

## Note 15: Deposits

(Canadian \$ in millions)	Demand deposits				Payable after notice		Payable on a fixed date		Total	
	Interest bearing		Non-interest bearing		2007	2006	2007	2006	2007	2006
Deposits by:										
Banks	\$ 349	\$ 437	\$ 298	\$ 290	\$ 1,001	\$ 661	\$ 32,452	\$ 25,244	\$ 34,100	\$ 26,632
Businesses and governments	7,155	5,600	9,719	9,870	19,783	19,304	85,091	66,074	121,748	100,848
Individuals	3,405	3,177	5,824	5,181	31,114	32,274	35,859	35,736	76,202	76,368
<b>Total</b>	<b>\$ 10,909</b>	<b>\$ 9,214</b>	<b>\$ 15,841</b>	<b>\$ 15,341</b>	<b>\$ 51,898</b>	<b>\$ 52,239</b>	<b>\$ 153,402</b>	<b>\$ 127,054</b>	<b>\$ 232,050</b>	<b>\$ 203,848</b>
Booked in:										
Canada	\$ 10,346	\$ 8,899	\$ 13,762	\$ 12,683	\$ 36,579	\$ 35,523	\$ 81,690	\$ 75,866	\$ 142,377	\$ 132,971
United States	174	181	2,078	2,655	14,750	16,237	41,824	26,537	58,826	45,610
Other countries	389	134	1	3	569	479	29,888	24,651	30,847	25,267
<b>Total</b>	<b>\$ 10,909</b>	<b>\$ 9,214</b>	<b>\$ 15,841</b>	<b>\$ 15,341</b>	<b>\$ 51,898</b>	<b>\$ 52,239</b>	<b>\$ 153,402</b>	<b>\$ 127,054</b>	<b>\$ 232,050</b>	<b>\$ 203,848</b>

Included in deposits as at October 31, 2007 and 2006 are \$94,911 million and \$71,387 million, respectively, of deposits denominated in U.S. dollars, and \$11,778 million and \$13,010 million, respectively, of deposits denominated in other foreign currencies.

### Change in Accounting Policy

The new CICA Handbook rules allow management to elect to measure financial instruments that would not otherwise be accounted for at fair value as trading instruments, with changes in fair value recorded in income provided they meet certain criteria. Financial instruments must have been designated on November 1, 2006, when the new standard was adopted, or when new financial instruments were acquired, and the designation is irrevocable.

We issue structured notes that include embedded options. We enter into derivatives which manage our exposure to changes in the structured note fair value caused by changes in interest rates. The structured notes are designated as trading under the fair value option, which better aligns the accounting result with how the portfolio is managed. These notes are classified as deposits. The fair value and amount due at contractual maturity of these notes as at October 31, 2007 were \$762 million and \$791 million, respectively. The impact of recording these notes as trading was an increase in non-interest revenue, trading revenues of \$8 million for the year ended October 31, 2007. The increase was offset by a loss on the derivatives.

On November 1, 2006, we remeasured the portfolio of structured notes at fair value. The net unrealized loss of less than \$1 million was recorded in opening retained earnings.

Demand deposits are comprised primarily of our customers' chequing accounts, some of which we pay interest on. Our customers need not notify us prior to withdrawing money from their chequing accounts.

Deposits payable after notice are comprised primarily of our customers' savings accounts, on which we pay interest.

Deposits payable on a fixed date are comprised of:

- Various investment instruments purchased by our customers to earn interest over a fixed period, such as term deposits and guaranteed investment certificates. The terms of these deposits can vary from one day to 10 years.
- Federal funds purchased, which are overnight borrowings of other banks' excess reserve funds at a United States Federal Reserve Bank. As at October 31, 2007, we had purchased \$1,937 million of federal funds (\$3,388 million in 2006).
- Commercial paper, which totalled \$685 million as at October 31, 2007 (\$1,298 million in 2006).

Included in our deposits payable on a fixed date as at October 31, 2007 were \$132,501 million of individual deposits greater than one hundred thousand dollars, of which \$61,312 million were booked in Canada, \$41,301 million were booked in the United States and \$29,888 million were booked in other countries. We had \$105,377 million of such deposits as at October 31, 2006, of which \$54,769 million were booked in Canada, \$25,958 million were booked in the United States and \$24,650 million were booked in other countries.