Thursday, February 17, 2000

TD BANK FINANCIAL GROUP DEMONSTRATES CONTINUED MOMENTUM AND DELIVERS RECORD QUARTERLY RESULTS

1st quarter highlights

- On a cash basis, earnings per share for the first quarter were $.72, up 36% from the same period last year.
- On a cash basis, return on common equity for the quarter was 16.4%, compared to 16.0% the prior year.
- On a cash basis, net income for the quarter was $458 million, up by 42% from the prior year.
- TD Waterhouse posts record first quarter results with all key financial indicators setting record highs.
- TD Bank Financial Group completed acquisition of CT Financial Services Inc. on February 1, 2000 (the first day of the second quarter). Combined customer base of over 10 million – the largest among banks in Canada.

TORONTO – TD Bank Financial Group today announced record quarterly results with net income on a cash basis of $458 million or $.72 per common share for the first quarter of 2000, up by 42% and 36% respectively from a year ago. On a cash basis, return on common equity improved to 16.4% from 16.0% a year ago.

“These results reflect outstanding performances by all our core businesses and clearly demonstrate TD’s momentum on all fronts as we enter the new century,” said TD Chairman and Chief Executive Officer, A. Charles Baillie. “We have taken the lead in retail banking in Canada with the acquisition of Canada Trust, and continue to see stellar performance from all our business lines, particularly TD Waterhouse. This gives us enormous confidence as we integrate Canada Trust and continue to focus our efforts on the future of banking.”

Moving ahead with TD Canada Trust

On the last day of the first quarter, TD received approval from the Minister of Finance to proceed with the acquisition of CT Financial Services Inc.; the transaction closed on February 1, 2000 – 45 years to the day since the merger that created TD Bank. At closing, Canada Trust had close to 4 million retail customers, 440 branches, $42 billion in deposits, 14,000 employees, and annual net income of $362 million for 1999. When combined, TD and Canada Trust have a customer base of over 10 million – the largest among banks in Canada – and ranks as #1 in personal deposits, personal lending, customer service and financial advice.

“With this acquisition, we are moving forward with our goal of building a better bank for Canadians and, by adopting the Canada Trust service model, we will set a new standard for customer service excellence,” said Baillie.

In head office functions, integration is proceeding rapidly, while there will be virtually no integration of the retail branch networks for the balance of the year. This will allow “business as usual” for both TD and Canada Trust customers, and allow extensive planning to pave the way for a smooth transition to integrated systems and services under the TD Canada Trust brand name beginning in 2001, with as little inconvenience for customers as possible. Other Canada Trust businesses, such as discount brokerage and securities, will be integrated over the course of the second quarter.

“As we move forward, we are absolutely committed to ensuring that our customers are advised of any changes that affect them – and we are going to communicate regularly with customers and employees,” Baillie said. “Building a better bank means enhancing the customer experience, and that is exactly what we plan to do.”

Acquisition impact on the capital base and second quarter earnings

With the strong earnings performance of the first quarter, total common shareholders’ equity reached the high level of $11.0 billion by quarter end. We have also supplemented our capital base through a preferred share equity issue during the quarter, and we intend to raise additional Tier 1 capital in the second quarter.

In the second quarter, TD plans to take a one-time charge of $475 million against earnings to cover the anticipated expenses related to the integration of Canada Trust. As well, commencing in the second quarter we will begin amortizing the intangible assets and goodwill arising from the acquisition of Canada Trust. While these amounts will reduce reported net income, we anticipate that cash basis net income – adjusted for non-cash goodwill and intangible amortization expense – will be accretive immediately.

Sale of CT MasterCard and 13 branches

In accordance with remedies agreed to with the Competition Bureau relating to the acquisition of Canada Trust, TD is proceeding with the sale of the Canada Trust MasterCard business and 13 branches – 7 Canada Trust and 6 TD – in three Southern Ontario markets. TD Securities is acting as agent for the sale and is in the process of identifying buyers. TD is moving as quickly as possible to minimize uncertainty for employees and customers, and we will communicate developments on an ongoing basis.

