



TD Economics

TD Consumer Pulse

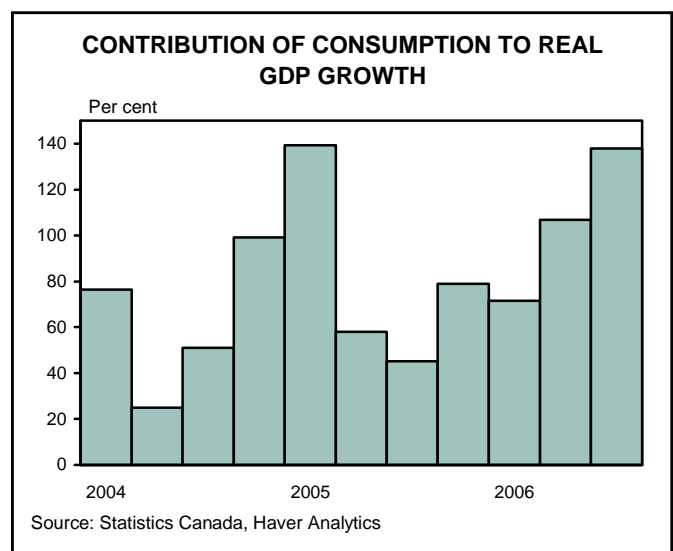
January 8, 2007

CANADIAN CONSUMERS TO CARRY THE ECONOMY THROUGH 2007

HIGHLIGHTS

- **Strength in consumer spending will play a significant role in limiting the drag on the Canadian economy posed by slowing U.S. economic growth**
- **Robust labour market and strong balance sheet positions will support consumer spending through 2007**
- **Pronounced regional variation in consumer outlook with Western Canada leading all other regions**

With the shadow of a slowing U.S. economy looming over Canada's export-orientated manufacturing sector, the Canadian consumer is playing an increasingly important role in supporting the overall economy. Growth in inflation-adjusted personal expenditures has accounted for at least half the increase in real gross domestic product (GDP) in all but one of the last nine quarters. During the last two quarters when economic growth fell below its long-term trend rate, growth in consumer spending jumped to more than 100% of the increase in real GDP. While consumers will continue to play a critical role in supporting the Canadian economy over the next two years, the lift will be less dramatic than in previous quarters. The 4.2% surge in consumer expenditures in Q3 is unlikely to be sustained heading into the final quarter of the year, as consumption growth is expected to moderate to a 3.4% pace. Growth will continue to ease over the first half of 2007 before recovering somewhat in the second half of the year and into 2008. On



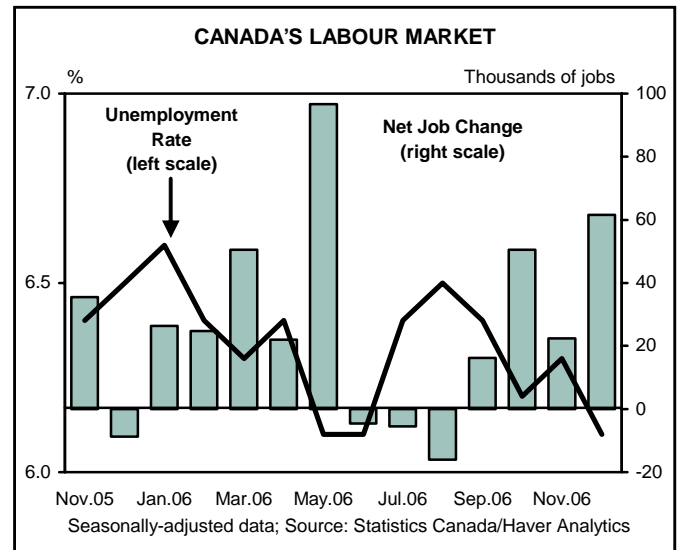
an annual average basis, 2006 will likely match the 3.9% increase recorded in 2005 before slowing to 3.3% in 2007 and to 3.0% in 2008. This outlook stands in stark contrast to the United States where the pronounced correction in the housing market is expected to lean heavily on the growth rate of consumer spending over the next three quarters. For example, inflation-adjusted consumer spending is expected to grow by just 2.5% in 2007, its weakest showing since the mini-recession in 2001.

One of the remarkable aspects of Canadian consumer spending in 2006 was the brisk pace of auto sales. Indeed, new car sales reached 1.6 million units in 2006 – the second-best year on record. Again, this stands in stark contrast to the U.S. where new car sales fell by 2.4% in the year. The surge in Canadian car sales in 2006 helped push the annual growth rate of durable goods consump-

tion to an estimated 5.9%, which is the best showing since 2002 (which was also the highest year for car sales, due in large part to the introduction of dealer incentives adopted from the U.S.). However, in 2007 the composition of consumer spending is expected to change as auto sales are forecast to fall by 1.0%. Driving this decline is a combination of the elimination of pent-up demand for cars and continued efforts by dealers to wean consumers off purchase incentives. The decline in car sales will translate to a substantial deceleration in the growth rate of expenditures on durable goods to 3.8% in 2007. By contrast, the services component of consumer spending is expected to remain reasonably robust, growing by 3.0% in 2007 and 2.9% in 2008.

The source of the recent strength in Canadian consumption is well known to economists. The labour market has performed extremely well delivering 345,000 new jobs in 2006 – its best showing since 2002. Buoyed by rising home prices and gains in equity markets, household balance sheets continue to provide a considerable financial boost to consumers, as net worth has grown to an unprecedented six times the size of total personal disposable income. An equally important development has been a steady recovery in personal income growth. After adjusting for both inflation and taxes, the growth rate of personal disposable income (PDI) has averaged 4.6% through the first three quarters of 2006 – almost double the 2.5% increase observed in the year before. The expectation of further growth in real PDI will become an increasingly important pillar of support for consumption, as the pace of household wealth accumulation is expected to slow as the housing boom cools across the country. The strength in Western Canada is also expected to ease from the dramatic gains observed recently.

From a national perspective, the outlook for consumer spending remains quite robust. However, as with almost every Canadian economic indicator, there are pronounced regional variations. This concern takes on greater significance at the moment since the slowing U.S. economy – which represents the fundamental shock to economic growth in Canada – will have a greater effect on the Central and Eastern provinces, two regions which have already been more negatively affected by the rise in the value of the dollar and the lingering effects of higher energy prices.

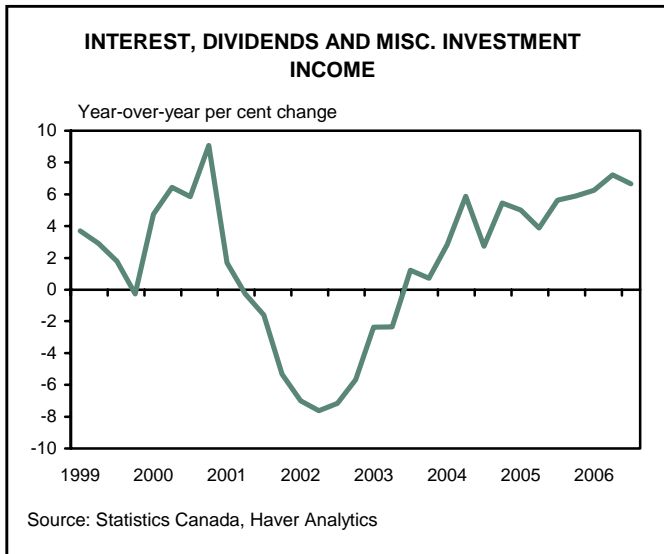


A relatively modest performance by consumers in these regions will contribute to the degree of regional inequity.

A large order of jobs with a side of wage increases

Canada's labour market stands as a testament to the strength in the domestic economy. With growth in domestic demand averaging 4.3% over the first three quarters of 2006, and despite a mild employment swoon over the summer, the labour market has delivered an average monthly increase of 28,700 net new jobs in 2006 – the strongest pace of monthly job creation in four years. What is especially remarkable about the growth in employment is that the vast majority (80%) of the gains were in full-time positions, signalling greater confidence on the part of employers and a stronger base for personal spending. This surge in employment growth helped push the unemployment rate down to a generational low of 6.1%, making workers a scarce commodity across the country. While the higher demand for workers led to just a slight increase in the national participation rate in 2006, larger gains were made both by women and older workers – two groups who traditionally have had less involvement in the labour force.

