



RISK REVIEW

Q4 2002

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Quarterly Investor
Presentation

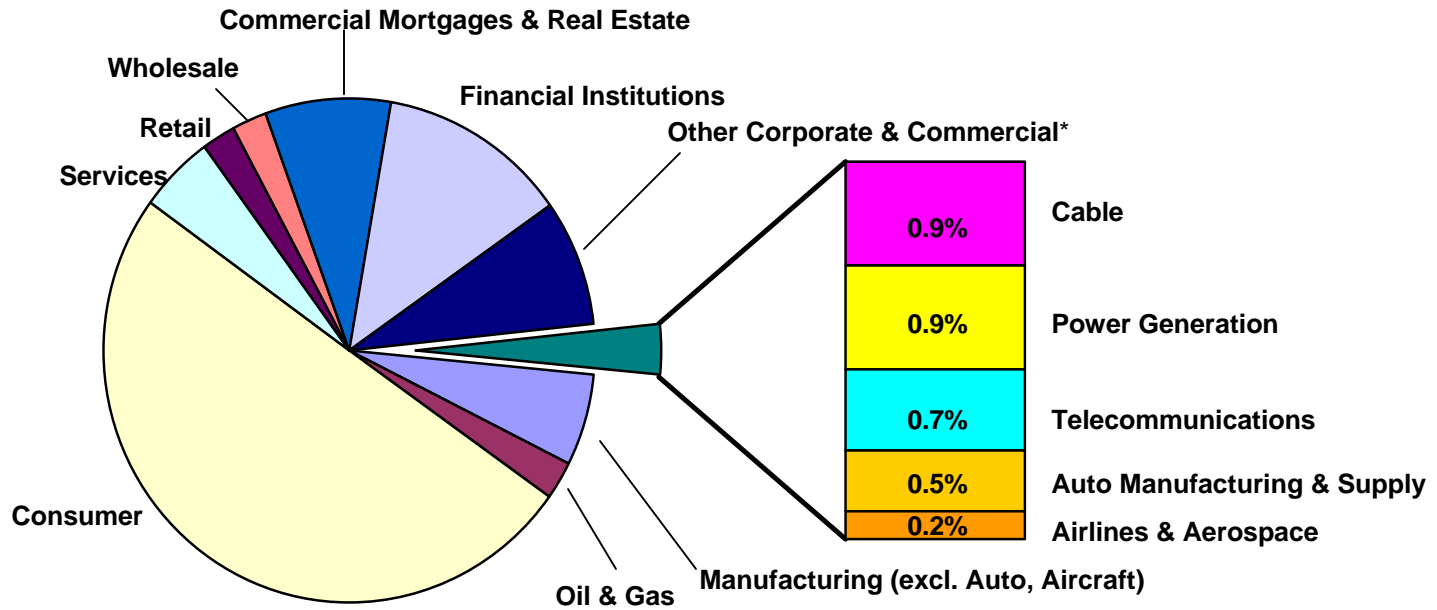
November 26, 2002

Highlights

- *Provision for Credit Losses (PCL) was \$160 million for the quarter and \$820 million for the year, in line with our April guidance*
- *Target PCL for F2003: at or below F2002 level*
- *Trading and underwriting performance was profitable and relatively stable during the quarter*

Our disciplined approach to portfolio diversification continues to ensure there are no undue industry or sector concentrations

