

# SUPPLEMENTARY FINANCIAL INFORMATION



July 31, 2010

	<u>Page</u>	<u>INDEX</u>	<u>Page</u>
Highlights	1	Average Balance Sheet	12
Common Share and Other Information	2	Consolidated Statement of Changes in Shareholders' Equity	13
Consolidated Statement of Income	3	Credit-Related Information	
Net Income by Business Segment	3	- Loans and Acceptances by Type of Borrower	14
Business Segment Performance		- Gross Impaired Loans by Business Segment	15
- Canadian Banking	4	- Changes in Gross Impaired Loans by Business Segment	16
- International Banking	5	- Net Impaired Loans by Business Segment	17
- Scotia Capital	6	- Allowance for Credit Losses	17
- Other	7	- Impaired Loans (Gross and Net) by Type of Borrower	18
Net Interest Margin	8	- Specific Provisions for Credit Losses by Type of Borrower	19
Trading Revenue	8	Cross-Border Exposures to Select Countries in Asia and Latin America	20
Assets under Administration and Management	8	Asset Securitization	21
Other Income	9	Available-for-Sale Securities - Unrealized Gains (Losses)	21
Non-interest Expenses	10	Interest Rate Sensitivity	21
Balance Sheet	11	Basel II Appendix	22 - 38

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# HIGHLIGHTS



	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Operating Performance:</b>													
Net Income (\$MM)	1,062	1,097	988	902	931	872	842	315	1,010	3,147	2,645	3,547	3,140
Net Income available to Common Shareholders (\$MM)	1,011	1,048	939	853	882	821	805	283	978	2,998	2,508	3,361	3,033
EPS (\$) - basic	0.98	1.02	0.92	0.84	0.87	0.81	0.80	0.28	0.99	2.91	2.48	3.32	3.07
- diluted	0.98	1.02	0.91	0.83	0.87	0.81	0.80	0.28	0.98	2.91	2.48	3.31	3.05
ROE (%)	18.2	19.9	17.4	16.4	17.3	16.8	16.2	6.0	21.0	18.5	16.8	16.7	16.7
Net Interest Margin (%) (1)	1.68	1.73	1.76	1.74	1.76	1.71	1.52	1.68	1.79	1.72	1.66	1.68	1.75
Productivity Ratio (TEB) (%)	52.5	49.9	50.5	54.2	51.0	51.4	58.7	75.2	54.3	50.9	53.5	53.7	59.4
Effective Tax Rate (%)	26.8	28.3	33.6	25.7	24.0	26.1	17.9	0.6	21.7	29.6	22.9	23.6	17.5
Effective Tax Rate (TEB) (%)	30.2	31.4	36.7	29.8	27.9	30.5	23.0	22.3	27.3	32.8	27.3	28.0	25.4
<b>Cash Flow:</b>													
Cash Net Income (\$MM) (2)	1,076	1,115	1,006	919	947	890	857	334	1,023	3,197	2,694	3,613	3,196
Cash EPS (\$) - basic (2)	0.99	1.04	0.93	0.85	0.88	0.83	0.82	0.31	1.00	2.96	2.53	3.38	3.13
- diluted (2)	0.99	1.04	0.93	0.85	0.88	0.82	0.82	0.30	1.00	2.95	2.52	3.37	3.11
Cash ROE (%) (2)	18.5	20.2	17.8	16.7	17.6	17.2	16.6	6.4	21.3	18.8	17.2	17.0	17.0
<b>Balance Sheet:</b>													
Total Assets (\$B)	523.4	526.1	507.6	496.5	486.5	514.5	510.6	507.6	462.4				
Loans and Acceptances (\$B)	286.5	281.3	275.8	275.9	276.8	306.6	313.2	300.6	283.7				
Deposits (\$B)	365.2	371.2	364.9	350.4	333.7	346.9	346.6	346.6	332.5				
Common Shareholders' Equity (\$B)	22.5	21.6	21.6	21.1	20.3	20.1	19.9	18.8	18.8				
<b>Credit Quality:</b>													
Net Impaired Loans (\$MM) (3)	2,598	2,475	2,677	2,563	2,509	2,179	1,602	1,191	1,009				
Sectoral Allowance for Credit Losses (\$MM)	-	24	43	44	48	60	-	-	-				
General Allowance for Credit Losses (\$MM)	1,450	1,450	1,450	1,450	1,450	1,350	1,323	1,323	1,323				
Net Impaired Loans as % of Loans and Acceptances (3)	0.91	0.88	0.97	0.93	0.91	0.71	0.51	0.40	0.36				
Specific Provisions (\$MM)	300	357	372	424	466	402	281	207	159	1,029	1,149	1,573	630
- % of Average Loans and Acceptances	0.43	0.55	0.55	0.63	0.64	0.54	0.36	0.29	0.23	0.51	0.51	0.54	0.24
<b>Capital Measures:</b>													
Tier 1 Capital Ratio (%)	11.7	11.2	11.2	10.7	10.4	9.6	9.5	9.3	9.8				
Total Capital Ratio (%)	13.8	13.3	13.5	12.9	12.7	11.8	11.4	11.1	11.5				
Tangible Common Equity Ratio (%)	9.3	8.8	8.8	8.2	7.9	7.2	7.2	6.6	7.4				
Risk-Weighted Assets (\$B)	213.0	215.1	215.9	221.7	221.5	241.8	239.7	250.6	225.8				

(1) Net Interest Income (TEB) as % of Average Total Assets.

(2) Excludes amortization of intangibles (net of taxes).

(3) Net Impaired Loans are Impaired Loans less Specific Allowance for Credit Losses.

## COMMON SHARE AND OTHER INFORMATION



	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Valuation:</b>													
Book Value per Share (\$)	21.67	20.87	21.04	20.55	19.89	19.80	19.67	18.94	18.99	21.67	19.89	20.55	18.94
Share Price (\$) - High	52.89	55.33	49.93	49.19	46.51	35.85	40.68	51.55	52.51	55.33	46.51	49.19	54.00
- Low	47.71	44.39	44.12	42.95	33.75	23.99	27.35	35.25	41.95	44.12	23.99	23.99	35.25
- Close	51.59	51.78	44.83	45.25	45.92	33.94	29.67	40.19	49.98	51.59	45.92	45.25	40.19
Share Price (Closing) as % Book Value	238.1	248.1	213.1	220.2	230.9	171.4	150.8	212.2	263.2	238.1	230.9	220.2	212.2
Price (Closing)/Earnings Ratio (X) (1)	13.8	14.2	13.0	13.6	16.6	11.8	9.8	13.1	13.4	13.8	16.6	13.6	13.1
Market Capitalization (\$MM)	53,556	53,544	46,115	46,379	46,858	34,518	30,039	39,865	49,475	53,556	46,858	46,379	39,865
<b>Dividends:</b>													
Common Dividends Paid (\$MM)	507	505	502	501	499	497	493	485	485	1,514	1,489	1,990	1,896
Common Dividends/Share (\$)	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	1.47	1.47	1.96	1.92
Dividend Yield (%)	3.9	3.9	4.2	4.3	4.9	6.6	5.8	4.5	4.1	3.9	5.6	5.4	4.3
<b>Shares:</b>													
Number of Common Shares Outstanding at Period End (MM)	1,038	1,034	1,029	1,025	1,020	1,017	1,012	992	990				
Average Number of Common Shares Outstanding (MM) -- Basic	1,034	1,030	1,025	1,021	1,017	1,014	1,001	990	989	1,030	1,010	1,013	987
-- Diluted	1,036	1,031	1,028	1,024	1,020	1,016	1,003	994	994	1,032	1,013	1,016	993
<b>Share Buybacks:</b>													
Number of Common Shares Purchased (M)	-	-	-	-	-	-	-	750	125	-	-	-	875
Average Purchase Price (\$)	-	-	-	-	-	-	-	45.16	48.30	-	-	-	45.61
<b>Other Information:</b>													
Employees	69,950	68,028	67,910	67,802	67,482	67,698	69,451	69,049	62,209				
Branches and Offices	2,747	2,730	2,692	2,686	2,689	2,683	2,696	2,672	2,557				
ABMs	5,910	5,874	5,806	5,778	5,701	5,719	5,703	5,609	5,531				
<b>Senior Debt Credit Ratings:</b>													
Standard & Poor's	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-				
Moody's	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1				

(1) based on trailing 4 quarters' EPS.

# CONSOLIDATED STATEMENT OF INCOME AND NET INCOME BY BUSINESS SEGMENT



(\$ MM)

## CONSOLIDATED STATEMENT OF INCOME:

	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Interest Income (TEB)	4,447	4,100	4,185	4,166	4,755	4,862	5,440	5,908	5,603	12,732	15,057	19,223	22,732
Interest Expense	2,204	1,971	1,963	1,994	2,511	2,698	3,404	3,872	3,554	6,138	8,613	10,607	14,742
Net Interest Income (TEB)	2,243	2,129	2,222	2,172	2,244	2,164	2,036	2,036	2,049	6,594	6,444	8,616	7,990
Other Income (see Page 9)	1,611	1,815	1,759	1,636	1,599	1,509	1,385	550	1,428	5,185	4,493	6,129	4,302
Total Revenue (TEB)	3,854	3,944	3,981	3,808	3,843	3,673	3,421	2,586	3,477	11,779	10,937	14,745	12,292
Taxable Equivalent Adjustment (TEB)	70	71	75	73	68	77	70	95	103	216	215	288	416
Total Revenue	3,784	3,873	3,906	3,735	3,775	3,596	3,351	2,491	3,374	11,563	10,722	14,457	11,876
Provision for Credit Losses	276	338	371	420	554	489	281	207	159	985	1,324	1,744	630
Total Non-interest Expenses (see Page 10)	2,023	1,967	2,009	2,064	1,959	1,886	2,010	1,944	1,889	5,999	5,855	7,919	7,296
Net Income before the undernoted:	1,485	1,568	1,526	1,251	1,262	1,221	1,060	340	1,326	4,579	3,543	4,794	3,950
Provision for Income Taxes	399	444	512	321	303	319	190	2	287	1,355	812	1,133	691
Non-controlling Interest in Net Income of Subsidiaries	24	27	26	28	28	30	28	23	29	77	86	114	119
<b>Net Income</b>	<b>1,062</b>	<b>1,097</b>	<b>988</b>	<b>902</b>	<b>931</b>	<b>872</b>	<b>842</b>	<b>315</b>	<b>1,010</b>	<b>3,147</b>	<b>2,645</b>	<b>3,547</b>	<b>3,140</b>
Amortization of Intangibles (net of taxes)	14	18	18	17	16	18	15	19	13	50	49	66	56
<b>Cash Net Income</b>	<b>1,076</b>	<b>1,115</b>	<b>1,006</b>	<b>919</b>	<b>947</b>	<b>890</b>	<b>857</b>	<b>334</b>	<b>1,023</b>	<b>3,197</b>	<b>2,694</b>	<b>3,613</b>	<b>3,196</b>

## NET INCOME BY BUSINESS SEGMENT:

	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3	2010 YTD	2009 YTD	2009 FY	2008 FY
Canadian Banking (1)	604	584	560	503	500	410	438	466	463	1,748	1,348	1,851	1,724
International Banking	317	288	294	283	312	332	388	227	335	899	1,032	1,315	1,186
Scotia Capital	305	391	381	353	470	328	300	44	297	1,077	1,098	1,451	787
Other (2)	(164)	(166)	(247)	(237)	(351)	(198)	(284)	(422)	(85)	(577)	(833)	(1,070)	(557)
<b>Total Bank</b>	<b>1,062</b>	<b>1,097</b>	<b>988</b>	<b>902</b>	<b>931</b>	<b>872</b>	<b>842</b>	<b>315</b>	<b>1,010</b>	<b>3,147</b>	<b>2,645</b>	<b>3,547</b>	<b>3,140</b>

(1) includes Wealth Management.

(2) represents smaller operating segments including Group Treasury and corporate adjustments.

## BUSINESS SEGMENT PERFORMANCE -- CANADIAN BANKING



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Net Interest Income (TEB)	1,292	1,287	1,298	1,280	1,212	1,147	1,146	1,160	1,122	3,877	3,505	4,785	4,324
Other Income	679	664	623	606	593	524	556	554	564	1,966	1,673	2,279	2,174
Total Revenue (TEB)	1,971	1,951	1,921	1,886	1,805	1,671	1,702	1,714	1,686	5,843	5,178	7,064	6,498
Provision for Credit Losses	(163)	(189)	(180)	(190)	(169)	(188)	(155)	(107)	(99)	(532)	(512)	(702)	(399)
Non-interest expenses	(983)	(954)	(962)	(991)	(933)	(899)	(934)	(939)	(914)	(2,899)	(2,766)	(3,757)	(3,632)
Provision for Income Taxes (TEB)	(221)	(224)	(218)	(202)	(203)	(174)	(175)	(202)	(210)	(663)	(552)	(754)	(743)
Non-controlling Interest in Net Income of Subsidiaries	-	-	(1)	-	-	-	-	-	-	(1)	-	-	-
<b>Net Income</b>	<b>604</b>	<b>584</b>	<b>560</b>	<b>503</b>	<b>500</b>	<b>410</b>	<b>438</b>	<b>466</b>	<b>463</b>	<b>1,748</b>	<b>1,348</b>	<b>1,851</b>	<b>1,724</b>
Return on Economic Equity (%)	28.6	27.9	25.4	22.1	22.3	19.7	25.8	38.0	38.5	27.3	22.4	22.3	35.6
Net Interest Margin													
- as % of Average Total Assets	2.49	2.63	2.58	2.59	2.49	2.46	2.41	2.49	2.52	2.56	2.45	2.49	2.46
- as % of Average Earning Assets	2.52	2.66	2.62	2.63	2.54	2.51	2.45	2.54	2.57	2.60	2.50	2.53	2.51
Specific Provisions as % of Average Loans & Acceptances	0.33	0.39	0.37	0.40	0.36	0.39	0.33	0.23	0.22	0.36	0.36	0.37	0.23
Productivity Ratio (%)	49.9	48.9	50.1	52.5	51.7	53.8	54.9	54.8	54.2	49.6	53.4	53.2	55.9
<b>Average Balances (\$B):</b>													
Total Assets	206	201	199	196	193	191	189	185	177	202	191	192	175
Residential Mortgages	131	127	125	123	120	118	118	115	112	128	119	120	111
Personal Loans	48	47	47	46	45	43	42	41	38	47	43	44	38
Business Loans & Acceptances	25	24	24	24	25	26	26	28	26	24	26	25	26
Personal Deposits (1)	106	104	104	94	94	92	91	87	85	105	93	93	84
Non-personal Deposits	58	58	58	54	52	49	49	45	43	58	50	51	43
<b>Other:</b>													
Branches	1,024	1,023	1,024	1,019	1,020	1,021	1,019	1,016	1,010				
Wealth Management Offices	98	98	100	101	101	101	101	102	100				
Employees	21,814	21,660	21,542	21,255	21,324	21,372	21,550	21,565	21,269				
ABMs	2,999	2,992	2,992	2,964	2,948	2,959	2,954	2,943	2,896				

(1) Effective Q1/10, broker-sourced deposits, which were previously reported in the Other segment, are now reported in the Canadian Banking segment (Q1/10 impact: \$10 billion).

