

**SUPPLEMENTAL FINANCIAL INFORMATION  
FOR THE QUARTER ENDED JANUARY 31, 2000**



**Personal & TD TD TD  
Commercial Waterhouse Asset Securities  
Banking Management**

**1st Quarter 2000**

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# TD BANK FINANCIAL GROUP

Q1/00

## SUPPLEMENTAL FINANCIAL INFORMATION (unaudited) FOR THE QUARTER ENDED JANUARY 31, 2000

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## HIGHLIGHTS

LINE #	QUARTER								FULL YEAR		
	1998				1999				2000	1998	1999
	1	2	3	4	1	2	3	4	1		
<b>Results of operations (\$ millions)</b>											
1	\$ 327	\$ 315	\$ 297	\$ 244	\$ 323	\$ 358	\$ 1,484	\$ 860	\$ 458	\$ 1,183	\$ 3,025
2	293	307	287	234	312	348	1,473	848	446	1,121	2,981
3	810	772	784	774	838	752	779	804	818	3,140	3,173
4	1,517	1,600	1,789	1,431	1,775	1,796	1,844	1,850	2,097	6,337	7,265
<b>Per common share</b>											
<b>Net income - cash basis</b>											
5	\$ .53	\$ .52	\$ .48	\$ .39	\$ .53	\$ .58	\$ 2.48	\$ 1.39	\$ .72	\$ 1.92	\$ 4.98
6	.53	.52	.48	.39	.53	.58	.66	.62	.72	1.92	2.39
<b>Net income - accrual basis</b>											
7	.48	.50	.46	.37	.51	.56	2.46	1.37	.70	1.81	4.90
8	.48	.50	.46	.37	.51	.56	.64	.60	.70	1.81	2.31
<b>Financial position (\$ billions)</b>											
9	\$ 177.0	\$ 189.5	\$ 208.7	\$ 181.8	\$ 213.5	\$ 208.0	\$ 222.5	\$ 214.4	\$ 233.9	\$ 181.8	\$ 214.4
10	7.0	7.2	7.5	7.7	7.8	7.9	9.4	10.7	11.0	7.7	10.7
<b>Other (\$ millions)</b>											
11	2.21 %	2.04 %	1.88 %	1.72 %	1.84 %	1.70 %	1.63 %	1.66 %	1.62 %	1.95 %	1.70 %
12	\$ 84	\$ (78)	\$ (321)	\$ (259)	\$ (431)	\$ (427)	\$ (411)	\$ (257)	\$ (104)	\$ (259)	\$ (257)
13	.1 %	(.1)%	(.3)%	(.3)%	(.4)%	(.4)%	(.4)%	(.3)%	(.1)%	(.3)%	(.3)%
14	.27	.28	1.11	.25	.71	.31	.10	-	.30	.48	.28
15	.27	.28	.26	.25	.30	.31	.10	-	.30	.27	.18
16	\$ 753	\$ 965	\$ 770	\$ 477	\$ 900	\$ 1,534	\$ 1,239	\$ 394	\$ 332	\$ 477	\$ 394
17	7.1 %	7.1 %	7.3 %	7.2 %	7.0 %	7.0 %	8.7 %	10.1 %	10.2 %	7.2 %	10.1 %
18	10.8	10.7	11.2	11.0	10.6	10.6	12.1	13.3	13.2	11.0	13.3
19	59.7	61.0	64.3	70.6	61.7	62.7	61.4	64.4	58.8	63.8	62.6
20	28,582	29,445	29,920	29,236	29,394	30,186	30,898	30,636	31,829	29,236	30,636
21	1,147	1,146	1,153	1,185	1,188	1,177	1,173	1,187	1,206	1,185	1,187
22	Aa2	Aa2	Aa2	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
23	AA	AA	AA	AA	AA	AA-	AA-	AA-	AA-	AA	AA-

\* Excludes gain on sale of TD Waterhouse Group Inc. and Knight/Trimark.

\*\* Includes customers' liability under acceptances.

\*\*\* Goodwill and identified intangible amortization resulting from business combinations.

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

## SHAREHOLDER VALUE

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
<b>Per common share</b>												
<b>Net income - cash basis</b>	1	\$ .53	\$ .52	\$ .48	\$ .39	\$ .53	\$ .58	\$ 2.48	\$ 1.39	\$ .72	\$ 1.92	\$ 4.98
Net income - cash basis - excluding special gains*	2	.53	.52	.48	.39	.53	.58	.66	.62	.72	1.92	2.39
Net income - accrual basis	3	.48	.50	.46	.37	.51	.56	2.46	1.37	.70	1.81	4.90
Net income - accrual basis - excluding special gains*	4	.48	.50	.46	.37	.51	.56	.64	.60	.70	1.81	2.31
Dividends	5	.16	.16	.17	.17	.17	.17	.19	.19	.21	.66	.72
Book value	6	11.81	12.06	12.60	12.94	13.13	13.26	15.77	17.25	17.69	12.94	17.25
Closing market price	7	26.80	32.65	29.83	22.95	31.50	38.93	29.80	33.75	36.25	22.95	33.75
<b>Financial ratios and statistics</b>												
ROE - cash basis on common equity	8	18.3 %	17.8 %	15.5 %	12.2 %	16.0 %	18.2 %	68.4 %	33.5 %	16.4 %	15.9 %	34.8 %
ROE - cash basis on common equity - excluding special gains*	9	18.3	17.8	15.5	12.2	16.0	18.2	18.2	14.9	16.4	15.9	16.7
Return on assets	10	.67	.68	.58	.45	.58	.68	2.70	1.55	.78	.59	1.40
Return on risk-weighted assets	11	1.14	1.23	1.10	.89	1.15	1.28	5.27	3.07	1.61	1.09	2.73
Dividend yield (1)	12	2.1	1.9	2.0	2.7	2.5	1.8	2.0	2.3	2.0	2.4	2.1
Common dividend payout ratio - cash basis - excluding special gains*	13	30.1	31.1	35.4	43.5	32.4	29.1	28.8	31.1	29.2	34.4	30.3
Closing market price to book value	14	2.27	2.71	2.37	1.77	2.40	2.94	1.89	1.96	2.05	1.77	1.96
Price earnings ratio (2) - cash basis - excluding special gains*	15	13.6	16.0	14.8	12.0	16.4	19.7	13.8	14.1	14.0	11.9	14.1
Total market return on common shareholders' investment (3)	16	47.6 %	68.4 %	36.7 %	(8.6)%	20.0 %	21.3 %	2.3 %	50.2 %	17.5 %	(8.6)%	50.2 %
Number of common shares outstanding (MM)	17	593.9	594.1	594.1	594.2	594.4	594.5	594.6	620.3	621.5	594.2	620.3
Average number of common shares outstanding (MM)	18	594.0	594.0	594.1	594.2	594.4	594.4	594.5	613.9	620.6	594.0	599.3

(1) dividends per common share for trailing 4 quarters divided by average of high and low common share prices for the period

(2) closing common share price divided by net income per common share for trailing 4 quarters

(3) the change in market price plus dividends paid in trailing 4 quarters as a percentage of the prior year's closing market price per common share

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

\*Excludes gain on sale of TD Waterhouse Group Inc. and Knight/Trimark.

