

Supplementary Regulatory Capital Disclosure

For the Quarter Ended – April 30, 2014

Q2 | 14

www.bmo.com/investorrelations

SHARON HAWARD-LAIRD

Head, Investor Relations

416.867.6656

sharon.hawardlaird@bmo.com

TOM FLYNN

Chief Financial Officer

416.867.4689

tom.flynn@bmo.com

ANDREW CHIN

Director, Investor Relations

416.867.7019

andrew.chin@bmo.com



	Page
Basel Regulatory Capital, Risk-Weighted Assets and Capital Ratios	1-6
Basel Equity Securities Exposures	7
Basel Credit Risk schedules	8-15
- Credit Exposures Covered by Risk Mitigants, by Geographic Region and by Industry	8
- Credit Exposures by Asset Class, by Contractual Maturity, by Basel Approaches	9
- Credit Exposures by Risk Weight - Standardized	10
- Credit Exposure by Portfolio And Risk Ratings - AIRB	11-12
- Wholesale Credit Exposure by Risk Rating	13
- Retail Credit Drawn Exposure by Portfolio and Risk Rating	13
- AIRB Credit Risk Exposure: Loss Experience	14
- Estimated and Actual Loss Parameters Under AIRB Approach	15
Basel Securitization and Re-Securitization Exposures	16-18
Securitization and Re-Securitization Exposures	19-20
Derivative Instruments - Basel	21
Basel Glossary	22

This report is unaudited and all amounts are in millions of Canadian dollars, unless otherwise indicated.

BASEL III REGULATORY CAPITAL (All-in basis) (1) (2)

		Cross reference (3)	2014 Q2	2014 Q1	2013 Q4	2013 Q3
(\$ millions except as noted)						
Common Equity Tier 1 Capital: instruments and reserves						
1 Directly issued qualifying common share capital plus related stock surplus	a+b		12,384	12,349	12,318	12,320
2 Retained earnings	c		16,162	15,617	15,224	14,780
3 Accumulated other comprehensive income (and other reserves)	d		1,100	1,425	602	274
Common Equity Tier 1 Capital before regulatory adjustments			29,646	29,391	28,144	27,374
Common Equity Tier 1 Capital: regulatory adjustments						
8 Goodwill (net of related tax liability)	e-f		3,847	3,905	3,757	3,708
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	g-h		1,213	1,165	1,153	1,183
10 Deferred tax assets excluding those arising from temporary differences (net of related tax liability)	i-j		1,572	1,645	1,578	1,600
11 Cash flow hedge reserve	k		55	109	(8)	(122)
12 Shortfall of provisions to expected losses	k1		-	7		
14 Gains and losses due to changes in own credit risk on fair valued liabilities (4)			11	24	17	29
15 Defined benefit pension fund net assets (net of related tax liability) (5)	l-m		219	192	328	322
16 Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	n - o		1	4	19	27
22 Amount exceeding the 15% threshold						
23 of which: significant investments in the common stock financials	h1		-	-	30	-
24 of which: mortgage servicing rights	j1		-	-	1	-
25 of which: deferred tax assets arising from temporary differences	i1		-	-	42	-
Total regulatory adjustments to Common Equity Tier 1 Capital			6,918	7,051	6,917	6,747
Common Equity Tier 1 Capital (CET1)			22,728	22,340	21,227	20,627
Additional Tier 1 Capital: instruments						
33 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	o1		493			
34 Directly issued capital instruments subject to phase out from Additional Tier 1 (6)	p + r		3,332	3,446	3,770	3,758
35 Additional Tier 1 instruments (and CET1 instruments not otherwise included) issued by subsidiaries and held by third parties (amount allowed in group AT1)	s		10	11	11	11
of which: instruments issued by subsidiaries subject to phase out			10	11	11	11
Additional Tier 1 Capital before regulatory adjustments			3,835	3,457	3,781	3,769
Additional Tier 1 Capital: regulatory adjustments						
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	t		358	358	358	358
41 Other deductions from Tier 1 Capital as determined by OSFI			55	57	51	52
41b of which: Valuation adjustment for less liquid positions (4)			55	57	51	52
Total regulatory adjustments applied to Additional Tier 1 Capital			413	415	409	410
Additional Tier 1 Capital (AT1)			3,422	3,042	3,372	3,359
Tier 1 Capital (T1 = CET1 + AT1)			26,150	25,382	24,599	23,986
Tier 2 Capital: instruments and provisions						
47 Directly issued capital instruments subject to phase out from Tier 2 Capital	u		3,978	3,977	4,444	4,448
48 Tier 2 Capital instruments (and CET1 and AT1 instruments not included) issued by subsidiaries and held by third parties (amount allowed in group Tier 2 Capital)	v		129	130	176	172
49 of which: instruments issued by subsidiaries subject to phase out			129	130	176	172
50 Collective allowances	w		250	214	331	282
Tier 2 Capital before regulatory adjustments			4,357	4,321	4,951	4,902
Tier 2 Capital: regulatory adjustments						
55 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	x		50	50	50	50
Total regulatory adjustments to Tier 2 Capital			50	50	50	50
Tier 2 Capital (T2)			4,307	4,271	4,901	4,852
Total Capital (TC = T1 + T2)			30,457	29,653	29,500	28,838
Total Risk-Weighted Assets			234,774	240,076	215,094	214,233
Capital Ratios						
61 Common Equity Tier 1 ratio			9.7%	9.3%	9.9%	9.6%
62 Tier 1 ratio			11.1%	10.6%	11.4%	11.2%
63 Total Capital ratio			13.0%	12.4%	13.7%	13.5%
64 Institution-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus G-SIB buffer requirement plus D-SIB buffer requirement, expressed as a percentage of risk-weighted assets)			7.0%	7.0%	7.0%	7.0%
65 of which: capital conservation buffer requirement			2.5%	2.5%	2.5%	2.5%
68 Common Equity Tier 1 available to meet buffers (as a % of risk weighted assets)			9.7%	9.3%	9.9%	9.6%
OSFI all-in target						
69 Common Equity Tier 1 all-in target ratio			7.0%	7.0%	7.0%	7.0%
Amounts below the thresholds for deduction						
72 Non-significant investments in the capital of other financials	y - z		266	164	288	268
73 Significant investments in the common stock of financials	a1		1,395	1,394	1,312	1,022
74 Mortgage servicing rights (net of related tax liability)	b1		39	41	37	37
75 Deferred tax assets arising from temporary differences (net of related tax liability)	c1 - d1		1,847	1,822	1,835	1,736
Applicable caps on the inclusion of provisions in Tier 2						
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)			206	214	214	238
77 Cap on inclusion of provisions in Tier 2 under standardised approach			206	214	214	238
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings based approach (prior to application of cap)			1,451	1,436	1,383	1,344
79 Cap on inclusion of provisions in Tier 2 under internal ratings-based approach			44	-	116	44
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)						
82 Current cap on AT1 instruments subject to phase out arrangements			3,457	3,457	3,890	3,890
83 Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)	e1 + f1		-	161	-	-
84 Current cap on T2 instruments subject to phase out arrangements			4,107	4,107	4,620	4,620
85 Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	m1+n1		750	791	324	340

(1) "All-in" regulatory capital assumes that all Basel III regulatory adjustments are applied effective January 1, 2013 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013 and continuing to January 1, 2022.

(2) Row numbering, as per OSFI July 2013 advisory, is provided for consistency and comparability in the disclosure of elements of capital among banks and across jurisdictions. Banks are required to maintain the same row numbering per OSFI advisory, however certain rows are removed because there are no values in such rows.

(3) Cross reference to Consolidated Balance Sheet under regulatory scope (page 36).

(4) For regulatory capital purposes only. Not included in consolidated balance sheet.


(5) Net amount after deducting defined benefit pension assets to which the bank has unrestricted and unfettered access.

(6) \$450MM capital trust securities that are deconsolidated under IFRS 10 but still qualify as Additional Tier 1 Capital are included in line 33.

CONSOLIDATED BALANCE SHEET


	Balance sheet as in Report to Shareholders Q2 2014	Under regulatory scope of consolidation (1) Q2 2014	Cross Reference (2)		Balance sheet as in Report to Shareholders Q2 2014	Under regulatory scope of consolidation (1) Q2 2014	Cross Reference (2)
(\$ millions except as noted)				(\$ millions except as noted)			
Assets				Liabilities and Equity			
Cash and Cash Equivalents	35,082	35,013		Deposits			
Interest Bearing Deposits with Banks	7,069	7,042		Banks	22,607	22,607	
Securities	144,610	139,046		Business and governments	238,915	238,915	
Investment in own shares				Individuals	132,485	132,485	
Investments in own shares CET1 (if not already netted off paid-in capital on reported balance sheet)		16	n	Total deposits	394,007	394,007	
Non-significant investments in the capital of other financials below threshold (3)		9,528	y	Other Liabilities			
Significant investments in deconsolidated subsidiaries and other financial institutions (4)		1,803	t+x+a1	Derivative instruments	30,279	30,191	
Significant investments in capital of other financial institutions reflected in regulatory capital				Acceptances	9,906	9,906	
Amount exceeding the 15% threshold		-	h1	Securities sold but not yet purchased	24,350	24,350	
Securities Borrowed or Purchased Under Resale Agreements	51,981	51,981		Investments in own shares not derecognized for accounting purposes		15	o
Loans				Non-significant investments in common equity of other financials		9,262	z
Residential mortgages	97,632	97,632		Other Securities sold but not yet purchased		-	
Consumer installment and other personal	64,571	64,571		Securities lent or sold under repurchase agreement	46,125	46,125	
Credit cards	7,953	7,953		Current tax liabilities	146	146	
Business and governments	116,492	116,492		Deferred tax liabilities (5)	71	71	
Customers' liability under acceptances	9,906	9,906		related to goodwill		147	f
Allowance for credit losses	(1,850)	(1,850)		related to intangibles		341	h
Allowance reflected in Tier 2 regulatory capital		250	w	related to deferred tax assets excluding those arising from temporary differences		132	j
Shortfall of provisions to expected loss		0	k1	related to defined-benefit pension fund net assets		73	
Total net loans and acceptances	294,704	294,704		of which deducted from regulatory capital		73	m
Other Assets				of which not deducted from regulatory capital		-	
Derivative instruments	28,859	28,859		related to deferred tax assets arising from temporary differences,			
Premises and equipment	2,172	1,989		excluding those realizable through net operating loss carryback		155	d1
Goodwill	3,994	3,994	e	Other	39,871	33,391	
Intangible assets	1,554	1,554	g	of which: liabilities of subsidiaries, other than deposits		153	
Current tax assets	800	800		Less: amount (of liabilities of subsidiaries) phased out		(24)	m1
Deferred tax assets (5)	2,927	2,932		Liabilities of subsidiaries after phase out		129	v
Deferred tax assets excluding those arising from temporary differences		1,704	i	Total other liabilities	150,748	144,180	
Deferred tax assets arising from temporary differences		2,002	c1	Subordinated Debt			
of which Deferred tax assets arising from temporary differences under the threshold		2,002		Non qualifying subordinated debt	3,965	3,965	
of which amount exceeding 15% threshold		-	i1	of which redemption has been announced (in the last month of the quarter)		-	
Other	8,293	7,563		Less: regulatory amortization		60	
Defined-benefit pension fund net assets		336		Non qualifying subordinated debt subject to phase out		-	
of which Defined-benefit pension fund net assets as per regulatory capital (6)		292	l	Trust subordinated note [eliminated on consolidation]		(726)	n1
of which the bank has unrestricted and unfettered access		44		Less: amount (of subordinated debt and trust subordinated notes) phased out		-	
Mortgage servicing rights		39		Non qualifying subordinated debt and trust subordinated notes after phase out		3,978	u
of which Mortgage servicing rights under the threshold		39	b1	Preferred Share Liability			
of which amount exceeding the 15% threshold		-	j1	Non-cumulative perpetual preferred shares	493		
Total Assets	582,045	575,477		of which directly issued qualifying additional tier 1 instruments classified as equity		493	o1
				Equity			
				Share capital	14,186		
				Preferred shares			
				Non-qualifying preferred shares for accounting purposes		2,115	
				Non-qualifying preferred shares subject to phase out		1,840	
				Less amount (of preferred shares) phased out		-	e1
				Non qualifying preferred shares after phase out		1,840	p
				Common shares			
				Directly issued qualifying CET1		12,071	a
				Contributed surplus	313	313	b
				Retained earnings	16,162	16,162	c
				Accumulated other comprehensive income	1,100	1,100	d
				Cash flow hedges		55	k
				Other AOCI		1,046	
				Total shareholders' equity	31,761	31,761	
				Non-controlling interests in subsidiaries	1,071	1,071	
				of which portion allowed for inclusion into Tier 1 capital		1,042	
				less amount phased out		-	f1
				Innovative instruments after phase out		1,042	r
				Other additional Tier 1 issued by subs after phase out		10	s
				Total equity	32,832	32,832	
				Total Liabilities and Equity	582,045	575,477	

- (1) Balance sheet under regulatory scope does not include the following entities: BMO Life Insurance Company and BMO Reinsurance Limited.
BMO Life Insurance Company (\$6,434 million assets and nominal equity) covers the development and marketing of individual and group life, accident and health insurance and annuity products in Canada. BMO Reinsurance Limited (\$134 million assets, \$3 million equity) covers the reinsurance of life, health and disability insurance risks as well as property & casualty insurance risks, including catastrophe risks. The business reinsured is written by insurers and reinsurers principally in North America and Europe.
- (2) Cross Reference to Basel III Regulatory Capital (All-in basis) (page 35).
- (3) Includes synthetic holdings of non-significant capital investments in banking, financial and insurance entities
- (4) Under Basel III, significant investments in financial services entities that are outside the scope of regulatory consolidation are deducted from a bank's capital using the corresponding deduction approach (e.g. investments in non-common Tier 1 are deducted from a bank's non-common Tier 1 capital) except that investments in common equity capital of a significant investment which represents less than 10% of the bank's CET1 are risk weighted at 250% and are not deducted provided the sum of such investments, deferred tax assets related to timing differences and mortgage servicing rights are less than 15% of the bank's CET1.
- (5) Deferred tax assets and liabilities are presented on the balance sheet net by legal jurisdiction
- (6) Net amount after deducting defined benefit pension assets to which the bank has unrestricted and unfettered access.