## BUSINESS SEGMENT PERFORMANCE -- INTERNATIONAL BANKING



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Net Interest Income (TEB)	980	822	940	888	979	959	947	940	847	2,742	2,885	3,773	3,315
Other Income	404	447	434	364	296	349	471	228	389	1,285	1,116	1,480	1,282
Total Revenue (TEB)	1,384	1,269	1,374	1,252	1,275	1,308	1,418	1,168	1,236	4,027	4,001	5,253	4,597
Provision for Credit Losses	(138)	(173)	(177)	(167)	(179)	(115)	(116)	(90)	(56)	(488)	(410)	(577)	(236)
Non-interest Expenses	(754)	(681)	(706)	(741)	(718)	(729)	(772)	(753)	(698)	(2,141)	(2,219)	(2,960)	(2,634)
Provision for Income Taxes (TEB)	(151)	(100)	(172)	(33)	(38)	(102)	(114)	(75)	(118)	(423)	(254)	(287)	(422)
Non-controlling Interest in Net Income of Subsidiaries	(24)	(27)	(25)	(28)	(28)	(30)	(28)	(23)	(29)	(76)	(86)	(114)	(119)
<b>Net Income</b>	<b>317</b>	<b>288</b>	<b>294</b>	<b>283</b>	<b>312</b>	<b>332</b>	<b>388</b>	<b>227</b>	<b>335</b>	<b>899</b>	<b>1,032</b>	<b>1,315</b>	<b>1,186</b>
Return on Economic Equity (%)	11.0	11.3	11.5	10.2	10.9	12.7	17.2	10.5	15.8	11.3	13.4	12.5	15.5
Net Interest Margin													
- as % of Average Total Assets	4.33	4.11	4.48	4.37	4.45	4.12	3.96	4.27	4.14	4.31	4.17	4.21	4.17
- as % of Average Earning Assets	4.34	4.12	4.48	4.37	4.45	4.13	3.97	4.28	4.15	4.32	4.18	4.22	4.18
Specific Provisions as % of Average Loans & Acceptances	0.85	1.22	1.19	1.13	1.13	0.69	0.68	0.59	0.40	1.08	0.83	0.90	0.44
Productivity Ratio (%)	54.5	53.7	51.4	59.2	56.3	55.7	54.4	64.5	56.5	53.2	55.5	56.3	57.3
<b>Average Balances (\$B):</b>													
Total Assets	90	82	83	81	87	95	95	88	81	85	92	90	79
Residential Mortgages	16	12	12	12	13	13	13	12	12	13	13	13	10
Personal Loans	9	9	9	9	9	10	10	9	8	9	10	10	8
Business Loans & Acceptances	39	37	37	37	41	44	44	40	36	38	43	42	35
Securities	14	13	13	12	12	14	14	14	16	13	13	13	15
Total Deposits	46	44	46	46	49	53	52	48	47	46	51	50	45
<b>Other:</b>													
Branches and Offices	1,574	1,559	1,518	1,516	1,517	1,508	1,521	1,502	1,396				
Employees	37,581	36,088	36,186	36,378	35,969	36,155	37,616	37,280	30,702				
ABMs	2,911	2,882	2,814	2,814	2,753	2,760	2,737	2,666	2,635				

## BUSINESS SEGMENT PERFORMANCE -- SCOTIA CAPITAL



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Net Interest Income (TEB)	271	275	304	321	423	345	338	331	269	850	1,106	1,427	1,120
Other Income	426	583	596	589	681	502	366	(99)	383	1,605	1,549	2,138	707
Total Revenue (TEB)	697	858	900	910	1,104	847	704	232	652	2,455	2,655	3,565	1,827
Provision for Credit Losses	25	24	(14)	(63)	(106)	(159)	(10)	(10)	(4)	35	(275)	(338)	5
Non-interest Expenses	(267)	(299)	(307)	(284)	(266)	(231)	(291)	(249)	(254)	(873)	(788)	(1,072)	(937)
Provision for Income Taxes (TEB)	(150)	(192)	(198)	(210)	(262)	(129)	(103)	71	(97)	(540)	(494)	(704)	(108)
<b>Net Income</b>	<b>305</b>	<b>391</b>	<b>381</b>	<b>353</b>	<b>470</b>	<b>328</b>	<b>300</b>	<b>44</b>	<b>297</b>	<b>1,077</b>	<b>1,098</b>	<b>1,451</b>	<b>787</b>
Return on Economic Equity (%)	17.5	22.2	18.5	18.1	21.8	18.3	22.4	3.6	34.1	19.4	20.7	20.0	21.5
Net Interest Margin													
- as % of Average Total Assets	0.64	0.72	0.76	0.76	0.93	0.75	0.69	0.78	0.66	0.70	0.78	0.78	0.68
- as % of Average Earning Assets	0.78	0.89	0.95	0.97	1.21	1.02	0.96	1.00	0.82	0.87	1.06	1.04	0.86
Specific Provisions as a % of Average Loans & Acceptances (1)	(0.09)	(0.07)	0.15	0.65	1.01	0.80	0.07	0.10	0.04	0.01	0.59	0.61	(0.01)
Productivity Ratio (%)	38.3	34.8	34.1	31.2	24.1	27.3	41.3	107.3	39.0	35.6	29.7	30.1	51.3
<b>Average Balances (\$B):</b>													
Total Assets	169	156	160	167	181	190	195	169	162	162	189	183	164
Personal Loans	5	5	6	6	7	7	7	-	-	5	7	7	-
Business Loans & Acceptances	39	41	45	49	57	67	69	58	57	41	64	60	54
Securities Purchased Under Resale Agreements	22	16	16	15	13	13	16	14	15	18	14	14	16
Securities -- Trading	62	55	54	55	57	49	46	52	56	57	51	52	56
-- Other	2	3	3	4	4	3	3	10	7	3	3	3	8
Deposits with Banks	15	13	11	10	11	11	10	8	6	13	11	11	7
Total Deposits	21	19	18	20	20	16	24	31	31	19	20	20	31
Employees	1,688	1,595	1,568	1,581	1,563	1,553	1,558	1,548	1,506				

(1) Corporate Banking only

## BUSINESS SEGMENT PERFORMANCE -- OTHER (1)



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Net Interest Income (2)	(370)	(326)	(395)	(390)	(438)	(364)	(465)	(490)	(292)	(1,091)	(1,267)	(1,657)	(1,185)
Other Income	102	121	106	77	29	134	(8)	(133)	92	329	155	232	139
Total Revenue	(268)	(205)	(289)	(313)	(409)	(230)	(473)	(623)	(200)	(762)	(1,112)	(1,425)	(1,046)
Provision for Credit Losses	-	-	-	-	(100)	(27)	-	-	-	-	(127)	(127)	-
Non-interest Expenses	(19)	(33)	(34)	(48)	(42)	(27)	(13)	(3)	(23)	(86)	(82)	(130)	(93)
Provision for Income Taxes (2)	123	72	76	124	200	86	202	204	138	271	488	612	582
<b>Net Income</b>	<b>(164)</b>	<b>(166)</b>	<b>(247)</b>	<b>(237)</b>	<b>(351)</b>	<b>(198)</b>	<b>(284)</b>	<b>(422)</b>	<b>(85)</b>	<b>(577)</b>	<b>(833)</b>	<b>(1,070)</b>	<b>(557)</b>
<b>Average Balances (\$B):</b>													
Total Assets	65	66	59	51	45	44	51	39	37	63	47	48	37
Deposits with Banks	34	37	30	21	14	17	22	15	14	34	18	19	15
Securities	38	42	44	45	37	27	24	17	16	41	29	33	16
Total Deposits (3)	137	134	127	130	131	139	143	127	121	133	138	136	118

(1) represents smaller operating segments including Group Treasury and corporate adjustments.

(2) includes elimination of the tax-exempt income gross-up reported in net interest income and provision for income taxes in the three business segments reported on pages 4 to 6.

(3) Effective Q1/10, broker-sourced deposits, which were previously reported in the Other segment, are now reported in the Canadian Banking segment (Q1/10 impact: \$10 billion).



# NET INTEREST MARGIN, TRADING REVENUE AND ASSETS UNDER ADMINISTRATION & MANAGEMENT



	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>NET INTEREST MARGIN:</b>													
Net Interest Income (TEB) (\$MM)	2,243	2,129	2,222	2,172	2,244	2,164	2,036	2,036	2,049	6,594	6,444	8,616	7,990
Net Interest Income (TEB) as % of Average Total Assets	1.68	1.73	1.76	1.74	1.76	1.71	1.52	1.68	1.79	1.72	1.66	1.68	1.75
Net Interest Income (TEB) as % of Average Earning Assets	1.89	1.94	1.99	1.99	2.03	2.00	1.80	1.93	2.03	1.94	1.95	1.96	2.00
<b>TRADING REVENUE (TEB) (\$MM):</b>													
Securities Trading	46	85	124	107	136	150	179	(55)	19	255	465	572	(27)
Foreign Exchange and Precious Metals Trading	122	123	91	84	123	143	184	124	77	336	450	534	384
Derivatives Trading	125	211	187	187	255	38	(106)	(8)	151	523	187	374	248
<b>Total</b>	<b>293</b>	<b>419</b>	<b>402</b>	<b>378</b>	<b>514</b>	<b>331</b>	<b>257</b>	<b>61</b>	<b>247</b>	<b>1,114</b>	<b>1,102</b>	<b>1,480</b>	<b>605</b>
Reported in Other Income (see Page 9)	190	322	285	255	387	235	180	(41)	150	797	802	1,057	188
Reported in Net Interest Income	103	97	117	123	127	96	77	102	97	317	300	423	417
<b>Total</b>	<b>293</b>	<b>419</b>	<b>402</b>	<b>378</b>	<b>514</b>	<b>331</b>	<b>257</b>	<b>61</b>	<b>247</b>	<b>1,114</b>	<b>1,102</b>	<b>1,480</b>	<b>605</b>
<b>ASSETS UNDER ADMINISTRATION (\$B):</b>													
Personal													
Retail Brokerage	82.5	83.4	80.0	76.4	72.0	65.1	65.0	74.3	75.5				
Investment Management and Trust	65.2	64.7	63.9	60.1	56.9	55.3	53.8	55.8	57.9				
	147.7	148.1	143.9	136.5	128.9	120.4	118.8	130.1	133.4				
Mutual Funds	35.9	36.9	35.0	31.6	29.4	26.6	25.5	27.9	29.7				
Institutional	45.7	46.0	47.4	47.0	49.6	49.8	47.5	45.1	44.3				
<b>Total</b>	<b>229.3</b>	<b>231.0</b>	<b>226.3</b>	<b>215.1</b>	<b>207.9</b>	<b>196.8</b>	<b>191.8</b>	<b>203.1</b>	<b>207.4</b>				
<b>ASSETS UNDER MANAGEMENT (\$B):</b>													
Personal	13.6	14.0	13.7	13.6	13.2	11.5	11.8	12.5	12.6				
Mutual Funds	25.5	26.1	24.5	22.8	21.3	18.9	17.9	19.6	20.6				
Institutional	5.8	5.3	5.4	5.2	5.3	5.0	4.6	4.6	4.6				
<b>Total</b>	<b>44.9</b>	<b>45.4</b>	<b>43.6</b>	<b>41.6</b>	<b>39.8</b>	<b>35.4</b>	<b>34.3</b>	<b>36.7</b>	<b>37.8</b>				

## OTHER INCOME



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Card Revenues</b>	<b>107</b>	100	110	102	104	105	113	107	102	<b>317</b>	322	424	397
<b>Deposit and Payment Services</b>	<b>174</b>	170	171	173	179	176	179	172	176	<b>515</b>	534	707	675
Deposit Services	<b>52</b>	46	49	47	50	49	52	50	49	<b>147</b>	151	198	187
Other Payment Services	<b>226</b>	216	220	220	229	225	231	222	225	<b>662</b>	685	905	862
<b>Mutual Funds</b>	<b>170</b>	140	125	124	104	63	80	78	83	<b>435</b>	247	371	317
<b>Investment Management, Brokerage and Trust Services</b>	<b>133</b>	136	134	138	129	118	122	133	140	<b>403</b>	369	507	538
Retail Brokerage	<b>35</b>	34	33	32	32	30	33	32	32	<b>102</b>	95	127	126
Personal and Corporate Trust	<b>25</b>	29	25	23	24	24	23	24	24	<b>79</b>	71	94	96
Investment Management and Custody	<b>193</b>	199	192	193	185	172	178	189	196	<b>584</b>	535	728	760
<b>Credit Fees</b>	<b>158</b>	167	160	210	160	151	137	106	125	<b>485</b>	448	658	436
Commitment and Other Credit Fees	<b>43</b>	45	45	50	58	52	48	36	39	<b>133</b>	158	208	143
Acceptance Fees	<b>201</b>	212	205	260	218	203	185	142	164	<b>618</b>	606	866	579
<b>Trading Revenues</b>	<b>190</b>	322	285	255	387	235	180	(41)	150	<b>797</b>	802	1,057	188
<b>Underwriting Fees and Other Commissions</b>	<b>137</b>	132	143	184	145	126	165	101	116	<b>412</b>	436	620	402
<b>Foreign Exchange, other than Trading</b>	<b>88</b>	89	81	68	88	95	122	88	77	<b>258</b>	305	373	314
<b>Net Gain (Loss) on Securities, other than Trading</b>	<b>87</b>	137	91	20	(155)	(133)	(144)	(543)	90	<b>315</b>	(432)	(412)	(374)
<b>Securitization Revenues</b>	<b>15</b>	22	18	21	71	219	98	45	30	<b>55</b>	388	409	130
<b>Other</b>	<b>197</b>	246	289	189	223	199	177	162	195	<b>732</b>	599	788	727
<b>Total Other Income</b>	<b>1,611</b>	1,815	1,759	1,636	1,599	1,509	1,385	550	1,428	<b>5,185</b>	4,493	6,129	4,302
% of Total Revenue (TEB)	<b>41.8</b>	46.0	44.2	43.0	41.6	41.1	40.5	21.3	41.1	<b>44.0</b>	41.1	41.6	35.0

## NON-INTEREST EXPENSES



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Salaries and Employee Benefits</b>													
Salaries	698	651	677	662	670	663	681	685	646	2,026	2,014	2,676	2,549
Performance-based Compensation	241	304	256	274	260	224	277	221	253	801	761	1,035	913
Stock-based Compensation	29	30	105	33	16	5	25	10	27	164	46	79	89
Pension and Other Employee Benefits	158	158	149	128	147	132	147	142	142	465	426	554	558
	<b>1,126</b>	<b>1,143</b>	<b>1,187</b>	<b>1,097</b>	<b>1,093</b>	<b>1,024</b>	<b>1,130</b>	<b>1,058</b>	<b>1,068</b>	<b>3,456</b>	<b>3,247</b>	<b>4,344</b>	<b>4,109</b>
<b>Premises and Technology</b>													
Net Premises Rent	64	59	59	64	60	62	57	57	55	182	179	243	217
Premises Repairs and Maintenance	21	17	22	21	20	22	24	24	22	60	66	87	83
Property Taxes	21	19	16	17	20	20	15	14	19	56	55	72	64
Computer Equipment, Software and Data Processing	171	157	164	179	169	165	174	182	161	492	508	687	650
Depreciation	60	59	57	58	60	57	59	56	51	176	176	234	209
Other Premises Costs	47	49	53	55	53	53	59	49	53	149	165	220	194
	<b>384</b>	<b>360</b>	<b>371</b>	<b>394</b>	<b>382</b>	<b>379</b>	<b>388</b>	<b>382</b>	<b>361</b>	<b>1,115</b>	<b>1,149</b>	<b>1,543</b>	<b>1,417</b>
<b>Communications</b>													
Telecommunications	19	18	21	20	19	20	21	22	20	58	60	80	79
Stationery, Postage and Courier	65	63	65	61	67	69	69	67	62	193	205	266	247
	<b>84</b>	<b>81</b>	<b>86</b>	<b>81</b>	<b>86</b>	<b>89</b>	<b>90</b>	<b>89</b>	<b>82</b>	<b>251</b>	<b>265</b>	<b>346</b>	<b>326</b>
<b>Advertising and Business Development</b>													
Advertising and Promotion	58	53	52	64	42	45	51	64	50	163	138	202	206
Travel and Business Development	29	24	26	31	24	23	27	32	27	79	74	105	114
	<b>87</b>	<b>77</b>	<b>78</b>	<b>95</b>	<b>66</b>	<b>68</b>	<b>78</b>	<b>96</b>	<b>77</b>	<b>242</b>	<b>212</b>	<b>307</b>	<b>320</b>
<b>Professional</b>	<b>61</b>	<b>44</b>	<b>50</b>	<b>62</b>	<b>47</b>	<b>53</b>	<b>54</b>	<b>59</b>	<b>55</b>	<b>155</b>	<b>154</b>	<b>216</b>	<b>227</b>
<b>Business and Capital Taxes</b>													
Business Taxes	34	30	26	27	33	31	38	27	28	90	102	129	90
Capital Taxes	11	10	11	14	14	8	12	(3)	12	32	34	48	26
	<b>45</b>	<b>40</b>	<b>37</b>	<b>41</b>	<b>47</b>	<b>39</b>	<b>50</b>	<b>24</b>	<b>40</b>	<b>122</b>	<b>136</b>	<b>177</b>	<b>116</b>
<b>Other</b>													
Employee Training	11	7	5	10	4	5	7	14	8	23	16	26	43
Amortization of Intangibles	20	25	26	24	23	26	23	28	20	71	72	96	83
Other	205	190	169	260	211	203	190	194	178	564	604	864	655
	<b>236</b>	<b>222</b>	<b>200</b>	<b>294</b>	<b>238</b>	<b>234</b>	<b>220</b>	<b>236</b>	<b>206</b>	<b>658</b>	<b>692</b>	<b>986</b>	<b>781</b>
<b>Total Non-Interest Expenses</b>	<b>2,023</b>	<b>1,967</b>	<b>2,009</b>	<b>2,064</b>	<b>1,959</b>	<b>1,886</b>	<b>2,010</b>	<b>1,944</b>	<b>1,889</b>	<b>5,999</b>	<b>5,855</b>	<b>7,919</b>	<b>7,296</b>
Productivity Ratio (TEB) (%)	<b>52.5</b>	<b>49.9</b>	<b>50.5</b>	<b>54.2</b>	<b>51.0</b>	<b>51.4</b>	<b>58.7</b>	<b>75.2</b>	<b>54.3</b>	<b>50.9</b>	<b>53.5</b>	<b>53.7</b>	<b>59.4</b>

