

## Consolidated Statement of Cash Flows

For the years ended October 31

(millions of dollars)	2003	2002	2001
<b>Cash flows from (used in) operating activities</b>			
Net income (loss)	\$ 1,076	\$ (67)	\$ 1,392
Adjustments to determine net cash flows			
Provision for credit losses	186	2,925	920
Gains on sale of investment real estate	–	–	(350)
Gain on sale of mutual fund record keeping and custody business	–	(40)	–
Depreciation	318	312	317
Amortization of intangible assets	772	998	1,292
Amortization of goodwill	–	–	198
Goodwill impairment	624	–	–
Restructuring costs	98	–	239
Stock option expense	9	–	–
Write down of investment in joint ventures	39	–	–
Net investment securities gains	(23)	(26)	(216)
Changes in operating assets and liabilities			
Future income taxes	(74)	(1,017)	(1,210)
Current income taxes payable	669	249	(78)
Interest receivable and payable	145	(422)	(249)
Trading securities	(1,495)	12,789	(7,887)
Unrealized gains and amounts receivable on derivatives contracts	(2,712)	(4,304)	(7,177)
Unrealized losses and amounts payable on derivatives contracts	2,046	4,184	8,968
Other	3,475	(1,628)	(1,030)
Net cash from (used in) operating activities	5,153	13,953	(4,871)
<b>Cash flows from (used in) financing activities</b>			
Deposits	(6,310)	(4,724)	8,103
Securities sold under repurchase agreements	(810)	(5,982)	5,782
Securities sold short	(1,712)	(4,378)	2,415
Debt of subsidiaries	–	–	(501)
Issuance of subordinated notes and debentures	1,904	557	809
Repayment of subordinated notes and debentures	(360)	(1,106)	(857)
Common shares issued for cash, net of expenses	–	392	–
Common shares issued on exercise of options	47	13	18
Common shares issued as a result of dividend reinvestment plan	286	174	–
Common stock options settled in cash, net of income taxes	–	(25)	(39)
Issuance of preferred shares	550	–	225
Redemption of preferred shares	(477)	–	–
Dividends paid on – preferred shares	(87)	(93)	(92)
– common shares	(754)	(718)	(684)
Proceeds on issuance of subsidiary shares	–	350	–
Other	(23)	(7)	16
Net cash from (used in) financing activities	(7,746)	(15,547)	15,195
<b>Cash flows from (used in) investing activities</b>			
Interest-bearing deposits	(1,615)	(652)	(1,318)
Activity in investment securities			
Purchases	(25,199)	(16,620)	(15,098)
Proceeds from maturities	9,110	7,024	3,751
Proceeds from sales	20,139	11,830	7,985
Loans	(3,221)	(6,396)	(1,232)
Proceeds from loan securitizations	7,604	517	1,528
Land, buildings and equipment	(101)	(114)	994
Securities purchased under resale agreements	(4,415)	7,145	(6,231)
Acquisitions and dispositions less cash and cash equivalents acquired (Note 22)	–	(1,194)	(296)
Net cash from (used in) investing activities	2,302	1,540	(9,917)
Effect of exchange rate changes on cash and cash equivalents	(143)	(5)	32
Net changes in cash and cash equivalents	(434)	(59)	439
Cash and cash equivalents at beginning of year	1,902	1,961	1,522
<b>Cash and cash equivalents at end of year represented by cash and non-interest-bearing deposits with other banks</b>	<b>\$ 1,468</b>	<b>\$ 1,902</b>	<b>\$ 1,961</b>
<b>Supplementary disclosure of cash flow information</b>			
Amount of interest paid during the year	\$ 5,861	\$ 6,962	\$ 10,447
Amount of income taxes paid during the year	306	565	834
Dividends per common share	\$ 1.16	\$ 1.12	\$ 1.09

See Notes to Consolidated Financial Statements