



## SUPPLEMENTARY FINANCIAL INFORMATION

THIRD QUARTER 2018

(unaudited)

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## Notes to users

- 1) The quantitative information in this document has been prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Report to Shareholders for all quarters of 2018. This supplementary financial information (SFI) is unaudited and should be read in conjunction with the 2017 Annual Report (including audited consolidated financial statements and accompanying management's discussion and analysis). Additional financial information is also available through our quarterly investor presentations as well as the quarterly conference call webcast. All amounts are in millions of Canadian dollars, unless otherwise stated.
- 2) Information related to regulatory capital as well as Pillar III and risk disclosures required by the Enhanced Disclosure Task Force (EDTF) is provided in the document entitled *Supplementary Regulatory Capital Disclosure*, which is available on the Bank's website at [nbc.ca](http://nbc.ca).
- 3) The Bank uses a number of financial measures when assessing its results and measuring its overall performance. Some of these financial measures are not calculated in accordance with GAAP, which are based on IFRS. Presenting non-GAAP financial measures helps readers to better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods, and allows readers to assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Bank's operations. Securities regulators require companies to caution readers that non-GAAP measures do not have a standardized meaning under GAAP and therefore may not be comparable to similar measures used by other companies.
- 4) The Bank uses the taxable equivalent basis to calculate net interest income, non-interest income and income taxes. This calculation method consists of grossing up certain tax-exempt income (particularly dividends) by the income tax that would have been otherwise payable. An equivalent amount is added to income taxes.
- 5) As stated in Note 2 to its audited annual consolidated financial statements for the year ended October 31, 2017, the Bank early adopted IFRS 9 on November 1, 2017. As permitted by IFRS 9, the Bank did not restate comparative consolidated financial statements. Note 4 to the interim condensed consolidated financial statements presents the impact of IFRS 9 adoption on the Bank's consolidated balance sheet as at November 1, 2017. Under IFRS 9, the Bank accounts for provisions for credit losses within the business segments. In the previous periods, only provisions for credit losses on credit-impaired loans had been recognized in the business segments, whereas provisions for credit losses on non credit-impaired loans had been recognized in the Other heading (except the sectoral allowance on non credit-impaired loans established collectively for the oil and gas producer and service company loan portfolio, which was recognized in the Personal and Commercial segment).
- 6) For the comparative figures, certain amounts have been revised from those previously reported in order to be consistent with the presentation adopted by the Bank for the fiscal year beginning November 1, 2017.

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## Highlights

(unaudited) (millions of Canadian dollars, except per share amounts)	IFRS 9			IAS 39									IFRS 9	IAS 39	IAS 39	
	2018			2017			2016			YTD			Full Year			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016	
Net income	569	547	550	525	518	484	497	307	478	210	261	1,666	1,499	2,024	1,256	
Earnings per share - basic	1.54	1.46	1.48	1.40	1.39	1.30	1.35	0.79	1.32	0.52	0.68	4.48	4.04	5.44	3.31	
- diluted	1.52	1.44	1.46	1.39	1.37	1.28	1.34	0.78	1.31	0.52	0.67	4.42	3.99	5.38	3.29	
Return on common shareholders' equity	18.4%	18.6%	18.7%	17.8%	18.2%	17.9%	18.4%	11.0%	18.7%	7.7%	9.5%	18.5%	18.2%	18.1%	11.7%	
<b>Excluding specified items</b>																
Net income	573	551	556	531	524	492	502	463	486	237	427	1,680	1,518	2,049	1,613	
Earnings per share - basic	1.55	1.47	1.50	1.42	1.41	1.32	1.37	1.25	1.35	0.61	1.18	4.52	4.09	5.52	4.38	
- diluted	1.53	1.45	1.48	1.40	1.39	1.30	1.35	1.24	1.33	0.60	1.17	4.46	4.05	5.45	4.35	
Return on common shareholders' equity	18.5%	18.7%	18.9%	18.0%	18.4%	18.2%	18.6%	17.4%	19.0%	8.9%	16.6%	18.7%	18.4%	18.3%	15.5%	
Efficiency ratio ( <i>taxable equivalent basis</i> )	54.4%	54.3%	54.6%	55.2%	55.4%	56.6%	56.5%	58.5%	57.9%	57.8%	58.6%	54.4%	56.2%	55.9%	58.2%	
Effective tax rate ( <i>taxable equivalent basis</i> )	25.7%	25.5%	26.9%	26.1%	27.1%	25.7%	26.4%	25.2%	23.2%	25.7%	25.2%	26.1%	26.4%	26.3%	24.7%	
Total assets	257,637	256,259	251,065	245,827	240,072	239,020	234,119	232,206	229,896	220,734	219,301	257,637	240,072	245,827	232,206	
Average loans and BA's	140,920	138,365	136,229	134,601	131,976	128,883	127,997	126,797	123,741	120,831	118,828	138,506	129,627	130,882	122,559	
Average assets	261,671	264,407	262,180	251,302	245,096	251,033	246,060	243,284	237,447	230,593	232,213	262,734	247,357	248,351	235,913	
Average common shareholders' equity	11,255	10,939	10,746	10,660	10,377	10,155	9,886	9,631	9,484	9,379	9,533	10,987	10,138	10,268	9,524	
Number of common shares outstanding ( <i>thousands</i> )	337,441	339,348	340,390	339,592	341,580	341,524	340,810	338,053	336,826	337,418	337,535	337,441	341,580	339,592	338,053	
Weighted average number of common shares outstanding ( <i>thousands</i> )	339,160	339,885	340,950	341,108	341,555	341,107	339,476	337,882	337,553	337,329	337,074	340,000	340,708	340,809	337,460	
Weighted average diluted number of common shares outstanding ( <i>thousands</i> )	343,280	343,900	345,458	345,507	345,353	345,416	343,270	341,018	340,196	339,530	339,265	344,135	344,615	344,771	339,895	
Gross impaired loans <sup>(1)</sup>	630	586	582	380	460	422	442	492	452	521	434	630	460	380	492	
Gross impaired loans <sup>(1)</sup> as a % of total loans and BA's	0.44%	0.42%	0.42%	0.28%	0.34%	0.32%	0.34%	0.38%	0.36%	0.42%	0.36%	0.44%	0.34%	0.28%	0.38%	
Provisions for credit losses on impaired loans <sup>(1)</sup> as a % of average loans and BA's	0.25%	0.23%	0.21%	0.21%	0.17%	0.18%	0.19%	0.19%	0.14%	0.23%	0.21%	0.23%	0.18%	0.19%	0.19%	
Provisions for credit losses as a % of average loans and BA's	0.21%	0.27%	0.25%	0.21%	0.17%	0.18%	0.19%	0.19%	0.14%	1.07%	0.21%	0.25%	0.18%	0.19%	0.39%	
Net charge-off as a % of average loans and BA's	0.22%	0.22%	0.28%	0.35%	0.16%	0.25%	0.17%	0.19%	0.33%	0.15%	0.21%	0.24%	0.19%	0.23%	0.22%	
Dividends declared per common share	0.62	0.60	0.60	0.58	0.58	0.56	0.56	0.55	0.55	0.54	0.54	1.82	1.70	2.28	2.18	
Dividend payout (trailing 4 quarters) excl. specified items	40.4%	40.7%	41.1%	41.3%	42.1%	42.0%	48.0%	49.7%	49.9%	50.1%	43.5%	40.4%	42.1%	41.3%	49.7%	
Book value per common share	33.91	32.64	31.75	31.51	30.84	29.97	29.51	28.52	28.39	27.75	27.77	33.91	30.84	31.51	28.52	
Share price - High	64.29	64.08	65.35	62.74	56.44	58.75	56.60	47.88	46.65	45.56	44.11	65.35	58.75	62.74	47.88	
Share price - Low	61.26	58.69	62.33	55.29	51.77	52.94	46.83	44.14	40.98	35.95	35.83	58.69	46.83	46.83	35.83	
Share price - Close	63.77	60.98	63.84	62.61	56.15	53.05	56.17	47.88	44.71	44.84	39.97	63.77	56.15	62.61	47.88	
Number of registered shareholders	21,391	21,470	21,564	21,542	21,608	21,683	21,776	21,966	22,019	22,110	22,120	21,391	21,608	21,542	21,966	
Capital ratios under Basel III <sup>(2)</sup>																
Common Equity Tier 1 (CET1)	11.6%	11.3%	11.2%	11.2%	11.2%	10.8%	10.6%	10.1%	9.9%	9.8%	9.7%	11.6%	11.2%	11.2%	10.1%	
Tier 1 <sup>(3)</sup>	15.4%	15.3%	15.3%	14.9%	15.2%	14.2%	14.1%	13.5%	13.3%	12.9%	12.8%	15.4%	15.2%	14.9%	13.5%	
Total <sup>(3)</sup>	16.7%	16.6%	15.5%	15.1%	15.5%	14.5%	15.9%	15.3%	15.1%	14.8%	14.2%	16.7%	15.5%	15.1%	15.3%	
Leverage ratio under Basel III <sup>(2)</sup>	4.0%	4.0%	4.0%	4.0%	4.0%	3.8%	3.8%	3.7%	3.7%	3.7%	3.8%	4.0%	4.0%	4.0%	3.7%	
Liquidity coverage ratio (LCR)	147%	137%	135%	132%	134%	139%	139%	134%	137%	135%	135%	147%	134%	132%	134%	

(1) Given the adoption of IFRS 9, all loans classified in Stage 3 in the expected credit loss model are impaired loans and do not take into account purchased or originated credit-impaired loans. During the second quarter of 2018, upon refinement of the impaired loans identification process, certain loans classified in Stage 1 and 2 as at November 1, 2017 and as at January 31, 2018, were reclassified in Stage 3. Under IAS 39, loans were considered impaired according to different criteria.

(2) The ratios are calculated using the "all-in" methodology.

(3) The ratios as at October 31, 2017 include the redemption of the Series 28 preferred shares on November 15, 2017.

## Shareholders' Information

(unaudited)	2018			2017				2016			
<b>Credit Rating - Long-term senior debt</b>	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Moody's <sup>(1)</sup>	Aa3	A1	A1	A1	A1	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
Standard & Poor's	A	A	A	A	A	A	A	A	A	A	A
DBRS <sup>(2)</sup>	AA (Low)										
Fitch	A+										

(1) On July 16, 2018, Moody's changed its outlook for the Bank's long term deposits and long-term senior debt from "negative" to "stable" and upgraded by 1 notch the long-term deposit (Aa3), long-term senior debt (Aa3) and NVCC subordinated debt (Baa2).

(2) On April 19, 2018, DBRS credit rating agency changed its outlook from "negative" to "stable" for long-term deposits, long-term senior debt and non-NVCC subordinated debt.

<b>Valuation</b>											
Market Capitalization (in millions of Canadian dollars)	21,519	20,693	21,730	21,262	19,180	18,118	19,143	16,186	15,059	15,130	13,491
P/E Ratio (trailing 4 Quarters)	10.98	10.77	11.61	11.64	11.77	11.26	14.22	14.60	12.96	13.11	9.92
Share price/Book value	1.88	1.87	2.01	1.99	1.82	1.77	1.90	1.68	1.57	1.62	1.44
Dividend yield (annualized)	3.89%	3.94%	3.76%	3.71%	4.13%	4.22%	3.99%	4.59%	4.92%	4.82%	5.40%

<b>Other Information</b>											
Number of employees											
Canada	19,275	19,105	18,949	18,967	19,074	19,023	19,265	19,790	19,860	19,597	19,582
Outside of Canada	3,754	3,254	2,919	2,668	2,452	2,267	2,030	1,980	1,871	508	532
Total	23,029	22,359	21,868	21,635	21,526	21,290	21,295	21,770	21,731	20,105	20,114
Number of employees (full-time equivalent)											
Canada	18,272	18,086	17,897	17,916	18,068	17,979	18,140	18,620	18,731	18,471	18,425
Outside of Canada	3,754	3,254	2,919	2,668	2,452	2,267	2,030	1,980	1,871	508	532
Total	22,026	21,340	20,816	20,584	20,520	20,246	20,170	20,600	20,602	18,979	18,957
Number of branches in Canada	428	428	429	429	443	445	448	450	453	453	453
Number of ATM'S in Canada	934	933	932	931	932	944	941	938	937	935	932

Common Shares	Ticker Symbol <sup>(1)</sup>
First Preferred Shares	NA
Series 30	NA.PR.S
Series 32	NA.PR.W
Series 34	NA.PR.X
Series 36	NA.PR.A
Series 38	NA.PR.C
Series 40	NA.PR.E
Series 42	NA.PR.G

(1) Listed on the TSX.

## Detailed Information on Income

(unaudited) (millions of Canadian dollars) (taxable equivalent basis)	IFRS 9			IAS 39								IFRS 9	IAS 39	IAS 39	
	2018			2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
Net interest income	872	921	872	921	942	861	921	880	871	838	847	2,665	2,724	3,645	3,436
Non-interest income	982	897	993	837	798	789	784	744	734	664	497	2,872	2,371	3,208	2,639
<b>Total revenues</b>	<b>1,854</b>	<b>1,818</b>	<b>1,865</b>	<b>1,758</b>	<b>1,740</b>	<b>1,650</b>	<b>1,705</b>	<b>1,624</b>	<b>1,605</b>	<b>1,502</b>	<b>1,344</b>	<b>5,537</b>	<b>5,095</b>	<b>6,853</b>	<b>6,075</b>
Non-interest expenses	1,011	992	1,024	976	971	941	969	1,159	937	876	903	3,027	2,881	3,857	3,875
Provisions for credit losses	76	91	87	70	58	56	60	59	45	317	63	254	174	244	484
Income before income taxes	767	735	754	712	711	653	676	406	623	309	378	2,256	2,040	2,752	1,716
Income taxes	198	188	204	187	193	169	179	99	145	99	117	590	541	728	460
<b>Net income</b>	<b>569</b>	<b>547</b>	<b>550</b>	<b>525</b>	<b>518</b>	<b>484</b>	<b>497</b>	<b>307</b>	<b>478</b>	<b>210</b>	<b>261</b>	<b>1,666</b>	<b>1,499</b>	<b>2,024</b>	<b>1,256</b>
Non-controlling interests	23	25	23	19	24	22	19	18	18	17	22	71	65	84	75
Net income attributable to the Bank's shareholders	546	522	527	506	494	462	478	289	460	193	239	1,595	1,434	1,940	1,181
Effective tax rate	25.8%	25.6%	27.1%	26.3%	27.1%	25.9%	26.5%	24.4%	23.3%	32.0%	31.0%	26.2%	26.5%	26.5%	26.8%
Dividends on preferred shares	25	26	22	27	19	20	19	23	14	16	8	73	58	85	61
Dividends on common shares	211	204	205	198	198	191	191	186	186	182	182	620	580	778	736
Number of common shares (avg.) (thousands)	339,160	339,885	340,950	341,108	341,555	341,107	339,476	337,882	337,553	337,329	337,074	340,000	340,708	340,809	337,460

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

<b>Excluding specified items</b>															
Net interest income	872	921	872	921	942	861	921	882	873	841	849	2,665	2,724	3,645	3,445
Non-interest income	984	899	996	839	801	793	786	750	737	666	681	2,879	2,380	3,219	2,834
<b>Total revenues</b>	<b>1,856</b>	<b>1,820</b>	<b>1,868</b>	<b>1,760</b>	<b>1,743</b>	<b>1,654</b>	<b>1,707</b>	<b>1,632</b>	<b>1,610</b>	<b>1,507</b>	<b>1,530</b>	<b>5,544</b>	<b>5,104</b>	<b>6,864</b>	<b>6,279</b>
Non-interest expenses	1,009	989	1,020	971	966	936	965	954	932	871	896	3,018	2,867	3,838	3,653
Provisions for credit losses	76	91	87	70	58	56	60	59	45	317	63	254	174	244	484
Income before income taxes	771	740	761	719	719	662	682	619	633	319	571	2,272	2,063	2,782	2,142
Income taxes	198	189	205	188	195	170	180	156	147	82	144	592	545	733	529
<b>Net income</b>	<b>573</b>	<b>551</b>	<b>556</b>	<b>531</b>	<b>524</b>	<b>492</b>	<b>502</b>	<b>463</b>	<b>486</b>	<b>237</b>	<b>427</b>	<b>1,680</b>	<b>1,518</b>	<b>2,049</b>	<b>1,613</b>
Non-controlling interests	23	25	23	19	24	22	19	18	18	17	22	71	65	84	75
Net income attributable to the Bank's shareholders	550	526	533	512	500	470	483	445	468	220	405	1,609	1,453	1,965	1,538
Effective tax rate	25.7%	25.5%	26.9%	26.1%	27.1%	25.7%	26.4%	25.2%	23.2%	25.7%	25.2%	26.1%	26.4%	26.3%	24.7%
Dividends on preferred shares	25	26	22	27	19	20	19	23	14	16	8	73	58	85	61
Dividends on common shares	211	204	205	198	198	191	191	186	186	182	182	620	580	778	736
Number of common shares (avg.) (thousands)	339,160	339,885	340,950	341,108	341,555	341,107	339,476	337,882	337,553	337,329	337,074	340,000	340,708	340,809	337,460

(taxable equivalent basis)

Net interest income	35	36	38	40	55	46	68	53	48	75	55	109	169	209	231
Non-interest income	27	28	21	14	10	7	4	2	-	2	-	76	21	35	4
Income taxes	62	64	59	54	65	53	72	55	48	77	55	185	190	244	235

### Net income by segment

<b>Excluding specified items</b>															
Personal and Commercial	248	213	230	234	235	226	208	191	199	(13)	180	691	669	903	557
Wealth Management	130	123	126	115	109	103	104	92	87	84	84	379	316	431	347
Financial Markets	178	190	204	183	165	171	179	175	155	149	149	572	515	698	628
U.S. Specialty Finance and International (USSF&I)	54	63	50	55	51	40	38	21	64	22	40	167	129	184	147
Other	(37)	(38)	(54)	(56)	(36)	(48)	(27)	(16)	(19)	(5)	(26)	(129)	(111)	(167)	(66)

