

Supplementary information

Consolidated balance sheet

| As at October 31 (\$ millions) | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Assets | | | | | | | | | | | |
| Cash resources | \$ 21,323 | \$ 17,535 | \$ 16,408 | \$ 23,042 | \$ 16,395 | \$ 21,392 | \$ 23,567 | \$ 17,710 | \$ 16,449 | \$ 10,874 | \$ 10,938 |
| Securities | 93,800 | 80,507 | 60,208 | 50,559 | 41,399 | 33,037 | 43,490 | 32,705 | 27,695 | 24,011 | 16,146 |
| Reverse repurchase agreements | 35,831 | 35,870 | 18,303 | 20,272 | 19,907 | 18,642 | 11,446 | 4,591 | 5,259 | 5,304 | 607 |
| Loans | | | | | | | | | | | |
| Residential mortgage | 72,840 | 67,442 | 62,984 | 59,242 | 57,069 | 53,369 | 48,120 | 45,131 | 44,109 | 43,781 | 32,609 |
| Personal | 31,956 | 32,511 | 28,019 | 25,255 | 22,761 | 20,864 | 18,440 | 16,923 | 16,508 | 16,487 | 15,462 |
| Credit card | 4,914 | 4,283 | 4,666 | 2,666 | 1,945 | 2,324 | 3,522 | 3,435 | 3,321 | 3,090 | 2,532 |
| Business and government | 61,751 | 67,152 | 60,546 | 57,676 | 65,598 | 62,837 | 56,138 | 51,500 | 48,748 | 52,062 | 52,502 |
| | 171,461 | 171,388 | 156,215 | 144,839 | 147,373 | 139,394 | 126,220 | 116,989 | 112,686 | 115,420 | 103,105 |
| Allowance for loan losses | (2,203) | (2,278) | (1,871) | (1,884) | (2,026) | (1,769) | (1,875) | (2,003) | (2,559) | (4,255) | (3,575) |
| | 169,258 | 169,110 | 154,344 | 142,955 | 145,347 | 137,625 | 124,345 | 114,986 | 110,127 | 111,165 | 99,530 |
| Other | | | | | | | | | | | |
| Customers' liability under acceptances | 8,051 | 9,923 | 11,628 | 9,257 | 10,620 | 10,561 | 7,423 | 6,300 | 6,205 | 6,302 | 5,737 |
| Derivative-related amounts (1) | 30,258 | 27,240 | 19,155 | 15,151 | 30,413 | 14,776 | 12,994 | 12,378 | - | - | - |
| Premises and equipment | 1,653 | 1,602 | 1,249 | 1,320 | 1,872 | 1,696 | 1,785 | 1,870 | 1,975 | 2,057 | 1,914 |
| Goodwill | 5,004 | 4,919 | 648 | 611 | 551 | 607 | 335 | 333 | 365 | 447 | 195 |
| Other intangibles | 665 | 619 | 208 | - | - | - | - | - | - | - | - |
| Other assets | 11,113 | 11,935 | 7,589 | 7,483 | 7,895 | 6,438 | 6,113 | 5,157 | 5,004 | 4,781 | 3,226 |
| | 56,744 | 56,238 | 40,477 | 33,822 | 51,351 | 34,078 | 28,650 | 26,038 | 13,549 | 13,587 | 11,072 |
| | \$ 376,956 | \$ 359,260 | \$ 289,740 | \$ 270,650 | \$ 274,399 | \$ 244,774 | \$ 231,498 | \$ 196,030 | \$ 173,079 | \$ 164,941 | \$ 138,293 |
| Liabilities and shareholders' equity | | | | | | | | | | | |
| Deposits | | | | | | | | | | | |
| Personal | \$ 101,892 | \$ 101,381 | \$ 89,632 | \$ 87,359 | \$ 85,910 | \$ 86,106 | \$ 90,774 | \$ 89,929 | \$ 85,214 | \$ 84,696 | \$ 67,648 |
| Business and government | 119,591 | 107,141 | 93,618 | 86,223 | 76,107 | 64,368 | 47,799 | 39,900 | 36,422 | 33,781 | 30,245 |
| Bank | 22,003 | 24,925 | 19,646 | 14,315 | 17,988 | 22,755 | 23,244 | 13,662 | 14,179 | 11,922 | 14,329 |
| | 243,486 | 233,447 | 202,896 | 187,897 | 180,005 | 173,229 | 161,817 | 143,491 | 135,815 | 130,399 | 112,222 |
| Other | | | | | | | | | | | |
| Acceptances | 8,051 | 9,923 | 11,628 | 9,257 | 10,620 | 10,561 | 7,423 | 6,300 | 6,205 | 6,302 | 5,737 |
| Securities sold short | 19,110 | 16,443 | 13,419 | 17,885 | 14,404 | 11,152 | 8,331 | 7,128 | 5,569 | 5,362 | 3,628 |
| Repurchase agreements | 21,109 | 20,864 | 9,005 | 9,396 | 11,264 | 9,458 | 16,526 | 4,090 | 5,341 | 2,533 | 787 |
| Derivative-related amounts (1) | 32,137 | 28,646 | 18,574 | 15,219 | 29,370 | 14,732 | 13,449 | 12,384 | - | - | - |
| Other liabilities | 26,197 | 23,780 | 14,149 | 13,682 | 12,258 | 10,494 | 10,828 | 9,970 | 7,986 | 8,919 | 5,232 |
| | 106,604 | 99,656 | 66,775 | 65,439 | 77,916 | 56,397 | 56,557 | 39,872 | 25,101 | 23,116 | 15,384 |
| Subordinated debentures | 6,614 | 6,513 | 5,825 | 4,596 | 4,087 | 4,227 | 3,602 | 3,528 | 3,481 | 3,410 | 3,106 |
| Non-controlling interest in subsidiaries | 1,469 | 1,479 | 703 | 103 | 499 | 531 | 108 | 107 | 93 | 86 | 75 |
| Shareholders' equity | | | | | | | | | | | |
| Capital stock | | | | | | | | | | | |
| Preferred | 1,545 | 2,024 | 2,037 | 2,009 | 2,144 | 1,784 | 1,752 | 1,990 | 2,266 | 2,248 | 1,594 |
| Common | 7,057 | 6,973 | 3,076 | 3,065 | 2,925 | 2,907 | 2,876 | 2,910 | 2,910 | 2,910 | 2,910 |
| Retained earnings | 10,181 | 9,168 | 8,428 | 7,541 | 6,823 | 5,699 | 4,786 | 4,132 | 3,413 | 2,772 | 3,002 |
| | 18,783 | 18,165 | 13,541 | 12,615 | 11,892 | 10,390 | 9,414 | 9,032 | 8,589 | 7,930 | 7,506 |
| | \$ 376,956 | \$ 359,260 | \$ 289,740 | \$ 270,650 | \$ 274,399 | \$ 244,774 | \$ 231,498 | \$ 196,030 | \$ 173,079 | \$ 164,941 | \$ 138,293 |