Highlights of the first quarter

"While the acquisition of Canada Trust is a major event in our history, it is accompanied by the exceptional performance of our core businesses in the first quarter, especially the strong results from TD Waterhouse," Baillie said. "TD Waterhouse cash basis earnings were up by 110% as revenues soared by 78%; in Personal and Commercial Banking, we continued to build market share and cash basis earnings jumped by 34% from the prior year; TD Asset Management reported cash earnings of $13 million and TD Securities delivered an increase in cash basis earnings of 14% excluding special gains in the first quarter of 1999."

While achieving outstanding results during the quarter, TD's businesses set the stage for future growth by proceeding with a range of strategic initiatives. Among the highlights:

- As reported yesterday in their quarterly earnings, TD Waterhouse saw strong growth in new account openings (up 56% over last year), average trades per day (190,000 versus 98,000 a year ago and 103,500 in the last quarter), and online trades (72% of total trades compared to 58% a year ago). "Managing the growth of our business is a continuing challenge and we are committed to strengthening customer service levels – particularly telephone access – through technology and the deployment of additional customer service telephone representatives. We are continuing to invest in enhancing our delivery systems so that our customers can gain access more quickly through our existing systems and via a variety of new electronic channels," said Baillie.

- TD Waterhouse accelerated its industry-leading global expansion with a breakthrough agreement with Japan's largest bank – The Bank of Tokyo-Mitsubishi – to form a joint venture to offer online investing in Japanese markets. TD Waterhouse will own 45% of the new venture in one of the world's most important financial markets, and plans to launch the new operation in the late spring. TD Waterhouse also formally signed its agreement for a joint venture with Tata Finance Limited, a member of one of India's most prominent and respected firms, the Tata Group. Together, these two initiatives strongly position TD Waterhouse for further global expansion in two high growth markets.

- In the high growth business-to-business (B-to-B) e-commerce sector, we forged an agreement with Commerce One to build TD MarketSite – the first B-to-B electronic marketplace and trading portal of its kind in Canada. In March, TD MarketSite will begin the electronic processing of TD's internal procurement functions, with expected savings of up to 10% – or $60 to $100 million per year – on TD's approximately $1 billion annual procurement expense. During the third quarter, TD will extend this service to its clients to help them save costs and streamline the buying and selling of goods and services. This opens up new business opportunities – in Canada and around the world – for TD and for clients, and reinforces TD's leadership position among financial institutions in leveraging e-commerce opportunities.

- TD Asset Management (TDAM), reported separately as a business segment this quarter, launched TD eFunds, which uses the internet as a mutual fund distribution channel delivering electronic investing, access and document retrieval to online customers – and passes on the considerable cost savings of internet delivery. As well, TDAM provided Canadian investors with the opportunity to increase global equity investing in their RSPs with the introduction of four RSP-eligible global funds.

- TD acquired two investment management firms during the quarter – Greydanus, Boeckh & Associates, Inc., with approximately $1.7 billion of assets under management, and Harbour Capital Management Inc., with approximately $750 million of assets under management. The two acquisitions will enhance TD Asset Management's capabilities in investment management.

- TD Capital – the merchant banking arm of TD Securities – joined forces with TD Waterhouse to establish New York-based TD iCapital – a US$100 million venture capital fund focused on developing and nurturing online financial services businesses.

"A number of our initiatives focus on e-commerce, and reflect TD's keen focus and our leadership among North American banks in this area," Baillie said. "Today, TD ranks among the top three financial institutions in the world as measured by online customers – 2 million and growing rapidly. Moving forward, we will continue to identify and leverage e-commerce opportunities through all business units of the TD Bank Financial Group to build on our position as one of the most innovative and fastest growing e-commerce financial institutions in the world."

Outlook

"Economic growth continues in our major markets – particularly in Canada where commodity prices show signs of rallying further through 2000. We therefore expect a positive environment for our customers and our businesses," Baillie said. "All our businesses are focused on pursuing their growth strategies as we proceed with our plans for the integration of Canada Trust's operations. We aim to maintain momentum and we expect to further enhance shareholder value during the course of the year."