## Results of Operations as a % of Average Assets; Selected B/S items; AUA & AUM

(unaudited) (taxable equivalent basis) (Excluding specified items)	IFRS 9			IAS 39								IFRS 9	IAS 39	IAS 39	
	2018			2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
Total revenues	2.81	2.82	2.83	2.78	2.82	2.70	2.75	2.67	2.70	2.66	2.62	2.82	2.76	2.76	2.66
Non-interest expenses	1.53	1.53	1.54	1.53	1.56	1.53	1.56	1.56	1.56	1.54	1.54	1.54	1.55	1.55	1.55
Provisions for credit losses	0.12	0.14	0.13	0.11	0.09	0.09	0.10	0.10	0.08	0.56	0.11	0.13	0.09	0.10	0.21
Income taxes	0.30	0.29	0.31	0.30	0.32	0.28	0.29	0.26	0.25	0.14	0.25	0.30	0.29	0.30	0.22
Non-controlling interests	0.03	0.04	0.03	0.03	0.04	0.04	0.03	0.03	0.03	0.03	0.04	0.05	0.04	0.04	0.03
<b>Net income attributable to the Bank's shareholders</b>	<b>0.83</b>	<b>0.82</b>	<b>0.81</b>	<b>0.81</b>	<b>0.81</b>	<b>0.77</b>	<b>0.78</b>	<b>0.73</b>	<b>0.78</b>	<b>0.39</b>	<b>0.69</b>	<b>0.82</b>	<b>0.79</b>	<b>0.79</b>	<b>0.65</b>

Prime rate	3.50%	3.45%	3.24%	3.10%	2.75%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	3.40%	2.72%	2.81%	2.70%
CDOR	1.69%	1.60%	1.40%	1.29%	0.95%	0.91%	0.91%	0.88%	0.89%	0.88%	0.85%	1.56%	0.92%	1.01%	0.88%
Spread	1.81%	1.85%	1.83%	1.81%	1.81%	1.79%	1.79%	1.82%	1.81%	1.82%	1.85%	1.83%	1.80%	1.80%	1.82%

### Selected average Consolidated balance sheet items (millions of Canadian dollars)

Average Securities	76,022	78,038	75,076	64,252	63,147	70,075	69,005	66,675	61,035	57,686	57,675	76,360	67,380	66,591	60,784
Average Securities purchased under reverse repurchase agreements and securities borrowed	13,834	17,137	21,811	21,735	20,735	18,754	18,251	18,360	18,964	19,086	19,743	17,599	19,252	19,878	19,038
Average loans and BA's	140,920	138,365	136,229	134,601	131,976	128,883	127,997	126,797	123,741	120,831	118,828	138,506	129,627	130,882	122,559
Average interest-bearing assets	241,260	242,774	243,691	231,893	225,294	228,078	222,882	216,781	208,086	202,625	200,122	242,573	225,389	227,028	206,927
Average assets	261,671	264,407	262,180	251,302	245,096	251,033	246,060	243,284	237,447	230,593	232,213	262,734	247,357	248,351	235,913
Average deposits	167,588	166,201	164,286	158,007	155,421	153,220	150,336	147,741	142,243	139,166	142,178	166,023	152,990	154,254	142,852
Common shares (Balance)	2,825	2,868	2,861	2,768	2,816	2,793	2,763	2,645	2,592	2,620	2,623	2,825	2,816	2,768	2,645
Average Common shareholders' equity	11,255	10,939	10,746	10,660	10,377	10,155	9,886	9,631	9,484	9,379	9,533	10,987	10,138	10,268	9,524

### Assets under administration and under management (millions of Canadian dollars)

<b>Assets under administration</b>	<b>425,299</b>	<b>427,407</b>	<b>428,377</b>	<b>411,817</b>	<b>365,586</b>	<b>364,077</b>	<b>352,926</b>	<b>341,047</b>	<b>332,231</b>	<b>316,262</b>	<b>302,832</b>				
<b>Assets under management</b>															
Individual	37,056	35,104	34,487	33,349	31,168	30,831	28,879	27,589	26,728	24,687	23,946				
Mutual funds	33,741	32,911	32,838	32,192	30,909	30,939	29,431	28,706	28,068	26,707	25,515				
	<b>70,797</b>	<b>68,015</b>	<b>67,325</b>	<b>65,541</b>	<b>62,077</b>	<b>61,770</b>	<b>58,310</b>	<b>56,295</b>	<b>54,796</b>	<b>51,394</b>	<b>49,461</b>				
<b>Assets under administration and under management</b>	<b>496,096</b>	<b>495,422</b>	<b>495,702</b>	<b>477,358</b>	<b>427,663</b>	<b>425,847</b>	<b>411,236</b>	<b>397,342</b>	<b>387,027</b>	<b>367,656</b>	<b>352,293</b>				

## Segment Disclosures (excluding specified items)

(unaudited) (millions of Canadian dollars) (taxable equivalent basis)	IFRS 9				IAS 39								IFRS 9	IAS 39	IAS 39	
	2018				2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016	
<b>Personal and Commercial</b>																
Net interest income	564	532	544	537	526	496	510	502	497	471	485	1,640	1,532	2,069	1,955	
Non-interest income	268	245	255	249	258	236	245	237	242	227	239	768	739	988	945	
<b>Total revenues</b>	<b>832</b>	<b>777</b>	<b>799</b>	<b>786</b>	<b>784</b>	<b>732</b>	<b>755</b>	<b>739</b>	<b>739</b>	<b>698</b>	<b>724</b>	<b>2,408</b>	<b>2,271</b>	<b>3,057</b>	<b>2,900</b>	
Non-interest expenses	432	429	428	417	419	417	419	423	422	401	416	1,289	1,255	1,672	1,662	
Provisions for credit losses <sup>(1)</sup>	61	58	57	50	45	6	52	54	44	315	62	176	103	153	475	
Income before income taxes	339	290	314	319	320	309	284	262	273	(18)	246	943	913	1,232	763	
Income taxes	91	77	84	85	85	83	76	71	74	(5)	66	252	244	329	206	
<b>Net income</b>	<b>248</b>	<b>213</b>	<b>230</b>	<b>234</b>	<b>235</b>	<b>226</b>	<b>208</b>	<b>191</b>	<b>199</b>	<b>(13)</b>	<b>180</b>	<b>691</b>	<b>669</b>	<b>903</b>	<b>557</b>	
Non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>Net income attributable to the Bank's shareholders</b>	<b>248</b>	<b>213</b>	<b>230</b>	<b>234</b>	<b>235</b>	<b>226</b>	<b>208</b>	<b>191</b>	<b>199</b>	<b>(13)</b>	<b>180</b>	<b>691</b>	<b>669</b>	<b>903</b>	<b>557</b>	
Net interest margin <sup>(2)</sup>	2.33%	2.31%	2.30%	2.30%	2.27%	2.23%	2.24%	2.24%	2.26%	2.21%	2.25%	2.32%	2.24%	2.26%	2.24%	
Efficiency ratio	51.9%	55.2%	53.6%	53.1%	53.4%	57.0%	55.5%	57.2%	57.1%	57.4%	57.5%	53.5%	55.3%	54.7%	57.3%	
Gross average loans and BA's - Personal	67,119	66,327	66,165	65,644	64,981	64,094	63,973	62,940	61,850	60,884	60,417	66,540	64,352	64,678	61,526	
Mortgages loans	56,582	55,920	55,789	55,354	54,765	54,156	54,114	53,209	52,351	51,652	51,205	56,099	54,347	54,601	52,106	
Personal loans	8,222	8,172	8,083	8,047	7,990	7,788	7,650	7,568	7,346	7,163	7,085	8,159	7,810	7,870	7,291	
Credit Card	2,315	2,235	2,293	2,243	2,226	2,150	2,209	2,163	2,153	2,069	2,127	2,282	2,195	2,207	2,128	
Gross average loans and BA's - Commercial	34,146	33,356	32,305	31,839	31,508	31,471	30,713	30,565	30,345	30,616	30,353	33,268	31,228	31,382	30,469	
Commercial (excluding Oil & Gas)	32,598	31,949	31,006	30,632	30,387	30,269	29,423	29,177	28,621	28,553	28,036	31,850	30,024	30,177	28,597	
Oil & Gas	1,548	1,407	1,299	1,207	1,121	1,202	1,290	1,388	1,724	2,063	2,317	1,418	1,204	1,205	1,872	
Average assets	101,407	99,807	98,132	97,805	96,911	95,956	95,044	93,851	92,532	91,844	91,147	99,782	95,971	96,433	92,347	
Average interest-bearing assets	95,873	94,566	93,636	92,777	92,109	91,269	90,366	89,054	87,534	86,683	85,779	94,693	91,248	91,633	87,266	
Average deposits - Personal	28,724	28,330	28,052	27,619	27,508	27,182	27,022	26,696	26,529	26,125	25,564	28,369	27,238	27,334	26,229	
Average deposits - Commercial	30,180	28,003	28,142	28,987	27,745	26,398	24,723	23,863	22,789	21,299	20,857	28,783	26,287	26,968	22,207	
Number of employees	9,549	9,471	9,385	9,354								9,549		9,354		
<b>Wealth Management</b>																
Net interest income	130	125	124	118	107	102	104	98	94	91	89	379	313	431	372	
Non-interest income	314	308	320	296	298	293	295	277	269	264	269	942	886	1,182	1,079	
<b>Total revenues</b>	<b>444</b>	<b>433</b>	<b>444</b>	<b>414</b>	<b>405</b>	<b>395</b>	<b>399</b>	<b>375</b>	<b>363</b>	<b>355</b>	<b>358</b>	<b>1,321</b>	<b>1,199</b>	<b>1,613</b>	<b>1,451</b>	
Non-interest expenses	268	266	273	258	256	256	257	250	244	239	244	807	769	1,027	977	
Provisions for credit losses <sup>(1)</sup>	–	–	1	1	1	–	1	1	1	2	1	1	2	3	5	
Income before income taxes	176	167	170	155	148	139	141	124	118	114	113	513	428	583	469	
Income taxes	46	44	44	40	39	36	37	32	31	30	29	134	112	152	122	
<b>Net income</b>	<b>130</b>	<b>123</b>	<b>126</b>	<b>115</b>	<b>109</b>	<b>103</b>	<b>104</b>	<b>92</b>	<b>87</b>	<b>84</b>	<b>84</b>	<b>379</b>	<b>316</b>	<b>431</b>	<b>347</b>	
Non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>Net income attributable to the Bank's shareholders</b>	<b>130</b>	<b>123</b>	<b>126</b>	<b>115</b>	<b>109</b>	<b>103</b>	<b>104</b>	<b>92</b>	<b>87</b>	<b>84</b>	<b>84</b>	<b>379</b>	<b>316</b>	<b>431</b>	<b>347</b>	
Efficiency ratio	60.4%	61.4%	61.5%	62.3%	63.2%	64.8%	64.4%	66.7%	67.2%	67.3%	68.2%	61.1%	64.1%	63.7%	67.3%	
Average loans and BA's	11,248	10,887	10,570	10,353	10,093	9,687	9,557	9,448	9,413	9,391	9,266	10,902	9,780	9,924	9,379	
Average assets	12,651	12,312	12,099	12,115	11,804	11,382	11,299	11,053	11,007	11,022	10,944	12,354	11,496	11,652	11,006	
Average deposits	31,401	31,448	31,331	30,087	30,990	31,984	31,734	30,096	28,743	27,857	26,671	31,393	31,565	31,192	28,344	
Number of employees	2,819	2,797	2,793	2,812								2,819		2,812		

(1) Under IFRS 9, the Bank accounts for provisions for credit losses within the business segments. In the previous periods, only provisions for credit losses on impaired loans had been recognized in the business segments, whereas provisions for credit losses on performing loans had been recognized in the Other heading (except the sectoral provision on performing loans established collectively for the oil and gas producer and service company loan portfolio, which was recognized in the Personal and Commercial segment).

(2) Net interest margin is calculated by dividing interest income by average interest bearing assets.

## Segment Disclosures (excluding specified items) (continued)

(unaudited) (millions of Canadian dollars)	IFRS 9				IAS 39								IFRS 9	IAS 39	IAS 39	
	2018				2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016	
<b>Financial Markets</b>																
Net interest income	93	146	99	165	184	194	229	225	231	254	228	338	607	772	938	
Non-interest income	323	291	355	248	205	206	187	175	138	104	119	969	598	846	536	
<b>Total revenues</b>	<b>416</b>	<b>437</b>	<b>454</b>	<b>413</b>	<b>389</b>	<b>400</b>	<b>416</b>	<b>400</b>	<b>369</b>	<b>358</b>	<b>347</b>	<b>1,307</b>	<b>1,205</b>	<b>1,618</b>	<b>1,474</b>	
Non-interest expenses	171	176	176	163	164	166	172	160	156	155	143	523	502	665	614	
Provisions for credit losses <sup>(1)</sup>	2	2	–	–	–	–	–	–	–	–	–	4	–	–	–	
Income before income taxes	243	259	278	250	225	234	244	240	213	203	204	780	703	953	860	
Income taxes	65	69	74	67	60	63	65	65	58	54	55	208	188	255	232	
<b>Net income</b>	<b>178</b>	<b>190</b>	<b>204</b>	<b>183</b>	<b>165</b>	<b>171</b>	<b>179</b>	<b>175</b>	<b>155</b>	<b>149</b>	<b>149</b>	<b>572</b>	<b>515</b>	<b>698</b>	<b>628</b>	
Non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Net income attributable to the Bank's shareholders	178	190	204	183	165	171	179	175	155	149	149	572	515	698	628	
Efficiency ratio	41.1%	40.3%	38.8%	39.5%	42.2%	41.5%	41.3%	40.0%	42.3%	43.3%	41.2%	40.0%	41.7%	41.1%	41.7%	
Average loans and BA's (Corporate Banking only)	15,667	14,756	14,025	13,931	13,236	12,547	12,739	13,364	13,234	11,863	11,732	14,817	12,844	13,118	12,552	
Average assets	95,351	100,674	101,816	93,030	92,046	98,189	96,781	93,987	88,433	81,834	85,587	99,265	95,644	94,991	87,491	
Average deposits	23,525	22,827	22,430	21,660	20,914	20,266	20,843	16,668	14,677	13,813	15,617	22,928	20,679	20,926	15,201	
Number of employees	722	679	687	701	701	701	701	701	701	701	701	722	701	701	701	
<b>U.S. Specialty Finance and International (USSF&amp;I)</b>																
Net interest income	140	150	147	139	129	101	97	78	68	55	83	437	327	466	284	
Non-interest income	6	24	14	15	18	21	21	24	57	21	25	44	60	75	127	
<b>Total revenues</b>	<b>146</b>	<b>174</b>	<b>161</b>	<b>154</b>	<b>147</b>	<b>122</b>	<b>118</b>	<b>102</b>	<b>125</b>	<b>76</b>	<b>108</b>	<b>481</b>	<b>387</b>	<b>541</b>	<b>411</b>	
Non-interest expenses	64	62	60	56	58	55	56	66	52	41	48	186	169	225	207	
Provisions for credit losses <sup>(1)</sup>	12	31	29	19	12	10	7	4	–	–	–	72	29	48	4	
Income before income taxes	70	81	72	79	77	57	55	32	73	35	60	223	189	268	200	
Income taxes	16	18	22	24	26	17	17	11	9	13	20	56	60	84	53	
<b>Net income</b>	<b>54</b>	<b>63</b>	<b>50</b>	<b>55</b>	<b>51</b>	<b>40</b>	<b>38</b>	<b>21</b>	<b>64</b>	<b>22</b>	<b>40</b>	<b>167</b>	<b>129</b>	<b>184</b>	<b>147</b>	
Non-controlling interests	10	11	9	6	9	8	6	4	4	4	8	30	23	29	20	
Net income attributable to the Bank's shareholders	44	52	41	49	42	32	32	17	60	18	32	137	106	155	127	
Efficiency ratio	43.8%	35.6%	37.3%	36.4%	39.5%	45.1%	47.5%	64.7%	41.6%	53.9%	44.4%	38.7%	43.7%	41.6%	50.4%	
Average loans and BA's	7,637	7,856	7,702	7,565	6,657	5,269	4,733	4,363	3,739	3,370	2,522	7,730	5,556	6,062	3,499	
Average revenue-bearing other assets	2	10	46	113	308	578	801	927	1,064	1,235	1,424	19	562	449	1,162	
Average assets	9,233	9,104	8,777	8,658	7,940	6,799	6,655	6,312	5,586	5,010	4,360	9,037	7,135	7,519	5,319	
Average deposits	2,007	1,795	1,532	1,418	1,294	1,225	1,122	1,095	843	843	843	1,778	1,214	1,265	487	
Number of employees	3,612	3,125	2,794	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	3,612	3,125	2,543	2,543	

(1) Under IFRS 9, the Bank accounts for provisions for credit losses within the business segments. In the previous periods, only provisions for credit losses on impaired loans had been recognized in the business segments, whereas provisions for credit losses on performing loans had been recognized in the Other heading (except the sectoral provision on performing loans established collectively for the oil and gas producer and service company loan portfolio, which was recognized in the Personal and Commercial segment).