The very tight labour market conditions have translated to a sustained acceleration in the growth rate of wages since 2003. Average hourly earnings for permanent workers, which is the Bank of Canada's preferred wage measure, increased steadily through the third quarter of 2006, reaching a year-over-year growth rate of 3.8%, which is the second largest quarterly increase since the creation of



the series in 1997. While the pace of wage growth has slowed in the fourth quarter, the rate of increase remains greater than both total and core inflation. In addition to the improvement in wages, solid financial markets helped consumer finances. Growth in interest and dividend income has rebounded smartly from the 7% decline in 2002 to rates last seen during the equity boom in 2000. When combined, these forces have fostered the rise in personal income growth over the course of 2006. The year also got off to a great start. Personal income growth in the first quarter received a boost from a large school board who topped up their pension obligations, which was reflected in a 36% jump in the social security and other benefits component of total personal income. The rise in income growth over 2006 also boosted the personal savings rate. Since hitting a historical low of just 1.0% in the second quarter of 2005, the savings rate has gradually edged higher and now sits at 1.5% in the third quarter of 2006 which admittedly is still extremely low by historical standards.

Growth in wages is expected to remain an important part of the outlook for the consumer. While the pace of job growth will ease in tandem with the overall economy through the first half of 2007, the tightness in the labour market will remain as the unemployment rate is forecast to edge just a touch higher. While the growth of personal disposable income is expected to moderate somewhat over the coming quarters, it is forecast to recover strongly through the second half of 2007 and into 2008. After excluding the effect of both taxes and inflation, real PDI is expected to remain well supported, averaging a year-over-year growth

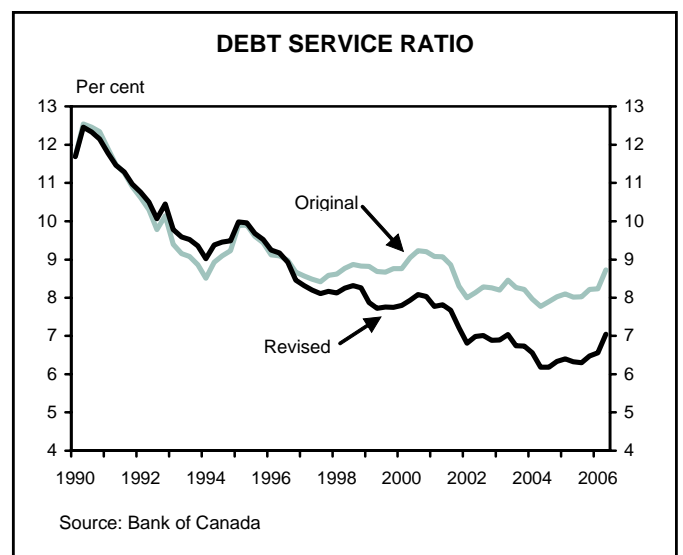
rate of 3.3% over the next nine quarters.

Wealth grows through asset appreciation

Rising household wealth continues to play a significant role in supporting the Canadian consumer and much of this can be traced to the boom in the housing market. Both new and existing home prices have risen quite sharply since the start of the millennium, boosting the value of real estate assets and overall household net wealth. However there are some signs that the housing market is beginning to cool. In the last two quarters, falling residential investment weighed on Canada's GDP, as the pace of housing starts turned negative following a surge in the first quarter. Even more relevant is that the growth in home prices has slowed. For example, the year-over-year rate of increase for existing home prices has decelerated since April of last year but admittedly stands at a robust 10.5% growth rate in October. As the cooling in the housing market continues over the next few quarters, appreciating home prices will come under further downwards pressure, limiting the rate at which household net worth will increase. As the gains in net worth eases, consumers may be inclined to restrain their rate of spending, particularly on big-ticket items, limiting the momentum in overall consumer expenditures.

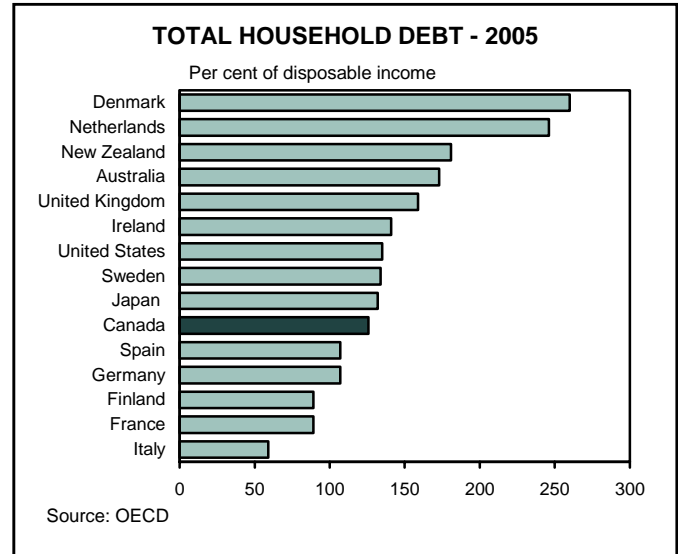
Household debt levels remain manageable

As the pace of appreciation in the value of real estate is expected to ease over the coming quarters, there is some concern about the level of debt held by Canadians. In the most recent quarter consumer debt as a share of personal



income hit a record high of 122%. Furthermore, with 5-year mortgage rates steadily increasing over the last five quarters, many homeowners will face higher borrowing costs when they renew their mortgages. Despite these challenges, households will likely remain in very good financial shape. For one, the debt service ratio estimated by the Bank of Canada was recently revised lower based on updated survey information. While the ratio still shows an increase in debt service costs over the course of 2006, the lower level suggests that households are better able to service their debt. Furthermore, the risk of a U.S.-style decline in Canadian home prices remains small, which will likely prevent an outright decline in household wealth. And finally, with long-term interest rates expected to remain stable over the next two years, future mortgage rates will likely remain very low by historical standards.

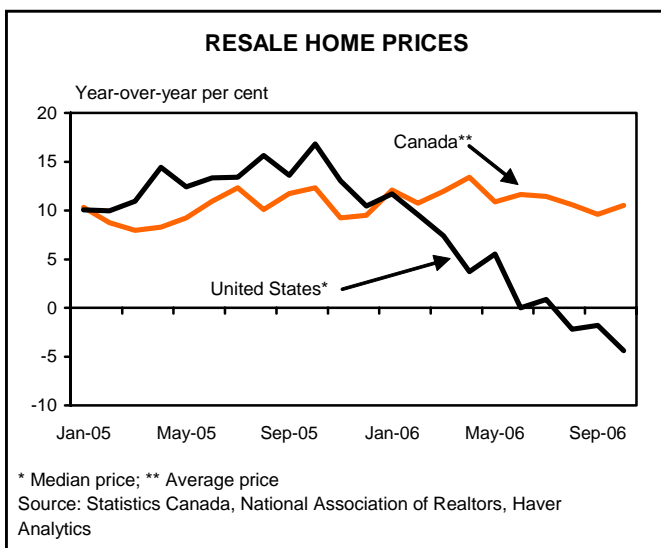
Comfort in the amount of debt held by Canadian families can also be found through an international perspective. A recent study by the OECD showed that the amount of total household debt in Canada is far below many other developed economies. An equally encouraging finding is that the household leverage ratio (measuring the total liabilities divided by net wealth) has edged lower in Canada since 1995 in contrast to the increases observed in the U.S., U.K., Australia and New Zealand. It is evident that around the world there has been a general trend towards consumers carrying more debt. This is partly a reflection of a sustained low inflation and interest rate environment. However, the accumulation of debt has largely been a rational decision, which is why repeated fears of a consumer-led

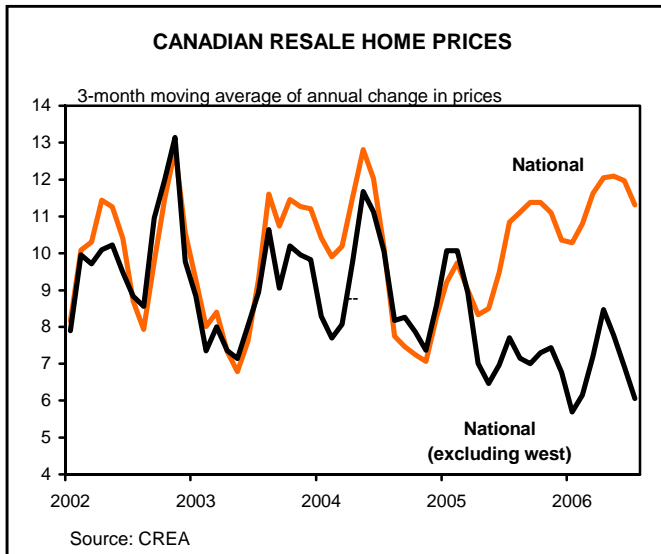


financial crisis have proven unfounded.

