

SUPPLEMENTARY REGULATORY CAPITAL DISCLOSURE



October 31, 2016

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Effective November 1, 2012, Canadian banks are subject to the revised capital adequacy requirements as published by the Basel Committee on Banking Supervision (BCBS) and commonly referred to as Basel III. Basel III builds on the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (Basel II). Refer to page 2 "Basel III Implementation" for further details.

The Basel III Framework is composed of three Pillars:

- Pillar 1 – the actual methodologies that must be applied to calculate the minimum capital requirements.
- Pillar 2 – the requirement that banks have internal processes to assess their capital adequacy in relation to their strategies, risk appetite and actual risk profile. Regulators are expected to review these internal capital adequacy assessments.
- Pillar 3 – reflects the market disclosures required by banks to assist users of the information to better understand the risk profile.

This Appendix reflects the Pillar 3 market disclosures based on information gathered as part of the Pillar 1 process, and should assist users in understanding the changes to the risk-weighted assets and capital requirements.

Basel III classifies risk into three broad categories: credit risk, market risk and operational risk. 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 subtypes: 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 preferred shares and debentures to qualify as Tier 1 or Tier 2 regulatory capital. Under the NVCC provisions, the preferred shares and 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 27-29.

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									
	Q4 2016		Q3 2016		Q2 2016		Q1 2016		Q4 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	45,816	39,989	43,696	37,690	41,801	35,911	43,742	37,645	44,811	36,965
Tier 1 capital	47,668	45,066	45,041	42,264	43,425	40,759	44,826	41,983	44,811	41,366
Total capital	55,824	53,330	53,091	50,471	51,327	48,839	53,031	50,413	51,501	48,230
Risk-weighted Assets⁽³⁾										
CET1 Capital Risk-weighted Assets	368,215	364,048	362,358	357,657	361,678	356,866	381,381	374,457	364,824	357,995
Tier 1 Capital Risk-weighted Assets	368,215	364,504	362,358	358,177	361,678	357,389	381,381	375,365	364,824	358,780
Total Capital Risk-weighted Assets	368,215	364,894	362,358	358,622	361,678	357,837	381,381	376,143	364,824	359,453
Capital Ratios (%)										
Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.4	11.0	12.1	10.5	11.6	10.1	11.5	10.1	12.3	10.3
Tier 1 (as a percentage of risk-weighted assets)	12.9	12.4	12.4	11.8	12.0	11.4	11.8	11.2	12.3	11.5
Total capital (as a percentage of risk-weighted assets)	15.2	14.6	14.7	14.1	14.2	13.6	13.9	13.4	14.1	13.4
Leverage: All-in Basis										
Leverage Exposures	1,013,346	1,010,987	1,016,572	1,014,048	1,007,540	1,005,103	1,039,339	1,037,881	983,318	980,212
Leverage Ratio (%)	4.7	4.5	4.4	4.2	4.3	4.1	4.3	4.0	4.6	4.2
OSFI Target: All-in Basis (%)										
Common Equity Tier 1 minimum ratio		8.0		8.0		8.0		8.0		7.0
Tier 1 capital all-in minimum ratio		9.5		9.5		9.5		9.5		8.5
Total capital all-in minimum ratio		11.5		11.5		11.5		11.5		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	60	60	60	60	60	60	70	70
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	69	69	414	414	-	-
Current cap on Tier 2 (T2) instruments subject to phase-out arrangements (%)	60	60	60	60	60	60	60	60	70	70
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-	-	-	-	-

(1) Prior quarters are detailed on pages 7-8.

(2) 'All-in' approach is defined as capital calculated to include all of the regulatory adjustments that will be required by 2019 but retaining the phase-out rules for non-qualifying capital instruments.

(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.

REGULATORY CAPITAL - DEFINITION OF CAPITAL COMPONENTS



(\$MM)

	Cross-Reference ⁽¹⁾	All-in Q4 2016	All-in Q3 2016	
Common Equity Tier 1 Capital: Instruments and Reserves				
1	Directly issued qualifying common share capital plus related stock surplus	u+y	15,665	15,480
2	Retained Earnings	v	34,752	33,750
3	Accumulated Other Comprehensive Income	w	2,240	1,531
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	bb	597	588
6	Common Equity Tier 1 capital before regulatory adjustments		53,254	51,349
Common Equity Tier 1 Capital: Regulatory Adjustments				
8	Goodwill (net of related tax liability)	g	(7,875)	(7,789)
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	h-q+i-r	(3,714)	(3,677)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	k	(484)	(487)
11	Cash flow hedge reserve	x	(263)	(449)
12	Shortfall of allowances to expected losses	ee	(48)	-
14	Gains and losses due to changes in own credit risk on fair value liabilities	p	(311)	(316)
15	Defined-benefit pension fund net assets (net of related tax liability)	l-s	(124)	(123)
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	a	(7)	(6)
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	(400)	(650)
22	Amount exceeding the 15% threshold		(35)	(158)
23	of which: significant investments in the common stock of financials	f	(23)	(105)
25	of which: deferred tax assets arising from temporary differences	j	(12)	(53)
26	Other deductions from CET1 as determined by OSFI	o	(4)	(4)
28	Total regulatory adjustments to Common Equity Tier 1		(13,265)	(13,659)
29	Common Equity Tier 1 Capital (CET1)		39,989	37,690
Additional Tier 1 Capital: Instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	z	1,350	850
31	of which: classified as equity under applicable accounting standards		1,350	850
33	Directly issued capital instruments subject to phase-out from Additional Tier 1	aa ⁽²⁾	3,644	3,644
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	95	92
36	Additional Tier 1 capital before regulatory adjustments		5,089	4,586
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	(12)	(12)
41	Other deductions from Tier 1 capital as determined by OSFI		-	-
43	Total regulatory adjustments to Additional Tier 1 capital		(12)	(12)
44	Additional Tier 1 Capital (AT1)		5,077	4,574
45	Tier 1 Capital (T1=CET1 + AT1)		45,066	42,264
Tier 2 Capital: Instruments and Provisions				
46	Directly issued qualifying Tier 2 instruments	m	3,707	3,673
47	Directly issued capital instruments subject to phase-out from Tier 2		3,926	3,925
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	dd	103	86
50	Eligible Collective Allowance and Excess of allowance over expected loss	c+d	528	523
51	Tier 2 capital before regulatory adjustments		8,264	8,207

	Cross-Reference ⁽¹⁾	All-in Q4 2016	All-in Q3 2016	
Tier 2 Capital: Regulatory Adjustments				
57	Total regulatory adjustments to Tier 2 capital		-	-
58	Tier 2 Capital (T2)		8,264	8,207
59	Total Capital (TC = T1 + T2)		53,330	50,471
60	Total Risk-weighted Assets		366,391	360,328
60a	Common Equity Tier 1 (CET1) Capital RWA		364,048	357,657
60b	Tier 1 Capital RWA		364,504	358,177
60c	Total Capital RWA		364,894	358,622
Capital Ratios and Buffers				
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)		11.0	10.5
62	Tier 1 (as a percentage of risk-weighted assets)		12.4	11.8
63	Total capital (as a percentage of risk-weighted assets)		14.6	14.1
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%	8.0%
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)		11.0	10.5
OSFI all-in target (minimum + capital conservation buffer + DSIB surcharge (if applicable))				
69	Common Equity Tier 1 All-in target ratio		8.0%	8.0%
70	Tier 1 capital all-in target ratio		9.5%	9.5%
71	Total capital all-in target ratio		11.5%	11.5%
Amounts below the thresholds for the deduction (before risk-weighting)				
72	Non-significant investments in the capital of other financial institutions		1,464	1,504
73	Significant investments in the common stock of financial institutions		4,019	3,745
75	Deferred tax assets arising from temporary differences (net of related tax liability)		1,979	1,908
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)		528	520
77	Cap on inclusion of allowances in Tier 2 under standardized approach		1,339	1,292
78	Allowances eligible for inclusion in Tier 2 in respect to exposures subject to internal ratings-based approach (prior to application of cap)		-	3
79	Cap for inclusion of allowances in Tier 2 under internal ratings-based approach		1,260	1,244
Capital instruments subject to phase-out arrangements (only applicable between Jan 1 2018 and Jan 1 2022)				
80	Current cap on CET1 instruments subject to phase-out arrangements		60%	60%
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%	60%
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		-	-
84	Current cap on T2 instruments subject to phase-out arrangements		60%	60%
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		-	-

