

# Supplementary Regulatory Capital Information

For the Quarter Ended – April 30, 2018

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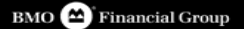
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*This report is unaudited and all amounts are in millions of Canadian dollars, unless otherwise indicated.*



CONSOLIDATED BALANCE SHEET



(\$ millions except as noted)	LINE #	Balance sheet as in	Under regulatory scope	Cross	(\$ millions except as noted)	LINE #	Balance sheet as in	Under regulatory scope	Cross
		Report to Shareholders	of consolidation (1)	Reference (2)			Report to Shareholders	of consolidation (1)	Reference (2)
		Q2 2018	Q2 2018				Q2 2018	Q2 2018	
<b>Assets</b>					<b>Liabilities and Equity</b>				
<b>Cash and Cash Equivalents</b>	1	35,922	35,537		<b>Total Deposits</b>	38	491,198	491,197	
<b>Interest Bearing Deposits with Banks</b>	2	7,637	7,637		<b>Other Liabilities</b>				
<b>Securities</b>	3	165,380	157,524		Derivative instruments	39	24,770	24,598	
Investments in own shares CET1 (if not already netted off paid-in capital on reported balance sheet)	4	-	-	n	Acceptances	40	16,385	16,385	
Investments in own Additional Tier 1 instruments not derecognized for accounting purposes	5	-	56	n1	Securities sold but not yet purchased	41	25,414	25,414	
Investments in own Tier 2 instruments not derecognized for accounting purposes	6	-	72	q1	Non-significant investments in the capital of other financials	42	-	19,751	z
Non-significant investments in the capital of other financials below threshold (3)	7	-	20,326	y	Securities lent or sold under repurchase agreement	43	78,782	78,782	
Significant investments in deconsolidated subsidiaries and other financial institutions (4)	8	-	1,898	t+x+a1	Securitization and structured entities' liabilities	44	23,565	23,565	
Significant investments in capital of other financial institutions reflected in regulatory capital					Current tax liabilities	45	47	47	
Amount exceeding the 15% threshold	9	-	-	h1	Deferred tax liabilities (5)	46	185	185	
Significant investment in common stock of financials below threshold	10	-	487		related to goodwill	47	-	177	f
Goodwill embedded in significant investments	11	-	89	p1	related to intangibles	48	-	297	h
<b>Securities Borrowed or Purchased Under Resale Agreements</b>	12	94,681	94,681		related to deferred tax assets excluding those arising from temporary differences	49	-	202	j
<b>Loans</b>					related to defined-benefit pension fund net assets	50	-	127	m
Residential mortgages	13	117,770	117,770		related to deferred tax assets arising from temporary differences,				
Consumer installment and other personal	14	61,733	61,733		excluding those realizable through net operating loss carryback	51	-	330	d1
Credit cards	15	8,175	8,175		Other	52	33,850	24,504	
Business and governments	16	182,870	182,698		of which: liabilities of subsidiaries, other than deposits	53	-	-	
Allowance for credit losses	17	(1,647)	(1,647)		Less: amount (of liabilities of subsidiaries) phased out	54	-	-	
Allowance reflected in Tier 2 regulatory capital	18	-	222	w	Liabilities of subsidiaries after phase out	55	-	-	v
Shortfall of provisions to expected loss	19	-	-	kl	<b>Total other liabilities</b>	56	202,998	193,480	
<b>Total net loans and acceptances</b>	20	368,901	368,729		<b>Subordinated Debt</b>				
<b>Other Assets</b>					Subordinated debt	57	5,627	5,627	
Derivative instruments	21	26,588	26,583		Qualifying subordinated debt	58	-	5,511	m1
Customers' liability under acceptances	22	16,385	16,385		Non qualifying subordinated debt	59	-	116	
Premises and equipment	23	1,966	1,814		of which redemption has been announced (in the last month of the quarter)	60	-	-	
Goodwill	24	6,263	6,263	e	Less: regulatory amortization	61	-	-	
Intangible assets	25	2,190	2,190	g	Non qualifying subordinated debt subject to phase out	62	-	116	
Current tax assets	26	2,108	2,108		Less: amount phased out	63	-	-	
Deferred tax assets (5)	27	2,159	2,163		Non qualifying subordinated debt after phase out	64	-	116	u
Deferred tax assets excluding those arising from temporary differences	28	-	1,178	i	<b>Equity</b>				
Deferred tax assets arising from temporary differences	29	-	1,927	c1	Share capital	65	17,166	17,166	
of which Deferred tax assets arising from temporary differences below the threshold	30	-	1,927		Preferred shares				
of which amount exceeding 15% threshold	31	-	-	il	Directly issued qualifying Additional Tier 1 instruments	66	-	3,650	o1
Other	32	13,389	12,436		Non-qualifying preferred shares for accounting purposes	67	-	-	
Defined-benefit pension fund net assets	33	-	586	l	Non-qualifying preferred shares subject to phase out	68	-	590	
Mortgage servicing rights	34	-	49		Less amount (of preferred shares) phased out	69	-	-	e1
of which Mortgage servicing rights under the threshold	35	-	49	b1	Non qualifying preferred shares after phase out	70	-	590	p
of which amount exceeding the 15% threshold	36	-	-	j1	Common shares				
<b>Total Assets</b>	37	743,569	734,050		Directly issued qualifying CET1	71	-	12,926	a
					Contributed surplus	72	304	304	b
					Retained earnings	73	24,119	24,119	c
					Accumulated other comprehensive income	74	2,157	2,157	d
					of which: Cash flow hedges	75	-	(768)	k
					Other AOCI	76	-	2,925	
					<b>Total shareholders' equity</b>	77	43,746	43,746	
					Non-controlling interests in subsidiaries	78	-	-	
					of which portion allowed for inclusion into Tier 1 capital	79	-	-	
					less amount phased out	80	-	-	f1
					Other additional Tier 1 issued by subs after phase out	81	-	-	s
					<b>Total equity</b>	82	43,746	43,746	
					<b>Total Liabilities and Equity</b>	83	743,569	734,050	

(1) Balance sheet under regulatory scope does not include the following entities: BMO Life Insurance Company and BMO Reinsurance Limited. BMO Life Insurance Company (\$9,148 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 (\$371 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 1).

(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.

**SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE (1)**

(\$ millions except as noted)

Item	Q2 2018	Q1 2018	Q4 2017	Q3 2017
1 Total consolidated assets as per published financial statements	743,569	727,909	709,580	708,617
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(9,175)	(9,094)	(8,882)	(8,583)
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-
4 Adjustments for derivative financial instruments	1,775	(5,606)	(1,923)	(9,873)
5 Adjustment for securities financing transactions (i.e. repo assets and similar secured lending)	2,930	6,694	6,715	6,184
6 Adjustment for off balance-sheet items (i.e. credit equivalent amounts of off-balance sheet exposures)	101,147	97,832	99,327	94,194
7 Other adjustments	(9,152)	(8,892)	(9,832)	(9,398)
<b>8 Leverage Ratio Exposure</b>	<b>831,094</b>	<b>808,843</b>	<b>794,985</b>	<b>781,141</b>

**LEVERAGE RATIO COMMON DISCLOSURE (1)**

(\$ millions except as noted)

Item	Leverage ratio framework			
	Q2 2018	Q1 2018	Q4 2017	Q3 2017
<b>On-balance sheet exposures</b>				
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	613,128	603,873	596,701	591,108
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(9,152)	(8,892)	(9,832)	(9,398)
<b>3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>603,976</b>	<b>594,981</b>	<b>586,869</b>	<b>581,710</b>
<b>Derivative exposures</b>				
4 Replacement cost associated with all derivative transactions (i.e., net of eligible cash variation margin)	7,332	6,067	7,084	7,212
5 Add-on amounts for PFE associated with all derivative transactions	24,214	23,736	23,937	22,135
6 Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7 (Deductions of receivables assets for cash variation margin provided in derivative transactions)	(2,436)	(3,217)	(2,700)	(3,998)
8 (Exempted CCP-leg of client cleared trade exposures)	(751)	(444)	(1,294)	(224)
9 Adjusted effective notional amount of written credit derivatives	123	116	1,638	846
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(123)	(116)	(1,638)	(846)
<b>11 Total derivative exposures (sum of lines 4 to 10)</b>	<b>28,359</b>	<b>26,142</b>	<b>27,027</b>	<b>25,125</b>
<b>Securities financing transaction exposures</b>				
12 Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	95,313	88,298	86,037	81,498
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,636)	(4,455)	(9,192)	(7,037)
14 Counterparty credit risk (CCR) exposure for SFTs	5,935	6,045	4,917	5,651
15 Agent transaction exposures	-	-	-	-
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>97,612</b>	<b>89,888</b>	<b>81,762</b>	<b>80,112</b>
<b>Other off-balance sheet exposures</b>				
17 Off-balance sheet exposure at gross notional amount	322,633	312,044	314,442	299,248
18 (Adjustments for conversion to credit equivalent amounts)	(221,486)	(214,212)	(215,115)	(205,054)
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>101,147</b>	<b>97,832</b>	<b>99,327</b>	<b>94,194</b>
<b>Capital and Total Exposures</b>				
<b>20 Tier 1 capital</b>	<b>35,214</b>	<b>34,603</b>	<b>35,108</b>	<b>34,081</b>
<b>21 Total Exposures (sum of lines 3, 11, 16 and 19)</b>	<b>831,094</b>	<b>808,843</b>	<b>794,985</b>	<b>781,141</b>
<b>Leverage Ratios</b>				
<b>22 Basel III leverage ratio</b>	<b>4.2%</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.4%</b>

(1) Pursuant to revision by OSFI to the "Public Disclosure Requirements related to Basel III Leverage Ratio" published in December 2017, effective Q1 2018, the information is on all-in basis only.