**NET INCOME**  
**(\$MILLIONS)**

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
Net interest income (TEB)	1	\$ 810	\$ 772	\$ 784	\$ 774	\$ 838	\$ 752	\$ 779	\$ 804	\$ 818	\$ 3,140	\$ 3,173
Provision for credit losses	2	63	62	263	62	175	75	25	-	75	450	275
Other income (page 12)	3	707	828	1,005	657	937	1,044	1,065	1,046	1,279	3,197	4,092
Net interest and other income before special gains	4	1,454	1,538	1,526	1,369	1,600	1,721	1,819	1,850	2,022	5,887	6,990
Special gains*	5	-	-	-	-	-	-	1,082	758	-	-	1,840
Net interest and other income	6	1,454	1,538	1,526	1,369	1,600	1,721	2,901	2,608	2,022	5,887	8,830
Non-interest expenses excluding non-cash goodwill / intangible charges (page 13)	7	880	975	1,022	1,011	1,058	1,126	1,132	1,192	1,234	3,888	4,508
Income before provision for income taxes	8	574	563	504	358	542	595	1,769	1,416	788	1,999	4,322
Provision for income taxes (TEB)	9	247	248	207	114	219	237	283	553	320	816	1,292
<b>Net income before non-controlling interest</b>	10	327	315	297	244	323	358	1,486	863	468	1,183	3,030
Non-controlling interest	11	-	-	-	-	-	-	2	3	10	-	5
<b>Net income - cash basis</b>	12	327	315	297	244	323	358	1,484	860	458	1,183	3,025
Preferred dividends	13	11	10	12	12	11	11	10	11	12	45	43
<b>Net income applicable to common shares - cash basis</b>	14	316	305	285	232	312	347	1,474	849	446	1,138	2,982
Non-cash goodwill / intangible charges, net of tax	15	34	8	10	10	11	10	11	12	12	62	44
<b>Net income applicable to common shares - accrual basis</b>	16	\$ 282	\$ 297	\$ 275	\$ 222	\$ 301	\$ 337	\$ 1,463	\$ 837	\$ 434	\$ 1,076	\$ 2,938
Earnings per share - cash basis**	17	\$ 0.53	\$ 0.52	\$ 0.48	\$ 0.39	\$ 0.53	\$ 0.58	\$ 2.48	\$ 1.39	\$ 0.72	\$ 1.92	\$ 4.98

\*Gain on sale of TD Waterhouse Group Inc. and Knight/Trimark.

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

**NET INCOME BY MAJOR BUSINESS SEGMENT - TOTAL BANK**  
**CASH BASIS (\$MILLIONS)**

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
<b>Net income</b>												
Personal & Commercial Banking	1	\$ 130	\$ 96	\$ 104	\$ 128	\$ 110	\$ 101	\$ 140	\$ 147	\$ 147	\$ 458	\$ 498
TD Waterhouse	2	23	38	34	38	49	93	1,129	506	103	133	1,777
TD Asset Management	3	10	13	16	11	12	11	17	14	13	50	54
Total Retail	4	163	147	154	177	171	205	1,286	667	263	641	2,329
TD Securities	5	181	183	256	53	206	162	186	193	195	673	747
Other	6	(17)	(15)	(113)	14	(54)	(9)	12	-	-	(131)	(51)
<b>Total Bank</b>	7	<b>\$ 327</b>	<b>\$ 315</b>	<b>\$ 297</b>	<b>\$ 244</b>	<b>\$ 323</b>	<b>\$ 358</b>	<b>\$ 1,484</b>	<b>\$ 860</b>	<b>\$ 458</b>	<b>\$ 1,183</b>	<b>\$ 3,025</b>
<b>Return on common equity</b>												
Personal & Commercial Banking	8	25 %	18 %	17 %	21 %	18 %	17 %	23 %	22 %	21 %	20 %	20 %
TD Waterhouse *	9	8	14	11	12	15	31	13	10	28 %	11	17
TD Asset Management	10	26	33	104	62	74	67	106	89	80	45	84
Total Retail	11	20	18	18	19	19	23	22	20	25	18	21
TD Securities	12	18	18	26	5	19	16	20	22	22	17	19
<b>Total Bank *</b>	13	<b>18 %</b>	<b>18 %</b>	<b>16 %</b>	<b>12 %</b>	<b>16 %</b>	<b>18 %</b>	<b>18 %</b>	<b>15 %</b>	<b>16 %</b>	<b>16 %</b>	<b>17 %</b>
<b>Percentage contribution to total net income</b>												
Personal & Commercial Banking	14	40 %	30 %	35 %	52 %	34 %	28 %	9 %	17 %	32 %	39 %	16 %
TD Waterhouse	15	7	12	11	16	15	26	76	59	22 %	11	59
TD Asset Management	16	3	4	5	5	4	3	1	2	3	4	2
Total Retail	17	50	46	51	73	53	57	86	78	57	54	77
TD Securities	18	55	58	86	22	64	45	13	22	43	57	25
Other	19	(5)	(4)	(37)	5	(17)	(2)	1	-	-	(11)	(2)
<b>Total Bank</b>	20	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
<b>Percentage geographic contribution to total net income</b>												
Canada	21	71 %	56 %	45 %	62 %	47 %	48 %	24 %	27 %	55 %	59 %	30 %
USA	22	22	32	39	17	37	41	73	69	34	28	64
Offshore	23	7	12	16	21	16	11	3	4	11	13	6
<b>Total Bank</b>	24	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

\* Excluding special gains.

BASIS OF PRESENTATION OF RESULTS: Results for each segment reflect revenues, expenses, assets and deposits generated by the businesses in that segment. Common equity is allocated to business segments by adding the amounts of capital designated by models for credit, market and operational risk.

OTHER: Includes Real Estate Investments and the effect of transfer pricing differences and any residual unallocated revenues and expenses. The Q1/99, and Q3/98 general provisions for credit losses of \$100 million, and \$200 million respectively are included in Other.

