

Supplementary Regulatory Capital Disclosure

For the Quarter Ended – October 31, 2014

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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 Q4	2014 Q3	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	12,661	12,464	12,384	12,349	12,318
2	Retained earnings	c	17,237	16,724	16,162	15,617	15,224
3	Accumulated other comprehensive income (and other reserves)	d	1,375	991	1,100	1,425	602
6	Common Equity Tier 1 Capital before regulatory adjustments		31,273	30,179	29,646	29,391	28,144
Common Equity Tier 1 Capital: regulatory adjustments							
7	Prudential valuation adjustments		58	49	-	-	-
8	Goodwill (net of related tax liability)	e+p1-f	5,284	5,192	3,847	3,905	3,757
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	g-h	1,591	1,561	1,213	1,165	1,153
10	Deferred tax assets excluding those arising from temporary differences (net of related tax liability)	h-j	1,528	1,514	1,572	1,645	1,578
11	Cash flow hedge reserve	k	141	82	55	109	(8)
12	Shortfall of provisions to expected losses	k1	-	-	-	7	(122)
14	Gains and losses due to changes in own credit risk on fair valued liabilities (4)		2	(12)	11	24	17
15	Defined benefit pension fund net assets (net of related tax liability) (5)	l-m	202	162	219	192	328
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	n - o	23	35	1	4	19
22	Amount exceeding the 15% threshold		-	-	-	-	-
23	of which: significant investments in the common stock financials	h1	10	-	-	-	30
24	of which: mortgage servicing rights	j1	-	-	-	-	1
25	of which: deferred tax assets arising from temporary differences	i1	13	-	-	-	42
28	Total regulatory adjustments to Common Equity Tier 1 Capital		8,852	8,583	6,918	7,051	6,917
29	Common Equity Tier 1 Capital (CET1)		22,421	21,596	22,728	22,340	21,227
Additional Tier 1 Capital: instruments							
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	o1	1,200	1,200	493	-	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1 (6)	p + r	3,332	3,332	3,332	3,446	3,758
34	Additional Tier 1 instruments (and CET1 instruments not otherwise included) issued by subsidiaries and held by third parties (amount allowed in group AT1)	s	7	10	10	11	11
35	of which: instruments issued by subsidiaries subject to phase out		7	10	10	11	11
36	Additional Tier 1 Capital before regulatory adjustments		4,539	4,542	3,835	3,457	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	358
41	Other deductions from Tier 1 Capital as determined by OSFI		-	-	55	57	51
41a	of which: Reverse mortgages		-	-	55	57	51
43	Total regulatory adjustments applied to Additional Tier 1 Capital		358	358	413	415	409
44	Additional Tier 1 Capital (AT1)		4,181	4,184	3,422	3,042	3,372
45	Tier 1 Capital (T1 = CET1 + AT1)		26,602	25,780	26,150	25,382	24,599
Tier 2 Capital: instruments and provisions							
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	m1	1,002	-	-	-	-
47	Directly issued capital instruments subject to phase out from Tier 2 Capital (7)	u	4,027	4,030	3,978	3,977	4,444
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	80	77	129	130	176
49	of which: instruments issued by subsidiaries subject to phase out		80	77	129	130	176
50	Collective allowances	w	266	212	250	214	331
51	Tier 2 Capital before regulatory adjustments		5,375	4,319	4,357	4,321	4,951
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	50
57	Total regulatory adjustments to Tier 2 Capital		50	50	50	50	50
58	Tier 2 Capital (T2)		5,325	4,269	4,307	4,271	4,901
59	Total Capital (TC = T1 + T2)		31,927	30,049	30,457	29,653	29,500
60	Total Risk-Weighted Assets				234,774	240,076	215,094
60a	Common Equity Tier 1 (CET 1) Capital RWA		222,092	225,961			
60b	Tier 1 Capital RWA		222,428	226,289			
60c	Total Capital RWA		222,931	226,782			
Capital Ratios							
61	Common Equity Tier 1 ratio (as percentage of risk-weighted assets)		10.1%	9.6%	9.7%	9.3%	9.9%
62	Tier 1 ratio (as percentage of risk-weighted assets)		12.0%	11.4%	11.1%	10.6%	11.4%
63	Total Capital ratio (as percentage of risk-weighted assets)		14.3%	13.3%	13.0%	12.4%	13.7%
64	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%	7.0%
65	of which: capital conservation buffer requirement		2.5%	2.5%	2.5%	2.5%	2.5%
68	Common Equity Tier 1 available to meet buffers (as a % of risk weighted assets)		10.1%	9.6%	9.7%	9.3%	9.9%
OSFI all-in target							
69	Common Equity Tier 1 all-in target ratio		7.0%	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	339	379	266	164	288
73	Significant investments in the common stock of financials	a1	1,356	1,265	1,395	1,394	1,312
74	Mortgage servicing rights (net of related tax liability)	b1	41	39	39	41	37
75	Deferred tax assets arising from temporary differences (net of related tax liability)	ct - d1	1,989	1,922	1,847	1,822	1,835
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)		197	188	206	214	238
77	Cap on inclusion of provisions in Tier 2 under standardised approach		197	188	206	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)		1,382	1,386	1,451	1,436	1,344
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach		69	25	44	-	116
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	3,457	3,457	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	4,107	4,107	4,620
85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)		636	671	750	791	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.
- (7) \$693MM (after phase-out) Trust Subordinate note that is deconsolidated under IFRS but still qualifies as Tier 2 Capital is included in line 47.

CONSOLIDATED BALANCE SHEET

(\$ millions except as noted)	Balance sheet as in	Under regulatory scope	Cross	(\$ millions except as noted)	Balance sheet as in	Under regulatory scope	Cross
	Report to Shareholders	of consolidation (1)	Reference (2)		Report to Shareholders	of consolidation (1)	Reference (2)
Q4 2014	Q4 2014			Q4 2014	Q4 2014		
Assets				Liabilities and Equity			
Cash and Cash Equivalents	28,386	28,375		Deposits			
Interest Bearing Deposits with Banks	6,110	6,072		Banks	18,243	18,243	
Securities	143,319	137,270		Business and governments	239,139	239,139	
Investment in own shares				Individuals	135,706	135,706	
Investments in own shares CET1 (if not already netted off paid-in capital on reported balance sheet)		23	n	Total deposits	393,088	393,088	
Non-significant investments in the capital of other financials below threshold (3)		11,828	y	Other Liabilities			
Significant investments in deconsolidated subsidiaries and other financial institutions (4)		1,764	t+x+a1	Derivative instruments	33,657	33,526	
Significant investments in capital of other financial institutions reflected in regulatory capital				Acceptances	10,878	10,878	
Amount exceeding the 15% threshold		10	h1	Securities sold but not yet purchased	27,348	27,348	
Significant investment in common stock of financials below threshold		1,754		Investments in own shares not derecognized for accounting purposes			o
Goodwill embedded in significant investments		89	p1	Non-significant investments in common equity of other financials		11,489	z
Securities Borrowed or Purchased Under Resale Agreements	53,555	53,555		Other Securities sold but not yet purchased			
Loans				Securities lent or sold under repurchase agreement	39,695	39,695	
Residential mortgages	101,013	101,013		Current tax liabilities	235	235	
Consumer installment and other personal	64,143	64,143		Deferred tax liabilities (5)	178	178	
Credit cards	7,972	7,972		related to goodwill		158	f
Business and governments	120,766	120,602		related to intangibles		461	h
Customers' liability under acceptances	10,878	10,878		related to deferred tax assets excluding those arising from temporary differences		100	j
Allowance for credit losses	(1,734)	(1,734)		related to defined-benefit pension fund net assets		57	
Allowance reflected in Tier 2 regulatory capital		266	w	of which deducted from regulatory capital		57	m
Shortfall of provisions to expected loss		-	k1	of which not deducted from regulatory capital		-	
Total net loans and acceptances	303,038	302,874		related to deferred tax assets arising from temporary differences,			
Other Assets				related to deferred tax assets arising from temporary differences,		130	d1
Derivative instruments	32,655	32,655		excluding those realizable through net operating loss carryback			
Premises and equipment	2,276	2,096		Other	43,263	36,409	
Goodwill	5,353	5,353	e	of which: liabilities of subsidiaries, other than deposits		93	
Intangible assets	2,052	2,052	g	Less: amount (of liabilities of subsidiaries) phased out		(13)	
Current tax assets	665	665		Liabilities of subsidiaries after phase out		80	v
Deferred tax assets (5)	3,019	3,024		Total other liabilities	155,254	148,269	
Deferred tax assets excluding those arising from temporary differences		1,628	i	Subordinated Debt			
Deferred tax assets arising from temporary differences		2,119	c1	Qualifying subordinated debt		1,002	m1
of which Deferred tax assets arising from temporary differences below the threshold		2,106		Non qualifying subordinated debt	4,913	3,911	
of which amount exceeding 15% threshold		13	i1	of which redemption has been announced (in the last month of the quarter)		-	
Other	8,231	7,683		Less: regulatory amortization		60	
Defined-benefit pension fund net assets		184		Non qualifying subordinated debt subject to phase out			
of which Defined-benefit pension fund net assets as per regulatory capital (6)		259	l	Less: amount (of subordinated debt and trust subordinated notes) phased out		513	
of which the bank has unrestricted and unfettered access		(75)		Non qualifying subordinated debt and trust subordinated notes after phase out		3,334	u
Mortgage servicing rights	41			Equity			
of which Mortgage servicing rights under the threshold		41	b1	Share capital	15,397	15,397	
of which amount exceeding the 15% threshold		-	i1	Preferred shares			
Total Assets	588,659	581,674		Directly issued qualifying Additional Tier 1 instruments		1,200	o1
				Non-qualifying preferred shares for accounting purposes		-	
				Non-qualifying preferred shares subject to phase out		1,840	e1
				Less amount (of preferred shares) phased out		-	p
				Non qualifying preferred shares after phase out		1,840	
				Common shares			
				Directly issued qualifying CET1		12,357	a
				Contributed surplus	304	304	b
				Retained earnings	17,237	17,237	c
				Accumulated other comprehensive income	1,375	1,375	d
				Cash flow hedges		141	k
				Other AOCI		1,233	
				Total shareholders' equity	34,313	34,313	
				Non-controlling interests in subsidiaries	1,091	1,091	
				of which portion allowed for inclusion into Tier 1 capital		1,042	ft
				less amount phased out		-	r
				Innovative instruments after phase out		1,042	s
				Other additional Tier 1 issued by subs after phase out		7	
				Total equity	35,404	35,404	
				Total Liabilities and Equity	588,659	581,674	

(1) Balance sheet under regulatory scope does not include the following entities: BMO Life Insurance Company and BMO Reinsurance Limited. BMO Life Insurance Company (\$6,864 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 (\$121 million assets and nominal 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. Goodwill embedded in significant investments is separated and is shown in the corresponding line below.