## RECONCILIATION OF RETAIL AND WHOLESALE DRAWN BALANCES TO BALANCE SHEET

(\$ millions except as noted)



Description	LINE #	Q2 2018						
		AIRB Credit Risk			Standardized Credit Risk	Total Credit Risk	Trading Book and other (1)	Balance Sheet
		Retail	Wholesale	Repo				
Cash, Cash Equivalents and Interest Bearing Deposits with Banks	1	-	40,222	-	205	40,427	3,132	43,559
Securities	2	-	63,834	-	58	63,892	101,488	165,380
Securities Borrowed or Purchased under Resale Agreements	3	-	-	75,030	-	75,030	19,651	94,681
Net Loans	4	122,136	202,027	-	29,643	353,806	15,095	368,901
Customers' Liability Under Acceptances	5	-	16,370	-	15	16,385	-	16,385
Derivative Instruments	6	-	-	-	-	-	26,588	26,588
Other	7	-	8,503	3	799	9,305	18,770	28,075
	8	122,136	330,956	75,033	30,720	558,845	184,724	743,569

## RECONCILIATION OF TOTAL CREDIT RISK TO BALANCE SHEET

(\$ millions except as noted)

		Q2 2018		
		Total Credit Risk	Trading Book and other (1)	Balance Sheet
Cash, Cash Equivalents and Interest Bearing Deposits with Banks	9	40,427	3,132	43,559
Securities	10	63,892	101,488	165,380
Securities Borrowed or Purchased under Resale Agreements	11	75,030	19,651	94,681
Net Loans	12	353,806	15,095	368,901
Customers' Liability Under Acceptances	13	16,385	-	16,385
Derivative Instruments	14	-	26,588	26,588
Other	15	9,305	18,770	28,075
Total on balance sheet	16	558,845	184,724	743,569
Undrawn Commitments	17	131,810		
Other Off Balance Sheet	18	18,688		
Off Balance Sheet Derivatives	19	2,221		
Off Balance Sheet Repo	20	108,724		
Total Off Balance Sheet	21	261,443		
Total Credit Risk	22	820,288		

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

**RISK-WEIGHTED ASSETS (RWA)**

LINE #	Basel III Q2 2018						Basel III							
	Exposure at Default (EAD)			RWA			Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
	Standardized approach	Advanced approach	Total	Standardized approach	Advanced approach	Total	RWA	RWA	RWA	RWA	RWA	RWA	RWA	RWA
(\$ millions except as noted)														
Credit Risk														
Wholesale														
Corporate including specialized lending	1	20,151	278,414	298,565	20,159	84,403	104,562	98,113	100,421	96,905	106,087	101,494	104,488	101,300
Corporate small and medium enterprises (SMEs)	2	-	71,428	71,428	-	37,138	37,138	35,019	35,246	34,882	35,953	35,155	33,755	33,878
Sovereign	3	155	124,416	124,571	21	3,634	3,655	1,721	1,627	1,771	1,909	2,234	1,976	1,959
Bank	4	234	91,572	91,806	47	4,287	4,334	5,475	5,892	6,266	5,318	4,877	4,486	4,312
Retail														
Residential mortgages excluding home equity line of credits (HELOCs)	5	4,209	100,868	105,077	1,755	7,655	9,410	9,156	7,984	7,816	8,302	7,874	8,115	8,360
HELOCs	6	262	44,065	44,327	185	5,155	5,340	5,370	5,426	5,565	5,830	6,135	7,641	7,648
Qualifying revolving retail (QRR)	7	-	35,640	35,640	-	5,370	5,370	4,757	5,465	5,605	5,406	5,080	5,110	4,604
Other retail (excl. SMEs)	8	3,049	34,285	37,334	2,031	10,227	12,258	11,001	11,258	10,904	11,601	11,070	11,934	10,997
Retail SMEs	9	6,110	5,430	11,540	4,662	2,173	6,835	6,686	7,582	7,551	7,864	7,547	7,696	7,574
Equity	10	-	2,322	2,322	-	1,735	1,735	1,478	1,626	1,472	1,580	1,460	1,403	1,363
Trading book	11	98	88,679	88,777	75	9,862	9,937	10,032	9,542	9,605	10,970	10,267	9,675	9,758
Securitization	12	-	24,033	24,033	-	2,017	2,017	2,407	2,476	2,273	2,168	1,911	1,878	2,277
Other credit risk assets - non-counterparty managed assets	13	-	21,475	21,475	-	16,128	16,128	16,040	15,631	16,560	15,735	15,558	16,197	16,478
Scaling factor for credit risk assets under AIRB (1)	14	-	-	-	-	10,051	10,051	9,447	9,648	9,466	10,049	9,588	9,651	9,508
Total Credit Risk	15	34,268	922,627	956,895	28,935	199,835	228,770	216,692	219,824	216,641	228,883	219,945	222,499	220,009
Market Risk (2)	16	-	-	-	2,490	7,925	10,415	9,816	8,448	8,314	7,957	9,529	8,952	9,438
Operational Risk (3)	17	-	-	-	1,965	31,861	33,826	33,342	32,773	32,470	31,860	31,321	30,502	29,787
Common Equity Tier 1 (CET 1) Capital Risk-Weighted Assets before Capital floor (4)	18	34,268	922,627	956,895	33,390	239,621	273,011	259,850	261,045	257,425	268,700	260,795	261,963	259,234
Basel Capital Floor (4)	19	-	-	-	-	-	-	10,727	8,421	7,394	2,091	-	15,599	13,648
Common Equity Tier 1 (CET 1) Capital Risk-Weighted Assets (5)	20	-	-	-	33,390	239,621	273,011	270,577	269,466	264,819	270,791	260,795	277,562	272,882
Tier 1 Capital Risk-Weighted Assets before CVA and Capital floor	21	-	-	-	-	239,621	273,011	259,850	261,045	257,425	268,700	260,795	261,963	259,234
Additional CVA adjustment, prescribed by OSFI, for Tier 1 Capital (6)	22	-	-	-	-	173	173	166	290	293	296	280	380	380
Basel Capital Floor (4)	23	-	-	-	-	-	-	10,561	8,131	7,101	1,795	-	15,219	13,268
Tier 1 Capital Risk-Weighted Assets (5)	24	-	-	-	33,390	239,794	273,184	270,577	269,466	264,819	270,791	261,075	277,562	272,882
Total Capital Risk-Weighted Assets before CVA and Capital floor	25	-	-	-	-	239,621	273,011	259,850	261,045	257,425	268,700	260,795	261,963	259,234
Additional CVA adjustment, prescribed by OSFI, for Total Capital (6)	26	-	-	-	-	346	346	333	528	528	532	504	705	706
Basel Capital Floor (4)	27	-	-	-	-	-	-	10,394	7,899	6,866	1,559	-	14,894	12,942
Total Capital Risk Weighted Assets (RWA) (5)	28	-	-	-	33,390	239,967	273,357	270,577	269,466	264,819	270,791	261,299	277,562	272,882

RWA CVA PHASE-IN CALCULATION (6)						
Q2 2018						
	CVA (A)	OSFI Scalars (B)	Total RWA Before CVA phase-in (C)	CVA phase-in Adjustments (D)=A*(100%-B)	Adjustment for Capital Floor (E)	RWA Net CVA phase-in (F)=C-D+E
Common Equity Tier 1 (CET 1) Capital RWA	29	5,767	80%	274,164	1,153	273,011
Tier 1 Capital RWA	30	5,767	83%	274,164	980	273,184
Total Capital RWA	31	5,767	86%	274,164	807	273,357

CAPITAL RATIOS FOR SIGNIFICANT BANK SUBSIDIARIES				
	2018	2018	2017	2017
	Q2	Q1	Q4	Q3
<b>Bank of Montreal Mortgage Corporation - Basel III</b>				
<b>All-in Basis - Basel III (7)</b>				
Common Equity Tier 1 ratio (5)	32	23.5%	20.3%	20.8%
Tier 1 ratio (5)	33	23.5%	20.3%	20.8%
Total capital ratio (5)	34	24.1%	20.7%	21.3%
<b>BMO Harris Bank N.A. - Basel I (8)</b>				
Tier 1 ratio	35	12.8%	12.8%	13.0%
Total capital ratio	36	14.0%	14.0%	14.2%

(1) The scaling factor is applied to the risk-weighted asset amounts for credit risk under the AIRB approach.  
(2) Standardized market risk is comprised of interest rate issuer risk.  
(3) BMO uses the Advanced Measurement Approach (AMA), a risk sensitive model, along with the Standardized Approach under OSFI rules, to determine capital requirements for operational risk.  
(4) Under OSFI's Capital Adequacy Requirements (CAR) Guideline, which governs advanced approaches, the bank calculates a Capital Floor and may be required to increase its risk-weighted assets if the Capital Floor applies. Effective Q2 2018, OSFI implemented the Basel II Capital Floor. Based on these requirements, there was no capital floor applicable for Q2 2018. The Basel I Floor was in effect and did apply in Q1 2018, Q4 2017, Q3 2017, Q2 2017, Q4 2016, Q3 2016 and Q2 2016.  
(5) During the fourth quarter of 2016, ratios and RWA were amended for Q3 2016 and Q2 2016.  
(6) Commencing Q1 2014, a new CVA regulatory capital charge has been applied to derivatives. For Q3 2014, OSFI introduced a new three tier capital approach with different scalars for each tier. See above for calculation and scalars percentages. CET1 CVA phase-in factors are 64% in 2016, 72% in 2017 and 80% in 2018.  
(7) "All-in" capital ratios assume that all Basel III regulatory adjustments are applied effective January 1, 2013 and that the capital value of instruments which no longer qualify as regulatory capital under Basel III rules will be phased out at a rate of 10% per year from January 1, 2013, 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 2014.  
(8) Calculated using Basel I guidelines currently in effect for U.S. regulatory purposes and based on Harris N.A.'s calendar quarter-ends.