**NET INCOME BY MAJOR BUSINESS SEGMENT - PERSONAL & COMMERCIAL BANKING**  
(\$MILLIONS)

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
Net interest income (TEB)	1	\$ 544	\$ 521	\$ 544	\$ 542	\$ 525	\$ 507	\$ 523	\$ 533	\$ 557	\$2,151	\$2,088
Provision for credit losses	2	43	43	37	35	45	46	14	(2)	45	158	103
Other income	3	239	241	250	248	264	272	296	286	313	978	1,118
Non-interest expenses	4	509	542	562	550	548	554	559	570	567	2,163	2,231
Net income before taxes	5	231	177	195	205	196	179	246	251	258	808	872
Income taxes (TEB)	6	101	81	91	77	86	78	106	104	111	350	374
<b>Net income - cash basis</b>	7	\$ 130	\$ 96	\$ 104	\$ 128	\$ 110	\$ 101	\$ 140	\$ 147	\$ 147	\$ 458	\$ 498
Non-cash goodwill/intangible charges	8	-	-	-	-	-	-	1	1	1	-	2
<b>Net income - accrual basis</b>	9	\$ 130	\$ 96	\$ 104	\$ 128	\$ 110	\$ 101	\$ 139	\$ 146	\$ 146	\$ 458	\$ 496

**Selected volumes and ratios**

Average loans and customers' liability under acceptances (\$B)	10	\$ 56	\$ 57	\$ 59	\$ 59	\$ 60	\$ 61	\$ 62	\$ 61	\$ 61	\$ 58	\$ 61
Average deposits (\$B)	11	51	50	51	52	53	54	55	56	58	51	55
Assets under administration (\$B)	12	\$ 33	\$ 35	\$ 37	\$ 37	\$ 38	\$ 40	\$ 44	\$ 48	\$ 50	\$ 37	\$ 48
Margin on average earning assets	13	3.99 %	3.88 %	3.82 %	3.85 %	3.72 %	3.72 %	3.66 %	3.67 %	3.89 %	3.89 %	3.69 %
Efficiency ratio excluding goodwill/intangible	14	65 %	71 %	71 %	70 %	70 %	71 %	68 %	70 %	65 %	69 %	70 %
Cash basis return on total common equity	15	25 %	18 %	17 %	21 %	18 %	17 %	23 %	22 %	21 %	20 %	20 %

**PERSONAL AND COMMERCIAL BANKING:**

Provides financial services to consumers and small and medium-sized businesses. It encompasses retail banking, electronic banking, credit card services, private banking, full service brokerage, trust and insurance businesses, operating through a network of retail outlets, automated banking machines, telephones, PCs and the Internet. It also includes income from interest rate gapping.

**NET INCOME BY MAJOR BUSINESS SEGMENT - TD WATERHOUSE**  
(\$MILLIONS)

LINE #	QUARTER								FULL YEAR			
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
Net interest income (TEB)	1	\$ 41	\$ 49	\$ 55	\$ 57	\$ 60	\$ 67	\$ 84	\$ 97	\$ 118	\$ 202	\$ 308
Provision for credit losses	2	-	-	-	-	-	-	-	-	-	-	-
Brokerage commissions & other	3	142	182	194	208	265	367	1,358	1,029	459	726	3,019
Non-interest expenses *	4	145	163	190	204	240	274	276	304	388	702	1,094
Net income before taxes	5	38	68	59	61	85	160	1,166	822	189	226	2,233
Income taxes (TEB)	6	15	30	25	23	36	67	35	313	76	93	451
Non-controlling interest	7	-	-	-	-	-	-	2	3	10	-	5
<b>Net income - cash basis</b>	8	\$ 23	\$ 38	\$ 34	\$ 38	\$ 49	\$ 93	\$1,129	\$ 506	\$ 103	\$ 133	\$1,777
Non-cash goodwill/intangible charges	9	34	8	10	10	11	10	10	11	11	62	42
<b>Net income - accrual basis</b>	10	\$ (11)	\$ 30	\$ 24	\$ 28	\$ 38	\$ 83	\$1,119	\$ 495	\$ 92	\$ 71	\$1,735

**Selected volumes and ratios**

Average earning assets (\$B)	11	\$ 5	\$ 6	\$ 7	\$ 8	\$ 9	\$ 12	\$ 14	\$ 15	\$ 19	\$ 7	\$ 13
Assets under administration (\$B)												
Retail brokerage: Canada	12	\$ 22	\$ 25	\$ 24	\$ 23	\$ 26	\$ 28	\$ 29	\$ 31	\$ 36	\$ 23	\$ 31
USA	13	52	61	69	73	94	123	135	142	173	73	142
Offshore	14	-	-	-	-	2	2	2	3	4	-	3
Brokerage - correspondent brokers	15	4	4	5	4	4	5	6	6	7	4	6
Total AUA	16	\$ 78	\$ 90	\$ 98	\$ 100	\$ 126	\$ 158	\$ 172	\$ 182	\$ 220	\$ 100	\$ 182
Efficiency ratio excluding goodwill/intangible **	17	78 %	71 %	76 %	77 %	74 %	63 %	77 %	83 %	67 %	76 %	33 %
Cash basis return on total common equity **	18	8 %	14 %	11 %	12 %	15 %	31 %	13 %	10 %	28 %	11 %	17 %

\* Excluding non-cash goodwill/intangible charges.

\*\* Excluding special gains.

Excluding the impact of the \$471 million after tax gains in Q4/99, Net Income on a cash basis would be \$35 million.

Excluding the impact of \$1,082 million after tax gain on the sale of TD Waterhouse Group Inc. in Q3/99, Net Income on a cash basis would be \$47 million.

Excluding the impact of \$41 million after tax investment securities gains in Q2/99, Net Income on a cash basis would be \$52 million.

TD WATERHOUSE:

Comprised of TD Waterhouse (USA, Canada, Europe, Australia and Hong Kong) and Fund Services.



**NET INCOME BY MAJOR BUSINESS SEGMENT - TD ASSET MANAGEMENT**  
(\$MILLIONS)

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
Net interest income (TEB)	1	\$ 4	\$ 3	\$ 1	\$ 3	\$ 4	\$ 6	\$ 9	\$ 3	\$ 6	\$ 11	\$ 22
Provision for credit losses	2	-	-	-	-	-	-	-	-	-	-	-
Other income	3	38	42	54	32	44	37	46	54	49	166	181
Non-interest expenses	4	24	20	23	17	26	23	24	32	31	84	105
Net income before taxes	5	18	25	32	18	22	20	31	25	24	93	98
Income taxes (TEB)	6	8	12	16	7	10	9	14	11	11	43	44
<b>Net income - cash basis</b>	7	\$ 10	\$ 13	\$ 16	\$ 11	\$ 12	\$ 11	\$ 17	\$ 14	\$ 13	\$ 50	\$ 54
Non-cash goodwill/intangible charges	8	-	-	-	-	-	-	-	-	-	-	-
<b>Net income - accrual basis</b>	9	\$ 10	\$ 13	\$ 16	\$ 11	\$ 12	\$ 11	\$ 17	\$ 14	\$ 13	\$ 50	\$ 54
<b>Selected volumes and ratios</b>												
Assets under mgmt. as at quarter end (\$B)	10	\$ 47	\$ 52	\$ 53	\$ 54	\$ 60	\$ 63	\$ 67	\$ 69	\$ 74	\$ 54	\$ 69
Efficiency ratio excluding goodwill/intangible	11	57 %	45 %	43 %	48 %	55 %	54 %	44 %	56 %	57 %	47 %	52 %
Cash basis return on common equity	12	26 %	33 %	104 %	62 %	74 %	67 %	106 %	89 %	80 %	45 %	84 %

**TD ASSET MANAGEMENT**

Provides a full range of investment management services, including private money management to high net worth individuals, passive, quantitative, enhanced and active institutional portfolios for pension funds, corporations, institutions, endowments and foundations and mutual funds for retail investors.