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

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

CONSOLIDATED BALANCE SHEET: SOURCE OF DEFINITION OF CAPITAL COMPONENTS



(\$MM)	Cross Reference to Page 4 Definition of Capital Components	Consolidated Statement of Financial Position ⁽¹⁾		Under regulatory scope of consolidation ⁽²⁾	(\$MM)	Cross Reference to Page 4 Definition of Capital Components	Consolidated Statement of Financial Position ⁽¹⁾		Under regulatory scope of consolidation ⁽²⁾
		Q4 2016	Q4 2016				Q4 2016	Q4 2016	
Assets					Liabilities				
Cash and deposits with financial institutions		46,344	45,874	45,874	Deposits				
Precious metals		8,442	8,442	8,442	Personal		199,302	199,302	199,302
Trading Assets					Business and government		372,303	372,303	372,303
Securities		87,287	87,283	87,283	Financial institutions		40,272	40,272	40,272
- Investment in own shares	a		7	7			611,877	611,877	
- Other trading securities			87,276	87,276	Financial instruments designated at fair value through profit or loss		1,459	1,459	
Loans		19,421	19,421	19,421	Other				
Other		1,853	1,853	1,853	Acceptances		11,978	11,978	11,978
		108,561	108,557	108,557	Obligations related to securities sold short		23,312	23,312	23,312
Financial assets designated at fair value through profit or loss		221	221	221	Derivative financial instruments		42,387	42,387	42,387
Securities purchased under resale agreements and securities borrowed		92,129	92,129	92,129	Obligations related to securities sold under repurchase agreements and securities lent		97,083	97,083	97,083
Derivative financial instruments		41,657	41,657	41,657	Subordinated debentures		7,633	7,633	7,633
Investment securities		72,919	72,218	72,218	- Regulatory capital amortization of maturing debentures				
- Significant investments in Additional Tier 1 capital of other financial institutions reflected in regulatory capital	b		12	12	- Subordinated debentures used for regulatory capital				
- Other securities ⁽³⁾			72,206	72,206	- of which: are included in Tier 2 capital	m			3,707
					- of which: are subject to phase-out included in Tier 2 capital (60%)				3,926
					- of which: are subject to phase-out not included in Tier 2 capital				
Loans					Other liabilities		42,716	40,436	
Residential mortgages		222,888	222,729	222,729	- Liquidity reserves	o			4
Personal and credit cards ⁽³⁾		99,502	98,294	98,294	- Gains/losses due to changes in own credit risk including DVA on derivatives	p			311
Business and government ⁽³⁾		162,400	162,173	162,173	- Deferred tax liabilities				611
		484,790	483,195	483,195	- Intangible assets (excl. computer software and mortgage servicing rights)	q			833
Allowance for credit losses		4,626	4,626	4,626	- Intangible assets - computer software	r			210
- Collective Allowance reflected in Tier 2 capital	c		528	528	- Defined benefit pension fund assets	s			60
- Shortfall of allowances to expected loss	ee		(48)	(48)	- Other deferred tax liabilities				(492)
- Excess of allowances to expected loss	d		-	-	- Other liabilities				39,510
- Allowances not reflected in regulatory capital			4,146	4,146			225,109	222,829	
Other					Total liabilities		838,445	836,165	
Customers' liability under acceptances		11,978	11,978	11,978	Equity				
Property and equipment		2,520	2,515	2,515	Common equity				
Investments in associates		4,299	4,447	4,447	- Common shares	u	15,513	15,513	15,513
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 10% regulatory thresholds	e		400	400	- Retained earnings	v	34,752	34,752	34,752
- Significant Investments in other financial institutions including deconsolidated subsidiaries exceeding 15% regulatory thresholds	f		23	23	- Accumulated other comprehensive income (loss)	w	2,240	2,240	2,240
- Significant Investments in other financial institutions including deconsolidated subsidiaries within regulatory thresholds			4,024	4,024	- Cash flow hedging reserve	x			263
Goodwill & other intangible assets		12,141	12,632	12,632	- Other				1,977
- Goodwill	g		7,875	7,875	- Other reserves	y	152	152	152
- Intangibles (excl. computer software)	h		3,029	3,029	Total common equity		52,657	52,657	52,657
- Computer software intangibles	i		1,728	1,728	Preferred shares		3,594	3,594	3,594
Deferred tax assets		2,021	2,020	2,020	- of which: are qualifying Tier 1 capital	z			1,350
- Deferred tax assets arising from temporary differences exceeding the regulatory threshold	j		12	12	- of which: are subject to phase out and included in Tier 1 capital (60%)	aa			2,244
- Deferred tax assets that rely on future profitability	k		484	484	- of which: are subject to phase out and not included into Tier 1 capital				-
- Deferred tax assets not deducted from regulatory capital			1,524	1,524	Total equity attributable to equity holders of the bank		56,251	56,251	56,251
Other assets		12,870	12,726	12,726	Non-controlling interests				
- Defined pension fund assets	l		184	184	Non-controlling interest in subsidiaries		1,570	1,570	1,570
- Other assets			12,542	12,542	- portion allowed for inclusion into CET1	bb			597
		45,829	46,318	46,318	- portion allowed for inclusion into Tier 1 capital	cc			95
Total assets		896,266	893,986	893,986	- portion allowed for inclusion into Tier 2 capital	dd			103
					- portion not allowed for regulatory capital				775
					Total equity		57,821	57,821	57,821
					Total liabilities and equity		896,266	893,986	893,986

(1) Consolidated Statement of Financial Position as reported in the 2016 Annual Report (page 132).

(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: \$185, equity: \$199), Scotia Life Insurance Company (assets: \$87, equity: \$167), Scotia Jamaica Life Insurance Co. Ltd (assets: \$571, equity: \$133), Scotia Life Trinidad and Tobago Ltd (assets: \$353, equity: \$51) and Scotia Seguros (assets: \$65, equity: \$63).

(3) Effective Q3 2016, securitized credit card exposures are excluded from the regulatory scope of consolidation under OSFI's Securitization Framework.

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 October 31, 2016 (\$MM)										
Cash and deposits with financial institutions	44,001	-	-	-	-	-	-	2,343	46,344	
Precious metals	-	-	-	-	-	-	8,442	-	8,442	
Trading assets:										
Securities	-	-	-	-	-	-	87,287	-	87,287	
Loans	11,485	-	-	-	-	-	11,485	7,936	19,421	
Other	-	-	-	-	-	-	1,853	-	1,853	
Financial assets designated at fair value through profit or loss	16	-	-	-	-	-	205	-	221	
Securities purchased under resale agreements and securities borrowed	-	-	-	92,129	-	-	-	-	92,129	
Derivative financial instruments	-	-	-	-	41,657	-	36,401	-	41,657	
Investment securities	68,134	-	832	-	-	2,042	-	1,911	72,919	
Loans:										
Residential mortgages ⁽²⁾	104,890	117,839	-	-	-	-	-	159	222,888	
Personal and credit cards	-	95,825	2,418	-	-	-	-	1,259	99,502	
Business & government	152,720	2,489	7,161	-	-	-	-	30	162,400	
Allowances for credit losses ⁽³⁾	(781)	-	-	-	-	-	-	(3,845)	(4,626)	
Customers' liability under acceptances	11,978	-	-	-	-	-	-	-	11,978	
Property and equipment	-	-	-	-	-	-	-	2,520	2,520	
Investments in associates	-	-	-	-	-	-	-	4,299	4,299	
Goodwill and other intangible assets	-	-	-	-	-	-	-	12,141	12,141	
Other (including Deferred tax assets)	637	383	-	-	-	-	-	13,871	14,891	
Total	393,080	216,536	10,411	92,129	41,657	2,042	47,886	105,723	34,688	896,266

	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 July 31, 2016 (\$MM)										
Cash and deposits with financial institutions	66,303	-	-	-	-	-	-	3,471	69,774	
Precious metals	-	-	-	-	-	-	10,243	-	10,243	
Trading assets:										
Securities	-	-	-	-	-	-	81,625	-	81,625	
Loans	14,420	-	-	-	-	-	14,420	5,858	20,278	
Other	-	-	-	-	-	-	1,958	-	1,958	
Financial assets designated at fair value through profit or loss	228	-	-	-	-	-	-	-	228	
Securities purchased under resale agreements and securities borrowed	-	-	-	92,266	-	-	-	-	92,266	
Derivative financial instruments	-	-	-	-	43,990	-	38,664	-	43,990	
Investment securities	66,126	-	-	-	-	2,331	-	1,457	69,914	
Loans:										
Residential mortgages ⁽²⁾	107,492	111,820	-	-	-	-	-	148	219,460	
Personal and credit cards	-	94,175	2,628	-	-	-	-	1,259	98,062	
Business & government ⁽⁴⁾	151,401	-	7,833	-	-	-	-	586	159,820	
Allowances for credit losses ⁽³⁾⁽⁴⁾	(756)	-	-	-	-	-	-	(3,786)	(4,542)	
Customers' liability under acceptances	10,409	-	-	-	-	-	-	-	10,409	
Property and equipment	-	-	-	-	-	-	-	2,441	2,441	
Investments in associates	-	-	-	-	-	-	-	4,199	4,199	
Goodwill and other intangible assets	-	-	-	-	-	-	-	11,693	11,693	
Other (including Deferred tax assets)	118	135	-	-	-	-	-	14,773	15,026	
Total	415,741	206,130	10,461	92,266	43,990	2,331	53,084	99,684	36,241	906,844

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

(2) Includes \$102.9 billion (Q3, 2016 - \$105.7 billion) in mortgages guaranteed by Canada Mortgage Housing Corporation (CMHC) and portions of privately insured mortgages. CMHC guarantees under the PD substitution are reclassified to sovereign.

(3) Amounts for AIRB exposures are reported gross of allowances and amounts for Standardized exposures are reported net of allowances.

(4) Restated for presentation purposes.

FLOW STATEMENT FOR REGULATORY CAPITAL⁽¹⁾


	Basel III All-in											
	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
(\$MM)												
Common Equity Tier 1 (CET1) capital												
Opening amount	37,690	35,911	37,645	36,965	36,077	34,750	34,389	33,742	33,670	29,311	28,499	26,359
Net income attributable to equity holders of the Bank	1,939	1,897	1,523	1,758	1,783	1,795	1,757	1,679	1,373	2,301	1,742	1,655
Dividends paid to equity holders of the Bank	(924)	(904)	(899)	(871)	(870)	(851)	(853)	(832)	(833)	(813)	(821)	(798)
Shares issued	185	114	22	42	22	33	16	26	90	152	110	375
Shared repurchased/redeemed	-	-	(15)	(65)	(311)	(170)	(29)	(445)	(176)	(144)	-	-
Removal of own credit spread (net of tax)	5	(8)	143	(142)	(26)	(59)	37	(110)	-	2	20	(21)
Movements in other comprehensive income, excluding cash flow hedges ⁽²⁾	894	627	(2,835)	842	(330)	1,376	(1,180)	1,586	211	(246)	(434)	979
Currency translation differences	802	991	(2,826)	1,455	(276)	1,400	(1,450)	2,259	309	(101)	(385)	1,055
Available-for-sale investments	(49)	33	13	(177)	(306)	(87)	(33)	(43)	(85)	14	6	18
Employee Benefits ⁽¹⁾	133	(386)	(25)	(443)	246	80	303	(643)	(46)	(168)	(50)	(59)
Other	8	(11)	3	7	6	(17)	-	13	33	9	(5)	(35)
Goodwill and other intangible assets (deduction, net of related tax liability)	(123)	(166)	(121)	(161)	(27)	(462)	157	(208)	(378)	(172)	(59)	(97)
Other, including regulatory adjustments and transitional arrangements	323	219	448	(723)	647	(335)	456	(1,049)	(215)	3,279	254	47
Deferred tax assets that rely on future probability	3	11	41	-	45	18	13	5	(2)	68	42	24
Other, IFRS Impact ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	(83)
Threshold deductions ⁽¹⁾	373	203	308	(655)	552	(288)	421	(1,044)	(113)	3,196	209	33
Other	(53)	5	99	(68)	50	(65)	22	(10)	(100)	15	3	73
Closing Amount	39,989	37,690	35,911	37,645	36,965	36,077	34,750	34,389	33,742	33,670	29,311	28,499
Other Additional Tier 1 capital												
Opening amount	4,574	4,848	4,338	4,401	4,397	4,327	4,328	4,331	4,352	4,655	5,243	5,555
New Additional Tier 1 eligible capital issues	500	-	500	350	-	-	-	-	-	-	-	-
Redeemed capital	-	(345)	(345)	-	-	-	-	-	-	(300)	(600)	(250)
Other, capital including regulatory adjustments and transitional arrangements	3	71	355	(413)	4	70	(1)	(3)	(21)	(3)	12	(62)
Closing Amount	5,077	4,574	4,848	4,338	4,401	4,397	4,327	4,328	4,331	4,352	4,655	5,243
Total Tier 1 capital	45,066	42,264	40,759	41,983	41,366	40,474	39,077	38,717	38,073	38,022	33,966	33,742
Tier 2 capital												
Opening amount	8,207	8,080	8,430	6,864	6,837	6,786	5,637	5,519	5,522	6,038	7,070	6,927
New Tier 2 eligible capital issues	-	-	-	2,537	-	-	1,250	-	-	-	7,070	-
Redeemed capital	-	(16)	(19)	(1,000)	-	-	-	-	-	-	(1,000)	-
Amortization adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Other, including regulatory adjustments and transitional adjustments	57	143	(331)	29	27	51	(101)	118	(3)	(516)	(32)	143
Closing Amount	8,264	8,207	8,080	8,430	6,864	6,837	6,786	5,637	5,519	5,522	6,038	7,070
Total regulatory capital	53,330	50,471	48,839	50,413	48,230	47,311	45,863	44,354	43,592	43,544	40,004	40,811

