. For Tangerine (formerly ING Direct Canada), a wholly owned subsidiary, the Bank implemented new mortgage models in Q1 2015 which apply the PD Substitution approach.
(7) Includes only uninsured undrawn Canadian residential mortgages and home equity lines of credit.
(8) Includes only uninsured drawn Canadian residential mortgages and home equity lines of credit.

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RETAIL AIRB PORTFOLIO EXPOSURES - CREDIT QUALITY[1]

($MM)		Basel III - IFRS								
		Q4 2014								
Category of PD Grades	PD Range	EAD[2]	Notional of undrawn commitments	Exposure weighted-average EAD[3]	Exposure weighted-average PD	Exposure weighted-average LGD	Exposure weighted-average RW	RWA	EL	EL adjusted average risk weight[4]
		$	$	%	%	%	%	$	$	%
Residential mortgages and HELOCs [9]										
Insured Drawn and Undrawn[5]										
Exceptionally Low	0.01% to 0.04%	83,932	0	100.00	0.00	0	0	0	0	0
Very Low	0.05% to 0.19%	4,386	3	99.98	0.12	23	4	195	1	5
Low	0.20% to 0.99%	7,337	1	100.00	0.47	25	13	918	6	14
Medium Low	1.00% to 2.99%	680	0	100.06	1.23	24	29	198	2	32
Medium	3.00% to 9.99%	706	0	100.00	3.71	29	65	456	6	75
High	10.00% to 19.99%	153	0	100.01	18.53	24	93	142	5	132
Extremely High	20.00% to 99.99%	132	0	100.06	50.48	22	74	98	10	168
Default[9]	100%	47	0	100.00	100.00	56	0	0	14	386
Sub-total		97,373	4	100.00	0.22	4	2	2,007	44	3
Uninsured Undrawn[6]										
Exceptionally Low	0.00% to 0.04%	0	0	0.00	0.00	0	0	0	0	0
Very Low	0.05% to 0.19%	8,620	23,524	45.29	0.08	21	4	382	2	5
Low	0.20% to 0.99%	2,383	5,368	77.83	0.27	25	12	294	2	13
Medium Low	1.00% to 2.99%	1,124	1,462	87.42	1.57	27	45	502	5	50
Medium	3.00% to 9.99%	0	0	0.00	0.00	0	0	0	0	0
High	10.00% to 19.99%	48	48	94.80	11.20	25	117	56	1	151
Extremely High	20.00% to 99.99%	34	19	101.40	36.37	25	140	48	3	256
Default[9]	100%	0	0	0.00	0.00	0	0	0	0	0
Sub-total		12,209	30,421	55.87	0.40	22	11	1,282	13	12
Uninsured Drawn[7]										
Exceptionally Low	0.00% to 0.04%	18,963	0	100.00	0.04	11	1	235	1	1
Very Low	0.05% to 0.19%	49,025	0	97.00	0.11	16	4	1,976	8	4
Low	0.20% to 0.99%	29,053	0	98.56	0.40	20	13	3,676	22	14
