

## Consolidated statement of cash flows

For the years ended October 31

(millions of dollars)	2002	2001	2000
<b>Cash flows from (used in) operating activities</b>			
Net income (loss)	\$ (76)	\$ 1,383	\$ 1,025
Adjustments to determine net cash flows			
Provision for credit losses	2,925	920	480
Restructuring costs	–	239	475
Depreciation	312	317	260
Amortization of intangible assets	998	1,292	1,203
Amortization of goodwill	–	198	142
Gains on sale of investment real estate	–	(350)	–
Gain on sale of mutual fund record keeping and custody business	(40)	–	–
Net investment securities gains	(26)	(216)	(382)
Changes in operating assets and liabilities			
Future income taxes	(1,017)	(1,210)	(831)
Current income taxes payable	249	(78)	(233)
Interest receivable and payable	(422)	(249)	288
Trading securities	12,789	(7,887)	(7,233)
Unrealized gains and amounts receivable on derivatives contracts	(4,304)	(7,177)	(4,607)
Unrealized losses and amounts payable on derivatives contracts	4,184	8,968	4,329
Other	(1,640)	(982)	(828)
Net cash from (used in) operating activities	13,932	(4,832)	(5,912)
<b>Cash flows from (used in) financing activities</b>			
Deposits	(4,724)	8,103	4,008
Securities sold under repurchase agreements	(5,982)	5,782	(11,484)
Securities sold short	(4,378)	2,415	3,733
Debt of subsidiaries	–	(501)	135
Issuance of subordinated notes and debentures	557	809	1,252
Repayment of subordinated notes and debentures	(1,106)	(857)	(5)
Common shares issued for cash, net of expenses	392	–	–
Common shares issued on exercise of options	13	18	13
Common shares issued as a result of dividend reinvestment plan	174	–	–
Common stock options settled in cash, net of income taxes	(25)	(39)	(41)
Issuance of preferred shares	–	225	410
Dividends paid on – preferred shares	(84)	(83)	(56)
– common shares	(718)	(684)	(572)
Proceeds on issuance of subsidiary shares	350	–	900
Other	–	–	(12)
Net cash from (used in) financing activities	(15,531)	15,188	(1,719)
<b>Cash flows from (used in) investing activities</b>			
Interest-bearing deposits	(652)	(1,318)	2,097
Activity in investment securities			
Purchases	(16,620)	(15,098)	(69,754)
Proceeds from maturities	7,024	3,751	63,223
Proceeds from sales	11,830	7,985	11,935
Loans	(6,396)	(1,232)	(11,750)
Loan securitizations	517	1,528	6,345
Land, buildings and equipment	(114)	994	(193)
Securities purchased under resale agreements	7,145	(6,231)	12,953
Acquisitions and dispositions less cash and cash equivalents acquired (Note 19)	(1,194)	(296)	(7,167)
Net cash from (used in) investing activities	1,540	(9,917)	7,689
Net changes in cash and cash equivalents	(59)	439	58
Cash and cash equivalents at beginning of year	1,961	1,522	1,464
<b>Cash and cash equivalents at end of year represented by cash, deposits with Bank of Canada and non-interest-bearing deposits with other banks</b>	<b>\$ 1,902</b>	<b>\$ 1,961</b>	<b>\$ 1,522</b>
<b>Supplementary disclosure of cash flow information</b>			
Amount of interest paid during the year	\$ 6,962	\$ 10,447	\$ 9,063
Amount of income taxes paid during the year	565	834	1,314

See Notes to consolidated financial statements page 48