(1) As the information is not reasonably determinable, amounts for years prior to 1995 have not been restated to reflect the presentation of derivative-related amounts on a gross basis.

Consolidated statement of income

| For the year ended October 31 (\$ millions, except per share amounts) | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 |
|--|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|----------|-----------|
| Interest income | | | | | | | | | | | |
| Loans | \$ 10,463 | \$ 12,032 | \$ 11,538 | \$ 10,394 | \$ 10,474 | \$ 9,354 | \$ 9,490 | \$ 9,820 | \$ 8,693 | \$ 8,156 | \$ 8,957 |
| Securities | 3,075 | 3,281 | 2,669 | 2,190 | 1,914 | 2,166 | 2,461 | 2,179 | 1,654 | 1,320 | 1,037 |
| Assets purchased under reverse repurchase agreements (1) | 651 | 1,163 | 1,078 | 893 | 1,169 | 568 | 366 | 237 | 206 | 91 | – |
| Deposits with banks | 483 | 831 | 824 | 726 | 750 | 983 | 891 | 792 | 454 | 296 | 396 |
| | 14,672 | 17,307 | 16,109 | 14,203 | 14,307 | 13,071 | 13,208 | 13,028 | 11,007 | 9,863 | 10,390 |
| Interest expense | | | | | | | | | | | |
| Deposits | 5,709 | 8,712 | 9,057 | 7,636 | 7,732 | 6,548 | 7,115 | 7,362 | 5,477 | 4,995 | 5,868 |
| Other liabilities | 1,399 | 1,668 | 1,429 | 1,161 | 1,172 | 1,139 | 1,126 | 792 | 761 | 567 | 322 |
| Subordinated debentures | 406 | 410 | 344 | 286 | 339 | 384 | 322 | 335 | 290 | 263 | 272 |
| | 7,514 | 10,790 | 10,830 | 9,083 | 9,243 | 8,071 | 8,563 | 8,489 | 6,528 | 5,825 | 6,462 |
| Net interest income | 7,158 | 6,517 | 5,279 | 5,120 | 5,064 | 5,000 | 4,645 | 4,539 | 4,479 | 4,038 | 3,928 |
| Provision for credit losses | 1,065 | 1,119 | 691 | 760 | 575 | 380 | 440 | 580 | 820 | 1,750 | 2,050 |
| | 6,093 | 5,398 | 4,588 | 4,360 | 4,489 | 4,620 | 4,205 | 3,959 | 3,659 | 2,288 | 1,878 |
| Other income | | | | | | | | | | | |
| Capital market fees | 1,866 | 1,523 | 1,538 | 1,028 | 918 | 1,172 | 764 | 434 | 567 | 456 | 356 |
| Trading revenues | 1,766 | 1,820 | 1,540 | 1,106 | 748 | 606 | 368 | 362 | 345 | 414 | 387 |
| Investment management and custodial fees | 1,179 | 1,096 | 860 | 651 | 605 | 404 | 319 | 286 | 278 | 101 | 82 |
| Deposit and payment service charges | 1,041 | 887 | 756 | 688 | 664 | 690 | 701 | 681 | 661 | 649 | 654 |
| Mutual fund revenues | 723 | 692 | 624 | 556 | 537 | 354 | 241 | 190 | 202 | 64 | 37 |
| Card service revenues | 496 | 458 | 420 | 362 | 305 | 332 | 282 | 278 | 258 | 203 | 183 |
| Foreign exchange revenues, other than trading | 279 | 312 | 299 | 243 | 218 | 211 | 165 | 140 | 134 | 107 | 115 |
| Credit fees | 223 | 237 | 212 | 189 | 183 | 169 | 153 | 156 | 156 | 152 | 152 |
