

2011

**HSBC Bank Canada
Capital and Risk Management
Pillar 3 Supplemental Disclosures
as at June 30, 2011**



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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 2010 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 2010 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.

Commencing January 1, 2011, financial results are reported in accordance with the International Financial Reporting Standards ("IFRS"). Further information can be found in the First Quarter 2011 Interim Report

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	March 31	December 31	September 30	June 30	March 31	December 31	September 30
	2011	2011	2010	2010	2010	2010	2009	2009
Common shares	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Retained earnings	2,241	2,133	2,274	2,238	2,218	2,131	2,120	2,039
Non-cumulative preferred shares	946	946	946	946	946	946	946	946
Non-controlling interests in trust and subsidiary	230	230	230	430	430	430	430	430
Securitization-related deductions and other	(12)	(11)	(116)	(138)	(143)	(155)	(139)	(117)
Goodwill	(26)	(26)	(15)	(15)	(15)	(15)	(15)	(15)
Total Tier 1 capital	4,605	4,497	4,544	4,686	4,661	4,562	4,567	4,508
Subordinated debentures	742	735	739	751	742	735	833	833
Other	178	186	195	192	190	199	208	212
Total Tier 2 capital	920	920	934	943	932	934	1,041	1,045
Total capital available for regulatory purposes	5,524	5,418	5,478	5,629	5,593	5,496	5,608	5,553

Capital Ratios (2)	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30
	2011	2011	2010	2010	2010	2010	2009	2009
Tier 1 capital ratio	13.30%	13.41%	13.30%	13.18%	12.98%	12.25%	12.12%	11.67%
Total capital ratio	15.95%	16.16%	16.04%	15.83%	15.58%	14.76%	14.89%	14.37%
Assets to capital multiple	13.76	13.51	13.34	13.38	13.00	13.05	12.93	12.98

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

(2) OSFI's target capital ratios for well capitalized Canadian 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, 2011				March 31, 2011				December 31, 2010				September 30, 2010						
	Exposure (2)	RWA			Exposure (2)	RWA			Exposure (2)	RWA			Exposure (2)	RWA					
		Standardized Approach	Advanced Approach	Total		Standardized Approach	Advanced Approach	Total		Standardized Approach	Advanced Approach	Total		Standardized Approach	Advanced Approach	Total			
(\$ millions except as noted)																			
Corporate	42,334		18,466	18,466	41,452		18,295	18,295	40,638		18,858	18,858	43,969		20,098	20,098			
Sovereign	19,488		383	383	17,292		336	336	19,084		345	345	18,974		384	384			
Bank	11,481		572	572	11,461	6	497	502	11,718	6	538	544	12,378	5	627	632			
Residential Mortgages	18,494	419	1,625	2,043	18,515	437	1,619	2,056	18,747	455	1,626	2,081	19,061	495	1,634	2,129			
HELOC's	6,195		869	869	6,303		894	894	6,318		909	909	6,356		888	888			
Other Retail (excluding QRR and SME)	6,232	2,402	928	3,330	6,357	2,447	1,374	3,821	6,266	2,403	1,365	3,767	6,258	2,388	1,327	3,715			
Qualifying Revolving Retail	1,163		317	317	1,171		318	318	1,174		317	317	1,178		207	207			
Retail SME	875		394	394	890		395	395	945		422	422	986		454	454			
Exposures subject to standardized or IRB approaches	106,262	2,821	23,553	26,374	103,439	2,889	23,729	26,617	104,890	2,864	24,380	27,244	109,160	2,888	25,619	28,507			
Equity (3)	265		265	265	181		181	181	199		199	199	229			229			
Securitization (4)	23	81		81	22	78		78	126	72		72							
Other assets not included in standardized or IRB approach	1,253			1,011	1,223			1,052	1,176			972	1,343			1,093			
Adjustment to IRB risk-weighted assets for scaling factor				1,429				1,435				1,475				1,551			
Total Credit Risk	107,803			29,161	104,865			29,363	106,391			29,962	110,732			31,380			
Market Risk (5)																			
Operational Risk - Standardized Approach				4,173				4,168				4,190				4,171			
Total Risk-Weighted Assets				33,333				33,531				34,152				35,551			
Adjustment for Regulatory Floor (6)				1,300				-				-				-			
Total Transitional Risk-Weighted Assets				34,633				33,531				34,152				35,551			