Medium Low	1.00% to 2.99%	7,502	0	102.77	1.49	25	40	2,983	28	44
Medium	3.00% to 9.99%	3,060	0	100.00	3.74	15	43	1,320	18	50
High	10.00% to 19.99%	721	0	102.49	15.86	20	102	735	21	138
Extremely High	20.00% to 99.99%	566	0	103.82	44.59	20	107	607	49	216
Default[9]	100%	216	0	100.00	100.00	51	0	0	110	637
Sub-total		109,106	0	98.50	0.91	17	11	11,532	257	14
Qualifying Revolving Retail Exposures(QRRE)[8]										
Exceptionally Low	0.00% to 0.04%	6,429	13,035	52.27	0.04	71	2	120	2	2
Very Low	0.05% to 0.19%	5,501	8,437	61.70	0.15	65	5	300	5	7
Low	0.20% to 0.99%	8,910	7,505	81.95	0.49	75	16	1,384	32	20
Medium Low	1.00% to 2.99%	6,880	1,815	95.06	1.73	84	48	3,304	101	66
Medium	3.00% to 9.99%	2,227	196	100.67	5.82	85	116	2,578	112	179
High	10.00% to 19.99%	1,347	55	101.12	10.97	86	171	2,302	129	290
Extremely High	20.00% to 99.99%	688	6	103.06	38.30	79	214	1,473	208	592
Default[9]	100%	225	0	100.00	100.00	87	0	0	197	1,098
Sub-total		32,207	31,049	78.04	2.91	76	36	11,461	786	66
Other Retail										
Exceptionally Low	0.00% to 0.04%	414	779	55.49	0.04	68	8	33	0	8
Very Low	0.05% to 0.19%	1,268	1	99.97	0.15	50	16	209	1	17
Low	0.20% to 0.99%	15,691	300	100.19	0.43	56	36	5,722	38	40
Medium Low	1.00% to 2.99%	4,997	19	99.96	1.75	64	79	3,942	57	93
Medium	3.00% to 9.99%	1,733	1	100.00	5.83	61	93	1,618	63	139
High	10.00% to 19.99%	198	1	100.22	11.14	63	110	218	14	198
Extremely High	20.00% to 99.99%	527	0	100.03	37.98	61	147	774	123	438
Default[9]	100%	156	0	100.00	100.00	89	0	0	139	1,114
Sub-total		24,984	1,101	99.38	2.55	58	50	12,516	435	72
Total Retail										
Exceptionally Low	0.01% to 0.04%	109,738	13,814	97.04	0.01	7	0	388	3	0
Very Low	0.05% to 0.19%	68,800	31,965	87.95	0.11	21	4	3,062	17	5
Low	0.20% to 0.99%	63,373	13,174	96.02	0.42	37	19	11,993	100	21
Medium Low	1.00% to 2.99%	21,183	3,296	98.70	1.62	53	52	10,930	192	63
Medium	3.00% to 9.99%	7,727	197	100.19	4.81	47	77	5,973	199	109
High	10.00% to 19.99%	2,467	104	101.25	12.89	60	140	3,454	170	226
Extremely High	20.00% to 99.99%	1,947	25	102.23	40.83	52	154	2,999	393	406
Default[9]	100%	644	0	100.00	100.00	73	0	0	461	895
Total		275,879	62,575	94.83	1.03	23	14	38,799	1,535	21