RISK-WEIGHTED ASSETS (RWA)															BMO  Financial Group		
(\$ millions except as noted)	Basel III Q2 2014						Basel III					Basel II					
	Exposure at Default (EAD)			RWA			Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012			
	Standardized approach	Advanced approach	Total	Standardized approach	Advanced approach (7)	Total	RWA	RWA	RWA	RWA	RWA	RWA	RWA	RWA			
							Total	Total	Total	Total	Total	Total	Total				
Credit Risk																	
Wholesale																	
Corporate including specialized lending	15,724	166,776	182,500	16,048	64,989	81,037	85,270	78,671	75,411	74,172	75,164	70,841	70,394	67,213			
Corporate small and medium enterprises (SMEs)	-	60,235	60,235	-	37,427	37,427	29,557	26,594	24,870	23,829	23,725	22,120	22,332	23,213			
Sovereign	132	71,485	71,617	67	1,443	1,510	1,251	904	849	732	685	645	773	737			
Bank	264	38,591	38,855	266	4,532	4,798	5,249	4,448	3,945	4,383	4,973	4,853	4,856	4,031			
Retail																	
Residential mortgages excluding home equity line of credits (HELOCs)	4,117	85,413	89,530	2,087	6,520	8,607	8,756	8,711	9,111	9,019	8,755	8,578	9,355	8,984			
HELOCs	1,296	42,426	43,722	887	5,954	6,841	6,828	6,579	8,201	7,704	7,057	7,725	7,866	7,846			
Qualifying revolving retail (QRR)	-	29,807	29,807	-	4,033	4,033	4,384	4,580	4,741	4,623	5,562	5,622	6,293	6,418			
Other retail (excl. SMEs)	3,522	23,964	27,486	2,291	10,468	12,759	12,764	12,410	12,260	11,950	12,066	11,513	12,045	11,742			
Retail SMEs	322	3,277	3,599	254	1,374	1,628	1,595	1,535	1,541	1,232	1,160	1,135	1,182	1,074			
Equity	-	2,002	2,002	-	1,456	1,456	1,485	1,366	1,352	1,270	1,356	1,359	1,322	1,100			
Trading book	74	138,885	138,959	74	8,403	8,477	11,075	6,137	6,376	7,182	7,881	6,332	6,451	6,693			
Securitization	-	24,423	24,423	-	3,155	3,155	4,395	4,598	4,820	5,446	6,245	6,796	7,739	8,714			
Other credit risk assets - non-counterparty managed assets	-	28,683	28,683	-	16,046	16,046	17,616	14,822	15,828	15,546	14,153	17,596	14,497	19,512			
Scaling factor for credit risk assets under AIRB (1)	-	-	-	-	8,738	8,738	8,578	7,934	7,621	7,391	7,611	6,840	6,945	6,736			
Total Credit Risk	25,451	715,967	741,418	21,974	174,538	196,512	198,803	179,289	176,926	174,479	176,393	171,955	172,050	174,013			
Market Risk (2)	-	-	-	1,878	9,553	11,431	14,494	9,154	10,758	7,252	8,292	7,598	7,320	7,546			
Operational Risk	-	-	-	26,831	-	26,831	26,779	26,651	26,549	26,243	25,986	25,677	25,417	25,294			
Total Risk-Weighted Assets (3) (4)	25,451	715,967	741,418	50,683	184,091	234,774	240,076	215,094	214,233	207,974	210,671	205,230	204,787	206,853			

TRANSITIONAL CAPITAL DISCLOSURE	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Transitional Basis - Basel III (5)				
Common Equity Tier 1 capital (CET1)	28,348	27,926	28,153	27,524
Tier 1 capital (T1 = CET1 + AT1)	28,980	28,127	28,153	27,533
Total capital (TC = T1 + T2)	33,327	32,436	33,091	32,436
Total risk-weighted assets (3)	240,074	246,232	232,501	229,792
Common Equity Tier 1 ratio (as percentage of risk weighted assets)	11.8%	11.3%	12.1%	12.0%
Tier 1 ratio (as percentage of risk weighted assets)	12.1%	11.4%	12.1%	12.0%
Total capital ratio (as percentage of risk weighted assets)	13.9%	13.2%	14.2%	14.1%
Assets-to-Capital Multiple (6)	16.8x	17.4x	15.6x	16.2x

CAPITAL RATIOS FOR SIGNIFICANT BANK SUBSIDIARIES	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Bank of Montreal Mortgage Corporation - Basel III				
Transitional Basis - Basel III (5)				
Common Equity Tier 1 ratio	18.4%	17.8%	17.8%	14.5%
Tier 1 ratio	18.4%	17.8%	17.8%	14.5%
Total capital ratio	19.1%	18.4%	18.5%	15.1%
All-in Basis - Basel III (7)				
Common Equity Tier 1 ratio	18.3%	17.6%	17.6%	14.4%
Tier 1 ratio	18.3%	17.6%	17.6%	14.4%
Total capital ratio	19.1%	18.4%	18.5%	15.1%
BMO Harris Bank N.A. - Basel I (8)				
Tier 1 ratio	15.2%	15.3%	15.2%	15.0%
Total capital ratio	16.7%	16.9%	16.8%	16.6%

(1) The scaling factor is applied to the risk-weighted asset amounts for credit risk under the AIRB approach.

(2) Standardized market risk is comprised of interest rate issuer risk.

(3) Under Capital Adequacy Requirements (CAR), which governs advanced approaches, the bank calculates a transitional Capital Floor based on Basel I as required by OSFI rules and may be required to increase its risk weighted assets if the Capital Floor or any other minimum Basel III transitional requirements apply. The Capital Floor did not apply in any quarter shown above on an "all-in" basis but did apply to transitional RWA in Q4 2013, Q3 2013 and Q2 2013.

(4) To calculate the AIRB credit risk RWA for BMO Financial Corp., OSFI requires the bank to calculate a transitional floor based on Harris Bankcorp credit risk RWA determined under the Standardized Approach. The floor has been applicable since Q4 12.

(5) Transitional capital ratios assume that all Basel III regulatory capital adjustments are phased in from January 1, 2014 to January 1, 2018 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013 and continuing to January 1, 2022.

(6) The Assets-to-Capital Multiple is calculated by dividing the institution's total assets, including specified off-balance sheet items, by Total capital calculated on a transitional basis, as set out in CAR.

(7) "All-in" capital ratios assume that all Basel III regulatory adjustments are applied effective January 1, 2013 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013 and continuing to January 1, 2022. OSFI expects all institutions to have attained an "all-in" target Common Equity Tier 1 ratio of 7% by the first quarter of 2013, and "all-in" target Tier 1 and Total Capital ratios of 8.5% and 10.5%, respectively, by the first quarter of 2014.

(8) Calculated using Basel I guidelines currently in effect for U.S. regulatory purposes and based on Harris N. A.'s calendar quarter-ends.

<div> <div>BASEL II REGULATORY CAPITAL ⁽¹⁾</div> <div> <div>BMO</div> <div>Financial Group</div> </div> </div>						
	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3
Qualifying Regulatory Capital						
Gross regulatory common shareholders' equity	26,060	25,605	25,060	24,709	24,455	23,580
Non-cumulative preferred shares	2,465	2,465	2,465	2,464	2,861	2,861
Innovative Tier 1 Capital Instruments	1,859	1,847	1,866	1,857	2,156	2,126
Non-controlling interest in subsidiaries	16	16	21	26	38	33
Goodwill and excess intangible assets	(3,717)	(3,732)	(3,702)	(3,656)	(3,585)	(3,374)
Net Tier 1 Capital	26,683	26,201	25,710	25,400	25,925	25,226
Securitization-related deductions	(31)	(31)	(35)	(34)	(168)	(167)
Expected loss in excess of allowance - AIRB approach ⁽²⁾	(65)	(75)	(164)	(233)	(205)	(270)
Substantial investments and investments in insurance subsidiaries ⁽³⁾	(634)	(607)	(673)	(659)	(481)	(445)
Other deductions	(57)	(86)	(80)	(75)	-	-
Adjusted Tier 1 Capital	25,896	25,402	24,758	24,399	25,071	24,344
Subordinated debt	4,351	4,386	5,721	5,813	5,896	5,858
Trust subordinated notes	800	800	800	800	800	800
Accumulated net after tax unrealized gains on Available-For-Sale Equity Securities	34	68	65	1	7	12
Eligible portion of Collective allowance for credit losses	318	331	335	359	309	292
Total Tier 2 Capital	5,503	5,585	6,921	6,973	7,012	6,962
Securitization-related deductions	(31)	(31)	(35)	(34)	(31)	(29)
Expected loss in excess of allowance - AIRB approach ⁽²⁾	(65)	(75)	(164)	(233)	(205)	(270)
Investments in non-consolidated subsidiaries and substantial investments ⁽³⁾	(634)	(607)	(673)	(659)	(855)	(875)
Adjusted Tier 2 Capital	4,773	4,872	6,049	6,047	5,921	5,788
Total Capital	30,669	30,274	30,807	30,446	30,992	30,132

<div> <div>CAPITAL RATIOS</div> </div>						
	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3
Common equity ratio - Basel II basis ⁽⁴⁾	10.5%	10.3%	9.9%	9.7%	9.6%	9.1%
Total capital ratio	14.9%	14.8%	14.9%	14.6%	14.9%	14.2%
Tier 1 ratio	12.6%	12.4%	12.0%	11.7%	12.0%	11.5%
Assets-to-Capital Multiple	15.2x	15.8x	15.1x	15.4x	13.7x	14.3x
Capital Ratios for Significant Bank Subsidiaries						
Bank of Montreal Mortgage Corporation - Basel II basis						
Tier 1 ratio	15.9%	18.3%	22.5%	21.1%	24.2%	22.1%
Total capital ratio	16.7%	19.3%	23.7%	22.3%	25.5%	23.3%
BMO Harris Bank N.A. - Basel I basis ⁽⁵⁾						
Tier 1 ratio	15.6%	14.8%	14.5%	14.3%	13.8%	16.0%
Total capital ratio	17.5%	17.0%	16.8%	16.7%	16.2%	17.8%

(1) 2011 figures have not been restated to reflect the adoption of IFRS, which was, for regulatory capital purposes, phased in over five quarters commencing Q1, 2012.

(2) Under Basel II, the collective allowance is attributed to Standardized and AIRB portfolios based on their respective proportion of RWA. When expected losses as calculated under the AIRB approach exceed total provisions attributed to the AIRB portfolio, 50% of the difference is deducted from Tier 1 capital and 50% is deducted from Tier 2 capital. When the expected losses as calculated under the AIRB approach are below total provisions attributed to the AIRB portfolio, the difference is added to Tier 2 up to a limit equal to the lower of 0.6% AIRB risk weighted assets or the amount of the collective allowances. The collective allowance attributed to the Standardized portfolio is included in Tier 2 capital up to 1.25% of credit risk-weighted assets subject to the Standardized Approach.