(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.

RECONCILIATION OF RETAIL AND WHOLESALE DRAWN BALANCES TO BALANCE SHEET

Description	AIRB Credit Risk			Standardized Credit Risk	Total Credit Risk	Trading Book and other (1)	Balance Sheet
	Retail (2)	Wholesale (2)	Repo				
Cash and due from Banks	-	31,745	-	86	31,831	2,665	34,496
Securities	-	55,730	-	18	55,748	87,570	143,319
Assets Purchased under REPO	-	-	24,486	60	24,546	29,009	53,555
Loans	95,728	151,133	-	20,859	267,720	24,441	292,160
Customer Liability Under Acceptance	-	10,878	-	-	10,878	-	10,878
Derivatives	-	-	-	-	-	32,655	32,655
Other	-	5,569	-	161	5,730	15,866	21,596
	95,728	255,055	24,486	21,184	396,453	192,206	588,659

RECONCILIATION OF TOTAL CREDIT RISK TO BALANCE SHEET

	Total Credit Risk (2)	Trading Book and other	Balance Sheet
Cash and due from Banks	31,831	2,665	34,496
Securities	55,748	87,570	143,319
Assets Purchased under REPO	24,546	29,009	53,555
Loans	267,720	24,441	292,160
Customer Liability Under Acceptance	10,878	-	10,878
Derivatives	-	32,655	32,655
Other	5,730	15,866	21,596
Total on balance sheet	396,453	192,206	588,659
Undrawn Commitments	108,379		
Other Off Balance Sheet	14,811		
Off B/S Derivatives	74		
Off B/S Repo	26,489		
Total off balance sheet	149,753		
Total Credit Risk	546,206		

(1) Includes trading book assets, securitized assets and other assets such as non significant investments, goodwill, deferred tax assets and intangibles.

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

RISK-WEIGHTED ASSETS (RWA)

	Basel III Q4 2014						Basel III								Basel II
	Exposure at Default (EAD)			RWA			Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	
	Standardized approach	Advanced approach	Total	Standardized approach	Advanced approach (1)	Total	RWA	RWA	RWA	RWA	RWA	RWA	RWA	RWA	
(\$ millions except as noted)							Total	Total	Total	Total	Total	Total	Total	Total	
Credit Risk															
Wholesale															
Corporate including specialized lending	16,890	179,737	196,627	16,942	64,398	81,340	80,777	81,037	85,270	78,671	75,411	74,172	75,164	70,841	
Corporate small and medium enterprises (SMEs)	-	59,821	59,821	-	33,644	33,644	35,730	37,427	29,557	26,594	24,870	23,829	23,725	22,120	
Sovereign	124	67,616	67,740	63	1,549	1,612	1,270	1,510	1,251	904	849	732	685	645	
Bank	326	33,187	33,513	328	3,858	4,186	4,285	4,798	5,249	4,448	3,945	4,383	4,973	4,853	
Retail															
Residential mortgages excluding home equity line of credits (HELOCs)	3,298	90,303	93,601	1,736	5,882	7,618	8,127	8,607	8,756	8,711	9,111	9,019	8,755	8,578	
HELOCs	1,095	41,337	42,432	809	5,732	6,541	6,603	6,841	6,828	6,579	8,201	7,704	7,057	7,725	
Qualifying revolving retail (QRR)	-	28,895	28,895	-	4,000	4,000	3,925	4,033	4,384	4,580	4,741	4,623	5,562	5,622	
Other retail (excl. SMEs)	2,199	17,824	20,023	1,519	8,307	9,826	11,778	12,759	12,764	12,410	12,260	11,950	12,066	11,513	
Retail SMEs	292	3,262	3,554	231	1,373	1,604	1,606	1,628	1,595	1,535	1,541	1,232	1,160	1,135	
Equity	-	1,924	1,924	-	1,362	1,362	1,305	1,456	1,485	1,366	1,352	1,270	1,356	1,359	
Trading book	122	133,942	134,064	122	7,237	7,359	6,877	8,477	11,075	6,137	6,376	7,182	7,881	6,332	
Securitization	-	28,115	28,115	-	3,098	3,098	2,247	3,155	4,395	4,598	4,820	5,446	6,245	6,796	
Other credit risk assets - non-counterparty managed assets	-	30,746	30,746	-	14,946	14,946	15,190	16,046	17,616	14,822	15,828	15,546	14,153	17,596	
Scaling factor for credit risk assets under AIRB (2)	-	-	-	-	8,251	8,251	8,437	8,738	8,578	7,934	7,621	7,391	7,611	6,840	
Total Credit Risk	24,346	716,709	741,055	21,750	163,637	185,387	188,157	196,512	198,803	179,289	176,926	174,479	176,393	171,955	
Market Risk (3)	-	-	-	1,719	7,283	9,002	10,372	11,431	14,494	9,154	10,758	7,252	8,292	7,598	
Operational Risk (4)	-	-	-	3,791	23,912	27,703	27,432	26,831	26,779	26,651	26,549	26,243	25,986	25,677	
Common Equity Tier 1 (CET 1) Capital Risk-Weighted Assets (5) (6)	24,346	716,709	741,055	27,260	194,832	222,092	225,961	234,774	240,076	215,094	214,233	207,974	210,671	205,230	
Additional CVA adjustment, prescribed by OSFI, for Tier 1 Capital (7)	-	-	-	-	336	336	328	-	-	-	-	-	-	-	
Tier 1 Capital Risk-Weighted Assets	-	-	-	27,260	195,168	222,428	226,289	234,774	240,076	215,094	214,233	207,974	210,671	205,230	
Additional CVA adjustment, prescribed by OSFI, for Total Capital (7)	-	-	-	-	503	503	493	-	-	-	-	-	-	-	
Total Capital Risk Weighted Assets (RWA)	-	-	-	27,260	195,671	222,931	226,782	234,774	240,076	215,094	214,233	207,974	210,671	205,230	

RWA CVA Phase-in Calculation (7)	CVA (A)	OSFI Scalars (B)	Total RWA Before CVA phase-in (C)	CVA phase-in Adjustments (D)=A*(100%-B)	RWA Net CVA phase-in (E)=C-D
Common Equity Tier 1 (CET 1) Capital RWA	4,192	57%	223,895	1,803	222,092
Tier 1 Capital RWA	4,192	65%	223,895	1,467	222,428
Total Capital RWA	4,192	77%	223,895	964	222,931

TRANSITIONAL CAPITAL DISCLOSURE	2014	2014	2014	2014
	Q4	Q3	Q2	Q1
Transitional Basis - Basel III (8)				
Common Equity Tier 1 capital (CET1)	29,662	28,621	28,348	27,926
Tier 1 capital (T1 = CET1 + AT1)	29,853	28,976	28,980	28,127
Total capital (TC = T1 + T2)	35,215	33,286	33,327	32,436
Total risk-weighted assets (5)	237,692	231,838	240,074	246,232
Common Equity Tier 1 ratio (as percentage of risk weighted assets)	12.5%	12.3%	11.8%	11.3%
Tier 1 ratio (as percentage of risk weighted assets)	12.6%	12.5%	12.1%	11.4%
Total capital ratio (as percentage of risk weighted assets)	14.8%	14.4%	13.9%	13.2%
Assets-to-Capital Multiple (9)	16.1x	17.0x	16.8x	17.4x

CAPITAL RATIOS FOR SIGNIFICANT BANK SUBSIDIARIES	2014	2014	2014	2014
	Q4	Q3	Q2	Q1
Bank of Montreal Mortgage Corporation - Basel III				
Transitional Basis - Basel III (8)				
Common Equity Tier 1 ratio	18.1%	20.1%	18.4%	17.8%
Tier 1 ratio	18.1%	20.1%	18.4%	17.8%
Total capital ratio	18.7%	20.8%	19.1%	18.4%
All-in Basis - Basel III (1)				
Common Equity Tier 1 ratio	17.9%	20.0%	18.3%	17.6%
Tier 1 ratio	17.9%	20.0%	18.3%	17.6%
Total capital ratio	18.7%	20.8%	19.1%	18.4%
BMO Harris Bank N.A. - Basel I (10)				
Tier 1 ratio	15.2%	15.0%	15.2%	15.3%
Total capital ratio	16.6%	16.4%	16.7%	16.9%

(1) "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, continuing to January 1, 2022. OSFI required 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 Q1/14.

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

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

(4) BMO recently received approval for use of the Advanced Measurement Approach (AMA) in calculating operational risk capital for the majority of its businesses and now uses a blend of AMA and standardized approaches.