Risk-Weighted Assets (RWA)	June 30, 2010				March 31, 2010				December 31, 2009				September 30, 2009						
	Exposure (2)	RWA			Exposure (2)	RWA			Exposure (2)	RWA			Exposure (2)	RWA					
		Standardized Approach	Advanced Approach	Total		Standardized Approach	Advanced Approach	Total		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	42,663		22,101	22,101	46,569		23,098	23,098			
Sovereign	16,724		287	287	17,639		323	323	16,875		297	297	16,181		279	279			
Bank	9,241	5	439	444	9,184	34	425	458	10,870	10	433	443	8,309	8	393	401			
Residential Mortgages	19,303	534	1,607	2,141	19,417	584	1,622	2,206	19,496	577	1,572	2,150	19,499	625	1,564	2,189			
HELOC's	6,291		878	878	6,159		872	872	5,221		508	508	5,060		491	491			
Other Retail (excluding QRR and SME)	6,309	2,476	1,303	3,778	6,319	2,502	1,321	3,824	6,794	2,981	1,311	4,292	6,882	2,970	1,331	4,301			
Qualifying Revolving Retail	1,176		214	214	1,174		213	213	1,092		205	205	1,096		218	218			
Retail SME	1,048		478	478	1,033		489	489	1,027		504	504	1,051		533	533			
Exposures subject to standardized or IRB approaches	103,728	3,015	25,811	28,826	104,213	3,120	27,046	30,166	104,038	3,566	26,931	30,499	104,647	3,603	27,907	31,510			
Equity (3)	260			260	276			276	304			304	391			391			
Securitization (4)																			
Other assets not included in standardized or IRB approach	1,242			1,019	1,164			918	1,360			938	1,755			795			
Adjustment to IRB risk-weighted assets for scaling factor				1,564				1,639				1,634				1,698			
Total Credit Risk	105,230			31,669	105,653			33,000	105,702			33,375	106,792			34,393			
Market Risk (5)																			
Operational Risk - Standardized Approach				4,225				4,236				4,298				4,239			
Total Risk-Weighted Assets				35,894				37,236				37,674				38,633			
Adjustment for Regulatory Floor (6)																			
Total Transitional Risk-Weighted Assets				35,894				37,236				37,674				38,633			