# BALANCE SHEET



(\$MM)	QUARTERLY TREND									
	2010			2009				2008		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
Cash Resources	50,006	57,377	57,336	43,278	29,721	33,949	33,797	37,318	32,896	
Securities - Trading	65,385	69,219	58,061	58,067	59,624	61,107	50,529	48,292	56,016	
- Available for Sale	47,613	50,489	54,378	55,699	55,495	38,982	36,095	38,823	34,314	
- Equity Accounted Investments	4,392	4,305	3,697	3,528	3,417	3,449	3,266	920	853	
	117,390	124,013	116,136	117,294	118,536	103,538	89,890	88,035	91,183	
Securities Purchased under Resale Agreements	27,398	21,315	16,970	17,773	14,166	14,838	14,182	19,451	17,774	
Loans - Residential Mortgages	118,020	113,771	105,412	101,604	98,334	110,672	111,984	115,084	113,830	
- Personal and Credit Cards	61,467	60,964	61,500	61,048	60,934	61,015	58,831	50,719	48,971	
- Business and Government	103,804	103,199	104,200	106,520	109,588	125,959	131,951	125,503	111,921	
- Sub-total	283,291	277,934	271,112	269,172	268,856	297,646	302,766	291,306	274,722	
Allowance for Credit Losses	(4,250)	(4,321)	(2,948)	(2,870)	(2,982)	(2,828)	(2,706)	(2,626)	(2,477)	
- Total Net Loans	279,041	273,613	268,164	266,302	265,874	294,818	300,060	288,680	272,245	
Customers' Liability under Acceptances	7,421	7,655	7,652	9,583	10,941	11,801	13,144	11,969	11,497	
Derivative Instruments	25,221	22,770	25,373	25,992	31,943	39,250	43,526	44,810	23,504	
Land, Buildings and Equipment	2,401	2,320	2,322	2,372	2,372	2,443	2,422	2,449	2,305	
Goodwill	2,744	2,701	2,765	2,908	2,875	2,845	2,820	2,273	2,134	
Other Intangible Assets	568	555	560	561	541	549	561	521	524	
Other Assets	11,234	13,806	10,348	10,453	9,500	10,470	10,244	12,119	8,345	
<b>Total Assets</b>	<b>523,424</b>	<b>526,125</b>	<b>507,626</b>	<b>496,516</b>	<b>486,469</b>	<b>514,501</b>	<b>510,646</b>	<b>507,625</b>	<b>462,407</b>	
Deposits - Personal	127,856	124,255	124,920	123,762	123,996	125,308	122,648	118,919	112,872	
- Business and Government	214,724	221,009	212,169	203,594	189,120	195,021	198,887	200,566	191,239	
- Banks	22,661	25,985	27,849	23,063	20,612	26,531	25,035	27,095	28,358	
- Total	365,241	371,249	364,938	350,419	333,728	346,860	346,570	346,580	332,469	
Other Liabilities										
- Securities Sold Under Repurchase Agreements	39,939	40,781	39,471	36,568	36,013	42,407	35,578	36,506	29,116	
- Securities Sold Short	21,433	23,119	13,339	14,688	13,840	14,608	11,963	11,700	11,765	
- Derivative Instruments	29,399	27,023	27,699	28,806	36,155	41,292	43,831	42,811	22,981	
- Other	34,513	32,020	30,377	34,819	36,265	38,633	43,167	43,534	40,677	
- Total	125,284	122,943	110,886	114,881	122,273	136,940	134,539	134,551	104,539	
Subordinated Debentures	5,924	5,881	5,945	5,944	5,958	6,359	5,407	4,352	3,538	
Capital Instrument Liabilities	500	500	500	500	500	500	500	500	500	
Equity - Preferred Shares	3,975	3,975	3,710	3,710	3,710	3,710	3,710	2,860	2,560	
- Common Shares and Contributed Surplus	5,544	5,358	5,113	4,946	4,768	4,629	4,496	3,829	3,728	
- Retained Earnings	21,397	20,894	20,353	19,916	19,561	19,179	18,853	18,549	18,784	
- Accumulated Other Comprehensive Income (Loss)	(4,441)	(4,675)	(3,819)	(3,800)	(4,029)	(3,676)	(3,429)	(3,596)	(3,711)	
- Common Equity	22,500	21,577	21,647	21,062	20,300	20,132	19,920	18,782	18,801	
- Total Equity	26,475	25,552	25,357	24,772	24,010	23,842	23,630	21,642	21,361	
<b>Total Liabilities and Shareholders' Equity</b>	<b>523,424</b>	<b>526,125</b>	<b>507,626</b>	<b>496,516</b>	<b>486,469</b>	<b>514,501</b>	<b>510,646</b>	<b>507,625</b>	<b>462,407</b>	

## AVERAGE BALANCE SHEET



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Deposits with Other Banks	58,068	57,474	48,583	39,470	32,146	37,282	42,037	32,122	27,783	54,678	37,154	37,738	29,227
Securities - Trading	67,674	60,250	59,888	60,977	63,395	55,392	51,142	55,657	60,601	62,631	56,657	57,746	60,799
- Other	51,270	55,861	58,062	58,176	50,391	40,366	37,627	38,228	34,967	55,055	42,821	46,691	35,146
	118,944	116,111	117,950	119,153	113,786	95,758	88,769	93,885	95,568	117,686	99,478	104,437	95,945
Securities Purchased under Resale Agreements	26,065	19,366	19,225	17,370	16,421	17,490	22,158	19,009	18,461	21,576	18,702	18,367	19,656
Loans - Residential Mortgages	116,457	106,878	103,519	99,856	106,984	110,775	113,122	114,741	111,342	108,974	110,288	107,659	108,905
- Personal and Credit Cards	60,483	60,246	60,025	59,666	60,259	59,706	57,930	49,206	45,463	60,251	59,294	59,388	45,204
- Business and Government	91,630	90,023	94,128	97,319	108,224	121,710	123,648	111,038	103,198	91,948	117,819	112,654	99,991
- Total	268,570	257,147	257,672	256,841	275,467	292,191	294,700	274,985	260,003	261,173	287,401	279,701	254,100
Total Earning Assets	471,647	450,098	443,430	432,834	437,820	442,721	447,664	420,001	401,815	455,113	442,735	440,243	398,928
Customers' Liability under Acceptances	8,023	7,947	8,693	10,166	11,817	12,987	13,201	11,929	12,442	8,224	12,665	12,035	12,240
Other Assets	50,730	46,942	49,010	51,612	56,950	64,554	69,080	48,819	42,419	49,006	63,801	60,871	44,371
<b>Total Assets</b>	<b>530,400</b>	<b>504,987</b>	<b>501,133</b>	<b>494,612</b>	<b>506,587</b>	<b>520,262</b>	<b>529,945</b>	<b>480,749</b>	<b>456,676</b>	<b>512,343</b>	<b>519,201</b>	<b>513,149</b>	<b>455,539</b>
Deposits - Personal	125,275	122,894	122,762	122,223	123,663	123,733	120,430	112,687	111,948	123,652	122,596	122,502	108,863
- Business and Government	220,277	212,554	207,101	200,961	198,667	200,172	211,220	195,877	185,561	213,319	203,388	202,776	182,435
- Banks	23,119	24,318	23,914	20,969	23,558	25,353	26,465	30,374	29,767	23,778	25,123	24,076	30,815
- Total	368,671	359,766	353,777	344,153	345,888	349,258	358,115	338,938	327,276	360,749	351,107	349,354	322,113
Other Liabilities	129,297	113,430	115,860	119,622	130,240	141,224	144,169	116,049	104,092	119,659	138,829	134,097	109,441
Subordinated Debentures	5,919	5,913	5,931	5,946	6,033	5,544	4,469	3,741	3,894	5,921	5,347	5,498	3,071
Capital Instrument Liabilities	500	500	500	500	500	500	500	500	500	500	500	500	500
Shareholders' Equity													
- Preferred Shares	3,975	3,766	3,710	3,710	3,710	3,710	3,043	2,729	2,408	3,818	3,485	3,542	2,196
- Common Shares, Contributed Surplus, Retained Earnings and Accumulated Other Comprehensive Income (Loss)	22,038	21,612	21,355	20,681	20,216	20,026	19,649	18,792	18,506	21,696	19,933	20,158	18,218
- Total	26,013	25,378	25,065	24,391	23,926	23,736	22,692	21,521	20,914	25,514	23,418	23,700	20,414
<b>Total Liabilities and Shareholders' Equity</b>	<b>530,400</b>	<b>504,987</b>	<b>501,133</b>	<b>494,612</b>	<b>506,587</b>	<b>520,262</b>	<b>529,945</b>	<b>480,749</b>	<b>456,676</b>	<b>512,343</b>	<b>519,201</b>	<b>513,149</b>	<b>455,539</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2010			2009				2008		2010	2009	2009	2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Preferred Shares:</b>													
Balance at Beginning of Period	3,975	3,710	3,710	3,710	3,710	3,710	2,860	2,560	2,210	3,710	2,860	2,860	1,635
Preferred Shares Issued	-	265	-	-	-	-	850	300	350	265	850	850	1,225
<b>Balance at End of Period</b>	<b>3,975</b>	<b>3,975</b>	<b>3,710</b>	<b>3,710</b>	<b>3,710</b>	<b>3,710</b>	<b>3,710</b>	<b>2,860</b>	<b>2,560</b>	<b>3,975</b>	<b>3,710</b>	<b>3,710</b>	<b>2,860</b>
<b>Common Shares and Contributed Surplus:</b>													
Balance at Beginning of Period	5,358	5,113	4,946	4,768	4,629	4,496	3,829	3,728	3,643	4,946	3,829	3,829	3,566
Common Shares Issued less Purchased for Cancellation	189	236	150	178	139	133	667	101	85	575	939	1,117	263
Contributed Surplus: Stock Option Expense	(3)	9	17	-	-	-	-	-	-	23	-	-	-
<b>Balance at End of Period</b>	<b>5,544</b>	<b>5,358</b>	<b>5,113</b>	<b>4,946</b>	<b>4,768</b>	<b>4,629</b>	<b>4,496</b>	<b>3,829</b>	<b>3,728</b>	<b>5,544</b>	<b>4,768</b>	<b>4,946</b>	<b>3,829</b>
<b>Retained Earnings:</b>													
Balance at Beginning of Period	20,894	20,353	19,916	19,561	19,179	18,853	18,549	18,784	18,300	19,916	18,549	18,549	17,460
Net Income	1,062	1,097	988	902	931	872	842	315	1,010	3,147	2,645	3,547	3,140
Dividends - Preferred	(51)	(49)	(49)	(49)	(49)	(51)	(37)	(32)	(32)	(149)	(137)	(186)	(107)
- Common	(507)	(505)	(502)	(501)	(499)	(497)	(493)	(485)	(485)	(1,514)	(1,489)	(1,990)	(1,896)
Premium on Purchase of Shares for Cancellation	-	-	-	-	-	-	-	(31)	(6)	-	-	-	(37)
Other	(1)	(2)	-	3	(1)	2	(8)	(2)	(3)	(3)	(7)	(4)	(11)
<b>Balance at End of Period</b>	<b>21,397</b>	<b>20,894</b>	<b>20,353</b>	<b>19,916</b>	<b>19,561</b>	<b>19,179</b>	<b>18,853</b>	<b>18,549</b>	<b>18,784</b>	<b>21,397</b>	<b>19,561</b>	<b>19,916</b>	<b>18,549</b>
<b>Accumulated Other Comprehensive Income (Loss):</b>													
Balance at Beginning of Period as previously reported	(4,675)	(3,819)	(3,800)	(4,642)	(4,610)	(4,246)	(3,596)	(3,711)	(3,730)	(3,800)	(3,596)	(3,596)	(3,857)
Cumulative Effect of Adopting New Accounting Policies	-	-	-	613	934	817	595	-	-	-	595	595	-
Balance at Beginning of Period as restated	(4,675)	(3,819)	(3,800)	(4,029)	(3,676)	(3,429)	(3,001)	(3,711)	(3,730)	(3,800)	(3,001)	(3,001)	(3,857)
Other Comprehensive Income-													
Net Change in Unrealized Foreign Currency Translation Gains (Losses)	209	(785)	(201)	141	(1,428)	(323)	(126)	1,375	193	(777)	(1,877)	(1,736)	2,368
Net Change in Unrealized Gains (Losses) on Available-for-Sale Securities	77	(153)	156	55	937	66	(164)	(1,075)	(243)	80	839	894	(1,588)
Net Change in Gains (Losses) on Derivative Instruments, designated as cash flow hedges	(52)	82	26	33	138	10	(138)	(185)	69	56	10	43	(519)
Total	234	(856)	(19)	229	(353)	(247)	(428)	115	19	(641)	(1,028)	(799)	261
<b>Balance at End of Period</b>	<b>(4,441)</b>	<b>(4,675)</b>	<b>(3,819)</b>	<b>(3,800)</b>	<b>(4,029)</b>	<b>(3,676)</b>	<b>(3,429)</b>	<b>(3,596)</b>	<b>(3,711)</b>	<b>(4,441)</b>	<b>(4,029)</b>	<b>(3,800)</b>	<b>(3,596)</b>
<b>Total Shareholders' Equity at End of Period</b>	<b>26,475</b>	<b>25,552</b>	<b>25,357</b>	<b>24,772</b>	<b>24,010</b>	<b>23,842</b>	<b>23,630</b>	<b>21,642</b>	<b>21,361</b>	<b>26,475</b>	<b>24,010</b>	<b>24,772</b>	<b>21,642</b>
<b>Composition of Accumulated Other Comprehensive Income (Loss):</b>													
Unrealized Foreign Currency Translation Gains (Losses)	(4,694)	(4,903)	(4,118)	(3,917)	(4,058)	(2,630)	(2,307)	(2,181)	(3,556)				
Unrealized Gains (Losses) on Available-for-Sale Securities	620	543	696	540	485	(452)	(518)	(949)	126				
Unrealized Gains (Losses) on Derivative Instruments, designated as cash flow hedges	(367)	(315)	(397)	(423)	(456)	(594)	(604)	(466)	(281)				
Total	(4,441)	(4,675)	(3,819)	(3,800)	(4,029)	(3,676)	(3,429)	(3,596)	(3,711)				

## LOANS AND ACCEPTANCES BY TYPE OF BORROWER



(\$B)	July 31, 2010		April 30, 2010		January 31, 2010		October 31, 2009		July 31, 2009	
	Balance	% of Total	Balance	% of Total	Balance	% of Total	Balance	% of Total	Balance	% of Total
<b>Personal</b>										
Residential Mortgages	117.3	40.8	112.9	39.9	105.2	37.9	101.3	36.5	98.1	35.2
Credit Cards	10.8	3.7	10.8	3.8	11.1	4.0	11.1	4.0	11.0	4.0
Personal Loans	50.0	17.4	49.5	17.5	49.7	17.9	49.3	17.8	49.2	17.7
	<b>178.1</b>	<b>61.9</b>	<b>173.2</b>	<b>61.2</b>	<b>166.0</b>	<b>59.8</b>	<b>161.7</b>	<b>58.3</b>	<b>158.3</b>	<b>56.9</b>
<b>Business &amp; Government</b>										
Financial Services	19.5	6.8	19.3	6.8	17.4	6.3	18.8	6.8	18.4	6.6
Wholesale and Retail	10.0	3.5	10.0	3.5	10.1	3.6	10.9	3.9	11.7	4.2
Real Estate	10.9	3.8	10.3	3.6	10.9	3.9	11.7	4.2	12.2	4.4
Oil and Gas	9.0	3.1	9.1	3.2	9.1	3.3	9.8	3.5	10.0	3.6
Transportation	7.1	2.5	7.1	2.5	7.7	2.8	7.8	2.8	8.1	2.9
Automotive	5.3	1.8	5.3	1.9	5.2	1.9	5.1	1.8	5.6	2.0
Agriculture	4.5	1.5	4.2	1.5	4.3	1.5	4.3	1.6	4.4	1.6
Government	3.7	1.3	3.5	1.2	3.7	1.3	3.3	1.2	3.3	1.2
Hotels and Leisure	4.3	1.5	4.3	1.5	4.7	1.7	4.8	1.7	4.9	1.8
Mining and Primary Metals	4.9	1.7	5.2	1.8	5.7	2.1	5.7	2.1	5.8	2.1
Utilities	5.2	1.8	5.0	1.8	5.7	2.1	6.1	2.2	6.5	2.3
Health Care	4.0	1.4	3.9	1.4	3.9	1.4	4.0	1.4	4.3	1.5
Telecommunications and Cable	4.0	1.4	4.0	1.4	4.4	1.6	4.6	1.6	4.8	1.8
Media	1.9	0.6	2.1	0.7	2.6	1.0	2.7	1.0	3.1	1.1
Chemical	1.2	0.4	1.2	0.4	1.3	0.4	1.3	0.5	1.5	0.5
Food and Beverage	2.8	1.0	2.9	1.0	3.6	1.3	3.8	1.4	4.1	1.5
Forest Products	1.1	0.4	1.3	0.5	1.4	0.5	1.5	0.6	1.8	0.6
Other	10.5	3.6	9.6	3.4	9.6	3.5	9.5	3.4	9.5	3.4
sub-total	<b>109.9</b>	<b>38.1</b>	<b>108.3</b>	<b>38.1</b>	<b>111.3</b>	<b>40.2</b>	<b>115.7</b>	<b>41.7</b>	<b>120.0</b>	<b>43.1</b>
R-G Premier Bank Acquisition (1)	n/a	n/a	1.3	0.7	n/a	n/a	n/a	n/a	n/a	n/a
	<b>109.9</b>	<b>38.1</b>	<b>109.6</b>	<b>38.8</b>	<b>111.3</b>	<b>40.2</b>	<b>115.7</b>	<b>41.7</b>	<b>120.0</b>	<b>43.1</b>
<b>Total Loans and Acceptances, net of Specific Allowance</b>	<b>288.0</b>	<b>100.0</b>	<b>282.8</b>	<b>100.0</b>	<b>277.3</b>	<b>100.0</b>	<b>277.4</b>	<b>100.0</b>	<b>278.3</b>	<b>100.0</b>
<b>General Allowance</b>	<b>(1.5)</b>		<b>(1.5)</b>		<b>(1.5)</b>		<b>(1.5)</b>		<b>(1.5)</b>	
<b>Total Loans and Acceptances, net of Allowances</b>	<b>286.5</b>		<b>281.3</b>		<b>275.8</b>		<b>275.9</b>		<b>276.8</b>	

(1) R-G Premier Bank's Business & Government loans, acquired on April 30, 2010, reported by individual industry sector at July 31, 2010.