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This press release may contain forward-looking statements, including statements regarding the business and anticipated financial performance of TD. These statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Some of the factors that could cause such differences include legislative or regulatory developments, competition, technological change, global capital market activity, changes in government monetary and economic policies, changes in prevailing interest rates, inflation levels and general economic conditions in geographic areas where TD operates.

Online investor presentation: Full financial statements and a slide presentation to investors and analysts are available on the TD Bank Financial Group web site at http://www.tdbank.ca/tdtoday/share.html .

Webcast of call: A live internet broadcast of TD Bank Financial Group's quarterly conference call with analysts will take place on February 17, 2000 at 10:30 a.m. EDT. The call will be broadcast using live audio via the TD Bank Financial Group web site at http://www.tdbank.ca/tdtoday/share.html

Software required for webcast: A Netscape 3.0 browser or better is required to access the broadcast via the internet. To access the audio portion of the call, Windows Media Player or Real Player is required. Those who wish to can download Windows Media player or Real Player via the web site at http://webevents.broadcast.com/tdbank/q100earnings .

REVIEW OF OPERATING PERFORMANCE

Net income on a cash basis is $458 million this quarter, $135 million or 42% higher than the same quarter a year ago. Our performance was broad based with all business segments contributing to the very strong growth in net income. Other income increased 36% or $342 million to $1,279 million and continues to be the primary factor behind revenue growth. Total revenue increased 18% and, excluding special items in prior quarters, surpassed $2 billion for the first time. Net interest income declined a modest 2% reflecting our ongoing securitization program and slightly lower total bank net interest margin. Our efficiency ratio, excluding non-cash charges and one-time gains, improved 290 basis points to 58.8% because revenue growth significantly exceeded expense growth.

On a cash basis (that is, excluding amortization of goodwill and intangibles), earnings per share was $.72 compared to $.53 last year. Our earnings per share this quarter, excluding special items in prior quarters, establishes a new record. Cash return on common equity was 16.4% compared to 16.0% last year.

NET INTEREST INCOME

Net interest income on a taxable equivalent basis is $818 million this quarter, $20 million or 2% lower than the same quarter last year. Our active balance sheet management includes securitizing mortgage and credit card loan assets, which results in the revenue from these assets being reported in other income instead of net interest income. As well, our margin was adversely affected by our earning assets mix, which continues to shift toward lower margin securities. This shift is a result of continued growth in securities volumes in support of our investment banking businesses.

CREDIT QUALITY AND PROVISION FOR CREDIT LOSSES

Credit quality continues to be high. The estimate for the 2000 full-year provision for credit losses is $300 million. This estimate is $25 million higher than our 1999 provision for credit losses, which included a $100 million special general provision, and is based on establishing the total provision for credit losses at the estimated annual average over a credit cycle. One fourth or $75 million of the full-year estimate was expensed this quarter. The allowance for credit losses exceeded gross impaired loans by $104 million at the end of the quarter compared to a $257 million excess at October 31, 1999.

The Bank's total accumulated general allowance for credit losses, which relates to both loans and off-balance sheet instruments, of $744 million at January 31, 2000, was unchanged from the prior quarter, after adjusting for the impact of foreign currency translation. General allowances qualify as Tier 2 capital under guidelines issued by the Office of the Superintendent of Financial Institutions.

OTHER INCOME

Other income continues to be very strong and at $1,279 million this quarter is $403 million or 46% higher than the same quarter last year, after excluding special security gains a year ago. Our wealth management business segments, TD Waterhouse and TD Asset Management, which includes our Green Line family of mutual funds, had another strong quarter. TD Waterhouse contributed $145 million to the increase in other income, experiencing a 94% increase in average trades per day to 190,000 compared to 98,000 a year ago. TD Evergreen also experienced very strong growth with other income increasing 45% this quarter.

Performance in the wholesale corporate and investment banking businesses of TD Securities, was also very strong. Trading income was $244 million this quarter compared to $99 million last year. Underwriting revenue increased 19%. Corporate banking was also a major factor, with corporate credit fees increasing 31%.