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

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

RISK-WEIGHTED ASSETS AND CAPITAL RATIOS


(\$B)	Basel III - All-in IFRS											
	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
RISK-WEIGHTED ASSETS:⁽¹⁾												
On-Balance Sheet Assets												
Cash Resources	3.7	3.9	4.1	3.7	3.3	3.3	3.0	3.2	2.2	2.2	2.7	2.5
Securities	9.6	10.7	10.3	11.2	9.5	10.3	11.4	12.4	12.8	13.4	13.8	16.4
Residential Mortgages	25.0	23.2	22.5	25.9	25.0	24.9	22.2	21.9	19.8	19.4	19.5	19.1
Loans												
- Personal Loans	52.0	49.5	49.0	48.7	46.2	45.2	43.4	43.9	42.7	39.6	37.8	37.1
- Non-Personal Loans	118.8	118.6	120.4	125.1	117.4	111.7	104.8	106.9	95.6	95.7	95.9	93.2
All Other	28.8	27.6	27.0	29.0	28.9	28.7	26.6	27.2	25.9	26.3	24.3	25.8
	237.9	233.5	233.2	243.6	230.3	224.1	211.4	215.5	199.0	196.6	194.0	194.1
Off-Balance Sheet Assets												
Indirect Credit Instruments	54.1	51.0	48.5	49.2	49.2	46.8	43.2	43.4	39.5	39.3	35.6	37.6
Derivative Instruments	12.1	12.9	13.2	20.0	17.9	18.2	16.8	19.7	14.6	13.5	13.3	13.0
	66.2	63.9	61.7	69.2	67.1	65.0	60.0	63.1	54.1	52.8	48.9	50.6
Total Credit Risk before AIRB scaling factor	304.1	297.4	294.9	312.8	297.4	289.1	271.4	278.6	253.1	249.4	242.9	244.7
AIRB Scaling factor ⁽²⁾	10.7	10.5	10.6	11.1	10.6	10.2	9.6	9.8	8.8	8.8	8.5	8.5
Total Credit Risk after AIRB scaling factor	314.8	307.9	305.5	323.9	308.0	299.3	281.0	288.4	261.9	258.2	251.4	253.2
Market Risk - Risk Assets Equivalent	10.6	11.7	13.9	14.1	14.4	13.5	13.5	13.1	17.3	16.7	16.4	16.7
Operational Risk - Risk Assets Equivalent	38.6	38.1	37.5	36.5	35.6	35.2	34.2	33.7	33.3	32.9	32.4	32.2
CET1 Risk-weighted Assets⁽³⁾	364.0	357.7	356.9	374.5	358.0	348.0	328.7	335.2	312.5	307.8	300.2	302.1
Tier 1 Risk-weighted Assets⁽³⁾	364.5	358.2	357.4	375.4	358.8	348.8	329.4	336.1	313.3	308.5	300.2	302.1
Total Risk-weighted Assets⁽³⁾	364.9	358.6	357.8	376.1	359.5	349.5	330.1	336.9	314.4	309.6	300.2	302.1
REGULATORY CAPITAL RATIOS (%):												
Common Equity Tier 1	11.0	10.5	10.1	10.1	10.3	10.4	10.6	10.3	10.8	10.9	9.8	9.4
Tier 1	12.4	11.8	11.4	11.2	11.5	11.6	11.9	11.5	12.2	12.3	11.3	11.2
Total	14.6	14.1	13.6	13.4	13.4	13.5	13.9	13.2	13.9	14.1	13.3	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 11-12 entitled, "Exposure at Default and Risk-Weighted Assets for Credit Risk Portfolios".

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

(3) As per OSFI guideline, effective Q1 2014, Credit Valuation Adjustment RWA on derivatives was phased-in at 57%. Effective Q3 2014, CVA risk-weighted assets were calculated using the scalars of 0.57, 0.65 and 0.77 to compute CET1 capital ratio, Tier 1 capital ratio and Total capital ratio respectively. 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)	Q4 2016		Q3 2016	
	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	307,920	16,232	305,465	17,086
Book size ⁽²⁾	68	(402)	(2,956)	(1,337)
Book quality ⁽³⁾	2,932	202	332	(139)
Model updates ⁽⁴⁾	-	-	-	-
Methodology and policy ⁽⁵⁾	-	-	-	-
Acquisitions and disposals	-	-	-	-
Foreign exchange movements	4,984	400	5,928	622
Other	(1,082)	-	(849)	-
CET1 Credit risk-weighted assets as at end of Quarter	314,822	16,432	307,920	16,232
Tier 1 CVA scalar	456	456	520	520
Tier 1 Credit risk-weighted assets as at end of Quarter	315,278	16,888	308,440	16,752
Total CVA scalar	390	390	445	445
Total Credit risk-weighted assets as at end of Quarter	315,668	17,278	308,885	17,197

(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, including those caused by experience such as underlying customer behaviour or demographics, and 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)	Q4 2016	Q3 2016
Market risk-weighted assets as at beginning of Quarter	11,696	13,885
Movement in risk levels ⁽¹⁾	(1,112)	(2,180)
Model updates ⁽²⁾	(13)	(9)
Methodology and policy ⁽³⁾	-	-
Acquisitions and disposals	-	-
Other	-	-
Market risk-weighted assets as at end of Quarter	10,571	11,696

(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)	Q4 2016	Q3 2016
Operational risk-weighted assets as at beginning of Quarter	38,041	37,516
Acquisitions and disposals	-	-
Higher Revenue	614	525
Operational risk-weighted assets as at end of Quarter	38,655	38,041

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


CET1 Risk-weighted Assets (RWA)	Q4 2016				
	Canadian Banking	International Banking	Global Banking & Markets	Other	All Bank
CET1 RWA (\$B)	\$109.0	\$131.9	\$113.4	\$9.7	\$364.0
Proportion of Bank	30%	36%	31%	3%	100%
Comprised of:					
Credit risk	84%	87%	87%	94%	86%
Market risk	- %	2%	6%	6%	3%
Operational risk	16%	11%	7%	- %	11%

CET1 Risk-weighted Assets (RWA)	Q3 2016				
	Canadian Banking	International Banking	Global Banking & Markets	Other	All Bank
CET1 RWA (\$B)	\$106.7	\$126.7	\$113.6	\$10.7	\$357.7
Proportion of Bank	30%	35%	32%	3%	100%
Comprised of:					
Credit risk	84%	87%	86%	96%	86%
Market risk	- %	2%	8%	4%	3%
Operational risk	16%	11%	6%	- %	11%

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



(SMM)		Basel III - IFRS											
		Q4 2016				Q3 2016		Q2 2016		Q1 2016			
		AIRB		Standardized		Total		Total		Total		Total	
Exposure Type	Sub-type	EAD ⁽¹⁾	RWA ⁽²⁾⁽⁴⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾⁽⁴⁾	EAD ⁽¹⁾	RWA ⁽²⁾⁽⁴⁾	EAD ⁽¹⁾	RWA ⁽²⁾⁽⁴⁾	EAD ⁽¹⁾	RWA ⁽²⁾
Non-Retail													
Corporate	Drawn	128,742	71,771	47,042	45,407	175,784	117,178	175,250	117,309	173,987	118,625	175,672	122,318
	Undrawn	67,990	28,839	5,721	5,660	73,711	34,499	70,614	32,197	67,024	30,648	71,934	32,458
	Other ⁽³⁾	37,024	13,455	2,919	2,901	39,943	16,356	40,458	16,043	42,964	15,968	45,648	16,314
	Total	233,756	114,065	55,682	53,968	289,438	168,033	286,322	165,549	283,975	165,241	293,254	171,090
Bank	Drawn	23,978	5,211	2,044	1,356	26,022	6,567	26,609	6,662	24,836	6,579	25,881	7,522
	Undrawn	1,944	334	38	34	1,982	368	1,894	271	1,847	315	1,784	260
	Other ⁽³⁾	12,979	2,371	196	196	13,175	2,567	12,313	1,749	10,497	1,539	12,430	2,069
	Total	38,901	7,916	2,278	1,586	41,179	9,502	40,816	8,682	37,180	8,433	40,095	9,851
Sovereign	Drawn	80,358	3,861	8,402	1,300	88,760	5,161	108,164	5,266	99,458	5,698	109,153	5,654
	Undrawn	1,042	112	10	7	1,052	119	841	98	872	129	816	46
	Other ⁽³⁾	497	12	-	-	497	12	547	3	371	4	508	8
	Total	81,897	3,985	8,412	1,307	90,309	5,292	109,552	5,367	100,701	5,831	110,477	5,708
Total Non-Retail	Drawn	233,078	80,843	57,488	48,063	290,566	128,906	310,023	129,237	298,281	130,902	310,706	135,494
	Undrawn	70,976	29,285	5,769	5,701	76,745	34,986	73,349	32,566	69,743	31,092	74,534	32,764
	Other ⁽³⁾	50,500	15,838	3,115	3,097	53,615	18,935	53,318	17,795	53,832	17,511	58,586	18,391
	Total	354,554	125,966	66,372	56,861	420,926	182,827	436,690	179,598	421,856	179,505	443,826	186,649
Retail													
Residential Mortgages	Drawn	190,052	10,228	30,865	14,800	220,917	25,028	217,538	23,207	214,633	22,467	217,345	25,942
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-
	Total	190,052	10,228	30,865	14,800	220,917	25,028	217,538	23,207	214,633	22,467	217,345	25,942
Secured Lines Of Credit	Drawn	19,233	4,497	-	-	19,233	4,497	19,200	4,412	18,918	4,390	18,550	4,310
	Undrawn	14,587	1,359	-	-	14,587	1,359	14,298	1,286	14,045	1,268	13,778	1,225
	Total	33,820	5,856	-	-	33,820	5,856	33,498	5,698	32,963	5,658	32,328	5,535
Qualifying Revolving Retail Exposures (QRRE)	Drawn	16,717	9,463	-	-	16,717	9,463	16,483	9,316	17,474	9,997	17,244	9,953
	Undrawn	21,108	2,656	-	-	21,108	2,656	20,519	2,564	20,100	2,549	19,693	2,481
	Total	37,825	12,119	-	-	37,825	12,119	37,002	11,880	37,574	12,546	36,937	12,434
Other Retail	Drawn	28,246	13,055	33,936	24,951	62,182	38,006	58,627	35,742	56,615	34,574	56,432	34,436
	Undrawn	799	203	-	-	799	203	691	165	674	159	669	158
	Total	29,045	13,258	33,936	24,951	62,981	38,209	59,318	35,907	57,289	34,733	57,101	34,594
Total Retail	Drawn	254,248	37,243	64,801	39,751	319,049	76,994	311,848	72,677	307,640	71,428	309,571	74,641
	Undrawn	36,494	4,218	-	-	36,494	4,218	35,508	4,015	34,819	3,976	34,140	3,864
	Total	290,742	41,461	64,801	39,751	355,543	81,212	347,356	76,692	342,459	75,404	343,711	78,505
Securizations		25,025	2,613	-	-	25,025	2,613	25,110	2,793	23,763	2,588	23,527	2,719
Trading Derivatives ⁽⁴⁾		23,421	6,599	-	-	23,421	6,599	23,633	6,758	23,144	6,924	31,216	9,042
Derivatives - credit valuation adjustment ⁽⁴⁾⁽⁵⁾		-	-	-	4,165	-	4,165	-	4,749	-	4,778	-	8,304
Total Credit Risk (Excluding Equities & Other Assets)		693,742	176,639	131,173	100,777	824,915	277,416	832,789	270,590	811,222	269,199	842,280	285,219
Equities		2,042	2,042	-	-	2,042	2,042	2,331	2,331	2,393	2,393	2,703	2,703
Other Assets		-	-	49,829	24,659	49,829	24,659	50,229	24,486	53,444	23,297	59,267	24,882
Total Credit Risk (Before Scaling Factor)		695,784	178,681	181,002	125,436	876,786	304,117	885,349	297,407	867,059	294,889	904,250	312,804
Add-on for 6% Scaling Factor ⁽⁶⁾			10,705				10,705		10,513		10,576		11,095
Total Credit Risk		695,784	189,386	181,002	125,436	876,786	314,822	885,349	307,920	867,059	305,465	904,250	323,899

(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) Includes lending instruments such as letters of credit and letters of guarantee; banking book derivatives and repo-style exposures, net of related collateral.