(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	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
	June 30, 2011						March 31, 2011					
Corporate	23,232	9,749	4,680	806	3,868	42,334	23,032	9,408	4,987	686	3,340	41,452
Sovereign	19,441	16		32	0	19,488	17,244	15		33	0	17,292
Bank	2,823	795	6,052	1,780	31	11,481	2,445	800	6,511	1,654	51	11,461
Total Corporate, Sovereign and Bank	45,496	10,560	10,732	2,617	3,899	73,304	42,720	10,222	11,497	2,373	3,391	70,204
Residential Mortgages	18,486	8				18,494	18,512	3				18,515
HELOC's	3,050	3,145				6,195	3,134	3,169				6,303
Other Retail (excluding QRR and SME)	3,986	2,238			8	6,232	4,055	2,274			28	6,357
Qualifying Revolving Retail	371	792				1,163	379	792				1,171
Retail SME	529	311			35	875	547	305			37	890
Total Retail	26,423	6,494			42	32,959	26,627	6,543			65	33,235
Total Gross Credit Exposure	71,919	17,053	10,732	2,617	3,942	106,262	69,347	16,765	11,497	2,373	3,456	103,439
	December 31, 2010						September 30, 2010					
Corporate	22,766	10,762	3,451	586	3,074	40,638	24,413	10,479	5,588	621	2,868	43,969
Sovereign	17,796	17	1,259	13	0	19,084	17,847	161	895	56	15	18,974
Bank	3,084	917	6,108	1,569	40	11,718	3,995	950	5,786	1,620	27	12,378
Total Corporate, Sovereign and Bank	43,645	11,696	10,818	2,167	3,114	71,440	46,255	11,590	12,269	2,297	2,910	75,321
Residential Mortgages	18,740	7				18,747	19,033	28				19,061
HELOC's	3,160	3,158				6,318	3,190	3,166				6,356
Other Retail (excluding QRR and SME)	4,109	2,129			28	6,266	4,103	2,125			30	6,258
Qualifying Revolving Retail	383	791				1,174	389	789				1,178
Retail SME	582	323			40	945	611	335			40	986
Total Retail	26,974	6,408			68	33,450	27,326	6,443			70	33,839
Total Gross Credit Exposure	70,619	18,104	10,818	2,167	3,182	104,890	73,581	18,033	12,269	2,297	2,980	109,160
	June 30, 2010						March 31, 2010					
Corporate	24,111	10,596	5,661	561	2,709	43,637	25,399	10,575	4,266	513	2,536	43,289
Sovereign	15,664	149	828	69	14	16,724	15,711	33	1,805	89		17,638
Bank	1,956	974	4,810	1,476	26	9,241	2,073	992	4,856	1,241	22	9,184
Total Corporate, Sovereign and Bank	41,731	11,719	11,299	2,105	2,748	69,603	43,183	11,600	10,927	1,843	2,558	70,111
Residential Mortgages	19,273	30				19,303	19,389	28				19,417
HELOC's	3,158	3,133				6,291	3,113	3,046				6,159
Other Retail (excluding QRR and SME)	4,104	2,175			30	6,309	4,178	2,108			33	6,319
Qualifying Revolving Retail	389	787				1,176	396	778				1,174
Retail SME	617	394			37	1,048	630	369			34	1,033
Total Retail	27,540	6,518			67	34,126	27,706	6,329			67	34,102
Total Gross Credit Exposure	69,272	18,237	11,299	2,105	2,815	103,728	70,889	17,929	10,927	1,843	2,625	104,213
	December 31, 2009						September 30, 2009					
Corporate	25,243	10,857	3,505	527	2,531	42,663	26,908	11,177	5,308	586	2,590	46,569
Sovereign	14,571	31	2,190	83	0	16,875	13,811	35	2,263	65	7	16,181
Bank	1,912	1,019	6,623	1,286	30	10,870	1,677	987	4,484	1,142	19	8,309
Total Corporate, Sovereign and Bank	41,726	11,907	12,318	1,896	2,561	70,407	42,396	12,199	12,056	1,793	2,616	71,059
Residential Mortgages	19,480	16				19,496	19,487	12				19,499
HELOC's	2,956	2,265				5,221	2,855	2,205				5,060
Other Retail (excluding QRR and SME)	4,411	2,352			31	6,794	4,426	2,441			15	6,882
Qualifying Revolving Retail	392	700				1,092	400	696				1,096
Retail SME	650	343			34	1,027	658	359			34	1,051
Total Retail	27,889	5,676			65	33,630	27,826	5,713			49	33,588
Total Gross Credit Exposure	69,615	17,583	12,318	1,896	2,626	104,038	70,222	17,912	12,056	1,793	2,665	104,647

Credit Exposure by Geography

(\$ millions except as noted)



	June 30, 2011						March 31, 2011					
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	21,739	5,709		58	999	28,504	21,598	5,831		55	933	28,417
Western Canada, excluding British Columbia	9,607	4,560		236	1,022	15,425	9,904	4,460		196	917	15,477
Ontario	33,863	4,861	10,732	2,125	1,318	52,898	31,567	4,607	11,497	1,903	1,035	50,610
Quebec & Atlantic provinces	6,710	1,924		197	603	9,435	6,278	1,867		219	571	8,935
Other												
Total Gross Credit Exposure	71,919	17,053	10,732	2,617	3,942	106,262	69,347	16,765	11,497	2,373	3,456	103,439

	December 31, 2010						September 30, 2010					
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	22,261	6,436		79	847	29,623	23,137	6,586		69	730	30,522
Western Canada, excluding British Columbia	10,064	4,921		196	840	16,021	9,832	4,989		206	862	15,889
Ontario	32,048	4,706	10,818	1,751	945	50,268	34,366	4,717	12,269	1,862	874	54,088
Quebec & Atlantic provinces	6,246	2,041		141	550	8,978	6,246	1,741		160	514	8,661
Other												
Total Gross Credit Exposure	70,619	18,104	10,818	2,167	3,182	104,890	73,581	18,033	12,269	2,297	2,980	109,160

	June 30, 2010						March 31, 2010					
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	23,620	6,570		107	685	30,982	24,409	6,248		100	675	31,432
Western Canada, excluding British Columbia	9,831	5,045		203	838	15,917	10,081	4,846		201	794	15,922
Ontario	29,809	4,830	11,299	1,637	833	48,408	30,297	4,957	9,488	1,437	770	46,949
Quebec & Atlantic provinces	6,012	1,792		158	459	8,421	6,102	1,878	1,438	105	387	9,910
Other												
Total Gross Credit Exposure	69,272	18,237	11,299	2,105	2,815	103,728	70,889	17,929	10,926	1,843	2,626	104,213

