

Q4 | 2010

Supplementary Financial Information

For the Quarter Ended - October 31, 2010

The BMO logo is rendered in large, white, 3D block letters with black shadows, set against a blue grid background that recedes into the distance.

INVESTOR RELATIONS

www.bmo.com/investorrelations

Viki Lazaris, Senior Vice President
(416) 867-6656 viki.lazaris@bmo.com

Russ Robertson, Chief Financial Officer
(416) 867-7360 russ.robertson@bmo.com

Terry Glofcheskie, Director
(416) 867-5452 terry.glofcheskie@bmo.com

Andrew Chin, Senior Manager
(416) 867-7019 andrew.chin@bmo.com

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

NOTES TO USERS

Restatement of Prior Periods**Changes**

Periodically, certain business lines or units within business lines are transferred between client groups to more closely align BMO's organizational structure and its strategic priorities. All comparative figures are reclassified to reflect these transfers. At the beginning of the year, the Banking Groups non-interest expenses were restated for comparative purposes to reflect the current allocation method.

Portfolio Realignment

In Q2 2010, we identified U.S. mid-market clients that would be better served by a commercial banking model and transferred the accounts to P&C U.S. from BMO Capital Markets. Comparative figures have been restated to conform to the current period's presentation.

Securitization Accounting

In Q1 2010, we changed the manner in which we report securitized assets in our segmented disclosure. Previously, certain securitized mortgage assets were not reported in P&C Canada's balance sheet. We now report all securitized mortgage assets in P&C Canada with offsetting amounts in Corporate and net interest income earned on all securitized mortgage assets are included in P&C Canada net interest income. Previously net interest income earned on certain securitized mortgage assets was included in P&C Canada non-interest revenue. These changes do not have a meaningful impact on the earnings of P&C Canada. Comparative figures have been restated to conform to the current period's presentation. This change in reporting is consistent with the reporting of securitized assets by our Canadian peer group.

Taxable Equivalent Basis

BMO analyzes consolidated revenues on a reported basis. However, like many banks, BMO analyzes revenue of operating groups and ratios computed using revenue, on a taxable equivalent basis (teb). This basis includes an adjustment that increases generally accepted accounting principles (GAAP) revenues and the GAAP provision for income taxes by an amount that would raise revenues on certain tax-exempt securities to a level equivalent to amounts that would incur tax at the statutory rate. The effective income tax rate is also analyzed on a teb for consistency of approach. The offset to the group teb adjustments, mostly in BMO Capital Markets, is reflected in Corporate Services.

In Q3 2010, we have now accounted for certain BMO Capital Markets transactions on a basis that reflects their teb. We believe these adjustments are useful and reflect how BMO Capital Markets manages its business, since it enhances the comparability of taxable revenues and tax-advantaged revenues. The change results in increases in net interest income and income taxes in BMO Capital Markets with offsetting amounts reflected in Corporate Services. There was no overall net income change in either of the two groups. Comparative figures have been restated to conform to Q3 2010's presentation.

Use of this Document

The supplemental information contained in this package is designed to improve the readers' understanding of the financial performance of BMO Financial Group (the bank). This information should be used in conjunction with the bank's Q4 2010 Press Release, the 2010 Management's Discussion and Analysis (MD&A) and Investor Presentation, as well as the 2010 audited consolidated financial statements for the year ended October 31, 2010.

Additional financial information is also available throughout the Q4 2010 slide presentations for the Strategic Update, Financial Review and Risk Review, as well as the Conference Call Webcast.

These can be accessed at our website at www.bmo.com/investorrelations.

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

Items indicated N.A. were not available.

Items indicated n.a. were not applicable.

Refer to the "GAAP and Related Non-GAAP Measures used in the MD&A" section of Management's Discussion and Analysis for an explanation of cash results, reporting on a teb and net economic profit. Securities regulators require that companies caution readers that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies.

Users may provide their comments and suggestions on the Supplementary Financial Information document by contacting Andrew Chin at (416) 867-7019 or andrew.chin@bmo.com

FINANCIAL HIGHLIGHTS

(\$ millions except as noted)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|------|------|------|------|------|------|------|------|------|--------|--------|--------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |

Income Statement Information

| | | | | | | | | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| Total revenues | 3,229 | 2,907 | 3,049 | 3,025 | 2,989 | 2,978 | 2,655 | 2,442 | 2,813 | 12,210 | 11,064 | 10,205 |
| Provision for credit losses (PCL) | 253 | 214 | 249 | 333 | 386 | 417 | 372 | 428 | 465 | 1,049 | 1,603 | 1,330 |
| Non-interest expense | 2,023 | 1,898 | 1,830 | 1,839 | 1,779 | 1,873 | 1,888 | 1,841 | 1,818 | 7,590 | 7,381 | 6,894 |
| Provision for income taxes | 196 | 107 | 207 | 177 | 158 | 112 | 18 | (71) | (49) | 687 | 217 | (71) |
| Net income | 739 | 669 | 745 | 657 | 647 | 557 | 358 | 225 | 560 | 2,810 | 1,787 | 1,978 |
| Net economic profit (loss) | 225 | 158 | 264 | 171 | 159 | 79 | (87) | (219) | 144 | 818 | (68) | 405 |

Profitability Measures

| | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|--------|----------|---------|---------|---------|---------|
| Basic earnings per share | \$1.25 | \$1.13 | \$1.27 | \$1.12 | \$1.12 | \$0.97 | \$0.61 | \$0.39 | \$1.06 | \$4.78 | \$3.09 | \$3.79 |
| Diluted earnings per share | \$1.24 | \$1.13 | \$1.26 | \$1.12 | \$1.11 | \$0.97 | \$0.61 | \$0.39 | \$1.06 | \$4.75 | \$3.08 | \$3.76 |
| Return on equity | 15.1 % | 13.7 % | 16.4 % | 14.3 % | 14.0 % | 12.1 % | 8.1 % | 4.9 % | 14.0 % | 14.9 % | 9.9 % | 13.0 % |
| Return on average assets | 0.72 % | 0.67 % | 0.78 % | 0.66 % | 0.63 % | 0.52 % | 0.32 % | 0.19 % | 0.54 % | 0.71 % | 0.41 % | 0.50 % |
| Return on average risk-weighted assets | 1.82 % | 1.67 % | 1.92 % | 1.58 % | 1.53 % | 1.26 % | 0.75 % | 0.46 % | 1.19 % | 1.74 % | 0.97 % | 1.07 % |
| Non-interest expense-to-revenue ratio | 62.6 % | 65.3 % | 60.0 % | 60.8 % | 59.5 % | 62.9 % | 71.1 % | 75.4 % | 64.6 % | 62.2 % | 66.7 % | 67.6 % |
| Net interest margin | | | | | | | | | | | | |
| on average assets | 1.56 % | 1.57 % | 1.59 % | 1.54 % | 1.40 % | 1.38 % | 1.19 % | 1.14 % | 1.37 % | 1.56 % | 1.27 % | 1.28 % |
| on average earning assets | 1.89 % | 1.88 % | 1.88 % | 1.85 % | 1.73 % | 1.74 % | 1.55 % | 1.51 % | 1.71 % | 1.88 % | 1.63 % | 1.55 % |
| PCL-to-average net loans and acceptances | 0.58 % | 0.50 % | 0.59 % | 0.79 % | 0.89 % | 0.94 % | 0.79 % | 0.90 % | 1.01 % | 0.61 % | 0.88 % | 0.76 % |
| Effective tax rate | 20.56 % | 13.44 % | 21.35 % | 20.80 % | 19.18 % | 16.39 % | 4.42 % | (41.01)% | (9.24)% | 19.25 % | 10.45 % | (3.56)% |

Balance Sheet Information (1)

| | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total assets | 411,640 | 397,386 | 390,166 | 398,623 | 388,458 | 415,356 | 432,245 | 443,174 | 416,050 | 411,640 | 388,458 | 416,050 |
| Average assets | 409,159 | 397,617 | 393,228 | 393,720 | 408,780 | 422,517 | 460,610 | 463,003 | 409,059 | 398,474 | 438,548 | 397,609 |
| Average earning assets | 338,684 | 330,885 | 331,423 | 328,847 | 331,395 | 334,894 | 352,920 | 348,542 | 328,687 | 332,468 | 341,848 | 326,803 |
| Average common shareholders' equity | 18,473 | 18,386 | 17,752 | 17,303 | 17,287 | 17,169 | 16,778 | 16,221 | 15,153 | 17,980 | 16,865 | 14,612 |
| Gross impaired loans (GIL) and acceptances | 3,221 | 3,128 | 3,405 | 3,134 | 3,297 | 2,913 | 2,972 | 2,666 | 2,387 | 3,221 | 3,297 | 2,387 |
| Allowance for credit losses (ACL) | 1,887 | 1,879 | 1,885 | 1,943 | 1,902 | 1,803 | 1,825 | 1,741 | 1,747 | 1,887 | 1,902 | 1,747 |

Balance Sheet Measures (1)

| | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Cash and securities-to-total assets ratio | 35.0% | 34.6% | 35.8% | 33.9% | 31.9% | 30.0% | 28.2% | 28.2% | 29.1% | 35.0% | 31.9% | 29.1% |
| GIL-to-gross loans and acceptances | 1.80% | 1.78% | 1.98% | 1.83% | 1.94% | 1.66% | 1.64% | 1.39% | 1.26% | 1.80% | 1.94% | 1.26% |
| GIL-to-equity and allowance for credit losses (2) | 13.55% | 13.54% | 15.20% | 13.89% | 14.92% | 13.54% | 13.79% | 12.69% | 12.15% | 13.55% | 14.92% | 12.15% |
| Tier 1 capital ratio | 13.45% | 13.55% | 13.27% | 12.53% | 12.24% | 11.71% | 10.70% | 10.21% | 9.77% | 13.45% | 12.24% | 9.77% |
| Total capital ratio | 15.91% | 16.10% | 15.69% | 14.82% | 14.87% | 14.32% | 13.20% | 12.87% | 12.17% | 15.91% | 14.87% | 12.17% |

Cash-Based Statistical Information

| | | | | | | | | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|
| Basic earnings per share | \$1.26 | \$1.15 | \$1.29 | \$1.14 | \$1.13 | \$0.98 | \$0.63 | \$0.41 | \$1.08 | \$4.83 | \$3.15 | \$3.86 |
| Diluted earnings per share | \$1.26 | \$1.14 | \$1.28 | \$1.13 | \$1.13 | \$0.98 | \$0.63 | \$0.40 | \$1.08 | \$4.81 | \$3.14 | \$3.83 |
| Return on equity | 15.3 % | 13.9 % | 16.6 % | 14.4 % | 14.2 % | 12.3 % | 8.4 % | 5.2 % | 14.3 % | 15.0 % | 10.1 % | 13.3 % |
| Operating leverage | (5.7)% | (3.9)% | 17.7 % | 23.9 % | 8.3 % | 3.3 % | (11.0)% | 6.4 % | 18.0 % | 7.5 % | 1.3 % | 4.7 % |
| Non-interest expense-to-revenue ratio | 62.3 % | 65.0 % | 59.7 % | 60.5 % | 59.2 % | 62.5 % | 70.7 % | 75.0% | 64.2% | 61.9% | 66.3% | 67.1% |
| Non-interest expense growth | 13.7 % | 1.5 % | (2.9)% | 0.0 % | (2.0)% | 5.1 % | 12.3 % | 14.1 % | 9.9 % | 2.9 % | 7.1 % | 4.5 % |
| Return on average assets | 0.73% | 0.68% | 0.78% | 0.67% | 0.64% | 0.53% | 0.33% | 0.20% | 0.55% | 0.71% | 0.42% | 0.51% |
| Net income | 748 | 678 | 752 | 664 | 655 | 566 | 368 | 233 | 570 | 2,842 | 1,822 | 2,013 |

(1) Q4, 2010 GIL includes \$302 million, (Q3, 2010 \$ 327 million and Q2, 2010 \$437 million) relating to the US portfolio acquired in Q2, 2010. These assets were recorded at market value and therefore have no allowance.

All loans in this portfolio are covered by a loss share agreement with the FDIC absorbing 80% of loan losses.

(2) Effective Q4, 2010, the calculation excludes non-controlling interest in subsidiaries. Prior periods have been restated to reflect this change.

FINANCIAL HIGHLIGHTS

(\$ millions except as noted)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Dividend Information | | | | | | | | | | | | |
| Dividends declared per share | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$2.80 | \$2.80 | \$2.80 |
| Dividends paid per share | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$0.70 | \$2.80 | \$2.80 | \$2.80 |
| Common dividends | 396 | 393 | 393 | 389 | 386 | 384 | 382 | 378 | 355 | 1,571 | 1,530 | 1,410 |
| Preferred dividends | 34 | 33 | 34 | 35 | 38 | 33 | 26 | 23 | 25 | 136 | 120 | 73 |
| Dividend yield | 4.65% | 4.45% | 4.44% | 5.38% | 5.59% | 5.18% | 7.09% | 8.42% | 6.51% | 4.65% | 5.59% | 6.51% |
| Dividend payout ratio | 56.2% | 61.9% | 55.2% | 62.5% | 63.4% | 73.2% | 115.0% | 187.1% | 66.2% | 58.8% | 91.8% | 74.0% |
| Share Information | | | | | | | | | | | | |
| Share price | | | | | | | | | | | | |
| high | \$63.46 | \$63.94 | \$65.71 | \$56.24 | \$54.75 | \$54.05 | \$41.03 | \$44.88 | \$51.74 | \$65.71 | \$54.75 | \$63.44 |
| low | \$54.35 | \$55.75 | \$51.11 | \$49.78 | \$49.01 | \$38.86 | \$24.05 | \$29.60 | \$35.65 | \$49.78 | \$24.05 | \$35.65 |
| close | \$60.23 | \$62.87 | \$63.09 | \$52.00 | \$50.06 | \$54.02 | \$39.50 | \$33.25 | \$43.02 | \$60.23 | \$50.06 | \$43.02 |
| Book value per share | | | | | | | | | | | | |
| | \$34.09 | \$33.13 | \$32.04 | \$32.51 | \$31.95 | \$31.26 | \$32.22 | \$32.18 | \$32.02 | \$34.09 | \$31.95 | \$32.02 |
| Number of common shares outstanding ('000's) | | | | | | | | | | | | |
| end of period | 566,468 | 562,858 | 560,113 | 555,395 | 551,716 | 548,462 | 545,046 | 539,742 | 504,575 | 566,468 | 551,716 | 504,575 |
| average basic | 565,088 | 561,839 | 558,320 | 553,992 | 550,495 | 547,134 | 543,634 | 520,020 | 503,004 | 559,822 | 540,294 | 502,062 |
| average diluted | 568,083 | 565,196 | 561,868 | 557,311 | 554,151 | 549,968 | 544,327 | 523,808 | 506,591 | 563,125 | 542,313 | 506,697 |
| Total market value of common shares | | | | | | | | | | | | |
| | 34,118 | 35,387 | 35,338 | 28,881 | 27,619 | 29,628 | 21,529 | 17,946 | 21,707 | 34,118 | 27,619 | 21,707 |
| Market-to-book value ratio | | | | | | | | | | | | |
| | 1.77 | 1.90 | 1.97 | 1.60 | 1.57 | 1.73 | 1.23 | 1.03 | 1.34 | 1.77 | 1.57 | 1.34 |
| Price-to-earnings multiple | | | | | | | | | | | | |
| | 12.7 | 13.6 | 14.1 | 13.6 | 16.3 | 17.8 | 13.0 | 9.0 | 11.4 | 12.7 | 16.3 | 11.4 |
| Total shareholder return | | | | | | | | | | | | |
| twelve month | 26.4 % | 22.4 % | 68.7 % | 67.1 % | 25.1 % | 21.4 % | (15.2)% | (37.7)% | (27.9)% | 26.4 % | 25.1 % | (27.9)% |
| five-year average | 5.9 % | 5.6 % | 7.2 % | 3.5 % | 1.8 % | 4.0 % | (1.2)% | (6.9)% | 0.9 % | 5.9 % | 1.8 % | 0.9 % |
| Growth-Based Statistical Information | | | | | | | | | | | | |
| Diluted earnings per share growth | 11.7 % | 16.5 % | 100+ | 100+ | 4.7 % | (1.0)% | (51.2)% | (17.0)% | 21.8 % | 54.2 % | (18.1)% | (8.5)% |
| Diluted cash earnings per share growth | 11.5 % | 16.3 % | 100+ | 100+ | 4.6 % | (2.0)% | (50.0)% | (18.4)% | 21.3 % | 53.2 % | (18.0)% | (8.4)% |
| Net economic profit growth | 40.8 % | 100+ | 100+ | 100+ | 10.4 % | (35.1)% | (100+) | (71.8)% | 100+ | 100+ | (100+) | (32.8)% |
| Operating leverage | (5.7)% | (3.8)% | 17.9 % | 24.0 % | 8.5 % | 3.3 % | (11.1)% | 6.4 % | 18.0 % | 7.6 % | 1.3 % | 4.8 % |
| Revenue growth | 8.0 % | (2.4)% | 14.8 % | 23.9 % | 6.3 % | 8.4 % | 1.3 % | 20.5 % | 27.9 % | 10.4 % | 8.4 % | 9.2 % |
| Non-interest expense growth | 13.7 % | 1.4 % | (3.1)% | (0.1)% | (2.2)% | 5.1 % | 12.4 % | 14.1 % | 9.9 % | 2.8 % | 7.1 % | 4.4 % |
| Net income growth | 14.2 % | 20.1 % | 108.2 % | 191.7 % | 15.6 % | 6.9 % | (44.3)% | (11.7)% | 23.9 % | 57.2 % | (9.7)% | (7.2)% |
| Other Statistical Information | | | | | | | | | | | | |
| Cost of equity | | | | | | | | | | | | |
| | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % | 10.5 % |
| Prime rate | | | | | | | | | | | | |
| average Canadian | 2.89 % | 2.44 % | 2.25 % | 2.25 % | 2.25 % | 2.25 % | 2.66 % | 3.66 % | 4.61 % | 2.46 % | 2.70 % | 5.21 % |
| average U.S. | 3.25 % | 3.25 % | 3.25 % | 3.25 % | 3.25 % | 3.25 % | 3.25 % | 3.62 % | 4.85 % | 3.25 % | 3.34 % | 5.69 % |
| Exchange rate | | | | | | | | | | | | |
| as at Cdn/U.S. dollar | 1.0202 | 1.0283 | 1.0158 | 1.0693 | 1.0819 | 1.0775 | 1.1930 | 1.2265 | 1.2045 | 1.0202 | 1.0819 | 1.2045 |
| average Cdn/U.S. dollar | 1.0387 | 1.0453 | 1.0274 | 1.0587 | 1.0827 | 1.1102 | 1.2417 | 1.2271 | 1.1107 | 1.0426 | 1.1648 | 1.0321 |
| Additional Bank Information | | | | | | | | | | | | |
| Number of full-time equivalent employees | | | | | | | | | | | | |
| Canada | 30,139 | 30,286 | 29,422 | 29,122 | 29,118 | 29,430 | 29,635 | 29,842 | 29,529 | 30,139 | 29,118 | 29,529 |
| United States | 7,445 | 7,554 | 7,587 | 6,729 | 6,732 | 6,842 | 6,979 | 7,070 | 7,256 | 7,445 | 6,732 | 7,256 |
| Other | 363 | 347 | 339 | 322 | 323 | 322 | 310 | 311 | 288 | 363 | 323 | 288 |
| Total | 37,947 | 38,187 | 37,348 | 36,173 | 36,173 | 36,594 | 36,924 | 37,223 | 37,073 | 37,947 | 36,173 | 37,073 |
| Number of bank branches | | | | | | | | | | | | |
| Canada | 910 | 909 | 908 | 902 | 900 | 903 | 915 | 979 | 983 | 910 | 900 | 983 |
| United States | 321 | 339 | 340 | 288 | 290 | 290 | 290 | 290 | 292 | 321 | 290 | 292 |
| Other | 3 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 3 | 5 | 5 |
| Total | 1,234 | 1,253 | 1,253 | 1,195 | 1,195 | 1,198 | 1,210 | 1,274 | 1,280 | 1,234 | 1,195 | 1,280 |
| Number of automated banking machines | | | | | | | | | | | | |
| Canada | 2,076 | 2,060 | 2,052 | 2,031 | 2,030 | 2,029 | 2,027 | 2,027 | 2,026 | 2,076 | 2,030 | 2,026 |
| United States | 905 | 924 | 959 | 634 | 636 | 638 | 634 | 630 | 640 | 905 | 636 | 640 |
| Total | 2,981 | 2,984 | 3,011 | 2,665 | 2,666 | 2,667 | 2,661 | 2,657 | 2,666 | 2,981 | 2,666 | 2,666 |
| Credit rating | | | | | | | | | | | | |
| DBRS | AA |
| Fitch | AA- |
| Moody's | Aa2 | Aa2 | Aa2 | Aa2 | Aa1 | Aa1 | Aa1 | Aa1 | Aa1 | Aa2 | Aa1 | Aa1 |
| Standard and Poor's | A+ |

**TOTAL BANK CONSOLIDATED
SUMMARY INCOME STATEMENTS
AND HIGHLIGHTS**

| | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 | 2008 Q4 | Fiscal 2010 | Fiscal 2009 | Fiscal 2008 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------|----------------|----------------|
| (\$ millions except as noted) | | | | | | | | | | | | |
| Net interest income | 1,610 | 1,571 | 1,522 | 1,532 | 1,442 | 1,466 | 1,335 | 1,327 | 1,409 | 6,235 | 5,570 | 5,072 |
| Non-interest revenue | 1,619 | 1,336 | 1,527 | 1,493 | 1,547 | 1,512 | 1,320 | 1,115 | 1,404 | 5,975 | 5,494 | 5,133 |
| Total revenues | 3,229 | 2,907 | 3,049 | 3,025 | 2,989 | 2,978 | 2,655 | 2,442 | 2,813 | 12,210 | 11,064 | 10,205 |
| Provision for credit losses | 253 | 214 | 249 | 333 | 386 | 417 | 372 | 428 | 465 | 1,049 | 1,603 | 1,330 |
| Net interest income and non-interest revenue | 2,976 | 2,693 | 2,800 | 2,692 | 2,603 | 2,561 | 2,283 | 2,014 | 2,348 | 11,161 | 9,461 | 8,875 |
| Non-interest expense | 2,023 | 1,898 | 1,830 | 1,839 | 1,779 | 1,883 | 1,888 | 1,841 | 1,826 | 7,590 | 7,391 | 6,902 |
| Restructuring reversal | - | - | - | - | - | (10) | - | - | (8) | - | (10) | (8) |
| Total non-interest expense | 2,023 | 1,898 | 1,830 | 1,839 | 1,779 | 1,873 | 1,888 | 1,841 | 1,818 | 7,590 | 7,381 | 6,894 |
| Income before taxes and non-controlling interest in subsidiaries | 953 | 795 | 970 | 853 | 824 | 688 | 395 | 173 | 530 | 3,571 | 2,080 | 1,981 |
| Provision for income taxes | 196 | 107 | 207 | 177 | 158 | 112 | 18 | (71) | (49) | 687 | 217 | (71) |
| Non-controlling interest in subsidiaries | 18 | 19 | 18 | 19 | 19 | 19 | 19 | 19 | 19 | 74 | 76 | 74 |
| Net income | 739 | 669 | 745 | 657 | 647 | 557 | 358 | 225 | 560 | 2,810 | 1,787 | 1,978 |
| Amortization of intangible assets, net of income tax | 9 | 9 | 7 | 7 | 8 | 9 | 10 | 8 | 10 | 32 | 35 | 35 |
| Cash net income | 748 | 678 | 752 | 664 | 655 | 566 | 368 | 233 | 570 | 2,842 | 1,822 | 2,013 |
| Operating leverage | (5.7)% | (3.8)% | 17.9% | 24.0% | 8.5% | 3.3% | (11.1)% | 6.4% | 18.0% | 7.6% | 1.3% | 4.8% |
| Cash operating leverage | (5.7)% | (3.9)% | 17.7% | 23.9% | 8.3% | 3.3% | (11.0)% | 6.4% | 18.0% | 7.5% | 1.3% | 4.7% |
| Revenue growth | 8.0% | (2.4)% | 14.8% | 23.9% | 6.3% | 8.4% | 1.3% | 20.5% | 27.9% | 10.4% | 8.4% | 9.2% |
| Non-interest expense growth | 13.7% | 1.4% | (3.1)% | (0.1)% | (2.2)% | 5.1% | 12.4% | 14.1% | 9.9% | 2.8% | 7.1% | 4.4% |
| Cash non-interest expense growth | 13.7% | 1.5% | (2.9)% | 0.0% | (2.0)% | 5.1% | 12.3% | 14.1% | 9.9% | 2.9% | 7.1% | 4.5% |

U.S. Segment Information (Canadian GAAP / \$CAD equivalent)

| | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net interest income | 339 | 346 | 319 | 347 | 352 | 380 | 425 | 425 | 365 | 1,351 | 1,582 | 1,110 |
| Non-interest revenue | 344 | 281 | 330 | 333 | 319 | 287 | 265 | 367 | 313 | 1,288 | 1,238 | 1,182 |
| Total revenues | 683 | 627 | 649 | 680 | 671 | 667 | 690 | 792 | 678 | 2,639 | 2,820 | 2,292 |
| Provision for credit losses | 156 | 104 | 123 | 190 | 260 | 243 | 245 | 317 | 269 | 573 | 1,065 | 942 |
| Net interest income and non-interest revenue | 527 | 523 | 526 | 490 | 411 | 424 | 445 | 475 | 409 | 2,066 | 1,755 | 1,350 |
| Non-interest expense | 549 | 496 | 478 | 452 | 485 | 471 | 520 | 513 | 469 | 1,975 | 1,989 | 1,713 |
| Restructuring reversal | - | - | - | - | - | - | - | - | (3) | - | - | (3) |
| Total non-interest expense | 549 | 496 | 478 | 452 | 485 | 471 | 520 | 513 | 466 | 1,975 | 1,989 | 1,710 |
| Income before taxes and non-controlling interest in subsidiaries | (22) | 27 | 48 | 38 | (74) | (47) | (75) | (38) | (57) | 91 | (234) | (360) |
| Provision for income taxes | (13) | 8 | 17 | 1 | (33) | (26) | (30) | (56) | (32) | 13 | (145) | (195) |
| Non-controlling interest in subsidiaries | 5 | 4 | 5 | 5 | 4 | 6 | 5 | 6 | 5 | 19 | 21 | 19 |
| Net income | (14) | 15 | 26 | 32 | (45) | (27) | (50) | 12 | (30) | 59 | (110) | (184) |
| Cash net income | (7) | 21 | 31 | 37 | (39) | (18) | (42) | 19 | (22) | 82 | (80) | (155) |
| Operating leverage | (11.7)% | (10.7)% | 1.8% | (2.3)% | (5.0)% | 6.6% | (1.5)% | 33.9% | 1.3% | (5.7)% | 6.7% | 48.3% |
| Cash operating leverage | (12.0)% | (11.3)% | (1.0)% | (0.7)% | (5.7)% | 6.3% | 1.3% | 30.9% | 1.6% | (6.3)% | 6.4% | 48.4% |
| Revenue growth | 1.8% | (5.8)% | (6.0)% | (14.2)% | (1.1)% | 15.6% | 29.0% | 57.9% | 13.9% | (6.4)% | 23.0% | 51.6% |
| Non-interest expense growth | 13.5% | 4.9% | (7.8)% | (11.9)% | 3.9% | 9.0% | 30.5% | 24.0% | 12.6% | (0.7)% | 16.3% | 3.3% |
| Cash non-interest expense growth | 13.8% | 5.5% | (5.0)% | (13.5)% | 4.6% | 9.3% | 27.7% | 27.0% | 12.3% | (0.1)% | 16.6% | 3.2% |
| Average assets | 123,493 | 116,854 | 106,110 | 110,612 | 121,983 | 130,315 | 158,681 | 159,460 | 134,035 | 114,334 | 142,478 | 129,260 |
| Average earning assets | 99,400 | 95,774 | 88,928 | 91,840 | 101,592 | 107,364 | 123,830 | 120,834 | 104,929 | 94,027 | 113,319 | 100,402 |
| Average loans and acceptances | 33,230 | 33,850 | 33,650 | 35,011 | 37,697 | 41,002 | 48,887 | 51,880 | 46,359 | 33,937 | 44,834 | 42,097 |
| Average deposits | 57,086 | 56,318 | 56,929 | 54,995 | 62,373 | 61,723 | 75,676 | 78,845 | 64,247 | 56,327 | 69,605 | 61,073 |
| Net interest margin on average earning assets | 1.35% | 1.43% | 1.47% | 1.50% | 1.38% | 1.40% | 1.41% | 1.40% | 1.39% | 1.44% | 1.40% | 1.11% |

\$USD Equivalent (Canadian GAAP)

| | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net interest income | 327 | 331 | 310 | 328 | 325 | 342 | 343 | 346 | 329 | 1,296 | 1,356 | 1,068 |
| Non-interest revenue | 332 | 269 | 322 | 313 | 295 | 258 | 212 | 300 | 273 | 1,236 | 1,065 | 1,136 |
| Total revenues | 659 | 600 | 632 | 641 | 620 | 600 | 555 | 646 | 602 | 2,532 | 2,421 | 2,204 |
| Provision for credit losses | 148 | 97 | 118 | 180 | 240 | 220 | 199 | 260 | 240 | 543 | 919 | 902 |
| Net interest income and non-interest revenue | 511 | 503 | 514 | 461 | 380 | 380 | 356 | 386 | 362 | 1,989 | 1,502 | 1,302 |
| Non-interest expense | 530 | 474 | 465 | 427 | 448 | 424 | 418 | 418 | 421 | 1,896 | 1,708 | 1,658 |
| Restructuring reversal | - | - | - | - | - | - | - | - | (2) | - | - | (2) |
| Total non-interest expense | 530 | 474 | 465 | 427 | 448 | 424 | 418 | 418 | 419 | 1,896 | 1,708 | 1,656 |
| Income before taxes and non-controlling interest in subsidiaries | (19) | 29 | 49 | 34 | (68) | (44) | (62) | (32) | (57) | 93 | (206) | (354) |
| Provision for income taxes | (11) | 7 | 19 | - | (30) | (25) | (24) | (46) | (28) | 15 | (125) | (189) |
| Non-controlling interest in subsidiaries | 4 | 5 | 4 | 5 | 4 | 5 | 4 | 5 | 4 | 18 | 18 | 18 |
| Net income | (12) | 17 | 26 | 29 | (42) | (24) | (42) | 9 | (33) | 60 | (99) | (183) |
| Cash net income | (7) | 23 | 32 | 33 | (35) | (18) | (35) | 15 | (25) | 81 | (73) | (153) |
| Average assets | 118,920 | 111,802 | 103,277 | 104,473 | 112,646 | 117,368 | 127,687 | 129,989 | 120,719 | 109,670 | 121,875 | 125,357 |
| Average earning assets | 95,721 | 91,631 | 86,562 | 86,741 | 93,809 | 96,691 | 99,661 | 98,493 | 94,502 | 90,193 | 97,143 | 97,379 |
| Average loans and acceptances | 31,988 | 32,382 | 32,752 | 33,072 | 34,816 | 36,932 | 39,347 | 42,278 | 41,700 | 32,547 | 38,336 | 40,752 |
| Average deposits | 54,986 | 53,877 | 55,416 | 51,940 | 57,602 | 55,676 | 60,848 | 64,257 | 57,748 | 54,043 | 59,585 | 59,187 |

**NET INCOME BY OPERATING GROUP
AND GEOGRAPHIC AREA**



| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|
| (\$ millions except as noted) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Personal & Commercial Banking | | | | | | | | | | | | |
| Canada | 415 | 421 | 389 | 401 | 398 | 362 | 340 | 315 | 297 | 1,626 | 1,415 | 1,153 |
| United States | 43 | 45 | 52 | 53 | 51 | 58 | 81 | 96 | 48 | 193 | 286 | 242 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 458 | 466 | 441 | 454 | 449 | 420 | 421 | 411 | 345 | 1,819 | 1,701 | 1,395 |
| Private Client Group | | | | | | | | | | | | |
| Canada | 95 | 65 | 79 | 72 | 67 | 48 | 38 | 44 | 70 | 311 | 197 | 305 |
| United States | 4 | 5 | 3 | 5 | 2 | 1 | - | (9) | (19) | 17 | (6) | (10) |
| Other | 32 | 38 | 36 | 36 | 37 | 64 | 34 | 33 | 26 | 142 | 168 | 131 |
| Total | 131 | 108 | 118 | 113 | 106 | 113 | 72 | 68 | 77 | 470 | 359 | 426 |
| BMO Capital Markets | | | | | | | | | | | | |
| Canada | 172 | 122 | 261 | 127 | 170 | 155 | 81 | (37) | 127 | 682 | 369 | 424 |
| United States | 3 | 11 | 2 | 55 | 46 | 66 | 72 | 179 | 79 | 71 | 363 | 146 |
| Other | 41 | (3) | (3) | 32 | 44 | 89 | 35 | (27) | 49 | 67 | 141 | (2) |
| Total | 216 | 130 | 260 | 214 | 260 | 310 | 188 | 115 | 255 | 820 | 873 | 568 |
| Corporate Services, including Technology and Operations | | | | | | | | | | | | |
| Canada | (3) | 9 | (51) | (38) | (23) | (125) | (133) | (139) | 35 | (83) | (420) | 126 |
| United States | (64) | (46) | (31) | (81) | (144) | (152) | (203) | (254) | (138) | (222) | (753) | (562) |
| Other | 1 | 2 | 8 | (5) | (1) | (9) | 13 | 24 | (14) | 6 | 27 | 25 |
| Total | (66) | (35) | (74) | (124) | (168) | (286) | (323) | (369) | (117) | (299) | (1,146) | (411) |
| Total Consolidated | | | | | | | | | | | | |
| Canada | 679 | 617 | 678 | 562 | 612 | 440 | 326 | 183 | 529 | 2,536 | 1,561 | 2,008 |
| United States | (14) | 15 | 26 | 32 | (45) | (27) | (50) | 12 | (30) | 59 | (110) | (184) |
| Other | 74 | 37 | 41 | 63 | 80 | 144 | 82 | 30 | 61 | 215 | 336 | 154 |
| Total | 739 | 669 | 745 | 657 | 647 | 557 | 358 | 225 | 560 | 2,810 | 1,787 | 1,978 |
| U.S. to North America net income | (2.1)% | 2.3 % | 3.7 % | 5.4 % | (8.0)% | (6.4)% | (18.2)% | 6.1 % | (6.1)% | 2.3 % | (7.6)% | (10.1)% |
| Outside Canada to total net income | 8.2 % | 7.7 % | 8.9 % | 14.6 % | 5.4 % | 21.1 % | 8.9 % | 18.5 % | 5.3 % | 9.8 % | 12.7 % | (1.6)% |
| U.S. to total net income | (1.9)% | 2.2 % | 3.5 % | 4.9 % | (7.0)% | (4.7)% | (14.0)% | 5.3 % | (5.5)% | 2.1 % | (6.1)% | (9.3)% |

Net Income by Operating Group

Basis of Presentation

The results of these operating groups are based on our internal financial reporting systems. The accounting policies used in these groups are generally consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1 to the audited annual consolidated financial statements for the year ended October 31, 2010.

Notable accounting measurement differences are the taxable equivalent basis adjustment and the provision for credit losses, as described below.

Taxable Equivalent Basis

We analyze net interest income on a taxable equivalent basis ("teb") at the operating group level. This basis includes an adjustment which increases GAAP revenues and the GAAP provision for income taxes by an amount that would raise revenues on certain tax-exempt securities to a level that would incur tax at the statutory rate. The operating groups' teb adjustments are eliminated in Corporate Services.

Provisions for Credit Losses

Provisions for credit losses are generally allocated to each group based on expected losses for that group over an economic cycle. Differences between expected loss provisions and provisions required under GAAP are included in Corporate Services.

Inter-Group Allocations

Various estimates and allocation methodologies are used in the preparation of the operating groups' financial information. We allocate expenses directly related to earning revenue to the groups that earned the related revenue. Expenses not directly related to earning revenue, such as overhead expenses, are allocated to operating groups using allocation formulas applied on a consistent basis. Operating group net interest income reflects internal funding charges and credits on the groups' assets, liabilities and capital, at market rates, taking into account relevant terms and currency considerations. The offset of the net impact of these charges and credits is reflected in Corporate Services.

Geographic Information

We operate primarily in Canada and the United States but also have operations in the United Kingdom, Europe, the Caribbean and Asia, which are grouped in Other countries. We allocate our results by geographic region based on the location of the unit responsible for managing the related assets, liabilities, revenues and expenses, except for the consolidated provision for credit losses, which is allocated based upon the country of ultimate risk.

Prior periods have been restated to give effect to the current period's organization structure and presentation changes.