| Mortgage banking revenues | 222 | 206 | – | – | – | – | – | – | – | – | – |
| Insurance revenues | 204 | 201 | 191 | 161 | 113 | 102 | 70 | 104 | 100 | 61 | 32 |
| Securitization revenues | 174 | 123 | 115 | 222 | 218 | – | – | – | – | – | – |
| Gain (loss) on sale of securities | (116) | (128) | (11) | 28 | 343 | 37 | 107 | 17 | 49 | 169 | 14 |
| Gain from divestitures | – | 445 | – | – | – | – | – | – | – | – | – |
| Other | 505 | 343 | 188 | 246 | 133 | 202 | 96 | 90 | 113 | 75 | 90 |
| | 8,562 | 8,215 | 6,732 | 5,480 | 4,985 | 4,279 | 3,266 | 2,738 | 2,863 | 2,451 | 2,102 |
| Non-interest expense | | | | | | | | | | | |
| Human resources | 6,315 | 5,723 | 4,651 | 4,013 | 3,594 | 3,365 | 2,851 | 2,563 | 2,675 | 2,386 | 2,170 |
| Occupancy | 796 | 724 | 570 | 564 | 508 | 559 | 507 | 473 | 500 | 593 | 476 |
| Equipment | 820 | 771 | 665 | 677 | 585 | 605 | 492 | 506 | 460 | 473 | 382 |
| Communications | 801 | 686 | 695 | 699 | 665 | 587 | 523 | 461 | 450 | 377 | 372 |
| Professional fees | 419 | 412 | 267 | 298 | 262 | 228 | 165 | 147 | 113 | 86 | 88 |
| Amortization of goodwill | – | 248 | 76 | 66 | 62 | 59 | 38 | 38 | 48 | 35 | 19 |
| Amortization of other intangibles | 72 | 36 | 11 | – | – | – | – | – | – | – | – |
| Other | 1,197 | 1,155 | 646 | 743 | 723 | 650 | 536 | 469 | 415 | 465 | 410 |
| | 10,420 | 9,755 | 7,581 | 7,060 | 6,399 | 6,053 | 5,112 | 4,657 | 4,661 | 4,415 | 3,917 |
| Net income before income taxes | 4,235 | 3,858 | 3,739 | 2,780 | 3,075 | 2,846 | 2,359 | 2,040 | 1,861 | 324 | 63 |
| Income taxes | 1,365 | 1,340 | 1,445 | 1,015 | 1,175 | 1,090 | 880 | 755 | 655 | (5) | (65) |
| Net income before, non-controlling interest | 2,870 | 2,518 | 2,294 | 1,765 | 1,900 | 1,756 | 1,479 | 1,285 | 1,206 | 329 | 128 |
| Non-controlling interest | 108 | 107 | 20 | 8 | 76 | 77 | 49 | 23 | 37 | 29 | 21 |
| Net income | \$ 2,762 | \$ 2,411 | \$ 2,274 | \$ 1,757 | \$ 1,824 | \$ 1,679 | \$ 1,430 | \$ 1,262 | \$ 1,169 | \$ 300 | \$ 107 |
| Preferred share dividends | 98 | 135 | 134 | 157 | 145 | 131 | 144 | 164 | 168 | 154 | 123 |
| Net income available to common shareholders | \$ 2,664 | \$ 2,276 | \$ 2,140 | \$ 1,600 | \$ 1,679 | \$ 1,548 | \$ 1,286 | \$ 1,098 | \$ 1,001 | \$ 146 | \$ (16) |
| Earnings per share (loss) | | | | | | | | | | | |
| Basic | \$ 3.96 | \$ 3.55 | \$ 3.53 | \$ 2.55 | \$ 2.72 | \$ 2.50 | \$ 2.05 | \$ 1.75 | \$ 1.60 | \$ 0.23 | \$ (0.03) |
| Diluted | 3.93 | 3.52 | 3.51 | 2.53 | 2.67 | 2.46 | 2.05 | 1.75 | 1.60 | 0.23 | (0.03) |

(1) Amounts for assets purchased under reverse repurchase agreements are included in loans for 1992.