(3) Under Basel II, substantial investments are deducted 50% from Tier 1 capital and 50% from Tier 2 capital except that investments in insurance subsidiaries held prior to January 1, 2007 are deducted from Tier 2 capital until the end of 2011. Effective 2012, these investments in insurance subsidiaries are deducted 50% from Tier 1 capital and 50% from Tier 2 capital.

(4) The Common equity ratio - Basel II basis is not a prescribed regulatory capital ratio and has been calculated by BMO as gross regulatory common equity less Basel II capital deductions divided by RWA. Sometimes this ratio is also referred to as the Basel II Tier 1 common ratio.

(5) Calculated using Basel I guidelines currently in effect for U.S. regulatory purposes and based on Harris N.A.'s calendar quarter-ends.

FLOW STATEMENT OF REGULATORY CAPITAL

(\$ millions except as noted)	2014 Q2	2014 Q1	2013 Q4
Common Equity Tier 1 Capital			
Opening Balance	22,340	21,227	20,626
New capital issues	38	30	55
Redeemed capital	-	-	(177)
Gross dividends (deduction)	(517)	(518)	(505)
Shares issued in lieu of dividends (add back)			
Profit for the quarter (attributable to shareholders of the parent company)	1,062	1,048	1,061
Removal of own credit spread (net of tax)	12	(7)	13
Movements in other comprehensive income			
– Currency Translation Differences	(303)	906	152
– Available-for-sale securities	11	(60)	62
– Other (1)	21	(140)	-
Goodwill and other intangible assets (deduction, net of related tax liability)	11	(161)	(19)
Other, including regulatory adjustments and transitional arrangements			
– Deferred tax assets that rely on future profitability (excluding those arising from temporary differences)	73	(67)	21
– Prudential Valuation Adjustments		-	-
– Other (2)	(20)	82	(62)
Closing Balance	22,728	22,340	21,227
Other non-core Tier 1 (Additional Tier 1) Capital			
Opening Balance	3,042	3,372	3,359
New 'non-core' Tier 1 (Additional Tier 1) eligible capital issues	493	-	-
Redeemed capital	(275)	-	-
Other, including regulatory adjustments and transitional arrangements (3)	162	(330)	13
Closing Balance	3,422	3,042	3,372
Total Tier 1 Capital	26,150	25,382	24,599
Tier 2 Capital			
Opening Balance	4,271	4,901	4,853
New Tier 2 eligible capital issues	-	-	-
Redeemed capital	-	-	-
Amortization adjustments	-	-	-
Other, including regulatory adjustments and transitional arrangements (4)	36	(630)	48
Closing Balance	4,307	4,271	4,901
Total Regulatory Capital	30,457	29,653	29,500

(1) Includes: International Accounting Standard 19R Employee Benefits (IAS19R) changes to AOCI.

(2) Includes: Expected Loss in excess of allowances, defined benefit pension assets (net of related deferred tax liability) deductions, changes in contributed surplus, threshold deductions and changes to IFRS standards adopted in the current period.

(3) Includes: Valuation adjustments for Less Liquid Positions, corresponding deductions from Additional Tier 1 Capital.

(4) Includes: Eligible allowances, transitional arrangements (phased-out amount) and corresponding deductions from Tier 2 Capital.

CREDIT RISK RISK-WEIGHTED ASSETS (RWA) MOVEMENT BY KEY DRIVERS

(\$ millions except as noted)	2014 Q2	2014 Q1	2013 Q4
Opening Credit RWA, beginning of quarter	198,803	179,289	176,926
Book size (1)	(226)	6,326	162
Book quality (2)	(2,407)	(711)	(2,219)
Model Updates (3)	1,804	1,489	3,154
Methodology and Policy (4)	-	6,351	-
Acquisitions and disposals	n.a.	n.a.	n.a.
Foreign exchange movements	(1,462)	6,059	1,266
Other	n.a.	n.a.	n.a.
Closing Credit RWA, end of quarter	196,512	198,803	179,289

(1) Book size includes organic changes in book size and composition (including new business and maturing loans).

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

(3) Model updates includes model implementation, change in model scope or any change to address model malfunctions.

(4) Methodology and policy includes methodology changes to the calculations driven by regulatory policy changes, such as new regulation.

MARKET RISK RISK-WEIGHTED ASSETS (RWA) MOVEMENT BY KEY DRIVERS

(\$ millions except as noted)	2014 Q2	2014 Q1	2013 Q4
Market Risk RWA, beginning of quarter	14,494	9,154	10,758
Movement in risk levels (1)	(2,208)	5,042	490
Model updates (2)	(855)	-	(2,094)
Methodology and policy (3)	-	298	-
Acquisition and disposals	-	-	-
Foreign exchange movement and others	-	-	-
Market Risk RWA, end of quarter	11,431	14,494	9,154

(1) Movement in risks levels includes changes in risk due to position changes and market movements.

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

(3) Methodology changes to the calculations driven by regulatory policy changes.

BMO Financial Group						
EQUITY SECURITIES EXPOSURE AMOUNT						
(\$ millions except as noted)						
	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Equity investments used for capital gains (Merchant Banking)	540	545	537	536	534	638
Equity investments used for mutual fund seed capital	28	30	37	40	40	40
Equity used for other (including strategic investments)	1,434	1,465	1,313	1,290	1,233	1,250
Total Equity Exposure	2,002	2,040	1,887	1,866	1,807	1,928

EQUITY INVESTMENT SECURITIES (1)												
(\$ millions except as noted)												
	Q2 2014			Q1 2014			Q4 2013			Q3 2013		
	Book Value	Market Value	Unrealized Gain (Loss)	Book Value	Market Value	Unrealized Gain (Loss)	Book Value	Market Value	Unrealized Gain (Loss)	Book Value	Market Value	Unrealized Gain (Loss)
Grandfathered												
Public	41	41	-	40	40	-	37	37	-	38	38	-
Private												
Direct funds	151	151	-	139	139	-	135	135	-	136	136	-
Indirect funds	70	70	-	74	74	-	76	76	-	80	80	-
Total Grandfathered	262	262	-	253	253	-	248	248	-	254	254	-
Non-grandfathered												
Public	31	31	-	50	50	-	58	58	-	61	61	-
Private												
Direct funds	402	402	-	431	431	-	385	385	-	369	369	-
Indirect funds	401	401	-	386	386	-	375	375	-	378	378	-
Other	906	582	(324)	920	591	(329)	821	547	(274)	804	534	(270)
Total Non-grandfathered	1,740	1,416	(324)	1,787	1,458	(329)	1,639	1,365	(274)	1,612	1,342	(270)
Total Equities	2,002	1,678	(324)	2,040	1,711	(329)	1,887	1,613	(274)	1,866	1,596	(270)
Total realized gains or losses arising from sales or liquidations in the reporting period			12			26			1			4

(1) The schedule consists of corporate equity securities in the banking book only. Excluded are investments in deconsolidated subsidiaries and substantial investments, which are deducted (voluntarily in the case of merchant banking specialized financing entity investments) from capital for Basel II regulatory capital calculation purposes.

EXPOSURE COVERED BY CREDIT RISK MITIGATION ⁽¹⁾
(\$ millions except as noted)

	Q2 2014				Q1 2014				Q4 2013			
	Standardized		AIRB		Standardized		AIRB		Standardized		AIRB	
	Gross Exposure ⁽²⁾	Exposure Amount Covered By Guarantees Or Credit Derivatives	Adjusted EAD	Exposure Amount Covered By Guarantees Or Credit Derivatives	Gross Exposure ⁽²⁾	Exposure Amount Covered By Guarantees Or Credit Derivatives	Adjusted EAD	Exposure Amount Covered By Guarantees Or Credit Derivatives	Gross Exposure ⁽²⁾	Exposure Amount Covered By Guarantees Or Credit Derivatives	Adjusted EAD	Exposure Amount Covered By Guarantees Or Credit Derivatives
Corporate (incl specialized lending and SMEs treated as corporate)	15,724	415	227,677	19,699	16,197	464	228,437	19,788	15,501	458	198,734	18,432
Sovereign	132	-	113,139	41,665	127	-	115,224	40,360	67	-	108,777	41,213
Bank	264	-	38,970	1,617	210	-	37,620	1,355	219	-	30,202	1,155
Total Corporate, Sovereign and Bank	16,120	415	379,786	62,981	16,534	464	381,281	61,503	15,787	458	337,713	60,800
Residential mortgages excluding home equity line of credits (HELOCs)	4,117	-	42,714	-	4,265	67	43,768	-	4,162	67	43,108	-
HELOCs	1,296	-	42,426	-	1,567	-	42,315	-	1,532	-	41,291	-
Other retail excl. SMEs and QRR	3,522	518	23,964	-	3,335	512	24,689	-	3,206	482	23,962	-
Qualifying revolving retail	-	-	29,807	-	-	-	33,884	-	-	-	33,314	-
Retail SMEs	322	-	3,277	-	356	-	3,236	-	337	-	3,220	-
Total Retail	9,257	518	142,188	-	9,523	579	147,892	-	9,237	549	144,895	-
Total Bank Banking Book Portfolios	25,377	933	521,974	62,981	26,057	1,043	529,173	61,503	25,024	1,007	482,608	60,800

(1) Credit risk mitigants herein include only credit derivatives and guarantees. Includes \$42.7 billion NHA or other mortgage insurance guarantees.

Commercial collateral is reflected in the risk parameters (PDs, LGDs) for AIRB exposures and risk weights for exposures under the Standardized approach. None of the Standardized exposures have eligible financial collateral.

(2) Gross exposure means gross of all allowances for credit loss.

CREDIT RISK EXPOSURE BY GEOGRAPHIC REGION ⁽³⁾
(\$ millions except as noted)

	Q2 2014				Q1 2014				Q4 2013			
	Canada	U.S.	Other	Total	Canada	U.S.	Other	Total	Canada	U.S.	Other	Total
Corporate (incl specialized lending and SMEs treated as corporate)	124,734	111,903	6,098	242,735	127,430	105,448	11,188	244,066	116,326	88,921	9,005	214,252
Sovereign	22,290	44,970	4,357	71,617	23,032	47,443	4,766	75,241	28,597	35,318	3,962	67,877
Bank	8,842	11,574	18,439	38,855	10,177	9,308	17,945	37,430	8,873	5,464	15,707	30,044
Total Corporate, Sovereign and Bank	155,866	168,447	28,894	353,207	160,639	162,199	33,899	356,737	153,796	129,703	28,674	312,173
Residential mortgages excluding home equity line of credits (HELOCs)	79,175	10,355	-	89,530	78,501	10,610	-	89,111	78,491	10,106	-	88,597
HELOCs	35,401	8,321	-	43,722	35,286	8,596	-	43,882	34,774	8,049	-	42,823
Other retail excl. SMEs and QRR	18,791	8,695	-	27,486	19,414	8,610	-	28,024	19,233	7,935	-	27,168
Qualifying revolving retail	29,807	-	-	29,807	33,884	-	-	33,884	33,314	-	-	33,314
Retail SMEs	2,901	698	-	3,599	2,906	686	-	3,592	2,913	644	-	3,557
Total Retail	166,075	28,069	-	194,144	169,991	28,502	-	198,493	168,725	26,734	-	195,459
Total Bank	321,941	196,516	28,894	547,351	330,630	190,701	33,899	555,230	322,521	156,437	28,674	507,632

CREDIT RISK EXPOSURE BY INDUSTRY ⁽³⁾
(\$ millions except as noted)

	Q2 2014						Q1 2014						Q4 2013	Q3 2013
	Drawn	Commitments (Undrawn)	OTCs	Other Off Balance Sheet Items	Repo Style Transactions	Total	Drawn	Commitments (Undrawn)	OTCs	Other Off Balance Sheet Items	Repo Style Transactions	Total	Total	Total
Agriculture	8,657	1,636	-	17	-	10,310	8,503	1,872	-	27	-	10,402	10,365	9,314
Communications	799	878	-	269	-	1,946	887	863	-	297	-	2,047	2,109	1,965
Construction	2,992	2,767	-	626	-	6,385	2,869	2,907	-	616	-	6,392	6,075	5,596
Financial ⁽⁴⁾	73,427	14,151	1	2,403	39,543	129,525	74,221	13,938	1	2,821	47,096	138,077	103,634	132,054
Government	44,314	1,848	-	1,013	8,283	55,458	45,659	1,783	-	1,029	8,136	56,607	55,559	61,299
Manufacturing	12,856	8,915	30	1,145	-	22,946	12,517	9,662	28	1,134	-	23,341	21,817	19,472
Mining	849	2,120	-	466	-	3,435	972	2,316	-	282	-	3,570	3,204	3,139
Other	24,097	170	-	701	2,997	27,965	23,590	161	-	875	-	24,626	16,003	15,708
Real estate	18,948	6,177	-	1,176	-	26,301	18,939	6,123	-	1,236	-	26,298	24,293	22,038
Retail trade	11,708	4,516	-	574	-	16,798	11,049	5,005	-	538	-	16,592	14,601	13,406
Service industries	18,627	8,223	7	2,895	-	29,752	18,517	8,407	6	2,809	-	29,739	34,713	29,971
Transportation	2,448	1,467	-	539	-	4,454	2,395	1,580	-	545	-	4,520	4,253	3,874
Utilities	1,891	3,668	-	1,459	-	7,018	1,989	3,629	-	1,461	-	7,079	6,643	6,292
Wholesale trade	7,478	3,966	-	394	-	11,838	7,055	4,430	-	379	-	11,864	11,757	11,306
Individual	140,867	38,650	-	244	-	179,761	138,456	43,329	169	251	-	182,205	181,548	184,734
Oil and Gas	5,827	5,755	-	575	-	12,157	4,149	6,049	-	526	-	10,724	10,039	9,451
Forest products	732	512	-	58	-	1,302	598	494	-	55	-	1,147	1,019	975
Total	376,517	105,419	38	14,554	50,823	547,351	372,365	112,548	204	14,881	55,232	555,230	507,632	530,594

(3) Credit exposure excluding Equity, Securitization, Trading Book and other.