(1) Represents retail exposures under the AIRB Approach which are domiciled in Canada.
(2) Amounts are before allowance for credit losses and before credit risk mitigation.
(3) EAD rate represents combined drawn and undrawn exposure for a facility
(4) EL adjusted average risk-weight is calculated as (RWA + 12.5 X EL) / EAD
(5) Includes insured drawn and undrawn Canadian residential mortgages and home equity lines of credit (e.g. CMHC insured mortgages). The Bank uses PD Substitution to account for the CMHC guarantee, whereas Tangerine (formerly ING Direct Canada), a wholly owned subsidiary, utilizes LGD substitution.
(6) Includes only uninsured undrawn Canadian residential mortgages and home equity lines of credit
(7) Includes only uninsured drawn Canadian residential mortgages and home equity lines of credit
(8) New Revolving models implemented Q4 2014
(9) Amounts have been restated for presentation purposes.

AIRB CREDIT LOSSES

Exposure Type	Q1 2015 Actual Loss Rate	Q1 2015 Expected Loss Rate	Q4 2014 Actual Loss Rate	Q4 2014 Expected Loss Rate	Q3 2014 Actual Loss Rate	Q3 2014 Expected Loss Rate	Q2 2014 Actual Loss Rate	Q2 2014 Expected Loss Rate	Q1 2014 Actual Loss Rate	Q1 2014 Expected Loss Rate
	Basel III - IFRS									
	%	%	%	%	%	%	%	%	%	%
Non-Retail[1]										
Corporate	**0.03**	**1.07**	0.09	1.01	0.04	1.00	0.09	1.06	0.11	1.10
Sovereign	**-**	**0.12**	-	0.06	-	0.13	-	0.41	-	0.62
Bank	**-**	**0.20**	-	0.20	-	0.23	-	0.16	-	0.06
Retail[2]										
Real Estate Secured	**0.01**	**0.14**	0.01	0.14	0.01	0.14	0.01	0.13	0.01	0.13
QRRE	**2.14**	**3.33**	2.05	3.43	1.95	3.20	1.80	3.26	1.78	3.31
Other Retail	**0.48**	**1.70**	0.48	1.72	0.50	1.71	0.51	1.77	0.49	1.82

(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

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	Four-quarter period ending Q1 2015						Four-quarter period ending Q4 2014					
	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]	**1.03**	**0.22**	**38.43**	**37.90**	**61.32**	**4.88**	1.02	0.24	38.03	27.87	61.31	8.80

[1] Estimated parameters are based on portfolio averages at Q3 2013, 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.

	Four-quarter period ending Q1 2015[9]						Four-quarter period ending Q4 2014					
($MM)	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]	**0.90**	**0.67**	**-**	**-**	**-**	**-**	0.89	0.63	-	-	-	-
Uninsured mortgages	**0.53**	**0.43**	**15.64**	**12.13**	**-**	**-**	0.53	0.43	15.87	12.44	-	-
Secured lines of credit	**0.86**	**0.24**	**28.04**	**18.31**	**88**	**78**	0.91	0.24	26.69	17.19	79	72
Qualifying revolving retail exposures	**2.11**	**1.59**	**78.14**	**68.43**	**493**	**443**	1.59	1.47	72.04	68.68	464	456
Other retail	**1.99**	**1.35**	**65.37**	**52.71**	**5**	**5**	1.93	1.29	64.86	52.51	9	8

[1] Excludes Tangerine (formerly ING Direct Canada) .

[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 excludes any recoveries received after the 24 month period.

[7] Estimates are based on the four quarters prior to the reporting date.

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

[9] New Revolving Models implemented in Q4 2014. All Estimates and Actual Values for Secured lines of credit, Qualifying revolving retail exposures and Other retail are restated historically to reflect new models.

CREDIT RISK MITIGATION

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EXPOSURE AT DEFAULT [1]

($MM)	Basel III - IFRS											
	Q1 2015			Q4 2014			Q3 2014			Q2 2014		
	Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives	
Exposure type	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach
Non-Retail												
Corporate	**563**	**1,494**	**6,091**	492	1,223	5,123	486	1,258	5,158	503	1,111	5,228
Bank	**-**	**5**	**3,781**	-	5	2,193	-	8	2,275	-	8	2,347
Sovereign	**-**	**-**	**5,000**	-	-	5,198	-	-	5,125	-	-	5,089
Total Non-Retail	**563**	**1,499**	**14,872**	**492**	**1,228**	**12,514**	**486**	**1,266**	**12,558**	**503**	**1,119**	**12,664**
Retail												
Residential Mortgages [2]	**-**	**4,117**	**91,883**	-	3,633	92,950	-	3,507	93,632	-	3,497	96,704
Secured Lines of Credit												
Qualifying Revolving Retail Exposures (QRRE)												
Other Retail	**668**	**931**	**-**	602	975	-	583	1,026	-	574	891	-
Total Retail	**668**	**5,048**	**91,883**	**602**	**4,608**	**92,950**	**583**	**4,533**	**93,632**	**574**	**4,388**	**96,704**
Total	**1,231**	**6,547**	**106,755**	**1,094**	**5,836**	**105,464**	**1,069**	**5,799**	**106,190**	**1,077**	**5,507**	**109,368**

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

(2) Primarily includes insured drawn Canadian residential mortgages (e.g. CMHC insured mortgages). The Bank uses the PD Substitution approach to reflect default insurance. For Tangerine (formerly ING Direct Canada), a wholly owned subsidiary, the Bank implemented new mortgage models in Q1 2015 which apply the PD Substitution approach.