**TOTAL PERSONAL & COMMERCIAL BANKING
SUMMARY INCOME**



STATEMENT AND HIGHLIGHTS

(\$ millions except as noted)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Net interest income (teb) | 1,384 | 1,340 | 1,248 | 1,284 | 1,256 | 1,251 | 1,258 | 1,266 | 1,159 | 5,256 | 5,031 | 4,425 |
| Non-interest revenue | 515 | 511 | 496 | 476 | 477 | 474 | 449 | 424 | 444 | 1,998 | 1,824 | 1,711 |
| Total revenues (teb) | 1,899 | 1,851 | 1,744 | 1,760 | 1,733 | 1,725 | 1,707 | 1,690 | 1,603 | 7,254 | 6,855 | 6,136 |
| Provision for credit losses | 163 | 160 | 152 | 151 | 125 | 120 | 116 | 118 | 107 | 626 | 479 | 404 |
| Net interest and non-interest revenue (teb) | 1,736 | 1,691 | 1,592 | 1,609 | 1,608 | 1,605 | 1,591 | 1,572 | 1,496 | 6,628 | 6,376 | 5,732 |
| Non-interest expense | 1,073 | 1,031 | 955 | 951 | 956 | 986 | 967 | 970 | 984 | 4,010 | 3,879 | 3,648 |
| Income before taxes and non-controlling interest in subsidiaries | 663 | 660 | 637 | 658 | 652 | 619 | 624 | 602 | 512 | 2,618 | 2,497 | 2,084 |
| Provision for income taxes (teb) | 205 | 194 | 196 | 204 | 203 | 199 | 203 | 191 | 167 | 799 | 796 | 689 |
| Net income | 458 | 466 | 441 | 454 | 449 | 420 | 421 | 411 | 345 | 1,819 | 1,701 | 1,395 |
| Cash net income | 465 | 473 | 447 | 459 | 455 | 430 | 430 | 418 | 353 | 1,844 | 1,733 | 1,425 |
| Net economic profit | 281 | 292 | 270 | 274 | 276 | 239 | 230 | 208 | 168 | 1,117 | 953 | 739 |
| Return on equity | 27.4 % | 28.3 % | 27.6 % | 26.9 % | 26.4 % | 24.1 % | 23.1 % | 21.2 % | 20.4 % | 27.6 % | 23.6 % | 22.3 % |
| Cash return on equity | 27.8 % | 28.8 % | 28.0 % | 27.3 % | 26.8 % | 24.6 % | 23.6 % | 21.6 % | 20.9 % | 28.0 % | 24.1 % | 22.8 % |
| Net interest margin on average assets (teb) | 3.01 % | 2.96 % | 2.92 % | 2.92 % | 2.85 % | 2.80 % | 2.79 % | 2.66 % | 2.55 % | 2.95 % | 2.77 % | 2.59 % |
| Net interest margin on average earning assets (teb) | 3.14 % | 3.08 % | 3.03 % | 3.03 % | 2.96 % | 2.91 % | 2.92 % | 2.78 % | 2.64 % | 3.07 % | 2.89 % | 2.69 % |
| Non-interest expense-to-revenue ratio (teb) | 56.5 % | 55.7 % | 54.7 % | 54.1 % | 55.2 % | 57.1 % | 56.7 % | 57.4 % | 61.4 % | 55.3 % | 56.6 % | 59.5 % |
| Cash non-interest expense-to-revenue ratio (teb) | 56.0 % | 55.3 % | 54.3 % | 53.7 % | 54.7 % | 56.6 % | 56.0 % | 56.9 % | 60.8 % | 54.9 % | 56.0 % | 58.9 % |
| Operating leverage (1) | (2.6)% | 2.7 % | 3.6 % | 6.0 % | 11.1 % | 2.7 % | 2.0 % | 5.0 % | 0.5 % | 2.4 % | 5.4 % | (2.9)% |
| Cash operating leverage (1) | (2.7)% | 2.4 % | 3.1 % | 5.8 % | 10.9 % | 2.6 % | 2.2 % | 5.0 % | 0.5 % | 2.2 % | 5.4 % | (3.1)% |
| Revenue growth (1) | 9.6 % | 7.3 % | 2.3 % | 4.1 % | 8.2 % | 10.4 % | 13.1 % | 15.5 % | 16.1 % | 5.8 % | 11.7 % | 5.6 % |
| Non-interest expense growth (1) | 12.2 % | 4.6 % | (1.3)% | (1.9)% | (2.9)% | 7.7 % | 11.1 % | 10.5 % | 15.6 % | 3.4 % | 6.3 % | 8.5 % |
| Cash non-interest expense growth (1) | 12.3 % | 4.9 % | (0.8)% | (1.7)% | (2.7)% | 7.8 % | 10.9 % | 10.5 % | 15.6 % | 3.6 % | 6.3 % | 8.7 % |
| Average common equity | 6,433 | 6,337 | 6,364 | 6,479 | 6,562 | 6,708 | 7,240 | 7,398 | 6,430 | 6,404 | 6,975 | 6,002 |
| Average assets | 182,202 | 179,712 | 175,278 | 174,499 | 175,145 | 177,452 | 185,030 | 188,960 | 181,134 | 177,945 | 181,619 | 170,909 |
| Average earning assets | 174,847 | 172,521 | 169,281 | 168,158 | 168,458 | 170,321 | 176,364 | 180,609 | 174,460 | 171,218 | 173,918 | 164,655 |
| Average current loans | 169,131 | 167,063 | 163,657 | 162,085 | 162,309 | 163,933 | 169,784 | 173,402 | 168,600 | 165,499 | 167,337 | 159,616 |
| Average current loans and acceptances | 172,651 | 170,409 | 166,717 | 165,239 | 165,711 | 167,213 | 172,657 | 175,871 | 171,134 | 168,771 | 170,344 | 162,120 |
| Average deposits | 127,661 | 126,573 | 122,733 | 123,448 | 122,881 | 123,502 | 129,894 | 126,577 | 112,936 | 125,123 | 125,679 | 108,420 |
| Assets under administration | 78,697 | 72,595 | 69,537 | 71,221 | 71,888 | 79,149 | 90,747 | 92,046 | 88,529 | 78,697 | 71,888 | 88,529 |
| Assets under management | 805 | 843 | - | - | - | - | - | - | - | 805 | - | - |
| Number of full-time equivalent employees | 20,837 | 21,073 | 20,624 | 19,643 | 19,882 | 20,080 | 20,426 | 20,824 | 20,879 | 20,837 | 19,882 | 20,879 |

(1) Total P&C leverage and growth ratios in Fiscal 2008 have not been restated for the impact of the portfolio transfer from Capital Markets to P&C US.

**P&C CANADA
SUMMARY INCOME
STATEMENT AND HIGHLIGHTS**



| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| (\$ millions except as noted) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Net interest income (teb) | 1,091 | 1,065 | 989 | 1,019 | 992 | 975 | 921 | 923 | 886 | 4,164 | 3,811 | 3,428 |
| Non-interest revenue | 430 | 425 | 419 | 392 | 391 | 387 | 360 | 338 | 359 | 1,666 | 1,476 | 1,366 |
| Total revenues (teb) | 1,521 | 1,490 | 1,408 | 1,411 | 1,383 | 1,362 | 1,281 | 1,261 | 1,245 | 5,830 | 5,287 | 4,794 |
| Provision for credit losses | 132 | 129 | 121 | 120 | 102 | 97 | 93 | 95 | 89 | 502 | 387 | 341 |
| Net interest and non-interest revenue (teb) | 1,389 | 1,361 | 1,287 | 1,291 | 1,281 | 1,265 | 1,188 | 1,166 | 1,156 | 5,328 | 4,900 | 4,453 |
| Non-interest expense | 786 | 763 | 720 | 709 | 706 | 735 | 692 | 704 | 713 | 2,978 | 2,837 | 2,733 |
| Income before taxes and non-controlling interest in subsidiaries | 603 | 598 | 567 | 582 | 575 | 530 | 496 | 462 | 443 | 2,350 | 2,063 | 1,720 |
| Provision for income taxes (teb) | 183 | 172 | 172 | 179 | 177 | 168 | 156 | 147 | 146 | 706 | 648 | 567 |
| Net income | 420 | 426 | 395 | 403 | 398 | 362 | 340 | 315 | 297 | 1,644 | 1,415 | 1,153 |
| Cash net income | 420 | 428 | 397 | 404 | 398 | 365 | 341 | 315 | 298 | 1,649 | 1,419 | 1,156 |
| Net interest margin on average assets (teb) | 2.89 % | 2.87 % | 2.83 % | 2.86 % | 2.80 % | 2.77 % | 2.71 % | 2.62 % | 2.54 % | 2.86 % | 2.72 % | 2.55 % |
| Net interest margin on average earning assets (teb) | 2.99 % | 2.96 % | 2.91 % | 2.95 % | 2.90 % | 2.87 % | 2.81 % | 2.71 % | 2.63 % | 2.95 % | 2.82 % | 2.63 % |
| Non-interest expense-to-revenue ratio (teb) | 51.6 % | 51.2 % | 51.1 % | 50.3 % | 51.1 % | 53.9 % | 54.1 % | 55.8 % | 57.4 % | 51.1 % | 53.7 % | 57.0 % |
| Cash non-interest expense-to-revenue ratio (teb) | 51.5 % | 51.1 % | 51.0 % | 50.2 % | 51.0 % | 53.8 % | 54.0 % | 55.8 % | 57.3 % | 51.0 % | 53.6 % | 57.0 % |
| Operating leverage | (1.2)% | 5.4 % | 6.1 % | 11.1 % | 12.1 % | 5.7 % | 1.9 % | 5.9 % | 7.6 % | 5.4 % | 6.5 % | (1.8)% |
| Cash operating leverage | (1.1)% | 5.5 % | 6.1 % | 11.1 % | 12.2 % | 5.7 % | 1.9 % | 5.9 % | 7.4 % | 5.4 % | 6.6 % | (2.0)% |
| Revenue growth | 10.0 % | 9.3 % | 10.0 % | 11.8 % | 11.1 % | 11.3 % | 9.4 % | 9.3 % | 14.6 % | 10.3 % | 10.3 % | 4.8 % |
| Non-interest expense growth | 11.2 % | 3.9 % | 3.9 % | 0.7 % | (1.0)% | 5.6 % | 7.5 % | 3.4 % | 7.0 % | 4.9 % | 3.8 % | 6.6 % |
| Cash non-interest expense growth | 11.1 % | 3.8 % | 3.9 % | 0.7 % | (1.1)% | 5.6 % | 7.5 % | 3.4 % | 7.2 % | 4.9 % | 3.7 % | 6.8 % |
| Average assets | 149,620 | 147,195 | 143,651 | 141,347 | 140,456 | 139,761 | 139,570 | 139,981 | 138,514 | 145,468 | 139,945 | 134,402 |
| Average earning assets | 144,959 | 142,646 | 139,746 | 136,879 | 135,685 | 134,757 | 134,422 | 135,058 | 134,144 | 141,069 | 134,985 | 130,165 |
| Average current loans | 143,736 | 141,391 | 138,425 | 135,567 | 134,421 | 133,469 | 133,207 | 133,913 | 133,027 | 139,791 | 133,757 | 129,183 |
| Average current loans and acceptances | 147,228 | 144,705 | 141,457 | 138,694 | 137,778 | 136,668 | 136,000 | 136,325 | 135,502 | 143,034 | 136,698 | 131,591 |
| Average deposits | 99,972 | 99,462 | 97,775 | 98,534 | 98,010 | 96,961 | 95,718 | 93,116 | 88,797 | 98,945 | 95,953 | 86,122 |
| Assets under administration | 22,740 | 23,346 | 23,354 | 23,422 | 24,513 | 24,961 | 26,694 | 27,212 | 23,502 | 22,740 | 24,513 | 23,502 |
| Number of full-time equivalent employees | 16,377 | 16,424 | 15,936 | 15,724 | 15,950 | 16,062 | 16,318 | 16,636 | 16,493 | 16,377 | 15,950 | 16,493 |

Effective Q3, 2009, includes the results of our Term Deposits business. Prior periods have been restated to reflect this reclassification.

P&C Canada's operating results include a portion of our US geographic operations which is reported in Net Income by Operating Group and Geographic Area (page 5) and Note 26, Operating and Geographic Segmentation in our annual consolidated financial statements.

P&C U.S.
SUMMARY INCOME
STATEMENT AND HIGHLIGHTS

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|--------|--------|---------|---------|--------|--------|--------|--------|---------|--------|--------|--------|
| (\$ millions except as noted) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Net interest income (teb) | 293 | 275 | 259 | 265 | 264 | 276 | 337 | 343 | 273 | 1,092 | 1,220 | 997 |
| Non-interest revenue | 85 | 86 | 77 | 84 | 86 | 87 | 89 | 86 | 85 | 332 | 348 | 345 |
| Total revenues (teb) | 378 | 361 | 336 | 349 | 350 | 363 | 426 | 429 | 358 | 1,424 | 1,568 | 1,342 |
| Provision for credit losses | 31 | 31 | 31 | 31 | 23 | 23 | 23 | 23 | 18 | 124 | 92 | 63 |
| Net interest and non-interest revenue (teb) | 347 | 330 | 305 | 318 | 327 | 340 | 403 | 406 | 340 | 1,300 | 1,476 | 1,279 |
| Non-interest expense | 287 | 268 | 235 | 242 | 250 | 251 | 275 | 266 | 271 | 1,032 | 1,042 | 915 |
| Income before taxes and non-controlling interest in subsidiaries | 60 | 62 | 70 | 76 | 77 | 89 | 128 | 140 | 69 | 268 | 434 | 364 |
| Provision for income taxes (teb) | 22 | 22 | 24 | 25 | 26 | 31 | 47 | 44 | 21 | 93 | 148 | 122 |
| Net income | 38 | 40 | 46 | 51 | 51 | 58 | 81 | 96 | 48 | 175 | 286 | 242 |
| Cash net income | 45 | 45 | 50 | 55 | 57 | 65 | 89 | 103 | 55 | 195 | 314 | 269 |
| Net interest margin on average assets (teb) | 3.57 % | 3.40 % | 3.32 % | 3.17 % | 3.03 % | 2.93 % | 3.00 % | 2.78 % | 2.55 % | 3.36 % | 2.93 % | 2.73 % |
| Net interest margin on average earning assets (teb) | 3.89 % | 3.70 % | 3.55 % | 3.36 % | 3.20 % | 3.11 % | 3.26 % | 2.99 % | 2.69 % | 3.62 % | 3.13 % | 2.89 % |
| Non-interest expense-to-revenue ratio (teb) | 75.9 % | 74.3 % | 69.9 % | 69.4 % | 71.2 % | 69.4 % | 64.5 % | 62.1 % | 75.7 % | 72.5 % | 66.5 % | 68.1 % |
| Cash non-interest expense-to-revenue ratio (teb) | 74.2 % | 72.6 % | 68.4 % | 67.8 % | 69.2 % | 67.0 % | 62.1 % | 60.1 % | 73.0 % | 70.8 % | 64.3 % | 65.6 % |
| Operating leverage (1) | (7.1)% | (7.0)% | (6.7)% | (9.6)% | 5.8 % | (7.2)% | 5.0 % | 3.7 % | (27.7)% | (8.2)% | 2.8 % | (6.7)% |
| Cash operating leverage (1) | (7.8)% | (8.3)% | (8.0)% | (10.3)% | 5.1 % | (7.9)% | 5.2 % | 2.7 % | (28.6)% | (9.3)% | 2.3 % | (7.0)% |
| Revenue growth (1) | 7.9 % | (0.3)% | (21.2)% | (18.5)% | (2.0)% | 7.2 % | 26.1 % | 38.5 % | 23.8 % | (9.1)% | 16.7 % | 9.1 % |
| Non-interest expense growth (1) | 15.0 % | 6.7 % | (14.5)% | (8.9)% | (7.8)% | 14.4 % | 21.1 % | 34.8 % | 51.5 % | (0.9)% | 13.9 % | 15.8 % |
| Cash non-interest expense growth (1) | 15.7 % | 8.0 % | (13.2)% | (8.2)% | (7.1)% | 15.1 % | 20.9 % | 35.8 % | 52.4 % | 0.2 % | 14.4 % | 16.1 % |
| Average assets | 32,582 | 32,517 | 31,627 | 33,152 | 34,689 | 37,691 | 45,460 | 48,979 | 42,620 | 32,477 | 41,674 | 36,507 |
| Average earning assets | 29,888 | 29,875 | 29,535 | 31,279 | 32,773 | 35,564 | 41,942 | 45,551 | 40,316 | 30,149 | 38,933 | 34,490 |
| Average current loans | 25,395 | 25,672 | 25,232 | 26,518 | 27,888 | 30,464 | 36,577 | 39,489 | 35,573 | 25,708 | 33,580 | 30,433 |
| Average current loans and acceptances | 25,423 | 25,704 | 25,260 | 26,545 | 27,933 | 30,545 | 36,657 | 39,546 | 35,632 | 25,737 | 33,646 | 30,529 |
| Average deposits | 27,689 | 27,111 | 24,958 | 24,914 | 24,871 | 26,541 | 34,176 | 33,461 | 24,139 | 26,178 | 29,726 | 22,298 |
| Assets under administration | 55,957 | 49,249 | 46,183 | 47,799 | 47,375 | 54,188 | 64,053 | 64,834 | 65,027 | 55,957 | 47,375 | 65,027 |
| Assets under management | 805 | 843 | - | - | - | - | - | - | - | 805 | - | - |
| Number of full-time equivalent employees | 4,460 | 4,649 | 4,688 | 3,919 | 3,932 | 4,018 | 4,108 | 4,188 | 4,386 | 4,460 | 3,932 | 4,386 |

\$USD Equivalent (Canadian GAAP)

| | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Net interest income (teb) | 283 | 263 | 252 | 250 | 244 | 248 | 271 | 280 | 246 | 1,048 | 1,043 | 966 |
| Non-interest revenue | 82 | 82 | 75 | 80 | 79 | 79 | 71 | 70 | 76 | 319 | 299 | 335 |
| Total revenues (teb) | 365 | 345 | 327 | 330 | 323 | 327 | 342 | 350 | 322 | 1,367 | 1,342 | 1,301 |
| Provision for credit losses | 30 | 30 | 29 | 30 | 21 | 20 | 19 | 19 | 16 | 119 | 79 | 61 |
| Net interest and non-interest revenue (teb) | 335 | 315 | 298 | 300 | 302 | 307 | 323 | 331 | 306 | 1,248 | 1,263 | 1,240 |
| Non-interest expense | 277 | 257 | 228 | 229 | 231 | 226 | 221 | 217 | 243 | 991 | 895 | 883 |
| Income before taxes and non-controlling interest in subsidiaries | 58 | 58 | 70 | 71 | 71 | 81 | 102 | 114 | 63 | 257 | 368 | 357 |
| Provision for income taxes (teb) | 21 | 20 | 25 | 23 | 23 | 29 | 37 | 36 | 20 | 89 | 125 | 121 |
| Net income | 37 | 38 | 45 | 48 | 48 | 52 | 65 | 78 | 43 | 168 | 243 | 236 |
| Cash net income | 42 | 43 | 49 | 52 | 52 | 59 | 71 | 84 | 50 | 186 | 266 | 263 |
| Average assets | 31,367 | 31,106 | 30,772 | 31,316 | 32,038 | 33,941 | 36,576 | 39,912 | 38,318 | 31,143 | 35,609 | 35,269 |
| Average earning assets | 28,775 | 28,579 | 28,733 | 29,546 | 30,267 | 32,042 | 33,741 | 37,119 | 36,249 | 28,910 | 33,289 | 33,319 |
| Average current loans and acceptances | 24,476 | 24,588 | 24,575 | 25,075 | 25,797 | 27,513 | 29,503 | 32,225 | 32,031 | 24,679 | 28,754 | 29,492 |
| Average deposits | 26,660 | 25,939 | 24,293 | 23,530 | 22,970 | 23,910 | 27,464 | 27,274 | 21,683 | 25,112 | 25,388 | 21,591 |

(1) P&C US leverage and growth ratios in Fiscal 2008 have not been restated for the impact of the portfolio transfer from Capital Markets to P&C US.

**TOTAL PRIVATE CLIENT GROUP
SUMMARY INCOME
STATEMENT AND HIGHLIGHTS**

| | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 | 2008 Q4 | Fiscal 2010 | Fiscal 2009 | Fiscal 2008 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------|----------------|----------------|
| (\$ millions except as noted) | | | | | | | | | | | | |
| Net interest income (teb) | 99 | 92 | 87 | 87 | 88 | 87 | 86 | 92 | 101 | 365 | 353 | 376 |
| Non-interest revenue | 494 | 452 | 471 | 463 | 457 | 434 | 381 | 387 | 405 | 1,880 | 1,659 | 1,770 |
| Total revenues (teb) | 593 | 544 | 558 | 550 | 545 | 521 | 467 | 479 | 506 | 2,245 | 2,012 | 2,146 |
| Provision for credit losses | 2 | 1 | 2 | 2 | 1 | 1 | 2 | 1 | 1 | 7 | 5 | 4 |
| Net interest and non-interest revenue (teb) | 591 | 543 | 556 | 548 | 544 | 520 | 465 | 478 | 505 | 2,238 | 2,007 | 2,142 |
| Non-interest expense | 413 | 402 | 398 | 398 | 403 | 402 | 370 | 394 | 404 | 1,611 | 1,569 | 1,569 |
| Income before taxes and non-controlling interest in subsidiaries | 178 | 141 | 158 | 150 | 141 | 118 | 95 | 84 | 101 | 627 | 438 | 573 |
| Provision for income taxes (teb) | 47 | 33 | 40 | 37 | 35 | 5 | 23 | 16 | 24 | 157 | 79 | 147 |
| Net income | 131 | 108 | 118 | 113 | 106 | 113 | 72 | 68 | 77 | 470 | 359 | 426 |
| PCG excluding Insurance net income | 89 | 74 | 73 | 70 | 64 | 46 | 42 | 36 | 51 | 306 | 188 | 303 |
| Insurance net income | 42 | 34 | 45 | 43 | 42 | 67 | 30 | 32 | 26 | 164 | 171 | 123 |
| Cash net income | 133 | 109 | 119 | 115 | 106 | 115 | 73 | 68 | 79 | 476 | 362 | 430 |
| Net economic profit | 100 | 76 | 87 | 79 | 72 | 79 | 43 | 38 | 47 | 342 | 232 | 308 |
| Return on equity | 42.0 % | 34.9 % | 38.4 % | 34.4 % | 32.9 % | 34.1 % | 25.6 % | 23.8 % | 26.6 % | 37.4 % | 29.4 % | 37.9 % |
| Cash return on equity | 42.5 % | 35.4 % | 39.0 % | 34.9 % | 33.3 % | 34.3 % | 25.9 % | 24.0 % | 26.9 % | 37.9 % | 29.7 % | 38.3 % |
| Net interest margin on average assets (teb) | 2.64 % | 2.55 % | 2.52 % | 2.55 % | 2.66 % | 2.67 % | 3.28 % | 3.84 % | 4.36 % | 2.56 % | 3.05 % | 4.34 % |
| Net interest margin on average earning assets (teb) | 2.86 % | 2.77 % | 2.80 % | 2.81 % | 2.91 % | 2.93 % | 3.61 % | 4.22 % | 4.79 % | 2.81 % | 3.34 % | 4.78 % |
| Non-interest expense-to-revenue ratio (teb) | 69.8 % | 73.8 % | 71.5 % | 72.3 % | 74.1 % | 76.9 % | 79.6 % | 82.1 % | 80.0 % | 71.8 % | 78.0 % | 73.1 % |
| Cash non-interest expense-to-revenue ratio (teb) | 69.5 % | 73.5 % | 71.2 % | 72.0 % | 74.0 % | 76.7 % | 79.2 % | 82.0 % | 79.7 % | 71.5 % | 77.8 % | 72.9 % |
| Operating leverage | 6.4 % | 4.3 % | 12.1 % | 13.7 % | 7.8 % | (7.1)% | (11.5)% | (13.3)% | (13.1)% | 9.0 % | (6.2)% | (5.5)% |
| Cash operating leverage | 6.6 % | 4.5 % | 12.1 % | 13.9 % | 7.6 % | (7.2)% | (11.4)% | (13.4)% | (13.2)% | 9.1 % | (6.3)% | (5.5)% |
| Revenue growth | 8.6 % | 4.5 % | 19.4 % | 14.9 % | 7.8 % | (7.7)% | (11.3)% | (12.8)% | (4.4)% | 11.6 % | (6.2)% | (0.8)% |
| Non-interest expense growth | 2.2 % | 0.2 % | 7.3 % | 1.2 % | (0.0)% | (0.6)% | 0.2 % | 0.5 % | 8.7 % | 2.6 % | 0.0 % | 4.7 % |
| Cash non-interest expense growth | 2.0 % | 0.0 % | 7.3 % | 1.0 % | 0.2 % | (0.5)% | 0.1 % | 0.6 % | 8.8 % | 2.5 % | 0.1 % | 4.7 % |
| Average common equity | 1,224 | 1,203 | 1,242 | 1,290 | 1,250 | 1,306 | 1,135 | 1,108 | 1,136 | 1,240 | 1,200 | 1,106 |
| Average assets | 14,738 | 14,425 | 14,094 | 13,593 | 13,188 | 12,941 | 10,672 | 9,547 | 9,220 | 14,214 | 11,594 | 8,658 |
| Average earning assets | 13,642 | 13,274 | 12,667 | 12,332 | 12,048 | 11,803 | 9,706 | 8,682 | 8,392 | 12,981 | 10,567 | 7,855 |
| Average current loans | 8,162 | 7,958 | 7,539 | 7,378 | 7,330 | 7,380 | 7,508 | 7,571 | 7,241 | 7,761 | 7,447 | 6,710 |
| Average current loans and acceptances | 8,169 | 7,965 | 7,546 | 7,384 | 7,336 | 7,386 | 7,515 | 7,579 | 7,253 | 7,768 | 7,454 | 6,726 |
| Average deposits | 16,601 | 16,251 | 16,674 | 16,348 | 15,928 | 14,653 | 14,817 | 13,030 | 11,938 | 16,467 | 14,605 | 11,382 |
| Assets under administration | 160,323 | 152,976 | 152,801 | 149,318 | 139,446 | 136,538 | 132,320 | 129,649 | 131,289 | 160,323 | 139,446 | 131,289 |
| Assets under management | 103,534 | 98,929 | 101,358 | 100,974 | 99,128 | 93,520 | 91,605 | 93,200 | 99,428 | 103,534 | 99,128 | 99,428 |
| Number of full-time equivalent employees | 4,837 | 4,868 | 4,701 | 4,675 | 4,611 | 4,682 | 4,730 | 4,569 | 4,531 | 4,837 | 4,611 | 4,531 |

U.S. Segment Information (Canadian GAAP / \$CAD equivalent)

| | | | | | | | | | | | | |
|--|--------|---------|---------|---------|--------|--------|---------|---------|---------|---------|--------|---------|
| Net interest income (teb) | 15 | 15 | 13 | 15 | 14 | 16 | 18 | 19 | 17 | 58 | 67 | 62 |
| Non-interest revenue | 48 | 48 | 48 | 50 | 51 | 48 | 45 | 30 | 18 | 194 | 174 | 157 |
| Total revenues (teb) | 63 | 63 | 61 | 65 | 65 | 64 | 63 | 49 | 35 | 252 | 241 | 219 |
| Provision for credit losses | 1 | 1 | 1 | 1 | - | 1 | - | 1 | - | 4 | 2 | 1 |
| Net interest and non-interest revenue (teb) | 62 | 62 | 60 | 64 | 65 | 63 | 63 | 48 | 35 | 248 | 239 | 218 |
| Non-interest expense | 56 | 53 | 56 | 57 | 61 | 62 | 63 | 64 | 66 | 222 | 250 | 237 |
| Income before taxes and non-controlling interest in subsidiaries | 6 | 9 | 4 | 7 | 4 | 1 | - | (16) | (31) | 26 | (11) | (19) |
| Provision for income taxes (teb) | 2 | 4 | 1 | 2 | 2 | - | - | (7) | (12) | 9 | (5) | (9) |
| Net income | 4 | 5 | 3 | 5 | 2 | 1 | - | (9) | (19) | 17 | (6) | (10) |
| Cash net income | 4 | 5 | 4 | 5 | 3 | 1 | 1 | (9) | (18) | 18 | (4) | (8) |
| Operating leverage | 5.3 % | 11.5 % | 8.3 % | 43.6 % | 94.0 % | (5.0)% | (10.2)% | (29.0)% | (43.1)% | 15.6 % | 4.8 % | (6.7)% |
| Cash operating leverage | 5.0 % | 11.6 % | 8.1 % | 43.4 % | 94.3 % | (5.1)% | (10.0)% | (29.1)% | (43.3)% | 15.5 % | 4.8 % | (6.9)% |
| Revenue growth | (2.6)% | (2.3)% | (2.5)% | 32.5 % | 86.5 % | 0.4 % | 7.4 % | (20.8)% | (43.0)% | 4.7 % | 10.0 % | (17.1)% |
| Non-interest expense growth | (7.9)% | (13.8)% | (10.8)% | (11.1)% | (7.5)% | 5.4 % | 17.6 % | 8.2 % | 0.1 % | (10.9)% | 5.2 % | (10.4)% |
| Cash non-interest expense growth | (7.6)% | (13.9)% | (10.6)% | (10.9)% | (7.8)% | 5.5 % | 17.4 % | 8.3 % | 0.3 % | (10.8)% | 5.2 % | (10.2)% |
| Average assets | 2,261 | 2,332 | 2,320 | 2,448 | 2,545 | 2,665 | 3,005 | 3,035 | 2,635 | 2,340 | 2,811 | 2,385 |
| Average earning assets | 2,086 | 2,146 | 2,153 | 2,276 | 2,386 | 2,503 | 2,830 | 2,785 | 2,456 | 2,166 | 2,624 | 2,213 |
| Average current loans and acceptances | 1,899 | 1,946 | 1,940 | 2,046 | 2,160 | 2,311 | 2,651 | 2,714 | 2,428 | 1,958 | 2,458 | 2,190 |
| Average deposits | 1,388 | 1,388 | 1,348 | 1,413 | 1,333 | 1,357 | 1,518 | 1,360 | 1,252 | 1,385 | 1,391 | 1,191 |
| Net interest margin on average earning assets (teb) | 2.93% | 2.63% | 2.57% | 2.58% | 2.35% | 2.58% | 2.56% | 2.71% | 2.68% | 2.68% | 2.55% | 2.81% |

\$USD Equivalent (Canadian GAAP)

| | | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest income (teb) | 15 | 14 | 13 | 14 | 13 | 14 | 15 | 15 | 15 | 56 | 57 | 60 |
| Non-interest revenue | 47 | 46 | 46 | 48 | 47 | 43 | 36 | 25 | 19 | 187 | 151 | 157 |
| Total revenues (teb) | 62 | 60 | 59 | 62 | 60 | 57 | 51 | 40 | 34 | 243 | 208 | 217 |
| Provision for credit losses | 1 | 1 | 1 | 1 | 1 | - | 1 | - | - | 4 | 2 | 1 |
| Net interest and non-interest revenue (teb) | 61 | 59 | 58 | 61 | 59 | 57 | 50 | 40 | 34 | 239 | 206 | 216 |
| Non-interest expense | 54 | 51 | 54 | 54 | 57 | 56 | 50 | 52 | 60 | 213 | 215 | 230 |
| Income before taxes and non-controlling interest in subsidiaries | 7 | 8 | 4 | 7 | 2 | 1 | - | (12) | (26) | 26 | (9) | (14) |
| Provision for income taxes (teb) | 3 | 4 | 1 | 2 | (1) | 1 | (1) | (4) | (11) | 10 | (5) | (8) |
| Net income | 4 | 4 | 3 | 5 | 3 | - | 1 | (8) | (15) | 16 | (4) | (6) |
| Cash net income | 5 | 5 | 3 | 5 | 3 | 1 | 1 | (8) | (15) | 18 | (3) | (5) |
| Average assets | 2,177 | 2,231 | 2,258 | 2,312 | 2,350 | 2,400 | 2,419 | 2,474 | 2,372 | 2,244 | 2,411 | 2,309 |
| Average earning assets | 2,008 | 2,053 | 2,095 | 2,150 | 2,203 | 2,255 | 2,278 | 2,270 | 2,211 | 2,077 | 2,251 | 2,142 |
| Average current loans and acceptances | 1,828 | 1,861 | 1,888 | 1,932 | 1,995 | 2,082 | 2,134 | 2,212 | 2,186 | 1,877 | 2,106 | 2,120 |
| Average deposits | 1,337 | 1,328 | 1,312 | 1,334 | 1,232 | 1,222 | 1,223 | 1,108 | 1,128 | 1,328 | 1,196 | 1,155 |

Effective Q3, 2009, includes the results of our Insurance business. Prior periods have been restated to reflect this reclassification.