## GROSS IMPAIRED LOANS BY BUSINESS SEGMENT



(\$MM)	QUARTERLY TREND								
	2010			2009				2008	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>GROSS IMPAIRED LOANS:</b>									
<u>Canadian</u>									
Retail	888	892	910	869	796	747	621	523	472
Commercial	339	322	347	302	330	307	262	238	228
	<b>1,227</b>	<b>1,214</b>	<b>1,257</b>	<b>1,171</b>	<b>1,126</b>	<b>1,054</b>	<b>883</b>	<b>761</b>	<b>700</b>
<u>International</u>									
Retail	1,346	1,243	1,243	1,131	1,177	1,110	997	833	688
Commercial	1,128	1,150	1,210	1,136	1,143	994	919	776	674
sub-total	<b>2,474</b>	<b>2,393</b>	<b>2,453</b>	<b>2,267</b>	<b>2,320</b>	<b>2,104</b>	<b>1,916</b>	<b>1,609</b>	<b>1,362</b>
R-G Premier Bank Acquisition	1,412	1,422	-	-	-	-	-	-	-
	<b>3,886</b>	<b>3,815</b>	<b>2,453</b>	<b>2,267</b>	<b>2,320</b>	<b>2,104</b>	<b>1,916</b>	<b>1,609</b>	<b>1,362</b>
<u>Scotia Capital</u>									
Canada	73	118	142	87	174	165	-	-	-
U.S.A.	159	174	274	408	362	267	169	107	86
Europe	53	1	6	6	11	7	17	17	15
	<b>285</b>	<b>293</b>	<b>422</b>	<b>501</b>	<b>547</b>	<b>439</b>	<b>186</b>	<b>124</b>	<b>101</b>
<b>Total Gross Impaired Loans</b>	<b>5,398</b>	<b>5,322</b>	<b>4,132</b>	<b>3,939</b>	<b>3,993</b>	<b>3,597</b>	<b>2,985</b>	<b>2,494</b>	<b>2,163</b>
Specific Allowance for Credit Losses	(2,800)	(2,847)	(1,455)	(1,376)	(1,484)	(1,418)	(1,383)	(1,303)	(1,154)
<b>Total Net Impaired Loans after Specific Allowance</b>	<b>2,598</b>	<b>2,475</b>	<b>2,677</b>	<b>2,563</b>	<b>2,509</b>	<b>2,179</b>	<b>1,602</b>	<b>1,191</b>	<b>1,009</b>



## CHANGES IN GROSS IMPAIRED LOANS BY BUSINESS SEGMENT



(\$MM)	QUARTERLY TREND								
	2010			2009				2008	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Balance at Beginning of Period</b>	<b>5,322</b>	<b>4,132</b>	<b>3,939</b>	<b>3,993</b>	<b>3,597</b>	<b>2,985</b>	<b>2,494</b>	<b>2,163</b>	<b>2,012</b>
<b>Acquisition Related</b>									
Canadian Retail	-	-	-	-	-	-	-	-	-
Canadian Commercial	-	-	18	-	-	-	-	-	-
International Retail	(206)	711	-	-	-	-	-	38	-
International Commercial	196	711	-	-	-	-	-	-	-
Scotia Capital	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(10)</b>	<b>1,422</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>-</b>
<b>Net Classifications</b>									
<u>Canadian Retail</u>									
New Classifications	397	426	442	439	409	436	328	277	234
Declassifications, Payments and Sales	(250)	(272)	(258)	(234)	(242)	(190)	(110)	(129)	(119)
<b>Net Classifications</b>	<b>147</b>	<b>154</b>	<b>184</b>	<b>205</b>	<b>167</b>	<b>246</b>	<b>218</b>	<b>148</b>	<b>115</b>
<u>Canadian Commercial</u>									
New Classifications	62	62	74	74	91	115	31	39	47
Declassifications, Payments and Sales	(15)	(47)	(32)	(50)	(24)	(17)	-	(14)	(32)
<b>Net Classifications</b>	<b>47</b>	<b>15</b>	<b>42</b>	<b>24</b>	<b>67</b>	<b>98</b>	<b>31</b>	<b>25</b>	<b>15</b>
<u>International Retail</u>									
New Classifications	211	184	259	254	276	266	336	215	106
Declassifications, Payments and Sales	-	-	-	-	-	(2)	-	(1)	(3)
<b>Net Classifications</b>	<b>211</b>	<b>184</b>	<b>259</b>	<b>254</b>	<b>276</b>	<b>264</b>	<b>336</b>	<b>214</b>	<b>103</b>
<u>International Commercial</u>									
New Classifications	47	63	198	90	278	97	142	78	159
Declassifications, Payments and Sales	(59)	(48)	(63)	(85)	(46)	(4)	(9)	(15)	(65)
<b>Net Classifications</b>	<b>(12)</b>	<b>15</b>	<b>135</b>	<b>5</b>	<b>232</b>	<b>93</b>	<b>133</b>	<b>63</b>	<b>94</b>
<u>Scotia Capital</u>									
New Classifications	53	3	62	218	205	316	60	6	83
Declassifications, Payments and Sales	(63)	(71)	(171)	(79)	(44)	(13)	-	-	(33)
<b>Net Classifications</b>	<b>(10)</b>	<b>(68)</b>	<b>(109)</b>	<b>139</b>	<b>161</b>	<b>303</b>	<b>60</b>	<b>6</b>	<b>50</b>
<b>Total</b>	<b>383</b>	<b>300</b>	<b>511</b>	<b>627</b>	<b>903</b>	<b>1,004</b>	<b>778</b>	<b>456</b>	<b>377</b>
<b>Write-offs</b>									
Canadian Retail	(151)	(172)	(143)	(138)	(138)	(120)	(120)	(97)	(87)
Canadian Commercial	(30)	(40)	(15)	(42)	(25)	(53)	(7)	(15)	(31)
International Retail	(140)	(147)	(160)	(190)	(184)	(169)	(130)	(140)	(73)
International Commercial	(22)	(17)	(52)	(23)	(18)	(9)	(26)	(26)	(21)
Scotia Capital	-	(17)	(3)	(210)	(12)	(46)	-	-	(6)
<b>Total</b>	<b>(343)</b>	<b>(393)</b>	<b>(373)</b>	<b>(603)</b>	<b>(377)</b>	<b>(397)</b>	<b>(283)</b>	<b>(278)</b>	<b>(218)</b>
<b>Forex</b>									
International Retail	32	(37)	13	(109)	(24)	18	(42)	33	(6)
International Commercial	12	(58)	(9)	11	(65)	(9)	36	65	(3)
Scotia Capital	2	(44)	33	20	(41)	(4)	2	17	1
<b>Total</b>	<b>46</b>	<b>(139)</b>	<b>37</b>	<b>(78)</b>	<b>(130)</b>	<b>5</b>	<b>(4)</b>	<b>115</b>	<b>(8)</b>
<b>Balance at End of Period</b>	<b>5,398</b>	<b>5,322</b>	<b>4,132</b>	<b>3,939</b>	<b>3,993</b>	<b>3,597</b>	<b>2,985</b>	<b>2,494</b>	<b>2,163</b>

# NET IMPAIRED LOANS BY BUSINESS SEGMENT AND ALLOWANCE FOR CREDIT LOSSES

(\$MM)	QUARTERLY TREND									
	2010			2009				2008		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
<b>NET IMPAIRED LOANS:</b>										
<u>Canadian</u>										
Retail	452	479	521	508	481	445	334	243	198	
Commercial	152	132	146	138	183	170	115	111	110	
	<b>604</b>	<b>611</b>	<b>667</b>	<b>646</b>	<b>664</b>	<b>615</b>	<b>449</b>	<b>354</b>	<b>308</b>	
<u>International</u>										
Retail	899	809	763	563	605	500	362	273	249	
Commercial	879	825	906	925	906	740	657	481	377	
	<b>1,778</b>	<b>1,634</b>	<b>1,669</b>	<b>1,488</b>	<b>1,511</b>	<b>1,240</b>	<b>1,019</b>	<b>754</b>	<b>626</b>	
<u>Scotia Capital</u>										
Canada	46	85	110	73	99	130	-	-	-	
U.S.A.	130	145	229	354	228	191	131	80	72	
Europe	40	-	2	2	7	3	3	3	3	
	<b>216</b>	<b>230</b>	<b>341</b>	<b>429</b>	<b>334</b>	<b>324</b>	<b>134</b>	<b>83</b>	<b>75</b>	
<b>Total Net Impaired Loans after Specific Allowance</b>	<b>2,598</b>	<b>2,475</b>	<b>2,677</b>	<b>2,563</b>	<b>2,509</b>	<b>2,179</b>	<b>1,602</b>	<b>1,191</b>	<b>1,009</b>	
Coverage Ratio (%) (1)(2)	<b>78.7</b>	81.2	71.3	72.9	74.7	78.6	90.6	105.3	114.5	
<b>ALLOWANCE FOR CREDIT LOSSES:</b>										
Balance, Beginning of Period	4,330	2,954	2,875	2,987	2,836	2,714	2,634	2,485	2,498	
Acquisition Related (3)	(85)	1,422	14	-	9	-	-	89	(6)	
Write-offs	(343)	(393)	(373)	(603)	(377)	(397)	(283)	(278)	(218)	
Recoveries	68	68	62	64	52	48	59	77	52	
Provision for Credit Losses	276	338	371	420	554	489	281	207	159	
Foreign Currency Adjustment and Other	13	(59)	5	7	(87)	(18)	23	54	-	
<b>Balance, End of Period</b>	<b>4,259</b>	<b>4,330</b>	<b>2,954</b>	<b>2,875</b>	<b>2,987</b>	<b>2,836</b>	<b>2,714</b>	<b>2,634</b>	<b>2,485</b>	
<u>Comprised of:</u>										
Specific Allowance	2,800	2,847	1,455	1,376	1,484	1,418	1,383	1,303	1,154	
Sectoral Allowance	-	24	43	44	48	60	-	-	-	
General Allowance	1,450	1,450	1,450	1,450	1,450	1,350	1,323	1,323	1,323	
Other Liabilities	9	9	6	5	5	8	8	8	8	
<b>Total Allowance for Credit Losses</b>	<b>4,259</b>	<b>4,330</b>	<b>2,954</b>	<b>2,875</b>	<b>2,987</b>	<b>2,836</b>	<b>2,714</b>	<b>2,634</b>	<b>2,485</b>	

(1) Specific, Sectoral and General Allowances for Credit Losses as a percentage of Total Gross Impaired Loans.

(2) Excluding R-G Premier Bank, coverage ratios were 73.1% in Q3/10 and 74.3% in Q2/10.

(3) The numbers for R-G Premier Bank will be subject to change as the purchase price allocation has not been finalized.

## IMPAIRED LOANS BY TYPE OF BORROWER



(\$MM)	July 31, 2010 Specific Allowance for			April 30, 2010 Specific Allowance for			July 31, 2009 Specific Allowance for		
	Gross	Credit Losses	Net	Gross	Credit Losses	Net	Gross	Credit Losses	Net
<b>Personal</b>									
Residential Mortgages	1,920	681	1,239	2,065	930	1,135	1,006	245	761
Other Personal Loans	819	707	112	781	628	153	967	642	325
	<b>2,739</b>	<b>1,388</b>	<b>1,351</b>	<b>2,846</b>	<b>1,558</b>	<b>1,288</b>	<b>1,973</b>	<b>887</b>	<b>1,086</b>
<b>Business &amp; Government</b>									
Financial Services	121	69	52	94	34	60	302	127	175
Wholesale and Retail	296	162	134	227	94	133	223	82	141
Real Estate	1,043	669	374	390	81	309	510	97	413
Oil and Gas	12	5	7	11	4	7	74	14	60
Transportation	203	51	152	140	35	105	49	20	29
Automotive	19	12	7	23	19	4	93	25	68
Agriculture	47	28	19	51	31	20	91	25	66
Government	83	37	46	56	11	45	16	4	12
Hotels and Leisure	401	118	283	383	89	294	211	7	204
Mining and Primary Metals	22	11	11	14	4	10	21	6	15
Utilities	3	2	1	2	1	1	1	1	-
Health Care	50	37	13	21	9	12	30	8	22
Telecommunications and Cable	19	8	11	27	12	15	35	15	20
Media	5	3	2	43	9	34	101	46	55
Chemical	1	1	-	1	1	-	11	4	7
Food and Beverage	49	25	24	36	14	22	37	14	23
Forest Products	15	8	7	16	9	7	30	12	18
Other	270	166	104	230	121	109	185	90	95
sub-total	<b>2,659</b>	<b>1,412</b>	<b>1,247</b>	<b>1,765</b>	<b>578</b>	<b>1,187</b>	<b>2,020</b>	<b>597</b>	<b>1,423</b>
R-G Premier Bank Acquisition (1)	n/a	n/a	n/a	711	711	-	n/a	n/a	n/a
	<b>2,659</b>	<b>1,412</b>	<b>1,247</b>	<b>2,476</b>	<b>1,289</b>	<b>1,187</b>	<b>2,020</b>	<b>597</b>	<b>1,423</b>
<b>Total</b>	<b>5,398</b>	<b>2,800</b>	<b>2,598</b>	<b>5,322</b>	<b>2,847</b>	<b>2,475</b>	<b>3,993</b>	<b>1,484</b>	<b>2,509</b>

(1) R-G Premier Bank's Business & Government impaired loans, acquired on April 30, 2010, reported by individual industry sector at July 31, 2010.

## SPECIFIC PROVISIONS FOR CREDIT LOSSES BY TYPE OF BORROWER



(\$MM)	QUARTERLY TREND							FULL YEAR		
	2010			2009				2009	2008	2007
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Personal</b>										
Residential Mortgages	23	22	22	5	18	(5)	7	25	-	(9)
Other Personal Loans	240	252	248	276	265	256	245	1,042	636	449
	<b>263</b>	<b>274</b>	<b>270</b>	<b>281</b>	<b>283</b>	<b>251</b>	<b>252</b>	<b>1,067</b>	<b>636</b>	<b>440</b>
<b>Business &amp; Government</b>										
Financial Services	(2)	6	3	73	68	56	2	199	7	(10)
Wholesale and Retail	3	11	8	4	21	27	49	101	-	(39)
Real Estate	6	3	2	25	28	14	(8)	59	(69)	(11)
Oil and Gas	-	-	1	1	1	20	12	34	43	(1)
Transportation	16	6	21	(2)	(1)	-	(6)	(9)	(15)	(9)
Automotive	1	(1)	(3)	-	12	5	2	19	5	1
Agriculture	(2)	(5)	3	11	6	2	-	19	5	(4)
Government	-	1	1	1	-	-	(36)	(35)	(18)	2
Hotels and Leisure	9	35	40	8	1	-	1	10	(4)	(5)
Mining and Primary Metals	(1)	(1)	-	1	3	3	(4)	3	(16)	(4)
Utilities	-	-	-	-	-	-	-	-	(2)	(18)
Health Care	2	5	1	1	1	2	-	4	2	(1)
Telecommunications and Cable	(2)	2	1	-	2	4	-	6	(3)	(5)
Media	(12)	(3)	-	5	31	5	11	52	11	(13)
Chemical	-	(3)	-	-	-	-	1	1	7	(22)
Food and Beverage	3	(1)	-	1	1	2	4	8	(17)	(6)
Forest Products	1	-	1	-	4	-	1	5	3	-
Other	15	28	23	14	5	11	-	30	55	-
	<b>37</b>	<b>83</b>	<b>102</b>	<b>143</b>	<b>183</b>	<b>151</b>	<b>29</b>	<b>506</b>	<b>(6)</b>	<b>(145)</b>
<b>Total</b>	<b>300</b>	<b>357</b>	<b>372</b>	<b>424</b>	<b>466</b>	<b>402</b>	<b>281</b>	<b>1,573</b>	<b>630</b>	<b>295</b>

## CROSS BORDER EXPOSURES TO SELECT COUNTRIES IN ASIA AND LATIN AMERICA



Outstandings (net of provisions), US\$MM

	<u>Loans</u>	<u>Trade</u>	<u>Interbank Deposits</u>	<u>Govt./ Other Sec.</u>	<u>Invest. in Affiliates</u>	<u>Other (1)</u>	<u>Jul. 31/10 Total</u>	<u>Apr. 30/10 Total</u>	<u>Jul. 31/09 Total</u>
<b>ASIA</b>									
India	1,775	758	38	175	-	17	2,763	2,528	2,588
South Korea	1,573	638	-	498	-	181	2,890	2,372	2,687
China	1,446	1,989	128	315	-	14	3,892	3,569	2,247
Malaysia	559	65	-	235	205	3	1,067	1,196	1,082
Japan	560	6	-	85	-	38	689	719	743
Hong Kong	349	302	51	363	-	21	1,086	1,072	963
Thailand	254	12	-	67	1,204	-	1,537	1,497	736
Other (2)	625	160	70	163	-	5	1,023	969	1,134
<b>Total</b>	<b>7,141</b>	<b>3,930</b>	<b>287</b>	<b>1,901</b>	<b>1,409</b>	<b>279</b>	<b>14,947</b>	<b>13,922</b>	<b>12,180</b>
<b>LATIN AMERICA</b>									
Mexico	1,350	104	-	273	2,212	39	3,978	4,273	4,292
Chile	1,353	109	-	40	1,835	104	3,441	3,332	2,635
Brazil	398	1,315	-	177	-	2	1,892	1,979	1,333
Peru	303	61	-	-	1,605	6	1,975	1,760	1,556
Costa Rica	781	60	-	-	466	-	1,307	1,361	1,396
El Salvador	196	7	-	-	377	-	580	612	632
Colombia	258	44	-	-	58	-	360	52	94
Venezuela	5	-	-	-	101	-	106	97	113
Other (3)	1,162	105	24	22	-	17	1,330	1,371	1,046
<b>Total</b>	<b>5,806</b>	<b>1,805</b>	<b>24</b>	<b>512</b>	<b>6,654</b>	<b>168</b>	<b>14,969</b>	<b>14,837</b>	<b>13,097</b>

(1) includes forex contracts, precious metals, derivatives (positive mark-to-market).