(5) Under OSFI's Capital Adequacy Requirements (CAR) Guideline, which governs advanced approaches, the bank calculates a transitional Capital Floor based on Basel I 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.

(6) 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.


(7) Commencing Q1/14, a new CVA regulatory capital charge has been applied to derivatives. For Q3/14, OSFI introduced a new three tier capital approach with different scalars for each tier. See above for calculation and scalars percentages. For Q1/14 and Q2/14,

CVA regulatory capital charge was calculated using the standardized method applied at a phased in factor of 57%.

(8) 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.

(9) 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 the CAR Guideline.

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

BMO  Financial Group						
BASEL II REGULATORY CAPITAL (1)						
	2012	2012	2012	2012	2011	2011
	Q4	Q3	Q2	Q1	Q4	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

CAPITAL RATIOS						
	2012	2012	2012	2012	2011	2011
	Q4	Q3	Q2	Q1	Q4	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 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4
Common Equity Tier 1 Capital					
Opening Balance	21,596	22,728	22,340	21,227	20,626
New capital issues	203	83	38	30	55
Redeemed capital	-	-	-	-	(177)
Gross dividends (deduction)	(544)	(532)	(517)	(518)	(505)
Shares issued in lieu of dividends (add back)					
Profit for the quarter (attributable to shareholders of the parent company)	1,057	1,110	1,062	1,048	1,061
Removal of own credit spread (net of tax)	(13)	23	12	(7)	13
Movements in other comprehensive income					
– Currency Translation Differences	458	(98)	(303)	906	152
– Available-for-sale securities	(59)	59	11	(60)	62
– Other (1)	(73)	(98)	21	(140)	-
Goodwill and other intangible assets (deduction, net of related tax liability)	(121)	(1,693)	11	(161)	(19)
Other, including regulatory adjustments and transitional arrangements					
– Deferred tax assets that rely on future profitability (excluding those arising from temporary differences)	(15)	58	73	(67)	21
– Prudential Valuation Adjustments (2)	(9)	(49)	-	-	-
– Other (3)	(59)	5	(20)	82	(62)
Closing Balance	22,421	21,596	22,728	22,340	21,227
Other non-core Tier 1 (Additional Tier 1) Capital					
Opening Balance	4,184	3,422	3,042	3,372	3,359
New 'non-core' tier 1 (Additional Tier 1) eligible capital issues	-	700	493	-	-
Redeemed capital	-	-	(275)	-	-
Other, including regulatory adjustments and transitional arrangements (4)	(3)	62	162	(330)	13
Closing Balance	4,181	4,184	3,422	3,042	3,372
Total Tier 1 Capital	26,602	25,780	26,150	25,382	24,599
Tier 2 Capital					
Opening Balance	4,269	4,307	4,271	4,901	4,853
New Tier 2 eligible capital issues	1,002	-	-	-	-
Redeemed capital	-	-	-	-	-
Amortization adjustments	-	(63)	-	-	-
Other, including regulatory adjustments and transitional arrangements (5)	54	25	36	(630)	48
Closing Balance	5,325	4,269	4,307	4,271	4,901
Total Regulatory Capital	31,927	30,049	30,457	29,653	29,500

(1) Includes: AOCI on pension and other post-employment benefits.

(2) Valuation adjustment for illiquid positions is now deducted from CET1 capital and was previously deducted from Tier 1 capital.

(3) Includes: Expected Loss in excess of allowances, defined benefit pension assets (net of related deferred tax liability) deductions, changes in contributed surplus and threshold deductions.

(4) Includes: Corresponding deductions from Additional Tier 1 Capital and transitional arrangements (phased-out amount).

(5) 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		2014	2014	2014	2013
	Q4	Of which counterparty credit risk (5)	Q3	Q2	Q1	Q4
	Credit Risk		Credit Risk	Credit Risk	Credit Risk	Credit Risk
Opening Credit RWA, beginning of quarter	188,157	8,077	196,512	198,803	179,289	176,926
Book size (1)	3,437	752	(2,660)	(226)	6,326	162
Book quality (2)	(4,613)	(343)	(2,620)	(2,407)	(711)	(2,219)
Model Updates (3)	181	-	(358)	1,804	1,489	3,154
Methodology and Policy (4)	(4,758)	-	(2,478)	-	6,351	-
Acquisitions and disposals	-	-	271	n.a.	n.a.	n.a.
Foreign exchange movements	2,983	30	(510)	(1,462)	6,059	1,266
Other	-	-	-	n.a.	n.a.	n.a.
Closing Credit RWA, end of quarter	185,387	8,516	188,157	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.

(5) Counterparty credit risk includes RWA for derivatives, repo-style transactions, trades cleared through central counterparties and CVA adjustment.

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

(\$ millions except as noted)	2014	2014	2014	2014	2013
	Q4	Q3	Q2	Q1	Q4
Market Risk RWA, beginning of quarter	10,372	11,431	14,494	9,154	10,758
Movement in risk levels (1)	(639)	(892)	(2,208)	5,042	490
Model updates (2)	(731)	(167)	(855)	-	(2,094)
Methodology and policy (3)	-	-	-	298	-
Acquisition and disposals	-	-	-	-	-
Foreign exchange movement and others	-	-	-	-	-
Market Risk RWA, end of quarter	9,002	10,372	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.

EQUITY SECURITIES EXPOSURE AMOUNT

(\$ millions except as noted)

	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Equity investments used for capital gains (Merchant Banking)	523	505	540	545	537	536
Equity investments used for mutual fund seed capital	20	19	28	30	37	40
Equity used for other (including strategic investments)	1,381	1,324	1,434	1,465	1,313	1,290
Total Equity Exposure	1,924	1,848	2,002	2,040	1,887	1,866

EQUITY INVESTMENT SECURITIES (1)

(\$ millions except as noted)

	Q4 2014			Q3 2014			Q2 2014			Q1 2014		
	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	-	42	42	-	41	41	-	40	40	-
Private												
Direct funds	137	137	-	136	136	-	151	151	-	139	139	-
Indirect funds	60	60	-	63	63	-	70	70	-	74	74	-
Total Grandfathered	238	238	-	241	241	-	262	262	-	253	253	-
Non-grandfathered												
Public	34	34	-	25	25	-	31	31	-	50	50	-
Private												
Direct funds	275	275	-	252	252	-	402	402	-	431	431	-
Indirect funds	408	408	-	396	396	-	401	401	-	386	386	-
Other	969	794	(175)	934	765	(169)	906	582	(324)	920	591	(329)
Total Non-grandfathered	1,686	1,511	(175)	1,607	1,438	(169)	1,740	1,416	(324)	1,787	1,458	(329)
Total Equities	1,924	1,749	(175)	1,848	1,679	(169)	2,002	1,678	(324)	2,040	1,711	(329)

Total realized gains or losses arising from sales or liquidations in the reporting period			-			15			12			26
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(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)

	Q4 2014				Q3 2014				Q2 2014			
	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)	16,890	79	240,959	23,150	16,144	532	232,451	21,984	15,724	415	227,677	19,699
Sovereign	124	-	115,024	48,076	131	-	124,050	47,460	132	-	113,139	41,665
Bank	326	-	33,643	1,484	316	62	35,167	1,436	264	-	38,970	1,617
Total Corporate, Sovereign and Bank	17,340	79	389,626	72,710	16,591	594	391,668	70,880	16,120	415	379,786	62,981
Residential mortgages excluding home equity line of credits (HELOCs)	3,298	51	41,038	-	3,614	55	39,339	-	4,117	-	42,714	-
HELOCs	1,095	-	41,337	-	1,215	-	42,705	-	1,296	-	42,426	-
Other retail excl. SMEs and QRR	2,199	466	17,824	-	2,212	487	24,090	-	3,522	518	23,964	-
Qualifying revolving retail	-	-	28,895	-	-	-	28,482	-	-	-	29,807	-
Retail SMEs	292	-	3,262	-	300	-	3,253	-	322	-	3,277	-
Total Retail	6,884	517	132,356	-	7,341	542	137,869	-	9,257	518	142,188	-
Total Bank Banking Book Portfolios	24,224	596	521,982	72,710	23,932	1,136	529,537	70,880	25,377	933	521,974	62,981

(1) Credit risk mitigants herein include only credit derivatives and guarantees. Includes \$49.3 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)

	Q4 2014				Q3 2014				Q2 2014			
	Canada	U.S.	Other	Total	Canada	U.S.	Other	Total	Canada	U.S.	Other	Total
Corporate (incl specialized lending and SMEs treated as corporate)	131,775	114,498	10,175	256,448	129,635	111,126	6,397	247,158	124,734	111,903	6,098	242,735
Sovereign	25,985	37,941	3,814	67,740	24,201	48,422	4,796	77,419	22,290	44,970	4,357	71,617
Bank	6,548	9,557	17,408	33,513	7,547	10,637	16,844	35,028	8,842	11,574	18,439	38,855
Total Corporate, Sovereign and Bank	164,308	161,996	31,397	357,701	161,383	170,185	28,037	359,605	155,866	168,447	28,894	353,207
Residential mortgages excluding home equity line of credits (HELOCs)	83,665	9,936	-	93,601	81,743	9,864	-	91,607	79,175	10,355	-	89,530
HELOCs	34,265	8,167	-	42,432	35,590	8,330	-	43,920	35,401	8,321	-	43,722
Other retail excl. SMEs and QRR	16,855	3,168	-	20,023	17,230	9,072	-	26,302	18,791	8,695	-	27,486
Qualifying revolving retail	28,847	48	-	28,895	28,437	45	-	28,482	29,807	-	-	29,807
Retail SMEs	2,854	700	-	3,554	2,870	683	-	3,553	2,901	698	-	3,599
Total Retail	166,486	22,019	-	188,505	165,870	27,994	-	193,864	166,075	28,069	-	194,144
Total Bank	330,794	184,015	31,397	546,206	327,253	198,179	28,037	553,469	321,941	196,516	28,894	547,351