Gross Loans & Acceptances = \$136Bn

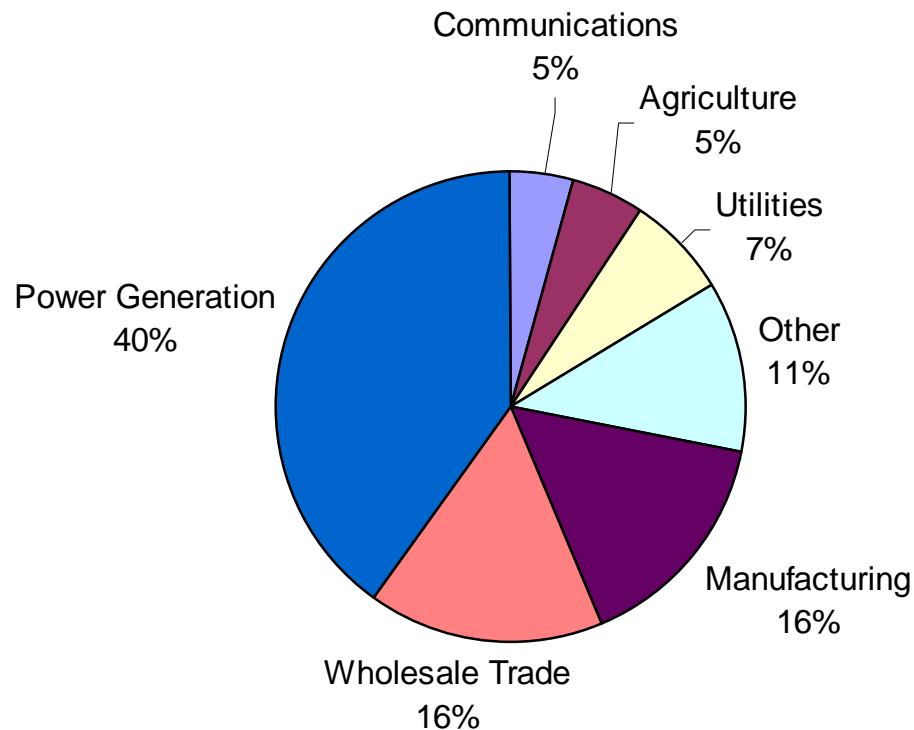


* "Other Commercial & Corporate" includes approximately 18 sub-sectors

The classification of several power generation loans in the U.K. and the U.S. accounts for 40% of fourth quarter impairment formations

Q4 2002 – Formations of Gross Impaired Loans

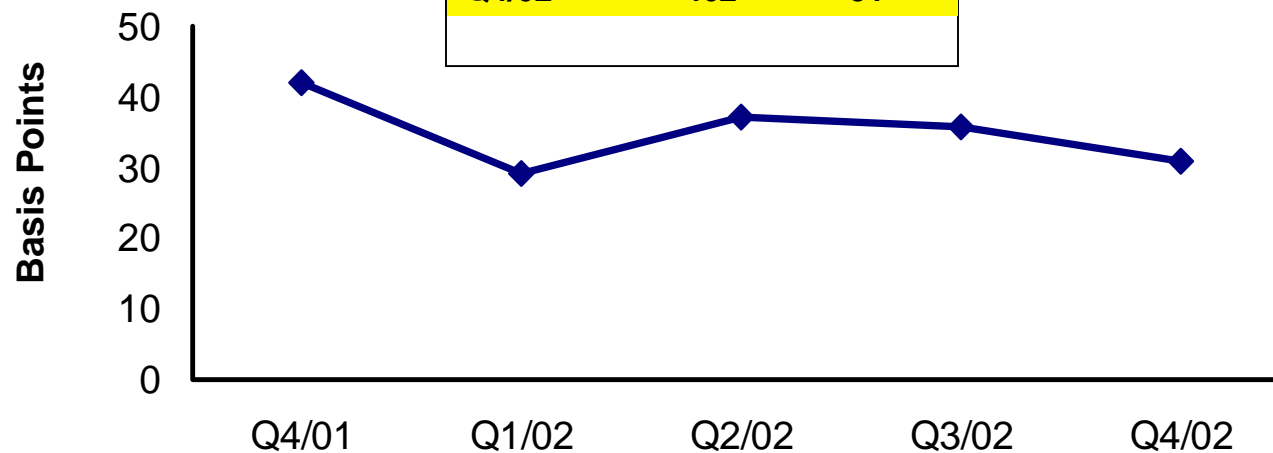
C\$462 Million



Formations of Gross Impaired Loans (GIL) have been trending lower since Q2

Quarterly GIL Formations as a percent of Net Loans and Acceptances (including Repos)

	<u>C\$ Million</u>	<u>bps</u>
Q4/01	606	42
Q1/02	417	29
Q2/02	544	37
Q3/02	522	36
Q4/02	462	31



