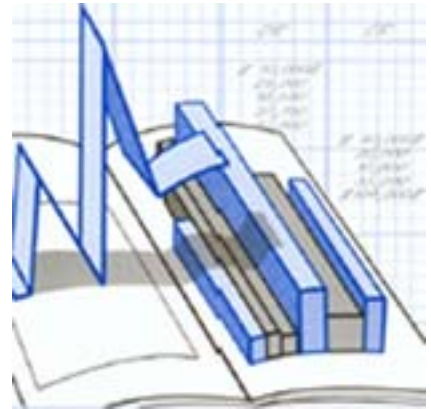




Catalogue no. 61-219-XIE

# Financial and taxation statistics for enterprises

2002



Statistics  
Canada

Statistique  
Canada

Canada

## How to obtain more information

Specific inquiries about this product and related statistics or services should be directed to: Enterprise Statistics and Analysis, Industrial Organization and Finance Division, Statistics Canada, Ottawa, Ontario, K1A 0T6 (telephone: (613) 951-2604).

For information on the wide range of data available from Statistics Canada, you can contact us by calling one of our toll free numbers. You can also contact us by e-mail or by visiting our Web site.

National inquiries line **1 800 263-1136**

National telecommunications device for the hearing impaired **1 800 363-7629**

Depository Services Program inquiries **1 800 700-1033**

Fax line for Depository Services Program **1 800 889-9734**

E-mail inquiries **[infostats@statcan.ca](mailto:infostats@statcan.ca)**

Web site **[www.statcan.ca](http://www.statcan.ca)**

## Ordering and subscription information

This product, Catalogue no. 61-219-XIE, is published annually in electronic format on the Statistics Canada Internet site at a single price of CDN \$46.00 per issue. To obtain single issues or to subscribe, visit our Web site at **[www.statcan.ca](http://www.statcan.ca)**, and select Products and Services.

This product is also available in print through a Print-on-Demand service, at a price of CDN \$73.00 per issue. The following additional shipping charges apply for delivery outside Canada:

**United States** a single issue at a price of CDN \$6.00.

**Other countries** a single issue at a price of CDN \$10.00.

All prices exclude sales taxes.

The printed version can be ordered by

- Phone (Canada and United States) **1 800 267-6677**
- Fax (Canada and United States) **1 877 287-4369**
- E-mail **[infostats@statcan.ca](mailto:infostats@statcan.ca)**
- Mail: Statistics Canada, Dissemination Division, Circulation Management, 120 Parkdale Avenue, Ottawa, Ontario K1A 0T6
- And, in person at the Statistics Canada Regional Centre nearest you.

When notifying us of a change in your address, please provide both old and new addresses.

## Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner and in the official language of their choice. To this end, the Agency has developed *standards of service* which its employees observe in serving its clients. To obtain a copy of these service standards, please contact Statistics Canada toll free at 1 800 263-1136.



Statistics Canada  
Industrial Organization and Finance Division  
Enterprise Statistics and Analysis

# Financial and taxation statistics for enterprises

2002

Published by authority of the Minister responsible for Statistics Canada

© Minister of Industry, 2004

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission from Licence Services, Marketing Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.

May 2004

Catalogue no. 61-219-XIE

ISSN 1499-7525

Frequency: Annual

Ottawa

La version française de cette publication est disponible sur demande (n° 61-219-XIF au catalogue).

---

#### **Note of appreciation**

*Canada owes the success of its statistical system to a long standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.*

# Symbols

The following standard symbols are used in Statistics Canada publications:

- . not available for any reference period
- .. not available for a specific reference period
- ... not applicable
- 0 true zero or a value rounded to zero
- 0<sup>s</sup> value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
- p preliminary
- r revised
- x confidential to meet secrecy requirements of the *Statistics Act*
- E use with caution
- F too unreliable to be published

## Note

As figures are individually rounded in the tables of this document, totals do not necessarily equal the sum of their component parts.

## Acknowledgements

This publication was prepared under the direction of:

- **Cynthia Baumgarten**, Director, Industrial Organization and Finance Division
- **Jean Leduc**, Assistant director, Industrial Organization and Finance Division

with the assistance of:

- **Haig McCarrell**, Chief, Enterprise statistics and analysis
- **Paula Helmer\***, Project manager
- **Danielle Lafontaine-Sorgo\***, Senior analyst
- **Diane Thibault**, Senior analyst
- **Christian Nicol**, Senior analyst
- **Promise Sanipé**, Senior analyst
- **Jeannine D'Angelo**, Client services
- **Chris Ford**, Project leader, Systems development
- **Theresa Ruhnke**, Programmer/Analyst
- **Marc Leroux**, Programmer/Analyst

\* Subject matter contacts

# Table of contents

|   |           |
|---|-----------|
| <b>Note to readers</b>  | <b>11</b> |
| <b>Highlights</b>   | <b>12</b> |
| <b>Section 1 2002 overview</b>  | <b>13</b> |
| 1.1 Manufacturers posted a turnaround in 2002   | 14        |
| 1.2 Another robust year for construction  | 14        |
| 1.3 Retailers added to 2001 profit gain   | 14        |
| 1.4 Rebound in transportation   | 14        |
| 1.5 2002 a rough year for oil and gas   | 14        |
| 1.6 Banks profits slip for a second year in a row   | 14        |
| 1.7 Canadian corporations paid less tax in 2002   | 15        |
| 1.8 Profitability ratios  | 15        |
| Text table 1. Financial and taxation statistics for enterprises   | 15        |
| Chart 1. Profits grew moderately in 2002  | 13        |
| <b>Section 2 Corporate income taxes in 2002</b>   | <b>16</b> |
| Text table 2. Taxation statistics for enterprises, 2002   | 17        |
| <b>Related products</b>   | <b>18</b> |
| <b>Statistical tables</b>   |           |
| 1-1 Operating revenue by industries   | 20        |
| 1-2 Operating expenses by industries  | 21        |
| 1-3 Operating profit by industries  | 22        |
| 1-4 Operating profit margin by industries   | 23        |
| 1-5 Return on capital employed (ROCE) by industries   | 24        |
| 1-6 Return on equity (ROE) by industries  | 25        |
| 1-7 Debt to equity ratio by industries  | 26        |
| 1-8 Total assets by industries  | 27        |
| 1-9 Corporate income taxes paid by industries   | 28        |
| 2-1 Total all industries (excluding the management of companies and enterprises industry) -<br>Balance sheet and income statement | 29        |

## Table of contents – continued

|      |  |    |
|------|--|----|
| 2-2  | Total all industries (excluding the management of companies and enterprises industry) - Reconciliation of profit                     | 30 |
| 2-3  | Total all industries (excluding the management of companies and enterprises industry) - Selected ratios                              | 31 |
| 3-1  | Total finance and insurance industries - Balance sheet and income statement  | 32 |
| 3-2  | Total finance and insurance industries - Reconciliation of profit  | 33 |
| 3-3  | Total finance and insurance industries - Selected ratios   | 34 |
| 4-1  | Total non-financial industries (excluding the management of companies and enterprises industry) - Balance sheet and income statement | 35 |
| 4-2  | Total non-financial industries (excluding the management of companies and enterprises industry) - Reconciliation of profit           | 36 |
| 4-3  | Total non-financial industries (excluding the management of companies and enterprises industry) - Selected ratios                    | 37 |
| 5-1  | Agriculture, forestry, fishing and hunting - Balance sheet and income statement  | 38 |
| 5-2  | Agriculture, forestry, fishing and hunting - Reconciliation of profit  | 39 |
| 5-3  | Agriculture, forestry, fishing and hunting - Selected ratios   | 40 |
| 6-1  | Oil and gas extraction and coal mining - Balance sheet and income statement  | 41 |
| 6-2  | Oil and gas extraction and coal mining - Reconciliation of profit  | 42 |
| 6-3  | Oil and gas extraction and coal mining - Selected ratios   | 43 |
| 7-1  | Mining (except oil, gas and coal) - Balance sheet and income statement   | 44 |
| 7-2  | Mining (except oil, gas and coal) - Reconciliation of profit   | 45 |
| 7-3  | Mining (except oil, gas and coal) - Selected ratios  | 46 |
| 8-1  | Utilities - Balance sheet and income statement   | 47 |
| 8-2  | Utilities - Reconciliation of profit   | 48 |
| 8-3  | Utilities - Selected ratios  | 49 |
| 9-1  | Construction - Balance sheet and income statement  | 50 |
| 9-2  | Construction - Reconciliation of profit  | 51 |
| 9-3  | Construction - Selected ratios   | 52 |
| 10-1 | Food manufacturing - Balance sheet and income statement  | 53 |
| 10-2 | Food manufacturing - Reconciliation of profit  | 54 |
| 10-3 | Food manufacturing - Selected ratios   | 55 |
| 11-1 | Beverage and tobacco product manufacturing - Balance sheet and income statement  | 56 |
| 11-2 | Beverage and tobacco product manufacturing - Reconciliation of profit  | 57 |
| 11-3 | Beverage and tobacco product manufacturing - Selected ratios   | 58 |
| 12-1 | Clothing, textile and leather manufacturing - Balance sheet and income statement   | 59 |
| 12-2 | Clothing, textile and leather manufacturing - Reconciliation of profit   | 60 |
| 12-3 | Clothing, textile and leather manufacturing - Selected ratios  | 61 |
| 13-1 | Printing and related support activities - Balance sheet and income statement   | 62 |
| 13-2 | Printing and related support activities - Reconciliation of profit   | 63 |
| 13-3 | Printing and related support activities - Selected ratios  | 64 |

## Table of contents – continued

|      |  |     |
|------|--|-----|
| 14-1 | Petroleum and coal products manufacturing - Balance sheet and income statement                   | 65  |
| 14-2 | Petroleum and coal products manufacturing - Reconciliation of profit                             | 66  |
| 14-3 | Petroleum and coal products manufacturing - Selected ratios                                      | 67  |
| 15-1 | Non-metallic mineral product manufacturing - Balance sheet and income statement                  | 68  |
| 15-2 | Non-metallic mineral product manufacturing - Reconciliation of profit                            | 69  |
| 15-3 | Non-metallic mineral product manufacturing - Selected ratios                                     | 70  |
| 16-1 | Wood and paper manufacturing - Balance sheet and income statement                                | 71  |
| 16-2 | Wood and paper manufacturing - Reconciliation of profit  | 72  |
| 16-3 | Wood and paper manufacturing - Selected ratios   | 73  |
| 17-1 | Chemicals, plastic and rubber manufacturing - Balance sheet and income statement                 | 74  |
| 17-2 | Chemicals, plastic and rubber manufacturing - Reconciliation of profit                           | 75  |
| 17-3 | Chemicals, plastic and rubber manufacturing - Selected ratios                                    | 76  |
| 18-1 | Primary metal manufacturing - Balance sheet and income statement                                 | 77  |
| 18-2 | Primary metal manufacturing - Reconciliation of profit   | 78  |
| 18-3 | Primary metal manufacturing - Selected ratios  | 79  |
| 19-1 | Fabricated metal product manufacturing - Balance sheet and income statement                      | 80  |
| 19-2 | Fabricated metal product manufacturing - Reconciliation of profit                                | 81  |
| 19-3 | Fabricated metal product manufacturing - Selected ratios   | 82  |
| 20-1 | Machinery manufacturing - Balance sheet and income statement                                     | 83  |
| 20-2 | Machinery manufacturing - Reconciliation of profit   | 84  |
| 20-3 | Machinery manufacturing - Selected ratios  | 85  |
| 21-1 | Computer and electronic product manufacturing - Balance sheet and income statement               | 86  |
| 21-2 | Computer and electronic product manufacturing - Reconciliation of profit                         | 87  |
| 21-3 | Computer and electronic product manufacturing - Selected ratios                                  | 88  |
| 22-1 | Electrical equipment, appliance and component manufacturing - Balance sheet and income statement | 89  |
| 22-2 | Electrical equipment, appliance and component manufacturing - Reconciliation of profit           | 90  |
| 22-3 | Electrical equipment, appliance and component manufacturing - Selected ratios                    | 91  |
| 23-1 | Motor vehicles and parts manufacturing - Balance sheet and income statement                      | 92  |
| 23-2 | Motor vehicles and parts manufacturing - Reconciliation of profit                                | 93  |
| 23-3 | Motor vehicles and parts manufacturing - Selected ratios   | 94  |
| 24-1 | Other transportation equipment manufacturing - Balance sheet and income statement                | 95  |
| 24-2 | Other transportation equipment manufacturing - Reconciliation of profit                          | 96  |
| 24-3 | Other transportation equipment manufacturing - Selected ratios                                   | 97  |
| 25-1 | Furniture and related product manufacturing - Balance sheet and income statement                 | 98  |
| 25-2 | Furniture and related product manufacturing - Reconciliation of profit                           | 99  |
| 25-3 | Furniture and related product manufacturing - Selected ratios                                    | 100 |
| 26-1 | Miscellaneous manufacturing - Balance sheet and income statement                                 | 101 |
| 26-2 | Miscellaneous manufacturing - Reconciliation of profit   | 102 |



## Table of contents – continued

|      |   |     |
|------|---|-----|
| 26-3 | Miscellaneous manufacturing - Selected ratios   | 103 |
| 27-1 | Petroleum product wholesaler-distributors - Balance sheet and income statement                                | 104 |
| 27-2 | Petroleum product wholesaler-distributors - Reconciliation of profit  | 105 |
| 27-3 | Petroleum product wholesaler-distributors - Selected ratios   | 106 |
| 28-1 | Motor vehicle and parts wholesaler-distributors - Balance sheet and income statement                          | 107 |
| 28-2 | Motor vehicle and parts wholesaler-distributors - Reconciliation of profit                                    | 108 |
| 28-3 | Motor vehicle and parts wholesaler-distributors - Selected ratios   | 109 |
| 29-1 | Building material and supplies wholesaler-distributors - Balance sheet and income statement                   | 110 |
| 29-2 | Building material and supplies wholesaler-distributors - Reconciliation of profit                             | 111 |
| 29-3 | Building material and supplies wholesaler-distributors - Selected ratios                                      | 112 |
| 30-1 | Machinery, equipment and supplies wholesaler-distributors - Balance sheet and income statement                | 113 |
| 30-2 | Machinery, equipment and supplies wholesaler-distributors - Reconciliation of profit                          | 114 |
| 30-3 | Machinery, equipment and supplies wholesaler-distributors - Selected ratios                                   | 115 |
| 31-1 | Wholesale food, beverage and tobacco - Balance sheet and income statement                                     | 116 |
| 31-2 | Wholesale food, beverage and tobacco - Reconciliation of profit   | 117 |
| 31-3 | Wholesale food, beverage and tobacco - Selected ratios  | 118 |
| 32-1 | Other wholesale - Balance sheet and income statement  | 119 |
| 32-2 | Other wholesale - Reconciliation of profit  | 120 |
| 32-3 | Other wholesale - Selected ratios   | 121 |
| 33-1 | Motor vehicle and parts dealers - Balance sheet and income statement  | 122 |
| 33-2 | Motor vehicle and parts dealers - Reconciliation of profit  | 123 |
| 33-3 | Motor vehicle and parts dealers - Selected ratios   | 124 |
| 34-1 | Building material and garden equipment and supplies dealers - Balance sheet and income statement              | 125 |
| 34-2 | Building material and garden equipment and supplies dealers - Reconciliation of profit                        | 126 |
| 34-3 | Building material and garden equipment and supplies dealers - Selected ratios                                 | 127 |
| 35-1 | Food and beverage stores - Balance sheet and income statement   | 128 |
| 35-2 | Food and beverage stores - Reconciliation of profit   | 129 |
| 35-3 | Food and beverage stores - Selected ratios  | 130 |
| 36-1 | Clothing and clothing accessories stores - Balance sheet and income statement                                 | 131 |
| 36-2 | Clothing and clothing accessories stores - Reconciliation of profit   | 132 |
| 36-3 | Clothing and clothing accessories stores - Selected ratios  | 133 |
| 37-1 | Furniture and home furnishing stores and electronic and appliance stores - Balance sheet and income statement | 134 |
| 37-2 | Furniture and home furnishing stores and electronic and appliance stores - Reconciliation of profit           | 135 |
| 37-3 | Furniture and home furnishing stores and electronic and appliance stores - Selected ratios                    | 136 |
| 38-1 | General merchandise stores - Balance sheet and income statement   | 137 |
| 38-2 | General merchandise stores - Reconciliation of profit   | 138 |

## Table of contents – continued

|      |  |     |
|------|--|-----|
| 38-3 | General merchandise stores - Selected ratios   | 139 |
| 39-1 | Transportation and warehousing - Balance sheet and income statement                              | 140 |
| 39-2 | Transportation and warehousing - Reconciliation of profit  | 141 |
| 39-3 | Transportation and warehousing - Selected ratios   | 142 |
| 40-1 | Transportation and warehousing - Balance sheet and income statement                              | 143 |
| 40-2 | Transportation and warehousing - Reconciliation of profit  | 144 |
| 40-3 | Transportation and warehousing - Selected ratios   | 145 |
| 41-1 | Telecommunications - Balance sheet and income statement  | 146 |
| 41-2 | Telecommunications - Reconciliation of profit  | 147 |
| 41-3 | Telecommunications - Selected ratios   | 148 |
| 42-1 | Publishing and broadcasting - Balance sheet and income statement                                 | 149 |
| 42-2 | Publishing and broadcasting - Reconciliation of profit   | 150 |
| 42-3 | Publishing and broadcasting - Selected ratios  | 151 |
| 43-1 | Banking and other depository credit intermediation - Balance sheet and income statement          | 152 |
| 43-2 | Banking and other depository credit intermediation - Reconciliation of profit                    | 153 |
| 43-3 | Banking and other depository credit intermediation - Selected ratios                             | 154 |
| 44-1 | Non-depository credit intermediation - Balance sheet and income statement                        | 155 |
| 44-2 | Non-depository credit intermediation - Reconciliation of profit                                  | 156 |
| 44-3 | Non-depository credit intermediation - Selected ratios   | 157 |
| 45-1 | Credit unions - Balance sheet and income statement   | 158 |
| 45-2 | Credit unions - Reconciliation of profit   | 159 |
| 45-3 | Credit unions - Selected ratios  | 160 |
| 46-1 | Direct life, health and medical insurance carriers - Balance sheet and income statement          | 161 |
| 46-2 | Direct life, health and medical insurance carriers - Reconciliation of profit                    | 162 |
| 46-3 | Direct life, health and medical insurance carriers - Selected ratios                             | 163 |
| 47-1 | Direct insurance (except life, health and medical) carriers - Balance sheet and income statement | 164 |
| 47-2 | Direct insurance (except life, health and medical) carriers - Reconciliation of profit           | 165 |
| 47-3 | Direct insurance (except life, health and medical) carriers - Selected ratios                    | 166 |
| 48-1 | Reinsurance carriers - Balance sheet and income statement  | 167 |
| 48-2 | Reinsurance carriers - Reconciliation of profit  | 168 |
| 48-3 | Reinsurance carriers - Selected ratios   | 169 |
| 49-1 | Agencies, brokerages and other insurance related activities - Balance sheet and income statement | 170 |
| 49-2 | Agencies, brokerages and other insurance related activities - Reconciliation of profit           | 171 |
| 49-3 | Agencies, brokerages and other insurance related activities - Selected ratios                    | 172 |
| 50-1 | Loan brokers and other financial investment - Balance sheet and income statement                 | 173 |
| 50-2 | Loan brokers and other financial investment - Reconciliation of profit                           | 174 |
| 50-3 | Loan brokers and other financial investment - Selected ratios                                    | 175 |

## Table of contents – continued

|      |   |     |
|------|---|-----|
| 51-1 | Real estate - Balance sheet and income statement  | 176 |
| 51-2 | Real estate - Reconciliation of profit  | 177 |
| 51-3 | Real estate - Selected ratios   | 178 |
| 52-1 | Other rental companies - Balance sheet and income statement   | 179 |
| 52-2 | Other rental companies - Reconciliation of profit   | 180 |
| 52-3 | Other rental companies - Selected ratios  | 181 |
| 53-1 | Computer systems design and related services - Balance sheet and income statement                                     | 182 |
| 53-2 | Computer systems design and related services - Reconciliation of profit   | 183 |
| 53-3 | Computer systems design and related services - Selected ratios  | 184 |
| 54-1 | Professional, scientific and technical services (except computer systems design) - Balance sheet and income statement | 185 |
| 54-2 | Professional, scientific and technical services (except computer systems design) - Reconciliation of profit           | 186 |
| 54-3 | Professional, scientific and technical services (except computer systems design) - Selected ratios                    | 187 |
| 55-1 | Management of companies and enterprises - Balance sheet and income statement  | 188 |
| 55-2 | Management of companies and enterprises - Reconciliation of profit  | 189 |
| 55-3 | Management of companies and enterprises - Selected ratios   | 190 |
| 56-1 | Administrative and support, waste management and remediation services - Balance sheet and income statement            | 191 |
| 56-2 | Administrative and support, waste management and remediation services - Reconciliation of profit                      | 192 |
| 56-3 | Administrative and support, waste management and remediation services - Selected ratios                               | 193 |
| 57-1 | Educational services - Balance sheet and income statement   | 194 |
| 57-2 | Educational services - Reconciliation of profit   | 195 |
| 57-3 | Educational services - Selected ratios  | 196 |
| 58-1 | Health care and social assistance - Balance sheet and income statement  | 197 |
| 58-2 | Health care and social assistance - Reconciliation of profit  | 198 |
| 58-3 | Health care and social assistance - Selected ratios   | 199 |
| 59-1 | Arts, entertainment and recreation - Balance sheet and income statement   | 200 |
| 59-2 | Arts, entertainment and recreation - Reconciliation of profit   | 201 |
| 59-3 | Arts, entertainment and recreation - Selected ratios  | 202 |
| 60-1 | Accommodation and food services - Balance sheet and income statement  | 203 |
| 60-2 | Accommodation and food services - Reconciliation of profit  | 204 |
| 60-3 | Accommodation and food services - Selected ratios   | 205 |
| 61-1 | Other services (except public administration) - Balance sheet and income statement                                    | 206 |
| 61-2 | Other services (except public administration) - Reconciliation of profit  | 207 |
| 61-3 | Other services (except public administration) - Selected ratios   | 208 |

**Table of contents – continued****Data quality, concepts and methodology**

|  |     |
|--|-----|
| Concepts                                       | 209 |
| Accounting concepts, definitions and practices | 211 |
| Industrial classification                      | 212 |
| Statistical methodology                        | 214 |
| Definitions of key financial variables         | 220 |

## ***Note to readers***

Starting with the reference year 1999, the financial and taxation statistics program adopted the North American Industry Classification System (NAICS Canada 1997 updated to NAICS Canada **2002** with this release).

These financial statistics cover all incorporated businesses within the domestic economy, including government business enterprises, but exclude enterprises classified to Funds and Other Financial Vehicles and Public Administration.

Detailed financial data for 57 industry groups on the basis of NAICS have been released on CANSIM beginning with reference year 1999. Comparable NAICS-based data for the 1998 reference year are available for the non-financial industries only.

**The taxation statistics have been re-introduced and published with the 2002 reference year, for the years 2000, 2001 and 2002.**

References to Total All Industries exclude the management of companies and enterprises industry (NAICS 55).

Figures for 1999-2001 have been revised.

## **Highlights**

- Corporate operating profits grew moderately in 2002 in what was a stellar year for the Canadian economy according to the March 2003 issue of the *Canadian Economic Observer*. Solid gains in both the manufacturing and the retailing sectors propelled profits to their second highest level ever. On the downside, the oil and gas and the financial industries registered significant declines in profits for the year. Overall, Canadian corporations earned a total of \$172.7 billion in profits in 2002, a 1.0% increase from 2001. Total corporate income tax declined 1.5% in 2002 to \$35.2 billion, a more modest drop from the 9.5% decline posted in 2001.

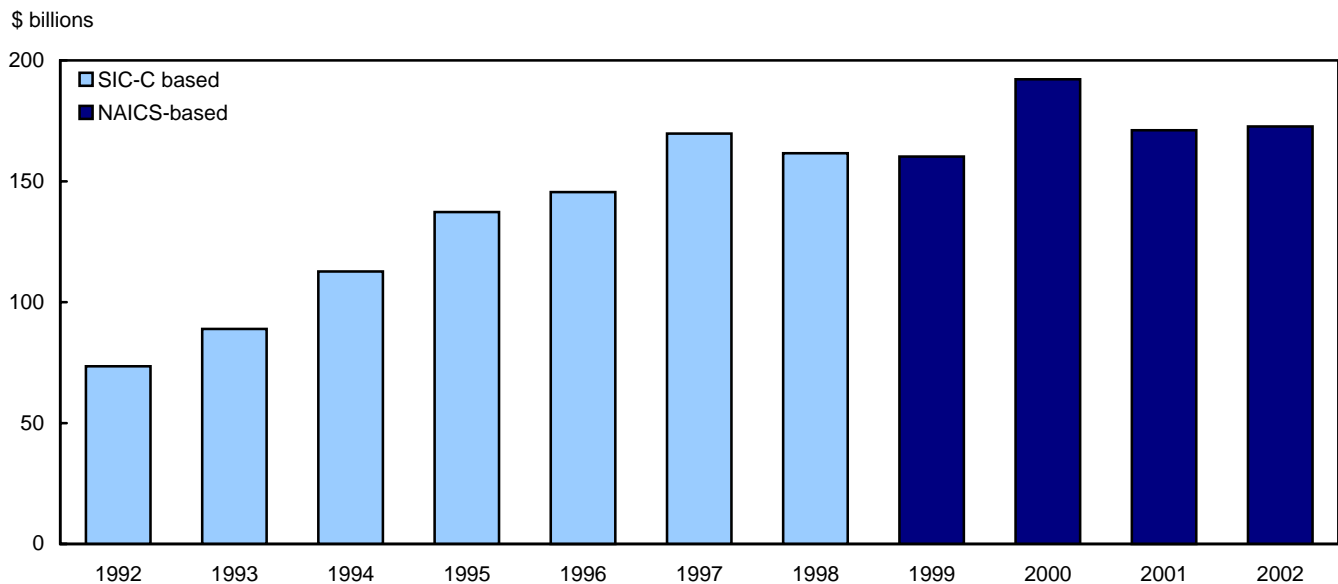
# Section 1

## 2002 overview

Corporate operating profits grew moderately in 2002 in what was a stellar year for the Canadian economy according to the March 2003 issue of the *Canadian Economic Observer*. Solid gains in both the manufacturing and the retailing sectors propelled profits to their second highest level ever. On the downside, the oil and gas and the financial industries registered significant declines in profits for the year. Overall, Canadian corporations earned a total of \$172.7 billion in profits in 2002, a 1.0% increase from 2001.

Chart 1.1

### Profits grew moderately in 2002



Corporate profits had reached a record high of \$192.2 billion in 2000, buoyed by high energy profits and the booming electronics and telecommunications industry. The slight increase in profits in 2002 followed a significant decrease of 11.0% in 2001.

Profits of non-financial industries rose 4.5% in 2002 to \$134.0 billion. In contrast, profits for the financial group of industries tumbled 9.6% to \$38.7 billion, led mainly by the banking and other depository credit intermediation industries.

## 1.1 Manufacturers posted a turnaround in 2002

Canadian manufacturers turned the corner in 2002, as their operating profits climbed by 7.9% to \$38.0 billion following a sharp decline of 32.5% in 2001. This turnaround was attributable in large part to strong demand from Canadian consumers, according to Statistics Canada's annual 2002 release of the Monthly Survey of Manufacturing.

Manufacturers of motor vehicles and parts saw profits surge 27.9%, thanks to attractive manufacturers' incentives program and low interest financing, which sustained sales growth throughout most of the year. Strong US demand drove up exports of automotive products.

Manufacturers of primary metals cited stronger shipments and firming prices as factors in the more than tripling of profits to \$2.1 billion. Profits of chemical manufacturers expanded 16.0% to \$6.0 billion in 2002. Manufacturers of non-metallic minerals, food and clothing also reported solid gains for the year. The year 2002 was not without losses. Computer and electronics manufacturers reported operating losses of \$1.3 billion in 2002. Market uncertainty and weak global demand have been cited as factors explaining the industry slump.

Wood and paper producers' operating profits fell an additional 18.0% in 2002 to \$4.3 billion following a sharp decrease of 31.4% in 2001. Lumber prices softened because of over supply, as some Canadian producers cranked up production following the imposition of US import duties on softwood lumber in late May 2002.

Petroleum and coal producers reported \$4.6 billion in operating profits in 2002, a drop of 18.0% from the \$5.6 billion recorded in 2001. Despite growing steadily throughout 2002, petroleum and coal prices did not achieve the high levels attained in early 2001.

## 1.2 Another robust year for construction

The construction industry enjoyed another robust year in 2002, with operating profits increasing by a healthy 19.5% to \$5.2 billion, after posting strong growth of 26.5% a year earlier. Persistent housing demand over the last two years has contributed to these upbeat results.

## 1.3 Retailers added to 2001 profit gain

Retail operating profits gained 12.7% to reach \$12.9 billion in 2002, up from \$11.4 billion in 2001. Profits had risen 23.6% in 2001. Strong consumer spending lifted operating revenue by 9.0% to \$347.4 billion.

Retail motor vehicle dealers benefited from low interest rates, a healthy job market and generous incentive programs, as operating revenue advanced 10.6% to \$92.2 billion. Operating profits stood at \$1.2 billion, up 16.2% from 2001. The annual 2002 release of New motor vehicle sales, indicated that the number of new motor vehicles sold in 2002 reached an all-time high.

In 2002, general merchandise stores took advantage of strong consumer demand to report a 35.7% jump in operating profits. A booming housing market contributed to an 8.5% rise in operating profits of furniture stores to \$0.6 billion.

## 1.4 Rebound in transportation

The transportation and warehousing industry rebounded in 2002 with an increase of 56.7% in operating profits to \$7.2 billion. This recovery came on the heels of back-to-back decline in 2000 and 2001. Operating revenue improved by 5.0% to \$103.6 billion, recovering somewhat from the impact of events of September 11, 2001.

## 1.5 2002 a rough year for oil and gas

Oil and gas extraction companies suffered a \$5.9 billion (-28.7%) decline in operating profits in 2002. Despite recovering steadily throughout the year, average crude oil prices were tempered by weakness earlier in the year. Average natural gas prices in 2002 were well below 2001 levels.

## 1.6 Banks profits slip for a second year in a row

For a second consecutive year, banking and other depository credit intermediaries saw their operating profits lose ground. Profits declined 16.4% in 2002 to reach \$14.9 billion after falling 7.8% the year before. A rise in loan loss provisions contributed to the deterioration of banks profits. Interest revenue was



significantly down in 2002, but this was more than offset by a larger decrease in interest expense.

## 1.7 Canadian corporations paid less tax in 2002

Total corporate income tax declined 1.5% in 2002 to \$35.2 billion, a more modest drop from the 9.5% decline posted in 2001. Non-financial industries' income taxes edged up 0.2% to \$28.4 billion in 2002, while taxes of the financial industries decreased 8.1% to \$6.8 billion. These sector trends

were reflective of the corporate profits performance in 2002.

## 1.8 Profitability ratios

The operating profit margin for all enterprises remained unchanged in 2002 at 7.1%. Return on equity continued its slide from its 2000 peak (11.3%) to 7.1% from 8.9% in 2001. Similarly, return on capital employed peaking at 7.8% in 2000, decreased to 5.5% from 6.6% in 2001.

Text Table 1.1

### Financial and taxation statistics for enterprises

|                                    | 2001        | 2000<br>to<br>2001 | 2002        | 2001<br>to<br>2002 |
|------------------------------------|-------------|--------------------|-------------|--------------------|
|                                    | \$ billions | % change           | \$ billions | % change           |
| <b>All industries <sup>1</sup></b> |             |                    |             |                    |
| Operating revenue                  | 2,408.2     | 4.4                | 2,434.2     | 1.1                |
| Operating profit                   | 171.1       | -11.0              | 172.7       | 1.0                |
| Taxable income                     | 101.4       | -6.8               | 102.6       | 1.2                |
| Total taxes                        | 35.8        | -9.5               | 35.2        | -1.5               |
| <b>Non-financial <sup>1</sup></b>  |             |                    |             |                    |
| Operating revenue                  | 2,172.8     | 4.7                | 2,210.4     | 1.7                |
| Operating profit                   | 128.2       | -11.3              | 134.0       | 4.5                |
| Taxable income                     | 85.3        | -4.6               | 87.2        | 2.1                |
| Total taxes                        | 28.4        | -9.2               | 28.4        | 0.2                |
| <b>Financial</b>                   |             |                    |             |                    |
| Operating revenue                  | 235.4       | 1.4                | 223.9       | -4.9               |
| Operating profit                   | 42.8        | -10.1              | 38.7        | -9.6               |
| Taxable income                     | 16.0        | -16.8              | 15.4        | -3.6               |
| Total taxes                        | 7.4         | -10.8              | 6.8         | -8.1               |

1. Excluding Management of companies and enterprises (NAICS 55).

## Section 2

### *Corporate income taxes in 2002*

Canadian corporations paid lower income taxes in 2002, in the wake of a moderate profit increase and improved economic and labour market conditions. A total of \$35.2 billion were paid in taxes in 2002, slightly less than the \$35.8 billion paid by corporations in 2001.

Non-financial sector income taxes edged up 0.2% in 2002 to \$28.4 billion. On the other hand, the financial group of industries saw their tax liability decline 8.1% to \$6.8 billion in 2002, led by loan brokers and other financial investment companies and the banking and other depository credit intermediaries.

Corporate income tax payable to the federal government totalled \$24.1 billion, essentially flat from 2001. The total amount of provincial corporate income taxes payable in 2002 fell back 3.6%.

The financial sector accounted for 19.3% of all corporate taxes paid in 2002, compared with a high of 21.0% in 2000. In contrast, the share of taxes paid by non-financial industries has slowly risen over the last three years to account for 80.7% of all corporate taxes in 2002, compared with 79.0% in 2000. Within the non-financial sector, manufacturers were the largest contributors to taxes payable, with a total of \$10.4 billion in 2002. However, the manufacturers' share of taxes paid by total non-financial industries has been declining in the last three years.

The federal tax abatement totalled \$10.5 billion in 2002, not quite offsetting provincial income taxes payable of \$11.1 billion. The federal government allows a 10% abatement of tax in recognition of the fact that provincial governments impose their own income taxes. Tax relief provided to small businesses under the small business deduction rose to \$4.3 billion in 2002, compared to \$3.8 billion in the prior year. Manufacturers are entitled to a manufacturing and processing profits deduction which effectively lowers their rate of taxation. In 2002, this credit amounted to \$1.7 billion, virtually unchanged from 2001. Investment tax credits totalled \$1.5 billion in 2002, a modest increase of 0.9% over 2001. Corporations can accumulate investment tax credits during their loss years and claim them when they are profitable. For 2002, other credits used by all corporations amounted to \$1.5 billion.

The taxation statistics, which have not been available since 1998, are now re-introduced and published with the 2002 publication for the reference years 2000, 2001 and 2002. These statistics provide detailed information on the taxation side of the financial statements, such as the various tax credits and tax losses that Canadian corporations incurred. They can be found under the *Reconciliation of Profit to Taxable Income and Taxes Payable* section of each industry table.

Text Table 2.1

## Taxation statistics for enterprises, 2002

|  | All industries <sup>1</sup> |       | Non-financial <sup>1</sup> |       | Financial      |       |
|--|-----------------------------|-------|----------------------------|-------|----------------|-------|
|  | \$ billions                 | %     | \$ billions                | %     | \$ billions    | %     |
| <b>Taxable income, tax base</b>                | 102.6                       | 100.0 | 87.2                       | 100.0 | 15.4           | 100.0 |
| Part 1 tax, otherwise payable                  | 40.9                        | 39.9  | 34.5                       | 39.6  | 6.4            | 41.3  |
| Corporate surtax                               | 1.2                         | 1.1   | 1.0                        | 1.1   | 0.2            | 1.2   |
| Total tax payable                              | 42.1                        | 41.0  | 35.5                       | 40.7  | 6.6            | 42.5  |
| <b>Tax credits</b>                             |                             |       |                            |       |                |       |
| Federal tax abatement                          | 10.5                        | 10.2  | 8.9                        | 10.2  | 1.6            | 10.2  |
| Small business deduction                       | 4.3                         | 4.2   | 4.0                        | 4.6   | 0.2            | 1.6   |
| Manufacturing and processing profits deduction | 1.7                         | 1.7   | 1.7                        | 1.9   | 0 <sup>s</sup> | 0.1   |
| Investment tax credit                          | 1.5                         | 1.5   | 1.5                        | 1.7   | 0 <sup>s</sup> | 0.1   |
| Other federal tax credits                      | 1.5                         | 1.4   | 1.0                        | 1.1   | 0.5            | 3.2   |
| Total tax credits used                         | 19.5                        | 19.0  | 17.1                       | 19.7  | 2.3            | 15.1  |
| Net part 1 tax payable                         | 22.6                        | 22.0  | 18.4                       | 21.1  | 4.2            | 27.3  |
| Other direct federal taxes                     | 1.5                         | 1.5   | 0.9                        | 1.0   | 0.7            | 4.3   |
| Total federal tax                              | 24.1                        | 23.5  | 19.3                       | 22.1  | 4.9            | 31.7  |
| Provincial income taxes                        | 11.1                        | 10.8  | 9.2                        | 10.5  | 1.9            | 12.3  |
| <b>Total taxes</b>                             | 35.2                        | 34.3  | 28.4                       | 32.6  | 6.8            | 44.0  |

1. Excluding Management of companies and enterprises (NAICS 55).

## ***Related products***

### **Selected publications from Statistics Canada**

---

|            |   |
|------------|---|
| 61-008-XIE | Quarterly financial statistics for enterprises  |
| 61-220-XIE | Corporations Returns Act (CRA)  |
| 61-517-XCB | Inter-corporate ownership   |
| 61F0058XCB | Financial performance indicators for Canadian business. Volume 1. Medium and large firms (firms with revenues of \$5 million and over)                    |
| 61F0058XME | Financial performance indicators for Canadian business. Volume 1. Medium and large firms (firms with revenues of \$5 million and over)                    |
| 61F0059XCB | Financial performance indicators for Canadian business. Volume 2-3. National, small and medium firms (firms with revenues under \$25 million)             |
| 61F0059XME | Financial performance indicators for Canadian business. Volume 2-3. National, small and medium firms (firms with revenues under \$25 million)             |
| 61F0100XCB | Financial performance indicators for Canadian business. Volume 2-3 by province, territory and region. Small firms (firms with revenues under \$5 million) |

---

### **Selected CANSIM tables from Statistics Canada**

---

|          |   |
|----------|---|
| 180-0003 | Financial and taxation statistics for enterprises, by North American Industry Classification System (NAICS) |
|----------|---|

---

### **Selected surveys from Statistics Canada**

---

|      |   |
|------|---|
| 2506 | Corporation Financial Statistics                  |
| 2507 | Corporation Taxation Statistics                   |
| 2510 | Financial and Taxation Statistics for Enterprises |

---

# ***Statistical Tables***

Table 1-1

## Operating revenue by industries

| Industry   | 1998                | 1999             | 2000             | 2001             | 2002             |
|--|---------------------|------------------|------------------|------------------|------------------|
|  | millions of dollars |                  |                  |                  |                  |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..                  | <b>2,043,583</b> | <b>2,306,985</b> | <b>2,408,182</b> | <b>2,434,224</b> |
| <b>Total finance and insurance industries</b>  | ..                  | <b>208,003</b>   | <b>232,115</b>   | <b>235,371</b>   | <b>223,870</b>   |
| Banking and other depository credit intermediation   | ..                  | 76,978           | 86,167           | 85,531           | 73,816           |
| Credit unions  | ..                  | 10,719           | 12,397           | 11,970           | 11,304           |
| Non-depository credit intermediation   | ..                  | 17,767           | 19,262           | 19,432           | 19,764           |
| Direct life, health and medical insurance carriers   | ..                  | 36,361           | 37,434           | 38,930           | 40,722           |
| Direct insurance (except life, health and medical) carriers  | ..                  | 24,410           | 26,207           | 28,011           | 29,947           |
| Reinsurance carriers   | ..                  | 2,823            | 3,763            | 4,115            | 4,378            |
| Loan brokers and other financial investment  | ..                  | 33,212           | 41,005           | 41,302           | 37,329           |
| Agencies, brokerages and other insurance related activities  | ..                  | 5,733            | 5,881            | 6,079            | 6,610            |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | <b>1,681,550</b>    | <b>1,835,580</b> | <b>2,074,869</b> | <b>2,172,811</b> | <b>2,210,354</b> |
| Agriculture, forestry, fishing and hunting   | 28,226              | 30,467           | 33,550           | 36,214           | 37,148           |
| Oil and gas extraction and coal mining   | 33,732              | 43,679           | 74,118           | 86,882           | 85,962           |
| Mining (except oil, gas and coal)  | 25,373              | 23,523           | 26,096           | 29,072           | 28,676           |
| Utilities  | 45,729              | 53,275           | 70,748           | 93,743           | 76,711           |
| Construction   | 95,368              | 108,388          | 120,426          | 130,311          | 141,425          |
| Food manufacturing   | 58,682              | 60,048           | 65,631           | 68,951           | 72,287           |
| Beverage and tobacco product manufacturing   | 9,556               | 11,890           | 11,858           | 13,100           | 13,025           |
| Clothing, textile and leather manufacturing  | 19,229              | 17,586           | 17,536           | 17,461           | 17,068           |
| Wood and paper manufacturing   | 60,078              | 68,160           | 73,586           | 72,162           | 73,399           |
| Printing and related support activities  | 10,217              | 11,085           | 12,490           | 12,479           | 12,322           |
| Petroleum and coal products manufacturing  | 29,464              | 33,573           | 49,034           | 48,636           | 49,202           |
| Chemicals, plastic and rubber manufacturing  | 58,114              | 65,857           | 76,370           | 81,054           | 78,555           |
| Non-metallic mineral product manufacturing   | 11,366              | 12,289           | 12,879           | 14,784           | 14,039           |
| Primary metal manufacturing  | 27,783              | 29,616           | 29,506           | 28,102           | 30,064           |
| Fabricated metal product manufacturing   | 26,921              | 29,372           | 29,418           | 29,967           | 30,251           |
| Machinery manufacturing  | 23,587              | 24,893           | 26,668           | 26,486           | 27,589           |
| Computer and electronic product manufacturing  | 32,383              | 35,099           | 49,624           | 37,120           | 32,464           |
| Electrical equipment, appliance and component manufacturing  | 12,400              | 12,831           | 14,703           | 13,983           | 13,233           |
| Motor vehicles and parts manufacturing   | 112,678             | 141,249          | 139,571          | 130,702          | 137,585          |
| Other transportation equipment manufacturing   | 14,633              | 17,195           | 19,468           | 22,391           | 20,164           |
| Furniture and related product manufacturing  | 9,854               | 12,379           | 13,288           | 13,797           | 14,397           |
| Miscellaneous manufacturing  | 8,070               | 7,962            | 8,022            | 8,026            | 9,172            |
| Wholesale food, beverage and tobacco   | 55,686              | 61,883           | 64,994           | 70,873           | 64,833           |
| Petroleum product wholesaler-distributors  | 15,801              | 14,221           | 22,186           | 28,560           | 22,589           |
| Motor vehicle and parts wholesaler-distributors  | 28,459              | 28,051           | 33,217           | 35,058           | 37,876           |
| Building material and supplies wholesaler-distributors   | 44,831              | 44,779           | 49,778           | 47,195           | 48,864           |
| Machinery, equipment and supplies wholesaler-distributors  | 65,404              | 70,604           | 79,947           | 82,655           | 78,647           |
| Other wholesale  | 83,279              | 89,708           | 101,899          | 104,569          | 110,156          |
| Motor vehicle and parts dealers  | 68,320              | 74,025           | 79,626           | 83,362           | 92,175           |
| Furniture and home furnishing stores and electronic and appliance stores                               | 17,983              | 20,752           | 21,589           | 22,133           | 23,612           |
| Building material and garden equipment and supplies dealers  | 12,125              | 12,637           | 13,695           | 16,997           | 18,979           |
| Food and beverage stores   | 68,044              | 69,495           | 74,193           | 80,969           | 93,661           |
| Clothing and clothing accessories stores   | 14,576              | 15,722           | 18,909           | 21,082           | 19,719           |
| General merchandise stores   | 32,926              | 35,140           | 38,200           | 38,576           | 41,183           |
| Other retail   | 42,922              | 47,809           | 53,046           | 55,589           | 58,063           |
| Transportation and warehousing   | 89,631              | 87,425           | 94,552           | 98,735           | 103,626          |
| Telecommunications   | 31,443              | 33,034           | 36,547           | 41,161           | 40,286           |
| Publishing and broadcasting  | 24,508              | 27,134           | 29,532           | 29,645           | 31,397           |
| Real estate  | 27,101              | 28,841           | 31,774           | 33,420           | 35,517           |
| Other rental companies   | 19,711              | 12,695           | 17,840           | 18,418           | 19,749           |
| Professional, scientific and technical services (except computer systems design)                       | 40,023              | 44,244           | 55,953           | 56,743           | 57,021           |
| Computer systems design and related services   | 11,475              | 15,786           | 19,340           | 21,136           | 20,770           |
| Management of companies and enterprises  | 26,793              | 26,850           | 28,420           | 32,221           | 33,115           |

Note: Figures may not add up due to rounding.

Table 1-2

## Operating expenses by industries

| Industry   | 1998                | 1999             | 2000             | 2001             | 2002             |
|--|---------------------|------------------|------------------|------------------|------------------|
|  | millions of dollars |                  |                  |                  |                  |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..                  | <b>1,883,362</b> | <b>2,114,772</b> | <b>2,237,125</b> | <b>2,261,493</b> |
| <b>Total finance and insurance industries</b>  | ..                  | <b>165,590</b>   | <b>184,475</b>   | <b>192,523</b>   | <b>185,140</b>   |
| Banking and other depository credit intermediation   | ..                  | 58,578           | 66,897           | 67,758           | 58,951           |
| Credit unions  | ..                  | 9,324            | 10,694           | 10,173           | 9,523            |
| Non-depository credit intermediation   | ..                  | 10,616           | 10,643           | 10,969           | 11,384           |
| Direct life, health and medical insurance carriers   | ..                  | 33,386           | 34,233           | 35,473           | 36,852           |
| Direct insurance (except life, health and medical) carriers  | ..                  | 22,961           | 24,334           | 27,607           | 29,616           |
| Reinsurance carriers   | ..                  | 2,528            | 3,358            | 3,837            | 4,120            |
| Loan brokers and other financial investment  | ..                  | 22,847           | 28,894           | 31,207           | 28,840           |
| Agencies, brokerages and other insurance related activities  | ..                  | 5,350            | 5,422            | 5,499            | 5,854            |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | <b>1,583,043</b>    | <b>1,717,773</b> | <b>1,930,297</b> | <b>2,044,602</b> | <b>2,076,353</b> |
| Agriculture, forestry, fishing and hunting   | 26,523              | 28,620           | 31,169           | 33,611           | 35,003           |
| Oil and gas extraction and coal mining   | 32,058              | 38,944           | 55,339           | 66,470           | 71,412           |
| Mining (except oil, gas and coal)  | 24,090              | 22,534           | 23,847           | 27,498           | 27,099           |
| Utilities  | 32,439              | 43,345           | 58,789           | 82,874           | 65,779           |
| Construction   | 91,997              | 104,875          | 116,987          | 125,961          | 136,226          |
| Food manufacturing   | 56,378              | 57,140           | 62,713           | 65,893           | 68,811           |
| Beverage and tobacco product manufacturing   | 7,485               | 9,392            | 9,597            | 10,367           | 10,372           |
| Clothing, textile and leather manufacturing  | 17,994              | 16,718           | 16,660           | 16,756           | 16,274           |
| Wood and paper manufacturing   | 56,886              | 61,914           | 66,014           | 66,965           | 69,136           |
| Printing and related support activities  | 9,811               | 10,499           | 11,858           | 11,902           | 11,559           |
| Petroleum and coal products manufacturing  | 27,020              | 30,386           | 43,195           | 43,072           | 44,642           |
| Chemicals, plastic and rubber manufacturing  | 53,170              | 60,251           | 69,785           | 75,882           | 72,557           |
| Non-metallic mineral product manufacturing   | 10,197              | 10,910           | 11,529           | 13,549           | 12,602           |
| Primary metal manufacturing  | 25,316              | 26,787           | 26,964           | 27,443           | 27,980           |
| Fabricated metal product manufacturing   | 25,155              | 27,385           | 27,393           | 28,141           | 28,434           |
| Machinery manufacturing  | 21,963              | 23,366           | 24,874           | 24,936           | 25,998           |
| Computer and electronic product manufacturing  | 30,236              | 31,175           | 45,655           | 39,323           | 33,744           |
| Electrical equipment, appliance and component manufacturing  | 11,694              | 11,667           | 13,201           | 13,483           | 12,839           |
| Motor vehicles and parts manufacturing   | 107,337             | 132,171          | 130,686          | 125,743          | 131,241          |
| Other transportation equipment manufacturing   | 13,525              | 15,609           | 17,236           | 19,741           | 18,370           |
| Furniture and related product manufacturing  | 9,104               | 11,400           | 12,339           | 12,978           | 13,560           |
| Miscellaneous manufacturing  | 7,625               | 7,455            | 7,715            | 7,786            | 8,679            |
| Wholesale food, beverage and tobacco   | 54,493              | 61,436           | 64,317           | 69,889           | 64,045           |
| Petroleum product wholesaler-distributors  | 15,576              | 14,064           | 21,937           | 28,281           | 22,220           |
| Motor vehicle and parts wholesaler-distributors  | 27,708              | 27,390           | 32,439           | 34,286           | 36,858           |
| Building material and supplies wholesaler-distributors   | 43,355              | 43,353           | 48,329           | 45,979           | 47,511           |
| Machinery, equipment and supplies wholesaler-distributors  | 62,637              | 67,904           | 77,684           | 80,189           | 76,342           |
| Other wholesale  | 80,276              | 86,975           | 98,142           | 100,723          | 106,204          |
| Motor vehicle and parts dealers  | 67,248              | 73,139           | 78,651           | 82,372           | 91,023           |
| Furniture and home furnishing stores and electronic and appliance stores                               | 17,467              | 20,136           | 20,880           | 21,536           | 22,963           |
| Building material and garden equipment and supplies dealers  | 11,693              | 12,171           | 13,266           | 16,355           | 18,183           |
| Food and beverage stores   | 63,768              | 64,698           | 69,742           | 74,540           | 86,773           |
| Clothing and clothing accessories stores   | 13,855              | 15,202           | 18,205           | 20,368           | 19,159           |
| General merchandise stores   | 32,049              | 34,299           | 37,293           | 37,735           | 40,041           |
| Other retail   | 41,567              | 46,398           | 51,971           | 54,373           | 56,367           |
| Transportation and warehousing   | 85,251              | 81,581           | 89,112           | 94,163           | 96,460           |
| Telecommunications   | 27,000              | 28,501           | 31,116           | 37,386           | 35,546           |
| Publishing and broadcasting  | 22,425              | 25,141           | 27,519           | 28,275           | 30,198           |
| Real estate  | 22,003              | 22,923           | 24,759           | 26,366           | 27,222           |
| Other rental companies   | 21,105              | 11,571           | 15,619           | 15,491           | 16,026           |
| Professional, scientific and technical services (except computer systems design)                       | 38,613              | 42,824           | 54,506           | 55,211           | 55,938           |
| Computer systems design and related services   | 11,248              | 15,339           | 19,729           | 21,750           | 20,722           |
| Management of companies and enterprises  | 11,993              | 13,446           | 15,056           | 17,238           | 15,297           |

Note: Figures may not add up due to rounding.

