

# Consolidated Financial Statements

## CONSOLIDATED BALANCE SHEET

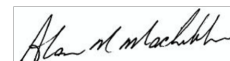
(As at and in millions of Canadian dollars)

	October 31, 2023	October 31, 2022
<b>ASSETS</b>		
Cash and due from banks	\$ 6,721	\$ 8,556
Interest-bearing deposits with banks	98,348	137,294
	<b>105,069</b>	<b>145,850</b>
Trading loans, securities, and other (Note 5)	152,090	143,726
Non-trading financial assets at fair value through profit or loss (Note 5)	7,340	10,946
Derivatives (Notes 5, 11)	87,382	103,873
Financial assets designated at fair value through profit or loss (Notes 5, 7)	5,818	5,039
Financial assets at fair value through other comprehensive income (Note 5)	69,865	69,675
	<b>322,495</b>	<b>333,259</b>
<b>Debt securities at amortized cost, net of allowance for credit losses (Notes 5, 7)</b>	<b>308,016</b>	<b>342,774</b>
<b>Securities purchased under reverse repurchase agreements (Note 6)</b>	<b>204,333</b>	<b>160,167</b>
<b>Loans (Notes 5, 8)</b>		
Residential mortgages	320,341	293,924
Consumer instalment and other personal	217,554	206,152
Credit card	38,660	36,010
Business and government	326,528	301,389
	<b>903,083</b>	<b>837,475</b>
<b>Allowance for loan losses (Note 8)</b>	<b>(7,136)</b>	<b>(6,432)</b>
Loans, net of allowance for loan losses	895,947	831,043
<b>Other</b>		
Customers' liability under acceptances (Note 8)	17,569	19,733
Investment in Schwab (Note 12)	8,907	8,088
Goodwill (Note 14)	18,602	17,656
Other intangibles (Note 14)	2,771	2,303
Land, buildings, equipment, other depreciable assets, and right-of-use assets (Note 15)	9,434	9,400
Deferred tax assets (Note 24)	3,960	2,193
Amounts receivable from brokers, dealers, and clients	30,416	19,760
Other assets (Note 16)	29,505	25,302
	<b>121,164</b>	<b>104,435</b>
<b>Total assets</b>	<b>\$ 1,957,024</b>	<b>\$ 1,917,528</b>
<b>LIABILITIES</b>		
Trading deposits (Notes 5, 17)	\$ 30,980	\$ 23,805
Derivatives (Notes 5, 11)	71,640	91,133
Securitization liabilities at fair value (Notes 5, 9)	14,422	12,612
Financial liabilities designated at fair value through profit or loss (Notes 5, 17)	192,130	162,786
	<b>309,172</b>	<b>290,336</b>
<b>Deposits (Notes 5, 17)</b>		
Personal	626,596	660,838
Banks	31,225	38,263
Business and government	540,369	530,869
	<b>1,198,190</b>	<b>1,229,970</b>
<b>Other</b>		
Acceptances (Note 8)	17,569	19,733
Obligations related to securities sold short (Note 5)	44,661	45,505
Obligations related to securities sold under repurchase agreements (Note 6)	166,854	128,024
Securitization liabilities at amortized cost (Notes 5, 9)	12,710	15,072
Amounts payable to brokers, dealers, and clients	30,872	25,195
Insurance-related liabilities (Note 21)	7,605	7,468
Other liabilities (Note 18)	47,664	33,552
	<b>327,935</b>	<b>274,549</b>
<b>Subordinated notes and debentures (Notes 5, 19)</b>	<b>9,620</b>	<b>11,290</b>
<b>Total liabilities</b>	<b>1,844,917</b>	<b>1,806,145</b>
<b>EQUITY</b>		
<b>Shareholders' Equity</b>		
Common shares (Note 20)	25,434	24,363
Preferred shares and other equity instruments (Note 20)	10,853	11,253
Treasury – common shares (Note 20)	(64)	(91)
Treasury – preferred shares and other equity instruments (Note 20)	(65)	(7)
Contributed surplus	155	179
Retained earnings	73,044	73,698
Accumulated other comprehensive income (loss)	2,750	1,988
<b>Total equity</b>	<b>112,107</b>	<b>111,383</b>
<b>Total liabilities and equity</b>	<b>\$ 1,957,024</b>	<b>\$ 1,917,528</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.