Consolidated statement of changes in shareholders' equity

| For the year ended October 31 (\$ millions) | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Preferred shares | | | | | | | | | | | |
| Balance at beginning of year | \$ 2,024 | \$ 2,037 | \$ 2,009 | \$ 2,144 | \$ 1,784 | \$ 1,752 | \$ 1,990 | \$ 2,266 | \$ 2,248 | \$ 1,594 | \$ 1,661 |
| Issued | – | 250 | – | 296 | 300 | – | – | – | – | 612 | – |
| Redeemed for cancellation | (468) | (300) | – | (400) | – | – | (237) | (272) | – | – | (102) |
| Translation adjustment | (11) | 37 | 28 | (31) | 60 | 32 | (1) | (4) | 18 | 42 | 35 |
| Balance at end of year | 1,545 | 2,024 | 2,037 | 2,009 | 2,144 | 1,784 | 1,752 | 1,990 | 2,266 | 2,248 | 1,594 |
| Common shares | | | | | | | | | | | |
| Balance at beginning of year | 6,973 | 3,076 | 3,065 | 2,925 | 2,907 | 2,876 | 2,910 | 2,910 | 2,910 | 2,910 | 2,726 |
| Issued | 236 | 4,009 | 109 | 192 | 18 | 69 | – | – | – | – | 184 |
| Purchased for cancellation | (152) | (112) | (98) | (52) | – | (38) | (34) | – | – | – | – |
| Balance at end of year | 7,057 | 6,973 | 3,076 | 3,065 | 2,925 | 2,907 | 2,876 | 2,910 | 2,910 | 2,910 | 2,910 |
| Retained earnings | | | | | | | | | | | |
| Balance at beginning of year (1) | 9,168 | 8,428 | 7,541 | 6,823 | 5,699 | 4,786 | 4,057 | 3,413 | 2,772 | 3,002 | 3,375 |
| Net income | 2,762 | 2,411 | 2,274 | 1,757 | 1,824 | 1,679 | 1,430 | 1,262 | 1,169 | 300 | 107 |
| Dividends – preferred | (98) | (135) | (134) | (157) | (145) | (131) | (144) | (164) | (168) | (154) | (123) |
| common | (1,022) | (897) | (689) | (588) | (543) | (469) | (418) | (371) | (364) | (364) | (361) |
| Cumulative effect of initial adoption of <i>Employee Future Benefits</i> accounting standard (2) | – | (221) | – | – | – | – | – | – | – | – | – |
| Premium paid on common shares purchased | (612) | (397) | (562) | (281) | – | (160) | (136) | – | – | – | – |
| Issuance costs (2) | (1) | (19) | (4) | (9) | (7) | – | – | – | – | (11) | – |
| Change in unrealized foreign currency translation gains and losses | (59) | 473 | (2) | (205) | 164 | 129 | (12) | (23) | 96 | (4) | 16 |
| Impact of hedging unrealized foreign currency translation gains and losses (2) | 43 | (475) | 4 | 201 | (169) | (135) | 9 | 15 | (92) | 3 | (12) |
| Balance at end of year | 10,181 | 9,168 | 8,428 | 7,541 | 6,823 | 5,699 | 4,786 | 4,132 | 3,413 | 2,772 | 3,002 |
| Shareholders' equity at end of year | \$ 18,783 | \$ 18,165 | \$ 13,541 | \$ 12,615 | \$ 11,892 | \$ 10,390 | \$ 9,414 | \$ 9,032 | \$ 8,589 | \$ 7,930 | \$ 7,506 |

(1) Retained earnings at the beginning of 1996 was reduced by \$75 million as a result of the adoption of the *Impaired Loans* accounting standard.

(2) Net of related income taxes.