**COMMON EQUITY TIER 1 (CET 1) CAPITAL RISK-WEIGHTED ASSETS BY OPERATING GROUPS**

(\$ millions except as noted)	LINE #	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1
Personal and Commercial Banking	1	170,545	163,039	165,005	160,839	168,788	163,604
Wealth Management	2	17,538	16,778	16,276	16,170	16,275	15,917
BMO Capital Markets	3	73,875	69,296	68,131	68,023	72,168	70,457
Corporate Services, including Technology and Operations, plus excess of Basel Capital Floor RWA over Basel III RWA	4	11,053	21,464	20,054	19,787	13,560	10,817
<b>Total Common Equity Tier 1 Capital Risk-Weighted Assets</b>	<b>5</b>	<b>273,011</b>	<b>270,577</b>	<b>269,466</b>	<b>264,819</b>	<b>270,791</b>	<b>260,795</b>

**FLOW STATEMENT OF BASEL III REGULATORY CAPITAL**

(\$ millions except as noted)		2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1
<b>Common Equity Tier 1 Capital</b>							
<b>Opening Balance</b>	6	30,165	30,633	29,604	30,555	28,832	28,159
New capital issues	7	7	48	9	52	281	252
Redeemed capital	8	(488)	(294)	(91)	(349)	-	-
Gross dividends (deduction)	9	(642)	(645)	(631)	(633)	(617)	(615)
Profit for the quarter (attributable to shareholders of the parent company)	10	1,246	973	1,227	1,387	1,247	1,487
Removal of own credit spread (net of tax)	11	(48)	80	42	(53)	121	31
Movements in other comprehensive income							
– Currency Translation Differences	12	878	(959)	814	(2,158)	1,168	(686)
– Fair value through other comprehensive income securities (5)	13	(128)	(126)	10	(19)	118	(101)
– Other (1)	14	69	(2)	71	214	(211)	198
Goodwill and other intangible assets (deduction, net of related tax liability)	15	(262)	78	(212)	567	(368)	168
Other, including regulatory adjustments and transitional arrangements							
– Deferred tax assets that rely on future profitability (excluding those arising from temporary differences)	16	35	394	(92)	143	(83)	71
– Prudential Valuation Adjustments	17	(34)	(5)	(4)	(5)	10	-
– Other (2)	18	(5)	(10)	(114)	(97)	57	(132)
<b>Closing Balance</b>	<b>19</b>	<b>30,793</b>	<b>30,165</b>	<b>30,633</b>	<b>29,604</b>	<b>30,555</b>	<b>28,832</b>
<b>Other non-core Tier 1 (Additional Tier 1) Capital</b>							
<b>Opening Balance</b>	20	4,438	4,475	4,477	4,073	4,075	4,077
New non-core tier 1 (Additional Tier 1) eligible capital issues	21	-	-	-	400	500	-
Redeemed capital	22	-	-	-	-	(500)	-
Other, including regulatory adjustments and transitional arrangements (3)	23	(17)	(37)	(2)	4	(2)	(2)
<b>Closing Balance</b>	<b>24</b>	<b>4,421</b>	<b>4,438</b>	<b>4,475</b>	<b>4,477</b>	<b>4,073</b>	<b>4,075</b>
<b>Total Tier 1 Capital</b>	<b>25</b>	<b>35,214</b>	<b>34,603</b>	<b>35,108</b>	<b>34,081</b>	<b>34,628</b>	<b>32,907</b>
<b>Tier 2 Capital</b>							
<b>Opening Balance</b>	26	6,607	5,488	6,283	5,671	5,461	5,626
New Tier 2 eligible capital issues	27	-	1,538	-	850	-	-
Redeemed capital	28	(900)	-	(800)	-	-	-
Amortization adjustments	29	-	-	-	-	-	-
Other, including regulatory adjustments and transitional arrangements (4)	30	20	(419)	5	(238)	210	(165)
<b>Closing Balance</b>	<b>31</b>	<b>5,727</b>	<b>6,607</b>	<b>5,488</b>	<b>6,283</b>	<b>5,671</b>	<b>5,461</b>
<b>Total Regulatory Capital</b>	<b>32</b>	<b>40,941</b>	<b>41,210</b>	<b>40,596</b>	<b>40,364</b>	<b>40,299</b>	<b>38,368</b>

(1) Includes: AOCI on pension and other post-employment benefits and on own credit risk financial liabilities designated at fair value.

(2) Includes: Capital deductions for expected loss in excess of allowances, defined benefit pension assets (net of related deferred tax liability) and investment in own shares, changes in contributed surplus and threshold deductions.

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

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

(5) Q4 2017 and prior periods represent available-for-sale securities.



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

LINE #	2018 Q2		2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	
	Credit Risk	Of which counterparty credit risk (5)	Credit Risk	Credit Risk	Credit Risk	Credit Risk	Credit Risk	
(\$ millions except as noted)								
<b>Opening Credit RWA, beginning of quarter</b>	1	216,692	13,473	219,824	216,641	228,883	219,945	222,499
Book size (1)	2	6,225	(201)	3,105	735	1,816	2,902	314
Book quality (2)	3	169	(141)	(647)	(1,483)	(2,765)	(740)	780
Model updates (3)	4	23	-	(527)	(110)	(1,005)	(838)	-
Methodology and policy (4)	5	727	-	(127)	-	256	934	147
Acquisitions and disposals	6	-	-	-	-	-	-	-
Foreign exchange movements	7	4,934	97	(4,936)	4,041	(10,544)	6,680	(3,795)
Other	8	-	-	-	-	-	-	-
<b>Closing Credit RWA, end of quarter</b>	9	228,770	13,228	216,692	219,824	216,641	228,883	219,945

(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**

LINE #	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	
	(\$ millions except as noted)						
<b>Market Risk RWA, beginning of quarter</b>	10	9,816	8,448	8,314	7,957	9,529	8,962
Movement in risk levels (1)	11	569	1,208	152	350	(1,572)	1,096
Model updates (2)	12	-	-	-	-	-	-
Methodology and policy (3)	13	30	160	(18)	7	-	(529)
Acquisition and disposals	14	-	-	-	-	-	-
Foreign exchange movement and others	15	-	-	-	-	-	-
<b>Market Risk RWA, end of quarter</b>	16	10,415	9,816	8,448	8,314	7,957	9,529

(1) Movement in risk levels includes changes in exposures and market movements.

(2) Model updates includes updates to risk models to reflect recent experience and changes in model scope.

(3) Methodology and policy includes changes to the calculations driven by regulatory guidance and/or policy changes.

BMO  Financial Group						
EQUITY SECURITIES EXPOSURE AMOUNT (1)						
(\$ millions except as noted)						
LINE #	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1
Equity investments used for capital gains (Merchant Banking)	1	565	542	529	503	497
Equity investments used for mutual fund seed capital	2	48	44	13	10	23
Equity used for other (including strategic investments)	3	1,709	1,450	1,663	1,527	1,583
<b>Total Equity Exposure</b>	<b>4</b>	<b>2,322</b>	<b>2,036</b>	<b>2,205</b>	<b>2,040</b>	<b>2,103</b>

(1) BMO's non-trading equity exposures are at a level that represents less than the 10% of the Bank's materiality threshold of the Bank's combined Tier 1 and Tier 2 Capital. As a result, the Bank uses OSFI-prescribed risk weights to calculate RWA on non-trading equity exposures.

EQUITY INVESTMENT SECURITIES (2)													
(\$ millions except as noted)													
	LINE #	Q2 2018			Q1 2018			Q4 2017			Q3 2017		
		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	5	-	-	-	-	-	-	6	6	-	6	6	-
Private													
Direct funds	6	-	-	-	-	-	-	124	124	-	119	119	-
Indirect funds	7	-	-	-	-	-	-	29	29	-	30	30	-
<b>Total Grandfathered</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>159</b>	<b>-</b>	<b>155</b>	<b>155</b>	<b>-</b>
Non-grandfathered													
Public	9	11	11	-	15	15	-	10	10	-	10	10	-
Private													
Direct funds	10	482	482	-	248	248	-	249	249	-	245	245	-
Indirect funds	11	494	494	-	471	471	-	436	436	-	419	419	-
Other	12	1,335	1,002	(333)	1,302	986	(316)	1,351	1,040	(311)	1,211	910	(301)
<b>Total Non-grandfathered</b>	<b>13</b>	<b>2,322</b>	<b>1,989</b>	<b>(333)</b>	<b>2,036</b>	<b>1,720</b>	<b>(316)</b>	<b>2,046</b>	<b>1,735</b>	<b>(311)</b>	<b>1,885</b>	<b>1,584</b>	<b>(301)</b>
<b>Total Equities</b>	<b>14</b>	<b>2,322</b>	<b>1,989</b>	<b>(333)</b>	<b>2,036</b>	<b>1,720</b>	<b>(316)</b>	<b>2,205</b>	<b>1,894</b>	<b>(311)</b>	<b>2,040</b>	<b>1,739</b>	<b>(301)</b>
Total realized gains or losses arising from sales or liquidations in the reporting period	15			(3)			35			1			2

(2) 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 regulatory capital calculation purposes.

**EXPOSURE COVERED BY CREDIT RISK MITIGATION (1)**

(\$ millions except as noted)

LINE #	Q2 2018				Q1 2018				Q4 2017				
	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)	1	20,151	121	351,079	25,821	18,649	-	344,721	24,948	19,422	-	337,182	26,006
Sovereign	2	155	-	173,936	50,046	161	-	161,355	51,659	148	-	153,164	52,899
Bank	3	234	-	92,094	2,134	367	-	86,781	2,662	314	-	79,129	3,260
Total Corporate, Sovereign and Bank	4	20,540	121	617,109	78,001	19,177	-	592,857	79,269	19,884	-	569,475	82,165
Residential mortgages excluding home equity line of credits (HELOCs)	5	4,209	26	51,728	-	4,195	29	49,268	-	1,865	33	48,575	-
HELOCs	6	262	-	44,065	-	271	-	43,127	-	306	-	40,895	-
Other retail excl. SMEs and QRR	7	3,049	439	32,146	-	2,661	425	29,421	-	2,292	401	29,624	-
Qualifying revolving retail	8	-	-	35,640	-	-	-	34,465	-	-	-	34,826	-
Retail SMEs	9	6,110	-	5,430	-	6,013	-	5,196	-	6,854	-	4,112	-
Total Retail	10	13,630	465	169,009	-	13,140	454	161,477	-	11,317	434	158,032	-
Total Bank Banking Book Portfolios	11	34,170	586	786,118	78,001	32,317	454	754,334	79,269	31,201	434	727,507	82,165

(1) Credit risk mitigants herein include only credit derivatives and guarantees. Includes \$51.3 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 allowance for credit losses.