**NET INCOME BY MAJOR BUSINESS SEGMENT - TD SECURITIES**  
(\$MILLIONS)

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
Net interest income (TEB)	1	\$ 262	\$ 247	\$ 253	\$ 262	\$ 280	\$ 199	\$ 171	\$ 156	\$ 161	\$1,024	\$ 806
Provision for credit losses	2	20	20	25	27	30	30	13	3	30	92	76
Credit and advisory fees	3	261	347	486	117	347	370	439	439	471	1,211	1,595
Non-interest expenses	4	205	249	250	274	240	252	283	253	263	978	1,028
Net income before taxes	5	298	325	464	78	357	287	314	339	339	1,165	1,297
Income taxes (TEB)	6	117	142	208	25	151	125	128	146	144	492	550
<b>Net income - cash basis</b>	7	\$ 181	\$ 183	\$ 256	\$ 53	\$ 206	\$ 162	\$ 186	\$ 193	\$ 195	\$ 673	\$ 747
Non-cash goodwill/intangible charges	8	-	-	-	-	-	-	-	-	-	-	-
<b>Net income - accrual basis</b>	9	\$ 181	\$ 183	\$ 256	\$ 53	\$ 206	\$ 162	\$ 186	\$ 193	\$ 195	\$ 673	\$ 747

**Selected volumes and ratios**

Securities purchased under resale agreements (\$B)	10	\$ 27	\$ 29	\$ 33	\$ 12	\$ 23	\$ 21	\$ 28	\$ 26	\$ 27	\$ 12	\$ 26
Trading securities (\$B)	11	25	31	44	37	47	48	52	51	55	37	51
Short sales of securities (\$B)	12	9	10	16	13	16	16	23	15	19	13	15
Securities sold under repurchase agreements (\$B)	13	19	21	24	8	16	15	19	19	16	8	19
Average loans and customers' liability under acceptances (\$B)	14	29	29	28	30	33	32	28	26	26	29	30
Efficiency ratio excluding goodwill/intangible	15	39 %	42 %	34 %	72 %	38 %	44 %	46 %	43 %	42 %	44 %	43 %
Cash basis return on total common equity	16	18 %	18 %	26 %	5 %	19 %	16 %	20 %	22 %	22 %	17 %	19 %

Excluding the impact of \$35 million after tax one-time security gains in Q1/99, Net Income, Efficiency and ROE on a cash basis would be \$171 million, 42% and 16% respectively.

Excluding the impact of \$200 million special security gains in Q3/98, Net Income, Efficiency and ROE on a cash basis would be \$152 million, 46%, and 15% respectively.

Excluding the impact of \$29 million after tax sale of payroll in Q1/98, Net Income, Efficiency and ROE on a cash basis would be \$152 million, 43%, and 15% respectively.

**TD SECURITIES:**

Provides a full range of investment banking, merchant banking, mergers and acquisition advisory, fixed income, foreign exchange, derivatives products, high yield, money market, equities, and corporate banking services, including loan syndications, to our borrowing, investing and issuing clients in Canada, the U.S.A., Europe, Australia, Latin America and Asia. The segment also includes the results of the Bank's Head Office investment portfolios and certain Head Office treasury activities.

**NII, MARGINS, RATES AND OTHER STATISTICS**  
(\$MILLIONS)

LINE #	QUARTER								FULL YEAR			
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
<b>Net interest income</b>												
Net interest income	1	\$ 760	\$ 717	\$ 736	\$ 728	\$ 793	\$ 704	\$ 727	\$ 757	\$ 768	\$ 2,941	\$ 2,981
TEB adjustment	2	50	55	48	46	45	48	52	47	50	199	192
Net interest income (TEB)	3	\$ 810	\$ 772	\$ 784	\$ 774	\$ 838	\$ 752	\$ 779	\$ 804	\$ 818	\$ 3,140	\$ 3,173
<b>Average assets</b>												
Average earning assets	4	\$ 145,776	\$ 155,213	\$ 165,392	\$ 178,398	\$ 181,123	\$ 181,156	\$ 189,687	\$ 192,456	\$ 201,178	\$ 161,244	\$ 186,147
Average total assets	5	172,931	184,173	196,746	208,343	211,978	208,714	216,528	216,866	226,944	190,600	213,561
<b>Trading related income (TEB)*</b>												
Interest rate and credit portfolios	6	\$ 58	\$ 121	\$ 104	\$ 113	\$ 76	\$ 142	\$ 125	\$ 74	\$ 106	\$ 396	\$ 417
Foreign exchange portfolios	7	32	24	23	33	47	35	29	34	52	112	145
Equity and other portfolios	8	20	43	10	(113)	55	36	7	49	63	(40)	147
Total trading income	9	\$ 110	\$ 188	\$ 137	\$ 33	\$ 178	\$ 213	\$ 161	\$ 157	\$ 221	\$ 468	\$ 709
<b>Impact on NII from impaired loans</b>												
Reduction/(increase) in NII from impaired loans												
Gross	10	\$ 11	\$ 17	\$ 9	\$ 16	\$ 15	\$ 15	\$ 17	\$ 16	\$ 21	\$ 53	\$ 63
Recoveries	11	(4)	(4)	(4)	(4)	(3)	(3)	(3)	(2)	(3)	(16)	(11)
Net reduction/(increase)	12	\$ 7	\$ 13	\$ 5	\$ 12	\$ 12	\$ 12	\$ 14	\$ 14	\$ 18	\$ 37	\$ 52
<b>Net interest margin</b>												
N.I.I. (TEB) as a % of average earning assets	13	2.21 %	2.04 %	1.88 %	1.72 %	1.84 %	1.70 %	1.63 %	1.66 %	1.62 %	1.95 %	1.70 %
N.I.I. (TEB) as a % of average total assets	14	1.86	1.72	1.58	1.47	1.57	1.48	1.43	1.47	1.43	1.65	1.49
<b>Effective tax rates**</b>												
Published	15	40.2 %	38.4 %	35.5 %	21.7 %	35.5 %	34.9 %	36.8 %	38.3 %	37.0 %	35.3 %	36.9 %
TEB	16	45.7	44.5	41.8	32.3	41.0	40.4	41.6	40.4	41.1	42.0	40.8
<b>Number of common shares outstanding (millions)</b>												
At end of period	17	593.9	594.1	594.1	594.2	594.4	594.5	594.6	620.3	621.5	594.2	620.3
Average for period	18	594.0	594.0	594.1	594.2	594.4	594.4	594.5	613.9	620.6	594.0	599.3
<b>Asset securitization</b>												
Securitized during the quarter												
Mortgages - conventional	19	471	498	-	582	-	-	382	2,410	-	1,551	2,792
Mortgages - MBS pools	20	-	-	-	-	500	-	404	22	20	-	926
Credit Cards	21	-	-	1,140	560	-	325	-	-	-	1,700	325
Corporate Loans	22	-	-	-	-	-	-	-	200	-	-	200
Outstanding at period end	23	2,305	2,715	3,723	4,721	5,044	5,207	5,811	8,270	8,029	4,721	8,270
Income statement impact												
Net interest income	24	\$ (4)	\$ (4)	\$ (5)	\$ (33)	\$ (31)	\$ (33)	\$ (39)	\$ (46)	\$ (43)	\$ (46)	\$ (149)
Other income	25	2	3	4	24	16	25	27	30	26	33	98
Provision for credit losses	26	-	-	-	(10)	(13)	(12)	(14)	(12)	(13)	(10)	(51)
Total impact	27	\$ (2)	\$ (1)	\$ (1)	\$ 1	\$ (2)	\$ 4	\$ 2	\$ (4)	\$ (4)	\$ (3)	\$ -