The more stable Consumer and Commercial Portfolios represent a large and growing proportion of the loan book

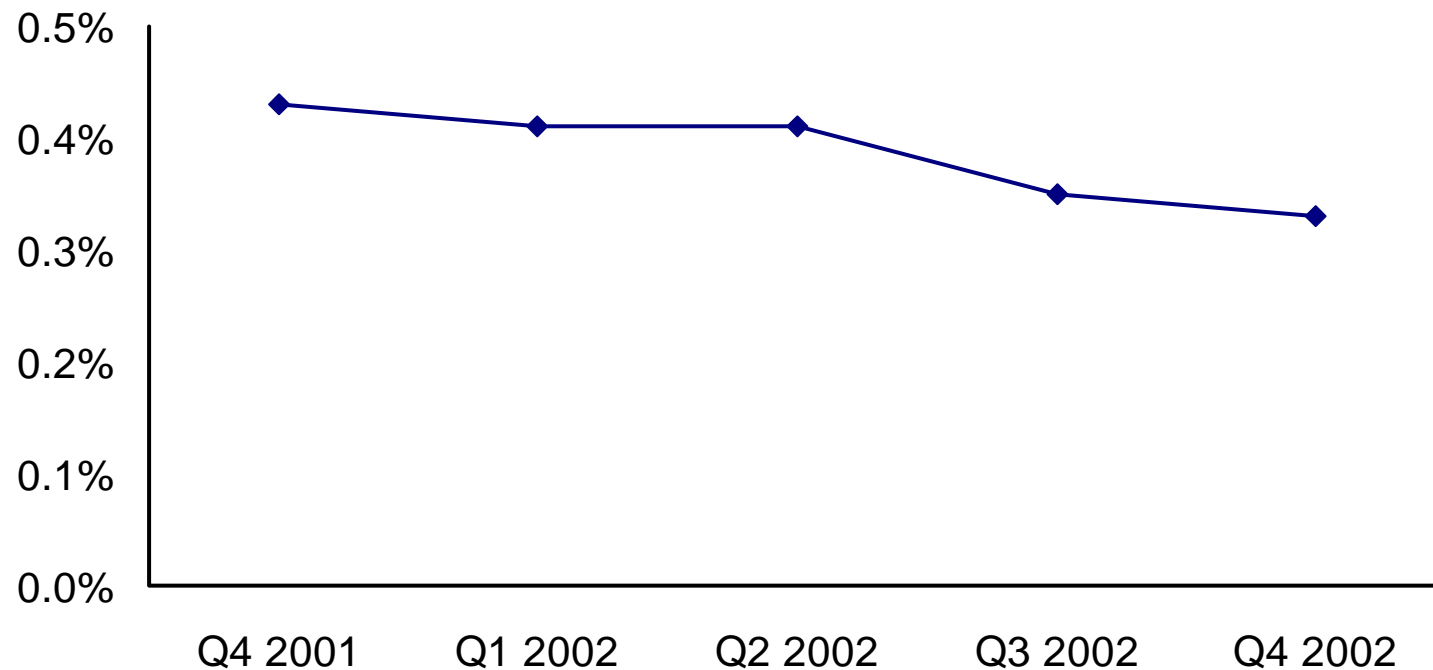
Total Gross Loans and Acceptances (C\$ Billion)
As at October 31, 2002

	<u>Canada</u>	<u>U.S.</u>	<u>Other</u>	<u>Total</u>	<u>%</u>
Consumer					
Residential Mortgages	39	5	-	44	32%
Other Consumer	17	7	-	24	18%
Total Consumer	<u>56</u>	<u>12</u>	<u>-</u>	<u>68</u>	<u>50%</u>
Commercial					
Corporate	26	6	-	32	24%
Corporate	8	25	3	36	26%
Total	<u><u>90</u></u>	<u><u>43</u></u>	<u><u>3</u></u>	<u><u>136</u></u>	<u><u>100%</u></u>

The key asset quality indicator for the Consumer Portfolio has been stable or improving over the past year