**CREDIT RISK EXPOSURE BY GEOGRAPHIC REGION (3)**

(\$ millions except as noted)

	LINE #	Q2 2018				Q1 2018				Q4 2017			
		Canada	U.S.	Other	Total	Canada	U.S.	Other	Total	Canada	U.S.	Other	Total
Corporate (incl specialized lending and SMEs treated as corporate)	12	161,289	192,523	16,181	369,993	158,651	189,749	13,281	361,681	162,961	178,342	13,607	354,910
Sovereign	13	39,345	70,132	15,094	124,571	35,564	61,141	13,597	110,302	39,691	51,675	9,582	100,948
Bank	14	18,649	42,501	30,656	91,806	20,577	37,147	28,862	86,586	15,193	33,415	30,279	78,887
Total Corporate, Sovereign and Bank	15	219,283	305,156	61,931	586,370	214,792	288,037	55,740	558,569	217,845	263,432	53,468	534,745
Residential mortgages excluding home equity line of credits (HELOCs)	16	94,326	10,751	-	105,077	94,302	10,404	-	104,706	94,498	8,307	-	102,805
HELOCs	17	37,368	6,959	-	44,327	36,567	6,831	-	43,398	33,913	7,288	-	41,201
Other retail excl. SMEs and QRR	18	28,542	8,288	504	37,334	28,483	441	-	34,304	28,540	5,251	374	34,165
Qualifying revolving retail	19	35,583	57	-	35,640	34,409	56	-	34,465	34,770	56	-	34,826
Retail SMEs	20	5,457	6,083	-	11,540	5,213	5,996	-	11,209	4,194	6,772	-	10,966
Total Retail	21	201,276	32,138	504	233,918	198,974	28,667	441	228,082	195,915	27,674	374	223,963
Total Bank	22	420,559	337,294	62,435	820,288	413,766	316,704	56,181	786,651	413,760	291,106	53,842	758,708

**CREDIT RISK EXPOSURE BY INDUSTRY (3)**

(\$ millions except as noted)

	LINE #	Q2 2018					Q1 2018					Q4 2017	Q3 2017	
		Drawn	Commitments (Undrawn) (4)	OTCs	Other Off Balance Sheet Items	Repo Style Transactions	Total	Drawn	Commitments (Undrawn) (4)	OTCs	Other Off Balance Sheet Items			Repo Style Transactions
Agriculture	23	10,887	1,770	-	18	-	12,675	10,552	1,709	-	13	12,274	12,568	12,493
Communications	24	553	998	-	296	-	1,847	555	1,002	-	288	1,845	1,871	1,810
Construction	25	3,918	2,887	-	1,232	-	8,037	3,344	2,682	-	1,131	7,157	7,619	7,567
Financial (5)	26	94,038	21,084	2,018	4,669	176,842	298,651	97,489	20,248	2,092	4,671	165,718	290,218	253,937
Government	27	40,007	2,203	-	703	6,915	49,828	35,495	2,123	-	683	43,392	50,380	46,108
Manufacturing	28	21,426	12,014	8	1,330	-	34,778	19,478	11,819	9	1,320	32,626	33,364	30,772
Mining	29	1,457	3,646	-	1,020	-	6,123	1,239	3,143	-	1,022	5,404	5,566	5,425
Other	30	7,594	108	190	253	-	8,145	7,732	61	(197)	452	8,048	10,270	7,259
Real estate	31	29,035	6,867	1	786	-	36,689	27,327	6,401	-	789	34,517	34,292	32,499
Retail trade	32	19,750	3,062	-	553	-	23,365	17,854	3,272	-	532	21,658	22,175	21,219
Service industries	33	37,037	11,393	3	2,446	-	50,879	35,121	11,093	1	2,402	48,617	48,762	46,579
Transportation	34	6,631	2,125	-	917	-	9,673	6,148	1,934	-	849	8,931	8,823	8,469
Utilities	35	3,215	4,572	-	2,178	-	9,965	3,081	4,474	-	2,110	9,665	9,895	9,479
Wholesale trade	36	12,520	4,185	1	442	-	17,148	11,609	4,381	1	485	16,476	16,597	15,345
Individual	37	186,961	46,829	-	130	-	233,920	182,127	45,830	-	126	228,083	223,962	221,088
Oil and Gas	38	8,025	7,660	-	1,649	-	17,334	7,562	7,351	-	1,665	16,578	17,387	16,498
Forest products	39	758	407	-	66	-	1,231	750	348	-	64	1,162	1,240	1,108
Total	40	483,812	131,810	2,221	18,688	183,757	820,288	467,463	127,871	1,906	18,602	170,809	786,651	758,708

(3) Credit exposure excluding Equity, Securitization, Trading Book and other assets such as non-significant investments, goodwill, deferred tax assets and intangibles.

(4) This includes credit exposures on committed undrawn amounts of loans, derived as estimated drawdown under the Advanced Internal Rating Based approach or by application of Credit Conversion Factors under the Standardized approach.

(5) Includes \$40.5 billion of deposits with Financial Institutions as at April 30, 2018 (\$45.4 billion as at January 31, 2018, \$34.9 billion as at October 31, 2017, and \$35.0 billion as at July 31, 2017).

**CREDIT RISK EXPOSURE BY MAJOR ASSET CLASS (1)**

(\$ millions except as noted)

LINE #	Q2 2018						Q1 2018						Q4 2017	Q3 2017
	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)	1	180,108	77,303	87	15,026	97,469	369,993	176,843	74,608	49	14,958	95,223	361,681	355,150
Sovereign	2	97,121	3,694	-	1,805	21,951	124,571	84,532	3,416	-	1,754	20,600	110,302	93,890
Bank	3	19,621	3,987	2,134	1,727	64,337	91,806	23,963	4,016	1,857	1,764	54,986	86,586	90,429
<b>Total Corporate, Sovereign and Bank Exposure</b>	<b>4</b>	<b>296,850</b>	<b>84,984</b>	<b>2,221</b>	<b>18,558</b>	<b>183,757</b>	<b>586,370</b>	<b>285,338</b>	<b>82,040</b>	<b>1,906</b>	<b>18,476</b>	<b>170,809</b>	<b>558,569</b>	<b>539,469</b>
Residential mortgages excluding home equity line of credits (HELOCs)	5	104,900	97	-	80	-	105,077	104,551	76	-	79	-	104,706	102,805
HELOCs	6	30,667	13,660	-	-	-	44,327	30,065	13,333	-	-	-	43,398	41,201
Other retail excl. SMEs and QRR	7	34,640	2,689	-	5	-	37,334	31,770	2,529	-	5	-	34,304	34,165
Qualifying revolving retail	8	7,615	28,025	-	-	-	35,640	6,803	27,662	-	-	-	34,465	34,826
Retail SMEs	9	9,140	2,355	-	45	-	11,540	8,936	2,231	-	42	-	11,209	10,960
<b>Total Retail Exposures</b>	<b>10</b>	<b>186,962</b>	<b>46,826</b>	<b>-</b>	<b>130</b>	<b>-</b>	<b>233,918</b>	<b>182,125</b>	<b>45,831</b>	<b>-</b>	<b>126</b>	<b>-</b>	<b>228,082</b>	<b>221,088</b>
<b>Total Gross Credit Exposures</b>	<b>11</b>	<b>483,812</b>	<b>131,810</b>	<b>2,221</b>	<b>18,688</b>	<b>183,757</b>	<b>820,288</b>	<b>467,463</b>	<b>127,871</b>	<b>1,906</b>	<b>18,602</b>	<b>170,809</b>	<b>786,651</b>	<b>760,557</b>

**CREDIT RISK BY RESIDUAL CONTRACT MATURITY BREAKDOWN**

(\$ millions except as noted)

	LINE #	Q2 2018						Q1 2018						Q4 2017	Q3 2017
		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	12	161,156	76,679	369	13,892	183,608	435,704	162,541	75,925	232	12,786	170,809	422,293	387,092	
1 to 5 years	13	259,537	49,843	1,302	4,639	149	315,470	246,173	47,685	1,084	5,675	-	300,617	304,560	
Greater than 5 years	14	63,119	5,288	550	157	-	69,114	58,749	4,261	590	141	-	63,741	67,056	
<b>Total</b>	<b>15</b>	<b>483,812</b>	<b>131,810</b>	<b>2,221</b>	<b>18,688</b>	<b>183,757</b>	<b>820,288</b>	<b>467,463</b>	<b>127,871</b>	<b>1,906</b>	<b>18,602</b>	<b>170,809</b>	<b>786,651</b>	<b>760,557</b>	

**PORTFOLIO BREAKDOWN BY BASEL APPROACHES**

(\$ millions except as noted)