Net investment securities gains this quarter were $88 million compared to $71 million last year, after excluding the special security gains a year ago. The surplus over book value of our investment securities portfolio was at $332 million at January 31, 2000, compared to $900 million a year ago.

NON-INTEREST EXPENSES

Base expenses decreased 1% from the same quarter last year. Total expense growth was 17%, of which 11 percentage points are the result of higher business activity in TD Waterhouse and 1 percentage point is attributable to performance in TD Asset Management. Personal and Commercial Banking contributed 4% because of higher electronic banking volumes and increased revenue generation in our full service broker, TD Evergreen. Expenses directly related to increased revenue generation in TD Securities added a further 2% to our overall expense growth.

The percentage growth in total revenue of 22%, excluding one-time security gains, was higher than expense growth of 17% and our efficiency ratio, excluding non-cash goodwill and intangible charges and one-time gains, improved to 58.8%. This is the best efficiency ratio the Bank has experienced since the third quarter of 1995.

BALANCE SHEET

Total assets as at January 31, 2000 were $234 billion, $20 billion or 10% higher than a year ago. Year over year personal loans increased 58% or $9.0 billion with $7.8 billion attributable to TD Waterhouse. Higher securities volumes, including securities purchased under resale agreements and for investment and trading contributed $11.2 billion of the increase. Retail lending remains robust and we continue to gain market share in Canada. Residential mortgage volumes grew 7% and credit card volumes increased 6% over last year, including securitizations.

TD Waterhouse also continues to be a major source of growth in non-term deposits. Personal non-term deposits increased 15% or $3.6 billion from last year of which $3.0 billion was in TD Waterhouse. Personal term deposits growth has also been strong increasing 7% or $1.7 billion, all of which was in retail banking in Canada.

CAPITAL

As at January 31, 2000, total common equity was $11.0 billion, an increase of $295 million from October 31, 1999. The increase is the result of $304 million net income after dividends in the quarter, partially offset by a decrease from foreign currency translation as a result of the Canadian dollar strengthening, relative to other currencies, at the end of the quarter.

As a result of our strong earnings, our continued active balance sheet management and our preparation for the pending Canada Trust transaction, our capital ratios were exceptionally strong at the end of the quarter. Our Tier 1 ratio was 10.2% compared to 10.1% last quarter and our total capital ratio was 13.2% compared to 13.3% last quarter.

Review of TD's Businesses

(unaudited, in millions of dollars)

	Personal and Commercial Banking *For the three months ended*			**TD Waterhouse** *For the three months ended*			**TD Asset Management** *For the three months ended*		
	Jan. 31 2000	Oct. 31 1999	Jan. 31 1999	**Jan. 31 2000**	Oct. 31 1999	Jan. 31 1999	**Jan. 31 2000**	Oct. 31 1999	Jan. 31 1999
Net interest income (on a taxable equivalent basis)	**$ 557**	$ 533	$ 525	**$ 118**	$ 97	$ 60	**$ 6**	$ 3	$ 4
Provision for credit losses	**45**	(2)	45	**–**	–	–	**–**	–	–
Other income	**313**	286	264	**459**	271	265	**49**	54	44
Special gains[1]	**–**	–	–	**–**	758	–	**–**	–	–
Non-interest expenses excluding non-cash goodwill/intangible charges	**567**	570	548	**388**	304	240	**31**	32	26
Net income before provision for income taxes and non-controlling interest	**258**	251	196	**189**	822	85	**24**	25	22
Provision for income taxes (TEB)	**111**	104	86	**76**	313	36	**11**	11	10
Non-controlling interest in net income of subsidiaries	**–**	–	–	**10**	3	–	**–**	–	–
Net income – cash basis	**$ 147**	$ 147	$ 110	**$ 103**	$ 506	$ 49	**$ 13**	$ 14	$ 12
Non-cash goodwill/intangible charges, net of tax	**1**	1	–	**11**	11	11	**–**	–	–
Net income – accrual basis	**$ 146**	$ 146	$ 110	**$ 92**	$ 495	$ 38	**$ 13**	$ 14	$ 12
Average assets *(billions of dollars)*	**$ 61.5**	$ 62.1	$ 59.5	**$ 19.9**	$ 16.3	$ 9.3	**$ 4.6**	$ 4.9	$ 4.1
Return on common equity – cash basis[2]	**21%**	22%	18%	**28%**	10%	15%	**80%**	89%	74%

[1] Gain on sale of TD Waterhouse Group, Inc. and Knight/Trimark.
[2] Excludes special gains.