Table 1-3

## Operating profit by industries

| Industry   | 1998                | 1999           | 2000           | 2001           | 2002           |
|--|---------------------|----------------|----------------|----------------|----------------|
|  | millions of dollars |                |                |                |                |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..                  | <b>160,221</b> | <b>192,213</b> | <b>171,057</b> | <b>172,731</b> |
| <b>Total finance and insurance industries</b>  | ..                  | <b>42,413</b>  | <b>47,641</b>  | <b>42,848</b>  | <b>38,730</b>  |
| Banking and other depository credit intermediation   | ..                  | 18,400         | 19,270         | 17,773         | 14,865         |
| Credit unions  | ..                  | 1,395          | 1,703          | 1,797          | 1,781          |
| Non-depository credit intermediation   | ..                  | 7,150          | 8,619          | 8,463          | 8,380          |
| Direct life, health and medical insurance carriers   | ..                  | 2,975          | 3,201          | 3,458          | 3,869          |
| Direct insurance (except life, health and medical) carriers  | ..                  | 1,449          | 1,872          | 404            | 332            |
| Reinsurance carriers   | ..                  | 296            | 405            | 279            | 258            |
| Loan brokers and other financial investment  | ..                  | 10,365         | 12,111         | 10,095         | 8,489          |
| Agencies, brokerages and other insurance related activities  | ..                  | 384            | 459            | 580            | 756            |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | <b>98,506</b>       | <b>117,808</b> | <b>144,572</b> | <b>128,210</b> | <b>134,001</b> |
| Agriculture, forestry, fishing and hunting   | 1,703               | 1,847          | 2,380          | 2,603          | 2,145          |
| Oil and gas extraction and coal mining   | 1,673               | 4,735          | 18,779         | 20,412         | 14,550         |
| Mining (except oil, gas and coal)  | 1,283               | 990            | 2,249          | 1,574          | 1,577          |
| Utilities  | 13,290              | 9,930          | 11,958         | 10,869         | 10,931         |
| Construction   | 3,372               | 3,513          | 3,439          | 4,350          | 5,198          |
| Food manufacturing   | 2,304               | 2,909          | 2,919          | 3,058          | 3,476          |
| Beverage and tobacco product manufacturing   | 2,071               | 2,497          | 2,261          | 2,732          | 2,653          |
| Clothing, textile and leather manufacturing  | 1,235               | 869            | 877            | 705            | 794            |
| Wood and paper manufacturing   | 3,192               | 6,245          | 7,572          | 5,197          | 4,263          |
| Printing and related support activities  | 406                 | 586            | 633            | 576            | 762            |
| Petroleum and coal products manufacturing  | 2,443               | 3,188          | 5,839          | 5,564          | 4,561          |
| Chemicals, plastic and rubber manufacturing  | 4,944               | 5,605          | 6,584          | 5,172          | 5,998          |
| Non-metallic mineral product manufacturing   | 1,169               | 1,379          | 1,350          | 1,235          | 1,437          |
| Primary metal manufacturing  | 2,468               | 2,829          | 2,542          | 660            | 2,084          |
| Fabricated metal product manufacturing   | 1,766               | 1,987          | 2,025          | 1,827          | 1,817          |
| Machinery manufacturing  | 1,623               | 1,527          | 1,794          | 1,550          | 1,592          |
| Computer and electronic product manufacturing  | 2,147               | 3,924          | 3,970          | -2,203         | -1,280         |
| Electrical equipment, appliance and component manufacturing  | 706                 | 1,163          | 1,502          | 501            | 394            |
| Motor vehicles and parts manufacturing   | 5,341               | 9,078          | 8,886          | 4,959          | 6,344          |
| Other transportation equipment manufacturing   | 1,108               | 1,586          | 2,231          | 2,650          | 1,794          |
| Furniture and related product manufacturing  | 750                 | 979            | 949            | 820            | 837            |
| Miscellaneous manufacturing  | 444                 | 507            | 307            | 239            | 493            |
| Wholesale food, beverage and tobacco   | 1,193               | 447            | 677            | 984            | 788            |
| Petroleum product wholesaler-distributors  | 225                 | 157            | 248            | 279            | 369            |
| Motor vehicle and parts wholesaler-distributors  | 751                 | 661            | 778            | 772            | 1,018          |
| Building material and supplies wholesaler-distributors   | 1,476               | 1,426          | 1,449          | 1,216          | 1,353          |
| Machinery, equipment and supplies wholesaler-distributors  | 2,768               | 2,701          | 2,264          | 2,466          | 2,304          |
| Other wholesale  | 3,003               | 2,733          | 3,757          | 3,845          | 3,952          |
| Motor vehicle and parts dealers  | 1,072               | 887            | 974            | 990            | 1,151          |
| Furniture and home furnishing stores and electronic and appliance stores                               | 516                 | 616            | 709            | 598            | 649            |
| Building material and garden equipment and supplies dealers  | 432                 | 466            | 429            | 641            | 796            |
| Food and beverage stores   | 4,276               | 4,798          | 4,451          | 6,429          | 6,888          |
| Clothing and clothing accessories stores   | 721                 | 520            | 704            | 714            | 560            |
| General merchandise stores   | 877                 | 842            | 907            | 842            | 1,142          |
| Other retail   | 1,354               | 1,412          | 1,074          | 1,216          | 1,696          |
| Transportation and warehousing   | 4,380               | 5,844          | 5,440          | 4,572          | 7,166          |
| Telecommunications   | 4,442               | 4,533          | 5,431          | 3,775          | 4,739          |
| Publishing and broadcasting  | 2,083               | 1,993          | 2,013          | 1,370          | 1,199          |
| Real estate  | 5,098               | 5,918          | 7,015          | 7,053          | 8,295          |
| Other rental companies   | -1,394              | 1,124          | 2,221          | 2,927          | 3,723          |
| Professional, scientific and technical services (except computer systems design)                       | 1,409               | 1,421          | 1,448          | 1,532          | 1,083          |
| Computer systems design and related services   | 227                 | 447            | -390           | -614           | 48             |
| Management of companies and enterprises  | 14,799              | 13,404         | 13,365         | 14,983         | 17,818         |

Note: Figures may not add up due to rounding.



Table 1-4

## Operating profit margin by industries

| Industry   | 1998       | 1999        | 2000        | 2001        | 2002        |
|--|------------|-------------|-------------|-------------|-------------|
|  | percent    |             |             |             |             |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..         | <b>7.8</b>  | <b>8.3</b>  | <b>7.1</b>  | <b>7.1</b>  |
| <b>Total finance and insurance industries</b>  | ..         | <b>20.4</b> | <b>20.5</b> | <b>18.2</b> | <b>17.3</b> |
| Banking and other depository credit intermediation   | ..         | 23.9        | 22.4        | 20.8        | 20.1        |
| Credit unions  | ..         | 13.0        | 13.7        | 15.0        | 15.8        |
| Non-depository credit intermediation   | ..         | 40.2        | 44.7        | 43.6        | 42.4        |
| Direct life, health and medical insurance carriers   | ..         | 8.2         | 8.6         | 8.9         | 9.5         |
| Direct insurance (except life, health and medical) carriers  | ..         | 5.9         | 7.1         | 1.4         | 1.1         |
| Reinsurance carriers   | ..         | 10.5        | 10.8        | 6.8         | 5.9         |
| Loan brokers and other financial investment  | ..         | 31.2        | 29.5        | 24.4        | 22.7        |
| Agencies, brokerages and other insurance related activities  | ..         | 6.7         | 7.8         | 9.5         | 11.4        |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | <b>5.9</b> | <b>6.4</b>  | <b>7.0</b>  | <b>5.9</b>  | <b>6.1</b>  |
| Agriculture, forestry, fishing and hunting   | 6.0        | 6.1         | 7.1         | 7.2         | 5.8         |
| Oil and gas extraction and coal mining   | 5.0        | 10.8        | 25.3        | 23.5        | 16.9        |
| Mining (except oil, gas and coal)  | 5.1        | 4.2         | 8.6         | 5.4         | 5.5         |
| Utilities  | 29.1       | 18.6        | 16.9        | 11.6        | 14.3        |
| Construction   | 3.5        | 3.2         | 2.9         | 3.3         | 3.7         |
| Food manufacturing   | 3.9        | 4.8         | 4.4         | 4.4         | 4.8         |
| Beverage and tobacco product manufacturing   | 21.7       | 21.0        | 19.1        | 20.9        | 20.4        |
| Clothing, textile and leather manufacturing  | 6.4        | 4.9         | 5.0         | 4.0         | 4.7         |
| Wood and paper manufacturing   | 5.3        | 9.2         | 10.3        | 7.2         | 5.8         |
| Printing and related support activities  | 4.0        | 5.3         | 5.1         | 4.6         | 6.2         |
| Petroleum and coal products manufacturing  | 8.3        | 9.5         | 11.9        | 11.4        | 9.3         |
| Chemicals, plastic and rubber manufacturing  | 8.5        | 8.5         | 8.6         | 6.4         | 7.6         |
| Non-metallic mineral product manufacturing   | 10.3       | 11.2        | 10.5        | 8.4         | 10.2        |
| Primary metal manufacturing  | 8.9        | 9.6         | 8.6         | 2.3         | 6.9         |
| Fabricated metal product manufacturing   | 6.6        | 6.8         | 6.9         | 6.1         | 6.0         |
| Machinery manufacturing  | 6.9        | 6.1         | 6.7         | 5.9         | 5.8         |
| Computer and electronic product manufacturing  | 6.6        | 11.2        | 8.0         | -5.9        | -3.9        |
| Electrical equipment, appliance and component manufacturing  | 5.7        | 9.1         | 10.2        | 3.6         | 3.0         |
| Motor vehicles and parts manufacturing   | 4.7        | 6.4         | 6.4         | 3.8         | 4.6         |
| Other transportation equipment manufacturing   | 7.6        | 9.2         | 11.5        | 11.8        | 8.9         |
| Furniture and related product manufacturing  | 7.6        | 7.9         | 7.1         | 5.9         | 5.8         |
| Miscellaneous manufacturing  | 5.5        | 6.4         | 3.8         | 3.0         | 5.4         |
| Wholesale food, beverage and tobacco   | 2.1        | 0.7         | 1.0         | 1.4         | 1.2         |
| Petroleum product wholesaler-distributors  | 1.4        | 1.1         | 1.1         | 1.0         | 1.6         |
| Motor vehicle and parts wholesaler-distributors  | 2.6        | 2.4         | 2.3         | 2.2         | 2.7         |
| Building material and supplies wholesaler-distributors   | 3.3        | 3.2         | 2.9         | 2.6         | 2.8         |
| Machinery, equipment and supplies wholesaler-distributors  | 4.2        | 3.8         | 2.8         | 3.0         | 2.9         |
| Other wholesale  | 3.6        | 3.0         | 3.7         | 3.7         | 3.6         |
| Motor vehicle and parts dealers  | 1.6        | 1.2         | 1.2         | 1.2         | 1.2         |
| Furniture and home furnishing stores and electronic and appliance stores                               | 2.9        | 3.0         | 3.3         | 2.7         | 2.7         |
| Building material and garden equipment and supplies dealers  | 3.6        | 3.7         | 3.1         | 3.8         | 4.2         |
| Food and beverage stores   | 6.3        | 6.9         | 6.0         | 7.9         | 7.4         |
| Clothing and clothing accessories stores   | 4.9        | 3.3         | 3.7         | 3.4         | 2.8         |
| General merchandise stores   | 2.7        | 2.4         | 2.4         | 2.2         | 2.8         |
| Other retail   | 3.2        | 3.0         | 2.0         | 2.2         | 2.9         |
| Transportation and warehousing   | 4.9        | 6.7         | 5.8         | 4.6         | 6.9         |
| Telecommunications   | 14.1       | 13.7        | 14.9        | 9.2         | 11.8        |
| Publishing and broadcasting  | 8.5        | 7.3         | 6.8         | 4.6         | 3.8         |
| Real estate  | 18.8       | 20.5        | 22.1        | 21.1        | 23.4        |
| Other rental companies   | -7.1       | 8.9         | 12.4        | 15.9        | 18.8        |
| Professional, scientific and technical services (except computer systems design)                       | 3.5        | 3.2         | 2.6         | 2.7         | 1.9         |
| Computer systems design and related services   | 2.0        | 2.8         | -2.0        | -2.9        | 0.2         |
| Management of companies and enterprises  | 55.2       | 49.9        | 47.0        | 46.5        | 53.8        |

Note: Operating profit margin = (operating profit) / (total operating revenue)

Table 1-5

## Return on capital employed (ROCE) by industries

| Industry   | 1998       | 1999       | 2000       | 2001       | 2002       |
|--|------------|------------|------------|------------|------------|
|  | percent    |            |            |            |            |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..         | <b>7.3</b> | <b>7.8</b> | <b>6.6</b> | <b>5.5</b> |
| <b>Total finance and insurance industries</b>  | ..         | <b>6.8</b> | <b>7.8</b> | <b>6.9</b> | <b>5.7</b> |
| Banking and other depository credit intermediation   | ..         | 9.1        | 10.4       | 9.1        | 7.8        |
| Credit unions  | ..         | 6.0        | 8.3        | 11.1       | 11.2       |
| Non-depository credit intermediation   | ..         | 3.8        | 4.6        | 4.4        | 4.6        |
| Direct life, health and medical insurance carriers   | ..         | 6.4        | 6.5        | 5.7        | 4.9        |
| Direct insurance (except life, health and medical) carriers  | ..         | 7.0        | 8.7        | 0.9        | -0.6       |
| Reinsurance carriers   | ..         | 7.0        | 6.8        | 4.0        | 4.0        |
| Loan brokers and other financial investment  | ..         | 7.6        | 8.8        | 7.7        | 4.8        |
| Agencies, brokerages and other insurance related activities  | ..         | 8.5        | 10.8       | 11.4       | 13.3       |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | <b>7.0</b> | <b>7.5</b> | <b>7.8</b> | <b>6.5</b> | <b>5.5</b> |
| Agriculture, forestry, fishing and hunting   | 5.5        | 6.7        | 7.5        | 7.1        | 6.3        |
| Oil and gas extraction and coal mining   | 2.5        | 2.6        | 11.2       | 8.9        | 5.1        |
| Mining (except oil, gas and coal)  | 3.9        | 2.7        | 3.8        | 2.2        | 3.6        |
| Utilities  | 11.6       | 8.1        | 9.4        | 7.7        | 8.1        |
| Construction   | 6.8        | 7.0        | 5.7        | 6.7        | 7.0        |
| Food manufacturing   | 6.9        | 8.9        | 7.3        | 9.7        | 7.5        |
| Beverage and tobacco product manufacturing   | 19.5       | 6.4        | 6.4        | 7.5        | 5.4        |
| Clothing, textile and leather manufacturing  | 9.7        | 7.0        | 7.8        | 7.0        | 7.4        |
| Wood and paper manufacturing   | 3.5        | 8.1        | 8.5        | 7.3        | 6.7        |
| Printing and related support activities  | 7.8        | 6.6        | 6.8        | 4.2        | 8.7        |
| Petroleum and coal products manufacturing  | 9.0        | 10.1       | 17.5       | 15.8       | 11.5       |
| Chemicals, plastic and rubber manufacturing  | 7.0        | 7.5        | 8.3        | 6.7        | 7.1        |
| Non-metallic mineral product manufacturing   | 11.1       | 11.9       | 10.1       | 6.8        | 9.8        |
| Primary metal manufacturing  | 7.9        | 7.1        | 6.8        | 1.7        | 5.1        |
| Fabricated metal product manufacturing   | 10.6       | 10.8       | 10.3       | 9.3        | 7.8        |
| Machinery manufacturing  | 10.8       | 13.0       | 8.8        | 7.5        | 6.8        |
| Computer and electronic product manufacturing  | 7.0        | 8.9        | 4.0        | -4.9       | -3.9       |
| Electrical equipment, appliance and component manufacturing  | 8.2        | 11.7       | 12.4       | 1.8        | 2.5        |
| Motor vehicles and parts manufacturing   | 12.5       | 16.9       | 13.3       | 7.7        | -1.4       |
| Other transportation equipment manufacturing   | 8.7        | 10.8       | 14.5       | 14.9       | 7.8        |
| Furniture and related product manufacturing  | 15.1       | 14.1       | 13.4       | 9.6        | 8.5        |
| Miscellaneous manufacturing  | 7.2        | 8.9        | 6.0        | 3.9        | 7.5        |
| Wholesale food, beverage and tobacco   | 7.4        | 1.5        | 2.3        | 2.9        | 2.8        |
| Petroleum product wholesaler-distributors  | 8.3        | 8.5        | 13.4       | 16.3       | 11.6       |
| Motor vehicle and parts wholesaler-distributors  | 8.2        | 8.0        | 7.4        | 7.1        | 8.8        |
| Building material and supplies wholesaler-distributors   | 7.3        | 7.8        | 6.9        | 5.6        | 6.7        |
| Machinery, equipment and supplies wholesaler-distributors  | 8.8        | 8.4        | 7.3        | 5.8        | 3.9        |
| Other wholesale  | 3.6        | 8.3        | 7.8        | 7.7        | 7.9        |
| Motor vehicle and parts dealers  | 5.7        | 4.8        | 4.4        | 5.1        | 5.3        |
| Furniture and home furnishing stores and electronic and appliance stores                               | 8.8        | 9.9        | 8.3        | 7.8        | 7.7        |
| Building material and garden equipment and supplies dealers  | 6.9        | 6.7        | 6.0        | 6.8        | 10.7       |
| Food and beverage stores   | 33.2       | 32.0       | 24.8       | 35.3       | 31.2       |
| Clothing and clothing accessories stores   | 8.0        | 7.0        | 6.1        | 7.1        | 4.8        |
| General merchandise stores   | 4.7        | 7.3        | 8.2        | 7.4        | 7.6        |
| Other retail   | 8.3        | 8.0        | 5.6        | 7.0        | 8.7        |
| Transportation and warehousing   | 5.3        | 5.6        | 5.4        | 4.3        | 6.3        |
| Telecommunications   | 6.1        | 5.9        | 3.9        | 3.4        | -10.4      |
| Publishing and broadcasting  | 7.2        | 6.6        | 6.8        | 3.7        | 0.6        |
| Real estate  | 5.0        | 5.4        | 5.9        | 6.7        | 7.0        |
| Other rental companies   | -2.0       | 6.7        | 7.1        | 6.0        | 8.0        |
| Professional, scientific and technical services (except computer systems design)                       | 10.6       | 7.4        | 7.2        | 5.3        | 4.1        |
| Computer systems design and related services   | 0.1        | 2.2        | -2.6       | -7.4       | -1.8       |
| Management of companies and enterprises  | 5.8        | 5.6        | 5.0        | 0.5        | 6.0        |

Note: ROCE = (net profit + after-tax interest expense) / (short-term loans + long-term loans + debt + shareholders' equity)

Table 1-6

## Return on equity (ROE) by industries

| Industry   | 1998       | 1999        | 2000        | 2001       | 2002       |
|--|------------|-------------|-------------|------------|------------|
|  | percent    |             |             |            |            |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..         | <b>10.4</b> | <b>11.3</b> | <b>8.9</b> | <b>7.1</b> |
| <b>Total finance and insurance industries</b>  | ..         | <b>9.7</b>  | <b>10.7</b> | <b>8.9</b> | <b>7.9</b> |
| Banking and other depository credit intermediation   | ..         | 13.0        | 13.5        | 10.6       | 10.7       |
| Credit unions  | ..         | 6.5         | 8.7         | 9.0        | 12.7       |
| Non-depository credit intermediation   | ..         | 7.0         | 7.3         | 7.4        | 15.1       |
| Direct life, health and medical insurance carriers   | ..         | 6.6         | 7.0         | 6.6        | 5.6        |
| Direct insurance (except life, health and medical) carriers  | ..         | 7.1         | 9.0         | 0.8        | -0.7       |
| Reinsurance carriers   | ..         | 7.0         | 6.9         | 4.0        | 4.0        |
| Loan brokers and other financial investment  | ..         | 9.7         | 11.3        | 10.3       | 6.1        |
| Agencies, brokerages and other insurance related activities  | ..         | 14.2        | 18.4        | 18.9       | 21.3       |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | <b>9.3</b> | <b>10.6</b> | <b>11.5</b> | <b>8.8</b> | <b>6.9</b> |
| Agriculture, forestry, fishing and hunting   | 7.7        | 9.8         | 11.6        | 10.6       | 9.3        |
| Oil and gas extraction and coal mining   | 0.7        | 1.2         | 17.9        | 15.2       | 6.9        |
| Mining (except oil, gas and coal)  | 3.9        | 2.0         | 3.8         | 1.5        | 4.0        |
| Utilities  | 12.7       | 7.2         | 14.6        | 12.1       | 15.0       |
| Construction   | 13.3       | 14.2        | 11.7        | 14.4       | 16.6       |
| Food manufacturing   | 9.4        | 12.5        | 10.5        | 15.3       | 11.7       |
| Beverage and tobacco product manufacturing   | 46.7       | 7.7         | 7.9         | 9.9        | 6.4        |
| Clothing, textile and leather manufacturing  | 14.2       | 9.4         | 11.2        | 9.6        | 10.2       |
| Wood and paper manufacturing   | 2.5        | 10.4        | 11.1        | 8.6        | 7.4        |
| Printing and related support activities  | 10.2       | 7.5         | 8.1         | 2.8        | 10.8       |
| Petroleum and coal products manufacturing  | 10.8       | 11.7        | 21.0        | 19.5       | 15.0       |
| Chemicals, plastic and rubber manufacturing  | 7.8        | 10.0        | 11.3        | 8.2        | 9.4        |
| Non-metallic mineral product manufacturing   | 14.4       | 14.7        | 12.2        | 6.8        | 12.3       |
| Primary metal manufacturing  | 9.5        | 8.1         | 8.1         | -0.3       | 5.5        |
| Fabricated metal product manufacturing   | 15.8       | 16.2        | 14.8        | 13.1       | 10.5       |
| Machinery manufacturing  | 15.9       | 17.9        | 12.8        | 10.0       | 9.5        |
| Computer and electronic product manufacturing  | 7.2        | 10.2        | 4.2         | -7.4       | -6.0       |
| Electrical equipment, appliance and component manufacturing  | 11.0       | 18.1        | 17.3        | 0.1        | 1.6        |
| Motor vehicles and parts manufacturing   | 17.4       | 24.8        | 19.1        | 9.3        | -4.2       |
| Other transportation equipment manufacturing   | 13.3       | 15.4        | 21.2        | 25.4       | 11.3       |
| Furniture and related product manufacturing  | 25.3       | 22.3        | 22.6        | 14.4       | 11.3       |
| Miscellaneous manufacturing  | 10.1       | 12.9        | 7.3         | 3.2        | 10.1       |
| Wholesale food, beverage and tobacco   | 20.2       | 0.2         | 3.2         | 5.7        | 6.9        |
| Petroleum product wholesaler-distributors  | 10.1       | 9.7         | 21.1        | 20.6       | 21.4       |
| Motor vehicle and parts wholesaler-distributors  | 14.5       | 12.3        | 11.5        | 10.7       | 15.7       |
| Building material and supplies wholesaler-distributors   | 9.0        | 10.4        | 9.3         | 7.0        | 9.8        |
| Machinery, equipment and supplies wholesaler-distributors  | 15.1       | 13.7        | 11.1        | 7.8        | 4.2        |
| Other wholesale  | 1.6        | 13.6        | 13.2        | 11.8       | 12.3       |
| Motor vehicle and parts dealers  | 13.0       | 10.8        | 9.1         | 10.8       | 14.0       |
| Furniture and home furnishing stores and electronic and appliance stores                               | 11.2       | 15.1        | 11.9        | 10.9       | 12.7       |
| Building material and garden equipment and supplies dealers  | 10.8       | 11.4        | 9.1         | 8.9        | 19.1       |
| Food and beverage stores   | 66.9       | 58.4        | 51.5        | 79.4       | 59.1       |
| Clothing and clothing accessories stores   | 4.0        | 9.3         | 7.4         | 9.5        | 5.8        |
| General merchandise stores   | 4.7        | 8.8         | 9.9         | 9.5        | 8.6        |
| Other retail   | 10.2       | 12.2        | 6.2         | 9.5        | 13.5       |
| Transportation and warehousing   | 6.8        | 6.8         | 6.2         | 3.6        | 8.7        |
| Telecommunications   | 5.9        | 6.0         | 3.4         | -0.5       | -48.5      |
| Publishing and broadcasting  | 11.5       | 8.7         | 8.8         | 3.3        | -2.2       |
| Real estate  | 6.8        | 8.2         | 9.6         | 11.7       | 12.2       |
| Other rental companies   | -13.1      | 12.0        | 15.3        | 8.1        | 13.1       |
| Professional, scientific and technical services (except computer systems design)                       | 15.1       | 11.2        | 11.6        | 7.8        | 5.2        |
| Computer systems design and related services   | -2.5       | 2.0         | -6.4        | -15.3      | -5.8       |
| Management of companies and enterprises  | 6.5        | 6.2         | 5.5         | -0.6       | 7.1        |

Note: ROE = (net profit) / (shareholders' equity)

Table 1-7

## Debt to equity ratio by industries

| Industry   | 1998         | 1999         | 2000         | 2001         | 2002         |
|--|--------------|--------------|--------------|--------------|--------------|
|  |              |              |              | Ratio        |              |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..           | <b>1.061</b> | <b>1.130</b> | <b>1.160</b> | <b>1.145</b> |
| <b>Total finance and insurance industries</b>  | ..           | <b>1.120</b> | <b>1.072</b> | <b>1.029</b> | <b>1.028</b> |
| Banking and other depository credit intermediation   | ..           | 1.184        | 0.996        | 0.995        | 0.941        |
| Credit unions  | ..           | 0.824        | 0.547        | 0.172        | 0.261        |
| Non-depository credit intermediation   | ..           | 9.519        | 6.588        | 6.339        | 7.561        |
| Direct life, health and medical insurance carriers   | ..           | 0.147        | 0.153        | 0.243        | 0.240        |
| Direct insurance (except life, health and medical) carriers  | ..           | 0.030        | 0.047        | 0.038        | 0.036        |
| Reinsurance carriers   | ..           | 0.020        | 0.015        | 0.013        | 0.025        |
| Loan brokers and other financial investment  | ..           | 0.489        | 0.585        | 0.541        | 0.571        |
| Agencies, brokerages and other insurance related activities  | ..           | 1.053        | 1.017        | 0.965        | 0.910        |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | <b>1.191</b> | <b>1.041</b> | <b>1.148</b> | <b>1.203</b> | <b>1.184</b> |
| Agriculture, forestry, fishing and hunting   | 1.411        | 1.251        | 1.321        | 1.335        | 1.284        |
| Oil and gas extraction and coal mining   | 1.214        | 1.262        | 0.897        | 1.038        | 1.128        |
| Mining (except oil, gas and coal)  | 0.444        | 0.419        | 0.520        | 0.550        | 0.536        |
| Utilities  | 3.097        | 1.570        | 4.013        | 4.339        | 4.103        |
| Construction   | 1.697        | 1.708        | 2.178        | 2.044        | 2.135        |
| Food manufacturing   | 1.025        | 0.857        | 1.105        | 1.129        | 1.150        |
| Beverage and tobacco product manufacturing   | 1.829        | 0.619        | 0.771        | 0.850        | 0.708        |
| Clothing, textile and leather manufacturing  | 0.835        | 1.077        | 1.167        | 1.321        | 1.014        |
| Wood and paper manufacturing   | 0.824        | 0.789        | 0.796        | 0.936        | 0.895        |
| Printing and related support activities  | 0.714        | 0.547        | 0.748        | 0.724        | 0.603        |
| Petroleum and coal products manufacturing  | 0.405        | 0.308        | 0.286        | 0.328        | 0.423        |
| Chemicals, plastic and rubber manufacturing  | 0.705        | 0.695        | 0.741        | 0.732        | 0.714        |
| Non-metallic mineral product manufacturing   | 0.462        | 0.372        | 0.411        | 0.513        | 0.413        |
| Primary metal manufacturing  | 0.641        | 0.548        | 0.517        | 0.611        | 0.536        |
| Fabricated metal product manufacturing   | 0.785        | 0.800        | 0.736        | 0.769        | 0.731        |
| Machinery manufacturing  | 0.673        | 0.558        | 0.739        | 0.724        | 0.811        |
| Computer and electronic product manufacturing  | 0.253        | 0.278        | 0.238        | 0.304        | 0.281        |
| Electrical equipment, appliance and component manufacturing  | 0.656        | 0.729        | 0.606        | 0.783        | 0.567        |
| Motor vehicles and parts manufacturing   | 0.500        | 0.590        | 0.606        | 0.504        | 0.508        |
| Other transportation equipment manufacturing   | 0.788        | 0.677        | 0.764        | 0.934        | 1.162        |
| Furniture and related product manufacturing  | 0.929        | 0.819        | 0.952        | 0.946        | 0.759        |
| Miscellaneous manufacturing  | 1.285        | 0.938        | 0.917        | 1.011        | 0.843        |
| Wholesale food, beverage and tobacco   | 2.271        | 2.888        | 2.647        | 2.551        | 2.871        |
| Petroleum product wholesaler-distributors  | 0.615        | 0.575        | 0.749        | 0.368        | 0.983        |
| Motor vehicle and parts wholesaler-distributors  | 1.346        | 1.157        | 1.238        | 1.166        | 1.168        |
| Building material and supplies wholesaler-distributors   | 0.722        | 0.735        | 0.854        | 1.003        | 0.961        |
| Machinery, equipment and supplies wholesaler-distributors  | 1.198        | 1.088        | 1.052        | 0.936        | 0.843        |
| Other wholesale  | 1.433        | 1.145        | 1.290        | 1.123        | 0.987        |
| Motor vehicle and parts dealers  | 3.319        | 2.881        | 3.138        | 2.867        | 2.836        |
| Furniture and home furnishing stores and electronic and appliance stores                               | 0.986        | 0.990        | 1.281        | 1.226        | 1.633        |
| Building material and garden equipment and supplies dealers  | 1.277        | 1.276        | 1.385        | 1.385        | 1.139        |
| Food and beverage stores   | 1.187        | 0.965        | 1.280        | 1.419        | 1.043        |
| Clothing and clothing accessories stores   | 1.040        | 1.085        | 1.071        | 1.140        | 1.381        |
| General merchandise stores   | 0.915        | 0.625        | 0.583        | 0.687        | 0.603        |
| Other retail   | 1.623        | 1.264        | 1.358        | 1.343        | 1.197        |
| Transportation and warehousing   | 1.627        | 1.567        | 1.415        | 1.694        | 1.617        |
| Telecommunications   | 1.256        | 1.212        | 1.353        | 1.343        | 2.367        |
| Publishing and broadcasting  | 1.236        | 0.831        | 0.628        | 0.908        | 1.061        |
| Real estate  | 2.181        | 1.899        | 2.505        | 2.353        | 1.834        |
| Other rental companies   | 1.901        | 1.887        | 2.578        | 2.606        | 2.543        |
| Professional, scientific and technical services (except computer systems design)                       | 0.654        | 0.679        | 0.969        | 0.923        | 0.790        |
| Computer systems design and related services   | 0.680        | 0.913        | 0.631        | 0.790        | 0.977        |
| Management of companies and enterprises  | 0.414        | 0.357        | 0.313        | 0.354        | 0.372        |

**Note:** Debt to Equity = (short-term loans + long-term loans + debt) / (shareholders' equity)

Table 1-8

## Total assets by industries

| Industry   | 1998                | 1999             | 2000             | 2001             | 2002             |
|--|---------------------|------------------|------------------|------------------|------------------|
|  | millions of dollars |                  |                  |                  |                  |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..                  | <b>3,634,011</b> | <b>3,967,206</b> | <b>4,202,856</b> | <b>4,394,799</b> |
| <b>Total finance and insurance industries</b>  | ..                  | <b>1,827,043</b> | <b>1,904,239</b> | <b>2,014,993</b> | <b>2,108,979</b> |
| Banking and other depository credit intermediation   | ..                  | 1,099,302        | 1,159,218        | 1,248,191        | 1,290,524        |
| Credit unions  | ..                  | 147,033          | 156,470          | 151,962          | 163,487          |
| Non-depository credit intermediation   | ..                  | 152,155          | 159,121          | 161,901          | 171,378          |
| Direct life, health and medical insurance carriers   | ..                  | 175,487          | 182,632          | 194,355          | 210,939          |
| Direct insurance (except life, health and medical) carriers  | ..                  | 64,761           | 65,084           | 67,724           | 75,800           |
| Reinsurance carriers   | ..                  | 11,859           | 13,856           | 15,934           | 17,469           |
| Loan brokers and other financial investment  | ..                  | 170,043          | 161,592          | 168,357          | 171,906          |
| Agencies, brokerages and other insurance related activities  | ..                  | 6,404            | 6,266            | 6,570            | 7,476            |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | <b>1,670,029</b>    | <b>1,806,968</b> | <b>2,062,967</b> | <b>2,187,863</b> | <b>2,285,821</b> |
| Agriculture, forestry, fishing and hunting   | 38,916              | 42,785           | 45,935           | 49,977           | 53,858           |
| Oil and gas extraction and coal mining   | 109,260             | 120,026          | 157,953          | 192,859          | 210,247          |
| Mining (except oil, gas and coal)  | 77,862              | 79,733           | 82,839           | 95,208           | 101,204          |
| Utilities  | 152,918             | 145,453          | 176,980          | 183,059          | 185,346          |
| Construction   | 79,831              | 86,322           | 90,110           | 94,791           | 101,248          |
| Food manufacturing   | 32,593              | 34,554           | 37,649           | 42,358           | 45,190           |
| Beverage and tobacco product manufacturing   | 17,848              | 32,355           | 37,512           | 41,425           | 39,738           |
| Clothing, textile and leather manufacturing  | 12,921              | 11,206           | 11,652           | 12,344           | 12,489           |
| Wood and paper manufacturing   | 77,471              | 79,483           | 84,631           | 79,744           | 80,793           |
| Printing and related support activities  | 9,139               | 8,942            | 10,354           | 10,261           | 10,754           |
| Petroleum and coal products manufacturing  | 29,100              | 32,565           | 35,975           | 37,242           | 41,822           |
| Chemicals, plastic and rubber manufacturing  | 57,986              | 67,873           | 76,220           | 78,704           | 80,310           |
| Non-metallic mineral product manufacturing   | 11,065              | 12,075           | 13,173           | 12,879           | 14,256           |
| Primary metal manufacturing  | 37,769              | 43,200           | 49,309           | 51,691           | 53,059           |
| Fabricated metal product manufacturing   | 19,014              | 19,991           | 20,724           | 21,655           | 22,418           |
| Machinery manufacturing  | 17,914              | 19,304           | 21,973           | 21,965           | 23,470           |
| Computer and electronic product manufacturing  | 42,677              | 52,170           | 74,823           | 71,283           | 66,692           |
| Electrical equipment, appliance and component manufacturing  | 8,863               | 9,520            | 11,289           | 11,597           | 11,028           |
| Motor vehicles and parts manufacturing   | 52,265              | 62,645           | 74,312           | 78,710           | 80,278           |
| Other transportation equipment manufacturing   | 13,453              | 15,080           | 17,085           | 19,496           | 23,576           |
| Furniture and related product manufacturing  | 5,450               | 6,827            | 7,745            | 8,092            | 9,709            |
| Miscellaneous manufacturing  | 5,324               | 5,199            | 5,818            | 5,741            | 6,428            |
| Wholesale food, beverage and tobacco   | 21,030              | 26,121           | 26,439           | 28,584           | 26,940           |
| Petroleum product wholesaler-distributors  | 5,335               | 4,862            | 5,098            | 5,631            | 6,586            |
| Motor vehicle and parts wholesaler-distributors  | 9,808               | 10,976           | 12,398           | 11,991           | 13,691           |
| Building material and supplies wholesaler-distributors   | 22,767              | 23,019           | 25,706           | 21,439           | 21,953           |
| Machinery, equipment and supplies wholesaler-distributors  | 33,050              | 35,833           | 39,568           | 41,038           | 41,475           |
| Other wholesale  | 38,178              | 41,137           | 51,734           | 52,500           | 55,092           |
| Motor vehicle and parts dealers  | 21,562              | 22,514           | 24,890           | 24,974           | 28,409           |
| Furniture and home furnishing stores and electronic and appliance stores                               | 6,991               | 7,903            | 8,476            | 8,764            | 10,372           |
| Building material and garden equipment and supplies dealers  | 6,307               | 6,726            | 7,155            | 8,469            | 9,576            |
| Food and beverage stores   | 17,996              | 19,972           | 22,365           | 23,877           | 29,056           |
| Clothing and clothing accessories stores   | 7,129               | 7,618            | 8,955            | 10,093           | 10,108           |
| General merchandise stores   | 16,906              | 17,458           | 17,620           | 19,234           | 19,938           |
| Other retail   | 17,465              | 19,631           | 21,221           | 21,442           | 22,277           |
| Transportation and warehousing   | 99,034              | 103,227          | 117,649          | 121,836          | 125,266          |
| Telecommunications   | 67,052              | 76,375           | 102,599          | 112,336          | 97,828           |
| Publishing and broadcasting  | 41,323              | 47,566           | 52,517           | 57,293           | 66,314           |
| Real estate  | 120,450             | 152,318          | 142,148          | 150,099          | 161,600          |
| Other rental companies   | 38,541              | 21,095           | 36,003           | 35,073           | 37,126           |
| Professional, scientific and technical services (except computer systems design)                       | 42,329              | 42,948           | 53,517           | 58,341           | 63,557           |
| Computer systems design and related services   | 10,035              | 12,325           | 19,047           | 20,900           | 20,142           |
| Management of companies and enterprises  | 312,301             | 311,295          | 367,694          | 386,398          | 414,882          |

Note: Figures may not add up due to rounding.

Table 1-9

## Corporate income taxes paid by industries

| Industry   | 1998                | 1999 | 2000          | 2001          | 2002          |
|--|---------------------|------|---------------|---------------|---------------|
|  | millions of dollars |      |               |               |               |
| <b>Total all industries (excluding the management of companies and enterprises industry)</b>           | ..                  | ..   | <b>39,533</b> | <b>35,769</b> | <b>35,235</b> |
| <b>Total finance and insurance industries</b>  | ..                  | ..   | <b>8,286</b>  | <b>7,390</b>  | <b>6,789</b>  |
| Banking and other depository credit intermediation   | ..                  | ..   | 3,562         | 2,857         | 2,680         |
| Credit unions  | ..                  | ..   | 158           | 325           | 325           |
| Non-depository credit intermediation   | ..                  | ..   | 616           | 595           | 714           |
| Direct life, health and medical insurance carriers   | ..                  | ..   | 560           | 305           | 391           |
| Direct insurance (except life, health and medical) carriers  | ..                  | ..   | 353           | 239           | 224           |
| Reinsurance carriers   | ..                  | ..   | 49            | 55            | 32            |
| Loan brokers and other financial investment  | ..                  | ..   | 2,818         | 2,818         | 2,198         |
| Agencies, brokerages and other insurance related activities  | ..                  | ..   | 170           | 196           | 225           |
| <b>Total non-financial industries (excluding the management of companies and enterprises industry)</b> | ..                  | ..   | <b>31,247</b> | <b>28,379</b> | <b>28,445</b> |
| Agriculture, forestry, fishing and hunting   | ..                  | ..   | 515           | 475           | 528           |
| Oil and gas extraction and coal mining   | ..                  | ..   | 584           | 1,131         | 1,326         |
| Mining (except oil, gas and coal)  | ..                  | ..   | 745           | 582           | 557           |
| Utilities  | ..                  | ..   | 586           | 311           | 806           |
| Construction   | ..                  | ..   | 1,612         | 1,379         | 1,395         |
| Food manufacturing   | ..                  | ..   | 692           | 630           | 743           |
| Beverage and tobacco product manufacturing   | ..                  | ..   | 477           | 525           | 578           |
| Clothing, textile and leather manufacturing  | ..                  | ..   | 247           | 235           | 227           |
| Wood and paper manufacturing   | ..                  | ..   | 849           | 872           | 760           |
| Printing and related support activities  | ..                  | ..   | 192           | 145           | 160           |
| Petroleum and coal products manufacturing  | ..                  | ..   | 1,443         | 2,023         | 1,777         |
| Chemicals, plastic and rubber manufacturing  | ..                  | ..   | 1,791         | 1,648         | 1,490         |
| Non-metallic mineral product manufacturing   | ..                  | ..   | 368           | 381           | 384           |
| Primary metal manufacturing  | ..                  | ..   | 538           | 294           | 361           |
| Fabricated metal product manufacturing   | ..                  | ..   | 644           | 531           | 522           |
| Machinery manufacturing  | ..                  | ..   | 520           | 461           | 458           |
| Computer and electronic product manufacturing  | ..                  | ..   | 1,173         | 614           | 364           |
| Electrical equipment, appliance and component manufacturing  | ..                  | ..   | 505           | 338           | 185           |
| Motor vehicles and parts manufacturing   | ..                  | ..   | 2,560         | 1,989         | 1,782         |
| Other transportation equipment manufacturing   | ..                  | ..   | 236           | 258           | 206           |
| Furniture and related product manufacturing  | ..                  | ..   | 308           | 303           | 270           |
| Miscellaneous manufacturing  | ..                  | ..   | 165           | 138           | 142           |
| Wholesale food, beverage and tobacco   | ..                  | ..   | 385           | 347           | 331           |
| Petroleum product wholesaler-distributors  | ..                  | ..   | 66            | 69            | 52            |
| Motor vehicle and parts wholesaler-distributors  | ..                  | ..   | 221           | 250           | 264           |
| Building material and supplies wholesaler-distributors   | ..                  | ..   | 441           | 401           | 411           |
| Machinery, equipment and supplies wholesaler-distributors  | ..                  | ..   | 1,077         | 930           | 768           |
| Other wholesale  | ..                  | ..   | 1,114         | 1,156         | 1,176         |
| Motor vehicle and parts dealers  | ..                  | ..   | 200           | 178           | 222           |
| Furniture and home furnishing stores and electronic and appliance stores                               | ..                  | ..   | 181           | 179           | 155           |
| Building material and garden equipment and supplies dealers  | ..                  | ..   | 76            | 154           | 182           |
| Food and beverage stores   | ..                  | ..   | 218           | 419           | 561           |
| Clothing and clothing accessories stores   | ..                  | ..   | 252           | 206           | 190           |
| General merchandise stores   | ..                  | ..   | 367           | 375           | 324           |
| Other retail   | ..                  | ..   | 480           | 440           | 385           |
| Transportation and warehousing   | ..                  | ..   | 1,036         | 767           | 1,066         |
| Telecommunications   | ..                  | ..   | 1,083         | 1,068         | 1,092         |
| Publishing and broadcasting  | ..                  | ..   | 1,476         | 624           | 650           |
| Real estate  | ..                  | ..   | 1,368         | 1,211         | 1,334         |
| Other rental companies   | ..                  | ..   | 302           | 246           | 235           |
| Professional, scientific and technical services (except computer systems design)                       | ..                  | ..   | 1,662         | 1,530         | 1,453         |
| Computer systems design and related services   | ..                  | ..   | 424           | 487           | 459           |
| Management of companies and enterprises  | ..                  | ..   | 2,547         | 2,391         | 1,580         |

Note: Figures may not add up due to rounding.



Table 2-1

**Total all industries (excluding the management of companies and enterprises industry) - Balance sheet and income statement**

|   | 1998                | 1999             | 2000             | 2001             | 2002             |
|---|---------------------|------------------|------------------|------------------|------------------|
| <b>Balance sheet</b>                          |                     |                  |                  |                  |                  |
|   | millions of dollars |                  |                  |                  |                  |
| <b>Assets</b>                                 | ..                  | <b>3,634,011</b> | <b>3,967,206</b> | <b>4,202,856</b> | <b>4,394,799</b> |
| Cash and deposits                             | ..                  | 196,723          | 187,695          | 193,243          | 194,527          |
| Accounts receivable and accrued revenue       | ..                  | 285,920          | 319,940          | 319,750          | 324,953          |
| Inventories                                   | ..                  | 186,799          | 204,575          | 205,086          | 214,849          |
| Investments                                   | ..                  | 977,480          | 1,133,531        | 1,237,478        | 1,326,902        |
| Investments and accounts with affiliates      | ..                  | 464,724          | 569,110          | 624,947          | 672,619          |
| Portfolio investments                         | ..                  | 512,755          | 564,421          | 612,531          | 654,283          |
| Loans   | ..                  | 900,826          | 946,855          | 999,062          | 1,048,627        |
| Mortgages                                     | ..                  | 415,527          | 438,571          | 468,310          | 494,785          |
| Non-mortgages                                 | ..                  | 485,299          | 508,284          | 530,753          | 553,843          |
| Bank customers' liabilities under acceptances | ..                  | 48,577           | 53,362           | 45,634           | 38,860           |
| Capital assets, net                           | ..                  | 807,540          | 869,259          | 927,105          | 949,715          |
| Other assets                                  | ..                  | 230,146          | 251,988          | 275,497          | 296,366          |
| <b>Liabilities</b>                            | ..                  | <b>2,714,768</b> | <b>2,992,080</b> | <b>3,166,453</b> | <b>3,302,248</b> |
| Accounts payable and accrued liabilities      | ..                  | 346,299          | 390,049          | 394,833          | 414,741          |
| Loans and accounts with affiliates            | ..                  | 328,618          | 402,934          | 456,062          | 503,424          |
| Borrowings                                    | ..                  | 646,823          | 698,518          | 745,883          | 747,778          |
| Loans and overdrafts                          | ..                  | 237,558          | 239,487          | 248,528          | 253,613          |
| From banks                                    | ..                  | 161,846          | 160,678          | 166,967          | 176,084          |
| From others                                   | ..                  | 75,712           | 78,809           | 81,561           | 77,529           |
| Bankers' acceptances and paper                | ..                  | 75,374           | 102,633          | 71,490           | 69,565           |
| Bonds and debentures                          | ..                  | 218,213          | 237,692          | 300,693          | 303,032          |
| Mortgages                                     | ..                  | 115,679          | 118,706          | 125,172          | 121,568          |
| Deferred income tax                           | ..                  | 40,011           | 61,922           | 64,697           | 65,643           |
| Bank customers' liabilities under acceptances | ..                  | 48,577           | 53,362           | 45,634           | 38,777           |
| Other liabilities                             | ..                  | 1,304,439        | 1,385,295        | 1,459,343        | 1,531,886        |
| <b>Equity</b>                                 | ..                  | <b>919,243</b>   | <b>975,126</b>   | <b>1,036,402</b> | <b>1,092,552</b> |
| Share capital                                 | ..                  | 477,825          | 538,870          | 555,761          | 598,213          |
| Contributed surplus and other                 | ..                  | 86,103           | 102,568          | 128,882          | 131,221          |
| Retained earnings                             | ..                  | 355,314          | 333,687          | 351,759          | 363,119          |
| <b>Income statement</b>                       |                     |                  |                  |                  |                  |
| <b>Operating revenue</b>                      | ..                  | <b>2,043,583</b> | <b>2,306,985</b> | <b>2,408,182</b> | <b>2,434,224</b> |
| Sales of goods and services                   | ..                  | 1,879,500        | 2,124,645        | 2,225,648        | 2,264,175        |
| Interest and dividend revenue (operating)     | ..                  | 99,103           | 106,734          | 105,910          | 92,277           |
| Other operating revenue                       | ..                  | 64,980           | 75,606           | 76,624           | 77,772           |
| <b>Operating expenses</b>                     | ..                  | <b>1,883,362</b> | <b>2,114,772</b> | <b>2,237,125</b> | <b>2,261,493</b> |
| Purchased goods, materials and service        | ..                  | 1,362,904        | 1,572,223        | 1,690,143        | 1,726,454        |
| Wages, salaries and employee benefits         | ..                  | 340,743          | 356,645          | 363,061          | 364,620          |
| Indirect taxes                                | ..                  | 23,625           | 25,106           | 21,266           | 17,999           |
| Depreciation, depletion and amortization      | ..                  | 82,333           | 91,101           | 96,323           | 96,178           |
| Interest expense (operating)                  | ..                  | 33,032           | 37,149           | 34,843           | 22,373           |
| Other operating expenses                      | ..                  | 40,725           | 32,548           | 31,489           | 33,869           |
| <b>Operating profit/loss</b>                  | ..                  | <b>160,221</b>   | <b>192,213</b>   | <b>171,057</b>   | <b>172,731</b>   |
| Interest and dividend revenue                 | ..                  | 18,586           | 19,153           | 20,004           | 18,578           |
| Interest expense on borrowing                 | ..                  | 58,322           | 67,925           | 72,367           | 66,545           |
| Gains/losses                                  | ..                  | 4,921            | 7,660            | 268              | -19,327          |
| <b>Profit before income tax</b>               | ..                  | <b>125,406</b>   | <b>151,102</b>   | <b>118,962</b>   | <b>105,437</b>   |
| Income tax                                    | ..                  | 39,708           | 48,166           | 37,673           | 36,695           |
| Equity in affiliates' earnings                | ..                  | 9,787            | 7,610            | 10,524           | 9,100            |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>95,485</b>    | <b>110,546</b>   | <b>91,813</b>    | <b>77,842</b>    |
| Extraordinary gains                           | ..                  | -290             | -474             | -262             | -57              |
| <b>Net profit</b>                             | ..                  | <b>95,195</b>    | <b>110,072</b>   | <b>91,551</b>    | <b>77,786</b>    |

Table 2-2

## Total all industries (excluding the management of companies and enterprises industry) - Reconciliation of profit

|   | 1998                | 1999 | 2000           | 2001           | 2002           |
|---|---------------------|------|----------------|----------------|----------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |                |                |                |
|   | millions of dollars |      |                |                |                |
| <b>Net profit</b>   | ..                  | ..   | <b>110,072</b> | <b>91,551</b>  | <b>77,786</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | 778            | 4,650          | -7,398         |
| Plus: conceptual adjustments  | ..                  | ..   | -4,052         | -714           | 112            |
| Plus: current taxes, including mining                               | ..                  | ..   | 38,596         | 33,606         | 34,957         |
| Plus: deferred income taxes   | ..                  | ..   | 5,418          | 4,786          | 2,916          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 17,589         | 17,600         | 19,813         |
| Deductible dividends  | ..                  | ..   | 32,055         | 42,173         | 39,241         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>101,169</b> | <b>74,105</b>  | <b>49,319</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |                |                |                |
| Book capital gains and losses                                       | ..                  | ..   | 14,507         | 11,163         | 8,174          |
| Less: taxable capital gains   | ..                  | ..   | 11,627         | 8,967          | 6,492          |
| Net difference, capital gains and losses                            | ..                  | ..   | 2,880          | 2,196          | 1,683          |
| Resource allowance  | ..                  | ..   | 4,186          | 6,674          | 7,421          |
| Less: royalties   | ..                  | ..   | 2,630          | 3,619          | 3,291          |
| Net difference, resource allowance                                  | ..                  | ..   | 1,555          | 3,055          | 4,130          |
| Earned depletion allowance  | ..                  | ..   | 35             | 107            | 112            |
| Other exemptions and deductions                                     | ..                  | ..   | 734            | -214           | -6,919         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>5,204</b>   | <b>5,143</b>   | <b>-995</b>    |
| <b>Timing differences:</b>  |                     |      |                |                |                |
| Depreciation  | ..                  | ..   | 75,592         | 68,262         | 73,832         |
| Less: capital cost allowance  | ..                  | ..   | 82,931         | 69,731         | 73,950         |
| Net difference, depreciation  | ..                  | ..   | -7,339         | -1,469         | -117           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 3,587          | 5,463          | 6,518          |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 7,375          | 9,807          | 11,179         |
| Net difference, natural resources expenses                          | ..                  | ..   | -3,788         | -4,344         | -4,661         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 311            | 331            | -55            |
| Other timing differences  | ..                  | ..   | 2,846          | 13,759         | 29,406         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-7,970</b>  | <b>8,276</b>   | <b>24,573</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>87,995</b>  | <b>77,238</b>  | <b>74,887</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 35,958         | 40,667         | 44,721         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>123,953</b> | <b>117,905</b> | <b>119,608</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 15,253         | 16,548         | 17,016         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>108,700</b> | <b>101,357</b> | <b>102,593</b> |
| <b>Taxes:</b>   |                     |      |                |                |                |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 42,396         | 39,923         | 40,916         |
| Corporate surtax  | ..                  | ..   | 1,190          | 1,118          | 1,154          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |                |                |                |
| Federal tax abatement   | ..                  | ..   | 10,828         | 10,256         | 10,487         |
| Small business deduction  | ..                  | ..   | 3,497          | 3,786          | 4,289          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 2,241          | 1,799          | 1,708          |
| Investment tax credit   | ..                  | ..   | 1,924          | 1,491          | 1,504          |
| Other federal tax credits   | ..                  | ..   | 944            | 1,031          | 1,487          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>24,150</b>  | <b>22,678</b>  | <b>22,595</b>  |
| Other direct federal taxes  | ..                  | ..   | 2,674          | 1,581          | 1,548          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>26,824</b>  | <b>24,259</b>  | <b>24,143</b>  |
| Provincial income taxes   | ..                  | ..   | 12,709         | 11,510         | 11,092         |
| <b>Total taxes</b>  | ..                  | ..   | <b>39,533</b>  | <b>35,769</b>  | <b>35,235</b>  |



Table 2-3

## Total all industries (excluding the management of companies and enterprises industry) - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 1.061 | 1.130             | 1.160 | 1.145 |
| Profit margin (percent)                          | ..   | 7.8   | 8.3               | 7.1   | 7.1   |
| Return on equity (percent)                       | ..   | 10.4  | 11.3              | 8.9   | 7.1   |
| Return on capital employed (percent)             | ..   | 7.3   | 7.8               | 6.6   | 5.5   |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | 27.5              | 25.7  | 26.0  |
| Income taxes to taxable income (percent)         | ..   | ..    | 33.9              | 33.7  | 32.8  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 12.9              | 4.4   | 1.1   |
| Operating expenses, year-over-year change        | ..   | ..    | 12.3              | 5.8   | 1.1   |
| Operating profit, year-over-year change          | ..   | ..    | 20.0              | -11.0 | 1.0   |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | -6.8  | 1.2   |
| Taxes, year-over-year change                     | ..   | ..    | ..                | -9.5  | -1.5  |