	LINE #	Q2 2018				Q1 2018				Q4 2017			
		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)	16	16,863	2,857	163,245	74,446	15,478	2,750	161,365	71,858	15,876	2,943	163,188	72,577
Sovereign	17	145	10	96,976	3,684	148	12	84,384	3,404	122	25	75,252	3,086
Bank	18	165	21	19,456	3,966	203	115	23,760	3,901	145	119	26,767	4,387
<b>Total Corporate, Sovereign &amp; Bank</b>	<b>19</b>	<b>17,173</b>	<b>2,888</b>	<b>279,677</b>	<b>82,096</b>	<b>15,829</b>	<b>2,877</b>	<b>269,509</b>	<b>79,163</b>	<b>16,143</b>	<b>3,087</b>	<b>265,207</b>	<b>80,050</b>
Residential mortgages excluding home equity line of credits (HELOCs)	20	4,129	-	100,771	97	-	-	100,435	76	-	-	100,855	86
HELOCs	21	262	-	30,405	13,660	271	-	29,794	13,333	306	-	29,674	11,221
Other retail excl. SMEs and QRR	22	3,045	-	31,595	2,689	2,656	-	29,114	2,529	2,287	-	29,410	2,463
Qualifying revolving retail	23	-	-	7,615	28,025	-	-	6,803	27,662	-	-	7,271	27,565
Retail SMEs	24	6,111	-	3,029	2,355	6,013	-	2,923	2,231	6,854	-	2,178	1,898
<b>Total Retail</b>	<b>25</b>	<b>13,547</b>	<b>-</b>	<b>173,415</b>	<b>46,826</b>	<b>13,056</b>	<b>-</b>	<b>169,069</b>	<b>45,831</b>	<b>11,225</b>	<b>-</b>	<b>169,388</b>	<b>43,223</b>
<b>Total Bank</b>	<b>26</b>	<b>30,720</b>	<b>2,888</b>	<b>453,092</b>	<b>128,922</b>	<b>28,885</b>	<b>2,877</b>	<b>438,578</b>	<b>124,994</b>	<b>27,368</b>	<b>3,087</b>	<b>434,595</b>	<b>123,273</b>

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

**CREDIT EXPOSURE OF PORTFOLIOS UNDER STANDARDIZED APPROACH BY RISK WEIGHT (1) (2)**

(\$ millions)

Risk Weights	LINE #	Q2 2018							Total
		0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios									
Corporate (incl SMEs treated as Corporate)	1	-	199	-	17	-	19,465	430	20,111
Sovereign	2	52	103	-	-	-	-	-	155
Bank	3	-	234	-	-	-	-	-	234
<b>Total Wholesale portfolios</b>	<b>4</b>	<b>52</b>	<b>536</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>19,465</b>	<b>430</b>	<b>20,500</b>
Total Retail portfolios									
Retail residential mortgages (including HELOCs)	5	-	26	3,555	-	798	93	-	4,472
Other retail	6	438	2	-	-	2,491	1	108	3,040
SME treated as retail	7	-	-	-	-	5,991	-	113	6,104
<b>Total Retail portfolios</b>	<b>8</b>	<b>438</b>	<b>28</b>	<b>3,555</b>	<b>-</b>	<b>9,280</b>	<b>94</b>	<b>221</b>	<b>13,616</b>
<b>Total</b>	<b>9</b>	<b>490</b>	<b>564</b>	<b>3,555</b>	<b>17</b>	<b>9,280</b>	<b>19,559</b>	<b>651</b>	<b>34,116</b>

Risk Weights	LINE #	Q1 2018							Total
		0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios									
Corporate (incl SMEs treated as Corporate)	10	-	76	-	16	-	18,270	250	18,612
Sovereign	11	-	-	-	156	-	4	-	160
Bank	12	-	-	-	-	-	367	-	367
<b>Total Wholesale portfolios</b>	<b>13</b>	<b>-</b>	<b>76</b>	<b>-</b>	<b>172</b>	<b>-</b>	<b>18,641</b>	<b>250</b>	<b>19,139</b>
Total Retail portfolios									
Retail residential mortgages (including HELOCs)	14	-	29	3,534	-	816	86	-	4,465
Other retail	15	424	1	-	-	2,115	1	108	2,649
SME treated as retail	16	-	-	-	-	5,894	-	111	6,005
<b>Total Retail portfolios</b>	<b>17</b>	<b>424</b>	<b>30</b>	<b>3,534</b>	<b>-</b>	<b>8,825</b>	<b>87</b>	<b>219</b>	<b>13,119</b>
<b>Total</b>	<b>18</b>	<b>424</b>	<b>106</b>	<b>3,534</b>	<b>172</b>	<b>8,825</b>	<b>18,728</b>	<b>469</b>	<b>32,258</b>

Risk Weights	LINE #	Q4 2017							Total
		0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios									
Corporate (incl SMEs treated as Corporate)	19	-	71	-	18	-	19,010	310	19,409
Sovereign	20	-	-	-	143	-	5	-	148
Bank	21	-	-	-	-	-	314	-	314
<b>Total Wholesale portfolios</b>	<b>22</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>19,329</b>	<b>310</b>	<b>19,871</b>
Total Retail portfolios									
Retail residential mortgages (including HELOCs)	23	-	33	1,117	-	927	94	-	2,171
Other retail	24	392	8	-	-	1,765	10	117	2,292
SME treated as retail	25	-	-	-	-	6,718	-	128	6,846
<b>Total Retail portfolios</b>	<b>26</b>	<b>392</b>	<b>41</b>	<b>1,117</b>	<b>-</b>	<b>9,410</b>	<b>104</b>	<b>245</b>	<b>11,309</b>
<b>Total</b>	<b>27</b>	<b>392</b>	<b>112</b>	<b>1,117</b>	<b>161</b>	<b>9,410</b>	<b>19,433</b>	<b>555</b>	<b>31,180</b>

Risk Weights	LINE #	Q3 2017							Total
		0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios									
Corporate (incl SMEs treated as Corporate)	28	-	1,125	-	18	-	18,163	291	19,597
Sovereign	29	-	-	-	113	-	5	-	118
Bank	30	-	-	-	-	-	308	-	308
<b>Total Wholesale portfolios</b>	<b>31</b>	<b>-</b>	<b>1,125</b>	<b>-</b>	<b>131</b>	<b>-</b>	<b>18,476</b>	<b>291</b>	<b>20,023</b>
Total Retail portfolios									
Retail residential mortgages (including HELOCs)	32	-	34	1,167	-	995	102	-	2,298
Other retail	33	403	40	-	-	1,635	-	126	2,204
SME treated as retail	34	-	-	-	-	6,746	-	121	6,867
<b>Total Retail portfolios</b>	<b>35</b>	<b>403</b>	<b>74</b>	<b>1,167</b>	<b>-</b>	<b>9,376</b>	<b>102</b>	<b>247</b>	<b>11,369</b>
<b>Total</b>	<b>36</b>	<b>403</b>	<b>1,199</b>	<b>1,167</b>	<b>131</b>	<b>9,376</b>	<b>18,578</b>	<b>538</b>	<b>31,392</b>

Risk Weights	LINE #	Q2 2017							Total
		0%	20%	35%	50%	75%	100%	150%	
Total Wholesale portfolios									
Corporate (incl SMEs treated as Corporate)	37	-	55	-	20	-	20,535	367	20,977
Sovereign	38	-	-	-	103	-	6	-	109
Bank	39	-	-	-	-	-	339	-	339
<b>Total Wholesale portfolios</b>	<b>40</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>123</b>	<b>-</b>	<b>20,880</b>	<b>367</b>	<b>21,425</b>
Total Retail portfolios									
Retail residential mortgages (including HELOCs)	41	-	40	1,366	-	1,190	118	-	2,714
Other retail	42	420	76	-	-	1,732	10	143	2,381
SME treated as retail	43	-	-	-	-	7,092	-	123	7,215
<b>Total Retail portfolios</b>	<b>44</b>	<b>420</b>	<b>116</b>	<b>1,366</b>	<b>-</b>	<b>10,014</b>	<b>128</b>	<b>266</b>	<b>12,310</b>
<b>Total</b>	<b>45</b>	<b>420</b>	<b>171</b>	<b>1,366</b>	<b>123</b>	<b>10,014</b>	<b>21,008</b>	<b>633</b>	<b>33,735</b>

(1) Exposure amounts are net of all allowance for credit losses. Exposures reflect the risk weights of the guarantors, where applicable.  
(2) Credit assessments by external credit rating agencies, including S&P and Moody's, are used to determine standardized risk weights based on guidelines issued by OSFI.





**WHOLESALE CREDIT EXPOSURE BY RISK RATING UNDER AIRB APPROACH (1)**

(Canadian \$ in millions)

LINE #	Q2 2018							Q1 2018							
	Drawn			Undrawn			Total Exposures	Drawn			Undrawn			Total Exposures	
	Bank	Corporate	Sovereign	Bank	Corporate	Sovereign		Bank	Corporate	Sovereign	Bank	Corporate	Sovereign		
Total investment grade	1	15,511	86,866	143,796	3,751	52,962	3,745	306,631	19,183	90,648	133,176	3,614	51,055	3,382	301,058
Non-investment grade	2	4,282	73,833	2,544	320	20,563	69	101,611	4,981	68,571	2,389	391	20,008	45	96,385
Watchlist	3	11	3,023	9	-	469	2	3,514	11	2,910	4	5	423	1	3,354
Default	4	-	1,077	4	-	215	-	1,296	-	1,097	4	-	239	-	1,340
	5	19,804	164,799	146,353	4,071	74,209	3,816	413,052	24,175	163,226	135,573	4,010	71,725	3,428	402,137

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

**RETAIL CREDIT EXPOSURE BY PORTFOLIO AND RISK RATING UNDER AIRB APPROACH (2)**

(Canadian \$ in millions)

	LINE #	Q2 2018				Q1 2018			
		Residential mortgages and home equity lines of credit	Qualifying revolving retail	Other retail and small and medium-sized enterprises	Total exposures	Residential mortgages and home equity lines of credit	Qualifying revolving retail	Other retail and small and medium-sized enterprises	Total exposures
Risk profile (probability of default):									
Exceptionally Low ( $\leq 0.05\%$ )	6	30,286	16,200	3,040	49,526	29,437	16,120	2,958	48,515
Very low (> 0.05% to 0.20%)	7	39,660	6,493	13,171	59,324	38,245	6,192	11,723	56,160
Low (> 0.20% to 0.75%)	8	12,003	7,514	11,106	30,623	10,946	7,349	10,169	28,464
Medium (> 0.75% to 7.00%)	9	12,279	4,501	8,926	25,706	12,162	3,934	8,566	24,662
High (> 7.00% to 99.99%)	10	988	850	1,052	2,890	1,029	787	949	2,765
Default (100%)	11	577	82	234	893	577	83	209	869
	12	95,793	35,640	37,529	168,962	92,396	34,465	34,574	161,435