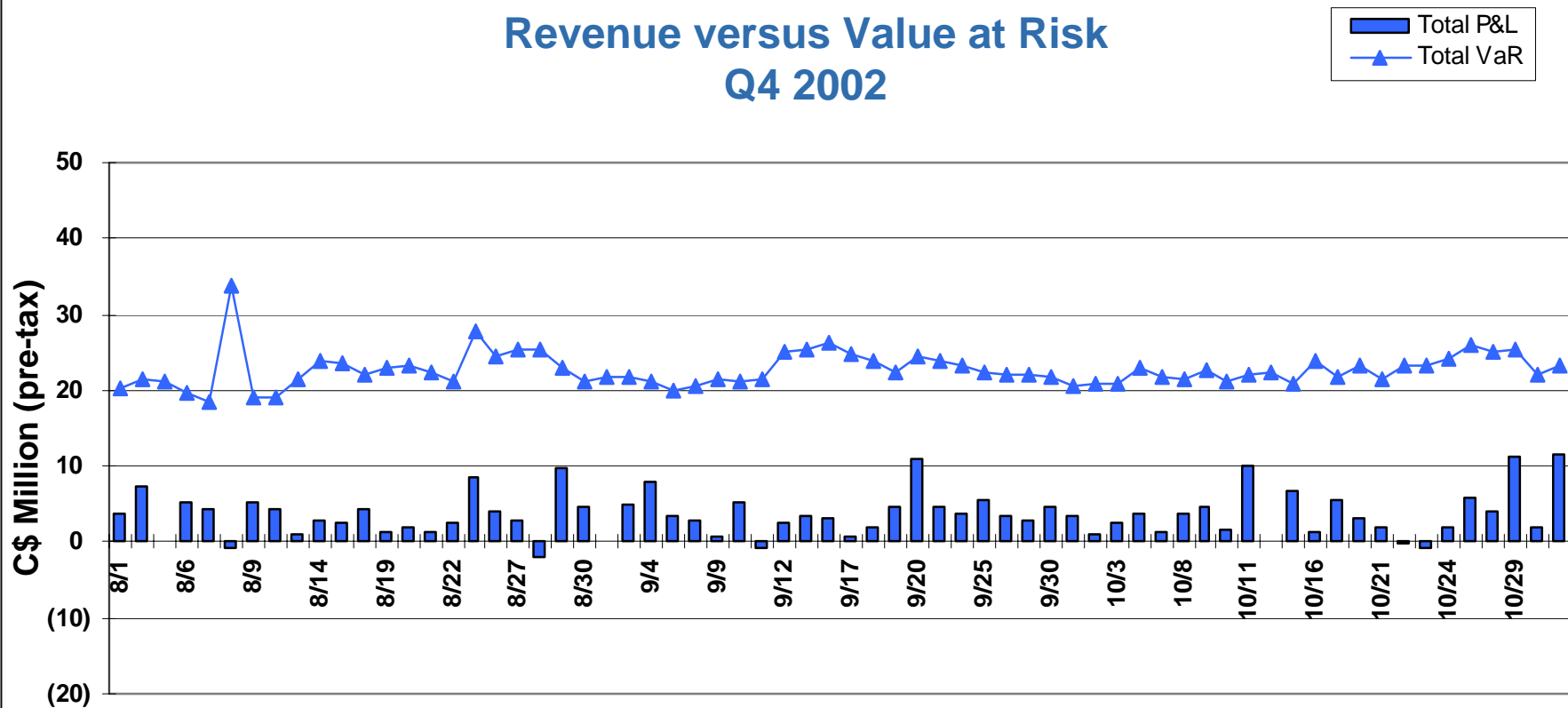
Consumer Portfolio
(C\$ 68Bn at October 31, 2002)

“90 Days & Over” Delinquency Ratio



Trading and Underwriting performance was profitable and relatively stable during the quarter

Revenue versus Value at Risk Q4 2002



(Refer to Supplementary Financial Information package page 37 for after tax risk data)

