

2010

**HSBC Bank Canada
Capital and Risk Management
Pillar 3 Supplemental Disclosures
as at June 30, 2010**



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Notes to Users

Capital and Risk Management Pillar 3 Disclosures

The Pillar 3 Supplemental Disclosures are additional summary descriptions and quantitative financial information which supplement those already made in the Annual Report and Accounts 2008 for the disclosure requirements under OSFI's Pillar 3 Disclosure Requirements Advisory issued September 29, 2006 consistent with the "International Convergence of Capital Measurement and Capital Standards" ('Basel II') issued by the Basel Committee on Banking Supervision in June 2006.

The supervisory objectives of Basel II, which replaces the 1988 Basel Capital Accord, are to promote safety and soundness in the financial system and maintain an appropriate level of capital in the system, enhance competitive equality, constitute a more comprehensive approach to addressing risks, and focus on internationally active banks. Basel II is structured around three "pillars": pillar 1, minimum capital requirements, pillar 2, supervisory review and pillar 3, market discipline.

Pillar 3 complements the minimum capital requirements and the supervisory review process. Its aim is to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess certain specified information on the scope of application of Basel II, capital, particular risk exposures, risk assessment processes, and hence the capital adequacy of the institution.

The Office of the Superintendent of Financial Institutions ("OSFI") supervises HSBC Bank Canada (the "Bank") on a consolidated basis. Effective November 1, 2007, OSFI implemented a new regulatory capital management framework, which gives effect to Basel II. OSFI has approved the Bank's application to apply the Advanced Internal Ratings Based ("AIRB") approach to credit risk on our portfolio and the Standardized Approach for measuring Operational Risk. Please refer to the Annual Report and Accounts 2008 for further information on the Bank's risk and capital management framework.

Further information regarding HSBC Group Risk Management Processes can be found in HSBC Holdings plc Capital and Risk Management Pillar 3 Disclosures available on HSBC Group's investor relations web site.

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

Basel II Regulatory Capital (1)

(\$ millions except as noted)



Qualifying Regulatory Capital	June 30, 2010	March 31, 2010	December 31, 2009
Common shares	1,225	1,225	1,225
Retained earnings	2,218	2,131	2,120
Non-cumulative preferred shares	946	946	946
Non-controlling interests in trust and subsidiary	430	430	430
Securitization-related deductions and other	(143)	(155)	(139)
Goodwill	(15)	(15)	(15)
Total Tier 1 capital	4,661	4,562	4,567
Subordinated debentures	742	735	833
Other	190	199	208
Total Tier 2 capital	932	934	1,041
Total capital available for regulatory purposes	5,593	5,496	5,608

Capital Ratios (2)	June 30, 2010	March 31, 2010	December 31, 2009
Tier 1 capital ratio	12.98%	12.25%	12.12%
Total capital ratio	15.58%	14.76%	14.89%
Assets to capital multiple	13.00	13.05	12.93

Qualifying Regulatory Capital	September 30, 2009	June 30, 2009	March 31, 2009
Common shares	1,225	1,225	1,225
Retained earnings	2,039	2,006	1,965
Non-cumulative preferred shares	946	946	696
Non-controlling interests in trust and subsidiary	430	430	430
Securitization-related deductions and other	(117)	(96)	(103)
Goodwill	(15)	(15)	(15)
Total Tier 1 capital	4,508	4,496	4,198
Subordinated debentures	833	826	795
Other	212	214	214
Total Tier 2 capital	1,045	1,040	1,009
Total capital available for regulatory purposes	5,553	5,536	5,207

Capital Ratios (2)	September 30, 2009	June 30, 2009	March 31, 2009
Tier 1 capital ratio	11.67%	11.17%	10.19%
Total capital ratio	14.37%	13.75%	12.64%
Assets to capital multiple	12.98	12.85	13.62

(1) As per the Basel II Capital Adequacy Requirement guidelines issued by OSFI.

(2) OSFI's target capital ratios for well capitalized anadian banks are 7% for Tier 1 Capital and 10% for Total Capital.

Basel II Risk-Weighted Assets (1)

(\$ millions except as noted)



Risk-Weighted Assets (RWA)	June 30, 2010				March 31, 2010			
	Exposure (2)	RWA			Exposure (2)	RWA		
		Standardized Approach	Advanced Approach	Total		Standardized Approach	Advanced Approach	Total
(\$ millions except as noted)								
Corporate	43,637	-	20,606	20,606	43,289	-	21,780	21,780
Sovereign	16,725	-	287	287	17,639	-	323	323
Bank	9,241	5	439	444	9,184	34	425	458
Residential Mortgages	19,303	534	1,607	2,141	19,417	584	1,622	2,206
HELOC's	6,291	-	878	878	6,159	-	872	872
Other Retail (excluding QRR and SME)	6,309	2,476	1,303	3,778	6,319	2,502	1,321	3,824
Qualifying Revolving Retail	1,176	-	214	214	1,174	-	213	213
Retail SME	1,048	-	478	478	1,033	-	489	489
Exposures subject to standardized or IRB approaches	103,729	3,015	25,811	28,826	104,213	3,120	27,046	30,166
Equity (3)	260	-	-	260	276	-	-	276
Securitization (4)	-	-	-	-	-	-	-	-
Other assets not included in standardized or IRB approaches	1,242	-	-	1,019	1,164	-	-	918
Adjustment to IRB risk-weighted assets for scaling factor	-	-	-	1,564	-	-	-	1,639
Total Credit Risk	105,231			31,669	105,653			33,000
Market Risk (5)	-	-	-	-	-	-	-	-
Operational Risk - Standardized Approach	-	-	-	4,225	-	-	-	4,236
Total Risk-Weighted Assets				35,894				37,236
Adjustment for Regulatory Floor (6)	-	-	-	-	-	-	-	-
Total Transitional Risk-Weighted Assets				35,894				37,236

