



**NATIONAL  
BANK**

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**FINANCIAL GROUP**

## **SUPPLEMENTARY FINANCIAL INFORMATION**

### **FIRST QUARTER 2010 REPORT**

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## FINANCIAL HIGHLIGHTS

	2009					2008				YTD		Full Year
	2010 Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008

Net income (\$000,000)	214.6	240.7	303.1	241.4	68.7	70.3	285.9	164.6	255.4	214.6	68.7	776.2
Earnings per share - basic	1.23	1.40	1.79	1.41	0.36	0.37	1.73	1.01	1.58	1.23	0.36	4.69
- diluted	1.22	1.39	1.78	1.41	0.36	0.37	1.73	1.00	1.58	1.22	0.36	4.67
Return on common shareholders' equity	14.3%	16.7%	22.1%	18.5%	4.6%	5.0%	23.7%	14.3%	22.9%	14.3%	4.6%	16.4%
Dividend per share	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	2.48

### Excluding specified items

Net income (\$000,000)	268.2	242.4	304.1	261.0	252.8	228.0	252.8	228.9	237.2	268.2	252.8	946.9
Earnings per share - basic	1.56	1.41	1.80	1.53	1.51	1.36	1.52	1.42	1.47	1.56	1.51	5.78
- diluted	1.55	1.40	1.79	1.53	1.51	1.36	1.52	1.41	1.46	1.55	1.51	5.75
Return on common shareholders' equity	18.0%	16.3%	21.3%	19.4%	19.3%	17.1%	20.9%	20.2%	21.3%	18.0%	19.3%	19.9%
Dividend per share	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	2.48

Net interest margin in % - Personal & Commercial Banking	2.52%	2.46%	2.47%	2.53%	2.59%	2.61%	2.65%	2.68%	2.69%	2.52%	2.59%	2.66%
Productivity ratio (teb) <sup>(1)</sup>	59.93%	62.24%	56.80%	59.36%	60.55%	61.12%	62.30%	61.71%	61.46%	59.93%	60.55%	61.65%
Effective tax rate (teb)	30.37%	29.21%	31.36%	32.28%	25.25%	487.50%	33.58%	30.29%	36.74%	30.37%	25.25%	37.28%
Average loans and BA's (\$000,000)	57,931	57,317	56,302	55,643	55,662	55,178	53,322	52,821	50,884	57,931	55,662	53,053
Average assets (\$000,000)	134,985	133,219	145,931	143,262	141,573	132,912	129,537	127,974	122,843	134,985	141,573	128,318
Total assets (\$000,000)	134,125	132,138	134,589	137,935	136,989	129,332	121,931	123,608	120,124	134,125	136,989	129,332
Average common shareholders' equity (\$000,000)	5,524	5,329	5,153	4,991	4,915	4,744	4,615	4,516	4,337	5,524	4,915	4,553
Number of common shares outstanding (000's)	161,810	161,201	160,604	159,883	159,679	159,447	159,115	158,364	158,141	161,810	159,679	159,447
Number of common shares (average) (000's)	161,730	161,034	160,322	159,927	159,758	159,382	158,890	158,373	158,001	161,730	159,758	158,664
Gross impaired loans (\$000,000)	453.2	407.0	379.9	331.4	322.1	306.4	274.5	251.6	248.6	453.2	322.1	306.4
Gross impaired loans/common equity-goodwill+reserves	8.88%	8.31%	8.25%	7.38%	7.56%	7.44%	6.40%	6.11%	6.19%	8.88%	7.56%	7.44%
Impaired loans, net of specific and general allowances (\$000,000) <sup>(3)</sup>	(198.8)	(233.2)	(114.1)	(154.4)	(153.3)	(162.2)	(189.3)	(174.4)	(168.5)	(198.8)	(153.3)	(162.2)
as a % of net loans and bankers' acceptances	-0.3%	-0.4%	-0.2%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%
Book value of common shares	34.63	33.43	32.51	31.88	30.54	29.70	29.44	28.76	28.13	34.63	30.54	29.70
Capital ratios - BIS Tier 1 <sup>(2)</sup>	12.5%	10.7%	10.5%	10.3%	10.0%	9.4%	10.0%	9.2%	9.3%	12.5%	10.0%	9.0%
Total	16.1%	14.3%	14.1%	13.8%	14.0%	13.2%	13.9%	13.3%	12.9%	16.1%	14.0%	12.4%
Tangible shareholders' equity / Risk weighted assets <sup>(2)</sup>	8.46%	6.92%	7.07%	6.84%	6.48%	6.43%	6.83%	6.56%	6.89%	8.46%	6.48%	6.77%

(1) Excluding specified items and adjusted for gains or losses attributable to third parties using the Innocap platform.

(2) Under AIRB Approach for periods after 2009.

(3) \$126 M of allowances for loans guaranteed by ABCP in Q1-2009 added to the general allowance in Q4-2009.

 **CONSOLIDATED STATEMENT OF INCOME**

	2010	2009				2008				YTD		Full Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008

(unaudited) (millions of dollars) (taxable equivalent basis)

Net Interest Income	525	501	485	597	512	649	478	402	449	525	512	1,978
Other Income	598	633	680	476	396	178	622	540	527	598	396	1,867
<b>Gross Revenues</b>	<b>1,123</b>	<b>1,134</b>	<b>1,165</b>	<b>1,073</b>	<b>908</b>	<b>827</b>	<b>1,100</b>	<b>942</b>	<b>976</b>	<b>1,123</b>	<b>908</b>	<b>3,845</b>
Provision for credit losses	43	54	46	41	164	49	30	34	31	43	164	144
Non-Interest Expenses	754	700	663	654	645	770	659	634	632	754	645	2,695
Income Before Income Taxes	326	380	456	378	99	8	411	274	313	326	99	1,006
Income taxes	99	111	143	122	25	39	138	83	115	99	25	375
Income Before Non-Controlling Interest	227	269	313	256	74	(31)	273	191	198	227	74	631
Non-Controlling Interest	12	28	10	15	5	(101)	(13)	26	(57)	12	5	(145)
<b>Net Income</b>	<b>215</b>	<b>241</b>	<b>303</b>	<b>241</b>	<b>69</b>	<b>70</b>	<b>286</b>	<b>165</b>	<b>255</b>	<b>215</b>	<b>69</b>	<b>776</b>
Effective Tax Rate	30.4%	29.2%	31.4%	32.3%	25.3%	487.5%	33.6%	30.3%	36.7%	30.4%	25.3%	37.3%
Dividends on preferred shares	16	16	16	16	12	11	10	6	5	16	12	32
Dividends on common shares	101	100	100	99	99	99	99	98	98	101	99	394
Number of common shares (avg.) (in thousands)	161,730	161,034	160,322	159,927	159,758	159,382	158,890	158,373	158,001	161,730	159,758	158,664

(unaudited) (millions of dollars) (taxable equivalent basis)

**Excluding specified items**

Net Interest Income	528	502	489	601	463	663	493	417	468	528	463	2,041
Other Income	600	633	682	500	588	273	531	613	495	600	588	1,912
<b>Gross Revenues</b>	<b>1,128</b>	<b>1,135</b>	<b>1,171</b>	<b>1,101</b>	<b>1,051</b>	<b>936</b>	<b>1,024</b>	<b>1,030</b>	<b>963</b>	<b>1,128</b>	<b>1,051</b>	<b>3,953</b>
Provision for credit losses	43	54	46	41	38	45	7	34	31	43	38	117
Non-Interest Expenses	679	699	668	653	643	646	656	627	630	679	643	2,559
Income Before Income Taxes	406	382	457	407	370	245	361	369	302	406	370	1,277
Income taxes	126	111	143	131	112	118	121	114	122	126	112	475
Income Before Non-Controlling Interest	280	271	314	276	258	127	240	255	180	280	258	802
Non-Controlling Interest	12	28	10	15	5	(101)	(13)	26	(57)	12	5	(145)
<b>Net Income</b>	<b>268</b>	<b>243</b>	<b>304</b>	<b>261</b>	<b>253</b>	<b>228</b>	<b>253</b>	<b>229</b>	<b>237</b>	<b>268</b>	<b>253</b>	<b>947</b>
Effective Tax Rate	31.0%	29.1%	31.3%	32.2%	30.3%	48.2%	33.5%	30.9%	40.4%	31.0%	30.3%	37.2%
Dividends on preferred shares	16	16	16	16	12	11	10	6	5	16	12	32
Dividends on common shares	101	100	100	99	99	99	99	98	98	101	99	394
Number of common shares (avg.) (in thousands)	161,730	161,034	160,322	159,927	159,758	159,382	158,890	158,373	158,001	161,730	159,758	158,664

(Tax equivalent adjustment)

Net interest income	46	36	32	37	24	30	32	41	23	46	24	126
Other income	-	6	1	5	8	32	11	14	25	-	8	82
Income taxes	46	42	33	42	32	62	43	55	48	46	32	208

Net income by sector of activities

**Excluding specified items**

Personal and Commercial Banking	139	110	123	114	136	122	133	116	133	139	136	504
Wealth Management	23	26	25	31	31	45	31	38	39	23	31	153
Financial Markets	144	146	170	127	74	68	108	82	72	144	74	330
Other Segments	(38)	(39)	(14)	(11)	12	(7)	(19)	(7)	(7)	(38)	12	(40)

## RESULTS OF OPERATIONS AS A PERCENTAGE OF AVERAGE ASSETS

	2010		2009			2008				YTD		Full Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008
<b>in % of average assets</b>												
(Taxable equivalent basis)												
Excluding specified items												
Total revenues	3.32	3.38	3.18	3.15	2.95	2.80	3.14	3.27	3.12	3.32	2.95	3.08
Provision for credit losses	0.13	0.16	0.13	0.12	0.11	0.13	0.02	0.11	0.10	0.13	0.11	0.09
Non-interest expenses	2.00	2.08	1.82	1.87	1.80	1.93	2.01	1.99	2.04	2.00	1.80	1.99
Income taxes	0.37	0.33	0.39	0.38	0.31	0.35	0.37	0.36	0.40	0.37	0.31	0.37
Non-controlling interest	0.04	0.08	0.03	0.04	0.01	(0.30)	(0.04)	0.08	(0.18)	0.04	0.01	(0.11)
<b>Net income</b>	<b>0.79</b>	<b>0.72</b>	<b>0.83</b>	<b>0.75</b>	<b>0.71</b>	<b>0.68</b>	<b>0.78</b>	<b>0.73</b>	<b>0.77</b>	<b>0.79</b>	<b>0.71</b>	<b>0.74</b>

### in % of Average Risk-Weighted Assets

Excluding specified items

Total revenues	8.14%	7.70%	8.08%	7.92%	7.23%	6.55%	7.36%	7.85%	7.59%	8.14%	7.23%	7.32%
<b>Net income</b>	<b>1.93%</b>	<b>1.65%</b>	<b>2.10%</b>	<b>1.88%</b>	<b>1.74%</b>	<b>1.60%</b>	<b>1.82%</b>	<b>1.74%</b>	<b>1.87%</b>	<b>1.93%</b>	<b>1.74%</b>	<b>1.75%</b>
Average Risk-Weighted Assets (\$000,000)	54,974	58,450	57,488	56,997	57,691	56,813	55,350	53,371	50,468	54,974	57,691	54,004

Prime rate	2.25%	2.25%	2.25%	2.65%	3.65%	4.61%	4.75%	5.39%	6.07%	2.25%	3.65%	5.20%
CDOR	0.40%	0.40%	0.40%	0.74%	1.83%	3.12%	3.15%	3.70%	4.52%	0.40%	1.83%	3.62%
Spread	1.85%	1.85%	1.85%	1.91%	1.82%	1.49%	1.60%	1.69%	1.55%	1.85%	1.82%	1.58%

### Selected average balance sheet items (\$000,000)

Securities	53,800	51,982	55,812	56,925	50,932	46,495	47,485	45,226	44,844	53,800	50,932	34,716
Assets purchased under reverse repurchase agreements	8,670	8,623	6,171	10,751	15,176	12,743	10,613	11,226	6,537	8,670	15,176	8,624
Loans and BA's	57,931	57,317	56,302	55,643	55,662	55,178	53,322	52,821	50,884	57,931	55,662	53,053
Average earning assets	116,782	114,270	115,054	120,738	119,661	114,882	113,360	113,637	106,910	116,782	119,661	111,436
Average assets	134,985	133,219	145,931	143,262	141,573	132,912	129,537	127,974	122,843	134,985	141,573	128,318
Deposits	75,704	74,457	74,568	81,595	80,122	74,268	74,129	73,033	71,757	75,704	80,122	71,542
Common equity	1,762	1,723	1,683	1,667	1,660	1,644	1,619	1,597	1,575	1,762	1,660	1,212
Common shareholders' equity	5,524	5,329	5,153	4,991	4,915	4,744	4,615	4,516	4,337	5,524	4,915	4,553