CREDIT RISK EXPOSURE BY INDUSTRY (3)

(\$ millions except as noted)

	Q4 2014					Q3 2014					Q2 2014	Q1 2014		
	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
Agriculture	9,016	1,905	-	36	-	10,957	8,854	1,834	-	35	-	10,723	10,310	10,402
Communications	829	1,011	-	232	-	2,072	779	1,015	-	233	-	2,027	1,946	2,047
Construction	3,151	3,179	-	757	-	7,087	3,131	2,989	-	612	-	6,732	6,385	6,392
Financial (4)	69,174	15,164	1	2,825	40,362	127,526	76,434	14,252	1	2,596	40,867	134,150	129,525	138,077
Government	43,035	1,838	-	1,010	10,266	56,149	45,045	1,839	-	980	9,240	57,104	55,458	56,607
Manufacturing	13,678	9,499	40	1,189	-	24,406	13,117	8,901	60	1,151	-	23,229	22,946	23,341
Mining	1,094	2,020	-	442	-	3,556	1,015	1,917	1	433	-	3,366	3,435	3,570
Other	27,728	141	-	704	330	28,903	23,556	173	-	528	98	24,355	27,965	24,626
Real estate	18,408	5,602	-	1,072	-	25,082	19,063	6,199	-	1,131	-	26,393	26,301	26,298
Retail trade	11,973	4,995	-	537	-	17,505	11,108	4,665	-	564	-	16,337	16,798	16,592
Service industries	21,944	8,873	6	2,748	2	33,573	19,974	8,503	6	2,816	-	31,299	29,752	29,739
Transportation	2,523	1,775	1	560	-	4,859	2,501	1,485	1	533	-	4,520	4,454	4,520
Utilities	2,172	3,972	-	1,541	67	7,752	1,896	3,839	-	1,426	-	7,161	7,018	7,079
Wholesale trade	8,260	4,253	-	461	-	12,974	8,106	4,310	-	462	-	12,878	11,838	11,864
Individual	132,360	36,627	26	18	8	169,039	141,519	37,749	-	233	-	179,501	179,761	182,205
Oil and Gas	5,969	6,931	-	612	-	13,512	5,356	6,385	-	621	-	12,362	12,157	10,724
Forest products	593	594	-	67	-	1,254	687	574	-	71	-	1,332	1,302	1,147
Total	371,907	108,379	74	14,811	51,035	546,206	382,141	106,629	69	14,425	50,205	553,469	547,351	555,230

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

(4) Includes \$31.8 billion of deposits with Financial Institutions as at October 31, 2014 (\$41.1 billion as at July 31, 2014, \$38.5 billion as at April 30, 2014, and \$37.6 billion as at January 31, 2014).

CREDIT RISK EXPOSURE BY MAJOR ASSET CLASS (1)

(\$ millions except as noted)

	Q4 2014						Q3 2014						Q2 2014	Q1 2014
	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)	142,590	66,650	48	12,161	34,999	256,448	139,215	64,005	69	12,171	31,698	247,158	242,735	244,066
Sovereign	53,956	2,295	-	1,467	10,022	67,740	63,697	2,136	-	1,122	10,464	77,419	71,617	75,241
Bank	23,484	2,824	26	1,165	6,014	33,513	23,116	2,755	-	1,114	8,043	35,028	38,855	37,430
Total Corporate, Sovereign and Bank Exposure	220,030	71,769	74	14,793	51,035	357,701	226,028	68,896	69	14,407	50,205	359,605	353,207	356,737
Residential mortgages excluding home equity line of credits (HELOCs)	93,332	269	-	-	-	93,601	91,348	259	-	-	-	91,607	89,530	89,111
HELOCs	31,860	10,572	-	-	-	42,432	31,861	12,059	-	-	-	43,920	43,722	43,882
Other retail excl. SMEs and QRR	18,594	1,429	-	-	-	20,023	24,907	1,395	-	-	-	26,302	27,486	28,024
Qualifying revolving retail	6,395	22,500	-	-	-	28,895	6,320	22,162	-	-	-	28,482	29,807	33,884
Retail SMEs	1,696	1,840	-	18	-	3,554	1,677	1,858	-	18	-	3,553	3,599	3,592
Total Retail Exposures	151,877	36,610	-	18	-	188,505	156,113	37,733	-	18	-	193,864	194,144	198,493
Total Gross Credit Exposures	371,907	108,379	74	14,811	51,035	546,206	382,141	106,629	69	14,425	50,205	553,469	547,351	555,230

CREDIT RISK BY RESIDUAL CONTRACT MATURITY BREAKDOWN

(\$ millions except as noted)

	Q4 2014						Q3 2014						Q2 2014	Q1 2014
	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	136,208	65,738	43	9,902	50,901	262,792	158,207	65,021	64	9,498	49,949	282,739	276,896	294,100
1 to 5 years	195,213	39,457	31	4,871	134	239,706	184,551	38,317	5	4,885	256	228,014	227,031	218,923
Greater than 5 years	40,486	3,184	-	38	-	43,708	39,383	3,291	-	42	-	42,716	43,424	42,207
Total	371,907	108,379	74	14,811	51,035	546,206	382,141	106,629	69	14,425	50,205	553,469	547,351	555,230

PORTFOLIO BREAKDOWN BY BASEL APPROACHES

(\$ millions except as noted)

	Q4 2014				Q3 2014				Q2 2014			
	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)	13,988	2,341	128,602	64,309	13,327	2,212	125,888	61,793	12,996	2,046	122,217	59,886
Sovereign	25	98	53,931	2,197	24	106	63,673	2,030	25	108	59,481	2,027
Bank	226	32	23,258	2,792	176	33	22,940	2,722	178	15	26,128	2,705
Total Corporate, Sovereign & Bank	14,239	2,471	205,791	69,298	13,527	2,351	212,501	66,545	13,199	2,167	207,826	64,618
Residential mortgages excluding home equity line of credits (HELOCs)	3,298	-	90,034	269	3,613	-	87,735	259	4,117	-	85,144	269
HELOCs	1,095	-	30,765	10,572	1,215	-	30,646	12,059	1,296	-	30,559	11,867
Other retail excl. SMEs and QRR	2,200	-	16,394	1,429	2,212	-	22,695	1,395	3,522	-	22,609	1,355
Qualifying revolving retail	-	-	6,395	22,500	-	-	6,320	22,162	-	-	6,543	23,264
Retail SMEs	292	-	1,404	1,840	300	-	1,377	1,858	322	-	1,380	1,879
Total Retail	6,885	-	144,992	36,610	7,340	-	148,773	37,733	9,257	-	146,235	38,634
Total Bank	21,124	2,471	350,783	105,908	20,867	2,351	361,274	104,278	22,456	2,167	354,061	103,252

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

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

(\$ millions)

Risk Weights	Q4 2014							Total
	0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios	-	218	-	19	-	16,156	488	16,881
Corporate (incl SMEs treated as Corporate)	-	-	-	122	-	2	-	124
Sovereign	-	-	-	-	-	323	3	326
Bank	-	-	-	-	-	-	-	-
Total Wholesale portfolios	-	218	-	141	-	16,481	491	17,331
Total Retail portfolios	-	51	2,164	-	1,771	318	-	4,304
Retail residential mortgages (including HELOCs)	346	122	-	-	1,471	-	349	2,288
Other retail	-	-	-	-	278	-	15	293
SME treated as retail	-	-	-	-	-	-	-	-
Total Retail portfolios	346	173	2,164	-	3,520	318	364	6,885
Total	346	391	2,164	141	3,520	16,799	855	24,216

Risk Weights	Q3 2014							Total
	0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios	-	212	-	121	-	15,262	532	16,127
Corporate (incl SMEs treated as Corporate)	-	-	-	129	-	2	-	131
Sovereign	-	-	-	-	-	312	4	316
Bank	-	-	-	-	-	-	-	-
Total Wholesale portfolios	-	212	-	250	-	15,576	536	16,574
Total Retail portfolios	3	55	2,392	-	1,367	1,012	-	4,829
Retail residential mortgages (including HELOCs)	356	131	-	-	1,718	-	7	2,212
Other retail	-	-	-	-	284	-	16	300
SME treated as retail	-	-	-	-	-	-	-	-
Total Retail portfolios	359	186	2,392	-	3,369	1,012	23	7,341
Total	359	398	2,392	250	3,369	16,588	559	23,915

Risk Weights	Q2 2014							Total
	0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios	-	-	-	122	-	14,763	816	15,701
Corporate (incl SMEs treated as Corporate)	-	-	-	130	-	1	-	131
Sovereign	-	-	-	-	-	261	3	264
Bank	-	-	-	-	-	-	-	-
Total Wholesale portfolios	-	-	-	252	-	15,025	819	16,096
Total Retail portfolios	371	147	3,142	-	1,589	683	-	5,414
Retail residential mortgages (including HELOCs)	371	147	-	-	2,988	5	11	3,522
Other retail	-	-	-	-	306	-	17	323
SME treated as retail	-	-	-	-	-	-	-	-
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	-	419	-	282	-	12,446	3,030	16,177
Corporate (incl SMEs treated as Corporate)	127	-	-	-	-	-	-	127
Sovereign	-	210	-	-	-	-	-	210
Bank	-	-	-	-	-	-	-	-
Total Wholesale portfolios	127	629	-	282	-	12,446	3,030	16,514
Total Retail portfolios	-	67	3,413	-	1,655	696	-	5,831
Retail residential mortgages (including HELOCs)	355	157	-	-	2,810	5	7	3,334
Other retail	-	-	-	-	338	-	18	356
SME treated as retail	-	-	-	-	-	-	-	-
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	-	348	-	266	-	11,793	3,042	15,449
Corporate (incl SMEs treated as Corporate)	67	-	-	-	-	-	-	67
Sovereign	-	219	-	-	-	-	-	219
Bank	-	-	-	-	-	-	-	-
Total Wholesale portfolios	67	567	-	266	-	11,793	3,042	15,735
Total Retail portfolios	-	67	3,330	-	1,637	660	-	5,694
Retail residential mortgages (including HELOCs)	327	155	-	-	2,649	68	7	3,206
Other retail	-	-	-	-	320	-	17	337
SME treated as retail	-	-	-	-	-	-	-	-
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