	December 31, 2009						September 30, 2009					
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
British Columbia	24,277	6,108		111	679	31,175	24,857	6,168		146	715	31,886
Western Canada, excluding British Columbia	10,150	4,851		169	747	15,917	10,372	4,888		184	712	16,156
Ontario	29,160	4,648	10,730	1,503	803	46,843	28,801	4,844	10,468	1,355	890	46,358
Quebec & Atlantic provinces	6,029	1,976	1,587	113	397	10,103	6,189	2,011	1,587	108	348	10,243
Other												
Total Gross Credit Exposure	69,615	17,583	12,318	1,896	2,626	104,038	70,219	17,911	12,055	1,793	2,665	104,643

Residual Contract Maturity Breakdown

(\$ millions except as noted)



	June 30, 2011						March 31, 2011					
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
Within 1 year	33,629	15,805	8,953	1,070	3,775	63,232	34,437	16,404	9,618	1,177	3,368	65,004
1-5 years	34,686	1,139	1,779	1,194	166	38,963	31,418	250	1,879	956	87	34,591
Greater than 5 years	3,603	110		354	1	4,068	3,492	112		240	1	3,845
No specific maturity												
Total Gross Credit Exposure	71,919	17,053	10,732	2,617	3,942	106,262	69,347	16,765	11,497	2,373	3,456	103,439

	December 31, 2010						September 30, 2010					
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total
Within 1 year	34,325	17,880	9,126	990	3,125	65,445	35,587	17,767	10,621	964	2,905	67,844
1-5 years	32,557	83	1,692	914	44	35,289	32,578	83	1,648	1,017	47	35,373
Greater than 5 years	3,737	141		264	13	4,155	5,416	183		316	28	5,943
No specific maturity												
Total Gross Credit Exposure	70,619	18,104	10,818	2,167	3,182	104,890	73,581	18,033	12,269	2,297	2,980	109,160

	June 30, 2010						March 31, 2010					
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total	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	33,732	17,608	9,766	749	2,590	64,445
1-5 years	31,833	107	1,446	834	43	34,263	32,284	96	1,161	875	19	34,435
Greater than 5 years	4,234	210		241	18	4,702	4,873	225		219	16	5,333
No specific maturity												
Total Gross Credit Exposure	69,271	18,237	11,299	2,105	2,815	103,728	70,889	17,929	10,927	1,843	2,625	104,213

	December 31, 2009						September 30, 2009					
	Loans (Drawn)	Commitments (Undrawn)	Repo Style Transactions	OTC	Other Off Balance Sheet Items	Total	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	32,679	17,583	10,683	572	2,544	64,061
1-5 years	32,364	36	1,235	929	26	34,590	32,531	36	1,372	877	79	34,895
Greater than 5 years	4,996	285		312	26	5,619	5,010	292		344	41	5,687
No specific maturity												
Total Gross Credit Exposure	69,615	17,583	12,318	1,896	2,626	104,038	70,220	17,911	12,055	1,793	2,664	104,643

Portfolio Breakdown by Basel II Approaches

(\$ millions except as noted)



	June 30, 2011				March 31, 2011				December 31, 2010				September 30, 2010			
	Standardized		AIRB		Standardized		AIRB		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	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			23,232	9,749			23,032	9,408			22,766	10,762			24,413	10,479
Sovereign			19,441	16			17,244	15			17,796	17			17,847	161
Bank	1		2,823	795	28		2,416	800	31		3,053	917	28		3,966	950
Total Corporate, Sovereign and Bank	1		45,495	10,560	28		42,692	10,222	31		43,614	11,696	28		46,226	11,590
Residential Mortgages	805	3	17,681	5	844	3	17,668	0	882	2	17,858	5	943	28	18,090	
HELOC's			3,050	3,145			3,134	3,169			3,160	3,158			3,189	3,166
Other Retail (excluding QRR and SME)	1,632	1,537	2,354	701	1,630	1,551	2,425	723	1,708	1,409	2,401	720	1,700	1,393	2,403	732
Qualifying Revolving Retail			371	792			379	792			383	791			389	789
Retail SME			529	311			547	305			582	323			611	335
Total Retail	2,437	1,540	23,985	4,954	2,474	1,553	24,153	4,989	2,590	1,411	24,384	4,997	2,643	1,421	24,682	5,022
Total Gross Credit Exposure	2,438	1,540	69,481	15,513	2,502	1,553	66,845	15,212	2,621	1,411	67,998	16,693	2,671	1,421	70,908	16,612