<b>Assets under administration</b>	116,001	98,988	95,365	107,524	102,305	116,048	133,004	133,391	130,353			
<b>Assets under management</b>												
Institutional	26,156	26,367	26,213	24,918	22,692	23,917	28,927	31,340	31,164			
Personal	57,328	55,332	53,363	49,973	48,080	49,668	56,234	58,030	56,750			
Mutual funds	12,208	11,864	11,498	10,763	10,284	10,696	12,638	12,930	12,283			
<b>Total assets under management</b>	<b>95,692</b>	<b>93,563</b>	<b>91,074</b>	<b>85,654</b>	<b>81,056</b>	<b>84,281</b>	<b>97,799</b>	<b>102,300</b>	<b>100,197</b>			



## NET INCOME BY SECTOR OF ACTIVITIES (EXCLUDING SPECIFIED ITEMS)

	2010				2009				2008				YTD		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009

(millions of dollars) (taxable equivalent basis)

### Personal and Commercial Banking

Net interest income	372	359	352	343	356	353	351	342	344	372	356
Other income	221	228	235	204	213	218	217	197	210	221	213
<b>Total Revenues</b>	<b>593</b>	<b>587</b>	<b>587</b>	<b>547</b>	<b>569</b>	<b>571</b>	<b>568</b>	<b>539</b>	<b>554</b>	<b>593</b>	<b>569</b>
Operating expenses	337	358	347	329	323	344	323	321	314	337	323
Provision for credit losses	54	66	54	49	45	44	47	45	43	54	45
Earning before income taxes and non-controlling interest	202	163	186	169	201	183	198	173	197	202	201
Income taxes	63	53	63	55	65	61	65	57	64	63	65
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>139</b>	<b>110</b>	<b>123</b>	<b>114</b>	<b>136</b>	<b>122</b>	<b>133</b>	<b>116</b>	<b>133</b>	<b>139</b>	<b>136</b>
Net interest margin in %	2.52%	2.46%	2.47%	2.53%	2.59%	2.61%	2.65%	2.68%	2.69%	2.52%	2.59%
Expense ratio	56.8%	61.0%	59.1%	60.1%	56.8%	60.2%	56.9%	59.6%	56.7%	56.8%	56.8%
Average loans and BA's	58,114	57,227	56,192	55,204	54,133	53,365	52,265	51,450	50,528	58,114	54,133
Average assets	58,513	57,599	56,521	55,536	54,608	53,771	52,684	51,832	50,925	58,513	54,608
Average deposits	34,105	33,725	33,639	33,294	33,594	32,656	32,180	31,223	31,045	34,105	33,594

### Wealth Management

Net interest income	25	26	27	36	38	43	32	31	31	25	38
Other income	168	166	160	149	157	170	171	173	183	168	157
<b>Total Revenues</b>	<b>193</b>	<b>192</b>	<b>187</b>	<b>185</b>	<b>195</b>	<b>213</b>	<b>203</b>	<b>204</b>	<b>214</b>	<b>193</b>	<b>195</b>
Operating expenses	155	154	149	141	146	147	155	146	153	155	146
Provision for credit losses	-	-	-	-	-	-	-	-	-	-	-
Earning before income taxes and non-controlling interest	38	38	38	44	49	66	48	58	61	38	49
Income taxes	14	11	12	12	17	21	16	20	20	14	17
Non-controlling interest	1	1	1	1	1	-	1	-	2	1	1
<b>Net Income</b>	<b>23</b>	<b>26</b>	<b>25</b>	<b>31</b>	<b>31</b>	<b>45</b>	<b>31</b>	<b>38</b>	<b>39</b>	<b>23</b>	<b>31</b>
Expense ratio	80.3%	80.2%	79.7%	76.2%	74.9%	69.0%	76.4%	71.6%	71.5%	80.3%	74.9%
Average loans and BA's	327	317	310	297	306	123	119	98	120	327	306
Average assets	888	909	895	865	822	667	704	707	694	888	822
Average deposits	11,650	11,941	11,397	12,273	10,674	10,053	9,217	8,655	8,116	11,650	10,674

### Financial Markets

Net interest income	207	203	183	287	117	314	160	84	150	207	117
Other income	159	209	221	68	141	(181)	114	197	66	159	141
<b>Total Revenues</b>	<b>366</b>	<b>412</b>	<b>404</b>	<b>355</b>	<b>258</b>	<b>133</b>	<b>274</b>	<b>281</b>	<b>216</b>	<b>366</b>	<b>258</b>
Operating expenses	160	174	159	167	163	152	157	156	169	160	163
Provision for credit losses	5	8	8	7	4	4	-	(2)	-	5	4
Earning before income taxes and non-controlling interest	201	230	237	181	91	(23)	117	127	47	201	91
Income taxes	60	71	71	53	27	28	36	31	39	60	27
Non-controlling interest	(3)	13	(4)	1	(10)	(119)	(27)	14	(64)	(3)	(10)
<b>Net Income</b>	<b>144</b>	<b>146</b>	<b>170</b>	<b>127</b>	<b>74</b>	<b>68</b>	<b>108</b>	<b>82</b>	<b>72</b>	<b>144</b>	<b>74</b>
Expense ratio <sup>(1)</sup>	43.7%	42.2%	39.4%	47.0%	63.2%	114.2%	57.3%	55.5%	78.2%	43.7%	63.2%
Average loans and BA's (Corporate banking only)	6,309	6,732	6,962	7,251	7,349	6,503	6,378	6,202	5,905	6,309	7,349
Average assets	89,587	88,809	102,870	100,848	98,791	89,445	87,358	87,748	84,246	89,587	98,791
Average deposits	30,188	29,624	29,530	36,050	35,784	31,696	33,092	33,357	33,199	30,188	35,784

(1) Adjusted for gains or losses attributable to third parties using the Innocap platform.

 **NET INCOME BY SECTOR OF ACTIVITIES (EXCLUDING SPECIFIED ITEMS)**

	2010		2009			2008				YTD	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009

(millions of dollars)

**Other Segments**

Net interest income	(122)	(122)	(105)	(102)	(72)	(77)	(82)	(81)	(80)	(122)	(72)
Other income	52	24	65	74	69	34	18	32	11	52	69
Total Revenues	(70)	(98)	(40)	(28)	(3)	(43)	(64)	(49)	(69)	(70)	(3)
Operating expenses	27	13	13	16	11	3	21	4	(6)	27	11
Provision for credit losses	(16)	(20)	(16)	(15)	(11)	(3)	(40)	(9)	(12)	(16)	(11)
Earning before income taxes and non-controlling interest	(81)	(91)	(37)	(29)	(3)	(43)	(45)	(44)	(51)	(81)	(3)
Income taxes	(57)	(66)	(36)	(31)	(29)	(54)	(39)	(49)	(49)	(57)	(29)
Non-controlling interest	14	14	13	13	14	18	13	12	5	14	14
Net Income (net loss)	(38)	(39)	(14)	(11)	12	(7)	(19)	(7)	(7)	(38)	12
Average loans and BA's	(13,162)	(12,910)	(12,862)	(13,396)	(13,245)	(11,689)	(11,825)	(12,738)	(13,800)	(13,162)	(13,245)
Average assets	(14,003)	(14,098)	(14,355)	(13,987)	(12,648)	(10,971)	(11,209)	(12,313)	(13,022)	(14,003)	(12,648)
Average deposits	(239)	(833)	2	(22)	70	(137)	(360)	(202)	(603)	(239)	70

**Total**

Net interest income	482	466	457	564	439	633	461	376	445	482	439
Other income	600	627	681	495	580	241	520	599	470	600	580
Total Revenues	1,082	1,093	1,138	1,059	1,019	874	981	975	915	1,082	1,019
Operating expenses	679	699	668	653	643	646	656	627	630	679	643
Provision for credit losses	43	54	46	41	38	45	7	34	31	43	38
Earning before income taxes and non-controlling interest	360	340	424	365	338	183	318	314	254	360	338
Income taxes	80	69	110	89	80	56	78	59	74	80	80
Non-controlling interest	12	28	10	15	5	(101)	(13)	26	(57)	12	5
Net Income	268	243	304	261	253	228	253	229	237	268	253
Expense ratio (teb) <sup>(1)</sup>	59.9%	62.2%	56.8%	59.4%	60.5%	61.1%	62.3%	61.7%	61.5%	59.9%	60.5%
Average loans and BA's	57,931	57,317	56,302	55,643	55,662	55,178	53,322	52,821	50,884	57,931	55,662
Average assets	134,985	133,219	145,931	143,262	141,573	132,912	129,537	127,974	122,843	134,985	141,573
Average deposits	75,704	74,457	74,568	81,595	80,122	74,268	74,129	73,033	71,757	75,704	80,122

(1) Adjusted for gains or losses attributable to third parties using the Innocap platform.



## SPECIFIED ITEMS

(millions of dollars)			Net interest income	Other income	Total Revenues	Operating expenses	Provision for credit losses	Earning before income taxes and non-controlling interest	Income taxes	Non-controlling interest	Net income
<b>2007</b>											
Q4	Adjustment to ABCP	Financial Markets	(2)	(42)	(44)	(19)	-	(25)	(8)	-	(17)
		Other	(19)	(533)	(552)	(24)	-	(528)	(164)	-	(364)
	Altamira	Wealth Management	-	-	-	13	-	(13)	(2)	-	(11)
<b>TOTAL</b>			<b>(21)</b>	<b>(575)</b>	<b>(596)</b>	<b>(30)</b>	<b>-</b>	<b>(566)</b>	<b>(174)</b>	<b>-</b>	<b>(392)</b>
<b>2008</b>											
Q1	Adjustment to ABCP	Other	(19)	-	(19)	2	-	(21)	(7)	-	(14)
	Nassau gain	Other	-	32	32	-	-	32	-	-	32
	Total		(19)	32	13	2	-	11	(7)	-	18
Q2	Adjustment to ABCP	Other	(15)	(73)	(88)	7	-	(95)	(31)	-	(64)
	Total		(15)	(73)	(88)	7	-	(95)	(31)	-	(64)
Q3	Adjustment to ABCP	Other	(15)	3	(12)	1	23	(36)	(12)	-	(24)
	Montreal Stock Exchange Gain	Financial Markets	-	88	88	2	-	86	29	-	57
	Total		(15)	91	76	3	23	50	17	-	33
Q4	Adjustment to ABCP	Other	(14)	(95)	(109)	4	4	(117)	(39)	-	(78)
	Write-off capitalized projects	Other	-	-	-	54	-	(54)	(18)	-	(36)
	Restructuration charge	Other	-	-	-	66	-	(66)	(22)	-	(44)
	Total		(14)	(95)	(109)	124	4	(237)	(79)	-	(158)
<b>TOTAL</b>			<b>(63)</b>	<b>(45)</b>	<b>(108)</b>	<b>136</b>	<b>27</b>	<b>(271)</b>	<b>(100)</b>	<b>-</b>	<b>(171)</b>
<b>2009</b>											
Q1	Adjustment to ABCP	Other	49	(192)	(143)	2	-	(145)	(47)	-	(98)
	Credit facilities to clients holding ABCP	Other	-	-	-	-	126	(126)	(40)	-	(86)
	Total		49	(192)	(143)	2	126	(271)	(87)	-	(184)
Q2	Adjustment to ABCP	Other	(4)	(24)	(28)	1	-	(29)	(9)	-	(20)
	Total		(4)	(24)	(28)	1	-	(29)	(9)	-	(20)
Q3	Adjustment to ABCP	Other	(4)	(2)	(6)	(5)	-	(1)	-	-	(1)
	Total		(4)	(2)	(6)	(5)	-	(1)	-	-	(1)
Q4	Adjustment to ABCP	Other	(1)	-	(1)	1	-	(2)	-	-	(2)
	Total		(1)	-	(1)	1	-	(2)	-	-	(2)
<b>TOTAL</b>			<b>40</b>	<b>(218)</b>	<b>(178)</b>	<b>(1)</b>	<b>126</b>	<b>(303)</b>	<b>(96)</b>	<b>-</b>	<b>(207)</b>
<b>2010</b>											
Q1	Adjustment to ABCP	Other	(3)	(2)	(5)	75	-	(80)	(2)	-	(78)
	Credit facilities to clients holding ABCP	Other	-	-	-	-	-	-	-	-	-
	Income tax recovery	Other	-	-	-	-	-	-	(25)	-	25
	Total		(3)	(2)	(5)	75	-	(80)	(27)	-	(53)
<b>TOTAL</b>			<b>(3)</b>	<b>(2)</b>	<b>(5)</b>	<b>75</b>	<b>-</b>	<b>(80)</b>	<b>(27)</b>	<b>-</b>	<b>(53)</b>



