

SUPPLEMENTARY REGULATORY CAPITAL DISCLOSURE



January 31, 2016

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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, 60% in 2016, 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 4 years. As of January 2019, the banks will be required to meet new minimum requirements related to risk-weighted assets of: Common Equity Tier 1 ratio of 4.5% plus a capital conservation buffer of 2.5%, collectively 7%. Including the capital conservation buffer, the minimum Tier 1 ratio will be 8.5%, and the Total capital ratio will be 10.5%.

OSFI required Canadian deposit-taking institutions to fully implement the 2019 Basel III reforms in 2013, without the transitional phase-in provisions for capital deductions, and achieve a minimum 7% common equity target, by the first quarter of 2013 along with a minimum Tier 1 ratio of 7% and Total capital ratio of 10%. Since the first quarter of 2014, the minimum Tier 1 ratio rose to 8.5% and the Total capital ratio rose to 10.5%.

The BCBS 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.

As of January 2016, the Scotiabank and other Canadian D-SIB banks are also required to meet new D-SIB minimum requirements; a minimum Common Equity Tier 1 ratio of 8.0%, Tier 1 ratio of 9.5% and a Total capital ratio of 11.5%.

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. In 2015 and 2016, 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 did not meet these additional criteria and are 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.

Commencing in 2015 and continuing in 2016, the Bank issued subordinated debentures and preferred shares which contain non-viability contingent capital (NVCC) provisions necessary for the debentures and preferred shares to qualify as Tier 1 or Tier 2 regulatory capital. Under the NVCC provisions, the debentures are convertible into a variable number of common shares upon: (i) the public announcement by OSFI that the Bank has ceased, or is about to cease, to be viable; or (ii) by a federal or provincial government of Canada that the Bank accepted or agreed to accept a capital injection.

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 former Assets-to-Capital Multiple (ACM), effective Q1 2015. Institutions are expected to maintain a material operating buffer above the 3% minimum. The Bank meets OSFI's authorized leverage ratio. Commencing 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 2016		Q4 2015		Q3 2015		Q2 2015		Q1 2015	
	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	43,742	37,645	44,811	36,965	44,263	36,077	42,619	34,750	42,646	34,389
Tier 1 capital	44,826	41,983	44,811	41,366	44,263	40,474	42,619	39,077	42,646	38,717
Total capital	53,031	50,413	51,501	48,230	50,809	47,311	49,162	45,863	47,959	44,354
Risk-weighted Assets⁽³⁾										
CET1 Capital Risk-weighted Assets	381,381	374,457	364,824	357,995	355,138	348,039	335,233	328,688	342,740	335,200
Tier 1 Capital Risk-weighted Assets	381,381	375,365	364,824	358,780	355,138	348,835	335,233	329,424	342,740	336,092
Total Capital Risk-weighted Assets	381,381	376,143	364,824	359,453	355,138	349,518	335,233	330,055	342,740	336,857
Capital Ratios (%)										
Common Equity Tier 1 (as a percentage of risk-weighted assets)	11.5	10.1	12.3	10.3	12.5	10.4	12.7	10.6	12.4	10.3
Tier 1 (as a percentage of risk-weighted assets)	11.8	11.2	12.3	11.5	12.5	11.6	12.7	11.9	12.4	11.5
Total capital (as a percentage of risk-weighted assets)	13.9	13.4	14.1	13.4	14.3	13.5	14.7	13.9	14.0	13.2
Leverage: All-in Basis⁽⁴⁾										
Leverage Exposures	1,039,339	1,037,881	983,318	980,212	982,967	979,510	950,456	947,169	957,249	953,626
Leverage Ratio	4.3	4.0	4.6	4.2	4.5	4.1	4.5	4.1	4.5	4.1
OSFI Target: All-in Basis (%)										
Common Equity Tier 1 minimum ratio		8.0		7.0		7.0		7.0		7.0
Tier 1 capital all-in minimum ratio		9.5		8.5		8.5		8.5		8.5
Total capital all-in minimum ratio		11.5		10.5		10.5		10.5		10.5
Leverage all-in minimum ratio		3.0		3.0		3.0		3.0		3.0
Capital instruments subject to phase-out arrangements										
Current cap on Additional Tier 1 (AT1) instruments subject to phase-out arrangements (%)	60%	60%	70%	70%	70%	70%	70%	70%	70%	70%
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) ⁽⁵⁾	414	414	-	-	-	-	-	-	-	-
Current cap on Tier 2 (T2) instruments subject to phase-out arrangements (%)	60%	60%	70%	70%	70%	70%	70%	70%	70%	70%
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 Q1 2014, Credit Valuation Adjustment (CVA) RWA on derivatives was phased-in using Scalars. Since Q1, 2015 the CVA risk-weighted assets have been calculated using the scalars of 0.64, 0.71 and 0.77 to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.

(4) Effective Q1 2015, the Bank implemented the Leverage Requirements Guideline issued by OSFI in October 2014.

(5) Updated to reflect the actual excess AT1 capital excluded due to Basel III phase-out arrangements.

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REGULATORY CAPITAL - DEFINITION OF CAPITAL COMPONENTS



(\$MM)

	Cross-Reference ⁽¹⁾	All-in Q1 2016	All-in Q4 2015	
Common Equity Tier 1 Capital: Instruments and Reserves				
1	Directly issued qualifying common share capital plus related stock surplus	u+y	15,345	15,314
2	Retained Earnings	v	32,150	31,316
3	Accumulated Other Comprehensive Income	w	3,401	2,455
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	bb	550	557
6	Common Equity Tier 1 capital before regulatory adjustments		51,446	49,642
Common Equity Tier 1 Capital: Regulatory Adjustments				
8	Goodwill (net of related tax liability)	g	(7,601)	(7,499)
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	h-q+i-r	(3,578)	(3,519)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	k	(539)	(539)
11	Cash flow hedge reserve	x	(110)	(6)
12	Shortfall of allowances to expected losses	ee	(62)	(9)
14	Gains and losses due to changes in own credit risk on fair value liabilities	p	(451)	(309)
15	Defined-benefit pension fund net assets (net of related tax liability)	l-s	(134)	(123)
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	a	(4)	(5)
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	(775)	(461)
22	Amount exceeding the 15% threshold		(544)	(203)
23	of which: significant investments in the common stock of financials	f	(342)	(133)
25	of which: deferred tax assets arising from temporary differences	j	(202)	(70)
26	Other deductions from CET1 as determined by OSFI	o	(3)	(4)
28	Total regulatory adjustments to Common Equity Tier 1		(13,801)	(12,677)
29	Common Equity Tier 1 Capital (CET1)		37,645	36,965
Additional Tier 1 Capital: Instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	z	350	-
31	of which: classified as equity under applicable accounting standards		350	-
33	Directly issued capital instruments subject to phase-out from Additional Tier 1	aa + Note (2)	3,920	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)	cc	79	79
36	Additional Tier 1 capital before regulatory adjustments		4,349	4,413
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	(11)	(12)
41	Other deductions from Tier 1 capital as determined by OSFI		-	-
43	Total regulatory adjustments to Additional Tier 1 capital		(11)	(12)
44	Additional Tier 1 Capital (AT1)		4,338	4,401
45	Tier 1 Capital (T1=CET1 + AT1)		41,983	41,366
Tier 2 Capital: Instruments and Provisions				
46	Directly issued qualifying Tier 2 instruments	m	3,787	1,250
47	Directly issued capital instruments subject to phase-out from Tier 2		3,972	4,932
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	dd	180	196
50	Eligible Collective Allowance and Excess of allowance over expected loss	c+d	491	486
51	Tier 2 capital before regulatory adjustments		8,430	6,864

	Cross-Reference ⁽¹⁾	All-in Q1 2016	All-in Q4 2015	
Tier 2 Capital: Regulatory Adjustments				
57	Total regulatory adjustments to Tier 2 capital		-	-
58	Tier 2 Capital (T2)		8,430	6,864
59	Total Capital (TC = T1 + T2)		50,413	48,230
60	Total Risk-weighted Assets		379,128	362,034
60a	Common Equity Tier 1 (CET1) Capital RWA		374,457	357,995
60b	Tier 1 Capital RWA		375,365	358,780
60c	Total Capital RWA		376,143	359,453
Capital Ratios and Buffers				
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)		10.1	10.3
62	Tier 1 (as a percentage of risk-weighted assets)		11.2	11.5
63	Total capital (as a percentage of risk-weighted assets)		13.4	13.4
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk-weighted assets)		8.0%	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)		10.1	10.3
OSFI all-in target (minimum + capital conservation buffer + DSIB surcharge (if applicable))				
69	Common Equity Tier 1 All-in target ratio		8.0%	7.0%
70	Tier 1 capital all-in target ratio		9.5%	8.5%
71	Total capital all-in target ratio		11.5%	10.5%
Amounts below the thresholds for the deduction (before risk-weighting)				
72	Non-significant investments in the capital of other financial institutions		1,524	1,678
73	Significant investments in the common stock of financial institutions		3,554	3,630
75	Deferred tax assets arising from temporary differences (net of related tax liability)		2,093	1,915
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)		491	486
77	Cap on inclusion of allowances in Tier 2 under standardized approach		1,334	1,252
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		1,331	1,271
Capital instruments subject to phase-out arrangements (only applicable between Jan 1 2013 and Jan 1 2022)				
80	Current cap on CET1 instruments subject to phase-out arrangements		60%	70%
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		60%	70%
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) ⁽³⁾		414	-
84	Current cap on T2 instruments subject to phase-out arrangements		60%	70%
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.

(3) Updated to reflect the actual excess AT1 capital excluded due to Basel III phase-out arrangements.

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CONSOLIDATED BALANCE SHEET: SOURCE OF DEFINITION OF CAPITAL COMPONENTS