(4) Includes \$38.5 billion of deposits with Financial Institutions as at April 30, 2014 (\$37.6 billion as at January 31, 2014, \$28.7 billion as at October 31, 2013 and \$35.7 billion as at July 31, 2013).

CREDIT RISK EXPOSURE BY MAJOR ASSET CLASS ⁽¹⁾

(\$ millions except as noted)

	Q2 2014						Q1 2014						Q4 2013	Q3 2013
	Drawn	Commitments (Undrawn)	OTCs	Other Off Balance Sheet Items	Repo Style Transactions	Total	Drawn	Commitments (Undrawn)	OTCs	Other Off Balance Sheet Items	Repo Style Transactions	Total	Total	Total
Basel III Asset Classes														
Corporate (incl specialized lending and SMEs treated as corporate)	135,213	61,932	37	12,372	33,181	242,735	128,438	64,269	35	12,749	38,575	244,066	214,252	217,643
Sovereign	59,506	2,133	-	1,128	8,850	71,617	62,980	2,236	-	1,132	8,893	75,241	67,877	76,857
Bank	26,306	2,720	1	1,036	8,792	38,855	25,789	2,726	169	982	7,764	37,430	30,044	38,201
Total Corporate, Sovereign and Bank Exposure	221,025	66,785	38	14,536	50,823	353,207	217,207	69,231	204	14,863	55,232	356,737	312,173	332,701
Residential mortgages excluding home equity line of credits (HELOCs)	89,261	269	-	-	-	89,530	88,847	264	-	-	-	89,111	88,597	85,837
HELOCs	31,855	11,867	-	-	-	43,722	32,170	11,712	-	-	-	43,882	42,823	42,782
Other retail excl. SMEs and QRR	26,131	1,355	-	-	-	27,486	25,852	2,172	-	-	-	28,024	27,168	26,510
Qualifying revolving retail	6,543	23,264	-	-	-	29,807	6,580	27,304	-	-	-	33,884	33,314	39,068
Retail SMEs	1,702	1,879	-	18	-	3,599	1,709	1,865	-	18	-	3,592	3,557	3,696
Total Retail Exposures	155,492	38,634	-	18	-	194,144	155,158	43,317	-	18	-	198,493	195,459	197,893
Total Gross Credit Exposures	376,517	105,419	38	14,554	50,823	547,351	372,365	112,548	204	14,881	55,232	555,230	507,632	530,594

CREDIT RISK BY RESIDUAL CONTRACT MATURITY BREAKDOWN

(\$ millions except as noted)

	Q2 2014						Q1 2014						Q4 2013	Q3 2013
	Drawn	Commitments (Undrawn)	OTCs	Other Off Balance Sheet Items	Repo Style Transactions	Total	Drawn	Commitments (Undrawn)	OTCs	Other Off Balance Sheet Items	Repo Style Transactions	Total	Total	Total
Up to 1 year	151,779	65,263	33	9,128	50,693	276,896	157,726	71,706	29	9,407	55,232	294,100	254,096	302,130
1 to 5 years	184,569	36,941	5	5,386	130	227,031	174,928	38,386	175	5,434	-	218,923	214,659	191,125
Greater than 5 years	40,169	3,215	-	40	-	43,424	39,711	2,456	-	40	-	42,207	38,877	37,339
Total	376,517	105,419	38	14,554	50,823	547,351	372,365	112,548	204	14,881	55,232	555,230	507,632	530,594

PORTFOLIO BREAKDOWN BY BASEL APPROACHES

(\$ millions except as noted)

	Q2 2014				Q1 2014				Q4 2013			
	Standardized		AIRB		Standardized		AIRB		Standardized		AIRB	
	Drawn	Credit Equivalent Amount on Undrawn	Drawn	Credit Equivalent Amount on Undrawn	Drawn	Credit Equivalent Amount on Undrawn	Drawn	Credit Equivalent Amount on Undrawn	Drawn	Credit Equivalent Amount on Undrawn	Drawn	Credit Equivalent Amount on Undrawn
Corporate (incl specialized lending and SMEs treated as corporate)	12,996	2,046	122,217	59,886	13,291	2,123	115,147	62,146	12,621	2,034	109,415	58,143
Sovereign	25	106	59,481	2,027	27	99	62,953	2,137	16	50	50,531	1,528
Bank	178	15	26,128	2,705	181	21	25,608	2,705	189	19	23,712	2,216
Total Corporate, Sovereign & Bank	13,199	2,167	207,826	64,618	13,499	2,243	203,708	66,988	12,826	2,103	183,658	61,887
Residential mortgages excluding home equity line of credits (HELOCs)	4,117	-	85,144	269	4,265	-	84,582	264	4,163	-	84,203	231
HELOCs	1,296	-	30,559	11,867	1,567	-	30,603	11,712	1,532	-	30,203	11,088
Other retail excl. SMEs and QRR	3,522	-	22,609	1,355	3,335	-	22,517	2,172	3,206	-	21,855	2,107
Qualifying revolving retail	-	-	6,543	23,264	-	-	6,580	27,304	-	-	7,011	26,303
Retail SMEs	322	-	1,380	1,879	356	-	1,353	1,865	337	-	1,367	1,835
Total Retail	9,257	-	146,235	38,634	9,523	-	145,635	43,317	9,238	-	144,639	41,564
Total Bank	22,456	2,167	354,061	103,252	23,022	2,243	349,343	110,305	22,064	2,103	328,297	103,451

(1) Credit exposure excluding Equity, Securitization, Trading Book and other.

CREDIT EXPOSURE OF PORTFOLIOS UNDER STANDARDIZED APPROACH BY RISK WEIGHT ⁽¹⁾

(\$ millions)

Risk Weights	Q2 2014							Total
	0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios								
Corporate (incl SMEs treated as Corporate)	-	-	-	122	-	14,763	816	15,701
Sovereign	-	-	-	130	-	1	-	131
Bank	-	-	-	-	-	261	3	264
Total Wholesale portfolios	-	-	-	252	-	15,025	819	16,096
Total Retail portfolios								
Retail residential mortgages (including HELOCs)	-	-	3,142	-	1,589	683	-	5,414
Other retail	371	147	-	-	2,988	5	11	3,522
SME treated as retail	-	-	-	-	306	-	17	323
Total Retail portfolios	371	147	3,142	-	4,883	688	28	9,259
Total	371	147	3,142	252	4,883	15,713	847	25,355

Risk Weights	Q1 2014							Total
	0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios								
Corporate (incl SMEs treated as Corporate)	-	419	-	282	-	12,446	3,030	16,177
Sovereign	127	-	-	-	-	-	-	127
Bank	-	210	-	-	-	-	-	210
Total Wholesale portfolios	127	629	-	282	-	12,446	3,030	16,514
Total Retail portfolios								
Retail residential mortgages (including HELOCs)	-	67	3,413	-	1,655	696	-	5,831
Other retail	355	157	-	-	2,810	5	7	3,334
SME treated as retail	-	-	-	-	338	-	18	356
Total Retail portfolios	355	224	3,413	-	4,803	701	25	9,521
Total	482	853	3,413	282	4,803	13,147	3,055	26,035

Risk Weights	Q4 2013							Total
	0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios								
Corporate (incl SMEs treated as Corporate)	-	348	-	266	-	11,793	3,042	15,449
Sovereign	67	-	-	-	-	-	-	67
Bank	-	219	-	-	-	-	-	219
Total Wholesale portfolios	67	567	-	266	-	11,793	3,042	15,735
Total Retail portfolios								
Retail residential mortgages (including HELOCs)	-	67	3,330	-	1,637	660	-	5,694
Other retail	327	155	-	-	2,649	68	7	3,206
SME treated as retail	-	-	-	-	320	-	17	337
Total Retail portfolios	327	222	3,330	-	4,606	728	24	9,237
Total	394	789	3,330	266	4,606	12,521	3,066	24,972

Risk Weights	Q3 2013							Total
	0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios								
Corporate (incl SMEs treated as Corporate)	-	490	-	178	-	12,421	3,870	16,959
Sovereign	243	-	-	-	-	-	-	243
Bank	-	182	-	-	-	-	-	182
Total Wholesale portfolios	243	672	-	178	-	12,421	3,870	17,384
Total Retail portfolios								
Retail residential mortgages (including HELOCs)	-	70	3,545	-	1,713	679	-	6,007
Other retail	174	187	-	-	2,667	69	8	3,105
SME treated as retail	-	-	-	-	333	-	16	349
Total Retail portfolios	174	257	3,545	-	4,713	748	24	9,461
Total	417	929	3,545	178	4,713	13,169	3,894	26,845

Risk Weights	Q2 2013							Total
	0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios								
Corporate (incl SMEs treated as Corporate)	-	494	-	158	-	12,740	4,953	18,345
Sovereign	53	-	-	-	-	-	-	53
Bank	-	186	-	-	-	-	-	186
Total Wholesale portfolios	53	680	-	158	-	12,740	4,953	18,584
Total Retail portfolios								
Retail residential mortgages (including HELOCs)	-	74	3,691	-	1,778	694	-	6,237
Other retail	344	212	-	-	2,629	70	12	3,267
SME treated as retail	-	-	-	-	103	-	1	104
Total Retail portfolios	344	286	3,691	-	4,510	764	13	9,608
Total	397	966	3,691	158	4,510	13,504	4,966	28,192

(1) Exposure amounts are net of all allowances for credit losses. Exposures reflect the risk weights of the guarantors, where applicable.