## Segment Disclosures (excluding specified items) (continued)

(unaudited) (millions of Canadian dollars)	IFRS 9				IAS 39								IFRS 9	IAS 39	IAS 39	
	2018				2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016	
<b>Other</b>																
Net interest income	(90)	(68)	(80)	(78)	(59)	(78)	(87)	(74)	(65)	(105)	(91)	(238)	(224)	(302)	(335)	
Non-interest income	46	3	31	17	12	30	34	35	31	48	29	80	76	93	143	
<b>Total revenues</b>	<b>(44)</b>	<b>(65)</b>	<b>(49)</b>	<b>(61)</b>	<b>(47)</b>	<b>(48)</b>	<b>(53)</b>	<b>(39)</b>	<b>(34)</b>	<b>(57)</b>	<b>(62)</b>	<b>(158)</b>	<b>(148)</b>	<b>(209)</b>	<b>(192)</b>	
Non-interest expenses	74	56	83	77	69	42	61	55	58	35	45	213	172	249	193	
Provisions for credit losses <sup>(1)</sup>	1	-	-	-	-	40	-	-	-	-	-	1	40	40	-	
Income before income taxes	(119)	(121)	(132)	(138)	(116)	(130)	(114)	(94)	(92)	(92)	(107)	(372)	(360)	(498)	(385)	
Income taxes (recovery)	(82)	(83)	(78)	(82)	(80)	(82)	(87)	(78)	(73)	(87)	(81)	(243)	(249)	(331)	(319)	
<b>Net income</b>	<b>(37)</b>	<b>(38)</b>	<b>(54)</b>	<b>(56)</b>	<b>(36)</b>	<b>(48)</b>	<b>(27)</b>	<b>(16)</b>	<b>(19)</b>	<b>(5)</b>	<b>(26)</b>	<b>(129)</b>	<b>(111)</b>	<b>(167)</b>	<b>(66)</b>	
Non-controlling interests	13	14	14	13	15	14	13	14	14	13	14	41	42	55	55	
Net income attributable to the Bank's shareholders	(50)	(52)	(68)	(69)	(51)	(62)	(40)	(30)	(33)	(18)	(40)	(170)	(153)	(222)	(121)	
Average assets	43,029	42,510	41,356	39,694	36,395	38,735	36,281	38,081	39,889	40,883	40,175	42,296	37,111	37,762	39,750	
Average deposits	51,751	53,798	52,799	48,236	46,970	46,165	44,892	49,323	48,662	50,072	53,469	52,772	46,007	46,569	50,384	
Number of employees	6,327	6,287	6,209	6,225								6,327		6,225		

Total	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
Net interest income	837	885	834	881	887	815	853	829	825	766	794	2,556	2,555	3,436	3,214
Non-interest income	957	871	975	825	791	786	782	748	737	664	681	2,803	2,359	3,184	2,830
<b>Total revenues</b>	<b>1,794</b>	<b>1,756</b>	<b>1,809</b>	<b>1,706</b>	<b>1,678</b>	<b>1,601</b>	<b>1,635</b>	<b>1,577</b>	<b>1,562</b>	<b>1,430</b>	<b>1,475</b>	<b>5,359</b>	<b>4,914</b>	<b>6,620</b>	<b>6,044</b>
Non-interest expenses	1,009	989	1,020	971	966	936	965	954	932	871	896	3,018	2,867	3,838	3,653
Provisions for credit losses <sup>(1)</sup>	76	91	87	70	58	56	60	59	45	317	63	254	174	244	484
Income before income taxes	709	676	702	665	654	609	610	564	585	242	516	2,087	1,873	2,538	1,907
Income taxes	136	125	146	134	130	117	108	101	99	5	89	407	355	489	294
<b>Net income</b>	<b>573</b>	<b>551</b>	<b>556</b>	<b>531</b>	<b>524</b>	<b>492</b>	<b>502</b>	<b>463</b>	<b>486</b>	<b>237</b>	<b>427</b>	<b>1,680</b>	<b>1,518</b>	<b>2,049</b>	<b>1,613</b>
Non-controlling interests	23	25	23	19	24	22	19	18	18	17	22	71	65	84	75
Net income attributable to the Bank's shareholders	550	526	533	512	500	470	483	445	468	220	405	1,609	1,453	1,965	1,538
Efficiency ratio (taxable equivalent basis)	54.4%	54.3%	54.6%	55.2%	55.4%	56.6%	56.5%	58.5%	57.9%	57.8%	58.6%	54.4%	56.2%	55.9%	58.2%
Average loans and BA's	140,920	138,365	136,229	134,601	131,976	128,883	127,997	126,797	123,741	120,831	118,828	138,506	129,627	130,882	122,559
Average assets	261,671	264,407	262,180	251,302	245,096	251,033	246,060	243,284	237,447	230,593	232,213	262,734	247,357	248,351	235,913
Average deposits	167,588	166,201	164,286	158,007	155,421	153,220	150,336	147,741	142,243	139,166	142,178	166,023	152,990	154,254	142,852
Number of employees	23,029	22,359	21,868	21,635								23,029		21,635	

(1) Under IFRS 9, the Bank accounts for provisions for credit losses within the business segments. In the previous periods, only provisions for credit losses on impaired loans had been recognized in the business segments, whereas provisions for credit losses on performing loans had been recognized in the Other heading (except the sectoral provision on performing loans established collectively for the oil and gas producer and service company loan portfolio, which was recognized in the Personal and Commercial segment).

## U.S. Specialty Finance and International - Detailed Information

(unaudited) (millions of Canadian dollars)	IFRS 9															
	2018												YTD			
	Q3				Q2				Q1				2018			
U.S. Specialty Finance and International (USSF&I)	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA	Other <sup>(1)</sup>	Total
Net interest income	97	44	(1)	140	113	38	(1)	150	114	34	(1)	147	324	116	(3)	437
Non-interest income	3	3	–	6	16	7	1	24	3	9	2	14	22	19	3	44
<b>Total revenues</b>	<b>100</b>	<b>47</b>	<b>(1)</b>	<b>146</b>	<b>129</b>	<b>45</b>	<b>–</b>	<b>174</b>	<b>117</b>	<b>43</b>	<b>1</b>	<b>161</b>	<b>346</b>	<b>135</b>	<b>–</b>	<b>481</b>
Non-interest expenses	40	24	–	64	39	22	1	62	39	20	1	60	118	66	2	186
Provisions for credit losses	9	3	–	12	28	3	–	31	26	3	–	29	63	9	–	72
Income before income taxes	51	20	(1)	70	62	20	(1)	81	52	20	–	72	165	60	(2)	223
Income taxes (recovery)	13	3	–	16	14	4	–	18	18	4	–	22	45	11	–	56
<b>Net Income</b>	<b>38</b>	<b>17</b>	<b>(1)</b>	<b>54</b>	<b>48</b>	<b>16</b>	<b>(1)</b>	<b>63</b>	<b>34</b>	<b>16</b>	<b>–</b>	<b>50</b>	<b>120</b>	<b>49</b>	<b>(2)</b>	<b>167</b>
Non-controlling interests	7	3	–	10	9	2	–	11	7	2	–	9	23	7	–	30
Net income attributable to the Bank's shareholders	31	14	(1)	44	39	14	(1)	52	27	14	–	41	97	42	(2)	137
Efficiency ratio	40.0%	51.1%	–	43.8%	30.2%	48.9%	–	35.6%	33.3%	46.5%	–	37.3%	34.1%	48.9%	–	38.7%
Average loans and receivables	5,744	1,893	–	7,637	6,150	1,706	–	7,856	6,197	1,487	18	7,702	6,029	1,695	6	7,730
Average revenue-bearing other assets	2	–	–	2	10	–	–	10	46	–	–	46	19	–	–	19
Average assets	6,316	2,549	368	9,233	6,449	2,284	371	9,104	6,406	1,991	380	8,777	6,389	2,275	373	9,037
Average deposits	–	2,007	–	2,007	–	1,795	–	1,795	–	1,532	–	1,532	–	1,778	–	1,778

  

(unaudited) (millions of Canadian dollars)	IAS 39																			
	2017												Full Year							
	Q4				Q3				Q2				Q1				2017			
U.S. Specialty Finance and International (USSF&I)	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total
Net interest income	109	31	(1)	139	104	26	(1)	129	77	24	–	101	76	22	(1)	97	366	103	(3)	466
Non-interest income	2	7	6	15	13	6	(1)	18	14	3	4	21	14	6	1	21	43	22	10	75
<b>Total revenues</b>	<b>111</b>	<b>38</b>	<b>5</b>	<b>154</b>	<b>117</b>	<b>32</b>	<b>(2)</b>	<b>147</b>	<b>91</b>	<b>27</b>	<b>4</b>	<b>122</b>	<b>90</b>	<b>28</b>	<b>–</b>	<b>118</b>	<b>409</b>	<b>125</b>	<b>7</b>	<b>541</b>
Non-interest expenses	38	17	1	56	43	15	–	58	39	14	2	55	43	13	–	56	163	59	3	225
Provisions for credit losses <sup>(2)</sup>	18	1	–	19	11	1	–	12	9	1	–	10	6	1	–	7	44	4	–	48
Income before income taxes	55	20	4	79	63	16	(2)	77	43	12	2	57	41	14	–	55	202	62	4	268
Income taxes	19	4	1	24	23	3	–	26	15	2	–	17	14	3	–	17	71	12	1	84
<b>Net Income</b>	<b>36</b>	<b>16</b>	<b>3</b>	<b>55</b>	<b>40</b>	<b>13</b>	<b>(2)</b>	<b>51</b>	<b>28</b>	<b>10</b>	<b>2</b>	<b>40</b>	<b>27</b>	<b>11</b>	<b>–</b>	<b>38</b>	<b>131</b>	<b>50</b>	<b>3</b>	<b>184</b>
Non-controlling interests	4	2	–	6	8	1	–	9	6	2	–	8	5	1	–	6	23	6	–	29
Net income attributable to the Bank's shareholders	32	14	3	49	32	12	(2)	42	22	8	2	32	22	10	–	32	108	44	3	155
Efficiency ratio	34.2%	44.7%	28	36.4%	36.8%	46.9%	28	39.5%	42.9%	51.9%	27	45.1%	47.8%	46.4%	26	47.5%	39.9%	47.2%	27	41.6%
Average loans and BA's	6,202	1,335	–	7,565	5,419	1,210	–	6,657	4,111	1,131	27	5,269	3,697	1,010	–	4,733	4,863	1,172	–	6,062
Average revenue-bearing other assets	113	–	–	113	308	–	–	308	578	–	–	578	801	–	–	801	449	–	–	449
Average assets	6,549	1,843	266	8,658	5,983	1,662	295	7,940	4,923	1,580	296	6,799	4,942	1,433	280	6,655	5,605	1,630	284	7,519
Average deposits	–	1,418	–	1,418	–	1,294	–	1,294	–	1,225	–	1,225	–	1,122	–	1,122	–	1,265	–	1,265

  

(unaudited) (millions of Canadian dollars)	IAS 39																			
	2016												Full Year							
	Q4				Q3 <sup>(3)</sup>				Q2				Q1				2016			
U.S. Specialty Finance and International (USSF&I)	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total	Credigy	ABA Bank	Other <sup>(1)</sup>	Total
Net interest income	59	20	(1)	78	56	14	(2)	68	56	–	(1)	55	84	–	(1)	83	255	34	(5)	284
Non-interest income	21	4	(1)	24	14	3	40	57	15	–	6	21	19	6	6	25	69	7	51	127
<b>Total revenues</b>	<b>80</b>	<b>24</b>	<b>(2)</b>	<b>102</b>	<b>70</b>	<b>17</b>	<b>38</b>	<b>125</b>	<b>71</b>	<b>–</b>	<b>5</b>	<b>76</b>	<b>103</b>	<b>–</b>	<b>5</b>	<b>108</b>	<b>324</b>	<b>41</b>	<b>46</b>	<b>411</b>
Non-interest expenses	53	10	3	66	42	7	3	52	40	–	1	41	47	–	–	48	182	17	8	207
Provisions for credit losses <sup>(2)</sup>	4	–	–	4	–	–	–	–	–	–	–	–	–	–	–	–	4	–	–	4
Income before income taxes	23	14	(5)	32	28	10	35	73	31	–	4	35	56	4	60	138	24	38	200	

## Specified Items

(unaudited) (millions of Canadian dollars)

		Net interest income	Non-interest income	Total revenues	Non-interest expenses	Provisions for credit losses	Income before income taxes	Income taxes	Net income
<b>2018</b>									
Q3	Acquisition-related items	–	(2)	(2)	2	–	(4)	–	(4)
	Total	–	(2)	(2)	2	–	(4)	–	(4)
Q2	Acquisition-related items	–	(2)	(2)	3	–	(5)	(1)	(4)
	Total	–	(2)	(2)	3	–	(5)	(1)	(4)
Q1	Acquisition-related items	–	(3)	(3)	4	–	(7)	(1)	(6)
	Total	–	(3)	(3)	4	–	(7)	(1)	(6)
<b>Total</b>		<b>–</b>	<b>(7)</b>	<b>(7)</b>	<b>9</b>	<b>–</b>	<b>(16)</b>	<b>(2)</b>	<b>(14)</b>
<b>2017</b>									
Q4	Acquisition-related items	–	(2)	(2)	5	–	(7)	(1)	(6)
	Total	–	(2)	(2)	5	–	(7)	(1)	(6)
Q3	Acquisition-related items	–	(3)	(3)	5	–	(8)	(2)	(6)
	Total	–	(3)	(3)	5	–	(8)	(2)	(6)
Q2	Acquisition-related items	–	(2)	(2)	5	–	(7)	(1)	(6)
	Items related to TMX Group	–	(2)	(2)	–	–	(2)	–	(2)
	Total	–	(4)	(4)	5	–	(9)	(1)	(8)
Q1	Acquisition-related items	–	(2)	(2)	4	–	(6)	(1)	(5)
	Total	–	(2)	(2)	4	–	(6)	(1)	(5)
<b>Total</b>		<b>–</b>	<b>(11)</b>	<b>(11)</b>	<b>19</b>	<b>–</b>	<b>(30)</b>	<b>(5)</b>	<b>(25)</b>
<b>2016</b>									
Q4	Acquisition-related items	–	(4)	(4)	5	–	(9)	(2)	(7)
	MAV restructured notes - Total	(2)	–	(2)	–	–	(2)	(1)	(1)
	Items related to TMX Group	–	(2)	(2)	–	–	(2)	–	(2)
	Restructuring charge	–	–	–	131	–	(131)	(35)	(96)
	Impairment losses on intangible assets	–	–	–	44	–	(44)	(12)	(32)
	Litigation charges	–	–	–	25	–	(25)	(7)	(18)
	Total	(2)	(6)	(8)	205	–	(213)	(57)	(156)
Q3	Acquisition-related items	–	(2)	(2)	5	–	(7)	(1)	(6)
	MAV restructured notes - Total	(2)	–	(2)	–	–	(2)	(1)	(1)
	Items related to TMX Group	–	(1)	(1)	–	–	(1)	–	(1)
	Total	(2)	(3)	(5)	5	–	(10)	(2)	(8)
Q2	Acquisition-related items	–	(2)	(2)	5	–	(7)	(1)	(6)
	MAV restructured notes - Total	(3)	–	(3)	–	–	(3)	–	(3)
	Impact of changes to tax measures	–	–	–	–	–	–	18	(18)
	Total	(3)	(2)	(5)	5	–	(10)	17	(27)
Q1	Acquisition-related items	–	(2)	(2)	7	–	(9)	(2)	(7)
	Write-off of an equity interest in an associate	–	(164)	(164)	–	–	(164)	(19)	(145)
	MAV restructured notes - Total	(2)	–	(2)	–	–	(2)	(1)	(1)
	Items related to TMX Group	–	(18)	(18)	–	–	(18)	(5)	(13)
	Total <sup>(1)</sup>	(2)	(184)	(186)	7	–	(193)	(27)	(166)
<b>Total</b>		<b>(9)</b>	<b>(195)</b>	<b>(204)</b>	<b>222</b>	<b>–</b>	<b>(426)</b>	<b>(69)</b>	<b>(357)</b>

(1) For the first quarter of 2016, the specified items included a premium of \$3 million, or 0.01 \$ per share on redemption of preferred shares, Series 20, for cancellation.

## Consolidated Results

(unaudited) (millions of Canadian dollars)	IFRS 9			IAS 39								IFRS 9	IAS 39	IAS 39	
	2018			2017				2016				YTD		Full year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
<b>Total</b>															
Net interest income	837	885	834	881	887	815	853	827	823	763	792	2,556	2,555	3,436	3,205
Non-interest income	955	869	972	823	788	782	780	742	734	662	497	2,796	2,350	3,173	2,635
<b>Total revenues</b>	<b>1,792</b>	<b>1,754</b>	<b>1,806</b>	<b>1,704</b>	<b>1,675</b>	<b>1,597</b>	<b>1,633</b>	<b>1,569</b>	<b>1,557</b>	<b>1,425</b>	<b>1,289</b>	<b>5,352</b>	<b>4,905</b>	<b>6,609</b>	<b>5,840</b>
Non-interest expenses	1,011	992	1,024	976	971	941	969	1,159	937	876	903	3,027	2,881	3,857	3,875
Provisions for credit losses	76	91	87	70	58	56	60	59	45	317	63	254	174	244	484
Income before income taxes	705	671	695	658	646	600	604	351	575	232	323	2,071	1,850	2,508	1,481
Income taxes	136	124	145	133	128	116	107	44	97	22	62	405	351	484	225
<b>Net income</b>	<b>569</b>	<b>547</b>	<b>550</b>	<b>525</b>	<b>518</b>	<b>484</b>	<b>497</b>	<b>307</b>	<b>478</b>	<b>210</b>	<b>261</b>	<b>1,666</b>	<b>1,499</b>	<b>2,024</b>	<b>1,256</b>
Non-controlling interests	23	25	23	19	24	22	19	18	18	17	22	71	65	84	75
Net income attributable to the Bank's shareholders	546	522	527	506	494	462	478	289	460	193	239	1,595	1,434	1,940	1,181
Average loans and BA's	140,920	138,365	136,229	134,601	131,976	128,883	127,997	126,797	123,741	120,831	118,828	138,506	129,627	130,882	122,559
Average assets	261,671	264,407	262,180	251,302	245,096	251,033	246,060	243,284	237,447	230,593	232,213	262,734	247,357	248,351	235,913
Average deposits	167,588	166,201	164,286	158,007	155,421	153,220	150,336	147,741	142,243	139,166	142,178	166,023	152,990	154,254	142,852

## Total Revenues (excluding specified items)

(unaudited) (millions of Canadian dollars) (taxable equivalent basis)	IFRS 9			IAS 39								IFRS 9	IAS 39	IAS 39	
	2018			2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
<b>Net Interest Income</b>															
<i>Interest Income</i>															
Loans	1,438	1,364	1,324	1,286	1,196	1,117	1,116	1,072	1,044	970	999	4,126	3,429	4,715	4,085
Securities	282	307	228	223	237	245	250	241	240	239	246	817	732	955	966
Deposits with financial institutions	58	47	46	39	31	26	18	15	18	18	14	151	75	114	65
<b>Total interest income</b>	<b>1,778</b>	<b>1,718</b>	<b>1,598</b>	<b>1,548</b>	<b>1,464</b>	<b>1,388</b>	<b>1,384</b>	<b>1,328</b>	<b>1,302</b>	<b>1,227</b>	<b>1,259</b>	<b>5,094</b>	<b>4,236</b>	<b>5,784</b>	<b>5,116</b>
<i>Interest expense</i>															
Deposits	670	595	549	502	447	431	400	395	358	345	337	1,814	1,278	1,780	1,435
Liabilities related to transferred receivables	105	100	99	107	99	100	97	100	100	102	102	304	296	403	404
Subordinated debt	6	6	-	1	-	7	8	8	9	8	8	12	15	16	33
Other	160	132	116	57	31	35	26	(4)	10	6	18	408	92	149	30
<b>Total interest expense</b>	<b>941</b>	<b>833</b>	<b>764</b>	<b>667</b>	<b>577</b>	<b>573</b>	<b>531</b>	<b>499</b>	<b>477</b>	<b>461</b>	<b>465</b>	<b>2,538</b>	<b>1,681</b>	<b>2,348</b>	<b>1,902</b>
Tax equivalent adjustment	35	36	38	40	55	46	68	53	48	75	55	109	169	209	231
<b>Net interest income</b>	<b>872</b>	<b>921</b>	<b>872</b>	<b>921</b>	<b>942</b>	<b>861</b>	<b>921</b>	<b>882</b>	<b>873</b>	<b>841</b>	<b>849</b>	<b>2,665</b>	<b>2,724</b>	<b>3,645</b>	<b>3,445</b>