	June 30, 2010				March 31, 2010				December 31, 2009				September 30, 2009			
	Standardized		AIRB		Standardized		AIRB		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	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			25,243	10,857			26,908	11,177
Sovereign			15,663	149			15,710	33			14,571	31			13,811	35
Bank	26		1,930	974	168		1,905	992	34		1,878	1,019	39		1,638	987
Total Corporate, Sovereign and Bank	26		41,705	11,719	168		43,015	11,600	34		41,692	11,907	39		42,357	12,199
Residential Mortgages	1,019	28	18,252	2	1,111	28	18,276		1,128		18,352	16	1,237		18,250	12
HELOC's			3,158	3,133			3,113	3,046			2,956	2,265			2,855	2,205
Other Retail (excluding QRR and SME)	1,749	1,453	2,355	721	1,841	1,382	2,338	726	2,100	1,750	2,311	602	2,116	1,842	2,310	599
Qualifying Revolving Retail			389	787			396	778			392	700			400	696
Retail SME			617	394			630	369			650	343			658	359
Total Retail	2,768	1,482	24,772	5,037	2,952	1,410	24,753	4,919	3,228	1,750	24,661	3,926	3,353	1,842	24,473	3,871
Total Gross Credit Exposure	2,794	1,482	66,477	16,755	3,120	1,410	67,768	16,519	3,262	1,750	66,353	15,833	3,392	1,842	66,830	16,070

Standardized Exposures by Risk Weight Category

(\$ millions except as noted)



	June 30, 2011								March 31, 2011							
	Risk Weight Category								Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total	0%	20%	35%	50%	75%	100%	150%	Total
Corporate Sovereign Bank		1						1		28						28
<i>Total Corporate, Sovereign and Bank</i>		1						1		28						28
Residential Mortgages			489		289	31		809			516		298	33		846
Heloc's							3,134	3,168					3,099		81	3,181
Other Retail																
Retail SME																
<i>Total Retail</i>			489		3,423	31	34	3,977			516		3,397	33	81	4,027
Total Exposure at Default		1	489		3,423	31	34	3,978		28	516		3,397	33	81	4,055

	December 31, 2010								September 30, 2010							
	Risk Weight Category								Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total	0%	20%	35%	50%	75%	100%	150%	Total
Corporate Sovereign Bank		31						31		28						28
<i>Total Corporate, Sovereign and Bank</i>		31						31		28						28
Residential Mortgages			543		305	37		884			608		324	39		971
Heloc's							3,030	3,117					3,002		91	3,093
Other Retail																
Retail SME																
<i>Total Retail</i>			543		3,335	37	87	4,001			608		3,326	39	91	4,064
Total Exposure at Default		31	543		3,335	37	87	4,032		28	608		3,326	39	91	4,092

	June 30, 2010								March 31, 2010							
	Risk Weight Category								Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total	0%	20%	35%	50%	75%	100%	150%	Total
Corporate Sovereign Bank		26						26		168						168
<i>Total Corporate, Sovereign and Bank</i>		26						26		168						168
Residential Mortgages			656		346	45		1,047			710		375	55		1,139
Heloc's							3,103	3,203					3,108	2	113	3,223
Other Retail																
Retail SME																
<i>Total Retail</i>			656		3,449	47	98	4,250			710		3,482	57	113	4,362
Total Exposure at Default		26	656		3,449	47	98	4,276		168	710		3,482	57	113	4,530

	December 31, 2009								September 30, 2009							
	Risk Weight Category								Risk Weight Category							
	0%	20%	35%	50%	75%	100%	150%	Total	0%	20%	35%	50%	75%	100%	150%	Total
Corporate Sovereign Bank		34						34		39						39
<i>Total Corporate, Sovereign and Bank</i>		34						34		39						39
Residential Mortgages			684		424	20		1,128			746		466	14		1,226
Heloc's							3,723	3,850					3,827	30	47	3,904
Other Retail																
Retail SME																
<i>Total Retail</i>			684		4,147	23	124	4,978			746		4,293	44	47	5,130
Total Exposure at Default		34	684		4,147	23	124	5,012		39	746		4,293	44	47	5,169