**Bharat B. Masrani**  
Group President and Chief  
Executive Officer



**Alan N. MacGibbon**  
Chair, Audit Committee

**CONSOLIDATED STATEMENT OF INCOME**

(millions of Canadian dollars, except as noted)

*For the years ended October 31*

	2023	2022
<b>Interest income<sup>1</sup> (Note 29)</b>		
Loans	\$ 44,518	\$ 27,721
Reverse repurchase agreements	9,520	1,945
Securities		
Interest	19,029	7,928
Dividends	2,289	1,822
Deposits with banks	5,318	1,616
	<b>80,674</b>	<b>41,032</b>
<b>Interest expense (Note 29)</b>		
Deposits	38,351	9,748
Securitization liabilities	915	573
Subordinated notes and debentures	436	397
Repurchase agreements and short sales	10,083	2,706
Other	945	255
	<b>50,730</b>	<b>13,679</b>
<b>Net interest income</b>	<b>29,944</b>	<b>27,353</b>
<b>Non-interest income</b>		
Investment and securities services	6,420	5,869
Credit fees	1,796	1,615
Trading income (loss)	2,417	(257)
Service charges	2,609	2,871
Card services	2,932	2,890
Insurance revenue (Note 21)	5,671	5,380
Other income (loss) (Notes 12, 13)	(1,297)	3,311
	<b>20,548</b>	<b>21,679</b>
<b>Total revenue</b>	<b>50,492</b>	<b>49,032</b>
<b>Provision for (recovery of) credit losses (Note 8)</b>	<b>2,933</b>	<b>1,067</b>
<b>Insurance claims and related expenses (Note 21)</b>	<b>3,705</b>	<b>2,900</b>
<b>Non-interest expenses</b>		
Salaries and employee benefits	15,753	13,394
Occupancy, including depreciation	1,799	1,660
Technology and equipment, including depreciation	2,308	1,902
Amortization of other intangibles	672	599
Communication and marketing	1,452	1,355
Restructuring charges (Note 26)	363	–
Brokerage-related and sub-advisory fees	456	408
Professional, advisory and outside services	2,490	2,190
Other (Notes 13, 26)	5,475	3,133
	<b>30,768</b>	<b>24,641</b>
<b>Income before income taxes and share of net income from investment in Schwab</b>	<b>13,086</b>	<b>20,424</b>
<b>Provision for (recovery of) income taxes (Note 24)</b>	<b>3,168</b>	<b>3,986</b>
<b>Share of net income from investment in Schwab (Note 12)</b>	<b>864</b>	<b>991</b>
<b>Net income</b>	<b>10,782</b>	<b>17,429</b>
<b>Preferred dividends and distributions on other equity instruments</b>	<b>563</b>	<b>259</b>
<b>Net income available to common shareholders</b>	<b>\$ 10,219</b>	<b>\$ 17,170</b>
<b>Earnings per share (Canadian dollars) (Note 25)</b>		
Basic	\$ 5.61	\$ 9.48
Diluted	5.60	9.47
<b>Dividends per common share (Canadian dollars)</b>	<b>3.84</b>	<b>3.56</b>

<sup>1</sup> Includes \$72,403 million for the year ended October 31, 2023 (October 31, 2022 – \$37,105 million), which has been calculated based on the effective interest rate method (EIRM).

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(millions of Canadian dollars)