Appendices

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Power and Power Generation

C\$ Million as at October 31, 2002

	<u>Total Gross Loans & BA's</u>	<u>Gross Impaired</u>	<u>Net Impaired</u>	<u>Performing Portfolio</u>	
				<u>"Investment Grade"</u>	<u>"Non-Investment Grade"</u>
Regulated Utilities	189	-	-	50	139
Diversified Generation	462	-	-	186	276
Generation Projects with PPA's*	340	59	43	168	113
Merchant Generation Projects	205	152	82	-	53
Total Power & Power Generation**	<u>1,196</u> **	<u>211</u> **	<u>125</u>	<u>404</u>	<u>581</u>

* Power purchase agreement

** Geographic Distribution

US	63%	49%
Canada	23%	-
Europe (predominantly UK)	14%	51%
	<u>100%</u>	<u>100%</u>

(Power and Power Generation data is included as part of the Utilities category in the Supplementary Financial Package. Refer to pages 29, 32 and 33.)

Energy Traders

C\$ Million as at October 31, 2002

	<u>Total Gross Loans & BA's</u>	<u>Off Balance Sheet Derivatives</u>		<u>Gross Impaired</u>	<u>Performing Portfolio</u>		
		<u>Gross MTM*</u>	<u>Collateral</u>		<u>Net MTM*</u>	<u>"Investment Grade"</u>	<u>"Non-Investment Grade"</u>
Energy Traders	26	96	33	63	-	-	26

* MTM: Mark-to-market
Gross MTM less collateral = Net MTM

(Energy Traders data is included as part of the Utilities and Oil and Gas categories in the Supplementary Financial Package. Refer to pages 29, 32, and 33.)

Communications

C\$ Million as at October 31, 2002

	<u>Total Gross Loans & BA's</u>	<u>Gross Impaired</u>	<u>Net Impaired</u>	<u>Performing Portfolio</u>	
				<u>"Investment Grade"</u>	<u>"Non-Investment Grade"</u>
Long Haul Fibre	117	117	68	-	-
Wireless	289	28	16	75	186
Towers	136	21	21	-	115
CLECs	66	17	4	-	49
Other	326	22	8	184	120
Telecom	<u>934</u>	<u>205</u>	<u>117</u>	<u>259</u>	<u>470</u>
Cable	<u>1,210</u>	<u>309</u>	<u>287</u>	<u>102</u>	<u>799</u>
Telecom and Cable	<u>2,144</u>	<u>514</u>	<u>404</u>	<u>361</u>	<u>1,269</u>
Broadcasting	<u>696</u>	<u>31</u>	<u>25</u>	<u>232</u>	<u>433</u>
Total Communications	<u>2,840</u>	<u>545</u>	<u>429</u>	<u>593</u>	<u>1,702</u>

(Refer to Supplementary Financial Package, pages 29, 32 and 33.)

Automotive Manufacturing and Supply

C\$ Million as at October 31, 2002

	<u>Performing Portfolio</u>				
	<u>Total Gross Loans & BA's</u>	<u>Gross Impaired</u>	<u>Net Impaired</u>	<u>"Investment Grade"</u>	<u>"Non-Investment Grade"</u>
Automotive Manufacturing & Supply					
Motor Vehicle	112	2	-	73	37
Suppliers	572	98	77	170	304
Total Automotive Manufacturing & Supply	<u>684</u>	<u>100</u>	<u>77</u>	<u>243</u>	<u>341</u>

(Automotive Manufacturing and Supply data is included as part of the Manufacturing category in the Supplementary Financial Package. Refer to pages 29, 32 and 33.)

Airlines and Aerospace

C\$ Million as at October 31, 2002

	<u>Performing Portfolio</u>				
	<u>Total Gross Loans & BA's</u>	<u>Gross Impaired</u>	<u>Net Impaired</u>	<u>"Investment Grade"</u>	<u>"Non-Investment Grade"</u>
Airlines & Aerospace					
Aircraft Manufacturing*	211	1	-	201	9
Air Transportation	<u>109</u>	<u>26</u>	<u>10</u>	<u>34</u>	<u>49</u>
Total Airlines & Aerospace	<u><u>320</u></u>	<u><u>27</u></u>	<u><u>10</u></u>	<u><u>235</u></u>	<u><u>58</u></u>