CORPORATE, SOVEREIGN AND BANK CREDIT EXPOSURE BY RISK CATEGORY UNDER AIRB APPROACH ⁽¹⁾Corporate Sovereign Bank Exposures
(\$ millions)

Risk Profile	Q2 2014					Q1 2014					Q4 2013					Q3 2013				
	Total			Total		Total			Total		Total			Total		Total			Total	
	Drawn	Undrawn	Total Exposure ⁽¹⁾	Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn	Total Exposure ⁽¹⁾	Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn	Total Exposure ⁽¹⁾	Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn	Total Exposure ⁽¹⁾	Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight
Total investment grade	205,317	48,703	254,020	20.53%	18.14%	201,259	50,451	251,710	20.93%	15.93%	184,205	46,453	230,658	20.47%	15.34%	185,241	38,082	223,333	19.29%	14.21%
Non-investment grade	42,336	15,483	57,819	34.46%	82.90%	39,681	15,992	55,673	36.25%	72.37%	36,779	14,880	51,659	36.60%	74.66%	35,565	11,096	46,661	35.01%	73.63%
Watchlist	1,902	353	2,255	39.79%	201.90%	2,013	424	2,437	37.61%	150.95%	2,021	449	2,470	38.02%	151.07%	2,300	444	2,744	37.97%	150.93%
Default ⁽²⁾	970	79	1,049	52.99%	445.13%	1,834	121	1,955	117.31%	691.68%	1,981	105	2,086	104.70%	501.62%	1,682	91	1,773	98.54%	575.75%
	250,525	64,618	315,143			244,787	66,968	311,775			224,986	61,887	286,873			224,788	49,723	274,511		

RETAIL CREDIT EXPOSURE BY PORTFOLIO AND RISK CATEGORY UNDER AIRB APPROACH ⁽¹⁾

Risk Profile	Q2 2014					Q1 2014					Q4 2013					Q3 2013				
	Total			Total		Total			Total		Total			Total		Total			Total	
	Drawn	Undrawn	Total Exposure ⁽¹⁾	Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn	Total Exposure ⁽¹⁾	Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn	Total Exposure ⁽¹⁾	Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn	Total Exposure ⁽¹⁾	Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight
Residential Mortgages and HELOCs (\$ millions)																				
Exceptionally low		4,696	5,707	57.01%	5.26%	1,046	4,539	5,585	57.09%	5.26%	983	4,198	5,181	56.78%	5.24%	984	4,169	5,153	67.52%	6.23%
Very low	46,703	6,491	53,194	14.37%	3.39%	48,188	6,512	54,700	14.31%	3.36%	47,622	6,294	53,916	14.20%	3.33%	46,027	6,193	52,220	18.55%	4.20%
Low	11,111	587	11,698	24.08%	17.01%	11,738	508	12,306	24.22%	17.43%	11,216	512	11,728	23.34%	16.70%	10,512	508	11,020	27.54%	19.63%
Medium	9,553	336	9,889	30.77%	55.70%	8,684	328	9,012	32.86%	59.63%	8,925	296	9,221	31.96%	57.92%	9,360	355	9,715	34.39%	65.51%
High	3,736	19	3,755	16.96%	73.54%	3,533	24	3,557	17.44%	75.19%	3,503	15	3,518	17.64%	76.38%	3,374	15	3,389	18.85%	82.37%
Default	890	7	897	48.78%	12.47%	917	5	922	47.11%	12.35%	829	4	833	46.98%	20.16%	795	4	799	47.46%	32.79%
	73,004	12,136	85,140			74,106	11,976	86,082			73,078	11,319	84,397			71,052	11,244	82,296		
Qualifying Revolving Retail (\$ millions)																				
Exceptionally low		9,765	9,931	82.47%	1.88%	202	11,604	11,806	79.72%	1.79%	320	11,472	11,792	80.03%	1.81%	316	17,423	17,739	87.10%	1.93%
Very low	599	6,748	7,347	82.28%	4.11%	1,689	10,535	12,224	75.15%	3.90%	1,711	9,904	11,615	74.41%	3.94%	1,713	9,621	11,334	74.84%	4.01%
Low	2,940	5,090	8,030	78.01%	10.40%	2,561	3,364	5,925	86.71%	16.36%	2,578	3,165	5,743	87.30%	16.47%	2,496	3,341	5,837	87.78%	16.34%
Medium	2,500	1,505	4,005	88.92%	48.51%	1,826	1,621	3,447	87.74%	57.45%	2,073	1,593	3,666	88.81%	58.88%	1,967	1,677	3,644	89.48%	59.20%
High	299	151	450	80.49%	170.31%	263	170	433	77.96%	172.24%	293	160	453	80.88%	177.79%	290	177	467	81.86%	178.56%
Default	39	5	44	63.59%	0.00%	39	10	49	61.89%	0.00%	36	9	45	61.66%	0.00%	39	8	47	64.79%	0.00%
	6,543	23,264	29,807			6,580	27,304	33,884			7,011	26,303	33,314			6,821	32,247	39,068		
Other Retail and Retail SME (\$ millions)																				
Exceptionally low		336	411	89.29%	9.06%	71	626	697	75.21%	7.61%	71	585	656	74.46%	7.55%	67	738	805	80.83%	8.15%
Very low	7,720	1,437	9,157	61.39%	20.10%	7,889	1,983	9,872	61.60%	19.55%	7,521	1,926	9,447	62.24%	19.76%	7,308	1,886	9,194	63.25%	19.85%
Low	8,094	1,027	9,111	62.92%	40.15%	7,959	964	8,923	62.94%	41.59%	7,995	979	8,974	62.41%	41.29%	7,883	953	8,836	62.54%	40.51%
Medium	7,656	352	8,008	60.02%	71.98%	7,498	380	7,879	59.31%	72.01%	7,255	371	7,626	59.46%	71.98%	6,985	374	7,359	60.27%	72.35%
High	339	80	419	67.57%	128.51%	346	82	428	66.89%	128.58%	294	79	373	64.76%	125.54%	381	79	460	71.18%	132.32%
Default	115	2	117	57.00%	0.60%	106	2	108	57.48%	0.35%	86	2	88	59.29%	0.87%	77	2	79	63.20%	1.19%
	23,989	3,234	27,223			23,870	4,037	27,907			23,222	3,942	27,164			22,701	4,032	26,733		

Recap of AIRB and Standardized Portfolios
(\$ millions)

Total AIRB wholesale credit exposure by risk ratings	250,525	64,618			244,787	66,968			224,986	61,887			224,788	49,723		
Retail AIRB credit exposure by portfolio and risk ratings																
Residential mortgages	73,004	12,136			74,106	11,976			73,078	11,319			71,052	11,244		
Qualifying revolving retail	6,543	23,264			6,580	27,304			7,011	26,303			6,821	32,247		
Other retail and Retail SME	23,989	3,234			23,870	4,037			23,222	3,942			22,701	4,032		
Total Standardized portfolio	22,456	2,167			23,022	2,243			22,064	2,103			23,576	2,447		
Total Portfolio	376,517	105,419			372,365	112,548			350,361	105,554			348,938	99,693		

(1) Figures are adjusted exposure at default amounts (Post Credit Risk Mitigation).

(2) Beginning in Q2 2014, the transitional floor RWA adjustment for Harris Bankcorp previously reported in default row has been assigned to the PD Ranges. Comparative figures have not been restated.

WHOLESALE CREDIT EXPOSURE BY PORTFOLIO AND RISK CATEGORY UNDER AIRB APPROACH (1)

Risk Profile (\$ millions except as noted)	BMO Rating	PD Range	Moody's Investors Service implied equivalent	Standard & Poor's implied equivalent	Q2 2014					Q1 2014				
					Exposure at Default	Average PD (%)	Exposure Weighted Average LGD%	RWA	Exposure Weighted Average Risk weight	Exposure at Default	Average PD (%)	Exposure Weighted Average LGD%	RWA	Exposure Weighted Average Risk weight
Investment Grade	I-1	≤0.02%	Aaa/Aa1	AAA/AA+	87,507	0.01%	6.49%	53	0.06%	89,258	0.01%	5.89%	38	0.04%
	I-2	>0.02% to ≤0.03%	Aa2/Aa3	AA/AA-	21,016	0.03%	6.18%	544	2.59%	19,433	0.03%	6.49%	432	2.22%
	I-3	>0.03% to ≤0.07%	A1/A2/A3	A+/A-/A-	31,250	0.04%	20.68%	4,227	13.53%	30,459	0.04%	23.31%	3,374	11.08%
	I-4	>0.07% to ≤0.11%	Baa1	BBB+	28,010	0.08%	27.63%	5,021	17.92%	29,182	0.08%	28.79%	4,850	16.62%
	I-5	>0.11% to ≤0.19%	Baa2	BBB	25,874	0.14%	37.22%	8,340	32.23%	22,804	0.14%	37.12%	6,394	28.04%
	I-6	>0.19% to ≤0.32%	Baa3	BBB-	29,746	0.24%	35.27%	11,683	39.27%	31,024	0.24%	36.47%	11,153	35.95%
	I-7	>0.32% to ≤0.54%	Ba1	BB+	30,617	0.43%	35.41%	16,205	52.93%	29,546	0.43%	36.86%	13,856	46.90%
					254,020			46,073		251,706			40,097	
Non-investment grade	S-1	>0.54% to ≤0.91%	Ba2	BB	26,775	0.80%	32.77%	17,278	64.53%	25,691	0.79%	35.22%	15,282	59.48%
	S-2	>0.91% to ≤1.54%	Ba3	BB-	18,355	1.19%	35.40%	16,113	87.79%	17,639	1.19%	35.88%	12,859	72.90%
	S-3	>1.54% to ≤2.74%	B1	B+	9,177	2.32%	36.86%	10,346	112.74%	8,519	2.32%	39.75%	8,347	97.99%
	S-4	>2.74% to ≤5.16%	B2	B	3,512	4.10%	36.20%	4,195	119.44%	3,821	4.10%	37.02%	3,799	99.44%
					57,819			47,932		55,670			40,287	
Watchlist	P-1	>5.16% to ≤9.70%	B3	B-	1,000	8.27%	36.49%	1,684	168.38%	953	8.28%	36.81%	1,271	133.37%
	P-2	>9.70% to ≤18.23%	Caa1/Caa2/Caa3	CCC/CC	1,093	14.43%	42.80%	2,426	221.92%	1,236	14.45%	40.82%	2,106	170.43%
	P-3	>18.23% to ≤100%			162	24.55%	39.82%	443	273.75%	247	23.24%	24.60%	300	121.37%
					2,255			4,553		2,436			3,677	
Default (2)														
					1,049	100.00%	52.99%	4,669	445.13%	1,955	100.00%	117.31%	13,525	691.70%
					1,049			4,669		1,955			13,525	
Total					315,143			103,227		311,767			97,586	

(1) Figures are adjusted exposure at default amounts (Post Credit Risk Mitigation).

(2) Beginning in Q2 2014, the transitional floor RWA adjustment for Harris Bankcorp previously reported in default row has been assigned to the PD Ranges. Comparative figures have not been restated.

RETAIL CREDIT EXPOSURE BY PORTFOLIO AND RISK CATEGORY UNDER AIRB APPROACH (1)

		Q2 2014					Q1 2014				
Risk Profile (\$ millions except as noted)	PD Range	Exposure at Default	Average PD (%)	Exposure Weighted Average LGD%	RWA	Weighted Average Risk	Exposure at Default	Average PD (%)	Weighted Average LGD%	RWA	Weighted Average Risk
Residential Mortgages and HELOCs											
Exceptionally low	≤0.05%	5,707	0.03%	57.01%	300	5.26%	5,586	0.03%	57.09%	294	5.26%
Very low	>0.05% to ≤0.20%	53,194	0.10%	14.37%	1,803	3.39%	54,700	0.10%	14.31%	1,837	3.36%
Low	>0.20% to ≤0.75%	11,698	0.61%	24.08%	1,990	17.01%	12,306	0.61%	24.22%	2,145	17.43%
Medium	>0.75% to ≤7.0%	9,889	1.79%	30.77%	5,509	55.70%	9,012	1.84%	32.86%	5,374	59.63%
High	>7.0% to ≤99.9%	3,755	12.01%	16.96%	2,761	73.54%	3,557	12.47%	17.44%	2,674	75.19%
Default	100%	897	100.00%	48.78%	112	12.47%	922	100.00%	47.11%	114	12.35%
		85,140			12,475		86,083			12,438	
Qualifying Revolving Retail											
Exceptionally low	≤0.05%	9,931	0.03%	82.47%	187	1.88%	11,806	0.03%	79.72%	212	1.79%
Very low	>0.05% to ≤0.20%	7,347	0.08%	82.28%	302	4.11%	12,224	0.09%	75.15%	477	3.90%
Low	>0.20% to ≤0.75%	8,030	0.26%	78.01%	835	10.40%	5,925	0.42%	86.71%	969	16.36%
Medium	>0.75% to ≤7.0%	4,005	1.76%	88.92%	1,943	48.51%	3,447	2.22%	87.74%	1,981	57.45%
High	>7.0% to ≤99.9%	450	19.33%	80.49%	766	170.31%	433	22.25%	77.96%	745	172.25%
Default	100%	44	100.00%	63.59%	-	0.00%	49	100.00%	61.89%	-	0.00%
		29,807			4,033		33,884			4,384	
Other Retail and Retail SME											
Exceptionally low	≤0.05%	411	0.03%	89.29%	37	9.06%	697	0.03%	75.21%	53	7.61%
Very low	>0.05% to ≤0.20%	9,157	0.15%	61.39%	1,840	20.10%	9,871	0.15%	61.60%	1,930	19.55%
Low	>0.20% to ≤0.75%	9,111	0.45%	62.92%	3,658	40.15%	8,923	0.47%	62.64%	3,711	41.59%
Medium	>0.75% to ≤7.0%	8,008	2.14%	60.02%	5,763	71.96%	7,879	2.19%	59.31%	5,674	72.01%
High	>7.0% to ≤99.9%	419	25.30%	67.57%	538	128.51%	429	25.87%	66.89%	551	128.58%
Default	100%	117	100.00%	57.00%	1	0.60%	108	100.00%	57.48%	1	0.34%
		27,223			11,837		27,907			11,920	
Total		142,170			28,345		147,874			28,742	

(1) Figures include drawn and undrawn commitments after credit risk mitigation for non-government guaranteed Canadian and foreign residential mortgages and HELOCs.