	Cross Reference to Page 4 Definition of Capital Components	Consolidated Statement of Financial Position ⁽¹⁾	Under regulatory scope of consolidation ⁽²⁾		Cross Reference to Page 4 Definition of Capital Components	Consolidated Statement of Financial Position ⁽¹⁾	Under regulatory scope of consolidation ⁽²⁾
		Q1 2016	Q1 2016			Q1 2016	Q1 2016
(SMM)				(SMM)			
Assets				Liabilities			
Cash and deposits with banks		75,253	74,754	Deposits			
Precious Metals		9,408	9,408	Personal		194,770	194,770
Trading Assets				Business and Government		395,737	395,737
Trading Securities		84,322	84,318	Banks		40,384	40,384
- Investment in own shares	a		4			630,891	630,891
- Other trading securities			84,313	Financial instruments designated at fair value through profit or loss		1,582	1,582
Trading Loans		17,960	17,960	Other			
Other Trading Assets		1,994	1,994	Acceptances		10,416	10,416
		104,276	104,272	Obligations Related to Securities Sold Short		23,718	23,718
Financial assets designated at fair value through profit or loss		296	296	Derivative Financial Instruments		53,871	53,871
Securities Purchased Under Resale Agreements		96,267	96,267	Obligations Related to Securities Sold Under Repurchase Agreements		89,470	89,470
Derivative Financial Instruments		51,958	51,958	Subordinated Debentures		7,759	7,759
Investment Securities		60,427	59,542	- Regulatory capital amortization of maturing debentures			
- Significant investments in Additional Tier 1 capital of other financial institutions reflected in regulatory capital			11	- Subordinated debentures used for regulatory capital			3,787
- Other securities	b		59,531	- of which: are included in Tier 2 capital	m		3,972
				- of which: are subject to phase-out included in Tier 2 capital (70%)			
				- of which: are subject to phase-out not included in Tier 2 capital			
Loans				Other Liabilities		46,251	45,104
Residential Mortgages		219,047	218,860	- Liquidity Reserves	o		3
Personal and Credit Cards		95,382	95,382	- Gains/losses due to changes in own credit risk including DVA on derivatives	p		451
Business and Government		166,478	166,318	- Deferred tax liabilities			
		480,907	480,560	- Intangible assets (excl. computer software and mortgage servicing rights)	q		838
Allowance For Credit Losses		4,354	4,354	- Intangible assets - computer software	r		98
- Collective Allowance reflected in Tier 2 capital	c		491	- Defined benefit pension fund assets	s		67
- Shortfall of allowances to expected loss	ee		(62)	- Other deferred tax liabilities			(454)
- Excess of allowances to expected loss	d		-	- Other Liabilities			44,101
- Allowances not reflected in regulatory capital			3,925			231,485	230,338
Other				Total Liabilities		863,958	862,811
Customers' Liability Under Acceptances		10,416	10,416	Shareholders' Equity			
Property and Equipment		2,339	2,336	Common Equity			
Investments in Associates		4,307	4,677	- Common Shares	u	15,172	15,172
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 10% regulatory thresholds	e		775	- Retained Earnings	v	32,150	32,150
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 15% regulatory thresholds	f		342	- Accumulated Other Comprehensive Income (Loss)	w	3,401	3,401
- Significant Investments in other financial institutions including deconsolidated subsidiaries within regulatory thresholds			3,561	- Cash flow hedging reserve	x		110
Goodwill & Other Intangibles		11,620	12,115	- Other			3,291
- Goodwill	g		7,601	- Other Reserves	y	173	173
- Intangibles (excl. computer software)	h		3,031	Total Common Equity		50,896	50,896
- Computer software intangibles	i		1,483	Preferred Shares		3,284	3,284
Deferred tax assets		2,294	2,294	- of which: are qualifying Tier 1 capital	z		350
- Deferred tax assets arising from temporary differences exceeding the regulatory threshold	j		202	- of which: are subject to phase out and included in Tier 1 capital (60%)	aa		2,520
- Deferred tax assets that rely on future profitability	k		1,553	- of which: are subject to phase out and not included into Tier 1 capital			414
- Deferred tax assets not deducted from regulatory capital			1,533	Total Equity Attributable to Equity Holders		54,180	54,180
Other Assets		14,199	13,926	Non-Controlling Interests			
- Defined pension fund assets	l		201	Non-Controlling Interest in Subsidiaries		1,475	1,475
- Other assets			13,725	- portion allowed for inclusion into CET1	bb		550
		45,175	45,764	- portion allowed for inclusion into Tier 1 capital	cc		79
Total Assets		919,613	918,466	- portion allowed for inclusion into Tier 2 capital	dd		180
				- portion not allowed for regulatory capital			666
				Total Equity		55,655	55,655
				Total Liabilities & Shareholders' Equity		919,613	918,466

(1) Consolidated Statement of Financial Position as reported in the 2016 Quarterly Report - First Quarter results (page 35).

(2) Legal Entities that are within the accounting scope of consolidation but excluded from the regulatory scope of consolidation represent the Bank's insurance subsidiaries whose principle activities include insurance, reinsurance, property and casualty insurance. Key subsidiaries are Scotia Insurance Barbados Ltd (assets: \$503, equity: \$342), Scotia Life Insurance Company (assets: \$133, equity: \$217), Scotia Jamaica Life Insurance Co. Ltd (assets: \$646, equity: \$130), Scotia Life Trinidad and Tobago Ltd (assets: \$423, equity: \$81) and Scotia Seguros: (assets: \$97, equity: \$57).

BALANCE SHEET ASSET CATEGORIES CROSS-REFERENCED TO CREDIT RISK EXPOSURES



	Credit Risk Exposures						Other Exposures		Total
	Drawn		Other Exposures				Market Risk Exposures	All Other ⁽¹⁾	
	Non-retail	Retail	Securitization	Repo-style Transactions	OTC Derivatives	Equity	Also subject to Credit Risk		
As at Jan 31, 2015 (\$MM)									
Cash and deposits with financial institutions	72,488	-	-	-	-	-	-	2,765	75,253
Precious metals	-	-	-	-	-	-	9,408	-	9,408
Trading assets:									
Securities	-	-	-	-	-	-	84,322	-	84,322
Loans	11,066	-	-	-	-	-	11,066	6,894	17,960
Other	-	-	-	-	-	-	-	1,994	1,994
Financial assets designated at fair value through profit or loss	295	-	-	-	-	1	-	-	296
Securities purchased under resale agreements and securities borrowed	-	-	-	96,267	-	-	-	-	96,267
Derivative financial instruments	-	-	-	-	51,958	-	45,460	-	51,958
Investment securities	56,490	-	-	-	-	2,702	-	-	60,427
Loans:									
Residential mortgages ⁽²⁾	86,994	131,885	-	-	-	-	-	168	219,047
Personal and credit cards	-	92,362	3,001	-	-	-	-	19	95,382
Business & government	158,919	-	7,508	-	-	-	-	51	166,478
Allowances for credit losses ⁽³⁾	(1,147)	-	-	-	-	-	-	(3,207)	(4,354)
Customers' liability under acceptances	10,416	-	-	-	-	-	-	-	10,416
Property and equipment	-	-	-	-	-	-	-	2,339	2,339
Investment in associates	-	-	-	-	-	-	-	4,307	4,307
Goodwill and other intangibles assets	-	-	-	-	-	-	-	11,620	11,620
Other (including Deferred tax assets)	34	473	-	-	-	-	-	15,986	16,493
Total	395,555	224,720	10,509	96,267	51,958	2,703	56,526	102,618	919,613

	Credit Risk Exposures						Other Exposures		Total
	Drawn		Other Exposures				Market Risk Exposures	All Other ⁽¹⁾	
	Non-retail	Retail	Securitization	Repo-style Transactions	OTC Derivatives	Equity	Also subject to Credit Risk		
As at Oct 31, 2015 (\$MM)									
Cash and deposits with financial institutions	71,631	-	-	-	-	-	-	2,296	73,927
Precious metals	-	-	-	-	-	-	10,550	-	10,550
Trading assets:									
Securities	-	-	-	-	-	-	78,380	-	78,380
Loans	11,213	-	-	-	-	-	11,213	7,128	18,341
Other	-	-	-	-	-	-	2,419	-	2,419
Financial assets designated at fair value through profit or loss	295	-	-	-	-	25	-	-	320
Securities purchased under resale agreements and securities borrowed	-	-	-	87,312	-	-	-	-	87,312
Derivative financial instruments	-	-	-	-	41,003	-	35,862	-	41,003
Investment securities	39,187	-	-	-	-	2,960	-	-	43,216
Loans:									
Residential mortgages ⁽²⁾	88,945	128,398	-	-	-	-	-	155	217,498
Personal and credit cards	-	89,220	2,240	-	-	-	-	17	91,477
Business & government	147,210	-	6,599	-	-	-	-	41	153,850
Allowances for credit losses ⁽³⁾	(1,045)	-	-	-	-	-	-	(3,152)	(4,197)
Customers' liability under acceptances	10,296	-	-	-	-	-	-	-	10,296
Property and equipment	-	-	-	-	-	-	-	2,286	2,286
Investment in associates	-	-	-	-	-	-	-	4,033	4,033
Goodwill and other intangibles assets	-	-	-	-	-	-	-	11,449	11,449
Other (including Deferred tax assets)	41	168	-	-	-	-	-	14,128	14,337
Total	367,773	217,786	8,839	87,312	41,003	2,985	47,075	98,477	856,497

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

(2) Includes \$84.8 billion (Q4, 2015 - \$86.8 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.

(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⁾



	Basel III All-in										
	Q1 2016	Q4 2015	Q3 2015	Q2 2015	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	36,965	36,077	34,750	34,389	33,742	33,670	29,311	28,499	26,359	25,188	24,013
Net income attributable to equity holders of the Bank	1,758	1,783	1,795	1,757	1,679	1,373	2,301	1,742	1,655	1,626	1,703
Dividends paid to equity holders of the Bank	(871)	(870)	(851)	(853)	(832)	(833)	(813)	(821)	(798)	(800)	(773)
Shares issued	42	22	33	16	26	90	152	110	375	328	284
Shares repurchased/redeemed	(65)	(311)	(170)	(29)	(445)	(176)	(144)	-	-	-	-
Removal of own credit spread (net of tax)	(142)	(26)	(59)	37	(110)	-	2	20	(21)	(8)	(6)
Movements in other comprehensive income, excluding cash flow hedges ⁽³⁾	842	(330)	1,376	(1,180)	1,586	211	(246)	(434)	979	435	326
Currency translation differences	1,455	(276)	1,400	(1,450)	2,259	309	(101)	(385)	1,055	297	(198)
Available-for-sale investments	(177)	(306)	(87)	(33)	(43)	(85)	14	6	18	66	(102)
Employee Benefits ⁽¹⁾	(443)	246	80	303	(643)	(46)	(168)	(50)	(59)	72	626
Other	7	6	(17)	-	13	33	9	(5)	(35)	-	-
Goodwill and other intangible assets (deduction, net of related tax liability)	(161)	(27)	(462)	157	(208)	(378)	(172)	(59)	(97)	(97)	(125)
Other, including regulatory adjustments and transitional arrangements	(723)	647	(335)	456	(1,049)	(215)	3,279	254	47	(313)	(234)
Deferred tax assets that rely on future probability	-	45	18	13	5	(2)	68	42	24	(4)	(5)
Other, IFRS Impact ⁽³⁾	-	-	-	-	-	-	-	-	(83)	-	-
Threshold deductions ⁽¹⁾	(655)	552	(288)	421	(1,044)	(113)	3,196	209	33	(182)	154
Other	(68)	50	(65)	22	(10)	(100)	15	3	73	(127)	(383)
Closing Amount	37,645	36,965	36,077	34,750	34,389	33,742	33,670	29,311	28,499	26,359	25,188
Other Additional Tier 1 capital											
Opening amount	4,401	4,397	4,327	4,328	4,331	4,352	4,655	5,243	5,555	5,853	5,948
New Additional Tier 1 eligible capital issues	350	-	-	-	-	-	(300)	(600)	(250)	(300)	(750)
Redeemed capital	-	-	-	-	-	-	-	-	-	-	-
Other, capital including regulatory adjustments and transitional arrangements	(413)	4	70	(1)	(3)	(21)	(3)	12	(62)	2	655
Closing Amount	4,338	4,401	4,397	4,327	4,328	4,331	4,352	4,655	5,243	5,555	5,853
Total Tier 1 capital	41,983	41,366	40,474	39,077	38,717	38,073	38,022	33,966	33,742	31,914	31,041
Tier 2 capital											
Opening amount	6,864	6,837	6,786	5,637	5,519	5,522	6,038	7,070	6,927	7,907	8,243
New Tier 2 eligible capital issues	2,537	-	-	1,250	-	-	-	-	-	-	-
Redeemed capital	(1,000)	-	-	-	-	-	-	(1,000)	-	(1,200)	-
Amortization adjustments	-	-	-	-	-	-	-	-	-	250	-
Other, including regulatory adjustments and transitional adjustments	29	27	51	(101)	118	(3)	(516)	(32)	143	(30)	(336)
Closing Amount	8,430	6,864	6,837	6,786	5,637	5,519	5,522	6,038	7,070	6,927	7,907
Total regulatory capital	50,413	48,230	47,311	45,863	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 period amounts have not been restated for the new IFRS standards as they represent the actual amounts in that period for regulatory purposes. Additional Periods are shown on page 8.