Risk profile

| As at October 31 (\$ millions, except percentage amounts) | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Gross impaired loans | | | | | | | | | | | |
| Beginning of year | \$ 2,465 | \$ 1,678 | \$ 1,704 | \$ 2,001 | \$ 1,819 | \$ 2,376 | \$ 2,944 | \$ 4,424 | \$ 7,582 | \$ 7,056 | \$ 3,924 |
| Net additions (reductions) | 1,280 | 1,912 | 813 | 743 | 628 | 81 | 384 | (255) | (1,128) | 1,643 | 3,639 |
| Write-offs and adjustments | (1,457) | (1,125) | (839) | (1,040) | (446) | (638) | (952) | (1,225) | (2,030) | (1,117) | (507) |
| End of year | \$ 2,288 | \$ 2,465 | \$ 1,678 | \$ 1,704 | \$ 2,001 | \$ 1,819 | \$ 2,376 | \$ 2,944 | \$ 4,424 | \$ 7,582 | \$ 7,056 |
| As a % of loans, acceptances and reverse repurchase agreements | 1.0% | 1.1% | .9% | 1.0% | 1.1% | 1.1% | 1.6% | 2.3% | 3.6% | 6.0% | 6.4% |
| Allowance for credit losses | | | | | | | | | | | |
| Specific | \$ 894 | \$ 951 | \$ 747 | \$ 786 | \$ 1,176 | \$ 932 | \$ 1,091 | \$ 1,439 | \$ 1,962 | \$ 2,667 | \$ 1,867 |
| Country risk | – | 31 | 28 | 34 | 40 | 436 | 444 | 930 | 940 | 1,107 | 1,383 |
| General allowance (1) | | | | | | | | | | | |
| General allocated (1) | 1,169 | 1,185 | 863 | 790 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| General unallocated (1) | 251 | 225 | 337 | 290 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total general allowance (1) | 1,420 | 1,410 | 1,200 | 1,080 | 850 | 750 | 700 | 300 | 300 | 550 | 325 |
| Total | \$ 2,314 | \$ 2,392 | \$ 1,975 | \$ 1,900 | \$ 2,066 | \$ 2,118 | \$ 2,235 | \$ 2,669 | \$ 3,202 | \$ 4,324 | \$ 3,575 |
| Composition of allowance | | | | | | | | | | | |
| Allowance for loan losses | \$ 2,203 | \$ 2,278 | \$ 1,871 | \$ 1,884 | \$ 2,026 | \$ 1,769 | \$ 1,875 | \$ 2,003 | \$ 2,559 | \$ 4,255 | \$ 3,575 |
| Allowance for off-balance sheet and other items (2) | 109 | 109 | 98 | – | – | – | – | – | – | – | – |
| Allowance for loan substitute securities | 2 | 5 | 6 | 16 | 40 | 30 | 34 | – | – | – | – |
| Allowance for country risk securities | – | – | – | – | – | 319 | 326 | 666 | 643 | 69 | – |
| Total | \$ 2,314 | \$ 2,392 | \$ 1,975 | \$ 1,900 | \$ 2,066 | \$ 2,118 | \$ 2,235 | \$ 2,669 | \$ 3,202 | \$ 4,324 | \$ 3,575 |
| Allowance for loan losses as a % of loans, acceptances and reverse repurchase agreements | 1.0% | 1.1% | 1.0% | 1.1% | 1.2% | 1.1% | 1.3% | 1.6% | 2.1% | 3.5% | 3.4% |
| Allowance for loan losses as a % of gross impaired loans, excluding LDCs | 96 | 93 | 112 | 112 | 103 | 94 | 77 | 60 | 52 | 52 | 41 |
| Net impaired loans | \$ 83 | \$ 182 | \$ (199) | \$ (196) | \$ (65) | \$ 103 | \$ 524 | \$ 1,148 | \$ 2,093 | \$ 3,258 | \$ 3,481 |
| As a % of loans, acceptances and reverse repurchase agreements | – | .1% | (.1)% | (.1)% | – | .1% | .4% | .9% | 1.7% | 2.7% | 3.3% |
| Provision for credit losses | | | | | | | | | | | |
| Specific | \$ 1,065 | \$ 1,049 | \$ 571 | \$ 530 | \$ 555 | \$ 330 | \$ 340 | \$ 580 | \$ 1,070 | \$ 1,775 | \$ 2,025 |
| Country risk | – | – | – | – | (80) | – | (300) | – | – | (250) | (300) |
| General provision (3) | | | | | | | | | | | |
| General allocated (3) | (22) | 205 | 73 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| General unallocated (3) | 22 | (135) | 47 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total general provision | – | 70 | 120 | 230 | 100 | 50 | 400 | – | (250) | 225 | 325 |
| Total | \$ 1,065 | \$ 1,119 | \$ 691 | \$ 760 | \$ 575 | \$ 380 | \$ 440 | \$ 580 | \$ 820 | \$ 1,750 | \$ 2,050 |
| Specific provisions as a % of average loans, acceptances and reverse repurchase agreements | .51% | .53% | .32% | .30% | .31% | .21% | .26% | .48% | .88% | 1.64% | 1.90% |
| Provision as a % of average loans, acceptances and reverse repurchase agreements | .51 | .56 | .38 | .43 | .32 | .25 | .34 | .48 | .67 | 1.61 | 1.93 |
| Net write-offs | \$ 1,259 | \$ 940 | \$ 677 | \$ 958 | \$ 692 | \$ 528 | \$ 1,001 | \$ 1,105 | \$ 1,979 | \$ 1,187 | \$ 547 |
| As a % of average loans, acceptances and reverse repurchase agreements | .60% | .47% | .38% | .55% | .39% | .34% | .77% | .91% | 1.63% | 1.09% | .51% |

(1) The general allowance was not separated into allocated and unallocated components prior to October 31, 1999.

(2) During 2000, the allowance for off-balance sheet and other items has been separated and reported under Other liabilities. Previously, the amount was included in the allowance for loan losses.

(3) The general provision was not separated into allocated and unallocated components prior to November 1, 1999.