Risk-Weighted Assets (RWA)	December 31, 2009				September 30, 2009			
	Exposure (2)	RWA			Exposure (2)	RWA		
		Standardized Approach	Advanced Approach	Total		Standardized Approach	Advanced Approach	Total
(\$ millions except as noted)								
Corporate	42,663	-	22,101	22,101	46,569	-	23,098	23,098
Sovereign	16,875	-	297	297	16,181	-	279	279
Bank	10,870	10	433	443	8,309	8	393	401
Residential Mortgages	19,496	577	1,572	2,150	19,499	625	1,564	2,189
HELOC's	5,221	-	508	508	5,060	-	491	491
Other Retail (excluding QRR and SME)	6,794	2,981	1,311	4,292	6,882	2,970	1,331	4,301
Qualifying Revolving Retail	1,092	-	205	205	1,096	-	218	218
Retail SME	1,027	-	504	504	1,051	-	533	533
Exposures subject to standardized or IRB approaches	104,038	3,566	26,931	30,499	104,647	3,603	27,907	31,510
Equity (3)	304	-	-	304	391	-	-	391
Securitization (4)	-	-	-	-	-	-	-	-
Other assets not included in standardized or IRB approaches	1,360	-	-	938	1,755	-	-	795
Adjustment to IRB risk-weighted assets for scaling factor	-	-	-	1,634	-	-	-	1,698
Total Credit Risk	105,702			33,375	106,792			34,393
Market Risk (5)	-	-	-	-	-	-	-	-
Operational Risk - Standardized Approach	-	-	-	4,298	-	-	-	4,239
Total Risk-Weighted Assets				37,674				38,633
Adjustment for Regulatory Floor (6)	-	-	-	-	-	-	-	-
Total Transitional Risk-Weighted Assets				37,674				38,633

Risk-Weighted Assets (RWA)	June 30, 2009				March 31, 2009			
	Exposure (3)	RWA			Exposure (3)	RWA		
		Standardized Approach	Advanced Approach	Total		Standardized Approach	Advanced Approach	Total
(\$ millions except as noted)								
Corporate	47,731	-	24,589	24,589	48,792	-	25,158	25,158
Sovereign	14,930	-	236	236	12,784	-	272	272
Bank	7,216	9	395	404	6,452	30	432	462
Residential Mortgages	19,362	692	1,606	2,298	19,095	665	1,558	2,222
HELOC's	4,619	-	466	466	4,691	-	466	466
Other Retail (excluding QRR and SME)	6,946	3,005	1,387	4,392	6,936	3,045	1,353	4,398
Qualifying Revolving Retail	1,081	-	214	214	1,074	-	214	214
Retail SME	1,066	-	558	558	1,344	-	709	709
Exposures subject to standardized or IRB approaches	102,951	3,707	29,450	33,157	101,167	3,739	30,163	33,902
Equity (3)	404	-	-	404	428	-	-	428
Securitization (4)	-	-	-	-	-	-	-	-
Other assets not included in standardized or IRB approaches	1,039	-	-	674	898	-	-	798
Adjustment to IRB risk-weighted assets for scaling factor	-	-	-	1,791	-	-	-	1,835
Total Credit Risk	104,394			36,026	102,494			36,964
Market Risk (5)	-	-	-	-	-	-	-	-
Operational Risk - Standardized Approach	-	-	-	4,229	-	-	-	4,225
Total Risk-Weighted Assets				40,254				41,188
Adjustment for Regulatory Floor (6)	-	-	-	-	-	-	-	-
Total Transitional Risk-Weighted Assets				40,254				41,188

- (1) As per the Basel II Capital Adequacy Requirement guidelines issued by OSFI.
- (2) Exposure represents gross exposure at default before allowances and credit risk mitigation.
- (3) Under OSFI guidelines the Bank is exempt from using the AIRB approach based on materiality. Accordingly equity investments are risk weighted at 100%.
- (4) Securitization exposures are currently treated as on balance sheet exposures and included in the Basel II counterparty category to which the exposures relate - see page 7 for further information on Securitization Exposures.
- (5) Under OSFI guidelines the value of the bank's trading assets or liabilities do not meet the threshold for the capital adequacy requirements for market risk.
- (6) The Bank is subject to a regulatory capital floor according to transitional arrangements prescribed by OSFI. OSFI has given the Bank their approval to reduce the capital floor to 90% commencing with the third quarter 2008 regulatory reporting period.

Credit Exposure by Counterparty Type

(\$ millions except as noted)