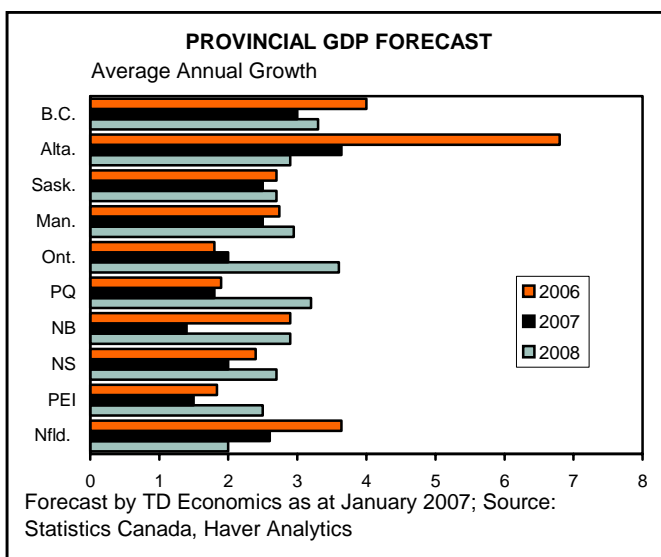
Mind the regional gap

Like many other economic variables, the outlook for the consumer has a large regional dimension. Western Canada has benefited tremendously from the surge in commodity prices in recent years. With an insatiable demand for workers, Alberta and to a much lesser extent British Columbia, have pulled workers from the rest of Canada in search of more favourable employment opportunities. One of the economic consequences of this migration has been a shortage of housing, which has placed a significant amount of upwards pressure on home prices that has, in turn, endowed homeowners in Alberta with a rapidly appreciating asset. In addition, the tightness in the labour market has also fuelled rapid personal income growth. This newfound wealth and income has translated into very robust consumer spending. For example, total retail sales in Alberta have increased by a year-over-year growth rate of 16.7% in the first 10 months of 2006 as compared to the 6.4% increase for the country as a whole. Meanwhile, consumer spending across Central and Eastern Canada has been considerably more subdued as these manufacturing-based regions have been adversely affected by the rapid appreciation in the dollar and a slowing U.S. economy. In fact, total retail sales in Ontario increased by just 4.0% over the first 10 months of 2006 which is one of the reasons why real GDP is expected to increase by an anaemic 1.8% in 2006.





Looking ahead, the themes of our economic forecast suggest that the regional disparities will continue in 2007. For one, with the U.S. economy set for a few more quarters of below-trend growth, consumers in Central and Eastern Canada are unlikely to see their outlook improve considerably. Furthermore, the housing market has already cooled substantially in these regions, which will remain a drag on further spending growth. As such, growth in retail sales will remain weak in Ontario and Quebec, expanding by 3.6% and 3.8% respectively. Fortunately, economic activity in these regions is expected to pick up in tandem with the U.S. economy through 2008 which will help retail sales rebound to a forecast growth rate of 5.4% in Ontario and 5.3% in Quebec.



With commodity prices expected to remain elevated, Western Canada will deliver healthy growth, perhaps just a touch slower than in recent years. Consumer spending will also be restrained somewhat, as growth in Western housing markets will likely taper off over the next two years. For instance, Alberta's housing starts are expected to decline by 10.9% in 2007 and by a further 8.0% in 2008. However, the growth rate of resale home prices is forecast to remain positive across Western Canada, allowing a further appreciation in household wealth. In addition, with the pace of job creation in Alberta and British Columbia expected to exceed the national average over the next two years, gains in labour income will provide a further pillar of support for consumers in Western Canada. Accordingly, the growth of retail sales in Alberta is expected to moderate to 10.4% in 2007 and ease further to 7.6% in 2008. Meanwhile, in B.C., retail sales will remain reasonably robust over the next two years growing by 6.6% and 5.5% in 2007 and 2008 respectively.

Conclusion

Abstracting away from the regional disparities, the singular shock affecting the domestic side of the Canadian economy is the cooling housing market. From the perspective of the consumer, this will show up in a number of ways. First, a lower rate of home sales will translate to less demand for housing related items such as furniture and appliances. Second, a moderation in the rate of growth in home prices will restrain the pace by which household net wealth will increase. So with a slower growth rate of net wealth, consumers may limit their spending on big-ticket items such as cars. Clearly, the degree of easing in Cana-

RETAIL TRADE				
Annual average per cent change				
	2005	2006f	2007f	2008f
CANADA	6.3	6.5	5.0	5.5
N. & L.	2.4	2.2	2.8	3.3
P.E.I.	3.2	3.8	2.6	3.0
N.S.	3.1	6.9	4.2	3.8
N.B.	5.6	5.4	3.3	4.1
Quebec	6.0	4.4	3.8	5.3
Ontario	4.9	4.1	3.6	5.4
Manitoba	6.6	5.4	4.0	4.3
Sask.	7.8	5.7	4.7	4.5
Alberta	12.4	16.5	10.4	7.6
B.C.	6.0	6.8	6.6	5.5

f: forecast by TD Economics as at January 2007
Source: Statistics Canada, Haver Analytics

da's housing market represents the fundamental risk to the outlook for consumer spending. It is important to recognize that the effect that falling home prices has on consumer spending and the overall economy is not benign. For example, through weaker consumer spending, falling home prices in the United States is forecast to shave a full percentage point from real GDP growth in 2007. By contrast, our baseline view for Canada is for a slower rate of

appreciation in home prices but not an outright decline. As a result, consumer spending should remain robust. Of course, if the appreciation of home prices ease by more than what we expect over the next two years, the growth rate of consumer spending will likely fall below our expectation and lead to a deeper and more prolonged slowdown in the Canadian economy.