**TOTAL BMO CAPITAL MARKETS
SUMMARY INCOME
STATEMENT AND HIGHLIGHTS**

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| (\$ millions except as noted) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Net interest income (teb) | 299 | 355 | 380 | 360 | 283 | 390 | 442 | 413 | 379 | 1,394 | 1,528 | 1,048 |
| Non-interest revenue | 535 | 326 | 540 | 484 | 531 | 568 | 278 | 184 | 333 | 1,885 | 1,561 | 1,130 |
| Total revenues (teb) | 834 | 681 | 920 | 844 | 814 | 958 | 720 | 597 | 712 | 3,279 | 3,089 | 2,178 |
| Provision for credit losses | 66 | 66 | 67 | 65 | 33 | 37 | 39 | 37 | 24 | 264 | 146 | 97 |
| Net interest and non-interest revenue (teb) | 768 | 615 | 853 | 779 | 781 | 921 | 681 | 560 | 688 | 3,015 | 2,943 | 2,081 |
| Non-interest expense | 463 | 421 | 468 | 470 | 404 | 482 | 419 | 439 | 423 | 1,822 | 1,744 | 1,636 |
| Income before taxes and non-controlling interest in subsidiaries | 305 | 194 | 385 | 309 | 377 | 439 | 262 | 121 | 265 | 1,193 | 1,199 | 445 |
| Provision for income taxes (teb) | 89 | 64 | 125 | 95 | 117 | 129 | 74 | 6 | 10 | 373 | 326 | (123) |
| Net income | 216 | 130 | 260 | 214 | 260 | 310 | 188 | 115 | 255 | 820 | 873 | 568 |
| Cash net income | 215 | 131 | 260 | 214 | 260 | 310 | 188 | 115 | 255 | 820 | 873 | 569 |
| Net economic profit (loss) | 99 | 14 | 145 | 89 | 124 | 160 | 30 | (42) | 108 | 347 | 272 | (7) |
| Return on equity | 20.1 % | 11.8 % | 24.9 % | 18.5 % | 20.8 % | 22.6 % | 12.9 % | 7.5 % | 18.8 % | 18.8 % | 15.7 % | 10.4 % |
| Cash return on equity | 20.1 % | 11.8 % | 24.9 % | 18.5 % | 20.8 % | 22.6 % | 12.9 % | 7.5 % | 18.8 % | 18.8 % | 15.7 % | 10.4 % |
| Net interest margin on average assets (teb) | 0.58 % | 0.71 % | 0.78 % | 0.71 % | 0.51 % | 0.67 % | 0.68 % | 0.60 % | 0.66 % | 0.69 % | 0.62 % | 0.47 % |
| Net interest margin on average earning assets (teb) | 0.78 % | 0.95 % | 1.01 % | 0.93 % | 0.70 % | 0.96 % | 1.01 % | 0.93 % | 0.93 % | 0.92 % | 0.90 % | 0.63 % |
| Non-interest expense-to-revenue ratio (teb) | 55.4 % | 61.9 % | 50.9 % | 55.7 % | 49.5 % | 50.3 % | 58.3 % | 73.5 % | 59.2 % | 55.5 % | 56.5 % | 75.1 % |
| Cash non-interest expense-to-revenue ratio (teb) | 55.3 % | 61.9 % | 50.9 % | 55.6 % | 49.5 % | 50.3 % | 58.3 % | 73.4 % | 59.2 % | 55.5 % | 56.4 % | 75.1 % |
| Operating leverage (1) | (12.1)% | (16.3)% | 16.3 % | 34.2 % | 18.7 % | 37.5 % | 16.0 % | 189.3 % | 59.1 % | 1.8 % | 35.3 % | 12.9 % |
| Cash operating leverage (1) | (12.1)% | (16.3)% | 16.3 % | 34.2 % | 18.7 % | 37.4 % | 16.0 % | 189.3 % | 59.1 % | 1.7 % | 35.3 % | 12.9 % |
| Revenue growth (1) | 2.7 % | (29.0)% | 27.8 % | 41.2 % | 14.1 % | 44.5 % | 17.6 % | 214.8 % | 71.8 % | 6.2 % | 41.9 % | 23.9 % |
| Non-interest expense growth (1) | 14.8 % | (12.7)% | 11.5 % | 7.0 % | (4.6)% | 7.0 % | 1.6 % | 25.5 % | 12.7 % | 4.4 % | 6.6 % | 11.0 % |
| Cash non-interest expense growth (1) | 14.8 % | (12.7)% | 11.5 % | 7.0 % | (4.6)% | 7.1 % | 1.6 % | 25.5 % | 12.7 % | 4.5 % | 6.6 % | 11.0 % |
| Average common equity | 4,046 | 4,057 | 4,132 | 4,381 | 4,746 | 5,221 | 5,618 | 5,449 | 5,189 | 4,154 | 5,255 | 5,120 |
| Average assets | 205,165 | 197,638 | 199,059 | 201,542 | 219,783 | 232,280 | 268,483 | 272,891 | 227,198 | 200,866 | 248,194 | 224,289 |
| Average earning assets | 152,461 | 148,320 | 154,440 | 153,318 | 158,721 | 161,953 | 179,034 | 176,750 | 161,618 | 152,116 | 169,033 | 166,504 |
| Average current loans | 20,426 | 20,166 | 21,299 | 23,095 | 25,102 | 26,267 | 30,662 | 30,058 | 25,809 | 21,246 | 28,001 | 22,454 |
| Average current loans and acceptances | 24,548 | 24,306 | 25,444 | 27,449 | 30,454 | 32,635 | 38,172 | 38,335 | 33,440 | 25,437 | 34,873 | 30,825 |
| Average deposits | 83,337 | 82,316 | 81,758 | 74,239 | 78,757 | 79,005 | 88,264 | 95,898 | 97,988 | 80,401 | 85,458 | 102,951 |
| Assets under administration | 21,870 | 25,620 | 27,279 | 27,900 | 27,418 | 32,496 | 39,267 | 39,316 | 38,781 | 21,870 | 27,418 | 38,781 |
| Assets under management | 5,196 | 5,607 | 5,981 | 6,859 | 6,969 | 6,979 | 7,024 | 7,844 | 9,294 | 5,196 | 6,969 | 9,294 |
| Number of full-time equivalent employees | 2,305 | 2,265 | 2,180 | 2,086 | 2,103 | 2,120 | 2,068 | 2,130 | 2,204 | 2,305 | 2,103 | 2,204 |

U.S. Segment Information (Canadian GAAP / \$CAD equivalent)

| | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|--------|---------|---------|--------|---------|--------|---------|
| Net interest income (teb) | 76 | 79 | 71 | 89 | 104 | 126 | 164 | 170 | 80 | 315 | 564 | 145 |
| Non-interest revenue | 183 | 161 | 174 | 202 | 184 | 158 | 130 | 296 | 206 | 720 | 768 | 716 |
| Total revenues (teb) | 259 | 240 | 245 | 291 | 288 | 284 | 294 | 466 | 286 | 1,035 | 1,332 | 861 |
| Provision for credit losses | 43 | 43 | 44 | 42 | 19 | 20 | 22 | 21 | 16 | 172 | 82 | 59 |
| Net interest and non-interest revenue (teb) | 216 | 197 | 201 | 249 | 269 | 264 | 272 | 445 | 270 | 863 | 1,250 | 802 |
| Non-interest expense | 215 | 178 | 191 | 171 | 192 | 163 | 166 | 202 | 152 | 755 | 723 | 627 |
| Income before taxes and non-controlling interest in subsidiaries | 1 | 19 | 10 | 78 | 77 | 101 | 106 | 243 | 118 | 108 | 527 | 175 |
| Provision for income taxes (teb) | (2) | 8 | 8 | 23 | 31 | 35 | 34 | 64 | 39 | 37 | 164 | 29 |
| Net income | 3 | 11 | 2 | 55 | 46 | 66 | 72 | 179 | 79 | 71 | 363 | 146 |
| Cash net income | 3 | 11 | 3 | 55 | 46 | 66 | 73 | 179 | 79 | 72 | 364 | 147 |
| Operating leverage (1) | (21.7)% | (25.2)% | (31.1)% | (22.4)% | (25.1)% | 41.3% | 43.6% | 121.3% | 10.8% | (26.7)% | 39.6 % | 138.6 % |
| Cash operating leverage (1) | (21.8)% | (25.3)% | (31.2)% | (22.4)% | (25.2)% | 41.3% | 43.6% | 121.3% | 10.8% | (26.7)% | 39.6 % | 138.6 % |
| Revenue growth (1) | (9.8)% | (15.6)% | (16.5)% | (37.6)% | 0.7% | 34.7% | 76.4% | 136.3% | 6.2% | (22.2)% | 54.8 % | 146.1 % |
| Non-interest expense growth (1) | 11.9% | 9.6% | 14.6% | (15.2)% | 25.8% | (6.6)% | 32.8% | 15.0% | (4.6)% | 4.5 % | 15.2 % | 7.5 % |
| Cash non-interest expense growth (1) | 12.0% | 9.7% | 14.7% | (15.2)% | 25.9% | (6.6)% | 32.8% | 15.0% | (4.6)% | 4.5 % | 15.2 % | 7.5 % |
| Average assets | 73,126 | 67,769 | 59,746 | 64,913 | 75,413 | 81,460 | 101,681 | 104,134 | 85,426 | 66,443 | 90,581 | 87,471 |
| Average earning assets | 53,568 | 51,109 | 46,517 | 49,817 | 58,632 | 62,164 | 71,196 | 70,231 | 60,019 | 50,283 | 65,509 | 61,913 |
| Average current loans and acceptances | 5,091 | 5,336 | 5,582 | 6,346 | 7,535 | 8,071 | 9,531 | 9,568 | 8,250 | 5,589 | 8,669 | 9,334 |
| Average deposits | 25,969 | 25,372 | 27,751 | 25,724 | 33,131 | 30,745 | 36,493 | 39,887 | 35,820 | 26,191 | 35,052 | 34,454 |
| Net interest margin on average earning assets (teb) | 0.56% | 0.61% | 0.63% | 0.71% | 0.70% | 0.80% | 0.94% | 0.96% | 0.53% | 0.63 % | 0.86 % | 0.23% |

USD Equivalent (Canadian GAAP)

| | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Net interest income (teb) | 73 | 76 | 69 | 84 | 96 | 113 | 133 | 138 | 72 | 302 | 480 | 136 |
| Non-interest revenue | 176 | 154 | 170 | 190 | 170 | 141 | 104 | 241 | 182 | 690 | 656 | 688 |
| Total revenues (teb) | 249 | 230 | 239 | 274 | 266 | 254 | 237 | 379 | 254 | 992 | 1,136 | 824 |
| Provision for credit losses | 42 | 41 | 43 | 40 | 18 | 18 | 18 | 17 | 14 | 166 | 71 | 57 |
| Net interest and non-interest revenue (teb) | 207 | 189 | 196 | 234 | 248 | 236 | 219 | 362 | 240 | 826 | 1,065 | 767 |
| Non-interest expense | 207 | 171 | 186 | 161 | 177 | 147 | 134 | 164 | 139 | 725 | 622 | 611 |
| Income before taxes and non-controlling interest in subsidiaries | - | 18 | 10 | 73 | 71 | 89 | 85 | 198 | 101 | 101 | 443 | 156 |
| Provision for income taxes (teb) | (2) | 7 | 7 | 22 | 28 | 31 | 27 | 52 | 34 | 34 | 138 | 23 |
| Net income | 2 | 11 | 3 | 51 | 43 | 58 | 58 | 146 | 67 | 67 | 305 | 133 |
| Cash net income | 3 | 11 | 3 | 51 | 44 | 57 | 59 | 146 | 67 | 68 | 306 | 133 |
| Average assets | 70,424 | 64,839 | 58,155 | 61,312 | 69,632 | 73,355 | 81,807 | 84,899 | 77,058 | 63,728 | 77,387 | 84,989 |
| Average earning assets | 51,592 | 48,897 | 45,290 | 47,050 | 54,133 | 55,953 | 57,304 | 57,251 | 54,133 | 48,231 | 56,151 | 60,195 |
| Average current loans and acceptances | 4,898 | 5,106 | 5,444 | 5,994 | 6,959 | 7,271 | 7,672 | 7,799 | 7,440 | 5,359 | 7,424 | 9,097 |
| Average deposits | 25,024 | 24,270 | 27,015 | 24,294 | 30,595 | 27,769 | 29,352 | 32,503 | 32,213 | 25,136 | 30,061 | 33,401 |

(1) BMO Capital Markets leverage and growth ratios in Fiscal 2008 have not been restated for the impact of the portfolio transfer from Capital Markets to P&C US and the TEB adjustments.

**TOTAL CORPORATE SERVICES, INCLUDING TECHNOLOGY AND OPERATIONS
SUMMARY INCOME**

STATEMENT AND HIGHLIGHTS

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| (\$ millions except as noted) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Net interest income (teb) before Group teb offset | (108) | (95) | (88) | (134) | (141) | (201) | (360) | (393) | (98) | (425) | (1,095) | (492) |
| Group teb offset (1) | (64) | (121) | (105) | (65) | (44) | (61) | (91) | (51) | (132) | (355) | (247) | (285) |
| Net interest income | (172) | (216) | (193) | (199) | (185) | (262) | (451) | (444) | (230) | (780) | (1,342) | (777) |
| Non-interest revenue | 75 | 47 | 20 | 70 | 82 | 36 | 212 | 120 | 222 | 212 | 450 | 522 |
| Total revenues | (97) | (169) | (173) | (129) | (103) | (226) | (239) | (324) | (8) | (568) | (892) | (255) |
| Provision for credit losses | 22 | (13) | 28 | 115 | 227 | 259 | 215 | 272 | 333 | 152 | 973 | 825 |
| Net interest and non-interest revenue | (119) | (156) | (201) | (244) | (300) | (485) | (454) | (596) | (341) | (720) | (1,865) | (1,080) |
| Non-interest expense | 74 | 44 | 9 | 20 | 16 | 13 | 132 | 38 | 15 | 147 | 199 | 49 |
| Restructuring reversal | - | - | - | - | - | (10) | - | - | (8) | - | (10) | (8) |
| Total non-interest expense | 74 | 44 | 9 | 20 | 16 | 3 | 132 | 38 | 7 | 147 | 189 | 41 |
| Income before taxes and non-controlling interest in subsidiaries | (193) | (200) | (210) | (264) | (346) | (488) | (586) | (634) | (348) | (867) | (2,054) | (1,121) |
| Provision for income taxes (teb) before Group teb offset | (81) | (63) | (49) | (94) | (153) | (160) | (191) | (233) | (118) | (287) | (737) | (499) |
| Group teb offset (1) | (64) | (121) | (105) | (65) | (44) | (61) | (91) | (51) | (132) | (355) | (247) | (285) |
| Provision for income taxes | (145) | (184) | (154) | (159) | (197) | (221) | (282) | (284) | (250) | (642) | (984) | (784) |
| Non-controlling interest in subsidiaries | 18 | 19 | 18 | 19 | 19 | 19 | 19 | 19 | 19 | 74 | 76 | 74 |
| Net income | (66) | (35) | (74) | (124) | (168) | (286) | (323) | (369) | (117) | (299) | (1,146) | (411) |
| Cash net income | (65) | (35) | (74) | (124) | (166) | (289) | (323) | (368) | (117) | (298) | (1,146) | (411) |
| Average common equity | 6,770 | 6,789 | 6,014 | 5,153 | 4,729 | 3,934 | 2,785 | 2,266 | 2,398 | 6,182 | 3,435 | 2,384 |
| Average assets | 7,054 | 5,842 | 4,797 | 4,086 | 664 | (156) | (3,575) | (8,395) | (8,493) | 5,449 | (2,859) | (6,247) |
| Average earning assets | (2,266) | (3,230) | (4,965) | (4,961) | (7,832) | (9,183) | (12,184) | (17,499) | (15,783) | (3,847) | (11,670) | (12,211) |
| Average current loans | (31,055) | (31,141) | (31,156) | (32,760) | (30,938) | (31,434) | (31,962) | (31,984) | (27,302) | (31,531) | (31,577) | (24,841) |
| Average current loans and acceptances | (31,055) | (31,141) | (31,157) | (32,760) | (30,938) | (31,434) | (31,962) | (31,983) | (27,302) | (31,532) | (31,577) | (24,841) |
| Average deposits | 20,602 | 19,267 | 19,004 | 20,982 | 22,997 | 26,296 | 28,205 | 29,835 | 27,791 | 19,972 | 26,822 | 25,486 |
| Number of full-time equivalent employees | 9,968 | 9,981 | 9,843 | 9,769 | 9,577 | 9,712 | 9,700 | 9,700 | 9,459 | 9,968 | 9,577 | 9,459 |

U.S. Segment Information (Canadian GAAP / \$CAD equivalent)

| | | | | | | | | | | | | |
|--|--------|--------|--------|--------|-------|-------|-------|-------|-------|--------|---------|-------|
| Net interest income (teb) before Group teb offset | (35) | (15) | (13) | (16) | (23) | (30) | (84) | (94) | 7 | (79) | (231) | (47) |
| Group teb offset (1) | (7) | (6) | (7) | (7) | (7) | (8) | (10) | (13) | (12) | (27) | (38) | (47) |
| Net interest income | (42) | (21) | (20) | (23) | (30) | (38) | (94) | (107) | (5) | (106) | (269) | (94) |
| Non-interest revenue | - | (43) | 1 | (13) | (2) | (6) | 1 | (45) | 4 | (55) | (52) | (36) |
| Total revenues | (42) | (64) | (19) | (36) | (32) | (44) | (93) | (152) | (1) | (161) | (321) | (130) |
| Provision for credit losses | 73 | 20 | 39 | 113 | 218 | 199 | 200 | 272 | 235 | 245 | 889 | 819 |
| Net interest and non-interest revenue | (115) | (84) | (58) | (149) | (250) | (243) | (293) | (424) | (236) | (406) | (1,210) | (949) |
| Non-interest expense | (19) | (13) | (14) | (21) | (18) | (5) | 16 | (19) | (20) | (67) | (26) | (66) |
| Restructuring reversal | - | - | - | - | - | - | - | - | (3) | - | - | (3) |
| Total non-interest expense | (19) | (13) | (14) | (21) | (18) | (5) | 16 | (19) | (23) | (67) | (26) | (69) |
| Income before taxes and non-controlling interest in subsidiaries | (96) | (71) | (44) | (128) | (232) | (238) | (309) | (405) | (213) | (339) | (1,184) | (880) |
| Provision for income taxes (teb) before Group teb offset | (30) | (23) | (11) | (45) | (85) | (84) | (101) | (144) | (68) | (109) | (414) | (290) |
| Group teb offset (1) | (7) | (6) | (7) | (7) | (7) | (8) | (10) | (13) | (12) | (27) | (38) | (47) |
| Provision for income taxes | (37) | (29) | (18) | (52) | (92) | (92) | (111) | (157) | (80) | (136) | (452) | (337) |
| Non-controlling interest in subsidiaries | 5 | 4 | 5 | 5 | 4 | 6 | 5 | 6 | 5 | 19 | 21 | 19 |
| Net income | (64) | (46) | (31) | (81) | (144) | (152) | (203) | (254) | (138) | (222) | (753) | (562) |
| Cash net income | (63) | (46) | (32) | (81) | (145) | (150) | (205) | (254) | (138) | (222) | (754) | (563) |
| Average assets | 14,696 | 13,386 | 11,578 | 10,090 | 9,336 | 8,499 | 8,535 | 3,312 | 3,354 | 12,445 | 7,412 | 2,897 |
| Average earning assets | 13,104 | 11,842 | 9,920 | 8,460 | 7,801 | 7,133 | 7,862 | 2,267 | 2,138 | 10,839 | 6,253 | 1,786 |
| Average current loans and acceptances | 63 | 62 | 65 | 66 | 69 | 75 | 48 | 52 | 49 | 63 | 61 | 44 |
| Average deposits | 2,032 | 2,440 | 2,864 | 2,944 | 3,038 | 3,080 | 3,489 | 4,137 | 3,036 | 2,567 | 3,436 | 3,130 |

\$USD Equivalent (Canadian GAAP)

| | | | | | | | | | | | | |
|--|--------|--------|--------|-------|-------|-------|-------|-------|-------|--------|---------|-------|
| Net interest income (teb) before Group teb offset | (33) | (14) | (15) | (14) | (21) | (26) | (68) | (76) | 7 | (76) | (191) | (49) |
| Group teb offset (1) | (7) | (6) | (6) | (7) | (7) | (7) | (8) | (11) | (11) | (26) | (33) | (45) |
| Net interest income | (40) | (20) | (21) | (21) | (28) | (33) | (76) | (87) | (4) | (102) | (224) | (94) |
| Non-interest revenue | - | (41) | 2 | (14) | (1) | (5) | 1 | (36) | (4) | (53) | (41) | (44) |
| Total revenues | (40) | (61) | (19) | (35) | (29) | (38) | (75) | (123) | (8) | (155) | (265) | (138) |
| Provision for credit losses | 67 | 18 | 35 | 107 | 200 | 182 | 161 | 224 | 210 | 227 | 767 | 783 |
| Net interest and non-interest revenue | (107) | (79) | (54) | (142) | (229) | (220) | (236) | (347) | (218) | (382) | (1,032) | (921) |
| Non-interest expense | (17) | (14) | (13) | (20) | (17) | (5) | 13 | (15) | (21) | (64) | (24) | (66) |
| Restructuring reversal | - | - | - | - | - | - | - | - | (2) | - | - | (2) |
| Total non-interest expense | (17) | (14) | (13) | (20) | (17) | (5) | 13 | (15) | (23) | (64) | (24) | (68) |
| Income before taxes and non-controlling interest in subsidiaries | (90) | (65) | (41) | (122) | (212) | (215) | (249) | (332) | (195) | (318) | (1,008) | (853) |
| Provision for income taxes (teb) before Group teb offset | (28) | (22) | (9) | (43) | (73) | (79) | (79) | (119) | (60) | (102) | (350) | (280) |
| Group teb offset (1) | (7) | (6) | (6) | (7) | (7) | (7) | (8) | (11) | (11) | (26) | (33) | (45) |
| Provision for income taxes | (35) | (28) | (15) | (50) | (80) | (86) | (87) | (130) | (71) | (128) | (383) | (325) |
| Non-controlling interest in subsidiaries | 4 | 5 | 4 | 5 | 4 | 5 | 4 | 5 | 4 | 18 | 18 | 18 |
| Net income | (59) | (42) | (30) | (77) | (136) | (134) | (166) | (207) | (128) | (208) | (643) | (546) |
| Cash net income | (62) | (42) | (28) | (78) | (134) | (135) | (166) | (207) | (127) | (210) | (642) | (544) |
| Average assets | 14,155 | 12,813 | 11,274 | 9,525 | 8,626 | 7,672 | 6,885 | 2,704 | 2,971 | 11,947 | 6,468 | 2,790 |
| Average earning assets | 12,620 | 11,334 | 9,662 | 7,987 | 7,206 | 6,441 | 6,338 | 1,853 | 1,909 | 10,406 | 5,452 | 1,723 |
| Average current loans and acceptances | 60 | 59 | 64 | 64 | 65 | 66 | 38 | 42 | 43 | 63 | 52 | 43 |
| Average deposits | 1,957 | 2,333 | 2,789 | 2,782 | 2,805 | 2,775 | 2,809 | 3,372 | 2,724 | 2,461 | 2,940 | 3,040 |

(1) See Notes to Users: Taxable Equivalent Basis.

NON-INTEREST REVENUE AND TRADING REVENUE

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| (\$ millions except as noted) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Non-Interest Revenue | | | | | | | | | | | | |
| Securities commissions and fees | 266 | 258 | 261 | 263 | 250 | 240 | 235 | 248 | 270 | 1,048 | 973 | 1,105 |
| Deposit and payment service charges | 199 | 206 | 197 | 200 | 205 | 206 | 204 | 205 | 203 | 802 | 820 | 756 |
| Trading revenues (losses) | 166 | (1) | 213 | 126 | 163 | 273 | 63 | 224 | 435 | 504 | 723 | 546 |
| Lending fees | 144 | 148 | 138 | 142 | 149 | 140 | 148 | 119 | 120 | 572 | 556 | 429 |
| Card fees | 65 | 67 | 66 | 35 | 29 | 35 | 33 | 24 | 58 | 233 | 121 | 291 |
| Investment management and custodial fees | 91 | 90 | 86 | 88 | 87 | 85 | 84 | 88 | 87 | 355 | 344 | 339 |
| Mutual fund revenues | 144 | 139 | 134 | 133 | 128 | 119 | 106 | 114 | 140 | 550 | 467 | 589 |
| Securitization revenues | 188 | 167 | 151 | 172 | 201 | 202 | 262 | 264 | 167 | 678 | 929 | 513 |
| Underwriting and advisory fees | 135 | 91 | 97 | 122 | 116 | 101 | 103 | 77 | 66 | 445 | 397 | 353 |
| Securities gains (losses), other than trading | 40 | 9 | 54 | 47 | 14 | (12) | (42) | (314) | (252) | 150 | (354) | (315) |
| Foreign exchange, other than trading | 22 | 22 | 28 | 21 | 14 | 1 | 25 | 13 | (4) | 93 | 53 | 80 |
| Insurance income | 83 | 70 | 86 | 82 | 86 | 85 | 64 | 60 | 56 | 321 | 295 | 237 |
| Other | 76 | 70 | 16 | 62 | 105 | 37 | 35 | (7) | 58 | 224 | 170 | 210 |
| Total Non-Interest Revenue | 1,619 | 1,336 | 1,527 | 1,493 | 1,547 | 1,512 | 1,320 | 1,115 | 1,404 | 5,975 | 5,494 | 5,133 |
| Non-interest revenue-to-total revenue | 50.2 % | 46.0 % | 50.1 % | 49.3 % | 51.7 % | 50.8 % | 49.7 % | 45.6 % | 49.9 % | 48.9 % | 49.7 % | 50.3 % |

Interest and Non-Interest Trading Revenue (teb) (1)

| | | | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|------------|
| Interest rates | 174 | 22 | 221 | 145 | 144 | 288 | (41) | 76 | 169 | 562 | 467 | 176 |
| Foreign exchange | 65 | 62 | 69 | 51 | 65 | 85 | 95 | 117 | 115 | 247 | 362 | 379 |
| Equities | 21 | 89 | 111 | 93 | 81 | 87 | 98 | 143 | 177 | 314 | 409 | 200 |
| Commodities | 18 | 3 | 16 | 15 | 11 | - | 29 | 39 | 26 | 52 | 79 | (18) |
| Other (2) | (2) | (10) | 13 | 8 | (19) | (24) | 28 | (61) | 68 | 9 | (76) | (3) |
| Total | 276 | 166 | 430 | 312 | 282 | 436 | 209 | 314 | 555 | 1,184 | 1,241 | 734 |
| Reported as: | | | | | | | | | | | | |
| Net interest income | 110 | 167 | 217 | 186 | 119 | 163 | 146 | 90 | 120 | 680 | 518 | 188 |
| Non-interest revenue - trading revenues | 166 | (1) | 213 | 126 | 163 | 273 | 63 | 224 | 435 | 504 | 723 | 546 |
| Total | 276 | 166 | 430 | 312 | 282 | 436 | 209 | 314 | 555 | 1,184 | 1,241 | 734 |

(1) Trading revenues presented on a tax equivalent basis.

(2) Includes the impact of hedging exposures in our structural balance sheet and securitization-related hedges. During the quarter we reclassified certain foreign currency hedges related to our structural balance sheet in Corporate from trading net interest income to non-trading net interest income. Prior periods have been restated.

Trading revenues include interest earned on trading securities and other cash instruments held in trading portfolios, less internal and external funding costs associated with trading-related derivatives and cash instruments, and realized and unrealized gains and losses on trading securities, other cash instruments, derivatives and foreign exchange activities.

Interest rates includes Canadian government securities, corporate debt instruments and interest rate derivatives.

Foreign exchange includes foreign exchange spot and foreign exchange derivatives contracts from our wholesale banking business.

Equities includes institutional equities, equity derivatives and proprietary trading.

Other includes managed futures, credit investment management, Harris trading and global distribution loan trading and sales.

NON-INTEREST EXPENSE

(\$ millions except as noted)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Non-Interest Expense | | | | | | | | | | | | |
| Employee compensation | | | | | | | | | | | | |
| Salaries | 600 | 584 | 559 | 542 | 562 | 570 | 673 | 590 | 576 | 2,285 | 2,395 | 2,149 |
| Performance based compensation | 382 | 326 | 349 | 398 | 340 | 397 | 278 | 323 | 323 | 1,455 | 1,338 | 1,297 |
| Employee benefits | 138 | 152 | 163 | 171 | 145 | 155 | 178 | 174 | 108 | 624 | 652 | 530 |
| Total employee compensation (1) | 1,120 | 1,062 | 1,071 | 1,111 | 1,047 | 1,122 | 1,129 | 1,087 | 1,007 | 4,364 | 4,385 | 3,976 |
| Premises and equipment | | | | | | | | | | | | |
| Rental of real estate | 87 | 81 | 76 | 75 | 75 | 76 | 79 | 76 | 72 | 319 | 306 | 279 |
| Premises, furniture and fixtures | 72 | 66 | 66 | 65 | 65 | 65 | 75 | 67 | 68 | 269 | 272 | 255 |
| Property taxes | 7 | 6 | 8 | 7 | 7 | 7 | 8 | 8 | 7 | 28 | 30 | 29 |
| Computer and equipment | 213 | 184 | 169 | 161 | 155 | 165 | 177 | 176 | 191 | 727 | 673 | 678 |
| Total premises and equipment | 379 | 337 | 319 | 308 | 302 | 313 | 339 | 327 | 338 | 1,343 | 1,281 | 1,241 |
| Amortization of intangible assets | 46 | 52 | 55 | 50 | 50 | 48 | 54 | 51 | 48 | 203 | 203 | 183 |
| Other expenses | | | | | | | | | | | | |
| Communications | 60 | 61 | 58 | 50 | 58 | 55 | 57 | 51 | 57 | 229 | 221 | 202 |
| Business and capital taxes | 10 | 19 | 12 | 11 | (3) | 19 | 13 | 15 | 11 | 52 | 44 | 42 |
| Professional fees | 118 | 98 | 79 | 77 | 97 | 91 | 82 | 92 | 113 | 372 | 362 | 384 |
| Travel and business development | 109 | 85 | 77 | 72 | 81 | 73 | 73 | 82 | 95 | 343 | 309 | 328 |
| Other | 181 | 184 | 159 | 160 | 147 | 162 | 141 | 136 | 157 | 684 | 586 | 546 |
| Total other expenses | 478 | 447 | 385 | 370 | 380 | 400 | 366 | 376 | 433 | 1,680 | 1,522 | 1,502 |
| Non-interest Expense | 2,023 | 1,898 | 1,830 | 1,839 | 1,779 | 1,883 | 1,888 | 1,841 | 1,826 | 7,590 | 7,391 | 6,902 |
| Restructuring reversal | - | - | - | - | - | (10) | - | - | (8) | - | (10) | (8) |
| Total Non-Interest Expense | 2,023 | 1,898 | 1,830 | 1,839 | 1,779 | 1,873 | 1,888 | 1,841 | 1,818 | 7,590 | 7,381 | 6,894 |

(1) Total employee compensation includes \$118 million of severance costs in Q2, 2009.

BALANCE SHEET

(\$ millions)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | MIX | INC/(DEC) |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q4 | VS LAST YEAR |
| As At Balances | | | | | | | | | | | |
| Cash and Cash Equivalents | 17,368 | 15,083 | 13,623 | 12,341 | 9,955 | 10,758 | 10,247 | 16,951 | 9,134 | 4.2 % | 7,413 74.5 % |
| Interest Bearing Deposits with Banks | 3,186 | 3,121 | 2,741 | 3,563 | 3,340 | 3,809 | 3,985 | 9,439 | 11,971 | 0.8 % | (154) (4.6)% |
| Securities | 123,399 | 119,350 | 123,398 | 119,070 | 110,813 | 110,147 | 107,500 | 98,458 | 100,138 | 30.0 % | 12,586 11.4 % |
| Securities borrowed or purchased under resale agreements | 28,102 | 24,317 | 25,053 | 34,498 | 36,006 | 45,250 | 38,521 | 32,283 | 28,033 | 0.0 % | (7,904) (22.0)% |
| Loans | | | | | | | | | | | |
| Residential mortgages ⁽¹⁾ | 48,715 | 47,097 | 46,671 | 46,535 | 45,524 | 48,760 | 48,052 | 50,107 | 49,343 | 11.8 % | 3,191 7.0 % |
| Non-residential mortgages | 7,636 | 7,785 | 7,146 | 6,775 | 6,727 | 6,832 | 7,151 | 7,343 | 7,366 | 1.9 % | 909 13.5 % |
| Consumer instalment and other personal | 51,159 | 49,741 | 47,774 | 46,813 | 45,824 | 44,466 | 44,316 | 44,355 | 43,737 | 12.4 % | 5,335 11.6 % |
| Credit cards | 3,308 | 3,304 | 3,318 | 3,324 | 2,574 | 2,383 | 2,100 | 2,105 | 2,120 | 0.8 % | 734 28.5 % |
| Businesses and governments | 60,702 | 60,622 | 59,748 | 60,915 | 61,442 | 63,873 | 70,120 | 77,214 | 76,785 | 14.8 % | (740) (1.2)% |
| Customers' liability under acceptances | 171,520 | 168,549 | 164,657 | 164,362 | 162,091 | 166,314 | 171,739 | 181,124 | 179,351 | 41.7 % | 9,429 5.8 % |
| Allowance for credit losses | 7,001 | 6,885 | 6,981 | 7,169 | 7,640 | 9,042 | 9,736 | 10,716 | 9,358 | 1.7 % | (639) (8.4)% |
| Total net loans and acceptances | (1,878) | (1,879) | (1,885) | (1,943) | (1,902) | (1,803) | (1,825) | (1,741) | (1,747) | (0.5)% | 24 1.3 % |
| Total net loans and acceptances | 176,643 | 173,555 | 169,753 | 169,588 | 167,829 | 173,553 | 179,650 | 190,099 | 186,962 | 42.9 % | 8,814 5.3 % |
| Other assets | | | | | | | | | | | |
| Derivative instruments | 49,759 | 47,947 | 41,469 | 45,702 | 47,898 | 59,580 | 77,473 | 81,985 | 65,586 | 12.1 % | 1,861 3.9 % |
| Premises and equipment | 1,560 | 1,565 | 1,552 | 1,628 | 1,634 | 1,642 | 1,684 | 1,709 | 1,721 | 0.4 % | (74) (4.5)% |
| Goodwill | 1,619 | 1,627 | 1,609 | 1,584 | 1,569 | 1,551 | 1,670 | 1,706 | 1,635 | 0.4 % | 50 3.2 % |
| Intangible assets | 812 | 748 | 749 | 712 | 660 | 647 | 671 | 676 | 710 | 0.2 % | 152 23.0 % |
| Other | 9,192 | 10,073 | 10,219 | 9,937 | 8,754 | 8,419 | 10,844 | 9,868 | 10,160 | 9.0 % | 438 5.0 % |
| Total Assets | 411,640 | 397,386 | 390,166 | 398,623 | 388,458 | 415,356 | 432,245 | 443,174 | 416,050 | 100.0 % | 23,182 6.0 % |
| Deposits | | | | | | | | | | | |
| Banks | 19,435 | 19,262 | 24,399 | 22,318 | 22,973 | 23,211 | 27,874 | 31,422 | 30,346 | 4.7 % | (3,538) (15.4)% |
| Businesses and governments | 130,773 | 123,882 | 115,251 | 119,568 | 113,738 | 122,269 | 118,205 | 133,388 | 136,111 | 31.8 % | 17,035 15.0 % |
| Individuals | 99,043 | 99,647 | 99,610 | 98,413 | 99,445 | 99,473 | 101,090 | 99,770 | 91,213 | 24.1 % | (402) (0.4)% |
| Total deposits | 249,251 | 242,791 | 239,260 | 240,299 | 236,156 | 244,953 | 247,169 | 264,580 | 257,670 | 60.6 % | 13,095 5.5 % |
| Other liabilities | | | | | | | | | | | |
| Derivative instruments | 47,970 | 45,110 | 39,523 | 42,867 | 44,765 | 58,570 | 75,070 | 77,764 | 60,048 | 11.7 % | 3,205 7.2 % |
| Acceptances | 7,001 | 6,885 | 6,981 | 7,169 | 7,640 | 9,042 | 9,736 | 10,716 | 9,358 | 1.7 % | (639) (8.4)% |
| Securities sold but not yet purchased | 16,438 | 18,424 | 16,475 | 15,953 | 12,064 | 12,717 | 14,131 | 16,327 | 18,792 | 4.0 % | 4,374 36.3 % |
| Securities lent or sold under repurchase agreements | 47,110 | 42,237 | 46,323 | 50,226 | 46,312 | 48,816 | 46,170 | 36,012 | 32,492 | 11.4 % | 798 1.7 % |
| Other | 17,414 | 16,175 | 16,257 | 16,592 | 15,938 | 16,144 | 14,708 | 12,969 | 14,071 | 4.2 % | 1,476 9.3 % |
| Subordinated debt | 3,776 | 3,747 | 3,682 | 3,742 | 4,236 | 4,249 | 4,379 | 4,389 | 4,315 | 0.9 % | (460) (10.9)% |
| Capital trust securities | 800 | 800 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 0.2 % | (350) (30.4)% |
| Preferred share liability | - | - | - | - | - | - | - | - | 250 | 0.0 % | - 0.0 % |
| Share capital | | | | | | | | | | | |
| Preferred shares | 2,571 | 2,571 | 2,571 | 2,571 | 2,571 | 2,571 | 2,171 | 1,896 | 1,746 | 0.6 % | - 0.0 % |
| Common shares | 6,927 | 6,740 | 6,590 | 6,368 | 6,198 | 6,055 | 5,928 | 5,780 | 4,708 | 1.7 % | 729 11.8 % |
| Contributed surplus | 92 | 90 | 88 | 89 | 79 | 78 | 77 | 76 | 69 | 0.0 % | 13 14.7 % |
| Retained earnings | 12,848 | 12,539 | 12,299 | 11,981 | 11,748 | 11,525 | 11,391 | 11,434 | 11,632 | 3.0 % | 1,100 9.4 % |
| Accumulated other comprehensive income (loss) | (558) | (723) | (1,033) | (384) | (399) | (514) | 165 | 81 | (251) | (0.1)% | (159) (39.8)% |
| Total Liabilities and Shareholders' Equity | 411,640 | 397,386 | 390,166 | 398,623 | 388,458 | 415,356 | 432,245 | 443,174 | 416,050 | 100.0 % | 23,182 6.0 % |

(1) Residential mortgages include both consumer and commercial residential mortgages. The latter is included in the commercial mortgages category in the loan schedules by product and industry.

BALANCE SHEET

(\$ millions)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | INC/ |
|--|------|------|------|------|------|------|------|------|------|--------|--------|-------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | (DEC) |

Average Daily Balances

| | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Cash resources | 19,410 | 18,174 | 16,529 | 14,167 | 14,281 | 12,804 | 23,379 | 25,946 | 19,569 | 17,074 | 19,068 | (10.5)% |
| Securities | 122,293 | 117,868 | 122,318 | 119,354 | 109,502 | 110,770 | 107,667 | 103,947 | 88,746 | 120,443 | 107,974 | 11.5 % |
| Securities borrowed or purchased under resale agreements | 26,849 | 26,758 | 27,599 | 32,347 | 41,212 | 42,012 | 42,269 | 36,693 | 43,823 | 28,395 | 40,532 | (29.9)% |
| Loans | | | | | | | | | | | | |
| Residential mortgages ⁽¹⁾ | 47,913 | 47,355 | 46,767 | 45,951 | 48,588 | 48,591 | 49,329 | 49,728 | 52,560 | 46,999 | 49,053 | (4.2)% |
| Non-residential mortgages | 7,778 | 7,659 | 6,666 | 6,635 | 6,763 | 6,826 | 7,320 | 7,410 | 7,334 | 7,189 | 7,078 | 1.6 % |
| Consumer instalment and other personal | 50,622 | 49,148 | 47,047 | 46,151 | 45,160 | 44,146 | 44,568 | 44,320 | 41,992 | 48,252 | 44,549 | 8.3 % |
| Credit cards | 3,290 | 3,255 | 3,144 | 2,896 | 2,476 | 2,257 | 2,017 | 2,188 | 3,691 | 3,146 | 2,236 | 40.7 % |
| Businesses and governments | 60,004 | 59,559 | 60,735 | 61,296 | 63,782 | 67,203 | 75,595 | 77,920 | 70,779 | 60,396 | 71,088 | (15.0)% |
| Customers' liability under acceptances | 169,607 | 166,976 | 164,359 | 162,929 | 166,769 | 169,023 | 178,829 | 181,566 | 176,356 | 165,982 | 174,004 | (4.6)% |
| Allowance for credit losses | 7,649 | 7,493 | 7,211 | 7,514 | 8,760 | 9,654 | 10,390 | 10,753 | 10,177 | 7,469 | 9,885 | (24.4)% |
| Allowance for credit losses | (1,895) | (1,921) | (1,913) | (1,858) | (1,804) | (1,748) | (1,818) | (1,799) | (1,574) | (1,897) | (1,792) | (5.8)% |
| Total net loans and acceptances | 175,361 | 172,548 | 169,657 | 168,585 | 173,725 | 176,929 | 187,401 | 190,520 | 184,959 | 171,554 | 182,097 | (5.8)% |
| Other assets | | | | | | | | | | | | |
| Derivative instruments | 49,520 | 44,823 | 41,314 | 44,221 | 56,384 | 65,119 | 81,956 | 86,956 | 54,519 | 44,999 | 72,527 | (38.0)% |
| Other | 15,726 | 17,446 | 15,811 | 15,046 | 13,676 | 14,883 | 17,938 | 18,941 | 17,443 | 16,009 | 16,350 | (2.1)% |
| Total Assets | 409,159 | 397,617 | 393,228 | 393,720 | 408,780 | 422,517 | 460,610 | 463,003 | 409,059 | 398,474 | 438,548 | (9.1)% |
| Deposits | | | | | | | | | | | | |
| Banks | 20,417 | 21,489 | 23,482 | 22,472 | 22,820 | 26,058 | 29,994 | 29,676 | 31,427 | 21,952 | 27,114 | (19.0)% |
| Businesses and governments | 128,536 | 124,057 | 120,145 | 114,419 | 118,905 | 118,510 | 130,058 | 139,877 | 131,233 | 121,803 | 126,811 | (3.9)% |
| Individuals | 99,248 | 98,861 | 96,542 | 98,126 | 98,838 | 98,888 | 101,129 | 95,787 | 87,994 | 98,208 | 98,640 | (0.4)% |
| Total deposits | 248,201 | 244,407 | 240,169 | 235,017 | 240,563 | 243,456 | 261,181 | 265,340 | 250,654 | 241,963 | 252,565 | (4.2)% |
| Other liabilities | | | | | | | | | | | | |
| Derivative instruments | 46,422 | 42,723 | 39,861 | 42,666 | 55,672 | 62,912 | 80,278 | 83,133 | 50,365 | 42,943 | 70,419 | (39.0)% |
| Other | 88,920 | 84,787 | 88,014 | 90,835 | 87,332 | 91,387 | 95,133 | 91,102 | 85,542 | 88,140 | 91,206 | (3.4)% |
| Subordinated debt | 3,772 | 3,715 | 3,711 | 4,178 | 4,205 | 4,085 | 4,065 | 4,162 | 4,199 | 3,846 | 4,130 | (6.9)% |
| Capital trust securities | 800 | 1,028 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,031 | 1,150 | (10.3)% |
| Preferred share liability | - | - | - | - | - | - | - | 65 | 250 | - | 16 | (100.0)% |
| Shareholders' equity | 21,044 | 20,957 | 20,323 | 19,874 | 19,858 | 19,527 | 18,803 | 18,051 | 16,899 | 20,551 | 19,062 | 7.8 % |
| Total Liabilities and Shareholders' Equity | 409,159 | 397,617 | 393,228 | 393,720 | 408,780 | 422,517 | 460,610 | 463,003 | 409,059 | 398,474 | 438,548 | (9.1)% |

(1) Residential mortgages include both consumer and commercial residential mortgages. The latter is included in the commercial mortgages category in the loan schedules by product and industry.

**STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY**

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| (\$ millions) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Preferred Shares | | | | | | | | | | | | |
| Balance at beginning of period | 2,571 | 2,571 | 2,571 | 2,571 | 2,571 | 2,171 | 1,896 | 1,746 | 1,746 | 2,571 | 1,746 | 1,196 |
| Issued during the period | - | - | - | - | - | 400 | 275 | 150 | - | - | 825 | 550 |
| Balance at End of Period | 2,571 | 2,571 | 2,571 | 2,571 | 2,571 | 2,571 | 2,171 | 1,896 | 1,746 | 2,571 | 2,571 | 1,746 |
| Common Shares | | | | | | | | | | | | |
| Balance at beginning of period | 6,740 | 6,590 | 6,368 | 6,198 | 6,055 | 5,928 | 5,818 | 4,773 | 4,712 | 6,198 | 4,773 | 4,411 |
| Issued during the period | - | - | - | - | - | - | - | 1,000 | - | - | 1,000 | - |
| Issued under the Shareholder Dividend Reinvestment and Share Purchase Plan | 156 | 124 | 131 | 126 | 107 | 93 | 103 | 35 | 35 | 537 | 338 | 122 |
| Issued under the Stock Option Plan | 31 | 26 | 91 | 44 | 36 | 34 | 7 | 10 | 26 | 192 | 87 | 60 |
| Issued on the acquisition of a business | - | - | - | - | - | - | - | - | - | - | - | 180 |
| Balance at End of Period | 6,927 | 6,740 | 6,590 | 6,368 | 6,198 | 6,055 | 5,928 | 5,818 | 4,773 | 6,927 | 6,198 | 4,773 |
| Treasury Shares | | | | | | | | | | | | |
| Balance at beginning of period | - | - | - | - | - | - | - | (38) | (65) | - | - | (65) |
| Contributed Surplus | | | | | | | | | | | | |
| Balance at beginning of period | 90 | 88 | 89 | 79 | 78 | 77 | 76 | 69 | 68 | 79 | 69 | 58 |
| Stock option expense (exercised) | 2 | 2 | (1) | 10 | 1 | 1 | 1 | 5 | 1 | 13 | 8 | 11 |
| Premium on treasury shares | - | - | - | - | - | - | - | 2 | - | - | 2 | - |
| Balance at End of Period | 92 | 90 | 88 | 89 | 79 | 78 | 77 | 76 | 69 | 92 | 79 | 69 |
| Retained Earnings | | | | | | | | | | | | |
| Balance at beginning of period | 12,539 | 12,299 | 11,981 | 11,748 | 11,525 | 11,391 | 11,434 | 11,632 | 11,471 | 11,748 | 11,632 | 11,166 |
| Net income | 739 | 669 | 745 | 657 | 647 | 557 | 358 | 225 | 560 | 2,810 | 1,787 | 1,978 |
| Dividends - Preferred shares | (34) | (33) | (34) | (35) | (38) | (33) | (26) | (23) | (25) | (136) | (120) | (73) |
| - Common shares | (396) | (393) | (393) | (389) | (386) | (384) | (382) | (378) | (355) | (1,571) | (1,530) | (1,410) |
| Share issue expense | - | (3) | - | - | - | (6) | (4) | (22) | - | (3) | (32) | (10) |
| Treasury shares | - | - | - | - | - | - | 11 | - | (19) | - | 11 | (19) |
| Balance at End of Period | 12,848 | 12,539 | 12,299 | 11,981 | 11,748 | 11,525 | 11,391 | 11,434 | 11,632 | 12,848 | 11,748 | 11,632 |
| Accumulated Other Comprehensive Income (Loss) on Available-for-Sale Securities | | | | | | | | | | | | |
| Balance at beginning of period | 416 | 377 | 457 | 480 | 280 | 173 | (8) | (74) | 59 | 480 | (74) | 35 |
| Unrealized gains (losses) on available-for-sale securities arising during the period net of income taxes | 120 | 36 | (27) | (21) | 213 | 111 | 211 | (44) | (226) | 108 | 491 | (280) |
| Reclassification to earnings of (gains) losses in the period net of income taxes | (21) | 3 | (53) | (2) | (13) | (4) | (30) | 110 | 93 | (73) | 63 | 171 |
| Balance at End of Period | 515 | 416 | 377 | 457 | 480 | 280 | 173 | (8) | (74) | 515 | 480 | (74) |
| Accumulated Other Comprehensive Income (Loss) on Cash Flow Hedges | | | | | | | | | | | | |
| Balance at beginning of period | (40) | (257) | 99 | 14 | 114 | 477 | 450 | 258 | 28 | 14 | 258 | (166) |
| Gains (losses) on cash flow hedges arising during the period net of income taxes | 125 | 261 | (309) | 77 | (61) | (305) | 20 | 193 | 222 | 154 | (153) | 363 |
| Reclassification to earnings of (gains) losses on cash flow hedges net of income taxes | (23) | (44) | (47) | 8 | (39) | (58) | 7 | (1) | 8 | (106) | (91) | 61 |
| Balance at End of Period | 62 | (40) | (257) | 99 | 14 | 114 | 477 | 450 | 258 | 62 | 14 | 258 |
| Accumulated Other Comprehensive Loss on Translation of Net Foreign Operations | | | | | | | | | | | | |
| Balance at beginning of period | (1,099) | (1,153) | (940) | (893) | (908) | (485) | (361) | (435) | (1,131) | (893) | (435) | (1,402) |
| Unrealized gain (loss) on translation of net foreign operations | (97) | 157 | (644) | (141) | 42 | (1,238) | (363) | 228 | 1,926 | (725) | (1,331) | 2,726 |
| Impact of hedging unrealized gain (loss) on translation of net foreign operations net of income taxes | 61 | (103) | 431 | 94 | (27) | 815 | 239 | (154) | (1,230) | 483 | 873 | (1,759) |
| Balance at End of Period | (1,135) | (1,099) | (1,153) | (940) | (893) | (908) | (485) | (361) | (435) | (1,135) | (893) | (435) |
| Total Accumulated Other Comprehensive Income (Loss) | (558) | (723) | (1,033) | (384) | (399) | (514) | 165 | 81 | (251) | (558) | (399) | (251) |
| Total Shareholders' Equity | 21,880 | 21,217 | 20,515 | 20,625 | 20,197 | 19,715 | 19,732 | 19,267 | 17,904 | 21,880 | 20,197 | 17,904 |

AVERAGE ASSETS BY OPERATING GROUP AND GEOGRAPHIC AREA

| (\$ millions) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 | 2008 Q4 | Fiscal 2010 | Fiscal 2009 | Fiscal 2008 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Personal & Commercial Banking | | | | | | | | | | | | |
| Canada | 148,792 | 146,345 | 142,812 | 141,338 | 140,456 | 139,761 | 139,570 | 139,981 | 138,514 | 144,839 | 139,945 | 134,402 |
| United States | 33,410 | 33,367 | 32,466 | 33,161 | 34,689 | 37,691 | 45,460 | 48,979 | 42,620 | 33,106 | 41,674 | 36,507 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 182,202 | 179,712 | 175,278 | 174,499 | 175,145 | 177,452 | 185,030 | 188,960 | 181,134 | 177,945 | 181,619 | 170,909 |
| Private Client Group | | | | | | | | | | | | |
| Canada | 11,980 | 11,572 | 11,253 | 10,670 | 10,199 | 9,814 | 7,197 | 6,081 | 6,136 | 11,371 | 8,332 | 5,827 |
| United States | 2,261 | 2,332 | 2,320 | 2,448 | 2,545 | 2,665 | 3,005 | 3,035 | 2,635 | 2,340 | 2,811 | 2,385 |
| Other | 497 | 521 | 521 | 475 | 444 | 462 | 470 | 431 | 449 | 503 | 451 | 446 |
| Total | 14,738 | 14,425 | 14,094 | 13,593 | 13,188 | 12,941 | 10,672 | 9,547 | 9,220 | 14,214 | 11,594 | 8,658 |
| BMO Capital Markets | | | | | | | | | | | | |
| Canada | 105,245 | 102,284 | 111,098 | 111,149 | 117,463 | 121,978 | 135,825 | 139,711 | 110,972 | 107,414 | 128,687 | 105,453 |
| United States | 73,126 | 67,769 | 59,746 | 64,913 | 75,413 | 81,460 | 101,681 | 104,134 | 85,426 | 66,443 | 90,581 | 87,471 |
| Other | 26,794 | 27,585 | 28,215 | 25,480 | 26,907 | 28,842 | 30,977 | 29,046 | 30,800 | 27,009 | 28,926 | 31,365 |
| Total | 205,165 | 197,638 | 199,059 | 201,542 | 219,783 | 232,280 | 268,483 | 272,891 | 227,198 | 200,866 | 248,194 | 224,289 |
| Corporate Services, including Technology and Operations | | | | | | | | | | | | |
| Canada | (7,653) | (7,559) | (6,796) | (6,031) | (8,699) | (8,678) | (12,136) | (11,805) | (11,886) | (7,013) | (10,315) | (9,187) |
| United States | 14,696 | 13,386 | 11,578 | 10,090 | 9,336 | 8,499 | 8,535 | 3,312 | 3,354 | 12,445 | 7,412 | 2,897 |
| Other | 11 | 15 | 15 | 27 | 27 | 23 | 26 | 98 | 39 | 17 | 44 | 43 |
| Total | 7,054 | 5,842 | 4,797 | 4,086 | 664 | (156) | (3,575) | (8,395) | (8,493) | 5,449 | (2,859) | (6,247) |
| Total Consolidated | | | | | | | | | | | | |
| Canada | 258,364 | 252,642 | 258,367 | 257,126 | 259,419 | 262,875 | 270,456 | 273,968 | 243,736 | 256,611 | 266,649 | 236,495 |
| United States | 123,493 | 116,854 | 106,110 | 110,612 | 121,983 | 130,315 | 158,681 | 159,460 | 134,035 | 114,334 | 142,478 | 129,260 |
| Other | 27,302 | 28,121 | 28,751 | 25,982 | 27,378 | 29,327 | 31,473 | 29,575 | 31,288 | 27,529 | 29,421 | 31,854 |
| Total | 409,159 | 397,617 | 393,228 | 393,720 | 408,780 | 422,517 | 460,610 | 463,003 | 409,059 | 398,474 | 438,548 | 397,609 |

GOODWILL AND INTANGIBLE ASSETS

| (\$ millions) | November 1 | Additions/Purchases ⁽¹⁾ | | | | Amortization | | | | Other: Includes FX ⁽³⁾ | | | | October 31 |
|--------------------------------|------------|------------------------------------|-------------------|-------------------|------------|--------------|-------------|-------------|-------------|-----------------------------------|-------------|----------|------------|------------|
| | 2009 | Q1 ⁽²⁾ | Q2 ⁽²⁾ | Q3 ⁽²⁾ | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | 2010 |
| Intangible Assets | | | | | | | | | | | | | | |
| Customer relationships | 44 | 55 | 3 | 1 | 4 | (2) | (2) | (2) | (4) | (1) | (4) | 1 | (1) | 92 |
| Core deposit intangibles | 62 | - | 24 | - | (1) | (3) | (2) | (4) | (3) | (1) | (2) | (2) | - | 68 |
| Branch distribution networks | 21 | - | - | 1 | - | (3) | (3) | (3) | (3) | - | (1) | - | - | 9 |
| Purchased software | 111 | 9 | 12 | 3 | 5 | (12) | (13) | (12) | (11) | - | (1) | 1 | - | 92 |
| Developed software - amortized | 351 | 41 | 64 | 18 | 54 | (30) | (34) | (31) | (25) | (1) | (3) | 1 | (1) | 404 |
| Software under development | 70 | (2) | - | 27 | 51 | - | - | - | - | - | - | - | - | 146 |
| Other | 1 | 2 | - | - | (1) | - | (1) | - | - | - | - | - | - | 1 |
| Total Intangible Assets | 660 | 105 | 103 | 50 | 112 | (50) | (55) | (52) | (46) | (3) | (11) | 1 | (2) | 812 |

(1) Net additions/purchases include assets acquired through acquisitions and assets acquired through the normal course of operations.

(2) Figures have been reclassified to conform with the current period's presentation.

Goodwill

| | | | | | | | | | | | | | | |
|--|--------------|-----------|-----------|------------|----------|----------|----------|----------|----------|------------|-------------|-----------|------------|--------------|
| Harris Bankcorp, Inc. and subsidiaries | 183 | - | - | - | - | - | - | - | - | (2) | (9) | 2 | (2) | 172 |
| First National Bank of Joliet | 109 | - | - | - | - | - | - | - | - | (1) | (5) | 1 | (1) | 103 |
| Bank of Montreal Securities Canada Limited | 129 | - | - | - | - | - | - | - | - | - | - | - | - | 129 |
| Moneris Solutions Corporation | 76 | - | - | - | - | - | - | - | - | (2) | (1) | - | - | 73 |
| Guardian Group of Funds Ltd. | 187 | - | - | - | - | - | - | - | - | - | - | - | - | 187 |
| myCFO | 30 | - | - | - | - | - | - | - | - | - | (1) | - | - | 29 |
| Gerard Klauer Mattison | 37 | - | - | - | - | - | - | - | - | - | (2) | - | - | 35 |
| Lakeland Community Bank | 22 | - | - | - | - | - | - | - | - | - | (1) | - | - | 21 |
| New Lenox State Bank | 157 | - | - | - | - | - | - | - | - | (2) | (7) | 1 | (1) | 148 |
| Mercantile Bancorp, Inc. | 79 | - | - | - | - | - | - | - | - | (1) | (4) | 1 | (1) | 74 |
| Villa Park Trust and Savings Bank | 42 | - | - | - | - | - | - | - | - | (1) | (2) | 1 | - | 40 |
| First National Bank | 161 | - | - | - | - | - | - | - | - | (2) | (8) | 2 | (1) | 152 |
| bcpbank Canada | 11 | - | - | - | - | - | - | - | - | - | - | - | - | 11 |
| Pyrford International | 24 | - | - | - | - | - | - | - | - | (1) | (3) | 1 | 1 | 22 |
| Merchants & Manufacturers | 126 | - | - | - | - | - | - | - | - | (1) | (7) | 2 | (1) | 119 |
| Ozaukee | 137 | - | - | - | - | - | - | - | - | (1) | (7) | 1 | (1) | 129 |
| GKST | 11 | - | - | - | - | - | - | - | - | 3 | (1) | 1 | (1) | 13 |
| AIG Life Insurance Company of Canada | 1 | - | - | - | - | - | - | - | - | - | 1 | - | - | 2 |
| Stoker Ostler Wealth Advisors | 13 | - | - | - | - | - | - | - | - | 3 | (1) | - | - | 15 |
| Diners Club | - | 11 | (6) | - | - | - | - | - | - | - | (3) | 3 | - | 5 |
| Paloma | - | 7 | - | - | - | - | - | - | - | - | - | - | - | 7 |
| Integra GRS | - | 5 | - | 2 | - | - | - | - | - | - | - | - | - | 7 |
| AMCORE | - | - | 92 | (6) | - | - | - | - | - | - | - | 6 | - | 92 |
| Other | 34 | - | - | - | - | - | - | - | - | - | - | - | - | 34 |
| Total Goodwill | 1,569 | 23 | 86 | (4) | - | - | - | - | - | (8) | (61) | 22 | (8) | 1,619 |

(3) Other changes in goodwill and intangible assets includes the foreign exchange effects of U.S. dollar denominated intangible assets and goodwill, purchase accounting adjustments and certain other reclassifications.

UNREALIZED GAINS (LOSSES)

| ON AVAILABLE-FOR-SALE SECURITIES (\$ millions) | Book Value | | | | | Unrealized Gains (Losses) ⁽⁴⁾ | | | | | |
|---|---------------|---------------|--------------|------------|------------|--|------------|------------|------------|------------|--------------|
| | 2010 Q4 | 2010 Q3 | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 | 2008 Q4 |
| Securities, Other Than Trading | | | | | | | | | | | |
| Canadian governments | 16,396 | 15,846 | 322 | 170 | (45) | 174 | 146 | 102 | 242 | 84 | 30 |
| U.S. governments | 9,915 | 9,760 | 293 | 174 | 35 | 33 | 70 | 63 | 46 | 131 | 32 |
| Mortgage-backed securities - Canada ⁽⁵⁾ | 8,229 | 9,079 | 284 | 258 | 191 | 278 | 247 | 162 | 141 | 39 | 87 |
| - U.S. | 683 | 713 | 31 | 32 | 25 | 22 | 28 | 20 | 25 | 17 | 3 |
| Corporate debt ⁽⁶⁾ | 4,592 | 4,798 | 116 | 88 | 133 | 133 | 123 | 46 | (23) | (94) | (255) |
| Corporate equity ^{(6) (7)} | 686 | 710 | 24 | 19 | 22 | 15 | (6) | (15) | (37) | (45) | (19) |
| Other governments | 10,042 | 10,993 | 29 | 26 | 17 | 38 | 47 | 3 | 5 | 5 | 1 |
| Unrealized Gains (Losses) On Available-For-Sale Securities | 50,543 | 51,899 | 1,099 | 767 | 378 | 693 | 655 | 381 | 399 | 137 | (121) |

(4) Unrealized gains (losses) may be offset by related losses (gains) on liabilities or hedge contracts.

(5) These mortgage-backed securities are supported by guaranteed mortgages.

(6) Included in unrealized gains (losses) are gains of \$9 million in corporate debt and a gain of \$2 million in corporate equity related to securities transferred from trading effective August 1, 2008, for the quarter ended October 31, 2010, (gains of \$17 million and gain of \$nil, respectively, for the quarter ended July 31, 2010, gains of \$32 million and gain of \$1 million, respectively, for the quarter ended April 30, 2010, gains of \$49 million and losses of \$2 million, respectively, for the quarter ended January 31, 2010, gains of \$60 million and losses of \$13 million, respectively, for the quarter ended October 31, 2009, losses of \$10 million and \$13 million, respectively, for the quarter ended July 31, 2009, losses of \$70 million and \$22 million, respectively, for the quarter ended April 30, 2009, losses of \$115 million and \$25 million, respectively, for the quarter ended January 31, 2009, and losses of \$169 million and \$14 million, respectively, for the quarter ended October 31, 2008).

(7) Excluded from corporate equity are unrealized gains of \$46 million and \$nil related to our investments in Visa Inc. and MasterCard International Inc., respectively, for the quarter ended October 31, 2010 (\$52 million and \$nil, respectively for the quarter ended July 31, 2010, \$71 million and \$nil, respectively, for the quarter ended April 30, 2010, \$74 million and \$nil, respectively, for the quarter ended January 31, 2010, \$62 million and \$nil, respectively, for the quarter ended October 31, 2009, \$55 million and \$5 million, respectively, for the quarter ended July 31, 2009, \$59 million and \$4 million, respectively, for the quarter ended April 30, 2009, \$57 million and \$6 million, respectively, for the quarter ended January 31, 2009, and \$74 million and \$7 million, respectively, for the quarter ended October 31, 2008). These amounts are not included because the sale of those shares is restricted.

U.S. GAAP RECONCILIATION

(\$ millions except as noted)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Net Income-Canadian GAAP | 739 | 669 | 745 | 657 | 647 | 557 | 358 | 225 | 560 | 2,810 | 1,787 | 1,978 |
| Increase (Decrease) net of tax: | | | | | | | | | | | | |
| Pension and related benefits expense | (2) | (1) | (2) | (1) | - | - | - | - | - | (6) | - | 2 |
| Stock-based compensation (1) | - | - | - | - | - | - | - | (1) | (1) | - | (1) | (4) |
| Merchant banking investments | (8) | (3) | (12) | (28) | (3) | - | 26 | 40 | (14) | (51) | 63 | (1) |
| Software development expense | - | - | - | - | - | - | - | - | - | - | - | (1) |
| Liabilities and equity | - | - | - | - | - | - | - | 1 | 3 | - | 1 | 12 |
| Reclassification of trading securities into available-for-sale securities (2) | 13 | 12 | 21 | 18 | 8 | 12 | 5 | 36 | (123) | 64 | 61 | (123) |
| Unrealized gains (losses) on derivatives designated as cash flow hedges | 87 | 181 | (124) | 3 | 2 | - | - | - | - | 147 | 2 | - |
| Other (3)/(4) | (15) | 13 | 1 | 2 | (15) | 4 | 3 | 2 | 2 | 1 | (6) | 5 |
| Net Income-U.S. GAAP | 814 | 871 | 629 | 651 | 639 | 573 | 392 | 303 | 427 | 2,965 | 1,907 | 1,868 |
| U.S. GAAP: | | | | | | | | | | | | |
| Basic Earnings Per Share | | | | | | | | | | | | |
| Net Income | \$1.38 | \$1.49 | \$1.06 | \$1.11 | \$1.10 | \$1.00 | \$0.67 | \$0.54 | \$0.79 | \$5.05 | \$3.31 | \$3.57 |
| Diluted Earnings Per Share | | | | | | | | | | | | |
| Net Income | \$1.37 | \$1.48 | \$1.06 | \$1.11 | \$1.10 | \$0.99 | \$0.67 | \$0.54 | \$0.79 | \$5.03 | \$3.30 | \$3.54 |

(1) On November 1, 2005, we prospectively adopted the new accounting standard on Stock-Based Compensation (see Note 9 to the unaudited interim consolidated financial statements for the quarter ended October 31, 2006).

Under United States GAAP, Stock-Based Compensation granted to employees eligible to retire should be expensed at the time of grant. During the quarter ended July 31, 2006, we retroactively adopted new Canadian accounting guidance on Stock-Based Compensation, which is harmonized with United States GAAP. Due to the differences in methods of adoption, there was an adjustment to our Consolidated Statement of Income in the periods before fiscal 2009, when the stock-based compensation granted prior to November 1, 2005 was fully amortized.

(2) During the quarter ended October 31, 2008, we adopted new Canadian accounting guidance which allows, in rare circumstances, certain reclassifications of non-derivative financial assets from the trading category to either the available-for-sale or held-to-maturity categories. This new guidance is consistent with United States GAAP, except that United States GAAP requires that the reclassification be recorded on the date the transfer is completed. We elected to transfer securities from trading to available-for-sale for which we had a change in intent caused by current market circumstances to hold the securities for the foreseeable future rather than to exit or trade them in the short term. The Canadian accounting guidance was applicable on a retroactive basis to August 1, 2008 for us and the transfers took place at the fair value of the securities on August 1, 2008. We reclassified these securities under United States GAAP effective October 31, 2008. This difference will reverse as these securities are sold.

(3) During the quarter ended January 31, 2008, we adopted the new United States accounting standard which allows to elect to report selected financial assets and liabilities at fair value and establishes new disclosure requirements for assets and liabilities to which the fair value option is applied. The new standard eliminated a difference between Canadian and United States GAAP.

(4) During the quarter ended July 31, 2009, we adopted new United States guidance issued by the Financial Accounting Standards Board which amended the impairment assessment guidance and recognition principles of other-than-temporary impairment for debt securities and enhanced the presentation and disclosure requirements for debt and equity securities. Under the new guidance, if a debt security is determined to be other-than-temporarily impaired, the amount of the impairment equal to the credit loss will be recorded in income and the remaining impairment charge will be recorded in other comprehensive income. Under Canadian GAAP, all impairment is recorded in income.

ASSETS UNDER ADMINISTRATION AND MANAGEMENT

(\$ millions)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Assets Under Administration (5) | | | | | | | | | |
| Institutional | 96,745 | 94,364 | 93,091 | 95,249 | 95,443 | 108,045 | 126,266 | 127,559 | 123,577 |
| Personal | 163,472 | 156,199 | 155,894 | 152,957 | 143,078 | 139,915 | 135,920 | 133,338 | 134,913 |
| Mutual Funds | 673 | 628 | 632 | 233 | 231 | 223 | 148 | 114 | 109 |
| Total | 260,890 | 251,191 | 249,617 | 248,439 | 238,752 | 248,183 | 262,334 | 261,011 | 258,599 |
| Assets Under Management (5) | | | | | | | | | |
| Institutional | 25,098 | 25,100 | 25,423 | 27,402 | 27,439 | 26,213 | 26,800 | 28,765 | 30,356 |
| Personal | 55,893 | 53,183 | 54,328 | 54,446 | 53,336 | 49,616 | 49,496 | 50,851 | 54,924 |
| Mutual Funds | 28,544 | 27,096 | 27,588 | 25,985 | 25,322 | 24,670 | 22,333 | 21,428 | 23,442 |
| Total | 109,535 | 105,379 | 107,339 | 107,833 | 106,097 | 100,499 | 98,629 | 101,044 | 108,722 |
| Total Assets under Administration and Management | 370,425 | 356,570 | 356,956 | 356,272 | 344,849 | 348,682 | 360,963 | 362,055 | 367,321 |

(5) Assets Under Administration of US\$1 to US\$2 billion are also included in Assets Under Management (since Q3, 2007).

ASSET SECURITIZATION

(\$ millions)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |
| Securitized Balances | | | | | | | | | | | | |
| Credit card loans | 4,469 | 4,469 | 4,469 | 4,469 | 4,719 | 4,719 | 4,719 | 4,719 | 4,719 | 4,469 | 4,719 | 4,719 |
| Residential mortgages in Bank-sponsored conduits (uninsured) | 4,897 | 4,893 | 4,833 | 4,901 | 4,874 | 4,748 | 4,819 | 4,905 | 4,895 | 4,897 | 4,874 | 4,895 |
| Total exposure securitized by the bank | 9,366 | 9,362 | 9,302 | 9,370 | 9,593 | 9,467 | 9,538 | 9,624 | 9,614 | 9,366 | 9,593 | 9,614 |
| Residential mortgages securitized with third parties | 13,384 | 14,004 | 14,097 | 14,094 | 14,965 | 15,536 | 17,196 | 17,632 | 13,926 | 13,384 | 14,965 | 13,926 |
| Total | 22,750 | 23,366 | 23,399 | 23,464 | 24,558 | 25,003 | 26,734 | 27,256 | 23,540 | 22,750 | 24,558 | 23,540 |

Impact of Securitization on Net Income before Income Taxes

| | | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|
| Net interest income ⁽¹⁾ | (123) | (126) | (125) | (133) | (173) | (175) | (171) | (170) | (92) | (507) | (689) | (234) |
| Non-interest revenue ⁽²⁾ | 74 | 55 | 45 | 55 | 78 | 80 | 144 | 138 | 85 | 229 | 440 | 302 |
| Provision for credit losses ⁽³⁾ | 45 | 50 | 55 | 53 | 53 | 43 | 44 | 32 | 22 | 203 | 172 | 52 |
| Pre Tax Income | (4) | (21) | (25) | (25) | (42) | (52) | 17 | - | 15 | (75) | (77) | 120 |

Securitization Revenues (Non-Interest Revenue)

Below is a more detailed breakdown of the Securitization Revenues shown on the Non-Interest Revenue schedule

| | | | | | | | | | | | | |
|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Credit card loans | 146 | 143 | 126 | 138 | 139 | 161 | 164 | 180 | 135 | 553 | 644 | 346 |
| Residential mortgages | 42 | 24 | 25 | 34 | 62 | 41 | 98 | 84 | 32 | 125 | 285 | 167 |
| Total Securitization Revenues | 188 | 167 | 151 | 172 | 201 | 202 | 262 | 264 | 167 | 678 | 929 | 513 |

MORTGAGE-BACKED SECURITIES RETAINED

(On Balance Sheet)

(\$ millions)

| | | | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Mortgage-backed Securities Retained ⁽⁴⁾ | | | | | | | | | | | | |
| Outstanding at end of period | 8,204 | 9,052 | 8,680 | 8,916 | 9,529 | 6,326 | 6,303 | 4,769 | 9,544 | 8,204 | 9,529 | 9,544 |

(1) Represents the reduction in the net interest income reported by the Bank as a result of removing the assets from the Balance Sheet.

(2) Represents the impact on non-interest revenue of securitization revenues received net of a reduction in card fees as a result of removing the assets from the Balance Sheet.

(3) Represents the improvement in provision for credit losses as a result of securitizing the assets.

(4) Comprised of Canadian Government-insured residential mortgages and reported as available-for-sale securities in the Consolidated Balance Sheet.

DEBT ISSUED BY BANK SPONSORED VEHICLES FOR THIRD PARTY ASSETS

(\$ millions except as noted)

| | Q4 2010 | | | | Q3 2010 | | | | Q2 2010 | | | | Q1 2010 | | | |
|---|--------------------------|--------------|---------------------------------------|---------------|--------------------------|--------------|---------------------------------------|---------------|--------------------------|--------------|---------------------------------------|---------------|--------------------------|----------------|---------------------------------------|---------------|
| | Canadian Conduits (1) | US Conduit | SIVs/Credit Protection Vehicles | Total | Canadian Conduits (1) | US Conduit | SIVs/Credit Protection Vehicles | Total | Canadian Conduits (1) | US Conduit | SIVs/Credit Protection Vehicles | Total | Canadian Conduits (1) | US Conduit (2) | SIVs/Credit Protection Vehicles | Total |
| Auto loans/leases | 273 | - | - | 293 | 452 | - | 33 | 485 | 756 | - | 48 | 804 | 971 | - | 78 | 1,049 |
| Credit card receivables | 415 | - | - | 415 | 845 | - | - | 845 | 845 | - | - | 845 | 845 | - | - | 845 |
| Residential mortgages (insured) | 215 | - | - | 215 | 240 | - | - | 240 | 338 | - | - | 338 | 377 | - | - | 377 |
| Residential mortgages (uninsured) | 1,079 | 15 | - | 1,094 | 1,316 | 16 | - | 1,332 | 1,651 | 17 | - | 1,668 | 1,908 | 19 | - | 1,927 |
| Commercial mortgages | 146 | 179 | - | 325 | 156 | 164 | - | 320 | 201 | 170 | - | 371 | 246 | 120 | - | 366 |
| Personal line of credit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equipment loans/leases | 92 | 219 | - | 311 | 121 | 271 | - | 392 | 154 | 293 | - | 447 | 190 | 363 | - | 553 |
| Trade receivables | - | - | - | - | 35 | - | - | 35 | 35 | - | - | 35 | 35 | - | - | 35 |
| Corporate loans | - | 1,544 | - | 1,544 | - | 1,562 | - | 1,562 | - | 1,727 | - | 1,727 | - | 2,140 | - | 2,140 |
| Daily auto rental | 238 | 65 | - | 303 | 336 | 66 | - | 402 | 270 | 23 | - | 293 | 468 | 4 | - | 472 |
| Floorplan finance receivables | 117 | 254 | - | 371 | 109 | 244 | - | 353 | 66 | 224 | - | 290 | - | 232 | - | 232 |
| Collateralized debt obligations (AAA/R-1 (high) securities) | - | 571 | - | 571 | - | 605 | - | 605 | - | 562 | - | 562 | - | 536 | - | 536 |
| Other pool type | 250 | 587 | - | 837 | 250 | 650 | - | 900 | 300 | 762 | - | 1,062 | 300 | 805 | - | 1,105 |
| SIV assets (financial institutions debt and securitized assets) | - | - | 5,125 | 5,125 | - | - | 5,664 | 5,664 | - | - | 6,182 | 6,182 | - | - | 7,123 | 7,123 |
| Credit protection vehicle | - | - | 2,187 | 2,187 | - | - | 2,187 | 2,187 | - | - | 2,187 | 2,187 | - | - | 2,187 | 2,187 |
| Total | 2,825 | 3,454 | 7,312 | 13,591 | 3,860 | 3,611 | 7,851 | 15,322 | 4,616 | 3,826 | 8,369 | 16,811 | 5,340 | 4,297 | 9,310 | 18,947 |

(1) Canadian Conduit totals include amounts pertaining to conduits that have been directly funded by the Bank (\$263.7 million as at Q4, 2010, \$398.7 million as at Q3, 2010, \$601.2 million as at Q2, 2010, and \$628.5 million as at Q1, 2010).

AGGREGATE AMOUNT OF SECURITIZATION EXPOSURES RETAINED OR PURCHASED BY EXPOSURE TYPE

| | Q4 2010 | | | | Q3 2010 | | | | Q2 2010 | | | | Q1 2010 | | | |
|---|---|---|-----------------------------|---------------|---|---|-----------------------------|---------------|---|---|-----------------------------|---------------|---|---|-----------------------------|---------------|
| | Undrawn Committed Facilities and Notional Amounts (2,4) | Drawn Loan Facilities and Securities Held (5) | First Loss Positions (6) | Total | Undrawn Committed Facilities and Notional Amounts (2,4) | Drawn Loan Facilities and Securities Held (5) | First Loss Positions (6) | Total | Undrawn Committed Facilities and Notional Amounts (2,4) | Drawn Loan Facilities and Securities Held (5) | First Loss Positions (6) | Total | Undrawn Committed Facilities and Notional Amounts (2,4) | Drawn Loan Facilities and Securities Held (5) | First Loss Positions (6) | Total |
| Bank Assets (7) | | | | | | | | | | | | | | | | |
| Credit card receivables (8) | - | 255 | 56 | 311 | - | 254 | 56 | 310 | - | 254 | 54 | 308 | - | 254 | 58 | 312 |
| Residential mortgages (uninsured) | 4,849 | - | 91 | 4,940 | 4,838 | - | 98 | 4,936 | 4,831 | - | 102 | 4,933 | 4,821 | - | 109 | 4,930 |
| Total Bank Assets | 4,849 | 255 | 147 | 5,251 | 4,838 | 254 | 154 | 5,246 | 4,831 | 254 | 156 | 4,933 | 4,821 | 254 | 167 | 5,242 |
| Third Party Assets (8) | | | | | | | | | | | | | | | | |
| Auto loans/leases | 165 | 231 | - | 396 | 279 | 227 | - | 506 | 420 | 398 | - | 818 | 739 | 481 | - | 1,220 |
| Credit card receivables | 485 | 411 | - | 896 | 923 | - | - | 923 | 923 | - | - | 923 | 923 | - | - | 923 |
| Residential mortgages (insured) | 270 | - | - | 270 | 245 | - | - | 245 | 345 | - | - | 345 | 384 | - | - | 384 |
| Residential mortgages (uninsured) | 1,117 | 4 | - | 1,121 | 1,367 | 5 | - | 1,372 | 1,705 | 5 | - | 1,710 | 1,966 | - | - | 1,966 |
| Commercial mortgages | 288 | 50 | - | 338 | 302 | 53 | - | 355 | 363 | 67 | - | 430 | 400 | 14 | - | 414 |
| Personal line of credit | - | 111 | - | 111 | - | 116 | - | 116 | - | - | - | - | - | - | - | - |
| Equipment loans/leases | 319 | - | - | 319 | 403 | - | - | 403 | 464 | - | - | 464 | 590 | - | - | 590 |
| Trade receivables | 208 | - | - | 208 | 296 | - | - | 296 | 294 | - | - | 294 | 305 | - | - | 305 |
| Corporate loans | 1,633 | 60 | - | 1,693 | 1,726 | - | - | 1,726 | 1,993 | 95 | - | 2,088 | 2,378 | 108 | - | 2,486 |
| Daily auto rental | 629 | - | - | 629 | 630 | - | - | 630 | 655 | - | - | 655 | 686 | - | - | 686 |
| Floorplan finance receivables | 332 | 67 | - | 399 | 330 | 71 | - | 401 | 324 | - | - | 324 | 362 | - | - | 362 |
| Collateralized debt obligations (AAA/R-1 (high) securities) | 673 | 153 | - | 826 | 700 | 31 | - | 731 | 648 | 30 | - | 678 | 603 | 90 | - | 693 |
| Other pool type | 834 | 57 | - | 891 | 874 | 64 | - | 938 | 927 | 88 | - | 1,015 | 1,144 | 105 | - | 1,249 |
| SIV assets (financial institutions debt and securitized assets) | 170 | 5,097 | - | 5,267 | 195 | 5,631 | - | 5,826 | 244 | 5,960 | - | 6,204 | 241 | 6,844 | - | 7,085 |
| Credit protection vehicle (2) | 21,297 | - | - | 21,297 | 21,297 | - | - | 21,297 | 21,297 | - | - | 21,297 | 21,297 | - | - | 21,297 |
| Trading securities reclassified to AFS | - | 254 | - | 254 | - | 330 | - | 330 | - | 306 | - | 306 | - | 378 | - | 378 |
| Montreal Accord Assets | 299 | 168 | - | 467 | 299 | 160 | - | 459 | 299 | 175 | - | 474 | 299 | 150 | - | 449 |
| Total Third Party Assets | 28,719 | 6,953 | - | 35,382 | 28,866 | 6,888 | - | 35,554 | 30,901 | 7,124 | - | 38,025 | 32,317 | 8,170 | - | 40,487 |
| Total | 33,568 | 6,918 | 147 | 40,633 | 34,704 | 6,942 | 154 | 41,800 | 35,732 | 7,378 | 156 | 43,258 | 37,138 | 8,424 | 167 | 45,729 |

(2) 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.