(2) includes Indonesia, The Philippines, Singapore and Taiwan.

(3) includes Panama and Uruguay.

# ASSET SECURITIZATION, RESERVES AND INTEREST RATE SENSITIVITY



	QUARTERLY TREND								
	2010			2009				2008	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>ASSET SECURITIZATION (\$MM):</b>									
Balance, Beginning of Period	15,941	16,768	17,693	18,670	19,090	16,666	13,022	11,650	11,909
Securitized	695	590	590	700	2,006	4,420	4,827	2,577	900
Paydowns/Maturities	(1,441)	(1,417)	(1,515)	(1,677)	(2,426)	(1,996)	(1,183)	(1,205)	(1,159)
Balance, End of Period									
Personal Loans	14	18	23	199	207	217	226	235	249
Mortgages	15,181	15,923	16,745	17,494	18,463	18,873	16,440	12,787	11,401
	15,195	15,941	16,768	17,693	18,670	19,090	16,666	13,022	11,650

## AVAILABLE-FOR-SALE SECURITIES - UNREALIZED GAINS (LOSSES) (\$MM):

Bonds of Emerging Markets	330	375	383	461	470	414	369	237	345
Other Debt Securities	602	255	672	512	450	(293)	(272)	(1,194)	(292)
Common and Preferred Shares	176	233	190	40	(25)	(328)	(445)	(271)	140
	1,108	863	1,245	1,013	895	(207)	(348)	(1,228)	193
Net Fair Value of Derivative Instruments and Other Hedge Amounts	(193)	(67)	(217)	(185)	(162)	(322)	(257)	(92)	14
Net Unrealized Gains (Losses)	915	796	1,028	828	733	(529)	(605)	(1,320)	207

## INTEREST RATE SENSITIVITY (\$B):

	Within 3 Months	3 to 12 Months	Cumulative Under 1 Year	Over 1 Year	Non-Interest Rate Sensitive
<b>July 31, 2010</b>					
Canadian Currency Gap	19.1	(11.1)	8.0	(4.9)	(3.1)
Foreign Currency Gap	5.7	-	5.7	10.7	(16.4)
Total Currency Gap	24.8	(11.1)	13.7	5.8	(19.5)

( ) denotes liability gap

Note: Based on the Bank's interest rate positions as at July 31, 2010, an immediate and sustained 100 basis point rise in interest rates, across all currencies and maturities, would increase net income after-tax by approximately \$134MM over the next 12 months, and lower common shareholders' equity, in present value terms, by approximately \$330MM. Conversely, an immediate and sustained 100 basis point fall in interest rates, across all currencies and maturities, would decrease net income after-tax by approximately \$109MM over the next 12 months, and increase common shareholders' equity, in present value terms, by approximately \$295MM.

July 31, 2010

## Index

Introduction	Page 23
Regulatory Capital	Page 24
Total Risk Weighted Assets and Capital Ratios	Pages 25
Total Exposure at Default and Risk Weighted Assets for Credit Risk portfolios	Page 26 & 27
Total Credit Risk Exposures by Geography	Page 28
AIRB Credit Risk Exposures by Maturity	Page 29
Standardized Credit Risk Exposures by Risk Weight	Page 30
Risk Assessment of Credit Risk Exposures - Non-retail AIRB portfolio	Page 31
Risk Assessment of Credit Risk Exposures - Retail AIRB portfolio	Page 32
AIRB Credit Losses	Page 33
Total Credit Risk Mitigation	Page 34
Derivatives - Counterparty Credit Risk	Page 35
Risk-Weighted Assets for Securitization Exposures	Page 36
Risk-Weighted Assets for Equity Exposures	Page 37
Glossary	Page 38

Effective November 1, 2007, Canadian banks are subject to revised capital adequacy requirements based on the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework", commonly known as Basel II. The new Framework is designed to reflect more risk-sensitive capital requirements and to strengthen soundness and stability of banks by promoting adoption of stronger risk management practices.

The Basel II Framework introduces the concept of 3 Pillars:

- Pillar 1 – the actual methodologies that must be applied to calculate the minimum capital requirements.
- Pillar 2 – the requirement that banks have internal processes to assess their capital adequacy in relation to their strategies, risk appetite and actual risk profile. Regulators are expected to review these internal capital adequacy assessments.
- Pillar 3 – reflects the market disclosures required by banks to assist users of the information to better understand the risk profile.

This Appendix reflects the Pillar 3 market disclosures based on information gathered as part of the Pillar 1 process, and should assist users in understanding the changes to the risk weighted assets and capital requirements arising from the new Framework.

### Basel II vs. Basel I

Basel II classifies risk into three broad categories: credit risk, market risk and operational risk (new) while Basel I had only two categories: credit risk and market risk. The regulatory capital categories of claims. This did not provide for a granular differentiation of credit risk capital (e.g. all corporate loans were risk-weighted 100% irrespective of the quality of the loans).

Under Pillar 1 of the new Basel II Framework, minimum capital is calculated using one of the following approaches:

- Credit risk capital – Internal Ratings Based Approach (Advanced or Foundation) or Standardized approach.
- Operational risk capital – Advanced Measurement Approach (AMA), Standardized approach or Basic Indicator Approach.
- Market risk capital - more granular treatment for specific risk under Standardized approach compared to Basel I.

### Credit Risk

The credit risk component consists of on- and off- balance sheet claims. The new rules are not applied to the traditional balance sheet categories but introduce new categories of on- and off- balance sheet exposures which represent general classes of assets/exposures (corporate, sovereign, bank, retail, equity) based on their different underlying risk characteristics.

Generally, while calculating capital requirements, exposure types such as Corporate, Sovereign, Bank, Retail, Equity are analyzed by the following credit risk exposure sub-types<sup>1</sup>: Drawn, Undrawn, Repo-style transactions, Over-the-counter (OTC) Derivatives and Other off-balance sheet claims.

The Bank has received approval from OSFI to use the Advanced Internal Ratings Based (AIRB) approach, subject to certain conditions, for credit risk in its material portfolios booked in Canada, US and Europe. The Bank uses internal estimates, based on historical experience, for probability of default (PD<sup>1</sup>), loss given default (LGD<sup>1</sup>) and exposure at default (EAD<sup>1</sup>).

- Under the AIRB approach, credit risk risk-weighted assets (RWA) are calculated by multiplying the capital requirement (K) by EAD times 12.5, where K is a function of the PD, LGD, Maturity and prescribed correlation factors. This results in the capital calculations being more sensitive to underlying risks.
- To address concerns that the new Basel II rules might cause significant decreases in capital required, banks are currently required to add an overall scaling factor of 6% to the credit risk RWA for AIRB portfolios.

For the remaining material portfolios, the interim treatment is the Standardized approach, until such time they become AIRB compliant.

- The Standardized approach applies regulator prescribed risk weight factors to credit exposures based on the external credit assessments (public ratings), where available, and also considers other additional factors (e.g. provision levels for defaulted exposures, loan-to-value for retail, eligible collateral, etc).

### Operational Risk

The Bank is using the Standardized Approach for operational risk, where the capital charge is based on a fixed percentage of the average of the previous 3 years' gross income. The fixed percentages range from 12% - 18% and are based on the type of business, with retail banking activities at the low end of the range and investment banking and capital markets activities at the high end.

### Transitional Considerations

The regulator's transitional arrangements prescribe that for institutions receiving full approval to use the AIRB approach, a capital floor will be applied for at least two years post approval. The floor is based on a regulatory formula that essentially compares the minimum capital required under Basel I to the minimum capital required under Basel II, and does not allow the latter to fall below the floor based on the former. If a floor is invoked, a prescribed adjustment to risk weighted assets is required to increase the capital to the targeted floor threshold.

<sup>1</sup> refer to glossary



# REGULATORY CAPITAL



(\$MM)

## REGULATORY CAPITAL:

	2010			2009				2008	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>REGULATORY CAPITAL:</b>									
Common Shares, Contributed Surplus & Retained Earnings	26,941	26,252	25,466	24,862	24,329	23,808	23,349	22,378	22,512
Accumulated Foreign Currency Translation Losses	(4,694)	(4,903)	(4,118)	(3,917)	(4,058)	(2,630)	(2,307)	(2,181)	(3,556)
Non-Cumulative Preferred Shares	3,975	3,975	3,710	3,710	3,710	3,710	3,710	2,860	2,560
Innovative Capital Instruments	3,400	3,400	3,400	3,400	3,400	2,750	2,750	2,750	2,750
Accumulated Net Unrealized Losses (after-tax) on Available-For-Sale Equity Securities	-	-	-	-	(26)	(245)	(315)	(195)	-
Non-Controlling Interest in Subsidiaries	570	539	561	554	520	536	549	502	455
<b>Gross Tier 1 Capital</b>	<b>30,192</b>	<b>29,263</b>	<b>29,019</b>	<b>28,609</b>	<b>27,875</b>	<b>27,929</b>	<b>27,736</b>	<b>26,114</b>	<b>24,721</b>
Goodwill and Excess Intangibles	(2,744)	(2,701)	(2,765)	(2,908)	(2,875)	(2,845)	(2,820)	(2,273)	(2,134)
Other Capital Deductions <sup>(1)</sup>	(2,464)	(2,442)	(2,119)	(2,051)	(1,938)	(1,951)	(2,077)	(578)	(512)
<b>Net Tier 1 Capital</b>	<b>24,984</b>	<b>24,120</b>	<b>24,135</b>	<b>23,650</b>	<b>23,062</b>	<b>23,133</b>	<b>22,839</b>	<b>23,263</b>	<b>22,075</b>
Accumulated Net Unrealized Gains (after-tax) on Available-For-Sale Equity Securities	108	149	110	6	-	-	-	-	122
Subordinated Debentures (net of Amortization) <sup>(2)</sup>	6,824	6,781	6,845	6,833	6,908	7,309	6,357	5,227	4,234
Eligible Allowance for Credit Losses <sup>(3)</sup>	579	590	569	570	570	546	520	534	747
<b>Tier 2 Capital</b>	<b>7,511</b>	<b>7,520</b>	<b>7,524</b>	<b>7,409</b>	<b>7,478</b>	<b>7,855</b>	<b>6,877</b>	<b>5,761</b>	<b>5,103</b>
Other Capital Deductions <sup>(4)</sup>	(2,994)	(2,932)	(2,609)	(2,471)	(2,371)	(2,378)	(2,338)	(1,177)	(1,134)
<b>Total Regulatory Capital</b>	<b>29,501</b>	<b>28,708</b>	<b>29,050</b>	<b>28,588</b>	<b>28,169</b>	<b>28,610</b>	<b>27,378</b>	<b>27,847</b>	<b>26,044</b>
<b>CHANGES IN REGULATORY CAPITAL:</b>									
<b>Total Capital, Beginning of Period</b>	<b>28,708</b>	<b>29,050</b>	<b>28,588</b>	<b>28,169</b>	<b>28,610</b>	<b>27,378</b>	<b>27,847</b>	<b>26,044</b>	<b>25,588</b>
<b>Internally Generated Capital</b>									
Net Income	1,062	1,097	988	902	931	872	842	315	1,010
Preferred and Common Share Dividends	(558)	(554)	(551)	(549)	(548)	(548)	(530)	(517)	(517)
	<b>504</b>	<b>543</b>	<b>437</b>	<b>353</b>	<b>383</b>	<b>324</b>	<b>312</b>	<b>(202)</b>	<b>493</b>
<b>External Financing</b>									
Subordinated Debentures (net of Amortization) <sup>(2)</sup>	43	(64)	12	(75)	(401)	952	1,130	993	(425)
Innovative Capital Instruments	-	-	-	-	650	-	-	-	-
Preferred Shares	-	265	-	-	-	-	850	300	350
Common Shares Issued less Purchased for Cancellation	189	236	150	178	139	133	667	101	85
Premium on Purchase of Shares for Cancellation	-	-	-	-	-	-	-	(31)	(6)
	<b>232</b>	<b>437</b>	<b>162</b>	<b>103</b>	<b>388</b>	<b>1,085</b>	<b>2,647</b>	<b>1,363</b>	<b>4</b>
<b>Other</b>									
Net Change in Foreign Currency Translation Gains / (Losses)	209	(785)	(201)	141	(1,428)	(323)	(126)	1,375	193
Net Change in Net Unrealized Gains / Losses (after-tax) on Available-For-Sale Equity Securities	(41)	39	104	32	219	70	(120)	(317)	(78)
Non-controlling Interest in Subsidiaries	31	(22)	7	34	(16)	(13)	47	47	(133)
Other <sup>(5)</sup>	(142)	(554)	(47)	(244)	13	89	(3,229)	(463)	(23)
	<b>57</b>	<b>(1,322)</b>	<b>(137)</b>	<b>(37)</b>	<b>(1,212)</b>	<b>(177)</b>	<b>(3,428)</b>	<b>642</b>	<b>(41)</b>
<b>Total Capital Generated / (Used)</b>	<b>793</b>	<b>(342)</b>	<b>462</b>	<b>419</b>	<b>(441)</b>	<b>1,232</b>	<b>(469)</b>	<b>1,803</b>	<b>456</b>
<b>Total Capital, End of Period</b>	<b>29,501</b>	<b>28,708</b>	<b>29,050</b>	<b>28,588</b>	<b>28,169</b>	<b>28,610</b>	<b>27,378</b>	<b>27,847</b>	<b>26,044</b>

(1) Comprised of 50% of all investments in certain specified corporations and other items.

(2) Includes Scotia Trust Subordinated Notes - Series A.

(3) Under Basel II, eligible general allowances in excess of expected losses under AIRB approach and allocated allowances under Standardized approach can be included in capital, subject to certain limitations.

(4) Comprised of 50% of all investments in certain specified corporations, 100% of investments in insurance entities and other items.

(5) Represents changes to eligible allowances for credit losses and other charges (credits) to retained earnings as well as to regulatory capital deductions relating to goodwill, investments in associated corporations and insurance entities.