Table 3-1

## Total finance and insurance industries - Balance sheet and income statement

|   | 1998                | 1999             | 2000             | 2001             | 2002             |
|---|---------------------|------------------|------------------|------------------|------------------|
| <b>Balance sheet</b>                          |                     |                  |                  |                  |                  |
|   | millions of dollars |                  |                  |                  |                  |
| <b>Assets</b>                                 | ..                  | <b>1,827,043</b> | <b>1,904,239</b> | <b>2,014,993</b> | <b>2,108,979</b> |
| Cash and deposits                             | ..                  | 94,227           | 86,436           | 81,451           | 76,428           |
| Accounts receivable and accrued revenue       | ..                  | 48,531           | 46,261           | 45,947           | 46,649           |
| Inventories                                   | ..                  | 1,200            | 1,164            | 1,166            | 996              |
| Investments                                   | ..                  | 620,687          | 663,452          | 728,594          | 782,796          |
| Investments and accounts with affiliates      | ..                  | 160,817          | 164,884          | 186,953          | 206,261          |
| Portfolio investments                         | ..                  | 459,870          | 498,569          | 541,641          | 576,535          |
| Loans   | ..                  | 861,493          | 919,082          | 969,087          | 1,018,100        |
| Mortgages                                     | ..                  | 399,530          | 429,142          | 458,855          | 485,665          |
| Non-mortgages                                 | ..                  | 461,963          | 489,940          | 510,231          | 532,435          |
| Bank customers' liabilities under acceptances | ..                  | 48,577           | 53,362           | 45,634           | 38,860           |
| Capital assets, net                           | ..                  | 44,710           | 42,037           | 41,171           | 42,680           |
| Other assets                                  | ..                  | 107,619          | 92,446           | 101,943          | 102,471          |
| <b>Liabilities</b>                            | ..                  | <b>1,592,038</b> | <b>1,666,469</b> | <b>1,756,586</b> | <b>1,839,770</b> |
| Accounts payable and accrued liabilities      | ..                  | 75,752           | 79,834           | 82,925           | 89,745           |
| Loans and accounts with affiliates            | ..                  | 103,153          | 103,415          | 113,582          | 118,737          |
| Borrowings                                    | ..                  | 159,969          | 151,442          | 152,213          | 157,923          |
| Loans and overdrafts                          | ..                  | 36,853           | 31,915           | 23,271           | 24,782           |
| From banks                                    | ..                  | 16,927           | 15,777           | 12,719           | 13,788           |
| From others                                   | ..                  | 19,926           | 16,138           | 10,553           | 10,994           |
| Bankers' acceptances and paper                | ..                  | 34,131           | 30,448           | 27,435           | 27,424           |
| Bonds and debentures                          | ..                  | 78,152           | 79,884           | 93,909           | 99,390           |
| Mortgages                                     | ..                  | 10,832           | 9,195            | 7,598            | 6,327            |
| Deferred income tax                           | ..                  | 842              | 5,172            | 4,705            | 4,226            |
| Bank customers' liabilities under acceptances | ..                  | 48,577           | 53,362           | 45,634           | 38,777           |
| Other liabilities                             | ..                  | 1,203,744        | 1,273,245        | 1,357,526        | 1,430,363        |
| <b>Equity</b>                                 | ..                  | <b>235,005</b>   | <b>237,770</b>   | <b>258,407</b>   | <b>269,208</b>   |
| Share capital                                 | ..                  | 95,536           | 94,856           | 102,386          | 113,676          |
| Contributed surplus and other                 | ..                  | 24,189           | 28,908           | 33,948           | 26,273           |
| Retained earnings                             | ..                  | 115,280          | 114,006          | 122,072          | 129,260          |
| <b>Income statement</b>                       |                     |                  |                  |                  |                  |
| <b>Operating revenue</b>                      | ..                  | <b>208,003</b>   | <b>232,115</b>   | <b>235,371</b>   | <b>223,870</b>   |
| Sales of goods and services                   | ..                  | 90,956           | 103,163          | 110,429          | 114,591          |
| Interest and dividend revenue (operating)     | ..                  | 99,103           | 106,734          | 105,910          | 92,277           |
| Other operating revenue                       | ..                  | 17,944           | 22,219           | 19,032           | 17,002           |
| <b>Operating expenses</b>                     | ..                  | <b>165,590</b>   | <b>184,475</b>   | <b>192,523</b>   | <b>185,140</b>   |
| Purchased goods, materials and service        | ..                  | 80,442           | 101,067          | 112,760          | 120,077          |
| Wages, salaries and employee benefits         | ..                  | 27,596           | 30,823           | 32,773           | 32,800           |
| Indirect taxes                                | ..                  | 3,256            | 5,638            | 3,140            | 1,761            |
| Depreciation, depletion and amortization      | ..                  | 5,055            | 5,160            | 6,867            | 6,427            |
| Interest expense (operating)                  | ..                  | 33,032           | 37,149           | 34,843           | 22,373           |
| Other operating expenses                      | ..                  | 16,209           | 4,639            | 2,139            | 1,702            |
| <b>Operating profit/loss</b>                  | ..                  | <b>42,413</b>    | <b>47,641</b>    | <b>42,848</b>    | <b>38,730</b>    |
| Interest and dividend revenue                 | ..                  | 384              | 314              | 173              | 138              |
| Interest expense on borrowing                 | ..                  | 15,087           | 16,928           | 16,325           | 12,736           |
| Gains/losses                                  | ..                  | -525             | -589             | 43               | -1,629           |
| <b>Profit before income tax</b>               | ..                  | <b>27,186</b>    | <b>30,437</b>    | <b>26,739</b>    | <b>24,503</b>    |
| Income tax                                    | ..                  | 6,983            | 7,503            | 6,391            | 4,957            |
| Equity in affiliates' earnings                | ..                  | 2,632            | 2,492            | 2,660            | 1,825            |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>22,835</b>    | <b>25,425</b>    | <b>23,009</b>    | <b>21,371</b>    |
| Extraordinary gains                           | ..                  | -153             | -10              | -55              | 1                |
| <b>Net profit</b>                             | ..                  | <b>22,682</b>    | <b>25,415</b>    | <b>22,954</b>    | <b>21,372</b>    |

Table 3-2

## Total finance and insurance industries - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001          | 2002          |
|---|---------------------|------|---------------|---------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |               |               |
|   | millions of dollars |      |               |               |               |
| <b>Net profit</b>   | ..                  | ..   | <b>25,415</b> | <b>22,954</b> | <b>21,372</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -27           | 286           | 348           |
| Plus: conceptual adjustments  | ..                  | ..   | 1,154         | 5,522         | 1,898         |
| Plus: current taxes, including mining                               | ..                  | ..   | 8,006         | 7,563         | 6,502         |
| Plus: deferred income taxes   | ..                  | ..   | 182           | 173           | 1,186         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 5,964         | 5,256         | 5,368         |
| Deductible dividends  | ..                  | ..   | 11,110        | 15,465        | 15,353        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>17,656</b> | <b>15,778</b> | <b>10,585</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |               |               |
| Book capital gains and losses                                       | ..                  | ..   | 4,673         | 5,206         | 2,302         |
| Less: taxable capital gains   | ..                  | ..   | 3,821         | 3,648         | 1,780         |
| Net difference, capital gains and losses                            | ..                  | ..   | 851           | 1,558         | 522           |
| Resource allowance  | ..                  | ..   | 137           | 79            | 64            |
| Less: royalties   | ..                  | ..   | 130           | 73            | 65            |
| Net difference, resource allowance                                  | ..                  | ..   | 8             | 6             | -1            |
| Earned depletion allowance  | ..                  | ..   | ..            | ..            | ..            |
| Other exemptions and deductions                                     | ..                  | ..   | 83            | 80            | -260          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>942</b>    | <b>1,643</b>  | <b>262</b>    |
| <b>Timing differences:</b>  |                     |      |               |               |               |
| Depreciation  | ..                  | ..   | 8,469         | 5,186         | 5,789         |
| Less: capital cost allowance  | ..                  | ..   | 11,371        | 8,394         | 8,484         |
| Net difference, depreciation  | ..                  | ..   | -2,902        | -3,208        | -2,695        |
| Natural resources expenses, (books)                                 | ..                  | ..   | 253           | 56            | 63            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 271           | 73            | 80            |
| Net difference, natural resources expenses                          | ..                  | ..   | -18           | -16           | -18           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 130           | 63            | -95           |
| Other timing differences  | ..                  | ..   | 2,288         | 4,086         | 7,006         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-502</b>   | <b>925</b>    | <b>4,198</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>16,212</b> | <b>15,059</b> | <b>14,522</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 4,297         | 3,737         | 4,039         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>20,509</b> | <b>18,796</b> | <b>18,560</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 1,259         | 2,788         | 3,131         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>19,250</b> | <b>16,008</b> | <b>15,429</b> |
| <b>Taxes:</b>   |                     |      |               |               |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 7,620         | 6,668         | 6,374         |
| Corporate surtax  | ..                  | ..   | 214           | 182           | 181           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |               |               |
| Federal tax abatement   | ..                  | ..   | 1,810         | 1,639         | 1,570         |
| Small business deduction  | ..                  | ..   | 176           | 180           | 247           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 9             | 13            | 9             |
| Investment tax credit   | ..                  | ..   | 10            | 14            | 15            |
| Other federal tax credits   | ..                  | ..   | 734           | 506           | 496           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>5,095</b>  | <b>4,497</b>  | <b>4,218</b>  |
| Other direct federal taxes  | ..                  | ..   | 804           | 790           | 670           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>5,898</b>  | <b>5,287</b>  | <b>4,888</b>  |
| Provincial income taxes   | ..                  | ..   | 2,388         | 2,103         | 1,901         |
| <b>Total taxes</b>  | ..                  | ..   | <b>8,286</b>  | <b>7,390</b>  | <b>6,789</b>  |

Table 3-3

## Total finance and insurance industries - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 1.120 | 1.072             | 1.029 | 1.028 |
| Profit margin (percent)                          | ..   | 20.4  | 20.5              | 18.2  | 17.3  |
| Return on equity (percent)                       | ..   | 9.7   | 10.7              | 8.9   | 7.9   |
| Return on capital employed (percent)             | ..   | 6.8   | 7.8               | 6.9   | 5.7   |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | 34.8              | 28.6  | 29.6  |
| Income taxes to taxable income (percent)         | ..   | ..    | 38.9              | 41.2  | 39.7  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 11.6              | 1.4   | -4.9  |
| Operating expenses, year-over-year change        | ..   | ..    | 11.4              | 4.4   | -3.8  |
| Operating profit, year-over-year change          | ..   | ..    | 12.3              | -10.1 | -9.6  |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | -16.8 | -3.6  |
| Taxes, year-over-year change                     | ..   | ..    | ..                | -10.8 | -8.1  |

Table 4-1

**Total non-financial industries (excluding the management of companies and enterprises industry) - Balance sheet and income statement**

|   | 1998                | 1999             | 2000             | 2001             | 2002             |
|---|---------------------|------------------|------------------|------------------|------------------|
| <b>Balance sheet</b>                          |                     |                  |                  |                  |                  |
|   | millions of dollars |                  |                  |                  |                  |
| <b>Assets</b>                                 | <b>1,670,029</b>    | <b>1,806,968</b> | <b>2,062,967</b> | <b>2,187,863</b> | <b>2,285,821</b> |
| Cash and deposits                             | 69,821              | 102,496          | 101,259          | 111,792          | 118,099          |
| Accounts receivable and accrued revenue       | 217,337             | 237,389          | 273,680          | 273,803          | 278,304          |
| Inventories                                   | 172,901             | 185,599          | 203,411          | 203,920          | 213,854          |
| Investments                                   | 332,902             | 356,793          | 470,079          | 508,883          | 544,107          |
| Investments and accounts with affiliates      | 247,700             | 303,908          | 404,226          | 437,994          | 466,358          |
| Portfolio investments                         | 85,202              | 52,886           | 65,852           | 70,890           | 77,748           |
| Loans   | 28,989              | 39,333           | 27,774           | 29,976           | 30,527           |
| Mortgages                                     | 6,006               | 15,996           | 9,429            | 9,455            | 9,120            |
| Non-mortgages                                 | 22,983              | 23,337           | 18,344           | 20,521           | 21,408           |
| Bank customers' liabilities under acceptances | ..                  | ..               | ..               | ..               | ..               |
| Capital assets, net                           | 728,910             | 762,830          | 827,222          | 885,935          | 907,035          |
| Other assets                                  | 119,167             | 122,527          | 159,541          | 173,554          | 193,895          |
| <b>Liabilities</b>                            | <b>1,077,761</b>    | <b>1,122,730</b> | <b>1,325,611</b> | <b>1,409,867</b> | <b>1,462,477</b> |
| Accounts payable and accrued liabilities      | 238,389             | 270,547          | 310,215          | 311,908          | 324,996          |
| Loans and accounts with affiliates            | 202,208             | 225,465          | 299,519          | 342,480          | 384,687          |
| Borrowings                                    | 503,469             | 486,854          | 547,076          | 593,669          | 589,855          |
| Loans and overdrafts                          | 165,489             | 200,705          | 207,572          | 225,256          | 228,830          |
| From banks                                    | 118,535             | 144,919          | 144,901          | 154,248          | 162,296          |
| From others                                   | 46,954              | 55,786           | 62,671           | 71,008           | 66,534           |
| Bankers' acceptances and paper                | 45,678              | 41,242           | 72,185           | 44,055           | 42,140           |
| Bonds and debentures                          | 132,957             | 140,061          | 157,807          | 206,784          | 203,642          |
| Mortgages                                     | 159,346             | 104,847          | 109,512          | 117,574          | 115,241          |
| Deferred income tax                           | 33,707              | 39,169           | 56,750           | 59,992           | 61,417           |
| Bank customers' liabilities under acceptances | ..                  | ..               | ..               | ..               | ..               |
| Other liabilities                             | 99,993              | 100,695          | 112,051          | 101,817          | 101,522          |
| <b>Equity</b>                                 | <b>592,270</b>      | <b>684,238</b>   | <b>737,356</b>   | <b>777,996</b>   | <b>823,344</b>   |
| Share capital                                 | 322,758             | 382,289          | 444,015          | 453,375          | 484,537          |
| Contributed surplus and other                 | 50,776              | 61,915           | 73,660           | 94,934           | 104,948          |
| Retained earnings                             | 218,735             | 240,034          | 219,681          | 229,687          | 233,859          |
| <b>Income statement</b>                       |                     |                  |                  |                  |                  |
| <b>Operating revenue</b>                      | <b>1,681,550</b>    | <b>1,835,580</b> | <b>2,074,869</b> | <b>2,172,811</b> | <b>2,210,354</b> |
| Sales of goods and services                   | 1,623,007           | 1,788,544        | 2,021,482        | 2,115,219        | 2,149,584        |
| Interest and dividend revenue (operating)     | ..                  | ..               | ..               | ..               | ..               |
| Other operating revenue                       | 58,543              | 47,036           | 53,388           | 57,592           | 60,770           |
| <b>Operating expenses</b>                     | <b>1,583,043</b>    | <b>1,717,773</b> | <b>1,930,297</b> | <b>2,044,602</b> | <b>2,076,353</b> |
| Purchased goods, materials and service        | 1,249,982           | 1,282,463        | 1,471,156        | 1,577,383        | 1,606,377        |
| Wages, salaries and employee benefits         | 233,729             | 313,147          | 325,822          | 330,288          | 331,820          |
| Indirect taxes                                | ..                  | 20,369           | 19,468           | 18,125           | 16,238           |
| Depreciation, depletion and amortization      | 63,280              | 77,278           | 85,942           | 89,456           | 89,751           |
| Interest expense (operating)                  | ..                  | ..               | ..               | ..               | ..               |
| Other operating expenses                      | 36,052              | 24,516           | 27,909           | 29,350           | 32,166           |
| <b>Operating profit/loss</b>                  | <b>98,506</b>       | <b>117,808</b>   | <b>144,572</b>   | <b>128,210</b>   | <b>134,001</b>   |
| Interest and dividend revenue                 | 18,385              | 18,202           | 18,840           | 19,831           | 18,440           |
| Interest expense on borrowing                 | 47,272              | 43,236           | 50,996           | 56,043           | 53,809           |
| Gains/losses                                  | 2,407               | 5,446            | 8,250            | 225              | -17,698          |
| <b>Profit before income tax</b>               | <b>72,009</b>       | <b>98,220</b>    | <b>120,666</b>   | <b>92,223</b>    | <b>80,934</b>    |
| Income tax                                    | 23,026              | 32,726           | 40,663           | 31,282           | 31,738           |
| Equity in affiliates' earnings                | 6,367               | 7,156            | 5,118            | 7,863            | 7,275            |
| <b>Profit before extraordinary gains</b>      | <b>55,350</b>       | <b>72,650</b>    | <b>85,121</b>    | <b>68,804</b>    | <b>56,471</b>    |
| Extraordinary gains                           | -435                | -137             | -464             | -207             | -58              |
| <b>Net profit</b>                             | <b>54,914</b>       | <b>72,513</b>    | <b>84,657</b>    | <b>68,597</b>    | <b>56,413</b>    |

Table 4-2

**Total non-financial industries (excluding the management of companies and enterprises industry) - Reconciliation of profit**

|   | 1998                | 1999 | 2000           | 2001          | 2002           |
|---|---------------------|------|----------------|---------------|----------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |                |               |                |
|   | millions of dollars |      |                |               |                |
| <b>Net profit</b>   | ..                  | ..   | <b>84,657</b>  | <b>68,597</b> | <b>56,413</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | 806            | 4,364         | -7,746         |
| Plus: conceptual adjustments  | ..                  | ..   | -5,206         | -6,237        | -1,786         |
| Plus: current taxes, including mining                               | ..                  | ..   | 30,591         | 26,042        | 28,455         |
| Plus: deferred income taxes   | ..                  | ..   | 5,235          | 4,613         | 1,730          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 11,625         | 12,344        | 14,445         |
| Deductible dividends  | ..                  | ..   | 20,944         | 26,708        | 23,888         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>83,513</b>  | <b>58,328</b> | <b>38,734</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |                |               |                |
| Book capital gains and losses                                       | ..                  | ..   | 9,834          | 5,957         | 5,872          |
| Less: taxable capital gains   | ..                  | ..   | 7,806          | 5,319         | 4,712          |
| Net difference, capital gains and losses                            | ..                  | ..   | 2,028          | 638           | 1,161          |
| Resource allowance  | ..                  | ..   | 4,049          | 6,596         | 7,357          |
| Less: royalties   | ..                  | ..   | 2,501          | 3,546         | 3,226          |
| Net difference, resource allowance                                  | ..                  | ..   | 1,548          | 3,050         | 4,131          |
| Earned depletion allowance  | ..                  | ..   | 35             | 106           | 112            |
| Other exemptions and deductions                                     | ..                  | ..   | 651            | -294          | -6,660         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>4,262</b>   | <b>3,500</b>  | <b>-1,256</b>  |
| <b>Timing differences:</b>  |                     |      |                |               |                |
| Depreciation  | ..                  | ..   | 67,123         | 63,075        | 68,043         |
| Less: capital cost allowance  | ..                  | ..   | 71,559         | 61,337        | 65,466         |
| Net difference, depreciation  | ..                  | ..   | -4,436         | 1,739         | 2,577          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 3,333          | 5,407         | 6,455          |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 7,103          | 9,734         | 11,098         |
| Net difference, natural resources expenses                          | ..                  | ..   | -3,770         | -4,328        | -4,643         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 181            | 267           | 40             |
| Other timing differences  | ..                  | ..   | 557            | 9,673         | 22,400         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-7,468</b>  | <b>7,351</b>  | <b>20,375</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>71,783</b>  | <b>62,179</b> | <b>60,365</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 31,661         | 36,930        | 40,683         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>103,443</b> | <b>99,109</b> | <b>101,048</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 13,994         | 13,760        | 13,884         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>89,450</b>  | <b>85,349</b> | <b>87,164</b>  |
| <b>Taxes:</b>   |                     |      |                |               |                |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 34,776         | 33,255        | 34,542         |
| Corporate surtax  | ..                  | ..   | 976            | 936           | 973            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |                |               |                |
| Federal tax abatement   | ..                  | ..   | 9,019          | 8,617         | 8,917          |
| Small business deduction  | ..                  | ..   | 3,321          | 3,606         | 4,042          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 2,232          | 1,786         | 1,699          |
| Investment tax credit   | ..                  | ..   | 1,914          | 1,476         | 1,489          |
| Other federal tax credits   | ..                  | ..   | 210            | 525           | 991            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>19,056</b>  | <b>18,181</b> | <b>18,376</b>  |
| Other direct federal taxes  | ..                  | ..   | 1,870          | 791           | 878            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>20,926</b>  | <b>18,972</b> | <b>19,255</b>  |
| Provincial income taxes   | ..                  | ..   | 10,321         | 9,407         | 9,191          |
| <b>Total taxes</b>  | ..                  | ..   | <b>31,247</b>  | <b>28,379</b> | <b>28,445</b>  |

Table 4-3

## Total non-financial industries (excluding the management of companies and enterprises industry) - Selected ratios

|  | 1998  | 1999              | 2000   | 2001   | 2002   |
|--|-------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |       |                   |        |        |        |
| Debt to equity (ratio)                           | 1.191 | 1.041             | 1.148  | 1.203  | 1.184  |
| Profit margin (percent)                          | 5.9   | 6.4               | 7.0    | 5.9    | 6.1    |
| Return on equity (percent)                       | 9.3   | 10.6              | 11.5   | 8.8    | 6.9    |
| Return on capital employed (percent)             | 7.0   | 7.5               | 7.8    | 6.5    | 5.5    |
| Working capital (ratio)                          | 1.246 | 1.312             | 1.206  | 1.183  | 1.161  |
| Quick ratio (ratio)                              | 0.859 | 0.896             | 0.829  | 0.820  | 0.803  |
| Inventory turnover (ratio)                       | 9.726 | 9.890             | 10.200 | 10.655 | 10.336 |
| Receivables turnover (ratio)                     | 7.737 | 7.732             | 7.581  | 7.936  | 7.942  |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 26.0   | 25.1   | 25.3   |
| Income taxes to taxable income (percent)         | ..    | ..                | 32.8   | 32.3   | 31.6   |
| <b>Selected items</b>                            |       |                   |        |        |        |
|  |       | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..    | 9.2               | 13.0   | 4.7    | 1.7    |
| Operating expenses, year-over-year change        | ..    | 8.5               | 12.4   | 5.9    | 1.6    |
| Operating profit, year-over-year change          | ..    | 19.6              | 22.7   | -11.3  | 4.5    |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..     | -4.6   | 2.1    |
| Taxes, year-over-year change                     | ..    | ..                | ..     | -9.2   | 0.2    |

Table 5-1

## Agriculture, forestry, fishing and hunting - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>38,916</b>       | <b>42,785</b> | <b>45,935</b> | <b>49,977</b> | <b>53,858</b> |
| Cash and deposits                             | 1,363               | 2,652         | 2,517         | 2,743         | 2,991         |
| Accounts receivable and accrued revenue       | 2,184               | 2,626         | 2,640         | 2,881         | 3,447         |
| Inventories                                   | 5,205               | 6,366         | 7,332         | 8,056         | 8,416         |
| Investments                                   | 5,273               | 4,522         | 4,888         | 5,466         | 6,103         |
| Investments and accounts with affiliates      | 1,535               | 2,175         | 2,444         | 2,790         | 3,254         |
| Portfolio investments                         | 3,738               | 2,346         | 2,443         | 2,676         | 2,849         |
| Loans   | 544                 | 1,029         | 491           | 508           | 567           |
| Mortgages                                     | 168                 | 486           | 264           | 297           | 341           |
| Non-mortgages                                 | 376                 | 543           | 228           | 211           | 227           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 20,608              | 22,355        | 24,115        | 25,981        | 27,576        |
| Other assets                                  | 3,741               | 3,236         | 3,952         | 4,342         | 4,758         |
| <b>Liabilities</b>                            | <b>24,420</b>       | <b>26,274</b> | <b>28,655</b> | <b>31,338</b> | <b>33,337</b> |
| Accounts payable and accrued liabilities      | 2,491               | 2,808         | 2,886         | 3,177         | 3,580         |
| Loans and accounts with affiliates            | 6,674               | 6,814         | 7,631         | 8,424         | 9,158         |
| Borrowings                                    | 13,784              | 13,849        | 15,193        | 16,451        | 17,186        |
| Loans and overdrafts                          | 7,298               | 9,416         | 9,889         | 10,432        | 10,829        |
| From banks                                    | 4,314               | 6,328         | 6,527         | 6,785         | 7,108         |
| From others                                   | 2,984               | 3,088         | 3,362         | 3,647         | 3,720         |
| Bankers' acceptances and paper                | 215                 | 303           | 163           | 218           | 168           |
| Bonds and debentures                          | 42                  | 199           | 229           | 226           | 170           |
| Mortgages                                     | 6,228               | 3,931         | 4,912         | 5,576         | 6,019         |
| Deferred income tax                           | 884                 | 1,042         | 1,402         | 1,527         | 1,488         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 587                 | 1,762         | 1,544         | 1,758         | 1,925         |
| <b>Equity</b>                                 | <b>14,495</b>       | <b>16,511</b> | <b>17,280</b> | <b>18,639</b> | <b>20,521</b> |
| Share capital                                 | 4,468               | 5,389         | 7,355         | 6,250         | 6,662         |
| Contributed surplus and other                 | 1,384               | 1,672         | 1,772         | 1,915         | 1,964         |
| Retained earnings                             | 8,643               | 9,449         | 8,152         | 10,474        | 11,895        |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>28,226</b>       | <b>30,467</b> | <b>33,550</b> | <b>36,214</b> | <b>37,148</b> |
| Sales of goods and services                   | 27,234              | 29,209        | 32,201        | 34,514        | 35,313        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 991                 | 1,258         | 1,349         | 1,700         | 1,835         |
| <b>Operating expenses</b>                     | <b>26,523</b>       | <b>28,620</b> | <b>31,169</b> | <b>33,611</b> | <b>35,003</b> |
| Purchased goods, materials and service        | 19,478              | 20,594        | 22,776        | 24,622        | 25,765        |
| Wages, salaries and employee benefits         | 4,661               | 5,193         | 5,533         | 5,906         | 6,030         |
| Indirect taxes                                | ..                  | 277           | 349           | 391           | 405           |
| Depreciation, depletion and amortization      | 2,116               | 2,516         | 2,632         | 2,752         | 2,732         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 268                 | 39            | -121          | -59           | 70            |
| <b>Operating profit/loss</b>                  | <b>1,703</b>        | <b>1,847</b>  | <b>2,380</b>  | <b>2,603</b>  | <b>2,145</b>  |
| Interest and dividend revenue                 | 205                 | 332           | 285           | 286           | 332           |
| Interest expense on borrowing                 | 1,010               | 1,103         | 1,233         | 1,363         | 1,272         |
| Gains/losses                                  | 454                 | 860           | 832           | 851           | 1,073         |
| <b>Profit before income tax</b>               | <b>1,352</b>        | <b>1,936</b>  | <b>2,265</b>  | <b>2,377</b>  | <b>2,278</b>  |
| Income tax                                    | 354                 | 468           | 357           | 476           | 428           |
| Equity in affiliates' earnings                | 117                 | 145           | 103           | 74            | 65            |
| <b>Profit before extraordinary gains</b>      | <b>1,115</b>        | <b>1,613</b>  | <b>2,011</b>  | <b>1,976</b>  | <b>1,915</b>  |
| Extraordinary gains                           | -12                 | -8            | 6             | 7             | 10            |
| <b>Net profit</b>                             | <b>1,103</b>        | <b>1,604</b>  | <b>2,017</b>  | <b>1,983</b>  | <b>1,925</b>  |



Table 5-2

## Agriculture, forestry, fishing and hunting - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001         | 2002         |
|---|---------------------|------|---------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |              |              |
|   | millions of dollars |      |               |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>2,017</b>  | <b>1,983</b> | <b>1,925</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | ..            | 14           | 159          |
| Plus: conceptual adjustments  | ..                  | ..   | -35           | -48          | -24          |
| Plus: current taxes, including mining                               | ..                  | ..   | 420           | 435          | 440          |
| Plus: deferred income taxes   | ..                  | ..   | -56           | 34           | -33          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 20            | 21           | 23           |
| Deductible dividends  | ..                  | ..   | 166           | 202          | 295          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>2,160</b>  | <b>2,194</b> | <b>2,150</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 670           | 754          | 859          |
| Less: taxable capital gains   | ..                  | ..   | 185           | 193          | 202          |
| Net difference, capital gains and losses                            | ..                  | ..   | 485           | 561          | 657          |
| Resource allowance  | ..                  | ..   | 1             | 1            | 1            |
| Less: royalties   | ..                  | ..   | ..            | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | 1             | ..           | 1            |
| Earned depletion allowance  | ..                  | ..   | ..            | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | 147           | 11           | -31          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>632</b>    | <b>573</b>   | <b>627</b>   |
| <b>Timing differences:</b>  |                     |      |               |              |              |
| Depreciation  | ..                  | ..   | 3,242         | 2,629        | 2,729        |
| Less: capital cost allowance  | ..                  | ..   | 3,595         | 2,299        | 2,396        |
| Net difference, depreciation  | ..                  | ..   | -353          | 331          | 333          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 9             | 6            | 8            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 1             | 1            | 1            |
| Net difference, natural resources expenses                          | ..                  | ..   | 9             | 4            | 7            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..            | ..           | 2            |
| Other timing differences  | ..                  | ..   | -836          | -325         | -15          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-1,180</b> | <b>11</b>    | <b>328</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>348</b>    | <b>1,633</b> | <b>1,850</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 1,987         | 660          | 703          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>2,334</b>  | <b>2,293</b> | <b>2,554</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 323           | 286          | 277          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>2,012</b>  | <b>2,006</b> | <b>2,277</b> |
| <b>Taxes:</b>   |                     |      |               |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 749           | 773          | 877          |
| Corporate surtax  | ..                  | ..   | 20            | 21           | 24           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |              |              |
| Federal tax abatement   | ..                  | ..   | 194           | 201          | 228          |
| Small business deduction  | ..                  | ..   | 231           | 258          | 274          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 3             | 3            | 4            |
| Investment tax credit   | ..                  | ..   | 19            | 18           | 21           |
| Other federal tax credits   | ..                  | ..   | 3             | 7            | 15           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>319</b>    | <b>307</b>   | <b>360</b>   |
| Other direct federal taxes  | ..                  | ..   | 15            | 6            | 9            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>334</b>    | <b>312</b>   | <b>369</b>   |
| Provincial income taxes   | ..                  | ..   | 181           | 163          | 159          |
| <b>Total taxes</b>  | ..                  | ..   | <b>515</b>    | <b>475</b>   | <b>528</b>   |

Table 5-3

## Agriculture, forestry, fishing and hunting - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.411  | 1.251             | 1.321  | 1.335  | 1.284  |
| Profit margin (percent)                          | 6.0    | 6.1               | 7.1    | 7.2    | 5.8    |
| Return on equity (percent)                       | 7.7    | 9.8               | 11.6   | 10.6   | 9.3    |
| Return on capital employed (percent)             | 5.5    | 6.7               | 7.5    | 7.1    | 6.3    |
| Working capital (ratio)                          | 1.284  | 1.379             | 1.356  | 1.356  | 1.381  |
| Quick ratio (ratio)                              | 0.662  | 0.686             | 0.657  | 0.649  | 0.687  |
| Inventory turnover (ratio)                       | 5.423  | 4.786             | 4.576  | 4.495  | 4.414  |
| Receivables turnover (ratio)                     | 12.926 | 11.603            | 12.709 | 12.570 | 10.777 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 16.3   | 14.2   | 15.3   |
| Income taxes to taxable income (percent)         | ..     | ..                | 24.8   | 23.4   | 22.8   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 7.9               | 10.1   | 7.9    | 2.6    |
| Operating expenses, year-over-year change        | ..     | 7.9               | 8.9    | 7.8    | 4.1    |
| Operating profit, year-over-year change          | ..     | 8.4               | 28.9   | 9.4    | -17.6  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -0.3   | 13.5   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -7.7   | 11.1   |

Table 6-1

## Oil and gas extraction and coal mining - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | <b>109,260</b>      | <b>120,026</b> | <b>157,953</b> | <b>192,859</b> | <b>210,247</b> |
| Cash and deposits                             | 2,624               | 1,859          | 2,137          | 2,481          | 2,930          |
| Accounts receivable and accrued revenue       | 6,237               | 7,075          | 11,840         | 15,357         | 15,486         |
| Inventories                                   | 1,601               | 1,907          | 2,479          | 2,339          | 2,652          |
| Investments                                   | 18,822              | 20,263         | 39,266         | 47,970         | 56,614         |
| Investments and accounts with affiliates      | 15,732              | 18,860         | 37,144         | 41,053         | 48,375         |
| Portfolio investments                         | 3,089               | 1,403          | 2,122          | 6,917          | 8,239          |
| Loans   | 282                 | 316            | 76             | 408            | 344            |
| Mortgages                                     | 65                  | 150            | 40             | 96             | 46             |
| Non-mortgages                                 | 217                 | 165            | 36             | 311            | 298            |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | 76,813              | 86,254         | 98,017         | 119,875        | 124,198        |
| Other assets                                  | 2,881               | 2,353          | 4,138          | 4,429          | 8,024          |
| <b>Liabilities</b>                            | <b>68,335</b>       | <b>78,446</b>  | <b>94,341</b>  | <b>119,665</b> | <b>131,346</b> |
| Accounts payable and accrued liabilities      | 6,938               | 10,450         | 14,977         | 17,451         | 14,309         |
| Loans and accounts with affiliates            | 9,221               | 11,529         | 18,668         | 37,768         | 45,055         |
| Borrowings                                    | 40,456              | 40,962         | 38,413         | 38,181         | 43,962         |
| Loans and overdrafts                          | 11,617              | 15,102         | 14,979         | 15,378         | 20,449         |
| From banks                                    | 9,123               | 12,700         | 13,592         | 12,059         | 17,005         |
| From others                                   | 2,494               | 2,402          | 1,386          | 3,319          | 3,443          |
| Bankers' acceptances and paper                | 10,801              | 10,729         | 6,967          | 8,010          | 7,527          |
| Bonds and debentures                          | 12,783              | 14,687         | 16,313         | 14,417         | 15,972         |
| Mortgages                                     | 5,255               | 444            | 154            | 376            | 14             |
| Deferred income tax                           | 8,075               | 11,955         | 18,992         | 24,319         | 25,398         |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | 3,646               | 3,549          | 3,291          | 1,946          | 2,622          |
| <b>Equity</b>                                 | <b>40,925</b>       | <b>41,580</b>  | <b>63,612</b>  | <b>73,194</b>  | <b>78,901</b>  |
| Share capital                                 | 31,376              | 35,937         | 44,116         | 44,067         | 52,306         |
| Contributed surplus and other                 | 3,422               | 3,895          | 7,831          | 11,019         | 9,283          |
| Retained earnings                             | 6,128               | 1,748          | 11,665         | 18,107         | 17,312         |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | <b>33,732</b>       | <b>43,679</b>  | <b>74,118</b>  | <b>86,882</b>  | <b>85,962</b>  |
| Sales of goods and services                   | 32,934              | 43,203         | 73,523         | 86,148         | 85,331         |
| Interest and dividend revenue (operating)     | ..                  | ..             | ..             | ..             | ..             |
| Other operating revenue                       | 797                 | 476            | 596            | 734            | 631            |
| <b>Operating expenses</b>                     | <b>32,058</b>       | <b>38,944</b>  | <b>55,339</b>  | <b>66,470</b>  | <b>71,412</b>  |
| Purchased goods, materials and service        | 19,115              | 24,201         | 35,444         | 47,063         | 49,580         |
| Wages, salaries and employee benefits         | 2,033               | 2,844          | 4,115          | 3,370          | 3,170          |
| Indirect taxes                                | ..                  | 448            | 863            | 338            | 254            |
| Depreciation, depletion and amortization      | 8,899               | 8,790          | 9,953          | 11,609         | 13,470         |
| Interest expense (operating)                  | ..                  | ..             | ..             | ..             | ..             |
| Other operating expenses                      | 2,010               | 2,661          | 4,964          | 4,090          | 4,938          |
| <b>Operating profit/loss</b>                  | <b>1,673</b>        | <b>4,735</b>   | <b>18,779</b>  | <b>20,412</b>  | <b>14,550</b>  |
| Interest and dividend revenue                 | 608                 | 555            | 634            | 1,023          | 910            |
| Interest expense on borrowing                 | 2,777               | 3,125          | 3,398          | 3,339          | 4,344          |
| Gains/losses                                  | 691                 | 87             | 71             | -2,005         | -3,214         |
| <b>Profit before income tax</b>               | <b>194</b>          | <b>2,252</b>   | <b>16,086</b>  | <b>16,091</b>  | <b>7,902</b>   |
| Income tax                                    | 69                  | 2,340          | 6,320          | 6,248          | 3,563          |
| Equity in affiliates' earnings                | 148                 | 581            | 1,598          | 1,256          | 1,109          |
| <b>Profit before extraordinary gains</b>      | <b>273</b>          | <b>493</b>     | <b>11,364</b>  | <b>11,099</b>  | <b>5,448</b>   |
| Extraordinary gains                           | -195                | -25            | -26            | -23            | -2             |
| <b>Net profit</b>                             | <b>78</b>           | <b>469</b>     | <b>11,338</b>  | <b>11,077</b>  | <b>5,445</b>   |

Table 6-2

## Oil and gas extraction and coal mining - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001          | 2002          |
|---|---------------------|------|---------------|---------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |               |               |
|   | millions of dollars |      |               |               |               |
| <b>Net profit</b>   | ..                  | ..   | <b>11,338</b> | <b>11,077</b> | <b>5,445</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | -3,173        | -317          | -3,742        |
| Plus: conceptual adjustments  | ..                  | ..   | -892          | -2,675        | -2,481        |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,154         | 1,656         | 1,867         |
| Plus: deferred income taxes   | ..                  | ..   | 3,013         | 3,448         | 1,388         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 298           | 263           | -29           |
| Deductible dividends  | ..                  | ..   | 777           | 1,584         | 1,966         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>10,365</b> | <b>11,343</b> | <b>541</b>    |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |               |               |
| Book capital gains and losses                                       | ..                  | ..   | 168           | 448           | 141           |
| Less: taxable capital gains   | ..                  | ..   | 247           | 214           | 230           |
| Net difference, capital gains and losses                            | ..                  | ..   | -79           | 234           | -89           |
| Resource allowance  | ..                  | ..   | 3,021         | 4,626         | 5,172         |
| Less: royalties   | ..                  | ..   | 1,825         | 2,843         | 2,610         |
| Net difference, resource allowance                                  | ..                  | ..   | 1,196         | 1,783         | 2,562         |
| Earned depletion allowance  | ..                  | ..   | 11            | 69            | 67            |
| Other exemptions and deductions                                     | ..                  | ..   | 2,610         | 1,901         | -5,250        |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>3,737</b>  | <b>3,987</b>  | <b>-2,711</b> |
| <b>Timing differences:</b>  |                     |      |               |               |               |
| Depreciation  | ..                  | ..   | 1,229         | 1,084         | 1,514         |
| Less: capital cost allowance  | ..                  | ..   | 2,057         | 2,388         | 2,421         |
| Net difference, depreciation  | ..                  | ..   | -828          | -1,304        | -907          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 2,511         | 3,982         | 4,954         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 6,354         | 8,212         | 8,945         |
| Net difference, natural resources expenses                          | ..                  | ..   | -3,843        | -4,230        | -3,991        |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -2            | -11           | -13           |
| Other timing differences  | ..                  | ..   | -624          | 1,017         | 5,636         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-5,297</b> | <b>-4,529</b> | <b>725</b>    |
| <b>Net taxable income</b>   | ..                  | ..   | <b>1,331</b>  | <b>2,827</b>  | <b>3,976</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 1,079         | 965           | 880           |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>2,410</b>  | <b>3,792</b>  | <b>4,857</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 1,225         | 1,044         | 1,470         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,185</b>  | <b>2,749</b>  | <b>3,387</b>  |
| <b>Taxes:</b>   |                     |      |               |               |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 456           | 1,111         | 1,423         |
| Corporate surtax  | ..                  | ..   | 13            | 32            | 42            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |               |               |
| Federal tax abatement   | ..                  | ..   | 118           | 264           | 350           |
| Small business deduction  | ..                  | ..   | 13            | 15            | 18            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 29            | 14            | 10            |
| Investment tax credit   | ..                  | ..   | 18            | 69            | 113           |
| Other federal tax credits   | ..                  | ..   | 2             | 87            | 140           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>288</b>    | <b>695</b>    | <b>833</b>    |
| Other direct federal taxes  | ..                  | ..   | 111           | 85            | 72            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>399</b>    | <b>780</b>    | <b>906</b>    |
| Provincial income taxes   | ..                  | ..   | 185           | 351           | 420           |
| <b>Total taxes</b>  | ..                  | ..   | <b>584</b>    | <b>1,131</b>  | <b>1,326</b>  |

Table 6-3

## Oil and gas extraction and coal mining - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.214  | 1.262             | 0.897  | 1.038  | 1.128  |
| Profit margin (percent)                          | 5.0    | 10.8              | 25.3   | 23.5   | 16.9   |
| Return on equity (percent)                       | 0.7    | 1.2               | 17.9   | 15.2   | 6.9    |
| Return on capital employed (percent)             | 2.5    | 2.6               | 11.2   | 8.9    | 5.1    |
| Working capital (ratio)                          | 0.776  | 0.853             | 0.815  | 0.608  | 0.629  |
| Quick ratio (ratio)                              | 0.683  | 0.749             | 0.714  | 0.547  | 0.564  |
| Inventory turnover (ratio)                       | 21.066 | 22.906            | 29.893 | 37.144 | 32.414 |
| Receivables turnover (ratio)                     | 5.408  | 6.174             | 6.260  | 5.657  | 5.551  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 5.1    | 8.7    | 18.4   |
| Income taxes to taxable income (percent)         | ..     | ..                | 39.9   | 38.0   | 37.0   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 29.5              | 69.7   | 17.2   | -1.1   |
| Operating expenses, year-over-year change        | ..     | 21.5              | 42.1   | 20.1   | 7.4    |
| Operating profit, year-over-year change          | ..     | 183.0             | 296.6  | 8.7    | -28.7  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 131.9  | 23.2   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 93.6   | 17.3   |

Table 7-1

## Mining (except oil, gas and coal) - Balance sheet and income statement

|   | 1998          | 1999          | 2000          | 2001          | 2002           |
|---|---------------|---------------|---------------|---------------|----------------|
| Balance sheet                                 |               |               |               |               |                |
| millions of dollars                           |               |               |               |               |                |
| <b>Assets</b>                                 | <b>77,862</b> | <b>79,733</b> | <b>82,839</b> | <b>95,208</b> | <b>101,204</b> |
| Cash and deposits                             | 4,221         | 2,510         | 2,963         | 2,541         | 4,389          |
| Accounts receivable and accrued revenue       | 4,386         | 4,978         | 4,510         | 5,225         | 5,189          |
| Inventories                                   | 3,716         | 3,155         | 3,409         | 3,884         | 4,087          |
| Investments                                   | 32,363        | 34,577        | 35,913        | 41,062        | 42,296         |
| Investments and accounts with affiliates      | 28,562        | 32,873        | 32,560        | 39,119        | 40,206         |
| Portfolio investments                         | 3,801         | 1,704         | 3,353         | 1,943         | 2,090          |
| Loans   | 231           | 230           | 136           | 160           | 115            |
| Mortgages                                     | 29            | 164           | 70            | 64            | 47             |
| Non-mortgages                                 | 203           | 66            | 65            | 95            | 68             |
| Bank customers' liabilities under acceptances | ..            | ..            | ..            | ..            | ..             |
| Capital assets, net                           | 28,844        | 29,819        | 32,465        | 38,339        | 40,442         |
| Other assets                                  | 4,100         | 4,465         | 3,442         | 3,997         | 4,687          |
| <b>Liabilities</b>                            | <b>30,003</b> | <b>30,962</b> | <b>37,205</b> | <b>43,602</b> | <b>45,756</b>  |
| Accounts payable and accrued liabilities      | 4,227         | 5,316         | 4,998         | 5,233         | 6,833          |
| Loans and accounts with affiliates            | 5,868         | 7,488         | 10,896        | 11,469        | 12,210         |
| Borrowings                                    | 15,397        | 12,928        | 12,853        | 16,889        | 17,490         |
| Loans and overdrafts                          | 6,171         | 5,473         | 5,702         | 8,969         | 8,163          |
| From banks                                    | 4,462         | 4,600         | 4,404         | 7,078         | 6,398          |
| From others                                   | 1,709         | 873           | 1,298         | 1,891         | 1,764          |
| Bankers' acceptances and paper                | 1,280         | 1,652         | 1,862         | 1,576         | 1,573          |
| Bonds and debentures                          | 4,966         | 5,227         | 5,003         | 5,858         | 7,283          |
| Mortgages                                     | 2,979         | 575           | 286           | 486           | 471            |
| Deferred income tax                           | 2,561         | 2,875         | 6,084         | 6,623         | 6,797          |
| Bank customers' liabilities under acceptances | ..            | ..            | ..            | ..            | ..             |
| Other liabilities                             | 1,951         | 2,355         | 2,374         | 3,388         | 2,426          |
| <b>Equity</b>                                 | <b>47,859</b> | <b>48,771</b> | <b>45,633</b> | <b>51,606</b> | <b>55,448</b>  |
| Share capital                                 | 40,501        | 43,069        | 41,661        | 46,805        | 48,029         |
| Contributed surplus and other                 | 3,850         | 3,889         | 3,452         | 2,738         | 4,238          |
| Retained earnings                             | 3,508         | 1,813         | 520           | 2,063         | 3,181          |
| Income statement                              |               |               |               |               |                |
| <b>Operating revenue</b>                      | <b>25,373</b> | <b>23,523</b> | <b>26,096</b> | <b>29,072</b> | <b>28,676</b>  |
| Sales of goods and services                   | 25,060        | 23,151        | 25,592        | 28,637        | 28,113         |
| Interest and dividend revenue (operating)     | ..            | ..            | ..            | ..            | ..             |
| Other operating revenue                       | 313           | 372           | 505           | 435           | 563            |
| <b>Operating expenses</b>                     | <b>24,090</b> | <b>22,534</b> | <b>23,847</b> | <b>27,498</b> | <b>27,099</b>  |
| Purchased goods, materials and service        | 15,007        | 14,609        | 13,696        | 18,386        | 18,512         |
| Wages, salaries and employee benefits         | 3,486         | 4,573         | 4,208         | 4,827         | 4,693          |
| Indirect taxes                                | ..            | 401           | 270           | 345           | 260            |
| Depreciation, depletion and amortization      | 2,370         | 2,262         | 2,790         | 3,057         | 2,734          |
| Interest expense (operating)                  | ..            | ..            | ..            | ..            | ..             |
| Other operating expenses                      | 3,227         | 689           | 2,884         | 882           | 900            |
| <b>Operating profit/loss</b>                  | <b>1,283</b>  | <b>990</b>    | <b>2,249</b>  | <b>1,574</b>  | <b>1,577</b>   |
| Interest and dividend revenue                 | 2,204         | 2,211         | 1,976         | 1,843         | 2,610          |
| Interest expense on borrowing                 | 1,093         | 1,229         | 1,244         | 1,382         | 1,187          |
| Gains/losses                                  | 557           | 189           | -388          | -651          | -109           |
| <b>Profit before income tax</b>               | <b>2,952</b>  | <b>2,161</b>  | <b>2,593</b>  | <b>1,384</b>  | <b>2,890</b>   |
| Income tax                                    | 841           | 797           | 1,236         | 959           | 989            |
| Equity in affiliates' earnings                | -227          | -407          | 371           | 356           | 317            |
| <b>Profit before extraordinary gains</b>      | <b>1,885</b>  | <b>957</b>    | <b>1,728</b>  | <b>781</b>    | <b>2,219</b>   |
| Extraordinary gains                           | -29           | -41           | -328          | -45           | -7             |
| <b>Net profit</b>                             | <b>1,856</b>  | <b>916</b>    | <b>1,401</b>  | <b>735</b>    | <b>2,212</b>   |

Table 7-2

## Mining (except oil, gas and coal) - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001          | 2002          |
|---|---------------------|------|--------------|---------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |               |               |
|   | millions of dollars |      |              |               |               |
| <b>Net profit</b>   | ..                  | ..   | <b>1,401</b> | <b>735</b>    | <b>2,212</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | -1,009       | -1,450        | -3,232        |
| Plus: conceptual adjustments  | ..                  | ..   | -695         | -400          | -357          |
| Plus: current taxes, including mining                               | ..                  | ..   | 702          | 579           | 842           |
| Plus: deferred income taxes   | ..                  | ..   | -34          | -35           | -213          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 52           | 70            | 67            |
| Deductible dividends  | ..                  | ..   | 808          | 775           | 473           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>-495</b>  | <b>-1,415</b> | <b>-1,288</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |               |               |
| Book capital gains and losses                                       | ..                  | ..   | 275          | -704          | -714          |
| Less: taxable capital gains   | ..                  | ..   | 539          | 253           | 212           |
| Net difference, capital gains and losses                            | ..                  | ..   | -264         | -957          | -926          |
| Resource allowance  | ..                  | ..   | 472          | 559           | 695           |
| Less: royalties   | ..                  | ..   | 276          | 248           | 248           |
| Net difference, resource allowance                                  | ..                  | ..   | 197          | 311           | 447           |
| Earned depletion allowance  | ..                  | ..   | 23           | 22            | 41            |
| Other exemptions and deductions                                     | ..                  | ..   | -66          | -21           | -145          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-110</b>  | <b>-646</b>   | <b>-582</b>   |
| <b>Timing differences:</b>  |                     |      |              |               |               |
| Depreciation  | ..                  | ..   | 1,461        | 1,584         | 1,747         |
| Less: capital cost allowance  | ..                  | ..   | 1,708        | 1,591         | 1,638         |
| Net difference, depreciation  | ..                  | ..   | -248         | -7            | 108           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 532          | 946           | 927           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 396          | 415           | 743           |
| Net difference, natural resources expenses                          | ..                  | ..   | 136          | 531           | 185           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 3            | 6             | 2             |
| Other timing differences  | ..                  | ..   | 1,590        | 1,045         | 1,016         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>1,481</b> | <b>1,576</b>  | <b>1,311</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>1,096</b> | <b>806</b>    | <b>605</b>    |
| Plus: current year tax losses                                       | ..                  | ..   | 955          | 1,013         | 1,105         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>2,051</b> | <b>1,819</b>  | <b>1,709</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 523          | 428           | 387           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,527</b> | <b>1,391</b>  | <b>1,322</b>  |
| <b>Taxes:</b>   |                     |      |              |               |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 615          | 579           | 561           |
| Corporate surtax  | ..                  | ..   | 18           | 16            | 16            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |               |               |
| Federal tax abatement   | ..                  | ..   | 159          | 151           | 147           |
| Small business deduction  | ..                  | ..   | 32           | 41            | 42            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 8            | 8             | 9             |
| Investment tax credit   | ..                  | ..   | 8            | 11            | 17            |
| Other federal tax credits   | ..                  | ..   | 5            | 11            | 12            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>421</b>   | <b>374</b>    | <b>351</b>    |
| Other direct federal taxes  | ..                  | ..   | 104          | 32            | 42            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>525</b>   | <b>406</b>    | <b>392</b>    |
| Provincial income taxes   | ..                  | ..   | 220          | 177           | 164           |
| <b>Total taxes</b>  | ..                  | ..   | <b>745</b>   | <b>582</b>    | <b>557</b>    |

Table 7-3

## Mining (except oil, gas and coal) - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.444 | 0.419             | 0.520 | 0.550 | 0.536 |
| Profit margin (percent)                          | 5.1   | 4.2               | 8.6   | 5.4   | 5.5   |
| Return on equity (percent)                       | 3.9   | 2.0               | 3.8   | 1.5   | 4.0   |
| Return on capital employed (percent)             | 3.9   | 2.7               | 3.8   | 2.2   | 3.6   |
| Working capital (ratio)                          | 1.425 | 1.147             | 1.014 | 0.928 | 0.965 |
| Quick ratio (ratio)                              | 1.045 | 0.866             | 0.740 | 0.651 | 0.713 |
| Inventory turnover (ratio)                       | 6.828 | 7.457             | 7.654 | 7.485 | 7.017 |
| Receivables turnover (ratio)                     | 5.785 | 4.725             | 5.786 | 5.564 | 5.527 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 37.2  | 24.8  | 16.9  |
| Income taxes to taxable income (percent)         | ..    | ..                | 42.0  | 39.6  | 38.9  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | -7.3              | 10.9  | 11.4  | -1.4  |
| Operating expenses, year-over-year change        | ..    | -6.5              | 5.8   | 15.3  | -1.4  |
| Operating profit, year-over-year change          | ..    | -22.9             | 127.3 | -30.0 | 0.2   |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -8.9  | -4.9  |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -21.8 | -4.4  |



Table 8-1

## Utilities - Balance sheet and income statement

|   | 1998           | 1999           | 2000           | 2001           | 2002           |
|---|----------------|----------------|----------------|----------------|----------------|
| millions of dollars                           |                |                |                |                |                |
| <b>Balance sheet</b>                          |                |                |                |                |                |
| <b>Assets</b>                                 | <b>152,918</b> | <b>145,453</b> | <b>176,980</b> | <b>183,059</b> | <b>185,346</b> |
| Cash and deposits                             | 701            | 1,665          | 2,300          | 2,731          | 2,637          |
| Accounts receivable and accrued revenue       | 5,915          | 7,860          | 12,793         | 12,749         | 12,055         |
| Inventories                                   | 2,295          | 2,354          | 2,627          | 3,036          | 2,565          |
| Investments                                   | 7,945          | 9,209          | 30,600         | 29,294         | 29,985         |
| Investments and accounts with affiliates      | 4,752          | 6,957          | 25,813         | 25,386         | 25,306         |
| Portfolio investments                         | 3,192          | 2,253          | 4,787          | 3,908          | 4,678          |
| Loans   | 50             | 91             | 174            | 431            | 412            |
| Mortgages                                     | 5              | 21             | 82             | 34             | 17             |
| Non-mortgages                                 | 46             | 70             | 92             | 397            | 396            |
| Bank customers' liabilities under acceptances | ..             | ..             | ..             | ..             | ..             |
| Capital assets, net                           | 124,222        | 114,758        | 117,201        | 121,043        | 123,709        |
| Other assets                                  | 11,790         | 9,515          | 11,285         | 13,774         | 13,982         |
| <b>Liabilities</b>                            | <b>127,940</b> | <b>104,524</b> | <b>152,124</b> | <b>156,425</b> | <b>156,779</b> |
| Accounts payable and accrued liabilities      | 8,871          | 9,337          | 13,519         | 14,829         | 15,141         |
| Loans and accounts with affiliates            | 17,618         | 20,057         | 30,720         | 34,382         | 42,157         |
| Borrowings                                    | 59,752         | 44,184         | 69,025         | 81,188         | 75,044         |
| Loans and overdrafts                          | 3,044          | 12,323         | 11,234         | 9,067          | 4,068          |
| From banks                                    | 724            | 656            | 1,325          | 1,093          | 1,276          |
| From others                                   | 2,319          | 11,667         | 9,909          | 7,974          | 2,792          |
| Bankers' acceptances and paper                | 4,841          | 1,778          | 24,396         | 2,513          | 2,229          |
| Bonds and debentures                          | 44,840         | 29,449         | 32,480         | 68,137         | 67,596         |
| Mortgages                                     | 7,027          | 635            | 915            | 1,471          | 1,150          |
| Deferred income tax                           | 62             | 423            | 965            | 941            | 952            |
| Bank customers' liabilities under acceptances | ..             | ..             | ..             | ..             | ..             |
| Other liabilities                             | 41,637         | 30,523         | 37,895         | 25,085         | 23,485         |
| <b>Equity</b>                                 | <b>24,978</b>  | <b>40,929</b>  | <b>24,856</b>  | <b>26,634</b>  | <b>28,567</b>  |
| Share capital                                 | 10,516         | 20,783         | 22,177         | 23,294         | 23,760         |
| Contributed surplus and other                 | 2,051          | 3,843          | 3,910          | 4,008          | 4,307          |
| Retained earnings                             | 12,411         | 16,303         | -1,231         | -667           | 500            |
| <b>Income statement</b>                       |                |                |                |                |                |
| <b>Operating revenue</b>                      | <b>45,729</b>  | <b>53,275</b>  | <b>70,748</b>  | <b>93,743</b>  | <b>76,711</b>  |
| Sales of goods and services                   | 44,793         | 52,578         | 69,047         | 92,389         | 75,702         |
| Interest and dividend revenue (operating)     | ..             | ..             | ..             | ..             | ..             |
| Other operating revenue                       | 936            | 697            | 1,701          | 1,354          | 1,009          |
| <b>Operating expenses</b>                     | <b>32,439</b>  | <b>43,345</b>  | <b>58,789</b>  | <b>82,874</b>  | <b>65,779</b>  |
| Purchased goods, materials and service        | 17,818         | 27,507         | 44,676         | 69,851         | 52,042         |
| Wages, salaries and employee benefits         | 7,076          | 7,898          | 5,860          | 5,641          | 5,771          |
| Indirect taxes                                | ..             | 2,140          | 2,131          | 1,250          | 1,229          |
| Depreciation, depletion and amortization      | 5,224          | 4,657          | 5,136          | 5,701          | 5,893          |
| Interest expense (operating)                  | ..             | ..             | ..             | ..             | ..             |
| Other operating expenses                      | 2,321          | 1,143          | 985            | 432            | 844            |
| <b>Operating profit/loss</b>                  | <b>13,290</b>  | <b>9,930</b>   | <b>11,958</b>  | <b>10,869</b>  | <b>10,931</b>  |
| Interest and dividend revenue                 | 625            | 605            | 1,681          | 1,719          | 1,645          |
| Interest expense on borrowing                 | 10,016         | 6,465          | 9,334          | 8,948          | 8,753          |
| Gains/losses                                  | -339           | -799           | -712           | -266           | 661            |
| <b>Profit before income tax</b>               | <b>3,560</b>   | <b>3,271</b>   | <b>3,594</b>   | <b>3,374</b>   | <b>4,484</b>   |
| Income tax                                    | 688            | 570            | 396            | 745            | 1,061          |
| Equity in affiliates' earnings                | 308            | 239            | 422            | 594            | 868            |
| <b>Profit before extraordinary gains</b>      | <b>3,179</b>   | <b>2,940</b>   | <b>3,619</b>   | <b>3,222</b>   | <b>4,290</b>   |
| Extraordinary gains                           | ..             | ..             | -8             | ..             | 3              |
| <b>Net profit</b>                             | <b>3,179</b>   | <b>2,940</b>   | <b>3,612</b>   | <b>3,222</b>   | <b>4,293</b>   |