(3) Following a review of the asset classification of the US and Canadian Conduit portfolios, some transactions have been reclassified to more closely align with industry convention which focuses on underlying assets. Comparative figures have also been reclassified to conform to the current period's presentation.

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

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

(6) 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.

(7) The Ratings Based approach (RBA) is applied to the exposures related to Credit Card Receivables, which are outlined in Note 6 to the Annual Consolidated Financial Statements for the year ended October 31, 2009.

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

(8) 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.

(9) Credit protection vehicle 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.

\$96MM and \$411MM of the credit card receivables and the auto loans/leases respectively were assessed under the standardized approach, pending approval on the Bank's IRB approach for these portfolios. The Supervisory Formula (SF) has been applied for all other positions.

CAPITAL CHARGES FOR SECURITIZATION EXPOSURES RETAINED OR PURCHASED BY RISK WEIGHTS

| (\$ millions) Traditional Securitizations Risk Weights | Q4 2010 | | Q3 2010 | | Q2 2010 | | Q1 2010 | | Q4 2009 | |
|---|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------|------------------------|---------------------|
| | Exposure Amount (1) | Capital Required |
| Bank Assets | | | | | | | | | | |
| 7% | - | - | - | - | - | - | - | - | - | - |
| 7.01% - 25% | 4,976 | 33 | 4,965 | 33 | 4,958 | 33 | 4,948 | 33 | 4,949 | 33 |
| 25.01% - 50% | 127 | 5 | 127 | 5 | 127 | 5 | 127 | 5 | 132 | 5 |
| Less amount excluded from capital requirements for exceeding maximum KIRB capital (2) | - | 25 | - | 24 | - | 24 | - | 24 | - | 27 |
| Total Exposures, net of deductions | 5,103 | 13 | 5,092 | 14 | 5,085 | 14 | 5,075 | 14 | 5,081 | 11 |
| Exposures Deducted: | | | | | | | | | | |
| From Tier 1 Capital: | | | | | | | | | | |
| Credit Card Receivables (3) | 56 | - | 57 | - | 54 | - | 58 | - | 62 | - |
| Residential Mortgages | 79 | - | 86 | - | 91 | - | 98 | - | 99 | - |
| From Total Capital: | | | | | | | | | | |
| Residential Mortgages | 12 | - | 11 | - | 11 | - | 11 | - | 11 | - |
| Total Exposures Deducted | 147 | - | 154 | - | 156 | - | 167 | - | 172 | - |
| Bank Assets Total Exposures | 5,250 | 13 | 5,246 | 14 | 5,241 | 14 | 5,242 | 14 | 5,253 | 11 |
| Third Party Assets | | | | | | | | | | |
| 7% | 3,782 | 21 | 5,065 | 28 | 5,767 | 32 | 6,599 | 37 | 4,080 | 23 |
| 7.01% - 25% | 23,905 | 232 | 23,935 | 229 | 23,973 | 234 | 24,709 | 242 | 28,439 | 270 |
| 25.01% - 50% | 1,479 | 44 | 715 | 24 | 6,603 | 254 | 7,112 | 276 | 7,321 | 283 |
| 50.01% - 100% | 865 | 60 | 5,905 | 298 | 945 | 58 | 1,135 | 67 | 1,271 | 75 |
| Greater than 100% | 5,305 | 706 | 894 | 270 | 703 | 191 | 901 | 218 | 1,174 | 234 |
| Default | - | - | - | - | - | - | - | - | - | - |
| Total Exposures, net of deductions | 35,336 | 1,063 | 36,514 | 849 | 37,991 | 769 | 40,456 | 840 | 42,285 | 885 |
| Exposures Deducted: | | | | | | | | | | |
| From Total Capital: | | | | | | | | | | |
| Collateralized Debt Obligations (AAA/R-1 (High) Securities | 10 | - | 10 | - | 10 | - | 11 | - | - | - |
| SIV assets (financial institutions debt and securitized assets) | - | - | - | - | - | - | - | - | - | - |
| Montreal Accord Assets | 10 | - | 8 | - | 10 | - | 4 | - | 3 | - |
| Residential Mortgages (Uninsured) | 9 | - | 14 | - | 14 | - | 9 | - | - | - |
| Commercial Mortgages | - | - | - | - | - | - | 7 | - | - | - |
| Other Pool Type | 4 | - | - | - | - | - | - | - | - | - |
| Trading Securities Reclassified to AFS | 14 | - | 8 | - | - | - | - | - | - | - |
| Equipment Loans/Leases | - | - | - | - | - | - | - | - | - | - |
| Total Exposures Deducted | 47 | - | 40 | - | 34 | - | 31 | - | 3 | - |
| Third Party Assets Total Exposures | 35,383 | 1,063 | 36,554 | 849 | 38,025 | 769 | 40,487 | 840 | 42,288 | 885 |
| Total Exposures | 40,633 | 1,076 | 41,800 | 863 | 43,266 | 783 | 45,729 | 854 | 47,541 | 896 |

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

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

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

BASEL II REGULATORY CAPITAL

(\$ millions except as noted)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Qualifying Regulatory Capital | | | | | | | | | |
| Common shareholders' equity | 18,753 | 18,270 | 17,824 | 17,498 | 17,132 | 16,750 | 16,911 | 16,929 | 15,974 |
| Non-cumulative preferred shares | 2,571 | 2,571 | 2,571 | 2,571 | 2,571 | 2,571 | 2,171 | 1,896 | 1,996 |
| Innovative Tier 1 Capital Instruments | 2,542 | 2,543 | 2,891 | 2,903 | 2,907 | 2,901 | 2,933 | 2,942 | 2,486 |
| Non-controlling interest in subsidiaries | 23 | 23 | 23 | 26 | 26 | 27 | 29 | 29 | 39 |
| Goodwill and excess intangible assets | (1,619) | (1,627) | (1,609) | (1,584) | (1,569) | (1,551) | (1,670) | (1,706) | (1,635) |
| Accumulated net after tax unrealized losses on Available-For-Sale Equity Securities | - | - | - | - | (2) | (10) | (34) | (40) | (15) |
| Net Tier 1 Capital | 22,270 | 21,780 | 21,700 | 21,414 | 21,065 | 20,688 | 20,340 | 20,050 | 18,845 |
| Securitization-related deductions | (165) | (169) | (168) | (177) | (168) | (187) | (173) | (142) | (115) |
| Expected loss in excess of allowance - AIRB approach ⁽¹⁾ | - | - | (18) | (85) | (61) | (59) | (56) | - | - |
| Substantial investments and investments in insurance subsidiaries ⁽²⁾ | (427) | (400) | (394) | (398) | (374) | (352) | (366) | (198) | - |
| Other deductions | - | - | - | - | - | - | - | - | (1) |
| Adjusted Tier 1 Capital | 21,678 | 21,211 | 21,120 | 20,754 | 20,462 | 20,090 | 19,745 | 19,710 | 18,729 |
| Subordinated debt | 3,776 | 3,747 | 3,682 | 3,742 | 4,236 | 4,249 | 4,379 | 4,389 | 4,175 |
| Trust subordinated notes | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 |
| Accumulated net after tax unrealized gains on Available-For-Sale Equity Securities | 10 | 9 | 11 | 2 | - | - | - | - | - |
| Eligible portion of general allowance for credit losses | 292 | 385 | 303 | 313 | 296 | 300 | 310 | 607 | 494 |
| Total Tier 2 Capital | 4,878 | 4,941 | 4,796 | 4,857 | 5,332 | 5,349 | 5,489 | 5,796 | 5,469 |
| Securitization-related deductions | (29) | (26) | (22) | (21) | (7) | (15) | (9) | (9) | (6) |
| Expected loss in excess of allowance - AIRB approach ⁽¹⁾ | - | - | (18) | (85) | (60) | (59) | (55) | - | - |
| Investments in non-consolidated subsidiaries and substantial investments ⁽²⁾ | (890) | (924) | (908) | (950) | (868) | (805) | (796) | (655) | (871) |
| Other deductions | - | - | - | - | - | - | - | - | - |
| Adjusted Tier 2 Capital | 3,959 | 3,991 | 3,848 | 3,801 | 4,397 | 4,470 | 4,629 | 5,132 | 4,592 |
| Total Capital | 25,637 | 25,202 | 24,968 | 24,555 | 24,859 | 24,560 | 24,374 | 24,842 | 23,321 |

(1) When expected losses as calculated under the AIRB approach exceed total provisions, 50% of the difference is deducted from Tier 1 capital and 50% is deducted from Tier 2 capital. When the expected losses are below total provisions, the difference is added to Tier 2 capital. The general allowance related to credit risk measured under the Standardized Approach is included in Tier 2 capital up to 1.25% of risk-weighted assets.

(2) Effective November 1, 2008, substantial investments are deducted 50% from Tier 1 capital and 50% from Tier 2 capital. Previously these investments were deducted from Tier 2 capital. Investments in insurance subsidiaries held prior to January 1, 2007 are deducted from Tier 2 capital. Effective 2012, these investments in insurance subsidiaries will be deducted 50% from Tier 1 capital and 50% from Tier 2 capital.

In addition, incremental investments in insurance subsidiaries are immediately deducted 50% from Tier 1 capital and 50% from Tier 2 capital.

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

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

(5) The Bank is subject to a regulatory capital floor determined using transition rules prescribed by the Office of the Superintendent of Financial Institutions.

(6) Common equity ratio equals regulatory common equity less Basel II capital deductions divided by RWA. Sometimes this ratio is also referred to as the Tier 1 common ratio.

(7) Calculated using Basel II.

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

| BASEL II RISK-WEIGHTED ASSETS (RWA) | Exposure at Default | Q4 2010 | | | Q3 2010 | Q2 2010 | Q1 2010 | Q4 2009 | Q3 2009 | Q2 2009 | Q1 2009 | Q4 2008 |
|--|---------------------|-----------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | RWA | | | RWA |
| | | Standardized approach | Advanced approach | Total |
| (\$ millions except as noted) | | | | | | | | | | | | |
| Credit Risk | | | | | | | | | | | | |
| Wholesale | | | | | | | | | | | | |
| Corporate including specialized lending | 93,446 | 9,411 | 32,336 | 41,747 | 43,077 | 44,411 | 49,261 | 52,174 | 54,683 | 58,842 | 62,364 | 63,263 |
| Corporate small and medium enterprises (SMEs) | 44,742 | 6,784 | 14,688 | 21,472 | 22,461 | 22,446 | 25,726 | 26,395 | 28,875 | 31,141 | 31,820 | 30,852 |
| Sovereign | 60,521 | - | 653 | 653 | 773 | 678 | 673 | 593 | 607 | 323 | 705 | 382 |
| Bank | 42,817 | 204 | 4,444 | 4,648 | 4,023 | 3,952 | 3,606 | 4,537 | 4,538 | 5,392 | 6,229 | 6,907 |
| Retail | | | | | | | | | | | | |
| Residential mortgages excluding home equity line of credits (HELOCs) | 47,181 | 2,597 | 1,615 | 4,212 | 4,497 | 4,484 | 4,623 | 4,451 | 4,694 | 4,944 | 5,085 | 4,966 |
| HELOCs | 34,998 | 3,138 | 1,886 | 5,024 | 4,681 | 4,505 | 4,790 | 4,463 | 4,346 | 4,574 | 4,576 | 4,304 |
| Qualifying revolving retail (QRR) | 31,197 | - | 5,469 | 5,469 | 4,142 | 4,143 | 4,174 | 3,210 | 3,105 | 3,040 | 2,990 | 2,263 |
| Other retail (excl. SMEs) | 21,883 | 4,544 | 7,945 | 12,489 | 10,726 | 10,785 | 10,843 | 9,895 | 9,674 | 9,998 | 9,594 | 9,217 |
| Retail SMEs | 1,144 | 116 | 555 | 671 | 512 | 520 | 519 | 492 | 493 | 495 | 1,207 | 920 |
| Equity | 1,249 | - | 997 | 997 | 1,103 | 1,217 | 1,212 | 1,168 | 1,165 | 1,295 | 1,313 | 1,282 |
| Trading book | 58,466 | - | 7,947 | 7,947 | 7,501 | 7,454 | 7,344 | 7,970 | 8,670 | 10,428 | 10,930 | 11,759 |
| Securitization | 40,633 | 101 | 13,342 | 13,443 | 10,795 | 9,790 | 10,685 | 11,207 | 9,322 | 11,095 | 7,418 | 6,717 |
| Other credit risk assets - non-counterparty managed assets | 65,782 | - | 12,006 | 12,006 | 12,519 | 14,664 | 12,266 | 10,751 | 11,038 | 11,587 | 13,142 | 14,524 |
| Scaling factor for credit risk assets under AIRB ⁽³⁾ | - | - | 5,512 | 5,512 | 5,221 | 5,178 | 5,585 | 5,792 | 5,927 | 6,400 | 6,408 | 6,260 |
| Total Credit Risk | 544,059 | 26,895 | 109,395 | 136,290 | 132,031 | 134,217 | 141,307 | 143,098 | 147,137 | 159,554 | 163,781 | 163,616 |
| Market Risk ⁽⁴⁾ | | 1,589 | 3,628 | 5,217 | 5,514 | 6,192 | 6,385 | 6,578 | 7,224 | 8,157 | 12,386 | 11,293 |
| Operational Risk | | 19,658 | | 19,658 | 19,034 | 18,707 | 17,974 | 17,525 | 17,197 | 16,895 | 16,798 | 16,699 |
| Total Risk-Weighted Assets | | 48,142 | 113,023 | 161,165 | 156,579 | 159,116 | 165,666 | 167,201 | 171,558 | 184,606 | 192,965 | 191,608 |
| Regulatory Floor ⁽⁵⁾ | | - | - | - | - | - | - | - | - | - | - | - |
| Total Transitional Risk-Weighted Assets | | | | 161,165 | 156,579 | 159,116 | 165,666 | 167,201 | 171,558 | 184,606 | 192,965 | 191,608 |

| CAPITAL RATIOS | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | |
| Tier 1 ratio | 13.45% | 13.55% | 13.27% | 12.53% | 12.24% | 11.71% | 10.70% | 10.21% | 9.77% | |
| Total capital ratio | 15.91% | 16.10% | 15.69% | 14.82% | 14.87% | 14.32% | 13.20% | 12.87% | 12.17% | |
| Common equity ratio ⁽⁶⁾ | 10.26% | 10.27% | 9.83% | 9.21% | 8.95% | 8.50% | 7.92% | 7.69% | 7.42% | |
| Tangible common equity-to-risk-weighted assets | 10.47% | 10.39% | 9.80% | 9.51% | 9.21% | 8.71% | 8.24% | 7.77% | 7.47% | |
| Assets to Capital Multiple | 14.46 | 14.27 | 14.23 | 14.67 | 14.09 | 14.91 | 15.38 | 15.79 | 16.42 | |
| Capital Ratios for Significant Bank Subsidiaries | | | | | | | | | | |
| Bank of Montreal Mortgage Corporation ⁽⁷⁾ | | | | | | | | | | |
| Tier 1 ratio | 20.58% | 20.37% | 20.10% | 20.49% | 20.33% | 22.26% | 22.91% | 22.89% | 20.29% | |
| Total capital ratio | 21.91% | 21.53% | 21.30% | 21.76% | 21.65% | 23.56% | 24.25% | 24.27% | 21.53% | |
| Harris N.A. ⁽⁸⁾ | | | | | | | | | | |
| Tier 1 ratio | 15.66% | 15.73% | 12.56% | 11.46% | 11.10% | 10.68% | 10.95% | 10.57% | 10.71% | |
| Total capital ratio | 17.53% | 17.60% | 14.48% | 13.55% | 13.20% | 12.73% | 13.09% | 12.69% | 12.81% | |

EQUITY SECURITIES EXPOSURE AMOUNT

| (\$ millions except as noted) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Equity investments used for capital gains (Merchant Banking) | 523 | 541 | 522 | 471 | 476 | 476 |
| Equity investments used for mutual fund seed capital | 19 | 40 | 59 | 77 | 41 | 36 |
| Equity used for other (including strategic investments) | 707 | 749 | 840 | 874 | 863 | 864 |
| Total Equity Exposure | 1,249 | 1,330 | 1,421 | 1,422 | 1,380 | 1,376 |

EQUITY INVESTMENT SECURITIES (1)

| (\$ millions except as noted) | Q4 2010 | | | Q3 2010 | | | Q2 2010 | | | Q1 2010 | | |
|--------------------------------|--------------|--------------|------------------------|--------------|--------------|------------------------|--------------|--------------|------------------------|--------------|--------------|------------------------|
| | 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 | 55 | 55 | - | 82 | 82 | - | 83 | 83 | - | 79 | 79 | - |
| Private | | | | | | | | | | | | |
| Direct funds | 219 | 219 | - | 262 | 262 | - | 261 | 261 | - | 312 | 312 | - |
| Indirect funds | 158 | 158 | - | 133 | 133 | - | 170 | 170 | - | 180 | 180 | - |
| Total Grandfathered | 432 | 432 | - | 477 | 477 | - | 514 | 514 | - | 571 | 571 | - |
| Non-grandfathered | | | | | | | | | | | | |
| Public | 78 | 78 | - | 95 | 95 | - | 128 | 128 | - | 123 | 123 | - |
| Private | | | | | | | | | | | | |
| Direct funds | 58 | 58 | - | 63 | 63 | - | 168 | 168 | - | 133 | 133 | - |
| Indirect funds | 338 | 338 | - | 380 | 380 | - | 330 | 330 | - | 313 | 313 | - |
| Other | 343 | 288 | (55) | 315 | 262 | (53) | 281 | 236 | (45) | 282 | 243 | (39) |
| Total Non-grandfathered | 817 | 762 | (55) | 853 | 800 | (53) | 907 | 862 | (45) | 851 | 812 | (39) |
| Total Equities | 1,249 | 1,194 | (55) | 1,330 | 1,277 | (53) | 1,421 | 1,376 | (45) | 1,422 | 1,383 | (39) |

| | | | | | | | | | | | | |
|---|--|--|---|--|--|----|--|--|----|--|--|-----|
| Total realized gains or losses arising from sales or liquidations in the reporting period | | | 5 | | | 11 | | | 26 | | | (5) |
|---|--|--|---|--|--|----|--|--|----|--|--|-----|

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

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

| | Q4 2010 | | | | Q3 2010 | | | | Q2 2010 | | | |
|--|--------------------|---|----------------|---|--------------------|---|----------------|---|--------------------|---|----------------|---|
| | 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) | 18,826 | 989 | 119,931 | 5,440 | 19,416 | 1,066 | 117,123 | 2,867 | 20,181 | 1,759 | 116,040 | 3,069 |
| Sovereign | 11,591 | - | 73,369 | 27,852 | 11,554 | - | 67,519 | 24,405 | 10,780 | - | 69,022 | 23,262 |
| Bank | 1,018 | - | 41,799 | - | 1,399 | - | 30,569 | - | 1,056 | - | 37,049 | - |
| Total Corporate, Sovereign and Bank | 31,435 | 989 | 235,099 | 33,292 | 32,369 | 1,066 | 215,211 | 27,272 | 32,017 | 1,759 | 222,111 | 26,331 |
| Residential mortgages excluding home equity line of credits (HELOCs) | 6,104 | 170 | 16,069 | - | 6,460 | 277 | 18,169 | - | 6,244 | - | 18,378 | - |
| HELOCs | 4,185 | - | 30,813 | - | 4,214 | - | 26,971 | - | 4,177 | - | 25,272 | - |
| Other retail excl. SMEs and QRR | 6,370 | 323 | 15,513 | - | 6,116 | 573 | 14,094 | - | 6,241 | 301 | 13,725 | - |
| Qualifying revolving retail | - | - | 31,197 | - | - | - | 25,225 | - | - | - | 25,233 | - |
| Retail SMEs | 154 | - | 990 | - | - | - | 947 | - | - | - | 950 | - |
| Total Retail | 16,813 | 493 | 94,582 | - | 16,790 | 850 | 85,406 | - | 16,662 | 301 | 83,558 | - |
| Total Bank Banking Book Portfolios | 48,248 | 1,482 | 329,681 | 33,292 | 49,159 | 1,916 | 300,617 | 27,272 | 48,679 | 2,060 | 305,669 | 26,331 |

(1) Credit risk mitigants herein include only credit derivatives and guarantees. Includes \$25 billion NHA or other mortgage insurance guarantees.

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

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

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

| | Q4 2010 | | | | Q3 2010 | | | | Q2 2010 | | | |
|--|----------------|----------------|---------------|----------------|----------------|---------------|---------------|----------------|----------------|---------------|---------------|----------------|
| | Canada | U.S. | Other | Total | Canada | U.S. | Other | Total | Canada | U.S. | Other | Total |
| Corporate (incl specialized lending and SMEs treated as corporate) | 85,747 | 49,598 | 2,843 | 138,188 | 82,679 | 49,227 | 3,933 | 135,839 | 83,642 | 47,904 | 3,880 | 135,426 |
| Sovereign | 27,783 | 24,328 | 8,410 | 60,521 | 27,996 | 20,755 | 9,972 | 58,723 | 32,192 | 16,417 | 11,693 | 60,302 |
| Bank | 16,587 | 12,404 | 13,826 | 42,817 | 11,941 | 10,369 | 9,658 | 31,968 | 13,917 | 11,147 | 13,040 | 38,104 |
| Total Corporate, Sovereign and Bank | 130,117 | 86,330 | 25,079 | 241,526 | 122,616 | 80,351 | 23,563 | 226,530 | 129,751 | 75,468 | 28,613 | 233,832 |
| Residential mortgages excluding home equity line of credits (HELOCs) | 41,076 | 6,105 | - | 47,181 | 39,219 | 6,460 | - | 45,679 | 38,674 | 6,244 | - | 44,918 |
| HELOCs | 30,813 | 4,185 | - | 34,998 | 26,972 | 4,213 | - | 31,185 | 25,272 | 4,177 | - | 29,449 |
| Other retail excl. SMEs and QRR | 16,911 | 4,972 | - | 21,883 | 15,702 | 4,508 | - | 20,210 | 15,269 | 4,697 | - | 19,966 |
| Qualifying revolving retail | 31,197 | - | - | 31,197 | 25,225 | - | - | 25,225 | 25,233 | - | - | 25,233 |
| Retail SMEs | 990 | 154 | - | 1,144 | 947 | - | - | 947 | 950 | - | - | 950 |
| Total Retail | 120,987 | 15,416 | - | 136,403 | 108,065 | 15,181 | - | 123,246 | 105,398 | 15,118 | - | 120,516 |
| Total Bank | 251,104 | 101,746 | 25,079 | 377,929 | 230,681 | 95,532 | 23,563 | 349,776 | 235,149 | 90,586 | 28,613 | 354,348 |

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

| | Q4 2010 | | | | | Q3 2010 | | | | | Q2 2010 | | Q1 2010 | |
|--------------------|----------------|-----------------------|-------------------|---------------|-------------------------|----------------|-----------------------|-------------------|--------------|-------------------------|---------------|----------------|----------------|----------------|
| | Drawn | Commitments (Undrawn) | Other Off Balance | | Repo Style Transactions | Drawn | Commitments (Undrawn) | Other Off Balance | | Repo Style Transactions | Total | Total | Total | |
| | | | Sheet Items | Transactions | | | | Sheet Items | Transactions | | | | | |
| Agriculture | 5,486 | 1,107 | 14 | 62 | - | 6,669 | 5,295 | 1,128 | 74 | 15 | 74 | 6,512 | 6,365 | 6,262 |
| Communications | 846 | 1,160 | - | 154 | - | 2,160 | 859 | 1,014 | - | 186 | - | 2,059 | 2,051 | 2,342 |
| Construction | 1,703 | 996 | - | 299 | - | 2,998 | 1,738 | 978 | - | 315 | - | 3,031 | 3,138 | 3,197 |
| Financial (4) | 41,799 | 9,167 | 22 | 2,642 | 37,669 | 91,299 | 38,961 | 9,370 | 22 | 2,919 | 28,058 | 79,330 | 86,547 | 91,609 |
| Government | 31,020 | 1,397 | - | 696 | - | 47,416 | 32,124 | 1,168 | - | 863 | 9,083 | 43,238 | 41,729 | 45,241 |
| Manufacturing | 6,829 | 5,629 | 33 | 1,085 | - | 13,576 | 6,923 | 5,717 | 33 | 1,180 | - | 13,853 | 13,965 | 14,996 |
| Mining | 270 | 1,267 | - | 198 | - | 1,736 | 378 | 1,453 | 2 | 193 | - | 2,026 | 2,163 | 2,406 |
| Other | 8,881 | 58 | 2 | 393 | - | 9,334 | 10,597 | 67 | 2 | 495 | - | 11,161 | 12,572 | 10,046 |
| Real estate | 13,682 | 967 | - | 818 | - | 15,467 | 14,140 | 908 | - | 802 | - | 15,850 | 15,031 | 15,095 |
| Retail trade | 5,915 | 2,349 | 1 | 476 | - | 8,741 | 5,850 | 2,167 | 1 | 513 | - | 8,531 | 8,612 | 8,214 |
| Service industries | 12,239 | 3,729 | 39 | 2,268 | 67 | 18,342 | 11,461 | 3,876 | 54 | 2,109 | 190 | 17,690 | 18,919 | 18,348 |
| Transportation | 1,469 | 878 | 3 | 333 | - | 2,683 | 1,824 | 859 | 1 | 364 | - | 3,048 | 2,698 | 2,810 |
| Utilities | 1,068 | 2,070 | - | 579 | - | 3,717 | 1,137 | 1,874 | - | 557 | - | 3,568 | 3,547 | 4,142 |
| Wholesale trade | 4,351 | 2,089 | 12 | 466 | - | 6,918 | 4,401 | 2,063 | 10 | 371 | - | 6,845 | 6,502 | 7,284 |
| Individual | 101,270 | 35,511 | 31 | 1 | - | 136,813 | 97,201 | 25,712 | - | 1 | - | 122,914 | 120,414 | 118,627 |
| Oil and Gas | 3,439 | 4,823 | - | 823 | - | 9,085 | 3,374 | 4,831 | - | 941 | - | 9,146 | 9,093 | 9,716 |
| Forest products | 531 | 344 | - | 100 | - | 975 | 536 | 333 | - | 105 | - | 974 | 1,022 | 1,093 |
| Total | 240,798 | 73,541 | 158 | 11,383 | 52,049 | 377,929 | 236,791 | 63,518 | 140 | 11,988 | 37,331 | 349,776 | 354,348 | 361,428 |

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

(4) Includes \$18.9 billion of deposits with Financial Institutions as at October 31, 2010 (\$16.3 billion as at July 31, 2010, \$14.2 billion as at April 30, 2010, and \$13.7 billion as at January 31, 2010).

CREDIT RISK EXPOSURE BY MAJOR ASSET CLASS (1)
(\$ millions except as noted)

| | Q4 2010 | | | | | | Q3 2010 | | | | | | Q2 2010 | Q1 2010 |
|--|---------|-----------------------|------|-------------------------------|-------------------------|---------|---------|-----------------------|------|-------------------------------|-------------------------|---------|---------|---------|
| | 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 II Asset Classes | | | | | | | | | | | | | | |
| Corporate (incl specialized lending and SMEs treated as corporate) | 71,289 | 35,883 | 72 | 9,491 | 21,453 | 138,188 | 72,681 | 36,020 | 73 | 9,784 | 17,281 | 135,839 | 135,426 | 146,196 |
| Sovereign | 54,498 | 1,416 | - | 634 | 3,973 | 60,521 | 53,813 | 975 | - | 806 | 3,129 | 58,723 | 60,302 | 60,560 |
| Bank | 14,113 | 737 | 86 | 1,258 | 26,623 | 42,817 | 12,766 | 816 | 67 | 1,398 | 16,921 | 31,968 | 38,104 | 35,893 |
| Total Corporate, Sovereign and Bank Exposure | 139,900 | 38,036 | 158 | 11,383 | 52,049 | 241,526 | 139,260 | 37,811 | 140 | 11,988 | 37,331 | 226,530 | 233,832 | 242,649 |
| Residential mortgages excluding home equity line of credits (HELOCs) | 47,181 | - | - | - | - | 47,181 | 45,679 | - | - | - | - | 45,679 | 44,918 | 44,761 |
| HELOCs | 25,390 | 9,608 | - | - | - | 34,998 | 24,393 | 6,792 | - | - | - | 31,185 | 29,449 | 28,303 |
| Other retail excl. SMEs and QRR | 19,892 | 1,991 | - | - | - | 21,883 | 19,285 | 925 | - | - | - | 20,210 | 19,966 | 19,785 |
| Qualifying revolving retail | 7,918 | 23,279 | - | - | - | 31,197 | 7,820 | 17,405 | - | - | - | 25,225 | 25,233 | 24,990 |
| Retail SMEs | 517 | 627 | - | - | - | 1,144 | 362 | 585 | - | - | - | 947 | 950 | 940 |
| Total Retail Exposures | 100,898 | 35,505 | - | - | - | 136,403 | 97,539 | 25,707 | - | - | - | 123,246 | 120,516 | 118,779 |
| Total Gross Credit Exposures | 240,798 | 73,541 | 158 | 11,383 | 52,049 | 377,929 | 236,799 | 63,518 | 140 | 11,988 | 37,331 | 349,776 | 354,348 | 361,428 |

CREDIT RISK BY RESIDUAL CONTRACT MATURITY BREAKDOWN
(\$ millions except as noted)

| | Q4 2010 | | | | | | Q3 2010 | | | | | | Q2 2010 | Q1 2010 |
|----------------------|---------|-----------------------|------|-------------------------------|-------------------------|---------|---------|-----------------------|------|-------------------------------|-------------------------|---------|---------|---------|
| | 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 | 101,949 | 53,240 | 8 | 7,528 | 52,049 | 214,774 | 97,940 | 42,526 | 12 | 7,906 | 37,331 | 185,615 | 190,602 | 204,838 |
| 1 to 5 years | 114,327 | 19,362 | 115 | 3,664 | - | 137,468 | 114,173 | 19,920 | 97 | 3,906 | - | 138,096 | 134,013 | 131,157 |
| Greater than 5 years | 24,522 | 939 | 35 | 191 | - | 25,687 | 24,686 | 1,072 | 31 | 276 | - | 26,065 | 29,733 | 25,433 |
| Total | 240,798 | 73,541 | 158 | 11,383 | 52,049 | 377,929 | 236,799 | 63,518 | 140 | 11,988 | 37,331 | 349,776 | 354,348 | 361,428 |

PORTFOLIO BREAKDOWN BY BASEL II APPROACHES
(\$ millions except as noted)

| | Q4 2010 | | | | | | Q3 2010 | | | | | | Q2 2010 | | | | | |
|--|--------------|-------------------------------------|---------|-------------------------------------|--------------|-------------------------------------|---------|-------------------------------------|--------------|-------------------------------------|---------|-------------------------------------|--------------|-------------------------------------|---------|-------------------------------------|--------|--|
| | Standardized | | AIRB | | 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 | Drawn | Credit Equivalent Amount on Undrawn | Drawn | Credit Equivalent Amount on Undrawn | | |
| Corporate (incl specialized lending and SMEs treated as corporate) | 14,499 | 1,779 | 56,790 | 34,104 | 15,097 | 1,711 | 57,584 | 34,309 | 15,502 | 1,813 | 57,410 | 33,974 | 11,591 | 1,416 | 42,907 | 1,416 | 40,639 | |
| Sovereign | 11,591 | - | 42,907 | 1,416 | 11,475 | - | 42,338 | 975 | 10,565 | - | 40,639 | 996 | 876 | 5 | 13,237 | 732 | 10,912 | |
| Bank | 876 | 5 | 13,237 | 732 | 1,232 | 13 | 11,534 | 803 | 890 | 10 | 10,912 | 702 | 26,966 | 1,784 | 112,934 | 36,252 | 27,804 | |
| Total Corporate, Sovereign & Bank | 26,966 | 1,784 | 112,934 | 36,252 | 27,804 | 1,724 | 111,456 | 36,087 | 26,957 | 1,823 | 108,961 | 35,672 | 6,104 | - | 41,077 | 6,460 | 39,219 | |
| Residential mortgages excluding home equity line of credits (HELOCs) | 6,104 | - | 41,077 | - | 6,460 | - | 39,219 | - | 6,244 | - | 38,674 | - | 4,185 | - | 21,205 | 9,608 | 4,214 | |
| HELOCs | 4,185 | - | 21,205 | 9,608 | 4,214 | - | 20,179 | 6,792 | 4,177 | - | 18,841 | 6,431 | 6,370 | - | 13,522 | 1,991 | 6,116 | |
| Other retail excl. SMEs and QRR | 6,370 | - | 13,522 | 1,991 | 6,116 | - | 13,169 | 925 | 6,241 | - | 12,808 | 917 | - | - | 7,918 | 23,279 | - | |
| Qualifying revolving retail | - | - | 7,918 | 23,279 | - | - | 7,820 | 17,405 | - | - | 7,781 | 17,452 | - | - | 363 | 627 | - | |
| Retail SMEs | 154 | - | 363 | 627 | - | - | 362 | 585 | - | - | 360 | 590 | 16,813 | - | 84,085 | 35,505 | 16,790 | |
| Total Retail | 16,813 | - | 84,085 | 35,505 | 16,790 | - | 80,749 | 25,707 | 16,662 | - | 78,464 | 25,390 | 43,779 | 1,784 | 197,019 | 71,757 | 44,594 | |
| Total Bank | 43,779 | 1,784 | 197,019 | 71,757 | 44,594 | 1,724 | 192,205 | 61,794 | 43,619 | 1,823 | 187,425 | 61,062 | | | | | | |

