

Consolidated Statement of Cash Flows

For the Year Ended October 31 (Canadian \$ in millions)	2004	2003	2002
Cash Flows from Operating Activities			
Net income	\$ 2,351	\$ 1,825	\$ 1,417
Adjustments to determine net cash flows provided by (used in) operating activities			
Write-down of investment securities	63	153	322
Net gain on sale of investment securities	(238)	(112)	(176)
Net increase in trading securities	(449)	(12,692)	(6,227)
Provision for credit losses	(103)	455	820
Gain on sale of securitized loans	(127)	(157)	(168)
Change in derivative financial instruments – (Increase) decrease in derivative asset	(4,232)	892	1,207
– Increase (decrease) in derivative liability	3,258	(1,380)	(1,551)
Amortization of premises and equipment	365	375	396
Amortization of intangible assets	104	116	100
Future income tax expense (benefit)	157	(37)	283
Net increase (decrease) in current income taxes	(1,096)	401	(256)
Change in accrued interest – (Increase) decrease in interest receivable	(30)	87	256
– Increase (decrease) in interest payable	7	(141)	(189)
Changes in other items and accruals, net	2,465	1,229	(1,366)
Net Cash Provided by (Used in) Operating Activities	2,495	(8,986)	(5,132)
Cash Flows from Financing Activities			
Net increase in deposits	2,205	9,713	7,548
Net increase in securities sold but not yet purchased	2,186	601	1,045
Net increase (decrease) in securities sold under repurchase agreements	(2,900)	(1,031)	7,316
Net increase (decrease) in liabilities of subsidiaries	491	(157)	(1,313)
Proceeds from issuance of securities of a subsidiary	595	–	–
Repayment of subordinated debt	(400)	(752)	(850)
Proceeds from issuance of preferred shares	–	–	478
Redemption of preferred shares	(400)	–	–
Proceeds from issuance of common shares	240	175	81
Proceeds from sale of treasury shares	149	–	–
Share issue expense, net of applicable income taxes	–	–	(7)
Common shares repurchased for cancellation	(333)	(12)	–
Dividends paid	(874)	(748)	(668)
Net Cash Provided by Financing Activities	959	7,789	13,630
Cash Flows from Investing Activities			
Net (increase) decrease in interest bearing deposits with banks	1,974	(1,741)	(1,407)
Purchase of investment securities	(24,773)	(29,348)	(37,437)
Maturities of investment securities	12,699	18,999	27,444
Proceeds from sales of investment securities	16,334	9,298	9,928
Net (increase) decrease in loans, customers' liability under acceptances and loan substitute securities	(6,417)	760	(5,303)
Proceeds from securitization of loans	1,382	–	519
Net (increase) decrease in securities purchased under resale agreements	(3,872)	2,388	(710)
Proceeds from sale of land (Note 10)	–	–	122
Premises and equipment – net purchases	(305)	(254)	(384)
Acquisitions (Note 11)	(385)	(91)	(1,028)
Net Cash Provided by (Used in) Investing Activities	(3,363)	11	(8,256)
Net Increase (Decrease) in Cash and Cash Equivalents	91	(1,186)	242
Cash and Cash Equivalents at Beginning of Year	2,515	3,701	3,459
Cash and Cash Equivalents at End of Year	\$ 2,606	\$ 2,515	\$ 3,701
Represented by:			
Cash and non-interest bearing deposits with Bank of Canada and other banks	\$ 1,558	\$ 1,693	\$ 1,257
Cheques and other items in transit, net	1,048	822	2,444
	\$ 2,606	\$ 2,515	\$ 3,701
Supplemental Disclosure of Cash Flow Information			
Amount of interest paid in the year	\$ 3,728	\$ 4,169	\$ 4,495
Amount of income taxes paid in the year	\$ 1,947	\$ 324	\$ 393

The accompanying notes to consolidated financial statements are an integral part of these statements.