	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
June 30, 2010						
Corporate	24,111	10,596	5,661	561	2,709	43,637
Sovereign	15,664	149	828	69	14	16,724
Bank	1,956	974	4,810	1,476	26	9,241
Total Corporate, Sovereign and Bank	41,731	11,719	11,299	2,105	2,748	69,603
Residential Mortgages	19,273	30	-	-	-	19,303
HELOC's	3,158	3,133	-	-	-	6,291
Other Retail (excluding QRR and SME)	4,104	2,175	-	-	30	6,309
Qualifying Revolving Retail	389	787	-	-	-	1,176
Retail SME	617	394	-	-	37	1,048
Total Retail	27,540	6,518	-	-	67	34,126
Total Gross Credit Exposure	69,272	18,237	11,299	2,105	2,815	103,728
March 31, 2010						
Corporate	25,399	10,575	4,266	513	2,536	43,289
Sovereign	15,711	33	1,805	89	-	17,638
Bank	2,073	992	4,856	1,241	22	9,184
Total Corporate, Sovereign and Bank	43,183	11,600	10,927	1,843	2,558	70,111
Residential Mortgages	19,389	28	-	-	-	19,417
HELOC's	3,113	3,046	-	-	-	6,159
Other Retail (excluding QRR and SME)	4,178	2,108	-	-	33	6,319
Qualifying Revolving Retail	396	778	-	-	-	1,174
Retail SME	630	369	-	-	34	1,033
Total Retail	27,706	6,329	-	-	67	34,102
Total Gross Credit Exposure	70,889	17,929	10,927	1,843	2,625	104,213
December 31, 2009						
Corporate	25,243	10,857	3,505	527	2,531	42,663
Sovereign	14,571	31	2,190	83	0	16,875
Bank	1,912	1,019	6,623	1,286	30	10,870
Total Corporate, Sovereign and Bank	41,726	11,907	12,318	1,896	2,561	70,407
Residential Mortgages	19,480	16	-	-	-	19,496
HELOC's	2,956	2,265	-	-	-	5,221
Other Retail (excluding QRR and SME)	4,411	2,352	-	-	31	6,794
Qualifying Revolving Retail	392	700	-	-	-	1,092
Retail SME	650	343	-	-	34	1,027
Total Retail	27,889	5,676	-	-	65	33,630
Total Gross Credit Exposure	69,615	17,583	12,318	1,896	2,626	104,038
September 30, 2009						
Corporate	26,908	11,177	5,308	586	2,590	46,569
Sovereign	13,811	35	2,263	65	7	16,181
Bank	1,677	987	4,484	1,142	19	8,309
Total Corporate, Sovereign and Bank	42,396	12,199	12,056	1,793	2,616	71,059
Residential Mortgages	19,487	12	-	-	-	19,499
HELOC's	2,855	2,205	-	-	-	5,060
Other Retail (excluding QRR and SME)	4,426	2,441	-	-	15	6,882
Qualifying Revolving Retail	400	696	-	-	-	1,096
Retail SME	658	359	-	-	34	1,051
Total Retail	27,826	5,713	-	-	49	33,588
Total Gross Credit Exposure	70,222	17,912	12,056	1,793	2,665	104,647
June 30, 2009						
Corporate	28,377	11,267	4,740	714	2,633	47,731
Sovereign	12,712	37	2,068	105	8	14,930
Bank	1,758	1,127	2,961	1,351	18	7,216
Total Corporate, Sovereign and Bank	42,847	12,431	9,770	2,170	2,659	69,877
Residential Mortgages	19,216	146	-	-	-	19,362
HELOC's	2,613	2,006	-	-	-	4,619
Other Retail (excluding QRR and SME)	4,497	2,434	-	-	15	6,946
Qualifying Revolving Retail	391	690	-	-	-	1,081
Retail SME	675	356	-	-	35	1,066
Total Retail	27,392	5,632	-	-	50	33,074
Total Gross Credit Exposure	70,239	18,063	9,770	2,170	2,710	102,951
March 31, 2009						
Corporate	30,170	11,482	3,388	973	2,778	48,792
Sovereign	12,122	150	428	60	24	12,783
Bank	1,870	1,034	1,888	1,655	4	6,452
Total Corporate, Sovereign and Bank	44,162	12,666	5,705	2,688	2,806	68,027
Residential Mortgages	19,084	12	-	-	-	19,095
HELOC's	2,595	2,096	-	-	-	4,691
Other Retail (excluding QRR and SME)	4,530	2,392	-	-	14	6,936
Qualifying Revolving Retail	390	684	-	-	-	1,074
Retail SME	893	414	-	-	37	1,344
Total Retail	27,491	5,598	-	-	51	33,141
Total Gross Credit Exposure	71,654	18,263	5,705	2,688	2,858	101,167

Credit Exposure by Geography

(\$ millions except as noted)



June 30, 2010						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	23,619	6,570	-	107	686	30,982
Western Canada, excluding British Columbia	9,831	5,045	-	203	839	15,918
Ontario	29,810	4,830	11,299	1,637	833	48,408
Quebec & Atlantic provinces	6,012	1,793	-	158	459	8,421
Other	-	-	-	-	-	-
Total Gross Credit Exposure	69,271	18,237	11,299	2,105	2,815	103,728

March 31, 2010						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	24,409	6,248	-	100	675	31,432
Western Canada, excluding British Columbia	10,081	4,846	-	201	794	15,922
Ontario	30,297	4,957	9,488	1,437	770	46,949
Quebec & Atlantic provinces	6,102	1,878	1,438	105	387	9,910
Other	-	-	-	-	-	-
Total Gross Credit Exposure	70,889	17,929	10,926	1,843	2,626	104,213

December 31, 2009						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	24,277	6,108	-	111	679	31,175
Western Canada, excluding British Columbia	10,150	4,851	-	169	747	15,917
Ontario	29,160	4,648	10,730	1,503	803	46,843
Quebec & Atlantic provinces	6,029	1,976	1,587	113	397	10,103
Other	-	-	-	-	-	-
Total Gross Credit Exposure	69,615	17,583	12,318	1,896	2,626	104,038

September 30, 2009						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	24,857	6,168	-	146	715	31,886
Western Canada, excluding British Columbia	10,372	4,888	-	184	712	16,156
Ontario	28,801	4,844	10,468	1,355	890	46,358
Quebec & Atlantic provinces	6,189	2,011	1,587	108	348	10,243
Other	-	-	-	-	-	-
Total Gross Credit Exposure	70,219	17,911	12,055	1,793	2,665	104,643

June 30, 2009						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	25,616	6,426	-	186	740	32,968
Western Canada, excluding British Columbia	10,730	4,791	-	154	698	16,372
Ontario	27,623	4,877	8,122	1,646	884	43,152
Quebec & Atlantic provinces	6,270	1,970	1,648	184	388	10,460
Other	-	-	-	-	-	-
Total Gross Credit Exposure	70,239	18,063	9,770	2,170	2,710	102,951

March 31, 2009						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	26,433	6,494	-	270	772	33,969
Western Canada, excluding British Columbia	10,836	4,925	-	246	802	16,809
Ontario	28,050	4,955	5,417	1,963	925	41,310
Quebec & Atlantic provinces	6,335	1,888	288	208	359	9,078
Other	-	-	-	-	-	-
Total Gross Credit Exposure	71,654	18,263	5,705	2,688	2,858	101,167

Residual Contract Maturity Breakdown

(\$ millions except as noted)