* Includes exposure to aircraft manufacturing divisions of integrated transportation manufacturers

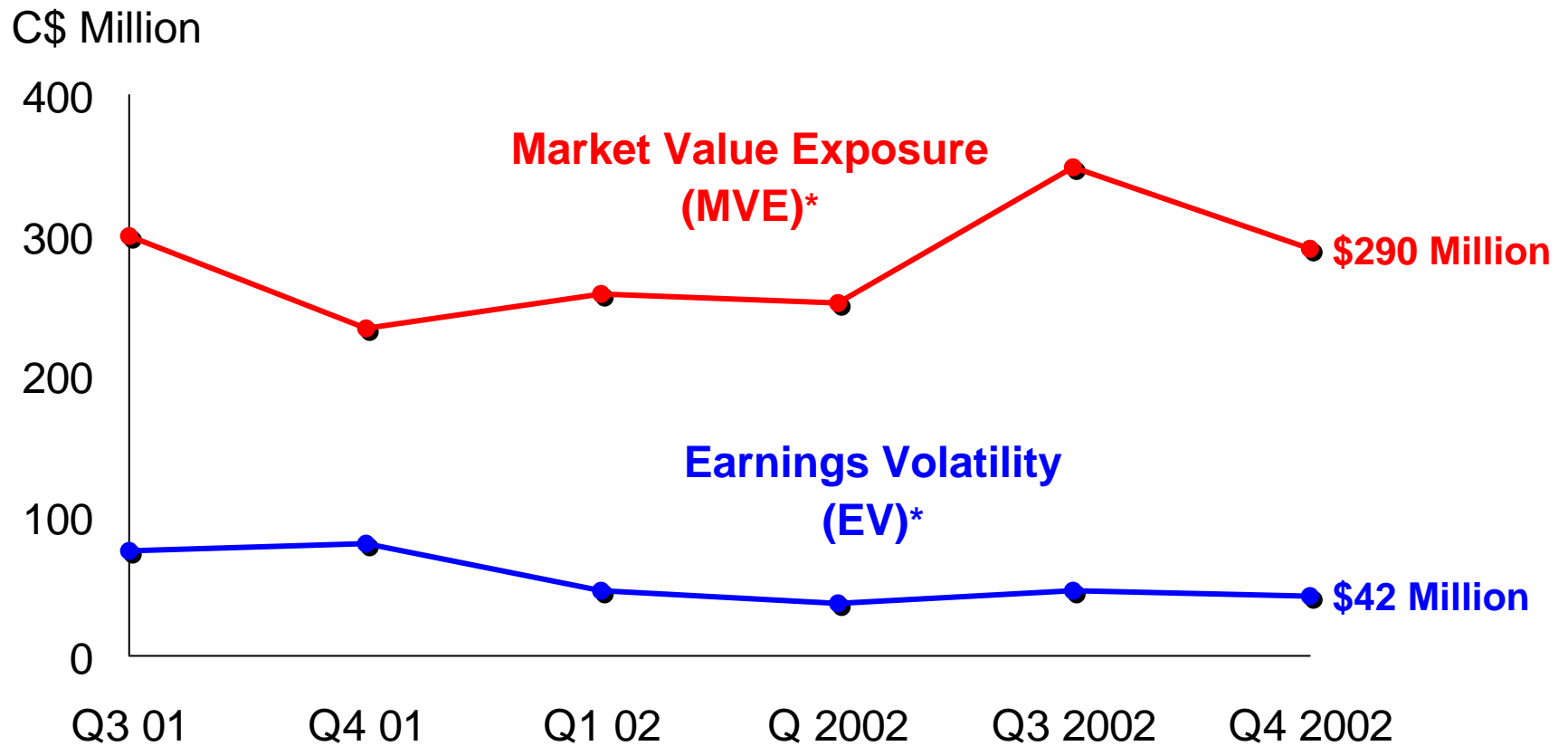
(Airlines and Aerospace data is included as part of the Transportation and Manufacturing categories in the Supplementary Financial Package. Refer to pages 29, 32 and 33.)