\* Includes trading-related income reported in net interest and other income.

\*\* Excludes gain on sale of TD Waterhouse Group Inc.

**INTEREST RATE SENSITIVITY, SECURITIES, DEFERRED REVENUE, AND GOODWILL / INTANGIBLES**  
(\$MILLIONS)

LINE #	AS AT QUARTER END										
	1998				1999				2000		
	1	2	3	4	1	2	3	4	1		
<b>Interest sensitive (asset) liability gap within 1 year (\$billions)</b>	1	\$ 5.1	\$ 4.9	\$ 1.0	\$ 1.5	\$ (3.8)	\$ (4.4)	\$ 0.9	\$ (7.5)	\$ (4.4)	
<b>After tax impact of 1% increase in interest rates on</b>											
Common shareholders' equity	2	\$ (132)	\$ (130)	\$ (77)	\$ (74)	\$ (112)	\$ (126)	\$ (156)	\$ (153)	\$ (138)	
Annual net income	3	3	(6)	13	38	5	(2)	(14)	(7)	9	
<b>Securities - surplus (deficit) over book</b>											
Canadian governments	4	\$ (7)	\$ (6)	\$ (6)	\$ (1)	\$ (2)	\$ (2)	\$ (10)	\$ (20)	\$ (26)	
U.S. federal government	5	1	4	1	7	-	-	(1)	(2)	(4)	
Corporate bonds/debentures/commercial paper	6	(11)	(8)	(13)	(5)	3	(2)	10	6	-	
Preferred shares	7	43	43	42	17	19	17	13	5	(20)	
Common & equivalents	8	727	932	746	459	880	1,521	1,227	405	382	
<b>Total</b>	9	\$ 753	\$ 965	\$ 770	\$ 477	\$ 900	\$ 1,534	\$ 1,239	\$ 394	\$ 332	
<b>Deferred revenues</b>											
Credit fees	10	\$ 127	\$ 145	\$ 128	\$ 142	\$ 183	\$ 141	\$ 139	\$ 128	\$ 136	
Derivatives	11	120	130	135	133	134	142	145	143	137	
<b>Total</b>	12	\$ 247	\$ 275	\$ 263	\$ 275	\$ 317	\$ 283	\$ 284	\$ 271	\$ 273	
<b>Goodwill</b>											
At beginning of period	13	\$ 522	\$ 756	\$ 734	\$ 915	\$ 958	\$ 928	\$ 882	\$ 899	\$ 892	
Arising during the period	14	252	-	151	37	3	-	-	27	72	
Amortized in the period	15	(34)	(10)	(11)	(13)	(13)	(13)	(13)	(13)	(13)	
Foreign exchange adjustment	16	16	(12)	41	19	(20)	(33)	30	(21)	(16)	
<b>Total</b>	17	\$ 756	\$ 734	\$ 915	\$ 958	\$ 928	\$ 882	\$ 899	\$ 892	\$ 935	
<b>Intangibles</b>											
At beginning of period	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 17	
Arising during the period	19	-	-	-	-	-	-	18	-	-	
Amortized in the period	20	-	-	-	-	-	-	-	(1)	(1)	
Foreign exchange adjustment	21	-	-	-	-	-	-	-	-	-	
<b>Total</b>	22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 17	\$ 16	
<b>Total Goodwill / Intangibles</b>	23	\$ 756	\$ 734	\$ 915	\$ 958	\$ 928	\$ 882	\$ 917	\$ 909	\$ 951	

**NET INTEREST INCOME**  
(\$MILLIONS)

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
<b>Interest income</b>												
Loans	1	\$ 1,759	\$ 1,776	\$ 1,950	\$ 2,005	\$ 1,897	\$ 1,876	\$ 1,922	\$ 1,899	\$ 1,971	\$ 7,490	\$ 7,594
Securities	2	427	447	548	751	715	591	689	773	579	2,173	2,768
Deposits with banks	3	84	96	81	73	81	186	116	129	210	334	512
Total interest income	4	2,270	2,319	2,579	2,829	2,693	2,653	2,727	2,801	2,760	9,997	10,874
<b>Interest expense</b>												
Deposits	5	1,195	1,315	1,472	1,600	1,520	1,579	1,593	1,562	1,780	5,582	6,254
Subordinated notes	6	47	63	58	58	54	48	38	41	41	226	181
Other	7	268	224	313	443	326	322	369	441	171	1,248	1,458
Total interest expense	8	1,510	1,602	1,843	2,101	1,900	1,949	2,000	2,044	1,992	7,056	7,893
<b>Net interest income</b>	9	\$ 760	\$ 717	\$ 736	\$ 728	\$ 793	\$ 704	\$ 727	\$ 757	\$ 768	\$ 2,941	\$ 2,981

**OTHER INCOME**  
(\$MILLIONS)

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
TD Waterhouse fees and commissions	1	\$ 127	\$ 163	\$ 167	\$ 177	\$ 238	\$ 268	\$ 238	\$ 235	\$ 383	\$ 634	\$ 979
Full service brokerage and other securities services	2	93	128	104	54	112	116	161	95	126	379	484
Mutual fund management	3	44	48	56	56	59	64	65	70	75	204	258
Credit fees	4	82	105	119	97	100	118	118	127	129	403	463
Service charges	5	69	70	72	72	68	69	76	76	76	283	289
Card services	6	44	41	46	49	46	43	50	51	52	180	190
Trading income	7	65	153	95	(15)	99	184	190	206	244	298	679
Net investment securities gains*	8	36	42	248	60	132	80	65	85	88	386	362
Foreign exchange - non-trading	9	22	20	29	24	16	12	27	17	15	95	72
Property rental income	10	18	10	17	16	13	17	15	14	17	61	59
Insurance	11	13	13	14	16	14	16	17	18	19	56	65
Income - asset securitizations	12	2	3	4	24	15	24	26	29	23	33	94
Other consumer services	13	7	9	6	6	7	1	2	6	8	28	16
Other commercial and corporate services	14	85	23	28	21	18	32	15	17	24	157	82
<b>Total other income - page 3 (line 3)</b>	15	\$ 707	\$ 828	\$ 1,005	\$ 657	\$ 937	\$ 1,044	\$ 1,065	\$ 1,046	\$ 1,279	\$ 3,197	\$ 4,092

\*Excludes Knight/Trimark gain in Q4/99.