Table 8-2

## Utilities - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>3,612</b> | <b>3,222</b> | <b>4,293</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 967          | 317          | -459         |
| Plus: conceptual adjustments  | ..                  | ..   | -217         | -509         | -347         |
| Plus: current taxes, including mining                               | ..                  | ..   | 599          | 370          | 1,010        |
| Plus: deferred income taxes   | ..                  | ..   | 62           | 202          | -221         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 2,527        | 1,406        | 3,559        |
| Deductible dividends  | ..                  | ..   | 1,315        | 1,116        | 916          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,182</b> | <b>1,080</b> | <b>-200</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | -36          | -155         | 66           |
| Less: taxable capital gains   | ..                  | ..   | 23           | 23           | 56           |
| Net difference, capital gains and losses                            | ..                  | ..   | -59          | -178         | 10           |
| Resource allowance  | ..                  | ..   | 50           | 45           | 82           |
| Less: royalties   | ..                  | ..   | 33           | 23           | 39           |
| Net difference, resource allowance                                  | ..                  | ..   | 17           | 23           | 44           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | 188          | 231          | -723         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>146</b>   | <b>75</b>    | <b>-669</b>  |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 1,648        | 1,420        | 1,373        |
| Less: capital cost allowance  | ..                  | ..   | 1,975        | 1,697        | 1,213        |
| Net difference, depreciation  | ..                  | ..   | -327         | -277         | 160          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..           | ..           | 15           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | -11          | 4            | 83           |
| Net difference, natural resources expenses                          | ..                  | ..   | 11           | -4           | -68          |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 1            | 4            | -3           |
| Other timing differences  | ..                  | ..   | 909          | 75           | 1,470        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>595</b>   | <b>-202</b>  | <b>1,559</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>1,630</b> | <b>803</b>   | <b>2,028</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 432          | 654          | 406          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>2,062</b> | <b>1,457</b> | <b>2,434</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 1,108        | 995          | 685          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>953</b>   | <b>462</b>   | <b>1,749</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 378          | 245          | 716          |
| Corporate surtax  | ..                  | ..   | 11           | 7            | 21           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 99           | 64           | 188          |
| Small business deduction  | ..                  | ..   | 2            | 2            | 4            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 3            | 9            | 19           |
| Investment tax credit   | ..                  | ..   | ..           | 1            | 1            |
| Other federal tax credits   | ..                  | ..   | ..           | 2            | 31           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>284</b>   | <b>174</b>   | <b>494</b>   |
| Other direct federal taxes  | ..                  | ..   | 145          | 40           | 74           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>429</b>   | <b>214</b>   | <b>568</b>   |
| Provincial income taxes   | ..                  | ..   | 157          | 96           | 238          |
| <b>Total taxes</b>  | ..                  | ..   | <b>586</b>   | <b>311</b>   | <b>806</b>   |

Table 8-3

## Utilities - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 3.097  | 1.570             | 4.013  | 4.339  | 4.103  |
| Profit margin (percent)                          | 29.1   | 18.6              | 16.9   | 11.6   | 14.3   |
| Return on equity (percent)                       | 12.7   | 7.2               | 14.6   | 12.1   | 15.0   |
| Return on capital employed (percent)             | 11.6   | 8.1               | 9.4    | 7.7    | 8.1    |
| Working capital (ratio)                          | 0.482  | 1.275             | 1.261  | 0.940  | 0.907  |
| Quick ratio (ratio)                              | 0.370  | 1.026             | 1.076  | 0.793  | 0.774  |
| Inventory turnover (ratio)                       | 19.926 | 22.630            | 26.927 | 30.875 | 29.902 |
| Receivables turnover (ratio)                     | 7.731  | 6.778             | 5.530  | 7.353  | 6.364  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 34.4   | 20.6   | 63.0   |
| Income taxes to taxable income (percent)         | ..     | ..                | 46.3   | 58.6   | 41.9   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 16.5              | 32.8   | 32.5   | -18.2  |
| Operating expenses, year-over-year change        | ..     | 33.6              | 35.6   | 41.0   | -20.6  |
| Operating profit, year-over-year change          | ..     | -25.3             | 20.4   | -9.1   | 0.6    |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -51.6  | 278.7  |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -47.0  | 159.7  |

Table 9-1

## Construction - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | <b>79,831</b>       | <b>86,322</b>  | <b>90,110</b>  | <b>94,791</b>  | <b>101,248</b> |
| Cash and deposits                             | 5,133               | 9,425          | 9,064          | 9,498          | 10,320         |
| Accounts receivable and accrued revenue       | 15,415              | 18,534         | 19,916         | 20,808         | 22,134         |
| Inventories                                   | 11,896              | 13,564         | 14,856         | 15,352         | 16,638         |
| Investments                                   | 14,655              | 12,930         | 15,679         | 16,565         | 17,320         |
| Investments and accounts with affiliates      | 8,986               | 9,407          | 11,712         | 12,255         | 12,723         |
| Portfolio investments                         | 5,668               | 3,523          | 3,968          | 4,309          | 4,597          |
| Loans   | 2,849               | 3,196          | 3,013          | 2,825          | 2,834          |
| Mortgages                                     | 1,094               | 2,577          | 2,277          | 1,993          | 1,977          |
| Non-mortgages                                 | 1,755               | 619            | 735            | 832            | 857            |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | 26,921              | 25,919         | 24,718         | 26,741         | 28,431         |
| Other assets                                  | 2,961               | 2,754          | 2,865          | 3,002          | 3,570          |
| <b>Liabilities</b>                            | <b>57,290</b>       | <b>62,927</b>  | <b>69,805</b>  | <b>72,502</b>  | <b>78,197</b>  |
| Accounts payable and accrued liabilities      | 15,078              | 17,326         | 20,085         | 20,926         | 22,508         |
| Loans and accounts with affiliates            | 14,572              | 15,763         | 21,102         | 21,685         | 23,033         |
| Borrowings                                    | 23,669              | 24,190         | 23,125         | 23,870         | 26,183         |
| Loans and overdrafts                          | 8,677               | 8,908          | 10,871         | 10,224         | 11,480         |
| From banks                                    | 6,240               | 7,480          | 8,896          | 8,037          | 8,709          |
| From others                                   | 2,438               | 1,428          | 1,976          | 2,187          | 2,771          |
| Bankers' acceptances and paper                | 479                 | 156            | 208            | 214            | 333            |
| Bonds and debentures                          | 152                 | 654            | 367            | 769            | 783            |
| Mortgages                                     | 14,360              | 14,472         | 11,679         | 12,662         | 13,587         |
| Deferred income tax                           | 1,388               | 1,477          | 1,487          | 1,536          | 1,834          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | 2,582               | 4,170          | 4,006          | 4,484          | 4,639          |
| <b>Equity</b>                                 | <b>22,541</b>       | <b>23,395</b>  | <b>20,305</b>  | <b>22,289</b>  | <b>23,051</b>  |
| Share capital                                 | 6,146               | 7,563          | 5,655          | 6,199          | 6,843          |
| Contributed surplus and other                 | 1,485               | 1,240          | 1,208          | 1,285          | 1,122          |
| Retained earnings                             | 14,909              | 14,591         | 13,442         | 14,805         | 15,086         |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | <b>95,368</b>       | <b>108,388</b> | <b>120,426</b> | <b>130,311</b> | <b>141,425</b> |
| Sales of goods and services                   | 92,106              | 105,793        | 118,132        | 127,624        | 138,757        |
| Interest and dividend revenue (operating)     | ..                  | ..             | ..             | ..             | ..             |
| Other operating revenue                       | 3,263               | 2,595          | 2,293          | 2,668          | 2,668          |
| <b>Operating expenses</b>                     | <b>91,997</b>       | <b>104,875</b> | <b>116,987</b> | <b>125,961</b> | <b>136,226</b> |
| Purchased goods, materials and service        | 69,012              | 75,831         | 85,810         | 93,539         | 102,479        |
| Wages, salaries and employee benefits         | 19,856              | 24,775         | 26,049         | 27,257         | 28,420         |
| Indirect taxes                                | ..                  | 855            | 964            | 1,262          | 1,458          |
| Depreciation, depletion and amortization      | 2,115               | 2,900          | 3,332          | 2,977          | 2,888          |
| Interest expense (operating)                  | ..                  | ..             | ..             | ..             | ..             |
| Other operating expenses                      | 1,013               | 513            | 832            | 926            | 981            |
| <b>Operating profit/loss</b>                  | <b>3,372</b>        | <b>3,513</b>   | <b>3,439</b>   | <b>4,350</b>   | <b>5,198</b>   |
| Interest and dividend revenue                 | 673                 | 822            | 721            | 743            | 687            |
| Interest expense on borrowing                 | 1,448               | 1,484          | 1,640          | 1,738          | 1,605          |
| Gains/losses                                  | 587                 | 961            | 451            | 718            | 452            |
| <b>Profit before income tax</b>               | <b>3,180</b>        | <b>3,813</b>   | <b>2,972</b>   | <b>4,072</b>   | <b>4,732</b>   |
| Income tax                                    | 911                 | 1,081          | 1,135          | 1,340          | 1,437          |
| Equity in affiliates' earnings                | 740                 | 582            | 547            | 468            | 543            |
| <b>Profit before extraordinary gains</b>      | <b>3,008</b>        | <b>3,313</b>   | <b>2,383</b>   | <b>3,200</b>   | <b>3,837</b>   |
| Extraordinary gains                           | -9                  | -1             | -34            | 5              | -7             |
| <b>Net profit</b>                             | <b>3,000</b>        | <b>3,312</b>   | <b>2,350</b>   | <b>3,204</b>   | <b>3,830</b>   |

Table 9-2

## Construction - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>2,350</b> | <b>3,204</b> | <b>3,830</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 97           | 71           | 452          |
| Plus: conceptual adjustments  | ..                  | ..   | -128         | -241         | -707         |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,341        | 1,402        | 1,347        |
| Plus: deferred income taxes   | ..                  | ..   | 39           | 45           | 64           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -19          | 8            | 30           |
| Deductible dividends  | ..                  | ..   | 587          | 796          | 800          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>3,132</b> | <b>3,677</b> | <b>4,156</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 415          | 410          | 639          |
| Less: taxable capital gains   | ..                  | ..   | 314          | 324          | 356          |
| Net difference, capital gains and losses                            | ..                  | ..   | 101          | 86           | 282          |
| Resource allowance  | ..                  | ..   | 1            | 1            | 5            |
| Less: royalties   | ..                  | ..   | 1            | 1            | 3            |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | 2            |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -163         | -137         | -127         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-62</b>   | <b>-51</b>   | <b>157</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 2,994        | 2,689        | 2,807        |
| Less: capital cost allowance  | ..                  | ..   | 2,792        | 2,550        | 2,562        |
| Net difference, depreciation  | ..                  | ..   | 203          | 139          | 246          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 9            | 4            | 8            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 14           | 6            | 11           |
| Net difference, natural resources expenses                          | ..                  | ..   | -5           | -2           | -3           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 5            | 1            | 1            |
| Other timing differences  | ..                  | ..   | 192          | -62          | -140         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>394</b>   | <b>76</b>    | <b>104</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>3,588</b> | <b>3,804</b> | <b>4,102</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 2,377        | 1,926        | 1,914        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>5,964</b> | <b>5,730</b> | <b>6,016</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 1,201        | 1,021        | 966          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>4,763</b> | <b>4,709</b> | <b>5,050</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,829        | 1,842        | 1,985        |
| Corporate surtax  | ..                  | ..   | 49           | 49           | 53           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 470          | 475          | 514          |
| Small business deduction  | ..                  | ..   | 423          | 476          | 530          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 6            | 4            | 4            |
| Investment tax credit   | ..                  | ..   | 1            | 3            | 4            |
| Other federal tax credits   | ..                  | ..   | 22           | 30           | 47           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>955</b>   | <b>902</b>   | <b>938</b>   |
| Other direct federal taxes  | ..                  | ..   | 175          | 51           | 25           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>1,131</b> | <b>953</b>   | <b>964</b>   |
| Provincial income taxes   | ..                  | ..   | 482          | 427          | 432          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,612</b> | <b>1,379</b> | <b>1,395</b> |

Table 9-3

## Construction - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 1.697 | 1.708             | 2.178 | 2.044 | 2.135 |
| Profit margin (percent)                          | 3.5   | 3.2               | 2.9   | 3.3   | 3.7   |
| Return on equity (percent)                       | 13.3  | 14.2              | 11.7  | 14.4  | 16.6  |
| Return on capital employed (percent)             | 6.8   | 7.0               | 5.7   | 6.7   | 7.0   |
| Working capital (ratio)                          | 1.423 | 1.466             | 1.314 | 1.305 | 1.269 |
| Quick ratio (ratio)                              | 0.987 | 0.970             | 0.891 | 0.883 | 0.836 |
| Inventory turnover (ratio)                       | 8.017 | 7.991             | 8.106 | 8.488 | 8.500 |
| Receivables turnover (ratio)                     | 6.187 | 5.848             | 6.047 | 6.263 | 6.389 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 28.4  | 22.5  | 20.0  |
| Income taxes to taxable income (percent)         | ..    | ..                | 30.2  | 28.2  | 27.1  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 13.7              | 11.1  | 8.2   | 8.5   |
| Operating expenses, year-over-year change        | ..    | 14.0              | 11.5  | 7.7   | 8.1   |
| Operating profit, year-over-year change          | ..    | 4.2               | -2.1  | 26.5  | 19.5  |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -1.1  | 7.2   |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -14.5 | 1.1   |

Table 10-1

## Food manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>32,593</b>       | <b>34,554</b> | <b>37,649</b> | <b>42,358</b> | <b>45,190</b> |
| Cash and deposits                             | 952                 | 1,285         | 904           | 1,014         | 1,246         |
| Accounts receivable and accrued revenue       | 5,371               | 5,796         | 6,131         | 6,583         | 6,737         |
| Inventories                                   | 5,648               | 5,698         | 5,852         | 6,203         | 6,277         |
| Investments                                   | 5,430               | 6,036         | 7,538         | 10,728        | 12,051        |
| Investments and accounts with affiliates      | 4,445               | 5,339         | 6,773         | 9,660         | 10,857        |
| Portfolio investments                         | 985                 | 697           | 765           | 1,069         | 1,194         |
| Loans   | 365                 | 304           | 177           | 143           | 220           |
| Mortgages                                     | 48                  | 88            | 107           | 90            | 111           |
| Non-mortgages                                 | 316                 | 216           | 70            | 54            | 109           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 11,078              | 11,375        | 11,910        | 12,529        | 12,743        |
| Other assets                                  | 3,748               | 4,059         | 5,137         | 5,158         | 5,915         |
| <b>Liabilities</b>                            | <b>20,367</b>       | <b>20,358</b> | <b>23,846</b> | <b>26,834</b> | <b>28,749</b> |
| Accounts payable and accrued liabilities      | 6,261               | 6,413         | 6,954         | 7,263         | 8,009         |
| Loans and accounts with affiliates            | 3,647               | 3,823         | 5,583         | 6,679         | 8,301         |
| Borrowings                                    | 8,887               | 8,336         | 9,672         | 10,853        | 10,612        |
| Loans and overdrafts                          | 5,336               | 4,170         | 5,444         | 5,955         | 6,219         |
| From banks                                    | 4,481               | 3,655         | 4,542         | 5,023         | 5,261         |
| From others                                   | 855                 | 515           | 902           | 933           | 958           |
| Bankers' acceptances and paper                | 495                 | 1,643         | 1,714         | 2,437         | 1,935         |
| Bonds and debentures                          | 820                 | 1,267         | 1,449         | 1,474         | 1,495         |
| Mortgages                                     | 2,237               | 1,256         | 1,065         | 988           | 963           |
| Deferred income tax                           | 871                 | 879           | 999           | 1,139         | 1,181         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 700                 | 907           | 638           | 899           | 646           |
| <b>Equity</b>                                 | <b>12,225</b>       | <b>14,196</b> | <b>13,803</b> | <b>15,524</b> | <b>16,440</b> |
| Share capital                                 | 4,772               | 5,524         | 6,048         | 6,553         | 7,432         |
| Contributed surplus and other                 | 699                 | 1,168         | 655           | 635           | 821           |
| Retained earnings                             | 6,754               | 7,503         | 7,100         | 8,336         | 8,188         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>58,682</b>       | <b>60,048</b> | <b>65,631</b> | <b>68,951</b> | <b>72,287</b> |
| Sales of goods and services                   | 58,533              | 59,837        | 65,499        | 68,840        | 72,163        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 149                 | 211           | 133           | 111           | 124           |
| <b>Operating expenses</b>                     | <b>56,378</b>       | <b>57,140</b> | <b>62,713</b> | <b>65,893</b> | <b>68,811</b> |
| Purchased goods, materials and service        | 49,102              | 46,429        | 52,332        | 55,063        | 57,744        |
| Wages, salaries and employee benefits         | 5,077               | 7,230         | 7,778         | 7,666         | 7,969         |
| Indirect taxes                                | ..                  | 272           | 365           | 346           | 156           |
| Depreciation, depletion and amortization      | 653                 | 1,595         | 1,749         | 1,747         | 1,539         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 1,546               | 1,614         | 488           | 1,070         | 1,402         |
| <b>Operating profit/loss</b>                  | <b>2,304</b>        | <b>2,909</b>  | <b>2,919</b>  | <b>3,058</b>  | <b>3,476</b>  |
| Interest and dividend revenue                 | 139                 | 185           | 162           | 424           | 248           |
| Interest expense on borrowing                 | 754                 | 780           | 1,008         | 1,130         | 1,044         |
| Gains/losses                                  | 107                 | 249           | 63            | 718           | 6             |
| <b>Profit before income tax</b>               | <b>1,797</b>        | <b>2,564</b>  | <b>2,135</b>  | <b>3,070</b>  | <b>2,686</b>  |
| Income tax                                    | 701                 | 860           | 832           | 787           | 892           |
| Equity in affiliates' earnings                | 53                  | 74            | 143           | 86            | 123           |
| <b>Profit before extraordinary gains</b>      | <b>1,149</b>        | <b>1,777</b>  | <b>1,446</b>  | <b>2,369</b>  | <b>1,917</b>  |
| Extraordinary gains                           | 27                  | -9            | 2             | -10           | -3            |
| <b>Net profit</b>                             | <b>1,175</b>        | <b>1,768</b>  | <b>1,448</b>  | <b>2,359</b>  | <b>1,914</b>  |

Table 10-2

## Food manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000  | 2001  | 2002  |
|---|---------------------|------|-------|-------|-------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |       |       |       |
|   | millions of dollars |      |       |       |       |
| <b>Net profit</b>   | ..                  | ..   | 1,448 | 2,359 | 1,914 |
| Plus: consolidation adjustments                                     | ..                  | ..   | -18   | -46   | 951   |
| Plus: conceptual adjustments  | ..                  | ..   | -15   | 164   | -110  |
| Plus: current taxes, including mining                               | ..                  | ..   | 700   | 634   | 750   |
| Plus: deferred income taxes   | ..                  | ..   | -9    | 110   | 67    |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 131   | 4     | 27    |
| Deductible dividends  | ..                  | ..   | 304   | 971   | 678   |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | 1,670 | 2,246 | 2,867 |
| <b>Exemptions and deductions:</b>                                   |                     |      |       |       |       |
| Book capital gains and losses                                       | ..                  | ..   | 83    | 674   | 692   |
| Less: taxable capital gains   | ..                  | ..   | 46    | 104   | 122   |
| Net difference, capital gains and losses                            | ..                  | ..   | 37    | 570   | 570   |
| Resource allowance  | ..                  | ..   | ..    | ..    | ..    |
| Less: royalties   | ..                  | ..   | ..    | ..    | ..    |
| Net difference, resource allowance                                  | ..                  | ..   | ..    | ..    | ..    |
| Earned depletion allowance  | ..                  | ..   | ..    | ..    | ..    |
| Other exemptions and deductions                                     | ..                  | ..   | -176  | -17   | -49   |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | -139  | 552   | 521   |
| <b>Timing differences:</b>  |                     |      |       |       |       |
| Depreciation  | ..                  | ..   | 1,358 | 1,357 | 1,549 |
| Less: capital cost allowance  | ..                  | ..   | 1,394 | 1,418 | 1,614 |
| Net difference, depreciation  | ..                  | ..   | -36   | -62   | -65   |
| Natural resources expenses, (books)                                 | ..                  | ..   | 4     | 1     | ..    |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..    | ..    | ..    |
| Net difference, natural resources expenses                          | ..                  | ..   | 4     | 1     | ..    |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 3     | -4    | -4    |
| Other timing differences  | ..                  | ..   | -188  | -90   | -293  |
| <b>Total, timing differences</b>                                    | ..                  | ..   | -217  | -156  | -361  |
| <b>Net taxable income</b>   | ..                  | ..   | 1,592 | 1,538 | 1,985 |
| Plus: current year tax losses                                       | ..                  | ..   | 364   | 304   | 340   |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | 1,956 | 1,842 | 2,324 |
| Less: prior year losses applied                                     | ..                  | ..   | 103   | 145   | 210   |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | 1,853 | 1,696 | 2,115 |
| <b>Taxes:</b>   |                     |      |       |       |       |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 774   | 715   | 868   |
| Corporate surtax  | ..                  | ..   | 23    | 21    | 25    |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |       |       |       |
| Federal tax abatement   | ..                  | ..   | 203   | 187   | 227   |
| Small business deduction  | ..                  | ..   | 30    | 29    | 44    |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 99    | 85    | 105   |
| Investment tax credit   | ..                  | ..   | 18    | 21    | 25    |
| Other federal tax credits   | ..                  | ..   | 1     | 7     | 14    |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | 445   | 406   | 478   |
| Other direct federal taxes  | ..                  | ..   | 25    | 17    | 18    |
| <b>Total federal tax</b>  | ..                  | ..   | 471   | 423   | 495   |
| Provincial income taxes   | ..                  | ..   | 221   | 207   | 248   |
| <b>Total taxes</b>  | ..                  | ..   | 692   | 630   | 743   |



Table 10-3

## Food manufacturing - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.025  | 0.857             | 1.105  | 1.129  | 1.150  |
| Profit margin (percent)                          | 3.9    | 4.8               | 4.4    | 4.4    | 4.8    |
| Return on equity (percent)                       | 9.4    | 12.5              | 10.5   | 15.3   | 11.7   |
| Return on capital employed (percent)             | 6.9    | 8.9               | 7.3    | 9.7    | 7.5    |
| Working capital (ratio)                          | 1.323  | 1.246             | 1.232  | 1.198  | 1.107  |
| Quick ratio (ratio)                              | 0.771  | 0.737             | 0.741  | 0.708  | 0.656  |
| Inventory turnover (ratio)                       | 10.390 | 10.538            | 11.214 | 11.116 | 11.516 |
| Receivables turnover (ratio)                     | 10.925 | 10.360            | 10.706 | 10.475 | 10.731 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 31.3   | 23.2   | 22.6   |
| Income taxes to taxable income (percent)         | ..     | ..                | 36.0   | 36.1   | 34.3   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 2.3               | 9.3    | 5.1    | 4.8    |
| Operating expenses, year-over-year change        | ..     | 1.4               | 9.8    | 5.1    | 4.4    |
| Operating profit, year-over-year change          | ..     | 26.2              | 0.3    | 4.8    | 13.7   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -8.5   | 24.7   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -8.9   | 17.9   |

Table 11-1

## Beverage and tobacco product manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>17,848</b>       | <b>32,355</b> | <b>37,512</b> | <b>41,425</b> | <b>39,738</b> |
| Cash and deposits                             | 325                 | 379           | 210           | 289           | 237           |
| Accounts receivable and accrued revenue       | 941                 | 1,408         | 1,232         | 1,350         | 1,353         |
| Inventories                                   | 1,727               | 1,987         | 2,074         | 2,191         | 2,372         |
| Investments                                   | 8,393               | 19,705        | 19,406        | 22,838        | 21,121        |
| Investments and accounts with affiliates      | 8,320               | 19,485        | 19,103        | 21,969        | 20,680        |
| Portfolio investments                         | 73                  | 219           | 304           | 870           | 442           |
| Loans   | 14                  | 10            | 77            | 71            | 67            |
| Mortgages                                     | 4                   | 7             | 5             | 8             | 4             |
| Non-mortgages                                 | 10                  | 3             | 72            | 63            | 64            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 3,087               | 3,465         | 4,137         | 4,337         | 3,958         |
| Other assets                                  | 3,361               | 5,401         | 10,375        | 10,349        | 10,629        |
| <b>Liabilities</b>                            | <b>12,307</b>       | <b>13,727</b> | <b>17,776</b> | <b>20,659</b> | <b>18,168</b> |
| Accounts payable and accrued liabilities      | 1,894               | 2,088         | 2,147         | 2,523         | 2,292         |
| Loans and accounts with affiliates            | 2,920               | 5,446         | 10,467        | 12,671        | 11,057        |
| Borrowings                                    | 7,216               | 6,080         | 4,752         | 4,981         | 4,220         |
| Loans and overdrafts                          | 2,080               | 1,745         | 1,456         | 1,690         | 1,300         |
| From banks                                    | 1,479               | 1,230         | 1,420         | 1,651         | 1,208         |
| From others                                   | 601                 | 515           | 37            | 39            | 92            |
| Bankers' acceptances and paper                | 2,112               | 1,292         | 860           | 410           | 251           |
| Bonds and debentures                          | 2,853               | 2,965         | 2,187         | 2,628         | 2,440         |
| Mortgages                                     | 171                 | 78            | 248           | 253           | 228           |
| Deferred income tax                           | 79                  | 61            | 43            | 77            | -26           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 197                 | 51            | 368           | 408           | 624           |
| <b>Equity</b>                                 | <b>5,542</b>        | <b>18,629</b> | <b>19,736</b> | <b>20,766</b> | <b>21,571</b> |
| Share capital                                 | 4,205               | 10,990        | 13,352        | 12,898        | 12,348        |
| Contributed surplus and other                 | 287                 | 481           | 457           | 491           | 661           |
| Retained earnings                             | 1,049               | 7,157         | 5,927         | 7,378         | 8,562         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>9,556</b>        | <b>11,890</b> | <b>11,858</b> | <b>13,100</b> | <b>13,025</b> |
| Sales of goods and services                   | 9,545               | 11,855        | 11,829        | 13,028        | 12,984        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 11                  | 34            | 29            | 72            | 41            |
| <b>Operating expenses</b>                     | <b>7,485</b>        | <b>9,392</b>  | <b>9,597</b>  | <b>10,367</b> | <b>10,372</b> |
| Purchased goods, materials and service        | 5,256               | 6,498         | 5,970         | 6,999         | 7,091         |
| Wages, salaries and employee benefits         | 1,236               | 2,156         | 2,133         | 2,229         | 2,117         |
| Indirect taxes                                | ..                  | 229           | 291           | 182           | 165           |
| Depreciation, depletion and amortization      | 279                 | 464           | 598           | 644           | 537           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 713                 | 46            | 605           | 313           | 462           |
| <b>Operating profit/loss</b>                  | <b>2,071</b>        | <b>2,497</b>  | <b>2,261</b>  | <b>2,732</b>  | <b>2,653</b>  |
| Interest and dividend revenue                 | 2,214               | 397           | 360           | 467           | 200           |
| Interest expense on borrowing                 | 669                 | 697           | 937           | 1,202         | 900           |
| Gains/losses                                  | 16                  | -22           | 1,905         | 296           | -118          |
| <b>Profit before income tax</b>               | <b>3,632</b>        | <b>2,176</b>  | <b>3,589</b>  | <b>2,293</b>  | <b>1,834</b>  |
| Income tax                                    | 1,071               | 816           | 503           | 717           | 572           |
| Equity in affiliates' earnings                | 27                  | 80            | -1,522        | 487           | 111           |
| <b>Profit before extraordinary gains</b>      | <b>2,588</b>        | <b>1,440</b>  | <b>1,565</b>  | <b>2,064</b>  | <b>1,374</b>  |
| Extraordinary gains                           | ..                  | ..            | -1            | 2             | -3            |
| <b>Net profit</b>                             | <b>2,588</b>        | <b>1,439</b>  | <b>1,564</b>  | <b>2,066</b>  | <b>1,371</b>  |

Table 11-2

## Beverage and tobacco product manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001        | 2002        |
|---|---------------------|------|------------|-------------|-------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |             |             |
|   | millions of dollars |      |            |             |             |
| <b>Net profit</b>   | ..                  | ..   | <b>425</b> | <b>362</b>  | <b>507</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | 31         | -20         | ..          |
| Plus: conceptual adjustments  | ..                  | ..   | -18        | -69         | 5           |
| Plus: current taxes, including mining                               | ..                  | ..   | 242        | 224         | 225         |
| Plus: deferred income taxes   | ..                  | ..   | -16        | -4          | -27         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -4         | 87          | 117         |
| Deductible dividends  | ..                  | ..   | 75         | 110         | 85          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>593</b> | <b>297</b>  | <b>508</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |             |             |
| Book capital gains and losses                                       | ..                  | ..   | 16         | 3           | 6           |
| Less: taxable capital gains   | ..                  | ..   | 10         | 11          | 11          |
| Net difference, capital gains and losses                            | ..                  | ..   | 6          | -8          | -5          |
| Resource allowance  | ..                  | ..   | ..         | ..          | ..          |
| Less: royalties   | ..                  | ..   | ..         | ..          | ..          |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..          | ..          |
| Earned depletion allowance  | ..                  | ..   | ..         | ..          | ..          |
| Other exemptions and deductions                                     | ..                  | ..   | -33        | -130        | -159        |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-28</b> | <b>-137</b> | <b>-163</b> |
| <b>Timing differences:</b>  |                     |      |            |             |             |
| Depreciation  | ..                  | ..   | 589        | 424         | 420         |
| Less: capital cost allowance  | ..                  | ..   | 588        | 427         | 413         |
| Net difference, depreciation  | ..                  | ..   | 1          | -3          | 7           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 1          | 2           | 1           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..          | ..          |
| Net difference, natural resources expenses                          | ..                  | ..   | 1          | 2           | 1           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..         | ..          | 1           |
| Other timing differences  | ..                  | ..   | -45        | 88          | -231        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-44</b> | <b>87</b>   | <b>-223</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>577</b> | <b>521</b>  | <b>449</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 290        | 296         | 389         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>867</b> | <b>817</b>  | <b>837</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 46         | 47          | 63          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>821</b> | <b>770</b>  | <b>774</b>  |
| <b>Taxes:</b>   |                     |      |            |             |             |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 314        | 295         | 296         |
| Corporate surtax  | ..                  | ..   | 9          | 8           | 9           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |             |             |
| Federal tax abatement   | ..                  | ..   | 81         | 76          | 77          |
| Small business deduction  | ..                  | ..   | 32         | 29          | 32          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 36         | 33          | 33          |
| Investment tax credit   | ..                  | ..   | 9          | 7           | 8           |
| Other federal tax credits   | ..                  | ..   | 3          | 3           | 6           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>163</b> | <b>155</b>  | <b>149</b>  |
| Other direct federal taxes  | ..                  | ..   | 4          | 2           | 2           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>167</b> | <b>157</b>  | <b>151</b>  |
| Provincial income taxes   | ..                  | ..   | 80         | 78          | 76          |
| <b>Total taxes</b>  | ..                  | ..   | <b>247</b> | <b>235</b>  | <b>227</b>  |

Table 11-3

## Beverage and tobacco product manufacturing - Selected ratios

|  | 1998   | 1999              | 2000  | 2001  | 2002  |
|--|--------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |        |                   |       |       |       |
| Debt to equity (ratio)                           | 1.829  | 0.619             | 0.771 | 0.850 | 0.708 |
| Profit margin (percent)                          | 21.7   | 21.0              | 19.1  | 20.9  | 20.4  |
| Return on equity (percent)                       | 46.7   | 7.7               | 7.9   | 9.9   | 6.4   |
| Return on capital employed (percent)             | 19.5   | 6.4               | 6.4   | 7.5   | 5.4   |
| Working capital (ratio)                          | 0.757  | 1.438             | 1.215 | 1.315 | 1.436 |
| Quick ratio (ratio)                              | 0.327  | 0.740             | 0.549 | 0.680 | 0.747 |
| Inventory turnover (ratio)                       | 5.533  | 5.983             | 5.718 | 5.979 | 5.492 |
| Receivables turnover (ratio)                     | 10.156 | 8.443             | 9.621 | 9.704 | 9.626 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 13.6  | 28.9  | 27.9  |
| Income taxes to taxable income (percent)         | ..     | ..                | 34.1  | 35.2  | 35.6  |
| <b>Selected items</b>                            |        |                   |       |       |       |
|  |        | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..     | 24.4              | -0.3  | 10.5  | -0.6  |
| Operating expenses, year-over-year change        | ..     | 25.5              | 2.2   | 8.0   | ..    |
| Operating profit, year-over-year change          | ..     | 20.6              | -9.4  | 20.8  | -2.9  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..    | 14.2  | -3.7  |
| Taxes, year-over-year change                     | ..     | ..                | ..    | 10.0  | 10.2  |

Table 12-1

## Clothing, textile and leather manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>12,921</b>       | <b>11,206</b> | <b>11,652</b> | <b>12,344</b> | <b>12,489</b> |
| Cash and deposits                             | 922                 | 694           | 560           | 635           | 664           |
| Accounts receivable and accrued revenue       | 3,151               | 2,877         | 3,072         | 3,512         | 2,931         |
| Inventories                                   | 3,254               | 2,916         | 2,954         | 2,936         | 2,611         |
| Investments                                   | 1,860               | 1,669         | 1,709         | 1,746         | 2,762         |
| Investments and accounts with affiliates      | 1,262               | 1,514         | 1,515         | 1,533         | 2,554         |
| Portfolio investments                         | 598                 | 155           | 194           | 213           | 208           |
| Loans   | 81                  | 60            | 72            | 71            | 72            |
| Mortgages                                     | 9                   | 26            | 32            | 24            | 25            |
| Non-mortgages                                 | 72                  | 34            | 40            | 47            | 47            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 3,166               | 2,495         | 2,683         | 2,771         | 2,821         |
| Other assets                                  | 488                 | 496           | 601           | 673           | 629           |
| <b>Liabilities</b>                            | <b>7,562</b>        | <b>7,162</b>  | <b>7,717</b>  | <b>8,599</b>  | <b>7,534</b>  |
| Accounts payable and accrued liabilities      | 2,722               | 2,290         | 2,431         | 2,873         | 2,239         |
| Loans and accounts with affiliates            | 1,778               | 1,761         | 1,697         | 1,845         | 2,320         |
| Borrowings                                    | 2,699               | 2,593         | 2,895         | 3,102         | 2,705         |
| Loans and overdrafts                          | 1,837               | 1,964         | 2,075         | 2,162         | 2,037         |
| From banks                                    | 1,525               | 1,776         | 1,807         | 1,845         | 1,736         |
| From others                                   | 312                 | 188           | 267           | 317           | 301           |
| Bankers' acceptances and paper                | 1                   | 156           | 259           | 272           | 60            |
| Bonds and debentures                          | 21                  | 147           | 168           | 243           | 202           |
| Mortgages                                     | 840                 | 327           | 394           | 426           | 405           |
| Deferred income tax                           | 201                 | 190           | 209           | 208           | 174           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 163                 | 327           | 485           | 569           | 96            |
| <b>Equity</b>                                 | <b>5,359</b>        | <b>4,044</b>  | <b>3,935</b>  | <b>3,746</b>  | <b>4,955</b>  |
| Share capital                                 | 1,471               | 1,408         | 1,382         | 1,442         | 2,485         |
| Contributed surplus and other                 | 331                 | 289           | 273           | 220           | 174           |
| Retained earnings                             | 3,557               | 2,346         | 2,279         | 2,084         | 2,296         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>19,229</b>       | <b>17,586</b> | <b>17,536</b> | <b>17,461</b> | <b>17,068</b> |
| Sales of goods and services                   | 19,138              | 17,526        | 17,498        | 17,423        | 17,017        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 90                  | 60            | 38            | 38            | 51            |
| <b>Operating expenses</b>                     | <b>17,994</b>       | <b>16,718</b> | <b>16,660</b> | <b>16,756</b> | <b>16,274</b> |
| Purchased goods, materials and service        | 13,572              | 11,328        | 11,971        | 12,053        | 11,778        |
| Wages, salaries and employee benefits         | 3,621               | 4,318         | 3,996         | 3,930         | 3,800         |
| Indirect taxes                                | ..                  | 95            | 102           | 116           | 107           |
| Depreciation, depletion and amortization      | 358                 | 431           | 531           | 483           | 395           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 443                 | 546           | 60            | 174           | 194           |
| <b>Operating profit/loss</b>                  | <b>1,235</b>        | <b>869</b>    | <b>877</b>    | <b>705</b>    | <b>794</b>    |
| Interest and dividend revenue                 | 57                  | 35            | 46            | 171           | 160           |
| Interest expense on borrowing                 | 261                 | 289           | 301           | 329           | 310           |
| Gains/losses                                  | 67                  | -36           | 22            | -12           | 48            |
| <b>Profit before income tax</b>               | <b>1,098</b>        | <b>579</b>    | <b>644</b>    | <b>534</b>    | <b>692</b>    |
| Income tax                                    | 400                 | 211           | 227           | 186           | 210           |
| Equity in affiliates' earnings                | 62                  | 10            | 24            | 13            | 24            |
| <b>Profit before extraordinary gains</b>      | <b>759</b>          | <b>378</b>    | <b>441</b>    | <b>361</b>    | <b>506</b>    |
| Extraordinary gains                           | 1                   | -5            | -16           | 1             | 1             |
| <b>Net profit</b>                             | <b>760</b>          | <b>373</b>    | <b>425</b>    | <b>362</b>    | <b>507</b>    |

Table 12-2

## Clothing, textile and leather manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001        | 2002        |
|---|---------------------|------|------------|-------------|-------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |             |             |
|   | millions of dollars |      |            |             |             |
| <b>Net profit</b>   | ..                  | ..   | <b>425</b> | <b>362</b>  | <b>507</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | 31         | -20         | ..          |
| Plus: conceptual adjustments  | ..                  | ..   | -18        | -69         | 5           |
| Plus: current taxes, including mining                               | ..                  | ..   | 242        | 224         | 225         |
| Plus: deferred income taxes   | ..                  | ..   | -16        | -4          | -27         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -4         | 87          | 117         |
| Deductible dividends  | ..                  | ..   | 75         | 110         | 85          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>593</b> | <b>297</b>  | <b>508</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |             |             |
| Book capital gains and losses                                       | ..                  | ..   | 16         | 3           | 6           |
| Less: taxable capital gains   | ..                  | ..   | 10         | 11          | 11          |
| Net difference, capital gains and losses                            | ..                  | ..   | 6          | -8          | -5          |
| Resource allowance  | ..                  | ..   | ..         | ..          | ..          |
| Less: royalties   | ..                  | ..   | ..         | ..          | ..          |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..          | ..          |
| Earned depletion allowance  | ..                  | ..   | ..         | ..          | ..          |
| Other exemptions and deductions                                     | ..                  | ..   | -33        | -130        | -159        |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-28</b> | <b>-137</b> | <b>-163</b> |
| <b>Timing differences:</b>  |                     |      |            |             |             |
| Depreciation  | ..                  | ..   | 589        | 424         | 420         |
| Less: capital cost allowance  | ..                  | ..   | 588        | 427         | 413         |
| Net difference, depreciation  | ..                  | ..   | 1          | -3          | 7           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 1          | 2           | 1           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..          | ..          |
| Net difference, natural resources expenses                          | ..                  | ..   | 1          | 2           | 1           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..         | ..          | 1           |
| Other timing differences  | ..                  | ..   | -45        | 88          | -231        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-44</b> | <b>87</b>   | <b>-223</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>577</b> | <b>521</b>  | <b>449</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 290        | 296         | 389         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>867</b> | <b>817</b>  | <b>837</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 46         | 47          | 63          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>821</b> | <b>770</b>  | <b>774</b>  |
| <b>Taxes:</b>   |                     |      |            |             |             |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 314        | 295         | 296         |
| Corporate surtax  | ..                  | ..   | 9          | 8           | 9           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |             |             |
| Federal tax abatement   | ..                  | ..   | 81         | 76          | 77          |
| Small business deduction  | ..                  | ..   | 32         | 29          | 32          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 36         | 33          | 33          |
| Investment tax credit   | ..                  | ..   | 9          | 7           | 8           |
| Other federal tax credits   | ..                  | ..   | 3          | 3           | 6           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>163</b> | <b>155</b>  | <b>149</b>  |
| Other direct federal taxes  | ..                  | ..   | 4          | 2           | 2           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>167</b> | <b>157</b>  | <b>151</b>  |
| Provincial income taxes   | ..                  | ..   | 80         | 78          | 76          |
| <b>Total taxes</b>  | ..                  | ..   | <b>247</b> | <b>235</b>  | <b>227</b>  |

Table 12-3

## Clothing, textile and leather manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.835 | 1.077             | 1.167 | 1.321 | 1.014 |
| Profit margin (percent)                          | 6.4   | 4.9               | 5.0   | 4.0   | 4.7   |
| Return on equity (percent)                       | 14.2  | 9.4               | 11.2  | 9.6   | 10.2  |
| Return on capital employed (percent)             | 9.7   | 7.0               | 7.8   | 7.0   | 7.4   |
| Working capital (ratio)                          | 1.714 | 1.650             | 1.562 | 1.465 | 1.606 |
| Quick ratio (ratio)                              | 1.021 | 0.944             | 0.910 | 0.891 | 0.964 |
| Inventory turnover (ratio)                       | 5.909 | 6.032             | 5.937 | 5.948 | 6.538 |
| Receivables turnover (ratio)                     | 6.103 | 6.114             | 5.708 | 4.972 | 5.823 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 26.8  | 27.3  | 25.6  |
| Income taxes to taxable income (percent)         | ..    | ..                | 29.5  | 30.3  | 29.1  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | -8.5              | -0.3  | -0.4  | -2.2  |
| Operating expenses, year-over-year change        | ..    | -7.1              | -0.3  | 0.6   | -2.9  |
| Operating profit, year-over-year change          | ..    | -29.7             | 0.9   | -19.6 | 12.7  |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -6.3  | 0.6   |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -4.6  | -3.5  |

Table 13-1

## Printing and related support activities - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>9,139</b>        | <b>8,942</b>  | <b>10,354</b> | <b>10,261</b> | <b>10,754</b> |
| Cash and deposits                             | 276                 | 481           | 473           | 567           | 539           |
| Accounts receivable and accrued revenue       | 1,671               | 1,900         | 2,089         | 1,860         | 1,901         |
| Inventories                                   | 814                 | 796           | 742           | 746           | 783           |
| Investments                                   | 2,831               | 2,342         | 2,667         | 2,656         | 3,000         |
| Investments and accounts with affiliates      | 577                 | 2,151         | 2,534         | 2,542         | 2,877         |
| Portfolio investments                         | 2,254               | 191           | 133           | 114           | 123           |
| Loans   | 197                 | 55            | 59            | 60            | 47            |
| Mortgages                                     | 3                   | 28            | 20            | 21            | 16            |
| Non-mortgages                                 | 194                 | 28            | 39            | 39            | 31            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 2,455               | 2,663         | 3,206         | 2,935         | 3,119         |
| Other assets                                  | 896                 | 704           | 1,117         | 1,438         | 1,365         |
| <b>Liabilities</b>                            | <b>4,962</b>        | <b>4,616</b>  | <b>5,880</b>  | <b>5,685</b>  | <b>5,557</b>  |
| Accounts payable and accrued liabilities      | 1,648               | 1,809         | 2,038         | 1,898         | 1,821         |
| Loans and accounts with affiliates            | 1,076               | 790           | 979           | 960           | 912           |
| Borrowings                                    | 1,909               | 1,575         | 2,366         | 2,351         | 2,222         |
| Loans and overdrafts                          | 759                 | 962           | 1,499         | 1,369         | 1,380         |
| From banks                                    | 459                 | 761           | 1,021         | 896           | 917           |
| From others                                   | 300                 | 201           | 478           | 473           | 463           |
| Bankers' acceptances and paper                | 41                  | 132           | 14            | 14            | 3             |
| Bonds and debentures                          | 298                 | 254           | 573           | 641           | 550           |
| Mortgages                                     | 811                 | 228           | 281           | 327           | 290           |
| Deferred income tax                           | 166                 | 166           | 211           | 146           | 250           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 164                 | 276           | 285           | 330           | 351           |
| <b>Equity</b>                                 | <b>4,177</b>        | <b>4,326</b>  | <b>4,474</b>  | <b>4,576</b>  | <b>5,197</b>  |
| Share capital                                 | 1,128               | 1,038         | 1,173         | 1,483         | 1,929         |
| Contributed surplus and other                 | 212                 | 162           | 239           | 206           | 168           |
| Retained earnings                             | 2,837               | 3,125         | 3,062         | 2,886         | 3,100         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>10,217</b>       | <b>11,085</b> | <b>12,490</b> | <b>12,479</b> | <b>12,322</b> |
| Sales of goods and services                   | 10,186              | 11,066        | 12,474        | 12,447        | 12,289        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 32                  | 19            | 17            | 32            | 33            |
| <b>Operating expenses</b>                     | <b>9,811</b>        | <b>10,499</b> | <b>11,858</b> | <b>11,902</b> | <b>11,559</b> |
| Purchased goods, materials and service        | 7,624               | 6,284         | 8,025         | 8,453         | 8,075         |
| Wages, salaries and employee benefits         | 1,750               | 3,505         | 3,104         | 2,627         | 2,686         |
| Indirect taxes                                | ..                  | 89            | 48            | 48            | 42            |
| Depreciation, depletion and amortization      | 267                 | 475           | 607           | 670           | 550           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 170                 | 146           | 73            | 104           | 206           |
| <b>Operating profit/loss</b>                  | <b>406</b>          | <b>586</b>    | <b>633</b>    | <b>576</b>    | <b>762</b>    |
| Interest and dividend revenue                 | 322                 | 66            | 54            | 71            | 31            |
| Interest expense on borrowing                 | 185                 | 165           | 227           | 264           | 213           |
| Gains/losses                                  | 30                  | -17           | 81            | -102          | 198           |
| <b>Profit before income tax</b>               | <b>573</b>          | <b>470</b>    | <b>541</b>    | <b>281</b>    | <b>778</b>    |
| Income tax                                    | 150                 | 174           | 187           | 156           | 226           |
| Equity in affiliates' earnings                | 2                   | 28            | 11            | 4             | 8             |
| <b>Profit before extraordinary gains</b>      | <b>424</b>          | <b>323</b>    | <b>364</b>    | <b>129</b>    | <b>561</b>    |
| Extraordinary gains                           | -20                 | 1             | 1             | 4             | 2             |
| <b>Net profit</b>                             | <b>404</b>          | <b>324</b>    | <b>365</b>    | <b>133</b>    | <b>563</b>    |



Table 13-2

## Printing and related support activities - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001       | 2002       |
|---|---------------------|------|------------|------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |            |            |
|   | millions of dollars |      |            |            |            |
| <b>Net profit</b>   | ..                  | ..   | <b>365</b> | <b>133</b> | <b>563</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 13         | -24        | 3          |
| Plus: conceptual adjustments  | ..                  | ..   | -3         | -10        | -52        |
| Plus: current taxes, including mining                               | ..                  | ..   | 175        | 143        | 134        |
| Plus: deferred income taxes   | ..                  | ..   | 26         | -2         | 19         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | ..         | ..         | ..         |
| Deductible dividends  | ..                  | ..   | 44         | 136        | 192        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>531</b> | <b>104</b> | <b>475</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |            |            |
| Book capital gains and losses                                       | ..                  | ..   | 79         | 32         | 56         |
| Less: taxable capital gains   | ..                  | ..   | 32         | -69        | 14         |
| Net difference, capital gains and losses                            | ..                  | ..   | 46         | 101        | 43         |
| Resource allowance  | ..                  | ..   | ..         | ..         | ..         |
| Less: royalties   | ..                  | ..   | ..         | ..         | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..         | ..         |
| Earned depletion allowance  | ..                  | ..   | ..         | ..         | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | -33        | -60        | -28        |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>14</b>  | <b>42</b>  | <b>15</b>  |
| <b>Timing differences:</b>  |                     |      |            |            |            |
| Depreciation  | ..                  | ..   | 561        | 624        | 544        |
| Less: capital cost allowance  | ..                  | ..   | 498        | 486        | 502        |
| Net difference, depreciation  | ..                  | ..   | 64         | 138        | 42         |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..         | 3          | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..         | ..         |
| Net difference, natural resources expenses                          | ..                  | ..   | ..         | 2          | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 2          | 2          | -1         |
| Other timing differences  | ..                  | ..   | -65        | 119        | 19         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>1</b>   | <b>261</b> | <b>60</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>518</b> | <b>323</b> | <b>520</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 141        | 193        | 139        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>659</b> | <b>516</b> | <b>659</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 32         | 39         | 141        |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>627</b> | <b>477</b> | <b>518</b> |
| <b>Taxes:</b>   |                     |      |            |            |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 241        | 188        | 204        |
| Corporate surtax  | ..                  | ..   | 7          | 5          | 6          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |            |            |
| Federal tax abatement   | ..                  | ..   | 63         | 49         | 54         |
| Small business deduction  | ..                  | ..   | 28         | 26         | 25         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 25         | 19         | 21         |
| Investment tax credit   | ..                  | ..   | 2          | 4          | 3          |
| Other federal tax credits   | ..                  | ..   | 2          | 2          | 2          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>128</b> | <b>94</b>  | <b>105</b> |
| Other direct federal taxes  | ..                  | ..   | 2          | 2          | 2          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>130</b> | <b>96</b>  | <b>106</b> |
| Provincial income taxes   | ..                  | ..   | 62         | 49         | 54         |
| <b>Total taxes</b>  | ..                  | ..   | <b>192</b> | <b>145</b> | <b>160</b> |

Table 13-3

## Printing and related support activities - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.714  | 0.547             | 0.748  | 0.724  | 0.603  |
| Profit margin (percent)                          | 4.0    | 5.3               | 5.1    | 4.6    | 6.2    |
| Return on equity (percent)                       | 10.2   | 7.5               | 8.1    | 2.8    | 10.8   |
| Return on capital employed (percent)             | 7.8    | 6.6               | 6.8    | 4.2    | 8.7    |
| Working capital (ratio)                          | 1.307  | 1.244             | 1.147  | 1.197  | 1.295  |
| Quick ratio (ratio)                              | 0.980  | 0.946             | 0.914  | 0.944  | 1.017  |
| Inventory turnover (ratio)                       | 12.553 | 13.920            | 16.834 | 16.731 | 15.738 |
| Receivables turnover (ratio)                     | 6.116  | 5.833             | 5.978  | 6.709  | 6.481  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 27.9   | 29.8   | 24.8   |
| Income taxes to taxable income (percent)         | ..     | ..                | 30.2   | 30.0   | 30.6   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 8.5               | 12.7   | -0.1   | -1.3   |
| Operating expenses, year-over-year change        | ..     | 7.0               | 12.9   | 0.4    | -2.9   |
| Operating profit, year-over-year change          | ..     | 44.2              | 8.0    | -8.9   | 32.3   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -23.9  | 8.6    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -24.5  | 10.5   |