David Tulk, Economist
416-982-2557

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CONSUMER STATISTICS														
	LABOUR MARKET			INCOME								CONSUMER PRICES		
	EMPLOYMENT		UNEMPLOYMENT RATE	PERS. INCOME		PERS. DISP. INCOME (PDI)		REAL PDI		AVG. HR. EARNINGS OF PERM. WORKERS		SAVINGS RATE	ALL-ITEMS CPI	CORE CPI
	Y/Y		%	Y/Y		Y/Y		Y/Y		Y/Y		%	Y/Y	Y/Y
2000	2.5		6.8	7.3		7.3		5.0		3.3		4.7	2.7	1.3
2001	1.2		7.2	4.3		4.6		2.8		3.3		5.2	2.5	2.1
2002	2.4		7.6	2.6		3.7		1.7		2.6		3.5	2.3	2.4
2003	2.4		7.6	3.7		4.0		2.3		1.9		2.8	2.7	2.2
2004	1.8		7.2	5.0		4.7		3.1		2.7		2.6	1.8	1.6
2005	1.4		6.8	5.0		4.2		2.5		3.2		1.2	2.2	1.6
2006	1.9		6.3	5.7		6.1		4.6		3.3		1.9	2.0	1.9
2007	1.2		6.4	4.0		4.0		3.3		---		1.8	1.6	1.8
2008	1.3		6.3	4.8		4.4		3.1		---		1.9	2.1	2.1
	Q/Q	Y/Y	%	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y	%	Y/Y	Y/Y
2004 Q1	1.5	1.5	7.3	6.4	4.1	6.8	3.4	4.2	2.6	4.6	2.8	2.4	0.9	1.3
2004 Q2	2.6	2.1	7.2	6.4	5.5	7.8	5.5	4.4	3.6	2.1	3.1	3.0	2.2	1.7
2004 Q3	0.6	1.9	7.1	4.1	4.9	2.8	4.7	2.1	3.1	1.1	2.1	2.7	2.0	1.7
2004 Q4	1.4	1.5	7.1	4.5	5.4	3.8	5.3	2.3	3.2	3.0	2.7	2.3	2.3	1.6
2005 Q1	0.9	1.4	7.0	3.7	4.7	2.7	4.2	1.3	2.5	5.4	2.9	1.2	2.1	1.8
2005 Q2	1.7	1.1	6.8	6.2	4.6	4.9	3.5	2.7	2.1	1.7	2.8	1.0	1.9	1.6
2005 Q3	1.5	1.4	6.8	6.6	5.3	6.4	4.4	3.5	2.4	3.3	3.4	1.3	2.6	1.6
2005 Q4	2.4	1.6	6.5	4.8	5.3	4.3	4.5	3.9	2.8	4.1	3.6	1.3	2.3	1.6
2006 Q1	1.6	1.8	6.4	11.7	7.3	14.6	7.4	12.6	5.6	3.6	3.2	3.1	2.4	1.7
2006 Q2	3.1	2.2	6.2	-1.2	5.4	-1.9	5.7	-3.6	3.9	3.4	3.6	1.2	2.6	1.8
2006 Q3	0.4	1.9	6.4	5.3	5.1	5.7	5.5	5.3	4.4	4.1	3.8	1.5	1.7	2.1
2006 Q4	2.2	1.9	6.2	5.3	5.1	5.2	5.7	4.5	4.6	0.0	2.8	1.7	1.4	2.2
2007 Q1	0.9	1.6	6.3	5.1	3.1	3.7	3.1	3.1	2.3	---	---	1.7	1.5	1.9
2007 Q2	0.8	1.0	6.3	3.2	4.3	3.2	4.4	2.8	3.9	---	---	1.7	0.8	1.8
2007 Q3	1.1	1.2	6.4	3.7	4.3	4.7	4.2	3.3	3.4	---	---	1.8	1.4	1.8
2007 Q4	1.4	1.0	6.4	5.2	4.5	5.8	4.5	4.5	3.4	---	---	2.0	2.6	1.8
2008 Q1	1.4	1.2	6.3	5.6	4.9	4.1	4.4	2.9	3.3	---	---	1.9	2.2	1.9
2008 Q2	1.3	1.3	6.3	4.8	4.0	3.9	4.6	2.6	3.3	---	---	1.8	2.4	2.1
2008 Q3	1.2	1.3	6.4	4.3	4.9	4.3	4.5	2.5	3.1	---	---	1.9	2.2	2.1
2008 Q4	1.2	1.3	6.4	4.1	4.5	4.4	4.2	2.8	2.7	---	---	1.9	1.6	2.1

All quarter-over-quarter changes are annualized growth rates; shaded areas signify forecasts.
Real PDI is real personal disposable income adjusted for inflation.
Core CPI excludes the 8 most volatile components.
Source: Statistics Canada, Bank of Canada, Haver Analytics; forecast by TD Economics as at January 2007.

CONSUMER STATISTICS												
	CONFIDENCE	REAL EXPENDITURES						HOUSING MARKET				
	CONSUMER CONFIDENCE 1991=100	TOTAL GOODS & SERVICES		DURABLE GOODS		SERVICES		HOUSING STARTS		EXISTING UNIT SALES		AVERAGE RESALE PRICE
	Index	Y/Y		Y/Y		Y/Y		000s	Y/Y	000s	Y/Y	\$000s
2000	116.3	4.0		6.4		3.9		153	2.3	334	-0.3	164
2001	110.1	2.3		4.1		2.1		163	6.6	381	14.1	171
2002	124.2	3.6		8.2		2.8		205	25.9	419	9.9	189
2003	119.2	3.0		2.3		3.5		220	6.9	435	3.8	207
2004	121.4	3.3		2.5		3.9		233	6.0	461	5.9	226
2005	117.9	3.9		5.8		4.1		224	-3.6	483	4.9	249
2006	---	3.9		5.9		4.0		228	1.6	480	-0.6	278
2007	---	3.3		3.8		3.0		205	-10.1	461	-4.0	294
2008	---	3.0		3.0		2.9		195	-4.9	445	-3.5	306
	Index	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y	000s	Y/Y	000s	Y/Y	\$000s
2004 Q1	124.2	5.7	3.4	12.6	2.0	4.4	4.6	228	3.0	462	9.9	220
2004 Q2	117.2	2.0	3.1	1.7	1.5	2.5	4.0	232	14.2	473	15.6	226
2004 Q3	123.0	3.8	3.0	4.9	0.3	3.3	3.6	238	4.4	455	-1.0	226
2004 Q4	121.0	3.7	3.8	6.8	6.4	3.5	3.4	233	3.3	453	0.5	234
2005 Q1	124.5	5.6	3.8	9.1	5.6	5.3	3.6	212	-6.8	455	-1.5	239
2005 Q2	122.9	3.4	4.1	6.3	6.8	3.8	4.0	233	0.4	489	3.3	247
2005 Q3	108.0	2.6	3.8	3.4	6.4	3.9	4.1	227	-4.5	500	9.9	251
2005 Q4	116.2	3.6	3.8	-0.4	4.5	5.6	4.6	225	-3.6	489	7.9	259
2006 Q1	122.4	4.8	3.6	12.2	5.3	4.0	4.3	248	16.6	500	9.9	267
2006 Q2	124.1	3.8	3.7	5.0	4.9	2.7	4.0	229	-1.7	486	-0.5	277
2006 Q3	119.8	4.2	4.1	8.9	6.3	3.8	4.0	220	-3.3	---	---	277
2006 Q4	---	3.4	4.2	2.3	7.0	3.4	3.5	222	1.1	---	---	---
2007 Q1	---	3.2	3.7	3.5	4.9	2.8	3.2	215	-3.2	---	---	---
2007 Q2	---	2.9	3.5	2.8	4.3	2.6	3.1	207	-3.7	---	---	---
2007 Q3	---	3.1	3.1	2.9	2.9	2.8	2.9	202	-2.4	---	---	---
2007 Q4	---	3.1	3.1	3.0	3.0	3.0	2.8	197	-2.5	---	---	---
2008 Q1	---	3.2	3.1	3.1	2.9	3.1	2.9	193	-2.0	---	---	---
2008 Q2	---	3.0	3.1	3.0	3.0	3.0	3.0	193	0.0	---	---	---
2008 Q3	---	2.9	3.1	2.9	3.0	2.9	3.0	195	1.0	---	---	---
2008 Q4	---	2.8	3.0	2.8	2.9	2.7	2.9	200	2.6	---	---	---

All quarter-over-quarter changes are annualized growth rates; shaded areas signify forecasts.

Quarterly housing starts and quarterly unit sales are seasonally adjusted at annual rates.

Source: Conference Board of Canada, Statistics Canada, Canada Mortgage and Housing Corporation, Canadian Real Estate Association, Haver Analytics; forecast by TD Economics as at January 2007.