## NET INCOME BY SECTOR OF ACTIVITIES

	2010		2009				2008				2007				YTD		Full Year	Full Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008	2007	
(millions of dollars)																		
<b>Total</b>																		
Net interest income	479	465	453	560	488	619	446	361	426	294	304	245	273	479	488	1,852	1,116	
Other income	598	627	679	471	388	146	611	526	502	105	704	776	716	598	388	1,785	2,301	
Total Revenues	1,077	1,092	1,132	1,031	876	765	1,057	887	928	399	1,008	1,021	989	1,077	876	3,637	3,417	
Operating expenses	754	700	663	654	645	770	659	634	632	637	673	660	656	754	645	2,695	2,626	
Provision for credit losses	43	54	46	41	164	49	30	34	31	29	22	23	29	43	164	144	103	
Earning before income taxes and non-controlling interest	280	338	423	336	67	(54)	368	219	265	(267)	313	338	304	280	67	798	688	
Income taxes	53	69	110	80	(7)	(23)	95	28	67	(123)	71	75	56	53	(7)	167	79	
Non-controlling interest	12	28	10	15	5	(101)	(13)	26	(57)	31	(1)	30	8	12	5	(145)	68	
Net Income	215	241	303	241	69	70	286	165	255	(175)	243	233	240	215	69	776	541	
Expense ratio (teb) <sup>(1)</sup>	70.0%	64.1%	58.6%	63.4%	73.6%	100.6%	62.3%	71.5%	68.1%	172.8%	66.2%	66.1%	66.4%	70.0%	73.6%	74.1%	76.8%	
Average loans and BA's	57,931	57,317	56,302	55,643	55,662	55,178	53,322	52,821	50,884	51,120	50,791	50,197	49,518	57,931	55,662	53,053	50,408	
Average assets	134,985	133,219	145,931	143,262	141,573	132,912	129,537	127,974	122,843	125,387	128,998	129,750	119,846	134,985	141,573	128,318	125,964	
Average deposits	75,704	74,457	74,568	81,595	80,122	74,268	74,129	73,033	71,757	72,967	72,695	70,753	69,732	75,704	80,122	73,298	71,543	

(1) Adjusted for gains or losses attributable to third parties using the Innocap platform.



## REVENUES (EXCLUDING SPECIFIED ITEMS)

	2010				2009				2008				YTD		Full Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009

(unaudited) (millions of dollars) (taxable equivalent basis)

### Net Interest Income

<i>Interest Income</i>												
Loans	458	446	452	495	636	738	722	753	762	458	636	2,975
Securities	222	198	312	298	273	257	281	247	311	222	273	1,096
Deposits with regulated financial institutions	1	1	4	5	2	9	34	71	93	1	2	207
<b>Total Interest Income</b>	<b>681</b>	<b>645</b>	<b>768</b>	<b>798</b>	<b>911</b>	<b>1,004</b>	<b>1,037</b>	<b>1,071</b>	<b>1,166</b>	<b>681</b>	<b>911</b>	<b>4,278</b>
<i>Interest Expense</i>												
Deposits	135	143	167	182	317	176	392	534	539	135	317	1,641
Bank debentures	23	26	27	25	23	30	28	20	20	23	23	98
Other	41	10	117	27	132	165	156	141	162	41	132	624
<b>Total Interest Expense</b>	<b>199</b>	<b>179</b>	<b>311</b>	<b>234</b>	<b>472</b>	<b>371</b>	<b>576</b>	<b>695</b>	<b>721</b>	<b>199</b>	<b>472</b>	<b>2,363</b>
Tax equivalent adjustment	46	36	32	37	24	30	32	41	23	46	24	126
<b>Net Interest Income</b>	<b>528</b>	<b>502</b>	<b>489</b>	<b>601</b>	<b>463</b>	<b>663</b>	<b>493</b>	<b>417</b>	<b>468</b>	<b>528</b>	<b>463</b>	<b>2,041</b>

### Other Income

Deposits and payment service charges	56	58	58	57	57	58	57	57	56	56	57	228
Commissions on loans and bankers' acceptances	75	76	80	57	48	49	47	42	45	75	48	183
Insurance revenues	30	32	31	23	30	31	31	22	34	30	30	118
Securities brokerage commissions	61	59	56	54	53	60	61	61	59	61	53	241
Underwriting and advisory fees	81	81	84	82	82	50	74	94	95	81	82	313
Foreign exchange revenues	24	25	27	27	30	34	30	28	29	24	30	121
Card service revenues	9	10	10	9	8	8	10	14	10	9	8	42
Trust services	50	49	47	45	48	52	51	53	40	50	48	196
Mutual funds	41	39	36	31	31	37	41	39	41	41	31	158
Securitization	75	58	95	101	98	62	59	58	46	75	98	225
Profit & Loss on trading	-	53	44	(64)	25	(252)	(23)	72	(43)	-	25	(246)
Profit & Loss other than trading	35	20	31	29	13	(58)	10	6	30	35	13	(12)
Other	63	73	83	49	65	142	83	67	53	63	65	345
<b>Total</b>	<b>600</b>	<b>633</b>	<b>682</b>	<b>500</b>	<b>588</b>	<b>273</b>	<b>531</b>	<b>613</b>	<b>495</b>	<b>600</b>	<b>588</b>	<b>1,912</b>
As a % of total revenues	<b>53.2%</b>	<b>55.8%</b>	<b>58.2%</b>	<b>45.4%</b>	<b>55.9%</b>	<b>29.2%</b>	<b>51.9%</b>	<b>59.5%</b>	<b>51.4%</b>	<b>53.2%</b>	<b>55.9%</b>	<b>48.4%</b>

(unaudited) (millions of dollars)

### Trading revenues

Net Interest Income	147	156	119	255	101	210	96	14	116	147	101	436
Other Income	-	53	44	(64)	25	(252)	(23)	72	(43)	-	25	(246)
Non-controlling interest - Innocap	5	(12)	5	(1)	11	121	29	(14)	62	5	11	198
<b>Total</b>	<b>152</b>	<b>197</b>	<b>168</b>	<b>190</b>	<b>137</b>	<b>79</b>	<b>102</b>	<b>72</b>	<b>135</b>	<b>152</b>	<b>137</b>	<b>388</b>

### Trading revenues by product

<i>Financial Markets</i>												
Equity	58	68	51	42	44	43	46	72	(13)	58	44	148
Fixed income	68	110	92	128	58	(17)	28	(14)	95	68	58	92
Commodity and foreign exchange	24	18	23	18	32	39	20	11	42	24	32	112
Trading revenues - Financial Markets	150	196	166	188	134	65	94	69	124	150	134	352
Other	2	1	2	2	3	14	8	3	11	2	3	36
<b>Total Trading revenues</b>	<b>152</b>	<b>197</b>	<b>168</b>	<b>190</b>	<b>137</b>	<b>79</b>	<b>102</b>	<b>72</b>	<b>135</b>	<b>152</b>	<b>137</b>	<b>388</b>



## SECURITIZATION REVENUES

2010	2009				YTD		Full Year
Q1	Q4	Q3	Q2	Q1	2010	2009	2008

(unaudited) (millions of dollars)

### Impact of securitization on the Consolidated Statement of income

#### Insured residential mortgage loans

Net interest income	(37)	(38)	(29)	(21)	(20)	(37)	(20)	(64)
Other income	45	29	61	68	65	45	65	99
Total revenues	8	(9)	32	47	45	8	45	35
Operating expenses	-	-	-	-	1	-	1	2
Provision for credit losses	-	-	-	-	-	-	-	-
Income before income taxes	8	(9)	32	47	44	8	44	33
Income taxes	3	(3)	10	15	14	3	14	10
Net income	5	(6)	22	32	30	5	30	23

#### Credit card receivables

Net interest income	(31)	(33)	(33)	(33)	(31)	(31)	(31)	(121)
Other income	13	12	16	17	16	13	16	71
Total revenues	(18)	(21)	(17)	(16)	(15)	(18)	(15)	(50)
Operating expenses	-	-	-	-	-	-	-	-
Provision for credit losses	(16)	(20)	(17)	(15)	(14)	(16)	(14)	(45)
Income before income taxes	(2)	(1)	-	(1)	(1)	(2)	(1)	(5)
Income taxes	(1)	-	-	-	-	(1)	-	-
Net income (loss)	(1)	(1)	-	(1)	(1)	(1)	(1)	(5)

#### Total

Net interest income	(68)	(71)	(62)	(54)	(51)	(68)	(51)	(185)
Other income <sup>(1)</sup>	58	41	77	85	81	58	81	170
Total revenues	(10)	(30)	15	31	30	(10)	30	(15)
Operating expenses	-	-	-	-	1	-	1	2
Provision for credit losses	(16)	(20)	(17)	(15)	(14)	(16)	(14)	(45)
Income before income taxes	6	(10)	32	46	43	6	43	28
Income taxes	2	(3)	10	15	14	2	14	10
Net income (loss)	4	(7)	22	31	29	4	29	18

#### (1) Securitization revenues included in Other income

Gains on sale of assets	62	47	84	86	85	62	85	181
Servicing revenues	11	11	11	10	11	11	11	42
Other	2	-	-	4	2	2	2	3
Total	75	58	95	100	98	75	98	226

**NON-INTEREST EXPENSES (EXCLUDING SPECIFIED ITEMS)**

2010	2009				2008				YTD		Full Year
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008

(unaudited) (millions of dollars)

**Non-Interest Expenses**

<b>Salaries and Staff benefits</b>												
Salaries	212	218	204	185	195	190	197	188	192	212	195	767
Variable compensation	132	141	126	137	132	112	121	121	130	132	132	484
Pension plan and other staff benefits	62	44	50	53	52	47	52	50	52	62	52	201
<b>Total Compensation</b>	<b>406</b>	<b>403</b>	<b>380</b>	<b>375</b>	<b>379</b>	<b>349</b>	<b>370</b>	<b>359</b>	<b>374</b>	<b>406</b>	<b>379</b>	<b>1,452</b>
<b>Occupancy and Technology</b>												
Rent	23	34	25	25	23	23	25	24	21	23	23	93
Taxes & insurance	4	4	4	4	4	4	4	4	4	4	4	16
Maintenance, lighting, heating	7	7	8	8	7	7	7	8	7	7	7	29
Technology	78	76	80	83	81	89	90	85	88	78	81	352
Depreciation	31	35	26	25	23	20	19	20	20	31	23	79
<b>Total Occupancy and Technology</b>	<b>143</b>	<b>156</b>	<b>143</b>	<b>145</b>	<b>138</b>	<b>143</b>	<b>145</b>	<b>141</b>	<b>140</b>	<b>143</b>	<b>138</b>	<b>569</b>
<b>Other Expenses</b>												
Professional fees	52	50	47	45	39	55	61	45	44	52	39	205
Taxes on capital & salaries	11	6	15	14	15	16	13	14	12	11	15	55
Travel & business development	17	28	20	20	16	26	19	22	17	17	16	84
Other	50	56	63	54	56	57	48	46	43	50	56	194
<b>Total Other Expenses</b>	<b>130</b>	<b>140</b>	<b>145</b>	<b>133</b>	<b>126</b>	<b>154</b>	<b>141</b>	<b>127</b>	<b>116</b>	<b>130</b>	<b>126</b>	<b>538</b>
<b>TOTAL NON-INTEREST EXPENSES</b>	<b>679</b>	<b>699</b>	<b>668</b>	<b>653</b>	<b>643</b>	<b>646</b>	<b>656</b>	<b>627</b>	<b>630</b>	<b>679</b>	<b>643</b>	<b>2,559</b>



## PROVISION FOR CREDIT LOSSES

2010	2009				2008				YTD		Full Year
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008

( millions of dollars)

Retail	15	19	13	13	13	14	10	10	10	15	13	44
Credit card	28	30	26	25	22	20	19	20	17	28	22	76
Commercial	9	17	15	11	10	10	18	15	16	9	10	59
Corporate	5	8	8	7	4	4	-	(2)	-	5	4	2
Real estate	2	-	-	-	-	-	-	-	-	2	-	-
Other	-	-	1	-	3	10	(29)	-	-	-	3	(19)
Credit card securitization	(16)	(20)	(17)	(15)	(14)	(13)	(11)	(9)	(12)	(16)	(14)	(45)
<b>Sub-total</b>	<b>43</b>	<b>54</b>	<b>46</b>	<b>41</b>	<b>38</b>	<b>45</b>	<b>7</b>	<b>34</b>	<b>31</b>	<b>43</b>	<b>38</b>	<b>117</b>
ABCP credit loss	-	-	-	-	126	4	23	-	-	-	126	<b>27</b>
<b>Total</b>	<b>43</b>	<b>54</b>	<b>46</b>	<b>41</b>	<b>164</b>	<b>49</b>	<b>30</b>	<b>34</b>	<b>31</b>	<b>43</b>	<b>164</b>	<b>144</b>