June 30, 2010						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
Within 1 year	33,205	17,920	9,853	1,031	2,754	64,764
1-5 years	31,833	107	1,446	834	43	34,263
Greater than 5 years	4,234	210	-	241	18	4,702
No specific maturity	-	-	-	-	-	-
Total Gross Credit Exposure	69,271	18,237	11,299	2,105	2,815	103,728

March 31, 2010						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
Within 1 year	33,732	17,608	9,766	749	2,590	64,445
1-5 years	32,284	96	1,161	875	19	34,435
Greater than 5 years	4,873	225	-	219	16	5,333
No specific maturity	-	-	-	-	-	-
Total Gross Credit Exposure	70,889	17,929	10,927	1,843	2,625	104,213

December 31, 2009						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
Within 1 year	32,255	17,262	11,083	655	2,574	63,829
1-5 years	32,364	36	1,235	929	26	34,590
Greater than 5 years	4,996	285	-	312	26	5,619
No specific maturity	-	-	-	-	-	-
Total Gross Credit Exposure	69,615	17,583	12,318	1,896	2,626	104,038

September 30, 2009						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
Within 1 year	32,679	17,583	10,683	572	2,544	64,061
1-5 years	32,531	36	1,372	877	79	34,895
Greater than 5 years	5,010	292	-	344	41	5,687
No specific maturity	-	-	-	-	-	-
Total Gross Credit Exposure	70,220	17,911	12,055	1,793	2,664	104,643

June 30, 2009						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
Within 1 year	32,984	17,653	8,749	928	2,565	62,879
1-5 years	32,059	49	1,021	916	97	34,141
Greater than 5 years	5,196	361	-	326	48	5,931
No specific maturity	-	-	-	-	-	-
Total Gross Credit Exposure	70,239	18,063	9,770	2,170	2,710	102,951

March 31, 2009						
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
Within 1 year	35,575	17,854	4,723	1,063	2,715	61,930
1-5 years	30,440	91	981	1,103	92	32,708
Greater than 5 years	5,638	318	-	522	51	6,529
No specific maturity	-	-	-	-	-	-
Total Gross Credit Exposure	71,654	18,263	5,705	2,688	2,858	101,167

Portfolio Breakdown by Basel II Approaches

(\$ millions except as noted)



	June 30, 2010				March 31, 2010			
	Standardized		AIRB		Standardized		AIRB	
	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn
Corporate	-	-	24,112	10,596	-	-	25,400	10,575
Sovereign	-	-	15,663	149	-	-	15,710	33
Bank	26	-	1,930	974	168	-	1,905	992
Total Corporate, Sovereign and Bank	26	-	41,705	11,719	168	-	43,015	11,600
Residential Mortgages	1,019	28	18,252	2	1,111	28	18,276	-
HELOC's	-	-	3,158	3,133	-	-	3,113	3,046
Other Retail (excluding QRR and SME)	1,749	1,453	2,355	721	1,841	1,382	2,338	726
Qualifying Revolving Retail	-	-	389	787	-	-	396	778
Retail SME	-	-	617	394	-	-	630	369
Total Retail	2,768	1,482	24,772	5,037	2,952	1,410	24,753	4,919
Total Gross Credit Exposure	2,794	1,482	66,477	16,755	3,120	1,410	67,768	16,519

	December 31, 2009				September 30, 2009			
	Standardized		AIRB		Standardized		AIRB	
	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn
Corporate	-	-	25,243	10,857	-	-	26,908	11,177
Sovereign	-	-	14,571	31	-	-	13,811	35
Bank	34	-	1,878	1,019	39	-	1,638	987
Total Corporate, Sovereign and Bank	34	-	41,692	11,907	39	-	42,357	12,199
Residential Mortgages	1,128	-	18,352	16	1,237	-	18,250	12
HELOC's	-	-	2,956	2,265	-	-	2,855	2,205
Other Retail (excluding QRR and SME)	2,100	1,750	2,311	602	2,116	1,842	2,310	599
Qualifying Revolving Retail	-	-	392	700	-	-	400	696
Retail SME	-	-	650	343	-	-	658	359
Total Retail	3,228	1,750	24,661	3,926	3,353	1,842	24,473	3,871
Total Gross Credit Exposure	3,262	1,750	66,353	15,833	3,392	1,842	66,830	16,070

	June 30, 2009				March 31, 2009			
	Standardized		AIRB		Standardized		AIRB	
	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn	Loans (Drawn)	Credit Equivalent Amount on Undrawn
Corporate	-	-	28,377	11,267	-	-	30,170	11,482
Sovereign	-	-	12,712	37	-	-	12,122	150
Bank	47	-	1,711	1,127	148	-	1,722	1,034
Total Corporate, Sovereign and Bank	47	-	42,800	12,431	148	-	44,014	12,666
Residential Mortgages	1,365	-	17,851	146	1,515	-	17,569	12
HELOC's	-	-	2,613	2,006	-	-	2,595	2,096
Other Retail (excluding QRR and SME)	2,169	1,842	2,328	592	2,247	1,815	2,283	577
Qualifying Revolving Retail	-	-	391	690	-	-	390	684
Retail SME	-	-	675	356	-	-	893	414
Total Retail	3,534	1,842	23,858	3,790	3,762	1,815	23,730	3,783
Total Gross Credit Exposure	3,581	1,842	66,658	16,221	3,910	1,815	67,744	16,449

Standardized Exposures by Risk Weight Category

(\$ millions except as noted)



	June 30, 2010							
	Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total
Corporate	-	-	-	-	-	-	-	-
Sovereign	-	-	-	-	-	-	-	-
Bank	-	26	-	-	-	-	-	26
<i>Total Corporate, Sovereign and Bank</i>	-	26	-	-	-	-	-	26
Residential Mortgages	-	-	656	-	346	45	-	1,047
Heloc's	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	3,103	2	98	3,203
Retail SME	-	-	-	-	-	-	-	-
<i>Total Retail</i>	-	-	656	-	3,449	47	98	4,250
Total Exposure at Default	-	26	656	-	3,449	47	98	4,276