Brazil and Argentina

C\$ Million as at October 31, 2002

	<u>Total Gross Loans & BA's</u>	<u>Net Impaired</u>
Brazil	275	-
Argentina	33	1

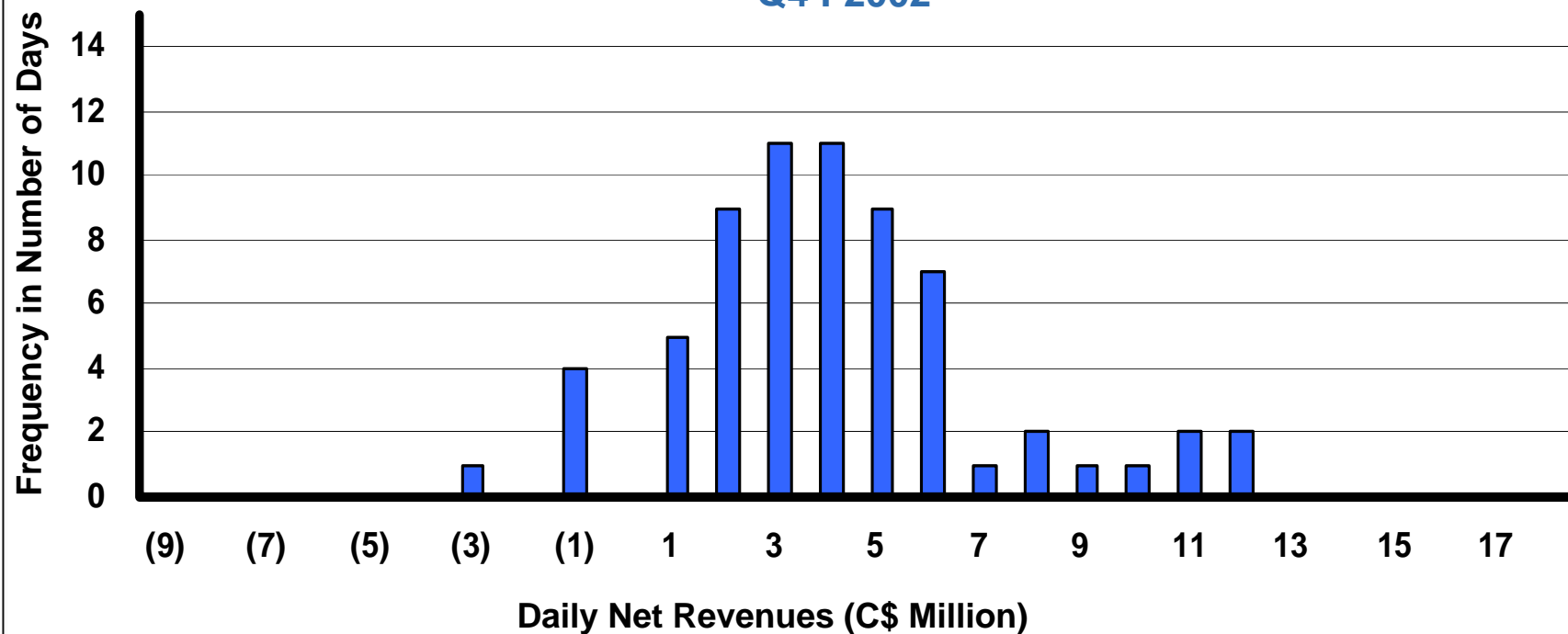
Structural Market Risk



* Refer to definitions on page 37 of the Supplementary Financial Information package