(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⁾



(\$MM)

REGULATORY CAPITAL:

Common Shares, Contributed Surplus & Retained Earnings					
Adjustment for transition to measurement base under IFRS					
Accumulated Other Comprehensive Income, excluding cash flow hedges					
Accumulated Foreign Currency Translation Losses					
Non-Controlling Interest of Subsidiaries					
Goodwill and Non-qualifying Intangibles					
Other deductions					
CET1					
Non-Cumulative Preferred Shares					
Innovative Capital Instruments					
Other Capital Deductions ⁽²⁾					
Net Tier 1 Capital					
Accumulated Net Unrealized Gains (after-tax) on Available-For-Sale Equity Securities					
Subordinated Debentures (net of Amortization)					
Eligible Allowance for Credit Losses ⁽³⁾					
Capital issued by consolidated subsidiaries to third parties					
Tier 2 Capital					
Other Capital Deductions ⁽⁴⁾					

Total Regulatory Capital

CHANGES IN REGULATORY CAPITAL:

Total Capital, Beginning of Period

Internally Generated Capital

Net Income attributable to Equity Holders of the Bank					
Preferred and Common Share Dividends					

External Financing

Subordinated Debentures (net of Amortization)					
Innovative Capital Instruments					
Preferred Shares					
Common Shares Issued					

Other

Net Change in Foreign Currency Translation Gains / (Losses) ⁽⁵⁾					
Net Change in Net Unrealized Gains / Losses (after-tax) on Available-For-Sale Equity Securities					
Non-Controlling Interest of Subsidiaries					
Other ⁽⁶⁾					

Total Capital Generated / (Used)

Total Capital, End of Period

	Basel III All-in		Basel II			
	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
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
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 purposes.

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

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

(4) Under Basel II, 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 IFRS												
	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
RISK-WEIGHTED ASSETS:⁽¹⁾⁽²⁾													
On-Balance Sheet Assets													
Cash Resources	3.7	3.3	3.3	3.0	3.2	2.2	2.2	2.7	2.5	2.9	3.1	3.0	2.6
Securities ⁽³⁾	11.2	9.5	10.3	11.4	12.4	12.8	13.4	13.8	16.4	15.4	15.9	16.3	17.5
Residential Mortgages	25.9	25.0	24.9	22.2	21.9	19.8	19.4	19.5	19.1	19.0	18.5	18.1	17.6
Loans													
- Personal Loans	48.7	46.2	45.2	43.4	43.9	42.7	39.6	37.8	37.1	36.3	34.3	33.4	32.5
- Non-Personal Loans	125.1	117.4	111.7	104.8	106.9	95.6	95.7	95.9	93.2	88.2	87.6	87.1	88.0
All Other ⁽⁴⁾	29.0	28.9	28.7	26.6	27.2	25.9	26.3	24.3	25.8	24.9	23.9	22.9	23.8
	243.6	230.3	224.1	211.4	215.5	199.0	196.6	194.0	194.1	186.7	183.3	180.8	182.0
Off-Balance Sheet Assets													
Indirect Credit Instruments	49.2	49.2	46.8	43.2	43.4	39.5	39.3	35.6	37.6	38.3	37.3	35.7	34.8
Derivative Instruments	20.0	17.9	18.2	16.8	19.7	14.6	13.5	13.3	13.0	7.6	7.6	7.6	8.0
	69.2	67.1	65.0	60.0	63.1	54.1	52.8	48.9	50.6	45.9	44.9	43.3	42.8
Total Credit Risk before AIRB scaling factor	312.8	297.4	289.1	271.4	278.6	253.1	249.4	242.9	244.7	232.6	228.2	224.1	224.8
AIRB Scaling factor ⁽⁵⁾	11.1	10.6	10.2	9.6	9.8	8.8	8.8	8.5	8.5	8.3	8.1	8.3	8.2
Total Credit Risk after AIRB scaling factor	323.9	308.0	299.3	281.0	288.4	261.9	258.2	251.4	253.2	240.9	236.3	232.4	233.0
Market Risk - Risk Assets Equivalent	14.1	14.4	13.5	13.5	13.1	17.3	16.7	16.4	16.7	15.4	14.5	17.4	16.5
Operational Risk - Risk Assets Equivalent	36.5	35.6	35.2	34.2	33.7	33.3	32.9	32.4	32.2	31.9	31.5	30.9	30.6
	374.5	358.0	348.0	328.7	335.2	312.5	307.8	300.2	302.1	288.2	282.3	280.7	280.1
CET1 Risk-weighted Assets⁽⁶⁾	375.4	358.8	348.8	329.4	336.1	313.3	308.5	300.2	302.1	288.2	282.3	280.7	280.1
Tier 1 Risk-weighted Assets⁽⁶⁾	376.1	359.5	349.5	330.1	336.9	314.4	309.6	300.2	302.1	288.2	282.3	280.7	280.1
Total Risk-weighted Assets⁽⁶⁾													
REGULATORY CAPITAL RATIOS (%):													
Common Equity Tier 1	10.1	10.3	10.4	10.6	10.3	10.8	10.9	9.8	9.4	9.1	8.9	8.6	8.2
Tier 1	11.2	11.5	11.6	11.9	11.5	12.2	12.3	11.3	11.2	11.1	11.0	10.7	10.3
Total	13.4	13.4	13.5	13.9	13.2	13.9	14.1	13.3	13.5	13.5	13.8	13.6	13.5

(1) For purposes of this presentation only, Risk-weighted Assets (RWA) are 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. In 2015 and 2016, 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) (\$MM)	Q1 2016		Q4 2015	
	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	308,035	22,940	299,315	23,617
Book size ⁽²⁾	4,933	2	6,593	(961)
Book quality ⁽³⁾	1,726	(61)	3,413	288
Model updates ⁽⁴⁾	-	-	(82)	-
Methodology and policy ⁽⁵⁾	(2,849)	-	-	-
Acquisitions and disposals	1,431	-	-	-
Foreign exchange movements	10,623	1,545	(1,204)	(4)
Other	-	-	-	-
CET1 Credit risk-weighted assets as at end of Quarter	323,899	24,426	308,035	22,940
Tier 1 CVA scalar	908	908	785	785
Tier 1 Credit risk-weighted assets as at end of Quarter	324,807	25,334	308,820	23,725
Total CVA scalar	778	778	673	673
Total Credit risk-weighted assets as at end of Quarter	325,585	26,112	309,493	24,398

(1) In accordance with OSFI's requirements, in 2015 and 2016, scalars for CVA risk-weighted assets (RWA) of 0.64, 0.71 and 0.77 were used to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, 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 2016	Q4 2015
Market risk-weighted assets as at beginning of Quarter	14,350	13,547
Movement in risk levels ⁽¹⁾	(329)	803
Model updates ⁽²⁾	51	-
Methodology and policy ⁽³⁾	-	-
Acquisitions and disposals	-	-
Other	-	-
Market risk-weighted assets as at end of Quarter	14,072	14,350

(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 (e.g. Basel III).

Operational Risk RWA (\$MM)	Q1 2016	Q4 2015
Operational risk-weighted assets as at beginning of Quarter	35,610	35,177
Acquisitions and disposals	366	-
Higher Revenue	510	433
Operational risk-weighted assets as at end of Quarter	36,486	35,610

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


CET1 Risk-weighted Assets (RWA)	Q1 2016				
	Canadian Banking	International Banking	Global Banking & Markets	Other	All Bank
CET1 RWA (\$B)	\$112.5	\$126.0	\$125.3	\$10.7	\$374.5
Proportion of Bank	30%	34%	33%	3%	100%
Comprised of:					
Credit risk	85%	89%	84%	97%	86%
Market risk	- %	1%	10%	3%	4%
Operational risk	15%	10%	6%	- %	10%

CET1 Risk-weighted Assets (RWA)	Q4 2015				
	Canadian Banking	International Banking	Global Banking & Markets	Other	All Bank
CET1 RWA (\$B)	\$109.3	\$119.9	\$120.8	\$8.0	\$358.0
Proportion of Bank	31%	33%	34%	2%	100%
Comprised of:					
Credit risk	86%	88%	83%	100%	86%
Market risk	- %	1%	11%	- %	4%
Operational risk	14%	11%	6%	- %	10%

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



(SMM)		Basel III - IFRS													
		Q1 2016				Q4 2015		Q3 2015		Q2 2015		Q1 2015			
		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	126,839	75,022	48,833	47,296	175,672	122,318	157,514	112,836	151,360	106,697	146,075	100,609	145,012	101,339
	Undrawn	66,595	27,178	5,339	5,280	71,934	32,458	58,915	29,035	56,306	27,606	51,361	24,589	53,974	24,963
	Other ⁽⁴⁾	42,778	13,489	2,870	2,825	45,648	16,314	40,425	15,476	43,981	16,093	37,643	14,254	35,068	12,327
	Total	236,212	115,689	57,042	55,401	293,254	171,090	256,854	157,347	251,647	150,396	235,079	139,452	234,054	138,629
Bank ⁽³⁾	Drawn	23,874	6,330	2,007	1,192	25,881	7,522	27,165	8,344	27,400	7,109	25,700	6,679	32,358	8,435
	Undrawn	1,777	256	7	4	1,784	260	11,386	3,726	11,741	3,793	11,406	3,672	12,222	3,914
	Other ⁽⁴⁾	12,227	1,933	203	136	12,430	2,069	14,906	3,253	12,351	2,188	10,190	1,830	9,535	1,753
	Total	37,878	8,519	2,217	1,332	40,095	9,851	53,457	15,323	51,492	13,090	47,296	12,181	54,115	14,102
Sovereign	Drawn	100,293	3,923	8,860	1,731	109,153	5,654	96,263	4,203	102,869	5,471	80,325	5,527	82,035	5,544
	Undrawn	811	44	5	2	816	46	2,133	355	1,802	168	1,543	161	1,465	139
	Other ⁽⁴⁾	508	8	-	-	508	8	1,016	36	694	46	544	15	1,137	63
	Total	101,612	3,975	8,865	1,733	110,477	5,708	99,412	4,594	105,365	5,685	82,412	5,703	84,637	5,746
Total Non-Retail	Drawn	251,006	85,275	59,700	50,219	310,706	135,494	280,942	125,383	281,629	119,277	252,100	112,815	259,405	115,318
	Undrawn	69,183	27,478	5,351	5,286	74,534	32,764	72,434	33,116	69,849	31,567	64,310	28,422	67,661	29,016
	Other ⁽⁴⁾	55,513	15,430	3,073	2,961	58,586	18,391	56,347	18,765	57,026	18,327	48,377	16,099	45,740	14,143
	Total	375,702	128,183	68,124	58,466	443,826	186,649	409,723	177,264	408,504	169,171	364,787	157,336	372,806	158,477
Retail															
Residential Mortgages	Drawn	187,542	11,508	29,803	14,434	217,345	25,942	215,590	24,967	214,183	24,854	211,805	22,196	213,185	21,893
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	187,542	11,508	29,803	14,434	217,345	25,942	215,590	24,967	214,183	24,854	211,805	22,196	213,185	21,893
Secured Lines Of Credit	Drawn	18,550	4,310	-	-	18,550	4,310	18,804	4,197	18,992	4,207	19,047	4,293	18,952	4,435
	Undrawn	13,778	1,225	-	-	13,778	1,225	12,631	1,133	12,553	1,181	12,354	1,158	12,312	1,243
	Total	32,328	5,535	-	-	32,328	5,535	31,435	5,330	31,545	5,388	31,401	5,451	31,264	5,678
Qualifying Revolving Retail Exposures (QRRE)	Drawn	17,244	9,953	-	-	17,244	9,953	16,910	10,031	16,602	9,662	16,426	9,556	16,257	9,564
	Undrawn	19,693	2,481	-	-	19,693	2,481	17,705	2,241	17,123	2,135	16,734	2,058	16,716	2,151
	Total	36,937	12,434	-	-	36,937	12,434	34,615	12,272	33,725	11,797	33,160	11,614	32,973	11,715
Other Retail	Drawn	27,017	12,931	29,415	21,505	56,432	34,436	53,313	32,002	51,959	31,308	48,315	29,555	48,656	29,929
	Undrawn	669	158	-	-	669	158	712	178	677	164	660	156	667	165
	Total	27,686	13,089	29,415	21,505	57,101	34,594	54,025	32,180	52,636	31,472	48,975	29,711	49,323	30,094
Total Retail	Drawn	250,353	38,702	59,218	35,939	309,571	74,641	304,617	71,197	301,736	70,031	295,593	65,600	297,050	65,821
	Undrawn	34,140	3,864	-	-	34,140	3,864	31,048	3,552	30,353	3,480	29,748	3,372	29,695	3,559
	Total	284,493	42,566	59,218	35,939	343,711	78,505	335,665	74,749	332,089	73,511	325,341	68,972	326,745	69,380
Securitized		23,490	2,678	37	41	23,527	2,719	21,000	2,759	20,926	3,705	20,083	3,711	21,166	4,086
Trading Derivatives ⁽³⁾		31,216	9,042	-	-	31,216	9,042	28,234	8,232	30,013	8,485	28,854	7,971	36,673	10,178
Derivatives - credit valuation adjustment ⁽⁵⁾		-	-	-	8,304	-	8,304	-	7,183	-	7,282	-	6,732	-	8,154
Total Credit Risk (Excluding Equities & Other Assets)		714,901	182,469	127,379	102,750	842,280	285,219	794,622	270,187	791,532	262,154	739,065	244,722	757,390	250,275
Equities		2,703	2,703	-	-	2,703	2,703	2,985	2,985	3,427	3,427	3,636	3,636	4,132	4,132
Other Assets ⁽⁶⁾		-	-	59,267	24,882	59,267	24,882	50,873	24,265	52,878	23,551	54,146	23,056	59,475	24,208
Total Credit Risk (Before Scaling Factor)		717,604	185,172	186,646	127,632	904,250	312,804	848,480	297,437	847,837	289,132	796,847	271,414	820,997	278,615
Add-on for 6% Scaling Factor ⁽⁷⁾			11,095				11,095		10,597		10,183		9,593		9,801
Total Credit Risk		717,604	196,267	186,646	127,632	904,250	323,899	848,480	308,034	847,837	299,315	796,847	281,007	820,997	288,416

