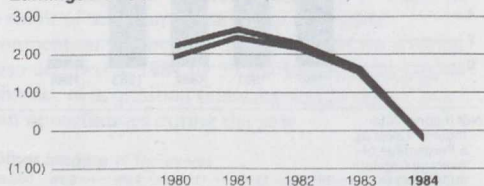


Financial Review

Earnings Per Common Share

Before payment of preferred share dividends, earnings per common share were \$0.16 in 1984 compared with \$1.57 in 1983. Payment of preferred share dividends of \$1.9 million resulted in a loss of \$0.22 per common share. The preferred shares were issued in February 1984. The average number of common shares outstanding increased 18.1% during fiscal 1984 as a result of the timing of the 1983 rights offering, additional shares issued in 1984 under the stock dividend plan and the exercise of stock options.

Earnings Per Common Share (\$ Per Share)



■ Net Income Per Common Share \$ 2.22 \$ 2.67 \$ 2.23 \$ 1.57 (\$0.22)

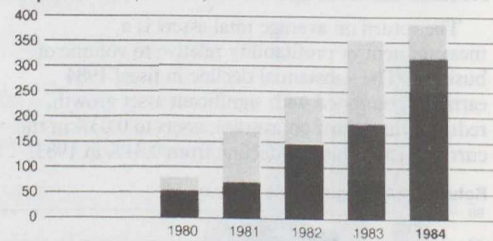
■ Net Income Per Common Share (Fully Diluted) \$ 1.97 \$ 2.60 \$ 2.19 \$ 1.55 (\$0.22)

Average Number of Common Shares Outstanding (000) 2,522 3,697 3,827 4,151 4,904

Liquidity Management

The Bank's liquidity policies have been designed to ensure its ability to meet maturing liabilities and loan requests and to ensure solvency in the event of disruptions in the banking system or the Bank itself. Weekly tests ensure a comfortable and cost-effective portion of CCB's total assets are maintained in highly liquid short term instruments. In addition to managing primary and secondary reserve positions, investment strategies are directed to interest bearing liquid assets such as deposits with banks, Government of Canada securities with maturities less than three years and day and call loans to investment dealers. Balance sheet liquidity represented 12.6% of total assets at year-end.

Liquid Assets (\$ Millions)



■ Cash Resources \$ 44.3 \$ 64.8 \$ 142.7 \$ 80.2 \$ 251.4

■ Securities Issued or Guaranteed by Canada \$ 8.4 \$ 6.0 \$ 4.0 \$ 107.4 \$ 66.2

■ Day, Call and Short Loans to Investment Dealers and Brokers, Secured \$ 28.0 \$ 101.2 \$ 96.5 \$ 170.0 \$ 71.0

Total Liquid Assets \$ 80.7 \$ 172.0 \$ 243.2 \$ 357.6 \$ 388.6

As A Percentage of Total Assets 9.3% 11.7% 12.2% 14.9% 12.6%

Off balance sheet liquidity is arranged through irrevocable paid-for committed lines of credit from correspondent banks. These facilities totalled \$158 million as at October 31, 1984, and were available from twenty banks.