Financial highlights

| (\$ millions, taxable equivalent basis, except per share and percentage amounts) | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Performance ratios | | | | | | | | | | | |
| Return on common equity | 15.8% | 16.4% | 19.8% | 15.6% | 18.4% | 19.3% | 17.6% | 16.6% | 16.8% | 2.4% | (.3)% |
| Cash return on common equity (1) | 16.2 | 18.5 | 20.6 | 16.2 | 19.1 | 20.1 | 18.1 | 17.1 | 17.6 | 3.0 | - |
| Return on assets | .75 | .74 | .81 | .65 | .70 | .70 | .70 | .69 | .70 | .21 | .08 |
| Return on assets after preferred dividends | .73 | .70 | .76 | .59 | .64 | .65 | .63 | .60 | .60 | .10 | (.01) |
| Net interest margin (2) | 1.96 | 2.00 | 1.88 | 1.91 | 1.95 | 2.10 | 2.28 | 2.49 | 2.72 | 2.88 | 2.93 |
| Other income as a % of gross revenues | 54.3 | 55.6 | 55.9 | 51.5 | 49.4 | 46.0 | 41.1 | 37.4 | 38.7 | 37.4 | 34.5 |
| Average balances and year-end off-balance sheet data | | | | | | | | | | | |
| Averages | | | | | | | | | | | |
| Assets (3) | \$ 367,300 | \$ 327,100 | \$ 281,900 | \$ 269,900 | \$ 261,300 | \$ 239,500 | \$ 204,900 | \$ 183,800 | \$ 166,700 | \$ 142,500 | \$ 136,200 |
| Loans, acceptances and reverse repurchase agreements | 210,646 | 199,787 | 179,800 | 175,654 | 177,984 | 154,412 | 130,378 | 121,459 | 121,741 | 108,562 | 106,376 |
| Deposits | 240,397 | 218,425 | 193,762 | 184,796 | 178,688 | 166,249 | 147,391 | 136,686 | 133,550 | 114,835 | 108,609 |
| Common equity | 16,809 | 13,843 | 10,814 | 10,264 | 9,107 | 8,003 | 7,320 | 6,627 | 5,964 | 6,052 | 6,313 |
| Total equity | 18,522 | 15,916 | 12,789 | 12,475 | 11,078 | 9,744 | 9,265 | 8,820 | 8,233 | 8,116 | 7,938 |
| Assets under administration (4) | 1,365,900 | 1,342,500 | 1,175,200 | 967,800 | 829,200 | 783,300 | 522,100 | 407,700 | 346,800 | 274,300 | |
| Assets under management (4) | 90,800 | 100,000 | 92,300 | 81,600 | 73,400 | 67,700 | 51,200 | 40,400 | 39,100 | 33,100 | |
| Capital ratios | | | | | | | | | | | |
| Tier 1 capital | \$ 15,380 | \$ 14,851 | \$ 13,567 | \$ 12,026 | \$ 11,593 | \$ 10,073 | \$ 9,037 | \$ 8,421 | \$ 7,660 | \$ 6,910 | \$ 6,740 |
| Total capital | 21,012 | 20,171 | 19,044 | 16,698 | 16,480 | 14,705 | 12,069 | 11,913 | 11,525 | 10,941 | 10,483 |
| Total risk-adjusted assets | 165,559 | 171,047 | 158,364 | 149,078 | 157,064 | 147,672 | 128,163 | 121,350 | 120,158 | 117,043 | 114,298 |
| Common equity to risk-adjusted assets | 10.4% | 9.4% | 7.3% | 7.1% | 6.2% | 5.8% | 6.0% | 5.8% | 5.3% | 4.9% | 5.2% |
| Tier 1 capital ratio | 9.3 | 8.7 | 8.6 | 8.1 | 7.4 | 6.8 | 7.0 | 6.9 | 6.4 | 5.9 | 5.9 |
| Total capital ratio | 12.7 | 11.8 | 12.0 | 11.2 | 10.5 | 10.0 | 9.4 | 9.8 | 9.6 | 9.3 | 9.2 |
| Common share information | | | | | | | | | | | |
| Shares outstanding (in thousands) | | | | | | | | | | | |
| End of year | 665,257 | 674,021 | 602,398 | 617,768 | 617,581 | 616,671 | 621,059 | 628,310 | 628,310 | 628,310 | 628,310 |
| Average basic | 672,571 | 641,516 | 606,389 | 626,158 | 617,324 | 617,812 | 628,242 | 628,310 | 628,310 | 628,310 | 621,086 |
| Average diluted | 678,120 | 647,216 | 609,865 | 632,305 | 633,626 | 632,052 | 628,624 | 628,310 | 628,310 | 628,310 | 621,086 |
| Dividends per share | \$ 1.52 | \$ 1.38 | \$ 1.14 | \$ 0.94 | \$ 0.88 | \$ 0.76 | \$ 0.67 | \$ 0.59 | \$ 0.58 | \$ 0.58 | \$ 0.58 |
| Book value per share | 25.91 | 23.95 | 19.10 | 17.17 | 15.81 | 13.96 | 12.20 | 11.21 | 10.06 | 9.04 | 9.41 |
| Share price – High (5) | 58.89 | 53.25 | 48.88 | 42.13 | 46.10 | 38.23 | 22.20 | 15.69 | 15.94 | 14.44 | 14.50 |
| Low (5) | 45.05 | 41.60 | 27.25 | 29.65 | 28.75 | 22.00 | 14.88 | 12.94 | 12.57 | 11.00 | 10.75 |
| Close | 54.41 | 46.80 | 48.30 | 31.73 | 35.55 | 37.68 | 22.15 | 15.07 | 14.19 | 13.63 | 12.07 |
| Price/earnings multiple (6) | 13.2 | 13.5 | 10.8 | 14.2 | 14.0 | 12.2 | 9.0 | 8.2 | 8.9 | - | - |
| Dividend yield (7) | 2.9% | 2.9% | 3.0% | 2.6% | 2.4% | 2.5% | 3.6% | 4.1% | 4.1% | 4.6% | 4.6% |
| Dividend payout ratio (8) | 38 | 39 | 32 | 37 | 32 | 30 | 33 | 34 | 36 | - | - |
| Number of: | | | | | | | | | | | |
| Employees (9) | 59,549 | 57,568 | 49,232 | 51,891 | 51,776 | 48,816 | 46,205 | 49,011 | 49,208 | 52,745 | 49,628 |
| Automated banking machines | 4,486 | 4,548 | 4,517 | 4,585 | 4,317 | 4,248 | 4,215 | 4,079 | 3,948 | 3,981 | 3,828 |
| Service delivery units | | | | | | | | | | | |
| Canada | 1,311 | 1,317 | 1,333 | 1,410 | 1,422 | 1,453 | 1,493 | 1,577 | 1,596 | 1,731 | 1,661 |
| International (10) | 807 | 724 | 306 | 99 | 106 | 105 | 103 | 105 | 97 | 95 | 83 |

(1) Cash return on common equity is computed by adding back to net income the after-tax amount of amortization of goodwill and other intangibles.

(2) Net interest income as a percentage of average assets.

(3) As the information is not reasonably determinable, amounts for years prior to 1995 have not been restated to reflect the presentation of derivative-related amounts on a gross basis.