(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	Q4 2014					Q3 2014					Q2 2014					Q1 2014				
	Total		Total Exposure (f)	Total		Total		Total Exposure (f)	Total		Total		Total Exposure (f)	Total		Total		Total Exposure (f)	Total	
	Drawn	Undrawn		Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn		Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn		Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn		Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight
Total investment grade	207,401	52,053	259,454	20.97%	17.03%	215,248	50,156	265,404	19.81%	16.97%	205,317	48,703	254,020	20.53%	18.14%	201,259	50,451	251,710	20.93%	15.93%
Non-investment grade	44,644	16,704	61,348	34.49%	76.22%	42,897	15,788	58,685	34.32%	81.07%	42,336	15,483	57,819	34.46%	82.90%	39,681	15,992	55,673	36.25%	72.37%
Watchlist	2,068	451	2,519	35.71%	160.61%	2,100	514	2,614	36.95%	177.65%	1,902	353	2,255	39.79%	201.90%	2,013	424	2,437	37.61%	150.95%
Default (2)	942	90	1,032	54.05%	335.47%	911	87	998	51.86%	355.19%	970	79	1,049	52.99%	445.13%	1,834	121	1,955	117.31%	691.68%
	255,055	69,298	324,353			261,156	66,545	327,701			250,525	64,618	315,143			244,787	66,988	311,775		

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

Risk Profile	Q4 2014					Q3 2014					Q2 2014					Q1 2014				
	Total		Total Exposure (f)	Total		Total		Total Exposure (f)	Total		Total		Total Exposure (f)	Total		Total		Total Exposure (f)	Total	
	Drawn	Undrawn		Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn		Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn		Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight	Drawn	Undrawn		Exposure Weighted Average LGD%	Exposure Weighted Average Risk weight
Residential Mortgages and HELOCs (\$ millions)																				
Exceptionally low	1,108	4,284	5,392	58.49%	5.58%	1,054	4,855	5,909	56.10%	5.17%	1,011	4,696	5,707	57.01%	5.26%	1,046	4,539	5,585	57.09%	5.26%
Very low	45,424	5,726	51,150	14.29%	3.34%	44,283	6,533	50,816	14.29%	3.37%	46,703	6,491	53,194	14.37%	3.39%	48,188	6,512	54,700	14.31%	3.36%
Low	9,649	417	10,066	26.80%	18.51%	11,570	577	12,147	24.03%	17.23%	11,111	587	11,698	24.08%	17.01%	11,738	568	12,306	24.22%	17.43%
Medium	11,011	396	11,407	27.28%	45.26%	8,559	325	8,884	31.83%	57.54%	9,553	336	9,889	30.77%	55.70%	8,684	328	9,012	32.86%	59.63%
High	3,521	15	3,536	16.65%	69.90%	3,472	22	3,494	16.68%	72.00%	3,736	19	3,755	16.96%	73.54%	3,533	24	3,557	17.44%	75.19%
Default	822	3	825	49.18%	12.81%	788	6	794	49.51%	13.07%	890	7	897	48.78%	12.47%	917	5	922	47.11%	12.35%
	71,535	10,841	82,376			69,726	12,318	82,044			73,004	12,136	85,140			74,106	11,976	86,082		
Qualifying Revolving Retail (\$ millions)																				
Exceptionally low	88	9,780	9,868	82.15%	1.87%	116	9,735	9,851	82.28%	1.88%	166	9,765	9,931	82.47%	1.88%	202	11,604	11,806	79.72%	1.79%
Very low	559	6,053	6,612	80.21%	4.17%	559	5,711	6,270	79.38%	4.20%	599	6,748	7,347	82.28%	4.11%	1,689	10,535	12,224	75.15%	3.50%
Low	2,913	4,944	7,857	78.08%	10.42%	2,971	5,021	7,992	78.22%	10.41%	2,940	5,090	8,030	78.01%	10.40%	2,561	3,364	5,925	85.71%	16.36%
Medium	2,504	1,542	4,046	89.21%	47.80%	2,344	1,513	3,857	89.00%	47.73%	2,500	1,505	4,005	88.92%	48.51%	1,826	1,621	3,447	87.74%	57.45%
High	288	175	463	79.44%	170.19%	290	177	467	80.55%	172.08%	299	151	450	80.49%	170.31%	263	170	433	77.96%	172.24%
Default	43	6	49	64.52%	0.00%	40	5	45	64.67%	0.00%	39	5	44	63.59%	0.00%	39	10	49	61.89%	0.00%
	6,395	22,500	28,895			6,320	22,162	28,482			6,543	23,264	29,807			6,580	27,304	33,884		
Other Retail and Retail SME (\$ millions)																				
Exceptionally low	85	334	419	89.31%	9.07%	80	338	418	89.66%	9.09%	75	336	411	89.29%	9.06%	71	626	697	75.21%	7.61%
Very low	4,447	1,599	6,046	73.49%	23.19%	7,920	1,465	9,385	60.98%	19.98%	7,720	1,437	9,157	61.39%	20.10%	7,889	1,983	9,872	61.60%	19.55%
Low	6,680	954	7,634	65.49%	39.14%	7,926	1,029	8,955	62.88%	40.15%	8,084	1,027	9,111	62.92%	40.15%	7,959	964	8,923	62.64%	41.59%
Medium	6,147	315	6,462	63.85%	73.39%	7,689	343	8,032	59.90%	71.90%	7,656	352	8,008	60.02%	71.96%	7,499	380	7,879	59.31%	72.01%
High	322	65	387	68.41%	129.97%	336	76	412	66.73%	126.58%	339	80	419	67.57%	128.51%	346	82	428	68.89%	128.58%
Default	117	2	119	58.90%	2.48%	121	2	123	57.66%	2.82%	115	2	117	57.00%	0.60%	106	2	108	57.48%	0.35%
	17,798	3,269	21,067			24,072	3,253	27,325			23,989	3,234	27,223			23,870	4,037	27,907		

Recap of AIRB and Standardized Portfolios (\$ millions)

Total AIRB wholesale credit exposure by risk ratings	255,055	69,298			261,156	66,545				250,525	64,618				244,787	66,988			
Retail AIRB credit exposure by portfolio and risk ratings																			
Residential mortgages	71,535	10,841			69,726	12,318				73,004	12,136				74,106	11,976			
Qualifying revolving retail	6,395	22,500			6,320	22,162				6,543	23,264				6,580	27,304			
Other retail and Retail SME	17,798	3,269			24,072	3,253				23,989	3,234				23,870	4,037			
Total Standardized portfolio	21,124	2,471			20,867	2,351				22,456	2,167				23,022	2,243			
Total Portfolio	371,907	108,379			382,141	106,629				376,517	105,419				372,365	112,548			

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

(2) Beginning in Q2 2014, the transitional floor RWA adjustment of BMO Harris Bank 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) (3) (4)

Risk Profile (\$ millions except as noted)	BMO Rating	PD Range	Moody's Investors Service implied equivalent	Standard & Poor's implied equivalent	Q4 2014					Q3 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+	40,070	0.01%	0.80%	82	0.20%	51,554	0.01%	0.65%	93	0.18%	
	I-2	>0.02% to ≤0.03%	Aa2/Aa3	AA/AA-	19,808	0.03%	6.48%	568	2.87%	19,887	0.03%	5.76%	515	2.59%	
	I-3	>0.03% to ≤0.07%	A1/A2/A3	A+/A/A-	31,971	0.05%	19.65%	3,604	11.22%	31,468	0.04%	17.91%	3,781	12.02%	
	I-4	>0.07% to ≤0.11%	Baa1	BBB+	28,013	0.08%	28.64%	4,884	17.44%	27,254	0.08%	27.24%	4,678	17.17%	
	I-5	>0.11% to ≤0.19%	Baa2	BBB	25,157	0.14%	37.03%	7,858	31.23%	25,260	0.14%	35.15%	8,078	31.98%	
	I-6	>0.19% to ≤0.32%	Baa3	BBB-	34,322	0.23%	33.59%	11,989	34.93%	30,942	0.24%	34.77%	11,981	38.72%	
	I-7	>0.32% to ≤0.54%	Ba1	BB+	30,850	0.41%	34.25%	14,803	47.98%	30,385	0.43%	34.17%	15,487	50.97%	
				210,191					43,788			216,750		44,613	
Non-investment grade	S-1	>0.54% to ≤0.91%	Ba2	BB	29,161	0.84%	33.78%	18,745	64.28%	27,752	0.80%	33.15%	18,357	66.15%	
	S-2	>0.91% to ≤1.54%	Ba3	BB-	19,460	1.24%	35.21%	15,890	81.66%	19,446	1.19%	35.19%	16,815	86.47%	
	S-3	>1.54% to ≤2.74%	B1	B+	9,136	2.21%	34.49%	8,134	89.03%	8,400	2.32%	34.86%	8,388	99.83%	
	S-4	>2.74% to ≤5.16%	B2	B	3,591	3.80%	36.41%	3,990	111.13%	3,087	4.05%	37.93%	4,017	130.10%	
					61,348					46,759			58,685		47,576
Watchlist	P-1	>5.16% to ≤9.70%	B3	B-	1,569	8.82%	30.47%	1,975	125.96%	1,474	8.41%	33.74%	2,263	153.51%	
	P-2	>9.70% to ≤18.23%	Caa1/Caa2/Caa3	CCC/CC	858	16.71%	44.44%	1,837	213.98%	966	14.45%	40.47%	1,918	198.70%	
	P-3	>18.23% to <100%			92	25.50%	43.62%	233	253.64%	174	24.63%	44.57%	463	265.14%	
					2,519					4,045			2,614		4,644
Default (2)	T-1, D-1 to D-2	100%			1,032	100.00%	54.05%	3,462	335.47%	997	100.00%	51.86%	3,543	355.19%	
					1,032			3,462		997			3,543		
Total					275,090				98,054				279,046		100,375

- (1) Figures are adjusted exposure at default amounts.
- (2) Beginning in Q2 2014, the transitional floor RWA adjustment for Harris Bankcorp previously reported in default row has been assigned to PD Ranges.
- (3) Beginning in Q3 2014, certain insured mortgages previously reported in this table are included in the retail table below. Comparative figures have not been restated.
- (4) External rating groups reflect the most predominant alignment of groups to PD Band.