<b>Non-interest Income</b>															
Underwriting and advisory fees	106	75	103	71	100	90	88	91	116	94	75	284	278	349	376
Securities brokerage commissions	46	47	54	50	51	57	58	57	58	61	59	147	166	216	235
Mutual fund revenues	111	106	111	105	105	101	101	98	94	87	85	328	307	412	364
Trust service revenues	146	146	145	136	133	126	123	117	113	109	114	437	382	518	453
Credit fees	105	97	97	95	99	84	83	87	90	85	84	299	266	361	346
Card revenues	44	36	40	33	37	29	33	30	32	28	29	120	99	132	119
Deposits and payment service charges	71	68	68	76	71	64	68	68	67	61	62	207	203	279	258
Trading revenues (losses)	200	164	228	134	70	76	94	83	12	8	47	592	240	374	150
Gains (losses) on available-for-sale securities, net				39	26	49	26	12	18	29	11		101	140	70
Gains (losses) on non-trading securities, net	21	19	28									68			
Insurance revenues, net	32	29	31	25	31	30	31	29	31	28	26	92	92	117	114
Foreign exchange revenues, other than trading	26	24	22	19	21	23	18	19	19	19	24	72	62	81	81
Share in the net income of associates and joint ventures	9	7	10	13	10	13	10	8	9	13	16	26	33	46	46
Other	40	53	38	29	37	44	49	49	78	42	49	131	130	159	218
<b>Total non-interest income</b>	<b>957</b>	<b>871</b>	<b>975</b>	<b>825</b>	<b>791</b>	<b>786</b>	<b>782</b>	<b>748</b>	<b>737</b>	<b>664</b>	<b>681</b>	<b>2,803</b>	<b>2,359</b>	<b>3,184</b>	<b>2,830</b>
Tax equivalent adjustment	27	28	21	14	10	7	4	2	-	2	-	76	21	35	4
<b>Non-interest income</b>	<b>984</b>	<b>899</b>	<b>996</b>	<b>839</b>	<b>801</b>	<b>793</b>	<b>786</b>	<b>750</b>	<b>737</b>	<b>666</b>	<b>681</b>	<b>2,879</b>	<b>2,380</b>	<b>3,219</b>	<b>2,834</b>
As a % of total revenues	53.0%	49.4%	53.3%	47.7%	46.0%	47.9%	46.0%	49.0%	48.3%	47.4%	49.5%	51.9%	46.6%	46.9%	45.1%

(unaudited) (millions of Canadian dollars) (taxable equivalent basis)															
<b>Trading revenues</b>															
Net interest income	40	91	52	112	140	145	184	168	188	207	180	183	469	581	743
Non-interest income	227	192	249	148	80	83	98	85	12	10	47	668	261	409	154
<b>Total</b>	<b>267</b>	<b>283</b>	<b>301</b>	<b>260</b>	<b>220</b>	<b>228</b>	<b>282</b>	<b>253</b>	<b>200</b>	<b>217</b>	<b>227</b>	<b>851</b>	<b>730</b>	<b>990</b>	<b>897</b>

<b>Trading Revenues by Product</b>															
<i>Financial Markets</i>															
Equity	132	159	135	131	118	113	134	118	85	128	107	426	365	496	438
Fixed income	52	66	82	76	70	72	76	80	75	43	65	200	218	294	263
Commodity and foreign exchange	27	35	36	20	19	23	41	24	21	27	44	98	83	103	116
Trading revenues - Financial Markets	211	260	253	227	207	208	251	222	181	198	216	724	666	893	817
Other	56	23	48	33	13	20	31	31	19	19	11	127	64	97	80
<b>Total trading revenues</b>	<b>267</b>	<b>283</b>	<b>301</b>	<b>260</b>	<b>220</b>	<b>228</b>	<b>282</b>	<b>253</b>	<b>200</b>	<b>217</b>	<b>227</b>	<b>851</b>	<b>730</b>	<b>990</b>	<b>897</b>

## Non-interest expenses (excluding specified items)

(unaudited) (millions of Canadian dollars)	2018			2017				2016				YTD		Full year	
<b>Non-interest expenses</b>	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
<b>Compensation and employee benefits</b>															
Salaries	295	276	280	276	272	257	265	275	276	255	260	851	794	1,070	1,066
Variable compensation	234	234	242	236	233	223	223	214	201	171	195	710	679	915	781
Pension plans and other post-employment benefits	89	91	107	87	87	91	98	65	76	78	85	287	276	363	304
	<b>618</b>	<b>601</b>	<b>629</b>	<b>599</b>	<b>592</b>	<b>571</b>	<b>586</b>	<b>554</b>	<b>553</b>	<b>504</b>	<b>540</b>	<b>1,848</b>	<b>1,749</b>	<b>2,348</b>	<b>2,151</b>
<b>Occupancy and technology</b>															
Rent	37	39	37	39	38	38	36	37	38	38	35	113	112	151	148
Taxes & insurance	3	3	3	1	4	3	3	3	4	3	3	9	10	11	13
Maintenance, lighting, heating	7	7	8	8	7	8	10	9	9	8	8	22	25	33	34
Technology	85	93	103	95	90	89	90	93	94	89	91	281	269	364	367
Depreciation	75	71	68	64	63	61	57	55	52	53	54	214	181	245	214
	<b>207</b>	<b>213</b>	<b>219</b>	<b>207</b>	<b>202</b>	<b>199</b>	<b>196</b>	<b>197</b>	<b>197</b>	<b>191</b>	<b>191</b>	<b>639</b>	<b>597</b>	<b>804</b>	<b>776</b>
<b>Other expenses</b>															
Communications	15	17	16	14	16	15	16	16	16	18	17	48	47	61	67
Professional fees	63	56	60	64	64	60	66	83	66	66	59	179	190	254	274
Taxes on capital & salaries	20	20	20	19	20	18	16	18	17	17	19	60	54	73	71
Travel & business development	30	27	28	35	29	26	32	32	30	28	30	85	87	122	120
Other	56	55	48	33	43	47	53	54	53	47	40	159	143	176	194
	<b>184</b>	<b>175</b>	<b>172</b>	<b>165</b>	<b>172</b>	<b>166</b>	<b>183</b>	<b>203</b>	<b>182</b>	<b>176</b>	<b>165</b>	<b>531</b>	<b>521</b>	<b>686</b>	<b>726</b>
<b>Total Non-interest expenses</b>	<b>1,009</b>	<b>989</b>	<b>1,020</b>	<b>971</b>	<b>966</b>	<b>936</b>	<b>965</b>	<b>954</b>	<b>932</b>	<b>871</b>	<b>896</b>	<b>3,018</b>	<b>2,867</b>	<b>3,838</b>	<b>3,653</b>

## Consolidated Balance Sheets

(unaudited) (millions of Canadian dollars)	IFRS 9			IAS 39							
	2018			2017				2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Assets</b>											
Cash and deposits with financial institutions	11,037	10,948	11,205	8,802	10,462	9,770	8,616	8,183	8,824	7,452	6,589
Securities	73,369	73,442	72,217	65,343	62,521	65,093	65,667	64,541	62,441	58,088	56,436
Securities purchased under reverse repurchase agreements and securities borrowed	16,253	17,636	16,520	20,789	16,600	17,481	14,779	13,948	14,880	13,760	15,628
<b>Loans and acceptances</b>											
Residential mortgage - insured	29,997	30,025	30,386	30,763	31,450	31,709	32,226	32,018	30,952	29,279	28,442
- uninsured	22,734	21,849	21,163	20,871	19,978	19,297	18,637	18,291	17,661	16,680	16,956
Personal	36,459	36,155	35,556	35,590	34,724	33,614	32,752	32,192	31,753	31,317	30,823
Credit card	2,285	2,245	2,206	2,247	2,205	2,190	2,120	2,177	2,140	2,080	2,028
Business and government	45,358	43,604	41,117	41,690	41,241	39,481	37,149	37,686	37,650	34,956	33,411
Customers' liability under acceptances	6,661	6,652	6,587	5,991	5,982	5,932	6,493	6,441	6,959	8,966	8,942
Allowances for credit losses	(658)	(666)	(663)	(695)	(735)	(735)	(769)	(769)	(773)	(828)	(553)
	<b>142,836</b>	<b>139,864</b>	<b>136,352</b>	<b>136,457</b>	<b>134,845</b>	<b>131,488</b>	<b>128,608</b>	<b>128,036</b>	<b>126,342</b>	<b>122,450</b>	<b>120,049</b>
Other	14,142	14,369	14,771	14,436	15,644	15,188	16,449	17,498	17,409	18,984	20,599
<b>Total assets</b>	<b>257,637</b>	<b>256,259</b>	<b>251,065</b>	<b>245,827</b>	<b>240,072</b>	<b>239,020</b>	<b>234,119</b>	<b>232,206</b>	<b>229,896</b>	<b>220,734</b>	<b>219,301</b>
<b>Liabilities and equity</b>											
<b>Deposits</b>											
Personal	55,846	55,543	54,648	53,719	52,370	53,606	53,667	52,521	51,698	50,080	49,566
Business and government	105,566	102,922	96,173	97,571	94,868	92,447	85,366	83,905	84,425	75,888	77,126
Deposit-taking institutions	5,183	6,309	5,958	5,381	5,072	5,107	5,696	5,640	4,914	6,270	6,314
	<b>166,595</b>	<b>164,774</b>	<b>156,779</b>	<b>156,671</b>	<b>152,310</b>	<b>151,160</b>	<b>144,729</b>	<b>142,066</b>	<b>141,037</b>	<b>132,238</b>	<b>133,006</b>
<b>Other</b>											
Acceptances	6,661	6,652	6,587	5,991	5,982	5,932	6,493	6,441	6,959	8,966	8,942
Obligations related to securities sold short	15,033	12,827	15,800	15,363	13,816	12,177	14,544	14,207	12,748	14,839	15,573
Obligations related to securities sold under repurchase agreements and securities loaned	23,883	26,645	26,772	21,767	21,812	25,118	23,933	22,636	23,548	18,295	15,371
Liabilities related to transferred receivables	19,190	19,620	19,048	20,098	19,558	20,156	19,516	20,131	19,560	19,773	19,255
Other liabilities	11,268	10,978	12,363	12,370	13,213	11,784	11,388	13,611	13,013	14,198	14,719
Subordinated debt	753	755	8	9	9	10	1,009	1,012	1,014	1,015	1,021
<b>Total other liabilities</b>	<b>76,788</b>	<b>77,477</b>	<b>80,578</b>	<b>75,598</b>	<b>74,390</b>	<b>75,177</b>	<b>76,883</b>	<b>78,038</b>	<b>76,842</b>	<b>77,086</b>	<b>74,881</b>
<b>Equity</b>											
<b>Equity attributable to the Bank's shareholders</b>											
Preferred shares	2,450	2,150	2,150	2,050	2,050	1,650	1,650	1,650	1,650	1,250	1,250
Common shares	2,825	2,868	2,861	2,768	2,816	2,793	2,763	2,645	2,592	2,620	2,623
Contributed surplus	53	52	52	58	58	57	57	73	71	69	68
Retained earnings	8,404	8,018	7,785	7,706	7,540	7,164	7,065	6,706	6,683	6,530	6,593
Accumulated other comprehensive income	159	139	110	168	122	221	173	218	217	145	91
<b>Non-controlling interests</b>	363	781	750	808	786	798	799	810	804	796	789
	<b>14,254</b>	<b>14,008</b>	<b>13,708</b>	<b>13,558</b>	<b>13,372</b>	<b>12,683</b>	<b>12,507</b>	<b>12,102</b>	<b>12,017</b>	<b>11,410</b>	<b>11,414</b>
<b>Total liabilities &amp; equity</b>	<b>257,637</b>	<b>256,259</b>	<b>251,065</b>	<b>245,827</b>	<b>240,072</b>	<b>239,020</b>	<b>234,119</b>	<b>232,206</b>	<b>229,896</b>	<b>220,734</b>	<b>219,301</b>
Mortgage loan securitization (includes HELOC)	19,060	19,297	18,424	19,063	18,799	19,366	18,738	19,070	17,123	17,903	16,535
Credit card securitization	1,806	1,757	1,740	1,771	1,747	1,619	1,584	1,641	1,637	1,623	1,594
Covered bonds	8,461	7,482	7,160	7,010	6,724	6,875	6,497	6,668	7,968	7,759	8,408
Mutual funds	33,741	32,911	32,838	32,192	30,909	30,939	29,431	28,706	28,068	26,707	25,515
Securities - excess of market value over book value	(43)	(28)	(9)	47	18	195	107	406	520	327	355
Equity securities - excess of market value over book value	-	(2)	2	39	65	80	89	56	38	41	(3)
<b>Number of common shares outstanding (thousands)</b>	<b>337,441</b>	<b>339,348</b>	<b>340,390</b>	<b>339,592</b>	<b>341,580</b>	<b>341,524</b>	<b>340,810</b>	<b>338,053</b>	<b>336,826</b>	<b>337,418</b>	<b>337,535</b>

## Consolidated Statements of Changes in Equity

(unaudited) (millions of Canadian dollars)	IFRS 9			IAS 39								IFRS 9	IAS 39	IAS 39	
	2018			2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
<b>Balance at beginning</b>	<b>14,008</b>	<b>13,708</b>	<b>13,558</b>	<b>13,372</b>	<b>12,683</b>	<b>12,507</b>	<b>12,102</b>	<b>12,017</b>	<b>11,410</b>	<b>11,414</b>	<b>11,355</b>	<b>13,558</b>	<b>12,102</b>	<b>12,102</b>	<b>11,355</b>
Impact of adopting IFRS 9 on November 1, 2017	-	-	(165)									(165)			
Net income attributable to the Bank's shareholders	546	522	527	506	494	462	478	289	460	193	239	1,595	1,434	1,940	1,181
Issuances of common shares	13	21	71	19	11	30	119	12	10	8	13	105	160	179	43
Issuances of preferred shares	300	-	300	-	400	-	-	-	400	-	400	600	400	400	800
Impact of shares purchased or sold for trading	(43)	(2)	35	(56)	16	-	3	41	(38)	(11)	(4)	(10)	19	(37)	(12)
Other adjustments, common shares	-	-	-	1	-	-	(4)	-	-	-	-	-	(4)	(3)	-
Repurchases of common shares for cancellation	(13)	(12)	(13)	(12)	(4)	-	-	-	-	-	-	(38)	(4)	(16)	-
Redemption of preferred shares for cancellation	-	-	(200)	-	-	-	-	-	-	-	(173)	(200)	-	-	(173)
Premium paid on common shares repurchased for cancellation	(82)	(81)	(78)	(77)	(22)	-	-	-	-	-	-	(241)	(22)	(99)	-
Premium paid on preferred shares redeemed for cancellation	-	-	-	-	-	-	-	-	-	-	(3)	-	-	-	(3)
<b>Dividends</b>															
Dividends on common shares	(211)	(204)	(205)	(198)	(198)	(191)	(191)	(186)	(186)	(182)	(182)	(620)	(580)	(778)	(736)
Dividends on preferred shares	(25)	(26)	(22)	(27)	(19)	(20)	(19)	(23)	(14)	(16)	(8)	(73)	(58)	(85)	(61)
Share issuance expenses, net of income taxes	(6)	(1)	(5)	(1)	(7)	-	-	-	(5)	-	(6)	(12)	(7)	(8)	(11)
Remeasurements of pension plans and other post-employment benefit plans	140	(3)	36	(43)	101	(80)	119	(34)	(86)	15	(152)	173	140	97	(257)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	1	(3)	3									1			
Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss	22	19	(26)	9	26	(41)	(15)	(22)	(4)	(40)	-	15	(30)	(21)	(66)
Impact of a financial liability resulting from put options written to non-controlling interests	-	-	-	(3)	-	(31)	-	(1)	(12)	(33)	-	-	(31)	(34)	(46)
Stock option expense	3	3	3	3	2	3	3	3	3	3	3	9	8	11	12
Stock options exercised	(2)	(3)	(9)	(3)	(1)	(3)	(19)	(2)	(1)	(1)	(2)	(14)	(23)	(26)	(6)
Other adjustments, contributed surplus	-	-	-	-	-	-	-	1	-	(1)	-	-	-	-	-
Change in non-controlling interests	(418)	31	(42)	22	(12)	(1)	(11)	6	8	7	(12)	(429)	(24)	(2)	9
Accumulated other comprehensive income, net of income taxes	20	29	(48)	46	(99)	48	(45)	1	72	54	(54)	1	(96)	(50)	73
Other	1	10	(12)	-	1	-	(13)	-	-	-	-	(1)	(12)	(12)	-
<b>Balance at end</b>	<b>14,254</b>	<b>14,008</b>	<b>13,708</b>	<b>13,558</b>	<b>13,372</b>	<b>12,683</b>	<b>12,507</b>	<b>12,102</b>	<b>12,017</b>	<b>11,410</b>	<b>11,414</b>	<b>14,254</b>	<b>13,372</b>	<b>13,558</b>	<b>12,102</b>
<b>Equity</b>															
<b>Equity attributable to the Bank's shareholders</b>															
Preferred shares	2,450	2,150	2,150	2,050	2,050	1,650	1,650	1,650	1,650	1,250	1,250	2,450	2,050	2,050	1,650
Common shares	2,825	2,868	2,861	2,768	2,816	2,793	2,763	2,645	2,592	2,620	2,623	2,825	2,816	2,768	2,645
Contributed surplus	53	52	52	58	58	57	57	73	71	69	68	53	58	58	73
Retained earnings	8,404	8,018	7,785	7,706	7,540	7,164	7,065	6,706	6,683	6,530	6,593	8,404	7,540	7,706	6,706
Accumulated other comprehensive income	159	139	110	168	122	221	173	218	217	145	91	159	122	168	218
<b>Non-controlling interests</b>	363	781	750	808	786	798	799	810	804	796	789	363	786	808	810
<b>Balance at end</b>	<b>14,254</b>	<b>14,008</b>	<b>13,708</b>	<b>13,558</b>	<b>13,372</b>	<b>12,683</b>	<b>12,507</b>	<b>12,102</b>	<b>12,017</b>	<b>11,410</b>	<b>11,414</b>	<b>14,254</b>	<b>13,372</b>	<b>13,558</b>	<b>12,102</b>