Risk Assessment - IRB Retail Credit Portfolio

(\$ millions except as noted)



	June 30, 2011						March 31, 2011					
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	17,269	6,061	2,910	809	660	27,709	17,229	6,165	2,939	811	670	27,814
Medium	305	108	130	343	198	1,085	318	109	170	349	202	1,148
Sub-Standard			2	6	1	10			2	8	3	13
Impaired/Default	112	26	21	4	15	178	121	28	65	3	15	232
Total Exposure at Default	17,686	6,195	3,063	1,163	875	28,981	17,668	6,303	3,176	1,171	890	29,208

	December 31, 2010						September 30, 2010					
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	17,414	6,147	2,906	813	726	28,005	17,688	6,214	2,968	1,039	754	28,663
Medium	330	151	180	350	200	1,213	293	123	130	129	211	886
Sub-Standard			3	8	3	14			3	7	2	12
Impaired/Default	118	20	61	3	16	217	109	17	64	4	19	213
Total Exposure at Default	17,863	6,318	3,149	1,174	945	29,449	18,090	6,354	3,165	1,179	986	29,774

	June 30, 2010						March 31, 2010					
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total
Strong	17,879	6,172	2,921	1,035	802	28,809	17,913	6,021	2,896	1,036	752	28,618
Medium	285	98	122	130	222	857	261	117	134	127	258	897
Sub-Standard			3	7	2	12			4	7	3	14
Impaired/Default	90	21	61	4	22	198	104	21	62	4	20	211
Total Exposure at Default	18,254	6,291	3,107	1,176	1,048	29,876	18,278	6,159	3,096	1,174	1,033	29,740

	December 31, 2009						September 30, 2009					
	Residential Mortgages	Heloc's	Other Retail (excl. QRR and SME)	Qualifying Revolving Retail	Retail SME	Total	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	17,923	4,944	2,691	964	767	27,289
Medium	275	108	169	118	245	915	250	104	165	121	246	886
Sub-Standard			7	6	7	20			6	6	10	22
Impaired/Default	94	13	57	4	23	191	89	12	61	5	28	195
Total Exposure at Default	18,369	5,221	2,944	1,092	1,027	28,653	18,262	5,060	2,923	1,096	1,051	28,392

Exposures Covered By Credit Risk Mitigation

(\$ millions except as noted)



Counterparty Type	June 30, 2011			March 31, 2011			December 31, 2010			September 30, 2010		
	Standardized		AIRB	Standardized		AIRB	Standardized		AIRB	Standardized		AIRB
	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees
Corporate			1,234			1,461			1,398			1,695
Sovereign												
Bank												
Total Corporate, Sovereign and Bank			1,234			1,461			1,398			1,695
Residential Mortgages			7,934			8,866			1,590			1,448
HELOC's												
Other Retail (excluding QRR and SME)												
Qualifying Revolving Retail												
Retail SME												
Total Retail			7,934			8,866			1,590			1,448
Total			9,168			10,327			2,988			3,143

Counterparty Type	June 30, 2010			March 31, 2010			December 31, 2009			September 30, 2009		
	Standardized		AIRB	Standardized		AIRB	Standardized		AIRB	Standardized		AIRB
	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees	Eligible Financial Collateral	Credit Derivatives/ Guarantees	Credit Derivatives/ Guarantees
Corporate			1,673			1,635			1,597			1,635
Sovereign												
Bank												
Total Corporate, Sovereign and Bank			1,673			1,635			1,597			1,635
Residential Mortgages			1,649			1,288			1,374			1,390
HELOC's												
Other Retail (excluding QRR and SME)												
Qualifying Revolving Retail												
Retail SME												
Total Retail			1,649			1,288			1,374			1,390
Total			3,322			2,923			2,971			3,025

AIRB Credit Risk Exposures - Credit Commitments

(\$ millions except as noted)