Personal and Commercial Banking

Personal and Commercial Banking performed strongly with net income of $147 million, up $37 million or 34% from the same quarter last year. Return on equity increased 3 percentage points to 21%, reflecting the higher earnings.

Total revenue for the quarter improved $81 million from the same quarter last year. This improvement was driven by a $32 million increase in net interest income largely due to a 12% growth in our combined personal and commercial deposit businesses and volume increases in our personal lending business (13%). Other income rose $49 million as fee income from our TD Evergreen brokerage business increased $16 million or 44%, reflecting increased trading and investment volumes by customers.

The strong revenue growth drove the improvement in the efficiency ratio from 70% in the same quarter last year to 65% in the current quarter.

Compared to the prior quarter, net income was unchanged. Revenue improved $51 million due in part to 2% volume growth while expenses decreased $3 million. The earnings impact was offset by the fact that we recorded a provision for credit losses in the fourth quarter of $(2) million as we over-provided during the first three quarters of fiscal 1999. Our first quarter 2000 provision is a more normal $45 million.

TD Waterhouse

TD Waterhouse total revenue for the quarter was $577 million, an increase of $252 million or 78% versus a year ago. This revenue growth is attributable to strong growth in business volumes, as well as higher net interest income related to margin loan balances (which reached $13 billion, a year-over-year increase of 123%).

Heightened market activity during the quarter led to three consecutive monthly records for average trades per day. For the quarter, average trades per day were 190,000, up 94% compared to the same quarter last year. Online trade penetration continued to gain momentum, averaging 72% of all trades for the quarter, an increase of 14 percentage points over the prior year. Active customer accounts are now over 2.3 million, which represents a year-over-year increase of 37%. New accounts opened in the quarter reached a record level of 260,000, an increase of 56% over the prior year. TD Waterhouse total customer assets grew almost $91 billion or 75%, versus the same period one year ago.

Net income of $103 million increased 110% from a year ago, primarily reflecting the growth in discount brokerage commissions and net interest income. Return on equity, on a cash basis, increased 13 percentage points from a year ago to 28%.

TD Asset Management

TD Asset Management (TDAM) is now reported as a separate segment. TDAM manages institutional portfolios for pension funds, corporations, institutions, endowments and foundations. In addition, it offers private money management to high net worth individuals and manages mutual funds for retail investors. At the end of the quarter, TDAM had over $74 billion in assets under management.

Net income for the quarter of $13 million grew 8% from the same quarter a year ago, reflecting a 23% growth in assets under management, including a 12% increase in mutual funds. Total revenues were up 15% compared to the same quarter last year.

Asset growth was also fueled by the acquisition of Greydanus, Boeckh & Associates in December, and Harbour Capital Management in January.

Compared to the prior quarter, net income decreased by $1 million because of the marketing and sales commissions related to the RRSP season.

Review of TD's Businesses

(unaudited, in millions of dollars)