# Consolidated Statements of Comprehensive Income

(unaudited) (millions of Canadian dollars)	IFRS 9			IAS 39								IFRS 9	IAS 39	IAS 39	
	2018			2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
<b>Net income</b>	569	547	550	525	518	484	497	307	478	210	261	1,666	1,499	2,024	1,256
<b>Other comprehensive income, net of income taxes</b>															
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	23	78	(81)	61	(162)	94	(57)	38	54	(140)	110	20	(125)	(64)	62
Net foreign currency translation (gains) losses on investments in foreign operations reclassified to net income	-	-	-	-	-	-	-	-	-	-	(12)	-	-	-	(12)
Impact of hedging net foreign currency translation gains (losses)	(5)	(21)	20	(18)	55	(36)	24	(17)	(33)	108	(91)	(6)	43	25	(33)
Impact of hedging net foreign currency translation (gains) losses reclassified to net income	-	-	-	-	-	-	-	-	-	-	5	-	-	-	5
<b>Net foreign currency translation adjustments</b>	<b>18</b>	<b>57</b>	<b>(61)</b>	<b>43</b>	<b>(107)</b>	<b>58</b>	<b>(33)</b>	<b>21</b>	<b>21</b>	<b>(32)</b>	<b>12</b>	<b>14</b>	<b>(82)</b>	<b>(39)</b>	<b>22</b>
Net unrealized gains (losses) on available-for-sale securities				37	(4)	65	21	23	74	82	(66)		82	119	113
Net (gains) losses on available-for-sale securities reclassified to net income				(35)	(32)	(35)	(29)	(13)	(27)	(30)	(4)		(96)	(131)	(74)
<b>Net change in available-for-sale securities</b>				<b>2</b>	<b>(36)</b>	<b>30</b>	<b>(8)</b>	<b>10</b>	<b>47</b>	<b>52</b>	<b>(70)</b>		<b>(14)</b>	<b>(12)</b>	<b>39</b>
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income	3	(9)	4									(2)			
Net (gains) losses on debt securities at fair value through other comprehensive income reclassified to net income	(7)	(3)	1									(9)			
<b>Net change in debt securities at fair value through other comprehensive income</b>	<b>(4)</b>	<b>(12)</b>	<b>5</b>									<b>(11)</b>			
Net gains (losses) on derivative financial instruments designated as cash flow hedges	13	-	11	20	42	(29)	-	(23)	13	40	4	24	13	33	34
Net (gains) losses on designated derivative financial instruments reclassified to net income	(11)	(11)	(10)	(8)	(5)	(7)	(6)	(5)	(6)	(4)	(3)	(32)	(18)	(26)	(18)
<b>Net change in cash flow hedges</b>	<b>2</b>	<b>(11)</b>	<b>1</b>	<b>12</b>	<b>37</b>	<b>(36)</b>	<b>(6)</b>	<b>(28)</b>	<b>7</b>	<b>36</b>	<b>1</b>	<b>(8)</b>	<b>(5)</b>	<b>7</b>	<b>16</b>
<b>Share in the other comprehensive income of associates and joint ventures</b>	<b>5</b>	<b>(1)</b>	<b>2</b>	<b>(9)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>4</b>	<b>6</b>	<b>(1)</b>	<b>(10)</b>	<b>1</b>
<b>Remeasurements of pension plans and other post-employment benefit plans</b>	<b>140</b>	<b>(3)</b>	<b>36</b>	<b>(43)</b>	<b>101</b>	<b>(80)</b>	<b>119</b>	<b>(34)</b>	<b>(86)</b>	<b>15</b>	<b>(152)</b>	<b>173</b>	<b>140</b>	<b>97</b>	<b>(257)</b>
<b>Net gains (losses) on equity securities designated at fair value through other comprehensive income</b>	<b>1</b>	<b>(3)</b>	<b>3</b>									<b>1</b>			
<b>Net fair value change attributable to the credit risk on financial liabilities designated at fair value through profit or loss</b>	<b>22</b>	<b>19</b>	<b>(26)</b>	<b>9</b>	<b>26</b>	<b>(41)</b>	<b>(15)</b>	<b>(22)</b>	<b>(4)</b>	<b>(40)</b>	<b>-</b>	<b>15</b>	<b>(30)</b>	<b>(21)</b>	<b>(66)</b>
<b>Total other comprehensive income, net of income taxes</b>	<b>184</b>	<b>46</b>	<b>(40)</b>	<b>14</b>	<b>20</b>	<b>(69)</b>	<b>57</b>	<b>(53)</b>	<b>(15)</b>	<b>28</b>	<b>(205)</b>	<b>190</b>	<b>8</b>	<b>22</b>	<b>(245)</b>
<b>Comprehensive income</b>	<b>753</b>	<b>593</b>	<b>510</b>	<b>539</b>	<b>538</b>	<b>415</b>	<b>554</b>	<b>254</b>	<b>463</b>	<b>238</b>	<b>56</b>	<b>1,856</b>	<b>1,507</b>	<b>2,046</b>	<b>1,011</b>
<b>Comprehensive income attributable to:</b>															
Bank shareholders	729	564	492	518	522	389	537	234	442	222	33	1,785	1,448	1,966	931
Non-controlling interests	24	29	18	21	16	26	17	20	21	16	23	71	59	80	80

## Distribution of Gross Loans and Acceptances, Gross Impaired Loans and Allowances for Credit Losses by Borrower Category

IFRS 9												
2018												
Q3												
Q2												
Q1												
(unaudited) (millions of Canadian dollars)	Gross loans	Gross impaired loans <sup>(1)</sup>	Allowances for credit losses on impaired loans <sup>(2)</sup> Stage 3	Provisions for credit losses on impaired loans	Gross loans	Gross impaired loans <sup>(1)</sup>	Allowances for credit losses on impaired loans <sup>(2)</sup> Stage 3	Provisions for credit losses on impaired loans	Gross loans	Gross impaired loans <sup>(1)</sup>	Allowances for credit losses on impaired loans <sup>(2)</sup> Stage 3	Provisions for credit losses on impaired loans
Residential mortgage <sup>(3)</sup>	69,207	180	22	2	67,790	179	21	2	67,153	180	20	4
Qualifying revolving retail	4,185	23	13	26	4,145	22	14	28	4,158	22	14	26
Other retail <sup>(4)</sup>	12,055	86	50	44	12,163	84	47	41	12,042	84	43	36
<b>Total retail</b>	<b>85,447</b>	<b>289</b>	<b>85</b>	<b>72</b>	<b>84,098</b>	<b>285</b>	<b>82</b>	<b>71</b>	<b>83,353</b>	<b>286</b>	<b>77</b>	<b>66</b>
Agriculture	5,628	45	5	–	5,399	33	4	(1)	5,046	29	6	–
Oil & Gas	2,419	102	53	–	2,322	104	52	4	2,140	116	47	6
Mining	868	–	–	–	819	–	–	–	439	–	–	–
Utilities	2,567	–	–	–	2,201	4	4	–	2,252	4	4	–
Construction <sup>(5)</sup>	2,980	8	4	–	2,983	9	4	–	2,838	14	6	(4)
Manufacturing	5,379	53	21	11	4,918	17	11	–	4,481	17	12	–
Wholesale Trade	2,183	9	7	–	2,154	11	8	1	2,008	13	7	–
Retail Trade	3,053	12	9	–	3,177	14	10	1	3,183	14	10	10
Transportation	2,658	1	–	–	2,487	1	–	–	2,521	3	2	–
Communications	1,655	16	10	3	1,591	9	8	–	1,463	9	8	(1)
Finance and Insurance	4,867	24	1	–	4,706	24	–	–	4,412	–	–	–
Real Estate <sup>(6)</sup>	9,399	15	2	–	9,637	30	4	1	9,438	14	4	(1)
Professional Services	1,559	6	3	1	1,494	4	2	–	1,322	3	2	(1)
Education & Health Care	3,020	19	–	–	2,916	18	1	–	2,994	18	1	(1)
Other Services	4,820	30	16	3	4,756	21	13	1	4,577	23	12	–
Government	1,421	–	–	–	1,211	–	–	–	1,219	–	–	–
Other <sup>(7)</sup>	2,238	1	1	–	2,186	2	1	–	1,977	19	13	(1)
<b>Total – Non-retail</b>	<b>56,714</b>	<b>341</b>	<b>132</b>	<b>18</b>	<b>54,957</b>	<b>301</b>	<b>122</b>	<b>7</b>	<b>52,310</b>	<b>296</b>	<b>134</b>	<b>7</b>
<b>Total</b>	<b>142,161</b>	<b>630</b>	<b>217</b>	<b>90</b>	<b>139,055</b>	<b>586</b>	<b>204</b>	<b>78</b>	<b>135,663</b>	<b>582</b>	<b>211</b>	<b>73</b>
Stages 1 and 2 <sup>(8)</sup> - Retail			373	(16)			394	4			380	14
Stages 1, 2 and 3 <sup>(8)</sup> - Non-retail			174	11			156	9			153	5
Purchased or originated credit-impaired (POCI)	1,333	1,333	(44)	(9)	1,475	1,475	(34)	–	1,352	1,352	(28)	(5)
<b>Total</b>	<b>143,494</b>	<b>1,963</b>	<b>720</b>	<b>76</b>	<b>140,530</b>	<b>2,061</b>	<b>720</b>	<b>91</b>	<b>137,015</b>	<b>1,934</b>	<b>716</b>	<b>87</b>

  

IAS 39												
2017												
Q4												
Q3												
Q2												
(unaudited) (millions of Canadian dollars)	Gross loans	Gross impaired loans <sup>(1)</sup>	Individual and collective allowances on impaired loans	Provisions for credit losses on impaired loans	Gross loans	Gross impaired loans <sup>(1)</sup>	Individual and collective allowances on impaired loans	Provisions for credit losses on impaired loans	Gross loans	Gross impaired loans <sup>(1)</sup>	Individual and collective allowances on impaired loans	Provisions for credit losses on impaired loans
Residential mortgage <sup>(3)</sup>	66,398	68	13	3	65,905	72	13	4	64,798	76	13	3
Qualifying revolving retail	4,217	17	10	26	4,180	17	10	26	4,156	18	10	26
Other retail <sup>(4)</sup>	12,150	53	29	28	12,011	59	29	22	11,447	51	28	19
<b>Total retail</b>	<b>82,765</b>	<b>138</b>	<b>52</b>	<b>57</b>	<b>82,096</b>	<b>148</b>	<b>52</b>	<b>52</b>	<b>80,401</b>	<b>145</b>	<b>51</b>	<b>48</b>
Agriculture	4,923	7	3	–	4,821	17	2	(1)	4,672	20	3	–
Oil & Gas	2,129	93	34	–	1,963	143	68	–	1,789	109	61	(40)
Mining	470	–	–	–	492	–	–	–	468	–	–	–
Utilities	2,347	4	4	–	2,712	4	4	–	2,221	4	4	–
Construction <sup>(5)</sup>	2,787	29	17	3	2,636	34	15	3	2,566	34	12	5
Manufacturing	4,341	16	14	–	4,186	17	16	–	4,089	18	16	(1)
Wholesale Trade	2,066	12	7	(1)	2,277	13	7	1	2,123	13	7	–
Retail Trade	3,431	32	15	9	2,911	11	7	1	2,851	12	8	1
Transportation	2,593	3	2	–	2,360	5	4	–	2,551	5	4	–
Communications	1,662	13	8	–	1,696	14	8	1	1,580	15	8	1
Finance and Insurance	4,932	–	–	–	5,341	–	–	–	4,198	–	–	–
Real Estate <sup>(6)</sup>	9,104	12	3	–	8,851	14	4	–	8,676	9	4	–
Professional Services	1,416	3	1	–	1,371	3	2	–	1,572	5	2	1
Education & Health Care	2,749	1	1	–	2,810	13	13	–	2,767	13	13	–
Other Services	4,762	15	11	1	4,643	17	11	1	4,427	13	9	1
Government	1,452	–	–	–	1,316	–	–	–	1,310	–	–	–
Other <sup>(7)</sup>	2,233	2	2	1	1,452	7	7	–	2,266	7	7	40
<b>Total – Non-retail</b>	<b>52,397</b>	<b>242</b>	<b>122</b>	<b>13</b>	<b>51,838</b>	<b>312</b>	<b>168</b>	<b>6</b>	<b>50,126</b>	<b>277</b>	<b>158</b>	<b>8</b>
<b>Total</b>	<b>135,162</b>	<b>380</b>	<b>174</b>	<b>70</b>	<b>133,934</b>	<b>460</b>	<b>220</b>	<b>58</b>	<b>130,527</b>	<b>422</b>	<b>209</b>	<b>56</b>
Purchased or originated credit-impaired (POCI)	1,990	1,990	(24)	–	1,646	1,646	(32)	–	1,696	1,696	(27)	–
<b>Total</b>	<b>137,152</b>	<b>2,370</b>	<b>150</b>	<b>70</b>	<b>135,580</b>	<b>2,106</b>	<b>188</b>	<b>58</b>	<b>132,223</b>	<b>2,118</b>	<b>182</b>	<b>56</b>

(1) Given the adoption of IFRS 9, all loans classified in Stage 3 in the expected credit loss model are impaired loans and do not take into account purchased or originated credit-impaired loans. During the second quarter of 2018, upon refinement of the impaired loans identification process, certain loans classified in Stage 1 and 2 as at November 1, 2017 and as at January 31, 2018, were reclassified in Stage 3. Under IAS 39, loans were considered impaired according to different criteria.

(2) Allowances for credit losses are based on drawn amounts.

(3) Includes Retail residential mortgages of one to four units (Basel definition) and HELOC.

(4) Includes consumer loans and other personal loans but excludes SME retail which are included in Non-Retail Portfolio.

(5) Includes some public private partnership and project finance loans.

(6) Includes residential mortgages 5 units and more.

(7) Since Q1-2017, the acquired loans for securitization purposes by the Financial Markets segment are presented in the Residential Mortgage category.

(8) Includes other financial assets at amortized cost and off-balance-sheet commitments.

## Residential Mortgage Portfolio Information

(unaudited) (millions of Canadian dollars)	Q3 2018													
	Residential Mortgage Portfolio								Average LTV for mortgages originated and acquired during the quarter <sup>(2)</sup>		Residential Mortgage <sup>(2)</sup> exposure groups by LTV buckets <sup>(2)(3)</sup>		Residential Mortgage Portfolio (remaining amortization) <sup>(2)(4)</sup>	
	Insured		Uninsured		HELOC		Total		Uninsured <sup>(5)</sup>	HELOC <sup>(6)</sup>	Canada		Canada	
Quebec	12,951	19.4%	9,639	14.4%	13,757	20.6%	36,347	54.4%	71%	70%	30% or less	5.4%	0 - 20 years	22.4%
Ontario	7,584	11.4%	4,822	7.2%	5,056	7.6%	17,462	26.2%	68%	62%	31% - 60%	31.6%	20 - 25 years	51.8%
Alberta	3,449	5.2%	760	1.1%	943	1.4%	5,152	7.7%	71%	71%	61% - 70%	19.8%	25 - 30 years	24.9%
British Columbia	2,199	3.3%	973	1.5%	1,275	1.9%	4,447	6.7%	63%	57%	71% - 80%	26.7%	30 - 35 years	0.9%
New Brunswick	606	0.9%	272	0.4%	240	0.4%	1,118	1.7%	75%	69%	81% - 90%	8.9%	35 years and +	0.0%
Saskatchewan	673	1.0%	115	0.2%	181	0.3%	969	1.5%	76%	73%	91% - 95%	4.0%	Total	100.0%
Manitoba	303	0.5%	73	0.1%	142	0.2%	518	0.8%	74%	68%	96% or more	3.6%		
Other Canadian provinces <sup>(7)</sup>	442	0.6%	106	0.2%	121	0.2%	669	1.0%	71%	69%	Total	100.0%		
<b>Total</b>	<b>28,207</b>	<b>42.3%</b>	<b>16,760</b>	<b>25.1%</b>	<b>21,715</b>	<b>32.6%</b>	<b>66,682</b>	<b>100.0%</b>	<b>70%</b>	<b>66%</b>				
USA, Cambodia and Others			2,525				2,525							
Other residential mortgages <sup>(8)</sup>	1,790		3,449				5,239							
<b>Total</b>	<b>29,997</b>	<b>40.3%</b>	<b>22,734</b>	<b>30.5%</b>	<b>21,715</b>	<b>29.2%</b>	<b>74,446</b>	<b>100.0%</b>						

(unaudited) (millions of Canadian dollars)	Q2 2018													
	Residential Mortgage Portfolio								Average LTV for mortgages originated and acquired during the quarter <sup>(2)</sup>		Residential Mortgage <sup>(2)</sup> exposure groups by LTV buckets <sup>(2)(3)</sup>		Residential Mortgage Portfolio (remaining amortization) <sup>(2)(4)</sup>	
	Insured		Uninsured		HELOC		Total		Uninsured <sup>(5)</sup>	HELOC <sup>(6)</sup>	Canada		Canada	
Quebec	13,032	19.9%	9,267	14.2%	13,567	20.7%	35,866	54.8%	71%	70%	30% or less	5.4%	0 - 20 years	22.7%
Ontario	7,620	11.7%	4,535	6.9%	4,788	7.3%	16,943	25.9%	68%	61%	31% - 60%	30.9%	20 - 25 years	51.8%
Alberta	3,385	5.2%	739	1.1%	936	1.4%	5,060	7.7%	72%	71%	61% - 70%	19.3%	25 - 30 years	25.1%
British Columbia	2,250	3.5%	936	1.4%	1,210	1.8%	4,396	6.7%	65%	58%	71% - 80%	26.1%	30 - 35 years	0.9%
New Brunswick	604	0.9%	266	0.4%	236	0.4%	1,106	1.7%	74%	70%	81% - 90%	10.4%	35 years and +	0.0%
Saskatchewan	656	1.0%	107	0.2%	175	0.3%	938	1.5%	73%	73%	91% - 95%	3.9%	Total	100.0%
Manitoba	286	0.4%	66	0.1%	137	0.2%	489	0.7%	73%	66%	96% or more	4.0%		
Other Canadian provinces <sup>(7)</sup>	424	0.6%	100	0.2%	119	0.2%	643	1.0%	70%	70%	Total	100.0%		
<b>Total</b>	<b>28,257</b>	<b>43.2%</b>	<b>16,016</b>	<b>24.5%</b>	<b>21,168</b>	<b>32.3%</b>	<b>65,441</b>	<b>100.0%</b>	<b>70%</b>	<b>66%</b>				
USA, Cambodia and Others			2,349				2,349							
Other residential mortgages <sup>(8)</sup>	1,768		3,484				5,252							
<b>Total</b>	<b>30,025</b>	<b>41.1%</b>	<b>21,849</b>	<b>29.9%</b>	<b>21,168</b>	<b>29.0%</b>	<b>73,042</b>	<b>100.0%</b>						