	March 31, 2010							
	Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total
Corporate	-	-	-	-	-	-	-	-
Sovereign	-	-	-	-	-	-	-	-
Bank	-	168	-	-	-	-	-	168
<i>Total Corporate, Sovereign and Bank</i>	-	168	-	-	-	-	-	168
Residential Mortgages	-	-	710	-	375	55	-	1,139
Heloc's	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	3,108	2	113	3,223
Retail SME	-	-	-	-	-	-	-	-
<i>Total Retail</i>	-	-	710	-	3,482	57	113	4,362
Total Exposure at Default	-	168	710	-	3,482	57	113	4,530

	December 31, 2009							
	Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total
Corporate	-	-	-	-	-	-	-	-
Sovereign	-	-	-	-	-	-	-	-
Bank	-	34	-	-	-	-	-	34
<i>Total Corporate, Sovereign and Bank</i>	-	34	-	-	-	-	-	34
Residential Mortgages	-	-	684	-	424	20	-	1,128
Heloc's	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	3,723	3	124	3,850
Retail SME	-	-	-	-	-	-	-	-
<i>Total Retail</i>	-	-	684	-	4,147	23	124	4,978
Total Exposure at Default	-	34	684	-	4,147	23	124	5,012

	September 30, 2009							
	Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total
Corporate	-	-	-	-	-	-	-	-
Sovereign	-	-	-	-	-	-	-	-
Bank	-	39	-	-	-	-	-	39
<i>Total Corporate, Sovereign and Bank</i>	-	39	-	-	-	-	-	39
Residential Mortgages	-	-	746	-	466	14	-	1,226
Heloc's	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	3,827	30	47	3,904
Retail SME	-	-	-	-	-	-	-	-
<i>Total Retail</i>	-	-	746	-	4,293	44	47	5,130
Total Exposure at Default	-	39	746	-	4,293	44	47	5,169

	June 30, 2009							
	Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total
Corporate	-	-	-	-	-	-	-	-
Sovereign	-	-	-	-	-	-	-	-
Bank	-	47	-	-	-	-	-	47
<i>Total Corporate, Sovereign and Bank</i>	-	47	-	-	-	-	-	47
Residential Mortgages	-	-	817	-	523	14	-	1,354
Heloc's	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	3,871	32	47	3,949
Retail SME	-	-	-	-	-	-	-	-
<i>Total Retail</i>	-	-	817	-	4,394	46	47	5,304
Total Exposure at Default	-	47	817	-	4,394	46	47	5,350

	March 31, 2009							
	Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total
Corporate	-	-	-	-	-	-	-	-
Sovereign	-	-	-	-	-	-	-	-
Bank	-	148	-	-	-	-	-	148
<i>Total Corporate, Sovereign and Bank</i>	-	148	-	-	-	-	-	148
Residential Mortgages	-	-	1,170	-	319	16	-	1,505
Heloc's	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	3,922	37	44	4,003
Retail SME	-	-	-	-	-	-	-	-
<i>Total Retail</i>	-	-	1,170	-	4,241	53	44	5,508
Total Exposure at Default	-	148	1,170	-	4,241	53	44	5,656

Risk Assessment - IRB Retail Credit Portfolio

(\$ millions except as noted)



June 30, 2010						
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	17,879	6,171	2,921	1,035	802	28,809
Medium	285	98	122	130	221	857
Sub-Standard	-	-	3	7	2	13
Impaired/Default	90	21	61	4	22	197
Total Exposure at Default	18,254	6,291	3,107	1,176	1,048	29,876

March 31, 2010						
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	17,913	6,021	2,896	1,036	752	28,618
Medium	261	117	134	127	258	897
Sub-Standard	-	-	4	7	3	14
Impaired/Default	104	21	62	4	20	211
Total Exposure at Default	18,278	6,159	3,096	1,174	1,033	29,740

December 31, 2009						
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	18,000	5,100	2,711	964	752	27,527
Medium	275	108	169	118	245	915
Sub-Standard	-	-	7	6	7	20
Impaired/Default	94	13	57	4	23	191
Total Exposure at Default	18,369	5,221	2,944	1,092	1,027	28,653

September 30, 2009						
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	17,923	4,944	2,691	964	767	27,289
Medium	250	104	165	121	246	886
Sub-Standard	-	-	6	6	10	22
Impaired/Default	89	12	61	5	28	195
Total Exposure at Default	18,262	5,060	2,923	1,096	1,051	28,392

June 30, 2009						
	Mortgages	Heloc's	(excl. QRR)	Revolving	Retail SME	Total
Strong	17,615	4,513	2,688	954	782	26,552
Medium	307	94	175	116	252	944
Sub-Standard	-	-	7	6	8	21
Impaired/Default	75	11	67	5	25	183
Total Exposure at Default	17,997	4,618	2,937	1,081	1,067	27,700

March 31, 2009						
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	17,250	4,591	2,634	943	1,066	26,484
Medium	266	90	173	121	242	892
Sub-Standard	-	-	8	6	6	20
Impaired/Default	9	9	58	4	30	166
Total Exposure at Default	4,690	4,690	2,873	1,074	1,344	27,562