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

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

(\$ millions)

| Risk Weights | Q4 2010 | | | | | | | Total |
|---|---------|-------|-------|-----|--------|-------|-------|--------|
| | 0% | 20% | 35% | 50% | 75% | 100% | 150% | |
| Total Wholesale portfolios | | | | | | | | |
| Corporate (incl SMEs treated as Corporate) | - | 4,900 | - | 743 | - | 9,387 | 3,638 | 18,668 |
| Sovereign | 11,591 | - | - | - | - | - | - | 11,591 |
| Bank | - | 1,018 | - | - | - | - | - | 1,018 |
| Total Wholesale portfolios | 11,591 | 5,918 | - | 743 | - | 9,387 | 3,638 | 31,277 |
| Total Retail portfolios | | | | | | | | |
| Retail residential mortgages (including HELOCs) | - | 170 | 4,723 | - | 5,396 | - | - | 10,289 |
| Other retail | 281 | 42 | - | - | 6,047 | - | - | 6,370 |
| SME treated as retail | - | - | - | - | 153 | 1 | - | 154 |
| Total Retail portfolios | 281 | 212 | 4,723 | - | 11,596 | 1 | - | 16,813 |
| Total | 11,872 | 6,130 | 4,723 | 743 | 11,596 | 9,388 | 3,638 | 48,090 |

| Risk Weights | Q3 2010 | | | | | | | Total |
|---|---------|-------|-------|-----|--------|-------|-------|--------|
| | 0% | 20% | 35% | 50% | 75% | 100% | 150% | |
| Total Wholesale portfolios | | | | | | | | |
| Corporate (incl SMEs treated as Corporate) | - | 5,201 | - | 703 | - | 9,410 | 3,994 | 19,308 |
| Sovereign | 11,063 | 491 | - | - | - | - | - | 11,554 |
| Bank | - | 1,399 | - | - | - | - | - | 1,399 |
| Total Wholesale portfolios | 11,063 | 7,091 | - | 703 | - | 9,410 | 3,994 | 32,261 |
| Total Retail portfolios | | | | | | | | |
| Retail residential mortgages (including HELOCs) | - | 277 | 4,931 | - | 5,466 | - | - | 10,674 |
| Other retail | 292 | 281 | - | - | 5,543 | - | - | 6,116 |
| SME treated as retail | - | - | - | - | - | - | - | - |
| Total Retail portfolios | 292 | 558 | 4,931 | - | 11,009 | - | - | 16,790 |
| Total | 11,355 | 7,649 | 4,931 | 703 | 11,009 | 9,410 | 3,994 | 49,051 |

| Risk Weights | Q2 2010 | | | | | | | Total |
|---|---------|-------|-------|-----|--------|-------|-------|--------|
| | 0% | 20% | 35% | 50% | 75% | 100% | 150% | |
| Total Wholesale portfolios | | | | | | | | |
| Corporate (incl SMEs treated as Corporate) | - | 5,603 | - | 527 | - | 9,516 | 4,441 | 20,087 |
| Sovereign | 10,780 | - | - | - | - | - | - | 10,780 |
| Bank | - | 1,056 | - | - | - | - | - | 1,056 |
| Total Wholesale portfolios | 10,780 | 6,659 | - | 527 | - | 9,516 | 4,441 | 31,923 |
| Total Retail portfolios | | | | | | | | |
| Retail residential mortgages (including HELOCs) | - | - | 4,956 | - | 5,465 | - | - | 10,421 |
| Other retail | 301 | - | - | - | 5,940 | - | - | 6,241 |
| SME treated as retail | - | - | - | - | - | - | - | - |
| Total Retail portfolios | 301 | - | 4,956 | - | 11,405 | - | - | 16,662 |
| Total | 11,081 | 6,659 | 4,956 | 527 | 11,405 | 9,516 | 4,441 | 48,585 |

| Risk Weights | Q1 2010 | | | | | | | Total |
|---|---------|-------|-------|-----|--------|--------|-------|--------|
| | 0% | 20% | 35% | 50% | 75% | 100% | 150% | |
| Total Wholesale portfolios | | | | | | | | |
| Corporate (incl SMEs treated as Corporate) | - | 5,264 | - | 596 | - | 11,045 | 4,491 | 21,396 |
| Sovereign | 9,535 | - | - | - | - | - | - | 9,535 |
| Bank | - | 1,714 | - | - | - | - | - | 1,714 |
| Total Wholesale portfolios | 9,535 | 6,978 | - | 596 | - | 11,045 | 4,491 | 32,645 |
| Total Retail portfolios | | | | | | | | |
| Retail residential mortgages (including HELOCs) | - | - | 5,440 | - | 5,851 | - | - | 11,291 |
| Other retail | 292 | - | - | - | 6,122 | - | - | 6,414 |
| SME treated as retail | - | - | - | - | - | - | - | - |
| Total Retail portfolios | 292 | - | 5,440 | - | 11,973 | - | - | 17,705 |
| Total | 9,827 | 6,978 | 5,440 | 596 | 11,973 | 11,045 | 4,491 | 50,350 |

| Risk Weights | Q4 2009 | | | | | | | Total |
|---|---------|-------|-------|-----|--------|--------|-------|--------|
| | 0% | 20% | 35% | 50% | 75% | 100% | 150% | |
| Total Wholesale portfolios | | | | | | | | |
| Corporate (incl SMEs treated as Corporate) | - | 6,304 | - | 582 | - | 10,959 | 4,306 | 22,151 |
| Sovereign | 5,566 | - | - | - | - | - | - | 5,566 |
| Bank | - | 1,413 | - | - | - | - | - | 1,413 |
| Total Wholesale portfolios | 5,566 | 7,717 | - | 582 | - | 10,959 | 4,306 | 29,130 |
| Total Retail portfolios | | | | | | | | |
| Retail residential mortgages (including HELOCs) | - | - | 5,796 | - | 5,970 | - | - | 11,766 |
| Other retail | 274 | - | - | - | 5,643 | - | - | 5,917 |
| SME treated as retail | - | - | - | - | - | - | - | - |
| Total Retail portfolios | 274 | - | 5,796 | - | 11,613 | - | - | 17,683 |
| Total | 5,840 | 7,717 | 5,796 | 582 | 11,613 | 10,959 | 4,306 | 46,813 |

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

CORPORATE, SOVEREIGN AND BANK CREDIT EXPOSURE BY RISK CATEGORY UNDER AIRB APPROACH

| Corporate Sovereign Bank Exposures (\$ millions) | Q4 2010 | | | | | Q3 2010 | | | | | Q2 2010 | | | | | Q1 2010 | | | | |
|---|---------|---------|--------------------|--------------------------------|---------------------------------------|---------|---------|--------------------|--------------------------------|---------------------------------------|---------|---------|--------------------|--------------------------------|---------------------------------------|---------|---------|--------------------|--------------------------------|---------------------------------------|
| | Total | | Total Exposure (f) | Exposure Weighted Average LGD% | Exposure Weighted Average Risk weight | Total | | Total Exposure (f) | Exposure Weighted Average LGD% | Exposure Weighted Average Risk weight | Total | | Total Exposure (f) | Exposure Weighted Average LGD% | Exposure Weighted Average Risk weight | Total | | Total Exposure (f) | Exposure Weighted Average LGD% | Exposure Weighted Average Risk weight |
| | Drawn | Undrawn | | | | Drawn | Undrawn | | | | Drawn | Undrawn | | | | Drawn | Undrawn | | | |
| Total investment grade | 113,684 | 28,599 | 142,283 | 25.73% | 15.78% | 107,233 | 28,074 | 135,307 | 26.20% | 16.45% | 102,034 | 27,473 | 129,507 | 26.36% | 16.33% | 95,123 | 27,138 | 122,261 | 25.35% | 15.87% |
| Non-investment grade | 20,351 | 6,852 | 27,203 | 37.72% | 68.20% | 21,185 | 7,288 | 28,473 | 38.03% | 68.99% | 22,902 | 7,393 | 30,295 | 38.32% | 69.48% | 29,580 | 8,733 | 38,313 | 38.43% | 69.81% |
| Watchlist | 2,353 | 678 | 3,031 | 38.76% | 166.69% | 2,556 | 588 | 3,144 | 37.98% | 166.62% | 2,639 | 678 | 3,317 | 37.25% | 160.51% | 3,162 | 819 | 3,981 | 38.91% | 173.70% |
| Default | 1,553 | 123 | 1,676 | 55.05% | 84.16% | 1,533 | 137 | 1,670 | 56.67% | 84.33% | 1,682 | 128 | 1,810 | 56.70% | 79.55% | 2,095 | 145 | 2,240 | 67.33% | 81.03% |
| | 137,941 | 36,252 | 174,193 | | | 132,507 | 36,087 | 168,594 | | | 129,257 | 35,672 | 164,929 | | | 129,960 | 36,835 | 166,795 | | |

RETAIL CREDIT EXPOSURE BY PORTFOLIO AND RISK CATEGORY UNDER AIRB APPROACH

| Residential Mortgages and HELOCs (\$ millions) | Q4 2010 | | | | | Q3 2010 | | | | | Q2 2010 | | | | | Q1 2010 | | | | |
|---|---------|---------|--------------------|--------------------------------|---------------------------------------|---------|---------|--------------------|--------------------------------|---------------------------------------|---------|---------|--------------------|--------------------------------|---------------------------------------|---------|---------|--------------------|--------------------------------|---------------------------------------|
| | Total | | Total Exposure (f) | Exposure Weighted Average LGD% | Exposure Weighted Average Risk weight | Total | | Total Exposure (f) | Exposure Weighted Average LGD% | Exposure Weighted Average Risk weight | Total | | Total Exposure (f) | Exposure Weighted Average LGD% | Exposure Weighted Average Risk weight | Total | | Total Exposure (f) | Exposure Weighted Average LGD% | Exposure Weighted Average Risk weight |
| | Drawn | Undrawn | | | | Drawn | Undrawn | | | | Drawn | Undrawn | | | | Drawn | Undrawn | | | |
| Exceptionally low | 16,323 | 8,987 | 25,310 | 23.39% | 2.45% | 15,782 | 6,297 | 22,079 | 19.69% | 2.07% | 14,740 | 5,963 | 20,703 | 22.27% | 2.30% | 13,406 | 5,741 | 19,147 | 22.27% | 2.30% |
| Very low | 6,002 | - | 6,002 | 13.12% | 2.30% | 7,571 | - | 7,571 | 10.66% | 1.78% | 7,888 | - | 7,888 | 14.11% | 2.31% | 6,986 | - | 6,986 | 14.09% | 2.31% |
| Low | 9,731 | 508 | 10,239 | 17.82% | 10.71% | 9,982 | 401 | 10,383 | 15.45% | 9.19% | 9,950 | 384 | 10,334 | 17.34% | 10.78% | 9,126 | 377 | 9,503 | 17.44% | 10.76% |
| Medium | 4,614 | 98 | 4,912 | 15.66% | 28.20% | 4,617 | 85 | 4,702 | 15.79% | 28.03% | 4,252 | 76 | 4,328 | 15.50% | 26.39% | 4,419 | 72 | 4,491 | 16.02% | 27.65% |
| High | 261 | 13 | 274 | 17.71% | 95.15% | 255 | 8 | 263 | 15.12% | 72.98% | 245 | 7 | 252 | 16.15% | 88.19% | 262 | 7 | 269 | 16.19% | 88.24% |
| Default | 144 | 2 | 146 | 16.19% | 0.63% | 140 | 1 | 141 | 19.35% | 19.87% | 144 | 1 | 145 | 15.87% | 13.10% | 149 | 1 | 150 | 15.74% | 12.18% |
| | 37,275 | 9,608 | 46,883 | | | 38,347 | 6,792 | 45,139 | | | 37,219 | 6,431 | 43,650 | | | 34,348 | 6,198 | 40,546 | | |
| Qualifying Revolving Retail (\$ millions) | | | | | | | | | | | | | | | | | | | | |
| Exceptionally low | 613 | 9,994 | 10,607 | 88.74% | 2.06% | 632 | 7,176 | 7,808 | 95.55% | 2.25% | 617 | 7,095 | 7,712 | 95.55% | 2.25% | 594 | 6,876 | 7,470 | 95.57% | 2.25% |
| Very low | 1,699 | 8,654 | 10,353 | 81.94% | 4.55% | 1,694 | 6,444 | 8,138 | 68.62% | 4.09% | 1,681 | 6,574 | 8,255 | 69.24% | 4.13% | 1,638 | 6,584 | 8,222 | 69.84% | 4.17% |
| Low | 2,566 | 2,851 | 5,417 | 89.49% | 16.44% | 2,733 | 2,542 | 5,275 | 81.17% | 15.07% | 2,723 | 2,554 | 5,277 | 80.95% | 15.08% | 2,723 | 2,551 | 5,274 | 81.14% | 15.15% |
| Medium | 2,526 | 1,605 | 4,131 | 92.15% | 63.37% | 2,341 | 1,187 | 3,528 | 84.71% | 56.91% | 2,339 | 1,173 | 3,512 | 84.64% | 56.89% | 2,346 | 1,175 | 3,521 | 84.53% | 56.81% |
| High | 481 | 170 | 651 | 90.76% | 191.78% | 391 | 54 | 445 | 82.54% | 177.66% | 391 | 54 | 445 | 83.47% | 178.42% | 412 | 57 | 469 | 82.74% | 177.43% |
| Default | 33 | 5 | 38 | 71.48% | 58.66% | 29 | 2 | 31 | 57.51% | 131.22% | 30 | 2 | 32 | 57.70% | 125.81% | 32 | 2 | 34 | 59.88% | 116.14% |
| | 7,918 | 23,279 | 31,197 | | | 7,820 | 17,405 | 25,225 | | | 7,781 | 17,452 | 25,233 | | | 7,745 | 17,245 | 24,990 | | |
| Other Retail and Retail SME (\$ millions) | | | | | | | | | | | | | | | | | | | | |
| Exceptionally low | 105 | 670 | 775 | 83.08% | 8.69% | 91 | 178 | 269 | 90.50% | 10.12% | 64 | 177 | 241 | 93.22% | 10.19% | 59 | 175 | 234 | 93.14% | 10.20% |
| Very low | 1,876 | 1,006 | 2,882 | 93.11% | 33.26% | 1,997 | 604 | 2,601 | 88.52% | 23.04% | 2,038 | 620 | 2,658 | 88.26% | 22.88% | 1,970 | 610 | 2,580 | 88.51% | 22.95% |
| Low | 6,479 | 236 | 6,715 | 63.66% | 36.50% | 5,675 | 217 | 5,892 | 60.67% | 35.71% | 5,440 | 205 | 5,645 | 60.67% | 35.80% | 5,248 | 212 | 5,460 | 60.45% | 35.65% |
| Medium | 5,027 | 692 | 5,719 | 69.41% | 79.57% | 5,491 | 503 | 5,994 | 60.87% | 66.45% | 5,263 | 497 | 5,760 | 60.93% | 66.17% | 5,210 | 486 | 5,696 | 60.88% | 67.49% |
| High | 339 | 12 | 351 | 68.67% | 133.80% | 226 | 8 | 234 | 64.96% | 131.62% | 307 | 8 | 315 | 63.55% | 121.12% | 262 | 9 | 271 | 64.83% | 129.77% |
| Default | 59 | 2 | 61 | 67.53% | 5.58% | 51 | - | 51 | 63.63% | 4.44% | 56 | - | 56 | 63.31% | 5.24% | 70 | - | 70 | 62.09% | 15.24% |
| | 13,885 | 2,618 | 16,503 | | | 13,531 | 1,510 | 15,041 | | | 13,168 | 1,507 | 14,675 | | | 12,819 | 1,492 | 14,311 | | |

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

Recap of AIRB and Standardized Portfolios

| (\$ millions) | | | | | | | | | | | | | | | | | | | | |
|---|--|---------|--------|--|--|---------|--------|--|--|--|--|---------|--------|--|--|--|--|---------|--------|--|
| Total AIRB wholesale credit exposure by risk ratings | | 137,941 | 36,252 | | | 132,507 | 36,087 | | | | | 129,257 | 35,672 | | | | | 129,960 | 36,835 | |
| Retail AIRB credit exposure by portfolio and risk ratings | | | | | | | | | | | | | | | | | | | | |
| Residential mortgages | | 37,275 | 9,608 | | | 38,347 | 6,792 | | | | | 37,219 | 6,431 | | | | | 34,348 | 6,198 | |
| Qualifying revolving retail | | 7,918 | 23,279 | | | 7,820 | 17,405 | | | | | 7,781 | 17,452 | | | | | 7,745 | 17,245 | |
| Other retail and Retail SME | | 13,885 | 2,618 | | | 13,531 | 1,510 | | | | | 13,168 | 1,507 | | | | | 12,819 | 1,492 | |
| Total Standardized portfolio | | 43,779 | 1,784 | | | 44,994 | 1,724 | | | | | 43,619 | 1,823 | | | | | 44,602 | 2,284 | |
| Total Portfolio | | 240,798 | 73,541 | | | 236,799 | 63,518 | | | | | 231,044 | 62,885 | | | | | 229,474 | 64,054 | |

| Basel II Asset Classes | Q4 2010 | | Q3 2010 | | Q2 2010 | | Q1 2010 | |
|---|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| | Actual loss rate ^{1,2} | Expected loss rate ^{1,2} | Actual loss rate ^{1,2} | Expected loss rate ^{1,2} | Actual loss rate ^{1,2} | Expected loss rate ^{1,2} | Actual loss rate ^{1,2} | Expected loss rate ^{1,2} |
| Non-retail | | | | | | | | |
| Total Corporate (incl specialized lending and corporate SMEs) | 0.05% | 1.63% | 0.20% | 1.33% | 0.27% | 1.24% | 0.48% | 1.01% |
| Sovereign | - | 0.05% | - | 0.06% | - | 0.06% | - | 0.04% |
| Bank | 0.06% | 0.61% | - | 0.67% | - | 0.50% | 0.16% | 0.37% |
| Retail | | | | | | | | |
| Residential retail incl. HELOCs | 0.04% | 0.08% | 0.04% | 0.08% | 0.06% | 0.08% | 0.06% | 0.07% |
| Other retail incl. SBE | 0.70% | 1.08% | 0.68% | 1.02% | 0.66% | 1.02% | 0.60% | 1.01% |
| Qualifying revolving retail | 2.60% | 2.16% | 2.71% | 2.12% | 2.94% | 2.10% | 2.94% | 2.01% |

General

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

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

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

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

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

Commentary**Non Retail**

Corporate Portfolios – Actual losses continue to be lower than expected. The expected loss rate appears to have peaked as BEEL & EL increased while the outstanding balances have been declining.

Bank and Sovereign – Actual loss rates continued to be minimal.

Retail

Actual losses for qualifying revolving retail exposures during the last four quarters are higher than expected losses due to the impact of the recession and the fact that the expected loss rates reported in this schedule were established during a time period when economic conditions were more favourable. The expected loss rates in use for F2010 have been adjusted upwards to reflect the realities of the current retail credit environment.

CREDIT RISK FINANCIAL MEASURES ⁽¹⁾

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|--|------|------|------|------|------|------|------|------|------|--------|--------|--------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |

Diversification Ratios

| Gross Loans And Acceptances | | | | | | | | | |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Consumer | 56.6 % | 55.8 % | 55.6 % | 54.9 % | 53.9 % | 53.1 % | 50.6 % | 48.9 % | 49.0 % |
| Commercial and Corporate | 43.4 % | 44.2 % | 44.4 % | 45.1 % | 46.1 % | 46.9 % | 49.4 % | 51.1 % | 51.0 % |
| Canada | 75.4 % | 74.6 % | 74.3 % | 72.1 % | 71.3 % | 70.7 % | 67.6 % | 66.7 % | 66.0 % |
| United States | 19.4 % | 20.2 % | 20.5 % | 22.0 % | 22.7 % | 23.2 % | 26.0 % | 27.0 % | 27.7 % |
| Other Countries | 5.2 % | 5.2 % | 5.2 % | 5.9 % | 6.0 % | 6.1 % | 6.4 % | 6.3 % | 6.3 % |

Net Loans And Acceptances ⁽²⁾

| | | | | | | | | | |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Consumer | 56.7 % | 55.9 % | 55.7 % | 55.1 % | 54.1 % | 53.2 % | 50.8 % | 49.0 % | 49.1 % |
| Commercial and Corporate | 43.3 % | 44.1 % | 44.3 % | 44.9 % | 45.9 % | 46.8 % | 49.2 % | 51.0 % | 50.9 % |
| Canada | 75.7 % | 75.0 % | 74.5 % | 72.4 % | 71.7 % | 70.9 % | 67.9 % | 67.0 % | 66.2 % |
| United States | 19.1 % | 19.8 % | 20.2 % | 21.7 % | 22.3 % | 22.9 % | 25.7 % | 26.7 % | 27.4 % |
| Other Countries | 5.2 % | 5.2 % | 5.3 % | 5.9 % | 6.0 % | 6.2 % | 6.4 % | 6.3 % | 6.4 % |

Coverage Ratios ⁽³⁾

| Allowance for Credit Losses (ACL)-to-Gross Impaired Loans and Acceptances (GIL) | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total ⁽⁴⁾ | 58.3 % | 60.1 % | 55.4 % | 62.0 % | 57.7 % | 61.9 % | 61.4 % | 65.3 % | 73.2 % | 58.3 % | 57.7 % | 73.2 % |
| Consumer | 13.5 % | 12.1 % | 13.8 % | 13.9 % | 13.7 % | 12.9 % | 11.4 % | 3.5 % | 3.7 % | 13.5 % | 13.7 % | 3.7 % |
| Commercial and Corporate | 19.4 % | 20.3 % | 18.3 % | 21.1 % | 19.1 % | 18.2 % | 18.6 % | 17.9 % | 20.7 % | 19.4 % | 19.1 % | 20.7 % |
| Net write-offs-to-average loans and acceptances | 0.14 % | 0.14 % | 0.15 % | 0.18 % | 0.17 % | 0.19 % | 0.14 % | 0.24 % | 0.20 % | 0.60 % | 0.7 % | 0.5 % |

Condition Ratios ⁽³⁾

| | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| GIL-to-Gross Loans and Acceptances | 1.80 % | 1.78 % | 1.98 % | 1.83 % | 1.94 % | 1.66 % | 1.64 % | 1.39 % | 1.26 % |
| GIL-to-Equity and Allowance for Credit Losses ⁽⁵⁾ | 13.55 % | 13.54 % | 15.20 % | 13.89 % | 14.92 % | 13.54 % | 13.79 % | 12.69 % | 12.15 % |
| Net Impaired Loans and Acceptances (NIL)-to-Net Loans and Acceptances ⁽²⁾ | 0.76 % | 0.72 % | 0.90 % | 0.70 % | 0.83 % | 0.64 % | 0.64 % | 0.49 % | 0.34 % |
| NIL-to-segmented Net Loans and Acceptances ⁽²⁾ | | | | | | | | | |
| Consumer | 0.63 % | 0.63 % | 0.61 % | 0.61 % | 0.58 % | 0.54 % | 0.54 % | 0.50 % | 0.42 % |
| Commercial and Corporate | 2.60 % | 2.51 % | 2.95 % | 2.53 % | 2.80 % | 2.34 % | 2.20 % | 1.83 % | 1.64 % |
| Canada | 0.07 % | 0.01 % | 0.04 % | 0.07 % | 0.10 % | 0.10 % | 0.14 % | 0.13 % | 0.08 % |
| United States | 3.57 % | 3.47 % | 4.13 % | 2.73 % | 3.07 % | 2.18 % | 2.02 % | 1.40 % | 0.97 % |
| Other Countries | 0.43 % | 0.54 % | 0.62 % | 1.07 % | 1.24 % | 1.09 % | 0.41 % | 0.41 % | 0.41 % |

Consumer Loans (Canada)
90 Days & Over Delinquency Ratios

| | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Personal Loans | 0.29 % | 0.27 % | 0.30 % | 0.35 % | 0.37 % | 0.33 % | 0.33 % | 0.30 % | 0.26 % |
| Credit Card | 1.09 % | 1.06 % | 1.11 % | 1.18 % | 1.18 % | 1.14 % | 1.12 % | 0.93 % | 0.76 % |
| Mortgages | 0.54 % | 0.55 % | 0.60 % | 0.64 % | 0.66 % | 0.67 % | 0.68 % | 0.60 % | 0.46 % |
| Total Consumer (excluding Government Guaranteed Student Loans) | 0.50 % | 0.50 % | 0.54 % | 0.59 % | 0.61 % | 0.60 % | 0.60 % | 0.53 % | 0.42 % |
| Total Consumer | 0.51 % | 0.51 % | 0.55 % | 0.60 % | 0.62 % | 0.62 % | 0.62 % | 0.55 % | 0.44 % |

Consumer Loans (U.S.)
90 Days & Over Delinquency Ratios

| | | | | | | | | | |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Personal Loans | 0.80 % | 0.72 % | 0.72 % | 0.84 % | 0.69 % | 0.64 % | 0.60 % | 0.50 % | 0.36 % |
| Credit Card | 1.57 % | 1.59 % | 1.72 % | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Mortgages | 4.48 % | 4.28 % | 3.83 % | 3.44 % | 2.77 % | 2.23 % | 1.81 % | 1.31 % | 0.94 % |
| Total Consumer | 2.04 % | 1.96 % | 1.83 % | 1.79 % | 1.47 % | 1.27 % | 1.08 % | 0.82 % | 0.59 % |

Consumer Loans (Consolidated)
90 Days & Over Delinquency Ratios

| | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Personal Loans | 0.40 % | 0.37 % | 0.39 % | 0.47 % | 0.45 % | 0.41 % | 0.41 % | 0.36 % | 0.31 % |
| Credit Card | 1.13 % | 1.11 % | 1.16 % | 1.18 % | 1.18 % | 1.14 % | 1.12 % | 0.93 % | 0.76 % |
| Mortgages | 0.82 % | 0.83 % | 0.84 % | 0.87 % | 0.85 % | 0.81 % | 0.79 % | 0.67 % | 0.51 % |
| Total Consumer (excluding Government Guaranteed Student Loans) | 0.68 % | 0.68 % | 0.70 % | 0.74 % | 0.72 % | 0.69 % | 0.68 % | 0.58 % | 0.46 % |
| Total Consumer | 0.70 % | 0.69 % | 0.71 % | 0.75 % | 0.73 % | 0.71 % | 0.69 % | 0.59 % | 0.47 % |

(1) Segmented credit information by geographic area is based upon the country of ultimate risk.

(2) Aggregate balances are net of specific and general allowances; the consumer, commercial and corporate categories are stated net of specific allowances only.

(3) Q4, 2010 GIL includes \$302 million, (Q3, 2010 \$327 million, Q2, 2010 \$437 million) relating to the US portfolio acquired in Q2, 2010. These assets were recorded at market value, no allowance required. This portfolio is covered by a loss share agreement with the FDIC absorbing 80% of loan losses.

(4) Excluding the US portfolio acquired in Q2 and covered by FDIC agreement, the Q4 ratio would be 64% (Q3: 67% and Q2: 64%).

(5) Effective Q4, 2010, the calculation excludes non-controlling interest in subsidiaries. Prior periods have been restated to reflect this change.

**PROVISION FOR CREDIT LOSSES (PCL)
SEGMENTED INFORMATION (1)**

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | Fiscal | Fiscal | Fiscal |
|-------------------------------|------|------|------|------|------|------|------|------|------|--------|--------|--------|
| (\$ millions except as noted) | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2010 | 2009 | 2008 |

Performance Ratios (Annualized)

| | | | | | | | | | | | | |
|--|---------|--------|---------|--------|--------|--------|--------|--------|--------|---------|--------|--------|
| PCL-to-average net loans and acceptances | 0.58 % | 0.50 % | 0.59 % | 0.79 % | 0.89 % | 0.94 % | 0.79 % | 0.90 % | 1.01 % | 0.61 % | 0.88 % | 0.76 % |
| PCL-to-segmented average net loans and acceptances | | | | | | | | | | | | |
| Consumer | 0.58 % | 0.60 % | 0.72 % | 0.73 % | 0.74 % | 0.74 % | 0.75 % | 0.57 % | 0.49 % | 0.66 % | 0.70 % | 0.37 % |
| Commercial and Corporate | 0.57 % | 0.36 % | 0.42 % | 0.86 % | 1.06 % | 0.88 % | 0.84 % | 1.22 % | 0.88 % | 0.55 % | 1.00 % | 0.88 % |
| Canada | 0.32 % | 0.34 % | 0.45 % | 0.45 % | 0.40 % | 0.50 % | 0.40 % | 0.35 % | 0.48 % | 0.39 % | 0.41 % | 0.27 % |
| United States | 1.41 % | 1.20 % | 1.37 % | 2.09 % | 2.69 % | 2.27 % | 1.98 % | 2.45 % | 2.36 % | 1.49 % | 2.33 % | 2.25 % |
| Other Countries | (0.04)% | 0.00 % | (0.55)% | 0.20 % | 0.04 % | 0.72 % | 0.00 % | 0.00 % | 1.48 % | (0.10)% | 0.19 % | 0.61 % |

Provision for Credit Losses by Country

| | | | | | | | | | | | | |
|-----------------------------------|-----|-----|------|-----|-----|-----|-----|-----|-----|-------|-------|-------|
| Canada | 98 | 110 | 139 | 138 | 125 | 154 | 127 | 111 | 155 | 485 | 517 | 340 |
| United States | 156 | 104 | 123 | 190 | 260 | 243 | 245 | 317 | 269 | 573 | 1,065 | 942 |
| Other Countries | (1) | - | (13) | 5 | 1 | 20 | - | - | 41 | (9) | 21 | 48 |
| Total Provision For Credit Losses | 253 | 214 | 249 | 333 | 386 | 417 | 372 | 428 | 465 | 1,049 | 1,603 | 1,330 |

Specific Provision for Credit Losses by Country

| | | | | | | | | | | | | |
|--|-----|-----|------|-----|-----|-----|-----|-----|-----|-------|-------|-------|
| Canada | 98 | 110 | 139 | 138 | 125 | 144 | 127 | 111 | 97 | 485 | 507 | 348 |
| United States | 156 | 104 | 123 | 190 | 260 | 193 | 245 | 317 | 177 | 573 | 1,015 | 674 |
| Other Countries | (1) | 0 | (13) | 5 | 1 | 20 | - | - | 41 | (9) | 21 | 48 |
| Total Specific Provision for Credit Losses | 253 | 214 | 249 | 333 | 386 | 357 | 372 | 428 | 315 | 1,049 | 1,543 | 1,070 |

Interest Income on Impaired Loans

| | | | | | | | | | | | | |
|-------|---|-----|---|-----|-----|---|-----|-----|-----|-----|-----|-----|
| Total | 1 | (2) | - | (4) | (1) | 2 | (5) | (2) | (2) | (5) | (6) | (7) |
|-------|---|-----|---|-----|-----|---|-----|-----|-----|-----|-----|-----|

(1) Segmented credit information by geographic area is based upon the country of ultimate risk.

**PROVISION FOR CREDIT LOSSES
SEGMENTED INFORMATION**

| | Q4 | Fiscal | Fiscal | Fiscal |
|---------------|------|--------|--------|--------|
| (\$ millions) | 2010 | 2010 | 2009 | 2008 |

Provision by Product and Industry

| | | | | |
|--|-----|-------|-------|-------|
| Consumer | | | | |
| Residential mortgages | 15 | 27 | 26 | 5 |
| Cards | 42 | 194 | 174 | 154 |
| Personal Loans | 88 | 409 | 450 | 178 |
| Total Loans to Consumers | 145 | 630 | 650 | 337 |
| Commercial and Corporate | | | | |
| Commercial mortgages | 33 | 87 | 114 | 1 |
| Commercial real estate | 26 | 91 | 277 | 254 |
| Construction (non-real estate) | 25 | 48 | 31 | 2 |
| Retail trade | 3 | 22 | 7 | 10 |
| Wholesale trade | (3) | 9 | 44 | 3 |
| Agriculture | 5 | 8 | 10 | 2 |
| Communications | - | 8 | 3 | - |
| Manufacturing | (1) | 9 | 237 | 132 |
| Mining | - | - | - | - |
| Oil and Gas | 3 | (1) | 7 | 27 |
| Transportation | 3 | 18 | 32 | 12 |
| Utilities | - | - | - | - |
| Forest Products | (1) | (4) | 17 | 5 |
| Service industries | 12 | 59 | 50 | 33 |
| Financial - excluding securities | | | | |
| borrowed or purchased under resale agreements | 3 | 66 | 62 | 251 |
| Government | - | - | 1 | 2 |
| Other | - | (1) | 1 | (1) |
| Total Commercial and Corporate, excluding Securities Borrowed or Purchased under Resale Agreements | 108 | 419 | 893 | 733 |
| Total Commercial and Corporate | 108 | 419 | 893 | 733 |
| Total specific provision for credit losses | 253 | 1,049 | 1,543 | 1,070 |
| General provision | - | - | 60 | 260 |
| Total Provision for Credit Losses | 253 | 1,049 | 1,603 | 1,330 |

| Fiscal | Fiscal | Fiscal |
|--------|--------|--------|
| 2010 | 2009 | 2008 |

| | | |
|--------|--------|--------|
| 2.6% | 1.7% | 0.5% |
| 18.5% | 11.3% | 14.4% |
| 39.0% | 29.1% | 16.6% |
| 60.1% | 42.1% | 31.5% |
| 8.3% | 7.4% | 0.1% |
| 8.7% | 18.0% | 23.7% |
| 4.6% | 2.0% | 0.2% |
| 2.1% | 0.5% | 0.9% |
| 0.9% | 2.9% | 0.3% |
| 0.8% | 0.6% | 0.2% |
| 0.8% | 0.2% | 0.0% |
| 0.9% | 15.4% | 12.3% |
| 0.0% | 0.0% | 0.0% |
| (0.1)% | 0.5% | 2.5% |
| 1.7% | 2.1% | 1.1% |
| 0.0% | 0.0% | 0.0% |
| (0.4)% | 1.1% | 0.5% |
| 5.6% | 3.2% | 3.1% |
| 0.0% | 0.0% | 0.0% |
| 6.3% | 4.0% | 23.7% |
| 0.0% | 0.1% | 0.2% |
| (0.1)% | 0.1% | (0.1)% |
| 39.9% | 57.9% | 68.5% |
| 39.9% | 57.9% | 68.5% |
| 100.0% | 100.0% | 100.0% |

**WRITE OFFS
BY INDUSTRY**

(\$ millions)

| | Q4 | Fiscal |
|--------------------------------|------|--------|
| | 2010 | 2010 |
| Consumer Write Offs | 172 | 752 |
| Commercial and Corporate | | |
| Commercial mortgages | 5 | 68 |
| Commercial real estate | 8 | 84 |
| Construction (non-real estate) | 3 | 17 |
| Retail trade | 2 | 9 |
| Wholesale trade | 4 | 14 |
| Agriculture | 5 | 9 |
| Communications | - | 7 |
| Manufacturing | 22 | 69 |
| Mining | - | - |
| Oil and Gas | 8 | 8 |
| Transportation | 3 | 32 |
| Utilities | - | - |
| Forest Products | 1 | 3 |
| Service industries | 27 | 52 |
| Financial | 30 | 71 |
| Government | - | - |
| Other | 2 | 21 |
| Total Commercial and Corporate | 120 | 464 |
| Total Write offs | 292 | 1,216 |

**WRITE OFFS BY
GEOGRAPHIC REGION**

| | Q4 | Fiscal |
|-----------------|------|--------|
| | 2010 | 2010 |
| Canada | 151 | 544 |
| United States | 139 | 670 |
| Other Countries | 2 | 2 |
| Total | 292 | 1,216 |

**GROSS LOANS AND ACCEPTANCES
BY PRODUCT AND INDUSTRY**

| (\$ millions) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 (1) | 2009 Q4 (1) | 2009 Q3 (1) | 2009 Q2 (1) | 2009 Q1 (1) | 2008 Q4 | MIX Q4 | INC/(DEC) VS LAST YEAR | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|---------------|
| Consumer | | | | | | | | | | | | |
| Residential mortgages (2) | 46,515 | 44,778 | 44,271 | 44,106 | 43,109 | 46,255 | 45,489 | 47,420 | 46,589 | 26.1 % | 3,406 | 7.9 % |
| Cards | 3,308 | 3,304 | 3,318 | 3,324 | 2,574 | 2,383 | 2,100 | 2,105 | 2,120 | 1.9 % | 734 | 28.5 % |
| Personal loans | 51,159 | 49,741 | 47,774 | 46,813 | 45,824 | 44,466 | 44,316 | 44,355 | 43,737 | 28.6 % | 5,335 | 11.6 % |
| Total Consumer | 100,982 | 97,823 | 95,363 | 94,243 | 91,507 | 93,104 | 91,905 | 93,880 | 92,446 | 56.6 % | 9,475 | 10.4 % |
| Commercial and Corporate, excluding Securities Borrowed or Purchased under Resale Agreements | | | | | | | | | | | | |
| Commercial mortgages | 10,308 | 10,523 | 9,508 | 9,591 | 9,313 | 9,767 | 9,919 | 10,143 | 10,121 | 5.8 % | 995 | 10.7 % |
| Commercial real estate | 6,861 | 6,936 | 6,754 | 6,881 | 6,724 | 6,936 | 7,539 | 8,037 | 8,408 | 3.8 % | 137 | 2.0 % |
| Construction (non-real estate) | 1,842 | 1,753 | 1,697 | 1,655 | 1,802 | 1,828 | 1,910 | 1,802 | 1,861 | 1.0 % | 40 | 2.2 % |
| Retail trade | 5,763 | 5,630 | 5,677 | 5,079 | 4,872 | 4,792 | 5,084 | 5,206 | 5,275 | 3.2 % | 891 | 18.3 % |
| Wholesale trade | 3,197 | 2,901 | 2,822 | 2,759 | 2,882 | 3,218 | 3,606 | 3,633 | 3,863 | 1.8 % | 315 | 10.9 % |
| Agriculture | 3,856 | 3,692 | 3,672 | 3,659 | 3,524 | 3,569 | 3,690 | 3,742 | 3,778 | 2.2 % | 332 | 9.4 % |
| Communications | 933 | 829 | 819 | 931 | 1,041 | 1,128 | 1,484 | 1,495 | 1,404 | 0.5 % | (108) | (10.4)% |
| Manufacturing | 6,305 | 6,679 | 6,338 | 6,466 | 7,135 | 7,590 | 9,011 | 9,509 | 9,398 | 3.5 % | (830) | (11.6)% |
| Industrial products | 2,044 | 2,006 | 2,055 | 2,094 | 2,276 | 2,481 | 2,861 | 3,009 | 3,210 | 1.1 % | (232) | (10.2)% |
| Consumer products | 2,293 | 2,760 | 2,307 | 2,279 | 2,591 | 2,708 | 3,204 | 3,541 | 3,216 | 1.3 % | (298) | (11.5)% |
| Automotive | 375 | 405 | 390 | 368 | 419 | 431 | 509 | 547 | 498 | 0.2 % | (44) | (10.5)% |
| Other manufacturing | 1,593 | 1,508 | 1,586 | 1,725 | 1,849 | 1,970 | 2,437 | 2,412 | 2,474 | 0.9 % | (256) | (13.8)% |
| Mining | 266 | 373 | 549 | 936 | 1,049 | 1,267 | 2,308 | 3,238 | 3,256 | 0.1 % | (783) | (74.6)% |
| Oil and Gas | 3,680 | 3,277 | 3,290 | 3,760 | 4,286 | 4,744 | 5,515 | 6,222 | 6,224 | 2.1 % | (606) | (14.1)% |
| Transportation | 1,295 | 1,744 | 1,380 | 1,418 | 1,407 | 1,828 | 1,565 | 1,669 | 1,796 | 0.7 % | (112) | (8.0)% |
| Utilities | 1,101 | 1,045 | 917 | 985 | 1,197 | 1,037 | 1,280 | 1,516 | 1,591 | 0.6 % | (96) | (8.0)% |
| Forest products | 420 | 488 | 547 | 626 | 718 | 787 | 819 | 914 | 881 | 0.2 % | (298) | (41.5)% |
| Service industries | 8,656 | 8,524 | 8,431 | 8,843 | 8,922 | 8,945 | 9,240 | 9,723 | 9,636 | 4.8 % | (266) | (3.0)% |
| Automotive lease and rental | 615 | 704 | 668 | 602 | 628 | 613 | 574 | 627 | 633 | 0.3 % | (13) | (2.1)% |
| Educational | 1,112 | 1,153 | 1,151 | 1,239 | 1,183 | 1,220 | 1,156 | 1,201 | 1,178 | 0.6 % | (71) | (6.0)% |
| Health care | 1,735 | 1,522 | 1,514 | 1,589 | 1,543 | 1,586 | 1,612 | 1,755 | 1,657 | 1.0 % | 192 | 12.4 % |
| Business and professional services | 1,737 | 1,728 | 1,618 | 1,758 | 1,839 | 1,871 | 1,957 | 2,058 | 2,146 | 1.0 % | (102) | (5.5)% |
| Hospitality and recreation | 1,762 | 1,642 | 1,741 | 1,763 | 1,716 | 1,772 | 1,849 | 1,880 | 1,870 | 1.0 % | 46 | 2.7 % |
| Other | 1,695 | 1,775 | 1,739 | 1,892 | 2,013 | 1,883 | 2,092 | 2,202 | 2,152 | 0.9 % | (318) | (15.8)% |
| Financial | 17,419 | 17,642 | 16,576 | 17,930 | 17,980 | 19,701 | 21,171 | 24,719 | 23,780 | 9.8 % | (561) | (3.1)% |
| Government | 582 | 576 | 536 | 599 | 603 | 636 | 789 | 804 | 867 | 0.3 % | (21) | (3.5)% |
| Other (3) | 5,055 | 4,999 | 6,762 | 5,170 | 4,769 | 4,479 | 4,640 | 5,588 | 4,124 | 3.0 % | 286 | 6.0 % |
| Total Commercial and Corporate | 77,539 | 77,611 | 76,275 | 77,288 | 78,224 | 82,252 | 89,570 | 97,960 | 96,263 | 43.4 % | (685) | (0.9)% |
| Total Gross Loans and Acceptances | 178,521 | 175,434 | 171,638 | 171,531 | 169,731 | 175,356 | 181,475 | 191,840 | 188,709 | 100.0 % | 8,790 | 5.2 % |

(1) In Q4, 2009, the industry allocation of impaired loans for US operations was revised to reclassify impairment on commercial mortgages from applicable industry categories to commercial mortgages. In Q2, 2010, some commercial real estate and mortgage balances were reclassified to the Other industry category. All quarters from Q1, 2009 have been restated to reflect these changes; periods prior to Fiscal 2009 have not been restated.