DERIVATIVES - COUNTERPARTY CREDIT RISK [1,2]

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($MM)	Basel III - IFRS															
	Q1 2015				Q4 2014				Q3 2014				Q2 2014			
Contract Types	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]
Interest Rate Contracts:																
Futures and Forward Rate Agreements	**1,137,994**	**123**	**579**	**-**	805,769	106	1,489	44	627,626	61	1,658	58	458,607	39	1,355	42
Swaps	**3,474,793**	**2,818**	**11,523**	**2,323**	3,093,098	1,858	9,053	1,475	2,583,470	1,668	8,569	1,354	2,614,773	1,449	8,442	1,363
Options Purchased	**60,809**	**12**	**314**	**147**	47,916	18	106	125	107,499	11	181	44	88,589	9	70	37
Options Written	**62,248**	**-**	**-**	**-**	50,710	-	-	-	118,810	-	-	-	87,340	-	-	-
Total	**4,735,844**	**2,953**	**12,416**	**2,470**	**3,997,493**	**1,982**	**10,648**	**1,644**	**3,437,405**	**1,740**	**10,408**	**1,456**	**3,249,309**	**1,497**	**9,867**	**1,442**
Foreign Exchange Contracts:																
Futures and Forwards	**471,539**	**4,723**	**9,634**	**2,248**	448,977	2,451	6,535	1,570	406,999	1,082	5,488	1,255	398,717	1,046	4,637	1,105
Swaps	**295,627**	**2,948**	**8,976**	**2,099**	265,986	1,495	6,190	1,426	241,692	1,124	5,289	1,206	240,885	1,190	5,014	1,187
Options Purchased	**4,106**	**172**	**251**	**79**	3,147	19	69	19	2,741	12	48	14	3,384	15	58	17
Options Written	**3,645**	**-**	**-**	**-**	2,642	-	-	-	2,516	-	-	-	3,004	-	-	-
Total	**774,917**	**7,843**	**18,861**	**4,426**	**720,752**	**3,965**	**12,794**	**3,015**	**653,948**	**2,218**	**10,825**	**2,475**	**645,990**	**2,251**	**9,709**	**2,309**
Other Derivatives Contracts:																
Equity	**63,865**	**1,668**	**6,799**	**2,141**	66,608	860	5,726	2,260	62,707	644	5,465	2,258	51,329	425	4,736	1,915
Credit	**60,834**	**224**	**2,776**	**681**	57,923	548	1,405	374	65,079	501	1,854	392	75,999	572	2,841	528
Other	**136,722**	**2,948**	**11,919**	**1,821**	127,041	1,582	11,863	1,702	121,593	1,314	10,474	1,896	111,153	1,691	10,208	2,101
Total	**261,421**	**4,840**	**21,494**	**4,643**	**251,572**	**2,990**	**18,994**	**4,336**	**249,379**	**2,459**	**17,793**	**4,546**	**238,481**	**2,688**	**17,785**	**4,544**
Credit Valuation Adjustment [3]				**8,154**				**5,632**				**5,039**				**4,793**
Total Derivatives after Netting and Collateral	5,772,182	15,636	52,771	19,693	4,969,817	8,937	42,436	14,627	4,340,732	6,417	39,026	13,516	4,133,780	6,436	37,361	13,088