**NON-INTEREST EXPENSES**  
(\$MILLIONS)

LINE #	QUARTER									FULL YEAR		
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
<b>Salaries and staff benefits</b>												
Salaries	1	\$ 441	\$ 509	\$ 519	\$ 523	\$ 524	\$ 549	\$ 590	\$ 597	\$ 600	\$ 1,992	\$ 2,260
Pension and other staff benefits	2	39	44	47	45	53	57	60	53	62	175	223
Total	3	480	553	566	568	577	606	650	650	662	2,167	2,483
<b>Occupancy</b>												
Rent	4	44	47	51	54	52	53	51	53	51	196	209
Depreciation	5	18	15	20	20	18	19	20	23	18	73	80
Other	6	18	18	18	21	20	21	22	21	22	75	84
Total	7	80	80	89	95	90	93	93	97	91	344	373
<b>Equipment</b>												
Rent	8	17	18	21	22	22	22	22	22	22	78	88
Depreciation	9	25	27	28	28	26	29	31	35	31	108	121
Other	10	34	40	37	38	45	48	45	48	52	149	186
Total	11	76	85	86	88	93	99	98	105	105	335	395
<b>General</b>												
Marketing and business development	12	52	55	58	48	57	63	62	79	101	213	261
Brokerage related fees	13	32	38	41	51	58	55	53	55	63	162	221
Professional and advisory services	14	32	31	39	38	34	41	40	57	47	140	172
Communications	15	34	34	38	36	40	42	38	35	43	142	155
Capital and business taxes	16	26	22	22	3	20	21	22	23	25	73	86
Postage	17	14	17	17	17	20	23	19	20	23	65	82
Travel and relocation	18	10	11	14	10	9	11	11	15	11	45	46
Deposit insurance premiums	19	16	16	16	15	16	17	4	4	4	63	41
Other - excluding non-cash goodwill / intangible charges	20	28	33	36	42	44	55	42	52	59	139	193
Total	21	244	257	281	260	298	328	291	340	376	1,042	1,257
<b>Total expenses excluding non-cash goodwill / intangible charges - page 3 (line 7)</b>	22	\$ 880	\$ 975	\$ 1,022	\$ 1,011	\$ 1,058	\$ 1,126	\$ 1,132	\$ 1,192	\$ 1,234	\$ 3,888	\$ 4,508

**BALANCE SHEET**  
(\$MILLIONS)

		AS AT QUARTER END								
LINE #	1998				1999				2000	
	1	2	3	4	1	2	3	4	1	
Cash resources	1	\$ 5,743	\$ 6,878	\$ 6,925	\$ 3,079	\$ 8,531	\$ 7,596	\$ 8,307	\$ 6,226	\$ 8,972
Securities purchased under resale agreements	2	26,771	28,828	33,162	12,291	23,377	20,536	27,771	25,708	26,898
Investment securities										
Issued or guaranteed by Canada or provinces	3	2,367	1,791	1,916	1,721	1,655	1,078	1,232	1,154	1,098
Issued by US federal government	4	4,846	4,718	5,037	4,522	5,168	5,598	6,496	6,562	7,224
Other securities	5	5,938	8,527	9,322	6,269	10,676	9,512	9,957	10,313	8,536
Total	6	13,151	15,036	16,275	12,512	17,499	16,188	17,685	18,029	16,858
Trading securities	7	24,695	30,637	44,454	37,207	46,928	47,635	52,418	51,064	55,272
Total	8	37,846	45,673	60,729	49,719	64,427	63,823	70,103	69,093	72,130
Loans and customers' liability under acceptances										
Residential mortgages	9	30,632	30,734	31,982	32,255	32,388	33,343	33,445	31,483	31,921
Personal	10	14,872	16,186	15,913	15,160	16,442	18,819	20,181	20,443	25,259
Business and government	11	46,996	46,198	45,859	47,459	49,278	47,096	44,805	44,599	46,354
Total	12	92,500	93,118	93,754	94,874	98,108	99,258	98,431	96,525	103,534
Other assets	13	14,179	15,022	14,176	21,868	19,042	16,828	17,874	16,865	22,381
<b>Total assets</b>	14	\$ 177,039	\$ 189,519	\$ 208,746	\$ 181,831	\$ 213,485	\$ 208,041	\$ 222,486	\$ 214,417	\$ 233,915
Deposits										
Personal non-term	15	\$ 21,460	\$ 22,416	\$ 22,573	\$ 23,335	\$ 24,070	\$ 25,084	\$ 26,294	\$ 26,417	\$ 27,683
Personal term	16	23,081	22,916	22,935	24,358	25,371	25,699	25,595	26,357	27,122
Banks and deposit taking institutions	17	21,716	26,455	27,476	17,063	28,534	30,236	31,770	30,901	33,644
Business and government	18	51,827	55,886	64,360	55,921	66,461	60,246	59,997	56,711	69,028
Total	19	118,084	127,673	137,344	120,677	144,436	141,265	143,656	140,386	157,477
Acceptances	20	7,125	8,078	9,144	9,948	10,267	8,861	8,571	9,040	8,247
Short sales of securities	21	9,153	10,116	16,429	13,034	16,482	16,034	22,612	15,044	18,817
Securities sold under repurchase agreements	22	19,055	21,241	24,144	8,421	15,849	15,207	19,390	19,241	16,075
Other liabilities	23	12,238	10,922	9,745	17,612	14,248	14,552	14,169	15,621	17,853
Subordinated notes	24	3,464	3,425	3,543	3,606	3,559	3,411	3,490	3,217	3,181
Non-controlling interest in subsidiaries	25	-	-	-	-	-	-	380	335	339
Shareholders' equity										
Preferred	26	905	900	915	845	839	830	839	833	931
Common	27	7,015	7,164	7,482	7,688	7,805	7,881	9,379	10,700	10,995
Total	28	7,920	8,064	8,397	8,533	8,644	8,711	10,218	11,533	11,926
<b>Total liabilities and shareholders' equity</b>	29	\$ 177,039	\$ 189,519	\$ 208,746	\$ 181,831	\$ 213,485	\$ 208,041	\$ 222,486	\$ 214,417	\$ 233,915
<b>Assets under administration</b>										
Personal and Commercial Banking	30	\$ 33,884	\$ 35,665	\$ 37,685	\$ 36,908	\$ 38,313	\$ 39,967	\$ 44,340	\$ 48,588	\$ 49,871
TD Waterhouse	31	78,377	90,475	98,288	99,983	125,661	157,674	171,640	181,408	220,055
Total	32	\$ 112,261	\$ 126,140	\$ 135,973	\$ 136,891	\$ 163,974	\$ 197,641	\$ 215,980	\$ 229,996	\$ 269,926
<b>Assets under management</b>										
TD Asset Management	33	\$ 47,396	\$ 51,782	\$ 52,602	\$ 53,558	\$ 60,469	\$ 63,409	\$ 67,351	\$ 68,971	\$ 74,444