Counterparty Type	June 30, 2011		March 31, 2011		December 31, 2010		September 30, 2010	
	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn
Corporate	23,778	9,749	22,946	9,408	22,899	10,762	22,296	10,479
Sovereign	38	16	37	15	36	17	343	161
Bank	1,940	795	1,950	800	1,951	917	2,021	950
Total Corporate, Sovereign and Bank	25,755	10,560	24,933	10,222	24,885	11,696	24,660	11,590
Residential Mortgages	35	5	33	0	38	5	46	
HELOC's	3,312	3,145	3,320	3,169	3,302	3,158	3,296	3,166
Other Retail (excluding QRR and SME)	1,521	701	1,564	723	1,578	720	1,598	732
Qualifying Revolving Retail	1,014	792	1,012	792	1,006	791	999	789
Retail SME	505	311	701	305	665	323	670	335
Total Retail	6,387	4,954	6,630	4,989	6,590	4,997	6,609	5,022
Total	32,143	15,513	31,562	15,212	31,476	16,693	31,269	16,612

Counterparty Type	June 30, 2010		March 31, 2010		December 31, 2009		September 30, 2009	
	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn	Notional Undrawn	EAD on Undrawn
Corporate	22,544	10,596	22,499	10,575	23,101	10,857	23,778	11,176
Sovereign	318	149	71	33	67	31	74	35
Bank	2,072	974	2,111	992	2,169	1,019	2,099	987
Total Corporate, Sovereign and Bank	24,933	11,719	24,681	11,600	25,336	11,908	25,952	12,197
Residential Mortgages	54	2	56	0	60	16	62	12
HELOC's	3,273	3,133	3,167	3,046	3,107	2,265	3,050	2,205
Other Retail (excluding QRR and SME)	1,595	721	1,547	726	1,456	602	1,421	599
Qualifying Revolving Retail	991	787	980	778	975	700	972	696
Retail SME	640	394	576	369	696	343	538	359
Total Retail	6,553	5,037	6,324	4,920	6,292	3,926	6,043	3,871
Total	31,486	16,755	31,006	16,520	31,628	15,834	31,994	16,069

Securitization Portfolio Exposure (1)

(\$ millions except as noted)



Exposure type	June 30, 2011							March 31, 2011						
	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		7,073	7,073	28					6,979	6,979	32			
Loans to Corporates or SMEs		74	74						105	105				
Other	38	774	812					41	296	337				
Total	38	7,921	7,959	28				41	7,380	7,422	32			

Exposure type	December 31, 2010							September 30, 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		6,912	6,912	28		96	2		7,812	7,812	24		261	7
Loans to Corporates or SMEs		77	77						84	84				
Other	218	191	409					258	202	460				
Total	218	7,180	7,397	28		96	2	258	8,098	8,356	24		261	7

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

(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 \$6,762 million.

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

Securitization Exposures by External Credit Rating (1)

(\$ millions except as noted)



External Credit Assessment (S&P)	June 30, 2011			March 31, 2011			December 31, 2010			September 30, 2010		
	Securitization Exposures			Securitization Exposures			Securitization Exposures			Securitization Exposures		
	Retained	Purchased	Total	Retained	Purchased	Total	Retained	Purchased	Total	Retained	Purchased	Total
AAA to AA- A+ to A- BBB+ to BBB- BB+ to BB- B+ and below or unrated	38	7,847	7,885	41	7,275	7,316	218	7,103	7,321	236	8,014	8,250
		23	23		22	22		21	21	16	30	46
Total	38	7,870	7,908	41	7,297	7,339	218	7,124	7,341	252	8,044	8,296

Short Term Credit Assessment (DBRS)

A-1 + R1 Mid		50	50		83	83		56	56		54	54
										6		6
Total		50	50		83	83		56	56	6	54	60

External Credit Assessment (S&P)	June 30, 2010			March 31, 2010			December 31, 2009			September 30, 2009		
	Securitization Exposures			Securitization Exposures			Securitization Exposures			Securitization Exposures		
	Retained	Purchased	Total	Retained	Purchased	Total	Retained	Purchased	Total	Retained	Purchased	Total
AAA to AA- A+ to A- BBB+ to BBB- BB+ to BB- B+ and below or unrated	245	7,316	7,561	278	6,864	7,142	278	5,513	5,791	231	5,390	5,621
		2	2		304	304		307	307		293	293
	16	35	51	17	33	50	17	33	50	17	118	135
Total	261	7,352	7,614	295	7,201	7,496	295	5,853	6,148	248	5,801	6,049

Short Term Credit Assessment (DBRS)

A-1 + R1 Mid												
	9		9	15		15	15		15	19		19
Total	9		9	15		15	15		15	19		19

(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 \$6,762 million.

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

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.