Table 14-1

## Petroleum and coal products manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>29,100</b>       | <b>32,565</b> | <b>35,975</b> | <b>37,242</b> | <b>41,822</b> |
| Cash and deposits                             | 1,247               | 1,017         | 2,727         | 1,886         | 1,400         |
| Accounts receivable and accrued revenue       | 3,519               | 4,191         | 5,087         | 4,113         | 5,067         |
| Inventories                                   | 2,283               | 2,676         | 2,830         | 2,679         | 2,645         |
| Investments                                   | 1,837               | 2,576         | 2,403         | 3,793         | 5,814         |
| Investments and accounts with affiliates      | 539                 | 1,472         | 1,254         | 2,797         | 4,916         |
| Portfolio investments                         | 1,298               | 1,104         | 1,149         | 996           | 897           |
| Loans   | 58                  | 183           | 170           | 184           | 234           |
| Mortgages                                     | 5                   | 13            | 5             | 6             | 59            |
| Non-mortgages                                 | 54                  | 170           | 165           | 178           | 175           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 18,941              | 20,641        | 21,351        | 23,658        | 25,729        |
| Other assets                                  | 1,214               | 1,282         | 1,406         | 929           | 934           |
| <b>Liabilities</b>                            | <b>15,325</b>       | <b>16,108</b> | <b>18,874</b> | <b>18,715</b> | <b>21,865</b> |
| Accounts payable and accrued liabilities      | 4,925               | 6,207         | 7,721         | 7,108         | 7,572         |
| Loans and accounts with affiliates            | 918                 | 1,067         | 1,120         | 1,414         | 1,842         |
| Borrowings                                    | 4,660               | 4,002         | 3,769         | 4,670         | 6,597         |
| Loans and overdrafts                          | 683                 | 519           | 500           | 1,586         | 3,029         |
| From banks                                    | 495                 | 266           | 218           | 1,291         | 2,687         |
| From others                                   | 188                 | 253           | 282           | 295           | 342           |
| Bankers' acceptances and paper                | ..                  | 59            | 62            | ..            | ..            |
| Bonds and debentures                          | 3,953               | 3,399         | 3,186         | 2,786         | 3,347         |
| Mortgages                                     | 24                  | 26            | 21            | 298           | 221           |
| Deferred income tax                           | 3,067               | 3,154         | 3,977         | 3,684         | 3,488         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,756               | 1,677         | 2,287         | 1,839         | 2,367         |
| <b>Equity</b>                                 | <b>13,775</b>       | <b>16,457</b> | <b>17,101</b> | <b>18,527</b> | <b>19,957</b> |
| Share capital                                 | 4,792               | 4,695         | 4,436         | 5,402         | 4,705         |
| Contributed surplus and other                 | 2,692               | 2,654         | 2,532         | 1,937         | 1,976         |
| Retained earnings                             | 6,290               | 9,108         | 10,132        | 11,188        | 13,275        |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>29,464</b>       | <b>33,573</b> | <b>49,034</b> | <b>48,636</b> | <b>49,202</b> |
| Sales of goods and services                   | 29,044              | 33,009        | 48,448        | 47,985        | 48,820        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 419                 | 565           | 586           | 651           | 383           |
| <b>Operating expenses</b>                     | <b>27,020</b>       | <b>30,386</b> | <b>43,195</b> | <b>43,072</b> | <b>44,642</b> |
| Purchased goods, materials and service        | 20,959              | 22,254        | 38,055        | 34,225        | 35,876        |
| Wages, salaries and employee benefits         | 1,104               | 4,030         | 2,671         | 3,309         | 3,076         |
| Indirect taxes                                | ..                  | 1,914         | 283           | 468           | 333           |
| Depreciation, depletion and amortization      | 1,667               | 1,716         | 1,919         | 1,824         | 2,049         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 3,292               | 471           | 267           | 3,245         | 3,307         |
| <b>Operating profit/loss</b>                  | <b>2,443</b>        | <b>3,188</b>  | <b>5,839</b>  | <b>5,564</b>  | <b>4,561</b>  |
| Interest and dividend revenue                 | 129                 | 139           | 241           | 280           | 277           |
| Interest expense on borrowing                 | 394                 | 412           | 412           | 406           | 387           |
| Gains/losses                                  | 22                  | 268           | 181           | 32            | -14           |
| <b>Profit before income tax</b>               | <b>2,200</b>        | <b>3,183</b>  | <b>5,849</b>  | <b>5,470</b>  | <b>4,437</b>  |
| Income tax                                    | 725                 | 1,277         | 2,289         | 1,889         | 1,637         |
| Equity in affiliates' earnings                | 17                  | 26            | 32            | 36            | 203           |
| <b>Profit before extraordinary gains</b>      | <b>1,492</b>        | <b>1,931</b>  | <b>3,592</b>  | <b>3,617</b>  | <b>3,003</b>  |
| Extraordinary gains                           | -1                  | -4            | -5            | ..            | ..            |
| <b>Net profit</b>                             | <b>1,491</b>        | <b>1,927</b>  | <b>3,587</b>  | <b>3,617</b>  | <b>3,003</b>  |

Table 14-2

## Petroleum and coal products manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>3,587</b> | <b>3,617</b> | <b>3,003</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 2,873        | 3,195        | 1,871        |
| Plus: conceptual adjustments  | ..                  | ..   | 17           | -145         | -279         |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,148        | 1,975        | 1,790        |
| Plus: deferred income taxes   | ..                  | ..   | -101         | 386          | 171          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -1           | ..           | ..           |
| Deductible dividends  | ..                  | ..   | 4,561        | 3,214        | 1,097        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>2,963</b> | <b>5,814</b> | <b>5,459</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | -22          | 45           | 25           |
| Less: taxable capital gains   | ..                  | ..   | 36           | 48           | 13           |
| Net difference, capital gains and losses                            | ..                  | ..   | -58          | -4           | 12           |
| Resource allowance  | ..                  | ..   | 389          | 1,088        | 1,219        |
| Less: royalties   | ..                  | ..   | 304          | 295          | 211          |
| Net difference, resource allowance                                  | ..                  | ..   | 86           | 793          | 1,008        |
| Earned depletion allowance  | ..                  | ..   | ..           | 15           | 3            |
| Other exemptions and deductions                                     | ..                  | ..   | -328         | 242          | 900          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-301</b>  | <b>1,047</b> | <b>1,923</b> |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 795          | 877          | 908          |
| Less: capital cost allowance  | ..                  | ..   | 766          | 835          | 1,271        |
| Net difference, depreciation  | ..                  | ..   | 29           | 42           | -363         |
| Natural resources expenses, (books)                                 | ..                  | ..   | 51           | 148          | 258          |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 175          | 593          | 954          |
| Net difference, natural resources expenses                          | ..                  | ..   | -124         | -445         | -696         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | ..           | ..           |
| Other timing differences  | ..                  | ..   | 230          | 590          | 2,003        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>135</b>   | <b>186</b>   | <b>944</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>3,399</b> | <b>4,954</b> | <b>4,480</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 264          | 257          | 113          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>3,663</b> | <b>5,211</b> | <b>4,593</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 32           | 52           | 6            |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>3,630</b> | <b>5,160</b> | <b>4,587</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,385        | 1,966        | 1,748        |
| Corporate surtax  | ..                  | ..   | 41           | 58           | 52           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 364          | 517          | 460          |
| Small business deduction  | ..                  | ..   | 2            | 1            | 1            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 128          | 111          | 77           |
| Investment tax credit   | ..                  | ..   | 7            | 40           | 21           |
| Other federal tax credits   | ..                  | ..   | ..           | 15           | 17           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>925</b>   | <b>1,338</b> | <b>1,224</b> |
| Other direct federal taxes  | ..                  | ..   | 7            | 9            | 21           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>932</b>   | <b>1,347</b> | <b>1,244</b> |
| Provincial income taxes   | ..                  | ..   | 511          | 676          | 532          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,443</b> | <b>2,023</b> | <b>1,777</b> |

Table 14-3

## Petroleum and coal products manufacturing - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.405  | 0.308             | 0.286  | 0.328  | 0.423  |
| Profit margin (percent)                          | 8.3    | 9.5               | 11.9   | 11.4   | 9.3    |
| Return on equity (percent)                       | 10.8   | 11.7              | 21.0   | 19.5   | 15.0   |
| Return on capital employed (percent)             | 9.0    | 10.1              | 17.5   | 15.8   | 11.5   |
| Working capital (ratio)                          | 1.360  | 1.444             | 1.291  | 1.227  | 1.199  |
| Quick ratio (ratio)                              | 0.997  | 1.040             | 0.974  | 0.897  | 0.890  |
| Inventory turnover (ratio)                       | 12.907 | 12.547            | 17.326 | 18.157 | 18.599 |
| Receivables turnover (ratio)                     | 8.372  | 8.010             | 9.639  | 11.824 | 9.710  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 48.3   | 34.7   | 32.5   |
| Income taxes to taxable income (percent)         | ..     | ..                | 39.6   | 39.0   | 38.3   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 13.9              | 46.1   | -0.8   | 1.2    |
| Operating expenses, year-over-year change        | ..     | 12.5              | 42.2   | -0.3   | 3.6    |
| Operating profit, year-over-year change          | ..     | 30.5              | 83.2   | -4.7   | -18.0  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 42.1   | -11.1  |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 40.2   | -12.2  |

Table 15-1

## Non-metallic mineral product manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>11,065</b>       | <b>12,075</b> | <b>13,173</b> | <b>12,879</b> | <b>14,256</b> |
| Cash and deposits                             | 744                 | 823           | 610           | 781           | 1,339         |
| Accounts receivable and accrued revenue       | 1,684               | 2,145         | 2,313         | 2,514         | 2,570         |
| Inventories                                   | 1,174               | 1,479         | 1,604         | 1,445         | 1,612         |
| Investments                                   | 1,427               | 1,398         | 1,597         | 1,301         | 1,404         |
| Investments and accounts with affiliates      | 1,224               | 1,192         | 1,491         | 1,109         | 1,222         |
| Portfolio investments                         | 203                 | 206           | 107           | 192           | 183           |
| Loans   | 72                  | 232           | 29            | 33            | 28            |
| Mortgages                                     | 17                  | 185           | 15            | 17            | 15            |
| Non-mortgages                                 | 55                  | 47            | 14            | 16            | 13            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 4,880               | 5,103         | 5,652         | 5,718         | 5,872         |
| Other assets                                  | 1,085               | 895           | 1,367         | 1,087         | 1,432         |
| <b>Liabilities</b>                            | <b>5,212</b>        | <b>5,133</b>  | <b>5,950</b>  | <b>6,407</b>  | <b>6,599</b>  |
| Accounts payable and accrued liabilities      | 1,552               | 1,771         | 1,830         | 1,784         | 2,064         |
| Loans and accounts with affiliates            | 1,130               | 711           | 942           | 1,187         | 1,238         |
| Borrowings                                    | 1,577               | 1,869         | 2,027         | 2,133         | 1,923         |
| Loans and overdrafts                          | 830                 | 1,149         | 1,081         | 1,157         | 1,326         |
| From banks                                    | 521                 | 858           | 804           | 883           | 1,112         |
| From others                                   | 310                 | 290           | 277           | 274           | 214           |
| Bankers' acceptances and paper                | 126                 | 148           | 121           | 2             | 16            |
| Bonds and debentures                          | 143                 | 372           | 623           | 725           | 357           |
| Mortgages                                     | 477                 | 200           | 202           | 250           | 223           |
| Deferred income tax                           | 686                 | 657           | 648           | 683           | 774           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 266                 | 126           | 503           | 619           | 601           |
| <b>Equity</b>                                 | <b>5,854</b>        | <b>6,942</b>  | <b>7,223</b>  | <b>6,472</b>  | <b>7,657</b>  |
| Share capital                                 | 1,564               | 1,806         | 1,962         | 1,989         | 1,708         |
| Contributed surplus and other                 | 380                 | 246           | 372           | 648           | 574           |
| Retained earnings                             | 3,910               | 4,890         | 4,889         | 3,836         | 5,375         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>11,366</b>       | <b>12,289</b> | <b>12,879</b> | <b>14,784</b> | <b>14,039</b> |
| Sales of goods and services                   | 11,129              | 12,083        | 12,846        | 14,754        | 14,013        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 237                 | 206           | 33            | 31            | 27            |
| <b>Operating expenses</b>                     | <b>10,197</b>       | <b>10,910</b> | <b>11,529</b> | <b>13,549</b> | <b>12,602</b> |
| Purchased goods, materials and service        | 8,301               | 8,014         | 8,220         | 10,340        | 9,827         |
| Wages, salaries and employee benefits         | 1,414               | 2,261         | 2,438         | 2,294         | 2,057         |
| Indirect taxes                                | ..                  | 79            | 99            | 87            | 72            |
| Depreciation, depletion and amortization      | 422                 | 530           | 606           | 747           | 562           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 59                  | 26            | 166           | 82            | 84            |
| <b>Operating profit/loss</b>                  | <b>1,169</b>        | <b>1,379</b>  | <b>1,350</b>  | <b>1,235</b>  | <b>1,437</b>  |
| Interest and dividend revenue                 | 106                 | 66            | 89            | 102           | 86            |
| Interest expense on borrowing                 | 149                 | 155           | 197           | 291           | 166           |
| Gains/losses                                  | 231                 | 170           | 51            | -153          | 36            |
| <b>Profit before income tax</b>               | <b>1,358</b>        | <b>1,460</b>  | <b>1,293</b>  | <b>893</b>    | <b>1,393</b>  |
| Income tax                                    | 528                 | 465           | 462           | 409           | 472           |
| Equity in affiliates' earnings                | 14                  | 28            | 50            | -42           | 18            |
| <b>Profit before extraordinary gains</b>      | <b>843</b>          | <b>1,023</b>  | <b>880</b>    | <b>443</b>    | <b>939</b>    |
| Extraordinary gains                           | 12                  | ..            | -3            | ..            | ..            |
| <b>Net profit</b>                             | <b>855</b>          | <b>1,023</b>  | <b>877</b>    | <b>443</b>    | <b>938</b>    |

Table 15-2

## Non-metallic mineral product manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | 877          | 443          | 938          |
| Plus: consolidation adjustments                                     | ..                  | ..   | 12           | -7           | -151         |
| Plus: conceptual adjustments  | ..                  | ..   | -106         | 98           | -3           |
| Plus: current taxes, including mining                               | ..                  | ..   | 328          | 316          | 322          |
| Plus: deferred income taxes   | ..                  | ..   | 134          | 81           | 80           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 3            | ..           | ..           |
| Deductible dividends  | ..                  | ..   | 203          | 92           | 276          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,039</b> | <b>837</b>   | <b>911</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | ..           | -163         | 37           |
| Less: taxable capital gains   | ..                  | ..   | 20           | 69           | 22           |
| Net difference, capital gains and losses                            | ..                  | ..   | -19          | -232         | 15           |
| Resource allowance  | ..                  | ..   | 3            | 4            | 4            |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | 3            | 4            | 4            |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -27          | -27          | -29          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-43</b>   | <b>-255</b>  | <b>-10</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 586          | 624          | 577          |
| Less: capital cost allowance  | ..                  | ..   | 611          | 623          | 638          |
| Net difference, depreciation  | ..                  | ..   | -25          | 2            | -61          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..           | 1            | 1            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..           | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | ..           | 1            | 1            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 1            | ..           | ..           |
| Other timing differences  | ..                  | ..   | -65          | -63          | 242          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-88</b>   | <b>-60</b>   | <b>182</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>994</b>   | <b>1,032</b> | <b>1,103</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 97           | 98           | 83           |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>1,091</b> | <b>1,131</b> | <b>1,185</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 33           | 31           | 30           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,059</b> | <b>1,100</b> | <b>1,155</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 404          | 427          | 441          |
| Corporate surtax  | ..                  | ..   | 12           | 12           | 13           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 106          | 112          | 115          |
| Small business deduction  | ..                  | ..   | 13           | 13           | 14           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 56           | 57           | 58           |
| Investment tax credit   | ..                  | ..   | 7            | 5            | 6            |
| Other federal tax credits   | ..                  | ..   | 2            | 4            | 7            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>231</b>   | <b>250</b>   | <b>253</b>   |
| Other direct federal taxes  | ..                  | ..   | 9            | 6            | 5            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>240</b>   | <b>255</b>   | <b>258</b>   |
| Provincial income taxes   | ..                  | ..   | 128          | 126          | 126          |
| <b>Total taxes</b>  | ..                  | ..   | <b>368</b>   | <b>381</b>   | <b>384</b>   |

Table 15-3

## Non-metallic mineral product manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001   | 2002  |
|--|-------|-------------------|-------|--------|-------|
| <b>Selected ratios</b>                           |       |                   |       |        |       |
| Debt to equity (ratio)                           | 0.462 | 0.372             | 0.411 | 0.513  | 0.413 |
| Profit margin (percent)                          | 10.3  | 11.2              | 10.5  | 8.4    | 10.2  |
| Return on equity (percent)                       | 14.4  | 14.7              | 12.2  | 6.8    | 12.3  |
| Return on capital employed (percent)             | 11.1  | 11.9              | 10.1  | 6.8    | 9.8   |
| Working capital (ratio)                          | 1.828 | 1.899             | 1.844 | 1.875  | 1.947 |
| Quick ratio (ratio)                              | 1.300 | 1.296             | 1.275 | 1.334  | 1.400 |
| Inventory turnover (ratio)                       | 9.682 | 8.309             | 8.029 | 10.231 | 8.709 |
| Receivables turnover (ratio)                     | 6.750 | 5.729             | 5.567 | 5.881  | 5.463 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 29.0  | 32.5   | 32.9  |
| Income taxes to taxable income (percent)         | ..    | ..                | 34.0  | 34.2   | 32.8  |
| <b>Selected items</b>                            |       |                   |       |        |       |
|  |       | Percentage change |       |        |       |
| Operating revenue, year-over-year change         | ..    | 8.1               | 4.8   | 14.8   | -5.0  |
| Operating expenses, year-over-year change        | ..    | 7.0               | 5.7   | 17.5   | -7.0  |
| Operating profit, year-over-year change          | ..    | 17.9              | -2.1  | -8.5   | 16.4  |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | 3.9    | 5.0   |
| Taxes, year-over-year change                     | ..    | ..                | ..    | 3.6    | 0.6   |



Table 16-1

## Wood and paper manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>77,471</b>       | <b>79,483</b> | <b>84,631</b> | <b>79,744</b> | <b>80,793</b> |
| Cash and deposits                             | 2,826               | 3,389         | 3,137         | 2,581         | 2,668         |
| Accounts receivable and accrued revenue       | 7,935               | 8,437         | 8,829         | 8,576         | 8,557         |
| Inventories                                   | 10,241              | 10,094        | 10,855        | 10,218        | 10,756        |
| Investments                                   | 11,074              | 12,015        | 13,609        | 10,836        | 9,853         |
| Investments and accounts with affiliates      | 9,650               | 11,360        | 12,637        | 10,006        | 9,294         |
| Portfolio investments                         | 1,424               | 655           | 972           | 831           | 560           |
| Loans   | 103                 | 125           | 93            | 86            | 89            |
| Mortgages                                     | 10                  | 58            | 39            | 50            | 44            |
| Non-mortgages                                 | 93                  | 67            | 54            | 36            | 44            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 40,705              | 41,695        | 43,552        | 42,379        | 43,589        |
| Other assets                                  | 4,585               | 3,729         | 4,557         | 5,067         | 5,281         |
| <b>Liabilities</b>                            | <b>43,844</b>       | <b>44,823</b> | <b>47,584</b> | <b>46,884</b> | <b>47,004</b> |
| Accounts payable and accrued liabilities      | 9,646               | 10,625        | 10,275        | 9,378         | 9,818         |
| Loans and accounts with affiliates            | 4,716               | 3,803         | 5,440         | 5,858         | 6,352         |
| Borrowings                                    | 23,003              | 23,555        | 24,057        | 24,911        | 23,893        |
| Loans and overdrafts                          | 12,208              | 12,728        | 12,433        | 12,665        | 10,892        |
| From banks                                    | 9,085               | 11,244        | 10,194        | 9,396         | 7,579         |
| From others                                   | 3,123               | 1,484         | 2,239         | 3,269         | 3,313         |
| Bankers' acceptances and paper                | 907                 | 2,305         | 2,578         | 907           | 572           |
| Bonds and debentures                          | 6,498               | 6,872         | 7,564         | 9,921         | 11,225        |
| Mortgages                                     | 3,390               | 1,651         | 1,482         | 1,418         | 1,203         |
| Deferred income tax                           | 4,587               | 4,542         | 5,597         | 5,411         | 5,582         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,891               | 2,298         | 2,215         | 1,326         | 1,360         |
| <b>Equity</b>                                 | <b>33,628</b>       | <b>34,660</b> | <b>37,047</b> | <b>32,860</b> | <b>33,789</b> |
| Share capital                                 | 21,531              | 23,384        | 22,581        | 20,045        | 21,839        |
| Contributed surplus and other                 | 1,479               | 1,613         | 1,443         | 1,217         | 1,254         |
| Retained earnings                             | 10,618              | 9,663         | 13,023        | 11,598        | 10,695        |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>60,078</b>       | <b>68,160</b> | <b>73,586</b> | <b>72,162</b> | <b>73,399</b> |
| Sales of goods and services                   | 59,463              | 67,836        | 73,252        | 71,907        | 73,204        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 615                 | 323           | 334           | 254           | 195           |
| <b>Operating expenses</b>                     | <b>56,886</b>       | <b>61,914</b> | <b>66,014</b> | <b>66,965</b> | <b>69,136</b> |
| Purchased goods, materials and service        | 45,457              | 45,617        | 48,595        | 50,893        | 53,850        |
| Wages, salaries and employee benefits         | 7,390               | 10,291        | 11,801        | 10,435        | 10,335        |
| Indirect taxes                                | ..                  | 511           | 538           | 665           | 407           |
| Depreciation, depletion and amortization      | 2,992               | 4,384         | 4,270         | 4,361         | 4,162         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 1,048               | 1,111         | 811           | 610           | 382           |
| <b>Operating profit/loss</b>                  | <b>3,192</b>        | <b>6,245</b>  | <b>7,572</b>  | <b>5,197</b>  | <b>4,263</b>  |
| Interest and dividend revenue                 | 301                 | 597           | 593           | 483           | 333           |
| Interest expense on borrowing                 | 1,927               | 2,120         | 2,186         | 2,485         | 2,273         |
| Gains/losses                                  | -264                | 367           | -184          | 274           | 711           |
| <b>Profit before income tax</b>               | <b>1,302</b>        | <b>5,089</b>  | <b>5,794</b>  | <b>3,469</b>  | <b>3,034</b>  |
| Income tax                                    | 552                 | 1,740         | 1,937         | 1,000         | 833           |
| Equity in affiliates' earnings                | 98                  | 256           | 240           | 347           | 315           |
| <b>Profit before extraordinary gains</b>      | <b>847</b>          | <b>3,606</b>  | <b>4,097</b>  | <b>2,816</b>  | <b>2,515</b>  |
| Extraordinary gains                           | -63                 | 198           | -1            | 1             | -1            |
| <b>Net profit</b>                             | <b>784</b>          | <b>3,804</b>  | <b>4,096</b>  | <b>2,817</b>  | <b>2,515</b>  |

Table 16-2

## Wood and paper manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001         | 2002         |
|---|---------------------|------|---------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |              |              |
|   | millions of dollars |      |               |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>4,096</b>  | <b>2,817</b> | <b>2,515</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -487          | 630          | -775         |
| Plus: conceptual adjustments  | ..                  | ..   | -263          | -263         | -151         |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,051         | 863          | 866          |
| Plus: deferred income taxes   | ..                  | ..   | 668           | 141          | -91          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 71            | 3            | 3            |
| Deductible dividends  | ..                  | ..   | 800           | 2,028        | 2,034        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>4,195</b>  | <b>2,156</b> | <b>326</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 69            | -113         | -63          |
| Less: taxable capital gains   | ..                  | ..   | 230           | 52           | 81           |
| Net difference, capital gains and losses                            | ..                  | ..   | -161          | -165         | -143         |
| Resource allowance  | ..                  | ..   | ..            | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..            | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..            | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..            | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -168          | 169          | 213          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-329</b>   | <b>4</b>     | <b>70</b>    |
| <b>Timing differences:</b>  |                     |      |               |              |              |
| Depreciation  | ..                  | ..   | 3,380         | 3,159        | 3,258        |
| Less: capital cost allowance  | ..                  | ..   | 4,239         | 3,027        | 3,841        |
| Net difference, depreciation  | ..                  | ..   | -858          | 132          | -583         |
| Natural resources expenses, (books)                                 | ..                  | ..   | 18            | 18           | 14           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..            | 5            | 2            |
| Net difference, natural resources expenses                          | ..                  | ..   | 18            | 13           | 12           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -5            | -1           | 3            |
| Other timing differences  | ..                  | ..   | -705          | 698          | 1,049        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-1,550</b> | <b>841</b>   | <b>481</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>2,975</b>  | <b>2,994</b> | <b>737</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 1,116         | 964          | 2,053        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>4,090</b>  | <b>3,958</b> | <b>2,790</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 1,310         | 772          | 532          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>2,780</b>  | <b>3,186</b> | <b>2,258</b> |
| <b>Taxes:</b>   |                     |      |               |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,153         | 1,043        | 984          |
| Corporate surtax  | ..                  | ..   | 33            | 30           | 28           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |              |              |
| Federal tax abatement   | ..                  | ..   | 302           | 273          | 258          |
| Small business deduction  | ..                  | ..   | 34            | 32           | 65           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 175           | 156          | 145          |
| Investment tax credit   | ..                  | ..   | 190           | 111          | 69           |
| Other federal tax credits   | ..                  | ..   | 24            | 17           | 28           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>461</b>    | <b>483</b>   | <b>447</b>   |
| Other direct federal taxes  | ..                  | ..   | 81            | 40           | 24           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>543</b>    | <b>523</b>   | <b>472</b>   |
| Provincial income taxes   | ..                  | ..   | 306           | 348          | 289          |
| <b>Total taxes</b>  | ..                  | ..   | <b>849</b>    | <b>872</b>   | <b>760</b>   |

Table 16-3

## Wood and paper manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.824 | 0.789             | 0.796 | 0.936 | 0.895 |
| Profit margin (percent)                          | 5.3   | 9.2               | 10.3  | 7.2   | 5.8   |
| Return on equity (percent)                       | 2.5   | 10.4              | 11.1  | 8.6   | 7.4   |
| Return on capital employed (percent)             | 3.5   | 8.1               | 8.5   | 7.3   | 6.7   |
| Working capital (ratio)                          | 1.464 | 1.491             | 1.510 | 1.519 | 1.471 |
| Quick ratio (ratio)                              | 0.793 | 0.826             | 0.836 | 0.829 | 0.777 |
| Inventory turnover (ratio)                       | 5.866 | 6.753             | 6.779 | 7.062 | 6.824 |
| Receivables turnover (ratio)                     | 7.571 | 8.079             | 8.335 | 8.414 | 8.578 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 17.7  | 24.0  | 29.0  |
| Income taxes to taxable income (percent)         | ..    | ..                | 27.6  | 26.1  | 32.6  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 13.5              | 8.0   | -1.9  | 1.7   |
| Operating expenses, year-over-year change        | ..    | 8.8               | 6.6   | 1.4   | 3.2   |
| Operating profit, year-over-year change          | ..    | 95.7              | 21.2  | -31.4 | -18.0 |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | 14.6  | -29.1 |
| Taxes, year-over-year change                     | ..    | ..                | ..    | 2.6   | -12.8 |

Table 17-1

## Chemicals, plastic and rubber manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>57,986</b>       | <b>67,873</b> | <b>76,220</b> | <b>78,704</b> | <b>80,310</b> |
| Cash and deposits                             | 2,092               | 3,261         | 3,086         | 3,450         | 2,713         |
| Accounts receivable and accrued revenue       | 8,721               | 10,741        | 12,507        | 12,572        | 12,352        |
| Inventories                                   | 7,583               | 8,183         | 9,478         | 9,540         | 9,403         |
| Investments                                   | 13,893              | 15,547        | 17,179        | 20,198        | 21,321        |
| Investments and accounts with affiliates      | 12,476              | 14,807        | 16,843        | 19,686        | 20,059        |
| Portfolio investments                         | 1,418               | 740           | 336           | 513           | 1,262         |
| Loans   | 278                 | 154           | 176           | 111           | 184           |
| Mortgages                                     | 29                  | 92            | 71            | 42            | 60            |
| Non-mortgages                                 | 249                 | 62            | 105           | 69            | 124           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 19,613              | 23,828        | 27,415        | 26,850        | 27,797        |
| Other assets                                  | 5,805               | 6,158         | 6,379         | 5,982         | 6,540         |
| <b>Liabilities</b>                            | <b>31,200</b>       | <b>35,959</b> | <b>41,518</b> | <b>42,722</b> | <b>43,332</b> |
| Accounts payable and accrued liabilities      | 8,888               | 10,546        | 12,173        | 12,375        | 12,588        |
| Loans and accounts with affiliates            | 5,867               | 9,191         | 10,923        | 12,489        | 13,276        |
| Borrowings                                    | 13,010              | 12,990        | 14,793        | 13,843        | 13,144        |
| Loans and overdrafts                          | 5,963               | 7,329         | 9,049         | 8,014         | 7,843         |
| From banks                                    | 4,453               | 5,632         | 7,438         | 6,038         | 5,573         |
| From others                                   | 1,510               | 1,698         | 1,611         | 1,976         | 2,270         |
| Bankers' acceptances and paper                | 373                 | 1,244         | 1,098         | 550           | 762           |
| Bonds and debentures                          | 2,938               | 3,410         | 3,676         | 3,934         | 3,708         |
| Mortgages                                     | 3,736               | 1,007         | 970           | 1,345         | 832           |
| Deferred income tax                           | 1,668               | 1,446         | 1,563         | 1,630         | 2,139         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,766               | 1,786         | 2,066         | 2,385         | 2,186         |
| <b>Equity</b>                                 | <b>26,786</b>       | <b>31,914</b> | <b>34,702</b> | <b>35,982</b> | <b>36,978</b> |
| Share capital                                 | 11,217              | 12,070        | 14,050        | 15,168        | 17,422        |
| Contributed surplus and other                 | 1,960               | 3,732         | 2,828         | 3,140         | 3,422         |
| Retained earnings                             | 13,609              | 16,112        | 17,824        | 17,674        | 16,134        |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>58,114</b>       | <b>65,857</b> | <b>76,370</b> | <b>81,054</b> | <b>78,555</b> |
| Sales of goods and services                   | 57,584              | 65,594        | 76,088        | 80,521        | 77,993        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 531                 | 262           | 282           | 533           | 562           |
| <b>Operating expenses</b>                     | <b>53,170</b>       | <b>60,251</b> | <b>69,785</b> | <b>75,882</b> | <b>72,557</b> |
| Purchased goods, materials and service        | 45,708              | 46,096        | 53,469        | 59,631        | 57,184        |
| Wages, salaries and employee benefits         | 5,201               | 9,932         | 10,518        | 10,581        | 9,837         |
| Indirect taxes                                | ..                  | 436           | 499           | 519           | 375           |
| Depreciation, depletion and amortization      | 1,694               | 2,774         | 3,103         | 3,404         | 3,092         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 566                 | 1,013         | 2,197         | 1,748         | 2,069         |
| <b>Operating profit/loss</b>                  | <b>4,944</b>        | <b>5,605</b>  | <b>6,584</b>  | <b>5,172</b>  | <b>5,998</b>  |
| Interest and dividend revenue                 | 343                 | 636           | 822           | 726           | 482           |
| Interest expense on borrowing                 | 1,674               | 1,265         | 1,545         | 1,639         | 1,338         |
| Gains/losses                                  | -546                | -613          | -8            | 177           | -213          |
| <b>Profit before income tax</b>               | <b>3,067</b>        | <b>4,363</b>  | <b>5,854</b>  | <b>4,436</b>  | <b>4,929</b>  |
| Income tax                                    | 1,412               | 1,690         | 2,168         | 1,669         | 1,586         |
| Equity in affiliates' earnings                | 422                 | 504           | 248           | 201           | 148           |
| <b>Profit before extraordinary gains</b>      | <b>2,077</b>        | <b>3,177</b>  | <b>3,934</b>  | <b>2,969</b>  | <b>3,490</b>  |
| Extraordinary gains                           | -4                  | -2            | 13            | -13           | -2            |
| <b>Net profit</b>                             | <b>2,074</b>        | <b>3,175</b>  | <b>3,948</b>  | <b>2,955</b>  | <b>3,488</b>  |

Table 17-2

## Chemicals, plastic and rubber manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>3,948</b> | <b>2,955</b> | <b>3,489</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 971          | 1,444        | -24          |
| Plus: conceptual adjustments  | ..                  | ..   | -994         | -894         | 162          |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,620        | 1,675        | 1,728        |
| Plus: deferred income taxes   | ..                  | ..   | 179          | 331          | 213          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 30           | 67           | 80           |
| Deductible dividends  | ..                  | ..   | 1,000        | 1,108        | 835          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>4,693</b> | <b>4,337</b> | <b>4,652</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 83           | 300          | 201          |
| Less: taxable capital gains   | ..                  | ..   | 149          | 194          | 137          |
| Net difference, capital gains and losses                            | ..                  | ..   | -66          | 106          | 64           |
| Resource allowance  | ..                  | ..   | 10           | 38           | 12           |
| Less: royalties   | ..                  | ..   | 5            | 13           | 5            |
| Net difference, resource allowance                                  | ..                  | ..   | 4            | 25           | 7            |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -178         | -310         | -354         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-240</b>  | <b>-180</b>  | <b>-283</b>  |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 2,980        | 2,549        | 2,712        |
| Less: capital cost allowance  | ..                  | ..   | 3,415        | 3,119        | 2,896        |
| Net difference, depreciation  | ..                  | ..   | -435         | -570         | -184         |
| Natural resources expenses, (books)                                 | ..                  | ..   | 9            | 16           | 6            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 13           | 8            | 3            |
| Net difference, natural resources expenses                          | ..                  | ..   | -4           | 8            | 3            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 4            | 2            | ..           |
| Other timing differences  | ..                  | ..   | -236         | 475          | -742         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-670</b>  | <b>-85</b>   | <b>-923</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>4,263</b> | <b>4,432</b> | <b>4,011</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 1,195        | 835          | 1,158        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>5,458</b> | <b>5,267</b> | <b>5,169</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 253          | 236          | 360          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>5,205</b> | <b>5,031</b> | <b>4,810</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,996        | 1,966        | 1,901        |
| Corporate surtax  | ..                  | ..   | 59           | 57           | 56           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 524          | 517          | 498          |
| Small business deduction  | ..                  | ..   | 34           | 33           | 41           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 269          | 253          | 243          |
| Investment tax credit   | ..                  | ..   | 116          | 153          | 202          |
| Other federal tax credits   | ..                  | ..   | 12           | 30           | 43           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>1,101</b> | <b>1,038</b> | <b>930</b>   |
| Other direct federal taxes  | ..                  | ..   | 56           | 22           | 23           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>1,157</b> | <b>1,060</b> | <b>953</b>   |
| Provincial income taxes   | ..                  | ..   | 634          | 589          | 538          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,791</b> | <b>1,648</b> | <b>1,490</b> |

Table 17-3

## Chemicals, plastic and rubber manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.705 | 0.695             | 0.741 | 0.732 | 0.714 |
| Profit margin (percent)                          | 8.5   | 8.5               | 8.6   | 6.4   | 7.6   |
| Return on equity (percent)                       | 7.8   | 10.0              | 11.3  | 8.2   | 9.4   |
| Return on capital employed (percent)             | 7.0   | 7.5               | 8.3   | 6.7   | 7.1   |
| Working capital (ratio)                          | 1.356 | 1.387             | 1.313 | 1.449 | 1.324 |
| Quick ratio (ratio)                              | 0.869 | 0.920             | 0.870 | 0.977 | 0.887 |
| Inventory turnover (ratio)                       | 7.664 | 8.048             | 8.057 | 8.496 | 8.354 |
| Receivables turnover (ratio)                     | 6.663 | 6.131             | 6.106 | 6.447 | 6.360 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 29.2  | 28.8  | 24.8  |
| Income taxes to taxable income (percent)         | ..    | ..                | 33.3  | 32.3  | 30.5  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 13.3              | 16.0  | 6.1   | -3.1  |
| Operating expenses, year-over-year change        | ..    | 13.3              | 15.8  | 8.7   | -4.4  |
| Operating profit, year-over-year change          | ..    | 13.4              | 17.5  | -21.5 | 16.0  |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -3.3  | -4.4  |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -8.0  | -9.6  |

Table 18-1

## Primary metal manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>37,769</b>       | <b>43,200</b> | <b>49,309</b> | <b>51,691</b> | <b>53,059</b> |
| Cash and deposits                             | 1,392               | 1,160         | 738           | 864           | 887           |
| Accounts receivable and accrued revenue       | 5,061               | 4,845         | 5,853         | 5,571         | 5,278         |
| Inventories                                   | 4,676               | 5,090         | 5,550         | 4,916         | 5,270         |
| Investments                                   | 11,392              | 11,505        | 14,851        | 17,959        | 19,791        |
| Investments and accounts with affiliates      | 10,221              | 10,824        | 14,296        | 17,472        | 19,139        |
| Portfolio investments                         | 1,171               | 681           | 555           | 486           | 652           |
| Loans   | 365                 | 12            | 6             | 6             | 117           |
| Mortgages                                     | 1                   | 7             | 2             | 2             | 11            |
| Non-mortgages                                 | 364                 | 5             | 5             | 4             | 106           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 12,685              | 19,366        | 20,423        | 20,128        | 19,780        |
| Other assets                                  | 2,198               | 1,223         | 1,888         | 2,247         | 1,935         |
| <b>Liabilities</b>                            | <b>20,380</b>       | <b>20,859</b> | <b>22,777</b> | <b>25,680</b> | <b>24,847</b> |
| Accounts payable and accrued liabilities      | 6,659               | 5,140         | 5,001         | 5,829         | 5,938         |
| Loans and accounts with affiliates            | 1,537               | 4,102         | 3,880         | 4,704         | 4,721         |
| Borrowings                                    | 9,607               | 8,152         | 9,831         | 11,177        | 10,401        |
| Loans and overdrafts                          | 3,782               | 2,553         | 2,577         | 2,459         | 2,289         |
| From banks                                    | 801                 | 1,188         | 1,296         | 1,500         | 1,444         |
| From others                                   | 2,981               | 1,366         | 1,281         | 960           | 846           |
| Bankers' acceptances and paper                | 224                 | 813           | 1,654         | 1,026         | 861           |
| Bonds and debentures                          | 4,249               | 4,488         | 5,522         | 7,505         | 7,152         |
| Mortgages                                     | 1,352               | 297           | 79            | 187           | 98            |
| Deferred income tax                           | 1,276               | 2,087         | 1,714         | 1,494         | 1,263         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,301               | 1,378         | 2,350         | 2,475         | 2,525         |
| <b>Equity</b>                                 | <b>17,389</b>       | <b>22,341</b> | <b>26,533</b> | <b>26,011</b> | <b>28,212</b> |
| Share capital                                 | 10,303              | 11,633        | 15,649        | 16,186        | 17,813        |
| Contributed surplus and other                 | 3,329               | 3,261         | 3,828         | 4,047         | 2,508         |
| Retained earnings                             | 3,757               | 7,448         | 7,056         | 5,779         | 7,890         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>27,783</b>       | <b>29,616</b> | <b>29,506</b> | <b>28,102</b> | <b>30,064</b> |
| Sales of goods and services                   | 27,284              | 29,064        | 29,320        | 27,940        | 29,733        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 500                 | 552           | 186           | 163           | 331           |
| <b>Operating expenses</b>                     | <b>25,316</b>       | <b>26,787</b> | <b>26,964</b> | <b>27,443</b> | <b>27,980</b> |
| Purchased goods, materials and service        | 17,725              | 18,491        | 18,957        | 20,326        | 21,442        |
| Wages, salaries and employee benefits         | 5,249               | 5,985         | 5,550         | 4,335         | 3,943         |
| Indirect taxes                                | ..                  | 275           | 419           | 315           | 337           |
| Depreciation, depletion and amortization      | 1,036               | 1,475         | 1,700         | 1,718         | 1,674         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 1,305               | 563           | 337           | 748           | 584           |
| <b>Operating profit/loss</b>                  | <b>2,468</b>        | <b>2,829</b>  | <b>2,542</b>  | <b>660</b>    | <b>2,084</b>  |
| Interest and dividend revenue                 | 420                 | 382           | 647           | 503           | 858           |
| Interest expense on borrowing                 | 773                 | 869           | 782           | 1,003         | 884           |
| Gains/losses                                  | -21                 | -69           | 223           | -349          | -139          |
| <b>Profit before income tax</b>               | <b>2,093</b>        | <b>2,272</b>  | <b>2,630</b>  | <b>-189</b>   | <b>1,919</b>  |
| Income tax                                    | 434                 | 522           | 634           | -66           | 461           |
| Equity in affiliates' earnings                | -12                 | 61            | 154           | 44            | 82            |
| <b>Profit before extraordinary gains</b>      | <b>1,647</b>        | <b>1,811</b>  | <b>2,150</b>  | <b>-78</b>    | <b>1,540</b>  |
| Extraordinary gains                           | -56                 | -13           | 5             | 13            | ..            |
| <b>Net profit</b>                             | <b>1,591</b>        | <b>1,798</b>  | <b>2,155</b>  | <b>-66</b>    | <b>1,540</b>  |

Table 18-2

## Primary metal manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001        | 2002         |
|---|---------------------|------|--------------|-------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |             |              |
|   | millions of dollars |      |              |             |              |
| <b>Net profit</b>   | ..                  | ..   | <b>2,155</b> | <b>-66</b>  | <b>1,540</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -300         | 493         | 469          |
| Plus: conceptual adjustments  | ..                  | ..   | -201         | 127         | -191         |
| Plus: current taxes, including mining                               | ..                  | ..   | 460          | 332         | 510          |
| Plus: deferred income taxes   | ..                  | ..   | 90           | -39         | -23          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -56          | -42         | ..           |
| Deductible dividends  | ..                  | ..   | 437          | 1,064       | 1,960        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,823</b> | <b>-174</b> | <b>345</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |             |              |
| Book capital gains and losses                                       | ..                  | ..   | 68           | -9          | -13          |
| Less: taxable capital gains   | ..                  | ..   | 2            | 9           | 11           |
| Net difference, capital gains and losses                            | ..                  | ..   | 66           | -17         | -24          |
| Resource allowance  | ..                  | ..   | 6            | 104         | 55           |
| Less: royalties   | ..                  | ..   | ..           | ..          | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | 6            | 104         | 55           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..          | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -19          | -36         | 10           |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>53</b>    | <b>51</b>   | <b>41</b>    |
| <b>Timing differences:</b>  |                     |      |              |             |              |
| Depreciation  | ..                  | ..   | 1,453        | 1,068       | 1,486        |
| Less: capital cost allowance  | ..                  | ..   | 1,245        | 1,041       | 1,888        |
| Net difference, depreciation  | ..                  | ..   | 208          | 26          | -403         |
| Natural resources expenses, (books)                                 | ..                  | ..   | 3            | 49          | 45           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | 238         | 119          |
| Net difference, natural resources expenses                          | ..                  | ..   | 3            | -189        | -74          |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | ..          | 2            |
| Other timing differences  | ..                  | ..   | -298         | 690         | 365          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-87</b>   | <b>527</b>  | <b>-109</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>1,683</b> | <b>301</b>  | <b>195</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 132          | 635         | 889          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>1,815</b> | <b>937</b>  | <b>1,084</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 229          | 95          | 42           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,586</b> | <b>841</b>  | <b>1,042</b> |
| <b>Taxes:</b>   |                     |      |              |             |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 612          | 338         | 416          |
| Corporate surtax  | ..                  | ..   | 18           | 10          | 12           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |             |              |
| Federal tax abatement   | ..                  | ..   | 158          | 89          | 109          |
| Small business deduction  | ..                  | ..   | 5            | 5           | 5            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 105          | 57          | 72           |
| Investment tax credit   | ..                  | ..   | 23           | 14          | 12           |
| Other federal tax credits   | ..                  | ..   | 21           | 2           | 2            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>318</b>   | <b>182</b>  | <b>228</b>   |
| Other direct federal taxes  | ..                  | ..   | 38           | 15          | 14           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>356</b>   | <b>196</b>  | <b>241</b>   |
| Provincial income taxes   | ..                  | ..   | 182          | 98          | 120          |
| <b>Total taxes</b>  | ..                  | ..   | <b>538</b>   | <b>294</b>  | <b>361</b>   |



Table 18-3

## Primary metal manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.641 | 0.548             | 0.517 | 0.611 | 0.536 |
| Profit margin (percent)                          | 8.9   | 9.6               | 8.6   | 2.3   | 6.9   |
| Return on equity (percent)                       | 9.5   | 8.1               | 8.1   | -0.3  | 5.5   |
| Return on capital employed (percent)             | 7.9   | 7.1               | 6.8   | 1.7   | 5.1   |
| Working capital (ratio)                          | 1.277 | 1.612             | 1.744 | 1.350 | 1.377 |
| Quick ratio (ratio)                              | 0.806 | 0.935             | 0.981 | 0.797 | 0.782 |
| Inventory turnover (ratio)                       | 5.941 | 5.819             | 5.316 | 5.716 | 5.705 |
| Receivables turnover (ratio)                     | 5.489 | 6.112             | 5.042 | 5.044 | 5.696 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 25.4  | 32.4  | 29.0  |
| Income taxes to taxable income (percent)         | ..    | ..                | 31.5  | 33.2  | 33.3  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 6.6               | -0.4  | -4.8  | 7.0   |
| Operating expenses, year-over-year change        | ..    | 5.8               | 0.7   | 1.8   | 2.0   |
| Operating profit, year-over-year change          | ..    | 14.6              | -10.1 | -74.0 | 215.9 |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -47.0 | 23.8  |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -45.3 | 22.8  |

Table 19-1

## Fabricated metal product manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>19,014</b>       | <b>19,991</b> | <b>20,724</b> | <b>21,655</b> | <b>22,418</b> |
| Cash and deposits                             | 1,007               | 1,767         | 1,597         | 1,847         | 1,559         |
| Accounts receivable and accrued revenue       | 4,466               | 5,094         | 5,192         | 5,148         | 5,571         |
| Inventories                                   | 3,168               | 3,383         | 3,494         | 3,478         | 3,647         |
| Investments                                   | 3,340               | 3,005         | 3,670         | 3,801         | 4,070         |
| Investments and accounts with affiliates      | 2,212               | 2,496         | 3,160         | 3,389         | 3,541         |
| Portfolio investments                         | 1,128               | 510           | 509           | 412           | 528           |
| Loans   | 135                 | 133           | 136           | 123           | 133           |
| Mortgages                                     | 13                  | 66            | 63            | 69            | 67            |
| Non-mortgages                                 | 122                 | 68            | 73            | 54            | 66            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 5,744               | 5,582         | 5,561         | 5,735         | 5,975         |
| Other assets                                  | 1,155               | 1,026         | 1,074         | 1,523         | 1,463         |
| <b>Liabilities</b>                            | <b>11,167</b>       | <b>11,980</b> | <b>12,079</b> | <b>12,783</b> | <b>12,794</b> |
| Accounts payable and accrued liabilities      | 4,218               | 4,477         | 4,782         | 4,733         | 4,470         |
| Loans and accounts with affiliates            | 2,277               | 2,898         | 2,615         | 2,886         | 3,143         |
| Borrowings                                    | 3,880               | 3,512         | 3,744         | 3,940         | 3,896         |
| Loans and overdrafts                          | 2,467               | 2,529         | 2,557         | 2,758         | 2,877         |
| From banks                                    | 1,779               | 2,203         | 2,237         | 2,110         | 2,338         |
| From others                                   | 688                 | 326           | 320           | 648           | 539           |
| Bankers' acceptances and paper                | 238                 | 264           | 428           | 321           | 187           |
| Bonds and debentures                          | 45                  | 251           | 164           | 165           | 171           |
| Mortgages                                     | 1,130               | 468           | 596           | 696           | 660           |
| Deferred income tax                           | 334                 | 380           | 392           | 415           | 357           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 458                 | 714           | 547           | 808           | 928           |
| <b>Equity</b>                                 | <b>7,847</b>        | <b>8,011</b>  | <b>8,645</b>  | <b>8,872</b>  | <b>9,624</b>  |
| Share capital                                 | 2,314               | 2,351         | 2,285         | 2,303         | 2,752         |
| Contributed surplus and other                 | 536                 | 485           | 403           | 536           | 481           |
| Retained earnings                             | 4,998               | 5,175         | 5,957         | 6,033         | 6,391         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>26,921</b>       | <b>29,372</b> | <b>29,418</b> | <b>29,967</b> | <b>30,251</b> |
| Sales of goods and services                   | 26,776              | 29,295        | 29,282        | 29,812        | 30,108        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 145                 | 77            | 136           | 155           | 143           |
| <b>Operating expenses</b>                     | <b>25,155</b>       | <b>27,385</b> | <b>27,393</b> | <b>28,141</b> | <b>28,434</b> |
| Purchased goods, materials and service        | 19,785              | 18,787        | 19,570        | 20,193        | 20,550        |
| Wages, salaries and employee benefits         | 4,659               | 7,269         | 6,676         | 6,531         | 6,506         |
| Indirect taxes                                | ..                  | 174           | 140           | 166           | 170           |
| Depreciation, depletion and amortization      | 556                 | 847           | 918           | 946           | 887           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 154                 | 308           | 90            | 304           | 321           |
| <b>Operating profit/loss</b>                  | <b>1,766</b>        | <b>1,987</b>  | <b>2,025</b>  | <b>1,827</b>  | <b>1,817</b>  |
| Interest and dividend revenue                 | 237                 | 241           | 134           | 127           | 116           |
| Interest expense on borrowing                 | 354                 | 361           | 384           | 415           | 381           |
| Gains/losses                                  | 95                  | 55            | 43            | 54            | -68           |
| <b>Profit before income tax</b>               | <b>1,744</b>        | <b>1,922</b>  | <b>1,818</b>  | <b>1,592</b>  | <b>1,485</b>  |
| Income tax                                    | 533                 | 722           | 643           | 555           | 560           |
| Equity in affiliates' earnings                | 27                  | 99            | 100           | 129           | 90            |
| <b>Profit before extraordinary gains</b>      | <b>1,237</b>        | <b>1,298</b>  | <b>1,275</b>  | <b>1,166</b>  | <b>1,015</b>  |
| Extraordinary gains                           | ..                  | 5             | -5            | 11            | ..            |
| <b>Net profit</b>                             | <b>1,238</b>        | <b>1,303</b>  | <b>1,271</b>  | <b>1,177</b>  | <b>1,015</b>  |

Table 19-2

## Fabricated metal product manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000  | 2001  | 2002  |
|---|---------------------|------|-------|-------|-------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |       |       |       |
|   | millions of dollars |      |       |       |       |
| <b>Net profit</b>   | ..                  | ..   | 1,271 | 1,177 | 1,015 |
| Plus: consolidation adjustments                                     | ..                  | ..   | -15   | -116  | -80   |
| Plus: conceptual adjustments  | ..                  | ..   | 2     | 1     | 38    |
| Plus: current taxes, including mining                               | ..                  | ..   | 617   | 510   | 523   |
| Plus: deferred income taxes   | ..                  | ..   | 36    | 22    | 14    |
| Less: profit of tax exempt corporations                             | ..                  | ..   | ..    | 10    | 3     |
| Deductible dividends  | ..                  | ..   | 28    | 73    | 84    |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | 1,882 | 1,510 | 1,424 |
| <b>Exemptions and deductions:</b>                                   |                     |      |       |       |       |
| Book capital gains and losses                                       | ..                  | ..   | 61    | 61    | -22   |
| Less: taxable capital gains   | ..                  | ..   | 26    | 33    | 22    |
| Net difference, capital gains and losses                            | ..                  | ..   | 35    | 28    | -44   |
| Resource allowance  | ..                  | ..   | ..    | ..    | ..    |
| Less: royalties   | ..                  | ..   | ..    | ..    | ..    |
| Net difference, resource allowance                                  | ..                  | ..   | ..    | ..    | ..    |
| Earned depletion allowance  | ..                  | ..   | ..    | ..    | ..    |
| Other exemptions and deductions                                     | ..                  | ..   | -64   | -60   | -58   |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | -29   | -33   | -102  |
| <b>Timing differences:</b>  |                     |      |       |       |       |
| Depreciation  | ..                  | ..   | 851   | 836   | 900   |
| Less: capital cost allowance  | ..                  | ..   | 939   | 901   | 913   |
| Net difference, depreciation  | ..                  | ..   | -88   | -65   | -13   |
| Natural resources expenses, (books)                                 | ..                  | ..   | 4     | 7     | 2     |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..    | ..    | ..    |
| Net difference, natural resources expenses                          | ..                  | ..   | 4     | 7     | 1     |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..    | ..    | ..    |
| Other timing differences  | ..                  | ..   | 10    | -53   | 37    |
| <b>Total, timing differences</b>                                    | ..                  | ..   | -75   | -111  | 25    |
| <b>Net taxable income</b>   | ..                  | ..   | 1,837 | 1,433 | 1,551 |
| Plus: current year tax losses                                       | ..                  | ..   | 282   | 377   | 343   |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | 2,119 | 1,809 | 1,894 |
| Less: prior year losses applied                                     | ..                  | ..   | 104   | 75    | 112   |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | 2,015 | 1,735 | 1,782 |
| <b>Taxes:</b>   |                     |      |       |       |       |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 770   | 665   | 682   |
| Corporate surtax  | ..                  | ..   | 22    | 19    | 20    |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |       |       |       |
| Federal tax abatement   | ..                  | ..   | 201   | 174   | 178   |
| Small business deduction  | ..                  | ..   | 73    | 71    | 73    |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 90    | 72    | 77    |
| Investment tax credit   | ..                  | ..   | 15    | 13    | 21    |
| Other federal tax credits   | ..                  | ..   | 1     | 8     | 14    |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | 412   | 344   | 339   |
| Other direct federal taxes  | ..                  | ..   | 3     | 4     | 6     |
| <b>Total federal tax</b>  | ..                  | ..   | 415   | 348   | 344   |
| Provincial income taxes   | ..                  | ..   | 229   | 182   | 178   |
| <b>Total taxes</b>  | ..                  | ..   | 644   | 531   | 522   |