	Basel III - IFRS							
	Q1 2014		Q4 2013		Q3 2013		Q2 2013	
Contract Types	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	446,895	1,035	379,882	883	376,466	488	275,858	576
Swaps	2,441,658	8,977	2,085,682	8,639	1,905,681	7,832	1,719,603	8,255
Options Purchased	78,637	52	60,127	54	67,047	345	40,230	187
Options Written	71,915	-	55,410	-	69,429	-	49,176	-
Total	**3,039,105**	**10,064**	**2,581,101**	**9,576**	**2,418,623**	**8,665**	**2,084,867**	**9,018**
Foreign Exchange Contracts:								
Futures and Forwards	364,273	5,275	293,658	3,946	284,562	4,510	319,153	4,316
Swaps	230,766	5,097	206,298	4,171	188,888	4,123	190,757	4,525
Options Purchased	2,839	68	2,484	47	2,312	67	2,379	61
Options Written	2,554	-	2,050	-	1,813	-	1,766	-
Total	**600,432**	**10,440**	**504,490**	**8,164**	**477,575**	**8,700**	**514,055**	**8,902**
Other Derivatives Contracts:								
Equity	51,275	4,954	42,791	4,017	46,631	4,353	45,715	3,814
Credit	75,146	2,988	77,497	3,273	74,264	3,113	70,079	2,623
Other	96,830	8,603	88,929	7,409	80,456	6,388	77,167	5,753
Total	**223,251**	**16,545**	**209,217**	**14,699**	**201,351**	**13,854**	**192,961**	**12,190**
Total Derivatives	**3,862,788**	**37,049**	**3,294,808**	**32,439**	**3,097,549**	**31,219**	**2,791,883**	**30,110**
Credit Valuation Adjustment [3]		**5,003**		**N/A**		**N/A**		**N/A**
Risk-weighted Amount		**13,272**		**7,846**		**7,849**		**7,769**

[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 2014, Credit Valuation Adjustment RWA on derivatives was phased-in at 57%. Effective Q3 2014, CVA risk-weighted assets were calculated using the scalars of 0.57, 0.65 and 0.77 to compute CET1 capital ratio, Tier 1 capital ratio and Total capital ratio respectively As at January 31, 2015, these scalars are 0.64, 0.71 and 0.77, respectively.

RISK-WEIGHTED ASSETS FOR SECURITIZATION EXPOSURES - BANKING BOOK [1]

Scotiabank

			Basel III - IFRS															
($MM)			Q1 2015[2]				Q4 2014[2]				Q3 2014				Q2 2014			
			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
Risk Category	External Rating (S&P)	Risk-Weight %	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	**8,584**	**12,125**	**20,709**	**1,836**	7,558	11,863	**19,421**	1,719	7,584	9,607	**17,191**	1,548	8,593	9,683	**18,276**	1,641
	A- to BBB	35 - 100	**68**	**16**	**84**	**69**	162	10	**172**	154	259	117	**376**	232	354	117	**471**	309
Non-Investment Grade	BB+ to BE	150 - 650	**61**	**-**	**61**	**153**	10	-	**10**	68	21	-	**21**	126	31	-	**31**	98
	Below BB-	1250	**119**	**-**	**119**	**1,484**	137	-	**137**	1,707	151	-	**151**	1,883	159	-	**159**	1,993
			8,832	**12,141**	**20,973**	**3,542**	**7,867**	**11,873**	**19,740**	**3,648**	**8,015**	**9,724**	**17,739**	**3,789**	**9,137**	**9,800**	**18,937**	**4,041**
Resecuritization																		
Investment Grade	AAA to A	20 - 65	**-**	**56**	**56**	**36**	-	56	**56**	36	49	155	**204**	125	57	155	**212**	132
	A- to BBB	100 - 350	**117**		**117**	**265**	115		**115**	260	135		**135**	293	138		**138**	248
Non-Investment Grade	BB+ to BE	500 - 850	-	-	-	-	54	-	**54**	462	69	-	**69**	531	76	-	**76**	566
	Below BB-	1250	**19**	-	**19**	**242**	17	-	**17**	215	17	-	**17**	208	43	-	**43**	540
			136	**56**	**192**	**543**	**186**	**56**	**242**	**973**	**270**	**155**	**425**	**1,157**	**314**	**155**	**469**	**1,486**
Total			**8,968**	**12,197**	**21,165**	**4,085**	**8,053**	**11,929**	**19,982**	**4,621**	**8,285**	**9,879**	**18,164**	**4,946**	**9,451**	**9,955**	**19,406**	**5,527**