# RISK-WEIGHTED ASSETS AND CAPITAL RATIOS



(\$B)

	2010			2009				2008	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>RISK-WEIGHTED ASSETS:</b>									
<b>On- Balance Sheet Assets <sup>(1)</sup></b>									
Cash Resources	2.0	2.5	2.1	1.9	2.1	2.6	3.0	3.7	4.6
Securities	13.8	14.1	15.2	15.7	15.8	18.3	13.9	14.5	13.9
Residential Mortgages	11.9	13.1	10.6	9.9	9.5	10.4	10.5	9.4	8.8
Loans & Acceptances									
- Personal Loans	22.0	21.6	21.1	20.2	19.8	19.9	19.9	18.6	17.8
- Non-Personal Loans & Acceptances	70.4	71.7	75.0	80.6	83.4	93.5	96.2	95.2	82.4
All Other	13.6	13.7	12.4	13.2	12.7	13.4	12.9	14.9	12.1
	<b>133.7</b>	<b>136.7</b>	<b>136.4</b>	<b>141.5</b>	<b>143.3</b>	<b>158.1</b>	<b>156.4</b>	<b>156.3</b>	<b>139.6</b>
<b>Off- Balance Sheet Assets</b>									
Indirect Credit Instruments	33.9	32.5	34.2	34.1	32.0	36.5	37.1	41.6	38.4
Derivative Instruments	5.5	5.7	5.8	6.1	7.5	8.9	9.9	9.7	7.9
	<b>39.4</b>	<b>38.2</b>	<b>40.0</b>	<b>40.2</b>	<b>39.5</b>	<b>45.4</b>	<b>47.0</b>	<b>51.3</b>	<b>46.3</b>
<b>Total Credit Risk before AIRB scaling factor <sup>(2)</sup></b>	<b>173.1</b>	<b>174.9</b>	<b>176.4</b>	<b>181.7</b>	<b>182.8</b>	<b>203.5</b>	<b>203.4</b>	<b>207.6</b>	<b>185.9</b>
AIRB Scaling factor <sup>(3)</sup>	5.7	5.7	6.0	6.1	6.2	6.9	6.8	6.9	6.3
<b>Total Credit Risk after AIRB scaling factor</b>	<b>178.8</b>	<b>180.6</b>	<b>182.4</b>	<b>187.8</b>	<b>189.0</b>	<b>210.4</b>	<b>210.2</b>	<b>214.5</b>	<b>192.2</b>
Market Risk - Risk Assets Equivalent	10.6	11.0	10.7	11.4	10.7	10.1	8.7	15.5	13.5
Operational Risk - Risk Assets Equivalent	23.6	23.5	22.8	22.4	21.8	21.3	20.8	20.6	20.1
<b>Total Risk-Weighted Assets (before Transitional Adjustment)</b>	<b>213.0</b>	<b>215.1</b>	<b>215.9</b>	<b>221.6</b>	<b>221.5</b>	<b>241.8</b>	<b>239.7</b>	<b>250.6</b>	<b>225.8</b>
Transitional Adjustment	-	-	-	-	-	-	-	-	-
<b>Total Risk-Weighted Assets</b>	<b>213.0</b>	<b>215.1</b>	<b>215.9</b>	<b>221.6</b>	<b>221.5</b>	<b>241.8</b>	<b>239.7</b>	<b>250.6</b>	<b>225.8</b>
<b>RISK-WEIGHTED CAPITAL RATIOS (%):</b>									
Tier I	11.7	11.2	11.2	10.7	10.4	9.6	9.5	9.3	9.8
Total	13.8	13.3	13.5	12.9	12.7	11.8	11.4	11.1	11.5
Tangible Common Equity <sup>(4)</sup>	9.3	8.8	8.8	8.2	7.9	7.2	7.2	6.6	7.4

(1) Basel II RWA computations are calculated by exposure types and exposure sub-types (as shown in the following page). For purposes of this presentation only, RWA is shown by balance sheet categories.

(2) Details by Basel II exposure type shown in the following page - "Risk-Weighted Assets for Credit Risk Portfolios".

(3) The Basel II Framework requires an additional 6% scaling factor to AIRB credit risk portfolios.

(4) TCE ratio restated for prior periods to conform with the revised methodology adopted effective Q4/09.

EXPOSURE AT DEFAULT AND RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS



(\$MM)

Basel II Exposure		Q3 2010						Q2 2010	
		AIRB		Standardized		Total		Total	
Type	Sub-type	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>
<b>Non-Retail</b>									
Corporate	Drawn	45,028	29,527	44,121	40,953	89,149	70,480	90,655	71,986
	Undrawn	33,978	15,685	3,194	3,094	37,172	18,779	35,697	18,213
	Other <sup>(3)</sup>	10,845	4,331	2,510	2,385	13,355	6,716	12,951	6,476
	<b>Total</b>	<b>89,851</b>	<b>49,543</b>	<b>49,825</b>	<b>46,432</b>	<b>139,676</b>	<b>95,975</b>	<b>139,303</b>	<b>96,675</b>
Bank	Drawn	13,569	2,608	12,049	3,140	25,618	5,748	27,516	6,906
	Undrawn	11,210	2,805	572	200	11,782	3,005	12,446	2,439
	Other <sup>(3)</sup>	11,262	1,778	433	128	11,695	1,906	12,793	2,092
	<b>Total</b>	<b>36,041</b>	<b>7,191</b>	<b>13,054</b>	<b>3,468</b>	<b>49,095</b>	<b>10,659</b>	<b>52,755</b>	<b>11,437</b>
Sovereign	Drawn	34,882	204	12,195	1,816	47,077	2,020	57,697	1,818
	Undrawn	554	46	131	20	685	66	703	61
	Other <sup>(3)</sup>	359	5	12	2	371	7	515	19
	<b>Total</b>	<b>35,795</b>	<b>255</b>	<b>12,338</b>	<b>1,838</b>	<b>48,133</b>	<b>2,093</b>	<b>58,915</b>	<b>1,898</b>
<b>Total Non-Retail</b>	Drawn	93,479	32,339	68,365	45,909	161,844	78,248	175,868	80,710
	Undrawn	45,742	18,536	3,897	3,314	49,639	21,850	48,846	20,713
	Other <sup>(3)</sup>	22,466	6,114	2,955	2,515	25,421	8,629	26,259	8,587
	<b>Total</b>	<b>161,687</b>	<b>56,989</b>	<b>75,217</b>	<b>51,738</b>	<b>236,904</b>	<b>108,727</b>	<b>250,973</b>	<b>110,010</b>
<b>Retail</b>									
Residential Mortgages	Drawn	120,435	5,314	16,302	6,574	136,737	11,888	130,802	13,146
	Undrawn	5,953	85	-	-	5,953	85	6,182	78
	<b>Total</b>	<b>126,388</b>	<b>5,399</b>	<b>16,302</b>	<b>6,574</b>	<b>142,690</b>	<b>11,973</b>	<b>136,984</b>	<b>13,224</b>
Secured Lines Of Credit	Drawn	18,154	953			18,154	953	18,213	913
	Undrawn	2	0			2	0	21	4
	<b>Total</b>	<b>18,156</b>	<b>953</b>			<b>18,156</b>	<b>953</b>	<b>18,234</b>	<b>917</b>
Qualifying Revolving Retail Exposures (QRRE)	Drawn	13,653	6,794			13,653	6,794	13,556	6,666
	Undrawn	5,867	884			5,867	884	5,677	851
	<b>Total</b>	<b>19,520</b>	<b>7,678</b>			<b>19,520</b>	<b>7,678</b>	<b>19,233</b>	<b>7,517</b>
Other Retail	Drawn	11,975	6,207	11,774	8,080	23,749	14,287	22,807	13,990
	Undrawn	163	125	-	-	163	125	137	102
	<b>Total</b>	<b>12,138</b>	<b>6,332</b>	<b>11,774</b>	<b>8,080</b>	<b>23,912</b>	<b>14,412</b>	<b>22,944</b>	<b>14,092</b>
<b>Total Retail</b>	Drawn	164,217	19,268	28,076	14,654	192,293	33,922	185,378	34,715
	Undrawn	11,985	1,094	0	0	11,985	1,094	12,017	1,035
	<b>Total</b>	<b>176,202</b>	<b>20,362</b>	<b>28,076</b>	<b>14,654</b>	<b>204,278</b>	<b>35,016</b>	<b>197,395</b>	<b>35,750</b>
Securitizations		15,994	6,220			15,994	6,220	16,848	6,547
Trading Derivatives		17,069	5,287			17,069	5,287	17,512	5,533
<b>Total Credit Risk (Excluding Equities &amp; Other Assets)</b>		<b>370,952</b>	<b>88,858</b>	<b>103,293</b>	<b>66,392</b>	<b>474,245</b>	<b>155,250</b>	<b>482,728</b>	<b>157,840</b>
Equities		2,820	5,320			2,820	5,320	2,889	5,206
Other Assets				27,651	12,539	27,651	12,539	26,808	11,789
<b>Total Credit Risk (Before Scaling Factor)</b>		<b>373,772</b>	<b>94,178</b>	<b>130,944</b>	<b>78,931</b>	<b>504,716</b>	<b>173,109</b>	<b>512,425</b>	<b>174,835</b>
Add-on for 6% Scaling Factor <sup>(4)</sup>			5,651				5,651	n/a	5,731
<b>Total Credit Risk</b>		<b>373,772</b>	<b>99,829</b>	<b>130,944</b>	<b>78,931</b>	<b>504,716</b>	<b>178,760</b>	<b>512,425</b>	<b>180,566</b>

(1) Before credit risk mitigation for AIRB exposures, after related allowances for credit losses for Standardized exposures.

(2) Risk-Weighted Assets

(3) Includes lending instruments such as letters of credit and letters of guarantee; banking book derivatives and repo-style exposures, net of related collateral.

(4) Basel II Framework's scaling factor (6%) on risk-weighted assets for AIRB credit risk portfolios.

EXPOSURE AT DEFAULT AND RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS (CONTINUED)



(\$MM)

Basel II Exposure		2010		2009								2008	
		Q1		Q4		Q3		Q2		Q1		Q4	
Type	Sub-type	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>	EAD <sup>(1)</sup>	RWA <sup>(2)</sup>
<b>Non-Retail</b>													
Corporate	Drawn	94,124	75,746	98,975	81,771	103,573	84,130	118,589	95,391	123,868	96,292	117,649	95,688
	Undrawn	37,424	19,354	36,694	19,429	36,725	18,898	38,769	20,451	39,403	20,685	43,943	24,886
	Other <sup>(3)</sup>	12,791	6,487	13,181	6,397	13,393	6,390	15,697	7,570	16,908	8,004	16,856	8,615
	<b>Total</b>	<b>144,339</b>	<b>101,587</b>	<b>148,850</b>	<b>107,597</b>	<b>153,691</b>	<b>109,418</b>	<b>173,055</b>	<b>123,412</b>	<b>180,179</b>	<b>124,981</b>	<b>178,448</b>	<b>129,189</b>
Bank	Drawn	22,344	5,736	21,598	5,527	23,599	6,271	26,896	6,890	31,783	7,042	32,986	7,284
	Undrawn	14,449	2,967	14,240	2,391	13,555	2,400	14,832	2,804	16,201	2,827	16,586	3,056
	Other <sup>(3)</sup>	12,023	2,069	12,410	2,032	13,822	2,331	15,523	2,815	16,013	2,610	16,587	2,860
	<b>Total</b>	<b>48,816</b>	<b>10,772</b>	<b>48,248</b>	<b>9,950</b>	<b>50,976</b>	<b>11,002</b>	<b>57,251</b>	<b>12,509</b>	<b>63,997</b>	<b>12,479</b>	<b>66,159</b>	<b>13,200</b>
Sovereign	Drawn	63,229	2,041	51,341	2,340	36,724	2,341	36,721	3,035	26,517	2,407	24,626	2,533
	Undrawn	785	73	866	83	863	92	933	109	1,169	215	1,270	210
	Other <sup>(3)</sup>	889	20	642	18	772	18	645	1	779	5	1,280	67
	<b>Total</b>	<b>64,903</b>	<b>2,134</b>	<b>52,849</b>	<b>2,441</b>	<b>38,359</b>	<b>2,451</b>	<b>38,299</b>	<b>3,145</b>	<b>28,465</b>	<b>2,627</b>	<b>27,176</b>	<b>2,810</b>
<b>Total Non-retail</b>		<b>258,058</b>	<b>114,493</b>	<b>249,947</b>	<b>119,988</b>	<b>243,026</b>	<b>122,871</b>	<b>268,605</b>	<b>139,066</b>	<b>272,641</b>	<b>140,087</b>	<b>271,783</b>	<b>145,199</b>
<b>Retail</b>													
Residential Mortgages	Drawn	124,875	10,568	122,018	9,868	118,166	9,528	115,544	10,369	118,044	10,521	120,709	9,409
	Undrawn	6,594	77	6,702	131	5,461	88	3,997	54	3,798	125	3,292	33
	<b>Total</b>	<b>131,469</b>	<b>10,645</b>	<b>128,720</b>	<b>9,999</b>	<b>123,627</b>	<b>9,616</b>	<b>119,541</b>	<b>10,423</b>	<b>121,842</b>	<b>10,646</b>	<b>124,001</b>	<b>9,442</b>
Secured Lines Of Credit	Drawn	18,222	874	18,112	747	17,718	692	16,998	674	15,650	728	14,644	544
	Undrawn	-	-	-	-	6	1	8	1	-	-	-	-
	<b>Total</b>	<b>18,222</b>	<b>874</b>	<b>18,112</b>	<b>747</b>	<b>17,724</b>	<b>693</b>	<b>17,006</b>	<b>675</b>	<b>15,650</b>	<b>728</b>	<b>14,644</b>	<b>544</b>
Qualifying Revolving Retail Exposures (QRRE)	Drawn	13,381	6,159	13,142	5,406	12,821	5,217	12,541	5,064	12,234	4,755	12,051	4,005
	Undrawn	5,678	881	5,594	797	5,530	776	5,316	745	8,022	810	7,076	756
	<b>Total</b>	<b>19,059</b>	<b>7,040</b>	<b>18,736</b>	<b>6,203</b>	<b>18,351</b>	<b>5,993</b>	<b>17,857</b>	<b>5,809</b>	<b>20,256</b>	<b>5,565</b>	<b>19,127</b>	<b>4,761</b>
Other Retail	Drawn	22,857	14,062	23,013	14,074	22,630	13,860	22,704	14,162	23,148	14,450	23,453	14,087
	Undrawn	72	66	454	346	233	175	253	191	257	198	243	187
	<b>Total</b>	<b>22,929</b>	<b>14,128</b>	<b>23,467</b>	<b>14,420</b>	<b>22,863</b>	<b>14,035</b>	<b>22,957</b>	<b>14,353</b>	<b>23,405</b>	<b>14,648</b>	<b>23,696</b>	<b>14,274</b>
<b>Total Retail</b>		<b>179,335</b>	<b>31,663</b>	<b>176,285</b>	<b>30,095</b>	<b>171,335</b>	<b>29,297</b>	<b>167,787</b>	<b>30,269</b>	<b>169,076</b>	<b>30,454</b>	<b>170,857</b>	<b>28,045</b>
	Undrawn	12,344	1,024	12,750	1,274	11,230	1,040	9,574	991	12,077	1,133	10,611	976
	<b>Total</b>	<b>191,679</b>	<b>32,687</b>	<b>189,035</b>	<b>31,369</b>	<b>182,565</b>	<b>30,337</b>	<b>177,361</b>	<b>31,260</b>	<b>181,153</b>	<b>31,587</b>	<b>181,468</b>	<b>29,021</b>
Securitized		18,435	6,109	18,528	6,474	20,561	4,953	24,294	6,540	26,646	4,290	28,539	4,354
Trading Derivatives		17,504	5,517	17,590	5,850	19,291	7,199	21,237	8,552	26,506	9,531	24,451	8,595
<b>Total Credit risk (excl. Equities &amp; Other Assets)</b>		<b>485,676</b>	<b>158,806</b>	<b>475,100</b>	<b>163,681</b>	<b>465,443</b>	<b>165,360</b>	<b>491,497</b>	<b>185,418</b>	<b>506,946</b>	<b>185,495</b>	<b>506,241</b>	<b>187,169</b>
Equities		3,117	5,994	2,897	5,607	2,992	5,497	2,989	5,581	3,072	5,614	3,375	6,142
Other Assets		25,673	11,620	26,275	12,418	24,809	11,923	24,188	12,572	23,690	12,272	21,929	14,215
<b>Total Credit Risk (before Scaling Factor)</b>		<b>514,466</b>	<b>176,420</b>	<b>504,272</b>	<b>181,706</b>	<b>493,244</b>	<b>182,780</b>	<b>518,674</b>	<b>203,571</b>	<b>533,708</b>	<b>203,381</b>	<b>531,545</b>	<b>207,526</b>
Add-on for 6% scaling factor <sup>(4)</sup>		n/a	5,984	n/a	6,134	n/a	6,211	n/a	6,862	n/a	6,801	n/a	6,946
<b>Total Credit Risk</b>		<b>514,466</b>	<b>182,404</b>	<b>504,272</b>	<b>187,840</b>	<b>493,244</b>	<b>188,991</b>	<b>518,674</b>	<b>210,433</b>	<b>533,708</b>	<b>210,182</b>	<b>531,545</b>	<b>214,472</b>

(1) Before credit risk mitigation for AIRB exposures, after related allowances for credit losses for Standardized exposures

(2) Risk-Weighted Assets

(3) Includes lending instruments such as letters of credit and letters of guarantee; banking book derivatives and repo-style exposures, net of related collaterals

(4) Basel II Framework's scaling factor (6%) on risk-weighted assets for AIRB credit risk portfolios.