(unaudited) (millions of Canadian dollars)	Q1 2018													
	Residential Mortgage Portfolio								Average LTV for mortgages originated and acquired during the quarter <sup>(2)</sup>		Residential Mortgage <sup>(2)</sup> exposure groups by LTV buckets <sup>(2)(3)</sup>		Residential Mortgage Portfolio (remaining amortization) <sup>(2)(4)</sup>	
	Insured		Uninsured		HELOC		Total		Uninsured <sup>(5)</sup>	HELOC <sup>(6)</sup>	Canada		Canada	
Quebec	13,228	20.3%	9,077	14.0%	13,417	20.6%	35,722	54.9%	72%	70%	30% or less	5.5%	0 - 20 years	21.7%
Ontario	7,762	11.9%	4,357	6.7%	4,617	7.1%	16,736	25.7%	69%	62%	31% - 60%	31.0%	20 - 25 years	51.7%
Alberta	3,386	5.2%	727	1.1%	944	1.5%	5,057	7.8%	73%	68%	61% - 70%	19.3%	25 - 30 years	25.5%
British Columbia	2,310	3.7%	900	1.3%	1,179	1.7%	4,389	6.7%	66%	56%	71% - 80%	26.4%	30 - 35 years	1.1%
New Brunswick	610	0.9%	261	0.4%	235	0.4%	1,106	1.7%	71%	68%	81% - 90%	10.0%	35 years and +	0.0%
Saskatchewan	654	1.0%	107	0.2%	176	0.3%	937	1.5%	76%	75%	91% - 95%	3.9%	Total	100.0%
Manitoba	288	0.4%	64	0.1%	135	0.2%	487	0.7%	75%	70%	96% or more	3.9%		
Other Canadian provinces <sup>(7)</sup>	416	0.6%	98	0.2%	119	0.2%	633	1.0%	72%	68%	Total	100.0%		
<b>Total</b>	<b>28,654</b>	<b>44.0%</b>	<b>15,591</b>	<b>24.0%</b>	<b>20,822</b>	<b>32.0%</b>	<b>65,067</b>	<b>100.0%</b>	<b>70%</b>	<b>65%</b>				
USA, Cambodia and Others			2,086				2,086							
Other residential mortgages <sup>(8)</sup>	1,732		3,486				5,218							
<b>Total</b>	<b>30,386</b>	<b>42.0%</b>	<b>21,163</b>	<b>29.2%</b>	<b>20,822</b>	<b>28.8%</b>	<b>72,371</b>	<b>100.0%</b>						

(unaudited) (millions of Canadian dollars)	Q4 2017													
	Residential Mortgage Portfolio								Average LTV for mortgages originated and acquired during the quarter <sup>(2)</sup>		Residential Mortgage <sup>(2)</sup> exposure groups by LTV buckets <sup>(2)(3)</sup>		Residential Mortgage Portfolio (remaining amortization) <sup>(2)(4)</sup>	
	Insured		Uninsured		HELOC		Total		Uninsured <sup>(5)</sup>	HELOC <sup>(6)</sup>	Canada		Canada	
Quebec	13,359	20.6%	9,000	13.9%	13,378	20.6%	35,737	55.1%	71%	70%	30% or less	5.8%	0 - 20 years	20.9%
Ontario	7,898	12.2%	4,151	6.4%	4,490	6.9%	16,539	25.5%	68%	62%	31% - 60%	31.5%	20 - 25 years	51.8%
Alberta	3,368	5.2%	737	1.2%	934	1.4%	5,039	7.8%	71%	71%	61% - 70%	18.3%	25 - 30 years	26.0%
British Columbia	2,348	3.6%	859	1.3%	1,146	1.8%	4,353	6.7%	63%	58%	71% - 80%	26.3%	30 - 35 years	1.3%
New Brunswick	612	0.9%	257	0.4%	236	0.4%	1,105	1.7%	72%	71%	81% - 90%	10.1%	35 years and +	0.0%
Saskatchewan	644	1.0%	108	0.2%	179	0.3%	931	1.5%	76%	68%	91% - 95%	4.1%	Total	100.0%
Manitoba	286	0.4%	61	0.1%	137	0.2%	484	0.7%	74%	67%	96% or more	3.9%		
Other Canadian provinces <sup>(7)</sup>	409	0.7%	94	0.1%	117	0.2%	620	1.0%	77%	69%	Total	100.0%		
<b>Total</b>	<b>28,924</b>	<b>44.6%</b>	<b>15,267</b>	<b>23.6%</b>	<b>20,617</b>	<b>31.8%</b>	<b>64,808</b>	<b>100.0%</b>	<b>69%</b>	<b>65%</b>				
USA, Cambodia and Others			1,590				1,590							
Other residential mortgages <sup>(8)</sup>	1,839		4,014				5,853							
<b>Total</b>	<b>30,763</b>	<b>43.9%</b>	<b>20,871</b>	<b>28.9%</b>	<b>20,617</b>	<b>28.5%</b>	<b>72,251</b>	<b>100.0%</b>						

(1) Excluding non-Canadian mortgages.

(2) Includes HELOC.

(3) Property values are updated using Teranet National Bank sub-indices by area and property type.

(4) Excludes amortization for the HELOC's amortized portion. The remaining amortization period is being disclosed.

(5) LTV is calculated using the outstanding amount and weighted by the outstanding of each loan.

(6) LTV is calculated using the authorized amount and weighted by the authorized amount of each line. Includes both revolving and amortized portions. Since Q1-2017, the acquired loans for securitization purposes by the Financial Markets segment are presented in the Residential Mortgage category.

(7) Others include: Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Northwest Territories, Yukon.

(8) Includes residential mortgages of 5 units and more and non-retail residential mortgages of 1 to 4 units. Purchased or originated credit impaired loans volume has been added to this category in Q1-18 and historical information has been restated.

Also includes acquired loans for securitization purposes by the Financial Markets segment until Q4-2016. Starting Q1-2017, those loans are broken down by provinces.

## Residential Mortgage Portfolio Information (continued)

(unaudited) (millions of Canadian dollars)		Q3 2017													
		Residential Mortgage Portfolio								Average LTV for mortgages originated and acquired during the quarter <sup>(1)</sup>		Residential Mortgage <sup>(2)</sup> exposure groups by LTV buckets <sup>(3)(4)</sup>		Residential Mortgage Portfolio (remaining amortization) <sup>(5)(6)</sup>	
		Insured		Uninsured		HELOC		Total		Uninsured <sup>(7)</sup>	HELOC <sup>(8)</sup>	Canada		Canada	
Quebec	13,627	21.2%	8,730	13.5%	13,215	20.5%	35,572	55.2%	73%	70%	30 % or less	6.1%	0 - 20 years	20.4%	
Ontario	8,168	12.7%	3,854	6.0%	4,338	6.7%	16,360	25.4%	68%	61%	31 % - 60 %	31.5%	20 - 25 years	50.6%	
Alberta	3,450	5.3%	743	1.2%	929	1.4%	5,122	7.9%	73%	70%	61 % - 70 %	18.1%	25 - 30 years	27.3%	
British Columbia	2,459	3.8%	803	1.2%	1,107	1.8%	4,369	6.8%	64%	61%	71 % - 80 %	26.7%	30 - 35 years	1.7%	
New Brunswick	614	1.0%	247	0.4%	238	0.3%	1,099	1.7%	73%	73%	81 % - 90 %	9.5%	35 years and +	0.0%	
Saskatchewan	645	1.0%	108	0.2%	175	0.2%	928	1.4%	75%	70%	91 % - 95 %	4.0%	Total	100.0%	
Manitoba	289	0.4%	55	0.1%	134	0.2%	478	0.7%	70%	67%	96 % or more	4.1%			
Others Canadian provinces <sup>(7)</sup>	403	0.6%	90	0.1%	113	0.2%	606	0.9%	78%	67%	Total	100.0%			
<b>Total</b>	<b>29,655</b>	<b>46.0%</b>	<b>14,630</b>	<b>22.7%</b>	<b>20,249</b>	<b>31.3%</b>	<b>64,534</b>	<b>100.0%</b>	<b>70%</b>	<b>66%</b>					
USA, Cambodia and Others			1,371				1,371								
Other residential mortgages <sup>(8)</sup>	1,795		3,977				5,772								
<b>Total</b>	<b>31,450</b>	<b>43.9%</b>	<b>19,978</b>	<b>27.9%</b>	<b>20,249</b>	<b>28.2%</b>	<b>71,677</b>	<b>100.0%</b>							

(unaudited) (millions of Canadian dollars)		Q2 2017													
		Residential Mortgage Portfolio								Average LTV for mortgages originated and acquired during the quarter <sup>(1)</sup>		Residential Mortgage <sup>(2)</sup> exposure groups by LTV <sup>(3)(4)</sup>		Residential Mortgage Portfolio (remaining amortization) <sup>(5)(6)</sup>	
		Insured		Uninsured		HELOC		Total		Uninsured <sup>(7)</sup>	HELOC <sup>(8)</sup>	Canada		Canada	
Quebec	13,778	21.8%	8,323	13.2%	13,037	20.5%	35,138	55.5%	71%	69%	30 % or less	5.3%	0 - 20 years	20.5%	
Ontario	8,329	13.1%	3,485	5.5%	4,171	6.6%	15,985	25.2%	68%	61%	31 % - 60 %	28.7%	20 - 25 years	49.4%	
Alberta	3,372	5.3%	740	1.2%	919	1.4%	5,031	7.9%	72%	70%	61 % - 70 %	18.4%	25 - 30 years	28.6%	
British Columbia	2,477	3.9%	753	1.2%	1,038	1.6%	4,268	6.7%	63%	57%	71 % - 80 %	26.1%	30 - 35 years	1.5%	
New Brunswick	624	1.0%	239	0.3%	235	0.4%	1,098	1.7%	74%	71%	81 % - 90 %	12.4%	35 years and +	0.0%	
Saskatchewan	623	1.0%	107	0.1%	171	0.3%	901	1.4%	72%	71%	91 % - 95 %	4.1%	Total	100.0%	
Manitoba	274	0.4%	52	0.1%	130	0.2%	456	0.7%	67%	67%	96 % or more	5.0%			
Others Canadian provinces <sup>(7)</sup>	392	0.6%	88	0.1%	111	0.2%	591	0.9%	73%	67%	Total	100.0%			
<b>Total</b>	<b>29,869</b>	<b>47.1%</b>	<b>13,787</b>	<b>21.7%</b>	<b>19,812</b>	<b>31.2%</b>	<b>63,468</b>	<b>100.0%</b>	<b>70%</b>	<b>66%</b>					
USA, Cambodia and Others			1,330				1,330								
Other residential mortgages <sup>(8)</sup>	1,840		4,180				6,020								
<b>Total</b>	<b>31,709</b>	<b>44.8%</b>	<b>19,297</b>	<b>27.2%</b>	<b>19,812</b>	<b>28.0%</b>	<b>70,818</b>	<b>100.0%</b>							

(unaudited) (millions of Canadian dollars)		Q1 2017													
		Residential Mortgage Portfolio								Average LTV for mortgages originated and acquired during the quarter <sup>(1)</sup>		Residential Mortgage <sup>(2)</sup> exposure groups by LTV <sup>(3)(4)</sup>		Residential Mortgage Portfolio (remaining amortization) <sup>(5)(6)</sup>	
		Insured		Uninsured		HELOC		Total		Uninsured <sup>(7)</sup>	HELOC <sup>(8)</sup>	Canada		Canada	
Quebec	13,997	22.2%	8,097	12.8%	12,944	20.4%	35,038	55.4%	71%	69%	30 % or less	5.2%	0 - 20 years	20.0%	
Ontario	8,554	13.5%	3,300	5.2%	4,100	6.5%	15,954	25.2%	67%	62%	31 % - 60 %	27.7%	20 - 25 years	49.1%	
Alberta	3,377	5.3%	747	1.2%	923	1.5%	5,047	8.0%	73%	69%	61 % - 70 %	18.8%	25 - 30 years	29.3%	
British Columbia	2,527	4.0%	695	1.1%	1,022	1.6%	4,244	6.7%	64%	56%	71 % - 80 %	27.3%	30 - 35 years	1.6%	
New Brunswick	635	1.0%	234	0.3%	234	0.4%	1,103	1.7%	75%	69%	81 % - 90 %	11.6%	35 years and +	0.0%	
Saskatchewan	615	1.0%	103	0.2%	167	0.2%	885	1.4%	75%	66%	91 % - 95 %	4.2%	Total	100.0%	
Manitoba	278	0.4%	53	0.1%	127	0.2%	458	0.7%	75%	63%	96 % or more	5.2%			
Others <sup>(7)</sup>	394	0.6%	86	0.1%	111	0.2%	591	0.9%	76%	68%	Total	100.0%			
<b>Total</b>	<b>30,377</b>	<b>48.0%</b>	<b>13,315</b>	<b>21.0%</b>	<b>19,628</b>	<b>31.0%</b>	<b>63,320</b>	<b>100.0%</b>	<b>69%</b>	<b>65%</b>					
USA, Cambodia and Others			1,076				1,076								
Other residential mortgages <sup>(8)</sup>	1,849		4,246				6,095								
<b>Total</b>	<b>32,226</b>	<b>45.7%</b>	<b>18,637</b>	<b>26.4%</b>	<b>19,628</b>	<b>27.9%</b>	<b>70,491</b>	<b>100.0%</b>							

(unaudited) (millions of Canadian dollars)		Q4 2016													
		Residential Mortgage Portfolio								Average LTV for mortgages originated and acquired during the quarter <sup>(1)</sup>		Residential Mortgage <sup>(2)</sup> exposure groups by LTV <sup>(3)(4)</sup>		Residential Mortgage Portfolio (remaining amortization) <sup>(5)(6)</sup>	
		Insured		Uninsured		HELOC		Total		Uninsured <sup>(7)</sup>	HELOC <sup>(8)</sup>	Canada		Canada	
Quebec	13,966	24.4%	8,034	14.0%	12,881	22.5%	34,881	60.9%	71%	70%	30 % or less	5.7%	0 - 20 years	20.4%	
Ontario	6,051	10.6%	3,199	5.5%	4,052	7.1%	13,302	23.2%	68%	62%	31 % - 60 %	28.7%	20 - 25 years	45.8%	
Alberta	1,853	3.2%	755	1.4%	925	1.6%	3,533	6.2%	73%	67%	61 % - 70 %	19.6%	25 - 30 years	31.5%	
British Columbia	1,524	2.7%	656	1.1%	1,000	1.7%	3,180	5.5%	63%	54%	71 % - 80 %	27.8%	30 - 35 years	2.3%	
New Brunswick	576	1.0%	231	0.4%	233	0.4%	1,040	1.8%	74%	65%	81 % - 90 %	10.6%	35 years and +	0.0%	
Saskatchewan	314	0.5%	103	0.2%	172	0.3%	589	1.0%	74%	70%	91 % - 95 %	3.9%	Total	100.0%	
Manitoba	144	0.3%	53	0.1%	126	0.2%	323	0.6%	74%	65%	96 % or more	3.7%			
Others <sup>(7)</sup>	254	0.4%	83	0.2%	108	0.2%	445	0.8%	77%	68%	Total	100.0%			
<b>Total</b>	<b>24,682</b>	<b>43.1%</b>	<b>13,114</b>	<b>22.9%</b>	<b>19,497</b>	<b>34.0%</b>	<b>57,293</b>	<b>100.0%</b>	<b>69%</b>	<b>66%</b>					
USA, Cambodia and Others			972				972								
Other residential mortgages <sup>(8)</sup>	7,336		4,205				11,541								
<b>Total</b>	<b>32,018</b>	<b>45.9%</b>	<b>18,291</b>	<b>26.2%</b>	<b>19,497</b>	<b>27.9%</b>	<b>69,806</b>	<b>100.0%</b>							

(1) Excluding non-Canadian mortgages.

(2) Includes HELOC.

(3) Property values are updated using Teranet-National Bank sub-indices by area and property type.

(4) Excludes amortization for the HELOC's amortized portion. The remaining amortization period is being disclosed.

(5) LTV is calculated using the outstanding amount and weighted by the outstanding of each loan.

(6) LTV is calculated using the authorized amount and weighted by the authorized amount of each line. Includes both revolving and amortized portions. Since Q1-2017, the acquired loans for securitization purposes by the Financial Markets segment are presented in the Residential Mortgage category.

(7) Others include: Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Northwest Territories, Yukon.

(8) Includes residential mortgages of 5 units and more and non-retail residential mortgages of 1 to 4 units. Purchased or originated credit impaired loans volume has been added to this category in Q1-18 and historical information has been restated.

Also includes acquired loans for securitization purposes by the Financial Markets segment until Q4-2016. Starting Q1-2017, those loans are broken down by provinces.