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



Basel III Asset Classes	LINE #	Q2 2018		Q1 2018		Q4 2017		Q3 2017	
		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)
<b>Non-retail</b>									
Total Corporate (incl specialized lending and corporate SMEs)	1	0.09%	0.53%	0.12%	0.58%	0.12%	0.60%	0.11%	0.62%
Sovereign	2	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%	0.00%	0.01%
Bank	3	0.00%	0.05%	0.00%	0.07%	0.00%	0.07%	0.00%	0.06%
<b>Retail</b>									
Residential retail incl. HELOCs	4	0.07%	0.25%	0.04%	0.26%	0.05%	0.26%	0.03%	0.24%
Other retail incl. SBE	5	0.35%	0.81%	0.33%	0.94%	0.34%	0.87%	0.36%	1.22%
Qualifying revolving retail	6	2.28%	2.79%	2.31%	2.95%	2.27%	3.09%	2.28%	3.04%

**General**

Expected loss (EL) 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 allowance for credit losses on impaired loans 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 allowance for credit losses on impaired loans for the applicable four-quarter period.

**Commentary****Non-Retail**

**Corporate Portfolios** – Overall EL rates are stable, reflective of a relatively benign economic environment.

**Bank and Sovereign** – Actual losses continued to be \$nil. EL remained stable.

**Retail**

Overall, the Actual Loss rates for all retail asset classes are below Expected Loss rates. Actual loss rates remain relatively stable for all asset classes.

Expected loss rate for Residential Mortgage remains stable. Decreases in Expected Loss rates for QRRE and Other Retail are due to the removal of collectively assessed allowances for impaired loans, as per OSFI instruction, in Q2'17.

ESTIMATED AND ACTUAL LOSS PARAMETERS UNDER AIRB APPROACH

Risk Profile (\$ millions except as noted)	LINE #	Q2 2018						Q1 2018					
		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 \$
<b>Wholesale</b>													
Corporate including specialized lending	1	0.84%	0.42%	34.67%	18.91%	285	219	0.93%	0.54%	34.72%	20.61%	352	261
Corporate small and medium enterprises (SMEs)	2	1.29%	0.58%	39.04%	28.75%	45	45	1.28%	0.57%	38.79%	29.49%	64	62
Sovereign	3	0.10%	0.00%	13.16%	0.00%	-	-	0.11%	0.00%	12.60%	0.00%	-	-
Bank	4	0.33%	0.00%	17.87%	0.00%	-	-	0.34%	0.00%	16.89%	0.00%	-	-
<b>Retail</b>													
Residential mortgages excluding home equity line of credits (HELOCs) - Uninsured only (7) (8)	5	1.00%	0.69%	25.88%	13.98%	242	242	1.05%	0.71%	27.68%	15.76%	235	235
HELOCs (8)	6	0.55%	0.52%	36.10%	19.69%	195	191	0.58%	0.55%	36.38%	20.81%	215	209
Qualifying revolving retail (QRR)	7	1.29%	1.22%	84.37%	77.89%	495	480	1.25%	1.22%	84.45%	77.81%	492	477
Other retail (excl. SMEs)	8	4.85%	4.57%	83.86%	78.62%	292	292	5.37%	4.94%	85.14%	80.22%	290	290
Retail SMEs	9	1.27%	0.85%	95.57%	79.15%	31	28	1.27%	0.91%	95.65%	78.93%	33	30

(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. The LGD figures include back-dated resolved facilities.

(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.

(8) Investor-owned mortgages are included in the Other Retail asset class.

**AIRB REGULATORY CAPITAL CHARGES FOR SECURITIZATION EXPOSURES RETAINED OR PURCHASED BY RISK WEIGHTS**

(\$ millions)		Q2 2018		Q1 2018		Q4 2017		Q3 2017		Q2 2017	
Traditional Securitizations	LINE	Exposure	Capital	Exposure	Capital	Exposure	Capital	Exposure	Capital	Exposure	Capital
Risk Weights	#	Amount (1)	Required	Amount (1)	Required	Amount (1)	Required	Amount (1)	Required	Amount (1)	Required
Bank Assets											
7%	1	6,718	37	11,242	62	12,332	68	11,594	65	6,438	36
7.01% - 25%	2	196	2	208	3	216	3	143	2	2,007	14
25.01% - 50%	3	-	-	97	3	102	3	65	1	26	1
Greater than 50%	4	333	18	331	28	349	31	292	23	41	7
Less amount excluded from capital requirements for exceeding maximum KIRB capital (2)	5	-	1	-	1	-	1	-	-	-	-
<b>Total Exposures, net of deductions</b>	<b>6</b>	<b>7,247</b>	<b>56</b>	<b>11,878</b>	<b>95</b>	<b>12,999</b>	<b>104</b>	<b>12,094</b>	<b>91</b>	<b>8,512</b>	<b>58</b>
Exposures Deducted:											
From Tier 1 Capital:											
Credit Card Receivables (3)	7	-	-	-	-	-	-	-	-	-	-
Residential Mortgages	8	-	-	-	-	-	-	-	-	-	-
From Total Capital:											
Residential Mortgages	9	-	-	-	-	-	-	-	-	-	-
<b>Total Exposures Deducted</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Bank Assets Total Exposures</b>	<b>11</b>	<b>7,247</b>	<b>56</b>	<b>11,878</b>	<b>95</b>	<b>12,999</b>	<b>104</b>	<b>12,094</b>	<b>91</b>	<b>8,512</b>	<b>58</b>
Third Party Assets											
7%	12	12,238	68	11,535	52	10,571	47	10,646	50	11,598	59
7.01% - 25%	13	4,548	36	5,009	41	5,631	45	5,031	41	5,819	48
25.01% - 50%	14	-	-	-	-	-	-	-	-	-	-
50.01% - 100%	15	-	-	-	-	-	-	-	-	114	9
Greater than 100%	16	-	-	1	-	-	-	-	-	-	-
Default	17	-	-	5	5	-	-	-	-	-	-
<b>Total Exposures, net of deductions</b>	<b>18</b>	<b>16,786</b>	<b>104</b>	<b>16,550</b>	<b>98</b>	<b>16,202</b>	<b>92</b>	<b>15,677</b>	<b>91</b>	<b>17,531</b>	<b>116</b>
Exposures Deducted:											
From Total Capital:											
Collateralized Debt Obligations (AAA/R-1 (High) Securities)	19	-	-	-	-	-	-	-	-	-	-
Montreal Accord Assets	20	-	-	-	-	-	-	-	-	-	-
Residential Mortgages (Uninsured)	21	-	-	-	-	-	-	-	-	-	-
Other Pool Type	22	-	-	-	-	-	-	-	-	-	-
Trading Securities Reclassified to Fair Value through OCI Securities (4)	23	-	-	-	-	-	-	-	-	-	-
<b>Total Exposures Deducted</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Third Party Assets Total Exposures</b>	<b>25</b>	<b>16,786</b>	<b>104</b>	<b>16,550</b>	<b>98</b>	<b>16,202</b>	<b>92</b>	<b>15,677</b>	<b>91</b>	<b>17,531</b>	<b>116</b>
<b>Total Exposures</b>	<b>26</b>	<b>24,033</b>	<b>160</b>	<b>28,428</b>	<b>193</b>	<b>29,201</b>	<b>196</b>	<b>27,771</b>	<b>182</b>	<b>26,043</b>	<b>174</b>

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

(2) KIRB - IRB capital, inclusive of EL, 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 II because the excess spread of the underlying portfolio has remained above the threshold at which capital charges would be incurred.

(4) Q4 2017 and prior periods represent available-for-sale securities.

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

(\$ millions)		Q2 2018		Q1 2018		Q4 2017		Q3 2017	
Traditional Securitizations	LINE #	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required	Exposure Amount (1)	Capital Required
<b>Risk Weights</b>									
Bank Assets									
7%	1	-	-	-	-	-	-	-	-
7.01% - 25%	2	-	-	-	-	-	-	-	-
25.01% - 50%	3	-	-	-	-	-	-	-	-
Greater than 50%	4	-	-	-	-	-	-	-	-
Less amount excluded from capital requirements for exceeding maximum KIRB capital (2)	5	-	-	-	-	-	-	-	-
<b>Total Exposures, net of deductions</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Exposures Deducted:</b>									
From Tier 1 Capital:									
Credit Card Receivables (3)	7	-	-	-	-	-	-	-	-
Residential Mortgages	8	-	-	-	-	-	-	-	-
From Total Capital:									
Residential Mortgages	9	-	-	-	-	-	-	-	-
<b>Total Exposures Deducted</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Bank Assets Total Exposures</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Third Party Assets</b>									
7%	12	-	-	-	-	-	-	-	-
7.01% - 25%	13	-	-	-	-	-	-	-	-
25.01% - 50%	14	-	-	-	-	-	-	-	-
50.01% - 100%	15	-	-	-	-	-	-	-	-
Greater than 100%	16	-	-	-	-	-	-	-	-
Default	17	-	-	-	-	-	-	-	-
<b>Total Exposures, net of deductions</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Exposures Deducted:</b>									
From Total Capital:									
Collateralized Debt Obligations (AAA/R-1 (High) Securities)	19	-	-	-	-	-	-	-	-
Commercial Mortgages	20	-	-	-	-	-	-	-	-
Montreal Accord Assets	21	-	-	-	-	-	-	-	-
Residential Mortgages (Uninsured)	22	-	-	-	-	-	-	-	-
Other Pool Type	23	-	-	-	-	-	-	-	-
Equipment Loans/Leases	24	-	-	-	-	-	-	-	-
<b>Total Exposures Deducted</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Third Party Assets Total Exposures</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Exposures</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(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, inclusive of EL, 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 II because the excess spread of the underlying portfolio has remained above the threshold at which capital charges would be incurred.