(2) Certain residential mortgages have been classified as Commercial and Corporate.

(3) Q2, 2010 includes \$1.5 billion related to acquired US portfolio, these assets have been largely distributed to the appropriate Product and Industry effective Q3, 2010.

**ALLOWANCES FOR CREDIT LOSSES
BY PRODUCT AND INDUSTRY**

| (\$ millions) | 2010 Q4 (1) | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 (2) | 2009 Q2 (2) | 2009 Q1 (2) | 2008 Q4 | MIX Q4 (1) | INC/(DEC) VS LAST YEAR |
|---|----------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|--------------|----------------|---------------------------|
| Specific Allowances | | | | | | | | | | | |
| Consumer | | | | | | | | | | | |
| Residential mortgages | 52 | 38 | 39 | 37 | 33 | 29 | 21 | 16 | 13 | 2.8 % | 19 |
| Cards | - | - | - | - | - | - | - | - | - | 0.0 % | - |
| Consumer instalments & other personal loans (3) | 47 | 47 | 54 | 56 | 51 | 45 | 43 | 1 | 2 | 2.5 % | (4) |
| Total Consumer | 99 | 85 | 93 | 93 | 84 | 74 | 64 | 17 | 15 | 5.3 % | 15 |
| Commercial and Corporate, excluding Securities Borrowed or Purchased under Resale Agreements | | | | | | | | | | | |
| Commercial mortgages | 55 | 33 | 31 | 22 | 29 | 23 | 23 | 5 | - | 2.9 % | 26 |
| Commercial real estate | 65 | 65 | 60 | 67 | 76 | 79 | 76 | 78 | 108 | 3.5 % | (11) |
| Construction (non-real estate) | 40 | 16 | 20 | 8 | 7 | 5 | 8 | 4 | 4 | 2.1 % | 33 |
| Retail trade | 12 | 19 | 16 | 15 | 8 | 9 | 6 | 6 | 6 | 0.6 % | 4 |
| Wholesale trade | 23 | 29 | 30 | 28 | 28 | 21 | 27 | 18 | 14 | 1.2 % | (5) |
| Agriculture | 17 | 17 | 18 | 21 | 19 | 11 | 9 | 9 | 9 | 0.9 % | (2) |
| Communications | 1 | - | - | 4 | - | - | - | 2 | - | 0.1 % | 1 |
| Manufacturing | 85 | 84 | 91 | 121 | 129 | 120 | 143 | 117 | 108 | 4.5 % | (44) |
| Industrial products | 19 | 29 | 25 | 24 | 28 | 27 | 35 | 28 | 16 | 1.0 % | (9) |
| Consumer products | 30 | 30 | 29 | 29 | 28 | 16 | 41 | 4 | 8 | 1.6 % | 2 |
| Automotive | 4 | 7 | 8 | 15 | 17 | 25 | 17 | 10 | 9 | 0.2 % | (13) |
| Other manufacturing | 32 | 18 | 29 | 53 | 56 | 52 | 50 | 75 | 75 | 1.7 % | (24) |
| Mining | - | - | - | - | - | - | - | - | - | 0.0 % | - |
| Oil and Gas | 2 | 7 | 2 | 7 | 6 | 4 | 29 | 26 | 25 | 0.1 % | (4) |
| Transportation | 9 | 8 | 19 | 20 | 21 | 4 | 10 | 8 | 8 | 0.5 % | (12) |
| Utilities | - | - | - | - | - | - | - | - | - | 0.0 % | - |
| Forest products | 15 | 17 | 23 | 22 | 22 | 23 | 7 | 6 | 6 | 0.8 % | (7) |
| Service industries | 51 | 65 | 63 | 52 | 43 | 30 | 28 | 24 | 23 | 2.7 % | 8 |
| Automotive lease and rental | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0.2 % | 2 |
| Educational | - | - | - | - | - | - | - | - | - | 0.0 % | - |
| Health care | 2 | 4 | 5 | 6 | 6 | 5 | 6 | 6 | 5 | 0.1 % | (4) |
| Business and professional services | 13 | 14 | 13 | 9 | 9 | 13 | 12 | 12 | 10 | 0.7 % | 4 |
| Hospitality and recreation | 6 | 9 | 10 | 8 | 6 | 3 | 4 | 3 | 3 | 0.3 % | - |
| Other | 27 | 36 | 34 | 28 | 21 | 8 | 5 | 2 | 4 | 1.4 % | 6 |
| Financial | 101 | 127 | 123 | 121 | 113 | 86 | 71 | 71 | 70 | 5.4 % | (12) |
| Government | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 0.1 % | - |
| Other | 4 | 3 | 3 | 10 | 9 | 8 | 8 | 14 | 28 | 0.4 % | (5) |
| Total Commercial and Corporate | 482 | 492 | 501 | 520 | 512 | 426 | 447 | 390 | 411 | 25.7 % | (30) |
| Total Specific Allowances | 581 | 577 | 594 | 613 | 596 | 500 | 511 | 407 | 426 | 31.0 % | (15) |
| General allowance | 1,297 | 1,302 | 1,291 | 1,330 | 1,306 | 1,303 | 1,314 | 1,334 | 1,321 | 69.0 % | (9) |
| Total Allowance for Credit Losses | 1,878 | 1,879 | 1,885 | 1,943 | 1,902 | 1,803 | 1,825 | 1,741 | 1,747 | 100.0 % | (24) |

(1) Excludes allowance for Other Credit Instruments, which is included in Other Liabilities.

(2) In Q4, 2009, the industry allocation of impaired loans for US operations was revised to reclassify impairment on commercial mortgages to the commercial mortgages category. Previously commercial mortgages for US operations were classified in applicable industry categories. All quarters in Fiscal 2009 have been restated to reflect this reclassification; periods prior to Fiscal 2009 have not been restated.

(3) The specific allowance in Q2, 2009 includes a one time charge to PCL to apply a specific allowance to consumer loans for which facility-specific provisions are not taken. This specific allowance represents a methodology refinement and not new losses.

**NET LOANS AND ACCEPTANCES
BY PRODUCT AND INDUSTRY**

| (\$ millions) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 (1) | 2009 Q4 (1) | 2009 Q3 (1) | 2009 Q2 (1) | 2009 Q1 (1) | 2008 Q4 | MIX Q4 | INC/(DEC) VS LAST YEAR |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|
| Consumer | | | | | | | | | | | |
| Residential mortgages | 46,463 | 44,740 | 44,232 | 44,069 | 43,076 | 46,226 | 45,468 | 47,404 | 46,576 | 26.3 % | 3,387 |
| Cards | 3,308 | 3,304 | 3,318 | 3,324 | 2,574 | 2,383 | 2,100 | 2,105 | 2,120 | 1.9 % | 734 |
| Consumer instalments & other personal loans | 51,112 | 49,694 | 47,720 | 46,757 | 45,773 | 44,421 | 44,273 | 44,354 | 43,735 | 28.9 % | 5,339 |
| Total Consumer | 100,883 | 97,738 | 95,270 | 94,150 | 91,423 | 93,030 | 91,841 | 93,863 | 92,431 | 57.1 % | 9,460 |
| Commercial and Corporate, excluding Securities Borrowed or Purchased under Resale Agreements | | | | | | | | | | | |
| Commercial mortgages | 10,253 | 10,490 | 9,477 | 9,569 | 9,284 | 9,744 | 9,896 | 10,138 | 10,121 | 5.8 % | 969 |
| Commercial real estate | 6,796 | 6,871 | 6,694 | 6,814 | 6,648 | 6,857 | 7,463 | 7,959 | 8,300 | 3.8 % | 148 |
| Construction (non-real estate) | 1,802 | 1,737 | 1,677 | 1,647 | 1,795 | 1,823 | 1,902 | 1,798 | 1,857 | 1.0 % | 7 |
| Retail trade | 5,751 | 5,611 | 5,661 | 5,064 | 4,864 | 4,783 | 5,078 | 5,200 | 5,269 | 3.3 % | 887 |
| Wholesale trade | 3,174 | 2,872 | 2,792 | 2,731 | 2,854 | 3,197 | 3,579 | 3,615 | 3,849 | 1.8 % | 320 |
| Agriculture | 3,839 | 3,675 | 3,654 | 3,638 | 3,505 | 3,558 | 3,681 | 3,733 | 3,769 | 2.2 % | 334 |
| Communications | 932 | 829 | 819 | 927 | 1,041 | 1,128 | 1,484 | 1,493 | 1,404 | 0.5 % | (109) |
| Manufacturing | 6,220 | 6,595 | 6,247 | 6,345 | 7,006 | 7,470 | 8,868 | 9,392 | 9,290 | 3.5 % | (786) |
| Industrial products | 2,025 | 1,977 | 2,030 | 2,070 | 2,248 | 2,454 | 2,826 | 2,981 | 3,194 | 1.1 % | (223) |
| Consumer products | 2,263 | 2,730 | 2,278 | 2,250 | 2,563 | 2,692 | 3,163 | 3,537 | 3,208 | 1.3 % | (300) |
| Automotive | 371 | 398 | 382 | 353 | 402 | 406 | 492 | 537 | 489 | 0.2 % | (31) |
| Other manufacturing | 1,561 | 1,490 | 1,557 | 1,672 | 1,793 | 1,918 | 2,387 | 2,337 | 2,399 | 0.9 % | (232) |
| Mining | 266 | 373 | 549 | 936 | 1,049 | 1,267 | 2,308 | 3,238 | 3,256 | 0.2 % | (783) |
| Oil and Gas | 3,678 | 3,270 | 3,288 | 3,753 | 4,280 | 4,740 | 5,486 | 6,196 | 6,199 | 2.1 % | (602) |
| Transportation | 1,286 | 1,736 | 1,361 | 1,398 | 1,386 | 1,824 | 1,555 | 1,661 | 1,788 | 0.7 % | (100) |
| Utilities | 1,101 | 1,045 | 917 | 985 | 1,197 | 1,037 | 1,280 | 1,516 | 1,591 | 0.6 % | (96) |
| Forest products | 405 | 471 | 524 | 604 | 696 | 764 | 812 | 908 | 875 | 0.2 % | (291) |
| Service industries | 8,605 | 8,459 | 8,368 | 8,791 | 8,879 | 8,915 | 9,212 | 9,699 | 9,613 | 4.9 % | (274) |
| Automotive lease and rental | 612 | 702 | 667 | 601 | 627 | 612 | 573 | 626 | 632 | 0.3 % | (15) |
| Educational | 1,112 | 1,153 | 1,151 | 1,239 | 1,183 | 1,220 | 1,156 | 1,201 | 1,178 | 0.6 % | (71) |
| Health care | 1,733 | 1,518 | 1,509 | 1,583 | 1,537 | 1,581 | 1,606 | 1,749 | 1,652 | 1.0 % | 196 |
| Business and professional services | 1,724 | 1,714 | 1,605 | 1,749 | 1,830 | 1,858 | 1,945 | 2,046 | 2,136 | 1.0 % | (106) |
| Hospitality and recreation | 1,756 | 1,633 | 1,731 | 1,755 | 1,710 | 1,769 | 1,845 | 1,877 | 1,867 | 1.0 % | 46 |
| Other | 1,668 | 1,739 | 1,705 | 1,864 | 1,992 | 1,875 | 2,087 | 2,200 | 2,148 | 1.0 % | (324) |
| Financial | 17,318 | 17,515 | 16,453 | 17,809 | 17,867 | 19,615 | 21,100 | 24,648 | 23,710 | 9.8 % | (549) |
| Government | 580 | 574 | 534 | 597 | 601 | 633 | 787 | 802 | 865 | 0.3 % | (21) |
| Other (2) | 5,051 | 4,996 | 6,759 | 5,160 | 4,760 | 4,471 | 4,632 | 5,574 | 4,096 | 2.9 % | 291 |
| Total Commercial and Corporate | 77,057 | 77,119 | 75,774 | 76,768 | 77,712 | 81,826 | 89,123 | 97,570 | 95,852 | 43.6 % | (655) |
| Loans and Acceptances, Net of Specific Allowances | 177,940 | 174,857 | 171,044 | 170,918 | 169,135 | 174,856 | 180,964 | 191,433 | 188,283 | 100.7 % | 8,805 |
| General allowance | (1,297) | (1,302) | (1,291) | (1,330) | (1,306) | (1,303) | (1,314) | (1,334) | (1,321) | (0.7)% | (9) |
| Total Net Loans and Acceptances | 176,643 | 173,555 | 169,753 | 169,588 | 167,829 | 173,553 | 179,650 | 190,099 | 186,962 | 100.0 % | 8,814 |

(1) In Q4, 2009, the industry allocation of impaired loans for US operations was revised to reclassify impairment on commercial mortgages from applicable industry categories to commercial mortgages. In Q2, 2010, some commercial real estate and mortgage balances were reclassified to the Other industry category. All quarters from Q1, 2009 have been restated to reflect these changes; periods prior to Fiscal 2009 have not been restated.

(2) Q2, 2010 includes \$1.5 billion related to acquired US portfolio, these assets have been largely distributed to the appropriate Product and Industry effective Q3, 2010.

**GROSS IMPAIRED LOANS
AND ACCEPTANCES
BY PRODUCT AND INDUSTRY ⁽¹⁾**



| (\$ millions) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 (2) | 2009 Q2 (2) | 2009 Q1 (2) | 2008 Q4 | % ⁽¹⁾ Q4 | INC/(DEC) VS LAST YEAR |
|---|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|--------------|------------------------|---------------------------|
| Consumer | | | | | | | | | | | |
| Residential mortgages | 279 | 263 | 250 | 260 | 269 | 278 | 287 | 279 | 224 | 0.6 % | 10 3.7 % |
| Consumer instalments & other personal loans | 457 | 440 | 422 | 408 | 342 | 295 | 276 | 211 | 182 | 0.8 % | 115 33.6 % |
| Total Consumer | 736 | 703 | 672 | 668 | 611 | 573 | 563 | 490 | 406 | 0.7 % | 125 20.5 % |
| Commercial and Corporate, excluding Securities Borrowed or Purchased under Resale Agreements | | | | | | | | | | | |
| Commercial mortgages | 619 | 630 | 427 | 419 | 539 | 469 | 414 | 304 | 38 | 6.0 % | 80 14.8 % |
| Commercial real estate | 665 | 764 | 651 | 652 | 618 | 607 | 706 | 589 | 568 | 9.7 % | 47 7.6 % |
| Construction (non-real estate) | 106 | 58 | 54 | 26 | 16 | 14 | 17 | 19 | 19 | 5.8 % | 90 +100.0% |
| Retail trade | 70 | 49 | 72 | 77 | 48 | 33 | 44 | 43 | 47 | 1.2 % | 22 45.8 % |
| Wholesale trade | 52 | 57 | 62 | 71 | 76 | 69 | 82 | 73 | 65 | 1.6 % | (24) (31.6)% |
| Agriculture | 61 | 61 | 75 | 94 | 119 | 113 | 100 | 98 | 82 | 1.6 % | (58) (48.7)% |
| Communications | 2 | 2 | 10 | 17 | - | - | - | 4 | - | 0.2 % | 2 0.0 % |
| Manufacturing | 203 | 191 | 252 | 308 | 381 | 369 | 477 | 451 | 383 | 3.2 % | (178) (46.7)% |
| Industrial products | 68 | 72 | 81 | 82 | 118 | 79 | 114 | 109 | 91 | 3.3 % | (50) (42.4)% |
| Consumer products | 62 | 52 | 54 | 60 | 72 | 99 | 151 | 169 | 72 | 2.7 % | (10) (13.9)% |
| Automotive | 12 | 20 | 18 | 26 | 32 | 36 | 42 | 42 | 40 | 3.2 % | (20) (62.5)% |
| Other manufacturing | 61 | 47 | 99 | 140 | 159 | 155 | 170 | 131 | 180 | 3.8 % | (98) (61.6)% |
| Mining | - | - | - | - | - | - | - | - | - | 0.0 % | - 0.0 % |
| Oil and Gas | 12 | 18 | 4 | 9 | 50 | 48 | 77 | 74 | 72 | 0.3 % | (38) (76.0)% |
| Transportation | 37 | 37 | 55 | 62 | 63 | 14 | 24 | 24 | 35 | 2.9 % | (26) (41.3)% |
| Utilities | 2 | - | - | - | - | - | - | - | 1 | 0.2 % | 2 0.0 % |
| Forest products | 86 | 35 | 72 | 87 | 85 | 81 | 29 | 30 | 22 | 20.5 % | 1 1.2 % |
| Service industries | 176 | 136 | 174 | 184 | 185 | 133 | 123 | 112 | 116 | 2.0 % | (9) (4.9)% |
| Automotive lease and rental | 5 | 6 | 10 | 1 | 1 | 1 | 1 | 1 | 1 | 0.8 % | 4 +100.0% |
| Educational | 2 | 2 | 2 | 2 | 2 | 2 | 5 | 6 | 7 | 0.2 % | - 0.0 % |
| Health care | 18 | 14 | 17 | 18 | 17 | 20 | 21 | 23 | 21 | 1.0 % | 1 5.9 % |
| Business and professional services | 38 | 27 | 36 | 48 | 28 | 29 | 41 | 31 | 26 | 2.2 % | 10 35.7 % |
| Hospitality and recreation | 28 | 28 | 30 | 36 | 35 | 18 | 20 | 18 | 16 | 1.6 % | (7) (20.0)% |
| Other | 85 | 59 | 79 | 79 | 102 | 63 | 35 | 33 | 45 | 5.0 % | (17) (16.7)% |
| Financial | 333 | 382 | 376 | 447 | 476 | 360 | 299 | 323 | 314 | 1.9 % | (143) (30.0)% |
| Government | 4 | 2 | 2 | 2 | 2 | 3 | 3 | 5 | 5 | 0.7 % | 2 100.0 % |
| Other ⁽³⁾ | 57 | 3 | 447 | 11 | 28 | 27 | 14 | 27 | 214 | 1.1 % | 29 +100.0% |
| Total Commercial and Corporate | 2,485 | 2,425 | 2,733 | 2,466 | 2,686 | 2,340 | 2,409 | 2,176 | 1,981 | 3.2 % | (201) (7.5)% |
| Total Gross Impaired Loans and Acceptances ⁽³⁾ | 3,221 | 3,128 | 3,405 | 3,134 | 3,297 | 2,913 | 2,972 | 2,666 | 2,387 | 1.8 % | (76) (2.3)% |

(1) Based on Gross Loans & Acceptances by Product and Industry.

(2) In Q4, 2009, the industry allocation of impaired loans for US operations was revised to reclassify impairment on commercial mortgages to the commercial mortgages category. Previously commercial mortgages for US operations were classified in applicable industry categories. All quarters in Fiscal 2009 have been restated to reflect this reclassification; periods prior to Fiscal 2009 have not been restated.

(3) Q2, 2010 GIL includes \$437 million relating to the US portfolio acquired in Q2, 2010. Starting in Q3, 2010, GIL balances (Q4 2010 \$302 million, Q3, 2010 \$327 million) of the US portfolio acquired are shown in their respective industries. These assets were recorded at market value, no allowance required. This portfolio is covered by a loss share agreement with the FDIC absorbing 80% of loan losses.

**NET IMPAIRED LOANS
AND ACCEPTANCES
BY PRODUCT AND INDUSTRY⁽¹⁾**



| (\$ millions) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 (2) | 2009 Q2 (2) | 2009 Q1 (2) | 2008 Q4 | % (1) Q4 | INC/(DEC) VS LAST YEAR |
|---|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|--------------|--------------|---------------------------|
| Consumer | | | | | | | | | | | |
| Residential mortgages | 227 | 225 | 211 | 223 | 236 | 249 | 266 | 263 | 211 | 0.5 % | (9) (3.8)% |
| Consumer instalments & other personal loans | 410 | 393 | 368 | 352 | 291 | 250 | 233 | 210 | 180 | 0.8 % | 119 40.9 % |
| Total Consumer | 637 | 618 | 579 | 575 | 527 | 499 | 499 | 473 | 391 | 0.6 % | 110 20.9 % |
| Commercial and Corporate, excluding Securities Borrowed or Purchased under Resale Agreements | | | | | | | | | | | |
| Commercial mortgages | 564 | 597 | 396 | 397 | 510 | 446 | 391 | 299 | 38 | 5.5 % | 54 10.6 % |
| Commercial real estate | 600 | 699 | 591 | 585 | 542 | 528 | 630 | 511 | 460 | 8.8 % | 58 10.7 % |
| Construction (non-real estate) | 66 | 42 | 34 | 18 | 9 | 9 | 9 | 15 | 15 | 3.7 % | 57 +100.0% |
| Retail trade | 58 | 30 | 56 | 62 | 40 | 24 | 38 | 37 | 41 | 1.0 % | 18 45.0 % |
| Wholesale trade | 29 | 28 | 32 | 43 | 48 | 48 | 55 | 55 | 51 | 0.9 % | (19) (39.6)% |
| Agriculture | 44 | 44 | 57 | 73 | 100 | 102 | 91 | 89 | 73 | 1.1 % | (56) (56.0)% |
| Communications | 1 | 2 | 10 | 13 | - | - | - | 2 | - | 0.1 % | 1 0.0 % |
| Manufacturing | 118 | 107 | 161 | 187 | 252 | 249 | 334 | 334 | 275 | 1.9 % | (134) (53.2)% |
| Industrial products | 49 | 43 | 56 | 58 | 90 | 52 | 79 | 81 | 75 | 2.4 % | (41) (45.6)% |
| Consumer products | 32 | 22 | 25 | 31 | 44 | 83 | 110 | 165 | 64 | 1.4 % | (12) (27.3)% |
| Automotive | 8 | 13 | 10 | 11 | 15 | 11 | 25 | 32 | 31 | 2.2 % | (7) (46.7)% |
| Other manufacturing | 29 | 29 | 70 | 87 | 103 | 103 | 120 | 56 | 105 | 1.9 % | (74) (71.8)% |
| Mining | - | - | - | - | - | - | - | - | - | 0.0 % | - +100.0% |
| Oil and Gas | 10 | 11 | 2 | 2 | 44 | 44 | 48 | 48 | 47 | 0.3 % | (34) (77.3)% |
| Transportation | 28 | 29 | 36 | 42 | 42 | 10 | 14 | 16 | 27 | 2.2 % | (14) (33.3)% |
| Utilities | 2 | - | - | - | - | - | - | - | 1 | 0.2 % | 2 0.0 % |
| Forest products | 71 | 18 | 49 | 65 | 63 | 58 | 22 | 24 | 16 | 17.5 % | 8 12.7 % |
| Service industries | 125 | 71 | 111 | 132 | 142 | 103 | 95 | 88 | 93 | 1.5 % | (17) (12.0)% |
| Automotive lease and rental | 2 | 4 | 9 | - | - | - | - | - | - | 0.3 % | 2 0.0 % |
| Educational | 2 | 2 | 2 | 2 | 2 | 2 | 5 | 6 | 7 | 0.2 % | - 0.0 % |
| Health care | 16 | 10 | 12 | 12 | 11 | 15 | 15 | 17 | 16 | 0.9 % | 5 45.5 % |
| Business and professional services | 25 | 13 | 23 | 39 | 19 | 16 | 29 | 19 | 16 | 1.5 % | 6 31.6 % |
| Hospitality and recreation | 22 | 19 | 20 | 28 | 29 | 15 | 16 | 15 | 13 | 1.3 % | (7) (24.1)% |
| Other | 58 | 23 | 45 | 51 | 81 | 55 | 30 | 31 | 41 | 3.5 % | (23) (28.4)% |
| Financial | 232 | 255 | 253 | 326 | 363 | 274 | 228 | 252 | 244 | 1.3 % | (131) (36.1)% |
| Government | 2 | - | - | - | - | - | 1 | 3 | 3 | 0.3 % | 2 0.0 % |
| Other (3) | 53 | - | 444 | 1 | 19 | 19 | 6 | 13 | 186 | 1.0 % | 34 +100.0% |
| Total Commercial and Corporate | 2,003 | 1,933 | 2,232 | 1,946 | 2,174 | 1,914 | 1,962 | 1,786 | 1,570 | 2.6 % | (171) (7.9)% |
| Total Impaired Loans and Acceptances, Net of Specific Allowances | 2,640 | 2,551 | 2,811 | 2,521 | 2,701 | 2,413 | 2,461 | 2,259 | 1,961 | 1.5 % | (61) (2.3)% |
| General allowance | (1,297) | (1,302) | (1,291) | (1,330) | (1,306) | (1,303) | (1,314) | (1,334) | (1,321) | 100.0 % | (9) (0.7)% |
| Total Net Impaired Loans and Acceptances (3) | 1,343 | 1,249 | 1,520 | 1,191 | 1,395 | 1,110 | 1,147 | 925 | 640 | 0.8 % | (52) (3.7)% |

(1) Based on Net Loans & Acceptances by Product and Industry.

(2) In Q4, 2009, the industry allocation of impaired loans for US operations was revised to reclassify impairment on commercial mortgages to the commercial mortgages category. Previously commercial mortgages for US operations were classified in applicable industry categories. All quarters in Fiscal 2009 have been restated to reflect this reclassification; periods prior to Fiscal 2009 have not been restated.

(3) Q4, 2010 GIL includes \$302 million, (Q3, 2010 \$327 million, Q2, 2010 \$437 million) relating to the US portfolio acquired in Q2, 2010. These assets were recorded at market value, no allowance required. This portfolio is covered by a loss share agreement with the FDIC absorbing 80% of loan losses.

**LOANS AND ACCEPTANCES
BY GEOGRAPHIC AREA ⁽¹⁾**

| (\$ millions) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 | 2008 Q4 | MIX Q4 | INC/(DEC) VS LAST YEAR |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|
| Gross Loans and Acceptances | | | | | | | | | | | |
| Canada | 134,569 | 130,987 | 127,450 | 123,674 | 121,089 | 123,965 | 122,644 | 128,112 | 124,517 | 75.4 % | 13,480 11.1 % |
| United States | 34,664 | 35,354 | 35,214 | 37,737 | 38,491 | 40,646 | 47,261 | 51,701 | 52,274 | 19.4 % | (3,827) (9.9)% |
| Other Countries | 9,288 | 9,093 | 8,974 | 10,120 | 10,151 | 10,745 | 11,570 | 12,027 | 11,918 | 5.2 % | (863) (8.5)% |
| Africa & Middle East | 508 | 353 | 390 | 469 | 456 | 470 | 591 | 594 | 634 | 0.3 % | 52 11.4 % |
| Asia | 1,859 | 1,614 | 1,093 | 930 | 347 | 276 | 371 | 486 | 1,142 | 1.0 % | 1,512 +100.0% |
| Europe | 448 | 559 | 577 | 898 | 1,092 | 1,313 | 2,109 | 2,483 | 3,042 | 0.3 % | (644) (59.0)% |
| Latin America & Caribbean | 6,473 | 6,567 | 6,914 | 7,823 | 8,256 | 8,686 | 8,499 | 8,464 | 7,100 | 3.6 % | (1,783) (21.6)% |
| Total Gross Loans and Acceptances | 178,521 | 175,434 | 171,638 | 171,531 | 169,731 | 175,356 | 181,475 | 191,840 | 188,709 | 100.0 % | 8,790 5.2 % |

Specific Allowance ⁽²⁾

| | | | | | | | | | |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Canada | (257) | (284) | (286) | (267) | (241) | (224) | (189) | (146) | (129) |
| United States | (282) | (249) | (264) | (284) | (294) | (218) | (281) | (219) | (256) |
| Other Countries | (42) | (44) | (44) | (62) | (61) | (58) | (41) | (42) | (41) |

Net Loans and Acceptances

| | | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Canada | 134,312 | 130,703 | 127,164 | 123,407 | 120,848 | 123,741 | 122,455 | 127,966 | 124,388 | 76.0 % | 13,464 11.1 % |
| United States | 34,382 | 35,105 | 34,950 | 37,453 | 38,197 | 40,428 | 46,980 | 51,482 | 52,018 | 19.5 % | (3,815) (10.0)% |
| Other Countries | 9,246 | 9,049 | 8,930 | 10,058 | 10,090 | 10,687 | 11,529 | 11,985 | 11,877 | 5.2 % | (844) (8.4)% |
| Africa & Middle East | 498 | 343 | 380 | 458 | 451 | 465 | 591 | 594 | 634 | 0.3 % | 47 10.4 % |
| Asia | 1,859 | 1,614 | 1,093 | 930 | 347 | 276 | 371 | 486 | 1,142 | 1.1 % | 1,512 +100.0% |
| Europe | 416 | 525 | 543 | 847 | 1,036 | 1,260 | 2,068 | 2,441 | 3,001 | 0.2 % | (620) (59.8)% |
| Latin America & Caribbean | 6,473 | 6,567 | 6,914 | 7,823 | 8,256 | 8,686 | 8,499 | 8,464 | 7,100 | 3.6 % | (1,783) (21.6)% |
| Total Loans and Acceptances, net of specific allowances | 177,940 | 174,857 | 171,044 | 170,918 | 169,135 | 174,856 | 180,964 | 191,433 | 188,283 | 100.7 % | 8,805 5.2 % |
| General Allowance | | | | | | | | | | | |
| Canada | (595) | (594) | (594) | (594) | (589) | (589) | (579) | (579) | (579) | (0.3)% | 6 1.0 % |
| United States | (702) | (708) | (697) | (736) | (717) | (714) | (735) | (755) | (742) | (0.4)% | (15) (2.1)% |
| Total Net Loans and Acceptances | 176,643 | 173,555 | 169,753 | 169,588 | 167,829 | 173,553 | 179,650 | 190,099 | 186,962 | 100.0 % | 8,814 5.3 % |

Gross Impaired Loans and Acceptances

| | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Canada | 952 | 886 | 931 | 941 | 950 | 941 | 935 | 889 | 803 |
| United States | 2,187 | 2,149 | 2,375 | 2,023 | 2,161 | 1,798 | 1,949 | 1,686 | 1,494 |
| Other Countries | 82 | 93 | 99 | 170 | 186 | 174 | 88 | 91 | 90 |
| Africa & Middle East | 46 | 46 | 50 | 53 | 54 | 32 | - | - | - |
| Asia | - | 3 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |
| Europe | 36 | 44 | 45 | 113 | 128 | 138 | 84 | 86 | 85 |
| Latin America & Caribbean | - | - | - | - | - | - | - | - | - |
| Total Gross Impaired Loans and Acceptances | 3,221 | 3,128 | 3,405 | 3,134 | 3,297 | 2,913 | 2,972 | 2,666 | 2,387 |

Net Impaired Loans and Acceptances

| | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------|-------------|
| Canada | 695 | 602 | 645 | 674 | 709 | 717 | 746 | 743 | 674 | | |
| United States | 1,905 | 1,900 | 2,111 | 1,739 | 1,867 | 1,580 | 1,668 | 1,467 | 1,238 | | |
| Other Countries | 40 | 49 | 55 | 108 | 125 | 116 | 47 | 49 | 49 | | |
| Africa & Middle East | 36 | 36 | 40 | 42 | 49 | 27 | - | - | - | | |
| Asia | - | 3 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | | |
| Europe | 4 | 10 | 11 | 62 | 72 | 85 | 43 | 44 | 44 | | |
| Latin America & Caribbean | - | - | - | - | - | - | - | - | - | | |
| Total Impaired Loans and Acceptances, net of specific allowances | 2,640 | 2,551 | 2,811 | 2,521 | 2,701 | 2,413 | 2,461 | 2,259 | 1,961 | | |
| General Allowance | | | | | | | | | | | |
| Canada | (595) | (594) | (594) | (594) | (589) | (589) | (579) | (579) | (579) | (0.3)% | 6 1.0 % |
| United States | (702) | (708) | (697) | (736) | (717) | (714) | (735) | (755) | (742) | (0.4)% | (15) (2.1)% |
| Total Net Impaired Loans and Acceptances | 1,343 | 1,249 | 1,520 | 1,191 | 1,395 | 1,110 | 1,147 | 925 | 640 | | |

(1) Segmented credit information by geographic area is based upon the country of ultimate risk.

(2) Q4 2010 excludes allowance for Other Credit Instruments, which is included in Other Liabilities.