Internal Rating	June 30, 2010				March 31, 2010				December 31, 2009			
	Exposure at Default (1)	Exposure-Weighted Average PD (%)	Exposure-Weighted Average LGD (%)	Exposure-Weighted Average Risk Weight (%)	Exposure at Default (1)	Exposure-Weighted Average PD (%)	Exposure-Weighted Average LGD (%)	Exposure-Weighted Average Risk Weight (%)	Exposure at Default (1)	Exposure-Weighted Average PD (%)	Exposure-Weighted Average LGD (%)	Exposure-Weighted Average Risk Weight (%)
Corporate												
Minimal Risk	899	0.04	42	11	986	0.04	44	12	988	0.04	44	13
Low Risk	4,338	0.10	43	19	3,984	0.10	42	19	3,818	0.11	42	19
Satisfactory Risk	13,811	0.45	33	39	13,866	0.45	34	41	14,197	0.46	34	42
Fair Default Risk	15,025	1.18	31	60	16,106	1.18	31	60	16,115	1.19	32	61
Moderate Default Risk	1,744	2.76	29	75	1,780	2.78	30	78	1,672	2.84	30	78
Significant Default Risk	441	5.98	30	101	491	5.94	30	103	517	5.85	30	104
High Default Risk	678	10.21	33	137	626	10.19	32	134	635	10.36	30	128
Special Management	437	28.42	32	162	506	32.43	31	156	547	31.85	32	152
Default	711	100.00	41	265	714	100.00	43	295	768	100.00	40	268
Total Corporate	38,084	3.21	34	54	39,059	3.27	34	56	39,257	3.43	34	57
Sovereign												
Minimal Risk	15,663	0.01	10	2	15,591	0.01	10	2	14,507	0.01	10	2
Low Risk	229	0.05	45	14	64	0.07	30	17	69	0.06	31	17
Satisfactory Risk	4	0.27	39	34	5	0.28	33	31	3	0.31	49	43
Fair Default Risk	-	-	-	-	172	1.65	10	28	107	1.65	10	30
Moderate Default Risk	-	-	-	-	1	1.93	52	109	1	1.93	52	109
Significant Default Risk	-	-	-	-	-	-	-	-	-	-	-	-
High Default Risk	-	-	-	-	-	-	-	-	-	-	-	-
Special Management	-	-	-	-	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-	-	-	-	-
Total Sovereign	15,896	0.01	11	2	15,833	0.03	10	2	14,687	0.02	10	2
Bank												
Minimal Risk	3,166	0.03	26	7	3,095	0.03	26	6	3,276	0.03	26	7
Low Risk	1,072	0.08	27	13	723	0.09	27	15	737	0.08	27	16
Satisfactory Risk	490	0.24	19	17	586	0.24	21	19	448	0.25	21	21
Fair Default Risk	2	1.13	46	77	11	1.09	22	37	6	0.99	18	31
Moderate Default Risk	1	1.98	35	78	1	1.98	60	129	2	2.16	32	70
Significant Default Risk	2	4.96	69	229	-	6.72	35	116	-	-	-	-
High Default Risk	-	-	-	-	-	13.36	81	384	1	13.34	80	374
Special Management	-	-	-	-	-	19.00	35	171	-	-	-	-
Default	-	-	-	-	-	-	-	-	-	-	-	-
Total Bank	4,733	0.07	25	9	4,416	0.07	25	9	4,470	0.07	25	10

Internal Rating	September 30, 2009				June 30, 2009				March 31, 2009			
	Exposure at Default (1)	Exposure-Weighted Average PD (%)	Exposure-Weighted Average LGD (%)	Exposure-Weighted Average Risk Weight (%)	Exposure at Default (1)	Exposure-Weighted Average PD (%)	Exposure-Weighted Average LGD (%)	Exposure-Weighted Average Risk Weight (%)	Exposure at Default (1)	Exposure-Weighted Average PD (%)	Exposure-Weighted Average LGD (%)	Exposure-Weighted Average Risk Weight (%)
Corporate												
Minimal Risk	1,167	0.04	45	12	1,222	0.04	45	12	1,451	0.03	47	9
Low Risk	3,962	0.11	43	19	3,656	0.11	43	19	4,171	0.09	47	13
Satisfactory Risk	14,620	0.46	34	41	15,918	0.47	34	41	17,220	0.47	35	41
Fair Default Risk	17,365	1.17	31	61	17,948	1.17	31	60	18,457	1.14	32	61
Moderate Default Risk	1,746	2.84	29	76	1,646	2.69	30	79	1,631	2.66	33	87
Significant Default Risk	529	5.91	31	106	615	5.83	30	103	636	5.84	30	101
High Default Risk	645	10.20	31	132	774	10.20	32	135	743	10.17	32	136
Special Management	406	30.95	31	153	353	28.20	30	158	296	26.79	30	158
Default	837	100.00	42	276	892	100.00	45	317	878	100.00	39	240
Total Corporate	41,277	3.36	34	56	43,024	3.34	34	57	45,483	3.10	35	54
Sovereign												
Minimal Risk	13,801	0.01	10	2	12,817	0.01	10	2	12,091	0.01	11	2
Low Risk	58	0.06	28	14	35	0.06	38	20	35	0.07	31	16
Satisfactory Risk	5	0.31	44	45	8	0.34	46	52	225	0.20	52	34
Fair Default Risk	82	1.65	10	31	1	1.59	14	29	4	1.40	18	33
Moderate Default Risk	1	1.93	52	109	1	1.93	52	109	1	1.93	52	109
Significant Default Risk	-	-	-	-	-	-	-	-	-	-	-	-
High Default Risk	-	-	-	-	-	-	-	-	-	-	-	-
Special Management	-	-	-	-	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-	-	-	-	-
Total Sovereign	13,947	0.02	10	2	12,861	0.01	11	2	12,356	0.01	12	2
Bank												
Minimal Risk	3,078	0.03	25	7	3,426	0.03	25	7	3,259	0.03	27	7
Low Risk	852	0.07	23	12	844	0.07	23	13	1,108	0.07	24	5
Satisfactory Risk	187	0.33	31	36	153	0.25	31	34	191	0.26	29	23
Fair Default Risk	15	1.14	23	40	3	1.07	17	29	6	1.13	37	62
Moderate Default Risk	-	-	-	-	-	-	-	-	-	-	-	-
Significant Default Risk	-	-	-	-	-	-	-	-	-	-	-	-
High Default Risk	-	-	-	-	-	-	-	-	-	-	-	-
Special Management	-	-	-	-	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-	-	-	-	-
Total Bank	4,132	0.06	25	10	4,426	0.05	25	9	4,564	0.05	26	7

Exposures Covered By Credit Risk Mitigation

(\$ millions except as noted)