*For the years ended October 31*

	2023	2022
<b>Net income</b>	<b>\$ 10,782</b>	<b>\$ 17,429</b>
<b>Other comprehensive income (loss)</b>		
<i>Items that will be subsequently reclassified to net income</i>		
<b>Net change in unrealized gain/(loss) on financial assets at fair value through other comprehensive income</b>		
Change in unrealized gain/(loss)	96	(1,343)
Reclassification to earnings of net loss/(gain)	(9)	2
Changes in allowance for credit losses recognized in earnings	–	(5)
Income taxes relating to:		
Change in unrealized gain/(loss)	(32)	360
Reclassification to earnings of net loss/(gain)	8	–
	<b>63</b>	<b>(986)</b>
<b>Net change in unrealized foreign currency translation gain/(loss) on investments in foreign operations, net of hedging activities</b>		
Unrealized gain/(loss)	2,233	9,230
Reclassification to earnings of net loss/(gain)	11	50
Net gain/(loss) on hedges	(1,821)	(3,271)
Reclassification to earnings of net loss/(gain) on hedges	(15)	(68)
Income taxes relating to:		
Net gain/(loss) on hedges	217	859
Reclassification to earnings of net loss/(gain) on hedges	4	18
	<b>629</b>	<b>6,818</b>
<b>Net change in gain/(loss) on derivatives designated as cash flow hedges</b>		
Change in gain/(loss)	(78)	(6,179)
Reclassification to earnings of loss/(gain)	238	(4,100)
Income taxes relating to:		
Change in gain/(loss)	137	1,660
Reclassification to earnings of loss/(gain)	(52)	972
	<b>245</b>	<b>(7,647)</b>
<b>Share of other comprehensive income (loss) from investment in Schwab</b>	<b>91</b>	<b>(3,200)</b>
<i>Items that will not be subsequently reclassified to net income</i>		
<b>Remeasurement gain/(loss) on employee benefit plans</b>		
Gain/(loss)	(95)	1,105
Income taxes	9	(290)
	<b>(86)</b>	<b>815</b>
<b>Change in net unrealized gain/(loss) on equity securities designated at fair value through other comprehensive income</b>		
Change in net unrealized gain/(loss)	(204)	(214)
Income taxes	54	56
	<b>(150)</b>	<b>(158)</b>
<b>Gain/(loss) from changes in fair value due to own credit risk on financial liabilities designated at fair value through profit or loss</b>		
Gain/(loss)	(158)	87
Income taxes	42	(23)
	<b>(116)</b>	<b>64</b>
<b>Total other comprehensive income (loss)</b>	<b>676</b>	<b>(4,294)</b>
<b>Total comprehensive income (loss)</b>	<b>\$ 11,458</b>	<b>\$ 13,135</b>
Attributable to:		
Common shareholders	<b>\$ 10,895</b>	<b>\$ 12,876</b>
Preferred shareholders and other equity instrument holders	<b>563</b>	<b>259</b>

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(millions of Canadian dollars)

	<i>For the years ended October 31</i>	
	2023	2022
<b>Common shares (Note 20)</b>		
Balance at beginning of year	\$ 24,363	\$ 23,066
Proceeds from shares issued on exercise of stock options	83	120
Shares issued as a result of dividend reinvestment plan	1,720	1,442
Purchase of shares for cancellation and other	(732)	(265)
Balance at end of year	25,434	24,363
<b>Preferred shares and other equity instruments (Note 20)</b>		
Balance at beginning of year	11,253	5,700
Issue of shares and other equity instruments	–	5,553
Redemption of shares and other equity instruments	(400)	–
Balance at end of year	10,853	11,253
<b>Treasury – common shares (Note 20)</b>		
Balance at beginning of year	(91)	(152)
Purchase of shares	(7,959)	(10,852)
Sale of shares	7,986	10,913
Balance at end of year	(64)	(91)
<b>Treasury – preferred shares and other equity instruments (Note 20)</b>		
Balance at beginning of year	(7)	(10)
Purchase of shares and other equity instruments	(590)	(255)
Sale of shares and other equity instruments	532	258
Balance at end of year	(65)	(7)
<b>Contributed surplus</b>		
Balance at beginning of year	179	173
Net premium (discount) on sale of treasury instruments	(21)	(3)
Issuance of stock options, net of options exercised	27	18
Other	(30)	(9)
Balance at end of year	155	179
<b>Retained earnings</b>		
Balance at beginning of year	73,698	63,944
Net income attributable to equity instrument holders	10,782	17,429
Common dividends	(6,982)	(6,442)
Preferred dividends and distributions on other equity instruments	(563)	(259)
Share and other equity instrument issue expenses	–	(24)
Net premium on repurchase of common shares and redemption of preferred shares and other equity instruments (Note 20)	(3,553)	(1,930)
Remeasurement gain/(loss) on employee benefit plans	(86)	815
Realized gain/(loss) on equity securities designated at fair value through other comprehensive income	(252)	165
Balance at end of year	73,044	73,698
<b>Accumulated other comprehensive income (loss)</b>		
<i>Net unrealized gain/(loss) on financial assets at fair value through other comprehensive income:</i>		
Balance at beginning of year	(476)	510
Other comprehensive income (loss)	63	(981)
Allowance for credit losses	–	(5)
Balance at end of year	(413)	(476)
<i>Net unrealized gain/(loss) on equity securities designated at fair value through other comprehensive income:</i>		
Balance at beginning of year	23	181
Other comprehensive income (loss)	(402)	7
Reclassification of loss/(gain) to retained earnings	252	(165)
Balance at end of year	(127)	23
<i>Gain/(loss) from changes in fair value due to own credit risk on financial liabilities designated at fair value through profit or loss:</i>		
Balance at beginning of year	78	14
Other comprehensive income (loss)	(116)	64
Balance at end of year	(38)	78
<i>Net unrealized foreign currency translation gain/(loss) on investments in foreign operations, net of hedging activities:</i>		
Balance at beginning of year	12,048	5,230
Other comprehensive income (loss)	629	6,818
Balance at end of year	12,677	12,048
<i>Net gain/(loss) on derivatives designated as cash flow hedges:</i>		
Balance at beginning of year	(5,717)	1,930
Other comprehensive income (loss)	245	(7,647)
Balance at end of year	(5,472)	(5,717)
<i>Share of accumulated other comprehensive income (loss) from Investment in Schwab</i>	(3,877)	(3,968)
<b>Total accumulated other comprehensive income</b>	<b>2,750</b>	<b>1,988</b>
<b>Total equity</b>	<b>\$ 112,107</b>	<b>\$ 111,383</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