**ANALYSIS OF CHANGE IN SHAREHOLDERS' EQUITY**  
(\$MILLIONS)

LINE #	QUARTER										FULL YEAR	
	1998				1999				2000	1998	1999	
	1	2	3	4	1	2	3	4	1			
<b>Preferred shares</b>												
Balance at beginning of period	1	\$ 546	\$ 905	\$ 900	\$ 915	\$ 845	\$ 839	\$ 830	\$ 839	\$ 833	\$ 546	\$ 845
Issued	2	350	-	-	-	-	-	-	-	103	350	-
Redeemed	3	-	-	-	(75)	-	-	-	-	-	(75)	-
Translation on shares issued in foreign currency	4	9	(5)	15	5	(6)	(9)	9	(6)	(5)	24	(12)
Balance at end of period	5	905	900	915	845	839	830	839	833	931	845	833
<b>Common shares</b>												
Balance at beginning of period	6	1,297	1,298	1,299	1,300	1,301	1,303	1,305	1,306	2,006	1,297	1,301
Issued - options	7	1	1	1	1	2	2	1	-	-	4	5
Issued - cash	8	-	-	-	-	-	-	-	700	-	-	700
Issued - acquisitions	9	-	-	-	-	-	-	-	-	41	-	-
Balance at end of period	10	1,298	1,299	1,300	1,301	1,303	1,305	1,306	2,006	2,047	1,301	2,006
<b>Retained earnings</b>												
Balance at beginning of period	11	5,460	5,717	5,865	6,182	6,387	6,502	6,576	8,073	8,694	5,460	6,387
Net Income	12	293	307	287	234	312	348	1,473	848	446	1,121	2,981
Dividends - common	13	(95)	(95)	(101)	(101)	(101)	(101)	(113)	(118)	(130)	(392)	(433)
- preferred	14	(8)	(8)	(9)	(9)	(8)	(8)	(8)	(7)	(9)	(34)	(31)
- preferred TDMIC tax effected	15	(3)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(11)	(12)
Translation adjustments - net of taxes	16	76	(43)	153	84	(84)	(133)	155	(87)	(31)	270	(149)
Share issue expenses - net of taxes	17	(3)	-	-	-	-	-	-	(12)	(7)	(3)	(12)
Stock options settled in cash - tax effected	18	(2)	(12)	(9)	(2)	(1)	(28)	(7)	(1)	(11)	(25)	(37)
Other	19	(1)	1	(1)	2	-	(1)	-	1	(1)	1	-
Balance at end of period	20	5,717	5,865	6,182	6,387	6,502	6,576	8,073	8,694	8,948	6,387	8,694
<b>Total common equity</b>	21	7,015	7,164	7,482	7,688	7,805	7,881	9,379	10,700	10,995	7,688	10,700
<b>Total shareholders' equity</b>	22	\$ 7,920	\$ 8,064	\$ 8,397	\$ 8,533	\$ 8,644	\$ 8,711	\$ 10,218	\$ 11,533	\$ 11,926	\$ 8,533	\$ 11,533

**NUMBER OF COMMON SHARES**

<b>Common Shares</b>												
Number of common shares at beginning of period	23	593,892,398	593,928,098	594,062,548	594,136,298	594,237,648	594,367,098	594,498,746	594,580,646	620,343,168	593,892,398	594,237,648
Issued - options	24	35,700	134,450	73,750	101,350	129,450	131,648	81,900	62,522	25,650	345,250	405,520
Issued - cash	25	-	-	-	-	-	-	-	25,700,000	-	-	25,700,000
Issued - acquisitions	26	-	-	-	-	-	-	-	-	1,112,035	-	-
Number of common shares at end of period	27	593,928,098	594,062,548	594,136,298	594,237,648	594,367,098	594,498,746	594,580,646	620,343,168	621,480,853	594,237,648	620,343,168

**RISK-WEIGHTED ASSETS AND CAPITAL**  
(\$MILLIONS)

LINE #	AS AT QUARTER END									
	1998				1999				2000	
	1	2	3	4	1	2	3	4	1	
<b>Balance sheet assets</b>										
Cash resources	1	\$ 1,043	\$ 1,261	\$ 1,247	\$ 499	\$ 1,554	\$ 1,406	\$ 1,517	\$ 1,109	\$ 1,644
Securities	2	4,916	5,084	5,627	5,101	5,784	5,727	6,043	6,956	6,324
Loans	3	48,989	48,845	47,238	47,781	51,085	53,762	55,274	54,280	59,371
Customers' liability under acceptances	4	7,103	7,922	8,963	9,706	10,003	8,641	8,319	8,286	7,573
Other assets	5	4,717	4,578	4,042	5,192	5,921	4,884	5,174	4,757	5,652
<b>Total balance sheet assets</b>	6	66,768	67,690	67,117	68,279	74,347	74,420	76,327	75,388	80,564
<b>Off-balance sheet assets</b>										
Credit instruments	7	22,304	24,604	23,012	22,515	21,468	21,806	20,154	19,347	18,863
Derivative financial instruments	8	2,924	3,206	3,133	5,007	4,342	3,645	4,104	3,603	3,586
<b>Total off-balance sheet assets</b>	9	25,228	27,810	26,145	27,522	25,810	25,451	24,258	22,950	22,449
<b>Total risk-weighted asset equivalent - Credit risk</b>	10	91,996	95,500	93,262	95,801	100,157	99,871	100,585	98,338	103,013
<b>Total risk-weighted asset equivalent - Market risk</b>	11	8,845	8,220	9,652	9,305	10,451	11,182	10,186	10,146	8,602
<b>Total risk-weighted assets</b>	12	\$ 100,841	\$ 103,720	\$ 102,914	\$ 105,106	\$ 110,608	\$ 111,053	\$ 110,771	\$ 108,484	\$ 111,615
<b>CAPITAL</b>										
<b>TIER 1</b>										
Common shareholders' equity	13	\$ 7,015	\$ 7,164	\$ 7,482	\$ 7,688	\$ 7,805	\$ 7,881	\$ 9,379	\$ 10,700	\$ 10,995
Qualifying preferred shares	14	905	901	915	845	839	830	839	833	931
Non-controlling interest in subsidiaries	15	-	-	-	-	-	-	380	335	339
Less: goodwill and intangibles in excess of 5% limit	16	(756)	(734)	(915)	(958)	(928)	(882)	(899)	(892)	(935)
<b>Total Tier 1 capital</b>	17	7,164	7,331	7,482	7,575	7,716	7,829	9,699	10,976	11,330
<b>TIER 2</b>										
Subordinated notes	18	3,463	3,425	3,543	3,606	3,559	3,411	3,490	3,217	3,181
Less: amortization of subordinated notes	19	(109)	(119)	(125)	(257)	(292)	(221)	(427)	(346)	(359)
General allowance for credit losses	20	425	447	643	636	744	740	749	753	744
<b>Total Tier 2 capital</b>	21	3,779	3,753	4,061	3,985	4,011	3,930	3,812	3,624	3,566
Other deductions	22	(15)	(17)	(47)	(24)	(24)	(25)	(43)	(150)	(143)
<b>Total capital</b>	23	\$ 10,928	\$ 11,067	\$ 11,496	\$ 11,536	\$ 11,703	\$ 11,734	\$ 13,468	\$ 14,450	\$ 14,753
<b>Capital ratios</b>										
<b>Canadian</b>										
Tier 1 capital	24	7.1	7.1	7.3	7.2	7.0	7.0	8.7	10.1	10.2
Total capital	25	10.8	10.7	11.2	11.0	10.6	10.6	12.1	13.3	13.2
<b>U.S. basis</b>										
Tier 1 capital	26	6.9	6.9	7.1	6.9	6.7	6.7	8.4	9.9	9.9
Total capital	27	10.3	10.5	11.0	10.8	10.5	10.7	12.2	13.1	13.0