Table 19-3

## Fabricated metal product manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.785 | 0.800             | 0.736 | 0.769 | 0.731 |
| Profit margin (percent)                          | 6.6   | 6.8               | 6.9   | 6.1   | 6.0   |
| Return on equity (percent)                       | 15.8  | 16.2              | 14.8  | 13.1  | 10.5  |
| Return on capital employed (percent)             | 10.6  | 10.8              | 10.3  | 9.3   | 7.8   |
| Working capital (ratio)                          | 1.398 | 1.610             | 1.444 | 1.530 | 1.567 |
| Quick ratio (ratio)                              | 0.945 | 1.119             | 0.999 | 1.065 | 1.083 |
| Inventory turnover (ratio)                       | 8.498 | 8.682             | 8.420 | 8.617 | 8.295 |
| Receivables turnover (ratio)                     | 6.028 | 5.766             | 5.667 | 5.822 | 5.430 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 29.7  | 27.4  | 27.2  |
| Income taxes to taxable income (percent)         | ..    | ..                | 31.8  | 30.4  | 29.0  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 9.1               | 0.2   | 1.9   | 0.9   |
| Operating expenses, year-over-year change        | ..    | 8.9               | ..    | 2.7   | 1.0   |
| Operating profit, year-over-year change          | ..    | 12.5              | 1.9   | -9.8  | -0.5  |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -13.9 | 2.7   |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -17.6 | -1.6  |

Table 20-1

## Machinery manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>17,914</b>       | <b>19,304</b> | <b>21,973</b> | <b>21,965</b> | <b>23,470</b> |
| Cash and deposits                             | 1,123               | 1,369         | 1,738         | 1,653         | 1,638         |
| Accounts receivable and accrued revenue       | 4,679               | 5,078         | 6,031         | 5,551         | 5,985         |
| Inventories                                   | 4,061               | 3,996         | 4,351         | 4,290         | 4,739         |
| Investments                                   | 2,591               | 3,313         | 3,265         | 3,612         | 4,098         |
| Investments and accounts with affiliates      | 2,022               | 2,844         | 2,947         | 3,256         | 3,648         |
| Portfolio investments                         | 569                 | 469           | 318           | 356           | 450           |
| Loans   | 209                 | 77            | 107           | 97            | 167           |
| Mortgages                                     | 9                   | 37            | 61            | 54            | 95            |
| Non-mortgages                                 | 200                 | 40            | 47            | 43            | 71            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 4,298               | 4,464         | 4,888         | 5,087         | 5,063         |
| Other assets                                  | 952                 | 1,007         | 1,592         | 1,674         | 1,781         |
| <b>Liabilities</b>                            | <b>10,404</b>       | <b>10,343</b> | <b>12,815</b> | <b>12,624</b> | <b>13,723</b> |
| Accounts payable and accrued liabilities      | 3,884               | 4,086         | 4,479         | 4,456         | 4,488         |
| Loans and accounts with affiliates            | 1,849               | 2,128         | 3,040         | 2,820         | 3,712         |
| Borrowings                                    | 3,202               | 2,872         | 3,724         | 3,946         | 4,189         |
| Loans and overdrafts                          | 2,145               | 2,160         | 2,790         | 3,051         | 3,280         |
| From banks                                    | 1,704               | 1,898         | 2,382         | 2,674         | 2,758         |
| From others                                   | 440                 | 261           | 408           | 377           | 522           |
| Bankers' acceptances and paper                | 16                  | 119           | 63            | 67            | 58            |
| Bonds and debentures                          | 155                 | 188           | 296           | 260           | 281           |
| Mortgages                                     | 886                 | 405           | 576           | 568           | 570           |
| Deferred income tax                           | 229                 | 252           | 213           | 209           | 234           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,239               | 1,005         | 1,360         | 1,193         | 1,101         |
| <b>Equity</b>                                 | <b>7,510</b>        | <b>8,961</b>  | <b>9,157</b>  | <b>9,340</b>  | <b>9,747</b>  |
| Share capital                                 | 2,669               | 3,182         | 3,171         | 3,326         | 3,719         |
| Contributed surplus and other                 | 162                 | 421           | 381           | 564           | 624           |
| Retained earnings                             | 4,679               | 5,358         | 5,605         | 5,450         | 5,404         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>23,587</b>       | <b>24,893</b> | <b>26,668</b> | <b>26,486</b> | <b>27,589</b> |
| Sales of goods and services                   | 23,422              | 24,808        | 26,582        | 26,369        | 27,421        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 165                 | 85            | 86            | 118           | 168           |
| <b>Operating expenses</b>                     | <b>21,963</b>       | <b>23,366</b> | <b>24,874</b> | <b>24,936</b> | <b>25,998</b> |
| Purchased goods, materials and service        | 17,023              | 16,419        | 18,364        | 18,380        | 19,372        |
| Wages, salaries and employee benefits         | 4,166               | 5,821         | 5,386         | 5,292         | 5,446         |
| Indirect taxes                                | ..                  | 191           | 128           | 135           | 127           |
| Depreciation, depletion and amortization      | 385                 | 706           | 868           | 887           | 797           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 389                 | 228           | 129           | 242           | 256           |
| <b>Operating profit/loss</b>                  | <b>1,623</b>        | <b>1,527</b>  | <b>1,794</b>  | <b>1,550</b>  | <b>1,592</b>  |
| Interest and dividend revenue                 | 110                 | 545           | 121           | 148           | 132           |
| Interest expense on borrowing                 | 214                 | 291           | 329           | 359           | 378           |
| Gains/losses                                  | 136                 | 52            | 68            | 63            | -18           |
| <b>Profit before income tax</b>               | <b>1,656</b>        | <b>1,834</b>  | <b>1,654</b>  | <b>1,402</b>  | <b>1,327</b>  |
| Income tax                                    | 534                 | 581           | 568           | 497           | 473           |
| Equity in affiliates' earnings                | 76                  | 348           | 83            | 26            | 68            |
| <b>Profit before extraordinary gains</b>      | <b>1,197</b>        | <b>1,601</b>  | <b>1,170</b>  | <b>931</b>    | <b>921</b>    |
| Extraordinary gains                           | -12                 | -6            | -22           | 9             | ..            |
| <b>Net profit</b>                             | <b>1,185</b>        | <b>1,596</b>  | <b>1,148</b>  | <b>941</b>    | <b>921</b>    |

Table 20-2

## Machinery manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000  | 2001  | 2002  |
|---|---------------------|------|-------|-------|-------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |       |       |       |
|   | millions of dollars |      |       |       |       |
| <b>Net profit</b>   | ..                  | ..   | 1,148 | 941   | 921   |
| Plus: consolidation adjustments                                     | ..                  | ..   | 1     | 99    | 54    |
| Plus: conceptual adjustments  | ..                  | ..   | -51   | -42   | -35   |
| Plus: current taxes, including mining                               | ..                  | ..   | 575   | 441   | 510   |
| Plus: deferred income taxes   | ..                  | ..   | 26    | 2     | -1    |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 1     | -4    | 2     |
| Deductible dividends  | ..                  | ..   | 149   | 143   | 483   |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | 1,549 | 1,301 | 965   |
| <b>Exemptions and deductions:</b>                                   |                     |      |       |       |       |
| Book capital gains and losses                                       | ..                  | ..   | 52    | 82    | 114   |
| Less: taxable capital gains   | ..                  | ..   | 38    | 16    | 26    |
| Net difference, capital gains and losses                            | ..                  | ..   | 14    | 66    | 87    |
| Resource allowance  | ..                  | ..   | ..    | ..    | ..    |
| Less: royalties   | ..                  | ..   | ..    | ..    | ..    |
| Net difference, resource allowance                                  | ..                  | ..   | ..    | ..    | ..    |
| Earned depletion allowance  | ..                  | ..   | ..    | ..    | ..    |
| Other exemptions and deductions                                     | ..                  | ..   | -52   | -47   | -61   |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | -38   | 20    | 26    |
| <b>Timing differences:</b>  |                     |      |       |       |       |
| Depreciation  | ..                  | ..   | 755   | 742   | 843   |
| Less: capital cost allowance  | ..                  | ..   | 755   | 739   | 836   |
| Net difference, depreciation  | ..                  | ..   | ..    | 3     | 6     |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..    | 1     | 1     |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..    | ..    | 1     |
| Net difference, natural resources expenses                          | ..                  | ..   | ..    | ..    | ..    |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..    | ..    | ..    |
| Other timing differences  | ..                  | ..   | -54   | -86   | 361   |
| <b>Total, timing differences</b>                                    | ..                  | ..   | -54   | -82   | 368   |
| <b>Net taxable income</b>   | ..                  | ..   | 1,533 | 1,199 | 1,306 |
| Plus: current year tax losses                                       | ..                  | ..   | 290   | 386   | 511   |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | 1,822 | 1,585 | 1,817 |
| Less: prior year losses applied                                     | ..                  | ..   | 137   | 106   | 188   |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | 1,685 | 1,479 | 1,629 |
| <b>Taxes:</b>   |                     |      |       |       |       |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 651   | 570   | 625   |
| Corporate surtax  | ..                  | ..   | 19    | 17    | 18    |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |       |       |       |
| Federal tax abatement   | ..                  | ..   | 171   | 149   | 164   |
| Small business deduction  | ..                  | ..   | 45    | 44    | 47    |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 81    | 67    | 72    |
| Investment tax credit   | ..                  | ..   | 52    | 34    | 65    |
| Other federal tax credits   | ..                  | ..   | 3     | 5     | 12    |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | 318   | 288   | 283   |
| Other direct federal taxes  | ..                  | ..   | 7     | 7     | 6     |
| <b>Total federal tax</b>  | ..                  | ..   | 325   | 295   | 289   |
| Provincial income taxes   | ..                  | ..   | 195   | 166   | 169   |
| <b>Total taxes</b>  | ..                  | ..   | 520   | 461   | 458   |

Table 20-3

## Machinery manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.673 | 0.558             | 0.739 | 0.724 | 0.811 |
| Profit margin (percent)                          | 6.9   | 6.1               | 6.7   | 5.9   | 5.8   |
| Return on equity (percent)                       | 15.9  | 17.9              | 12.8  | 10.0  | 9.5   |
| Return on capital employed (percent)             | 10.8  | 13.0              | 8.8   | 7.5   | 6.8   |
| Working capital (ratio)                          | 1.601 | 1.666             | 1.581 | 1.570 | 1.666 |
| Quick ratio (ratio)                              | 1.011 | 1.058             | 1.056 | 1.025 | 1.077 |
| Inventory turnover (ratio)                       | 5.808 | 6.229             | 6.129 | 6.174 | 5.822 |
| Receivables turnover (ratio)                     | 5.041 | 4.902             | 4.422 | 4.771 | 4.610 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 27.2  | 25.7  | 25.5  |
| Income taxes to taxable income (percent)         | ..    | ..                | 30.4  | 30.7  | 27.7  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 5.5               | 7.1   | -0.7  | 4.2   |
| Operating expenses, year-over-year change        | ..    | 6.4               | 6.5   | 0.2   | 4.3   |
| Operating profit, year-over-year change          | ..    | -5.9              | 17.5  | -13.6 | 2.7   |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -12.2 | 10.2  |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -11.4 | -0.8  |

Table 21-1

## Computer and electronic product manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>42,677</b>       | <b>52,170</b> | <b>74,823</b> | <b>71,283</b> | <b>66,692</b> |
| Cash and deposits                             | 1,112               | 2,458         | 2,405         | 2,872         | 3,516         |
| Accounts receivable and accrued revenue       | 9,527               | 11,834        | 15,232        | 10,268        | 8,628         |
| Inventories                                   | 4,158               | 4,111         | 5,506         | 5,357         | 4,054         |
| Investments                                   | 22,145              | 25,713        | 38,867        | 40,876        | 39,505        |
| Investments and accounts with affiliates      | 20,333              | 24,775        | 37,333        | 39,089        | 38,382        |
| Portfolio investments                         | 1,812               | 939           | 1,534         | 1,787         | 1,123         |
| Loans   | 209                 | 851           | 936           | 1,059         | 1,542         |
| Mortgages                                     | 3                   | 18            | 23            | 23            | 19            |
| Non-mortgages                                 | 205                 | 834           | 913           | 1,036         | 1,523         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 4,125               | 4,636         | 5,879         | 5,587         | 5,539         |
| Other assets                                  | 1,401               | 2,566         | 5,998         | 5,265         | 3,909         |
| <b>Liabilities</b>                            | <b>16,643</b>       | <b>22,290</b> | <b>29,340</b> | <b>24,549</b> | <b>20,822</b> |
| Accounts payable and accrued liabilities      | 8,938               | 12,081        | 15,862        | 8,252         | 9,422         |
| Loans and accounts with affiliates            | 2,596               | 3,899         | 6,311         | 5,381         | 8,231         |
| Borrowings                                    | 3,982               | 4,420         | 4,510         | 8,827         | 4,674         |
| Loans and overdrafts                          | 1,409               | 2,124         | 2,393         | 3,124         | 1,420         |
| From banks                                    | 1,104               | 1,262         | 1,487         | 2,387         | 1,212         |
| From others                                   | 304                 | 862           | 906           | 738           | 208           |
| Bankers' acceptances and paper                | ..                  | 15            | 299           | 312           | 300           |
| Bonds and debentures                          | 1,768               | 2,116         | 1,604         | 5,147         | 2,784         |
| Mortgages                                     | 805                 | 166           | 214           | 244           | 170           |
| Deferred income tax                           | -365                | -427          | 301           | -1,069        | -2,324        |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,491               | 2,317         | 2,356         | 3,159         | 819           |
| <b>Equity</b>                                 | <b>26,034</b>       | <b>29,879</b> | <b>45,483</b> | <b>46,734</b> | <b>45,871</b> |
| Share capital                                 | 18,581              | 21,058        | 37,380        | 15,692        | 14,465        |
| Contributed surplus and other                 | 114                 | 230           | 1,025         | 27,075        | 32,087        |
| Retained earnings                             | 7,339               | 8,591         | 7,079         | 3,967         | -681          |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>32,383</b>       | <b>35,099</b> | <b>49,624</b> | <b>37,120</b> | <b>32,464</b> |
| Sales of goods and services                   | 28,031              | 34,536        | 48,844        | 36,517        | 32,008        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 4,352               | 562           | 781           | 603           | 456           |
| <b>Operating expenses</b>                     | <b>30,236</b>       | <b>31,175</b> | <b>45,655</b> | <b>39,323</b> | <b>33,744</b> |
| Purchased goods, materials and service        | 25,108              | 19,909        | 32,473        | 29,061        | 25,665        |
| Wages, salaries and employee benefits         | 3,753               | 8,404         | 10,758        | 6,798         | 6,071         |
| Indirect taxes                                | ..                  | 268           | 443           | 472           | 350           |
| Depreciation, depletion and amortization      | 802                 | 1,768         | 1,603         | 1,269         | 1,248         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 573                 | 826           | 378           | 1,723         | 411           |
| <b>Operating profit/loss</b>                  | <b>2,147</b>        | <b>3,924</b>  | <b>3,970</b>  | <b>-2,203</b> | <b>-1,280</b> |
| Interest and dividend revenue                 | 603                 | 1,241         | 417           | 322           | 279           |
| Interest expense on borrowing                 | 519                 | 545           | 558           | 672           | 555           |
| Gains/losses                                  | 93                  | -63           | 245           | -1,529        | -960          |
| <b>Profit before income tax</b>               | <b>2,325</b>        | <b>4,557</b>  | <b>4,074</b>  | <b>-4,082</b> | <b>-2,516</b> |
| Income tax                                    | 528                 | 1,624         | 1,765         | -807          | 221           |
| Equity in affiliates' earnings                | 75                  | 117           | -414          | -181          | 5             |
| <b>Profit before extraordinary gains</b>      | <b>1,872</b>        | <b>3,050</b>  | <b>1,895</b>  | <b>-3,456</b> | <b>-2,732</b> |
| Extraordinary gains                           | -13                 | -32           | 6             | -5            | ..            |
| <b>Net profit</b>                             | <b>1,859</b>        | <b>3,018</b>  | <b>1,901</b>  | <b>-3,460</b> | <b>-2,732</b> |



Table 21-2

## Computer and electronic product manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001          | 2002          |
|---|---------------------|------|--------------|---------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |               |               |
|   | millions of dollars |      |              |               |               |
| <b>Net profit</b>   | ..                  | ..   | <b>1,901</b> | <b>-3,460</b> | <b>-2,732</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 190          | -67           | 226           |
| Plus: conceptual adjustments  | ..                  | ..   | 153          | 55            | 344           |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,746        | -726          | 160           |
| Plus: deferred income taxes   | ..                  | ..   | 54           | -98           | -143          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 13           | 13            | ..            |
| Deductible dividends  | ..                  | ..   | 129          | 361           | 307           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>3,901</b> | <b>-4,671</b> | <b>-2,453</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |               |               |
| Book capital gains and losses                                       | ..                  | ..   | 534          | -244          | -40           |
| Less: taxable capital gains   | ..                  | ..   | 745          | 64            | 32            |
| Net difference, capital gains and losses                            | ..                  | ..   | -211         | -308          | -72           |
| Resource allowance  | ..                  | ..   | 3            | ..            | ..            |
| Less: royalties   | ..                  | ..   | 4            | 1             | 1             |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | -1            | -1            |
| Earned depletion allowance  | ..                  | ..   | ..           | ..            | ..            |
| Other exemptions and deductions                                     | ..                  | ..   | -76          | -61           | -49           |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-287</b>  | <b>-370</b>   | <b>-122</b>   |
| <b>Timing differences:</b>  |                     |      |              |               |               |
| Depreciation  | ..                  | ..   | 1,722        | 1,731         | 1,762         |
| Less: capital cost allowance  | ..                  | ..   | 1,069        | 1,084         | 1,175         |
| Net difference, depreciation  | ..                  | ..   | 653          | 647           | 587           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 5            | ..            | 8             |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 7            | ..            | ..            |
| Net difference, natural resources expenses                          | ..                  | ..   | -2           | ..            | 8             |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -1           | 5             | 4             |
| Other timing differences  | ..                  | ..   | -142         | 1,397         | 496           |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>507</b>   | <b>2,050</b>  | <b>1,095</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>4,696</b> | <b>-2,252</b> | <b>-1,235</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 495          | 4,539         | 2,743         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>5,191</b> | <b>2,287</b>  | <b>1,507</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 129          | 67            | 108           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>5,061</b> | <b>2,221</b>  | <b>1,400</b>  |
| <b>Taxes:</b>   |                     |      |              |               |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,932        | 865           | 551           |
| Corporate surtax  | ..                  | ..   | 57           | 25            | 16            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |               |               |
| Federal tax abatement   | ..                  | ..   | 507          | 227           | 145           |
| Small business deduction  | ..                  | ..   | 18           | 17            | 16            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 231          | 90            | 52            |
| Investment tax credit   | ..                  | ..   | 701          | 185           | 135           |
| Other federal tax credits   | ..                  | ..   | 18           | 14            | 15            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>513</b>   | <b>357</b>    | <b>203</b>    |
| Other direct federal taxes  | ..                  | ..   | 53           | 6             | 4             |
| <b>Total federal tax</b>  | ..                  | ..   | <b>566</b>   | <b>363</b>    | <b>207</b>    |
| Provincial income taxes   | ..                  | ..   | 607          | 252           | 157           |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,173</b> | <b>614</b>    | <b>364</b>    |

Table 21-3

## Computer and electronic product manufacturing - Selected ratios

|  | 1998  | 1999  | 2000              | 2001   | 2002  |
|--|-------|-------|-------------------|--------|-------|
| <b>Selected ratios</b>                           |       |       |                   |        |       |
| Debt to equity (ratio)                           | 0.253 | 0.278 | 0.238             | 0.304  | 0.281 |
| Profit margin (percent)                          | 6.6   | 11.2  | 8.0               | -5.9   | -3.9  |
| Return on equity (percent)                       | 7.2   | 10.2  | 4.2               | -7.4   | -6.0  |
| Return on capital employed (percent)             | 7.0   | 8.9   | 4.0               | -4.9   | -3.9  |
| Working capital (ratio)                          | 1.496 | 1.339 | 1.546             | 1.683  | 1.312 |
| Quick ratio (ratio)                              | 1.133 | 1.072 | 1.229             | 1.220  | 1.020 |
| Inventory turnover (ratio)                       | 7.788 | 8.537 | 9.012             | 6.930  | 8.009 |
| Receivables turnover (ratio)                     | 3.399 | 2.966 | 3.258             | 3.615  | 3.763 |
| Taxes to positive adjusted profit (percent)      | ..    | ..    | 24.3              | 31.8   | 24.3  |
| Income taxes to taxable income (percent)         | ..    | ..    | 22.1              | 27.4   | 25.7  |
| <b>Selected items</b>                            |       |       |                   |        |       |
|  |       |       | Percentage change |        |       |
| Operating revenue, year-over-year change         | ..    | 8.4   | 41.4              | -25.2  | -12.5 |
| Operating expenses, year-over-year change        | ..    | 3.1   | 46.4              | -13.9  | -14.2 |
| Operating profit, year-over-year change          | ..    | 82.7  | 1.2               | -155.5 | 41.9  |
| Taxable income (tax base), year-over-year change | ..    | ..    | ..                | -56.1  | -37.0 |
| Taxes, year-over-year change                     | ..    | ..    | ..                | -47.6  | -40.7 |

Table 22-1

## Electrical equipment, appliance and component manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>8,863</b>        | <b>9,520</b>  | <b>11,289</b> | <b>11,597</b> | <b>11,028</b> |
| Cash and deposits                             | 504                 | 827           | 698           | 903           | 874           |
| Accounts receivable and accrued revenue       | 2,207               | 2,364         | 2,997         | 2,504         | 2,320         |
| Inventories                                   | 1,457               | 1,564         | 2,043         | 2,187         | 1,871         |
| Investments                                   | 1,704               | 1,907         | 1,879         | 2,652         | 2,692         |
| Investments and accounts with affiliates      | 1,312               | 1,596         | 1,658         | 2,427         | 2,485         |
| Portfolio investments                         | 392                 | 312           | 221           | 224           | 207           |
| Loans   | 28                  | 32            | 13            | 12            | 14            |
| Mortgages                                     | 5                   | 13            | 6             | 4             | 3             |
| Non-mortgages                                 | 22                  | 18            | 7             | 7             | 11            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 1,879               | 1,671         | 2,062         | 2,151         | 1,829         |
| Other assets                                  | 1,084               | 1,156         | 1,597         | 1,188         | 1,428         |
| <b>Liabilities</b>                            | <b>5,202</b>        | <b>5,621</b>  | <b>6,294</b>  | <b>6,683</b>  | <b>6,006</b>  |
| Accounts payable and accrued liabilities      | 1,901               | 1,944         | 2,398         | 2,187         | 2,081         |
| Loans and accounts with affiliates            | 1,020               | 1,117         | 2,005         | 2,211         | 1,283         |
| Borrowings                                    | 1,382               | 1,723         | 1,023         | 1,636         | 1,562         |
| Loans and overdrafts                          | 875                 | 847           | 610           | 993           | 780           |
| From banks                                    | 751                 | 680           | 439           | 600           | 473           |
| From others                                   | 123                 | 167           | 171           | 393           | 307           |
| Bankers' acceptances and paper                | 8                   | 668           | 315           | 469           | 618           |
| Bonds and debentures                          | ..                  | 8             | ..            | 40            | 42            |
| Mortgages                                     | 500                 | 201           | 99            | 133           | 122           |
| Deferred income tax                           | -161                | -291          | -91           | -202          | -248          |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,059               | 1,127         | 958           | 850           | 1,328         |
| <b>Equity</b>                                 | <b>3,661</b>        | <b>3,900</b>  | <b>4,995</b>  | <b>4,914</b>  | <b>5,021</b>  |
| Share capital                                 | 1,932               | 1,982         | 2,308         | 2,868         | 2,235         |
| Contributed surplus and other                 | 627                 | 689           | 427           | 406           | 1,355         |
| Retained earnings                             | 1,103               | 1,228         | 2,259         | 1,640         | 1,432         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>12,400</b>       | <b>12,831</b> | <b>14,703</b> | <b>13,983</b> | <b>13,233</b> |
| Sales of goods and services                   | 12,378              | 12,803        | 14,685        | 13,963        | 13,174        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 22                  | 28            | 18            | 21            | 60            |
| <b>Operating expenses</b>                     | <b>11,694</b>       | <b>11,667</b> | <b>13,201</b> | <b>13,483</b> | <b>12,839</b> |
| Purchased goods, materials and service        | 9,926               | 8,828         | 10,378        | 10,450        | 10,029        |
| Wages, salaries and employee benefits         | 1,462               | 2,426         | 2,101         | 2,110         | 2,280         |
| Indirect taxes                                | ..                  | 93            | 100           | 69            | 88            |
| Depreciation, depletion and amortization      | 223                 | 285           | 471           | 414           | 320           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 83                  | 35            | 151           | 439           | 122           |
| <b>Operating profit/loss</b>                  | <b>706</b>          | <b>1,163</b>  | <b>1,502</b>  | <b>501</b>    | <b>394</b>    |
| Interest and dividend revenue                 | 78                  | 58            | 90            | 80            | 170           |
| Interest expense on borrowing                 | 127                 | 115           | 186           | 222           | 158           |
| Gains/losses                                  | 18                  | -121          | 10            | -303          | -178          |
| <b>Profit before income tax</b>               | <b>674</b>          | <b>985</b>    | <b>1,417</b>  | <b>56</b>     | <b>229</b>    |
| Income tax                                    | 331                 | 347           | 576           | 126           | 198           |
| Equity in affiliates' earnings                | 59                  | 66            | 25            | 74            | 50            |
| <b>Profit before extraordinary gains</b>      | <b>402</b>          | <b>704</b>    | <b>866</b>    | <b>4</b>      | <b>81</b>     |
| Extraordinary gains                           | -13                 | -99           | -9            | -11           | -13           |
| <b>Net profit</b>                             | <b>390</b>          | <b>606</b>    | <b>857</b>    | <b>-8</b>     | <b>68</b>     |

Table 22-2

## Electrical equipment, appliance and component manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000  | 2001  | 2002 |
|---|---------------------|------|-------|-------|------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |       |       |      |
|   | millions of dollars |      |       |       |      |
| <b>Net profit</b>   | ..                  | ..   | 857   | -8    | 68   |
| Plus: consolidation adjustments                                     | ..                  | ..   | -4    | 75    | 81   |
| Plus: conceptual adjustments  | ..                  | ..   | -43   | 274   | 6    |
| Plus: current taxes, including mining                               | ..                  | ..   | 442   | 165   | 107  |
| Plus: deferred income taxes   | ..                  | ..   | 82    | 82    | 70   |
| Less: profit of tax exempt corporations                             | ..                  | ..   | ..    | ..    | ..   |
| Deductible dividends  | ..                  | ..   | 21    | 139   | 203  |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | 1,312 | 451   | 129  |
| <b>Exemptions and deductions:</b>                                   |                     |      |       |       |      |
| Book capital gains and losses                                       | ..                  | ..   | -34   | -4    | 28   |
| Less: taxable capital gains   | ..                  | ..   | 3     | 13    | 14   |
| Net difference, capital gains and losses                            | ..                  | ..   | -37   | -18   | 14   |
| Resource allowance  | ..                  | ..   | ..    | ..    | ..   |
| Less: royalties   | ..                  | ..   | ..    | ..    | ..   |
| Net difference, resource allowance                                  | ..                  | ..   | ..    | ..    | ..   |
| Earned depletion allowance  | ..                  | ..   | ..    | ..    | ..   |
| Other exemptions and deductions                                     | ..                  | ..   | -20   | -44   | -33  |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | -57   | -62   | -19  |
| <b>Timing differences:</b>  |                     |      |       |       |      |
| Depreciation  | ..                  | ..   | 399   | 489   | 356  |
| Less: capital cost allowance  | ..                  | ..   | 439   | 344   | 484  |
| Net difference, depreciation  | ..                  | ..   | -40   | 146   | -128 |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..    | ..    | ..   |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..    | ..    | ..   |
| Net difference, natural resources expenses                          | ..                  | ..   | ..    | ..    | ..   |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..    | 1     | 1    |
| Other timing differences  | ..                  | ..   | 64    | 341   | -348 |
| <b>Total, timing differences</b>                                    | ..                  | ..   | 24    | 488   | -474 |
| <b>Net taxable income</b>   | ..                  | ..   | 1,394 | 1,000 | -326 |
| Plus: current year tax losses                                       | ..                  | ..   | 127   | 138   | 865  |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | 1,521 | 1,139 | 539  |
| Less: prior year losses applied                                     | ..                  | ..   | 34    | 27    | 30   |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | 1,487 | 1,111 | 509  |
| <b>Taxes:</b>   |                     |      |       |       |      |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 565   | 428   | 224  |
| Corporate surtax  | ..                  | ..   | 17    | 13    | 6    |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |       |       |      |
| Federal tax abatement   | ..                  | ..   | 149   | 111   | 58   |
| Small business deduction  | ..                  | ..   | 9     | 9     | 9    |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 82    | 61    | 28   |
| Investment tax credit   | ..                  | ..   | 23    | 46    | 11   |
| Other federal tax credits   | ..                  | ..   | ..    | 7     | 6    |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | 319   | 207   | 119  |
| Other direct federal taxes  | ..                  | ..   | 3     | 4     | 3    |
| <b>Total federal tax</b>  | ..                  | ..   | 322   | 210   | 122  |
| Provincial income taxes   | ..                  | ..   | 184   | 127   | 64   |
| <b>Total taxes</b>  | ..                  | ..   | 505   | 338   | 185  |

Table 22-3

## Electrical equipment, appliance and component manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.656 | 0.729             | 0.606 | 0.783 | 0.567 |
| Profit margin (percent)                          | 5.7   | 9.1               | 10.2  | 3.6   | 3.0   |
| Return on equity (percent)                       | 11.0  | 18.1              | 17.3  | 0.1   | 1.6   |
| Return on capital employed (percent)             | 8.2   | 11.7              | 12.4  | 1.8   | 2.5   |
| Working capital (ratio)                          | 1.372 | 1.285             | 1.592 | 1.403 | 1.417 |
| Quick ratio (ratio)                              | 0.957 | 0.907             | 1.069 | 0.863 | 0.929 |
| Inventory turnover (ratio)                       | 8.509 | 8.203             | 7.197 | 6.393 | 7.075 |
| Receivables turnover (ratio)                     | 5.619 | 5.429             | 4.906 | 5.584 | 5.705 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 34.6  | 42.4  | 22.5  |
| Income taxes to taxable income (percent)         | ..    | ..                | 33.8  | 30.0  | 35.9  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 3.5               | 14.6  | -4.9  | -5.4  |
| Operating expenses, year-over-year change        | ..    | -0.2              | 13.1  | 2.1   | -4.8  |
| Operating profit, year-over-year change          | ..    | 64.8              | 29.1  | -66.7 | -21.2 |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -25.3 | -54.2 |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -33.2 | -45.1 |

Table 23-1

## Motor vehicles and parts manufacturing - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | <b>52,265</b>       | <b>62,645</b>  | <b>74,312</b>  | <b>78,710</b>  | <b>80,278</b>  |
| Cash and deposits                             | 1,644               | 2,619          | 3,936          | 4,170          | 3,557          |
| Accounts receivable and accrued revenue       | 11,927              | 14,949         | 13,768         | 12,194         | 10,794         |
| Inventories                                   | 3,977               | 6,702          | 6,597          | 6,042          | 6,162          |
| Investments                                   | 9,779               | 7,638          | 19,829         | 26,120         | 30,081         |
| Investments and accounts with affiliates      | 8,137               | 6,760          | 19,039         | 25,400         | 28,101         |
| Portfolio investments                         | 1,642               | 878            | 790            | 720            | 1,980          |
| Loans   | 975                 | 936            | 31             | 20             | 27             |
| Mortgages                                     | 3                   | 11             | 18             | 10             | 9              |
| Non-mortgages                                 | 972                 | 925            | 14             | 9              | 18             |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | 18,009              | 21,844         | 22,084         | 21,734         | 20,112         |
| Other assets                                  | 5,955               | 7,956          | 8,068          | 8,432          | 9,544          |
| <b>Liabilities</b>                            | <b>30,972</b>       | <b>39,638</b>  | <b>45,319</b>  | <b>44,908</b>  | <b>48,426</b>  |
| Accounts payable and accrued liabilities      | 13,038              | 18,891         | 20,630         | 21,184         | 23,887         |
| Loans and accounts with affiliates            | 6,601               | 9,408          | 12,499         | 13,607         | 13,030         |
| Borrowings                                    | 4,050               | 4,159          | 5,057          | 3,437          | 3,158          |
| Loans and overdrafts                          | 2,344               | 3,889          | 4,479          | 3,063          | 2,768          |
| From banks                                    | 1,865               | 2,758          | 3,342          | 1,912          | 1,807          |
| From others                                   | 480                 | 1,130          | 1,138          | 1,151          | 961            |
| Bankers' acceptances and paper                | 5                   | 5              | 41             | 11             | 16             |
| Bonds and debentures                          | 3                   | 36             | 292            | 184            | 195            |
| Mortgages                                     | 1,698               | 230            | 245            | 180            | 179            |
| Deferred income tax                           | 12                  | 1,224          | 1,203          | 729            | 848            |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | 7,271               | 5,957          | 5,931          | 5,950          | 7,503          |
| <b>Equity</b>                                 | <b>21,293</b>       | <b>23,007</b>  | <b>28,993</b>  | <b>33,802</b>  | <b>31,852</b>  |
| Share capital                                 | 5,966               | 7,255          | 9,023          | 11,584         | 11,283         |
| Contributed surplus and other                 | 1,198               | 384            | 930            | 982            | 2,581          |
| Retained earnings                             | 14,129              | 15,368         | 19,041         | 21,236         | 17,987         |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | <b>112,678</b>      | <b>141,249</b> | <b>139,571</b> | <b>130,702</b> | <b>137,585</b> |
| Sales of goods and services                   | 111,871             | 140,615        | 138,864        | 129,693        | 136,249        |
| Interest and dividend revenue (operating)     | ..                  | ..             | ..             | ..             | ..             |
| Other operating revenue                       | 807                 | 634            | 708            | 1,009          | 1,336          |
| <b>Operating expenses</b>                     | <b>107,337</b>      | <b>132,171</b> | <b>130,686</b> | <b>125,743</b> | <b>131,241</b> |
| Purchased goods, materials and service        | 94,907              | 115,393        | 114,265        | 109,727        | 115,545        |
| Wages, salaries and employee benefits         | 8,904               | 12,073         | 11,102         | 10,981         | 10,984         |
| Indirect taxes                                | ..                  | 394            | 449            | 310            | 247            |
| Depreciation, depletion and amortization      | 2,498               | 3,883          | 4,499          | 4,484          | 3,943          |
| Interest expense (operating)                  | ..                  | ..             | ..             | ..             | ..             |
| Other operating expenses                      | 1,028               | 428            | 371            | 241            | 522            |
| <b>Operating profit/loss</b>                  | <b>5,341</b>        | <b>9,078</b>   | <b>8,886</b>   | <b>4,959</b>   | <b>6,344</b>   |
| Interest and dividend revenue                 | 894                 | 817            | 455            | 427            | 228            |
| Interest expense on borrowing                 | 457                 | 768            | 1,009          | 1,170          | 833            |
| Gains/losses                                  | -284                | -258           | -171           | -145           | -6,180         |
| <b>Profit before income tax</b>               | <b>5,494</b>        | <b>8,868</b>   | <b>8,161</b>   | <b>4,070</b>   | <b>-440</b>    |
| Income tax                                    | 1,889               | 3,353          | 3,012          | 1,369          | 1,412          |
| Equity in affiliates' earnings                | 104                 | 180            | 379            | 449            | 516            |
| <b>Profit before extraordinary gains</b>      | <b>3,709</b>        | <b>5,696</b>   | <b>5,528</b>   | <b>3,150</b>   | <b>-1,337</b>  |
| Extraordinary gains                           | -59                 | ..             | 6              | -163           | 7              |
| <b>Net profit</b>                             | <b>3,650</b>        | <b>5,696</b>   | <b>5,534</b>   | <b>2,988</b>   | <b>-1,330</b>  |

Table 23-2

## Motor vehicles and parts manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001         | 2002          |
|---|---------------------|------|---------------|--------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |              |               |
|   | millions of dollars |      |               |              |               |
| <b>Net profit</b>   | ..                  | ..   | <b>5,534</b>  | <b>2,988</b> | <b>-1,330</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 126           | -77          | 733           |
| Plus: conceptual adjustments  | ..                  | ..   | -540          | -263         | 3,565         |
| Plus: current taxes, including mining                               | ..                  | ..   | 2,927         | 1,614        | 1,605         |
| Plus: deferred income taxes   | ..                  | ..   | 60            | -157         | -105          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 57            | ..           | ..            |
| Deductible dividends  | ..                  | ..   | 149           | 1,048        | 1,524         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>7,902</b>  | <b>3,056</b> | <b>2,944</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |              |               |
| Book capital gains and losses                                       | ..                  | ..   | -70           | -15          | -190          |
| Less: taxable capital gains   | ..                  | ..   | 13            | 60           | 77            |
| Net difference, capital gains and losses                            | ..                  | ..   | -83           | -74          | -267          |
| Resource allowance  | ..                  | ..   | ..            | ..           | ..            |
| Less: royalties   | ..                  | ..   | ..            | ..           | ..            |
| Net difference, resource allowance                                  | ..                  | ..   | ..            | ..           | ..            |
| Earned depletion allowance  | ..                  | ..   | ..            | ..           | ..            |
| Other exemptions and deductions                                     | ..                  | ..   | -1,564        | -156         | 400           |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-1,647</b> | <b>-230</b>  | <b>133</b>    |
| <b>Timing differences:</b>  |                     |      |               |              |               |
| Depreciation  | ..                  | ..   | 3,460         | 4,069        | 3,882         |
| Less: capital cost allowance  | ..                  | ..   | 4,137         | 4,004        | 4,007         |
| Net difference, depreciation  | ..                  | ..   | -677          | 66           | -124          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..            | ..           | ..            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..            | ..           | ..            |
| Net difference, natural resources expenses                          | ..                  | ..   | ..            | ..           | ..            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..            | 2            | -1            |
| Other timing differences  | ..                  | ..   | -1,466        | 1,549        | 2,381         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-2,143</b> | <b>1,616</b> | <b>2,255</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>7,406</b>  | <b>4,903</b> | <b>5,066</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 345           | 1,114        | 582           |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>7,751</b>  | <b>6,017</b> | <b>5,648</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 363           | 158          | 124           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>7,388</b>  | <b>5,859</b> | <b>5,524</b>  |
| <b>Taxes:</b>   |                     |      |               |              |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 2,821         | 2,256        | 2,133         |
| Corporate surtax  | ..                  | ..   | 83            | 66           | 63            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |              |               |
| Federal tax abatement   | ..                  | ..   | 739           | 593          | 560           |
| Small business deduction  | ..                  | ..   | 10            | 9            | 11            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 478           | 361          | 362           |
| Investment tax credit   | ..                  | ..   | 106           | 74           | 94            |
| Other federal tax credits   | ..                  | ..   | 14            | 27           | 29            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>1,557</b>  | <b>1,258</b> | <b>1,140</b>  |
| Other direct federal taxes  | ..                  | ..   | 34            | 23           | 25            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>1,591</b>  | <b>1,281</b> | <b>1,165</b>  |
| Provincial income taxes   | ..                  | ..   | 969           | 708          | 616           |
| <b>Total taxes</b>  | ..                  | ..   | <b>2,560</b>  | <b>1,989</b> | <b>1,782</b>  |

Table 23-3

## Motor vehicles and parts manufacturing - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.500  | 0.590             | 0.606  | 0.504  | 0.508  |
| Profit margin (percent)                          | 4.7    | 6.4               | 6.4    | 3.8    | 4.6    |
| Return on equity (percent)                       | 17.4   | 24.8              | 19.1   | 9.3    | -4.2   |
| Return on capital employed (percent)             | 12.5   | 16.9              | 13.3   | 7.7    | -1.4   |
| Working capital (ratio)                          | 1.225  | 1.229             | 0.952  | 1.019  | 0.960  |
| Quick ratio (ratio)                              | 1.014  | 0.931             | 0.709  | 0.778  | 0.748  |
| Inventory turnover (ratio)                       | 28.331 | 21.075            | 21.158 | 21.634 | 22.328 |
| Receivables turnover (ratio)                     | 9.447  | 9.449             | 10.138 | 10.719 | 12.746 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 30.9   | 41.6   | 37.9   |
| Income taxes to taxable income (percent)         | ..     | ..                | 34.2   | 33.6   | 31.8   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 25.4              | -1.2   | -6.4   | 5.3    |
| Operating expenses, year-over-year change        | ..     | 23.1              | -1.1   | -3.8   | 4.4    |
| Operating profit, year-over-year change          | ..     | 70.0              | -2.1   | -44.2  | 27.9   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -20.7  | -5.7   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -22.3  | -10.4  |



Table 24-1

## Other transportation equipment manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>13,453</b>       | <b>15,080</b> | <b>17,085</b> | <b>19,496</b> | <b>23,576</b> |
| Cash and deposits                             | 402                 | 726           | 356           | 596           | 398           |
| Accounts receivable and accrued revenue       | 2,276               | 3,477         | 3,668         | 2,957         | 3,111         |
| Inventories                                   | 3,752               | 3,839         | 5,446         | 6,004         | 8,468         |
| Investments                                   | 3,248               | 3,319         | 3,212         | 4,282         | 6,758         |
| Investments and accounts with affiliates      | 2,977               | 3,300         | 3,027         | 4,110         | 6,709         |
| Portfolio investments                         | 271                 | 19            | 185           | 172           | 48            |
| Loans   | 18                  | 71            | 59            | 53            | 29            |
| Mortgages                                     | 3                   | 25            | 12            | 6             | 4             |
| Non-mortgages                                 | 15                  | 46            | 46            | 47            | 24            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 2,925               | 2,873         | 3,298         | 3,543         | 3,485         |
| Other assets                                  | 832                 | 775           | 1,047         | 2,061         | 1,328         |
| <b>Liabilities</b>                            | <b>7,666</b>        | <b>8,681</b>  | <b>10,835</b> | <b>12,323</b> | <b>16,218</b> |
| Accounts payable and accrued liabilities      | 2,151               | 3,207         | 4,584         | 4,149         | 4,398         |
| Loans and accounts with affiliates            | 605                 | 469           | 650           | 1,526         | 1,970         |
| Borrowings                                    | 3,957               | 3,864         | 4,123         | 5,176         | 6,584         |
| Loans and overdrafts                          | 1,982               | 2,180         | 2,266         | 2,288         | 2,203         |
| From banks                                    | 1,600               | 1,869         | 1,691         | 1,878         | 1,889         |
| From others                                   | 382                 | 310           | 575           | 409           | 314           |
| Bankers' acceptances and paper                | 55                  | 296           | 63            | 168           | 202           |
| Bonds and debentures                          | 980                 | 1,165         | 1,594         | 2,517         | 3,980         |
| Mortgages                                     | 939                 | 224           | 200           | 204           | 199           |
| Deferred income tax                           | 355                 | 441           | 726           | 1,049         | 1,178         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 597                 | 700           | 751           | 423           | 2,088         |
| <b>Equity</b>                                 | <b>5,787</b>        | <b>6,399</b>  | <b>6,250</b>  | <b>7,174</b>  | <b>7,359</b>  |
| Share capital                                 | 1,925               | 1,926         | 2,148         | 2,145         | 2,445         |
| Contributed surplus and other                 | 68                  | 114           | 76            | 170           | 309           |
| Retained earnings                             | 3,794               | 4,360         | 4,026         | 4,859         | 4,604         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>14,633</b>       | <b>17,195</b> | <b>19,468</b> | <b>22,391</b> | <b>20,164</b> |
| Sales of goods and services                   | 14,552              | 17,121        | 19,436        | 22,372        | 20,138        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 81                  | 74            | 32            | 19            | 26            |
| <b>Operating expenses</b>                     | <b>13,525</b>       | <b>15,609</b> | <b>17,236</b> | <b>19,741</b> | <b>18,370</b> |
| Purchased goods, materials and service        | 11,817              | 9,881         | 11,837        | 14,177        | 12,941        |
| Wages, salaries and employee benefits         | 1,024               | 4,210         | 4,726         | 4,354         | 4,220         |
| Indirect taxes                                | ..                  | 1,031         | 152           | 396           | 354           |
| Depreciation, depletion and amortization      | 173                 | 372           | 329           | 358           | 356           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 510                 | 115           | 192           | 456           | 499           |
| <b>Operating profit/loss</b>                  | <b>1,108</b>        | <b>1,586</b>  | <b>2,231</b>  | <b>2,650</b>  | <b>1,794</b>  |
| Interest and dividend revenue                 | 109                 | 49            | 265           | 180           | 34            |
| Interest expense on borrowing                 | 168                 | 250           | 431           | 321           | 613           |
| Gains/losses                                  | -39                 | 19            | 20            | -34           | 1             |
| <b>Profit before income tax</b>               | <b>1,011</b>        | <b>1,405</b>  | <b>2,085</b>  | <b>2,476</b>  | <b>1,216</b>  |
| Income tax                                    | 243                 | 436           | 766           | 655           | 386           |
| Equity in affiliates' earnings                | ..                  | 19            | 6             | 3             | 1             |
| <b>Profit before extraordinary gains</b>      | <b>768</b>          | <b>987</b>    | <b>1,325</b>  | <b>1,824</b>  | <b>831</b>    |
| Extraordinary gains                           | ..                  | 1             | 18            | -14           | ..            |
| <b>Net profit</b>                             | <b>767</b>          | <b>989</b>    | <b>1,343</b>  | <b>1,810</b>  | <b>831</b>    |

Table 24-2

## Other transportation equipment manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001          | 2002         |
|---|---------------------|------|---------------|---------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |               |              |
|   | millions of dollars |      |               |               |              |
| <b>Net profit</b>   | ..                  | ..   | <b>1,343</b>  | <b>1,810</b>  | <b>831</b>   |
| Plus: consolidation adjustments                                     | ..                  | ..   | -7            | 141           | 519          |
| Plus: conceptual adjustments  | ..                  | ..   | 91            | -344          | -78          |
| Plus: current taxes, including mining                               | ..                  | ..   | 407           | 93            | ..           |
| Plus: deferred income taxes   | ..                  | ..   | 324           | 394           | 374          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | ..            | 39            | 38           |
| Deductible dividends  | ..                  | ..   | 48            | 19            | 18           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>2,111</b>  | <b>2,036</b>  | <b>1,591</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |               |              |
| Book capital gains and losses                                       | ..                  | ..   | 56            | 52            | 108          |
| Less: taxable capital gains   | ..                  | ..   | 32            | 19            | 67           |
| Net difference, capital gains and losses                            | ..                  | ..   | 25            | 33            | 40           |
| Resource allowance  | ..                  | ..   | ..            | ..            | ..           |
| Less: royalties   | ..                  | ..   | 1             | ..            | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | -1            | ..            | ..           |
| Earned depletion allowance  | ..                  | ..   | ..            | ..            | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -31           | -71           | -75          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-7</b>     | <b>-38</b>    | <b>-35</b>   |
| <b>Timing differences:</b>  |                     |      |               |               |              |
| Depreciation  | ..                  | ..   | 826           | 882           | 878          |
| Less: capital cost allowance  | ..                  | ..   | 530           | 584           | 537          |
| Net difference, depreciation  | ..                  | ..   | 296           | 298           | 342          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 1             | ..            | ..           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..            | ..            | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | ..            | ..            | ..           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 31            | 40            | 40           |
| Other timing differences  | ..                  | ..   | -1,617        | -1,584        | -1,306       |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-1,289</b> | <b>-1,245</b> | <b>-925</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>829</b>    | <b>829</b>    | <b>701</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 85            | 164           | 113          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>914</b>    | <b>993</b>    | <b>814</b>   |
| Less: prior year losses applied                                     | ..                  | ..   | 34            | 57            | 68           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>880</b>    | <b>936</b>    | <b>746</b>   |
| <b>Taxes:</b>   |                     |      |               |               |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 340           | 366           | 302          |
| Corporate surtax  | ..                  | ..   | 10            | 11            | 9            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |               |              |
| Federal tax abatement   | ..                  | ..   | 89            | 96            | 79           |
| Small business deduction  | ..                  | ..   | 6             | 6             | 7            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 56            | 59            | 47           |
| Investment tax credit   | ..                  | ..   | 65            | 68            | 67           |
| Other federal tax credits   | ..                  | ..   | 4             | 4             | 6            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>129</b>    | <b>144</b>    | <b>105</b>   |
| Other direct federal taxes  | ..                  | ..   | 17            | 19            | 20           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>146</b>    | <b>163</b>    | <b>125</b>   |
| Provincial income taxes   | ..                  | ..   | 89            | 95            | 81           |
| <b>Total taxes</b>  | ..                  | ..   | <b>236</b>    | <b>258</b>    | <b>206</b>   |

Table 24-3

## Other transportation equipment manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.788 | 0.677             | 0.764 | 0.934 | 1.162 |
| Profit margin (percent)                          | 7.6   | 9.2               | 11.5  | 11.8  | 8.9   |
| Return on equity (percent)                       | 13.3  | 15.4              | 21.2  | 25.4  | 11.3  |
| Return on capital employed (percent)             | 8.7   | 10.8              | 14.5  | 14.9  | 7.8   |
| Working capital (ratio)                          | 1.650 | 1.562             | 1.582 | 1.554 | 1.954 |
| Quick ratio (ratio)                              | 0.727 | 0.815             | 0.696 | 0.600 | 0.648 |
| Inventory turnover (ratio)                       | 3.900 | 4.479             | 3.575 | 3.729 | 2.381 |
| Receivables turnover (ratio)                     | 6.429 | 4.946             | 5.308 | 7.571 | 6.481 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 10.6  | 11.5  | 11.5  |
| Income taxes to taxable income (percent)         | ..    | ..                | 24.8  | 25.6  | 25.0  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 17.5              | 13.2  | 15.0  | -9.9  |
| Operating expenses, year-over-year change        | ..    | 15.4              | 10.4  | 14.5  | -6.9  |
| Operating profit, year-over-year change          | ..    | 43.1              | 40.7  | 18.7  | -32.3 |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | 6.4   | -20.4 |
| Taxes, year-over-year change                     | ..    | ..                | ..    | 9.6   | -20.1 |

Table 25-1

## Furniture and related product manufacturing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| Balance sheet                                 |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>5,450</b>        | <b>6,827</b>  | <b>7,745</b>  | <b>8,092</b>  | <b>9,709</b>  |
| Cash and deposits                             | 314                 | 537           | 495           | 545           | 567           |
| Accounts receivable and accrued revenue       | 1,709               | 2,153         | 2,221         | 2,071         | 2,222         |
| Inventories                                   | 1,193               | 1,305         | 1,500         | 1,456         | 1,636         |
| Investments                                   | 572                 | 499           | 744           | 840           | 1,741         |
| Investments and accounts with affiliates      | 355                 | 344           | 648           | 702           | 1,534         |
| Portfolio investments                         | 217                 | 155           | 97            | 138           | 206           |
| Loans   | 125                 | 34            | 28            | 33            | 45            |
| Mortgages                                     | 2                   | 19            | 13            | 15            | 20            |
| Non-mortgages                                 | 122                 | 15            | 15            | 18            | 25            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 1,137               | 1,567         | 1,912         | 2,188         | 2,487         |
| Other assets                                  | 401                 | 732           | 844           | 960           | 1,011         |
| <b>Liabilities</b>                            | <b>3,398</b>        | <b>4,196</b>  | <b>4,841</b>  | <b>4,956</b>  | <b>5,708</b>  |
| Accounts payable and accrued liabilities      | 1,329               | 1,899         | 1,801         | 1,659         | 2,261         |
| Loans and accounts with affiliates            | 568                 | 943           | 1,126         | 1,381         | 1,339         |
| Borrowings                                    | 1,338               | 1,211         | 1,639         | 1,586         | 1,697         |
| Loans and overdrafts                          | 814                 | 938           | 1,151         | 1,037         | 1,159         |
| From banks                                    | 715                 | 845           | 1,051         | 909           | 1,003         |
| From others                                   | 100                 | 93            | 100           | 129           | 157           |
| Bankers' acceptances and paper                | 1                   | 12            | 3             | 4             | 5             |
| Bonds and debentures                          | 1                   | 26            | 8             | 8             | 10            |
| Mortgages                                     | 522                 | 235           | 477           | 537           | 523           |
| Deferred income tax                           | 61                  | 71            | 70            | 99            | 123           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 101                 | 71            | 206           | 231           | 288           |
| <b>Equity</b>                                 | <b>2,052</b>        | <b>2,631</b>  | <b>2,904</b>  | <b>3,137</b>  | <b>4,002</b>  |
| Share capital                                 | 674                 | 671           | 954           | 1,106         | 1,574         |
| Contributed surplus and other                 | 172                 | 258           | 215           | 203           | 191           |
| Retained earnings                             | 1,207               | 1,702         | 1,735         | 1,827         | 2,236         |
| Income statement                              |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>9,854</b>        | <b>12,379</b> | <b>13,288</b> | <b>13,797</b> | <b>14,397</b> |
| Sales of goods and services                   | 9,802               | 12,362        | 13,269        | 13,769        | 14,372        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 51                  | 16            | 20            | 28            | 26            |
| <b>Operating expenses</b>                     | <b>9,104</b>        | <b>11,400</b> | <b>12,339</b> | <b>12,978</b> | <b>13,560</b> |
| Purchased goods, materials and service        | 6,730               | 7,578         | 8,399         | 9,175         | 9,498         |
| Wages, salaries and employee benefits         | 2,155               | 3,388         | 3,485         | 3,166         | 3,318         |
| Indirect taxes                                | ..                  | 55            | 72            | 87            | 90            |
| Depreciation, depletion and amortization      | 155                 | 216           | 353           | 408           | 383           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 65                  | 162           | 29            | 141           | 271           |
| <b>Operating profit/loss</b>                  | <b>750</b>          | <b>979</b>    | <b>949</b>    | <b>820</b>    | <b>837</b>    |
| Interest and dividend revenue                 | 76                  | 14            | 22            | 24            | 30            |
| Interest expense on borrowing                 | 105                 | 121           | 148           | 190           | 202           |
| Gains/losses                                  | 4                   | 38            | 46            | 27            | 15            |
| <b>Profit before income tax</b>               | <b>725</b>          | <b>911</b>    | <b>869</b>    | <b>680</b>    | <b>680</b>    |
| Income tax                                    | 224                 | 331           | 278           | 234           | 245           |
| Equity in affiliates' earnings                | 18                  | 8             | 65            | 4             | 18            |
| <b>Profit before extraordinary gains</b>      | <b>519</b>          | <b>588</b>    | <b>656</b>    | <b>450</b>    | <b>453</b>    |
| Extraordinary gains                           | 2                   | ..            | -1            | -6            | -2            |
| <b>Net profit</b>                             | <b>521</b>          | <b>588</b>    | <b>655</b>    | <b>444</b>    | <b>451</b>    |