	Basel III - IFRS															
($MM)	Q1 2015[2]				Q4 2014[2]				Q3 2014				Q2 2014			
	Exposure at Default[3]			Exposures at Default (RW=1250%)	Exposure at Default[3]			Exposures at Default (RW=1250%)	Exposure at Default[3]			Exposures at Default (RW=1250%)	Exposure at Default[3]			Exposures at Default (RW=1250%)
Underlying Asset	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	**105**	**1,275**	**1,380**	**-**	134	1,275	**1,409**	-	125	1,275	**1,400**	-	145	1,275	**1,420**	-
Commercial Mortgages	**12**	**-**	**12**	**-**	12	-	**12**	-	12	-	**12**	-	12	-	**12**	-
Credit cards/Consumer receivables	**533**	**2,504**	**3,037**	**-**	476	2,445	**2,921**	-	446	443	**889**	-	565	330	**895**	-
Auto loans/Leases	**3,688**	**3,294**	**6,982**	**119**	3,133	3,553	**6,686**	137	3,251	3,466	**6,717**	151	4,152	3,800	**7,952**	155
Diversified asset-backed securities	**203**	**60**	**263**	**19**	191	58	**249**	17	159	155	**314**	17	187	155	**342**	43
Business Loans	**95**	**147**	**242**	**-**	152	173	**325**	-	358	200	**558**	-	480	230	**710**	4
Trade receivables	**2,890**	**4,870**	**7,760**	**-**	2,579	4,373	**6,952**	-	2,592	4,300	**6,892**	-	2,567	4,113	**6,680**	-
Other	**1,442**	**47**	**1,489**	**-**	1,376	52	**1,428**	-	1,342	40	**1,382**	-	1,343	52	**1,395**	-
Total	**8,968**	**12,197**	**21,165**	**138**	**8,053**	**11,929**	**19,982**	**154**	**8,285**	**9,879**	**18,164**	**168**	**9,451**	**9,955**	**19,406**	**202**

[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 2015 amounts include securitization under standardized approach: externally rated A+: $8MM (Q4 2014: $9MM),and Resecuritization A-: $48MM (Q4 2014: $48MM) and BBB: $3MM (Q4 2014: $3MM).

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

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

Scotiabank

($MM)			Basel III - IFRS															
			Q1 2014				Q4 2013				Q3 2013				Q2 2013			
			Exposure at Default [2]				Exposure at Default [2]				Exposure at Default [2]				Exposure at Default [2]			
Risk Category	External Rating (S&P)	Risk-Weight %	On-Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On-Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On-Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets	On-Balance Sheet	Off-Balance Sheet	Total	Risk-Weighted Assets
Securitization																		
Investment Grade	AAA to A	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	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	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				Q4 2013				Q3 2013				Q2 2013			
	Exposure at Default [2]				Exposure at Default [2]				Exposure at Default [2]				Exposure at Default [2]			
Underlying Asset	On-Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On-Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On-Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)	On-Balance Sheet	Off-Balance Sheet	Total	Exposures at Default (RW=1250%)
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

[2] 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.