Counterparty Type	June 30, 2010			March 31, 2010		
	Standardized		AIRB	Standardized		AIRB
	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees
Corporate	-	-	1,673	-	-	1,635
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Total Corporate, Sovereign and Bank	-	-	1,673	-	-	1,635
Residential Mortgages	-	-	1,650	-	-	1,288
HELOC's	-	-	-	-	-	-
Other Retail (excluding QRR and SME)	-	-	-	-	-	-
Qualifying Revolving Retail	-	-	-	-	-	-
Retail SME	-	-	-	-	-	-
Total Retail	-	-	1,650	-	-	1,288
Total	-	-	3,322	-	-	2,923

Counterparty Type	December 31, 2009			September 30, 2009		
	Standardized		AIRB	Standardized		AIRB
	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees
Corporate	-	-	1,597	-	-	1,635
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Total Corporate, Sovereign and Bank	-	-	1,597	-	-	1,635
Residential Mortgages	-	-	1,374	-	-	1,390
HELOC's	-	-	-	-	-	-
Other Retail (excluding QRR and SME)	-	-	-	-	-	-
Qualifying Revolving Retail	-	-	-	-	-	-
Retail SME	-	-	-	-	-	-
Total Retail	-	-	1,374	-	-	1,390
Total	-	-	2,971	-	-	3,025

Counterparty Type	June 30, 2009			March 31, 2009		
	Standardized		AIRB	Standardized		AIRB
	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees
Corporate	-	-	1,665	-	-	1,633
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Total Corporate, Sovereign and Bank	-	-	1,665	-	-	1,633
Residential Mortgages	-	-	1,422	-	-	1,448
HELOC's	-	-	-	-	-	-
Other Retail (excluding QRR and SME)	-	-	-	-	-	-
Qualifying Revolving Retail	-	-	-	-	-	-
Retail SME	-	-	-	-	-	-
Total Retail	-	-	1,422	-	-	1,448
Total	-	-	3,087	-	-	3,081

AIRB Credit Risk Exposures - Credit Commitments

(\$ millions except as noted)



Counterparty Type	June 30, 2010		March 31, 2010	
	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn
Corporate	22,544	10,596	22,499	10,575
Sovereign	318	149	71	33
Bank	2,072	974	2,111	992
Total Corporate, Sovereign and Bank	24,933	11,719	24,681	11,600
Residential Mortgages	54	2	56	0
HELOC's	3,273	3,133	3,167	3,046
Other Retail (excluding QRR and SME)	1,595	721	1,547	726
Qualifying Revolving Retail	991	787	980	778
Retail SME	640	394	576	369
Total Retail	6,553	5,037	6,324	4,920
Total	31,486	16,755	31,006	16,520

Counterparty Type	December 31, 2009		September 30, 2009	
	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn
Corporate	23,101	10,857	23,778	11,176
Sovereign	67	31	74	35
Bank	2,169	1,019	2,099	987
Total Corporate, Sovereign and Bank	25,336	11,908	25,952	12,197
Residential Mortgages	60	16	62	12
HELOC's	3,107	2,265	3,050	2,205
Other Retail (excluding QRR and SME)	1,456	602	1,421	599
Qualifying Revolving Retail	975	700	972	696
Retail SME	696	343	538	359
Total Retail	6,292	3,926	6,043	3,871
Total	31,628	15,834	31,994	16,069

Counterparty Type	June 30, 2009		March 31, 2009	
	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn
Corporate	23,971	11,266	24,429	11,482
Sovereign	78	37	319	150
Bank	2,398	1,127	2,200	1,034
Total Corporate, Sovereign and Bank	26,447	12,430	26,948	12,666
Residential Mortgages	253	146	67	12
HELOC's	2,760	2,006	2,933	2,096
Other Retail (excluding QRR and SME)	1,451	592	1,471	577
Qualifying Revolving Retail	967	690	962	684
Retail SME	510	356	593	414
Total Retail	5,941	3,791	6,026	3,783
Total	32,388	16,221	32,974	16,449

Securitization Portfolio Exposure (1)

(\$ millions except as noted)



Exposure type	June 30, 2010							March 31, 2010						
	Total Outstanding Securitization Exposures Retained/Purchased (2)			Delinquent Portion of Total Outstanding Securitization Exposures		Securitization Activity for the Current Period		Total Outstanding Securitization Exposures Retained/Purchased (2)			Delinquent Portion of Total Outstanding Securitization Exposures		Securitization Activity for the Current Period	
	Retained	Purchased	Total	Impaired & Past Due	Recognised Losses	Exposures Securitized	Recognised Gain/Loss on Sale	Retained	Purchased	Total	Impaired & Past Due	Recognised Losses	Exposures Securitized	Recognised Gain/Loss on Sale
Residential Mortgages	-	7,101	7,101	29	-	-	-	-	6,990	6,990	32	-	500	10
Loans to Corporates or SMEs	-	37	37	-	-	-	-	-	292	292	-	-	-	-
Other	271	215	486	-	-	-	-	337	254	591	-	-	-	-
Total	271	7,352	7,623	29	-	-	-	337	7,536	7,873	32	-	500	10

Exposure type	December 31, 2009							September 30, 2009						
	Total Outstanding Securitization Exposures Retained/Purchased (2)			Delinquent Portion of Total Outstanding Securitization Exposures		Securitization Activity for the Current Period		Total Outstanding Securitization Exposures Retained/Purchased (2)			Delinquent Portion of Total Outstanding Securitization Exposures		Securitization Activity for the Current Period	
	Retained	Purchased	Total	Impaired & Past Due	Recognised Losses	Exposures Securitized	Recognised Gain/Loss on Sale	Retained	Purchased	Total	Impaired & Past Due	Recognised Losses	Exposures Securitized	Recognised Gain/Loss on Sale
Residential Mortgages	-	6,584	6,584	34	-	655	9	-	5,128	5,128	30	-	1,528	7
Loans to Corporates or SMEs	-	291	291	-	-	-	-	-	312	312	-	-	-	-
Other	310	327	637	-	-	-	-	268	360	628	-	-	-	-
Total	310	7,202	7,512	34	-	655	9	268	5,800	6,068	30	-	1,528	7