(millions of Canadian dollars)

For the years ended October 31

	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Net income	\$ 10,782	\$ 17,429
Adjustments to determine net cash flows from (used in) operating activities		
Provision for (recovery of) credit losses (Note 8)	2,933	1,067
Depreciation (Note 15)	1,239	1,167
Amortization of other intangibles (Note 14)	672	599
Net securities loss/(gain) (Note 7)	48	(60)
Share of net income from investment in Schwab (Note 12)	(864)	(991)
Gain on sale of Schwab shares (Note 12)	–	(997)
Deferred taxes (Note 24)	(1,256)	502
Changes in operating assets and liabilities		
Interest receivable and payable (Notes 16, 18)	812	(412)
Securities sold under repurchase agreements	36,832	(16,073)
Securities purchased under reverse repurchase agreements	(41,873)	7,117
Securities sold short	(2,722)	3,121
Trading loans, securities, and other	(5,332)	3,864
Loans net of securitization and sales	(67,766)	(109,463)
Deposits	(25,487)	105,759
Derivatives	(2,341)	(15,435)
Non-trading financial assets at fair value through profit or loss	3,897	(1,556)
Financial assets and liabilities designated at fair value through profit or loss	28,565	48,323
Securitization liabilities	(552)	(1,083)
Current taxes	1,228	(4,100)
Brokers, dealers, and clients amounts receivable and payable	(5,128)	8,799
Other, including unrealized foreign currency translation loss/(gain)	1,011	(8,628)
<b>Net cash from (used in) operating activities</b>	<b>(65,302)</b>	<b>38,949</b>
<b>Cash flows from (used in) financing activities</b>		
Redemption or repurchase of subordinated notes and debentures (Note 19)	(1,716)	6
Common shares issued, net	74	108
Repurchase of common shares	(4,285)	(2,195)
Preferred shares and other equity instruments issued, net	–	5,529
Redemption of preferred shares and other equity instruments	(400)	(1,000)
Sale of treasury shares and other equity instruments (Note 20)	8,497	11,168
Purchase of treasury shares and other equity instruments (Note 20)	(8,549)	(11,107)
Dividends paid on shares and distributions paid on other equity instruments	(5,825)	(6,665)
Repayment of lease liabilities	(643)	(663)
<b>Net cash from (used in) financing activities</b>	<b>(12,847)</b>	<b>(4,819)</b>
<b>Cash flows from (used in) investing activities</b>		
Interest-bearing deposits with banks	41,446	30,455
Activities in financial assets at fair value through other comprehensive income		
Purchases	(24,336)	(31,135)
Proceeds from maturities	17,893	33,158
Proceeds from sales	5,838	6,723
Activities in debt securities at amortized cost		
Purchases	(26,987)	(149,560)
Proceeds from maturities	52,819	68,719
Proceeds from sales	12,021	8,720
Net purchases of land, buildings, equipment, other depreciable assets, and other intangibles (Note 15)	(1,844)	(1,454)
Net cash acquired from (paid for) divestitures and acquisitions (Note 13)	(624)	2,479
<b>Net cash from (used in) investing activities</b>	<b>76,226</b>	<b>(31,895)</b>
Effect of exchange rate changes on cash and due from banks	88	390
<b>Net increase (decrease) in cash and due from banks</b>	<b>(1,835)</b>	<b>2,625</b>
Cash and due from banks at beginning of year	8,556	5,931
<b>Cash and due from banks at end of year</b>	<b>\$ 6,721</b>	<b>\$ 8,556</b>
<b>Supplementary disclosure of cash flows from operating activities</b>		
Amount of income taxes paid (refunded) during the year	\$ 3,036	\$ 4,404
Amount of interest paid during the year	48,179	12,523
Amount of interest received during the year	76,646	37,642
Amount of dividends received during the year	2,247	1,792

The accompanying Notes are an integral part of these Consolidated Financial Statements.