**CHANGES IN ALLOWANCES
FOR CREDIT LOSSES (ACL)**

| (\$ millions) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 | 2008 Q4 | Fiscal 2010 | Fiscal 2009 | Fiscal 2008 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------|----------------|----------------|
| Balance at beginning of period | 1,879 | 1,885 | 1,943 | 1,902 | 1,803 | 1,825 | 1,741 | 1,747 | 1,494 | 1,902 | 1,747 | 1,055 |
| Provision for credit losses | 253 | 214 | 249 | 333 | 386 | 417 | 372 | 428 | 465 | 1,049 | 1,603 | 1,330 |
| Recoveries | 52 | 45 | 41 | 45 | 42 | 35 | 32 | 36 | 23 | 183 | 145 | 114 |
| Write-offs | (292) | (280) | (290) | (354) | (335) | (375) | (291) | (491) | (387) | (1,216) | (1,492) | (970) |
| Other, including foreign exchange rate changes | (5) | 15 | (58) | 17 | 6 | (99) | (29) | 21 | 152 | (31) | (101) | 218 |
| Allowances at end of period | 1,887 | 1,879 | 1,885 | 1,943 | 1,902 | 1,803 | 1,825 | 1,741 | 1,747 | 1,887 | 1,902 | 1,747 |
| Total Allowance comprised of : Loans | 1,878 | - | - | - | - | - | - | - | - | 1,878 | - | - |
| Other Credit Instruments | 9 | - | - | - | - | - | - | - | - | 9 | - | - |

Allocation of Recoveries by Market

| | | | | | | | | | | | | |
|--------------------------|----|----|----|----|----|----|----|----|----|-----|-----|----|
| Consumer | 41 | 33 | 31 | 32 | 27 | 27 | 22 | 28 | 21 | 137 | 104 | 91 |
| Commercial and Corporate | 11 | 12 | 10 | 13 | 15 | 8 | 10 | 8 | 2 | 46 | 41 | 23 |

Allocation of Write-offs by Market

| | | | | | | | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Consumer | 172 | 187 | 200 | 193 | 189 | 188 | 150 | 158 | 137 | 752 | 685 | 428 |
| Commercial and Corporate | 120 | 93 | 90 | 161 | 146 | 187 | 141 | 333 | 250 | 464 | 807 | 542 |

**CHANGES IN IMPAIRED LOANS
AND ACCEPTANCES**

| (\$ millions) | 2010 Q4 | 2010 Q3 | 2010 Q2 | 2010 Q1 | 2009 Q4 | 2009 Q3 | 2009 Q2 | 2009 Q1 | 2008 Q4 | Fiscal 2010 | Fiscal 2009 | Fiscal 2008 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------|----------------|----------------|
| Total Impaired Loans and Acceptances | | | | | | | | | | | | |
| GIL, Beginning of Period | 3,128 | 3,405 | 3,134 | 3,297 | 2,913 | 2,972 | 2,666 | 2,387 | 1,798 | 3,297 | 2,387 | 720 |
| Additions to impaired loans & acceptances (formations) | 461 | 242 | 366 | 456 | 735 | 549 | 694 | 712 | 806 | 1,525 | 2,690 | 2,506 |
| Additions/(Reductions) to impaired loans due to acquisitions ⁽¹⁾ | - | (110) | 437 | - | - | - | - | - | - | 327 | - | - |
| Reductions in impaired loans & acceptances ⁽²⁾ | (76) | (129) | (242) | (265) | (16) | (233) | (97) | 58 | 170 | (712) | (288) | 131 |
| Net new additions (reductions) | 385 | 3 | 561 | 191 | 719 | 316 | 597 | 770 | 976 | 1,140 | 2,402 | 2,637 |
| Write-offs | (292) | (280) | (290) | (354) | (335) | (375) | (291) | (491) | (387) | (1,216) | (1,492) | (970) |
| GIL, End of Period | 3,221 | 3,128 | 3,405 | 3,134 | 3,297 | 2,913 | 2,972 | 2,666 | 2,387 | 3,221 | 3,297 | 2,387 |
| ACL, Beginning of Period | 1,879 | 1,885 | 1,943 | 1,902 | 1,803 | 1,825 | 1,741 | 1,747 | 1,494 | 1,902 | 1,747 | 1,055 |
| Increase / (Decrease) - specific allowance | 296 | 263 | 271 | 371 | 431 | 364 | 395 | 472 | 386 | 1,201 | 1,662 | 1,239 |
| Increase / (Decrease) - general allowance | (5) | 11 | (39) | 24 | 3 | (11) | (20) | 13 | 254 | (9) | (15) | 423 |
| Write - offs | (292) | (280) | (290) | (354) | (335) | (375) | (291) | (491) | (387) | (1,216) | (1,492) | (970) |
| ACL, End of Period ⁽³⁾ | 1,878 | 1,879 | 1,885 | 1,943 | 1,902 | 1,803 | 1,825 | 1,741 | 1,747 | 1,878 | 1,902 | 1,747 |
| NIL, Beginning of Period | 1,249 | 1,520 | 1,191 | 1,395 | 1,110 | 1,147 | 925 | 640 | 304 | 1,395 | 640 | (335) |
| Change in gross impaired loans | 93 | (277) | 271 | (163) | 384 | (59) | 306 | 279 | 589 | (76) | 910 | 1,667 |
| Change in allowance for credit losses | 1 | 6 | 58 | (41) | (99) | 22 | (84) | 6 | (253) | 24 | (155) | (692) |
| NIL, End of Period ⁽⁴⁾ | 1,343 | 1,249 | 1,520 | 1,191 | 1,395 | 1,110 | 1,147 | 925 | 640 | 1,343 | 1,395 | 640 |

(1) Periods prior to Q2, 2010 have not been adjusted for acquisitions. Q3, 2010 reductions represent a refinement of the assessment of impaired loans in the acquired portfolio covered by a loss share agreement with the FDIC absorbing 80% of loan losses.

(2) Includes impaired amounts returned to performing status, loan sales, repayments, the impact of foreign exchange fluctuations and offsets for consumer write-offs which have not been recognized in formations (please refer to the "Allocation of Write-offs by Market" table above for the consumer write-offs).

(3) Q4 2010 excludes allowance for Other Credit Instruments, which is included in Other Liabilities.

(4) The U.S. portfolio acquired in Q2 2010 included impaired loans with an estimated value of \$437 million, reduced to \$327 million in Q3 2010. Subsequent changes in impaired loan balances on this portfolio are included in "Additions to" or "Reductions in impaired loans and acceptances", on a basis consistent with our other loans. The acquired portfolio is covered by a loss sharing agreement, with the FDIC absorbing 80% of loan losses. There were \$302 million of GILs on this portfolio at October 31, 2010.

| | As at October 31, 2010 | | | | As at July 31, 2010 | | | | As at April 30, 2010 | | | | As at January 31, 2010 | | | |
|---|------------------------|---------------|---------------|--------------------------|---------------------|---------------|---------------|--------------------------|----------------------|---------------|---------------|--------------------------|------------------------|---------------|---------------|--------------------------|
| DERIVATIVE INSTRUMENTS | Notional | Replacement | Credit risk | BASEL II | Notional | Replacement | Credit risk | BASEL II | Notional | Replacement | Credit risk | BASEL II | Notional | Replacement | Credit risk | BASEL II |
| (\$ millions) | Amount | Cost | Equivalent | Risk-weighted Assets (1) | Amount | Cost | Equivalent | Risk-weighted Assets (1) | Amount | Cost | Equivalent | Risk-weighted Assets (1) | Amount | Cost | Equivalent | Risk-weighted Assets (1) |
| Interest Rate Contracts | | | | | | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | | | | | | |
| Swaps | 1,509,878 | 32,613 | 38,255 | | 1,555,095 | 29,549 | 35,284 | | 1,646,642 | 22,824 | 28,772 | | 1,457,702 | 27,090 | 32,584 | |
| Forward rate agreements | 406,115 | 87 | 110 | | 374,902 | 99 | 111 | | 321,220 | 51 | 65 | | 277,701 | 111 | 127 | |
| Purchased options | 41,254 | 1,379 | 1,566 | | 43,707 | 1,453 | 1,651 | | 43,709 | 1,325 | 1,527 | | 47,561 | 1,505 | 1,720 | |
| Written options | 54,898 | - | - | | 56,949 | - | - | | 55,186 | - | - | | 62,150 | - | - | |
| | 2,012,145 | 34,079 | 39,931 | 3,738 | 2,030,653 | 31,101 | 37,046 | 3,171 | 2,066,757 | 24,200 | 30,364 | 2,963 | 1,845,114 | 28,706 | 34,431 | 3,516 |
| Exchange traded | | | | | | | | | | | | | | | | |
| Futures | 42,316 | - | - | | 53,974 | - | - | | 71,192 | - | - | | 69,498 | - | - | |
| Purchased options | 44,656 | - | - | | 37,379 | - | - | | 52,009 | - | - | | 66,052 | - | - | |
| Written options | 35,201 | - | - | | 22,827 | - | - | | 39,874 | - | - | | 58,041 | - | - | |
| | 122,173 | - | - | | 114,180 | - | - | | 163,075 | - | - | | 193,591 | - | - | |
| Total Interest Rate Contracts | 2,134,318 | 34,079 | 39,931 | 3,738 | 2,144,833 | 31,101 | 37,046 | 3,171 | 2,229,832 | 24,200 | 30,364 | 2,963 | 2,038,705 | 28,706 | 34,431 | 3,516 |
| Foreign Exchange Contracts | | | | | | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | | | | | | |
| Cross-currency swaps | 27,002 | 1,271 | 2,456 | | 27,477 | 1,276 | 2,604 | | 28,541 | 1,361 | 2,811 | | 29,777 | 1,365 | 2,892 | |
| Cross-currency interest rate swaps | 179,791 | 4,595 | 13,087 | | 172,989 | 4,991 | 13,082 | | 169,223 | 5,212 | 13,488 | | 161,448 | 4,091 | 12,076 | |
| Forward foreign exchange contracts | 239,582 | 4,050 | 6,702 | | 232,170 | 4,139 | 7,123 | | 232,900 | 4,409 | 7,365 | | 211,213 | 4,749 | 7,297 | |
| Purchased options | 7,510 | 173 | 245 | | 7,118 | 154 | 225 | | 6,674 | 131 | 251 | | 7,456 | 157 | 281 | |
| Written options | 11,960 | - | - | | 11,945 | - | - | | 12,446 | - | - | | 11,568 | - | - | |
| | 465,845 | 10,089 | 22,490 | 2,477 | 451,699 | 10,560 | 23,034 | 2,539 | 449,784 | 11,113 | 23,915 | 2,772 | 421,462 | 10,362 | 22,546 | 2,508 |
| Exchange traded | | | | | | | | | | | | | | | | |
| Futures | 2,147 | - | - | | 436 | - | - | | 473 | - | - | | 548 | - | - | |
| Purchased options | 10,220 | - | - | | 13,049 | - | - | | 13,310 | - | - | | 9,727 | - | - | |
| Written options | 4,205 | - | - | | 4,576 | - | - | | 2,718 | - | - | | 2,505 | - | - | |
| | 16,572 | - | - | | 18,061 | - | - | | 16,501 | - | - | | 12,780 | - | - | |
| Total Foreign Exchange Contracts | 482,417 | 10,089 | 22,490 | 2,477 | 469,760 | 10,560 | 23,034 | 2,539 | 466,285 | 11,113 | 23,915 | 2,772 | 434,242 | 10,362 | 22,546 | 2,508 |
| Commodity Contracts | | | | | | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | | | | | | |
| Swaps | 16,400 | 1,462 | 3,612 | | 16,439 | 1,214 | 3,350 | | 17,884 | 1,590 | 4,158 | | 20,981 | 1,338 | 4,151 | |
| Purchased options | 8,745 | 382 | 1,666 | | 9,857 | 369 | 1,810 | | 11,161 | 694 | 2,316 | | 12,313 | 499 | 2,256 | |
| Written options | 6,395 | - | - | | 7,561 | - | - | | 8,803 | - | - | | 9,767 | - | - | |
| | 31,540 | 1,844 | 5,278 | 853 | 33,857 | 1,583 | 5,160 | 807 | 37,848 | 2,284 | 6,474 | 940 | 43,061 | 1,837 | 6,407 | 881 |
| Exchange traded | | | | | | | | | | | | | | | | |
| Futures | 21,169 | - | - | | 20,746 | - | - | | 21,685 | - | - | | 23,535 | - | - | |
| Purchased options | 26,186 | - | - | | 33,297 | - | - | | 39,379 | - | - | | 48,130 | - | - | |
| Written options | 28,759 | - | - | | 35,752 | - | - | | 41,931 | - | - | | 50,949 | - | - | |
| | 76,114 | - | - | | 89,795 | - | - | | 102,995 | - | - | | 122,614 | - | - | |
| Total Commodity Contracts | 107,654 | 1,844 | 5,278 | 853 | 123,652 | 1,583 | 5,160 | 807 | 140,843 | 2,284 | 6,474 | 940 | 165,675 | 1,837 | 6,407 | 881 |
| Equity Contracts | | | | | | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | | | | | | |
| Exchange traded | 22,896 | 625 | 1,961 | | 21,335 | 724 | 1,978 | | 20,932 | 768 | 1,985 | | 19,189 | 1,163 | 2,198 | |
| | 13,549 | - | - | | 14,786 | - | - | | 11,655 | - | - | | 10,650 | - | - | |
| Total Equity Contracts | 36,445 | 625 | 1,961 | 137 | 36,121 | 724 | 1,978 | 242 | 32,587 | 768 | 1,985 | 97 | 29,839 | 1,163 | 2,198 | 358 |
| Credit Default Swaps | | | | | | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | | | | | | |
| Purchased | 44,615 | 1,280 | 1,756 | | 46,025 | 1,631 | 1,878 | | 49,664 | 1,456 | 2,130 | | 53,025 | 2,160 | 2,641 | |
| Written | 40,650 | - | - | | 41,927 | - | - | | 45,057 | - | - | | 48,022 | - | - | |
| Total Credit Default Swaps | 85,265 | 1,280 | 1,756 | 3,476 | 87,952 | 1,631 | 1,878 | 3,458 | 94,721 | 1,456 | 2,130 | 3,372 | 101,047 | 2,160 | 2,641 | 2,838 |
| Sub-total | 2,846,099 | 47,917 | 71,416 | 10,681 | 2,862,318 | 45,599 | 69,096 | 10,217 | 2,964,268 | 39,821 | 64,868 | 10,144 | 2,769,508 | 44,228 | 68,223 | 10,101 |
| Impact of master netting agreements | n.a. | (31,537) | (45,706) | | n.a. | (30,024) | (44,112) | | n.a. | (25,709) | (40,406) | | n.a. | (28,853) | (42,633) | |
| Total | 2,846,099 | 16,380 | 25,710 | 10,681 | 2,862,318 | 15,575 | 24,984 | 10,217 | 2,964,268 | 14,112 | 24,462 | 10,144 | 2,769,508 | 15,375 | 25,590 | 10,101 |

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

DERIVATIVE INSTRUMENTS

| Fair Value (\$ millions) | As at October 31, 2010 | | | As at July 31, 2010 | | | As at April 30, 2010 | | | As at January 31, 2010 | | | As at October 31, 2009 | | |
|---|------------------------|-------------------|---------|---------------------|-------------------|---------|----------------------|-------------------|---------|------------------------|-------------------|---------|------------------------|-------------------|---------|
| | Gross Assets | Gross Liabilities | Net | Gross Assets | Gross Liabilities | Net | Gross Assets | Gross Liabilities | Net | Gross Assets | Gross Liabilities | Net | Gross Assets | Gross Liabilities | Net |
| TRADING | | | | | | | | | | | | | | | |
| Interest Rate Contracts | | | | | | | | | | | | | | | |
| Swaps | 31,312 | (30,173) | 1,139 | 28,480 | (27,906) | 574 | 22,128 | (21,048) | 1,080 | 26,225 | (25,374) | 851 | 27,233 | (26,195) | 1,038 |
| Forward rate agreements | 87 | (80) | 7 | 99 | (84) | 15 | 51 | (54) | (3) | 111 | (126) | (15) | 231 | (241) | (10) |
| Futures | 5 | (14) | (9) | 3 | (19) | (16) | 3 | (7) | (4) | 4 | (7) | (3) | 3 | (22) | (19) |
| Purchased options | 1,398 | - | 1,398 | 1,474 | - | 1,474 | 1,351 | (3) | 1,348 | 1,532 | (1) | 1,531 | 1,749 | (3) | 1,746 |
| Written options | - | (1,667) | (1,667) | - | (1,734) | (1,734) | - | (1,410) | (1,410) | - | (1,645) | (1,645) | - | (1,828) | (1,828) |
| | 32,802 | (31,934) | 868 | 30,056 | (29,743) | 313 | 23,533 | (22,522) | 1,011 | 27,872 | (27,153) | 719 | 29,216 | (28,289) | 927 |
| Foreign Exchange Contracts | | | | | | | | | | | | | | | |
| Cross-currency swaps | 1,271 | (2,300) | (1,029) | 1,276 | (2,295) | (1,019) | 1,361 | (2,542) | (1,181) | 1,365 | (2,004) | (639) | 1,542 | (2,158) | (616) |
| Cross-currency interest rate swaps | 4,595 | (4,116) | 479 | 4,991 | (4,058) | 933 | 5,212 | (4,450) | 762 | 4,091 | (4,024) | 67 | 3,662 | (3,658) | 4 |
| Forward foreign exchange contracts | 2,536 | (2,950) | (414) | 2,700 | (3,158) | (458) | 2,696 | (2,947) | (251) | 3,481 | (3,505) | (24) | 2,713 | (3,168) | (455) |
| Purchased options | 218 | - | 218 | 216 | - | 216 | 207 | - | 207 | 233 | - | 233 | 232 | - | 232 |
| Written options | - | (171) | (171) | - | (198) | (198) | - | (83) | (83) | - | (309) | (309) | - | (185) | (185) |
| | 8,620 | (9,537) | (917) | 9,183 | (9,709) | (526) | 9,476 | (10,022) | (546) | 9,170 | (9,842) | (672) | 8,149 | (9,169) | (1,020) |
| Commodity Contracts | | | | | | | | | | | | | | | |
| Swaps | 1,462 | (1,584) | (122) | 1,214 | (1,368) | (154) | 1,590 | (1,744) | (154) | 1,338 | (1,356) | (18) | 1,500 | (1,332) | 168 |
| Purchased options | 1,127 | - | 1,127 | 1,159 | - | 1,159 | 1,675 | - | 1,675 | 1,477 | - | 1,477 | 1,990 | - | 1,990 |
| Written options | - | (1,004) | (1,004) | - | (1,063) | (1,063) | - | (1,531) | (1,531) | - | (1,298) | (1,298) | - | (1,835) | (1,835) |
| | 2,589 | (2,588) | 1 | 2,373 | (2,431) | (58) | 3,265 | (3,275) | (10) | 2,815 | (2,654) | 161 | 3,490 | (3,167) | 323 |
| | 1,653 | (2,233) | (580) | 2,197 | (1,379) | 818 | 1,330 | (1,941) | (611) | 1,553 | (1,024) | 529 | 1,982 | (1,355) | 627 |
| Equity Contracts | | | | | | | | | | | | | | | |
| Credit Default Swaps | | | | | | | | | | | | | | | |
| Purchased | 1,280 | - | 1,280 | 1,631 | - | 1,631 | 1,456 | - | 1,456 | 2,160 | - | 2,160 | 2,937 | - | 2,937 |
| Written | - | (933) | (933) | - | (1,216) | (1,216) | - | (1,107) | (1,107) | - | (1,635) | (1,635) | - | (2,159) | (2,159) |
| | 1,280 | (933) | 347 | 1,631 | (1,216) | 415 | 1,456 | (1,107) | 349 | 2,160 | (1,635) | 525 | 2,937 | (2,159) | 778 |
| Total fair value - trading derivatives | 46,944 | (47,225) | (281) | 45,440 | (44,478) | 962 | 39,060 | (38,867) | 193 | 43,570 | (42,308) | 1,262 | 45,774 | (44,139) | 1,635 |
| HEDGING | | | | | | | | | | | | | | | |
| Interest Rate Contracts | | | | | | | | | | | | | | | |
| Cash flow hedges - swaps | 424 | (256) | 168 | 279 | (266) | 13 | 85 | (478) | (393) | 193 | (302) | (109) | 182 | (440) | (258) |
| Fair value hedges - swaps | 877 | (489) | 388 | 790 | (366) | 424 | 611 | (178) | 433 | 671 | (220) | 451 | 707 | (186) | 521 |
| Total swaps | 1,301 | (745) | 556 | 1,069 | (632) | 437 | 696 | (656) | 40 | 864 | (522) | 342 | 889 | (626) | 263 |
| Foreign Exchange Contracts | | | | | | | | | | | | | | | |
| Cash flow hedges - Forward foreign exchange contracts | 1,514 | - | 1,514 | 1,438 | - | 1,438 | 1,713 | - | 1,713 | 1,268 | (37) | 1,231 | 1,235 | - | 1,235 |
| Total foreign exchange contracts | 1,514 | - | 1,514 | 1,438 | - | 1,438 | 1,713 | - | 1,713 | 1,268 | (37) | 1,231 | 1,235 | - | 1,235 |
| Total fair value - hedging derivatives | 2,815 | (745) | 2,070 | 2,507 | (632) | 1,875 | 2,409 | (656) | 1,753 | 2,132 | (559) | 1,573 | 2,124 | (626) | 1,498 |
| Total fair value | 49,759 | (47,970) | 1,789 | 47,947 | (45,110) | 2,837 | 41,469 | (39,523) | 1,946 | 45,702 | (42,867) | 2,835 | 47,898 | (44,765) | 3,133 |
| Less: Net impact of master netting agreements | (31,537) | 31,537 | - | (30,024) | 30,024 | - | (25,709) | 25,709 | - | (28,853) | 28,853 | - | (29,423) | 29,423 | - |
| Total | 18,222 | (16,433) | 1,789 | 17,923 | (15,086) | 2,837 | 15,760 | (13,814) | 1,946 | 16,849 | (14,014) | 2,835 | 18,475 | (15,342) | 3,133 |

INTEREST RATE GAP POSITION
As at October 31, 2010

| (\$ millions) | | 0 to 3 | 4 to 6 | 7 to 12 | Total | 1 to 5 | Over | Non- | Total |
|----------------------------------|-------------------------------|--------------|--------------|--------------|------------------|----------------|--------------|-----------------------|----------|
| | | months | months | months | within 1 year | years | 5 years | interest sensitive | |
| Canadian Dollars | | | | | | | | | |
| | Assets | 222,656 | 5,812 | 12,457 | 240,925 | 56,870 | 7,605 | 10,214 | 315,614 |
| | Liabilities and Capital | 199,308 | 5,590 | 11,474 | 216,372 | 61,415 | 10,169 | 27,658 | 315,614 |
| | Off-Balance Sheet | (18,416) | (63) | (1,382) | (19,861) | 15,575 | 4,286 | - | - |
| | Gap - October 31, 2010 | 4,932 | 159 | (399) | 4,692 | 11,030 | 1,722 | (17,444) | - |
| | Gap - July 31, 2010 | 2,913 | (711) | 1,615 | 3,817 | 11,909 | 1,069 | (16,795) | - |
| | Gap - April 30, 2010 | 4,269 | (2,318) | (156) | 1,795 | 11,191 | 3,072 | (16,058) | - |
| | Gap - January 31, 2010 | 2,401 | (1,685) | (417) | 299 | 14,429 | 1,513 | (16,241) | - |
| | Gap - October 31, 2009 | (1,681) | 967 | 3,968 | 3,254 | 11,510 | 1,067 | (15,831) | - |
| U.S. Dollar and Other Currencies | | | | | | | | | |
| | Assets | 74,480 | 5,363 | 1,619 | 81,462 | 6,817 | 5,636 | 2,111 | 96,026 |
| | Liabilities and Capital | 67,679 | 2,519 | 3,737 | 73,935 | 19,115 | 2,453 | 523 | 96,026 |
| | Off-Balance Sheet | (5,306) | (918) | (2,310) | (3,914) | 6,611 | (2,697) | - | - |
| | Gap - October 31, 2010 | 1,495 | 1,926 | 192 | 3,613 | (5,687) | 486 | 1,588 | - |
| | Gap - July 31, 2010 | (19) | 3,356 | 158 | 3,495 | (6,160) | 706 | 1,959 | - |
| | Gap - April 30, 2010 | (257) | 1,867 | 1,558 | 3,168 | (4,840) | (407) | 2,079 | - |
| | Gap - January 31, 2010 | 3,040 | 3,514 | 683 | 7,237 | (7,840) | (1,260) | 1,863 | - |
| | Gap - October 31, 2009 | 5,184 | (1,374) | (128) | 3,682 | (4,638) | (1,162) | 2,118 | - |

Certain comparative figures have been reclassified to conform with the current period's presentation.

Gap Position Major Assumptions - Assets

- Fixed rate, fixed term assets, such as residential mortgage loans and consumer loans, are reported based upon the scheduled repayments and estimated prepayments that reflect expected borrower behaviour.
- Trading and Underwriting (mark-to-market) assets and interest bearing assets on which the customer interest rate changes with the prime rate or other short-term market rates are reported in the 0 to 3 months category.
- Goodwill, intangible and fixed assets are reported as non-interest sensitive.
- Other fixed rate and non-interest bearing assets with no defined maturity are reported based upon an assumed maturity profile that considers historical and forecasted trends in balances.

Gap Position Major Assumptions - Deposits

- Liabilities**
- Fixed rate, fixed term liabilities, such as investment certificates, are reported at scheduled maturity with estimated redemptions that reflect expected depositor behaviour.
- Interest bearing deposits on which the customer interest rate changes with the prime rate or other short-term market rates are reported in the 0 to 3 months category.
- Fixed rate and non-interest bearing liabilities with no defined maturity are reported based upon an assumed maturity profile that considers historical and forecasted trends in balances.

Capital

- Common shareholders' equity is reported as non-interest sensitive.

| INTEREST RATE RISK SENSITIVITY (\$ millions) | 100 Basis Point Increase | | | | | | 100 Basis Point Decrease | | | | | |
|--|-----------------------------|----------------|-------|-----------------------------|----------------|---------|-----------------------------|----------------|--------|-----------------------------|----------------|-------|
| | Earnings Sensitivity | | | Economic Value Sensitivity | | | Earnings Sensitivity | | | Economic Value Sensitivity | | |
| | Money Market/ Available for | | | Money Market/ Available for | | | Money Market/ Available for | | | Money Market/ Available for | | |
| | Structural | Sale (Accrual) | Total | Structural | Sale (Accrual) | Total | Structural | Sale (Accrual) | Total | Structural | Sale (Accrual) | Total |
| October 31, 2010 | 20.9 | 2.1 | 23.0 | (380.5) | (34.6) | (415.1) | (70.3) | (7.4) | (77.7) | 322.3 | 25.0 | 347.3 |
| July 31, 2010 | 14.3 | 7.3 | 21.6 | (415.7) | 8.0 | (407.7) | (25.8) | (7.7) | (33.5) | 311.8 | (9.5) | 302.3 |
| April 30, 2010 | 32.9 | 13.1 | 46.0 | (381.6) | - | (381.6) | 3.1 | (11.4) | (8.3) | 309.0 | 2.5 | 311.5 |
| January 31, 2010 | 13.5 | 12.9 | 26.4 | (372.2) | (6.4) | (378.6) | 11.9 | (5.3) | 6.6 | 250.2 | 18.1 | 268.3 |
| October 31, 2009 | 11.0 | (9.5) | 1.5 | (353.2) | (60.8) | (414.0) | (75.6) | 0.9 | (74.7) | 254.2 | 47.6 | 301.8 |

| INTEREST RATE RISK SENSITIVITY (\$ millions) | 200 Basis Point Increase | | | | | | 200 Basis Point Decrease | | | | | |
|--|-----------------------------|----------------|--------|-----------------------------|----------------|---------|-----------------------------|----------------|--------|-----------------------------|----------------|-------|
| | Earnings Sensitivity | | | Economic Value Sensitivity | | | Earnings Sensitivity | | | Economic Value Sensitivity | | |
| | Money Market/ Available for | | | Money Market/ Available for | | | Money Market/ Available for | | | Money Market/ Available for | | |
| | Structural | Sale (Accrual) | Total | Structural | Sale (Accrual) | Total | Structural | Sale (Accrual) | Total | Structural | Sale (Accrual) | Total |
| October 31, 2010 | 33.4 | 4.2 | 37.6 | (815.1) | (69.1) | (884.2) | (12.8) | (9.1) | (21.9) | 738.2 | 42.9 | 781.1 |
| July 31, 2010 | 8.3 | 14.6 | 22.9 | (876.2) | 16.0 | (860.2) | (17.2) | (7.7) | (24.9) | 710.2 | (16.9) | 693.3 |
| April 30, 2010 | 29.6 | 26.1 | 55.7 | (816.1) | 0.1 | (816.0) | (6.5) | (10.5) | (17.0) | 550.7 | 14.3 | 565.0 |
| January 31, 2010 | (3.5) | 25.9 | 22.4 | (814.1) | (12.8) | (826.9) | 15.4 | (5.0) | 10.4 | 437.0 | 31.6 | 468.6 |
| October 31, 2009 | (10.6) | (19.0) | (29.6) | (779.2) | (121.5) | (900.7) | (62.9) | 1.3 | (61.6) | 392.8 | 89.5 | 482.3 |

Earnings Sensitivity/Economic Value Sensitivity - Interest Rate Risk

"Earnings Sensitivity" is the impact of change in interest rates on after tax twelve month net income, while, "Economic Value Sensitivity" is the impact of a change in interest rates on the before tax value of our assets and liabilities.

"100/200 Basis Point Increase/Decrease" is the impact on earnings and economic value of a one time increase/decrease of 100/200 basis points in interest rates, applied to our position at the period end. In all cases, interest rate scenarios did not fall below 0%. Calculations do not reflect the effect of actions which the bank may take to reduce risk.

Losses are in brackets and benefits are presented as positive amounts.

Structural Balance Sheet is primarily CAD/U.S. consumer, commercial and corporate loans and deposits, related wholesale funding structures and regulatory capital instruments. For these portfolios, risk measures reflect asset/liability interest rate mismatches, embedded options, including the expected impact of customer behaviour, and the impact of minimum rates on loans and deposits.

Money market/Available for Sale (accrual) exposures are bank placements and acceptances, repos and reverse repos, international loans and certain available-for-sale securities for major currencies. While categorized as trading and underwriting, these portfolios are accounted for using accrual accounting or are marked to market through Other Comprehensive Income, as appropriate, under GAAP.

For the Bank's Insurance businesses, a 100 basis point increase in interest rates results in an increase in earnings after tax of \$77 million and an increase in before tax economic value of \$295 million (\$75 and \$254 million respectively, at July 31, 2010, \$82 million and \$240 million respectively, at April 30, 2010, and \$80 million and \$239 million respectively, at January 31, 2010). A 100 basis point decrease in interest rates results in a decrease in earnings after tax of \$71 million and a decrease in before tax economic value of \$304 million (\$68 million and \$260 million at July 31, 2010, \$68 million and \$237 million at April 30, 2010, \$66 million and \$245 million at January 31, 2010). These impacts are not reflected in the table above.

LIQUID ASSETS AND DEPOSITS

(\$ millions except as noted)

| | 2010 | 2010 | 2010 | 2010 | 2009 | 2009 | 2009 | 2009 | 2008 | MIX | INC/(DEC) |
|--|------|------|------|------|------|------|------|------|------|-----|--------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q4 | VS LAST YEAR |

Liquid Assets

| | | | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| Canadian Dollar Liquid Assets | | | | | | | | | | | |
| Deposits with other banks | 672 | 410 | 254 | 565 | 787 | 520 | 682 | 353 | 1,842 | 0.5 % | (115) (14.6)% |
| Other cash resources | 1,595 | 1,249 | 1,246 | 1,264 | 2,411 | 1,214 | 35 | 1,581 | 89 | 0.7 % | (816) (33.8)% |
| Securities | 75,533 | 72,830 | 77,953 | 77,589 | 74,249 | 67,636 | 63,475 | 56,204 | 58,639 | 53.7 % | 1,284 1.7 % |
| Total | 77,800 | 74,489 | 79,453 | 79,418 | 77,447 | 69,370 | 64,192 | 58,138 | 60,570 | 54.9 % | 353 0.5 % |
| U.S. Dollar and Other Currency Liquid Assets | | | | | | | | | | | |
| Deposits with other banks | 18,661 | 16,227 | 14,145 | 13,472 | 9,305 | 12,059 | 11,676 | 24,054 | 16,477 | 13.3 % | 9,356 +100.0% |
| Other cash resources | (374) | 318 | 719 | 603 | 792 | 774 | 1,839 | 402 | 2,697 | (2.1)% | (1,166) (+100.0)% |
| Securities | 47,866 | 46,520 | 45,445 | 41,481 | 36,564 | 42,511 | 44,025 | 42,254 | 41,499 | 33.9 % | 11,302 30.9 % |
| Total | 66,153 | 63,065 | 60,309 | 55,556 | 46,661 | 55,344 | 57,540 | 66,710 | 60,673 | 45.1 % | 19,492 41.8 % |
| Total Liquid Assets (1) | 143,953 | 137,554 | 139,762 | 134,974 | 124,108 | 124,714 | 121,732 | 124,848 | 121,243 | 100.0 % | 19,845 16.0 % |
| Cash and Securities-to-Total Assets Ratio | 35.0 % | 34.6 % | 35.8 % | 33.9 % | 31.9 % | 30.0 % | 28.2 % | 28.2 % | 29.1 % | | 3.0 % |
| Pledged liquid assets (2) | 50,374 | 44,068 | 51,067 | 46,205 | 39,638 | 38,295 | 44,250 | 41,446 | 38,142 | 63.0 % | 10,736 27.1 % |
| Pledged other assets | 29,562 | 22,064 | 20,989 | 28,681 | 31,525 | 38,077 | 40,633 | 33,583 | 33,053 | 37.0 % | (1,963) (6.2)% |
| Total Pledged Assets | 79,936 | 66,132 | 72,056 | 74,886 | 71,163 | 76,372 | 84,883 | 75,029 | 71,195 | 100.0 % | 8,773 12.3 % |

(1) Includes liquid assets pledged as security for securities borrowed, securities lent, securities sold under repurchase agreements and other secured liabilities.

(2) Includes reserves or minimum balances which some of our subsidiaries are required to maintain with central banks in their respective countries of operation.

Deposits

| | | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Canadian Dollar Deposits | | | | | | | | | | | |
| Banks | 3,469 | 2,644 | 2,416 | 3,011 | 2,828 | 3,155 | 3,788 | 3,875 | 3,174 | 1.4 % | 641 22.7 % |
| Businesses and governments | 69,760 | 66,488 | 63,939 | 60,611 | 56,759 | 55,275 | 57,834 | 62,090 | 63,959 | 28.0 % | 13,001 22.9 % |
| Individuals | 78,601 | 79,192 | 78,229 | 78,541 | 79,521 | 79,456 | 78,648 | 76,936 | 70,160 | 31.5 % | (920) (1.2)% |
| Total | 151,830 | 148,324 | 144,584 | 142,163 | 139,108 | 137,886 | 140,270 | 142,901 | 137,293 | 60.9 % | 12,722 9.1 % |
| U.S. Dollar and Other Currency Deposits | | | | | | | | | | | |
| Banks | 15,966 | 16,618 | 21,983 | 19,307 | 20,145 | 20,056 | 24,086 | 27,547 | 27,172 | 6.4 % | (4,179) (20.7)% |
| Businesses and governments | 61,013 | 57,394 | 51,312 | 58,957 | 56,979 | 66,994 | 60,371 | 71,298 | 72,152 | 24.5 % | 4,034 7.1 % |
| Individuals | 20,442 | 20,455 | 21,381 | 19,872 | 19,924 | 20,017 | 22,442 | 22,834 | 21,053 | 8.2 % | 518 2.6 % |
| Total | 97,421 | 94,467 | 94,676 | 98,136 | 97,048 | 107,067 | 106,899 | 121,679 | 120,377 | 39.1 % | 373 0.4 % |
| Total Deposits | 249,251 | 242,791 | 239,260 | 240,299 | 236,156 | 244,953 | 247,169 | 264,580 | 257,670 | 100.0 % | 13,095 5.5 % |
| Core deposits (3) | 132,800 | 131,597 | 132,693 | 129,727 | 125,324 | 124,444 | 124,735 | 135,311 | 125,374 | | 7,476 6.0 % |
| Customer Deposits (4) | 152,863 | 152,983 | 151,775 | 150,707 | 147,864 | 147,667 | 149,148 | 159,754 | 145,254 | | |
| Customer Deposits and Capital-to-Total Loans Ratio (5) | 104.1% | 105.7% | 107.3% | 106.6% | 106.6% | 103.6% | 101.1% | 101.9% | 94.0% | | |

(3) Core deposits are comprised of customer operating and saving deposits and smaller fixed-date deposits (less than or equal to \$100,000).

(4) Customer Deposits are core deposits plus larger fixed-date deposits excluding wholesale customer deposits.

(5) Total loans exclude securities borrowed or purchased under resale agreements.

BASEL II APPENDIX

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 Big Five Canadian Banks to adopt the AIRB approach.

Capital Floor: A capital floor is applied to institutions using the AIRB approach to credit risk during a transition period prescribed by our regulator, the Office of the Superintendent of Financial Institutions (OSFI).

To calculate the capital floor, the Bank's Basel I Capital Requirement (as defined below) is multiplied by an adjustment factor and compared to the Bank's Basel II Capital Requirement (as defined below). The differential, if positive, is multiplied by 12.5 and added to the Bank's Basel II RWA.

Basel I Capital Requirement equals:

- (1) 8% of Basel I RWA as calculated, plus
- (2) all capital deductions under Basel I, less
- (3) the amount of any general allowances under Basel I eligible for inclusion in Tier 2

Basel II Capital Requirement equals:

- (1) 8% of Basel II RWA as calculated, plus
- (2) all capital deductions under Basel II, less
- (3) the amount of any general allowances under Basel II eligible for inclusion in Tier 2

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.

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

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

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

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

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 minimum capital requirements, while also providing incentives to adopt the more advanced risk-sensitive approaches of the Framework.

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).

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%.

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 or CRM). All Basel II disclosures aggregated into PD bands use Adjusted EAD values.

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 $(\sum \text{pre-scaled RWA for each exposure} / \text{Total Adjusted EAD})$.