(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 2014, Credit Valuation Adjustment RWA on derivatives was phased-in using scalars. In 2015 and 2016, CVA risk-weighted assets were calculated using the scalars of 0.64, 0.71 and 0.77 to compute CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, 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)



(MMM)		Basel III - IFRS											
		Q4 2014		Q3 2014		Q2 2014		Q1 2014		Q4 2013		Q3 2013	
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	130,621	90,240	128,408	90,365	128,608	90,079	121,562	86,649	116,209	82,203	114,567	82,109
	Undrawn	47,082	22,314	44,855	21,274	41,619	19,554	42,968	20,444	45,758	21,547	45,477	21,329
	Other ⁽⁴⁾	31,678	11,496	31,704	11,246	26,552	10,126	30,930	11,540	24,902	9,520	22,156	8,532
	Total	209,381	124,050	204,967	122,885	196,779	119,759	195,460	118,633	186,869	113,270	182,200	111,970
Bank ⁽³⁾	Drawn	25,883	7,500	26,237	7,882	29,067	9,053	34,833	9,949	28,186	9,509	33,053	9,280
	Undrawn	10,954	3,356	11,552	3,559	10,620	3,279	11,879	3,507	12,463	3,968	12,374	4,114
	Other ⁽⁴⁾	8,195	1,486	7,929	1,394	8,228	1,370	7,904	1,304	11,361	2,071	12,772	1,779
	Total	45,032	12,342	45,718	12,835	47,915	13,702	54,616	14,760	52,010	15,548	58,199	15,173
Sovereign	Drawn	76,107	4,858	68,768	4,664	77,072	4,717	71,279	5,145	69,594	5,013	63,915	5,074
	Undrawn	1,352	140	1,353	177	1,359	189	1,440	263	1,568	234	1,276	247
	Other ⁽⁴⁾	805	33	775	26	856	31	1,191	28	4,837	84	2,549	5
	Total	78,264	5,031	70,896	4,867	79,287	4,937	73,910	5,436	75,999	5,331	67,740	5,326
Total Non-retail	Drawn	232,611	102,598	223,413	102,911	234,747	103,849	227,674	101,743	213,989	96,725	211,535	96,463
	Undrawn	59,388	25,810	57,760	25,010	53,598	23,022	56,287	24,214	59,789	25,749	59,127	25,690
	Other ⁽⁴⁾	40,678	13,015	40,408	12,666	35,636	11,527	40,025	12,872	41,100	11,675	37,477	10,316
	Total	332,677	141,423	321,581	140,587	323,981	138,398	323,986	138,829	314,878	134,149	308,139	132,469
Retail													
Residential Mortgages	Drawn	211,341	19,766	210,743	19,360	210,451	19,466	210,691	19,085	209,581	18,956	208,604	18,464
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-
	Total	211,341	19,766	210,743	19,360	210,451	19,466	210,691	19,085	209,581	18,956	208,604	18,464
Secured Lines Of Credit	Drawn	19,115	4,487	18,590	4,409	18,459	4,509	18,220	4,552	18,241	4,802	18,346	4,512
	Undrawn	12,209	1,282	17,724	1,857	13,265	1,394	13,052	1,370	12,856	1,419	12,625	1,302
	Total	31,324	5,769	36,314	6,266	31,724	5,903	31,272	5,922	31,097	6,221	30,971	5,814
Qualifying Revolving	Drawn	16,011	9,356	15,953	7,622	15,653	7,153	15,412	7,171	15,174	7,105	14,944	6,691
	Undrawn	16,196	2,105	18,311	2,360	13,638	1,674	13,400	1,678	12,900	1,672	12,500	1,473
	Total	32,207	11,461	34,264	9,982	29,291	8,827	28,812	8,849	28,074	8,777	27,444	8,164
Other Retail	Drawn	47,080	28,848	45,380	27,624	42,989	26,216	41,754	25,405	40,499	24,412	38,184	23,088
	Undrawn	659	161	999	126	736	91	733	91	735	90	720	87
	Total	47,739	29,009	46,379	27,750	43,725	26,307	42,487	25,496	41,234	24,502	38,904	23,175
Total Retail	Drawn	293,547	62,457	290,666	59,015	287,552	57,344	286,077	56,213	283,495	55,275	280,078	52,755
	Total	322,611	66,005	327,700	63,358	315,191	60,503	313,262	59,352	309,986	58,456	305,923	55,617
Securitized		19,982	4,621	18,163	4,947	19,406	5,527	19,900	7,273	17,975	7,049	18,145	7,606
Trading Derivatives ⁽³⁾		25,249	8,041	22,886	7,559	22,139	7,454	23,638	7,284	20,623	6,977	21,848	7,309
Derivatives - credit valuation adjustment ⁽⁵⁾		-	5,632	-	5,039	-	4,793	-	5,003	-	-	-	-
Total Credit risk (excl. Equities & Other Assets)		700,519	225,722	690,330	221,490	680,717	216,675	680,786	217,741	663,462	206,631	654,055	203,001
Equities⁽⁶⁾		4,269	4,269	4,451	4,451	4,002	4,002	4,019	4,019	3,728	3,728	3,629.00	3,629.00
	Grandfathered	-	-	-	-	-	-	-	-	-	-	-	-
	Simple Method	-	-	-	-	-	-	-	-	-	-	-	-
	PD/LGD Approach	-	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-	0	0
	Total Equities	4,269	4,269	4,451	4,451	4,002	4,002	4,019	4,019	3,728	3,728	3,629	3,629
Other Assets⁽⁷⁾		52,288	23,065	52,377	23,550	52,771	22,224	57,028	22,930	55,910	22,250	53,664	21,594
		757,076	253,056	747,158	249,491	737,490	242,901	741,833	244,690	723,100	232,609	711,348	228,224
Add-on for 6% scaling factor⁽⁸⁾			8,831		8,672		8,491		8,506		8,331		8,119
Total Credit Risk		757,076	261,887	747,158	258,163	737,490	251,392	741,833	253,196	723,100	240,940	711,348	236,343

(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) As per OSFI guideline, effective Q1 2014, Credit Valuation Adjustment (CVA) RWA on derivatives was phased-in using Scalars. Since Q1, 2015 the CVA risk-weighted assets have been calculated using the scalars of 0.64, 0.71 and 0.77 to compute the CET1 capital ratio, Tier 1 capital ratio and Total capital ratio, respectively.

(6) 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.

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

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

Exposure at Default

(\$MM)	Basel III - IFRS									
	Q1 2016					Q4 2015				
	Non-Retail			Retail	Total	Non-Retail			Retail	Total
Drawn	Undrawn	Other ⁽³⁾	Drawn			Undrawn	Other ⁽³⁾			
Canada	79,791	31,478	41,965	295,843	449,077	73,408	30,861	40,766	290,918	435,953
USA	101,092	28,739	42,641	-	172,472	89,288	25,930	38,067	-	153,285
Mexico	14,562	824	1,461	8,408	25,255	13,355	713	1,503	8,237	23,808
Peru	16,937	1,758	3,311	6,792	28,798	16,106	1,228	3,236	6,437	27,007
Chile	10,751	374	1,623	9,432	22,180	9,312	390	1,433	8,642	19,777
Colombia	4,913	130	438	4,563	10,044	5,245	86	480	4,088	9,899
Other International										
Europe	23,287	5,568	15,589	-	44,444	19,128	6,306	14,614	-	40,048
Caribbean	20,397	1,594	2,164	18,188	42,343	18,950	2,137	1,838	16,906	39,831
Latin America (other)	8,653	528	579	485	10,245	7,339	672	514	437	8,962
All Other	30,323	3,541	3,558	-	37,422	28,811	4,111	3,130	-	36,052
Total	310,706	74,534	113,329	343,711	842,280	280,942	72,434	105,581	335,665	794,622

	Basel III - IFRS				
	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Canada	434,335	420,728	427,607	405,718	408,142
USA	154,180	126,154	128,841	116,969	106,872
Mexico	22,870	20,924	22,085	20,775	19,890
Peru	26,617	24,105	23,950	21,391	20,516
Chile	19,282	18,742	19,292	16,940	16,488
Colombia	10,436	11,591	10,505	10,507	10,538
Other International					
Europe	38,017	34,768	35,740	29,271	27,867
Caribbean	39,939	36,987	38,398	34,567	34,096
Latin America (other)	9,060	8,461	8,328	7,111	7,159
All Other	36,796	36,605	42,644	37,270	38,762
Total	791,532	739,065	757,390	700,519	690,330

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

(2) Geographic segmentation is based on 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⁾