(4) As of Q2 2016, the bank implemented the Internal Modelling Method for determination of Counterparty Credit Risk and Credit Valuation Adjustment RWA.

(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) 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)



(SMM)		Basel III - IFRS															
		Q4 2015		Q3 2015		Q2 2015		Q1 2015		Q4 2014		Q3 2014		Q2 2014		Q1 2014	
Exposure Type	Sub-type	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾	EAD ⁽¹⁾	RWA ⁽²⁾
Non-Retail																	
Corporate	Drawn	157,514	112,836	151,360	106,697	146,075	100,609	145,012	101,339	130,621	90,240	128,408	90,365	128,608	90,079	121,562	86,649
	Undrawn	58,915	29,035	56,306	27,606	51,361	24,589	53,974	24,963	47,082	22,314	44,855	21,274	41,619	19,554	42,968	20,444
	Other ⁽³⁾	40,425	15,476	43,981	16,093	37,643	14,254	35,068	12,327	31,678	11,496	31,704	11,246	26,552	10,126	30,930	11,540
	Total	256,854	157,347	251,647	150,396	235,079	139,452	234,054	138,629	209,381	124,050	204,967	122,885	196,779	119,759	195,460	118,633
Bank	Drawn	27,165	8,344	27,400	7,109	25,700	6,679	32,358	8,435	25,883	7,500	26,237	7,882	29,067	9,053	34,833	9,949
	Undrawn	11,386	3,726	11,741	3,793	11,406	3,672	12,222	3,914	10,954	3,356	11,552	3,559	10,620	3,279	11,879	3,507
	Other ⁽³⁾	14,906	3,253	12,351	2,188	10,190	1,830	9,535	1,753	8,195	1,486	7,929	1,394	8,228	1,370	7,904	1,304
	Total	53,457	15,323	51,492	13,090	47,296	12,181	54,115	14,102	45,032	12,342	45,718	12,835	47,915	13,702	54,616	14,760
Sovereign	Drawn	96,263	4,203	102,869	5,471	80,325	5,527	82,035	5,544	76,107	4,858	68,768	4,664	77,072	4,717	71,279	5,145
	Undrawn	2,133	355	1,802	168	1,543	161	1,465	139	1,352	140	1,353	177	1,359	189	1,440	263
	Other ⁽³⁾	1,016	36	694	46	544	15	1,137	63	805	33	775	26	856	31	1,191	28
	Total	99,412	4,594	105,365	5,685	82,412	5,703	84,637	5,746	78,264	5,031	70,896	4,867	79,287	4,937	73,910	5,436
Total Non-retail	Drawn	280,942	125,383	281,629	119,277	252,100	112,815	259,405	115,318	232,611	102,598	223,413	102,911	234,747	103,849	227,674	101,743
	Undrawn	72,434	33,116	69,849	31,567	64,310	28,422	67,661	29,016	59,388	25,810	57,760	25,010	53,598	23,022	56,287	24,214
	Other ⁽³⁾	56,347	18,765	57,026	18,327	48,377	16,099	45,740	14,143	40,678	13,015	40,408	12,666	35,636	11,527	40,025	12,872
	Total	409,723	177,264	408,504	169,171	364,787	157,336	372,806	158,477	332,677	141,423	321,581	140,587	323,981	138,398	323,986	138,829
Retail																	
Residential Mortgages	Drawn	215,590	24,967	214,183	24,854	211,805	22,196	213,185	21,893	211,341	19,766	210,743	19,360	210,451	19,466	210,691	19,085
	Undrawn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	215,590	24,967	214,183	24,854	211,805	22,196	213,185	21,893	211,341	19,766	210,743	19,360	210,451	19,466	210,691	19,085
Secured Lines Of Credit	Drawn	18,804	4,197	18,992	4,207	19,047	4,293	18,952	4,435	19,115	4,487	18,590	4,409	18,459	4,509	18,220	4,552
	Undrawn	12,631	1,133	12,553	1,181	12,354	1,158	12,312	1,243	12,209	1,282	17,724	1,857	13,265	1,394	13,052	1,370
	Total	31,435	5,330	31,545	5,388	31,401	5,451	31,264	5,678	31,324	5,769	36,314	6,266	31,724	5,903	31,272	5,922
Qualifying Revolving	Drawn	16,910	10,031	16,602	9,662	16,426	9,556	16,257	9,564	16,011	9,356	15,953	7,622	15,653	7,153	15,412	7,171
	Undrawn	17,705	2,241	17,123	2,135	16,734	2,058	16,716	2,151	16,196	2,105	18,311	2,360	13,638	1,674	13,400	1,678
	Total	34,615	12,272	33,725	11,797	33,160	11,614	32,973	11,715	32,207	11,461	34,264	9,982	29,291	8,827	28,812	8,849
Other Retail	Drawn	53,313	32,002	51,959	31,308	48,315	29,555	48,656	29,929	47,080	28,848	45,380	27,624	42,989	26,216	41,754	25,405
	Undrawn	712	178	677	164	660	156	667	165	659	161	999	126	736	91	733	91
	Total	54,025	32,180	52,636	31,472	48,975	29,711	49,323	30,094	47,739	29,009	46,379	27,750	43,725	26,307	42,487	25,496
Total Retail	Drawn	304,617	71,197	301,736	70,031	295,593	65,600	297,050	65,821	293,547	62,457	290,666	59,015	287,552	57,344	286,077	56,213
	Undrawn	31,048	3,552	30,353	3,480	29,748	3,372	29,695	3,559	29,064	3,548	37,034	4,343	27,639	3,159	27,185	3,139
	Total	335,665	74,749	332,089	73,511	325,341	68,972	326,745	69,380	322,611	66,005	327,700	63,358	315,191	60,503	313,262	59,352
Securitized		21,000	2,759	20,926	3,705	20,083	3,711	21,166	4,086	19,982	4,621	18,163	4,947	19,406	5,527	19,900	7,273
Trading Derivatives		28,234	8,232	30,013	8,485	28,854	7,971	36,673	10,178	25,249	8,041	22,886	7,559	22,139	7,454	23,638	7,284
Derivatives - credit valuation adjustment ⁽⁴⁾		-	7,183	-	7,282	-	6,732	-	8,154	-	5,632	-	5,039	-	4,793	-	5,003
Total Credit risk (excl. Equities & Other Assets)		794,622	270,187	791,532	262,154	739,065	244,722	757,390	250,275	700,519	225,722	690,330	221,490	680,717	216,675	680,786	217,741
Equities		2,985	2,985	3,427	3,427	3,636	3,636	4,132	4,132	4,269	4,269	4,451	4,451	4,002	4,002	4,019	4,019
Other Assets		50,873	24,265	52,878	23,551	54,146	23,056	59,475	24,208	52,288	23,065	52,377	23,550	52,771	22,224	57,028	22,930
		848,480	297,437	847,837	289,132	796,847	271,414	820,997	278,615	757,076	253,056	747,158	249,491	737,490	242,901	741,833	244,690
Add-on for 6% scaling factor ⁽⁵⁾			10,597		10,183		9,593		9,801		8,831		8,672		8,491		8,506
Total Credit Risk		848,480	308,034	847,837	299,315	796,847	281,007	820,997	288,416	757,076	261,887	747,158	258,163	737,490	251,392	741,833	253,196

(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) Includes lending instruments such as letters of credit and letters of guarantee; banking book derivatives and repo-style exposures, net of related collateral.

(4) 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.

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

CREDIT RISK EXPOSURES BY GEOGRAPHY ⁽¹⁾⁽²⁾

Exposure at Default

(\$MM)	Basel III - IFRS									
	Q4 2016					Q3 2016				
	Non-Retail			Retail	Total	Non-Retail			Retail	Total
	Drawn	Undrawn	Other ⁽³⁾			Drawn	Undrawn	Other ⁽³⁾		
Canada	89,894	32,953	42,208	303,868	468,923	91,537	32,376	39,182	299,147	462,242
USA	79,932	27,951	35,925	-	143,808	96,575	26,526	38,405	-	161,506
Mexico	15,331	1,183	1,725	8,634	26,873	14,200	626	1,538	8,067	24,431
Peru	16,693	1,413	2,984	7,238	28,328	15,048	1,636	3,040	6,614	26,338
Chile	10,384	782	1,374	10,970	23,510	10,788	598	1,315	10,294	22,995
Colombia	4,891	186	518	5,348	10,943	4,957	164	415	4,782	10,318
Other International										
Europe	23,164	5,936	12,425	-	41,525	26,170	5,636	12,326	-	44,132
Caribbean	19,048	1,704	1,564	18,852	41,168	18,879	1,547	1,611	17,973	40,010
Latin America (other)	7,258	522	495	633	8,908	7,610	550	512	479	9,151
All Other	23,971	4,115	2,843	-	30,929	24,259	3,690	3,717	-	31,666
Total	290,566	76,745	102,061	355,543	824,915	310,023	73,349	102,061	347,356	832,789

	Basel III - IFRS				
	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Canada	448,512	449,077	435,953	434,335	420,728
USA	155,502	172,472	153,285	154,180	126,154
Mexico	24,467	25,255	23,808	22,870	20,924
Peru	26,101	28,798	27,007	26,617	24,105
Chile	21,271	22,180	19,777	19,282	18,742
Colombia	10,837	10,044	9,899	10,436	11,591
Other International					
Europe	43,796	44,444	40,048	38,017	34,768
Caribbean	38,794	42,343	39,831	39,939	36,987
Latin America (other)	9,598	10,245	8,962	9,060	8,461
All Other	32,344	37,422	36,052	36,796	36,605
Total	811,222	842,280	794,622	791,532	739,065