Table 25-2

## Furniture and related product manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001       | 2002       |
|---|---------------------|------|------------|------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |            |            |
|   | millions of dollars |      |            |            |            |
| <b>Net profit</b>   | ..                  | ..   | <b>655</b> | <b>444</b> | <b>451</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 1          | 33         | 109        |
| Plus: conceptual adjustments  | ..                  | ..   | -26        | -9         | -24        |
| Plus: current taxes, including mining                               | ..                  | ..   | 318        | 307        | 272        |
| Plus: deferred income taxes   | ..                  | ..   | 11         | 4          | -14        |
| Less: profit of tax exempt corporations                             | ..                  | ..   | ..         | ..         | ..         |
| Deductible dividends  | ..                  | ..   | 149        | 25         | 10         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>809</b> | <b>754</b> | <b>785</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |            |            |
| Book capital gains and losses                                       | ..                  | ..   | 18         | 17         | 8          |
| Less: taxable capital gains   | ..                  | ..   | 5          | 5          | 5          |
| Net difference, capital gains and losses                            | ..                  | ..   | 13         | 12         | 3          |
| Resource allowance  | ..                  | ..   | ..         | ..         | ..         |
| Less: royalties   | ..                  | ..   | ..         | ..         | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..         | ..         |
| Earned depletion allowance  | ..                  | ..   | ..         | ..         | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | 19         | ..         | -1         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>32</b>  | <b>12</b>  | <b>1</b>   |
| <b>Timing differences:</b>  |                     |      |            |            |            |
| Depreciation  | ..                  | ..   | 286        | 412        | 437        |
| Less: capital cost allowance  | ..                  | ..   | 295        | 312        | 348        |
| Net difference, depreciation  | ..                  | ..   | -8         | 99         | 88         |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..         | ..         | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..         | ..         |
| Net difference, natural resources expenses                          | ..                  | ..   | ..         | ..         | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -1         | -2         | ..         |
| Other timing differences  | ..                  | ..   | 124        | 30         | -120       |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>115</b> | <b>127</b> | <b>-31</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>892</b> | <b>869</b> | <b>752</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 93         | 114        | 136        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>985</b> | <b>983</b> | <b>888</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 47         | 45         | 24         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>938</b> | <b>937</b> | <b>864</b> |
| <b>Taxes:</b>   |                     |      |            |            |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 359        | 357        | 344        |
| Corporate surtax  | ..                  | ..   | 10         | 10         | 10         |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |            |            |
| Federal tax abatement   | ..                  | ..   | 94         | 94         | 90         |
| Small business deduction  | ..                  | ..   | 24         | 25         | 36         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 50         | 50         | 44         |
| Investment tax credit   | ..                  | ..   | 2          | 2          | 3          |
| Other federal tax credits   | ..                  | ..   | ..         | 1          | 3          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>199</b> | <b>195</b> | <b>179</b> |
| Other direct federal taxes  | ..                  | ..   | 2          | 6          | 1          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>200</b> | <b>201</b> | <b>180</b> |
| Provincial income taxes   | ..                  | ..   | 108        | 102        | 91         |
| <b>Total taxes</b>  | ..                  | ..   | <b>308</b> | <b>303</b> | <b>270</b> |

Table 25-3

## Furniture and related product manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 0.929 | 0.819             | 0.952 | 0.946 | 0.759 |
| Profit margin (percent)                          | 7.6   | 7.9               | 7.1   | 5.9   | 5.8   |
| Return on equity (percent)                       | 25.3  | 22.3              | 22.6  | 14.4  | 11.3  |
| Return on capital employed (percent)             | 15.1  | 14.1              | 13.4  | 9.6   | 8.5   |
| Working capital (ratio)                          | 1.701 | 1.499             | 1.535 | 1.659 | 1.587 |
| Quick ratio (ratio)                              | 1.127 | 1.029             | 1.033 | 1.099 | 1.086 |
| Inventory turnover (ratio)                       | 8.258 | 9.485             | 8.862 | 9.475 | 8.799 |
| Receivables turnover (ratio)                     | 5.767 | 5.750             | 5.982 | 6.663 | 6.479 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 33.1  | 32.3  | 27.4  |
| Income taxes to taxable income (percent)         | ..    | ..                | 32.7  | 31.7  | 31.2  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 25.6              | 7.3   | 3.8   | 4.4   |
| Operating expenses, year-over-year change        | ..    | 25.2              | 8.2   | 5.2   | 4.5   |
| Operating profit, year-over-year change          | ..    | 30.6              | -3.0  | -13.7 | 2.2   |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -0.1  | -7.8  |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -1.6  | -10.8 |

Table 26-1

## Miscellaneous manufacturing - Balance sheet and income statement

|   | 1998                | 1999         | 2000         | 2001         | 2002         |
|---|---------------------|--------------|--------------|--------------|--------------|
| <b>Balance sheet</b>                          |                     |              |              |              |              |
|   | millions of dollars |              |              |              |              |
| <b>Assets</b>                                 | <b>5,324</b>        | <b>5,199</b> | <b>5,818</b> | <b>5,741</b> | <b>6,428</b> |
| Cash and deposits                             | 267                 | 386          | 581          | 526          | 559          |
| Accounts receivable and accrued revenue       | 1,300               | 1,315        | 1,434        | 1,334        | 1,596        |
| Inventories                                   | 1,475               | 1,225        | 1,333        | 1,259        | 1,333        |
| Investments                                   | 580                 | 724          | 701          | 832          | 1,028        |
| Investments and accounts with affiliates      | 435                 | 598          | 513          | 646          | 794          |
| Portfolio investments                         | 145                 | 126          | 188          | 186          | 235          |
| Loans   | 68                  | 94           | 122          | 104          | 73           |
| Mortgages                                     | 4                   | 32           | 42           | 23           | 12           |
| Non-mortgages                                 | 64                  | 62           | 80           | 81           | 61           |
| Bank customers' liabilities under acceptances | ..                  | ..           | ..           | ..           | ..           |
| Capital assets, net                           | 1,166               | 1,172        | 1,296        | 1,226        | 1,371        |
| Other assets                                  | 467                 | 283          | 351          | 460          | 467          |
| <b>Liabilities</b>                            | <b>3,532</b>        | <b>3,114</b> | <b>3,474</b> | <b>3,586</b> | <b>3,743</b> |
| Accounts payable and accrued liabilities      | 1,138               | 1,079        | 1,188        | 1,130        | 1,338        |
| Loans and accounts with affiliates            | 863                 | 913          | 895          | 1,150        | 1,158        |
| Borrowings                                    | 1,440               | 1,044        | 1,253        | 1,030        | 1,106        |
| Loans and overdrafts                          | 1,047               | 838          | 1,017        | 740          | 770          |
| From banks                                    | 898                 | 754          | 915          | 650          | 667          |
| From others                                   | 149                 | 84           | 103          | 90           | 103          |
| Bankers' acceptances and paper                | 2                   | 27           | 13           | 24           | 30           |
| Bonds and debentures                          | 2                   | 1            | 34           | 29           | 31           |
| Mortgages                                     | 389                 | 178          | 189          | 238          | 275          |
| Deferred income tax                           | 18                  | -12          | 7            | 4            | 13           |
| Bank customers' liabilities under acceptances | ..                  | ..           | ..           | ..           | ..           |
| Other liabilities                             | 74                  | 91           | 132          | 272          | 129          |
| <b>Equity</b>                                 | <b>1,792</b>        | <b>2,085</b> | <b>2,343</b> | <b>2,156</b> | <b>2,684</b> |
| Share capital                                 | 707                 | 722          | 1,590        | 1,303        | 1,553        |
| Contributed surplus and other                 | 185                 | 200          | 179          | 169          | 208          |
| Retained earnings                             | 900                 | 1,163        | 574          | 684          | 923          |
| <b>Income statement</b>                       |                     |              |              |              |              |
| <b>Operating revenue</b>                      | <b>8,070</b>        | <b>7,962</b> | <b>8,022</b> | <b>8,026</b> | <b>9,172</b> |
| Sales of goods and services                   | 8,030               | 7,923        | 7,986        | 7,987        | 9,134        |
| Interest and dividend revenue (operating)     | ..                  | ..           | ..           | ..           | ..           |
| Other operating revenue                       | 40                  | 39           | 36           | 38           | 38           |
| <b>Operating expenses</b>                     | <b>7,625</b>        | <b>7,455</b> | <b>7,715</b> | <b>7,786</b> | <b>8,679</b> |
| Purchased goods, materials and service        | 6,137               | 5,365        | 5,590        | 5,721        | 6,542        |
| Wages, salaries and employee benefits         | 1,277               | 1,847        | 1,772        | 1,640        | 1,733        |
| Indirect taxes                                | ..                  | 34           | 50           | 31           | 35           |
| Depreciation, depletion and amortization      | 149                 | 169          | 282          | 254          | 233          |
| Interest expense (operating)                  | ..                  | ..           | ..           | ..           | ..           |
| Other operating expenses                      | 62                  | 40           | 22           | 140          | 136          |
| <b>Operating profit/loss</b>                  | <b>444</b>          | <b>507</b>   | <b>307</b>   | <b>239</b>   | <b>493</b>   |
| Interest and dividend revenue                 | 37                  | 31           | 49           | 33           | 31           |
| Interest expense on borrowing                 | 143                 | 116          | 126          | 126          | 133          |
| Gains/losses                                  | ..                  | -8           | 32           | 32           | 15           |
| <b>Profit before income tax</b>               | <b>339</b>          | <b>414</b>   | <b>261</b>   | <b>179</b>   | <b>407</b>   |
| Income tax                                    | 162                 | 144          | 136          | 112          | 142          |
| Equity in affiliates' earnings                | 4                   | ..           | 47           | 3            | 5            |
| <b>Profit before extraordinary gains</b>      | <b>181</b>          | <b>270</b>   | <b>172</b>   | <b>70</b>    | <b>270</b>   |
| Extraordinary gains                           | -2                  | -2           | 2            | -6           | ..           |
| <b>Net profit</b>                             | <b>179</b>          | <b>268</b>   | <b>174</b>   | <b>64</b>    | <b>271</b>   |

Table 26-2

## Miscellaneous manufacturing - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001       | 2002       |
|---|---------------------|------|------------|------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |            |            |
|   | millions of dollars |      |            |            |            |
| <b>Net profit</b>   | ..                  | ..   | 174        | 64         | 271        |
| Plus: consolidation adjustments                                     | ..                  | ..   | 2          | ..         | ..         |
| Plus: conceptual adjustments  | ..                  | ..   | 58         | 57         | 29         |
| Plus: current taxes, including mining                               | ..                  | ..   | 143        | 133        | 152        |
| Plus: deferred income taxes   | ..                  | ..   | 22         | 6          | -2         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 1          | -7         | -1         |
| Deductible dividends  | ..                  | ..   | 13         | 12         | 16         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>386</b> | <b>254</b> | <b>435</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |            |            |
| Book capital gains and losses                                       | ..                  | ..   | 15         | 43         | 27         |
| Less: taxable capital gains   | ..                  | ..   | 14         | 12         | 6          |
| Net difference, capital gains and losses                            | ..                  | ..   | 1          | 31         | 21         |
| Resource allowance  | ..                  | ..   | ..         | ..         | ..         |
| Less: royalties   | ..                  | ..   | ..         | ..         | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..         | ..         |
| Earned depletion allowance  | ..                  | ..   | ..         | ..         | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | -26        | -12        | -20        |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-24</b> | <b>18</b>  | <b>1</b>   |
| <b>Timing differences:</b>  |                     |      |            |            |            |
| Depreciation  | ..                  | ..   | 324        | 250        | 248        |
| Less: capital cost allowance  | ..                  | ..   | 309        | 201        | 215        |
| Net difference, depreciation  | ..                  | ..   | 15         | 50         | 33         |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..         | ..         | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..         | ..         |
| Net difference, natural resources expenses                          | ..                  | ..   | ..         | ..         | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..         | ..         | ..         |
| Other timing differences  | ..                  | ..   | -51        | 11         | -67        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-36</b> | <b>61</b>  | <b>-35</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>374</b> | <b>297</b> | <b>399</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 207        | 254        | 181        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>581</b> | <b>551</b> | <b>580</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 88         | 70         | 55         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>493</b> | <b>481</b> | <b>525</b> |
| <b>Taxes:</b>   |                     |      |            |            |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 187        | 184        | 200        |
| Corporate surtax  | ..                  | ..   | 5          | 5          | 6          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |            |            |
| Federal tax abatement   | ..                  | ..   | 48         | 48         | 53         |
| Small business deduction  | ..                  | ..   | 25         | 27         | 29         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 19         | 18         | 18         |
| Investment tax credit   | ..                  | ..   | 10         | 6          | 10         |
| Other federal tax credits   | ..                  | ..   | ..         | 1          | 3          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>90</b>  | <b>90</b>  | <b>94</b>  |
| Other direct federal taxes  | ..                  | ..   | 2          | 1          | ..         |
| <b>Total federal tax</b>  | ..                  | ..   | <b>92</b>  | <b>91</b>  | <b>94</b>  |
| Provincial income taxes   | ..                  | ..   | 73         | 48         | 48         |
| <b>Total taxes</b>  | ..                  | ..   | <b>165</b> | <b>138</b> | <b>142</b> |



Table 26-3

## Miscellaneous manufacturing - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 1.285 | 0.938             | 0.917 | 1.011 | 0.843 |
| Profit margin (percent)                          | 5.5   | 6.4               | 3.8   | 3.0   | 5.4   |
| Return on equity (percent)                       | 10.1  | 12.9              | 7.3   | 3.2   | 10.1  |
| Return on capital employed (percent)             | 7.2   | 8.9               | 6.0   | 3.9   | 7.5   |
| Working capital (ratio)                          | 1.372 | 1.706             | 1.646 | 1.556 | 1.667 |
| Quick ratio (ratio)                              | 0.782 | 1.061             | 1.047 | 0.995 | 1.093 |
| Inventory turnover (ratio)                       | 5.470 | 6.499             | 6.019 | 6.375 | 6.883 |
| Receivables turnover (ratio)                     | 6.207 | 6.056             | 5.594 | 6.016 | 5.745 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 28.3  | 25.7  | 21.2  |
| Income taxes to taxable income (percent)         | ..    | ..                | 33.0  | 28.6  | 26.9  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | -1.3              | 0.8   | ..    | 14.3  |
| Operating expenses, year-over-year change        | ..    | -2.2              | 3.5   | 0.9   | 11.5  |
| Operating profit, year-over-year change          | ..    | 14.0              | -39.5 | -22.0 | 105.9 |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -2.3  | 9.1   |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -16.1 | 2.7   |

Table 27-1

## Petroleum product wholesaler-distributors - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>5,335</b>        | <b>4,862</b>  | <b>5,098</b>  | <b>5,631</b>  | <b>6,586</b>  |
| Cash and deposits                             | 163                 | 232           | 256           | 299           | 210           |
| Accounts receivable and accrued revenue       | 1,745               | 1,585         | 1,719         | 1,787         | 3,145         |
| Inventories                                   | 524                 | 549           | 580           | 723           | 551           |
| Investments                                   | 1,022               | 1,334         | 1,154         | 1,705         | 1,415         |
| Investments and accounts with affiliates      | 901                 | 1,261         | 1,058         | 1,607         | 1,320         |
| Portfolio investments                         | 121                 | 73            | 95            | 99            | 95            |
| Loans   | 39                  | 26            | 22            | 17            | 22            |
| Mortgages                                     | 4                   | 19            | 15            | 11            | 16            |
| Non-mortgages                                 | 35                  | 7             | 7             | 6             | 7             |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 1,583               | 926           | 1,137         | 811           | 910           |
| Other assets                                  | 258                 | 210           | 230           | 288           | 333           |
| <b>Liabilities</b>                            | <b>3,274</b>        | <b>2,990</b>  | <b>3,297</b>  | <b>2,951</b>  | <b>4,264</b>  |
| Accounts payable and accrued liabilities      | 1,728               | 1,625         | 1,694         | 1,939         | 1,846         |
| Loans and accounts with affiliates            | 747                 | 611           | 772           | 536           | 1,820         |
| Borrowings                                    | 520                 | 465           | 575           | 452           | 462           |
| Loans and overdrafts                          | 316                 | 352           | 460           | 368           | 357           |
| From banks                                    | 255                 | 321           | 398           | 291           | 271           |
| From others                                   | 61                  | 32            | 62            | 77            | 86            |
| Bankers' acceptances and paper                | 32                  | 28            | 23            | 12            | 17            |
| Bonds and debentures                          | 3                   | 8             | 4             | 2             | 4             |
| Mortgages                                     | 168                 | 76            | 88            | 69            | 84            |
| Deferred income tax                           | 173                 | 77            | 108           | 138           | 98            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 106                 | 212           | 148           | -114          | 38            |
| <b>Equity</b>                                 | <b>2,061</b>        | <b>1,871</b>  | <b>1,800</b>  | <b>2,680</b>  | <b>2,322</b>  |
| Share capital                                 | 400                 | 864           | 461           | 639           | 796           |
| Contributed surplus and other                 | 115                 | 96            | 122           | 173           | 145           |
| Retained earnings                             | 1,546               | 911           | 1,217         | 1,868         | 1,380         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>15,801</b>       | <b>14,221</b> | <b>22,186</b> | <b>28,560</b> | <b>22,589</b> |
| Sales of goods and services                   | 15,750              | 14,172        | 22,130        | 28,514        | 22,557        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 51                  | 49            | 55            | 46            | 32            |
| <b>Operating expenses</b>                     | <b>15,576</b>       | <b>14,064</b> | <b>21,937</b> | <b>28,281</b> | <b>22,220</b> |
| Purchased goods, materials and service        | 14,074              | 11,831        | 21,198        | 22,924        | 19,397        |
| Wages, salaries and employee benefits         | 1,216               | 1,896         | 398           | 4,295         | 2,194         |
| Indirect taxes                                | ..                  | 22            | 27            | 462           | 221           |
| Depreciation, depletion and amortization      | 151                 | 159           | 156           | 118           | 122           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 135                 | 158           | 158           | 483           | 286           |
| <b>Operating profit/loss</b>                  | <b>225</b>          | <b>157</b>    | <b>248</b>    | <b>279</b>    | <b>369</b>    |
| Interest and dividend revenue                 | 129                 | 145           | 204           | 403           | 220           |
| Interest expense on borrowing                 | 93                  | 91            | 61            | 64            | 54            |
| Gains/losses                                  | 38                  | 30            | 49            | 10            | 6             |
| <b>Profit before income tax</b>               | <b>299</b>          | <b>241</b>    | <b>440</b>    | <b>628</b>    | <b>540</b>    |
| Income tax                                    | 105                 | 65            | 78            | 90            | 58            |
| Equity in affiliates' earnings                | 14                  | 7             | 18            | 15            | 15            |
| <b>Profit before extraordinary gains</b>      | <b>208</b>          | <b>182</b>    | <b>380</b>    | <b>553</b>    | <b>497</b>    |
| Extraordinary gains                           | -10                 | -1            | -2            | ..            | -1            |
| <b>Net profit</b>                             | <b>198</b>          | <b>181</b>    | <b>378</b>    | <b>553</b>    | <b>496</b>    |

Table 27-2

## Petroleum product wholesaler-distributors - Reconciliation of profit

|   | 1998                | 1999 | 2000        | 2001        | 2002       |
|---|---------------------|------|-------------|-------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |             |             |            |
|   | millions of dollars |      |             |             |            |
| <b>Net profit</b>   | ..                  | ..   | <b>378</b>  | <b>553</b>  | <b>496</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -12         | -178        | -197       |
| Plus: conceptual adjustments  | ..                  | ..   | -189        | -165        | -10        |
| Plus: current taxes, including mining                               | ..                  | ..   | 62          | 67          | 50         |
| Plus: deferred income taxes   | ..                  | ..   | 1           | -1          | 2          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 234         | 202         | ..         |
| Deductible dividends  | ..                  | ..   | 18          | 50          | 160        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>-11</b>  | <b>24</b>   | <b>181</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |             |             |            |
| Book capital gains and losses                                       | ..                  | ..   | 19          | 11          | 21         |
| Less: taxable capital gains   | ..                  | ..   | 4           | 2           | 2          |
| Net difference, capital gains and losses                            | ..                  | ..   | 15          | 9           | 18         |
| Resource allowance  | ..                  | ..   | 1           | ..          | 1          |
| Less: royalties   | ..                  | ..   | ..          | ..          | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..          | ..          | ..         |
| Earned depletion allowance  | ..                  | ..   | ..          | ..          | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | -237        | -203        | -3         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-222</b> | <b>-194</b> | <b>15</b>  |
| <b>Timing differences:</b>  |                     |      |             |             |            |
| Depreciation  | ..                  | ..   | 85          | 107         | 105        |
| Less: capital cost allowance  | ..                  | ..   | 77          | 95          | 104        |
| Net difference, depreciation  | ..                  | ..   | 8           | 12          | 1          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..          | ..          | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..          | ..          | 1          |
| Net difference, natural resources expenses                          | ..                  | ..   | ..          | ..          | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..          | ..          | ..         |
| Other timing differences  | ..                  | ..   | -65         | -27         | -14        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-58</b>  | <b>-14</b>  | <b>-13</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>152</b>  | <b>203</b>  | <b>153</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 34          | 25          | 23         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>186</b>  | <b>228</b>  | <b>176</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 6           | 25          | 12         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>180</b>  | <b>203</b>  | <b>164</b> |
| <b>Taxes:</b>   |                     |      |             |             |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 69          | 77          | 62         |
| Corporate surtax  | ..                  | ..   | 2           | 2           | 2          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |             |             |            |
| Federal tax abatement   | ..                  | ..   | 18          | 20          | 16         |
| Small business deduction  | ..                  | ..   | 9           | 9           | 10         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 1           | 4           | 2          |
| Investment tax credit   | ..                  | ..   | ..          | ..          | ..         |
| Other federal tax credits   | ..                  | ..   | ..          | ..          | 2          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>43</b>   | <b>46</b>   | <b>34</b>  |
| Other direct federal taxes  | ..                  | ..   | 1           | ..          | 1          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>44</b>   | <b>46</b>   | <b>35</b>  |
| Provincial income taxes   | ..                  | ..   | 22          | 23          | 17         |
| <b>Total taxes</b>  | ..                  | ..   | <b>66</b>   | <b>69</b>   | <b>52</b>  |

Table 27-3

## Petroleum product wholesaler-distributors - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.615  | 0.575             | 0.749  | 0.368  | 0.983  |
| Profit margin (percent)                          | 1.4    | 1.1               | 1.1    | 1.0    | 1.6    |
| Return on equity (percent)                       | 10.1   | 9.7               | 21.1   | 20.6   | 21.4   |
| Return on capital employed (percent)             | 8.3    | 8.5               | 13.4   | 16.3   | 11.6   |
| Working capital (ratio)                          | 1.223  | 1.251             | 0.948  | 1.240  | 1.140  |
| Quick ratio (ratio)                              | 1.000  | 0.997             | 0.695  | 0.931  | 0.984  |
| Inventory turnover (ratio)                       | 30.132 | 25.918            | 38.252 | 39.479 | 41.034 |
| Receivables turnover (ratio)                     | 9.053  | 8.974             | 12.903 | 15.978 | 7.183  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 34.7   | 27.0   | 24.9   |
| Income taxes to taxable income (percent)         | ..     | ..                | 35.9   | 33.7   | 30.8   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | -10.0             | 56.0   | 28.7   | -20.9  |
| Operating expenses, year-over-year change        | ..     | -9.7              | 56.0   | 28.9   | -21.4  |
| Operating profit, year-over-year change          | ..     | -30.5             | 58.6   | 12.2   | 32.4   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 12.9   | -19.6  |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 4.4    | -24.8  |

Table 28-1

## Motor vehicle and parts wholesaler-distributors - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>9,808</b>        | <b>10,976</b> | <b>12,398</b> | <b>11,991</b> | <b>13,691</b> |
| Cash and deposits                             | 439                 | 839           | 592           | 759           | 944           |
| Accounts receivable and accrued revenue       | 2,403               | 2,384         | 2,568         | 2,894         | 3,364         |
| Inventories                                   | 3,685               | 4,162         | 4,373         | 4,360         | 4,607         |
| Investments                                   | 975                 | 1,216         | 2,069         | 1,630         | 1,965         |
| Investments and accounts with affiliates      | 654                 | 1,100         | 1,921         | 1,479         | 1,632         |
| Portfolio investments                         | 321                 | 116           | 148           | 151           | 333           |
| Loans   | 92                  | 166           | 74            | 103           | 145           |
| Mortgages                                     | 7                   | 114           | 23            | 49            | 51            |
| Non-mortgages                                 | 85                  | 53            | 51            | 54            | 94            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 1,792               | 1,721         | 2,311         | 1,942         | 2,429         |
| Other assets                                  | 423                 | 487           | 409           | 302           | 237           |
| <b>Liabilities</b>                            | <b>7,031</b>        | <b>7,831</b>  | <b>8,666</b>  | <b>8,308</b>  | <b>9,439</b>  |
| Accounts payable and accrued liabilities      | 2,928               | 3,768         | 3,516         | 3,598         | 4,100         |
| Loans and accounts with affiliates            | 1,300               | 959           | 1,698         | 1,562         | 1,999         |
| Borrowings                                    | 2,437               | 2,678         | 2,921         | 2,730         | 2,969         |
| Loans and overdrafts                          | 1,855               | 2,304         | 2,469         | 2,190         | 2,375         |
| From banks                                    | 1,661               | 1,953         | 1,725         | 1,465         | 1,501         |
| From others                                   | 195                 | 351           | 744           | 725           | 874           |
| Bankers' acceptances and paper                | 111                 | 108           | 187           | 260           | 328           |
| Bonds and debentures                          | 99                  | 75            | 63            | 49            | 53            |
| Mortgages                                     | 373                 | 191           | 202           | 231           | 213           |
| Deferred income tax                           | -4                  | -37           | -21           | 30            | 62            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 369                 | 462           | 552           | 388           | 309           |
| <b>Equity</b>                                 | <b>2,777</b>        | <b>3,145</b>  | <b>3,731</b>  | <b>3,682</b>  | <b>4,252</b>  |
| Share capital                                 | 773                 | 1,073         | 1,343         | 1,312         | 1,404         |
| Contributed surplus and other                 | 166                 | 159           | 92            | -67           | -55           |
| Retained earnings                             | 1,839               | 1,912         | 2,296         | 2,437         | 2,904         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>28,459</b>       | <b>28,051</b> | <b>33,217</b> | <b>35,058</b> | <b>37,876</b> |
| Sales of goods and services                   | 28,245              | 27,875        | 32,958        | 34,798        | 37,628        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 215                 | 176           | 258           | 260           | 247           |
| <b>Operating expenses</b>                     | <b>27,708</b>       | <b>27,390</b> | <b>32,439</b> | <b>34,286</b> | <b>36,858</b> |
| Purchased goods, materials and service        | 25,619              | 24,302        | 29,286        | 31,160        | 33,313        |
| Wages, salaries and employee benefits         | 1,721               | 2,106         | 2,378         | 2,421         | 2,695         |
| Indirect taxes                                | ..                  | 88            | 113           | 134           | 191           |
| Depreciation, depletion and amortization      | 264                 | 728           | 355           | 322           | 321           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 104                 | 165           | 307           | 249           | 338           |
| <b>Operating profit/loss</b>                  | <b>751</b>          | <b>661</b>    | <b>778</b>    | <b>772</b>    | <b>1,018</b>  |
| Interest and dividend revenue                 | 49                  | 57            | 70            | 68            | 97            |
| Interest expense on borrowing                 | 185                 | 207           | 264           | 245           | 202           |
| Gains/losses                                  | 18                  | 39            | 35            | 42            | 21            |
| <b>Profit before income tax</b>               | <b>633</b>          | <b>550</b>    | <b>619</b>    | <b>637</b>    | <b>934</b>    |
| Income tax                                    | 255                 | 211           | 208           | 240           | 292           |
| Equity in affiliates' earnings                | 26                  | 47            | 17            | -2            | 25            |
| <b>Profit before extraordinary gains</b>      | <b>404</b>          | <b>386</b>    | <b>428</b>    | <b>395</b>    | <b>667</b>    |
| Extraordinary gains                           | 9                   | -7            | ..            | 1             | -9            |
| <b>Net profit</b>                             | <b>412</b>          | <b>379</b>    | <b>428</b>    | <b>396</b>    | <b>658</b>    |

Table 28-2

## Motor vehicle and parts wholesaler-distributors - Reconciliation of profit

|   | 1998                | 1999 | 2000        | 2001       | 2002       |
|---|---------------------|------|-------------|------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |             |            |            |
|   | millions of dollars |      |             |            |            |
| <b>Net profit</b>   | ..                  | ..   | <b>428</b>  | <b>396</b> | <b>658</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -42         | 8          | 25         |
| Plus: conceptual adjustments  | ..                  | ..   | -108        | -18        | -83        |
| Plus: current taxes, including mining                               | ..                  | ..   | 216         | 243        | 273        |
| Plus: deferred income taxes   | ..                  | ..   | 28          | 10         | 39         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 1           | ..         | ..         |
| Deductible dividends  | ..                  | ..   | 20          | 32         | 94         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>501</b>  | <b>607</b> | <b>818</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |             |            |            |
| Book capital gains and losses                                       | ..                  | ..   | 2           | 5          | 22         |
| Less: taxable capital gains   | ..                  | ..   | 8           | 12         | 10         |
| Net difference, capital gains and losses                            | ..                  | ..   | -6          | -7         | 12         |
| Resource allowance  | ..                  | ..   | ..          | ..         | ..         |
| Less: royalties   | ..                  | ..   | ..          | ..         | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..          | ..         | ..         |
| Earned depletion allowance  | ..                  | ..   | ..          | ..         | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | -21         | -29        | -24        |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-28</b>  | <b>-36</b> | <b>-11</b> |
| <b>Timing differences:</b>  |                     |      |             |            |            |
| Depreciation  | ..                  | ..   | 359         | 411        | 361        |
| Less: capital cost allowance  | ..                  | ..   | 751         | 503        | 405        |
| Net difference, depreciation  | ..                  | ..   | -392        | -93        | -44        |
| Natural resources expenses, (books)                                 | ..                  | ..   | 1           | 1          | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..          | ..         | ..         |
| Net difference, natural resources expenses                          | ..                  | ..   | 1           | 1          | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..          | ..         | ..         |
| Other timing differences  | ..                  | ..   | 218         | 131        | -54        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-173</b> | <b>40</b>  | <b>-97</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>356</b>  | <b>682</b> | <b>733</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 244         | 130        | 128        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>599</b>  | <b>812</b> | <b>861</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 27          | 122        | 103        |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>573</b>  | <b>690</b> | <b>758</b> |
| <b>Taxes:</b>   |                     |      |             |            |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 227         | 267        | 293        |
| Corporate surtax  | ..                  | ..   | 6           | 8          | 8          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |             |            |            |
| Federal tax abatement   | ..                  | ..   | 60          | 70         | 77         |
| Small business deduction  | ..                  | ..   | 26          | 26         | 31         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 2           | 3          | 2          |
| Investment tax credit   | ..                  | ..   | ..          | ..         | ..         |
| Other federal tax credits   | ..                  | ..   | ..          | 4          | 11         |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>145</b>  | <b>171</b> | <b>180</b> |
| Other direct federal taxes  | ..                  | ..   | 6           | 5          | 3          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>151</b>  | <b>176</b> | <b>182</b> |
| Provincial income taxes   | ..                  | ..   | 69          | 74         | 81         |
| <b>Total taxes</b>  | ..                  | ..   | <b>221</b>  | <b>250</b> | <b>264</b> |

Table 28-3

## Motor vehicle and parts wholesaler-distributors - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.346  | 1.157             | 1.238  | 1.166  | 1.168  |
| Profit margin (percent)                          | 2.6    | 2.4               | 2.3    | 2.2    | 2.7    |
| Return on equity (percent)                       | 14.5   | 12.3              | 11.5   | 10.7   | 15.7   |
| Return on capital employed (percent)             | 8.2    | 8.0               | 7.4    | 7.1    | 8.8    |
| Working capital (ratio)                          | 1.244  | 1.194             | 1.191  | 1.349  | 1.297  |
| Quick ratio (ratio)                              | 0.594  | 0.539             | 0.540  | 0.660  | 0.670  |
| Inventory turnover (ratio)                       | 7.722  | 6.739             | 7.595  | 8.040  | 8.222  |
| Receivables turnover (ratio)                     | 11.844 | 11.767            | 12.936 | 12.115 | 11.259 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 33.8   | 32.1   | 26.7   |
| Income taxes to taxable income (percent)         | ..     | ..                | 37.5   | 35.6   | 34.4   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | -1.4              | 18.4   | 5.5    | 8.0    |
| Operating expenses, year-over-year change        | ..     | -1.1              | 18.4   | 5.7    | 7.5    |
| Operating profit, year-over-year change          | ..     | -12.1             | 17.7   | -0.7   | 31.9   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 20.6   | 9.7    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 13.5   | 5.3    |

Table 29-1

## Building material and supplies wholesaler-distributors - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>22,767</b>       | <b>23,019</b> | <b>25,706</b> | <b>21,439</b> | <b>21,953</b> |
| Cash and deposits                             | 729                 | 1,055         | 1,092         | 1,269         | 1,385         |
| Accounts receivable and accrued revenue       | 5,900               | 6,559         | 7,112         | 6,866         | 7,027         |
| Inventories                                   | 6,392               | 6,272         | 7,041         | 6,447         | 6,806         |
| Investments                                   | 5,015               | 5,063         | 5,729         | 2,659         | 2,422         |
| Investments and accounts with affiliates      | 4,167               | 4,495         | 5,332         | 2,297         | 2,058         |
| Portfolio investments                         | 848                 | 569           | 396           | 363           | 364           |
| Loans   | 194                 | 192           | 158           | 157           | 201           |
| Mortgages                                     | 25                  | 101           | 52            | 59            | 49            |
| Non-mortgages                                 | 169                 | 91            | 106           | 98            | 152           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 3,241               | 2,737         | 3,155         | 2,831         | 2,846         |
| Other assets                                  | 1,297               | 1,140         | 1,420         | 1,210         | 1,266         |
| <b>Liabilities</b>                            | <b>12,838</b>       | <b>13,357</b> | <b>15,632</b> | <b>14,063</b> | <b>14,130</b> |
| Accounts payable and accrued liabilities      | 5,210               | 5,730         | 6,273         | 5,833         | 6,022         |
| Loans and accounts with affiliates            | 2,490               | 2,347         | 3,488         | 3,033         | 3,300         |
| Borrowings                                    | 4,675               | 4,751         | 5,114         | 4,366         | 4,216         |
| Loans and overdrafts                          | 3,181               | 3,293         | 3,710         | 3,433         | 3,387         |
| From banks                                    | 2,515               | 2,631         | 2,892         | 3,012         | 3,005         |
| From others                                   | 666                 | 662           | 818           | 421           | 382           |
| Bankers' acceptances and paper                | 152                 | 323           | 360           | 320           | 240           |
| Bonds and debentures                          | 506                 | 583           | 375           | 132           | 104           |
| Mortgages                                     | 836                 | 553           | 669           | 482           | 486           |
| Deferred income tax                           | 137                 | 110           | 110           | 69            | 67            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 326                 | 419           | 647           | 761           | 525           |
| <b>Equity</b>                                 | <b>9,929</b>        | <b>9,662</b>  | <b>10,074</b> | <b>7,376</b>  | <b>7,824</b>  |
| Share capital                                 | 3,934               | 3,861         | 4,020         | 2,229         | 2,199         |
| Contributed surplus and other                 | 916                 | 225           | 336           | 312           | 405           |
| Retained earnings                             | 5,080               | 5,576         | 5,717         | 4,835         | 5,220         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>44,831</b>       | <b>44,779</b> | <b>49,778</b> | <b>47,195</b> | <b>48,864</b> |
| Sales of goods and services                   | 44,677              | 44,707        | 49,670        | 47,086        | 48,763        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 154                 | 72            | 108           | 109           | 102           |
| <b>Operating expenses</b>                     | <b>43,355</b>       | <b>43,353</b> | <b>48,329</b> | <b>45,979</b> | <b>47,511</b> |
| Purchased goods, materials and service        | 39,238              | 37,130        | 41,820        | 39,976        | 41,580        |
| Wages, salaries and employee benefits         | 3,397               | 5,177         | 5,510         | 4,901         | 4,919         |
| Indirect taxes                                | ..                  | 155           | 159           | 181           | 148           |
| Depreciation, depletion and amortization      | 266                 | 656           | 607           | 451           | 438           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 454                 | 235           | 233           | 470           | 426           |
| <b>Operating profit/loss</b>                  | <b>1,476</b>        | <b>1,426</b>  | <b>1,449</b>  | <b>1,216</b>  | <b>1,353</b>  |
| Interest and dividend revenue                 | 133                 | 187           | 229           | 103           | 81            |
| Interest expense on borrowing                 | 496                 | 439           | 491           | 446           | 352           |
| Gains/losses                                  | 49                  | 28            | 21            | -23           | 4             |
| <b>Profit before income tax</b>               | <b>1,162</b>        | <b>1,201</b>  | <b>1,209</b>  | <b>849</b>    | <b>1,087</b>  |
| Income tax                                    | 420                 | 427           | 417           | 397           | 391           |
| Equity in affiliates' earnings                | 153                 | 232           | 145           | 69            | 73            |
| <b>Profit before extraordinary gains</b>      | <b>895</b>          | <b>1,006</b>  | <b>936</b>    | <b>520</b>    | <b>768</b>    |
| Extraordinary gains                           | -16                 | -1            | -2            | 4             | 5             |
| <b>Net profit</b>                             | <b>879</b>          | <b>1,006</b>  | <b>935</b>    | <b>524</b>    | <b>773</b>    |



Table 29-2

## Building material and supplies wholesaler-distributors - Reconciliation of profit

|   | 1998                  | 1999 | 2000         | 2001         | 2002         |
|---|-----------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                       |      |              |              |              |
|   | (millions of dollars) |      |              |              |              |
| <b>Net profit</b>   | ..                    | ..   | <b>935</b>   | <b>524</b>   | <b>773</b>   |
| Plus: consolidation adjustments                                     | ..                    | ..   | -37          | 3            | 79           |
| Plus: conceptual adjustments  | ..                    | ..   | -156         | 55           | -75          |
| Plus: current taxes, including mining                               | ..                    | ..   | 432          | 380          | 399          |
| Plus: deferred income taxes   | ..                    | ..   | -26          | 30           | 13           |
| Less: profit of tax exempt corporations                             | ..                    | ..   | 24           | ..           | -7           |
| Deductible dividends  | ..                    | ..   | 354          | 57           | 67           |
| <b>Adjusted profit before taxes</b>                                 | ..                    | ..   | <b>770</b>   | <b>934</b>   | <b>1,127</b> |
| <b>Exemptions and deductions:</b>                                   |                       |      |              |              |              |
| Book capital gains and losses                                       | ..                    | ..   | 16           | 32           | 50           |
| Less: taxable capital gains   | ..                    | ..   | 16           | 23           | 24           |
| Net difference, capital gains and losses                            | ..                    | ..   | ..           | 9            | 26           |
| Resource allowance  | ..                    | ..   | ..           | ..           | ..           |
| Less: royalties   | ..                    | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                    | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                    | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                    | ..   | -125         | -68          | -66          |
| <b>Total, exemptions and deductions</b>                             | ..                    | ..   | <b>-125</b>  | <b>-59</b>   | <b>-40</b>   |
| <b>Timing differences:</b>  |                       |      |              |              |              |
| Depreciation  | ..                    | ..   | 569          | 428          | 442          |
| Less: capital cost allowance  | ..                    | ..   | 519          | 379          | 392          |
| Net difference, depreciation  | ..                    | ..   | 50           | 49           | 50           |
| Natural resources expenses, (books)                                 | ..                    | ..   | ..           | ..           | 1            |
| Less: natural resource expenses, (tax)                              | ..                    | ..   | 5            | 1            | 1            |
| Net difference, natural resources expenses                          | ..                    | ..   | -5           | -1           | ..           |
| Charitable donations net difference, (books minus tax)              | ..                    | ..   | 1            | ..           | ..           |
| Other timing differences  | ..                    | ..   | 56           | 43           | -125         |
| <b>Total, timing differences</b>                                    | ..                    | ..   | <b>102</b>   | <b>91</b>    | <b>-75</b>   |
| <b>Net taxable income</b>   | ..                    | ..   | <b>997</b>   | <b>1,084</b> | <b>1,093</b> |
| Plus: current year tax losses                                       | ..                    | ..   | 341          | 237          | 277          |
| <b>Current year positive taxable income</b>                         | ..                    | ..   | <b>1,338</b> | <b>1,321</b> | <b>1,370</b> |
| Less: prior year losses applied                                     | ..                    | ..   | 116          | 161          | 126          |
| <b>Taxable income, tax base</b>                                     | ..                    | ..   | <b>1,222</b> | <b>1,159</b> | <b>1,244</b> |
| <b>Taxes:</b>   |                       |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                    | ..   | 469          | 448          | 482          |
| Corporate surtax  | ..                    | ..   | 13           | 13           | 14           |
| <b>Less: Federal tax credits and deductions:</b>                    |                       |      |              |              |              |
| Federal tax abatement   | ..                    | ..   | 123          | 117          | 126          |
| Small business deduction  | ..                    | ..   | 57           | 56           | 64           |
| Manufacturing and processing profits deduction                      | ..                    | ..   | 9            | 13           | 13           |
| Investment tax credit   | ..                    | ..   | 1            | 1            | 1            |
| Other federal tax credits   | ..                    | ..   | 1            | 5            | 16           |
| <b>Net part 1 tax payable</b>                                       | ..                    | ..   | <b>293</b>   | <b>269</b>   | <b>275</b>   |
| Other direct federal taxes  | ..                    | ..   | 15           | 6            | 8            |
| <b>Total federal tax</b>  | ..                    | ..   | <b>308</b>   | <b>275</b>   | <b>283</b>   |
| Provincial income taxes   | ..                    | ..   | 133          | 126          | 128          |
| <b>Total taxes</b>  | ..                    | ..   | <b>441</b>   | <b>401</b>   | <b>411</b>   |

Table 29-3

## Building material and supplies wholesaler-distributors - Selected ratios

|  | 1998  | 1999  | 2000              | 2001  | 2002  |
|--|-------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |       |       |                   |       |       |
| Debt to equity (ratio)                           | 0.722 | 0.735 | 0.854             | 1.003 | 0.961 |
| Profit margin (percent)                          | 3.3   | 3.2   | 2.9               | 2.6   | 2.8   |
| Return on equity (percent)                       | 9.0   | 10.4  | 9.3               | 7.0   | 9.8   |
| Return on capital employed (percent)             | 7.3   | 7.8   | 6.9               | 5.6   | 6.7   |
| Working capital (ratio)                          | 1.561 | 1.607 | 1.548             | 1.601 | 1.620 |
| Quick ratio (ratio)                              | 0.856 | 0.912 | 0.879             | 0.931 | 0.932 |
| Inventory turnover (ratio)                       | 7.014 | 7.140 | 7.070             | 7.321 | 7.179 |
| Receivables turnover (ratio)                     | 7.599 | 6.827 | 7.000             | 6.874 | 6.954 |
| Taxes to positive adjusted profit (percent)      | ..    | ..    | 35.3              | 31.9  | 28.8  |
| Income taxes to taxable income (percent)         | ..    | ..    | 34.8              | 34.1  | 32.4  |
| <b>Selected items</b>                            |       |       |                   |       |       |
|  |       |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..    | -0.1  | 11.2              | -5.2  | 3.5   |
| Operating expenses, year-over-year change        | ..    | ..    | 11.5              | -4.9  | 3.3   |
| Operating profit, year-over-year change          | ..    | -3.4  | 1.6               | -16.1 | 11.3  |
| Taxable income (tax base), year-over-year change | ..    | ..    | ..                | -5.1  | 7.3   |
| Taxes, year-over-year change                     | ..    | ..    | ..                | -9.1  | 2.3   |

Table 30-1

## Machinery, equipment and supplies wholesaler-distributors - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>33,050</b>       | <b>35,833</b> | <b>39,568</b> | <b>41,038</b> | <b>41,475</b> |
| Cash and deposits                             | 1,546               | 2,584         | 2,179         | 3,172         | 3,210         |
| Accounts receivable and accrued revenue       | 10,693              | 11,857        | 12,586        | 13,203        | 12,048        |
| Inventories                                   | 10,244              | 10,227        | 10,605        | 11,054        | 11,135        |
| Investments                                   | 4,456               | 3,377         | 5,597         | 5,984         | 6,914         |
| Investments and accounts with affiliates      | 2,436               | 2,682         | 4,372         | 4,849         | 5,569         |
| Portfolio investments                         | 2,020               | 694           | 1,226         | 1,135         | 1,345         |
| Loans   | 383                 | 1,510         | 892           | 428           | 265           |
| Mortgages                                     | 42                  | 184           | 163           | 103           | 92            |
| Non-mortgages                                 | 341                 | 1,326         | 729           | 325           | 173           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 4,056               | 5,027         | 5,841         | 5,173         | 5,609         |
| Other assets                                  | 1,673               | 1,251         | 1,867         | 2,024         | 2,294         |
| <b>Liabilities</b>                            | <b>22,788</b>       | <b>24,197</b> | <b>27,045</b> | <b>26,970</b> | <b>26,329</b> |
| Accounts payable and accrued liabilities      | 9,209               | 10,384        | 11,510        | 12,003        | 11,761        |
| Loans and accounts with affiliates            | 5,213               | 5,092         | 5,826         | 6,390         | 6,681         |
| Borrowings                                    | 7,082               | 7,569         | 7,346         | 6,785         | 6,085         |
| Loans and overdrafts                          | 4,518               | 4,951         | 5,162         | 4,958         | 4,830         |
| From banks                                    | 3,667               | 4,014         | 3,893         | 4,107         | 3,728         |
| From others                                   | 851                 | 937           | 1,269         | 851           | 1,102         |
| Bankers' acceptances and paper                | 1,148               | 1,330         | 828           | 892           | 458           |
| Bonds and debentures                          | 247                 | 830           | 223           | 278           | 125           |
| Mortgages                                     | 1,169               | 457           | 1,133         | 658           | 672           |
| Deferred income tax                           | -120                | -103          | 50            | -112          | -63           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,405               | 1,255         | 2,313         | 1,904         | 1,864         |
| <b>Equity</b>                                 | <b>10,263</b>       | <b>11,637</b> | <b>12,523</b> | <b>14,069</b> | <b>15,146</b> |
| Share capital                                 | 4,423               | 4,540         | 5,055         | 6,080         | 6,126         |
| Contributed surplus and other                 | 418                 | 699           | 943           | 1,080         | 1,296         |
| Retained earnings                             | 5,422               | 6,398         | 6,524         | 6,909         | 7,724         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>65,404</b>       | <b>70,604</b> | <b>79,947</b> | <b>82,655</b> | <b>78,647</b> |
| Sales of goods and services                   | 64,463              | 69,901        | 79,091        | 81,529        | 77,532        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 941                 | 703           | 856           | 1,126         | 1,115         |
| <b>Operating expenses</b>                     | <b>62,637</b>       | <b>67,904</b> | <b>77,684</b> | <b>80,189</b> | <b>76,342</b> |
| Purchased goods, materials and service        | 55,390              | 56,199        | 67,379        | 68,914        | 65,119        |
| Wages, salaries and employee benefits         | 5,505               | 8,804         | 8,306         | 9,324         | 9,258         |
| Indirect taxes                                | ..                  | 234           | 252           | 370           | 278           |
| Depreciation, depletion and amortization      | 1,423               | 2,394         | 1,184         | 947           | 1,034         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 319                 | 273           | 563           | 635           | 653           |
| <b>Operating profit/loss</b>                  | <b>2,768</b>        | <b>2,701</b>  | <b>2,264</b>  | <b>2,466</b>  | <b>2,304</b>  |
| Interest and dividend revenue                 | 274                 | 274           | 324           | 310           | 208           |
| Interest expense on borrowing                 | 627                 | 657           | 678           | 705           | 599           |
| Gains/losses                                  | -9                  | 183           | 464           | -3            | -491          |
| <b>Profit before income tax</b>               | <b>2,405</b>        | <b>2,500</b>  | <b>2,373</b>  | <b>2,068</b>  | <b>1,423</b>  |
| Income tax                                    | 924                 | 1,008         | 994           | 1,036         | 837           |
| Equity in affiliates' earnings                | 63                  | 105           | 14            | 67            | 51            |
| <b>Profit before extraordinary gains</b>      | <b>1,545</b>        | <b>1,597</b>  | <b>1,393</b>  | <b>1,099</b>  | <b>637</b>    |
| Extraordinary gains                           | 33                  | 6             | -5            | -28           | 15            |
| <b>Net profit</b>                             | <b>1,577</b>        | <b>1,603</b>  | <b>1,388</b>  | <b>1,071</b>  | <b>652</b>    |

Table 30-2

## Machinery, equipment and supplies wholesaler-distributors - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>1,388</b> | <b>1,071</b> | <b>652</b>   |
| Plus: consolidation adjustments                                     | ..                  | ..   | -3           | -15          | -54          |
| Plus: conceptual adjustments  | ..                  | ..   | 103          | -94          | -46          |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,021        | 898          | 700          |
| Plus: deferred income taxes   | ..                  | ..   | 19           | 7            | 10           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -37          | -1           | ..           |
| Deductible dividends  | ..                  | ..   | 175          | 145          | 258          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>2,389</b> | <b>1,723</b> | <b>1,003</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 455          | 148          | -267         |
| Less: taxable capital gains   | ..                  | ..   | 223          | 73           | 45           |
| Net difference, capital gains and losses                            | ..                  | ..   | 232          | 75           | -312         |
| Resource allowance  | ..                  | ..   | 1            | 1            | ..           |
| Less: royalties   | ..                  | ..   | 1            | 2            | 1            |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -87          | -136         | -125         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>144</b>   | <b>-61</b>   | <b>-438</b>  |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 997          | 1,176        | 1,076        |
| Less: capital cost allowance  | ..                  | ..   | 1,129        | 1,207        | 1,149        |
| Net difference, depreciation  | ..                  | ..   | -131         | -31          | -73          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 2            | 2            | 1            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 4            | 3            | 13           |
| Net difference, natural resources expenses                          | ..                  | ..   | -2           | -1           | -12          |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | 14           | 2            |
| Other timing differences  | ..                  | ..   | 310          | 257          | 371          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>176</b>   | <b>239</b>   | <b>288</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>2,421</b> | <b>2,023</b> | <b>1,729</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 670          | 831          | 784          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>3,090</b> | <b>2,854</b> | <b>2,513</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 157          | 201          | 195          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>2,933</b> | <b>2,653</b> | <b>2,318</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,125        | 1,023        | 902          |
| Corporate surtax  | ..                  | ..   | 33           | 29           | 26           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 294          | 268          | 236          |
| Small business deduction  | ..                  | ..   | 97           | 97           | 102          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 16           | 14           | 10           |
| Investment tax credit   | ..                  | ..   | 25           | 33           | 33           |
| Other federal tax credits   | ..                  | ..   | 3            | 13           | 33           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>723</b>   | <b>626</b>   | <b>513</b>   |
| Other direct federal taxes  | ..                  | ..   | 17           | 11           | 7            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>740</b>   | <b>637</b>   | <b>520</b>   |
| Provincial income taxes   | ..                  | ..   | 337          | 292          | 248          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,077</b> | <b>930</b>   | <b>768</b>   |

Table 30-3

## Machinery, equipment and supplies wholesaler-distributors - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 1.198 | 1.088             | 1.052 | 0.936 | 0.843 |
| Profit margin (percent)                          | 4.2   | 3.8               | 2.8   | 3.0   | 2.9   |
| Return on equity (percent)                       | 15.1  | 13.7              | 11.1  | 7.8   | 4.2   |
| Return on capital employed (percent)             | 8.8   | 8.4               | 7.3   | 5.8   | 3.9   |
| Working capital (ratio)                          | 1.446 | 1.508             | 1.431 | 1.436 | 1.522 |
| Quick ratio (ratio)                              | 0.845 | 0.929             | 0.876 | 0.878 | 0.940 |
| Inventory turnover (ratio)                       | 6.385 | 6.903             | 7.539 | 7.477 | 7.063 |
| Receivables turnover (ratio)                     | 6.116 | 5.955             | 6.352 | 6.260 | 6.528 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 33.2  | 32.5  | 32.0  |
| Income taxes to taxable income (percent)         | ..    | ..                | 36.2  | 34.6  | 32.8  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 8.0               | 13.2  | 3.4   | -4.8  |
| Operating expenses, year-over-year change        | ..    | 8.4               | 14.4  | 3.2   | -4.8  |
| Operating profit, year-over-year change          | ..    | -2.4              | -16.2 | 8.9   | -6.5  |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | -9.5  | -12.6 |
| Taxes, year-over-year change                     | ..    | ..                | ..    | -13.7 | -17.4 |