**TOTAL CREDIT RISK EXPOSURES BY GEOGRAPHY <sup>(1,2)</sup>**


(\$MM)	Q3 2010					Q2 2010				
	Non-Retail			Retail	Total	Non-Retail			Retail	Total
	Drawn	Undrawn	Other <sup>(3)</sup>			Drawn	Undrawn	Other <sup>(3)</sup>		
Canada	49,824	28,828	23,938	179,990	<b>282,580</b>	53,899	29,455	24,433	173,094	<b>280,881</b>
USA	33,582	15,347	22,863	-	<b>71,792</b>	42,522	14,003	23,674	-	<b>80,199</b>
Mexico	6,278	184	908	5,061	<b>12,431</b>	6,793	195	739	5,120	<b>12,847</b>
Other International										
Europe	20,377	2,297	5,669	-	<b>28,343</b>	22,499	2,089	6,661	-	<b>31,249</b>
Caribbean	14,849	1,195	2,073	12,462	<b>30,579</b>	15,523	1,321	2,218	12,790	<b>31,852</b>
Latin America (excl. Mexico)	14,716	658	1,349	6,614	<b>23,337</b>	14,377	627	1,221	6,241	<b>22,466</b>
All Other	22,218	1,130	1,685	151	<b>25,184</b>	20,255	1,156	1,673	150	<b>23,234</b>
<b>Total</b>	<b>161,844</b>	<b>49,639</b>	<b>58,485</b>	<b>204,278</b>	<b>474,246</b>	<b>175,868</b>	<b>48,846</b>	<b>60,619</b>	<b>197,395</b>	<b>482,728</b>

	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Canada	279,355	279,868	279,829	280,305	280,829
USA	91,028	80,340	70,840	81,739	89,149
Mexico	12,731	12,379	12,515	13,768	14,408
Other International					
Europe	27,652	27,691	28,539	34,545	38,391
Caribbean	27,629	27,743	27,591	30,882	32,098
Latin America (excl. Mexico)	23,735	24,109	22,607	24,872	25,049
All Other	23,546	22,970	23,522	25,386	27,022
<b>Total</b>	<b>485,676</b>	<b>475,100</b>	<b>465,443</b>	<b>491,497</b>	<b>506,946</b>

(1) Before credit risk mitigation, excluding AFS equity securities and other assets.

(2) Geographic segmentation is based upon the location of the ultimate risk of the credit exposure.

(3) Includes off-balance sheet lending instruments such as letters of credit and letters of guarantee and OTC derivatives, securitization and repo-style transactions net of related collateral.

# CREDIT RISK EXPOSURES BY MATURITY <sup>(1,2)</sup>



## AIRB NON-RETAIL AND RETAIL PORTFOLIO

(\$MM)	Q3 2010				Q2 2010			
	Drawn	Undrawn	Other <sup>(3)</sup>	Total	Drawn	Undrawn	Other <sup>(3)</sup>	Total
<b>Non-Retail</b>								
Less than 1 year	51,578	16,353	23,817	91,748	58,592	17,119	24,765	100,476
1 to 5 years	37,116	28,544	28,342	94,002	41,563	27,550	29,408	98,521
Over 5 Years	4,785	845	3,371	9,001	7,094	655	3,566	11,315
<b>Total Non-Retail</b>	<b>93,479</b>	<b>45,742</b>	<b>55,530</b>	<b>194,751</b>	<b>107,249</b>	<b>45,324</b>	<b>57,739</b>	<b>210,312</b>
<b>Retail</b>								
Less than 1 year	13,893	6,118		20,011	14,695	6,340		21,035
1 to 5 years	114,476	-		114,476	107,875	-		107,875
Over 5 Years	2,754	-		2,754	2,616	-		2,616
Revolving Credits <sup>(4)</sup>	33,094	5,867		38,961	33,053	5,677		38,730
<b>Total Retail</b>	<b>164,217</b>	<b>11,985</b>		<b>176,202</b>	<b>158,239</b>	<b>12,017</b>		<b>170,256</b>
<b>Total</b>	<b>257,696</b>	<b>57,727</b>	<b>55,530</b>	<b>370,953</b>	<b>265,488</b>	<b>57,341</b>	<b>57,739</b>	<b>380,568</b>

	Q1 2010	Q4 2009	Q3 2009	Q2 2009
	Total	Total	Total	Total
<b>Non-Retail</b>				
Less than 1 year	105,109	92,957	77,177	107,581
1 to 5 years	106,229	108,831	122,241	111,801
Over 5 Years	10,715	11,338	13,911	18,378
<b>Total Non-Retail</b>	<b>222,053</b>	<b>213,126</b>	<b>213,329</b>	<b>237,760</b>
<b>Retail</b>				
Less than 1 year	23,398	22,411	19,925	18,913
1 to 5 years	102,266	100,888	98,629	84,910
Over 5 Years	2,457	2,536	2,328	1,917
Revolving Credits <sup>(4)</sup>	38,548	38,101	37,292	36,063
<b>Total Retail</b>	<b>166,669</b>	<b>163,936</b>	<b>158,174</b>	<b>141,803</b>
<b>Total</b>	<b>388,722</b>	<b>377,062</b>	<b>371,503</b>	<b>379,563</b>

(1) Before credit risk mitigation, excluding AFS equity securities and other assets.

(2) Remaining term to maturity of the credit exposure.

(3) Off-balance sheet lending instruments such as letters of credit and letters of guarantee, securitization, derivatives and repo-style transactions net of related collaterals

(4) Credit cards and lines of credit with unspecified maturity.

# CREDIT RISK EXPOSURES BY RISK WEIGHT - STANDARDIZED APPROACH



## EXPOSURE AT DEFAULT<sup>(1)</sup>

Risk Weight	Q3 2010							Q2 2010						
	Non-Retail				Retail			Non-Retail				Retail		
	Corporate	Bank	Sovereign	Total	Res Mtgs	Other Retail	Total	Corporate	Bank	Sovereign	Total	Res Mtgs	Other Retail	Total
0%	2,546	967	9,103	12,616	88	703	791	2,559	931	10,017	13,507	88	494	582
20%	1,328	10,771	1,746	13,845	2,064	-	2,064	866	10,478	1,285	12,629	-	-	-
35%	-	-	-	-	11,511	626	12,137	-	-	-	-	10,679	456	11,135
50%	160	6	-	166	-	-	-	129	197	-	326	-	-	-
75%	-	-	-	-	2,024	10,329	12,353	-	-	-	-	3,935	10,070	14,005
100%	45,199	1,310	1,489	47,998	615	77	692	44,709	1,514	1,473	47,696	1,290	55	1,345
150%	592	-	-	592	-	39	39	860	3	-	863	-	72	72
<b>Total</b>	<b>49,825</b>	<b>13,054</b>	<b>12,338</b>	<b>75,217</b>	<b>16,302</b>	<b>11,774</b>	<b>28,076</b>	<b>49,123</b>	<b>13,123</b>	<b>12,775</b>	<b>75,021</b>	<b>15,992</b>	<b>11,147</b>	<b>27,139</b>

Risk Weight	Q1 2010		Q4 2009		Q3 2009		Q2 2009		Q1 2009		Q4 2008		Q3 2008	
	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
0%	12,680	649	12,323	322	8,794	314	9,257	5,939	9,710	6,899	9,353	7,358	8,480	5,295
20%	10,498	-	9,830	-	9,080	0	8,455	-	9,362	-	10,035	-	9,578	-
35%	-	11,448	-	10,962	0	10,642	-	14,875	-	15,017	-	14,818	-	14,502
50%	239	-	841	-	388	0	355	-	281	-	10	-	21	-
75%	-	12,245	-	13,306	0	12,944	-	14,250	-	14,872	-	15,102	-	14,345
100%	47,641	619	49,214	437	51,125	402	58,269	403	58,271	306	58,579	284	53,209	259
150%	886	49	731	72	162	89	40	91	443	59	51	54	45	10
<b>Total</b>	<b>71,944</b>	<b>25,010</b>	<b>72,939</b>	<b>25,099</b>	<b>69,549</b>	<b>24,391</b>	<b>76,376</b>	<b>35,558</b>	<b>78,067</b>	<b>37,153</b>	<b>78,028</b>	<b>37,616</b>	<b>71,333</b>	<b>34,411</b>

(1) Net of specific allowances for credit losses, after credit risk mitigation.

**RISK ASSESSMENT OF CREDIT RISK EXPOSURES**

**NON-RETAIL AIRB PORTFOLIO - CREDIT QUALITY**

Category of Internal Grades <sup>(1)</sup>	Q3 2010				Q2 2010				Q1 2010				Q4 2009			
	Exposure at Default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>	Exposure at Default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>	Exposure at Default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>	Exposure at Default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>
	\$	%	%	%	\$	%	%	%	\$	%	%	%	\$	%	%	%
<b>Investment Grade</b>																
Corporate	52,440	0.22	41	36	51,928	0.21	41	36	53,386	0.21	41	36	54,334	0.21	41	37
Bank	45,563	0.14	32	20	49,539	0.14	31	20	48,193	0.14	32	21	47,781	0.13	31	19
Sovereign	85,825	0.01	15	1	94,281	0.00	15	0	100,238	0.00	15	0	86,607	0.01	14	1
<b>Sub-Total</b>	<b>183,828</b>	<b>0.10</b>	<b>27</b>	<b>16</b>	<b>195,748</b>	<b>0.09</b>	<b>26</b>	<b>15</b>	<b>201,817</b>	<b>0.09</b>	<b>26</b>	<b>15</b>	<b>188,722</b>	<b>0.10</b>	<b>26</b>	<b>16</b>
<b>Non-Investment Grade</b>																
Corporate	38,042	0.83	40	65	38,263	0.87	40	65	40,676	0.87	40	66	42,332	0.86	39	65
Bank	175	0.59	30	33	163	0.60	30	34	126	0.67	29	37	143	0.65	30	34
Sovereign	13	1.33	15	26	15	1.51	15	28	16	1.54	15	29	11	1.45	15	28
<b>Sub-Total</b>	<b>38,230</b>	<b>0.83</b>	<b>40</b>	<b>65</b>	<b>38,441</b>	<b>0.87</b>	<b>40</b>	<b>65</b>	<b>40,818</b>	<b>0.87</b>	<b>40</b>	<b>66</b>	<b>42,486</b>	<b>0.86</b>	<b>39</b>	<b>65</b>
<b>Watch List</b>																
Corporate	3,266	22.43	41	205	3,543	23.68	40	208	4,119	24.24	41	210	5,150	25.75	41	211
Bank	-	-	-	-	-	-	-	-	1	12.14	30	127	54	35.27	30	177
Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>3,266</b>	<b>22.43</b>	<b>41</b>	<b>205</b>	<b>3,543</b>	<b>23.68</b>	<b>40</b>	<b>208</b>	<b>4,120</b>	<b>24.24</b>	<b>41</b>	<b>210</b>	<b>5,204</b>	<b>25.85</b>	<b>41</b>	<b>211</b>
<b>Default<sup>(7)</sup></b>	<b>700</b>	<b>100.00</b>	<b>41</b>	<b>340</b>	<b>1,234</b>	<b>100.00</b>	<b>42</b>	<b>204</b>	<b>1,449</b>	<b>100.00</b>	<b>43</b>	<b>217</b>	<b>1,683</b>	<b>100.00</b>	<b>43</b>	<b>297</b>
<b>Total</b>	<b>226,024</b>	<b>0.85</b>	<b>29</b>	<b>28</b>	<b>238,966</b>	<b>1.08</b>	<b>29</b>	<b>27</b>	<b>248,204</b>	<b>1.20</b>	<b>29</b>	<b>28</b>	<b>238,095</b>	<b>1.50</b>	<b>29</b>	<b>31</b>

(1) The cross references of the Bank's internal borrower grades with equivalent rating categories utilized by external rating agencies are outlined on page 143 of the Bank's 2009 Annual Report.

(2) After credit risk mitigation, includes all no-retail exposures except securitization; includes government guaranteed residential mortgages.

(3) PD - Probability of Default, see glossary for details.

(4) LGD - downturn Loss Given Default including a certain conservative factor as per Basel accord, see glossary for details.

(5) RW - Risk Weight.

(6) Exposure at default (EAD) used as basis for estimated weightings.

(7) EAD for defaulted exposures before related specific provisions and write-offs.

**NON-RETAIL AIRB PORTFOLIO - CREDIT COMMITMENTS**

Exposure Type	Q3 2010		Q2 2010		Q1 2010		Q4 2009	
	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)
Corporate	60,024	57	57,327	56	60,656	56	59,048	56
Bank	17,886	63	17,844	69	20,890	69	20,401	69
Sovereign	830	68	991	68	1,107	69	1,182	70
<b>Total</b>	<b>78,740</b>	<b>58</b>	<b>76,162</b>	<b>59</b>	<b>82,653</b>	<b>60</b>	<b>80,631</b>	<b>60</b>



**RISK ASSESSMENT OF CREDIT RISK EXPOSURES**

**RETAIL AIRB PORTFOLIO - CREDIT QUALITY**

Category of PD Grades <sup>(1)</sup>	Q3 2010				Q2 2010				Q1 2010				Q4 2009				
	EAD <sup>(2,6)</sup>	PD <sup>(3,6)</sup>	LGD <sup>(4,6)</sup>	RW <sup>(5,6)</sup>	EAD <sup>(2,6)</sup>	PD <sup>(3,6)</sup>	LGD <sup>(4,6)</sup>	RW <sup>(5,6)</sup>	EAD <sup>(2,6)</sup>	PD <sup>(3,6)</sup>	LGD <sup>(4,6)</sup>	RW <sup>(5,6)</sup>	EAD <sup>(2,6)</sup>	PD <sup>(3,6)</sup>	LGD <sup>(4,6)</sup>	RW <sup>(5,6)</sup>	
	\$	%	%	%	\$	%	%	%	\$	%	%	%	\$	%	%	%	
<b>Real Estate Secured</b>																	
Very Low	72,435	0.09	16	3	69,081	0.09	15	3	67,536	0.09	14	3	65,724	0.09	13	3	
Low	12,569	0.35	16	10	12,065	0.35	15	9	11,977	0.36	14	9	12,003	0.36	13	8	
Medium	11,041	0.94	16	18	11,288	0.95	15	18	10,718	0.95	14	17	11,234	0.94	13	15	
High	1,002	11.97	16	76	1,081	12.69	15	75	1,039	13.22	14	72	990	12.05	13	63	
Very High	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Default <sup>(7)</sup>	229	100.00	16	-	209	100.00	15	-	214	100.00	14	-	201	100.00	13	-	
<b>Sub-total</b>	<b>97,276</b>	<b>0.57</b>	<b>16</b>	<b>7</b>	<b>93,724</b>	<b>0.60</b>	<b>15</b>	<b>7</b>	<b>91,484</b>	<b>0.61</b>	<b>14</b>	<b>6</b>	<b>90,152</b>	<b>0.58</b>	<b>13</b>	<b>6</b>	
<b>Qualifying Revolving Retail Exposures(QRRE)</b>																	
Very Low	5,536	0.12	92	7	5,360	0.12	92	6	5,169	0.13	91	7	5,444	0.13	86	7	
Low	2,701	0.31	92	14	4,178	0.36	92	16	4,355	0.36	91	16	4,202	0.37	86	15	
Medium	9,235	1.32	92	42	7,688	1.43	92	46	7,522	1.23	91	40	7,264	1.19	86	37	
High	1,066	4.53	92	104	1,038	4.52	92	104	1,026	4.54	91	104	963	4.67	86	100	
Very High	808	20.52	92	243	787	20.12	92	240	805	20.66	91	243	690	20.81	86	230	
Default <sup>(7)</sup>	174	100.00	92	-	182	100.00	92	-	183	100.00	91	-	173	100.00	86	-	
<b>Sub-total</b>	<b>19,520</b>	<b>2.69</b>	<b>92</b>	<b>39</b>	<b>19,233</b>	<b>2.70</b>	<b>92</b>	<b>39</b>	<b>19,060</b>	<b>2.68</b>	<b>91</b>	<b>37</b>	<b>18,736</b>	<b>2.51</b>	<b>86</b>	<b>33</b>	
<b>Other Retail</b>																	
Very Low	4,715	0.16	75	26	4,419	0.16	74	26	4,376	0.16	74	26	4,194	0.15	70	23	
Low	2,433	0.38	75	45	2,399	0.38	74	45	2,379	0.39	74	46	2,396	0.38	70	43	
Medium	4,349	1.18	75	76	4,311	1.19	74	76	4,057	1.23	74	77	4,250	1.21	70	73	
High	335	7.38	75	118	337	7.40	74	118	348	7.34	74	117	344	7.25	70	111	
Very High	153	43.73	75	197	159	43.10	74	197	190	44.65	74	197	177	44.29	70	186	
Default <sup>(7)</sup>	153	100.00	75	-	172	100.00	74	-	190	100.00	74	-	190	100.00	70	-	
<b>Sub-total</b>	<b>12,138</b>	<b>2.58</b>	<b>75</b>	<b>52</b>	<b>11,797</b>	<b>2.82</b>	<b>74</b>	<b>53</b>	<b>11,540</b>	<b>3.17</b>	<b>74</b>	<b>53</b>	<b>11,551</b>	<b>3.12</b>	<b>70</b>	<b>50</b>	
<b>Total Retail</b>																	
Very Low	82,686	0.09	24	5	78,860	0.10	24	5	77,081	0.09	23	5	75,362	0.09	21	4	
Low	17,703	0.35	35	15	18,642	0.36	40	15	18,711	0.36	40	15	18,601	0.36	37	14	
Medium	24,625	1.12	55	37	23,287	1.15	51	38	22,297	1.09	51	36	22,748	1.07	47	33	
High	2,403	8.03	58	94	2,456	8.51	56	93	2,413	8.68	56	92	2,297	8.24	52	86	
Very High	961	24.22	89	236	946	23.98	89	233	995	25.24	88	234	867	25.60	83	221	
Default <sup>(7)</sup>	556	100.00	56	-	563	100.00	58	-	587	100.00	58	-	564	100.00	55	-	
<b>Total</b>	<b>128,934</b>	<b>1.08</b>	<b>33</b>	<b>16</b>	<b>124,754</b>	<b>1.13</b>	<b>32</b>	<b>16</b>	<b>122,084</b>	<b>1.17</b>	<b>32</b>	<b>15</b>	<b>120,439</b>	<b>1.13</b>	<b>30</b>	<b>14</b>	

(1) The general relationship between probability of default (PD) ranges and the category of PD grades is detailed on page 144 of the Bank's 2009 Annual Report.