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

(\$ millions)	LINE #	Q2 2018		Q1 2018		Q4 2017		Q3 2017	
		RBA/Inferred Rating/IAA Exposure Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Exposure Amount	Capital Required	RBA/Inferred Rating/IAA Exposure Exposure Amount	Capital Required
<b>Trading Securitizations Excluding Resecuritization Exposures</b>									
<b>Risk Weights</b>									
Exposures Included In Risk-Weighted Assets									
7%	1	161	1	312	2	307	2	258	1
7.01% - 25%	2	152	2	93	1	37	1	73	1
25.01% - 50%	3	-	-	-	-	-	-	-	-
50.01% - 100%	4	6	-	9	-	6	-	-	-
Greater than 100%	5	-	-	-	-	8	2	8	2
Default	6	-	-	-	-	-	-	-	-
Less amount excluded from capital requirements for exceeding maximum KIRB capital	7	-	-	-	-	-	-	-	-
<b>Total Exposures excluding Resecuritization, net of deductions (1)</b>	<b>8</b>	<b>319</b>	<b>3</b>	<b>414</b>	<b>3</b>	<b>358</b>	<b>4</b>	<b>339</b>	<b>4</b>
<b>Exposures Deducted From Tier 1 Capital:</b>									
Auto loans/leases	9	-	-	-	-	-	-	-	-
Credit card receivables	10	-	-	-	-	-	-	-	-
Residential mortgages (insured)	11	-	-	-	-	-	-	-	-
Residential mortgages (uninsured)	12	-	-	-	-	-	-	-	-
Commercial mortgages	13	-	-	-	-	-	-	-	-
Personal line of credit	14	-	-	-	-	-	-	-	-
Equipment loans/leases	15	-	-	-	-	-	-	-	-
Trade receivables	16	-	-	-	-	-	-	-	-
Corporate loans	17	-	-	-	-	-	-	-	-
Daily auto rental	18	-	-	-	-	-	-	-	-
Floorplan finance receivables	19	-	-	-	-	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	20	-	-	-	-	-	-	-	-
Other pool type	21	-	-	-	-	-	-	-	-
<b>Total Trading Exposures excluding Resecuritization Deducted from Tier 1 Capital</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Exposures Deducted from Total Capital:</b>									
Auto loans/leases	23	-	-	-	-	-	-	-	-
Credit card receivables	24	-	-	-	-	-	-	-	-
Residential mortgages (insured)	25	-	-	-	-	-	-	-	-
Residential mortgages (uninsured)	26	-	-	-	-	-	-	-	-
Commercial mortgages	27	-	-	-	-	-	-	-	-
Personal line of credit	28	-	-	-	-	-	-	-	-
Equipment loans/leases	29	-	-	-	-	-	-	-	-
Trade receivables	30	-	-	-	-	-	-	-	-
Corporate loans	31	-	-	-	-	-	-	-	-
Daily auto rental	32	-	-	-	-	-	-	-	-
Floorplan finance receivables	33	-	-	-	-	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	34	-	-	-	-	-	-	-	-
Other pool type	35	-	-	-	-	-	-	-	-
<b>Total Trading Exposures excluding Resecuritization Deducted from Total Capital</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Trading Exposures Excluding Resecuritization</b>	<b>37</b>	<b>319</b>	<b>3</b>	<b>414</b>	<b>3</b>	<b>358</b>	<b>4</b>	<b>339</b>	<b>4</b>

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

(\$ millions except as noted)		Q2 2018 Exposure	Q1 2018 Exposure	Q4 2017 Exposure	Q3 2017 Exposure
<b>Asset Classes</b>					
Auto loans/leases	38	178	121	71	107
Credit card receivables	39	43	166	194	147
Residential mortgages (insured)	40	2	30	15	5
Residential mortgages (uninsured)	41	19	-	-	-
Commercial mortgages	42	-	2	-	-
Personal line of credit	43	1	5	49	65
Equipment loans/leases	44	11	9	6	12
Trade receivables	45	-	-	-	-
Corporate loans	46	-	-	-	-
Daily auto rental	47	7	-	-	3
Floorplan finance receivables	48	15	28	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	49	-	-	-	-
Other pool type	50	43	53	23	-
<b>Total Trading Securitization Excluding Resecuritization (1)</b>	<b>51</b>	<b>319</b>	<b>414</b>	<b>358</b>	<b>339</b>

(1) The Resecuritization exposures are nil for all the periods.

DEBT ISSUED BY BANK SPONSORED VEHICLES FOR THIRD PARTY ASSETS

LINE #	Q2 2018			Q1 2018			Q4 2017			Q3 2017		
	Canadian Conduits (1)	US Conduit (2)	Total	Canadian Conduits (1)	US Conduit (2)	Total	Canadian Conduits (1)	US Conduit (2)	Total	Canadian Conduits (1)	US Conduit (2)	Total
(\$ millions except as noted)												
Auto loans/leases	1,946	1,448	3,394	2,016	1,640	3,656	2,149	1,882	4,031	2,407	2,178	4,585
Credit card receivables	150	-	150	150	-	150	-	-	-	-	-	-
Residential mortgages (insured)	852	-	852	926	-	926	1,024	-	1,024	1,219	-	1,219
Residential mortgages (uninsured)	966	-	966	920	-	920	430	-	430	383	-	383
Commercial mortgages (uninsured)	-	15	15	-	15	15	-	16	16	-	15	15
Commercial mortgages (insured)	62	-	62	54	-	54	54	-	54	63	-	63
Equipment loans/leases	-	500	506	262	532	794	97	441	538	320	368	688
Trade receivables	-	241	241	-	237	237	-	234	234	-	257	257
Corporate loans	-	-	-	-	-	-	-	158	158	-	290	290
Daily auto rental	155	410	565	120	76	196	192	215	407	350	381	731
Floorplan finance receivables	214	323	537	294	320	614	294	316	610	289	284	573
Collateralized debt obligations	-	-	-	-	-	-	-	-	-	-	-	-
Other pool type	250	130	380	250	97	347	250	36	286	250	137	387
Student loans	-	1,270	1,270	-	398	398	-	683	683	-	370	370
Total	4,601	4,337	8,938	4,992	3,315	8,307	4,490	3,981	8,471	5,281	4,280	9,561

(1) Canadian Conduit totals include amounts pertaining to a conduit that has been directly funded by the Bank (\$761.8 million as at Q2, 2018, \$801.5 million as at Q1, 2018, \$725.6 million as at Q4, 2017, and \$749.5 million as at Q3, 2017). External Credit Assessment Institutions used to rate the Asset Backed Commercial Paper of the market funded conduits in Canada are DBRS and Moody's.

(2) US Conduit totals include amounts that have been directly funded by the Bank (\$24.0 million as at Q2, 2018, \$23.0 million as at Q1, 2018, \$24.3 million as at Q4, 2017, and \$24.1 million as at Q3, 2017). External Credit Assessment Institutions used to rate the Asset Backed Commercial Paper of the market funded conduit in the US are S&P and Moody's.

AGGREGATE AMOUNT OF SECURITIZATION EXPOSURES RETAINED OR PURCHASED BY EXPOSURE TYPE

LINE #	Q2 2018				Q1 2018				Q4 2017				Q3 2017			
	Undrawn Committed Facilities and Notional Amounts	Drawn Loan Facilities and Securities Held (3)	First Loss Positions (4)	Total	Undrawn Committed Facilities and Notional Amounts	Drawn Loan Facilities and Securities Held (3)	First Loss Positions (4)	Total	Undrawn Committed Facilities and Notional Amounts	Drawn Loan Facilities and Securities Held (3)	First Loss Positions (4)	Total	Undrawn Committed Facilities and Notional Amounts	Drawn Loan Facilities and Securities Held (3)	First Loss Positions (4)	Total
(\$ millions except as noted)																
Bank Assets																
Auto loans/leases	-	-	-	-	-	2,152	-	2,152	-	2,657	-	2,657	-	3,009	-	3,009
Corporate loans	1,655	2,242	-	3,897	1,689	2,069	-	3,758	1,690	2,218	-	3,908	1,132	1,440	-	2,572
Credit card receivables (5)	-	1,873	-	1,873	-	1,873	-	1,873	-	2,255	-	2,255	-	2,255	-	2,255
Residential mortgages (uninsured) (6)	-	1,451	-	1,451	-	1,565	-	1,565	-	1,649	-	1,649	-	1,738	-	1,738
Home equity lines of credit (7)	-	26	-	26	-	2,530	-	2,530	-	2,530	-	2,530	-	2,520	-	2,520
Total Bank Assets	1,655	5,592	-	7,247	1,689	10,189	-	11,878	1,690	11,309	-	12,999	1,132	10,962	-	12,094
Third Party Assets (8)																
Auto loans/leases	4,046	2,033	-	6,079	4,047	2,392	-	6,439	3,988	2,624	-	6,612	3,101	3,033	-	6,134
Credit card receivables	531	136	-	667	430	217	-	647	318	198	-	516	291	207	-	498
Residential mortgages (insured)	1,275	-	-	1,275	1,275	-	-	1,275	1,303	-	-	1,303	1,390	-	-	1,390
Residential mortgages (uninsured)	1,608	-	-	1,608	1,608	-	-	1,608	843	-	-	843	843	-	-	843
Commercial mortgages (uninsured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial mortgages (insured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment loans/leases	849	341	-	1,190	667	614	-	1,281	762	557	-	1,319	789	497	-	1,286
Trade receivables	55	351	-	406	49	340	-	389	48	327	-	375	43	376	-	419
Corporate loans	101	222	-	323	161	238	-	399	149	222	-	371	117	133	-	250
Daily auto rental	413	410	-	823	726	76	-	802	635	230	-	865	453	395	-	848
Floorplan finance receivables	719	753	-	1,472	701	727	-	1,428	755	721	-	1,476	828	662	-	1,490
Collateralized debt obligations	54	10	-	64	62	-	-	62	64	-	-	64	-	-	-	-
Other pool type	503	187	-	690	497	98	-	595	710	239	-	949	358	712	-	1,070
Student loans	918	1,270	-	2,188	1,227	398	-	1,625	824	683	-	1,507	1,076	370	-	1,446
Credit protection vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading securities reclassified to fair value through OCI securities (9)	-	1	-	1	-	-	-	-	-	2	-	2	-	3	-	3
Total Third Party Assets	11,072	5,714	-	16,786	11,450	5,100	-	16,550	10,399	5,803	-	16,202	9,289	6,388	-	15,677
Total	12,727	11,306	-	24,033	13,139	15,289	-	28,428	12,089	17,112	-	29,201	10,421	17,350	-	27,771

(3) External Credit Assessment Institutions (ECAIs) used for securitization notes are Fitch, S&P, Moody's and DBRS.