CONSUMER STATISTICS

	RETAIL ACTIVITY						PERSONAL FINANCES							
	TOTAL SALES		TOTAL SALES EX. MOTOR VEHICLES		AUTOMOTIVE SALES		PERSONAL BANKRUPT.		DEBT as % of PDI	DEBT-SERVICE RATIO	MORTG. DELINQ. RATIO	CREDIT CARD DELINQ. RATIO	5-YEAR MORT-GAGE RATE	PRIME RATE
	Y/Y	Y/Y	Y/Y	Y/Y	Y/Y	Y/Y	000s	Y/Y	%	%	%	%	%	%
1998	3.9	4.3	1.2	75459	-11.5	96.6	8.2	0.49	0.90	6.60	6.75			
1999	5.9	5.4	7.9	72994	-3.3	96.9	7.8	0.47	0.90	8.25	6.50			
2000	6.0	6.2	9.7	75088	2.9	96.8	8.0	0.42	0.71	7.95	7.50			
2001	4.4	4.2	3.9	79398	5.7	97.0	7.6	0.43	0.83	6.85	4.00			
2002	6.3	5.9	6.8	78210	-1.5	100.1	6.9	0.40	0.73	6.70	4.50			
2003	3.6	5.3	0.8	84297	7.8	104.3	6.8	0.35	0.84	6.45	4.50			
2004	4.7	6.2	3.1	84475	0.2	109.4	6.3	0.28	0.77	6.05	4.25			
2005	6.3	6.5	8.6	84675	0.2	116.3	6.4	0.26	0.74	6.30	5.00			
	Q/Q	Y/Y	Q/Q	Y/Y	Q/Q	Y/Y	000s	Q/Q	%	%	%	%	%	%
2002 Q1	9.4	6.7	9.2	4.8	9.3	6.9	19,356	-5.0	98.1	6.8	0.44	0.83	7.30	3.75
2002 Q2	4.7	5.7	6.8	4.7	7.3	5.5	20,269	4.7	99.8	7.0	0.39	0.75	7.25	4.25
2002 Q3	2.1	7.3	6.0	6.9	-0.5	8.9	19,251	-5.0	100.9	7.0	0.38	0.69	6.70	4.50
2002 Q4	6.4	5.6	6.5	7.1	7.9	5.9	19,334	0.4	101.6	6.9	0.37	0.71	6.70	4.50
2003 Q1	3.7	4.2	5.4	6.2	8.4	5.7	20,665	6.9	101.7	6.9	0.37	0.81	6.85	4.75
2003 Q2	1.0	3.3	1.8	4.9	-15.0	-0.3	22,115	7.0	103.9	7.0	0.34	0.82	5.80	5.00
2003 Q3	7.5	4.6	9.0	5.7	7.4	1.6	20,581	-6.9	104.8	6.7	0.35	0.78	6.30	4.50
2003 Q4	-2.2	2.5	1.8	4.5	-12.5	-3.6	20,936	1.7	106.7	6.7	0.33	0.78	6.45	4.50
2004 Q1	8.6	3.6	9.0	5.4	14.2	-2.3	21,746	3.9	107.3	6.6	0.32	0.89	5.70	4.00
2004 Q2	4.8	4.6	7.5	6.8	6.1	3.3	22,081	1.5	108.1	6.2	0.28	0.75	6.70	3.75
2004 Q3	5.4	4.1	5.0	5.8	3.4	2.3	20,045	-9.2	110.1	6.2	0.27	0.71	6.30	4.00
2004 Q4	7.1	6.5	6.0	6.9	15.2	9.6	20,603	2.8	111.9	6.3	0.26	0.78	6.05	4.25
2005 Q1	7.7	6.3	8.0	6.6	6.6	7.7	21,041	2.1	114.0	6.4	0.27	0.76	6.25	4.25
2005 Q2	7.2	6.8	6.8	6.4	11.6	9.1	22,773	8.2	115.5	6.3	0.25	0.74	5.70	4.25
2005 Q3	5.0	6.7	6.2	6.8	10.4	10.9	20,331	-10.7	116.8	6.3	0.25	0.72	5.80	4.50
2005 Q4	2.0	5.4	3.3	6.1	-1.7	6.6	20,530	1.0	118.7	6.5	0.26	0.73	5.80	4.50
2006 Q1	10.0	6.0	10.2	6.6	6.6	6.6	20,662	0.6	117.8	6.6	0.26	0.74	6.30	5.00
2006 Q2	9.8	6.6	10.9	7.6	17.8	8.0	20,422	-1.2	121.3	7.0	0.24	0.66	6.45	5.50
2006 Q3	5.1	6.7	1.7	6.5	5.7	6.9	18,907	-7.4	122.3	7.1	0.24	---	6.95	6.00

All quarter-over-quarter changes are annualized growth rates.

Debt as % of PDI is consumer debt as % of personal disposable income. Debt-Service Ratio is debt-service costs as a % of personal disposable income. Mortgage and Credit Card Delinquency Ratio is for 90+ days of delinquency.

Retail Activity represents seasonally adjusted growth

Source: Statistics Canada, Bank of Canada, Canadian Banker's Association, Moodys, Haver Analytics, January 2007.

PROVINCIAL CONSUMER STATISTICS – HOUSING MARKET

	CANADA	N. & L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
HOUSING STARTS											
Thousands of units unless otherwise stated											
2000	152.9	1.5	0.8	4.6	3.1	24.9	72.2	2.6	2.5	26.3	14.4
2001	163.1	1.6	0.7	4.1	3.6	27.8	73.9	3.0	2.4	29.0	17.2
2002	205.3	2.5	0.7	4.9	3.7	42.6	83.9	3.6	2.9	38.9	21.7
2003	219.5	2.5	0.8	5.4	4.4	50.4	85.9	4.2	3.3	36.4	26.2
2004	232.7	2.9	0.9	4.8	3.8	58.6	84.5	4.4	3.7	36.2	32.9
2005	224.3	2.6	0.9	4.7	3.9	50.9	78.2	4.7	3.3	40.6	34.5
2006F	228.0	2.3	0.8	5.0	4.1	45.8	75.2	5.0	3.6	49.4	36.9
2007F	205.0	2.0	0.7	4.6	3.7	40.0	69.0	4.5	3.5	44.0	33.0
2008F	195.0	1.8	0.6	4.5	3.4	37.5	67.5	4.3	3.0	40.5	32.0
2005 % Chg.	-3.6	-11.2	4.7	-3.0	2.6	-13.1	-7.4	5.6	-11.1	12.1	5.1
2006F % Chg.	1.6	-12.9	-19.6	7.5	5.4	-10.0	-3.9	6.8	8.3	21.7	6.8
2007F % Chg.	-10.1	-11.1	-6.7	-8.0	-9.8	-12.7	-8.2	-10.0	-2.8	-10.9	-10.6
2008F % Chg.	-4.9	-12.5	-14.3	-3.3	-8.1	-6.3	-2.2	-4.4	-14.3	-8.0	-3.0
EXISTING UNIT SALES											
Thousands of units unless otherwise stated											
2000	334.4	2.6	1.2	8.6	4.5	54.2	147.2	10.6	7.6	43.3	54.2
2001	381.5	2.8	1.2	9.4	4.8	62.4	162.3	11.4	8.0	49.0	69.6
2002	419.2	3.0	1.3	10.2	5.1	68.2	178.1	11.1	7.9	51.0	82.7
2003	435.1	3.2	1.4	9.2	5.5	67.1	184.5	11.5	7.7	51.3	93.1
2004	460.8	3.3	1.5	8.9	6.0	69.3	197.4	12.1	8.2	57.5	96.4
2005	483.2	3.2	1.4	10.4	6.8	70.6	197.0	12.8	8.3	65.9	106.3
2006F	480.4	3.4	1.5	10.5	7.0	70.5	192.9	13.0	8.8	72.5	99.8
2007F	461.2	3.2	1.4	10.1	6.8	67.3	186.1	13.1	8.7	68.2	95.8
2008F	445.1	3.1	1.4	9.7	6.6	65.3	180.7	12.8	8.4	64.4	92.3
2005 % Chg.	4.9	-1.7	-3.4	16.9	14.3	2.0	-0.2	5.5	1.7	14.6	10.3
2006F % Chg.	-0.6	7.4	3.5	1.1	2.4	-0.2	-2.1	1.5	5.9	10.1	-6.1
2007F % Chg.	-4.0	-8.0	-4.0	-3.5	-2.5	-4.5	-3.5	1.0	-1.3	-6.0	-4.0
2008F % Chg.	-3.5	-2.0	-3.0	-4.5	-3.7	-3.0	-2.9	-2.5	-3.0	-5.5	-3.7
AVERAGE RESALE PRICE											
Thousands of dollars unless otherwise stated											
2000	164	100	83	110	92	111	184	88	94	146	221
2001	172	104	88	115	96	116	193	93	98	154	223
2002	189	113	95	127	100	130	211	97	101	170	239
2003	207	120	102	136	106	152	227	107	105	183	260
2004	226	131	111	146	113	171	245	119	111	195	289
2005	249	141	117	160	121	185	263	134	123	218	332
2006F	278	142	127	176	126	196	279	144	133	282	389
2007F	294	144	132	183	129	202	287	150	139	319	422
2008F	306	147	135	189	132	208	297	156	144	335	448
2005 % Chg.	10.2	7.4	5.8	9.3	6.8	7.9	7.3	12.3	10.8	12.1	14.9
2006F % Chg.	11.5	0.3	8.5	10.0	4.7	6.3	5.9	7.5	8.1	29.4	17.2
2007F % Chg.	5.6	2.0	4.0	4.0	2.0	2.7	3.0	4.5	5.0	13.0	8.5
2008F % Chg.	4.3	1.6	2.3	3.5	2.6	3.1	3.6	3.9	3.5	5.0	6.0

Shaded areas signify forecasts.