NON-RETAIL AND RETAIL PORTFOLIO EXPOSURE AT DEFAULT

(\$MM)	Basel III - IFRS							
	Q1 2016				Q4 2015			
	Drawn	Undrawn	Other ⁽³⁾	Total	Drawn	Undrawn	Other ⁽³⁾	Total
Non-Retail								
Less than 1 year	134,504	21,846	66,817	223,167	133,066	20,754	59,780	213,600
1 to 5 years	107,373	45,626	35,043	188,042	84,140	44,865	34,956	163,961
Over 5 Years	9,129	1,711	8,359	19,199	8,409	1,779	7,749	17,937
Total Non-Retail	251,006	69,183	110,219	430,408	225,615	67,398	102,485	395,498
Retail								
Less than 1 year	32,482	14,447		46,929	32,025	13,343		45,368
1 to 5 years	162,064	-		162,064	160,660	-		160,660
Over 5 Years	18,896	-		18,896	20,682	-		20,682
Revolving Credits ⁽⁴⁾	36,911	19,693		56,604	36,850	17,705		54,555
Total Retail	250,353	34,140		284,493	250,217	31,048		281,265
Total	501,359	103,323	110,219	714,901	475,832	98,446	102,485	676,763

	Basel III - IFRS			
	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Non-Retail				
Less than 1 year	224,896	193,579	209,059	179,376
1 to 5 years	154,304	141,822	136,947	128,307
Over 5 Years	18,331	19,198	23,546	14,709
Total Non-Retail	397,531	354,599	369,552	322,392
Retail				
Less than 1 year	45,879	49,230	49,578	48,916
1 to 5 years	157,160	153,136	154,382	154,437
Over 5 Years	21,796	21,294	19,599	20,138
Revolving Credits ⁽⁴⁾	53,839	53,247	52,973	52,388
Total Retail	278,674	276,907	276,532	275,879
Total	676,205	631,506	646,084	598,271

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

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

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

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

STANDARDIZED CREDIT RISK EXPOSURES BY RISK-WEIGHT



EXPOSURE AT DEFAULT⁽¹⁾

(\$MM)	Basel III - IFRS													
	Q1 2016						Q4 2015							
	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%	1,795	-	5,126	6,921	614	1,281	1,895	1,746	-	4,369	6,115	461	1,228	1,689
20%	143	1,037	2,182	3,362	2,037	186	2,223	227	1,146	322	1,695	1,931	215	2,146
35%	-	-	-	-	16,733	-	16,733	-	-	-	-	16,004	-	16,004
50%	282	112	522	916	-	186	186	271	56	151	478	-	215	215
75%	-	-	-	-	8,998	27,023	36,021	-	-	-	-	8,270	24,051	32,321
100%	54,036	1,068	1,035	56,139	1,421	-	1,421	52,087	1,879	666	54,632	1,268	45	1,313
150%+	823	-	-	823	-	739	739	539	-	-	539	-	712	712
Total	57,079	2,217	8,865	68,161	29,803	29,415	59,218	54,870	3,081	5,508	63,459	27,934	26,466	54,400

Risk-weight	Basel III - IFRS													
	Q3 2015		Q2 2015		Q1 2015		Q4 2014		Q3 2014		Q2 2014		Q1 2014	
	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
0%	6,123	1,248	5,630	1,080	6,481	1,141	5,417	1,087	5,594	1,160	5,632	979	6,260	1,025
20%	1,649	1,779	1,573	1,624	3,087	1,771	2,582	1,354	1,737	1,327	2,087	1,335	2,472	1,358
35%	-	16,198	-	17,697	-	18,375	-	17,377	-	16,821	-	16,694	-	17,461
50%	382	222	381	204	806	213	372	-	337	-	637	-	719	-
75%	-	31,942	-	26,166	-	26,944	-	25,366	-	24,666	-	23,916	-	22,709
100%	53,122	1,336	50,857	1,025	50,225	1,130	46,764	959	46,689	899	44,679	902	44,307	878
150%+	636	690	684	638	494	639	381	590	422	595	420	567	499	509
Total	61,912	53,415	59,125	48,434	61,093	50,213	55,516	46,733	54,779	45,468	53,455	44,393	54,257	43,940

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

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(\$MM)			Basel III - IFRS												
			Q1 2016						Q4 2015						
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			68,574	51,589	42,998	163,161	52,453	0.15	42	32	133,173	45,720	0.16	43	34
	99	0.00% - 0.06%	32	396	554	982	94	0.03	49	10	691	43	0.03	45	6
AAA to AA+	98	0.00% - 0.06%	67	738	129	934	55	0.05	21	6	954	62	0.06	20	6
AA to A-	95	0.06% - 0.15%	6,456	6,103	6,214	18,773	3,776	0.07	42	20	12,063	2,930	0.07	47	24
AA to A-	90	0.06% - 0.17%	12,269	14,406	13,787	40,462	7,413	0.07	39	18	29,443	5,668	0.07	40	19
BBB+ to BBB	87	0.10% - 0.26%	14,678	9,979	6,400	31,057	9,031	0.11	41	29	27,277	7,506	0.11	41	28
BBB+ to BBB	85	0.14% - 0.36%	17,516	10,159	8,146	35,821	13,732	0.18	43	38	28,413	11,228	0.18	44	40
BBB-	83	0.21% - 0.51%	17,556	9,808	7,768	35,132	18,352	0.29	47	52	34,332	18,283	0.29	47	53
Bank			19,958	1,765	23,972	45,695	8,684	0.11	36	19	56,465	12,464	0.11	34	22
	99	0.00% - 0.06%	324	-	35	359	12	0.03	40	4	454	19	0.03	40	4
AAA to AA+	98	0.00% - 0.06%	941	436	605	1,982	268	0.05	30	14	364	57	0.06	33	16
AA to A-	95	0.06% - 0.15%	7,408	544	8,262	16,214	2,519	0.06	40	16	22,449	4,273	0.06	36	19
AA to A-	90	0.06% - 0.17%	5,683	621	6,325	12,629	1,988	0.09	34	16	17,487	3,405	0.09	33	19
BBB+ to BBB	87	0.10% - 0.26%	2,645	56	5,234	7,935	1,725	0.13	33	22	8,644	2,138	0.13	32	25
BBB+ to BBB	85	0.14% - 0.36%	1,340	35	2,120	3,495	985	0.24	34	28	3,896	1,243	0.23	33	32
BBB-	83	0.21% - 0.51%	1,617	73	1,391	3,081	1,187	0.36	36	39	3,171	1,329	0.38	36	42
Sovereign			95,260	724	5,579	101,563	2,375	0.04	16	2	93,756	2,048	0.04	16	2
	99	0.00% - 0.06%	74,511	321	3,584	78,416	-	-	15	-	73,977	-	-	15	-
AAA to AA+	98	0.00% - 0.06%	3,361	32	838	4,231	248	0.05	15	6	3,787	242	0.06	15	6
AA to A-	95	0.06% - 0.15%	6,176	326	722	7,224	632	0.08	17	9	5,556	470	0.09	17	8
AA to A-	90	0.06% - 0.17%	379	39	297	715	41	0.10	18	6	1,201	71	0.08	11	6
BBB+ to BBB	87	0.10% - 0.26%	6,435	2	134	6,571	621	0.25	24	9	7,135	493	0.26	24	7
BBB+ to BBB	85	0.14% - 0.36%	3,815	4	4	3,823	632	0.27	22	17	1,104	348	0.32	24	32
BBB-	83	0.21% - 0.51%	583	-	-	583	201	0.52	33	35	996	424	0.51	32	43
Sub-Total			183,792	54,078	72,549	310,419	63,512	0.11	33	20	283,394	60,232	0.11	33	21
Non-Investment Grade															
Corporate			54,431	14,429	11,699	80,559	57,399	0.73	45	71	74,607	52,915	0.72	45	71
BB+	80	0.33% - 0.57%	19,535	7,053	3,859	30,447	18,493	0.38	46	61	28,068	16,587	0.38	46	59
BB	77	0.51% - 0.63%	15,717	3,471	2,584	21,772	14,906	0.54	45	68	19,458	13,710	0.55	45	70
BB-	75	0.63% - 0.80%	10,870	2,425	3,638	16,933	12,913	0.80	45	76	16,929	12,861	0.80	44	76
B+	73	0.80% - 1.54%	5,918	1,015	1,374	8,307	7,794	1.52	42	94	7,765	7,117	1.54	41	92
B to B-	70	1.54% - 2.97%	2,391	465	244	3,100	3,293	2.86	41	106	2,387	2,640	2.97	43	111
Bank			3,802	12	1,979	5,793	2,655	0.69	35	46	7,031	3,546	0.70	32	50
BB+	80	0.33% - 0.57%	3,068	8	176	3,252	1,656	0.56	37	51	3,313	1,701	0.55	36	51
BB	77	0.51% - 0.63%	536	-	88	624	316	0.61	39	51	871	444	0.62	38	51
BB-	75	0.63% - 0.80%	55	-	1,709	1,764	572	0.80	30	32	2,592	1,221	0.80	23	47
B+	73	0.80% - 1.54%	44	-	5	49	36	1.52	39	73	198	143	1.54	39	72
B to B-	70	1.54% - 2.97%	99	4	1	104	75	2.86	27	72	57	37	2.97	28	64
Sovereign			4,949	88	53	5,090	1,704	1.77	24	33	4,868	1,803	1.89	24	37
BB+	80	0.33% - 0.57%	1,818	11	31	1,860	515	0.56	24	28	1,655	447	0.57	24	27
BB	77	0.51% - 0.63%	-	-	-	-	-	-	-	-	11	4	0.63	17	40
BB-	75	0.63% - 0.80%	-	-	11	11	3	0.80	15	23	68	20	0.80	16	29
B+	73	0.80% - 1.54%	926	-	-	926	204	1.52	28	22	774	154	1.54	27	20
B to B-	70	1.54% - 2.97%	2,205	77	11	2,293	982	2.86	23	43	2,360	1,178	2.97	24	50
Sub-Total			63,182	14,529	13,731	91,442	61,758	0.78	43	68	86,506	58,264	0.79	42	67

(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 202 of the Bank's 2015 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 2016							Q4 2015					
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	65 - 30	2.97% - 60.11%	2,676	482	383	3,541	6,913	21.31	41	195	3,384	6,979	21.43	42	206
Bank	65 - 30	2.97% - 60.11%	113	-	5	118	247	25.00	43	211	64	149	20.40	48	231
Sovereign	65 - 30	2.97% - 60.11%	77	-	3	80	84	12.98	43	105	101	110	20.15	36	108
Sub-Total			2,866	482	391	3,739	7,244	21.25	41	194	3,549	7,238	21.38	42	204
Default ⁽⁹⁾															
Corporate	27-21	100%	1,159	94	58	1,311	4,684	100.00	50	357	1,086	3,759	100.00	52	346
Bank	27-21	100%	-	-	-	-	-	100.00	30	375	-	-	100.00	30	375
Sovereign	27-21	100%	7	-	-	7	27	100.00	33	412	7	27	100.00	33	413
Sub-Total			1,166	94	58	1,318	4,711	100.00	50	358	1,093	3,786	100.00	52	346
Total			251,006	69,183	86,729	406,918	137,225	0.78	35	34	374,542	129,520	0.76	35	35

(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 202 of the Bank's 2015 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 2016		Q4 2015	
	Notional Undrawn	Weighted Average EAD	Notional Undrawn	Weighted Average EAD
	\$	%	\$	%
Corporate ^(a)	133,710	50	107,480	50
Bank ^(a)	3,133	57	20,842	54
Sovereign	1,493	55	4,167	51
Total	138,336	50	132,489	51

(a) Most of change in undrawn commitment is due to the implementation of double default framework.