## CONDENSED CONSOLIDATED BALANCE SHEET

	2010				2009				2008				End Of Year	End Of Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2009	2008			
(unaudited) (millions of dollars)														
<b>Assets</b>														
Cash and deposits with financial institutions	3,838	2,228	2,172	3,523	1,854	3,660	3,090	3,872	4,377	2,228	3,660			
Securities	51,543	50,233	55,965	54,949	53,690	46,185	46,714	45,382	43,030	50,233	46,185			
Securities purchased under reverse repurchase agreements	4,750	7,637	5,812	7,618	8,774	7,868	7,148	9,105	8,855	7,637	7,868			
Loans														
Residential mortgages	14,775	14,958	14,723	14,351	14,701	15,363	15,500	15,096	15,042	14,958	15,363			
Personal and credit cards	18,902	18,290	17,786	17,143	16,343	15,681	14,730	14,068	13,773	18,290	15,681			
Business and government	21,079	19,389	19,947	19,621	20,735	20,697	19,906	20,098	18,747	19,389	20,697			
<b>Total Loans</b>	<b>54,756</b>	<b>52,637</b>	<b>52,456</b>	<b>51,115</b>	<b>51,779</b>	<b>51,741</b>	<b>50,136</b>	<b>49,262</b>	<b>47,562</b>	<b>52,637</b>	<b>51,741</b>			
Customers' liability under bankers' acceptances	5,344	5,733	5,305	5,617	4,444	4,274	4,760	4,770	4,533	5,733	4,274			
Other assets	13,894	13,670	12,879	15,113	16,448	15,604	10,083	11,217	11,767	13,670	15,604			
<b>Total Assets</b>	<b>134,125</b>	<b>132,138</b>	<b>134,589</b>	<b>137,935</b>	<b>136,989</b>	<b>129,332</b>	<b>121,931</b>	<b>123,608</b>	<b>120,124</b>	<b>132,138</b>	<b>129,332</b>			
<b>Liabilities</b>														
<b>Deposits</b>														
Personal	34,093	34,609	34,539	34,871	34,676	33,098	32,777	31,760	31,522	34,609	33,098			
Business and government	34,331	36,923	34,246	35,011	35,614	37,097	29,189	32,947	35,510	36,923	37,097			
Deposit-taking institutions	7,468	3,638	7,451	9,988	9,285	5,827	6,702	5,663	6,090	3,638	5,827			
<b>Total Deposits</b>	<b>75,892</b>	<b>75,170</b>	<b>76,236</b>	<b>79,870</b>	<b>79,575</b>	<b>76,022</b>	<b>68,668</b>	<b>70,370</b>	<b>73,122</b>	<b>75,170</b>	<b>76,022</b>			
<b>Others Liabilities</b>														
Acceptances	5,344	5,733	5,305	5,617	4,444	4,274	4,760	4,770	4,533	5,733	4,274			
Other liabilities	44,174	42,741	44,715	44,167	44,657	41,272	40,863	41,659	35,964	42,741	41,272			
Subordinated debentures	2,022	2,017	2,023	2,095	2,348	2,255	2,182	1,683	1,656	2,017	2,255			
<b>Total Others Liabilities</b>	<b>51,540</b>	<b>50,491</b>	<b>52,043</b>	<b>51,879</b>	<b>51,449</b>	<b>47,801</b>	<b>47,805</b>	<b>48,112</b>	<b>42,153</b>	<b>50,491</b>	<b>47,801</b>			
<b>Shareholders' equity</b>														
Preferred shares	1,089	1,089	1,089	1,089	1,089	774	774	573	400	1,089	774			
Common shares	1,766	1,729	1,700	1,669	1,662	1,656	1,633	1,599	1,590	1,729	1,656			
Contributed surplus	46	48	43	40	37	31	36	34	33	48	31			
Retained earnings	3,613	3,515	3,392	3,205	3,080	3,110	3,168	2,998	2,941	3,515	3,110			
Accumulated other comprehensive income (loss)	179	96	86	183	97	(62)	(153)	(78)	(115)	96	(62)			
<b>Total Shareholders' equity</b>	<b>6,693</b>	<b>6,477</b>	<b>6,310</b>	<b>6,186</b>	<b>5,965</b>	<b>5,509</b>	<b>5,458</b>	<b>5,126</b>	<b>4,849</b>	<b>6,477</b>	<b>5,509</b>			
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>134,125</b>	<b>132,138</b>	<b>134,589</b>	<b>137,935</b>	<b>136,989</b>	<b>129,332</b>	<b>121,931</b>	<b>123,608</b>	<b>120,124</b>	<b>132,138</b>	<b>129,332</b>			
Mortgage securitization	8,214	7,751	7,856	8,004	7,809	7,293	7,156	7,526	7,534	7,751	7,293			
Mortgage loans sold to third parties	584	543	540	541	410	386	419	382	414	543	386			
Credit card securitization	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	800	1,223	1,223			
Mutual funds	12,208	11,864	11,498	10,763	10,284	10,696	12,638	12,930	12,283	11,864	10,696			
Securities - excess of market value over book	191	107	20	58	(49)	(154)	(6)	132	121	107	(154)			
Equity Securities - excess of market value over book	72	26	(18)	(60)	135	(110)	(3)	120	122	26	(110)			
<b>Number of shares outstanding (000's)</b>	<b>161,810</b>	<b>161,201</b>	<b>160,604</b>	<b>159,883</b>	<b>159,679</b>	<b>159,447</b>	<b>159,115</b>	<b>158,364</b>	<b>158,141</b>	<b>161,201</b>	<b>159,447</b>			
Domestic Gap < 1 year	656	(324)	346	1,692	1,237	(464)	573	(699)	(618)	(324)	(464)			
> 1 year	(1,091)	(1)	(586)	(1,991)	(1,391)	378	(594)	673	711	(1)	378			

 **CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	2010	2009				2008				YTD		Full Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008
(unaudited) (millions of dollars)												
<b>Opening balance</b>	6,477	6,310	6,186	5,965	5,509	5,458	5,126	4,849	4,637	6,477	5,509	4,637
Net income	215	241	303	241	69	70	286	165	255	215	69	776
Issuance of common shares	37	29	31	7	6	23	34	9	15	37	6	81
Issuance of preferred shares	-	-	-	-	315	-	201	173	-	-	315	374
Repurchase of common shares												
Repurchase of common shares for cancellation	-	-	-	-	-	-	-	-	-	-	-	-
Premium paid on common shares purchased for cancellation	-	-	-	-	-	-	-	-	-	-	-	-
Dividends												
Common shares	(101)	(100)	(100)	(99)	(99)	(99)	(99)	(98)	(98)	(101)	(99)	(394)
Preferred shares	(16)	(15)	(16)	(16)	(12)	(11)	(10)	(6)	(5)	(16)	(12)	(32)
Stock options expense	3	4	3	4	2	3	3	3	2	3	2	11
Stock options exercised	(1)	(1)	(5)	-	-	(2)	(3)	-	(1)	(1)	-	(6)
Impact of shares acquired / sold for trading purposes	-	-	-	-	-	-	-	-	-	-	-	-
Other adjustments, net of income taxes	-	(3)	-	(1)	12	(18)	(7)	(4)	(4)	-	12	(33)
Other adjustment, contributed surplus	(4)	2	5	(1)	4	(6)	2	(2)	-	(4)	4	(6)
Other comprehensive income (loss), net of income taxes	83	10	(97)	86	159	91	(75)	37	48	83	159	101
<b>Closing balance</b>	<b>6,693</b>	<b>6,477</b>	<b>6,310</b>	<b>6,186</b>	<b>5,965</b>	<b>5,509</b>	<b>5,458</b>	<b>5,126</b>	<b>4,849</b>	<b>6,693</b>	<b>5,965</b>	<b>5,509</b>
Shareholders' equity												
Preferred shares	1,089	1,089	1,089	1,089	1,089	774	774	573	400	1,089	1,089	774
Common shares	1,766	1,729	1,700	1,669	1,662	1,656	1,633	1,599	1,590	1,766	1,662	1,656
Contributed surplus	46	48	43	40	37	31	36	34	33	46	37	31
Unrealized foreign currency translation adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	3,613	3,515	3,392	3,205	3,080	3,110	3,168	2,998	2,941	3,613	3,080	3,110
Accumulated other comprehensive income (loss)	179	96	86	183	97	(62)	(153)	(78)	(115)	179	97	(62)
<b>Closing balance</b>	<b>6,693</b>	<b>6,477</b>	<b>6,310</b>	<b>6,186</b>	<b>5,965</b>	<b>5,509</b>	<b>5,458</b>	<b>5,126</b>	<b>4,849</b>	<b>6,693</b>	<b>5,965</b>	<b>5,509</b>


**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	2010	2009				2008				YTD		Full Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008
(unaudited) (millions of dollars)												
<b>Net income</b>	<b>215</b>	<b>241</b>	<b>303</b>	<b>241</b>	<b>69</b>	<b>70</b>	<b>286</b>	<b>165</b>	<b>255</b>	<b>215</b>	<b>69</b>	<b>776</b>
<b>Other comprehensive income (loss), net of income taxes</b>												
Net unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	(20)	(11)	(176)	(37)	39	367	34	11	101	(20)	39	513
Impact of hedging net foreign currency translation gains or losses	13	(2)	151	37	(30)	(294)	(31)	-	(79)	13	(30)	(404)
<b>Net change in unrealized foreign currency translation and losses, net of hedging activities</b>	<b>(7)</b>	<b>(13)</b>	<b>(25)</b>	<b>-</b>	<b>9</b>	<b>73</b>	<b>3</b>	<b>11</b>	<b>22</b>	<b>(7)</b>	<b>9</b>	<b>109</b>
Net unrealized gains (losses) on available for sale financial assets	116	56	73	128	8	(136)	(25)	22	(17)	116	8	(156)
Reclassification to net income of (gains) losses on available for sale financial assets	(25)	(15)	(40)	(40)	1	34	(63)	(7)	(15)	(25)	1	(51)
<b>Net change in unrealized gains and losses on available for sale financial assets</b>	<b>91</b>	<b>41</b>	<b>33</b>	<b>88</b>	<b>9</b>	<b>(102)</b>	<b>(88)</b>	<b>15</b>	<b>(32)</b>	<b>91</b>	<b>9</b>	<b>(207)</b>
Net gains (losses) on derivatives designated as cash flow hedges	11	(4)	(89)	8	147	126	15	11	54	11	147	206
Reclassification to net income of (gains) losses on derivatives designated as cash flow hedges	(12)	(15)	(16)	(9)	(6)	(6)	(5)	-	4	(12)	(6)	(7)
<b>Net change in gains and losses on derivatives designated as cash flow hedges</b>	<b>(1)</b>	<b>(19)</b>	<b>(105)</b>	<b>(1)</b>	<b>141</b>	<b>120</b>	<b>10</b>	<b>11</b>	<b>58</b>	<b>(1)</b>	<b>141</b>	<b>199</b>
<b>Total other comprehensive income (loss), net of income taxes</b>	<b>83</b>	<b>9</b>	<b>(97)</b>	<b>87</b>	<b>159</b>	<b>91</b>	<b>(75)</b>	<b>37</b>	<b>48</b>	<b>83</b>	<b>159</b>	<b>101</b>
<b>COMPREHENSIVE INCOME</b>	<b>298</b>	<b>250</b>	<b>206</b>	<b>328</b>	<b>228</b>	<b>161</b>	<b>211</b>	<b>202</b>	<b>303</b>	<b>298</b>	<b>228</b>	<b>877</b>

## DISTRIBUTION OF GROSS LOANS, ACCEPTANCES, IMPAIRED LOANS AND SPECIFIC ALLOWANCES BY BORROWER CATEGORY

2010						
Q1						
(millions of dollars)	EAD		Gross loans	Impaired loans	Specific allowances	Specific provision for credit losses
Residential mortgage <sup>(1)</sup>	-	25,398	21,362	37	3	(1)
QRRE	-	5,859	2,698	19	11	20
Other Retail <sup>(2)</sup>	-	11,003	9,908	51	19	6
<b>Total Retail</b>	<b>-</b>	<b>42,260</b>	<b>33,968</b>	<b>107</b>	<b>33</b>	<b>25</b>
	EAD					
	Treasury <sup>(4)</sup>	Loans& BAS				
Agriculture	-	2,221	2,123	49	22	(1)
Mining, Oil and Gas	18	3,017	1,923	5	3	3
Construction and real estate <sup>(3)</sup>	16	4,459	3,607	54	16	3
Manufacturing	23	4,818	2,731	156	73	6
Wholesale & Retail	16	4,584	2,987	16	13	1
Transportation	128	2,051	1,009	1	1	-
Communications	7	1,776	1,170	36	13	-
Finance and Insurance	44,267	5,458	4,266	3	1	-
Other Services	178	5,948	4,174	11	5	4
Government	2,186	1,688	742	-	-	-
Other	1,251	2,788	2,052	15	14	2
<b>Total – Wholesale</b>	<b>48,090</b>	<b>38,808</b>	<b>26,784</b>	<b>346</b>	<b>161</b>	<b>18</b>
<b>Total</b>	<b>48,090</b>	<b>81,068</b>	<b>60,752</b>	<b>453</b>	<b>194</b>	<b>43</b>