## Geographic Distribution of Gross Loans and Acceptances, Gross Impaired Loans and Allowances for Credit Losses<sup>(1)</sup>

IFRS 9									
2018									
	Q3			Q2			Q1		
	Gross loans <sup>(2)</sup>	Gross impaired loans <sup>(3)</sup>	Allowance for credit losses on impaired loans <sup>(4)</sup> Stage 3	Gross loans <sup>(2)</sup>	Gross impaired loans <sup>(3)</sup>	Allowance for credit losses on impaired loans <sup>(4)</sup> Stage 3	Gross loans <sup>(2)</sup>	Gross impaired loans <sup>(3)</sup>	Allowance for credit losses on impaired loans <sup>(4)</sup> Stage 3
(unaudited) (millions of Canadian dollars)									
<b>Canada</b>									
Residential mortgage <sup>(5)</sup>	66,682	159	13	65,441	162	14	65,067	164	14
Qualifying revolving retail	4,185	23	13	4,145	22	14	4,158	22	14
Other retail <sup>(6)</sup>	10,599	74	40	10,632	73	38	10,521	74	34
Non Retail	51,528	334	132	49,906	297	122	47,409	277	121
	<b>132,994</b>	<b>590</b>	<b>198</b>	<b>130,124</b>	<b>554</b>	<b>188</b>	<b>127,155</b>	<b>537</b>	<b>183</b>
<b>United States</b>									
Residential mortgage <sup>(5)</sup>	615	6	2	625	6	1	606	5	1
Qualifying revolving retail	-	-	-	-	-	-	-	-	-
Other retail <sup>(6)</sup>	1,395	11	9	1,471	9	9	1,460	9	9
Non Retail	4,510	7	-	4,309	4	-	4,103	19	13
	<b>6,520</b>	<b>24</b>	<b>11</b>	<b>6,405</b>	<b>19</b>	<b>10</b>	<b>6,169</b>	<b>33</b>	<b>23</b>
<b>Europe</b>									
Non Retail	352	-	-	298	-	-	225	-	-
<b>Others</b>									
Residential mortgage <sup>(5)</sup>	1,910	15	7	1,724	11	6	1,480	11	5
Qualifying revolving retail	-	-	-	-	-	-	-	-	-
Other retail <sup>(6)</sup>	61	1	1	60	2	-	61	1	-
Non Retail	324	-	-	444	-	-	573	-	-
	<b>2,295</b>	<b>16</b>	<b>8</b>	<b>2,228</b>	<b>13</b>	<b>6</b>	<b>2,114</b>	<b>12</b>	<b>5</b>
	<b>142,161</b>	<b>630</b>	<b>217</b>	<b>139,055</b>	<b>586</b>	<b>204</b>	<b>135,663</b>	<b>582</b>	<b>211</b>
Stages 1 and 2 <sup>(7)</sup> - Retail			373			394			380
Stages 1, 2 and 3 <sup>(7)</sup> - Non-retail			174			156			153
Purchased or originated credit-impaired	1,333	1,333	(44)	1,475	1,475	(34)	1,352	1,352	(28)
<b>Total</b>	<b>143,494</b>	<b>1,963</b>	<b>720</b>	<b>140,530</b>	<b>2,061</b>	<b>720</b>	<b>137,015</b>	<b>1,934</b>	<b>716</b>

IAS 39									
2017									
	Q4			Q3			Q2		
	Gross loans <sup>(2)</sup>	Gross impaired loans <sup>(3)</sup>	Individual and collective allowances on impaired loans	Gross loans <sup>(2)</sup>	Gross impaired loans <sup>(3)</sup>	Individual and collective allowances on impaired loans	Gross loans <sup>(2)</sup>	Gross impaired loans <sup>(3)</sup>	Individual and collective allowances on impaired loans
(unaudited) (millions of Canadian dollars)									
<b>Canada</b>									
Residential mortgage <sup>(5)</sup>	64,808	62	9	64,534	67	10	63,468	72	11
Qualifying revolving retail	4,217	17	10	4,180	17	10	4,156	18	10
Other retail <sup>(6)</sup>	10,375	52	29	10,339	50	29	10,149	50	27
Non Retail	47,094	242	122	46,308	312	168	46,010	274	155
	<b>126,494</b>	<b>373</b>	<b>170</b>	<b>125,361</b>	<b>446</b>	<b>217</b>	<b>123,783</b>	<b>414</b>	<b>203</b>
<b>United States</b>									
Residential mortgage <sup>(5)</sup>	223	-	-	222	-	-	248	-	-
Qualifying revolving retail	-	-	-	-	-	-	-	-	-
Other retail <sup>(6)</sup>	1,709	-	-	1,592	-	-	1,214	-	-
Non Retail	4,379	-	-	4,480	-	-	2,873	3	3
	<b>6,311</b>	<b>-</b>	<b>-</b>	<b>6,294</b>	<b>-</b>	<b>-</b>	<b>4,335</b>	<b>3</b>	<b>3</b>
<b>Europe</b>									
Non Retail	220	-	-	202	-	-	203	-	-
<b>Others</b>									
Residential mortgage <sup>(5)</sup>	1,367	6	4	1,149	5	3	1,082	4	2
Qualifying revolving retail	-	-	-	-	-	-	-	-	-
Other retail <sup>(6)</sup>	66	1	-	80	9	-	84	1	1
Non Retail	704	-	-	848	-	-	1,040	-	-
	<b>2,137</b>	<b>7</b>	<b>4</b>	<b>2,077</b>	<b>14</b>	<b>3</b>	<b>2,206</b>	<b>5</b>	<b>3</b>
	<b>135,162</b>	<b>380</b>	<b>174</b>	<b>133,934</b>	<b>460</b>	<b>220</b>	<b>130,527</b>	<b>422</b>	<b>209</b>
Purchased or originated credit-impaired	1,990	1,990	(24)	1,646	1,646	(32)	1,696	1,696	(27)
<b>Total</b>	<b>137,152</b>	<b>2,370</b>	<b>150</b>	<b>135,580</b>	<b>2,106</b>	<b>188</b>	<b>132,223</b>	<b>2,118</b>	<b>182</b>

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

(2) Gross loans comprise securitized assets.

(3) Given the adoption of IFRS 9, all loans classified in Stage 3 in the expected credit loss model are impaired loans and do not take into account purchased or originated credit-impaired loans. During the second quarter of 2018, upon refinement of the impaired loans identification process, certain loans classified in Stage 1 and 2 as at November 1, 2017 and as at January 31, 2018, were reclassified in Stage 3. Under IAS 39, loans were considered impaired according to different criteria.

(4) Allowances for credit losses are based on drawn amounts.

(5) Includes Retail residential mortgages comprising one to four units (Basel definition) and HELOC.

(6) Includes consumer loans, and other personal loans but excludes SME retail included in Non-retail portfolios.

(7) Includes other financial assets at amortized cost and off-balance-sheet commitments.

## Impaired Loans by Business Segment<sup>(1)</sup>

(unaudited) (millions of Canadian dollars)

	IFRS 9			IAS 39							
	2018			2017				2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Gross Impaired Loans<sup>(2)</sup></b>											
Personal and Commercial											
Retail	241	239	245	123	127	133	136	131	134	141	140
Commercial	336	298	276	242	305	271	290	343	302	362	278
Wealth Management	19	20	19	7	7	7	7	10	9	12	10
Financial Markets	1	1	1	1	6	6	6	6	6	6	6
U.S. Specialty Finance and International											
Credigy	17	16	29	-	-	-	-	-	-	-	-
ABA Bank <sup>(3)</sup>	16	12	12	7	15	5	3	2	1	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
	<b>630</b>	<b>586</b>	<b>582</b>	<b>380</b>	<b>460</b>	<b>422</b>	<b>442</b>	<b>492</b>	<b>452</b>	<b>521</b>	<b>434</b>
<b>As a % of total loans and BA's</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>

	IFRS 9			IAS 39							
	2018			2017				2016			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Net Impaired Loans<sup>(2)(4)</sup></b>											
Personal and Commercial											
Retail	178	179	189	78	81	88	89	85	88	96	93
Commercial	207	176	156	121	144	119	131	190	157	197	134
Wealth Management	14	15	13	4	4	4	4	5	5	7	7
Financial Markets	-	-	-	-	-	-	-	-	-	-	-
U.S. Specialty Finance and International											
Credigy	6	6	6	-	-	-	-	-	-	-	-
ABA Bank <sup>(3)</sup>	8	6	7	3	11	2	2	1	1	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
	<b>413</b>	<b>382</b>	<b>371</b>	<b>206</b>	<b>240</b>	<b>213</b>	<b>226</b>	<b>281</b>	<b>251</b>	<b>300</b>	<b>234</b>
<b>As a % of total loans and BA's</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>							
Allowances for credit losses on performing loans – Stages 1 and 2	(546)	(549)	(532)								
Allowances for credit losses on impaired loans - Off balance sheet items – Stage 3	(1)	(1)	(1)								
Allowances for credit losses on purchased or originated credit-impaired loans (POCI)	44	34	28								
Sectoral allowance on performing loans - Oil & Gas <sup>(5)</sup>				(139)	(141)	(147)	(204)	(204)	(213)	(250)	
Collective allowance on performing loans <sup>(6)</sup>				(406)	(406)	(406)	(366)	(366)	(366)	(366)	(366)

(1) Given the adoption of IFRS 9, all loans classified in Stage 3 in the expected credit loss model are impaired loans and do not take into account purchased or originated credit-impaired loans. During the second quarter of 2018, upon refinement of the impaired loans identification process, certain loans classified in Stage 1 and 2 as at November 1, 2017 and as at January 31, 2018, were reclassified in Stage 3. Under IAS 39, loans were considered impaired according to different criteria.

(2) Including acceptances and excluding POCI loans.

(3) The Bank completed the acquisition of Advanced Bank of Asia Limited (ABA Bank) during the third quarter of 2016.

(4) Net impaired loans are presented net of allowances for credit losses on Stage 3 loans amount drawn.

(5) During the second quarter of 2017, the Bank reversed the sectoral provision on non-impaired loans for the oil and gas producer and service company loan portfolio by \$40 million. The sectoral provision on non-impaired loans of \$250 million was recorded during the second quarter of 2016.

(6) During the second quarter of 2017, the Bank increased the collective allowance on non-impaired loans for credit risk by \$40 million related to growth in the Bank's overall credit portfolio.

## Formation of Gross Impaired Loans<sup>(1)</sup>

(unaudited) (millions of Canadian dollars)	IFRS 9			IAS 39								IFRS 9	IAS 39	IAS 39	
	2018			2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
<b>Formation of Gross Impaired Loans<sup>(2)</sup> (by sector)</b>															
<b>Balance at beginning</b>	586	582	599	460	422	442	492	452	521	434	457	599	492	492	457
Write-offs															
Personal and Commercial															
Retail	(17)	(17)	(18)	(21)	(19)	(21)	(18)	(20)	(18)	(20)	(23)	(52)	(58)	(79)	(81)
Credit card	(24)	(25)	(25)									(74)			
Commercial	(10)	(8)	(37)	(58)	(2)	(33)	(10)	(19)	(66)	(5)	(20)	(55)	(45)	(103)	(110)
Wealth Management	(2)	(1)	(1)	(2)	(1)	(1)	(3)	(1)	(2)	(1)	(2)	(4)	(5)	(7)	(6)
Financial Markets	-	-	-	(5)	-	-	-	-	-	-	-	-	-	(5)	-
U.S. Specialty Finance and International															
Credigy	(35)	(33)	(25)	-	-	-	-	-	-	-	-	(93)	-	-	-
ABA Bank <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total write-offs</b>	<b>(88)</b>	<b>(84)</b>	<b>(106)</b>	<b>(86)</b>	<b>(22)</b>	<b>(55)</b>	<b>(31)</b>	<b>(40)</b>	<b>(86)</b>	<b>(26)</b>	<b>(45)</b>	<b>(278)</b>	<b>(108)</b>	<b>(194)</b>	<b>(197)</b>
Formation															
Personal and Commercial															
Retail	19	11	23	17	13	18	23	17	11	21	23	53	54	71	72
Credit card	24	25	25									74			
Commercial	48	30	8	(5)	36	14	(43)	60	6	89	(5)	86	7	2	150
Wealth Management	1	2	2	2	1	1	-	2	(1)	3	4	5	2	4	8
Financial Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. Specialty Finance and International															
Credigy	36	20	27	-	-	-	-	-	-	-	-	83	-	-	-
ABA Bank <sup>(3)</sup>	4	-	4	(8)	10	2	1	1	1			8	13	5	2
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total formation</b>	<b>132</b>	<b>88</b>	<b>89</b>	<b>6</b>	<b>60</b>	<b>35</b>	<b>(19)</b>	<b>80</b>	<b>17</b>	<b>113</b>	<b>22</b>	<b>309</b>	<b>76</b>	<b>82</b>	<b>232</b>
<b>Balance at end</b>	<b>630</b>	<b>586</b>	<b>582</b>	<b>380</b>	<b>460</b>	<b>422</b>	<b>442</b>	<b>492</b>	<b>452</b>	<b>521</b>	<b>434</b>	<b>630</b>	<b>460</b>	<b>380</b>	<b>492</b>

(unaudited) (millions of Canadian dollars)	IFRS 9			IAS 39								IFRS 9	IAS 39	IAS 39	
	2018			2017				2016				YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016
<b>Formation of Gross Impaired Loans<sup>(2)</sup> (by activity)</b>															
<b>Balance at beginning</b>	586	582	599	460	422	442	492	452	521	434	457	599	492	492	457
Classified as credit-impaired during the period	246	231	227	132	159	192	79	190	204	211	145	704	430	562	750
Transferred to performing loans during the period	(45)	(27)	(25)	(4)	(4)	(5)	(5)	(4)	(6)	(6)	(3)	(97)	(14)	(18)	(19)
Net repayments	(70)	(103)	(105)	(86)	(60)	(121)	(60)	(80)	(158)	(66)	(91)	(278)	(241)	(327)	(395)
Disposals of loans	-	(15)	-	-	-	-	-	-	-	-	-	(15)	-	-	-
Write-offs	(88)	(84)	(106)	(126)	(57)	(87)	(61)	(66)	(110)	(50)	(68)	(278)	(205)	(331)	(294)
Recoveries of loans previously written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange and other movements	1	2	(8)	4	-	1	(3)	-	1	(2)	(6)	(5)	(2)	2	(7)
<b>Balance at end</b>	<b>630</b>	<b>586</b>	<b>582</b>	<b>380</b>	<b>460</b>	<b>422</b>	<b>442</b>	<b>492</b>	<b>452</b>	<b>521</b>	<b>434</b>	<b>630</b>	<b>460</b>	<b>380</b>	<b>492</b>

(1) Given the adoption of IFRS 9, all loans classified in Stage 3 in the expected credit loss model are impaired loans and do not take into account purchased or originated credit-impaired loans. During the second quarter of 2018, upon refinement of the impaired loans identification process, certain loans classified in Stage 1 and 2 as at November 1, 2017 and as at January 31, 2018, were reclassified in Stage 3. Under IAS 39, loans were considered impaired according to different criteria.

(2) Including acceptances and excluding POCI loans.

(3) The Bank completed the acquisition of Advanced Bank of Asia Limited (ABA Bank) during the third quarter of 2016.

## Reconciliation of Allowances for Credit Losses

(unaudited) (millions of Canadian dollars)	IFRS 9						
	2018						
	Q3				Q2	Q1	
	Allowances for credit losses on performing loans		Allowances for credit losses on impaired loans				
	Stage 1	Stage 2	Stage 3	Purchased or originated <sup>(4)</sup>	Total		Total
<b>Allowances at beginning</b>	205	344	205	(34)	720	716	735
<b>Provisions for credit losses</b>							
New loans originated or purchased	23	-	-	-	23	23	28
Transfers <sup>(2)</sup> :							
To stage 1	58	(56)	(2)	-	-	-	-
To stage 2	(11)	14	(3)	-	-	-	-
To stage 3	(2)	(49)	51	-	-	-	-
Net remeasurement of loss allowance <sup>(3)</sup>	(58)	106	48	(9)	87	93	81
Derecognition (excluding write-offs) <sup>(4)</sup>	(7)	(18)	(4)	-	(29)	(25)	(22)
Changes to models	3	(8)	-	-	(5)	-	-
	6	(11)	90	(9)	76	91	87
Write-offs	-	-	(88)	-	(88)	(84)	(106)
Disposals	-	-	-	-	-	(18)	-
Recoveries	-	-	11	-	11	10	9
Foreign exchange variations and other	1	1	-	(1)	1	5	(9)
<b>Allowances at end</b>	<b>212</b>	<b>334</b>	<b>218</b>	<b>(44)</b>	<b>720</b>	<b>720</b>	<b>716</b>
<b>Total allowances for credit losses</b>							
Loans and acceptances at amortized cost							
Drawn amounts	172	313	217	(44)	658	666	663
Undrawn commitments <sup>(5)</sup>	34	19	1	-	54	47	47
Other <sup>(6)</sup>	6	2	-	-	8	7	6
	<b>212</b>	<b>334</b>	<b>218</b>	<b>(44)</b>	<b>720</b>	<b>720</b>	<b>716</b>

	IAS 39										
	2017				2016				YTD	Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2017	2017	2016
<b>Allowances for Credit Losses</b>											
<b>Allowances at beginning</b>	735	735	769	769	773	828	553	555	769	769	555
Write-offs	(126)	(57)	(87)	(61)	(66)	(110)	(50)	(68)	(205)	(331)	(294)
Recoveries of amounts written off in previous years	6	5	7	6	7	8	5	5	18	24	25
Charge to income statement (provisions for credit losses) <sup>(7)</sup>	70	58	56	60	59	45	317	63	174	244	484
Disposal of loans	-	-	-	-	-	-	-	-	-	-	-
Exchange and other movements <sup>(8)</sup>	10	(6)	(10)	(5)	(4)	2	3	(2)	(21)	(11)	(1)
<b>Allowances at end</b>	<b>695</b>	<b>735</b>	<b>735</b>	<b>769</b>	<b>769</b>	<b>773</b>	<b>828</b>	<b>553</b>	<b>735</b>	<b>695</b>	<b>769</b>

(1) The total amount of undiscounted expected credit losses at initial recognition on financial assets recognized during the six-month period ended April 30, 2018 is \$103 million.

(2) Represent the stage transfers which are deemed to have taken place at the beginning of the quarter in which the transfer occurred.

(3) Includes the net remeasurement of loss allowances (after transfers) attributable mainly to changes in volumes and in the credit quality of existing loans as well as to changes in risk parameters.

(4) Represent the decrease in loss allowances from full loan repayments (excluding write-offs and disposals).

(5) The allowances for credit losses on undrawn commitments are reported in the Other liabilities item of the Consolidated Balance Sheet.

(6) Includes other financial assets at amortized cost and off-balance sheet items other than undrawn commitments.

(7) During the second quarter of 2017, the Bank reversed the sectoral provision on performing loans for oil and gas producer and service company loan portfolio by \$40 million. The sectoral provision on performing loans of \$250 million was recorded during the second quarter of 2016. Moreover, during the second quarter of 2017, the Bank increased the collective allowance on performing loans for credit risk by \$40 million related to growth in the Bank's overall credit portfolio.

(8) Includes allowances for POCI loans which was recognized in Non-interest income in the Income statement.