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

(MMM)		Basel III - IFRS									
		Q1 2016									
		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
		\$	\$	%	%	%	%	\$	\$	%	
Residential Real Estate Secured⁽⁶⁾											
Insured Drawn and Undrawn⁽⁷⁾											
Exceptionally Low	0.01% to 0.04%	86,128	-	100.00	0.00	27	-	33	-	-	
Very Low	0.05% to 0.19%	1,574	2	99.92	0.19	30	12	183	1	12	
Low	0.20% to 0.99%	1,333	-	115.10	0.68	27	30	401	3	33	
Medium Low	1.00% to 2.99%	250	-	100.07	2.12	31	62	154	2	70	
Medium	3.00% to 9.99%	87	-	100.01	5.91	30	106	92	2	128	
High	10.00% to 19.99%	44	-	100.04	13.03	28	139	61	2	185	
Extremely High	20.00% to 99.99%	55	-	100.15	34.59	27	149	82	5	264	
Default	100%	17	-	100.00	100.00	67	-	-	11	832	
Sub-total		89,488	2	100.19	0.07	27	1	1,006	26	1	
Uninsured Undrawn											
Exceptionally Low	0.00% to 0.04%	-	-	0.00	0.00	-	-	-	-	-	
Very Low	0.05% to 0.19%	10,392	26,525	19.59	0.07	23	4	439	2	4	
Low	0.20% to 0.99%	2,558	5,674	22.54	0.26	26	13	329	2	14	
Medium Low	1.00% to 2.99%	629	849	37.03	1.19	28	40	249	2	44	
Medium	3.00% to 9.99%	137	168	40.71	4.29	31	93	127	2	109	
High	10.00% to 19.99%	34	40	42.76	10.83	26	120	41	1	155	
Extremely High	20.00% to 99.99%	26	15	89.00	33.46	26	150	39	2	260	
Default	100%	-	-	100.00	0.00	-	-	-	-	-	
Sub-total		13,776	33,271	21.33	0.29	24	9	1,224	11	10	
Uninsured Drawn											
Exceptionally Low	0.00% to 0.04%	42,128	-	100.00	0.03	20	2	869	3	2	
Very Low	0.05% to 0.19%	38,042	-	100.00	0.18	21	8	2,863	14	8	
Low	0.20% to 0.99%	25,471	-	100.00	0.61	23	20	4,975	34	21	
Medium Low	1.00% to 2.99%	7,854	-	100.00	1.70	25	43	3,363	32	48	
Medium	3.00% to 9.99%	1,597	-	100.00	5.21	24	79	1,261	19	94	
High	10.00% to 19.99%	647	-	100.00	12.19	22	109	703	17	142	
Extremely High	20.00% to 99.99%	625	-	100.00	33.60	22	125	779	47	218	
Default	100%	242	-	100.00	100.00	60	-	-	146	754	
Sub-total		116,606	-	100.00	0.85	21	13	14,813	312	16	
Qualifying Revolving Retail Exposures (QRRE)											
Exceptionally Low	0.00% to 0.04%	7,574	14,987	24.47	0.04	73	2	168	2	3	
Very Low	0.05% to 0.19%	7,556	10,007	36.08	0.16	69	6	471	9	8	
Low	0.20% to 0.99%	9,731	7,586	48.51	0.50	76	16	1,562	36	21	
Medium Low	1.00% to 2.99%	7,169	1,806	75.79	1.76	84	49	3,491	106	67	
Medium	3.00% to 9.99%	2,435	211	92.58	5.42	86	109	2,657	113	167	
High	10.00% to 19.99%	1,420	56	97.36	10.26	86	162	2,299	125	272	
Extremely High	20.00% to 99.99%	853	18	102.06	38.00	80	209	1,786	255	584	
Default	100%	199	-	100.00	100.00	86	-	-	172	1,079	
Sub-total		36,937	34,671	52.63	2.68	77	34	12,434	818	61	
Other Retail											
Exceptionally Low	0.00% to 0.04%	420	772	25.79	0.04	71	9	40	-	10	
Very Low	0.05% to 0.19%	6,076	2	99.95	0.10	49	12	730	3	13	
Low	0.20% to 0.99%	13,269	348	97.29	0.53	56	40	5,258	39	43	
Medium Low	1.00% to 2.99%	4,461	11	99.68	1.89	63	80	3,588	54	95	
Medium	3.00% to 9.99%	2,287	1	99.97	5.52	62	94	2,139	78	136	
High	10.00% to 19.99%	24	-	99.04	13.98	80	153	37	3	293	
Extremely High	20.00% to 99.99%	968	-	100.00	32.91	55	134	1,297	177	363	
Default	100%	181	-	100.00	100.00	82	-	-	149	1,027	
Sub-total		27,686	1,134	97.51	2.85	56	47	13,089	503	70	
Total Retail											
Exceptionally Low	0.01% to 0.04%	136,250	15,759	95.57	0.01	27	1	1,110	5	1	
Very Low	0.05% to 0.19%	63,640	36,536	79.27	0.15	30	7	4,686	29	8	
Low	0.20% to 0.99%	52,362	13,608	86.34	0.55	41	24	12,525	114	27	
Medium Low	1.00% to 2.99%	20,363	2,666	89.46	1.75	54	53	10,845	196	65	
Medium	3.00% to 9.99%	6,543	380	95.99	5.39	61	96	6,276	214	137	
High	10.00% to 19.99%	2,169	96	97.36	10.94	65	145	3,141	148	230	
Extremely High	20.00% to 99.99%	2,527	33	100.58	34.84	54	158	3,983	486	398	
Default	100%	639	-	100.00	100.00	75	-	-	478	935	
Total		284,493	69,078	89.86	1.01	34	15	42,566	1,670	22	

(1) Represents retail exposures under the AIRB Approach which are domiciled in Canada.
 (2) New Revolving and home equity lines of credit models were implemented in Q4 2014, new Residential Mortgage models were implemented in Q1 2015, and new Term Loan models were implemented in Q3 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 Canadian residential mortgages and home equity lines of credit.
 (7) The Bank uses the PD Substitution approach to reflect default insurance.

RETAIL AIRB PORTFOLIO EXPOSURES - CREDIT QUALITY⁽¹⁾

Category of PD Grades	PD Range	Basel III - IFRS								
		Q4 2015								
		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 Real Estate Secured⁽⁶⁾										
Insured Drawn and Undrawn⁽⁷⁾										
Exceptionally Low	0.01% to 0.04%	88,042	-	100.00	0.00	27	-	36	-	-
Very Low	0.05% to 0.19%	1,401	2	99.88	0.17	28	10	140	1	11
Low	0.20% to 0.99%	1,350	-	100.00	0.70	33	31	415	3	33
Medium Low	1.00% to 2.99%	246	-	100.00	2.35	35	68	168	2	77
Medium	3.00% to 9.99%	98	-	100.00	5.54	30	105	102	2	125
High	10.00% to 19.99%	47	-	100.00	12.29	27	135	63	2	177
Extremely High	20.00% to 99.99%	64	-	100.00	34.22	27	149	96	6	264
Default	100%	16	-	100.00	100.00	58	-	-	9	721
Sub-total		91,264	2	100.00	0.07	27	1	1,020	25	1
Uninsured Undrawn										
Exceptionally Low	0.00% to 0.04%	-	-	0.00	0.00	-	-	-	-	-
Very Low	0.05% to 0.19%	9,439	25,867	18.24	0.08	20	4	403	2	4
Low	0.20% to 0.99%	2,337	5,590	20.90	0.27	25	12	290	2	13
Medium Low	1.00% to 2.99%	790	1,083	36.48	1.52	28	45	357	3	51
Medium	3.00% to 9.99%	-	-	0.00	0.00	-	-	-	-	-
High	10.00% to 19.99%	36	39	46.70	11.20	25	118	42	1	153
Extremely High	20.00% to 99.99%	29	14	102.27	36.37	25	141	41	3	257
Default	100%	-	-	100.00	0.00	-	-	-	-	-
Sub-total		12,631	32,593	20.15	0.32	22	9	1,133	11	10
Uninsured Drawn										
Exceptionally Low	0.00% to 0.04%	40,813	-	100.00	0.04	20	2	954	3	2
Very Low	0.05% to 0.19%	36,391	-	100.00	0.16	20	7	2,462	12	7
Low	0.20% to 0.99%	26,311	-	100.00	0.58	23	19	4,904	33	20
Medium Low	1.00% to 2.99%	9,009	-	100.00	1.82	25	45	4,050	40	51
Medium	3.00% to 9.99%	969	-	100.00	5.66	20	70	682	11	85
High	10.00% to 19.99%	717	-	100.00	11.92	22	106	757	19	138
Extremely High	20.00% to 99.99%	742	-	100.00	34.15	21	118	878	54	210
Default	100%	244	-	100.00	100.00	57	-	-	138	708
Sub-total		115,196	-	100.00	0.89	21	13	14,687	310	16
Qualifying Revolving Retail Exposures (QRRE)										
Exceptionally Low	0.00% to 0.04%	6,982	13,940	24.19	0.04	73	2	131	2	2
Very Low	0.05% to 0.19%	6,231	9,565	31.06	0.15	66	5	336	6	7
Low	0.20% to 0.99%	9,563	8,118	45.46	0.49	76	16	1,506	34	20
Medium Low	1.00% to 2.99%	7,108	1,874	74.18	1.74	86	48	3,440	106	67
Medium	3.00% to 9.99%	2,338	219	91.08	5.87	87	118	2,748	120	181
High	10.00% to 19.99%	1,384	60	96.68	10.98	87	170	2,358	132	289
Extremely High	20.00% to 99.99%	827	19	100.60	39.32	80	212	1,753	257	601
Default	100%	182	-	100.00	100.00	86	-	-	157	1,076
Sub-total		34,615	33,795	51.21	2.83	77	35	12,272	814	65
Other Retail										
Exceptionally Low	0.00% to 0.04%	410	752	25.72	0.04	70	8	33	-	8
Very Low	0.05% to 0.19%	6,022	2	99.95	0.10	49	12	723	3	13
Low	0.20% to 0.99%	13,534	363	97.48	0.53	56	40	5,392	40	44
Medium Low	1.00% to 2.99%	4,390	12	99.65	1.89	64	81	3,543	53	96
Medium	3.00% to 9.99%	2,146	1	99.97	5.53	62	93	2,001	73	136
High	10.00% to 19.99%	29	1.00	99.33	14.22	75	144	41	3	277
Extremely High	20.00% to 99.99%	859	-	100.03	32.41	55	133	1,146	154	358
Default	100%	169	-	100.00	100.00	82	-	-	139	1,026
Sub-total		27,559	1,131	97.59	2.65	56	47	12,879	465	68
Total Retail										
Exceptionally Low	0.01% to 0.04%	136,247	14,692	95.89	0.01	27	1	1,154	5	1
Very Low	0.05% to 0.19%	59,484	35,436	79.80	0.14	28	7	4,064	24	7
Low	0.20% to 0.99%	53,095	14,071	86.05	0.54	41	24	12,507	112	26
Medium Low	1.00% to 2.99%	21,543	2,969	89.08	1.80	53	54	11,558	204	65
Medium	3.00% to 9.99%	5,551	220	96.23	5.69	65	100	5,533	206	146
High	10.00% to 19.99%	2,213	100	97.05	11.36	63	147	3,261	157	236
Extremely High	20.00% to 99.99%	2,521	33	100.23	35.28	52	155	3,914	474	390
Default	100%	611	-	100.00	100.00	72	-	-	443	906
Total		281,265	67,521	90.17	1.01	33	15	41,991	1,625	22

(1) Represents retail exposures under the AIRB Approach which are domiciled in Canada.