(2) After credit risk mitigation, includes drawn and undrawn commitments; excludes residential mortgages guaranteed by Canada Mortgage Housing Corporation.

(3) PD - Probability of Default, see glossary for details.

(4) LGD - downturn Loss Given Default, see glossary for details.

(5) RW - Risk Weight.

(6) Weighted averages provided based on exposure at default (EAD) for estimated weightings.

(7) Gross defaulted exposures, before any related specific provisions.

Exposure Type	Q3 2010		Q2 2010		Q1 2010		Q4 2009		Q3 2009	
	Actual Loss Rate (%)	Expected Loss Rate (%)	Actual Loss Rate (%)	Expected Loss Rate (%)	Actual Loss Rate (%)	Expected Loss Rate (%)	Actual Loss Rate (%)	Expected Loss Rate (%)	Actual Loss Rate (%)	Expected Loss Rate (%)
<b>Non-Retail<sup>(1)</sup></b>										
Corporate	0.17	1.21	0.36	0.95	0.53	0.72	0.54	0.63	0.45	0.46
Sovereign	-	-	-	-	-	-	-	0.01	-	0.01
Bank	-	0.04	-	0.05	-	0.07	-	0.07	-	0.07
<b>Retail<sup>(2)</sup></b>										
Real Estate Secured	0.01	0.05	0.01	0.05	-	0.05	-	0.03	-	0.03
QRRE	2.04	2.78	2.03	2.71	1.96	2.58	1.90	2.08	1.78	1.99
Other Retail	1.40	2.15	1.35	1.86	1.19	1.94	1.17	1.52	1.08	1.48

(1) Non-retail actual loss rates represent the credit losses net of recoveries for the current and prior three quarters divided by the 5 point average of outstanding loan balances for the same four-quarter period beginning 12 months ago. Expected loss rates r

(2) Retail actual loss rates represent write-offs net of recoveries for the current and prior three quarters divided by the 5 point average of outstanding loan balances for the same four quarter period beginning 12 months ago. Expected loss rates represent th

EXPOSURE AT DEFAULT<sup>(1)</sup>

(\$MM)

## Basel II Exposure type

	Q3 2010			Q2 2010			Q1 2010			Q4 2009		
	Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives	
	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach
<b>Non-Retail</b>												
Corporate	2,615	1,273	3,734	2,551	838	3,425	2,516	1,046	3,635	2,560	1,049	3,808
Bank	99	868	1,420	70	861	1,238	487	328	1,434	122	534	1,809
Sovereign	6	291	0	13	15	0	22	17	-	25	17	-
<b>Total Non-Retail</b>	<b>2,720</b>	<b>2,432</b>	<b>5,154</b>	<b>2,634</b>	<b>1,714</b>	<b>4,663</b>	<b>3,025</b>	<b>1,391</b>	<b>5,069</b>	<b>2,707</b>	<b>1,600</b>	<b>5,617</b>
<b>Retail</b>												
Residential Mortgages <sup>(2)</sup>	49	3,732	47,268	49	1,642	45,501	50	1,754	44,585	53	1,706	43,497
Secured Lines of Credit	-	-	-	-	-	-	-	-	-	-	-	-
Qualifying Revolving Retail Exposures(QRRE)	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	739	590	-	616	333	-	646	375	-	677	65	-
<b>Total Retail</b>	<b>788</b>	<b>4,322</b>	<b>47,268</b>	<b>665</b>	<b>1,975</b>	<b>45,501</b>	<b>696</b>	<b>2,129</b>	<b>44,585</b>	<b>730</b>	<b>1,771</b>	<b>43,497</b>
<b>Total</b>	<b>3,508</b>	<b>6,754</b>	<b>52,422</b>	<b>3,299</b>	<b>3,689</b>	<b>50,164</b>	<b>3,721</b>	<b>3,520</b>	<b>49,654</b>	<b>3,437</b>	<b>3,371</b>	<b>49,114</b>

Certain comparative amounts have been reclassified to conform to current period presentation.

(1) Includes drawn, undrawn and other off balance sheet exposures (e.g. letters of credit, letters of guarantee) covered by eligible collateral and guarantees.

(2) Primarily includes residential mortgages guaranteed by Canada Mortgage Housing Corporation.

**DERIVATIVES**



(\$MM)

Contract Types	Q3 2010				Q2 2010				Q1 2009				Q4 2009			
	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk Weighted Amount <sup>(1)</sup>	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk Weighted Amount <sup>(1)</sup>	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk Weighted Amount <sup>(1)</sup>	Notional Amount	Credit Risk Amount	Credit Risk Equivalent Amount	Risk Weighted Amount <sup>(1)</sup>
<b>Interest Rate Contracts:</b>																
Futures and Forward Rate Agreements	294,264	33	73		195,212	16	45		100,313	4	15		126,959	5	16	
Swaps	1,199,883	12,318	16,419		1,126,681	9,146	13,088		898,623	10,404	13,963		865,040	10,956	14,376	
Options Purchased	66,434	136	163		57,453	129	159		48,332	185	225		35,576	227	263	
Options Written	68,425	-	-		51,278	-	-		41,584	-	-		42,622	-	-	
<b>Total</b>	<b>1,629,006</b>	<b>12,487</b>	<b>16,656</b>	<b>1,708</b>	<b>1,430,624</b>	<b>9,291</b>	<b>13,292</b>	<b>1,457</b>	<b>1,088,852</b>	<b>10,593</b>	<b>14,203</b>	<b>1,570</b>	<b>1,070,197</b>	<b>11,188</b>	<b>14,655</b>	<b>1,773</b>
<b>Foreign Exchange Contracts:</b>																
Futures, Spots and Forwards	255,675	3,421	6,076		241,983	3,467	5,912		234,530	3,612	5,885		211,441	3,336	5,504	
Swaps	126,149	6,110	12,267		121,415	6,635	12,836		120,137	6,902	13,100		118,850	6,049	12,238	
Options Purchased	5,100	104	165		4,609	86	146		4,005	92	142		3,706	89	142	
Options Written	5,668	-	-		5,542	-	-		4,878	-	-		4,504	-	-	
<b>Total</b>	<b>392,593</b>	<b>9,635</b>	<b>18,508</b>	<b>2,214</b>	<b>373,549</b>	<b>10,188</b>	<b>18,894</b>	<b>2,469</b>	<b>363,550</b>	<b>10,606</b>	<b>19,127</b>	<b>2,336</b>	<b>338,501</b>	<b>9,474</b>	<b>17,884</b>	<b>2,328</b>
<b>Other Derivatives Contracts:</b>																
Equity	32,478	860	2,383	450	39,982	1,129	3,099	618	31,305	1,274	2,838	603	30,324	1,267	2,807	579
Credit	83,170	1,804	6,102	707	80,119	1,608	5,820	704	86,067	2,503	7,080	825	90,537	3,578	8,491	934
Other	12,408	435	1,449	400	12,328	554	1,504	501	9,619	397	1,177	429	10,093	485	1,299	478
<b>Total</b>	<b>128,057</b>	<b>3,099</b>	<b>9,935</b>	<b>1,557</b>	<b>132,429</b>	<b>3,291</b>	<b>10,423</b>	<b>1,823</b>	<b>126,991</b>	<b>4,174</b>	<b>11,095</b>	<b>1,857</b>	<b>130,954</b>	<b>5,330</b>	<b>12,597</b>	<b>1,991</b>
<b>Total Derivatives</b>	<b>2,149,656</b>	<b>25,221</b>	<b>45,098</b>	<b>5,479</b>	<b>1,936,602</b>	<b>22,770</b>	<b>42,609</b>	<b>5,749</b>	<b>1,579,393</b>	<b>25,373</b>	<b>44,425</b>	<b>5,763</b>	<b>1,539,652</b>	<b>25,992</b>	<b>45,136</b>	<b>6,092</b>
Less: Impact of Master Netting Agreements and Collateral		18,265	27,279			15,767	24,245	- <sup>(1)</sup>		17,785	26,023	- <sup>(1)</sup>		18,293	26,649	- <sup>(1)</sup>
<b>Total after Netting and Collateral</b>		<b>6,956</b>	<b>17,820</b>	<b>5,479</b>		<b>7,003</b>	<b>18,364</b>	<b>5,749</b>		<b>7,588</b>	<b>18,402</b>	<b>5,763</b>		<b>7,699</b>	<b>18,487</b>	<b>6,092</b>

Contract Types	Q3 2009		Q2 2009		Q1 2009		Q4 2008	
	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount
<b>Interest Rate Contracts:</b>								
Futures and Forward Rate Agreements	117,115	13	137,620	12	102,527	17	103,872	20
Swaps	960,728	18,262	868,053	21,358	777,498	21,067	741,732	13,635
Options Purchased	40,104	294	53,637	387	44,501	524	72,412	426
Options Written	43,506	-	35,734	-	40,596	-	63,679	-
<b>Total</b>	<b>1,161,453</b>	<b>18,569</b>	<b>1,095,044</b>	<b>21,757</b>	<b>965,122</b>	<b>21,608</b>	<b>981,695</b>	<b>14,081</b>
<b>Foreign Exchange Contracts:</b>								
Futures, Spots and Forwards	206,237	6,664	228,692	6,588	234,758	9,376	290,429	15,963
Swaps	121,674	12,687	123,323	11,520	125,526	11,290	127,005	12,332
Options Purchased	4,091	283	6,122	279	6,385	449	4,651	435
Options Written	4,853	-	6,867	-	6,678	-	4,908	-
<b>Total</b>	<b>336,855</b>	<b>19,634</b>	<b>365,004</b>	<b>18,387</b>	<b>373,347</b>	<b>21,115</b>	<b>426,993</b>	<b>28,730</b>
<b>Other Derivatives Contracts:</b>								
Equity	26,414	2,257	27,561	3,682	22,590	2,615	25,852	3,463
Credit	90,172	9,790	104,191	14,420	116,365	16,851	120,399	17,834
Other	9,684	1,201	8,360	1,202	6,722	1,395	7,002	1,709
<b>Total</b>	<b>126,270</b>	<b>13,248</b>	<b>140,112</b>	<b>19,304</b>	<b>145,677</b>	<b>20,861</b>	<b>153,253</b>	<b>23,006</b>
<b>Total Derivatives</b>	<b>1,624,578</b>	<b>51,451</b>	<b>1,600,160</b>	<b>59,448</b>	<b>1,484,146</b>	<b>63,584</b>	<b>1,561,941</b>	<b>65,817</b>
Less: Impact of Master Netting Agreements and Collateral		31,071		37,040		35,650		37,296
<b>Total after Netting and Collateral</b>		<b>20,380</b>		<b>22,408</b>		<b>27,934</b>		<b>28,521</b>
<b>Risk Weighted Amount <sup>(1)</sup></b>		<b>7,498</b>		<b>8,877</b>		<b>9,918</b>		<b>9,653</b>

(1) Risk Weighted Amounts reported are net of impact of collateral and master netting arrangements.

# RISK-WEIGHTED ASSETS FOR SECURITIZATION EXPOSURES <sup>(1)</sup>



(\$MM)			Q3 2010				Q2 2010			
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets
			On- Balance Sheet	Off- Balance Sheet	Total		On- Balance Sheet	Off- Balance Sheet	Total	
Investment Grade	AAA to A	7 - 25	5,566	8,052	13,618	1,452	6,054	8,240	14,294	1,507
	A- to BBB-	35 - 100	842	169	1,011	695	1,003	203	1,206	839
Non-Investment Grade	BB+ to BB-	150 - 650	334	658	992	4,073	333	674	1,007	4,201
	Below BB-	Capital Deduction <sup>(2)</sup>	356	17	373	n/a	335	6	341	n/a
<b>Total</b>			<b>7,098</b>	<b>8,896</b>	<b>15,994</b>	<b>6,220</b>	<b>7,725</b>	<b>9,123</b>	<b>16,848</b>	<b>6,547</b>

			Q1 2010				Q4 2009			
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets
			On- Balance Sheet	Off- Balance Sheet	Total		On- Balance Sheet	Off- Balance Sheet	Total	
Investment Grade	AAA to A	7 - 25	6,938	8,850	15,788	1,375	6,495	9,155	15,650	1,443
	A- to BBB-	35 - 100	1,028	659	1,687	1,302	1,171	751	1,922	1,498
Non-Investment Grade	BB+ to BB-	150 - 650	334	316	650	3,432	339	328	667	3,533
	Below BB-	Capital Deduction <sup>(2)</sup>	307	3	310	n/a	289	-	289	n/a
<b>Total</b>			<b>8,607</b>	<b>9,828</b>	<b>18,435</b>	<b>6,109</b>	<b>8,294</b>	<b>10,234</b>	<b>18,528</b>	<b>6,474</b>

(1) Includes on- balance sheet investments in asset backed securities (ABS), mortgage backed securities (MBS), collateralized loan obligations (CLOs), collateralized debt obligations (CDOs), and off- balance sheet liquidity lines and credit enhancements to Ba

(2) Securitization related capital deductions 50/50 from tier 1 and tier 2 capital.

## RISK-WEIGHTED ASSETS FOR EQUITY EXPOSURES



(\$MM)

EQUITY INVESTMENTS	Q3 2010		Q2 2010		Q1 2010		Q4 2009	
	Gross Exposures	Risk-Weighted Assets	Gross Exposures	Risk-Weighted Assets	Gross Exposures	Risk-Weighted Assets	Gross Exposures	Risk-Weighted Assets
Grandfathered equity investments	1,434	1,434	1,550	1,550	1,633	1,633	1,476	1,476
Non-grandfathered - Simple risk weight method	936	3,259	890	3,032	1,055	3,722	997	3,502
<b>Total Banking Book Equities (Excl. Preferred Shares)</b>	<b>2,370</b>	<b>4,693</b>	<b>2,440</b>	<b>4,582</b>	<b>2,688</b>	<b>5,355</b>	<b>2,473</b>	<b>4,978</b>
Preferred Shares - PD/LGD Approach	450	627	449	624	429	639	424	629
<b>Total Banking Book Equities</b>	<b>2,820</b>	<b>5,320</b>	<b>2,889</b>	<b>5,206</b>	<b>3,117</b>	<b>5,994</b>	<b>2,897</b>	<b>5,607</b>

*Of the banking book equity exposures (excluding preferred) approximately 62% in Q3/10 (Q2/10: 60%) are traded in a public exchange, with the remaining 38% in Q3/10 (Q2/10: 40%) representing private equity investments which are not actively traded.*

## GLOSSARY



<b>Credit Risk Parameters</b>	
Exposure at Default (EAD)	Generally represents the expected gross exposure - outstanding amount for on-balance sheet exposure and loan equivalent amount for off-balance sheet exposure.
Probability of Default (PD)	Measures the likelihood that a borrower will default within a 1-year time horizon, expressed as a percentage.
Loss Given Default (LGD)	Measures the severity of loss on a facility in the event of a borrower's default, expressed as a percentage of exposure at default.
<b>Exposure Types</b>	
<i>Non-retail</i>	
Corporate	Defined as a debt obligation of a corporation, partnership, or proprietorship.
Bank	Defined as a debt obligation of a bank or bank equivalent (including certain public sector entities (PSEs) treated as Bank equivalent exposures).
Sovereign	Defined as a debt obligation of a sovereign, central bank, certain Multi Development Banks (MDBs) and certain PSEs treated as Sovereign.
Securitization	On- balance sheet investments in asset backed securities (ABS), mortgage backed securities (MBS), collateralized loan obligations (CLOs), and collateralized debt obligations (CDOs), and off- balance sheet liquidity lines and credit enhancements to Bank's
<i>Retail</i>	
Real Estate Secured	
Residential Mortgages	Loans to individuals against residential property (four units or less).
Secured Lines Of Credit	Revolving personal lines of credit secured by first charge on residential real estate.
Qualifying Revolving Retail Exposures (QRRE)	Credit cards and unsecured line of credit for individuals.
Other Retail	All other personal loans.
<b>Exposure Sub-types</b>	
Drawn	Outstanding amounts for loans, leases, acceptances, deposits with banks and available-for-sale debt securities.
Undrawn	Unutilized portion of an authorized credit line.
Other Exposures	
Repo-Style Transactions	Reverse repurchase agreements (reverse repos) and repurchase agreements (repos), securities lending and borrowing.
OTC Derivatives	Over-the-counter derivatives contracts.
Other Off Balance Sheet	Direct credit substitutes such as standby letters of credits and guarantees, trade letters of credits, and performance letters of credits and guarantees.