TOTAL MARKET RISK-WEIGHTED ASSETS

($MM)	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
All Bank VaR	**1,369**	3,015	2,810	2,319	2,582
All Bank stressed VaR	**3,243**	5,347	4,685	4,547	5,250
Incremental Risk Charge	**4,776**	4,952	4,936	4,370	4,740
Comprehensive risk measure(1)	**2,707**	1,621	2,060	2,665	2,203
CRM surcharge(1)	**-**	1,738	1,825	1,963	1,363
Standardized approach	**1,038**	578	401	522	576
Market risk-weighted assets as at end of Quarter	**13,133**	**17,251**	**16,717**	**16,386**	**16,714**

(1) The Q1 2015 related capital charge for total comprehensive risk measure including securitization exposures is $217MM (Q4 2014: $269MM) broken down as follows: Market Simulation $52MM (Q4 2014: $43MM), Default & Migration Risk $165MM (Q4 2014: $87MM), and surcharge $ - MM (Q4 2014: $139MM).

SUMMARY COMPARISON OF ACCOUNTING BASIS vs LEVERAGE RATIO EXPOSURE MEASURE - TRANSITIONAL BASIS

Scotiabank

($MM)	Item	Q1 2015
1	Total consolidated assets as per published financial statements	**851,873**
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	**(245)**
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	**-**
4	Adjustments for derivative financial instruments	**3,251**
5	Adjustment for securities financing transactions (i.e., repo assets and similar secured lending)	**6,258**
6	Adjustment for off balance-sheet items (i.e., credit equivalent amounts of off-balance sheet exposures)	**105,253**
7	Other adjustments	**(9,141)**
8	Leverage Ratio Exposure (transitional basis)	**957,249**

LEVERAGE RATIO FRAMEWORK

Scotiabank

($MM)	Item [1]	Q1 2015
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral) [2]	**708,973**
2	(Asset amounts deducted in determining Basel III transitional Tier 1 capital)	**(9,138)**
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	**699,835**
	Derivative exposures	
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	**17,513**
5	Add-on amounts for PFE associated with all derivative transactions	**37,135**
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	**-**
7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	**(1,427)**
8	(Exempted CCP-leg of client cleared trade exposures)	**-**
9	Adjusted effective notional amount of written credit derivatives	**18,742**
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(13,277)**
11	Total derivative exposures (sum of lines 4 to 10)	**58,686**
	Securities financing transaction exposures	
12	Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	**95,520**
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(8,303)**
14	Counterparty credit risk (CCR) exposure for SFT assets	**6,258**
15	Agent transaction exposures	**-**
16	Total securities financing transaction exposures (sum of lines12 to 15)	**93,475**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	**342,030**
18	(Adjustments for conversion to credit equivalent amounts)	**(236,777)**
19	Off-balance sheet items (sum of lines 17 and 18)	**105,253**
	Capital and Total Exposures - Transitional Basis	
20	Tier 1 capital	**42,646**
21	Total Exposures (sum of lines 3, 11, 16 and 19)	**957,249**
	Leverage Ratios - Transitional Basis	
22	Basel III leverage ratio	**4.5%**
	All-in basis (Required by OSFI) [1]	
23	Tier 1 capital – All-in basis	**38,717**
24	(Regulatory adjustments)	**(12,761)**
25	Total Exposures (sum of lines 21 and 24, less the amount reported in line 2) – All-in basis	**953,626**
26	Leverage ratio – All-in basis	**4.1%**

(1) Refer to Page 30 for Basel Leverage Ratio Framework - Description of line items.

(2) Based on the regulatory scope of consolidation.