(1) Including HELOC

(2) Including consumer loans, credit card receivables, SME retail loans and other personal loans

(3) Including non residential mortgage

(4) Treasury excluding Trading Related, Banking Book Equities and Securitization

**DISTRIBUTION OF GROSS LOANS BY BORROWER CATEGORY 2009 & 2008**

	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(millions of dollars)								
<b>Personal</b>	<b>18,313</b>	<b>17,805</b>	<b>17,163</b>	<b>16,361</b>	<b>15,695</b>	<b>14,522</b>	<b>14,074</b>	<b>13,784</b>
<b>Residential mortgage</b>	<b>14,961</b>	<b>14,726</b>	<b>14,354</b>	<b>14,704</b>	<b>15,366</b>	<b>15,725</b>	<b>15,106</b>	<b>15,044</b>
Non-residential mortgage	1,318	1,322	1,363	1,330	1,350	1,364	1,375	1,379
Agricultural, fishing and trapping	1,911	1,857	1,901	1,895	1,952	1,927	2,000	1,980
Financial institutions	3,022	2,716	2,818	3,095	3,428	4,115	4,449	3,844
Manufacturing	2,153	2,247	2,310	2,215	2,219	2,231	2,263	2,064
Construction and real estate	1,686	1,828	1,588	1,540	1,264	1,451	1,298	1,161
Transportation and communications	834	866	748	782	890	734	500	494
Mines, quarries and energy	1,109	1,169	1,259	1,381	1,456	1,226	1,313	1,233
Forestry	75	81	131	122	115	138	169	151
Government	1,262	1,309	1,217	1,506	1,171	1,198	1,234	1,278
Wholesale	585	551	564	515	570	603	552	546
Retail	1,534	1,467	1,445	1,425	1,362	1,329	1,340	1,209
Services	1,991	2,533	2,734	2,986	3,019	1,138	1,310	951
Other	2,523	2,473	2,006	2,397	2,353	2,899	2,705	2,861
<b>Total – Business and government</b>	<b>20,003</b>	<b>20,419</b>	<b>20,084</b>	<b>21,189</b>	<b>21,149</b>	<b>20,353</b>	<b>20,508</b>	<b>19,151</b>
<b>Total</b>	<b>53,277</b>	<b>52,950</b>	<b>51,601</b>	<b>52,254</b>	<b>52,210</b>	<b>50,600</b>	<b>49,688</b>	<b>47,979</b>

**DISTRIBUTION OF IMPAIRED LOANS BY BORROWER CATEGORY 2009 & 2008**

	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(millions of dollars)								
<b>Personal</b>	<b>52</b>	<b>53</b>	<b>49</b>	<b>43</b>	<b>37</b>	<b>38</b>	<b>38</b>	<b>35</b>
<b>Residential mortgage</b>	<b>32</b>	<b>29</b>	<b>21</b>	<b>30</b>	<b>31</b>	<b>25</b>	<b>27</b>	<b>26</b>
Non-residential mortgage	14	15	15	16	18	17	17	-
Agricultural, fishing and trapping	55	41	48	43	47	55	51	-
Financial institutions	2	5	5	2	-	-	2	-
Manufacturing	91	84	53	44	20	24	25	-
Construction and real estate	15	14	13	14	15	19	19	-
Transportation and communications	2	3	3	3	2	3	4	-
Mines, quarries and energy	4	1	1	1	7	2	2	-
Forestry	3	4	25	4	5	32	6	-
Government	-	-	-	-	-	-	-	-
Wholesale	9	9	10	7	6	5	3	-
Retail	38	38	18	40	38	15	15	-
Services	62	67	55	54	54	21	22	-
Other	28	17	15	21	27	19	21	-
<b>Total – Business and government</b>	<b>323</b>	<b>298</b>	<b>261</b>	<b>249</b>	<b>239</b>	<b>212</b>	<b>187</b>	<b>188</b>
<b>Total</b>	<b>407</b>	<b>380</b>	<b>331</b>	<b>322</b>	<b>307</b>	<b>275</b>	<b>252</b>	<b>249</b>

**DISTRIBUTION OF SPECIFIC ALLOWANCES BY BORROWER CATEGORY 2009 & 2008**

	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(millions of dollars)								
<b>Personal</b>	<b>23</b>	<b>19</b>	<b>20</b>	<b>18</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>12</b>
<b>Residential mortgage</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>
Non-residential mortgage	4	5	5	5	6	6	5	-
Agricultural, fishing and trapping	25	24	22	18	20	23	22	-
Financial institutions	2	2	2	-	-	-	2	-
Manufacturing	37	33	34	19	10	16	13	-
Construction and real estate	8	9	6	9	9	10	11	-
Transportation and communications	1	1	1	1	2	2	2	-
Mines, quarries and energy	1	1	1	1	6	3	2	-
Forestry	2	2	18	3	3	15	3	-
Government	-	-	-	-	-	-	-	-
Wholesale	6	6	6	4	3	3	1	-
Retail	26	25	11	27	21	11	12	-
Services	24	20	14	15	14	10	10	-
Other	22	14	13	21	27	18	20	-
<b>Total – Business and government</b>	<b>158</b>	<b>142</b>	<b>133</b>	<b>123</b>	<b>121</b>	<b>117</b>	<b>103</b>	<b>95</b>
<b>Total</b>	<b>184</b>	<b>164</b>	<b>156</b>	<b>144</b>	<b>138</b>	<b>133</b>	<b>118</b>	<b>109</b>

## GEOGRAPHIC DISTRIBUTION OF GROSS LOANS, ACCEPTANCES, IMPAIRED LOANS AND SPECIFIC ALLOWANCES<sup>(1)</sup>

2010			
Q1			
(millions of dollars)	Gross loans	Impaired loans	Specific allowances
<b>Canada</b>			
Residential mortgages <sup>(2)</sup>	21 303	37	3
Qualifying revolving retail	2 698	19	11
Other retail	9 906	51	19
Non retail	25 650	293	154
	<b>59 557</b>	<b>400</b>	<b>187</b>
<b>United States</b>			
Residential mortgages	59	-	-
Qualifying revolving retail	-	-	-
Other retail	2	-	-
Non retail	1 123	53	7
	<b>1 184</b>	<b>53</b>	<b>7</b>
<b>Others</b>			
Residential mortgages	-	-	-
Qualifying revolving retail	-	-	-
Other retail	-	-	-
Non retail	11	-	-
	<b>11</b>	<b>-</b>	<b>-</b>
<b>Total Gross Loans</b>	<b>60 752</b>	<b>453</b>	<b>194</b>

(1) Geographic information based on borrower address (country)

(2) Including HELOC

## GEOGRAPHIC DISTRIBUTION OF GROSS LOANS 2009 & 2008

	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(millions of dollars)								
<b>Canada</b>								
Residential mortgage	14,901	14,660	14,278	14,632	15,702	15,667	15,051	14,989
Personal and credit card	18,120	17,611	16,971	16,162	15,029	14,310	13,840	13,547
Business and government	18,796	19,445	19,132	19,937	19,266	18,059	17,540	16,444
<b>Total</b>	<b>51,817</b>	<b>51,716</b>	<b>50,381</b>	<b>50,731</b>	<b>49,997</b>	<b>48,036</b>	<b>46,431</b>	<b>44,980</b>
<b>United States</b>								
Residential mortgage	60	66	76	72	70	58	55	55
Personal and credit card	4	4	5	3	2	1	4	2
Business and government	1,207 <sup>(1)</sup>	973	951	1,250	1,877	2,279	2,957	2,693
<b>Total</b>	<b>1,271</b>	<b>1,043</b>	<b>1,032</b>	<b>1,325</b>	<b>1,949</b>	<b>2,338</b>	<b>3,016</b>	<b>2,750</b>
<b>Others</b>								
Residential mortgage	-	-	-	-	-	-	-	-
Personal and credit card	189	190	187	196	258	211	230	235
Business and government	-	1	1	2	6	15	11	14
<b>Total</b>	<b>189</b>	<b>191</b>	<b>188</b>	<b>198</b>	<b>264</b>	<b>226</b>	<b>241</b>	<b>249</b>
<b>Total Gross Loans</b>	<b>53,277</b>	<b>52,950</b>	<b>51,601</b>	<b>52,254</b>	<b>52,210</b>	<b>50,600</b>	<b>49,688</b>	<b>47,979</b>

(1) Includes \$730 million in guaranteed loans to financial institutions

## GEOGRAPHIC DISTRIBUTION OF IMPAIRED LOANS 2009 & 2008

	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(millions of dollars)								
<b>Canada</b>								
Residential mortgage	32	29	21	30	31	25	27	26
Personal and credit card	52	53	49	43	37	38	38	35
Business and government	269	244	261	249	239	212	187	171
<b>Total</b>	<b>353</b>	<b>326</b>	<b>331</b>	<b>322</b>	<b>307</b>	<b>275</b>	<b>252</b>	<b>232</b>
<b>United States</b>								
Residential mortgage	-	-	-	-	-	-	-	-
Personal and credit card	-	-	-	-	-	-	-	-
Business and government <sup>(1)</sup>	54	54	-	-	-	-	-	17
<b>Total</b>	<b>54</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>
<b>Others</b>								
Residential mortgage	-	-	-	-	-	-	-	-
Personal and credit card	-	-	-	-	-	-	-	-
Business and government	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Impaired Loans</b>	<b>407</b>	<b>380</b>	<b>331</b>	<b>322</b>	<b>307</b>	<b>275</b>	<b>252</b>	<b>249</b>

(1) Cross border

## GEOGRAPHIC DISTRIBUTION OF SPECIFIC ALLOWANCES 2009 & 2008

	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(millions of dollars)								
<b>Canada</b>								
Residential mortgage	3	3	3	3	3	3	2	1
Personal and credit card	23	19	20	18	14	13	13	12
Business and government	150	134	133	123	121	117	103	94
<b>Total</b>	<b>176</b>	<b>156</b>	<b>156</b>	<b>144</b>	<b>138</b>	<b>133</b>	<b>118</b>	<b>107</b>
<b>United States</b>								
Residential mortgage	-	-	-	-	-	-	-	1
Personal and credit card	-	-	-	-	-	-	-	-
Business and government	8	8	-	-	-	-	-	1
<b>Total</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Others</b>								
Residential mortgage	-	-	-	-	-	-	-	-
Personal and credit card	-	-	-	-	-	-	-	-
Business and government	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Specific Allowances</b>	<b>184</b>	<b>164</b>	<b>156</b>	<b>144</b>	<b>138</b>	<b>133</b>	<b>118</b>	<b>109</b>



## IMPAIRED LOANS

2010	2009				2008			
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

(millions of dollars)

### Gross Impaired Loans

Retail	89.1	82.9	80.8	68.5	71.4	65.9	61.2	62.3	58.3
Commercial	228.6	211.9	190.2	184.4	181.4	184.1	195.2	170.5	146.3
Corporate	107.7	105.1	99.1	67.0	57.1	44.0	5.7	5.4	30.6
Real estate	27.8	7.1	7.3	8.7	9.3	9.6	10.0	11.0	11.1
Treasury	-	-	2.5	2.8	2.9	2.8	2.4	2.4	2.3
Other	-	-	-	-	-	-	-	-	-
<b>Total Gross Impaired Loans</b>	<b>453.2</b>	<b>407.0</b>	<b>379.9</b>	<b>331.4</b>	<b>322.1</b>	<b>306.4</b>	<b>274.5</b>	<b>251.6</b>	<b>248.6</b>
<b>As a % of loans and acceptances</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>

### Net Impaired Loans

Retail	59.0	55.9	58.3	45.5	49.5	46.6	44.7	46.3	44.4
Commercial	106.6	90.3	78.4	78.1	75.4	79.8	86.4	76.4	62.2
Corporate	70.3	71.8	71.9	42.9	42.5	32.0	-	-	21.9
Real estate	23.0	5.1	5.3	6.7	7.1	7.3	7.9	8.6	8.8
Treasury	-	-	2.3	2.7	2.8	2.7	2.3	2.3	2.2
General allowance <sup>(1)</sup>	(457.7)	(456.3)	(330.3)	(330.3)	(330.6)	(330.6)	(330.6)	(308.0)	(308.0)
<b>Total Impaired Loans, net of specific and general allowances</b>	<b>(198.8)</b>	<b>(233.2)</b>	<b>(114.1)</b>	<b>(154.4)</b>	<b>(153.3)</b>	<b>(162.2)</b>	<b>(189.3)</b>	<b>(174.4)</b>	<b>(168.5)</b>
<b>As a % of loans and acceptances</b>	<b>-0.3%</b>	<b>-0.4%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-0.3%</b>

(1) \$126 million allowances for loans guaranteed by ABCP in Q1-2009 was added to the general allowance in Q4-2009.