(2) New Revolving and home equity lines of credit models were implemented in Q4 2014, new Residential Mortgage models were implemented in Q1 2015, and new Term Loan models were implemented in Q3 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 Canadian residential mortgages and home equity lines of credit.

(7) The Bank uses the PD Substitution approach to reflect default insurance.

Exposure Type	Basel III - IFRS									
	Q1 2016		Q4 2015		Q3 2015		Q2 2015		Q1 2015	
	Actual Loss Rate	Expected Loss Rate	Actual Loss Rate	Expected Loss Rate	Actual Loss Rate	Expected Loss Rate	Actual Loss Rate	Expected Loss Rate	Actual Loss Rate	Expected Loss Rate
	%	%	%	%	%	%	%	%	%	%
Non-Retail⁽¹⁾										
Corporate ⁽²⁾	0.10	0.95	0.01	0.95	0.04	0.91	0.03	0.98	0.03	1.07
Sovereign	-	0.03	-	0.03	-	0.02	-	0.03	-	0.12
Bank	-	0.12	-	0.12	-	0.12	-	0.20	-	0.20
Retail⁽³⁾										
Real Estate Secured	0.01	0.15	0.01	0.15	0.01	0.14	0.01	0.14	0.01	0.14
QRRE ⁽⁴⁾	2.56	4.49	2.44	4.49	2.30	3.31	2.31	3.32	2.14	3.33
Other Retail	0.65	1.78	0.60	1.78	0.59	1.75	0.51	1.72	0.48	1.70

(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.

(2) The Loss Rate for Corporate increased from 0.01% in Q4 2015 to 0.1% in Q1 2016 primarily due to the impact from net recoveries in Q1 2015, which are no longer included in the twelve month performance period for Q1 2016.

(3) 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.

(4) Increase in reported Expected Losses (under Q4 2015) vs. prior quarters is primarily due to the implementation of new AIRB models for QRRE in Q4 2014.

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


	Q1 2016 ⁽¹⁾						Q4 2015 ⁽¹⁾					
	Average estimated	Actual	Average estimated	Actual	Average estimated	Actual	Average estimated	Actual	Average estimated	Actual	Average estimated	Actual
	PD %	default rate %	LGD %	Actual LGD %	CCF ⁽²⁾ %	Actual CCF ⁽²⁾ %	PD %	default rate %	LGD %	Actual LGD %	CCF ⁽²⁾ %	Actual CCF ⁽²⁾ %
Non-Retail	0.90	0.45	41.54	21.26	50.48	10.68	0.90	0.34	41.39	32.32	50.50	15.14

⁽¹⁾ Reporting is on a one quarter lag basis. For reporting as of Q1/16, estimated parameters are based on portfolio averages at Q4/14 whereas actual parameters are based on averages of realized parameters during the subsequent four quarters (Q1/15 – Q4/15)

⁽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.

(\$MM)	Four-quarter period ending Q1 2016 ⁽¹⁾⁽²⁾						Four-quarter period ending Q4 2015 ⁽¹⁾⁽²⁾					
	Average estimated	Actual	Average estimated	Actual	Estimated	Actual	Average estimated	Actual	Average estimated	Actual	Estimated	Actual
	PD ⁽³⁾⁽⁸⁾ %	rate ⁽³⁾⁽⁶⁾ %	LGD ⁽⁴⁾⁽⁸⁾ %	LGD ⁽⁴⁾⁽⁷⁾ %	EAD ⁽⁵⁾⁽⁸⁾ \$	EAD ⁽⁵⁾⁽⁶⁾ \$	PD ⁽²⁾⁽⁷⁾ %	rate ⁽²⁾⁽⁵⁾ %	LGD ⁽³⁾⁽⁷⁾ %	LGD ⁽³⁾⁽⁶⁾ %	EAD ⁽⁴⁾⁽⁷⁾ \$	Actual EAD ⁽⁴⁾⁽⁵⁾ \$
Residential real estate secured ⁽⁹⁾												
Residential mortgages												
Insured mortgages ⁽¹⁰⁾	0.98	0.64	-	-	-	-	1.01	0.67	-	-	-	-
Uninsured mortgages	0.51	0.40	18.43	10.32	-	-	0.50	0.39	18.34	10.60	-	-
Secured lines of credit	0.84	0.33	29.26	18.11	103	89	0.84	0.33	28.44	18.22	107	93
Qualifying revolving retail exposures	2.09	1.64	78.22	65.97	550	491	2.09	1.65	78.10	66.45	544	486
Other retail	1.89	1.36	58.95	50.60	5	5	1.97	1.42	59.42	50.37	6	6

(1) New Revolving Models implemented in Q4 2014 and New BNS and Tangerine Mortgage Models implemented in Q1 2015. All related Estimates and Actual Values are restated historically to reflect new models.

(2) New BNS Retail Term Loan Models were implemented in Q3 2015. All Estimates and Actual Values for Retail Term Loans were restated historically to reflect new models.

(3) Account weighted aggregation.

(4) Default weighted aggregation.

(5) EAD is estimated for revolving products only.

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

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

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

(9) Excludes the acquisition of Tangerine Bank ("Tangerine") prior to January 31, 2015.

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

EXPOSURE AT DEFAULT ⁽¹⁾

(\$MM)	Basel III - IFRS														
	Q1 2016			Q4 2015			Q3 2015			Q2 2015			Q1 2015		
	Financial Collateral	Guarantees / Credit Derivatives		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	Standardized Approach	Standardized Approach	AIRB Approach
Non-Retail															
Corporate	632	1,249	14,655	581	1,256	6,148	505	1,214	5,940	483	1,116	5,622	563	1,494	6,091
Bank	-	-	3,776	-	-	4,767	-	-	4,351	-	5	3,245	-	5	3,781
Sovereign	-	106	5,923	-	-	5,014	-	-	4,982	-	-	4,980	-	-	5,000
Total Non-Retail	632	1,355	24,354	581	1,256	15,929	505	1,214	15,273	483	1,121	13,847	563	1,499	14,872
Retail															
Residential Mortgages ⁽²⁾	-	2,651	84,850	-	2,392	86,832	-	1,676	86,099	-	3,900	89,173	-	4,117	91,883
Secured Lines of Credit															
Qualifying Revolving Retail Exposures (QRRE)															
Other Retail	668	986	-	698	962	-	710	977	-	647	842	-	668	931	-
Total Retail	668	3,637	84,850	698	3,354	86,832	710	2,653	86,099	647	4,742	89,173	668	5,048	91,883
Total	1,300	4,992	109,204	1,279	4,610	102,761	1,215	3,867	101,372	1,130	5,863	103,020	1,231	6,547	106,755

(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. Prior to Q1 2015, Tangerine used the LGD Substitution approach.

DERIVATIVES - COUNTERPARTY CREDIT RISK ⁽¹⁾


(\$MM)	Basel III - IFRS															
	Q1 2016				Q4 2015				Q3 2015				Q2 2015			
	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount
Contract Types																
Interest Rate Contracts:																
Futures and Forward Rate Agreements	936,412	257	602	52	997,269	250	528	45	1,467,044	183	974	81	1,358,674	155	592	47
Swaps	2,850,581	3,244	11,607	2,083	2,815,412	2,222	10,416	1,871	3,195,869	2,076	10,028	1,606	3,241,105	2,247	10,227	1,888
Options Purchased	69,257	6	159	150	61,404	-	149	138	37,430	10	149	124	44,066	10	140	123
Options Written	62,841	-	-	-	61,655	-	-	-	38,674	-	-	-	49,744	-	-	-
Total	3,919,091	3,507	12,368	2,285	3,935,740	2,472	11,093	2,054	4,739,017	2,269	11,151	1,811	4,693,589	2,412	10,959	2,058
Foreign Exchange Contracts:																
Futures and Forwards	543,686	2,725	9,580	2,055	458,256	2,328	6,991	1,865	457,246	3,446	8,289	2,204	428,283	2,306	7,815	1,858
Swaps	364,107	2,376	9,576	2,545	338,328	1,759	8,592	2,214	322,576	2,867	8,985	1,947	290,527	2,015	7,635	1,630
Options Purchased	5,766	243	380	126	5,633	199	328	98	5,353	192	309	93	4,765	133	230	59
Options Written	4,920	-	-	-	4,884	-	-	-	4,664	-	-	-	4,041	-	-	-
Total	918,479	5,344	19,536	4,726	807,101	4,286	15,911	4,177	789,839	6,505	17,583	4,244	727,616	4,454	15,680	3,547
Other Derivatives Contracts:																
Equity	64,934	2,191	7,609	2,201	62,549	1,228	6,534	2,049	70,993	1,615	6,962	2,202	66,003	1,324	6,558	2,154
Credit	60,447	454	2,537	611	63,933	261	2,643	608	62,297	189	2,526	806	59,618	139	2,409	544
Other	86,902	2,249	9,066	1,930	149,806	2,288	11,347	1,945	132,744	2,357	12,406	1,827	126,729	1,867	12,328	1,733
Total	212,283	4,894	19,212	4,742	276,288	3,777	20,524	4,602	266,034	4,161	21,894	4,835	252,350	3,330	21,295	4,431
Credit Valuation Adjustment⁽²⁾				8,305				7,183				7,282				6,732
Total Derivatives after Netting and Collateral	5,049,853	13,745	51,116	20,058	5,019,129	10,535	47,528	18,016	5,794,890	12,935	50,628	18,172	5,673,555	10,196	47,934	16,768

(\$MM)	Basel III - IFRS							
	Q1 2015		Q4 2014		Q3 2014		Q2 2014	
	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount
Contract Types								
Interest Rate Contracts:								
Futures and Forward Rate Agreements	1,137,994	579	805,769	1,489	627,626	1,658	458,607	1,355
Swaps	3,474,793	11,523	3,093,098	9,053	2,583,470	8,569	2,614,773	8,442
Options Purchased	60,809	314	47,916	106	107,499	181	88,589	70
Options Written	62,248	-	50,710	-	118,810	-	87,340	-
Total	4,735,844	12,416	3,997,493	10,648	3,437,405	10,408	3,249,309	9,867
Foreign Exchange Contracts:								
Futures and Forwards	471,539	9,634	448,977	6,535	406,999	5,488	398,717	4,637
Swaps	295,627	8,976	265,986	6,190	241,692	5,289	240,885	5,014
Options Purchased	4,106	251	3,147	69	2,741	48	3,384	58
Options Written	3,645	-	2,642	-	2,516	-	3,004	-
Total	774,917	18,861	720,752	12,794	653,948	10,825	645,990	9,709
Other Derivatives Contracts:								
Equity	63,865	6,799	66,608	5,726	62,707	5,465	51,329	4,736
Credit	60,834	2,776	57,923	1,405	65,079	1,854	75,999	2,841
Other	136,722	11,919	127,041	11,863	121,593	10,474	111,153	10,208
Total	261,421	21,494	251,572	18,994	249,379	17,793	238,481	17,785
Total Derivatives	5,772,182	52,771	4,969,817	42,436	4,340,732	39,026	4,133,780	37,361
Credit Valuation Adjustment⁽²⁾		8,154		5,632		5,039		4,793
Risk-weighted Amount		19,693		14,627		13,516		13,088

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

(2) As per OSFI guideline, 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. In 2015 and 2016, these scalars are 0.64, 0.71 and 0.77, respectively.