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

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

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

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



NON-RETAIL AND RETAIL PORTFOLIO EXPOSURE AT DEFAULT

(\$MM)	Basel III - IFRS							
	Q4 2016				Q3 2016			
	Drawn	Undrawn	Other ⁽³⁾	Total	Drawn	Undrawn	Other ⁽³⁾	Total
Non-Retail								
Less than 1 year	109,752	22,766	62,851	195,369	134,489	22,807	63,792	221,088
1 to 5 years	112,975	46,971	28,805	188,751	107,463	44,208	27,742	179,413
Over 5 Years	10,351	1,239	7,290	18,880	10,930	1,640	7,666	20,236
Total Non-Retail	233,078	70,976	98,946	403,000	252,882	68,655	99,200	420,737
Retail								
Less than 1 year	28,829	15,386		44,215	29,945	14,989		44,934
1 to 5 years	167,999	-		167,999	163,994	-		163,994
Over 5 Years	20,243	-		20,243	21,247	-		21,247
Revolving Credits ⁽⁴⁾	37,177	21,108		58,285	36,889	20,519		57,408
Total Retail	254,248	36,494		290,742	252,075	35,508		287,583
Total	487,326	107,470	98,946	693,742	504,957	104,163	99,200	708,320

	Basel III - IFRS			
	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Non-Retail				
Less than 1 year	210,853	223,167	213,600	224,896
1 to 5 years	175,155	188,042	163,961	154,304
Over 5 Years	19,395	19,199	17,937	18,331
Total Non-Retail	405,403	430,408	395,498	397,531
Retail				
Less than 1 year	44,915	46,929	45,368	45,879
1 to 5 years	162,707	162,064	160,660	157,160
Over 5 Years	19,639	18,896	20,682	21,796
Revolving Credits ⁽⁴⁾	57,609	56,604	54,555	53,839
Total Retail	284,870	284,493	281,265	278,674
Total	690,273	714,901	676,763	676,205

(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													
	Q4 2016							Q3 2016						
	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%	1,914	-	5,887	7,801	1,122	1,385	2,507	1,881	-	5,236	7,117	575	1,503	2,078
20%	157	742	1,427	2,326	1,823	-	1,823	156	688	1,193	2,037	1,821	-	1,821
35%	-	-	-	-	17,025	-	17,025	-	-	-	-	16,295	-	16,295
50%	111	197	154	462	-	345	345	46	112	476	634	-	419	419
75%	-	-	-	-	9,674	31,374	41,048	-	-	-	-	9,139	27,727	36,866
100%	52,739	1,339	944	55,022	1,221	-	1,221	52,280	1,000	912	54,192	1,295	-	1,295
150%+	761	-	-	761	-	832	832	716	-	-	716	-	998	998
Total	55,682	2,278	8,412	66,372	30,865	33,936	64,801	55,079	1,800	7,817	64,696	29,125	30,647	59,772

Risk-weight	Basel III - IFRS													
	Q2 2016		Q1 2016		Q4 2015		Q3 2015		Q2 2015		Q1 2015		Q4 2014	
	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
0%	6,375	1,886	6,921	1,895	6,115	1,689	6,123	1,248	5,630	1,080	6,481	1,141	5,417	1,087
20%	2,306	1,985	3,362	2,223	1,695	2,146	1,649	1,779	1,573	1,624	3,087	1,771	2,582	1,354
35%	-	15,819	-	16,733	-	16,004	-	16,198	-	17,697	-	18,375	-	17,377
50%	835	203	916	186	478	215	382	222	381	204	806	213	372	-
75%	-	35,648	-	36,021	-	32,321	-	31,942	-	26,166	-	26,944	-	25,366
100%	53,109	1,288	56,139	1,421	54,632	1,313	53,122	1,336	50,857	1,025	50,225	1,130	46,764	959
150%+	735	760	823	739	539	712	636	690	684	638	494	639	381	590
Total	63,360	57,589	68,161	59,218	63,459	54,400	61,912	53,415	59,125	48,434	61,093	50,213	55,516	46,733

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

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(SMM)	Category external ratings ⁽¹⁾	Internal grades	PD bands ⁽²⁾	Basel III - IFRS												
				Q4 2016				Q3 2016								
				Drawn Exposure at Default ⁽³⁾	Undrawn Exposure at Default ⁽³⁾	Other Exposure at Default ⁽³⁾	Total Exposure at Default ⁽³⁾	RWA	Weighted Average PD ⁽⁴⁾⁽⁷⁾	Weighted Average LGD ⁽⁵⁾⁽⁷⁾	Weighted Average RW ⁽⁶⁾⁽⁷⁾	Total Exposure at Default ⁽³⁾	RWA	Weighted Average PD ⁽⁴⁾⁽⁷⁾	Weighted Average LGD ⁽⁵⁾⁽⁷⁾	Weighted Average RW ⁽⁶⁾⁽⁷⁾
\$	\$	\$	\$	\$	%	%	%	\$	\$	%	%	%				
Investment Grade																
Corporate																
		99	0.00% - 0.05%	68,798	50,656	36,075	155,529	45,376	0.13	42	29	154,997	45,524	0.13	42	29
		98	0.00% - 0.05%	349	308	547	1,204	106	0.03	44	9	754	67	0.03	44	9
	AAA to AA+	98	0.00% - 0.05%	67	712	99	878	55	0.05	21	6	900	59	0.05	22	7
	AA to A-	95	0.05% - 0.13%	6,911	6,198	5,367	18,476	3,144	0.06	40	17	17,325	3,145	0.06	41	18
	AA to A-	90	0.06% - 0.15%	13,476	13,350	10,875	37,701	6,533	0.07	38	17	38,306	6,704	0.07	39	18
	BBB+ to BBB	87	0.10% - 0.24%	14,774	10,015	5,787	30,576	8,443	0.11	41	28	31,638	8,547	0.10	41	27
	BBB+ to BBB	85	0.14% - 0.34%	15,054	10,331	6,986	32,371	11,581	0.16	43	36	31,854	11,553	0.16	43	36
	BBB-	83	0.20% - 0.47%	18,167	9,742	6,414	34,323	15,514	0.25	45	45	34,220	15,449	0.24	45	45
Bank																
		99	0.00% - 0.05%	21,485	1,875	22,341	45,701	8,557	0.10	34	19	44,890	7,908	0.10	36	18
		98	0.00% - 0.05%	7,300	3	187	7,490	25	0.00	30	0	177	12	0.03	39	7
	AAA to AA+	98	0.00% - 0.05%	2,236	523	689	3,448	421	0.05	30	12	3,074	379	0.05	30	12
	AA to A-	95	0.05% - 0.13%	1,247	375	7,204	8,826	2,361	0.06	40	27	15,887	2,446	0.06	40	15
	AA to A-	90	0.06% - 0.15%	5,615	747	5,968	12,330	1,739	0.09	34	14	12,907	1,826	0.09	33	14
	BBB+ to BBB	87	0.10% - 0.24%	2,321	93	2,955	5,369	1,180	0.15	34	22	5,862	1,332	0.15	35	23
	BBB+ to BBB	85	0.14% - 0.34%	1,762	9	3,588	5,359	1,909	0.20	32	36	4,823	1,237	0.20	32	26
	BBB-	83	0.20% - 0.47%	1,004	125	1,750	2,879	922	0.27	33	32	2,160	676	0.29	33	31
Sovereign																
		99	0.00% - 0.05%	75,281	946	4,899	81,126	2,890	0.05	16	4	100,538	2,786	0.04	16	3
		98	0.00% - 0.05%	46,577	335	2,233	49,145	-	-	15	-	74,520	-	-	15	-
	AAA to AA+	98	0.00% - 0.05%	3,273	39	650	3,962	271	0.05	15	7	3,005	145	0.05	15	5
	AA to A-	95	0.05% - 0.13%	15,635	432	1,662	17,729	953	0.06	15	5	14,151	1,133	0.07	17	8
	AA to A-	90	0.06% - 0.15%	696	30	266	992	68	0.09	18	7	768	46	0.11	19	6
	BBB+ to BBB	87	0.10% - 0.24%	6,077	1	64	6,142	631	0.24	16	10	5,089	488	0.24	15	10
	BBB+ to BBB	85	0.14% - 0.34%	2,302	106	24	2,432	699	0.34	27	29	2,316	721	0.34	27	31
	BBB-	83	0.20% - 0.47%	721	3	-	724	268	0.47	33	37	689	253	0.47	33	37
Sub-Total				165,564	53,477	63,315	282,356	56,823	0.10	33	20	300,425	56,218	0.10	32	19
Non-Investment Grade																
Corporate																
		80	0.31% - 0.52%	56,609	15,978	9,040	81,627	55,389	0.66	45	68	80,397	54,977	0.67	46	68
	BB+	77	0.48% - 0.58%	22,707	8,288	3,431	34,426	19,823	0.36	46	58	32,737	18,913	0.36	46	58
	BB	77	0.48% - 0.58%	15,728	3,881	1,725	21,334	13,967	0.51	45	65	22,039	14,526	0.51	46	66
	BB-	75	0.58% - 0.74%	10,697	2,274	2,509	15,480	11,646	0.74	46	75	14,945	11,223	0.74	46	75
	B+	73	0.74% - 1.42%	4,487	1,120	1,140	6,747	5,995	1.42	42	89	7,177	6,451	1.42	42	90
	B to B-	70	1.42% - 2.72%	2,990	415	235	3,640	3,958	2.72	43	109	3,499	3,864	2.72	43	110
Bank																
		80	0.31% - 0.52%	2,471	67	472	3,010	1,596	0.60	38	53	3,224	1,696	0.60	38	53
	BB+	77	0.48% - 0.58%	966	6	258	1,230	625	0.48	41	51	1,352	738	0.51	42	55
	BB	77	0.48% - 0.58%	1,318	2	162	1,482	743	0.58	36	50	1,723	845	0.58	36	49
	BB-	75	0.58% - 0.74%	122	54	45	221	163	0.74	40	74	35	19	0.74	39	57
	B+	73	0.74% - 1.42%	5	2	3	10	8	1.42	40	79	57	37	1.42	34	66
	B to B-	70	1.42% - 2.72%	60	3	4	67	57	2.72	33	85	57	57	2.72	38	101
Sovereign																
		80	0.31% - 0.52%	3,270	89	20	3,379	1,047	1.35	27	31	4,714	1,376	1.59	24	29
	BB+	77	0.48% - 0.58%	459	20	-	479	54	0.52	17	11	1,418	289	0.52	21	20
	BB	77	0.48% - 0.58%	1,088	17	20	1,125	245	0.58	15	22	399	136	0.58	24	34
	BB-	75	0.58% - 0.74%	213	27	-	240	21	0.74	33	9	339	82	0.74	33	24
	B+	73	0.74% - 1.42%	529	21	-	550	60	1.42	25	11	535	70	1.42	25	13
	B to B-	70	1.42% - 2.72%	981	4	-	985	667	2.72	45	68	2,023	799	2.72	23	40
Sub-Total				62,350	16,134	9,532	88,016	58,032	0.69	44	66	88,335	58,049	0.72	44	66

(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 205 of the Bank's 2016 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.

