

BANKS BENEFIT FROM RISING YIELDS



BMO

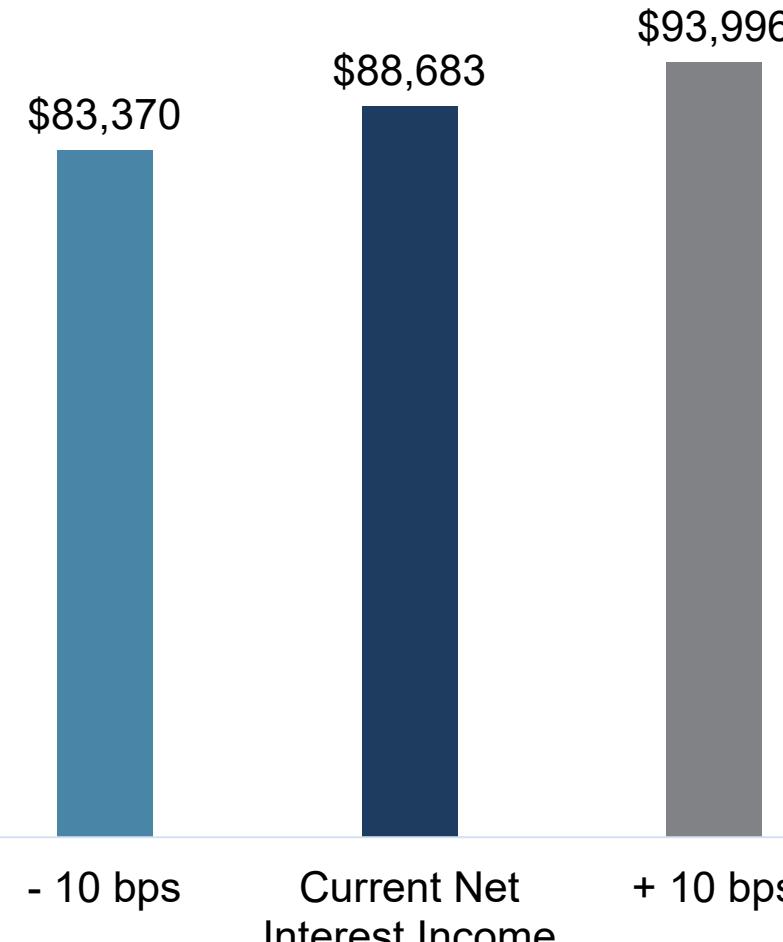


Scotiabank



Net Interest Margin Sensitivity

(in \$millions)



The Canadian banks we hold
earned +\$88 billion
in **net interest income**, or
the spread they earned on their lending activities

Canadian banks have an opportunity to make
significantly more as long-term yields move higher

A **0.1% increase** in their margin, or
10 basis points,
would increase the banks pre-tax earnings by
~\$5.3 billion or **~11%**