Source: Statistics Canada, Canada Mortgage & Housing Corporation, Canadian Real Estate Association, Haver Analytics

Forecast by TD Economics as at January 2007

PROVINCIAL CONSUMER STATISTICS – RETAIL ACTIVITY

	TOTAL SALES										
	Per cent change										
	CANADA	N. & L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
1992	2.5	-0.9	6.2	5.4	4.0	0.3	2.7	2.0	1.2	3.1	4.7
1993	5.1	-0.7	5.2	4.9	4.6	4.6	4.2	4.9	6.6	5.7	8.7
1994	7.4	2.7	3.2	2.3	-0.1	6.3	7.5	4.8	7.7	8.6	11.6
1995	3.3	2.9	4.7	-0.9	3.3	-0.8	4.0	5.5	5.8	3.5	7.7
1996	3.3	1.2	4.7	9.7	6.1	5.7	0.7	6.5	8.9	5.3	1.6
1997	8.0	7.8	8.3	4.1	4.6	7.2	8.5	9.7	8.4	13.9	5.2
1998	3.9	3.7	4.9	4.4	7.1	2.9	7.2	2.1	0.3	4.3	-2.3
1999	5.9	8.1	9.8	6.3	10.0	7.2	7.3	2.1	1.7	4.1	1.7
2000	6.0	7.4	6.6	4.0	4.5	5.1	6.6	4.5	5.1	7.8	5.7
2001	4.4	9.3	4.0	3.6	3.0	4.2	2.5	5.8	4.4	8.9	5.9
2002	6.3	4.0	3.4	6.1	3.9	6.1	5.9	7.0	7.6	9.0	6.3
2003	3.6	6.1	1.0	1.8	0.5	4.5	3.4	3.6	5.0	4.4	2.7
2004	4.7	0.3	0.1	2.8	1.7	4.2	3.2	6.7	4.1	10.3	6.3
2005	6.3	2.4	3.2	3.1	5.6	6.0	4.9	6.6	7.8	12.4	6.0
2006 YTD	4.1	-0.5	0.4	3.1	1.8	3.4	1.1	5.4	5.6	11.9	5.7
	MOTOR AND RECREATIONAL VEHICLE SALES										
	Per cent change										
	CANADA	N. & L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
1992	-4.7	-4.8	3.0	1.1	-3.5	-2.8	-4.0	-2.8	-10.2	-11.0	-6.3
1993	-2.8	0.7	5.5	0.8	1.1	-7.1	-1.8	-5.2	-2.9	2.3	-2.3
1994	5.6	3.5	7.1	2.1	-1.4	3.1	7.7	5.9	12.2	6.0	5.5
1995	-7.4	-15.4	-11.4	-10.6	-5.3	-8.2	-8.1	-3.1	-4.5	-6.1	-5.1
1996	3.3	-5.3	-2.4	3.1	0.6	4.2	1.8	15.9	16.0	9.4	-3.0
1997	18.2	29.5	14.5	15.3	20.2	15.4	19.3	15.2	18.6	25.3	14.4
1998	0.3	2.3	-3.4	5.1	4.3	3.3	3.8	-9.5	-15.2	-2.6	-10.3
1999	7.9	13.7	5.4	7.4	10.2	6.0	13.1	0.7	-3.6	-1.6	6.6
2000	3.0	-2.3	2.1	1.8	-2.5	1.1	2.4	-1.6	5.5	9.1	6.7
2001	0.7	3.3	-5.4	-1.9	-6.4	1.9	-2.0	1.5	4.6	7.0	2.9
2002	8.5	4.6	7.8	9.6	7.2	9.0	6.5	13.9	8.4	9.0	13.1
2003	-6.2	-1.4	-5.2	-2.4	-8.6	-3.1	-8.7	-6.6	-1.1	-5.1	-7.3
2004	-3.2	-10.0	-0.8	-2.6	-7.7	-3.6	-4.6	-1.6	-5.6	0.9	0.4
2005	3.5	8.7	3.2	2.2	-0.8	0.7	2.8	2.6	1.1	13.4	2.7
2006 YTD	0.6	-6.6	6.7	3.1	4.6	-1.4	-3.9	1.9	2.8	9.8	7.3

Source: Statistics Canada, Haver Analytics as at January 2007.

PROVINCIAL CONSUMER STATISTICS – LABOUR MARKET

EMPLOYMENT GROWTH											
Per cent change											
	CANADA	N. & L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
1996	1.0	-3.5	3.1	0.3	-0.6	-0.2	1.3	0.2	-0.3	3.0	1.7
1997	2.1	0.2	-0.3	1.3	1.1	1.4	2.4	1.6	2.1	3.3	2.4
1998	2.5	2.1	1.4	3.5	2.0	2.7	3.1	1.6	1.0	4.0	-0.1
1999	2.6	4.5	1.1	2.2	3.3	2.2	3.4	1.4	0.2	2.3	1.9
2000	2.5	-1.3	4.1	1.8	1.7	2.2	3.2	2.0	0.4	2.5	1.9
2001	1.2	2.9	1.4	0.9	-0.3	1.1	1.9	0.3	-2.8	2.9	-0.5
2002	2.4	1.8	1.8	1.8	3.9	3.8	1.8	2.3	1.7	2.5	2.3
2003	2.4	2.2	2.0	2.0	0.0	1.6	3.0	0.6	1.7	2.7	2.5
2004	1.8	1.0	1.3	2.6	2.1	1.5	1.7	1.1	0.8	2.4	2.4
2005	1.4	-0.1	2.0	0.2	0.1	1.0	1.3	0.6	0.8	1.5	3.3
2006	1.9	0.7	0.6	-0.3	1.4	1.3	1.5	1.2	1.7	4.8	3.1
2007F	1.2	0.5	0.7	0.8	0.5	0.8	1.0	0.8	1.2	2.5	1.9
2008F	1.3	0.5	0.8	0.9	0.7	1.0	1.4	0.7	0.7	1.8	1.7
UNEMPLOYMENT RATE											
Per cent											
1996	9.6	19.1	14.5	12.4	11.7	11.9	9.0	7.3	6.6	6.9	8.7
1997	9.1	18.4	15.3	12.2	12.7	11.4	8.4	6.5	5.9	5.9	8.4
1998	8.3	17.9	14.0	10.5	12.2	10.3	7.2	5.6	5.9	5.6	8.8
1999	7.6	16.9	14.3	9.6	10.1	9.3	6.3	5.6	6.0	5.7	8.3
2000	6.8	16.7	12.2	9.1	10.0	8.5	5.8	4.9	5.2	5.0	7.1
2001	7.2	16.1	12.0	9.8	11.1	8.8	6.3	5.1	5.8	4.7	7.8
2002	7.6	16.6	11.9	9.6	10.2	8.6	7.1	5.1	5.7	5.3	8.5
2003	7.6	16.5	10.9	9.1	10.3	9.1	6.9	5.0	5.6	5.1	8.1
2004	7.2	15.7	11.3	8.8	9.8	8.5	6.8	5.3	5.3	4.6	7.2
2005	6.8	15.2	10.9	8.4	9.7	8.3	6.6	4.7	5.1	4.0	5.9
2006	6.3	14.8	11.0	7.9	8.8	8.0	6.3	4.3	4.7	3.4	4.8
2007F	6.4	14.5	11.3	8.0	8.9	8.1	6.7	4.3	4.2	3.7	5.2
2008F	6.3	14.6	11.4	7.8	8.8	7.8	6.3	4.4	4.2	3.9	5.1
LABOUR FORCE PARTICIPATION RATE											
Per cent											
1996	64.7	52.4	66.0	59.4	58.6	61.9	65.6	66.4	65.3	72.3	65.7
1997	64.8	52.5	65.9	59.7	59.7	62.1	65.7	66.7	66.1	72.1	65.5
1998	65.1	54.0	65.6	60.5	60.5	62.5	66.0	66.9	66.6	72.6	64.9
1999	65.5	56.1	66.1	60.8	60.8	62.8	66.5	67.5	66.9	72.6	65.1
2000	65.8	55.4	66.8	61.3	61.5	63.1	67.0	67.9	66.8	72.2	64.8
2001	65.9	56.9	67.0	61.9	62.0	63.5	67.3	67.8	65.6	72.3	64.0
2002	66.9	58.3	67.6	62.5	63.4	65.2	67.7	69.0	66.8	73.0	65.1
2003	67.5	59.2	67.5	63.1	63.2	66.0	68.5	68.7	67.8	73.5	65.6
2004	67.5	59.1	67.9	64.1	63.9	65.8	68.4	69.1	67.9	73.6	65.5
2005	67.2	58.8	68.6	63.6	63.6	65.5	68.0	68.6	68.1	72.7	65.6
2006	67.2	59.2	68.7	62.9	63.8	65.5	67.7	68.8	69.0	73.3	65.6