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

NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY

(\$MM)			Basel III - IFRS												
			Q4 2016								Q3 2016				
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	Weighted Average PD ⁽⁴⁾⁽⁷⁾	Weighted Average LGD ⁽⁵⁾⁽⁷⁾	Weighted Average RW ⁽⁶⁾⁽⁷⁾	Total Exposure at Default ⁽³⁾	RWA	Weighted Average PD ⁽⁴⁾⁽⁷⁾	Weighted Average LGD ⁽⁵⁾⁽⁷⁾	Weighted Average RW ⁽⁶⁾⁽⁷⁾
			\$	\$	\$	\$	\$	%	%	%	\$	\$	%	%	%
Watch List (CCC+ to CC)															
Corporate	65 - 30	2.72% - 59.98%	3,331	977	596	4,904	9,323	22.64	39	190	4,250	7,956	22.34	39	187
Bank	65 - 30	2.72% - 59.98%	13	4	3	20	41	25.05	42	214	47	108	21.63	47	230
Sovereign	65 - 30	2.72% - 59.98%	159	-	-	159	240	9.99	39	151	65	112	9.99	47	173
Sub-Total			3,503	981	599	5,083	9,604	22.25	39	189	4,362	8,176	22.15	39	187
Default⁽⁸⁾															
Corporate	27-21	100%	1,648	378	475	2,501	8,059	100.00	42	322	2,535	7,939	100.00	43	313
Bank	27-21	100%	8	-	-	8	26	100.00	35	329	2	-	100.00	39	0
Sovereign	27-21	100%	5	6	-	11	21	100.00	17	188	5	22	100.00	33	413
Sub-Total			1,661	384	475	2,520	8,106	100.00	42	322	2,542	7,961	100.00	43	313
Total			233,078	70,976	73,921	377,975	132,565	1.20	36	35	395,664	130,404	1.12	35	33

(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 205 of the Bank's 2016 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) EAD for defaulted exposures before related specific provisions and write-offs.

NON-RETAIL AIRB PORTFOLIO - CREDIT COMMITMENTS

(\$MM)	Basel III - IFRS			
	Q4 2016		Q3 2016	
	Notional Undrawn	Weighted Average EAD	Notional Undrawn	Weighted Average EAD
Exposure Type ⁽¹⁾	\$	%	\$	%
Corporate	128,814	51	128,111	50
Bank	3,177	56	3,228	57
Sovereign	1,743	57	1,389	57
Total	133,734	52	132,728	50

(1) Excludes unconditionally cancellable commitments.

RETAIL AIRB PORTFOLIO EXPOSURES - CREDIT QUALITY ⁽¹⁾

Category of PD Grades	PD Range	Basel III - IFRS								
		Q4 2016								
		EAD ⁽²⁾	Notional of undrawn commitments	Exposure weighted-average EAD ⁽³⁾	Exposure weighted-average PD	Exposure weighted-LGD	Exposure weighted-average RW	RWA	EL	EL adjusted average risk weight ⁽⁴⁾
		\$	\$	%	%	%	%	\$	\$	%
Residential Real Estate Secured⁽⁵⁾										
Insured Drawn and Undrawn⁽⁶⁾										
Exceptionally Low	0.01% to 0.04%	104,428	-	100.00	0.00	25	-	48	-	-
Very Low	0.05% to 0.19%	2,546	2	99.94	0.19	25	10	251	1	10
Low	0.20% to 0.99%	607	-	132.53	0.60	12	17	103	1	18
Medium Low	1.00% to 2.99%	2	-	107.61	1.19	33	46	1	-	51
Medium	3.00% to 9.99%	-	-	103.64	4.29	24	72	-	-	85
High	10.00% to 19.99%	-	-	105.19	10.83	22	105	-	-	136
Extremely High	20.00% to 99.99%	-	-	-	-	-	-	-	-	-
Default	100%	21	-	100.00	100.00	65	-	-	14	813
Sub-total		107,604	2	100.14	0.03	25	0	403	16	1
Uninsured Undrawn										
Exceptionally Low	0.00% to 0.04%	-	-	-	-	-	-	-	-	-
Very Low	0.05% to 0.19%	10,991	28,111	19.55	0.07	23	4	465	2	4
Low	0.20% to 0.99%	2,637	6,046	21.81	0.26	26	13	338	2	14
Medium Low	1.00% to 2.99%	713	1,000	35.68	1.19	28	39	278	2	43
Medium	3.00% to 9.99%	177	228	38.84	4.29	35	106	187	3	125
High	10.00% to 19.99%	39	48	40.28	10.83	26	120	47	1	155
Extremely High	20.00% to 99.99%	30	24	62.14	32.85	26	147	44	3	254
Default	100%	-	-	100.00	-	-	-	-	-	-
Sub-total		14,587	35,457	21.12	0.31	24	9	1,359	13	10
Uninsured Drawn										
Exceptionally Low	0.00% to 0.04%	33,988	-	100.00	0.04	20	2	697	2	2
Very Low	0.05% to 0.19%	31,502	-	100.00	0.17	22	8	2,416	12	8
Low	0.20% to 0.99%	24,660	-	100.00	0.60	24	20	4,886	34	22
Medium Low	1.00% to 2.99%	8,679	-	100.00	1.74	25	44	3,779	37	49
Medium	3.00% to 9.99%	1,496	-	100.00	5.04	25	82	1,226	19	97
High	10.00% to 19.99%	571	-	100.00	11.94	23	111	636	16	146
Extremely High	20.00% to 99.99%	534	-	100.00	33.67	23	128	682	41	223
Default	100%	251	-	100.00	100.00	59	-	-	148	736
Sub-total		101,681	-	100.00	0.92	22	14	14,322	309	18
Qualifying Revolving Retail Exposures (QRRE)										
Exceptionally Low	0.00% to 0.04%	8,036	15,767	24.67	0.04	74	2	179	3	3
Very Low	0.05% to 0.19%	7,854	10,515	35.99	0.16	69	6	490	9	8
Low	0.20% to 0.99%	10,130	8,154	47.97	0.50	76	16	1,623	37	21
Medium Low	1.00% to 2.99%	7,161	1,907	74.98	1.74	84	48	3,461	105	67
Medium	3.00% to 9.99%	2,280	225	91.33	5.37	86	108	2,471	104	166
High	10.00% to 19.99%	1,365	58	96.80	10.22	86	162	2,208	120	271
Extremely High	20.00% to 99.99%	803	19	101.44	38.64	80	210	1,687	246	593
Default	100%	196	-	100.00	100.00	84	-	-	166	1,055
Sub-total		37,825	36,645	51.43	2.54	77	32	12,119	790	58
Other Retail										
Exceptionally Low	0.00% to 0.04%	417	770	25.71	0.04	71	9	40	-	10
Very Low	0.05% to 0.19%	6,616	2	99.96	0.10	49	12	796	3	13
Low	0.20% to 0.99%	14,228	475	96.62	0.52	55	39	5,535	41	43
Medium Low	1.00% to 2.99%	4,296	13	99.60	1.89	63	80	3,441	51	95
Medium	3.00% to 9.99%	2,311	1	99.98	5.59	62	93	2,143	79	136
High	10.00% to 19.99%	22	-	98.29	14.43	82	158	35	3	305
Extremely High	20.00% to 99.99%	946	-	100.00	33.03	55	134	1,268	174	364
Default	100%	209	-	100.00	100.00	82	-	-	172	1,030
Sub-total		29,045	1,261	97.20	2.81	56	46	13,258	523	68
Total Retail										
Exceptionally Low	0.01% to 0.04%	146,869	16,537	95.67	0.01	27	1	964	5	1
Very Low	0.05% to 0.19%	59,509	38,630	76.69	0.15	31	7	4,418	27	8
Low	0.20% to 0.99%	52,262	14,675	85.43	0.54	42	24	12,485	115	27
Medium Low	1.00% to 2.99%	20,851	2,920	89.13	1.75	53	53	10,960	195	64
Medium	3.00% to 9.99%	6,264	454	95.11	5.34	61	96	6,027	205	137
High	10.00% to 19.99%	1,997	106	96.63	10.77	67	147	2,926	140	233
Extremely High	20.00% to 99.99%	2,313	43	100.00	35.12	56	159	3,681	464	410
Default	100%	677	-	100.00	100.00	74	-	-	500	922
Total		290,742	73,365	89.49	0.96	34	14	41,461	1,651	21

(1) Represents retail exposures under the AIRB Approach which are domiciled in Canada.
 (2) Amounts are before allowance for credit losses and before credit risk mitigation.
 (3) EAD rate represents combined drawn and undrawn exposure for a facility.
 (4) EL adjusted average risk weight is calculated as (RWA + 12.5 X EL) / EAD.
 (5) Includes Canadian residential mortgages and home equity lines of credit.
 (6) The Bank uses the PD Substitution approach to reflect default insurance.