There are no adjustments to LGD for insured mortgages.

WHOLESALE CREDIT EXPOSURE BY RISK RATING (1)
(Canadian \$ in millions)

	Q2 2014							Q1 2014						
	Drawn			Undrawn			Total Exposures	Drawn			Undrawn			Total Exposures
	Bank	Corporate	Sovereign	Bank	Corporate	Sovereign		Bank	Corporate	Sovereign	Bank	Corporate	Sovereign	
Total investment grade	22,144	83,261	99,913	2,662	43,975	2,065	254,020	21,734	76,673	102,852	2,678	45,589	2,184	251,710
Non-investment grade	4,129	37,041	1,166	177	15,298	8	57,819	3,967	35,577	137	188	15,787	17	55,673
Watchlist	38	1,854	10	16	337	-	2,255	48	1,957	8	10	414	-	2,437
Default	-	970	-	-	79	-	1,049	37	1,797	-	-	121	-	1,955
	26,311	123,126	101,089	2,855	59,689	2,073	315,143	25,786	116,004	102,997	2,876	61,911	2,201	311,775

(1) Figures are adjusted exposures at default amounts (Post Credit Risk Mitigation)

RETAIL CREDIT DRAWN EXPOSURE EXPOSURE BY PORTFOLIO AND RISK RATING (2)
(Canadian \$ in millions)

	Q2 2014			Q1 2014		
	Residential mortgages and home equity lines of credit	Qualifying revolving retail	Other retail and retail small and medium-sized enterprises	Residential mortgages and home equity lines of credit	Qualifying revolving retail	Other retail and retail small and medium-sized enterprises
Risk profile (probability of default):						
Exceptionally Low ($\leq 0.05\%$)	5,707	9,931	411	1,046	202	71
Very low ($> 0.05\%$ to 0.20%)	53,194	7,347	9,157	48,188	1,689	7,889
Low ($> 0.20\%$ to 0.75%)	11,698	8,030	9,111	11,738	2,561	7,959
Medium ($> 0.75\%$ to 7.00%)	9,889	4,005	8,008	8,684	1,826	7,499
High ($> 7.00\%$ to 99.99%)	3,755	450	419	3,533	263	346
Default (100%)	897	44	117	917	39	106
	85,140	29,807	27,223	74,106	6,580	23,870

(2) Figures are adjusted exposures at default amounts (Post Credit Risk Mitigation)

AIRB CREDIT RISK EXPOSURE: LOSS EXPERIENCE

Basel III Asset Classes	Q2 2014		Q1 2014		Q4 2013		Q3 2013	
	Actual loss rate (1)(2)	Expected loss rate (1)(2)	Actual loss rate (1)(2)	Expected loss rate (1)(2)	Actual loss rate (1)(2)	Expected loss rate (1)(2)	Actual loss rate (1)(2)	Expected loss rate (1)(2)
Non-retail								
Total Corporate (incl specialized lending and corporate SMEs)	0.11%	0.84%	0.07%	0.88%	0.06%	1.00%	0.08%	1.03%
Sovereign	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	0.00%	0.00%
Bank	0.00%	0.07%	0.00%	0.08%	0.00%	0.09%	0.00%	0.10%
Retail								
Residential retail incl. HELOCs	0.10%	0.56%	0.13%	0.56%	0.19%	0.62%	0.21%	0.61%
Other retail incl. SBE	0.42%	1.07%	0.44%	1.13%	0.49%	1.05%	0.47%	1.10%
Qualifying revolving retail	1.35%	3.18%	1.67%	3.46%	1.97%	3.29%	1.95%	3.45%

General

Expected Loss rates which represent the loss rate predicted at the beginning of the most recent four quarter period are calculated using "through the cycle" risk parameters while actual loss rates are determined at a "point in time" and reflect more current economic conditions. "Through the cycle" parameters are conservatively estimated to include a long time horizon and as a result, actual losses may exceed expected losses during an economic downturn and may fall below expected losses during times of economic growth.

1. Non-retail actual and expected loss rates are measured as follows:

Actual loss rate represents the 'point in time' credit losses (change in specific allowance plus write-offs) less recoveries for the current and last three quarters divided by the quarterly average of outstandings for the same period beginning 15 months ago.

Expected loss rate is calculated using Basel III 'through the business cycle' parameters (PDxLGDxRAD) plus Best Estimate of Expected Loss for defaulted assets (BEEL), divided by outstanding balances at the beginning of the applicable four-quarter period.

2. Retail actual and expected loss rates are measured as follows:

Actual loss rate represents write-offs net of recoveries for the current and prior three quarters divided by the quarterly average of outstanding balances for the same period beginning 15 months ago.

Expected loss rate is calculated using Basel III parameters PDxLGDxRAD plus Best Estimate of Expected Losses for defaulted assets (BEEL) divided by outstanding balances at the beginning of the applicable four-quarter period.

- For residential mortgages, actual loss rate also includes changes in specific allowances for the applicable four-quarter period.

Commentary
Non Retail

Corporate Portfolios – Actual Losses for Q2 F2014 continued to be low, reflecting more benign economic environment. An increase was observed relative to Q1 due to specific allowance taken in Q2.

The minor increase is viewed to be acceptable quarter-over-quarter variation. Results for the current quarter are in line with results observed during the past six quarters.

Bank and Sovereign – Actual Losses continued to be nil. EL measures have remained stable.

Retail

Overall, the Actual Loss rates for all retail asset classes are well below Expected Loss rates. Actual losses for Residential Retail and Other Retail asset classes are relatively stable.

For Qualifying Revolving Retail (QRR) asset class, the actual loss rate has declined due to a combination of reduced actual losses over the past several quarters, plus changes in portfolio mix generated by certain credit card securitization transactions over time. Expected loss (EL) rates are relatively stable for Residential Retail and Other Retail asset classes.

The decrease in EL for QRR is driven by a re-classification of certain credit card exposures toward the end of the quarter.

ESTIMATED AND ACTUAL LOSS PARAMETERS UNDER AIRB APPROACH


Risk Profile (\$ millions except as noted)	Q2 2014						Q1 2014					
	PD (1) (2)		LGD (3) (4)		EAD (5) (6)		PD (1) (2)		LGD (3) (4)		EAD (5) (6)	
	Average estimated %	Actual %	Average estimated %	Actual %	Estimated \$	Actual \$	Average estimated %	Actual %	Average estimated %	Actual %	Estimated \$	Actual \$
Wholesale												
Corporate including specialized lending (7)	1.41%	0.64%	38.43%	45.45%	261	247	1.34%	0.86%	39.86%	35.38%	198	163
Corporate small and medium enterprises (SMEs)	1.49%	0.67%	35.91%	25.97%	115	71	1.61%	0.79%	36.16%	29.41%	98	74
Sovereign	0.28%	0.00%	9.31%	0.00%	-	-	0.16%	0.00%	15.85%	0.00%	-	-
Bank	0.61%	0.00%	17.75%	0.00%	-	-	0.58%	0.00%	13.60%	11.92%	-	-
Retail												
Residential mortgages excluding home equity line of credits (HELOCs) - Uninsured only (8)	1.09%	1.26%	53.65%	48.17%	340	340	1.10%	1.29%	53.41%	49.96%	329	329
HELOCs	0.68%	0.65%	70.09%	59.65%	226	215	0.60%	0.63%	72.69%	64.28%	225	216
Qualifying revolving retail (QRR)	1.24%	1.17%	94.88%	82.11%	414	396	1.30%	1.18%	95.35%	83.14%	424	402
Other retail (excl. SMEs)	4.38%	4.42%	90.60%	85.88%	221	222	4.40%	4.68%	91.24%	86.18%	209	209
Retail SMEs	1.16%	0.85%	98.53%	92.28%	20	15	1.18%	0.88%	98.51%	91.56%	15	14

(1) Wholesale PDs are based on an borrower weighted average. There have been no Bank or Sovereign defaults in the past 12 months.

(2) Retail PD is based on account weighted average.

(3) Wholesale LGDs are expressed as an exposure weighted average.

(4) Retail LGD is based on weighted average of LGD eligible accounts.

(5) Wholesale EAD represented predicted vs. realized comparison for defaults in the previous 12 months. Term products are not included. No defaults in the Bank and Sovereign asset classes within the past 12 months.

(6) Retail EAD represents predicted vs. realized comparison for defaults in the previous 12 months.

(7) Realized LGD was higher than predicted LGD as a result of a few Corporate facilities with high LGDs that resolved in Q4 F2013. This however has immaterial effect on the overall LGD calibration that is based on more than 10 years of data.

(8) Mortgages insured by Canada Mortgage And Housing Corporation and private mortgage insurers are primarily included in Sovereign.

REGULATORY CAPITAL CHARGES FOR SECURITIZATION EXPOSURES RETAINED OR PURCHASED BY RISK WEIGHTS (4)

(\$ millions)

Traditional Securitizations

Risk Weights

	Q2 2014		Q1 2014		Q4 2013		Q3 2013		Q2 2013	
	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required
Bank Assets										
7%	1,598	9	1,448	8	1,448	8	1,448	8	1,448	8
7.01% - 25%	17	-	17	-	37	-	36	-	49	1
25.01% - 50%	-	-	-	-	-	-	-	-	-	-
Greater than 50%	-	-	-	-	-	-	-	-	-	-
Less amount excluded from capital requirements for exceeding maximum KIRB capital (2)	-	-	-	-	-	-	-	-	-	-
Total Exposures, net of deductions	1,615	9	1,465	8	1,485	8	1,484	8	1,497	9
Exposures Deducted:										
From Tier 1 Capital:										
Credit Card Receivables (3)	-	-	-	-	-	-	-	-	-	-
Residential Mortgages	-	-	-	-	-	-	-	-	-	-
From Total Capital:										
Residential Mortgages	-	-	-	-	-	-	-	-	-	-
Total Exposures Deducted	-	-	-	-	-	-	-	-	-	-
Bank Assets Total Exposures	1,615	9	1,465	8	1,485	8	1,484	8	1,497	9
Third Party Assets										
7%	17,814	100	16,548	93	8,147	46	7,975	45	5,714	32
7.01% - 25%	4,329	33	3,231	26	11,824	77	13,681	88	19,613	122
25.01% - 50%	9	-	65	3	110	4	101	3	99	3
50.01% - 100%	211	14	117	6	55	3	71	3	75	4
Greater than 100%	-	-	-	-	-	-	124	42	133	45
Default	49	49	164	164	177	177	182	182	179	179
Total Exposures, net of deductions	22,412	196	20,125	292	20,313	307	22,134	363	25,813	385
Exposures Deducted:										
From Total Capital:										
Collateralized Debt Obligations (AAA/R-1 (High) Securities)	-	-	-	-	-	-	-	-	-	-
Montreal Accord Assets	-	-	-	-	-	-	-	-	-	-
Residential Mortgages (Uninsured)	-	-	-	-	-	-	-	-	-	-
Other Pool Type	-	-	-	-	-	-	-	-	-	-
Trading Securities Reclassified to AFS	-	-	-	-	-	-	-	-	-	-
Total Exposures Deducted	-	-	-	-	-	-	-	-	-	-
Third Party Assets Total Exposures	22,412	196	20,125	292	20,313	307	22,134	363	25,813	385
Total Exposures	24,027	205	21,590	300	21,798	315	23,618	371	27,310	394

(1) Exposure amounts are on balance sheet values and the credit equivalent amount for off-balance sheet exposures.

(2) KIRB - IRB capital of underlying assets as though they had not been securitized.

(3) Since inception, no capital has been assessed for the Bank's early amortization provisions associated with the investors' interest in Master Credit Card Trust because the excess spread of the underlying portfolio has remained above the threshold at which capital charges would be incurred.

(4) The comparative figures have not been restated to reflect Basel III, effective Q1 2013.