Exposure type	June 30, 2009							March 31, 2009						
	Total Outstanding Securitization Exposures Retained/Purchased (2)			Delinquent Portion of Total Outstanding Securitization Exposures		Securitization Activity for the Current Period		Total Outstanding Securitization Exposures Retained/Purchased (2)			Delinquent Portion of Total Outstanding Securitization Exposures		Securitization Activity for the Current Period	
	Retained	Purchased	Total	Impaired & Past Due	Recognised Losses	Exposures Securitized	Recognised Gain/Loss on Sale	Retained	Purchased	Total	Impaired & Past Due	Recognised Losses	Exposures Securitized	Recognised Gain/Loss on Sale
Residential Mortgages	-	4,566	4,566	7	-	302	8	73	4,596	4,669	4	-	1,320	34
Loans to Corporates or SMEs	-	311	311	-	-	-	-	-	238	238	-	-	-	-
Other	265	450	715	-	-	-	-	247	508	755	-	-	-	-
Total	265	5,327	5,592	7	-	302	8	320	5,342	5,662	4	-	1,320	34

(1) Securitization information is presented here for information only

For capital adequacy purposes, securitization exposures are currently included in the EAD of the Basel II counterparty category to which the exposures relate, including all assets securitized by the bank still outstanding of \$7,784 million.

(2) All securitization exposures result from traditional securitization transactions.

(3) Certain comparative figures have been restated to conform with the current year's presentation.

Securitization Exposures by External Credit Rating (1)



(\$ millions except as noted)

External Credit Assessment (S&P)	June 30, 2010			March 31, 2010		
	Securitization Exposures			Securitization Exposures		
	Retained	Purchased	Total	Retained	Purchased	Total
AAA to AA-	245	7,316	7,561	278	6,864	7,142
A+ to A-	-	2	2	-	304	304
BBB+ to BBB-	-	-	-	-	-	-
BB+ to BB-	-	-	-	-	-	-
B+ and below or unrated	16	35	51	17	33	50
Total	261	7,352	7,614	295	7,201	7,496

Short Term Credit Assessment (DBRS)	June 30, 2010			March 31, 2010		
	Securitization Exposures			Securitization Exposures		
	Retained	Purchased	Total	Retained	Purchased	Total
R1 Mid	9	-	9	15	-	15

External Credit Assessment (S&P)	December 31, 2009			September 30, 2009		
	Securitization Exposures			Securitization Exposures		
	Retained	Purchased	Total	Retained	Purchased	Total
AAA to AA-	278	5,513	5,791	231	5,390	5,621
A+ to A-	-	307	307	-	293	293
BBB+ to BBB-	-	-	-	-	-	-
BB+ to BB-	-	-	-	-	-	-
B+ and below or unrated	17	33	50	17	118	135
Total	295	5,853	6,148	248	5,801	6,049

Short Term Credit Assessment (DBRS)	December 31, 2009			September 30, 2009		
	Securitization Exposures			Securitization Exposures		
	Retained	Purchased	Total	Retained	Purchased	Total
R1 Mid	15	-	15	19	-	19

External Credit Assessment (S&P)	June 30, 2009			March 31, 2009		
	Securitization Exposures			Securitization Exposures		
	Retained	Purchased	Total	Retained	Purchased	Total
AAA to AA-	223	4,851	5,074	274	4,880	5,154
A+ to A-	415	415	415	-	403	403
BBB+ to BBB-	-	-	-	-	-	-
BB+ to BB-	-	-	-	-	-	-
B+ and below or unrated	19	61	80	20	58	79
Total	242	5,327	5,569	294	5,342	5,636

Short Term Credit Assessment (DBRS)	June 30, 2009			March 31, 2009		
	Securitization Exposures			Securitization Exposures		
	Retained	Purchased	Total	Retained	Purchased	Total
R1 Mid	23	-	23	26	-	26

(1) Securitization information is presented here for information only.

For capital adequacy purposes, securitization exposures are currently included in the EAD of the Basel II counterparty category to which the exposures relate, including all assets securitized by the bank still outstanding of \$7,784 million.

(2) All securitization exposures result from traditional securitization transactions.

(3) Certain comparative figures have been restated to conform with the current year's presentation.

Advanced Internal Ratings Based (AIRB) approach for credit risk - Under this approach, banks use their own internal historical experience of PD, LGD, EAD and other key risk assumptions to calculate credit risk capital requirements.

Bank - Includes exposures to deposit taking institutions, securities firms and certain public sector entities.

Commitments (Undrawn) - The amount of credit risk exposure resulting from the unutilized portion of an authorized credit line/committed credit facility.

Corporate - Includes exposures to corporations, partnerships and proprietorships.

Drawn - The amount of credit risk exposure resulting from loans advanced to a borrower.

Exposure At Default (EAD) - An estimate of the amount of exposure to a customer at the time of default.

Home Equity Lines of Credit (HELOC's) - Revolving personal lines of credit secured by home equity.

Loss Given Default (LGD) - An estimate of the economic loss, expressed as a percentage (0%-100%) of the exposure at default, that the Bank will incur in the event a borrower defaults

OTC Derivatives - Includes over-the-counter derivatives contracts.

Other Off Balance Sheet Items - Includes all off-balance sheet arrangements other than derivatives and undrawn commitments, such as standby letters of credit and letters of guarantee.

Other Retail - Includes all other personal loans.

Probability of Default (PD) - An estimate of the likelihood of a customer defaulting on any credit related obligation within a 1 year time horizon, expressed as a percentage.

Qualifying Revolving Retail (QRR) - Includes credit cards and unsecured lines of credit extended to individuals.

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

Retail SME - Includes small business loans.

Sovereign - Includes exposures to central governments, central banks, multilateral development banks and certain public sector entities.

Standardized Approach for credit risk - Under this approach, banks use a standardized set of risk-weights as prescribed by OSFI to calculate credit risk capital requirements. The standardized risk-weights are based on external credit assessments, where available, and other risk-related factors, including exposure asset class, collateral, etc.