(4) Amounts prior to 1996 are as at September 30. Assets under administration and assets under management balances were not reported prior to 1993.

(5) Intraday high and low share prices.

(6) Average of high and low common share price divided by diluted earnings per share. The multiples for 1993 and 1992 are not meaningful.

(7) Dividends per common share divided by the average of high and low share price.

(8) Common dividends as a percentage of net income after preferred dividends. The ratios for 1993 and 1992 are not meaningful.

(9) On a full-time equivalent basis.

(10) International service delivery units include branches, specialized business centres, representative offices and agencies.

Quarterly highlights

| (\$ millions, taxable equivalent basis, except per share and percentage amounts) | 2002 | | | | 2001 | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Consolidated statement of income | | | | | | | | |
| Net interest income | \$ 1,815 | \$ 1,768 | \$ 1,746 | \$ 1,869 | \$ 1,784 | \$ 1,719 | \$ 1,580 | \$ 1,466 |
| Other income | 2,043 | 2,104 | 2,192 | 2,223 | 2,255 | 2,008 | 1,924 | 2,028 |
| Provision for credit losses | (235) | (216) | (328) | (286) | (425) | (236) | (210) | (248) |
| Non-interest expense | (2,634) | (2,547) | (2,583) | (2,656) | (2,668) | (2,638) | (2,287) | (2,162) |
| Income taxes | (295) | (385) | (324) | (401) | (262) | (333) | (376) | (401) |
| Non-controlling interest | (28) | (27) | (26) | (27) | (28) | (28) | (29) | (22) |
| Net income | \$ 666 | \$ 697 | \$ 677 | \$ 722 | \$ 656 | \$ 492 | \$ 602 | \$ 661 |
| Cash net income (1) | \$ 683 | \$ 713 | \$ 691 | \$ 739 | \$ 778 | \$ 573 | \$ 651 | \$ 691 |
| Core cash net income (1) | \$ 683 | \$ 713 | \$ 691 | \$ 739 | \$ 539 | \$ 660 | \$ 651 | \$ 613 |
| Earnings per share (2) | | | | | | | | |
| Basic | \$.96 | \$ 1.00 | \$.97 | \$ 1.03 | \$.92 | \$.69 | \$.92 | \$ 1.03 |
| Diluted | .95 | .99 | .96 | 1.03 | .91 | .68 | .92 | 1.02 |
| Cash diluted (1) | .98 | 1.01 | .98 | 1.05 | 1.09 | .81 | 1.00 | 1.07 |
| Core cash diluted (1) | .98 | 1.01 | .98 | 1.05 | .74 | .94 | 1.00 | .95 |
| Performance ratios | | | | | | | | |
| Return on common equity | 14.8% | 15.6% | 16.0% | 16.9% | 15.2% | 12.5% | 18.7% | 20.8% |
| Cash return on common equity (1) | 15.2 | 16.0 | 16.4 | 17.3 | 18.1 | 14.7 | 20.3 | 21.7 |
| Core cash return on common equity (1) | 15.2 | 16.0 | 16.4 | 17.3 | 12.3 | 17.1 | 20.3 | 19.2 |
| Return on assets | .70 | .76 | .76 | .79 | .76 | .58 | .77 | .86 |
| Return on assets after preferred dividends | .67 | .73 | .73 | .76 | .72 | .53 | .72 | .82 |
| Net interest margin (3) | 1.91 | 1.93 | 1.95 | 2.05 | 2.07 | 2.01 | 2.01 | 1.91 |
| Other income as a % of gross revenues | 53.0 | 54.3 | 55.7 | 54.3 | 55.8 | 53.9 | 54.9 | 58.0 |
| Consolidated balance sheet | | | | | | | | |
| Assets | | | | | | | | |
| Cash resources and securities | \$ 115,123 | \$ 111,813 | \$ 107,785 | \$ 101,795 | \$ 98,042 | \$ 93,569 | \$ 86,075 | \$ 80,712 |
| Assets purchased under reverse repurchase agreements | 35,831 | 34,938 | 33,373 | 30,503 | 35,870 | 25,101 | 26,453 | 21,713 |
| Residential mortgages | 72,840 | 70,639 | 70,116 | 69,436 | 67,442 | 66,497 | 64,557 | 63,418 |
| Personal loans | 31,956 | 32,222 | 32,292 | 31,600 | 32,511 | 32,264 | 29,713 | 30,573 |
| Credit card loans | 4,914 | 4,774 | 4,445 | 4,338 | 4,283 | 4,128 | 4,862 | 4,961 |
| Business and government loans | 61,751 | 64,138 | 63,554 | 64,234 | 67,152 | 65,309 | 60,053 | 60,273 |
| Allowance for loan losses | (2,203) | (2,218) | (2,338) | (2,345) | (2,278) | (2,173) | (1,951) | (1,947) |
| Other assets | 56,744 | 57,135 | 47,090 | 54,152 | 56,238 | 45,279 | 43,962 | 42,207 |
| | \$ 376,956 | \$ 373,441 | \$ 356,317 | \$ 353,713 | \$ 359,260 | \$ 329,974 | \$ 313,724 | \$ 301,910 |
| Liabilities and shareholders' equity | | | | | | | | |