(4) 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.

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

(6) The residential mortgage backed securities held from Bank asset securitizations represent the Bank's interest in investment grade notes issued by Bicentennial Trust. The Securitization Capital Framework is applied.

(7) The HELOC securities held from Bank asset securitizations represent the Bank's interest in investment grade notes issued by Fortified Trust. The Securitization Capital 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) Q4 2017 and prior periods represent available-for-sale securities.

AGGREGATE AMOUNT OF RESECURITIZATION EXPOSURES RETAINED OR PURCHASED BY EXPOSURE TYPE (1)

LINE #	Q2 2018				Q1 2018				Q4 2017				Q3 2017			
	Undrawn Committed Facilities and Notional Amounts (2)	Drawn Loan Facilities and Securities Held (3)	First Loss Positions (4)	Total	Undrawn Committed Facilities and Notional Amounts (2)	Drawn Loan Facilities and Securities Held (3)	First Loss Positions (4)	Total	Undrawn Committed Facilities and Notional Amounts (2)	Drawn Loan Facilities and Securities Held (3)	First Loss Positions (4)	Total	Undrawn Committed Facilities and Notional Amounts (2)	Drawn Loan Facilities and Securities Held (3)	First Loss Positions (4)	Total
(\$ millions except as noted)																
Bank Assets																
Credit card receivables (5)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages (uninsured)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Bank Assets	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Assets (6)																
Auto loans/leases	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit card receivables	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages (insured)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages (uninsured)	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial mortgages	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal line of credit	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment loans/leases	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate loans	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Daily auto rental	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Floorplan finance receivables	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized debt obligations (AAA/R-1 (high) securities)	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other pool type	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Student loans	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SIV assets (financial institutions debt and securitized assets)	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit protection vehicle (7)	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading securities reclassified to fair value through OCI securities (8)	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Montreal Accord Assets	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Third Party Assets	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) No credit risk mitigations are applied to securitization exposures.

(2) ECAIs used for securitizations liquidity facility ratings are S&P, Moody's and Fitch.

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

(4) 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.

(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.

(8) Q4 2017 and prior periods represent available-for-sale securities.

DERIVATIVE INSTRUMENTS Base (\$ millions)		As at April 30, 2018				As at January 31, 2018				As at October 31, 2017				As at July 31, 2017				
		LINE #	Notional Amount	Replacement Cost	Credit risk Equivalent	AIRB Risk-weighted Assets (1)	Notional Amount	Replacement Cost	Credit risk Equivalent	AIRB Risk-weighted Assets (1)	Notional Amount	Replacement Cost	Credit risk Equivalent	AIRB Risk-weighted Assets (1)	Notional Amount	Replacement Cost	Credit risk Equivalent	AIRB Risk-weighted Assets (1)
<b>Interest Rate Contracts</b>																		
Over-the-counter																		
	Swaps	1	3,368,967	7,966	11,224													
	Forward rate agreements	2	416,430	28	27	3,211,962	8,155	11,037		3,202,365	8,742	11,603		2,967,882	10,002	12,619		
	Purchased options	3	27,640	455	330	341,662	22	21		195,142	41	42		232,574	18	19		
	Written options	4	36,913	-	-	26,573	432	326		29,107	440	381		29,079	417	408		
		5	3,849,950	8,449	11,581	37,225	-	-		37,247	-	-		39,448	-	-		
					1,267	3,617,422	8,609	11,384	334	3,463,861	9,223	12,026	1,537	3,268,983	10,437	13,046	1,793	
Exchange traded																		
	Futures	6	120,183	-	-	106,387	-	-		89,053	-	-		105,423	-	-		
	Purchased options	7	21,099	-	-	16,641	-	-		10,407	-	-		5,493	-	-		
	Written options	8	15,378	-	-	12,145	-	-		9,284	-	-		5,627	-	-		
		9	156,660	-	-	135,173	-	-		108,744	-	-		116,543	-	-		
	<b>Total Interest Rate Contracts</b>	10	4,006,610	8,449	11,581	3,752,595	8,609	11,384	334	3,572,605	9,223	12,026	1,537	3,385,526	10,437	13,046	1,793	
<b>Foreign Exchange Contracts</b>																		
Over-the-counter																		
	Cross-currency swaps	11	88,607	4,420	9,028	84,535	4,652	9,022		85,586	3,727	8,345		82,155	3,683	8,053		
	Cross-currency interest rate swaps	12	417,905	5,918	15,073	423,868	9,512	18,531		434,210	8,157	17,210		425,271	12,487	21,297		
	Forward foreign exchange contracts	13	485,881	3,831	7,978	430,289	5,148	8,233		402,708	5,062	8,389		445,021	6,119	9,637		
	Purchased options	14	26,952	213	437	29,822	305	525		23,812	250	420		21,376	370	527		
	Written options	15	31,674	-	-	35,928	-	-		29,101	-	-		23,152	-	-		
		16	1,051,019	14,382	32,516	1,004,442	19,617	36,311	2,780	975,417	17,196	34,364	2,701	996,975	22,659	39,514	2,605	
	Exchange traded																	
	Futures	17	1,080	-	-	3,190	-	-		794	-	-		1,919	-	-		
	Purchased options	18	4,182	-	-	5,777	-	-		6,001	-	-		2,284	-	-		
	Written options	19	1,744	-	-	1,472	-	-		1,249	-	-		920	-	-		
		20	7,006	-	-	10,439	-	-		8,044	-	-		5,123	-	-		
	<b>Total Foreign Exchange Contracts</b>	21	1,058,025	14,382	32,516	1,014,881	19,617	36,311	2,780	983,461	17,196	34,364	2,701	1,002,098	22,659	39,514	2,605	
<b>Commodity Contracts</b>																		
Over-the-counter																		
	Swaps	22	20,424	1,701	4,106	20,341	1,459	3,847		18,713	726	2,971		15,781	594	2,456		
	Purchased options	23	6,551	496	1,279	6,508	374	1,113		7,080	120	1,034		6,902	55	951		
	Written options	24	4,655	-	-	4,647	-	-		4,905	-	-		4,756	-	-		
		25	31,630	2,197	5,385	31,496	1,833	4,960	1,139	30,698	846	4,005	971	27,439	649	3,407	668	
	Exchange traded																	
	Futures	26	29,068	-	-	28,518	-	-		28,139	-	-		24,369	-	-		
	Purchased options	27	4,284	-	-	4,471	-	-		5,031	-	-		5,195	-	-		
	Written options	28	5,872	-	-	6,149	-	-		6,896	-	-		6,936	-	-		
		29	39,224	-	-	39,138	-	-		40,066	-	-		36,500	-	-		
	<b>Total Commodity Contracts</b>	30	70,854	2,197	5,385	70,634	1,833	4,960	1,139	70,764	846	4,005	971	63,939	649	3,407	668	
<b>Equity Contracts</b>																		
	Over-the-counter	31	61,835	1,040	4,263	64,245	1,339	4,954		63,528	1,322	4,750		60,575	817	3,979		
	Exchange traded	32	28,793	-	-	20,525	-	-		14,253	-	-		9,017	-	-		
	<b>Total Equity Contracts</b>	33	90,628	1,040	4,263	84,770	1,339	4,954	525	77,781	1,322	4,750	461	69,592	817	3,979	388	
<b>Credit Default Swaps</b>																		
Over-the-counter																		
	Purchased	34	2,425	1	55	2,426	-	52		2,658	-	46		4,206	1	187		
	Written	35	123	4	-	116	2	-		448	7	-		684	5	-		
	<b>Total Credit Default Swaps</b>	36	2,548	5	55	2,542	2	52	35	3,106	7	46	27	4,890	6	187	177	
	<b>Sub-total</b>	37	5,228,665	26,073	53,800	5,595	4,925,422	31,400	57,661	4,813	4,707,717	28,594	55,191	5,697	4,526,045	34,568	60,133	5,631
	<b>Impact of master netting agreements</b>	38	n.a.	(17,130)	(31,371)	n.a.	(21,066)	(34,786)		n.a.	(19,909)	(33,025)		n.a.	(25,590)	(38,562)		
	<b>Total</b>	39	5,228,665	8,943	22,429	5,595	4,925,422	10,334	22,875	4,813	4,707,717	8,685	22,166	5,697	4,526,045	8,978	21,571	5,631

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



**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.

**Basel I Capital Floor:** A capital floor based on the Basel I standardized approach is calculated by banks using advanced approaches for credit risk or operational risk, as prescribed by OSFI in CAR.

**Capital Adequacy Requirements (CAR):** OSFI's Capital Adequacy Requirements guideline dated December 2016.

**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 provisions for credit losses on impaired loans 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).