CREDIT QUALITY OF AIRB EXPOSURE - RETAIL PORTFOLIOS (1)

Risk Profile (\$ millions except as noted)	PD Range	EAD	Notional of undrawn commitments	Q4 2014					Q3 2014										
				Exposure weighted-average EAD %	Exposure weighted-average PD (%)	Exposure weighted-average LGD%	Exposure weighted-average risk weight %	RWA	Expected Losses (EL)	EL adjusted Average Risk weight % (2)	Exposure weighted-average EAD %	Exposure weighted-average PD (%)	Exposure weighted-average LGD%	Exposure weighted-average risk weight %	RWA	Expected Losses (EL)	EL adjusted Average Risk weight % (2)		
Canadian Residential Mortgages and HELOCs																			
Insured Drawn and Undrawn (3)																			
Exceptionally low	≤0.05%	48,269	-	100.00%	0.00%	13.98%	0.31%	150	-	0.31%	47,150	-	100.00%	0.00%	15.92%	0.14%	65	-	0.13%
Very low	>0.05% to ≤0.20%	1,076	-	100.00%	0.08%	35.20%	22.74%	244	1	23.12%	1,401	-	100.00%	0.08%	35.20%	24.23%	339	-	24.60%
Low	>0.20% to ≤0.75%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%
Medium	>0.75% to ≤7.0%	122	-	100.00%	0.86%	20.02%	22.66%	28	-	24.81%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%
High	>7.0% to ≤99.9%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%
Default	100%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%
		49,467	-					422	1		48,551	-					404	-	
Uninsured Undrawn (4)																			
Exceptionally low	≤0.05%	1,457	5,278	27.60%	0.03%	14.25%	1.31%	19	-	1.37%	1,897	5,203	26.71%	0.03%	14.20%	1.31%	25	-	1.36%
Very low	>0.05% to ≤0.20%	5,705	15,453	36.91%	0.07%	14.30%	2.43%	139	1	2.55%	6,513	15,314	29.84%	0.07%	14.34%	2.50%	163	1	2.63%
Low	>0.20% to ≤0.75%	16	20	81.38%	0.81%	14.94%	13.34%	2	-	14.47%	183	570	24.28%	0.63%	15.16%	13.96%	25	-	15.16%
Medium	>0.75% to ≤7.0%	172	745	23.14%	1.23%	15.30%	20.75%	36	-	23.15%	68	191	26.10%	3.02%	17.60%	44.41%	30	1	51.65%
High	>7.0% to ≤99.9%	11	43	24.45%	30.98%	14.21%	65.43%	7	1	123.03%	20	51	28.53%	34.08%	18.16%	83.20%	17	1	161.45%
Default	100%	2	8	25.30%	100.00%	22.51%	0.00%	-	-	281.40%	5	6	47.26%	100.00%	25.65%	0.00%	-	-	320.58%
		7,363	21,547					203	2		8,686	21,336					260	4	
Uninsured Drawn (5)																			
Exceptionally low	≤0.05%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	0.03%	16.82%	1.53%	-	-	-	1.53%
Very low	>0.05% to ≤0.20%	42,823	-	0.10%	13.20%	3.14%	1.345	6	6	3.31%	41,863	-	0.10%	13.25%	3.20%	1,340	6	3.37%	
Low	>0.20% to ≤0.75%	6,979	-	0.59%	12.63%	10.81%	755	5	11.72%	10,206	-	0.67%	14.67%	13.59%	1,387	10	14.78%		
Medium	>0.75% to ≤7.0%	7,916	-	1.26%	15.32%	21.28%	1,684	15	23.73%	4,706	-	1.91%	13.49%	25.71%	1,210	13	29.26%		
High	>7.0% to ≤99.9%	3,224	-	10.85%	11.59%	46.79%	1,508	48	65.23%	3,176	-	11.81%	11.57%	48.36%	1,536	50	68.21%		
Default	100%	214	-	100.00%	17.06%	46.90%	46.90%	100	28	213.20%	200	-	100.00%	16.71%	47.44%	95	26	208.88%	
		61,156	-					5,392	102		60,151	-				5,568	105		
Qualifying Revolving Credit																			
Exceptionally low	≤0.05%	9,869	26,920	36.54%	0.03%	82.15%	1.87%	185	3	2.20%	9,851	26,810	26.87%	0.03%	82.28%	1.88%	185	3	2.20%
Very low	>0.05% to ≤0.20%	6,612	7,046	86.94%	0.09%	80.21%	4.17%	276	4	5.02%	6,271	6,664	48.48%	0.09%	79.38%	4.20%	263	4	5.06%
Low	>0.20% to ≤0.75%	7,857	10,647	57.95%	0.26%	78.08%	10.42%	818	16	13.03%	7,991	10,806	42.51%	0.26%	78.22%	10.41%	832	17	13.01%
Medium	>0.75% to ≤7.0%	4,044	1,801	93.98%	1.71%	89.21%	47.80%	1,933	61	55.59%	3,857	1,763	68.63%	1.72%	89.00%	47.73%	1,841	58	66.56%
High	>7.0% to ≤99.9%	463	246	86.58%	21.14%	79.44%	170.19%	788	77	378.24%	467	276	62.90%	20.02%	80.55%	172.08%	804	74	370.23%
Default	100%	50	13	87.26%	100.00%	64.52%	0.00%	-	32	806.51%	45	12	79.69%	100.00%	64.67%	0.00%	-	29	808.40%
		28,895	46,673					4,000	193		28,482	46,331				3,925	185		
Other Retail (6)																			
Exceptionally low	≤0.05%	4,354	4,567	75.59%	0.03%	76.26%	7.34%	320	1	7.64%	4,430	4,334	50.55%	0.03%	77.21%	7.20%	319	-	7.49%
Very low	>0.05% to ≤0.20%	8,589	1,783	98.14%	0.13%	61.24%	18.89%	1,622	7	19.95%	11,751	1,618	87.90%	0.15%	55.14%	17.70%	2,080	10	18.70%
Low	>0.20% to ≤0.75%	10,704	2,382	91.25%	0.41%	63.65%	38.25%	4,094	26	41.26%	10,713	2,330	82.14%	0.42%	65.56%	39.93%	4,277	28	43.17%
Medium	>0.75% to ≤7.0%	9,659	629	99.08%	1.84%	61.85%	84.46%	8,158	110	98.72%	12,320	672	94.83%	1.99%	57.05%	78.63%	9,687	143	93.10%
High	>7.0% to ≤99.9%	688	130	91.92%	22.77%	69.47%	211.96%	1,459	103	398.85%	710	139	83.86%	23.23%	68.48%	210.21%	1,492	107	398.19%
Default	100%	728	6	99.53%	100.00%	60.25%	1.16%	9	448	769.90%	712	4	99.40%	100.00%	60.34%	1.71%	12	437	769.72%
		34,722	9,497					15,662	695		40,636	9,097				17,867	725		
Total		181,603	77,717					25,679	993		186,506	76,763				28,024	1,019		

- (1) Represents retail exposures under the AIRB approach. Amounts are before allowance for credit losses.
- (2) EL adjusted average risk weight is calculated as (RWA + 12.5 x EL) / EAD
- (3) Includes insured drawn and undrawn Canadian residential mortgages and home equity lines of credit (e.g. CMHC insured mortgages)
- (4) Includes only uninsured undrawn Canadian residential mortgages and home equity lines of credit
- (5) Includes only uninsured drawn Canadian residential mortgages and home equity lines of credit
- (6) Includes all other retail exposures, such as drawn and undrawn retail exposures.