| Personal deposits | \$ 101,892 | \$ 101,072 | \$ 99,990 | \$ 100,505 | \$ 101,381 | \$ 98,970 | \$ 93,010 | \$ 90,778 |
| Business, government and bank deposits | 141,594 | 143,383 | 135,888 | 133,659 | 132,066 | 123,321 | 118,326 | 112,344 |
| Other liabilities | 106,604 | 101,628 | 93,377 | 92,773 | 99,656 | 81,268 | 79,321 | 76,704 |
| Subordinated debentures | 6,614 | 7,043 | 7,025 | 7,105 | 6,513 | 6,488 | 6,836 | 6,275 |
| Non-controlling interest in subsidiaries | 1,469 | 1,444 | 1,466 | 1,440 | 1,479 | 1,453 | 1,481 | 1,453 |
| Total equity | 18,783 | 18,871 | 18,571 | 18,231 | 18,165 | 18,474 | 14,750 | 14,356 |
| | \$ 376,956 | \$ 373,441 | \$ 356,317 | \$ 353,713 | \$ 359,260 | \$ 329,974 | \$ 313,724 | \$ 301,910 |
| Selected average balances and off-balance sheet data | | | | | | | | |
| Averages | | | | | | | | |
| Assets | \$ 377,700 | \$ 362,900 | \$ 366,300 | \$ 362,400 | \$ 342,200 | \$ 339,000 | \$ 321,900 | \$ 304,400 |
| Loans, acceptances and reverse repurchase agreements | 217,168 | 208,338 | 207,531 | 209,439 | 205,275 | 205,241 | 197,328 | 191,231 |
| Deposits | 247,258 | 236,918 | 237,479 | 239,838 | 230,292 | 221,167 | 212,813 | 206,975 |
| Common equity | 17,170 | 17,055 | 16,681 | 16,365 | 16,349 | 14,466 | 12,496 | 11,983 |
| Total equity | 18,833 | 18,747 | 18,387 | 18,149 | 18,433 | 16,633 | 14,541 | 14,016 |
| Assets under administration | 1,365,900 | 1,413,100 | 1,442,800 | 1,426,600 | 1,342,500 | 1,271,800 | 1,198,700 | 1,242,800 |
| Assets under management | 90,800 | 94,200 | 96,200 | 103,300 | 100,000 | 110,500 | 110,400 | 112,500 |
| Provision for credit losses | | | | | | | | |
| Specific | \$ 235 | \$ 216 | \$ 328 | \$ 286 | \$ 425 | \$ 236 | \$ 210 | \$ 178 |
| General provision | | | | | | | | |
| General allocated | (15) | 4 | – | (11) | 108 | – | – | 97 |
| General unallocated | 15 | (4) | – | 11 | (108) | – | – | (27) |
| Total general provision | – | – | – | – | – | – | – | 70 |
| Total | \$ 235 | \$ 216 | \$ 328 | \$ 286 | \$ 425 | \$ 236 | \$ 210 | \$ 248 |
| Net impaired loans as a % of loans, acceptances and reverse repurchase agreements | .04% | .07% | .09% | .18% | .08% | .01% | .02% | (.11)% |
| Capital ratios | | | | | | | | |
| Common equity/risk-adjusted assets | 10.4% | 10.2% | 10.0% | 9.8% | 9.4% | 9.5% | 8.0% | 7.6% |
| Tier 1 | 9.3 | 9.1 | 9.0 | 8.8 | 8.7 | 9.3 | 8.8 | 8.3 |
| Total | 12.7 | 12.7 | 12.6 | 12.3 | 11.8 | 12.3 | 12.3 | 11.5 |
| Common share information | | | | | | | | |
| Shares outstanding (in thousands) | | | | | | | | |
| End of period | 665,257 | 671,671 | 673,860 | 673,596 | 674,021 | 683,312 | 616,516 | 616,209 |
| Average basic | 668,868 | 673,787 | 673,751 | 674,465 | 681,758 | 658,296 | 616,365 | 608,824 |
| Average diluted | 674,840 | 679,168 | 678,751 | 679,729 | 687,334 | 663,996 | 621,907 | 614,686 |
| Dividends per share | \$.40 | \$.38 | \$.38 | \$.36 | \$.36 | \$.36 | \$.33 | \$.33 |
| Book value per share | 25.91 | 25.56 | 25.04 | 24.53 | 23.95 | 23.68 | 20.61 | 20.01 |
| Common share price – High (4) | 57.55 | 58.89 | 57.07 | 52.45 | 53.25 | 51.50 | 51.25 | 52.80 |
| Low (4) | 48.80 | 45.05 | 46.36 | 46.81 | 41.60 | 42.80 | 42.42 | 45.10 |
| Close | 54.41 | 53.45 | 54.97 | 50.00 | 46.80 | 50.96 | 42.95 | 48.20 |
| Dividend yield | 3.0% | 2.9% | 2.9% | 2.9% | 3.0% | 3.1% | 2.8% | 2.7% |
| Dividend payout ratio | 41% | 38% | 39% | 35% | 39% | 54% | 36% | 32% |

(1) Cash net income, cash diluted earnings per share and cash return on common equity are computed by adding back to net income the after-tax amount of amortization of goodwill and other intangibles. Further deducting the impact of special items results in core cash net income, core cash diluted earnings per share and core cash return on common equity.

(2) Earnings per share for the year may not equal the sum of the quarters.

(3) Net interest income as a percentage of average assets.

(4) Intraday high and low share price.