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



(\$MM)			Basel III - IFRS																			
			Q1 2016 ⁽²⁾			Q4 2015			Q3 2015			Q2 2015			Q1 2015							
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets	Exposure at Default ⁽³⁾			Risk-Weighted Assets				
			On-Balance Sheet	Off-Balance Sheet	Total		On-Balance Sheet	Off-Balance Sheet	Total		On-Balance Sheet	Off-Balance Sheet	Total		On-Balance Sheet	Off-Balance Sheet	Total		On-Balance Sheet	Off-Balance Sheet	Total	
Securitization																						
Investment Grade	AAA to A	7 - 25	10,231	12,965	23,196	1,961	8,581	12,110	20,691	1,807	8,658	11,842	20,500	1,798	8,077	11,564	19,641	1,711	8,584	12,125	20,709	1,836
	A- to BBE	35 - 100	160	15	175	170	118	13	131	124	149	5	154	143	94	8	102	91	68	16	84	69
Non-Investment Grade	BB+ to BI	150 - 650	3	-	3	8	3	-	3	8	3	-	3	8	57	1	58	146	61	-	61	153
	Below BE	1250	-	-	-	-	28	-	28	350	101	-	101	1,266	90	-	90	1,121	119	-	119	1,484
			10,394	12,980	23,374	2,139	8,730	12,123	20,853	2,289	8,911	11,847	20,758	3,215	8,318	11,573	19,891	3,069	8,832	12,141	20,973	3,542
Resecuritization																						
Investment Grade	AAA to A	20 - 65	-	38	38	25	-	38	38	25	-	56	56	36	-	56	56	36	-	56	56	36
	A- to BBE	100 - 350	74	0	74	160	89	-	89	196	92	-	92	205	81	-	81	138	117	-	117	265
Non-Investment Grade	BB+ to BI	500 - 850	20	-	20	128	-	-	-	-	-	-	-	-	55	-	55	469	-	-	-	-
	Below BE	1250	21	-	21	267	20	-	20	249	20	-	20	249	-	-	-	-	19	-	19	242
			115	38	153	580	109	38	147	470	112	56	168	490	136	56	192	643	136	56	192	543
Total			10,509	13,018	23,527	2,719	8,839	12,161	21,000	2,759	9,023	11,903	20,926	3,705	8,454	11,629	20,083	3,712	8,968	12,197	21,165	4,085

(\$MM)			Basel III - IFRS																	
			Q1 2016 ⁽²⁾			Q4 2015			Q3 2015			Q2 2015			Q1 2015					
Underlying Asset	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%)				
	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		On-Balance Sheet	Off-Balance Sheet	Total	
Residential Mortgages	487	1,275	1,762	-	187	1,275	1,462	-	266	1,275	1,541	66	139	1,275	1,414	16	105	1,275	1,380	-
Commercial Mortgages	3	-	3	-	9	-	9	-	3	-	3	-	11	-	11	-	12	-	12	-
Credit cards/Consumer receivables	992	2,631	3,623	-	576	2,658	3,234	-	798	2,436	3,234	-	346	2,639	2,985	-	533	2,504	3,037	-
Auto loans/Leases	4,395	3,967	8,362	-	3,914	2,940	6,854	28	4,271	2,782	7,053	49	3,861	2,785	6,646	74	3,688	3,294	6,982	119
Diversified asset-backed securities	267	71	338	21	211	43	254	20	202	22	224	20	232	65	297	-	203	60	263	19
Business Loans	-	62	62	-	-	80	80	-	18	100	118	-	82	122	204	-	95	147	242	-
Trade receivables	3,604	4,934	8,538	-	3,083	5,116	8,199	-	2,614	5,229	7,843	-	2,980	4,698	7,678	-	2,890	4,870	7,760	-
Other	761	78	839	-	859	49	908	-	851	59	910	-	803	45	848	-	1,442	47	1,489	-
Total	10,509	13,018	23,527	21	8,839	12,161	21,000	48	9,023	11,903	20,926	135	8,454	11,629	20,083	90	8,968	12,197	21,165	138

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

(2) Q1/16 amounts include securitization under standardized approach: externally rated, resecuritization A- (\$34MM), BBB (\$3MM).

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

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


(\$MM)			Basel III - IFRS															
			Q4 2014				Q3 2014				Q2 2014				Q1 2014			
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default ⁽²⁾			Risk-Weighted Assets	Exposure at Default ⁽²⁾			Risk-Weighted Assets	Exposure at Default ⁽²⁾			Risk-Weighted Assets	Exposure at Default ⁽²⁾			Risk-Weighted Assets
			On-Balance Sheet	Off-Balance Sheet	Total		On-Balance Sheet	Off-Balance Sheet	Total		On-Balance Sheet	Off-Balance Sheet	Total		On-Balance Sheet	Off-Balance Sheet	Total	
<u>Securitization</u>																		
Investment Grade	AAA to A A- to BBB-	7 - 25 35 - 100	7,558 162	11,863 10	19,421 172	1,719 154	7,584 259	9,607 117	17,191 376	1,548 232	8,593 354	9,683 117	18,276 471	1,641 309	8,695 526	9,670 126	18,365 652	1,664 324
Non-Investment Grade	BB+ to BB- Below BB-	150 - 650 1250	10 137	- -	10 137	68 1,707	21 151	- -	21 151	126 1,883	31 159	- -	31 159	98 1,993	49 164	- -	49 164	217 2,262
			7,867	11,873	19,740	3,648	8,015	9,724	17,739	3,789	9,137	9,800	18,937	4,041	9,434	9,796	19,230	4,467
<u>Resecuritization</u>																		
Investment Grade	AAA to A A- to BBB-	20 - 65 100 - 350	- 115	56 -	56 115	36 260	49 135	155 -	204 135	125 293	57 138	155 -	212 138	132 248	125 164	155 -	280 164	168 336
Non-Investment Grade	BB+ to BB- Below BB-	500 - 850 1250	54 17	- -	54 17	462 215	69 17	- -	69 17	531 208	76 43	- -	76 43	566 540	67 159	- -	67 159	525 1,777
			186	56	242	973	270	155	425	1,157	314	155	469	1,486	515	155	670	2,806
Total			8,053	11,929	19,982	4,621	8,285	9,879	18,164	4,946	9,451	9,955	19,406	5,527	9,949	9,951	19,900	7,273

(\$MM)		Basel III - IFRS															
		Q4 2014				Q3 2014				Q2 2014				Q1 2014			
Underlying Asset		Exposure at Default ⁽²⁾			Exposures at Default (RW=1250%)	Exposure at Default ⁽²⁾			Exposures at Default (RW=1250%)	Exposure at Default ⁽²⁾			Exposures at Default (RW=1250%)	Exposure at Default ⁽²⁾			Exposures at Default (RW=1250%)
		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		134	1,275	1,409	-	125	1,275	1,400	-	145	1,275	1,420	-	166	1,275	1,441	-
Commercial Mortgages		12	-	12	-	12	-	12	-	12	-	12	-	12	-	12	-
Credit cards/Consumer receivables		476	2,445	2,921	-	446	443	889	-	565	330	895	-	584	41	625	-
Auto loans/Leases		3,133	3,553	6,686	137	3,251	3,466	6,717	151	4,152	3,800	7,952	155	4,402	4,159	8,561	159
Diversified asset-backed securities		191	58	249	17	159	155	314	17	187	155	342	43	294	155	449	159
Business Loans		152	173	325	-	358	200	558	-	480	230	710	4	598	-	598	5
Trade receivables		2,579	4,373	6,952	-	2,592	4,300	6,892	-	2,567	4,113	6,680	-	2,516	4,280	6,796	-
Other		1,376	52	1,428	-	1,342	40	1,382	-	1,343	52	1,395	-	1,377	41	1,418	-
Total		8,053	11,929	19,982	154	8,285	9,879	18,164	168	9,451	9,955	19,406	202	9,949	9,951	19,900	323

(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) 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 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
All Bank VaR	2,070	1,758	1,355	1,385	1,369
All Bank stressed VaR	3,647	3,078	2,785	2,999	3,243
Incremental risk charge	5,128	6,101	6,109	6,139	4,776
Comprehensive risk measure ⁽¹⁾	2,540	2,517	2,192	2,132	2,707
Standardized approach	687	896	1,106	858	1,038
Market risk-weighted assets as at end of Quarter	14,072	14,350	13,547	13,513	13,133

(1) The Q1 2016 related capital charge for total comprehensive risk measure including securitization exposures is \$203MM (Q4 2015: \$201MM) broken down as follows: Market Simulation \$40MM (Q4 2015: \$35MM), Default & Migration Risk \$163MM (Q4 2015: \$166MM).

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


(\$MM)	Item	Q1 2016	Q4 2015
1	Total consolidated assets as per published financial statements	919,613	856,497
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(990)	(887)
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	4,060	13,345
5	Adjustment for securities financing transactions (i.e., repo assets and similar secured lending)	7,183	9,024
6	Adjustment for off balance-sheet items (i.e., credit equivalent amounts of off-balance sheet exposures)	121,375	114,612
7	Other adjustments	(11,902)	(9,273)
8	Leverage Ratio Exposure (transitional basis)	1,039,339	983,318

LEVERAGE RATIO FRAMEWORK



(\$MM)	Item ⁽¹⁾	Q1 2016	Q4 2015
	On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	770,397	727,294
2	(Asset amounts deducted in determining Basel III transitional Tier 1 capital)	(11,902)	(9,273)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	758,495	718,021
	Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	14,159	11,513
5	Add-on amounts for PFE associated with all derivative transactions	37,371	36,993
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)	(2,849)	(2,462)
8	(Exempted CCP-leg of client cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	19,046	21,868
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(11,708)	(13,563)
11	Total derivative exposures (sum of lines 4 to 10)	56,019	54,349
	Securities financing transaction exposures		
12	Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	103,320	95,757
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(7,052)	(8,445)
14	Counterparty credit risk (CCR) exposure for SFT assets	7,182	9,024
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	103,450	96,336
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	392,780	374,003
18	(Adjustments for conversion to credit equivalent amounts)	(271,405)	(259,391)
19	Off-balance sheet items (sum of lines 17 and 18)	121,375	114,612
	Capital and Total Exposures - Transitional Basis		
20	Tier 1 capital	44,826	44,811
21	Total Exposures (sum of lines 3, 11, 16 and 19)	1,039,339	983,318
	Leverage Ratios - Transitional Basis		
22	Basel III leverage ratio	4.3%	4.6%
	All-in basis (Required by OSFI)		
23	Tier 1 capital – All-in basis	41,983	41,366
24	(Regulatory adjustments)	(13,361)	(12,379)
25	Total Exposures (sum of lines 21 and 24, less the amount reported in line 2) – All-in basis	1,037,880	980,212
26	Leverage ratio – All-in basis	4.0%	4.2%

(1) On-balance sheet items excludes securities purchased under resale agreements and securities borrowed (\$96,267), derivative financial instruments (\$51,958), assets outside the regulatory scope of consolidation (\$990).

LEVERAGE RATIO FRAMEWORK - DESCRIPTION OF LINE ITEMS



Row Number	Explanation
1	On-balance sheet assets (excluding derivatives, Securities Financing Transactions (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 recognized 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.

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 risk free 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 Counterparty Risk.