Annual average employment growth

Source: Statistics Canada, Haver Analytics

Forecast by TD Economics as at January 2007

PERSONAL BALANCE SHEET- ANNUAL ASSETS*											
	REAL ASSETS				FINANCIAL ASSETS						TOTAL ASSETS
	Structures & Land	Consumer Durables	Other Real Assets¹	Total Real Assets	Currency & Bank Deposits²	Bonds³	Shares	Life Insurance & Pensions	Other Financial Assets⁴	Total Financial Assets	
1996	1112	236	29	1377	510	133	509	741	192	2085	3462
1997	1165	247	30	1441	497	135	631	810	186	2259	3700
1998	1216	259	30	1506	497	122	690	871	150	2329	3835
1999	1288	277	32	1597	521	133	862	936	161	2614	4211
2000	1349	293	34	1676	532	131	941	984	156	2745	4421
2001	1449	308	34	1791	561	122	860	979	173	2695	4486
2002	1588	331	34	1952	587	128	822	983	173	2692	4645
2003	1717	346	30	2093	605	102	916	1054	180	2858	4950
2004	1864	359	29	2252	637	116	1091	1153	143	3140	5392
2005	1993	376	32	2401	663	117	1235	1259	134	3408	5809
ANNUAL PERCENT CHANGE											
1994	5.3	3.7	4.5	5.0	0.8	25.4	9.6	1.3	5.5	4.8	4.9
1995	0.5	1.8	8.1	0.9	4.9	-16.2	4.8	12.5	19.1	7.1	4.4
1996	3.0	2.2	1.9	2.9	2.9	20.0	33.9	11.7	8.0	14.1	9.3
1997	4.7	4.4	5.1	4.7	-2.4	1.2	23.9	9.3	-3.4	8.3	6.9
1998	4.5	5.0	0.4	4.5	-0.1	-9.3	9.2	7.6	-19.4	3.1	3.6
1999	5.9	7.1	6.6	6.1	4.8	8.9	25.0	7.5	8.0	12.2	9.8
2000	4.8	5.5	5.5	4.9	2.3	-1.7	9.1	5.1	-3.3	5.0	5.0
2001	7.4	5.3	0.7	6.9	5.3	-6.4	-8.7	-0.5	10.8	-1.8	1.5
2002	9.6	7.4	-1.0	9.0	4.7	4.4	-4.4	0.4	-0.3	-0.1	3.5
2003	8.2	4.4	-12.1	7.2	3.0	-19.9	11.5	7.3	4.5	6.1	6.6
2004	8.5	4.0	-1.5	7.6	5.3	13.5	19.1	9.3	-20.6	9.9	8.9
2005	7.0	4.6	9.3	6.6	4.1	0.5	13.2	9.3	-6.7	8.5	7.7
SHARE OF TOTAL ASSETS											
1991	36.4	8.4	0.9	45.7	17.6	4.3	9.1	18.4	4.9	54.3	100
1992	36.5	8.1	0.9	45.4	17.6	3.7	9.2	18.9	5.2	54.6	100
1993	35.3	7.6	0.9	43.7	16.2	3.6	11.4	20.1	4.9	56.3	100
1994	35.4	7.5	0.9	43.7	15.6	4.4	12.0	19.4	4.9	56.3	100
1995	34.1	7.3	0.9	42.3	15.6	3.5	12.0	21.0	5.6	57.7	100
1996	32.1	6.8	0.8	39.8	14.7	3.8	14.7	21.4	5.5	60.2	100
1997	31.5	6.7	0.8	39.0	13.4	3.6	17.1	21.9	5.0	61.0	100
1998	31.7	6.8	0.8	39.3	13.0	3.2	18.0	22.7	3.9	60.7	100
1999	30.6	6.6	0.8	37.9	12.4	3.2	20.5	22.2	3.8	62.1	100
2000	30.5	6.6	0.8	37.9	12.0	3.0	21.3	22.3	3.5	62.1	100
2001	32.3	6.9	0.8	39.9	12.5	2.7	19.2	21.8	3.9	60.1	100
2002	34.2	7.1	0.7	42.0	12.6	2.8	17.7	21.2	3.7	58.0	100
2003	34.7	7.0	0.6	42.3	12.2	2.1	18.5	21.3	3.6	57.7	100
2004	34.6	6.7	0.5	41.8	11.8	2.2	20.2	21.4	2.7	58.2	100
2005	34.3	6.5	0.6	41.3	11.4	2.0	21.3	21.7	2.3	58.7	100

Market-value based data.
*Includes persons and unincorporated businesses; ¹includes machinery and equipment and inventories; ²includes currency and bank deposits, foreign currency deposits and other deposits; ³includes Canada, provincial, municipal and other bonds; ⁴includes foreign investments, Canada and other short-term paper, consumer credit, mortgages and other financial assets.
Source: Statistics Canada, Haver Analytics; as at January 2007

PERSONAL BALANCE SHEET- QUARTERLY ASSETS*

	REAL ASSETS				FINANCIAL ASSETS						TOTAL ASSETS
	Structures & Land	Consumer Durables	Other Real Assets ¹	Total Real Assets	Currency & Bank Deposits ²	Bonds ³	Shares	Life Insurance & Pensions	Other Financial Assets ⁴	Total Financial Assets	
\$ BILLIONS											
2004 Q1	1752	344	27	2123	612	126	982	1096	167	2982	5105
2004 Q2	1816	351	26	2193	625	118	1026	1102	162	3034	5227
2004 Q3	1839	351	30	2221	627	116	1039	1109	156	3048	5268
2004 Q4	1864	359	29	2252	637	116	1091	1153	143	3140	5392
2005 Q1	1887	360	29	2275	650	119	1123	1170	140	3202	5477
2005 Q2	1929	365	29	2323	659	114	1147	1201	148	3268	5591
2005 Q3	1961	368	33	2362	658	120	1196	1239	144	3357	5719
2005 Q4	1993	376	32	2401	663	117	1235	1259	134	3408	5809
2006 Q1	2029	377	29	2436	672	108	1303	1297	126	3507	5942
2006 Q2	2094	380	29	2503	685	106	1291	1297	121	3500	6003
2006 Q3	2150	381	32	2563	694	97	1316	1322	116	3546	6109
QUARTERLY ANNUALIZED PERCENT CHANGE											
2004 Q1	8.2	-1.7	-33.3	5.9	4.7	126.4	31.9	16.9	-26.8	18.6	13.1
2004 Q2	15.5	8.2	-5.2	14.0	9.2	-21.9	19.3	2.2	-10.9	7.1	9.9
2004 Q3	5.2	0.6	67.0	5.1	1.3	-7.6	5.1	2.6	-13.8	1.8	3.2
2004 Q4	5.4	9.4	-11.0	5.8	6.1	1.8	21.7	16.6	-29.1	12.7	9.8
2005 Q1	5.1	0.5	-6.2	4.2	8.5	9.2	12.1	6.2	-8.5	8.1	6.4
2005 Q2	9.3	5.7	2.4	8.6	5.8	-16.7	8.7	10.9	23.6	8.5	8.6
2005 Q3	6.8	4.0	63.6	7.0	-0.6	24.7	18.5	13.1	-10.3	11.3	9.5
2005 Q4	6.7	8.6	-9.1	6.8	2.8	-10.1	13.7	6.9	-25.3	6.2	6.4
2006 Q1	7.4	1.3	-28.9	5.9	6.0	-26.5	23.9	12.4	-20.7	12.1	9.5
2006 Q2	13.3	2.8	-3.4	11.5	7.4	-6.1	-3.6	0.0	-15.3	-0.8	4.1
2006 Q3	11.2	1.0	47.9	10.0	5.7	-30.6	8.0	8.1	-16.1	5.3	7.3
QUARTERLY SHARE OF TOTAL ASSETS											
2004 Q1	34.3	6.7	0.5	41.6	12.0	2.5	19.2	21.5	3.3	58.4	100.0
2004 Q2	34.7	6.7	0.5	42.0	12.0	2.3	19.6	21.1	3.1	58.0	100.0
2004 Q3	34.9	6.7	0.6	42.2	11.9	2.2	19.7	21.1	3.0	57.8	100.0
2004 Q4	34.6	6.7	0.5	41.8	11.8	2.2	20.2	21.4	2.7	58.2	100.0
2005 Q1	34.4	6.6	0.5	41.5	11.9	2.2	20.5	21.4	2.6	58.5	100.0
2005 Q2	34.5	6.5	0.5	41.5	11.8	2.0	20.5	21.5	2.6	58.5	100.0
2005 Q3	34.3	6.4	0.6	41.3	11.5	2.1	20.9	21.7	2.5	58.7	100.0
2005 Q4	34.3	6.5	0.6	41.3	11.4	2.0	21.3	21.7	2.3	58.7	100.0
2006 Q1	34.1	6.3	0.5	41.0	11.3	1.8	21.9	21.8	2.1	59.0	100.0
2006 Q2	34.9	6.3	0.5	41.7	11.4	1.8	21.5	21.6	2.0	58.3	100.0
2006 Q3	35.2	6.2	0.5	42.0	11.4	1.6	21.5	21.6	1.9	58.0	100.0