RETAIL AIRB PORTFOLIO EXPOSURES - CREDIT QUALITY ⁽¹⁾

(\$MM)		Basel III - IFRS									
		Q3 2016									
		Category of PD Grades	PD Range	EAD ⁽²⁾	Notional of undrawn commitments	Exposure weighted-average EAD ⁽³⁾	Exposure weighted-average PD	Exposure weighted-average LGD	Exposure weighted-average RW	RWA	EL
		\$	\$	%	%	%	%	\$	\$	%	
Residential Real Estate Secured⁽⁵⁾											
Insured Drawn and Undrawn⁽⁶⁾											
Exceptionally Low	0.01% to 0.04%	107,712	-	100.00	0.00	24	-	48	-	-	
Very Low	0.05% to 0.19%	2,683	2	99.94	0.19	24	9	254	1	10	
Low	0.20% to 0.99%	642	-	130.34	0.61	12	17	108	1	18	
Medium Low	1.00% to 2.99%	2	-	106.38	1.19	35	50	1	-	55	
Medium	3.00% to 9.99%	-	-	104.93	4.29	24	73	-	-	86	
High	10.00% to 19.99%	-	-	108.33	10.83	22	105	-	-	136	
Extremely High	20.00% to 99.99%	1	-	107.44	52.18	52	251	1	-	598	
Default	100%	19	-	100.00	100.00	69	-	-	13	864	
Sub-total		111,059	2	100.13	0.03	24	0	412	15	1	
Uninsured Undrawn											
Exceptionally Low	0.00% to 0.04%	-	-	-	-	-	-	-	-	-	
Very Low	0.05% to 0.19%	10,792	27,612	19.54	0.07	23	4	456	2	4	
Low	0.20% to 0.99%	2,638	5,925	22.26	0.26	26	13	341	2	14	
Medium Low	1.00% to 2.99%	654	906	36.08	1.19	28	40	260	2	44	
Medium	3.00% to 9.99%	149	198	37.82	4.29	32	96	144	2	113	
High	10.00% to 19.99%	37	42	43.10	10.83	26	120	44	1	155	
Extremely High	20.00% to 99.99%	27	16	85.52	33.35	26	150	41	2	260	
Default	100%	-	-	100.00	-	-	-	-	-	-	
Sub-total		14,297	34,699	21.18	0.29	24	9	1,286	11	10	
Uninsured Drawn											
Exceptionally Low	0.00% to 0.04%	33,911	-	100.00	0.03	19	2	675	2	2	
Very Low	0.05% to 0.19%	28,776	-	100.00	0.17	21	7	2,075	10	8	
Low	0.20% to 0.99%	22,397	-	100.00	0.58	23	18	4,134	28	20	
Medium Low	1.00% to 2.99%	8,629	-	100.00	1.74	25	42	3,625	35	47	
Medium	3.00% to 9.99%	1,481	-	100.00	5.10	24	79	1,175	18	94	
High	10.00% to 19.99%	562	-	100.00	12.03	22	109	611	15	142	
Extremely High	20.00% to 99.99%	558	-	100.00	33.43	22	124	695	41	217	
Default	100%	241	-	100.00	100.00	62	-	-	150	776	
Sub-total		96,555	-	100.00	0.95	21	13	12,990	299	17	
Qualifying Revolving Retail Exposures (QRRE)											
Exceptionally Low	0.00% to 0.04%	7,877	15,504	24.58	0.04	73	2	175	3	3	
Very Low	0.05% to 0.19%	7,636	10,258	35.87	0.16	69	6	476	9	8	
Low	0.20% to 0.99%	9,903	8,010	47.67	0.49	76	16	1,578	36	20	
Medium Low	1.00% to 2.99%	7,036	1,872	74.82	1.73	84	48	3,386	102	66	
Medium	3.00% to 9.99%	2,226	216	91.40	5.36	86	108	2,411	102	165	
High	10.00% to 19.99%	1,349	57	96.70	10.22	86	162	2,183	118	271	
Extremely High	20.00% to 99.99%	795	17	101.45	38.72	80	210	1,671	243	593	
Default	100%	180	-	100.00	100.00	85	-	-	154	1,065	
Sub-total		37,002	35,934	51.31	2.52	77	32	11,880	767	58	
Other Retail											
Exceptionally Low	0.00% to 0.04%	419	764	25.95	0.04	71	9	40	-	10	
Very Low	0.05% to 0.19%	6,370	2	99.96	0.10	49	12	765	3	13	
Low	0.20% to 0.99%	13,825	372	97.21	0.52	55	39	5,420	40	43	
Medium Low	1.00% to 2.99%	4,431	10	99.70	1.89	63	80	3,552	53	95	
Medium	3.00% to 9.99%	2,377	1	99.95	5.58	62	93	2,216	82	136	
High	10.00% to 19.99%	24	-	99.71	14.34	81	155	37	3	299	
Extremely High	20.00% to 99.99%	1,028	-	100.00	33.09	55	134	1,376	189	364	
Default	100%	197	-	100.00	100.00	83	-	-	164	1,042	
Sub-total		28,671	1,149	97.51	2.92	56	47	13,406	534	70	
Total Retail											
Exceptionally Low	0.01% to 0.04%	149,919	16,268	95.83	0.01	26	1	938	5	1	
Very Low	0.05% to 0.19%	56,257	37,874	75.85	0.14	31	7	4,026	25	8	
Low	0.20% to 0.99%	49,405	14,307	84.97	0.53	43	23	11,581	107	26	
Medium Low	1.00% to 2.99%	20,752	2,788	89.39	1.75	53	52	10,824	192	64	
Medium	3.00% to 9.99%	6,233	415	95.42	5.36	61	95	5,946	204	136	
High	10.00% to 19.99%	1,972	99	96.68	10.80	67	146	2,875	137	233	
Extremely High	20.00% to 99.99%	2,409	33	100.32	35.03	55	157	3,784	475	404	
Default	100%	637	-	100.00	100.00	75	-	-	481	943	
Total		287,584	71,784	89.62	0.96	33	14	39,974	1,626	21	

(1) Represents retail exposures under the AIRB Approach which are domiciled in Canada.
 (2) Amounts are before allowance for credit losses and before credit risk mitigation.
 (3) EAD rate represents combined drawn and undrawn exposure for a facility.
 (4) EL adjusted average risk weight is calculated as (RWA + 12.5 X EL) / EAD.
 (5) Includes Canadian residential mortgages and home equity lines of credit.
 (6) The Bank uses the PD Substitution approach to reflect default insurance.

Exposure Type	Basel III - IFRS									
	Q4 2016		Q3 2016		Q2 2016		Q1 2016		Q4 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	0.25	0.80	0.24	0.80	0.20	0.95	0.10	0.95	0.01	0.95
Sovereign	-	0.02	-	0.02	-	0.03	-	0.03	-	0.03
Bank	-	0.09	-	0.09	-	0.12	-	0.12	-	0.12
Retail⁽²⁾										
Real Estate Secured	0.01	0.12	0.01	0.12	0.01	0.15	0.01	0.15	0.01	0.15
QRRE	2.21	4.37	2.55	4.37	2.46	4.49	2.56	4.49	2.44	4.49
Other Retail	0.60	1.72	0.59	1.72	0.65	1.78	0.65	1.78	0.60	1.78

(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) Retail actual loss rates represent write-offs net of recoveries for the current and prior three quarters divided by the 5-point average of outstanding loan balances for the same four-quarter period beginning 12 months ago. Expected loss rates represent the expected losses that were predicted at the beginning of the four-quarter period divided by outstanding loan balances at the beginning of the four-quarter period.

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


	Q4 2016 ⁽¹⁾						Q3 2016 ⁽¹⁾					
	Average estimated PD %	Actual default rate %	Average estimated LGD %	Actual LGD %	Average estimated CCF ⁽²⁾ %	Actual CCF ⁽²⁾ %	Average estimated PD %	Actual default rate %	Average estimated LGD %	Actual LGD %	Average estimated CCF ⁽²⁾ %	Actual CCF ⁽²⁾ %
Non-Retail	0.85	0.69	41.26	24.63	49.94	16.08	0.82	0.65	41.19	24.35	49.95	15.57

⁽¹⁾ Reporting is on a one quarter lag basis. For reporting as of Q4/16, estimated parameters are based on portfolio averages at Q3/15 whereas actual parameters are based on averages of realized parameters during the subsequent four quarters (Q4/15 – Q3/16).

⁽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 Q4 2016 ⁽¹⁾						Four-quarter period ending Q3 2016 ⁽¹⁾					
	Average estimated PD ⁽²⁾⁽⁷⁾ %	Actual default rate ⁽²⁾⁽⁵⁾ %	Average estimated LGD ⁽³⁾⁽⁷⁾ %	Actual LGD ⁽³⁾⁽⁶⁾ %	Estimated EAD ⁽⁴⁾⁽⁷⁾ \$	Actual EAD ⁽⁴⁾⁽⁵⁾ \$	Average estimated PD ⁽²⁾⁽⁷⁾ %	Actual default rate ⁽²⁾⁽⁵⁾ %	Average estimated LGD ⁽³⁾⁽⁷⁾ %	Actual LGD ⁽³⁾⁽⁶⁾ %	Estimated EAD ⁽⁴⁾⁽⁷⁾ \$	Actual EAD ⁽⁴⁾⁽⁵⁾ \$
Residential real estate secured												
Residential mortgages												
Insured mortgages ⁽⁸⁾	1.01	0.46	-	-	-	-	1.00	0.59	-	-	-	-
Uninsured mortgages	0.54	0.25	19.37	11.54	-	-	0.53	0.35	19.45	11.98	-	-
Secured lines of credit	0.77	0.25	29.53	20.47	89	79	0.79	0.26	29.95	20.03	92	80
Qualifying revolving retail exposures	2.02	1.78	77.74	65.66	656	573	2.03	1.69	78.02	66.19	609	534
Other retail	1.95	1.32	58.88	49.85	6	5	2.00	1.36	58.89	50.43	3	3

(1) Estimates and Actual Values are restated to align with new models implemented during the period.

(2) Account weighted aggregation.

(3) Default weighted aggregation.

(4) EAD is estimated for revolving products only.

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

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

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

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

EXPOSURE AT DEFAULT ⁽¹⁾

(\$MM)	Basel III - IFRS														
	Q4 2016			Q3 2016			Q2 2016			Q1 2016			Q4 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	527	1,509	17,919	643	1,362	15,298	577	1,259	14,790	632	1,249	14,655	581	1,256	6,148
Bank	-	-	9,727	-	-	9,563	-	-	8,496	-	-	3,776	-	-	4,767
Sovereign	-	95	7,701	-	92	6,904	-	89	7,660	-	106	5,923	-	-	5,014
Total Non-Retail	527	1,604	35,347	643	1,454	31,765	577	1,348	30,946	632	1,355	24,354	581	1,256	15,929
Retail															
Residential Mortgages ⁽²⁾	-	2,945	102,514	-	2,396	105,718	-	2,450	109,234	-	2,651	84,850	-	2,392	86,832
Secured Lines of Credit															
Qualifying Revolving Retail Exposures (QRRE)															
Other Retail	637	1,105	-	717	1,206	-	692	933	-	668	986	-	698	962	-
Total Retail	637	4,050	102,514	717	3,602	105,718	692	3,383	109,234	668	3,637	84,850	698	3,354	86,832
Total	1,164	5,654	137,861	1,360	5,056	137,483	1,269	4,731	140,180	1,300	4,992	109,204	1,279	4,610	102,761

(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).

(\$MM)	Basel III - IFRS															
	Q4 2016				Q3 2016				Q2 2016				Q1 2016			
	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount ⁽³⁾	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount ⁽³⁾	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount ⁽³⁾	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk-weighted Amount
Contract Types																
Interest Rate Contracts:																
Futures and Forward Rate Agreements	422,104	9	100	17	517,818	7	93	19	707,435	148	35	12	936,412	257	602	52
Swaps	2,294,534	2,703	7,331	2,125	2,404,362	3,539	7,933	2,321	2,442,636	2,549	6,083	1,913	2,850,581	3,244	11,607	2,083
Options Purchased	50,830	6	107	52	58,697	-	106	59	67,398	-	128	62	69,257	6	159	150
Options Written	40,147	-	1	-	50,236	-	-	-	59,001	-	-	-	62,841	-	-	-
Total	2,807,615	2,718	7,539	2,194	3,031,113	3,546	8,132	2,399	3,276,470	2,697	6,246	1,987	3,919,091	3,507	12,368	2,285
Foreign Exchange Contracts:																
Futures and Forwards	485,153	2,057	5,458	1,342	484,425	2,177	6,917	1,564	477,938	3,185	8,494	1,949	543,686	2,725	9,580	2,055
Swaps	354,604	2,532	5,976	1,594	341,829	2,448	4,967	1,359	334,784	2,228	4,370	1,434	364,107	2,376	9,576	2,545
Options Purchased	16,616	322	532	129	20,451	18	560	134	9,244	229	407	129	5,766	243	380	126
Options Written	16,245	-	127	19	20,173	-	114	16	8,850	-	23	3	4,920	-	-	-
Total	872,618	4,911	12,093	3,084	866,878	4,643	12,558	3,073	830,816	5,642	13,294	3,515	918,479	5,344	19,536	4,726
Other Derivatives Contracts:																
Equity	87,908	871	5,308	1,677	77,185	792	4,539	1,556	63,384	889	4,258	1,618	64,934	2,191	7,609	2,201
Credit	49,058	32	2,032	340	46,779	6	2,080	388	49,220	30	2,232	505	60,447	454	2,537	611
Other	78,753	1,109	6,493	645	76,838	1,292	5,790	739	80,213	1,608	6,313	809	86,902	2,249	9,066	1,930
Total	215,719	2,012	13,833	2,662	200,802	2,090	12,409	2,683	192,817	2,527	12,803	2,932	212,283	4,894	19,212	4,742
Credit Valuation Adjustment⁽²⁾⁽³⁾				4,165				4,749				4,778				8,305
Total Derivatives after Netting and Collateral	3,895,952	9,641	33,465	12,105	4,098,793	10,279	33,099	12,904	4,300,103	10,866	32,343	13,212	5,049,853	13,745	51,116	20,058