	TD Securities *For the three months ended*			**Other** *For the three months ended*			**Total** *For the three months ended*		
	Jan. 31 2000	Oct. 31 1999	Jan. 31 1999	**Jan. 31 2000**	Oct. 31 1999	Jan. 31 1999	**Jan. 31 2000**	Oct. 31 1999	Jan. 31 1999
Net interest income (on a taxable equivalent basis)	**$ 161**	$ 156	$ 280	**$ (24)**	$ 15	$ (31)	**$ 818**	$ 804	$ 838
Provision for credit losses	**30**	3	30	**–**	(1)	100	**75**	–	175
Other income	**471**	439	347	**(13)**	(4)	17	**1,279**	1,046	937
Special gains[1]	**–**	–	–	**–**	–	–	**–**	758	–
Non-interest expenses excluding non-cash goodwill/intangible charges	**263**	253	240	**(15)**	33	4	**1,234**	1,192	1,058
Net income before provision for income taxes and non-controlling interest	**339**	339	357	**(22)**	(21)	(118)	**788**	1,416	542
Provision for income taxes (TEB)	**144**	146	151	**(22)**	(21)	(64)	**320**	553	219
Non-controlling interest in net income of subsidiaries	**–**	–	–	**–**	–	–	**10**	3	–
Net income – cash basis	**$ 195**	$ 193	$ 206	**$ –**	$ –	$ (54)	**$ 458**	$ 860	$ 323
Non-cash goodwill/intangible charges, net of tax	**–**	–	–	**–**	–	–	**12**	12	11
Net income – accrual basis	**$ 195**	$ 193	$ 206	**$ –**	$ –	$ (54)	**$ 446**	$ 848	$ 312
Average assets *(billions of dollars)*	**$ 128.9**	$ 123.0	$ 128.0	**$ 12.0**	$ 10.6	$ 11.1	**$ 226.9**	$ 216.9	$ 212.0
Return on common equity – cash basis[2]	**22%**	22%	19%				**16%**	15%	16%

[1] Gain on sale of TD Waterhouse Group, Inc. and Knight/Trimark.
[2] Excludes special gains.

TD Securities

TD Securities' net income was a record $195 million, up $24 million or 14% compared to the same quarter a year ago, after excluding the impact of the special security gain in that period. On a comparable basis, return on equity increased by 6 percentage points over last year to a very satisfactory 22%.

The corporate and investment banking business of the Bank is now conducted under the name TD Securities. Collectively, these businesses are developing more integrated solutions to meet client needs. Capital is managed at the consolidated level and TD Securities has been very effective at reducing lower yielding loans and reallocating capital to those businesses generating high returns.

First quarter results for TD Securities were exceptional. TD Securities had strong results across most businesses and was able to take advantage of generally strong credit and capital markets. Earnings from loan syndications, foreign exchange, merchant banking, equity trading, interest rate derivatives and credit derivatives all surpassed levels reported in the prior year.

Results were marginally higher than the prior quarter, up $2 million or 1%. Improved trading results in the quarter, particularly in fixed income and funding products and strong gains in merchant banking, notably in the U.S. market, more than offset a $27 million increase in the provision for credit losses.

Consolidated Interim Statement of Income

(unaudited, in millions of dollars)

	For the three months ended		
	Jan. 31 2000	Oct. 31 1999	Jan. 31 1999
Interest income	**$ 2,760**	$ 2,801	$ 2,693
Interest expense	**1,992**	2,044	1,900
Net interest income	**768**	757	793
Provision for credit losses	**75**	–	175
Net interest income after credit loss provision	**693**	757	618
Other income			
Investment and securities services	**584**	400	409
Credit fees	**129**	127	100
Net investment securities gains	**88**	85	132
Trading income	**244**	206	99
Service charges	**76**	76	68
Card services	**52**	51	46
Other	**106**	101	83
	1,279	1,046	937
Net interest and other income before special gains	**1,972**	1,803	1,555
Special gains[1]	**–**	758	**–**
Net interest and other income	**1,972**	2,561	1,555
Non-interest expenses			
Salaries and staff benefits	**662**	650	577
Occupancy	**91**	97	90
Equipment	**105**	105	93
Other	**377**	341	298
Non-interest expenses excluding goodwill expense	**1,235**	1,193	1,058
Net income before provision for income taxes	**737**	1,368	497
Provision for income taxes	**270**	506	174
Net income before non-controlling interest in subsidiaries	**467**	862	323
Non-controlling interest in net income of subsidiaries	**10**	3	–
Net income before goodwill expense	**457**	859	323
Goodwill expense, net of tax	**11**	11	11
Net income	**446**	848	312
Preferred dividends	**12**	11	11
Net income applicable to common shares – including goodwill expense	**$ 434**	$ 837	$ 301
– excluding goodwill expense	**$ 445**	$ 848	$ 312
Per common share[2]			
Net income – including goodwill expense	**$ .70**	$ 1.37	$ .51
– excluding goodwill expense	**.72**	1.38	.53

Certain comparative amounts have been reclassified to conform with current year presentation.