Non-seasonally adjusted market-value based data.

*Includes persons and unincorporated businesses; ¹includes machinery and equipment and inventories; ²includes currency and bank deposits, foreign currency deposits and other deposits; ³includes Canada, provincial, municipal and other bonds; ⁴includes foreign investments, Canada and other short-term paper, consumer credit, mortgages and other financial assets.

Source: Statistics Canada, Haver Analytics; as at January 2007

PERSONAL BALANCE SHEET – ANNUAL LIABILITIES AND NET WORTH*								
	LIABILITIES					NET WORTH		
	Mortgages	Consumer Credit	Bank & Other Loans	Other Liabilities⁵	Total Liabilities	Assets-Liabilities Ratio	Net Worth	Net Worth as % of PDI⁶
	\$ BILLIONS					RATIO	\$ BILLIONS	PER CENT
1996	374	124	62	5	564	6.1	2,898	549
1997	391	133	69	5	598	6.2	3,101	568
1998	408	144	78	6	637	6.0	3,198	562
1999	428	158	85	9	680	6.2	3,531	592
2000	445	172	92	11	720	6.1	3,701	579
2001	466	187	95	16	764	5.9	3,722	556
2002	494	205	98	16	813	5.7	3,832	552
2003	527	225	101	15	868	5.7	4,083	566
2004	563	246	105	15	928	5.8	4,464	591
2005	602	268	108	16	993	5.8	4,816	611
ANNUAL PERCENT CHANGE								
1996	4.5	6.3	7.9	-24.2	4.9	--	9.0	--
1997	4.7	7.1	12.8	11.4	6.1	--	7.0	--
1998	4.4	8.6	12.6	17.9	6.4	--	3.1	--
1999	4.8	9.7	8.2	48.7	6.8	--	10.4	--
2000	4.0	8.8	8.3	23.3	5.9	--	4.8	--
2001	4.6	8.7	3.8	38.5	6.0	--	0.6	--
2002	6.1	9.4	2.7	3.3	6.4	--	2.9	--
2003	6.8	9.7	3.2	-6.4	6.8	--	6.5	--
2004	6.7	9.5	4.2	-2.5	7.0	--	9.3	--
2005	7.0	8.8	2.5	9.8	7.0	--	7.9	--
PER CENT SHARE OF TOTAL LIABILITIES								
1996	66.2	22.0	10.9	0.8	100	--	--	--
1997	65.3	22.2	11.6	0.9	100	--	--	--
1998	64.1	22.6	12.3	1.0	100	--	--	--
1999	62.9	23.3	12.4	1.4	100	--	--	--
2000	61.8	23.9	12.7	1.6	100	--	--	--
2001	61.0	24.5	12.5	2.1	100	--	--	--
2002	60.8	25.2	12.0	2.0	100	--	--	--
2003	60.8	25.9	11.6	1.7	100	--	--	--
2004	60.6	26.5	11.3	1.6	100	--	--	--
2005	60.6	26.9	10.8	1.6	100	--	--	--
Market-value based data.								
*Includes persons and unincorporated businesses; ⁵ Includes trade payables; ⁶ PDI is personal disposable income.								
Source: Statistics Canada, Haver Analytics; as at January 2007								

PERSONAL BALANCE SHEET – QUARTERLY LIABILITIES AND NET WORTH*								
	LIABILITIES					NET WORTH		
	Mortgages	Consumer Credit	Bank & Other Loans	Other Liabilities⁵	Total Liabilities	Assets-Liabilities Ratio	Net Worth	Net Worth as % of PDI⁶
	\$ BILLIONS					RATIO	\$ BILLIONS	PER CENT
2004 Q1	532	227	103	15	878	5.8	4,227	570
2004 Q2	544	235	104	14	896	5.8	4,331	574
2004 Q3	555	241	104	14	913	5.8	4,355	573
2004 Q4	563	246	105	15	928	5.8	4,464	582
2005 Q1	568	248	107	15	938	5.8	4,539	588
2005 Q2	581	256	106	15	959	5.8	4,632	593
2005 Q3	594	262	106	16	978	5.8	4,741	597
2005 Q4	602	268	108	16	993	5.8	4,816	600
2006 Q1	609	271	110	17	1007	5.9	4,935	595
2006 Q2	623	278	109	18	1028	5.8	4,975	602
2006 Q3	635	285	110	18	1049	5.8	5,060	604
QUARTERLY ANNUALIZED PERCENT CHANGE								
2004 Q1	3.7	4.4	10.1	5.4	4.7	--	14.9	--
2004 Q2	9.3	14.2	1.8	-37.4	8.7	--	10.2	--
2004 Q3	8.0	10.3	0.9	14.6	7.9	--	2.2	--
2004 Q4	5.8	9.3	4.4	19.8	6.7	--	10.4	--
2005 Q1	4.2	4.1	6.0	1.9	4.3	--	6.9	--
2005 Q2	9.4	13.5	-1.2	0.0	9.0	--	8.5	--
2005 Q3	9.1	9.6	-0.3	26.4	8.4	--	9.7	--
2005 Q4	5.4	8.3	5.5	12.7	6.3	--	6.5	--
2006 Q1	5.2	4.8	8.8	24.9	5.8	--	10.3	--
2006 Q2	9.1	11.7	-3.8	9.6	8.3	--	3.3	--
2006 Q3	8.3	9.4	5.6	21.5	8.5	--	7.0	--
QUARTERLY SHARE OF TOTAL LIABILITIES								
2004 Q1	60.6	25.9	11.7	1.8	100.0	--	--	--
2004 Q2	60.7	26.2	11.6	1.5	100.0	--	--	--
2004 Q3	60.7	26.3	11.4	1.5	100.0	--	--	--
2004 Q4	60.6	26.5	11.3	1.6	100.0	--	--	--
2005 Q1	60.6	26.5	11.4	1.6	100.0	--	--	--
2005 Q2	60.6	26.7	11.1	1.6	100.0	--	--	--
2005 Q3	60.7	26.8	10.8	1.6	100.0	--	--	--
2005 Q4	60.6	26.9	10.8	1.6	100.0	--	--	--
2006 Q1	60.5	26.9	10.9	1.7	100.0	--	--	--
2006 Q2	60.6	27.1	10.6	1.7	100.0	--	--	--
2006 Q3	60.6	27.1	10.5	1.8	100.0	--	--	--
Non-seasonally adjusted market-value based data.								
*Includes persons and unincorporated businesses; ⁵ Includes trade payables; ⁶ PDI is personal disposable income.								
Source: Statistics Canada, Haver Analytics; as at January 2007								