## Provisions for Credit Losses

(unaudited) (millions of Canadian dollars)		IFRS 9				IAS 39							IFRS 9	IAS 39	IAS 39		
		2018				2017				2016				YTD		Full Year	
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017	2017	2016	
<b>Personal and Commercial</b>																	
Retail:	Stage 3	18	19	15	17	18	17	16	17	17	17	20	52	51	68	71	
	Stages 1 and 2	(2)	2	6								6					
		16	21	21	17	18	17	16	17	17	17	20	58	51	68	71	
Credit card :	Stage 3	21	22	21	19	21	21	21	19	20	21	21	64	63	82	81	
	Stages 1 and 2	(2)	2	2								2					
		19	24	23	19	21	21	21	19	20	21	21	66	63	82	81	
Commercial <sup>(1)</sup> :	Stage 3	17	6	8	14	6	8	15	18	7	27	21	31	29	43	73	
	Stages 1 and 2	9	7	5			(40)				250	21	(40)	(40)	250		
		26	13	13	14	6	(32)	15	18	7	277	21	52	(11)	3	323	
<b>Wealth Management</b>																	
	Stage 3	-	-	-	1	1	-	1	1	1	2	1	-	2	3	5	
	Stages 1 and 2	-	-	1								1					
		-	-	1	1	1	-	1	1	1	2	1	1	2	3	5	
<b>Financial Markets</b>																	
	Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Stages 1 and 2	2	2	-								4					
		2	2	-	-	-	-	-	-	-	-	4	-	-	-	-	
<b>U.S. Specialty Finance and International</b>																	
Credigy:	Stage 3	33	30	27	18	11	9	6	4	-	-	-	90	26	44	4	
	Stages 1 and 2	(15)	(2)	4								(13)					
	POCI	(9)	-	(5)								(14)					
		9	28	26	18	11	9	6	4	-	-	-	63	26	44	4	
ABA Bank <sup>(2)</sup> :	Stage 3	1	1	2	1	1	1	1	-	-		4	3	4	-		
	Stages 1 and 2	2	2	1								5					
		3	3	3	1	1	1	1	-	-		9	3	4	-		
<b>Other<sup>(3)</sup></b>																	
	Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Stages 1 and 2	1	-	-			40					1	40	40	40		
		1	-	-	-	-	40	-	-	-	-	1	40	40	40	-	
<b>Total</b>		<b>76</b>	<b>91</b>	<b>87</b>	<b>70</b>	<b>58</b>	<b>56</b>	<b>60</b>	<b>59</b>	<b>45</b>	<b>317</b>	<b>63</b>	<b>254</b>	<b>174</b>	<b>244</b>	<b>484</b>	

(1) During the second quarter of 2017, the Bank reversed the sectoral provision on performing loans for the oil and gas producer and service company loan portfolio by \$40 million. The sectoral provision on performing loans of \$250 million was recorded during the second quarter of 2016.

(2) The Bank completed the acquisition of Advanced Bank of Asia Limited (ABA Bank) during the third quarter of 2016.

(3) During the second quarter of 2017, the Bank increased the collective allowance on performing loans for credit risk by \$40 million related to growth in the Bank's overall credit portfolio.

# Regulatory Capital and Capital Ratios under Basel III<sup>(1)</sup>

	IFRS 9			IAS 39			
	2018			2017			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(unaudited) (millions of Canadian dollars)							
<b>All-in basis</b>							
<b>Common Equity Tier 1 capital: instruments and reserves</b>							
1	2,878	2,920	2,913	2,826	2,874	2,850	2,820
2	8,404	8,018	7,785	7,706	7,540	7,164	7,065
3	159	139	110	168	122	221	173
5	10	10	8	8	7	7	7
6	<b>11,451</b>	<b>11,087</b>	<b>10,816</b>	<b>10,708</b>	<b>10,543</b>	<b>10,242</b>	<b>10,065</b>
<b>Regulatory adjustments to Common Equity Tier 1 capital</b>							
8	1,668	1,671	1,662	1,668	1,660	1,677	1,662
9	1,099	1,100	1,073	1,067	1,032	1,016	997
11	138	137	152	146	136	91	131
12	-	-	-	-	-	-	-
14	(39)	(62)	(81)	(39)	(32)	(25)	(17)
15	93	4	3	4	14	7	18
16	3	1	5	6	-	6	6
22	-	-	-	-	-	-	-
23	-	-	-	-	-	-	-
25	-	-	-	-	-	-	-
26	-	-	-	-	-	-	-
28	<b>2,962</b>	<b>2,851</b>	<b>2,814</b>	<b>2,852</b>	<b>2,810</b>	<b>2,772</b>	<b>2,797</b>
29	<b>8,489</b>	<b>8,236</b>	<b>8,002</b>	<b>7,856</b>	<b>7,733</b>	<b>7,470</b>	<b>7,268</b>
<b>Additional Tier 1 capital: instruments</b>							
30	2,450	2,150	2,150	1,850	1,850	1,450	1,450
31	2,450	2,150	2,150	1,850	1,850	1,450	1,450
32	-	-	-	-	-	-	-
33	350	750	750	750	950	950	950
34	2	2	2	2	2	2	1
36	<b>2,802</b>	<b>2,902</b>	<b>2,902</b>	<b>2,602</b>	<b>2,802</b>	<b>2,402</b>	<b>2,401</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>							
41	1	1	1	1	1	1	1
41a	1	1	1	1	1	1	1
43	<b>1</b>						
44	<b>2,801</b>	<b>2,901</b>	<b>2,901</b>	<b>2,601</b>	<b>2,801</b>	<b>2,401</b>	<b>2,400</b>
45	<b>11,290</b>	<b>11,137</b>	<b>10,903</b>	<b>10,457</b>	<b>10,534</b>	<b>9,871</b>	<b>9,668</b>
<b>Tier 2 capital: instruments and provisions</b>							
46	750	750	-	-	-	-	-
47	9	9	8	9	9	10	1,009
48	3	3	2	2	2	2	2
50	155	164	154	193	210	204	234
51	<b>917</b>	<b>926</b>	<b>164</b>	<b>204</b>	<b>221</b>	<b>216</b>	<b>1,245</b>
<b>Tier 2 capital: regulatory adjustments</b>							
57	-	-	-	-	-	-	-
58	<b>917</b>	<b>926</b>	<b>164</b>	<b>204</b>	<b>221</b>	<b>216</b>	<b>1,245</b>
59	<b>12,207</b>	<b>12,063</b>	<b>11,067</b>	<b>10,661</b>	<b>10,755</b>	<b>10,087</b>	<b>10,913</b>

(1) As requested by the Office of the Superintendent of Financial Institutions (Canada) (OSFI), all the Domestic Systemically Important Banks (D-SIBs) in Canada must fully apply the Basel III deductions and must disclose the all-in-ratios.

(2) A complete list of capital instruments and their main features is now available on the Bank's website at [nbc.ca](http://nbc.ca) under *Investor Relations > Capital & Debt Information > Main Features of Regulatory Capital Instruments*.

(3) Figures as at October 31, 2017 include the redemption of the Series 28 preferred shares on November 15, 2017.

## Regulatory Capital and Capital Ratios under Basel III<sup>(1)</sup> (continued)

(unaudited) (millions of Canadian dollars)		IFRS 9			IAS 39			
		2018			2017			
		Q3	Q2	Q1	Q4	Q3	Q2	Q1
		<b>All-in basis</b>						
60a	Common Equity Tier 1 Capital RWA (CET1)	73,268	72,834	71,179	70,173	69,156	69,383	68,574
60b	Tier 1 Capital RWA	73,300	72,865	71,271	70,327	69,289	69,533	68,715
60c	Total capital RWA	73,331	72,895	71,362	70,451	69,396	69,653	68,828
<b>Capital ratios</b>								
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.6%	11.3%	11.2%	11.2%	11.2%	10.8%	10.6%
62	Tier 1 (as a percentage of risk weighted assets) <sup>(2)</sup>	15.4%	15.3%	15.3%	14.9%	15.2%	14.2%	14.1%
63	Total capital (as a percentage of risk weighted assets) <sup>(2)</sup>	16.7%	16.6%	15.5%	15.1%	15.5%	14.5%	15.9%
64	Institution-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus G-SIB buffer requirement plus D-SIB buffer requirement expressed as a percentage of risk weighted assets)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
67	of which: G-SIB buffer requirement	na	na	na	na	na	na	na
67a	of which: D-SIB buffer requirement	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	11.6%	11.3%	11.2%	11.2%	11.2%	10.8%	10.6%
<b>OSFI all-in target<sup>(3)</sup></b>								
69	Common Equity Tier 1 all-in target ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
70	Tier 1 capital all-in target ratio	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
71	Total capital all-in target ratio	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>								
72	Non-significant investments in the capital of other financial institutions	366	481	658	466	459	317	232
73	Significant investments in the common stock of financial institutions	255	241	235	221	237	238	257
75	Deferred tax assets arising from temporary differences (net of related tax liabilities)	43	58	50	54	31	61	22
<b>Applicable caps on the inclusion of allowances in Tier 2</b>								
76	Allowance eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	66	68	61	59	60	55	58
77	Cap on inclusion of allowances in Tier 2 under standardised approach	89	90	83	79	77	72	72
78	Allowance eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	89	96	93	134	150	149	175
79	Cap on inclusion of allowances in Tier 2 under internal ratings-based approach	307	308	310	309	304	312	301
<b>Capital instruments subject to phase-out arrangements (only applicable between Jan 1, 2018 and Jan 1, 2022)</b>								
82	Current cap on AT1 instruments subject to phase out arrangements	775	775	775	968	968	968	968
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-	-
84	Current cap on T2 instruments subject to phase out arrangements	953	953	953	1,191	1,191	1,191	1,191
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-	-
<b>Transitional Capital Disclosure Template<sup>(4)</sup></b>								
					<b>Transitional basis</b>			
29	Common Equity Tier 1 capital (CET1)				8,404	8,284	8,009	7,809
45	Tier 1 capital (T1 = CET1 + AT1)				10,668	10,741	10,074	9,876
59	Total capital (TC = T1 + T2)				10,872	10,961	10,289	11,120
60	Total risk weighted assets				71,254	71,481	70,428	69,567
61	Common Equity Tier 1 (as a percentage of risk weighted assets)				11.8%	11.6%	11.4%	11.2%
62	Tier 1 (as a percentage of risk weighted assets) <sup>(2)</sup>				15.0%	15.0%	14.3%	14.2%
63	Total capital (as a percentage of risk weighted assets) <sup>(2)</sup>				15.3%	15.3%	14.6%	16.0%

(1) As requested by the Office of the Superintendent of Financial Institutions (Canada) (OSFI), all the Domestic Systemically Important Banks (D-SIBs) in Canada must fully apply the Basel III deductions and must disclose the all-in-ratios.

(2) Ratios as at October 31, 2017 include the redemption of the Series 28 preferred shares on November 15, 2017.

(3) Include the conservation buffer and the surcharge applicable to D-SIBs but do not include the domestic stability buffer.

(4) Per CAR guidelines, transitional basis capital and ratios are not applicable subsequent to Q4 2017.

## Leverage Ratio under Basel III

(unaudited) (millions of Canadian dollars)

		IFRS 9			IAS 39			
		2018			2017			
		Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Accounting assets vs. Leverage ratio exposure</b>		<b>Transitional basis</b>						
1	Total consolidated assets as per published financial statements	257,637	256,259	251,065	245,827	240,072	239,020	234,119
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory	(33)	(58)	(68)	(80)	(68)	(90)	(60)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-	-	-	-
4	Adjustment for derivative financial instruments <sup>(1)</sup>	2,939	3,090	3,635	(381)	519	2,280	1,621
5	Adjustment for securities financing transactions <sup>(1)</sup>	3,062	2,516	(487)	1,714	2,086	3,408	3,062
6	Adjustment for off balance-sheet items	21,492	21,796	20,713	20,183	22,407	22,644	22,048
7	Other adjustments	(4,401)	(4,777)	(5,299)	(4,508)	(4,489)	(4,676)	(3,950)
8	<b>Leverage Ratio Exposure</b>	<b>280,696</b>	<b>278,826</b>	<b>269,559</b>	<b>262,755</b>	<b>260,527</b>	<b>262,586</b>	<b>256,840</b>
<b>Leverage ratio common disclosure</b>		<b>Transitional basis</b>						
<b>On-balance sheet exposures</b>								
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	232,327	228,798	223,550	214,702	211,909	210,621	208,226
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(3,003)	(2,914)	(2,897)	(2,676)	(2,634)	(2,592)	(2,304)
3	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>229,324</b>	<b>225,884</b>	<b>220,653</b>	<b>212,026</b>	<b>209,275</b>	<b>208,029</b>	<b>205,922</b>
<b>Derivative exposures</b>								
4	Replacement cost associated with all derivative transactions (i.e., net of eligible cash variation margin)	4,034	4,270	3,991	1,277	3,551	3,974	4,405
5	Add-on amounts for PPE associated with all derivative transactions	6,502	6,725	8,166	6,766	6,597	7,044	6,624
6	Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-	-	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivative transactions)	-	-	-	-	-	-	-
8	(Exempted CCP-leg of client cleared trade exposures)	-	-	-	-	-	-	-
9	Adjusted effective notional amount of written credit derivatives	29	-	4	-	12	7	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-	-	-
11	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>10,565</b>	<b>10,995</b>	<b>12,161</b>	<b>8,043</b>	<b>10,160</b>	<b>11,025</b>	<b>11,029</b>
<b>Securities financing transaction exposures</b>								
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	16,253	17,636	16,520	20,789	16,600	17,481	14,779
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,127)	(2,196)	(4,637)	(1,275)	(1,211)	(583)	(815)
14	Counterparty credit risk (CCR) exposure for SFTs	4,189	4,712	4,149	2,989	3,296	3,990	3,877
15	Agent transaction exposures	-	-	-	-	-	-	-
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>19,315</b>	<b>20,152</b>	<b>16,032</b>	<b>22,503</b>	<b>18,685</b>	<b>20,888</b>	<b>17,841</b>
<b>Other off-balance sheet exposures</b>								
17	Off-balance sheet exposure at gross notional amount	68,195	68,811	66,194	64,167	62,996	63,451	61,284
18	(Adjustments for conversion to credit equivalent amounts)	(46,703)	(47,016)	(45,481)	(43,984)	(40,589)	(40,807)	(39,236)
19	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	<b>21,492</b>	<b>21,795</b>	<b>20,713</b>	<b>20,183</b>	<b>22,407</b>	<b>22,644</b>	<b>22,048</b>
<b>Capital and Total Exposures - Transitional Basis</b>								
20	Tier 1 capital <sup>(2)</sup>	11,290	11,137	10,903	10,668	10,741	10,074	9,876
21	<b>Total Exposures (sum of lines 3, 11, 16 and 19)</b>	<b>280,696</b>	<b>278,826</b>	<b>269,559</b>	<b>262,755</b>	<b>260,527</b>	<b>262,586</b>	<b>256,840</b>
<b>Leverage Ratio</b>								
22	<b>Basel III leverage ratio</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>3.8%</b>	<b>3.8%</b>
<b>Leverage ratio - All-in basis</b>		<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>3.8%</b>	<b>3.8%</b>

(1) Adjustments due to differences between accounting and regulatory netting standards.

(2) Figures as at October 31, 2017 include the redemption of the Series 28 preferred shares on November 15, 2017.

## Capital Adequacy under Basel III<sup>(1)</sup>

(unaudited) (millions of Canadian dollars)	IFRS 9						IAS 39					
	2018						2017					
	Q3					Q2	Q1	Q4	Q3	Q2	Q1	
	Exposure at default	Risk-weighted assets				Capital requirement <sup>(2)</sup>	Risk-weighted assets					
	Standardized Approach	AIRB Approach	Other Approach	Total								
<b>Credit risk</b>												
<b>Retail</b>												
Residential mortgages	53,188	1,497	4,719	–	6,216	497	6,051	6,075	5,555	5,638	5,472	5,392
Qualifying revolving retail	6,283	–	1,340	–	1,340	107	1,313	1,195	1,275	1,210	1,190	1,155
Other retail	16,518	2,022	5,117	–	7,139	571	7,264	7,194	7,611	7,559	7,601	7,280
<b>Non-retail</b>												
Corporate	69,423	1,914	28,279	–	30,193	2,415	29,963	28,533	27,544	26,969	27,810	27,226
Sovereign	31,276	375	647	–	1,022	82	1,009	988	985	1,011	891	857
Financial institutions	5,189	585	954	–	1,539	123	1,502	1,444	1,531	1,531	1,639	1,473
Banking book equities <sup>(3)</sup>	977	–	977	–	977	78	977	912	910	932	872	886
Securitization	4,791	–	393	–	393	31	409	408	390	423	402	304
Other assets	25,990	–	–	2,962	2,962	237	2,967	2,826	3,645	3,455	3,232	3,137
<b>Counterparty credit risk</b>												
Corporate	19,292	136	218	–	354	28	389	279	197	156	238	209
Sovereign	40,674	–	61	–	61	5	84	57	43	50	32	33
Financial institutions	65,909	–	359	–	359	29	717	394	366	508	510	436
Trading portfolio	8,247	68	1,821	–	1,889	151	2,208	2,246	2,178	2,151	2,183	2,190
Credit valuation adjustment charge <sup>(4)</sup>		837	–	–	837	67	813	2,449	2,227	1,916	2,159	2,030
Regulatory scaling factor		–	2,693	–	2,693	215	2,711	2,625	2,580	2,557	2,624	2,540
<b>Total - Credit risk</b>	<b>347,757</b>	<b>7,434</b>	<b>47,578</b>	<b>2,962</b>	<b>57,974</b>	<b>4,636</b>	<b>58,377</b>	<b>57,625</b>	<b>57,037</b>	<b>56,066</b>	<b>56,855</b>	<b>55,148</b>
<b>Market risk</b>												
VaR		–	1,158	–	1,158	93	1,028	766	867	972	962	1,340
Stressed VaR		–	2,382	–	2,382	191	2,209	1,388	1,324	1,630	1,086	1,632
Interest-rate - specific risk		1,215	–	–	1,215	97	818	1,182	906	661	720	843
<b>Total - Market risk</b>		<b>1,215</b>	<b>3,540</b>	<b>–</b>	<b>4,755</b>	<b>381</b>	<b>4,055</b>	<b>3,336</b>	<b>3,097</b>	<b>3,263</b>	<b>2,768</b>	<b>3,815</b>
<b>Operational risk</b>		<b>10,539</b>	<b>–</b>	<b>–</b>	<b>10,539</b>	<b>843</b>	<b>10,402</b>	<b>10,218</b>	<b>10,039</b>	<b>9,827</b>	<b>9,760</b>	<b>9,611</b>
<b>Total</b>	<b>347,757</b>	<b>19,188</b>	<b>51,118</b>	<b>2,962</b>	<b>73,268</b>	<b>5,860</b>	<b>72,834</b>	<b>71,179</b>	<b>70,173</b>	<b>69,156</b>	<b>69,383</b>	<b>68,574</b>
<b>Capital ratio under Basel III</b>												
Common Equity Tier 1 (CET1)					11.6%		11.3%	11.2%	11.2%	11.2%	10.8%	10.6%
Tier 1 <sup>(5)</sup>					15.4%		15.3%	15.3%	14.9%	15.2%	14.2%	14.1%
Total <sup>(5)</sup>					16.7%		16.6%	15.5%	15.1%	15.5%	14.5%	15.9%
<b>Leverage ratio under Basel III</b>					4.0%		4.0%	4.0%	4.0%	4.0%	3.8%	3.8%

(1) Figures are presented in an "all-in" basis.

(2) The capital requirement is equal to 8% of risk-weighted assets.

(3) Calculated using the simple risk-weight method.

(4) Calculated based on CET1 risk-weighted assets.

(5) Ratios as at October 31, 2017 include the redemption of the Series 28 preferred shares on November 15, 2017.