	Basel III - IFRS							
	Q4 2015		Q3 2015		Q2 2015		Q1 2015	
	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	997,269	528	1,467,044	974	1,358,674	592	1,137,994	579
Swaps	2,815,412	10,416	3,195,869	10,028	3,241,105	10,227	3,474,793	11,523
Options Purchased	61,404	149	37,430	149	44,066	140	60,809	314
Options Written	61,655	-	38,674	-	49,744	-	62,248	-
Total	3,935,740	11,093	4,739,017	11,151	4,693,589	10,959	4,735,844	12,416
Foreign Exchange Contracts:								
Futures and Forwards	458,256	6,991	457,246	8,289	428,283	7,815	471,539	9,634
Swaps	338,328	8,592	322,576	8,985	290,527	7,635	295,627	8,976
Options Purchased	5,633	328	5,353	309	4,765	230	4,106	251
Options Written	4,884	-	4,664	-	4,041	-	3,645	-
Total	807,101	15,911	789,839	17,583	727,616	15,680	774,917	18,861
Other Derivatives Contracts:								
Equity	62,549	6,534	70,993	6,962	66,003	6,558	63,865	6,799
Credit	63,933	2,643	62,297	2,526	59,618	2,409	60,834	2,776
Other	149,806	11,347	132,744	12,406	126,729	12,328	136,722	11,919
Total	276,288	20,524	266,034	21,894	252,350	21,295	261,421	21,494
Total Derivatives	5,019,129	47,528	5,794,890	50,628	5,673,555	47,934	5,772,182	52,771
Credit Valuation Adjustment⁽²⁾		7,183		7,282		6,732		8,154
Risk-weighted Amount			18,016	18,172		16,768		19,693

(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.

(3) As of Q2 2016, the bank implemented the Internal Modelling Method for determination of Counterparty Credit Risk and Credit Valuation Adjustment RWA.

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


(\$MM)			Basel III - IFRS															
			Q4 2016				Q3 2016				Q2 2016				Q1 2016			
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	
Securitization																		
Investment Grade	AAA to A A- to BBB- ⁽³⁾	7 - 25 35 - 100	10,176	14,602	24,778	2,081	10,183	14,600	24,783	2,090	9,268	14,271	23,539	1,980	10,231	12,965	23,196	1,961
			136	12	148	119	169	10	179	151	69	9	78	75	160	15	175	170
Non-Investment Grade	BB+ to BB- Below BB-	150 - 650 1250	-	-	-	-	3	-	3	8	3	-	3	8	3	-	3	8
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			10,312	14,614	24,926	2,200	10,355	14,610	24,965	2,249	9,340	14,280	23,620	2,063	10,394	12,980	23,374	2,139
Resecuritization																		
Investment Grade	AAA to A A- to BBB-	20 - 65 100 - 350	-	-	-	-	-	38	38	25	-	38	38	25	-	38	38	25
			79	-	79	158	69	-	69	151	67	-	67	147	74	-	74	160
Non-Investment Grade	BB+ to BB- Below BB-	500 - 850 1250	-	-	-	-	18	-	18	119	18	-	18	115	20	-	20	128
			20	-	20	255	20	-	20	249	19	-	19	238	21	-	21	267
			99	-	99	413	107	38	145	544	104	38	142	525	115	38	153	580
Total			10,411	14,614	25,025	2,613	10,462	14,648	25,110	2,793	9,444	14,318	23,762	2,588	10,509	13,018	23,527	2,719

(\$MM)			Basel III - IFRS															
			Q4 2016				Q3 2016				Q2 2016				Q1 2016			
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	510	1,275	1,785	-	461	1,275	1,736	-	415	1,275	1,690	-	487	1,275	1,762	-		
Commercial Mortgages	-	-	-	-	3	-	3	-	3	-	3	-	3	-	3	-		
Credit cards/Consumer receivables	623	2,304	2,927	-	765	2,491	3,256	-	757	2,835	3,592	-	992	2,631	3,623	-		
Auto loans/Leases	4,295	6,889	11,184	-	4,242	6,824	11,066	-	3,472	5,931	9,403	-	4,395	3,967	8,362	-		
Diversified asset-backed securities	136	34	170	20	169	14	183	20	165	59	224	19	267	71	338	21		
Business Loans	-	22	22	-	-	32	32	-	-	46	46	-	-	62	62	-		
Trade receivables	3,963	4,070	8,033	-	4,093	3,850	7,943	-	3,633	4,101	7,734	-	3,604	4,934	8,538	-		
Other	884	20	904	-	729	162	891	-	999	71	1,070	-	761	78	839	-		
Total	10,411	14,614	25,025	20	10,462	14,648	25,110	20	9,444	14,318	23,762	19	10,509	13,018	23,527	21		

(1) 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.

(3) Included in on-balance sheet exposures effective Q3 2016 are investment grade subordinated notes retained by the Bank, issued by Trillium Credit Card Trust II, and backed by bank originated credit card receivables. OSFI's Securitization Framework is applied.

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


(SMM)			Basel III - IFRS															
			Q4 2015				Q3 2015				Q2 2015				Q1 2015			
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	
Securitization																		
Investment Grade	AAA to A	7 - 25	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 BBB-	35 - 100	118	13	131	124	149	5	154	143	94	8	102	91	68	16	84	69
Non-Investment Grade	BB+ to BB-	150 - 650	3	-	3	8	3	-	3	8	57	1	58	146	61	-	61	153
	Below BB-	1250	28	-	28	350	101	-	101	1,266	90	-	90	1,121	119	-	119	1,484
			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	-	56	56	36	-	56	56	36	-	56	56	36
	A- to BBB-	100 - 350	89	-	89	196	92	-	92	205	81	-	81	138	117	-	117	265
Non-Investment Grade	BB+ to BB-	500 - 850	-	-	-	-	-	-	-	-	55	-	55	469	-	-	-	-
	Below BB-	1250	20	-	20	249	20	-	20	249	-	-	-	-	19	-	19	242
			109	38	147	470	112	56	168	490	136	56	192	643	136	56	192	543
Total			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

(SMM)	Basel III - IFRS															
	Q4 2015				Q3 2015				Q2 2015				Q1 2015			
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	187	1,275	1,462	-	266	1,275	1,541	66	139	1,275	1,414	16	105	1,275	1,380	-
Commercial Mortgages	9	-	9	-	3	-	3	-	11	-	11	-	12	-	12	-
Credit cards/Consumer receivables	576	2,658	3,234	-	798	2,436	3,234	-	346	2,639	2,985	-	533	2,504	3,037	-
Auto loans/Leases	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	211	43	254	20	202	22	224	20	232	65	297	-	203	60	263	19
Business Loans	-	80	80	-	18	100	118	-	82	122	204	-	95	147	242	-
Trade receivables	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	859	49	908	-	851	59	910	-	803	45	848	-	1,442	47	1,489	-
Total	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) 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) 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)	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
All Bank VaR	1,306	1,439	1,792	2,070	1,758
All Bank stressed VaR	2,616	3,542	3,676	3,647	3,078
Incremental risk charge	5,086	5,301	6,714	5,128	6,101
Comprehensive risk measure ⁽¹⁾	963	838	1,017	2,540	2,517
Standardized approach	600	576	686	687	896
Market risk-weighted assets as at end of Quarter	10,571	11,696	13,885	14,072	14,350

(1) The Q4 2016 related capital charge for total comprehensive risk measure including securitization exposures is \$77MM (Q3 2016: \$67MM) broken down as follows: Market Simulation \$25MM (Q3 2016: \$27MM), Default & Migration Risk \$52MM (Q3 2016: \$40MM).

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


(\$MM)	Item	Q4 2016	Q3 2016
1	Total consolidated assets as per published financial statements	896,266	906,844
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(1,137)	(1,002)
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	1,162	(3,572)
5	Adjustment for securities financing transactions (i.e., repo assets and similar secured lending)	6,912	7,409
6	Adjustment for off balance-sheet items (i.e., credit equivalent amounts of off-balance sheet exposures)	120,751	117,725
7	Other adjustments	(10,608)	(10,830)
8	Leverage Ratio Exposure (transitional basis)	1,013,346	1,016,572

LEVERAGE RATIO FRAMEWORK



(\$MM)	Item ⁽¹⁾	Q4 2016	Q3 2016
	On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	761,343	769,586
2	(Asset amounts deducted in determining Basel III transitional Tier 1 capital)	(10,608)	(10,830)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	750,735	758,755
	Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	11,323	11,929
5	Add-on amounts for PFE associated with all derivative transactions	30,915	26,220
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)	(3,352)	(2,574)
8	(Exempted CCP-leg of client cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	13,760	13,835
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(9,826)	(8,992)
11	Total derivative exposures (sum of lines 4 to 10)	42,820	40,417
	Securities financing transaction exposures		
12	Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	98,909	97,506
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(6,780)	(5,240)
14	Counterparty credit risk (CCR) exposure for SFT assets	6,912	7,409
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	99,041	99,675
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	381,306	374,301
18	(Adjustments for conversion to credit equivalent amounts)	(260,556)	(256,577)
19	Off-balance sheet items (sum of lines 17 and 18)	120,750	117,724
	Capital and Total Exposures - Transitional Basis		
20	Tier 1 capital	47,668	45,041
21	Total Exposures (sum of lines 3, 11, 16 and 19)	1,013,346	1,016,572
	Leverage Ratios - Transitional Basis		
22	Basel III leverage ratio	4.7%	4.4%
	All-in basis (Required by OSFI)		
23	Tier 1 capital – All-in basis	45,066	42,264
24	(Regulatory adjustments)	(12,966)	(13,354)
25	Total Exposures (sum of lines 21 and 24, less the amount reported in line 2) – All-in basis	1,010,987	1,014,048
26	Leverage ratio – All-in basis	4.5%	4.2%

(1) On-balance sheet items excludes securities purchased under resale agreements and securities borrowed (\$92,129), derivative financial instruments (\$41,657), assets outside the regulatory scope of consolidation (\$1,137).

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.