WHOLESALE CREDIT EXPOSURE BY RISK RATING (1)

(Canadian \$ in millions)

	Q4 2014							Q3 2014						
	Drawn			Undrawn			Total Exposures	Drawn			Undrawn			Total Exposures
	Bank	Corporate	Sovereign	Bank	Corporate	Sovereign		Bank	Corporate	Sovereign	Bank	Corporate	Sovereign	
Total investment grade	19,982	86,291	101,128	2,764	47,071	2,218	259,454	19,182	85,877	110,189	2,687	45,410	2,059	265,404
Non-investment grade	3,465	40,996	183	252	16,449	3	61,348	3,951	38,740	206	247	15,535	6	58,685
Watchlist	9	2,058	1	-	451	-	2,519	10	2,086	4	4	510	-	2,614
Default	1	938	3	1	89	-	1,032	16	895	-	-	87	-	998
	23,457	130,283	101,315	3,017	64,060	2,221	324,353	23,159	127,598	110,399	2,938	61,542	2,065	327,701

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

RETAIL CREDIT EXPOSURE BY PORTFOLIO AND RISK RATING (2)

(Canadian \$ in millions)

	Q4 2014			Q3 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 ($\leq 0.05\%$)	5,392	9,869	419	5,909	9,852	418
Very low ($> 0.05\%$ to 0.20%)	51,150	6,612	6,046	50,816	6,270	9,385
Low ($> 0.20\%$ to 0.75%)	10,066	7,857	7,634	12,147	7,992	8,955
Medium ($> 0.75\%$ to 7.00%)	11,407	4,044	6,462	8,884	3,856	8,032
High ($> 7.00\%$ to 99.99%)	3,536	463	387	3,494	467	412
Default (100%)	824	50	119	794	45	123
	82,375	28,895	21,067	82,044	28,482	27,325

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

Basel III Asset Classes	Q4 2014		Q3 2014		Q2 2014		Q1 2014	
	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)	0.12%	0.65%	0.13%	0.77%	0.11%	0.84%	0.07%	0.88%
Sovereign	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
Bank	0.00%	0.10%	0.00%	0.12%	0.00%	0.07%	0.00%	0.08%
Retail								
Residential retail incl. HELOCs	0.06%	0.49%	0.09%	0.53%	0.10%	0.56%	0.13%	0.56%
Other retail incl. SBE	0.37%	1.05%	0.38%	1.07%	0.42%	1.07%	0.44%	1.13%
Qualifying revolving retail	1.01%	3.03%	1.12%	3.19%	1.35%	3.18%	1.67%	3.46%

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 (PDxLGDxEAD) 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 PDxLGDxEAD 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 Q4 F2014 continued to be low, reflecting more benign economic environment. EL measures were also stable quarter over quarter. Results for the current quarter are in line with observations over the past two years and are reflective of the overall stability of underlying credit risk parameters in the Corporate portfolio during that time.

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 changes in portfolio mix generated by growth and certain securitization transactions over time. Expected loss (EL) rates are relatively stable for all retail asset classes. The slight decrease in Q4 2014 EL rate for retail asset classes is mainly due to the updated PD LGD EAD parameters that were re-calibrated in May 2014 and implemented during Q4 2014.

ESTIMATED AND ACTUAL LOSS PARAMETERS UNDER AIRB APPROACH

Risk Profile (\$ millions except as noted)	Q4 2014						Q3 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	1.27%	0.72%	36.51%	4.23%	142	126	1.33%	0.58%	36.97%	52.74%	167	141
Corporate small and medium enterprises (SMEs)	1.49%	0.53%	35.45%	22.52%	136	80	1.41%	0.56%	35.88%	23.41%	129	84
Sovereign	0.15%	0.00%	9.59%	0.00%	-	-	0.27%	0.00%	8.24%	0.00%	-	-
Bank	0.52%	0.00%	23.03%	0.00%	-	-	0.58%	0.00%	17.00%	0.00%	-	-
Retail												
Residential mortgages excluding home equity line of credits (HELOCs) - Uninsured only (7)	0.91%	0.99%	47.23%	40.49%	322	322	1.02%	1.13%	48.02%	41.73%	320	320
HELOCs	0.56%	0.59%	66.58%	51.81%	223	218	0.64%	0.66%	65.74%	52.47%	226	216
Qualifying revolving retail (QRR)	1.29%	1.26%	94.61%	80.11%	427	401	1.29%	1.25%	94.64%	81.00%	412	394
Other retail (excl. SMEs)	4.15%	4.68%	89.87%	85.44%	243	243	4.34%	4.34%	90.34%	85.33%	229	230
Retail SMEs	1.07%	0.87%	98.59%	91.87%	19	14	1.14%	0.90%	98.58%	92.18%	20	15

(1) Wholesale PDs are based on a 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) 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

(\$ millions)	Q4 2014		Q3 2014		Q2 2014		Q1 2014		Q4 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
Traditional Securitizations										
Risk Weights										
Bank Assets										
7%	1,878	11	1,965	11	1,598	9	1,448	8	1,448	8
7.01% - 25%	6,133	94	-	-	17	-	17	-	37	-
25.01% - 50%	115	4	-	-	-	-	-	-	-	-
Greater than 50%	26	26	-	-	-	-	-	-	-	-
Less amount excluded from capital requirements for exceeding maximum KIRB capital (2)	-	-	-	-	-	-	-	-	-	-
Total Exposures, net of deductions	8,152	135	1,982	11	1,615	9	1,465	8	1,485	8
Exposures Deducted:										
From Tier 1 Capital:										
Credit Card Receivables (3)	-	-	-	-	-	-	-	-	-	-
Residential Mortgages	-	-	-	-	-	-	-	-	-	-
From Total Capital:										
Residential Mortgages	-	-	-	-	-	-	-	-	-	-
Total Exposures Deducted	-	-	-	-	-	-	-	-	-	-
Bank Assets Total Exposures	8,152	135	1,982	11	1,615	9	1,465	8	1,485	8
Third Party Assets										
7%	15,777	88	15,204	85	17,814	100	16,548	93	8,147	46
7.01% - 25%	3,717	31	3,811	32	4,329	33	3,231	26	11,824	77
25.01% - 50%	3	-	3	-	9	-	65	3	110	4
50.01% - 100%	203	14	200	13	211	14	117	6	55	3
Greater than 100%	-	-	-	-	-	-	-	-	-	-
Default	-	-	-	-	49	49	164	164	177	177
Total Exposures, net of deductions	19,700	133	19,218	130	22,412	196	20,125	292	20,313	307
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	19,700	133	19,218	130	22,412	196	20,125	292	20,313	307
Total Exposures	27,852	268	21,200	141	24,027	205	21,590	300	21,798	315

(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.

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

(\$ millions)	Q4 2014		Q3 2014		Q2 2014		Q1 2014	
	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required
Traditional Securitizations								
Risk Weights								
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%	181	3	205	4	292	5	384	7
25.01% - 50%	-	-	-	-	-	-	-	-
50.01% - 100%	-	-	-	-	-	-	10	1
Greater than 100%	82	33	87	34	104	42	108	43
Default	-	-	-	-	-	-	-	-
Total Exposures, net of deductions	263	36	292	38	396	47	502	51
Exposures Deducted:								
From Total Capital:								
Collateralized Debt Obligations (AAA/R-1 (High) Securities)	-	-	-	-	-	-	-	-
Commercial Mortgages	-	-	-	-	-	-	-	-
Montreal Accord Assets	-	-	-	-	-	-	-	-
Residential Mortgages (Uninsured)	-	-	-	-	-	-	-	-
Other Pool Type	-	-	-	-	-	-	-	-
Equipment Loans/Leases	-	-	-	-	-	-	-	-
Total Exposures Deducted	-	-	-	-	-	-	-	-
Third Party Assets Total Exposures	263	36	292	38	396	47	502	51
Total Exposures	263	36	292	38	396	47	502	51

(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**

	Q4 2014		Q3 2014		Q2 2014		Q1 2014	
	RBA/Inferred Rating/IAA Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Amount	Capital Required
(\$ millions)								
Trading Securitizations Excluding Resecuritization Exposures								
Risk Weights (#1669)								
Exposures Included In Risk-Weighted Assets								
7%	-	-	-	-	-	-	-	-
7.01% - 25%	143	2	152	2	131	2	156	2
25.01% - 50%	1	-	2	-	6	-	2	-
50.01% - 100%	10	9	18	18	5	4	3	-
Greater than 100%	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Less amount excluded from capital requirements for exceeding maximum KIRB capital	-	-	-	-	-	-	-	-
Total Exposures excluding Resecuritization, net of deductions (1)	154	11	172	20	142	6	161	2
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	154	11	172	20	142	6	161	2

(1) Excluding Resecuritization Exposures of \$237 million in Q4'14.

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

	Q4 2014 Exposure	Q3 2014 Exposure	Q2 2014 Exposure	Q1 2014 Exposure
(\$ millions except as noted)				
Asset Classes				
Auto loans/leases	-	-	-	-
Credit card receivables	99	99	117	141
Residential mortgages (insured)	-	-	-	-
Residential mortgages (uninsured)	1	1	3	-
Commercial mortgages	-	-	-	-
Personal line of credit	-	-	-	-
Equipment loans/leases	1	1	1	1
Trade receivables	-	-	-	-
Corporate loans	-	-	-	-
Daily auto rental	11	18	5	17
Floorplan finance receivables	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	-	-	-	-
Other pool type	42	53	16	2
Total Trading Securitization Excluding Resecuritization	154	172	142	161

DEBT ISSUED BY BANK SPONSORED VEHICLES FOR THIRD PARTY ASSETS

	Q4 2014				Q3 2014				Q2 2014				Q1 2014			
	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	1,347	667	-	2,014	1,316	581	-	1,897	1,469	404	-	1,873	1,523	395	-	1,918
Credit card receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages (insured)	1,362	-	-	1,362	1,343	-	-	1,343	1,100	-	-	1,100	1,231	-	-	1,231
Residential mortgages (uninsured)	9	3	-	12	25	4	-	29	13	5	-	18	28	5	-	33
Commercial mortgages (uninsured)	-	108	-	108	-	115	-	115	-	137	-	137	-	142	-	142
Commercial mortgages (insured)	147	-	-	147	133	-	-	133	108	-	-	108	100	-	-	100
Personal line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment loans/leases	223	327	-	550	154	262	-	416	336	230	-	566	240	269	-	509
Trade receivables	-	260	-	260	-	270	-	270	-	247	-	247	-	272	-	272
Corporate loans	-	210	-	210	-	250	-	250	-	430	-	430	-	501	-	501
Daily auto rental	201	195	-	396	290	338	-	628	208	263	-	471	116	269	-	385
Floorplan finance receivables	215	433	-	648	200	456	-	656	224	429	-	653	200	290	-	490
Collateralized debt obligations	-	107	-	107	-	110	-	110	-	179	-	179	-	199	-	199
Other pool type	250	726	-	976	250	563	-	813	250	1,256	-	1,506	250	1,841	-	2,091
SIV assets (financial institutions debt and securitized assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit protection vehicle	-	-	396	396	-	-	396	396	-	-	396	396	-	-	386	386
Total	3,754	3,036	396	7,186	3,711	2,949	396	7,056	3,708	3,580	396	7,684	3,688	4,183	386	8,257

(1) Canadian Conduit totals include amounts pertaining to conduits that have been directly funded by the Bank (\$652.7 million as at Q4, 2014, \$789.4 million as at Q3, 2014, \$849.1 million as at Q2, 2014 and \$804.6 million as at Q1, 2014).