**DERIVATIVES**  
**(\$MILLIONS)**

LINE #	AS AT QUARTER END									
	1998				1999				2000	
	1	2	3	4	1	2	3	4	1	
<b>Interest Rate</b>										
Notional Principal	1	\$ 418,190	\$ 400,398	\$ 420,679	\$ 467,072	\$ 470,013	\$ 544,798	\$ 633,683	\$ 706,425	\$ 697,617
Replacement Cost	2	4,031	4,325	4,482	6,701	6,782	5,906	5,871	5,833	6,776
Credit Equivalent	3	5,251	5,727	5,877	8,372	8,495	7,663	7,770	7,803	8,823
Risk-Weighted	4	1,390	1,543	1,433	2,133	2,108	1,840	1,887	1,922	2,169
<b>Foreign Exchange</b>										
Notional Principal	5	240,266	256,934	202,769	351,471	308,549	325,292	335,927	343,472	362,227
Replacement Cost	6	4,349	3,374	4,368	7,386	4,931	4,949	4,581	4,265	5,552
Credit Equivalent	7	8,158	7,497	8,011	13,237	10,254	10,435	10,652	10,505	11,899
Risk-Weighted	8	2,256	2,106	2,155	4,252	3,266	3,350	3,442	2,745	3,042
<b>Other</b>										
Notional Principal	9	7,110	18,276	26,186	31,041	36,103	28,548	32,390	34,507	38,683
Replacement Cost	10	108	184	405	450	470	305	762	918	342
Credit Equivalent	11	568	1,488	2,426	2,854	2,558	2,446	3,446	3,527	3,099
Risk-Weighted	12	239	534	751	895	816	772	1,222	1,263	997
<b>Total Derivatives</b>										
Notional Principal	13	665,566	675,608	649,634	849,584	814,665	898,638	1,002,000	1,084,404	1,098,527
Replacement Cost	14	8,488	7,883	9,255	14,537	12,183	11,160	11,214	11,016	12,670
Credit Equivalent	15	13,977	14,712	16,314	24,463	21,307	20,544	21,868	21,835	23,821
Risk-Weighted	16	3,885	4,183	4,339	7,280	6,190	5,962	6,551	5,930	6,208
Netting & Collateral - Impact	17	(961)	(977)	(1,206)	(2,273)	(1,848)	(2,317)	(2,447)	(2,327)	(2,622)
Net Risk-Weighted	18	\$ 2,924	\$ 3,206	\$ 3,133	\$ 5,007	\$ 4,342	\$ 3,645	\$ 4,104	\$ 3,603	\$ 3,586

**NET IMPAIRED LOANS BY SECTOR AND GENERAL ALLOWANCES**  
(\$MILLIONS)

		AS AT QUARTER END									
LINE #		1998				1999				2000	
		1	2	3	4	1	2	3	4	1	
<b>DOMESTIC</b>											
	Personal	\$ 87	\$ 85	\$ 83	\$ 92	\$ 71	\$ 29	\$ 39	\$ 73	\$ 85	
	Commercial	88	71	77	115	143	128	124	213	158	
	Corporate	107	111	83	103	41	29	20	54	27	
	Total domestic net of specific provisions	282	267	243	310	255	186	183	340	270	
<b>INTERNATIONAL</b>											
	U.S.A.	218	89	73	40	29	64	116	102	302	
	Other international	9	13	13	11	8	39	13	13	33	
	Total international net of specific provisions	227	102	86	51	37	103	129	115	335	
	Total impaired loans net of specific provisions	509	369	329	361	292	289	312	455	605	
	General allowance for credit losses	425	447	650	620	723	716	723	712	709	
	<b>TOTAL NET IMPAIRED LOANS</b>	84	(78)	(321)	(259)	(431)	(427)	(411)	(257)	(104)	
	Allowance for credit losses	644	668	900	876	1,067	1,117	1,114	966	1,017	
	<b>TOTAL GROSS IMPAIRED LOANS</b>	\$ 728	\$ 590	\$ 579	\$ 617	\$ 636	\$ 690	\$ 703	\$ 709	\$ 913	
	Allowance for credit losses as a % of gross impaired loans	88.5 %	113.2 %	155.5 %	142.0 %	167.8 %	161.9 %	158.5 %	136.2 %	111.4 %	
	<b>Total Loans (Page 14, line 12)</b>	\$92,500	\$93,118	\$93,754	\$94,874	\$98,108	\$99,258	\$98,431	\$96,525	\$103,534	
	Net impaired loans as a % of net loans	0.1 %	(0.1)%	(0.3)%	(0.3)%	(0.4)%	(0.4)%	(0.4)%	(0.3)%	(0.1)%	
<b>GENERAL ALLOWANCE FOR CREDIT LOSSES</b>											
	Loans (line 9 above)	\$ 425	\$ 447	\$ 650	\$ 620	\$ 723	\$ 716	\$ 723	\$ 712	\$ 709	
	Derivative financial instruments	-	-	-	16	21	24	26	41	35	
	Total general allowance for regulatory capital reporting (line 20, page 16)	\$ 425	\$ 447	\$ 650	\$ 636	\$ 744	\$ 740	\$ 749	\$ 753	\$ 744	