REGULATORY CAPITAL CHARGES FOR RESECURITIZATION EXPOSURES RETAINED OR PURCHASED BY RISK WEIGHTS

(\$ millions)	Q2 2014		Q1 2014		Q4 2013		Q3 2013	
Traditional Securitizations								
Risk Weights	Exposure Amount ⁽¹⁾	Capital Required	Exposure Amount ⁽¹⁾	Capital Required	Exposure Amount ⁽¹⁾	Capital Required	Exposure Amount ⁽¹⁾	Capital Required
Bank Assets								
7%	-	-	-	-	-	-	-	-
7.01% - 25%	-	-	-	-	-	-	-	-
25.01% - 50%	-	-	-	-	-	-	-	-
Greater than 50%	-	-	-	-	-	-	-	-
Less amount excluded from capital requirements for exceeding maximum KIRB capital ⁽²⁾	-	-	-	-	-	-	-	-
Total Exposures, net of deductions	-	-	-	-	-	-	-	-
Exposures Deducted:								
From Tier 1 Capital:								
Credit Card Receivables ⁽³⁾	-	-	-	-	-	-	-	-
Residential Mortgages	-	-	-	-	-	-	-	-
From Total Capital:								
Residential Mortgages	-	-	-	-	-	-	-	-
Total Exposures Deducted	-	-	-	-	-	-	-	-
Bank Assets Total Exposures	-	-	-	-	-	-	-	-
Third Party Assets								
7%	-	-	-	-	-	-	-	-
7.01% - 25%	292	5	384	7	464	9	335	6
25.01% - 50%	-	-	-	-	21	1	43	1
50.01% - 100%	-	-	10	1	19	2	-	-
Greater than 100%	104	42	108	43	105	42	-	-
Default	-	-	-	-	-	-	6	6
Total Exposures, net of deductions	396	47	502	51	609	54	384	13
Exposures Deducted:								
From Total Capital:								
Collateralized Debt Obligations (AAA/R-1 (High) Securities)	-	-	-	-	-	-	-	-
Commerical Mortgages	-	-	-	-	-	-	-	-
Montreal Accord Assets	-	-	-	-	-	-	-	-
Residential Mortgages (Uninsured)	-	-	-	-	-	-	-	-
Other Pool Type	-	-	-	-	-	-	-	-
Equipment Loans/Leases	-	-	-	-	-	-	-	-
Total Exposures Deducted	-	-	-	-	-	-	-	-
Third Party Assets Total Exposures	396	47	502	51	609	54	384	13
Total Exposures	396	47	502	51	609	54	384	13

(1) Exposure amounts are on balance sheet values and the credit equivalent amount for off-balance sheet exposures. Unrated positions and positions with ratings below investment-grade are deducted from capital.

(2) KIRB - IRB capital of underlying assets as though they had not been securitized.

(3) Since inception, no capital has been assessed for the Bank's early amortization provisions associated with the investors' interest in Master Credit Card Trust because the excess spread of the underlying portfolio has remained above the threshold at which capital charges would be incurred.

**REGULATORY CAPITAL CHARGES FOR TRADING SECURITIZATION EXCLUDING RESECURITIZATION
RETAINED OR PURCHASED BY RISK WEIGHTS**

	Q2 2014		Q1 2014		Q4 2013		Q3 2013	
	RBA/Inferred Rating/IAA Exposure Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Exposure Amount	Capital Required
(\$ millions)								
Trading Securitizations Excluding Resecuritization Exposures								
Risk Weights (#1669)								
Exposures Included In Risk-Weighted Assets								
7%								
7.01% - 25%	131	2	156	2	115	2	82	1
25.01% - 50%	6	-	2	-	1	-	28	-
50.01% - 100%	5	4	3	-	5	-	1	-
Greater than 100%	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Less amount excluded from capital requirements for exceeding maximum KIRB capital	-	-	-	-	-	-	-	-
Total Exposures excluding Resecuritization, net of deductions (1)	142	6	161	2	121	2	111	1
Exposures Deducted From Tier 1 Capital:								
Auto loans/leases	-	-	-	-	-	-	-	-
Credit card receivables	-	-	-	-	-	-	-	-
Residential mortgages (insured)	-	-	-	-	-	-	-	-
Residential mortgages (uninsured)	-	-	-	-	-	-	-	-
Commercial mortgages	-	-	-	-	-	-	-	-
Personal line of credit	-	-	-	-	-	-	-	-
Equipment loans/leases	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Corporate loans	-	-	-	-	-	-	-	-
Daily auto rental	-	-	-	-	-	-	-	-
Floorplan finance receivables	-	-	-	-	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	-	-	-	-	-	-	-	-
Other pool type	-	-	-	-	-	-	-	-
Total Trading Exposures excluding Resecuritization Deducted from Tier 1 Capital	-	-	-	-	-	-	-	-
Exposures Deducted from Total Capital:								
Auto loans/leases	-	-	-	-	-	-	-	-
Credit card receivables	-	-	-	-	-	-	-	-
Residential mortgages (insured)	-	-	-	-	-	-	-	-
Residential mortgages (uninsured)	-	-	-	-	-	-	-	-
Commercial mortgages	-	-	-	-	-	-	-	-
Personal line of credit	-	-	-	-	-	-	-	-
Equipment loans/leases	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Corporate loans	-	-	-	-	-	-	-	-
Daily auto rental	-	-	-	-	-	-	-	-
Floorplan finance receivables	-	-	-	-	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	-	-	-	-	-	-	-	-
Other pool type	-	-	-	-	-	-	-	-
Total Trading Exposures excluding Resecuritization Deducted from Total Capital	-	-	-	-	-	-	-	-
Total Trading Exposures Excluding Resecuritization	142	6	161	2	121	2	111	1

(1) Excluding Resecuritization Exposures of \$269 million in Q2'14.

**AGGREGATE AMOUNT OF TRADING SECURITIZATION EXCLUDING RESECURITIZATION EXPOSURES RETAINED
OR PURCHASED BY EXPOSURE TYPE**

	Q2 2014 Exposure	Q1 2014 Exposure	Q4 2013 Exposure	Q3 2013 Exposure
(\$ millions except as noted)				
Asset Classes				
Auto loans/leases	-	-	1	1
Credit card receivables	117	141	92	81
Residential mortgages (insured)	-	-	-	1
Residential mortgages (uninsured)	3	-	3	6
Commercial mortgages	-	-	-	-
Personal line of credit	-	-	-	-
Equipment loans/leases	1	1	-	1
Trade receivables	-	-	-	-
Corporate loans	-	-	-	-
Daily auto rental	5	17	18	-
Floorplan finance receivables	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	-	-	-	-
Other pool type	16	2	7	21
Total Trading Securitization Excluding Resecuritization	142	161	121	111

DEBT ISSUED BY BANK SPONSORED VEHICLES FOR THIRD PARTY ASSETS

	Q2 2014				Q1 2014				Q4 2013				Q3 2013			
	Canadian Conduits (1)	US Conduit (2)	SIVs/Credit Protection Vehicles	Total	Canadian Conduits (1)	US Conduit (2)	SIVs/Credit Protection Vehicles	Total	Canadian Conduits (1)	US Conduit (2)	SIVs/Credit Protection Vehicles	Total	Canadian Conduits (1)	US Conduit (2)	SIVs/Credit Protection Vehicles	Total
(\$ millions except as noted)																
Auto loans/leases	1,469	404	-	1,873	1,523	395	-	1,918	1,061	291	-	1,352	1,231	327	-	1,558
Credit card receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages (insured)	1,100	-	-	1,100	1,231	-	-	1,231	1,214	-	-	1,214	1,235	-	-	1,235
Residential mortgages (uninsured)	13	5	-	18	28	5	-	33	12	6	-	18	43	6	-	49
Commercial mortgages (uninsured)	-	137	-	137	-	142	-	142	-	137	-	137	-	152	-	152
Commercial mortgages (insured)	108	-	-	108	100	-	-	100	88	-	-	88	94	-	-	94
Personal line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment loans/leases	336	230	-	566	240	269	-	509	363	212	-	575	255	187	-	442
Trade receivables	-	247	-	247	-	272	-	272	-	245	-	245	-	137	-	137
Corporate loans	-	430	-	430	-	501	-	501	-	516	-	516	-	544	-	544
Daily auto rental	208	263	-	471	116	269	-	385	154	83	-	237	332	86	-	418
Floorplan finance receivables	224	429	-	653	200	290	-	490	202	244	-	446	223	256	-	479
Collateralized debt obligations	-	179	-	179	-	199	-	199	-	275	-	275	-	300	-	300
Other pool type	250	1,256	-	1,506	250	1,841	-	2,091	250	1,487	-	1,737	250	858	-	1,108
SIV assets (financial institutions debt and securitized assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit protection vehicle	-	-	396	396	-	-	386	386	-	-	2,187	2,187	-	-	2,187	2,187
Total	3,708	3,580	396	7,684	3,688	4,183	386	8,257	3,344	3,496	2,187	9,027	3,663	2,853	2,187	8,703

(1) Canadian Conduit totals include amounts pertaining to conduits that have been directly funded by the Bank (\$849.1 million as at Q2, 2014, \$804.6 million as at Q1, 2014, \$722.4 million as at Q4, 2013 and \$858.5 million as at Q3, 2013).

(2) US Conduit totals include amounts pertaining to conduits that have been funded by the Bank through liquidity draws (\$304.7 million as at Q2, 2014, \$328.5 million as at Q1, 2014, \$326.0 million as at Q4, 2013 and \$96.7 million as at Q3, 2013).

AGGREGATE AMOUNT OF SECURITIZATION EXPOSURES RETAINED OR PURCHASED BY EXPOSURE TYPE

	Q2 2014				Q1 2014				Q4 2013				Q3 2013			
	Undrawn Committed Facilities and Notional Amounts (3)	Drawn Loan Facilities and Securities Held (4)	First Loss Positions (5)	Total	Undrawn Committed Facilities and Notional Amounts (3)	Drawn Loan Facilities and Securities Held (4)	First Loss Positions (5)	Total	Undrawn Committed Facilities and Notional Amounts (3)	Drawn Loan Facilities and Securities Held (4)	First Loss Positions (5)	Total	Undrawn Committed Facilities and Notional Amounts (3)	Drawn Loan Facilities and Securities Held (4)	First Loss Positions (5)	Total
(\$ millions except as noted)																
Bank Assets (6)																
Credit card receivables (7)	-	1,615	-	1,615	-	1,465	-	1,465	-	1,485	-	1,485	-	1,484	-	1,484
Residential mortgages (uninsured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Bank Assets	-	1,615	-	1,615	-	1,465	-	1,465	-	1,485	-	1,485	-	1,484	-	1,484
Third Party Assets (8)																
Auto loans/leases	2,011	2,674	-	4,685	2,095	2,491	-	4,586	2,137	2,567	-	4,704	2,419	2,598	-	5,017
Credit card receivables	1,551	676	-	2,227	-	667	-	667	-	479	-	479	-	451	-	451
Residential mortgages (insured)	2,040	-	-	2,040	1,530	-	-	1,530	1,530	-	-	1,530	1,530	-	-	1,530
Residential mortgages (uninsured)	-	5	-	5	-	5	-	5	-	6	-	6	33	7	-	40
Commercial mortgages (uninsured)	-	-	-	-	-	-	-	-	-	-	-	-	2	121	-	123
Commercial mortgages (insured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment loans/leases	620	757	-	1,377	556	874	-	1,430	523	806	-	1,329	567	677	-	1,244
Trade receivables	94	247	-	341	75	272	-	347	72	252	-	324	26	137	-	163
Corporate loans	53	442	-	495	60	498	-	558	69	505	-	574	77	867	-	944
Daily auto rental	633	263	-	896	606	269	-	875	511	90	-	601	507	92	-	599
Floorplan finance receivables	508	513	-	1,021	383	364	-	747	396	329	-	725	395	428	-	823
Collateralized debt obligations	84	179	-	263	120	213	-	333	68	241	-	309	75	279	-	354
Other pool type	1,501	1,152	-	2,653	937	1,699	-	2,636	681	1,289	-	1,970	907	630	-	1,537
SIV assets (financial institutions debt and securitized assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit protection vehicle (9)	6,400	-	-	6,400	6,400	-	-	6,400	7,749	-	-	7,749	9,292	-	-	9,292
Trading securities reclassified to AFS	-	9	-	9	-	11	-	11	-	13	-	13	-	17	-	17
Montreal Accord Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Third Party Assets	15,495	6,917	-	22,412	12,762	7,363	-	20,125	13,736	6,577	-	20,313	15,830	6,304	-	22,134
Total	15,495	8,532	-	24,027	12,762	8,828	-	21,590	13,736	8,062	-	21,798	15,830	7,788	-	23,618

(3) External Credit Assessment Institutions (ECAIs) used for securitizations liquidity facility ratings are S&P, Moody's and Fitch.

(4) ECAIs used for securitization notes are S&P & Moody's.