## FORMATION OF GROSS IMPAIRED LOANS & ALLOWANCE FOR CREDIT LOSSES

2010	2009				2008				YTD		Full Year
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009	2008

(millions of dollars)

### Formation of Gross Impaired Loans

<b>Opening balance</b>	<b>407</b>	<b>380</b>	<b>331</b>	<b>322</b>	<b>307</b>	<b>275</b>	<b>252</b>	<b>249</b>	<b>249</b>	<b>407</b>	<b>307</b>	<b>249</b>
Write-off												
Retail	(14)	(16)	(14)	(14)	(11)	(14)	(11)	(10)	(13)	(14)	(11)	(48)
Commercial	(10)	(7)	(6)	(9)	(10)	(24)	(4)	(6)	(10)	(10)	(10)	(44)
Corporate	-	-	(16)	-	(4)	-	-	(7)	(20)	-	(4)	(27)
Real estate	-	-	-	-	-	-	-	-	-	-	-	-
Treasury	-	(3)	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total write-off</b>	<b>(24)</b>	<b>(26)</b>	<b>(36)</b>	<b>(23)</b>	<b>(25)</b>	<b>(38)</b>	<b>(15)</b>	<b>(23)</b>	<b>(43)</b>	<b>(24)</b>	<b>(25)</b>	<b>(119)</b>
Formation												
Retail	20	18	27	11	17	19	10	14	18	20	17	61
Commercial	26	28	12	12	7	13	29	30	20	26	7	92
Corporate	3	7	48	10	17	39	-	(18)	(3)	3	17	18
Real estate	21	-	(2)	(1)	(1)	(1)	(1)	-	8	21	(1)	6
Treasury	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total formation</b>	<b>70</b>	<b>53</b>	<b>85</b>	<b>32</b>	<b>40</b>	<b>70</b>	<b>38</b>	<b>26</b>	<b>43</b>	<b>70</b>	<b>40</b>	<b>177</b>
<b>Closing balance</b>	<b>453</b>	<b>407</b>	<b>380</b>	<b>331</b>	<b>322</b>	<b>307</b>	<b>275</b>	<b>252</b>	<b>249</b>	<b>453</b>	<b>322</b>	<b>307</b>

### Allowance for Credit Losses

Allowances at beginning	640	494	486	475	469	464	426	417	428	640	469	428
Provision for credit losses	43	180	46	41	38	49	29	34	32	43	38	144
Write-offs	(54)	(56)	(56)	(48)	(48)	(58)	(33)	(44)	(59)	(54)	(48)	(194)
Recoveries	23	22	18	18	16	14	42	19	16	23	16	91
<b>Allowances at end</b>	<b>652</b>	<b>640</b>	<b>494</b>	<b>486</b>	<b>475</b>	<b>469</b>	<b>464</b>	<b>426</b>	<b>417</b>	<b>652</b>	<b>475</b>	<b>469</b>

 **REGULATORY CAPITAL**

	2010	2009				2008				2007			
	Q1 <sup>(3)</sup>	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(millions of dollars)													
<b>Tier I capital</b>	AIRB Approach	Standard Basel II								Basel I			
Common shares	1,766	1,729	1,700	1,669	1,662	1,656	1,633	1,599	1,590	1,575	1,567	1,576	1,590
Contributed surplus	46	48	43	40	37	31	36	34	33	32	33	21	33
Retained earnings	3,613	3,515	3,392	3,205	3,080	3,110	3,168	2,998	2,941	2,793	3,070	3,021	2,941
Unrealized foreign exchange gains and losses, net of hedging activities and after tax, included in Accumulated other comprehensive income	(107)	(100)	(86)	(61)	(62)	(71)	(173)	(146)	(158)	(180)	(144)	(104)	(60)
Accumulated net after-tax unrealized losses on available for sale equity securities included in Accumulated other comprehensive income	-	(11)	(26)	(66)	(97)	(88)	-	-	-	-	-	-	-
Non-cumulative permanent preferred shares	1,089	1,089	1,089	1,089	1,089	774	774	573	400	400	400	400	400
Innovative instruments <sup>(1)</sup>	975	971	950	908	880	828	830	763	721	509	545	558	578
Non-controlling interest <sup>(2)</sup>	22	19	18	17	19	18	28	15	18	17	20	17	10
Trading in short positions of own shares	(5)	(10)	(6)	-	-	-	(2)	(1)	(1)	(1)	(3)	(4)	(3)
<b>Gross Tier 1 Capital</b>	<b>7,399</b>	<b>7,250</b>	<b>7,074</b>	<b>6,801</b>	<b>6,608</b>	<b>6,258</b>	<b>6,294</b>	<b>5,835</b>	<b>5,544</b>	<b>5,145</b>	<b>5,488</b>	<b>5,485</b>	<b>5,489</b>
Less: Intangible assets in excess of limit	42	35	-	-	-	-	-	-	-	-	-	-	-
Less: goodwill	745	746	742	745	741	740	722	707	702	703	680	683	684
<b>Net Tier 1 Capital</b>	<b>6,612</b>	<b>6,469</b>	<b>6,331</b>	<b>6,056</b>	<b>5,867</b>	<b>5,518</b>	<b>5,572</b>	<b>5,128</b>	<b>4,842</b>	<b>4,442</b>	<b>4,808</b>	<b>4,802</b>	<b>4,805</b>
Gains on sales recorded upon securitization	(34)	(36)	(36)	(37)	(37)	(38)	(38)	(39)	(27)	-	-	-	-
50% Shortfall in allowance	-	-	-	-	-	-	-	-	-	-	-	-	-
50% Substantial investments	(123)	-	-	-	-	-	-	-	-	-	-	-	-
Investments in companies subject to significant influence	-	(118)	(108)	(95)	(121)	-	-	-	-	-	-	-	-
Securitization deduction for unrated exposure	(50)	(50)	(52)	(83)	-	-	-	-	-	-	-	-	-
Other deductions	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted Net Tier 1 Capital</b>	<b>6,405</b>	<b>6,265</b>	<b>6,136</b>	<b>5,841</b>	<b>5,709</b>	<b>5,480</b>	<b>5,534</b>	<b>5,089</b>	<b>4,815</b>	<b>4,442</b>	<b>4,808</b>	<b>4,802</b>	<b>4,805</b>
<b>Tier 2 Capital</b>													
Subordinated debentures	1,897	1,897	1,897	1,902	2,153	2,153	2,144	2,144	1,644	1,641	1,947	1,949	1,949
Eligible general allowance for credit risk	162	456	330	330	331	331	331	308	308	308	308	308	308
Accumulated net after-tax unrealized gains on available for sale equity securities included in Accumulated other comprehensive income	53	-	-	-	-	-	-	51	48	80	104	121	49
Excess Tier 1 qualifying innovative instruments <sup>(1)</sup>	-	4	25	67	95	147	145	164	205	-	-	-	-
50% Shortfall in allowance	-	-	-	-	-	-	-	-	-	-	-	-	-
50% Substantial investments	(123)	-	-	-	-	-	-	-	-	-	-	-	-
Securitization deduction for unrated exposure	(50)	-	-	-	-	-	-	-	-	-	-	-	-
Other deductions	(67)	(223)	(197)	(320)	(254)	(432)	(424)	(403)	(377)	(355)	(320)	(311)	(312)
<b>Adjusted Tier 2 Capital</b>	<b>1,872</b>	<b>2,134</b>	<b>2,055</b>	<b>1,979</b>	<b>2,325</b>	<b>2,199</b>	<b>2,196</b>	<b>2,264</b>	<b>1,828</b>	<b>1,674</b>	<b>2,039</b>	<b>2,067</b>	<b>1,994</b>
<b>Total Capital</b>	<b>8,277</b>	<b>8,399</b>	<b>8,191</b>	<b>7,820</b>	<b>8,034</b>	<b>7,679</b>	<b>7,730</b>	<b>7,353</b>	<b>6,643</b>	<b>6,116</b>	<b>6,847</b>	<b>6,869</b>	<b>6,799</b>

(1) 400,000 NBC CapS II - Series 1 and 350,000 NBC CapS II - Series 2 issued by NBC Asset Trust presented in Non-controlling interest and the \$225 million deposit from NBC Capital Trust.

(2) Excluding 400 000 NBC CapS II - serie 1 and 350 000 NBC CapS II - serie 2 issued by NBC Asset Trust, Mutuals funds and other entities consolidated in accordance with AcG-15.

(3) As of November 1, 2009, the Bank has adopted the Advanced Internal Rating-Based Approach (Advanced IRB Approach) for credit risk; before that date, it was using the Standardized Approach.



## RISK-ADJUSTED CAPITAL RATIOS

	2010	2009				2008				2007			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(millions of dollars)													
	AIRB Approach	Standard Basel II								Basel I			
<b>Risk-adjusted balance sheet items</b>													
Cash resources	541	386	275	597	256	589	460	592	713	488	1,790	1,837	2,066
Securities	1,925	1,413	1,536	1,275	2,487	2,957	3,291	3,160	3,244	3,050	2,119	2,567	2,465
Securitization	236	611	593	579	-	-	-	-	-	-	-	-	-
Mortgage loans	2,019	4,326	4,226	4,018	3,941	4,307	4,293	4,159	4,106	6,205	6,311	5,943	5,734
Other loans	18,770	23,298	23,913	23,160	23,410	22,653	20,840	20,564	19,710	22,626	23,020	24,892	21,437
Other assets	6,482	7,894	7,189	7,353	6,356	6,309	6,571	6,818	6,069	5,371	6,080	5,183	6,106
Repos style transactions	1,043	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Risk-adjusted balance sheet items</b>	<b>31,016</b>	<b>37,928</b>	<b>37,732</b>	<b>36,982</b>	<b>36,450</b>	<b>36,815</b>	<b>35,455</b>	<b>35,293</b>	<b>33,843</b>	<b>37,740</b>	<b>39,320</b>	<b>40,422</b>	<b>37,808</b>
<b>Risk-adjusted off-balance sheet items</b>													
Letters of guarantee and documentary credit	1,011	1,476	1,620	1,634	1,564	1,674	1,622	1,563	1,409	1,107	1,078	1,176	1,110
Commitments to extend credit	5,768	4,989	4,684	4,127	4,607	4,074	4,091	3,881	4,049	5,174	4,693	4,770	5,240
Securitization	217	474	469	468	-	-	-	-	-	-	-	-	-
Interest rate contracts	930	424	432	539	559	364	299	278	210	96	126	106	112
Foreign exchange contracts	316	444	423	410	567	755	468	490	485	428	312	250	320
Equity contracts	604	1,668	1,645	1,372	1,606	1,597	1,290	1,359	1,340	1,155	845	687	603
Commodity contracts	93	1,186	877	698	540	230	480	405	124	68	33	18	12
<b>Total Risk-adjusted off-balance sheet items</b>	<b>8,939</b>	<b>10,661</b>	<b>10,150</b>	<b>9,248</b>	<b>9,443</b>	<b>8,694</b>	<b>8,250</b>	<b>7,976</b>	<b>7,617</b>	<b>8,028</b>	<b>7,087</b>	<b>7,007</b>	<b>7,397</b>
Adjustment to IRB risk-weighted assets for scaling factor	1,637	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Risk-adjusted credit risk items</b>	<b>41,592</b>	<b>48,589</b>	<b>47,882</b>	<b>46,230</b>	<b>45,893</b>	<b>45,509</b>	<b>43,705</b>	<b>43,269</b>	<b>41,460</b>	<b>45,768</b>	<b>46,407</b>	<b>47,429</b>	<b>45,205</b>
Operational Risk	6,196	6,124	5,916	5,703	5,800	5,937	5,877	5,912	5,913	-	-	-	-
Risk-adjusted market risk items	3,553	3,894	4,495	4,749	5,619	6,623	5,975	5,962	4,227	3,568	4,763	4,380	3,862
<b>TOTAL RISK-ADJUSTED ASSETS</b>	<b>51,341</b>	<b>58,607</b>	<b>58,293</b>	<b>56,682</b>	<b>57,312</b>	<b>58,069</b>	<b>55,557</b>	<b>55,143</b>	<b>51,600</b>	<b>49,336</b>	<b>51,170</b>	<b>51,809</b>	<b>49,067</b>
<b>Risk-adjusted ratios</b>													
Tier I	12.5%	10.7%	10.5%	10.3%	10.0%	9.4%	10.0%	9.2%	9.3%	9.0%	9.4%	9.3%	9.9%
Total	16.1%	14.3%	14.1%	13.8%	14.0%	13.2%	13.9%	13.3%	12.9%	12.4%	13.4%	13.3%	14.0%



## SECURITIZATION EXPOSURES

(millions of dollars)	2010
	Q1
<b>Mortgage-backed Securities Retained <sup>(1)</sup></b>	346
<b>Securitization exposures purchased</b>	23

(1) Reported as *Available for sale securities* in the Consolidated Balance Sheet.