(2) US Conduit totals include amounts pertaining to conduits that have been funded by the Bank through liquidity draws (\$175 million as at Q4, 2014, \$186.3 million as at Q3, 2014, \$304.7 million as at Q2, 2014 and \$328.5 million as at Q1, 2014).

AGGREGATE AMOUNT OF SECURITIZATION EXPOSURES RETAINED OR PURCHASED BY EXPOSURE TYPE

	Q4 2014				Q3 2014				Q2 2014				Q1 2014			
	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)																
Auto loans/leases	-	6,256	-	6,256	-	-	-	-	-	-	-	-	-	-	-	-
Credit card receivables (7)	-	1,896	-	1,896	-	1,982	-	1,982	-	1,615	-	1,615	-	1,465	-	1,465
Residential mortgages (uninsured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Bank Assets		8,152		8,152		1,982		1,982		1,615		1,615		1,465		1,465
Third Party Assets (8)																
Auto loans/leases	2,267	1,411	-	3,678	1,998	1,456	-	3,454	2,011	2,674	-	4,685	2,095	2,491	-	4,586
Credit card receivables	209	224	-	433	205	217	-	422	1,551	676	-	2,227	-	667	-	667
Residential mortgages (insured)	2,040	-	-	2,040	2,040	-	-	2,040	2,040	-	-	2,040	1,530	-	-	1,530
Residential mortgages (uninsured)	-	3	-	3	-	4	-	4	-	5	-	5	-	5	-	5
Commercial mortgages (uninsured)	47	55	-	102	-	-	-	-	-	-	-	-	-	-	-	-
Commercial mortgages (insured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment loans/leases	651	551	-	1,202	732	449	-	1,181	620	757	-	1,377	556	874	-	1,430
Trade receivables	147	260	-	407	69	270	-	339	94	247	-	341	75	272	-	347
Corporate loans	109	439	-	548	109	450	-	559	53	442	-	495	60	498	-	558
Daily auto rental	669	196	-	865	512	338	-	850	633	263	-	896	606	269	-	875
Floorplan finance receivables	511	640	-	1,151	485	642	-	1,127	508	513	-	1,021	383	364	-	747
Collateralized debt obligations	55	54	-	109	95	110	-	205	84	179	-	263	120	213	-	333
Other pool type	2,061	694	-	2,755	2,111	518	-	2,629	1,501	1,152	-	2,653	937	1,699	-	2,636
SIV assets (financial institutions debt and securitized assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit protection vehicle (9)	6,400	-	-	6,400	6,400	-	-	6,400	6,400	-	-	6,400	6,400	-	-	6,400
Trading securities reclassified to AFS	-	7	-	7	-	8	-	8	-	9	-	9	-	11	-	11
Montreal Accord Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Third Party Assets	15,166	4,534		19,700	14,756	4,462		19,218	15,495	6,917		22,412	12,762	7,363		20,125
Total	15,166	12,686		27,852	14,756	6,444		21,200	15,495	8,532		24,027	12,762	8,828		21,590

(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

	Q4 2014				Q3 2014				Q2 2014				Q1 2014			
	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	-	82	-	82	-	87	-	87	-	104	-	104	-	108	-	108
Personal line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment loans/leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate loans	8	89	-	97	5	105	-	110	12	161	-	173	12	174	-	186
Daily auto rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Floorplan finance receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	10
Other pool type	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SIV assets (financial institutions debt and securitized assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit protection vehicle (7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading securities reclassified to AFS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Montreal Accord Assets	84	-	-	84	95	-	95	119	-	-	-	119	198	-	-	198
Total Third Party Assets	92	171	-	263	100	192	-	292	131	265	-	396	210	292	-	502
Total	92	171	-	263	100	192	-	292	131	265	-	396	210	292	-	502

(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 October 31, 2014				As at July 31, 2014				As at April 30, 2014				As at January 31, 2014			
	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	2,675,677	17,546	21,371		2,467,001	17,142	21,254		2,572,498	18,321	22,831		2,496,283	21,739	26,735	
Forward rate agreements	361,484	4	45		397,366	6	83		300,197	6	49		466,399	10	38	
Purchased options	19,267	691	705		19,339	618	647		17,718	611	638		18,274	604	668	
Written options	22,955	-	-		24,397	-	-		22,448	-	-		23,355	-	-	
	3,079,383	18,241	22,121	1,393	2,908,103	17,766	21,984	986	2,912,861	18,938	23,518	1,275	3,004,311	22,353	27,441	1,749
Exchange traded																
Futures	125,272	-	-		135,320	-	-		131,778	-	-		127,468	-	-	
Purchased options	21,680	-	-		19,240	-	-		19,810	-	-		16,918	-	-	
Written options	21,342	-	-		17,859	-	-		17,073	-	-		13,765	-	-	
	168,294	-	-		172,419	-	-		168,661	-	-		158,151	-	-	
Total Interest Rate Contracts	3,247,677	18,241	22,121	1,393	3,080,522	17,766	21,984	986	3,081,522	18,938	23,518	1,275	3,162,462	22,353	27,441	1,749
Foreign Exchange Contracts																
Over-the-counter																
Cross-currency swaps	51,616	2,153	5,039		50,610	1,560	4,476		48,696	1,660	5,009		46,850	1,922	5,096	
Cross-currency interest rate swaps	279,119	5,705	11,219		261,173	3,461	15,609		262,821	3,972	9,082		267,286	7,162	20,068	
Forward foreign exchange contracts	299,480	4,376	6,477		272,092	2,198	4,330		277,971	2,200	4,320		259,352	4,265	5,932	
Purchased options	31,148	415	837		15,845	157	339		15,484	142	314		13,060	241	391	
Written options	36,344	-	-		19,036	-	-		18,661	-	-		18,071	-	-	
	697,707	12,649	23,572	1,656	618,756	7,376	24,754	1,466	623,633	7,974	18,725	1,591	604,619	13,590	31,487	2,622
Exchange traded																
Futures	813	-	-		905	-	-		406	-	-		214	-	-	
Purchased options	343	-	-		448	-	-		744	-	-		1,503	-	-	
Written options	319	-	-		435	-	-		608	-	-		709	-	-	
	1,475	-	-		1,788	-	-		1,758	-	-		2,426	-	-	
Total Foreign Exchange Contracts	699,182	12,649	23,572	1,656	620,544	7,376	24,754	1,466	625,391	7,974	18,725	1,591	607,045	13,590	31,487	2,622
Commodity Contracts																
Over-the-counter																
Swaps	13,559	376	1,902		15,556	555	2,331		17,011	763	2,709		16,727	624	2,557	
Purchased options	8,526	30	1,109		8,772	80	1,135		9,206	189	1,273		9,000	126	1,199	
Written options	4,166	-	-		4,538	-	-		4,713	-	-		4,846	-	-	
	26,251	406	3,011	472	28,866	635	3,466	662	30,930	952	3,982	949	30,573	750	3,756	730
Exchange traded																
Futures	22,586	-	-		25,359	-	-		27,776	-	-		26,976	-	-	
Purchased options	6,733	-	-		7,147	-	-		7,537	-	-		8,102	-	-	
Written options	8,499	-	-		8,781	-	-		9,545	-	-		9,972	-	-	
	37,818	-	-		41,287	-	-		44,858	-	-		45,050	-	-	
Total Commodity Contracts	64,069	406	3,011	472	70,153	635	3,466	662	75,788	952	3,982	949	75,623	750	3,756	730
Equity Contracts																
Over-the-counter																
Exchange traded	48,702	896	3,547	208	49,235	776	3,420	307	44,314	729	3,529	230	39,664	510	3,392	104
	7,314	-	-		8,343	-	-		7,756	-	-		6,257	-	-	
Total Equity Contracts	56,016	896	3,547	208	57,578	776	3,420	307	52,070	729	3,529	230	45,921	510	3,392	104
Credit Default Swaps																
Over-the-counter																
Purchased	8,801	80	271	42	8,852	65	429	82	8,247	77	429	168	8,068	82	433	359
Written	11,983	-	-		11,342	-	-		11,972	-	-		12,181	-	-	
Total Credit Default Swaps	20,784	80	271	42	20,194	65	429	82	20,219	77	429	168	20,249	82	433	359
Sub-total	4,087,728	32,272	52,522	3,771	3,848,991	26,618	54,053	3,503	3,854,990	28,670	50,183	4,213	3,911,300	37,285	66,509	5,564
Impact of master netting agreements	n.a.	(28,885)	(35,585)		n.a.	(24,340)	(35,174)		n.a.	(25,598)	(32,893)		n.a.	(33,666)	(45,084)	
Total	4,087,728	3,387	16,937	3,771	3,848,991	2,278	18,879	3,503	3,854,990	3,072	17,290	4,213	3,911,300	3,619	21,425	5,564

(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).