(5) First Loss Positions reflect deferred purchase price amounts for securitization of the Bank's own credit cards and conventional mortgages net of servicing liabilities and tax impacts.

(6) The exposures for the Residential Mortgages (uninsured) are treated under the lending AIRB Framework as if the securitized assets remained on the Bank's balance sheet.

(7) The credit card receivable securities held from Bank asset securitizations represent the Bank's seller's interest in investment grade subordinated notes issued by Master Credit Card Trust and Master Credit Card Trust II. The Securitization Framework is applied.

(8) Third party asset securitizations that are externally rated and Montreal Accord assets are assessed under the RBA, with unrated and below BB- positions being deducted from capital. The Supervisory Formula (SF) has been applied for all other positions.

(9) Amounts reported for credit protection vehicle assets under Undrawn Committed Facilities and Notional Amounts represent aggregate notional amounts of the credit default swap exposures and do not represent committed funding obligations.

AGGREGATE AMOUNT OF RESECURITIZATION EXPOSURES RETAINED OR PURCHASED BY EXPOSURE TYPE



	Q2 2014				Q1 2014				Q4 2013				Q3 2013			
	Undrawn Committed Facilities and Notional Amounts (1)	Drawn Loan Facilities and Securities Held (2)	First Loss Positions (3)	Total	Undrawn Committed Facilities and Notional Amounts (1)	Drawn Loan Facilities and Securities Held (2)	First Loss Positions (3)	Total	Undrawn Committed Facilities and Notional Amounts (1)	Drawn Loan Facilities and Securities Held (2)	First Loss Positions (3)	Total	Undrawn Committed Facilities and Notional Amounts (1)	Drawn Loan Facilities and Securities Held (2)	First Loss Positions (3)	Total
(\$ millions except as noted)																
Bank Assets (4)																
Credit card receivables (5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages (uninsured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Bank Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Assets (6)																
Auto loans/leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit card receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages (insured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages (uninsured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial mortgages	-	104	-	104	-	108	-	108	-	105	-	105	-	6	-	6
Personal line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment loans/leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate loans	12	161	-	173	12	174	-	186	12	169	-	181	1	45	-	46
Daily auto rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Floorplan finance receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	-	-	-	-	-	10	-	10	2	89	-	91	1	71	-	72
Other pool type	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SIV assets (financial institutions debt and securitized assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit protection vehicle (7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading securities reclassified to AFS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Montreal Accord Assets	119	-	-	119	198	-	-	198	232	-	-	232	238	-	-	260
Total Third Party Assets	131	265	-	396	210	292	-	502	246	363	-	609	240	144	-	384
Total	131	265	-	396	210	292	-	502	246	363	-	609	240	144	-	384

(1) External Credit Assessment Institutions (ECAIs) used for securitizations liquidity facility ratings are S&P, Moody's and Fitch.

(2) ECAIs used for securitization notes are S&P & Moody's.

(3) First Loss Positions reflect deferred purchase price amounts for securitization of the Bank's own credit cards and conventional mortgages net of servicing liabilities and tax impacts.

(4) The exposures for the Residential Mortgages (uninsured) are treated under the lending AIRB Framework as if the securitized assets remained on the Bank's balance sheet.

(5) The credit card receivable securities held from Bank asset securitizations represent the Bank's seller's interest in investment grade subordinated notes issued by Master Credit Card Trust and Master Credit Card Trust II. The Securitization Framework is applied.

(6) Third party asset securitizations that are externally rated and Montreal Accord assets are assessed under the RBA, with unrated and below BB- positions being deducted from capital. The Supervisory Formula (SF) has been applied for all other positions.

(7) Amounts reported for credit protection vehicle assets under Undrawn Committed Facilities and Notional Amounts represent aggregate notional amounts of the credit default swap exposures and do not represent committed funding obligations.

DERIVATIVE INSTRUMENTS (\$ millions)	As at April 30, 2014				As at January 31, 2014				As at October 31, 2013				As at July 31, 2013			
	Notional Amount	Replacement Cost	Credit risk Equivalent	Basel Risk-weighted Assets (1)	Notional Amount	Replacement Cost	Credit risk Equivalent	Basel Risk-weighted Assets (1)	Notional Amount	Replacement Cost	Credit risk Equivalent	Basel Risk-weighted Assets (1)	Notional Amount	Replacement Cost	Credit risk Equivalent	Basel Risk-weighted Assets (1)
Interest Rate Contracts																
Over-the-counter																
Swaps	2,572,498	18,321	22,831		2,496,283	21,739	26,735		2,224,786	21,621	26,813		2,141,804	21,616	27,120	
Forward rate agreements	300,197	6	49		466,399	10	38		399,751	5	40		466,560	4	27	
Purchased options	17,718	611	638		18,274	604	668		18,283	589	657		18,289	603	677	
Written options	22,448	-	-		23,355	-	-		23,020	-	-		22,284	-	-	
	2,912,861	18,938	23,518	1,275	3,004,311	22,353	27,441	1,749	2,665,840	22,215	27,510	1,758	2,648,937	22,223	27,824	1,769
Exchange traded																
Futures	131,778	-	-		127,468	-	-		111,913	-	-		107,989	-	-	
Purchased options	19,810	-	-		16,918	-	-		16,534	-	-		15,125	-	-	
Written options	17,073	-	-		13,765	-	-		15,429	-	-		13,344	-	-	
	168,661	-	-		158,151	-	-		143,876	-	-		136,458	-	-	
Total Interest Rate Contracts	3,081,522	18,938	23,518	1,275	3,162,462	22,353	27,441	1,749	2,809,716	22,215	27,510	1,758	2,785,395	22,223	27,824	1,769
Foreign Exchange Contracts																
Over-the-counter																
Cross-currency swaps	48,696	1,660	5,009		46,850	1,922	5,096		44,834	1,156	4,091		44,560	1,167	4,022	
Cross-currency interest rate swaps	262,821	3,972	9,082		267,286	7,162	20,068		255,337	3,459	15,671		244,292	4,142	15,905	
Forward foreign exchange contracts	277,971	2,200	4,320		259,352	4,265	5,932		263,607	1,957	3,854		232,211	2,363	3,948	
Purchased options	15,484	142	314		13,060	241	391		10,923	90	227		12,567	128	258	
Written options	18,661	-	-		18,071	-	-		13,530	-	-		15,520	-	-	
	623,633	7,974	18,725	1,591	604,619	13,590	31,487	2,622	588,231	6,662	23,843	2,448	549,150	7,800	24,133	2,469
Exchange traded																
Futures	406	-	-		214	-	-		621	-	-		550	-	-	
Purchased options	744	-	-		1,503	-	-		2,608	-	-		3,800	-	-	
Written options	608	-	-		709	-	-		616	-	-		1,436	-	-	
	1,758	-	-		2,426	-	-		3,845	-	-		5,786	-	-	
Total Foreign Exchange Contracts	625,391	7,974	18,725	1,591	607,045	13,590	31,487	2,622	592,076	6,662	23,843	2,448	554,936	7,800	24,133	2,469
Commodity Contracts																
Over-the-counter																
Swaps	17,011	763	2,709		16,727	624	2,557		15,122	501	2,289		16,001	637	2,568	
Purchased options	9,206	189	1,273		9,000	126	1,199		8,081	66	1,045		8,413	111	1,122	
Written options	4,713	-	-		4,846	-	-		4,285	-	-		4,446	-	-	
	30,930	952	3,982	949	30,573	750	3,756	730	27,488	567	3,334	621	28,860	748	3,690	660
Exchange traded																
Futures	27,776	-	-		26,976	-	-		24,037	-	-		24,155	-	-	
Purchased options	7,537	-	-		8,102	-	-		8,044	-	-		7,487	-	-	
Written options	9,545	-	-		9,972	-	-		9,894	-	-		9,307	-	-	
	44,858	-	-		45,050	-	-		41,975	-	-		40,949	-	-	
Total Commodity Contracts	75,788	952	3,982	949	75,623	750	3,756	730	69,463	567	3,334	621	69,809	748	3,690	660
Equity Contracts																
Over-the-counter	44,314	729	3,529		39,664	510	3,392		39,360	520	3,054		37,113	454	2,772	
Exchange traded	7,756	-	-		6,257	-	-		5,851	-	-		4,850	-	-	
Total Equity Contracts	52,070	729	3,529	230	45,921	510	3,392	104	45,211	520	3,054	113	41,963	454	2,772	132
Credit Default Swaps																
Over-the-counter																
Purchased	8,247	77	429		8,068	82	433		8,835	90	448		8,819	185	505	
Written	11,972	-	-		12,182	-	-		13,288	-	-		14,974	-	-	
Total Credit Default Swaps	20,219	77	429	168	20,250	82	433	359	22,123	90	448	310	23,793	185	505	394
Sub-total	3,854,990	28,670	50,183	4,213	3,911,301	37,285	66,509	5,564	3,538,589	30,054	58,189	5,250	3,475,896	31,410	58,924	5,424
Impact of master netting agreements	n.a.	(25,598)	(32,893)		n.a.	(33,666)	(45,084)		n.a.	(27,493)	(38,607)		n.a.	(24,415)	(39,346)	
Total	3,854,990	3,072	17,290	4,213	3,911,301	3,619	21,425	5,564	3,538,589	2,561	19,582	5,250	3,475,896	6,995	19,578	5,424

(1) Risk-weighted Assets are reported after the impact of master netting agreements.

BASEL GLOSSARY

Adjusted EAD: Represents EAD that has been redistributed to a more favourable PD band or a different Basel Asset Class as a result of collateral (Credit Risk Mitigation - CRM). All AIRB disclosures aggregated into PD (probability of default) bands use Adjusted EAD values.

AIRB (Advanced Internal Ratings Based approach): The AIRB approach is the most advanced of the range of options for determining the capital requirements for credit risk. This option allows banks to use their own internal model to measure credit risk capital requirements, subject to regulatory approval. OSFI has indicated that it expects the largest Canadian Banks to adopt the AIRB approach.

Capital Adequacy Requirements (CAR): OSFI's Capital Adequacy Requirements guideline dated December 2012.

Capital Floor: A capital floor based on Basel I is calculated by banks which use the AIRB approach to credit risk, as required by our regulator.

Commitments (Undrawn): The EAD on the difference between the authorized and drawn amounts (e.g., the unused portion of a line of credit) before adjustments for credit risk mitigation.

Credit Equivalent Amount (CEA) on Undrawn: An estimate of the amount of credit risk exposure on off-balance items under the Standardized Approach for credit risk.

Drawn: The amount of funds invested or advanced to a customer. Does not include adjustments for credit risk mitigation.

Exposure at Default (EAD): EAD for on-balance sheet amounts represents outstandings, grossed up by specific provisions and write-offs. EAD for Off balance sheet and Undrawn are estimates.

Exposure at Default OTC Derivatives: Represent the net gross positive replacement costs plus the potential credit exposure amount.

Exposure Weighted Average LGD represents the $(\sum (\text{Adjusted EAD of each exposure} \times \text{its LGD}))$ divided by the total Adjusted EAD.

Exposure Weighted Average Risk Weight is the $(\sum \text{pre-scaled RWA for each exposure} / \text{Total Adjusted EAD})$.

Grandfathered Equity Securities in the Banking Book: Under Basel II OSFI exempts equity investments held as of October 31, 2007 from the AIRB approach for a period of 10 years starting November 1, 2007 to October 31, 2017. During that time, these "grandfathered" holdings will be risk weighted at 100%.

HELOCs: Home Equity Lines of Credit comprise lines of credit secured by equity in a residential property.

OSFI: Office of the Superintendent of Financial Institutions.

Other Off Balance Sheet Items: All off-balance sheet arrangements other than derivatives and undrawn commitments such as Standby Letters of Credit and Documentary Credits.

QRR (Qualifying Revolving Retail): Includes exposures that are revolving, unsecured and uncommitted to individuals up to a maximum amount of \$125,000 to a single individual.

Repo Style Transactions: Includes repurchase and reverse repurchase agreements and securities lending and borrowing.

Scaling Factor: The scaling factor is applied to the risk weighted assets amount for credit risk assessed under the AIRB approach. The objective of the scaling factor is to broadly maintain the aggregate level of Basel I minimum capital requirements, while also providing incentives to adopt the more advanced risk-sensitive approaches.

Standardized Approach: This approach is the least complicated of the range of options available to banks to measure credit risk capital requirements. This option allows banks to measure credit risk capital requirements by multiplying exposures by defined percentages based on the exposures product type and external credit rating (if applicable).