## CAPITAL REQUIREMENTS FOR SECURITIZATION EXPOSURES

(millions of dollars)	2010	
	Q1	
	RBA/Inferred Ratings Exposure amount	Risk-weighted assets
<b>Risk Weights</b>		
<b>Bank's own assets<sup>(1)</sup></b>		
7%	466	32
12%	30	3
20%	911	182
Deduction 50/50 from Tier 1 and Tier 2 Capital - Rated below BB-	-	-
	1,407	217
<b>Third party assets</b>		
12%	18	2
15%	4	1
20%	1,082	216
35%	24	8
50%	-	-
75%	12	9
Deduction 50/50 from Tier 1 and Tier 2 Capital - Rated below BB-	99	-
	1,239	236
<b>Total exposures</b>	2,646	453

(1) Since inception, no capital has been assessed for the Bank's early amortization provisions associated with the securitized credit cards portfolio because the excess spread of the underlying portfolio has remained above the threshold at which capital charge would be incurred.

## STANDARDIZED CREDIT RISK EXPOSURE UNDER THE BASEL ASSET CATEGORIES AND BY RISK WEIGHT<sup>(2)</sup>

2010								
Q1								
(unaudited) (millions of dollars)	Risk Weights							Total
	0%	20%	35%	50%	75%	100%	150%	
<b>Retail</b>								
Retail residential mortgages	-	-	59	-	-	-	-	59
Other retail <sup>(1)</sup>	-	-	-	-	1,723	-	-	1,723
<b>Total Retail</b>	-	-	<b>59</b>	-	<b>1,723</b>	-	-	<b>1,782</b>
<b>Non-Retail</b>								
Corporate	-	-	-	-	-	12,400	12	12,412
Sovereign	25,429	-	-	-	-	481	-	25,910
Bank	-	-	-	-	-	34	-	34
<b>Total Non-Retail</b>	<b>25,429</b>	-	-	-	-	<b>12,915</b>	<b>12</b>	<b>38,356</b>
<b>Trading</b>	<b>472</b>	-	-	-	-	<b>1,720</b>	-	<b>2,192</b>
<b>Total</b>	<b>25,901</b>	-	<b>59</b>	-	<b>1,723</b>	<b>14,635</b>	<b>12</b>	<b>42,330</b>

(1) Under the Standardized approach, Other retail includes Qualifying revolving retail exposures.

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



## CREDIT RISK EXPOSURE <sup>(1)</sup> UNDER THE BASEL ASSET CATEGORIES AND BY RISK WEIGHT <sup>(2)</sup>

2009								
Q4								
(unaudited) (millions of dollars)	Risk Weights							Total
	0%	20%	35%	50%	75%	100%	150%	
Retail residential mortgages	8,795	-	12,359	-	-	-	-	21,154
Other retail	863	-	-	-	10,471	-	-	11,334
Corporate	2,729	121	-	-	-	26,532	-	29,382
Sovereign	20,123	-	-	-	-	-	-	20,123
Bank	11,192	8,484	-	-	-	-	-	19,676
<b>Total</b>	<b>43,702</b>	<b>8,605</b>	<b>12,359</b>	<b>-</b>	<b>10,471</b>	<b>26,532</b>	<b>-</b>	<b>101,669</b>

Q3								
(unaudited) (millions of dollars)	Risk Weights							Total
	0%	20%	35%	50%	75%	100%	150%	
Retail residential mortgages	8,472	-	12,073	-	-	-	-	20,545
Other retail	889	-	-	-	10,320	-	-	11,209
Corporate	1,801	79	-	-	-	26,879	-	28,759
Sovereign	23,625	-	-	-	-	-	-	23,625
Bank	9,664	7,751	-	-	-	-	-	17,415
<b>Total</b>	<b>44,451</b>	<b>7,830</b>	<b>12,073</b>	<b>-</b>	<b>10,320</b>	<b>26,879</b>	<b>-</b>	<b>101,553</b>

Q2								
(unaudited) (millions of dollars)	Risk Weights							Total
	0%	20%	35%	50%	75%	100%	150%	
Retail residential mortgages	8,340	-	11,479	-	-	-	-	19,819
Other retail	1,105	-	-	-	9,871	-	-	10,976
Corporate	2,359	106	-	-	-	25,845	-	28,310
Sovereign	23,083	-	-	-	-	-	-	23,083
Bank	9,658	9,730	-	-	-	-	-	19,388
<b>Total</b>	<b>44,545</b>	<b>9,836</b>	<b>11,479</b>	<b>-</b>	<b>9,871</b>	<b>25,845</b>	<b>-</b>	<b>101,576</b>

Q1								
(unaudited) (millions of dollars)	Risk Weights							Total
	0%	20%	35%	50%	75%	100%	150%	
Retail residential mortgages	8,768	-	10,832	-	-	-	-	19,600
Other retail	1,081	-	-	-	9,558	-	-	10,639
Corporate	2,729	109	-	-	-	26,559	-	29,397
Sovereign	25,088	-	-	-	-	-	-	25,088
Bank	8,731	7,820	-	-	-	-	-	16,551
<b>Total</b>	<b>46,397</b>	<b>7,929</b>	<b>10,832</b>	<b>-</b>	<b>9,558</b>	<b>26,559</b>	<b>-</b>	<b>101,275</b>

(1) Excluding the Trading portfolio, Securitization, Equity securities and Other assets.

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

## GROSS CREDIT RISK EXPOSURE <sup>(1)</sup>

(unaudited) (millions of dollars)	2010						2009			
	Q1						Q4	Q3	Q2	Q1
	Drawn <sup>(2)</sup>	Undrawn Commitments <sup>(3)</sup>	Repo-style Transactions <sup>(4)</sup>	OTC Derivatives	Other off-balance sheet items <sup>(5)</sup>	Total	Total	Total	Total	Total
<b>Retail</b>										
Retail residential mortgages	21,362	4,036	-	-	-	25,398	27,471	26,588	25,492	25,014
Qualifying revolving retail <sup>(6)</sup>	2,702	3,157	-	-	-	5,859	-	-	-	-
Other retail	9,906	1,078	-	-	19	11,003	16,142	16,225	16,189	16,121
<b>Total Retail</b>	<b>33,970</b>	<b>8,271</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>42,260</b>	<b>43,613</b>	<b>42,813</b>	<b>41,681</b>	<b>41,135</b>
<b>Non-Retail</b>										
Corporate	21,580	8,000	2,034	-	1,673	33,287	39,506	38,509	36,859	38,887
Sovereign	14,743	1,695	9,381	6	84	25,909	21,063	24,517	24,093	26,124
Bank	3,277	15	23,816	136	458	27,702	21,240	18,734	20,752	17,766
<b>Total Non-Retail</b>	<b>39,600</b>	<b>9,710</b>	<b>35,231</b>	<b>142</b>	<b>2,215</b>	<b>86,898</b>	<b>81,809</b>	<b>81,760</b>	<b>81,704</b>	<b>82,777</b>
Trading portfolio	-	-	-	6,051	-	6,051	6,343	5,980	5,400	6,189
Securitization	1,392	-	-	-	1,264	2,656	2,253	2,325	2,382	53
<b>Total - Credit risk</b>	<b>74,962</b>	<b>17,981</b>	<b>35,231</b>	<b>6,193</b>	<b>3,498</b>	<b>137,865</b>	<b>134,018</b>	<b>132,878</b>	<b>131,167</b>	<b>130,154</b>
Standardized Approach	25,531	2,818	11,415	2,198	368	42,330	-	-	-	-
AIRB Approach	49,431	15,163	23,816	3,995	3,130	95,535	-	-	-	-
	<b>74,962</b>	<b>17,981</b>	<b>35,231</b>	<b>6,193</b>	<b>3,498</b>	<b>137,865</b>	-	-	-	-

(1) Exposure at default is the expected gross exposure upon the default of an obligor. This amount is before any specific allowance or partial write-offs and does not reflect the impact of credit risk mitigation and collateral held. This table excludes Equity exposures.

(2) The amounts drawn represent certain deposits with financial institutions, available-for-sale debt securities except equity securities, gross loans, customer's liability under acceptances and certain other assets.

(3) Undrawn commitments represent unused portions of authorized credit facilities in the form of loans and acceptances.

(4) Represents securities purchased under reverse repurchase agreements and sold under repurchase agreements.

(5) Letters of guarantee and credit that represent the Bank's commitment to make payments in the event that a client cannot meet its financial obligations to third parties.

(6) Under standardized approach, Qualifying revolving retail were included in Other retail.



## AIRB CREDIT RISK EXPOSURES: Retail portfolios

2010

(unaudited) (millions of dollars)

Credit quality of AIRB Retail portfolios	Q1			
	EAD	Exposure weighted average PD	Exposure weighted average LGD	Exposure weighted average risk-weight
<b>Retail portfolios</b>				
Retail residential mortgages				
Low Risk	14,902	0.1%	29.5%	4.1%
Medium Low	4,946	0.2%	23.2%	10.1%
Medium	4,805	0.7%	17.2%	15.1%
Medium High	301	2.6%	17.5%	40.4%
High Risk	310	15.4%	13.6%	60.6%
Default	75	100.0%	8.8%	80.0%
Total Redisential mortgages	<b>25,339</b>	<b>0.7%</b>	<b>25.5%</b>	<b>8.7%</b>
Qualifying revolving retail				
Low Risk	2,848	0.1%	84.9%	2.9%
Medium Low	825	0.2%	84.6%	9.9%
Medium	1,538	0.8%	83.6%	26.5%
Medium High	400	2.7%	85.6%	67.2%
High Risk	224	12.9%	86.8%	151.9%
Default	24	100.0%	80.5%	459.4%
Total Qualifying revolving retail	<b>5,859</b>	<b>1.4%</b>	<b>84.6%</b>	<b>22.0%</b>
Other Retail				
Low Risk	2,682	0.1%	47.8%	8.9%
Medium Low	1,563	0.2%	51.5%	22.7%
Medium	3,301	0.9%	57.6%	53.3%
Medium High	1,098	2.5%	58.9%	78.9%
High Risk	545	11.6%	58.7%	102.5%
Default	91	100.0%	51.3%	388.8%
Total Other Retail	<b>9,280</b>	<b>2.3%</b>	<b>53.9%</b>	<b>44.5%</b>

Credit commitments - AIRB Retail portfolios	Notional undrawn commitments	EAD on undrawn commitments
Retail residential mortgages	1,576	4,036
Qualifying revolving retail	2,002	3,157
Other Retail	411	1,097
<b>Total</b>	<b>3,989</b>	<b>8,290</b>



## AIRB CREDIT RISK EXPOSURES: Non-Retail portfolios

**2010**

(unaudited)  
(millions of dollars)

Credit quality of AIRB Non-Retail portfolios	Q1			
	EAD	Exposure weighted average PD	Exposure weighted average LGD	Exposure weighted average risk-weight
<b>Non-Retail portfolios</b>				
Corporate				
Investment grade	11,423	0.2%	47.8%	35.8%
Non-Investment grade	7,925	1.6%	50.6%	93.2%
Watchlist	1,268	10.1%	50.6%	177.9%
Impaired/Default	258	100.0%	55.4%	347.9%
<b>Total Corporate</b>	<b>20,874</b>	<b>2.6%</b>	<b>49.1%</b>	<b>70.1%</b>
Bank				
Investment grade	7,159	0.1%	52.9%	6.4%
Non-Investment grade	181	1.3%	57.7%	7.2%
Watchlist	-	0.0%	0.0%	0.0%
Impaired/Default <sup>(1)</sup>	-	100.0%	54.0%	675.0%
<b>Total Bank</b>	<b>7,340</b>	<b>0.2%</b>	<b>53.0%</b>	<b>6.5%</b>

(1) The amount of EAD appears zero because it's inferior to \$500 K, but it's considered in the RWA exposure calculation.

Credit commitments - AIRB Non-Retail portfolios	Notional undrawn commitments	EAD on undrawn commitments
Corporate	8,626	6,877
Bank	15	15
<b>Total</b>	<b>8,641</b>	<b>6,892</b>



## CREDIT RISK MITIGATION

<b>2010</b>
<b>Q1</b>

(unaudited) (millions of dollars)

**Total exposure covered by**

	Standardized		AIRB <sup>(1)</sup>
	Eligible financial collateral	Guarantees/ credit derivatives	Guarantees/ credit derivatives
<b>Retail</b>			
Residential mortgages	-	-	5,872
Qualifying revolving retail	-	-	-
Other retail	-	795	344
<b>Total retail</b>	-	<b>795</b>	<b>6,216</b>
<b>Non-Retail</b>			
Corporate	-	1,272	962
Sovereign	-	8	-
Bank	-	-	85
<b>Total Non-retail</b>	-	<b>1,280</b>	<b>1,047</b>
<b>Trading book</b>	-	-	97
<b>Total</b>	-	<b>2,075</b>	<b>7,360</b>

(1) For exposures under the AIRB approach, eligible financial collateral is taken into account in the Bank's Loss Given Default (LGD) models. Separate disclosure of eligible financial collateral is, therefore, not required.