[1]Gain on sale of TD Waterhouse Group, Inc. and Knight/Trimark in fourth quarter of 1999.

[2]The per share figures have been adjusted to reflect the one-for-one stock dividend paid on July 31, 1999.

Condensed Consolidated Balance Sheet

(unaudited, in millions of dollars)

	As at		
	Jan. 31 2000	Oct. 31 1999	Jan. 31 1999
Assets			
Cash resources	**$ 8,972**	$ 6,226	$ 8,531
Securities purchased under resale agreements	**26,898**	25,708	23,377
Securities			
Investment	**16,858**	18,029	17,499
Trading	**55,272**	51,064	46,928
	72,130	69,093	64,427
Loans (net of allowance for credit losses)			
Residential mortgages	**31,921**	31,483	32,388
Consumer instalment and other personal	**25,259**	20,443	16,442
Business and government	**38,107**	35,559	39,011
	95,287	87,485	87,841
Customers' liability under acceptances	**8,247**	9,040	10,267
Other assets	**22,381**	16,865	19,042
	$ 233,915	$ 214,417	$ 213,485
Liabilities			
Deposits			
Personal	**$ 54,805**	$ 52,774	$ 49,441
Business and government	**102,672**	87,612	94,995
	157,477	140,386	144,436
Acceptances	**8,247**	9,040	10,267
Obligations related to securities sold short	**18,817**	15,044	16,482
Obligations related to securities sold under repurchase agreements	**16,075**	19,241	15,849
Other liabilities	**17,853**	15,621	14,248
Subordinated notes	**3,181**	3,217	3,559
Non-controlling interest in subsidiaries	**339**	335	–
Shareholders' equity			
Preferred	**931**	833	839
Common	**10,995**	10,700	7,805
	$ 233,915	$ 214,417	$ 213,485

Certain comparative amounts have been reclassified
to conform with current year presentation.

Condensed Consolidated Statement of Shareholders' Equity

(unaudited, in millions of dollars)

	For the three months ended	
	Jan. 31 2000	Jan. 31 1999
Balance at beginning of period	**$ 11,533**	$ 8,533
Issue of common shares	**41**	2
Issue of preferred shares	**103**	–
Net income	**446**	312
Dividends	**(142)**	(112)
Unrealized net foreign currency translation losses, net of income taxes	**(36)**	(90)
Other	**(19)**	(1)
Balance at end of period	**$ 11,926**	$ 8,644

Condensed Consolidated Statement of Cash Flows

(unaudited, in millions of dollars)

	For the three months ended	
	Jan. 31 2000	Jan. 31 1999
Cash flows from (used in) operating activities		
Net income	**$ 446**	$ 312
Adjustments to determine net cash flows	**(7,481)**	(10,182)
	(7,035)	(9,870)
Cash flows from (used in) financing activities		
Deposits	**17,091**	23,759
Securities sold short or under repurchase agreements	**607**	10,876
Subordinated notes and share capital	**95**	3
Dividends paid	**(142)**	(112)
Other items, net	**(12)**	(41)
	17,639	34,485
Cash flows from (used in) investing activities		
Investment securities	**1,259**	(4,855)
Loans	**(7,885)**	(3,175)
Securities purchased under resale agreements	**(1,190)**	(11,086)
Interest-bearing deposits	**(2,244)**	(4,177)
Other items	**(42)**	(47)
	(10,102)	(23,340)
Net changes in cash and cash equivalents	**502**	1,275
Cash and cash equivalents at beginning of period	**1,464**	1,379
Cash and cash equivalents at end of period	**$ 1,966**	$ 2,654

Certain comparative amounts have been reclassified to conform with current year presentation.