LEVERAGE RATIO FRAMEWORK - DESCRIPTION OF LINE ITEMS

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Row Number	Explanation
1	On-balance sheet assets (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral) according to paragraphs 14 and 17 to 20 of the Leverage Requirements Guideline.
2	Deductions from Basel III Tier 1 capital determined by paragraphs 4, 15 and 16 of the Leverage Requirements Guideline and excluded from the leverage ratio exposure measure, reported as negative amounts.(1)
3	Sum of lines 1 and 2.
4	Replacement cost (RC) associated with all derivative transactions, (including exposure resulting from transactions described in paragraph 42 of the Leverage Requirements Guideline), net of cash variation margin received and with, where applicable, bilateral netting according to paragraphs 22 to 35 and 40 of the Leverage Requirements Guideline.
5	Add-on amount for all derivatives exposure according to paragraphs 22 to 35 of the Leverage Requirements Guideline.
6	Grossed-up amount for collateral provided according to paragraph 38 of the Leverage Requirements Guideline.
7	Deductions of receivables assets from cash variation margin provided in derivative transactions according to paragraph 40 of the Leverage Requirements Guideline, reported as negative amounts.
8	Exempted trade exposures associated with the CCP-leg of derivative transactions resulting from client cleared transactions according to paragraph 41 of the Leverage Requirements Guideline, reported as negative amounts.
9	Adjusted effective notional amount (i.e. the effective notional amount reduced by any negative change in fair value) for written credit derivatives according to paragraphs 45 to 47 of the Leverage Requirements Guideline.
10	Adjusted effective notional offsets of written credit derivatives according to paragraphs 45 to 47 of the Leverage Requirements Guideline and deducted add-on amounts relating to written credit derivatives according to paragraph 48 of the Leverage Requirements Guideline, reported as negative amounts.
11	Sum of lines 4 to 10.
12	Gross SFT assets recognised for accounting purposes with no recognition of any netting other than novation with QCCPs as set out in footnote 30 of the Leverage Requirements Guideline, removing certain securities received as determined by paragraph 50 (i) of the Leverage Requirements Guideline and adjusting for any sales accounting transactions as determined by paragraph 53 of the Leverage Requirements Guideline.
13	Cash payables and cash receivables of Gross SFT assets netted according to paragraph 50 (i) of the Leverage Requirements Guideline, reported as negative amounts.
14	Measure of counterparty credit risk for SFTs as determined by paragraph 50 (ii) of the Leverage Requirements Guideline.
15	Agent transaction exposure amount determined according to paragraphs 54 to 56 of the Leverage Requirements Guideline.
16	Sum of lines 12 to 15.
17	Total off-balance sheet exposure amounts on a gross notional basis, before any adjustment for credit conversion factors according to paragraphs 57 to 65 of the Leverage Requirements Guideline.
18	Reduction in gross amount of off-balance sheet exposures due to the application of credit conversion factors in paragraphs 57 to 65 of the Leverage Requirements Guideline.
19	Sum of lines 17 and 18.
20	Tier 1 capital as determined by paragraph 10 of the Leverage Requirements Guideline.(1)
21	Sum of lines 3, 11, 16 and 19.
22	Basel III leverage ratio according to paragraph 5 of the Leverage Requirements Guideline.(1) (Line 20/21)
23	Tier 1 capital measured on an all-in basis as specified in Chapter 2 of OSFI’s Capital Adequacy Requirements Guideline.
24	Regulatory adjustments to Tier 1 capital measured on an all-in basis as specified in Chapter 2 of OSFI’s Capital Adequacy Requirements Guideline, reported as negative amounts.
25	Sum of lines 21 and 24, less the amount reported in line 2.
26	Leverage ratio measured on all-in basis; the ratio of the Tier 1 capital amount reported in line 23 to the Total Exposure amount reported in line 25.

(1) Measured on transitional basis.

GLOSSARY

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.
Repo-Style Transactions	Reverse repurchase agreements (reverse repos) and repurchase agreements (repos), securities lending and borrowing.
Over-the Counter (OTC) Derivatives	Over-the-counter derivatives contracts.
Exchange-traded derivatives (ETD)	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.
Qualifying central counterparty (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.
Non-qualifying central counterparties (NQCCP)	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.
Credit Valuation Adjustment (CVA)	Credit Valuation Adjustment (CVA) is the difference between the riskfree value of a portfolio and the true value of that portfolio, accounting for the possible default of a counterparty. CVA adjustment, aims to identify the impact of Counter Party Risk.