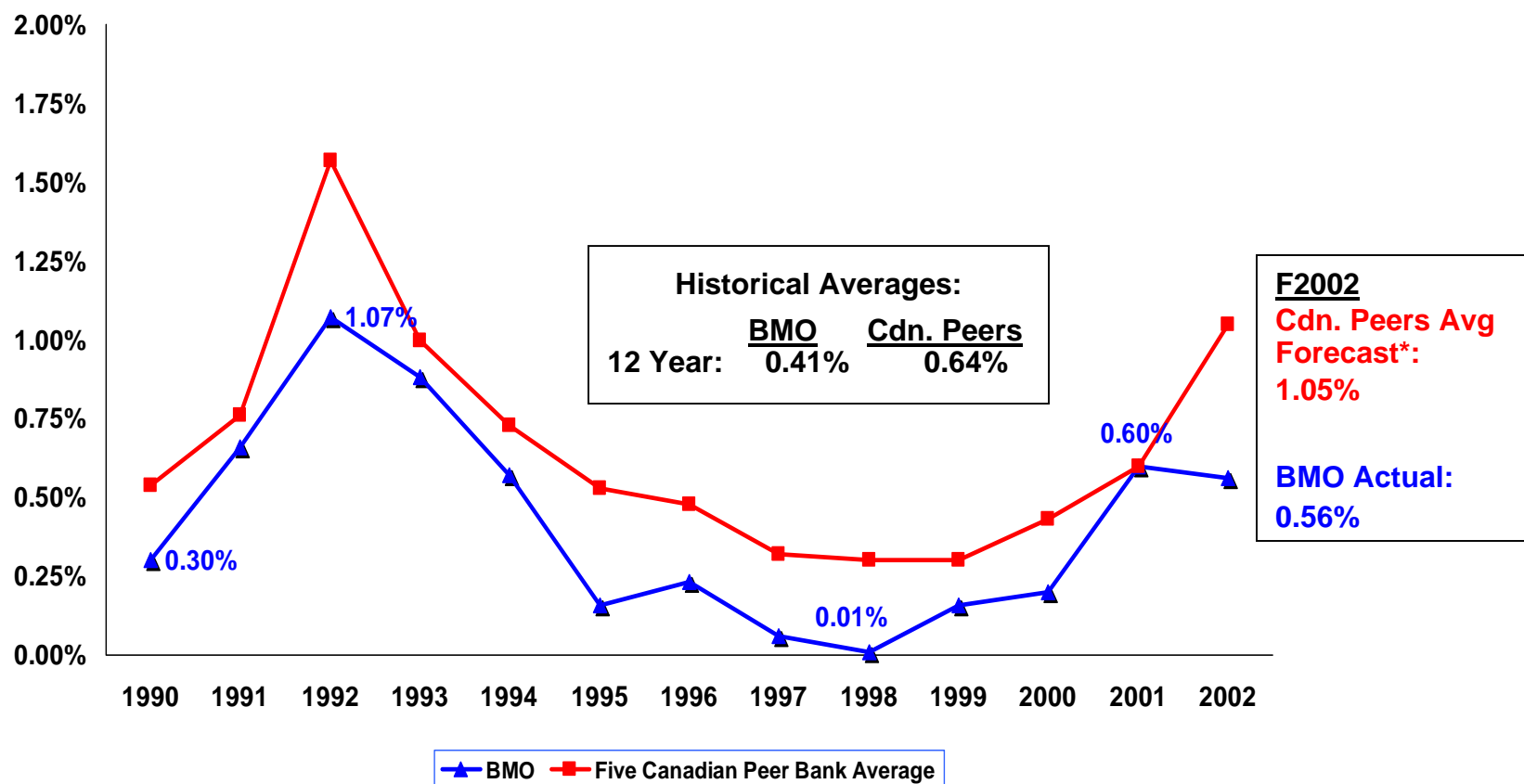
Frequency Distribution of Trading and Underwriting Revenue

Frequency Distribution of Daily Revenue for
Total Trading and Underwriting*
Q4 F2002



* Daily Revenue includes Trading and Underwriting, Money Market and Accrual Portfolios
See Supplementary Financial Information package page 37 for risk data (presented on an after tax basis)

Specific Provision for Credit Losses as a percent of Average Net Loans and Acceptances (including Reverse Repos)



* Canadian Peer Banks include: Royal, BNS, CIBC, TD and National. The Canadian Peers Average Forecast is based on the most recent PCL Guidance (as at November 20, 2002) and Q3 YTD loan growth, except for Royal where actual F2002 results were used. Excluding TD's sectoral provisions, the Canadian Peers Average is 0.89%

Forward-looking Statements

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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