2009				2008			
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

Balance sheet exposures	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Securities purchased under reverse repurchase agreements and securities sold under repurchase agreements</b>								
Eligible financial collateral	12,401	9,990	10,649	9,961	10,847	12,295	13,509	10,772
Guarantees	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-
<b>Loans</b>								
<b>Residential mortgage</b>								
Eligible financial collateral	-	-	-	-	-	-	-	-
Guarantees	8,795	8,472	8,340	8,766	8,712	8,390	8,048	8,804
Credit derivatives	-	-	-	-	-	-	-	-
<b>Personal and credit card</b>								
Eligible financial collateral	352	367	322	328	-	-	-	-
Guarantees	511	522	783	753	885	877	907	907
Credit derivatives	-	-	-	-	-	-	-	-
<b>Business and government</b>								
Eligible financial collateral	196	174	62	116	1,013	1,302	1,973	1,197
Guarantees	1,275	1,260	1,255	1,282	1,457	1,256	1,325	1,377
Credit derivatives	67	25	45	47	46	56	74	66
<b>Derivative financial instruments - OTC</b>								
Eligible financial collateral	579	539	476	780	566	392	491	416
Guarantees	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-

**CREDIT DERIVATIVE POSITIONS (NOTIONAL AMOUNTS)**

<b>2010</b>
<b>Q1</b>

(unaudited) (millions of dollars)

	Credit portfolio <sup>(1)</sup>		Trading	
	Protection purchased	Protection sold	Protection purchased	Protection sold
<b>Credit default swaps</b>				
Indices and singles names	149	63	9,454	8,456
Tranches on indices	-	-	1,112	1,123
<b>Collateralized debt obligations</b>	-	-	32	32
<b>Total return swap</b>	455	-	1	22

(1) Protection sold is solely for the purpose of reducing protection purchased.

<b>2009</b>															
<b>Q4</b>				<b>Q3</b>				<b>Q2</b>				<b>Q1</b>			

(unaudited) (millions of dollars)

	Credit portfolio <sup>(1)</sup>		Trading		Credit portfolio <sup>(1)</sup>		Trading		Credit portfolio <sup>(1)</sup>		Trading		Credit portfolio <sup>(1)</sup>		Trading	
	Protection purchased	Protection sold	Protection purchased	Protection sold	Protection purchased	Protection sold	Protection purchased	Protection sold	Protection purchased	Protection sold	Protection purchased	Protection sold	Protection purchased	Protection sold	Protection purchased	Protection sold
<b>Credit default swaps</b>																
Indices and singles names	131	64	9,370	8,056	88	63	12,291	10,860	115	70	13,005	11,700	119	72	11,751	11,363
Tranches on indices	-	-	1,165	1,176	-	-	1,160	1,171	-	-	1,281	1,374	-	-	2,172	2,054
<b>Collateralized debt obligations</b>	-	-	32	32	-	-	32	32	-	-	36	36	-	-	37	37
<b>Total return swap</b>	531	-	-	21	545	-	-	3	507	-	15	13	-	-	-	13

(1) Protection sold is solely for the purpose of reducing protection purchased.



## CREDIT EXPOSURE BY RESIDUAL CONTRACTUAL MATURITY<sup>(1) (2)</sup>

<b>2010</b>
<b>Q1</b>

(unaudited) (millions of dollars)

	Within 1 year	1 to 5 years	Over 5 years	Total
<b>Retail</b>				
Residential mortgages	18,622	6,409	308	25,339
Qualifying revolving retail	5,859	-	-	5,859
Other retail	6,261	2,257	762	9,280
<b>Total retail</b>	<b>30,742</b>	<b>8,666</b>	<b>1,070</b>	<b>40,478</b>
<b>Non-Retail</b>				
Corporate	13,773	6,649	452	20,874
Bank	27,037	551	80	27,668
<b>Total Non-Retail</b>	<b>40,810</b>	<b>7,200</b>	<b>532</b>	<b>48,542</b>
<b>Trading book</b>	<b>1,144</b>	<b>2,008</b>	<b>707</b>	<b>3,859</b>
<b>Total</b>	<b>72,696</b>	<b>17,874</b>	<b>2,309</b>	<b>92,879</b>

(1) This table provides information on Exposure at default for portfolios under AIRB Approach only. It excludes also Equity and Securitization exposures.

(2) Credit exposure represents exposure at default, which is the expected gross exposure upon the default of an obligor. This amount is before any specific allowances and does not reflect the impact of credit risk mitigation.



## BANKING BOOK EQUITY EXPOSURES <sup>(1)</sup>

<b>2010</b>
Q1

(unaudited) (millions of dollars)

	Total exposures	Unfunded commitments	On balance sheet exposures at carrying value	Gross unrealized gains (losses)	Realized gains (losses) in the reporting period
Public	749	-	749	85	41
Private	379	52	327	(6)	-
	<b>1,128</b>	<b>52</b>	<b>1,076</b>	<b>79</b>	<b>41</b>

(1) This table excludes insurance company subsidiaries, investments in deconsolidated subsidiaries and the substantial investments that are deducted from capital to calculate regulatory capital.

 **FINANCIAL DERIVATIVES**

	2010		2009				2008			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
(millions of dollars)										
<b>FOREIGN EXCHANGE RELATED CONTRACTS</b>										
Swaps	32,977	40,603	35,019	32,308	46,249	39,631	34,691	30,838	37,689	
Options - purchased	3,090	3,733	3,397	5,048	3,782	3,588	2,576	4,836	5,465	
Options - sold	2,660	4,774	3,117	4,740	3,182	3,343	2,387	4,688	5,123	
Futures	6,730	8,795	7,689	10,049	7,050	10,427	8,591	9,396	9,523	
Total Notional Amount	45,457	57,905	49,222	52,145	60,263	56,989	48,245	49,758	57,801	
Replacement cost - gross	697	1,018	1,214	949	1,332	2,147	814	938	1,126	
Replacement cost - net <sup>(1)</sup>	421	438	479	358	602	898	383	442	512	
Future credit risk	421	653	625	558	649	614	597	613	664	
Credit equivalent <sup>(2)</sup>	842	1,093	1,000	917	1,251	1,512	980	1,055	1,177	
Risk-weighted equivalent	316	444	423	410	567	755	468	490	485	
<b>INTEREST RATE RELATED CONTRACTS</b>										
Swaps	195,589	186,302	183,068	209,304	197,390	192,073	168,284	163,531	154,629	
Options - purchased	58,523	34,070	27,914	19,288	19,807	31,521	60,223	51,250	32,221	
Options - sold	32,635	25,422	18,800	7,157	15,684	11,470	19,660	30,316	32,309	
Futures	23,721	29,184	29,120	23,586	19,931	18,930	16,563	16,450	9,675	
Total Notional Amount	310,468	274,978	258,902	259,335	252,812	253,994	264,730	261,547	228,834	
Replacement cost - gross	3,695	3,404	3,681	4,797	4,718	2,774	1,544	1,560	1,106	
Replacement cost - net <sup>(1)</sup>	1,338	1,023	1,027	1,070	1,284	724	609	632	439	
Future credit risk	1,071	494	474	450	460	441	472	464	415	
Credit equivalent <sup>(2)</sup>	2,408	1,516	1,248	1,521	1,744	1,165	1,081	1,096	853	
Risk-weighted equivalent	930	424	432	539	559	364	299	278	210	
<b>FINANCIAL FUTURES</b>										
Total Notional Amount	39,199	16,928	39,361	46,417	15,401	22,988	27,999	61,712	27,207	
<b>EQUITY AND COMMODITY CONTRACTS</b>										
Total Notional Amount	32,213	32,538	31,524	25,730	29,385	35,631	38,513	41,048	41,220	
Replacement cost - gross	2,288	2,306	1,931	2,029	2,431	2,347	1,928	1,724	1,418	
Replacement cost - net <sup>(1)</sup>	1,773	1,866	1,449	1,391	1,518	1,290	1,249	1,116	974	
Future credit risk	487	1,398	1,244	871	1,005	874	951	1,388	1,236	
Credit equivalent <sup>(2)</sup>	828	3,263	2,645	2,263	2,523	2,164	2,200	2,504	2,210	
Risk-weighted equivalent	304	2,691	2,320	1,871	1,931	1,644	1,628	1,561	1,340	
<b>CREDIT DEFAULT SWAPS (3)</b>										
Total Notional Amount (trading only)	20,724	19,833	25,516	27,418	27,424	23,975	15,901	23,118	13,192	
Replacement cost - gross	358	454	590	1,070	1,410	1,250	455	369	329	
Replacement cost - net <sup>(1)</sup>	79	72	100	79	146	86	75	66	75	
Future credit risk	603	783	1,027	1,021	1,048	909	678	1,004	608	
Credit equivalent <sup>(2)</sup>	682	855	996	1,100	1,194	995	753	1,070	684	
Risk-weighted equivalent	393	163	202	198	215	183	142	203	124	
<b>TOTAL DERIVATIVES</b>										
Total Notional Amount	448,061	402,182	404,525	411,045	385,285	393,577	395,388	437,183	368,254	
Replacement cost - gross	7,038	7,182	7,416	8,845	9,891	8,518	4,741	4,591	3,979	
Replacement cost - net <sup>(1)</sup>	3,611	3,399	3,055	2,898	3,550	2,998	2,316	2,256	2,000	
Future credit risk	2,582	3,328	3,371	2,900	3,162	2,838	2,698	3,469	2,924	
Credit equivalent <sup>(2)</sup>	4,760	6,727	5,889	5,801	6,712	5,836	5,014	5,725	4,924	
Risk-weighted equivalent	1,943	3,722	3,378	3,019	3,272	2,946	2,537	2,532	2,159	

(1) Gross positive replacement cost after permissible netting

(2) Taking into account permissible netting and collateral



## SHAREHOLDERS' INFORMATION

2010	2009				2008			
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

### Credit Rating

Moody's (Long Term Debt Senior)	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
Standard & Poor's/CBRS (Long Term Debt)	A	A	A	A	A	A	A	A	A
DBRS (Senior Debt)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)
Fitch (Long-Term)	A+	A+	A+	A+	A+	A+	A+	A+	A+

### Stock Trading Range and Other Information

High	\$ 64.62	\$ 62.08	\$ 58.11	\$ 46.43	\$ 45.95	\$ 53.66	\$ 54.63	\$ 53.73	\$ 54.25
Low	\$ 56.51	\$ 56.00	\$ 43.36	\$ 30.71	\$ 25.62	\$ 42.25	\$ 45.75	\$ 44.39	\$ 45.15
Close	\$ 56.51	\$ 56.39	\$ 58.11	\$ 43.65	\$ 34.22	\$ 45.21	\$ 50.00	\$ 53.73	\$ 50.53
Number of registered shareholders	23,943	23,970	25,677	24,172	24,248	24,354	24,419	24,544	24,629

### Valuation

Market Capitalization (in millions of \$)	\$ 9,144	\$ 9,090	\$ 9,333	\$ 6,979	\$ 5,464	\$ 7,209	\$ 7,956	\$ 8,509	\$ 7,991
P/E Ratio (trailing 4 Quarters)	9.69	11.37	14.79	11.28	9.86	9.64	10.71	11.22	11.93
Market price/Book value	1.63	1.69	1.79	1.37	1.12	1.52	1.70	1.87	1.80
Dividend payout (trailing 4 quarters)	39.37%	39.68%	40.00%	41.89%	42.69%	42.98%	38.31%	38.03%	38.11%
Dividend yield (annualized)	4.39%	4.40%	4.27%	5.68%	7.25%	5.49%	4.96%	4.62%	4.91%

### Other Information

Number of employees (full-time equivalent)	15,006	14,851	14,846	14,474	14,385	14,420	14,633	14,387	14,432
Number of Branches	444	445	446	446	448	446	445	446	446
Number of ATM'S	855	855	855	856	857	857	857	851	846

The Common Shares of the Bank as well as the First Preferred Series 15, Series 16, Series 20, Series 21, Series 24 and Series 26 are listed on the TSX.

The ticker symbols and newspaper abbreviations for the Bank's shares listed are as follows:

	Ticker Symbol	Newspaper Abbreviations Toronto
<b>Common Shares</b>	<b>NA</b>	<b>National Bk</b>
First Preferred Shares		
Series 15	NA.PR.K	Natl Bk 15
Series 16	NA.PR.L	Natl Bk 16
Series 20	NA.PR.M	Natl Bk 20
Series 21	NA.PR.N	Natl Bk 21
Series 24	NA.PR.O	Natl Bk 24
Series 26	NA.PR.P	Natl Bk 26