Table 31-1

## Wholesale food, beverage and tobacco - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>21,030</b>       | <b>26,121</b> | <b>26,439</b> | <b>28,584</b> | <b>26,940</b> |
| Cash and deposits                             | 844                 | 1,572         | 943           | 1,869         | 1,999         |
| Accounts receivable and accrued revenue       | 10,720              | 11,259        | 11,475        | 12,280        | 11,569        |
| Inventories                                   | 3,994               | 4,858         | 5,093         | 4,816         | 4,719         |
| Investments                                   | 1,553               | 1,337         | 1,726         | 2,002         | 2,479         |
| Investments and accounts with affiliates      | 920                 | 987           | 1,287         | 1,568         | 1,689         |
| Portfolio investments                         | 632                 | 350           | 439           | 435           | 791           |
| Loans   | 211                 | 1,275         | 708           | 743           | 478           |
| Mortgages                                     | 66                  | 76            | 52            | 82            | 64            |
| Non-mortgages                                 | 145                 | 1,199         | 656           | 661           | 414           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 2,871               | 4,206         | 4,706         | 4,983         | 4,354         |
| Other assets                                  | 838                 | 1,616         | 1,788         | 1,891         | 1,342         |
| <b>Liabilities</b>                            | <b>16,512</b>       | <b>21,383</b> | <b>21,163</b> | <b>22,406</b> | <b>21,474</b> |
| Accounts payable and accrued liabilities      | 4,733               | 6,129         | 6,257         | 5,923         | 5,162         |
| Loans and accounts with affiliates            | 1,307               | 1,568         | 2,183         | 2,315         | 3,028         |
| Borrowings                                    | 8,957               | 12,115        | 11,781        | 13,446        | 12,664        |
| Loans and overdrafts                          | 2,023               | 3,828         | 3,864         | 4,042         | 3,797         |
| From banks                                    | 1,836               | 3,120         | 2,976         | 3,220         | 2,987         |
| From others                                   | 187                 | 708           | 887           | 822           | 810           |
| Bankers' acceptances and paper                | 6,051               | 6,810         | 6,418         | 7,911         | 7,793         |
| Bonds and debentures                          | 162                 | 1,103         | 1,032         | 959           | 560           |
| Mortgages                                     | 722                 | 374           | 468           | 534           | 514           |
| Deferred income tax                           | 151                 | 25            | 93            | 132           | 134           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,364               | 1,546         | 849           | 590           | 486           |
| <b>Equity</b>                                 | <b>4,519</b>        | <b>4,738</b>  | <b>5,276</b>  | <b>6,178</b>  | <b>5,466</b>  |
| Share capital                                 | 1,391               | 1,621         | 2,075         | 2,501         | 1,961         |
| Contributed surplus and other                 | 142                 | 499           | 465           | 380           | 235           |
| Retained earnings                             | 2,985               | 2,618         | 2,737         | 3,297         | 3,271         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>55,686</b>       | <b>61,883</b> | <b>64,994</b> | <b>70,873</b> | <b>64,833</b> |
| Sales of goods and services                   | 55,519              | 61,609        | 64,664        | 70,489        | 64,396        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 167                 | 274           | 330           | 384           | 438           |
| <b>Operating expenses</b>                     | <b>54,493</b>       | <b>61,436</b> | <b>64,317</b> | <b>69,889</b> | <b>64,045</b> |
| Purchased goods, materials and service        | 50,726              | 56,250        | 59,155        | 62,719        | 58,223        |
| Wages, salaries and employee benefits         | 2,731               | 4,082         | 4,157         | 5,796         | 4,647         |
| Indirect taxes                                | ..                  | 182           | 244           | 216           | 163           |
| Depreciation, depletion and amortization      | 348                 | 535           | 619           | 694           | 576           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 687                 | 387           | 142           | 464           | 437           |
| <b>Operating profit/loss</b>                  | <b>1,193</b>        | <b>447</b>    | <b>677</b>    | <b>984</b>    | <b>788</b>    |
| Interest and dividend revenue                 | 161                 | 211           | 213           | 193           | 166           |
| Interest expense on borrowing                 | 237                 | 388           | 398           | 385           | 297           |
| Gains/losses                                  | 22                  | -26           | 34            | -93           | 22            |
| <b>Profit before income tax</b>               | <b>1,139</b>        | <b>243</b>    | <b>525</b>    | <b>699</b>    | <b>680</b>    |
| Income tax                                    | 268                 | 271           | 371           | 358           | 371           |
| Equity in affiliates' earnings                | 41                  | 37            | 15            | 14            | 68            |
| <b>Profit before extraordinary gains</b>      | <b>913</b>          | <b>9</b>      | <b>169</b>    | <b>355</b>    | <b>376</b>    |
| Extraordinary gains                           | 8                   | -19           | 5             | 2             | -2            |
| <b>Net profit</b>                             | <b>921</b>          | <b>-11</b>    | <b>173</b>    | <b>356</b>    | <b>374</b>    |

Table 31-2

## Wholesale food, beverage and tobacco - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001        | 2002         |
|---|---------------------|------|--------------|-------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |             |              |
|   | millions of dollars |      |              |             |              |
| <b>Net profit</b>   | ..                  | ..   | 173          | 356         | 374          |
| Plus: consolidation adjustments                                     | ..                  | ..   | 9            | -24         | -3           |
| Plus: conceptual adjustments  | ..                  | ..   | -16          | 49          | -67          |
| Plus: current taxes, including mining                               | ..                  | ..   | 347          | 344         | 354          |
| Plus: deferred income taxes   | ..                  | ..   | 3            | -40         | -3           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -453         | -269        | -376         |
| Deductible dividends  | ..                  | ..   | 143          | 184         | 53           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>826</b>   | <b>771</b>  | <b>979</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |             |              |
| Book capital gains and losses                                       | ..                  | ..   | 29           | 2           | 31           |
| Less: taxable capital gains   | ..                  | ..   | 17           | 34          | 14           |
| Net difference, capital gains and losses                            | ..                  | ..   | 12           | -32         | 17           |
| Resource allowance  | ..                  | ..   | ..           | ..          | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..          | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..          | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..          | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -10          | -90         | -61          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>2</b>     | <b>-123</b> | <b>-44</b>   |
| <b>Timing differences:</b>  |                     |      |              |             |              |
| Depreciation  | ..                  | ..   | 387          | 591         | 465          |
| Less: capital cost allowance  | ..                  | ..   | 394          | 601         | 455          |
| Net difference, depreciation  | ..                  | ..   | -7           | -10         | 10           |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..           | ..          | ..           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..          | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | ..           | ..          | ..           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | 2           | ..           |
| Other timing differences  | ..                  | ..   | -17          | -181        | -218         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-23</b>   | <b>-189</b> | <b>-208</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>801</b>   | <b>704</b>  | <b>815</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 218          | 191         | 219          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>1,019</b> | <b>895</b>  | <b>1,034</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 67           | 70          | 84           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>952</b>   | <b>825</b>  | <b>951</b>   |
| <b>Taxes:</b>   |                     |      |              |             |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 363          | 359         | 371          |
| Corporate surtax  | ..                  | ..   | 10           | 10          | 11           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |             |              |
| Federal tax abatement   | ..                  | ..   | 95           | 94          | 97           |
| Small business deduction  | ..                  | ..   | 39           | 41          | 45           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 5            | 5           | 7            |
| Investment tax credit   | ..                  | ..   | 2            | 2           | 2            |
| Other federal tax credits   | ..                  | ..   | 1            | 3           | 12           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>231</b>   | <b>225</b>  | <b>218</b>   |
| Other direct federal taxes  | ..                  | ..   | 50           | 10          | 5            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>281</b>   | <b>235</b>  | <b>223</b>   |
| Provincial income taxes   | ..                  | ..   | 104          | 112         | 108          |
| <b>Total taxes</b>  | ..                  | ..   | <b>385</b>   | <b>347</b>  | <b>331</b>   |

Table 31-3

## Wholesale food, beverage and tobacco - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 2.271  | 2.888             | 2.647  | 2.551  | 2.871  |
| Profit margin (percent)                          | 2.1    | 0.7               | 1.0    | 1.4    | 1.2    |
| Return on equity (percent)                       | 20.2   | 0.2               | 3.2    | 5.7    | 6.9    |
| Return on capital employed (percent)             | 7.4    | 1.5               | 2.3    | 2.9    | 2.8    |
| Working capital (ratio)                          | 1.247  | 1.121             | 1.166  | 1.145  | 1.185  |
| Quick ratio (ratio)                              | 0.942  | 0.825             | 0.846  | 0.869  | 0.897  |
| Inventory turnover (ratio)                       | 13.944 | 12.739            | 12.762 | 14.715 | 13.740 |
| Receivables turnover (ratio)                     | 5.195  | 5.496             | 5.664  | 5.771  | 5.604  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 36.1   | 30.5   | 25.7   |
| Income taxes to taxable income (percent)         | ..     | ..                | 35.2   | 40.8   | 34.3   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 11.1              | 5.0    | 9.0    | -8.5   |
| Operating expenses, year-over-year change        | ..     | 12.7              | 4.7    | 8.7    | -8.4   |
| Operating profit, year-over-year change          | ..     | -62.6             | 51.5   | 45.3   | -19.9  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -13.3  | 15.2   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -9.9   | -4.6   |



Table 32-1

## Other wholesale - Balance sheet and income statement

|   | 1998                | 1999          | 2000           | 2001           | 2002           |
|---|---------------------|---------------|----------------|----------------|----------------|
| Balance sheet                                 |                     |               |                |                |                |
|   | millions of dollars |               |                |                |                |
| <b>Assets</b>                                 | <b>38,178</b>       | <b>41,137</b> | <b>51,734</b>  | <b>52,500</b>  | <b>55,092</b>  |
| Cash and deposits                             | 2,295               | 3,680         | 3,729          | 4,189          | 4,488          |
| Accounts receivable and accrued revenue       | 11,877              | 13,065        | 16,110         | 15,748         | 16,297         |
| Inventories                                   | 9,930               | 9,991         | 11,728         | 11,707         | 12,526         |
| Investments                                   | 6,338               | 6,685         | 7,187          | 7,340          | 8,054          |
| Investments and accounts with affiliates      | 4,066               | 5,745         | 5,886          | 5,914          | 6,688          |
| Portfolio investments                         | 2,272               | 939           | 1,301          | 1,425          | 1,366          |
| Loans   | 494                 | 528           | 545            | 577            | 616            |
| Mortgages                                     | 89                  | 299           | 184            | 192            | 199            |
| Non-mortgages                                 | 405                 | 229           | 361            | 385            | 416            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..             | ..             | ..             |
| Capital assets, net                           | 5,573               | 5,618         | 8,100          | 8,167          | 8,428          |
| Other assets                                  | 1,671               | 1,570         | 4,334          | 4,773          | 4,682          |
| <b>Liabilities</b>                            | <b>27,612</b>       | <b>28,277</b> | <b>36,134</b>  | <b>35,466</b>  | <b>36,125</b>  |
| Accounts payable and accrued liabilities      | 11,744              | 12,703        | 15,088         | 15,666         | 16,749         |
| Loans and accounts with affiliates            | 7,251               | 7,142         | 9,807          | 9,967          | 9,625          |
| Borrowings                                    | 7,888               | 7,578         | 10,321         | 9,160          | 9,088          |
| Loans and overdrafts                          | 5,128               | 5,582         | 6,589          | 6,211          | 6,225          |
| From banks                                    | 4,549               | 4,749         | 5,012          | 4,538          | 4,595          |
| From others                                   | 579                 | 833           | 1,576          | 1,674          | 1,630          |
| Bankers' acceptances and paper                | 465                 | 518           | 849            | 683            | 600            |
| Bonds and debentures                          | 758                 | 725           | 1,902          | 1,372          | 1,360          |
| Mortgages                                     | 1,538               | 753           | 981            | 894            | 903            |
| Deferred income tax                           | 125                 | 57            | 130            | 33             | 84             |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..             | ..             | ..             |
| Other liabilities                             | 604                 | 797           | 789            | 640            | 579            |
| <b>Equity</b>                                 | <b>10,565</b>       | <b>12,860</b> | <b>15,599</b>  | <b>17,034</b>  | <b>18,967</b>  |
| Share capital                                 | 2,706               | 3,308         | 5,648          | 6,389          | 7,271          |
| Contributed surplus and other                 | 573                 | 739           | 845            | 1,420          | 1,202          |
| Retained earnings                             | 7,287               | 8,813         | 9,106          | 9,225          | 10,494         |
| Income statement                              |                     |               |                |                |                |
| <b>Operating revenue</b>                      | <b>83,279</b>       | <b>89,708</b> | <b>101,899</b> | <b>104,569</b> | <b>110,156</b> |
| Sales of goods and services                   | 82,556              | 89,028        | 101,183        | 103,804        | 109,308        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..             | ..             | ..             |
| Other operating revenue                       | 722                 | 681           | 716            | 764            | 848            |
| <b>Operating expenses</b>                     | <b>80,276</b>       | <b>86,975</b> | <b>98,142</b>  | <b>100,723</b> | <b>106,204</b> |
| Purchased goods, materials and service        | 70,952              | 74,269        | 85,053         | 86,478         | 92,452         |
| Wages, salaries and employee benefits         | 7,914               | 9,047         | 10,210         | 10,869         | 10,542         |
| Indirect taxes                                | ..                  | 250           | 416            | 456            | 398            |
| Depreciation, depletion and amortization      | 626                 | 920           | 1,262          | 1,163          | 1,169          |
| Interest expense (operating)                  | ..                  | ..            | ..             | ..             | ..             |
| Other operating expenses                      | 783                 | 2,489         | 1,201          | 1,757          | 1,643          |
| <b>Operating profit/loss</b>                  | <b>3,003</b>        | <b>2,733</b>  | <b>3,757</b>   | <b>3,845</b>   | <b>3,952</b>   |
| Interest and dividend revenue                 | 261                 | 349           | 320            | 344            | 393            |
| Interest expense on borrowing                 | 1,121               | 756           | 1,012          | 1,104          | 845            |
| Gains/losses                                  | -1,284              | 92            | 121            | 110            | 66             |
| <b>Profit before income tax</b>               | <b>859</b>          | <b>2,418</b>  | <b>3,186</b>   | <b>3,195</b>   | <b>3,566</b>   |
| Income tax                                    | 966                 | 828           | 1,326          | 1,301          | 1,294          |
| Equity in affiliates' earnings                | 272                 | 163           | 205            | 110            | 58             |
| <b>Profit before extraordinary gains</b>      | <b>165</b>          | <b>1,752</b>  | <b>2,065</b>   | <b>2,005</b>   | <b>2,329</b>   |
| Extraordinary gains                           | 7                   | -24           | -7             | 14             | -4             |
| <b>Net profit</b>                             | <b>172</b>          | <b>1,728</b>  | <b>2,058</b>   | <b>2,019</b>   | <b>2,325</b>   |

Table 32-2

## Other wholesale - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>2,058</b> | <b>2,019</b> | <b>2,325</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 13           | ..           | -2           |
| Plus: conceptual adjustments  | ..                  | ..   | -462         | -270         | -309         |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,142        | 1,127        | 1,151        |
| Plus: deferred income taxes   | ..                  | ..   | 32           | 50           | 24           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 14           | 23           | 4            |
| Deductible dividends  | ..                  | ..   | 153          | 252          | 334          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>2,616</b> | <b>2,652</b> | <b>2,851</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 73           | 302          | 394          |
| Less: taxable capital gains   | ..                  | ..   | 86           | 209          | 52           |
| Net difference, capital gains and losses                            | ..                  | ..   | -13          | 92           | 343          |
| Resource allowance  | ..                  | ..   | 33           | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | 33           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | 1            | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -94          | -112         | -143         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-73</b>   | <b>-20</b>   | <b>199</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 1,063        | 1,071        | 1,357        |
| Less: capital cost allowance  | ..                  | ..   | 992          | 980          | 1,093        |
| Net difference, depreciation  | ..                  | ..   | 71           | 91           | 264          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 3            | 13           | 1            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 20           | 9            | 1            |
| Net difference, natural resources expenses                          | ..                  | ..   | -17          | 3            | ..           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -5           | 3            | 3            |
| Other timing differences  | ..                  | ..   | 117          | 150          | 100          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>165</b>   | <b>247</b>   | <b>367</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>2,854</b> | <b>2,918</b> | <b>3,019</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 771          | 850          | 939          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>3,625</b> | <b>3,768</b> | <b>3,958</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 238          | 224          | 259          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>3,387</b> | <b>3,545</b> | <b>3,699</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,294        | 1,376        | 1,461        |
| Corporate surtax  | ..                  | ..   | 37           | 39           | 42           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 337          | 350          | 375          |
| Small business deduction  | ..                  | ..   | 147          | 148          | 156          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 37           | 26           | 27           |
| Investment tax credit   | ..                  | ..   | 106          | 71           | 76           |
| Other federal tax credits   | ..                  | ..   | 4            | 55           | 93           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>700</b>   | <b>766</b>   | <b>776</b>   |
| Other direct federal taxes  | ..                  | ..   | 13           | 10           | 13           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>713</b>   | <b>776</b>   | <b>789</b>   |
| Provincial income taxes   | ..                  | ..   | 400          | 379          | 388          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,114</b> | <b>1,156</b> | <b>1,176</b> |

Table 32-3

## Other wholesale - Selected ratios

|  | 1998  | 1999              | 2000  | 2001  | 2002  |
|--|-------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |       |                   |       |       |       |
| Debt to equity (ratio)                           | 1.433 | 1.145             | 1.290 | 1.123 | 0.987 |
| Profit margin (percent)                          | 3.6   | 3.0               | 3.7   | 3.7   | 3.6   |
| Return on equity (percent)                       | 1.6   | 13.6              | 13.2  | 11.8  | 12.3  |
| Return on capital employed (percent)             | 3.6   | 8.3               | 7.8   | 7.7   | 7.9   |
| Working capital (ratio)                          | 1.336 | 1.384             | 1.358 | 1.380 | 1.397 |
| Quick ratio (ratio)                              | 0.849 | 0.891             | 0.888 | 0.914 | 0.916 |
| Inventory turnover (ratio)                       | 8.387 | 8.979             | 8.689 | 8.932 | 8.794 |
| Receivables turnover (ratio)                     | 7.012 | 6.866             | 6.325 | 6.640 | 6.759 |
| Taxes to positive adjusted profit (percent)      | ..    | ..                | 31.5  | 30.0  | 28.1  |
| Income taxes to taxable income (percent)         | ..    | ..                | 32.5  | 32.3  | 31.5  |
| <b>Selected items</b>                            |       |                   |       |       |       |
|  |       | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..    | 7.7               | 13.6  | 2.6   | 5.3   |
| Operating expenses, year-over-year change        | ..    | 8.3               | 12.8  | 2.6   | 5.4   |
| Operating profit, year-over-year change          | ..    | -9.0              | 37.5  | 2.3   | 2.8   |
| Taxable income (tax base), year-over-year change | ..    | ..                | ..    | 4.7   | 4.4   |
| Taxes, year-over-year change                     | ..    | ..                | ..    | 3.8   | 1.8   |

Table 33-1

## Motor vehicle and parts dealers - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>21,562</b>       | <b>22,514</b> | <b>24,890</b> | <b>24,974</b> | <b>28,409</b> |
| Cash and deposits                             | 677                 | 1,113         | 1,053         | 1,179         | 1,350         |
| Accounts receivable and accrued revenue       | 2,238               | 2,471         | 2,601         | 2,715         | 3,092         |
| Inventories                                   | 11,748              | 12,571        | 14,647        | 13,845        | 16,003        |
| Investments                                   | 1,326               | 1,151         | 1,196         | 1,372         | 1,564         |
| Investments and accounts with affiliates      | 739                 | 793           | 791           | 1,012         | 1,146         |
| Portfolio investments                         | 587                 | 358           | 405           | 361           | 417           |
| Loans   | 203                 | 201           | 184           | 189           | 187           |
| Mortgages                                     | 34                  | 112           | 82            | 96            | 80            |
| Non-mortgages                                 | 169                 | 89            | 102           | 93            | 106           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 4,925               | 4,531         | 4,673         | 5,160         | 5,514         |
| Other assets                                  | 446                 | 476           | 536           | 514           | 700           |
| <b>Liabilities</b>                            | <b>17,600</b>       | <b>18,026</b> | <b>20,435</b> | <b>20,240</b> | <b>22,977</b> |
| Accounts payable and accrued liabilities      | 3,311               | 3,536         | 4,555         | 4,767         | 5,500         |
| Loans and accounts with affiliates            | 1,611               | 1,754         | 2,044         | 2,751         | 2,875         |
| Borrowings                                    | 11,540              | 11,175        | 11,936        | 10,824        | 12,534        |
| Loans and overdrafts                          | 8,795               | 10,260        | 10,851        | 9,815         | 11,522        |
| From banks                                    | 7,882               | 6,098         | 4,451         | 4,403         | 4,861         |
| From others                                   | 913                 | 4,162         | 6,400         | 5,412         | 6,661         |
| Bankers' acceptances and paper                | 500                 | 19            | 96            | 105           | 81            |
| Bonds and debentures                          | 2                   | 18            | 16            | 12            | 14            |
| Mortgages                                     | 2,243               | 878           | 973           | 892           | 917           |
| Deferred income tax                           | 345                 | 267           | 708           | 654           | 690           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 793                 | 1,295         | 1,192         | 1,244         | 1,378         |
| <b>Equity</b>                                 | <b>3,962</b>        | <b>4,488</b>  | <b>4,455</b>  | <b>4,734</b>  | <b>5,432</b>  |
| Share capital                                 | 883                 | 940           | 859           | 939           | 963           |
| Contributed surplus and other                 | 146                 | 183           | 205           | 219           | 237           |
| Retained earnings                             | 2,933               | 3,365         | 3,391         | 3,576         | 4,232         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>68,320</b>       | <b>74,025</b> | <b>79,626</b> | <b>83,362</b> | <b>92,175</b> |
| Sales of goods and services                   | 67,217              | 73,270        | 78,818        | 82,725        | 91,466        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 1,103               | 755           | 807           | 637           | 708           |
| <b>Operating expenses</b>                     | <b>67,248</b>       | <b>73,139</b> | <b>78,651</b> | <b>82,372</b> | <b>91,023</b> |
| Purchased goods, materials and service        | 61,744              | 66,353        | 71,625        | 76,094        | 84,252        |
| Wages, salaries and employee benefits         | 4,649               | 5,697         | 5,103         | 5,194         | 5,554         |
| Indirect taxes                                | ..                  | 179           | 200           | 208           | 185           |
| Depreciation, depletion and amortization      | 667                 | 851           | 1,479         | 668           | 778           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 189                 | 59            | 244           | 208           | 254           |
| <b>Operating profit/loss</b>                  | <b>1,072</b>        | <b>887</b>    | <b>974</b>    | <b>990</b>    | <b>1,151</b>  |
| Interest and dividend revenue                 | 142                 | 133           | 74            | 79            | 117           |
| Interest expense on borrowing                 | 607                 | 457           | 534           | 537           | 439           |
| Gains/losses                                  | 52                  | 36            | 70            | 70            | 65            |
| <b>Profit before income tax</b>               | <b>659</b>          | <b>599</b>    | <b>585</b>    | <b>601</b>    | <b>894</b>    |
| Income tax                                    | 214                 | 179           | 190           | 186           | 239           |
| Equity in affiliates' earnings                | 69                  | 65            | 11            | 96            | 108           |
| <b>Profit before extraordinary gains</b>      | <b>514</b>          | <b>485</b>    | <b>405</b>    | <b>511</b>    | <b>763</b>    |
| Extraordinary gains                           | 5                   | 1             | -5            | 1             | 4             |
| <b>Net profit</b>                             | <b>520</b>          | <b>486</b>    | <b>401</b>    | <b>512</b>    | <b>767</b>    |

Table 33-2

## Motor vehicle and parts dealers - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001       | 2002        |
|---|---------------------|------|------------|------------|-------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |            |             |
|   | millions of dollars |      |            |            |             |
| <b>Net profit</b>   | ..                  | ..   | <b>401</b> | <b>512</b> | <b>767</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | -21        | -27        | -1          |
| Plus: conceptual adjustments  | ..                  | ..   | -82        | -26        | -40         |
| Plus: current taxes, including mining                               | ..                  | ..   | 149        | 172        | 228         |
| Plus: deferred income taxes   | ..                  | ..   | 10         | -10        | -6          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 2          | ..         | 1           |
| Deductible dividends  | ..                  | ..   | 27         | 21         | 23          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>429</b> | <b>600</b> | <b>925</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |            |             |
| Book capital gains and losses                                       | ..                  | ..   | 89         | 102        | 99          |
| Less: taxable capital gains   | ..                  | ..   | 41         | 34         | 31          |
| Net difference, capital gains and losses                            | ..                  | ..   | 49         | 68         | 68          |
| Resource allowance  | ..                  | ..   | ..         | ..         | ..          |
| Less: royalties   | ..                  | ..   | ..         | ..         | ..          |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..         | ..          |
| Earned depletion allowance  | ..                  | ..   | ..         | ..         | ..          |
| Other exemptions and deductions                                     | ..                  | ..   | -45        | -37        | -39         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>3</b>   | <b>31</b>  | <b>30</b>   |
| <b>Timing differences:</b>  |                     |      |            |            |             |
| Depreciation  | ..                  | ..   | 924        | 906        | 916         |
| Less: capital cost allowance  | ..                  | ..   | 1,008      | 1,158      | 1,185       |
| Net difference, depreciation  | ..                  | ..   | -83        | -252       | -269        |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..         | ..         | ..          |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..         | ..          |
| Net difference, natural resources expenses                          | ..                  | ..   | ..         | ..         | ..          |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -3         | 1          | ..          |
| Other timing differences  | ..                  | ..   | 94         | 201        | 141         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>8</b>   | <b>-50</b> | <b>-128</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>433</b> | <b>520</b> | <b>767</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 301        | 250        | 193         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>734</b> | <b>770</b> | <b>960</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 104        | 93         | 97          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>630</b> | <b>677</b> | <b>862</b>  |
| <b>Taxes:</b>   |                     |      |            |            |             |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 240        | 260        | 330         |
| Corporate surtax  | ..                  | ..   | 7          | 7          | 9           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |            |             |
| Federal tax abatement   | ..                  | ..   | 63         | 68         | 87          |
| Small business deduction  | ..                  | ..   | 72         | 78         | 95          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..         | ..         | ..          |
| Investment tax credit   | ..                  | ..   | ..         | ..         | ..          |
| Other federal tax credits   | ..                  | ..   | ..         | 3          | 10          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>112</b> | <b>118</b> | <b>148</b>  |
| Other direct federal taxes  | ..                  | ..   | 30         | 4          | 5           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>142</b> | <b>122</b> | <b>153</b>  |
| Provincial income taxes   | ..                  | ..   | 58         | 56         | 68          |
| <b>Total taxes</b>  | ..                  | ..   | <b>200</b> | <b>178</b> | <b>222</b>  |

Table 33-3

## Motor vehicle and parts dealers - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 3.319  | 2.881             | 3.138  | 2.867  | 2.836  |
| Profit margin (percent)                          | 1.6    | 1.2               | 1.2    | 1.2    | 1.2    |
| Return on equity (percent)                       | 13.0   | 10.8              | 9.1    | 10.8   | 14.0   |
| Return on capital employed (percent)             | 5.7    | 4.8               | 4.4    | 5.1    | 5.3    |
| Working capital (ratio)                          | 1.215  | 1.234             | 1.221  | 1.250  | 1.246  |
| Quick ratio (ratio)                              | 0.286  | 0.300             | 0.274  | 0.307  | 0.301  |
| Inventory turnover (ratio)                       | 5.815  | 5.889             | 5.436  | 6.021  | 5.760  |
| Receivables turnover (ratio)                     | 30.523 | 29.957            | 30.618 | 30.707 | 29.811 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 26.8   | 19.9   | 19.2   |
| Income taxes to taxable income (percent)         | ..     | ..                | 27.0   | 25.7   | 25.1   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 8.4               | 7.6    | 4.7    | 10.6   |
| Operating expenses, year-over-year change        | ..     | 8.8               | 7.5    | 4.7    | 10.5   |
| Operating profit, year-over-year change          | ..     | -17.3             | 9.9    | 1.6    | 16.2   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 7.5    | 27.4   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -11.1  | 24.7   |

Table 34-1

## Building material and garden equipment and supplies dealers - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>6,307</b>        | <b>6,726</b>  | <b>7,155</b>  | <b>8,469</b>  | <b>9,576</b>  |
| Cash and deposits                             | 221                 | 353           | 326           | 358           | 732           |
| Accounts receivable and accrued revenue       | 839                 | 1,021         | 1,021         | 1,183         | 1,416         |
| Inventories                                   | 2,196               | 2,421         | 2,550         | 2,983         | 3,160         |
| Investments                                   | 473                 | 576           | 549           | 633           | 696           |
| Investments and accounts with affiliates      | 174                 | 278           | 265           | 333           | 357           |
| Portfolio investments                         | 299                 | 298           | 284           | 300           | 339           |
| Loans   | 86                  | 51            | 49            | 69            | 80            |
| Mortgages                                     | 14                  | 38            | 37            | 56            | 61            |
| Non-mortgages                                 | 72                  | 13            | 11            | 12            | 19            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 2,104               | 1,944         | 2,204         | 2,727         | 2,961         |
| Other assets                                  | 388                 | 359           | 456           | 516           | 532           |
| <b>Liabilities</b>                            | <b>4,214</b>        | <b>4,537</b>  | <b>4,995</b>  | <b>5,770</b>  | <b>6,306</b>  |
| Accounts payable and accrued liabilities      | 1,456               | 1,602         | 1,756         | 1,942         | 2,232         |
| Loans and accounts with affiliates            | 1,378               | 1,517         | 1,587         | 1,961         | 2,006         |
| Borrowings                                    | 1,297               | 1,276         | 1,404         | 1,778         | 1,718         |
| Loans and overdrafts                          | 861                 | 937           | 1,008         | 1,313         | 1,278         |
| From banks                                    | 723                 | 789           | 861           | 940           | 1,007         |
| From others                                   | 138                 | 147           | 147           | 372           | 271           |
| Bankers' acceptances and paper                | 4                   | 62            | 28            | 25            | 27            |
| Bonds and debentures                          | ..                  | 1             | 5             | 49            | 1             |
| Mortgages                                     | 431                 | 276           | 363           | 391           | 413           |
| Deferred income tax                           | 8                   | 1             | 6             | -4            | -1            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 75                  | 141           | 242           | 93            | 351           |
| <b>Equity</b>                                 | <b>2,094</b>        | <b>2,189</b>  | <b>2,160</b>  | <b>2,699</b>  | <b>3,270</b>  |
| Share capital                                 | 379                 | 303           | 313           | 573           | 774           |
| Contributed surplus and other                 | 589                 | 599           | 576           | 576           | 573           |
| Retained earnings                             | 1,126               | 1,286         | 1,271         | 1,550         | 1,923         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>12,125</b>       | <b>12,637</b> | <b>13,695</b> | <b>16,997</b> | <b>18,979</b> |
| Sales of goods and services                   | 12,031              | 12,582        | 13,629        | 16,892        | 18,895        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 94                  | 55            | 65            | 105           | 84            |
| <b>Operating expenses</b>                     | <b>11,693</b>       | <b>12,171</b> | <b>13,266</b> | <b>16,355</b> | <b>18,183</b> |
| Purchased goods, materials and service        | 9,505               | 9,616         | 11,081        | 13,308        | 14,908        |
| Wages, salaries and employee benefits         | 1,862               | 2,150         | 1,850         | 2,595         | 2,773         |
| Indirect taxes                                | ..                  | 129           | 96            | 112           | 160           |
| Depreciation, depletion and amortization      | 145                 | 167           | 199           | 245           | 263           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 181                 | 108           | 41            | 96            | 78            |
| <b>Operating profit/loss</b>                  | <b>432</b>          | <b>466</b>    | <b>429</b>    | <b>641</b>    | <b>796</b>    |
| Interest and dividend revenue                 | 31                  | 34            | 33            | 34            | 31            |
| Interest expense on borrowing                 | 132                 | 115           | 146           | 285           | 168           |
| Gains/losses                                  | 21                  | -1            | 22            | 40            | 146           |
| <b>Profit before income tax</b>               | <b>352</b>          | <b>384</b>    | <b>337</b>    | <b>430</b>    | <b>806</b>    |
| Income tax                                    | 136                 | 143           | 141           | 193           | 190           |
| Equity in affiliates' earnings                | 10                  | 7             | 1             | 3             | 7             |
| <b>Profit before extraordinary gains</b>      | <b>225</b>          | <b>249</b>    | <b>198</b>    | <b>240</b>    | <b>623</b>    |
| Extraordinary gains                           | 1                   | 1             | ..            | ..            | 2             |
| <b>Net profit</b>                             | <b>226</b>          | <b>250</b>    | <b>198</b>    | <b>240</b>    | <b>625</b>    |

Table 34-2

## Building material and garden equipment and supplies dealers - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001       | 2002       |
|---|---------------------|------|------------|------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |            |            |
|   | millions of dollars |      |            |            |            |
| <b>Net profit</b>   | ..                  | ..   | <b>198</b> | <b>240</b> | <b>625</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | ..         | -21        | -220       |
| Plus: conceptual adjustments  | ..                  | ..   | 32         | 17         | -35        |
| Plus: current taxes, including mining                               | ..                  | ..   | 139        | 153        | 188        |
| Plus: deferred income taxes   | ..                  | ..   | -2         | -5         | -5         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -1         | -5         | ..         |
| Deductible dividends  | ..                  | ..   | 11         | 22         | 11         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>357</b> | <b>368</b> | <b>542</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |            |            |
| Book capital gains and losses                                       | ..                  | ..   | 32         | 29         | 41         |
| Less: taxable capital gains   | ..                  | ..   | 18         | 16         | 16         |
| Net difference, capital gains and losses                            | ..                  | ..   | 13         | 14         | 25         |
| Resource allowance  | ..                  | ..   | ..         | ..         | ..         |
| Less: royalties   | ..                  | ..   | ..         | ..         | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..         | ..         |
| Earned depletion allowance  | ..                  | ..   | ..         | ..         | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | -12        | -7         | -8         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>2</b>   | <b>7</b>   | <b>17</b>  |
| <b>Timing differences:</b>  |                     |      |            |            |            |
| Depreciation  | ..                  | ..   | 203        | 227        | 274        |
| Less: capital cost allowance  | ..                  | ..   | 153        | 197        | 248        |
| Net difference, depreciation  | ..                  | ..   | 50         | 29         | 26         |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..         | ..         | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..         | ..         |
| Net difference, natural resources expenses                          | ..                  | ..   | ..         | ..         | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..         | ..         | ..         |
| Other timing differences  | ..                  | ..   | -98        | 3          | -33        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-49</b> | <b>32</b>  | <b>-7</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>307</b> | <b>394</b> | <b>518</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 105        | 98         | 87         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>412</b> | <b>492</b> | <b>605</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 25         | 23         | 27         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>388</b> | <b>469</b> | <b>578</b> |
| <b>Taxes:</b>   |                     |      |            |            |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 107        | 182        | 224        |
| Corporate surtax  | ..                  | ..   | 3          | 5          | 6          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |            |            |
| Federal tax abatement   | ..                  | ..   | 28         | 48         | 59         |
| Small business deduction  | ..                  | ..   | 31         | 34         | 44         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 1          | ..         | ..         |
| Investment tax credit   | ..                  | ..   | ..         | ..         | ..         |
| Other federal tax credits   | ..                  | ..   | ..         | 1          | 6          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>50</b>  | <b>105</b> | <b>122</b> |
| Other direct federal taxes  | ..                  | ..   | 2          | 3          | 4          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>52</b>  | <b>108</b> | <b>125</b> |
| Provincial income taxes   | ..                  | ..   | 25         | 47         | 57         |
| <b>Total taxes</b>  | ..                  | ..   | <b>76</b>  | <b>154</b> | <b>182</b> |



Table 34-3

## Building material and garden equipment and supplies dealers - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.277  | 1.276             | 1.385  | 1.385  | 1.139  |
| Profit margin (percent)                          | 3.6    | 3.7               | 3.1    | 3.8    | 4.2    |
| Return on equity (percent)                       | 10.8   | 11.4              | 9.1    | 8.9    | 19.1   |
| Return on capital employed (percent)             | 6.9    | 6.7               | 6.0    | 6.8    | 10.7   |
| Working capital (ratio)                          | 1.456  | 1.521             | 1.389  | 1.556  | 1.620  |
| Quick ratio (ratio)                              | 0.528  | 0.576             | 0.514  | 0.568  | 0.690  |
| Inventory turnover (ratio)                       | 5.520  | 5.220             | 5.370  | 5.698  | 6.007  |
| Receivables turnover (ratio)                     | 14.450 | 12.372            | 13.412 | 14.371 | 13.401 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 16.2   | 31.7   | 27.9   |
| Income taxes to taxable income (percent)         | ..     | ..                | 19.3   | 32.2   | 30.9   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 4.2               | 8.4    | 24.1   | 11.7   |
| Operating expenses, year-over-year change        | ..     | 4.1               | 9.0    | 23.3   | 11.2   |
| Operating profit, year-over-year change          | ..     | 7.9               | -8.0   | 49.6   | 24.1   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 21.0   | 23.3   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 102.3  | 17.8   |

Table 35-1

## Food and beverage stores - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>17,996</b>       | <b>19,972</b> | <b>22,365</b> | <b>23,877</b> | <b>29,056</b> |
| Cash and deposits                             | 1,750               | 1,792         | 1,593         | 1,833         | 2,306         |
| Accounts receivable and accrued revenue       | 1,120               | 1,122         | 1,167         | 1,521         | 1,951         |
| Inventories                                   | 4,122               | 4,288         | 4,613         | 4,884         | 5,793         |
| Investments                                   | 2,035               | 1,494         | 2,439         | 2,098         | 2,148         |
| Investments and accounts with affiliates      | 1,395               | 1,065         | 1,813         | 1,512         | 1,507         |
| Portfolio investments                         | 640                 | 429           | 625           | 586           | 640           |
| Loans   | 119                 | 85            | 141           | 144           | 222           |
| Mortgages                                     | 36                  | 51            | 97            | 106           | 55            |
| Non-mortgages                                 | 82                  | 34            | 44            | 37            | 167           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 7,674               | 8,430         | 9,444         | 10,607        | 13,057        |
| Other assets                                  | 1,177               | 2,762         | 2,969         | 2,791         | 3,580         |
| <b>Liabilities</b>                            | <b>12,439</b>       | <b>12,926</b> | <b>15,500</b> | <b>17,053</b> | <b>19,193</b> |
| Accounts payable and accrued liabilities      | 5,384               | 5,392         | 5,976         | 6,614         | 8,018         |
| Loans and accounts with affiliates            | 1,372               | 1,054         | 2,395         | 2,933         | 2,706         |
| Borrowings                                    | 5,224               | 5,747         | 6,394         | 6,749         | 7,586         |
| Loans and overdrafts                          | 2,009               | 2,289         | 2,408         | 2,427         | 2,634         |
| From banks                                    | 1,197               | 1,606         | 1,833         | 1,610         | 1,781         |
| From others                                   | 811                 | 683           | 576           | 817           | 853           |
| Bankers' acceptances and paper                | 796                 | 655           | 784           | 199           | 536           |
| Bonds and debentures                          | 1,235               | 2,089         | 2,432         | 3,401         | 3,632         |
| Mortgages                                     | 1,184               | 714           | 770           | 723           | 783           |
| Deferred income tax                           | 93                  | 98            | 15            | -59           | 81            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 367                 | 634           | 720           | 815           | 802           |
| <b>Equity</b>                                 | <b>5,556</b>        | <b>7,046</b>  | <b>6,865</b>  | <b>6,824</b>  | <b>9,864</b>  |
| Share capital                                 | 1,711               | 2,386         | 2,547         | 2,527         | 3,637         |
| Contributed surplus and other                 | 202                 | 244           | 204           | 584           | 272           |
| Retained earnings                             | 3,643               | 4,416         | 4,114         | 3,713         | 5,955         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>68,044</b>       | <b>69,495</b> | <b>74,193</b> | <b>80,969</b> | <b>93,661</b> |
| Sales of goods and services                   | 67,691              | 69,237        | 73,908        | 80,491        | 93,287        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 353                 | 258           | 285           | 478           | 374           |
| <b>Operating expenses</b>                     | <b>63,768</b>       | <b>64,698</b> | <b>69,742</b> | <b>74,540</b> | <b>86,773</b> |
| Purchased goods, materials and service        | 55,271              | 53,853        | 60,757        | 65,370        | 75,498        |
| Wages, salaries and employee benefits         | 7,164               | 8,242         | 7,490         | 7,279         | 8,015         |
| Indirect taxes                                | ..                  | 358           | 287           | 265           | 305           |
| Depreciation, depletion and amortization      | 450                 | 832           | 899           | 1,033         | 1,244         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 883                 | 1,413         | 309           | 594           | 1,711         |
| <b>Operating profit/loss</b>                  | <b>4,276</b>        | <b>4,798</b>  | <b>4,451</b>  | <b>6,429</b>  | <b>6,888</b>  |
| Interest and dividend revenue                 | 113                 | 168           | 158           | 171           | 133           |
| Interest expense on borrowing                 | 439                 | 449           | 494           | 577           | 613           |
| Gains/losses                                  | 150                 | 53            | 29            | 40            | 155           |
| <b>Profit before income tax</b>               | <b>4,100</b>        | <b>4,570</b>  | <b>4,144</b>  | <b>6,064</b>  | <b>6,563</b>  |
| Income tax                                    | 397                 | 468           | 611           | 670           | 765           |
| Equity in affiliates' earnings                | 13                  | 10            | 3             | 24            | 35            |
| <b>Profit before extraordinary gains</b>      | <b>3,716</b>        | <b>4,112</b>  | <b>3,536</b>  | <b>5,418</b>  | <b>5,833</b>  |
| Extraordinary gains                           | 9                   | -2            | ..            | 12            | 5             |
| <b>Net profit</b>                             | <b>3,724</b>        | <b>4,110</b>  | <b>3,537</b>  | <b>5,430</b>  | <b>5,838</b>  |

Table 35-2

## Food and beverage stores - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>3,537</b> | <b>5,430</b> | <b>5,838</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 135          | 675          | 390          |
| Plus: conceptual adjustments  | ..                  | ..   | -54          | -461         | -321         |
| Plus: current taxes, including mining                               | ..                  | ..   | 284          | 513          | 600          |
| Plus: deferred income taxes   | ..                  | ..   | 43           | 11           | 53           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 2,673        | 4,349        | 4,247        |
| Deductible dividends  | ..                  | ..   | 654          | 816          | 621          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>618</b>   | <b>1,004</b> | <b>1,691</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 26           | 40           | 47           |
| Less: taxable capital gains   | ..                  | ..   | 29           | 23           | 26           |
| Net difference, capital gains and losses                            | ..                  | ..   | -3           | 17           | 22           |
| Resource allowance  | ..                  | ..   | ..           | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | 2,101        | 39           | 45           |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>2,098</b> | <b>55</b>    | <b>66</b>    |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 777          | 883          | 1,005        |
| Less: capital cost allowance  | ..                  | ..   | 1,508        | 868          | 1,077        |
| Net difference, depreciation  | ..                  | ..   | -731         | 14           | -72          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..           | ..           | 1            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..           | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | ..           | ..           | 1            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -18          | 1            | -10          |
| Other timing differences  | ..                  | ..   | 2,558        | -47          | -53          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>1,809</b> | <b>-32</b>   | <b>-135</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>330</b>   | <b>917</b>   | <b>1,490</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 328          | 236          | 223          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>657</b>   | <b>1,153</b> | <b>1,713</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 111          | 118          | 208          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>547</b>   | <b>1,035</b> | <b>1,506</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 224          | 433          | 584          |
| Corporate surtax  | ..                  | ..   | 6            | 12           | 17           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 58           | 113          | 153          |
| Small business deduction  | ..                  | ..   | 43           | 48           | 55           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 1            | 1            | 4            |
| Investment tax credit   | ..                  | ..   | ..           | ..           | ..           |
| Other federal tax credits   | ..                  | ..   | ..           | 8            | 19           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>128</b>   | <b>275</b>   | <b>368</b>   |
| Other direct federal taxes  | ..                  | ..   | 29           | 9            | 11           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>157</b>   | <b>283</b>   | <b>379</b>   |
| Provincial income taxes   | ..                  | ..   | 61           | 135          | 182          |
| <b>Total taxes</b>  | ..                  | ..   | <b>218</b>   | <b>419</b>   | <b>561</b>   |

Table 35-3

## Food and beverage stores - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.187  | 0.965             | 1.280  | 1.419  | 1.043  |
| Profit margin (percent)                          | 6.3    | 6.9               | 6.0    | 7.9    | 7.4    |
| Return on equity (percent)                       | 66.9   | 58.4              | 51.5   | 79.4   | 59.1   |
| Return on capital employed (percent)             | 33.2   | 32.0              | 24.8   | 35.3   | 31.2   |
| Working capital (ratio)                          | 1.027  | 1.040             | 0.952  | 0.969  | 1.031  |
| Quick ratio (ratio)                              | 0.496  | 0.446             | 0.424  | 0.451  | 0.472  |
| Inventory turnover (ratio)                       | 16.509 | 16.208            | 16.085 | 16.578 | 16.169 |
| Receivables turnover (ratio)                     | 60.766 | 61.945            | 63.578 | 53.251 | 48.014 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 23.0   | 29.2   | 26.7   |
| Income taxes to taxable income (percent)         | ..     | ..                | 34.6   | 39.6   | 36.5   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 2.1               | 6.8    | 9.1    | 15.7   |
| Operating expenses, year-over-year change        | ..     | 1.5               | 7.8    | 6.9    | 16.4   |
| Operating profit, year-over-year change          | ..     | 12.2              | -7.2   | 44.5   | 7.1    |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 89.2   | 45.5   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 92.0   | 33.9   |

Table 36-1

## Clothing and clothing accessories stores - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>7,129</b>        | <b>7,618</b>  | <b>8,955</b>  | <b>10,093</b> | <b>10,108</b> |
| Cash and deposits                             | 522                 | 624           | 616           | 703           | 714           |
| Accounts receivable and accrued revenue       | 452                 | 563           | 657           | 847           | 835           |
| Inventories                                   | 3,308               | 3,571         | 3,962         | 4,260         | 4,221         |
| Investments                                   | 1,033               | 834           | 1,044         | 1,060         | 1,017         |
| Investments and accounts with affiliates      | 654                 | 650           | 717           | 636           | 632           |
| Portfolio investments                         | 379                 | 184           | 327           | 424           | 385           |
| Loans   | 100                 | 63            | 57            | 56            | 117           |
| Mortgages                                     | 9                   | 45            | 31            | 32            | 46            |
| Non-mortgages                                 | 91                  | 18            | 25            | 25            | 72            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 1,547               | 1,706         | 2,118         | 2,483         | 2,516         |
| Other assets                                  | 166                 | 258           | 502           | 684           | 688           |
| <b>Liabilities</b>                            | <b>4,580</b>        | <b>4,983</b>  | <b>5,842</b>  | <b>6,793</b>  | <b>7,153</b>  |
| Accounts payable and accrued liabilities      | 1,895               | 1,994         | 2,336         | 2,774         | 2,872         |
| Loans and accounts with affiliates            | 1,179               | 1,423         | 1,798         | 2,120         | 2,422         |
| Borrowings                                    | 1,472               | 1,436         | 1,538         | 1,644         | 1,658         |
| Loans and overdrafts                          | 901                 | 1,031         | 1,201         | 1,322         | 1,358         |
| From banks                                    | 674                 | 779           | 818           | 806           | 840           |
| From others                                   | 227                 | 252           | 383           | 516           | 519           |
| Bankers' acceptances and paper                | 53                  | 133           | 103           | 36            | 28            |
| Bonds and debentures                          | 6                   | 40            | 7             | 6             | 24            |
| Mortgages                                     | 513                 | 232           | 227           | 280           | 247           |
| Deferred income tax                           | -10                 | -15           | 11            | 5             | 25            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 42                  | 144           | 159           | 251           | 175           |
| <b>Equity</b>                                 | <b>2,550</b>        | <b>2,635</b>  | <b>3,114</b>  | <b>3,301</b>  | <b>2,955</b>  |
| Share capital                                 | 909                 | 1,518         | 1,474         | 1,717         | 1,440         |
| Contributed surplus and other                 | 229                 | 229           | 177           | 228           | 191           |
| Retained earnings                             | 1,411               | 889           | 1,463         | 1,356         | 1,323         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>14,576</b>       | <b>15,722</b> | <b>18,909</b> | <b>21,082</b> | <b>19,719</b> |
| Sales of goods and services                   | 14,524              | 15,682        | 18,857        | 21,010        | 19,633        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 52                  | 40            | 52            | 72            | 86            |
| <b>Operating expenses</b>                     | <b>13,855</b>       | <b>15,202</b> | <b>18,205</b> | <b>20,368</b> | <b>19,159</b> |
| Purchased goods, materials and service        | 11,454              | 12,369        | 14,503        | 15,987        | 15,005        |
| Wages, salaries and employee benefits         | 1,920               | 2,343         | 2,823         | 3,472         | 3,204         |
| Indirect taxes                                | ..                  | 188           | 251           | 207           | 158           |
| Depreciation, depletion and amortization      | 360                 | 270           | 437           | 440           | 463           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 120                 | 32            | 191           | 262           | 329           |
| <b>Operating profit/loss</b>                  | <b>721</b>          | <b>520</b>    | <b>704</b>    | <b>714</b>    | <b>560</b>    |
| Interest and dividend revenue                 | 44                  | 68            | 84            | 70            | 35            |
| Interest expense on borrowing                 | 446                 | 181           | 206           | 246           | 216           |
| Gains/losses                                  | -91                 | -45           | -116          | 23            | -22           |
| <b>Profit before income tax</b>               | <b>228</b>          | <b>361</b>    | <b>465</b>    | <b>561</b>    | <b>357</b>    |
| Income tax                                    | 148                 | 142           | 257           | 269           | 200           |
| Equity in affiliates' earnings                | 22                  | 26            | 22            | 22            | 15            |
| <b>Profit before extraordinary gains</b>      | <b>102</b>          | <b>245</b>    | <b>230</b>    | <b>314</b>    | <b>171</b>    |
| Extraordinary gains                           | ..                  | -4            | 4             | 9             | 5             |
| <b>Net profit</b>                             | <b>102</b>          | <b>241</b>    | <b>234</b>    | <b>323</b>    | <b>177</b>    |

Table 36-2

## Clothing and clothing accessories stores - Reconciliation of profit

|   | 1998                | 1999 | 2000 | 2001 | 2002 |
|---|---------------------|------|------|------|------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |      |      |      |
|   | millions of dollars |      |      |      |      |
| <b>Net profit</b>   | ..                  | ..   | 234  | 323  | 177  |
| Plus: consolidation adjustments                                     | ..                  | ..   | -6   | -75  | -121 |
| Plus: conceptual adjustments  | ..                  | ..   | -29  | -19  | -8   |
| Plus: current taxes, including mining                               | ..                  | ..   | 209  | 215  | 190  |
| Plus: deferred income taxes   | ..                  | ..   | ..   | -3   | 14   |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 1    | ..   | -1   |
| Deductible dividends  | ..                  | ..   | 91   | 41   | 14   |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | 315  | 400  | 237  |
| <b>Exemptions and deductions:</b>                                   |                     |      |      |      |      |
| Book capital gains and losses                                       | ..                  | ..   | 3    | 106  | 21   |
| Less: taxable capital gains   | ..                  | ..   | 15   | 28   | 31   |
| Net difference, capital gains and losses                            | ..                  | ..   | -12  | 79   | -9   |
| Resource allowance  | ..                  | ..   | ..   | ..   | ..   |
| Less: royalties   | ..                  | ..   | ..   | ..   | ..   |
| Net difference, resource allowance                                  | ..                  | ..   | ..   | ..   | ..   |
| Earned depletion allowance  | ..                  | ..   | ..   | ..   | ..   |
| Other exemptions and deductions                                     | ..                  | ..   | -16  | -17  | -16  |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | -28  | 62   | -25  |
| <b>Timing differences:</b>  |                     |      |      |      |      |
| Depreciation  | ..                  | ..   | 372  | 424  | 426  |
| Less: capital cost allowance  | ..                  | ..   | 355  | 452  | 384  |
| Net difference, depreciation  | ..                  | ..   | 17   | -28  | 43   |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..   | ..   | ..   |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 1    | ..   | ..   |
| Net difference, natural resources expenses                          | ..                  | ..   | -1   | ..   | ..   |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..   | ..   | 1    |
| Other timing differences  | ..                  | ..   | 82   | -70  | 31   |
| <b>Total, timing differences</b>                                    | ..                  | ..   | 97   | -97  | 74   |
| <b>Net taxable income</b>   | ..                  | ..   | 440  | 241  | 336  |
| Plus: current year tax losses                                       | ..                  | ..   | 331  | 503  | 325  |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | 771  | 744  | 661  |
| Less: prior year losses applied                                     | ..                  | ..   | 58   | 127  | 105  |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | 713  | 617  | 556  |
| <b>Taxes:</b>   |                     |      |      |      |      |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 263  | 229  | 224  |
| Corporate surtax  | ..                  | ..   | 7    | 6    | 6    |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |      |      |      |
| Federal tax abatement   | ..                  | ..   | 62   | 60   | 58   |
| Small business deduction  | ..                  | ..   | 29   | 31   | 33   |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 2    | 1    | 1    |
| Investment tax credit   | ..                  | ..   | ..   | ..   | ..   |
| Other federal tax credits   | ..                  | ..   | ..   | 1    | 6    |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | 179  | 143  | 131  |
| Other direct federal taxes  | ..                  | ..   | 2    | 1    | 1    |
| <b>Total federal tax</b>  | ..                  | ..   | 182  | 144  | 132  |
| Provincial income taxes   | ..                  | ..   | 71   | 63   | 58   |
| <b>Total taxes</b>  | ..                  | ..   | 252  | 206  | 190  |

Table 36-3

## Clothing and clothing accessories stores - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.040  | 1.085             | 1.071  | 1.140  | 1.381  |
| Profit margin (percent)                          | 4.9    | 3.3               | 3.7    | 3.4    | 2.8    |
| Return on equity (percent)                       | 4.0    | 9.3               | 7.4    | 9.5    | 5.8    |
| Return on capital employed (percent)             | 8.0    | 7.0               | 6.1    | 7.1    | 4.8    |
| Working capital (ratio)                          | 1.598  | 1.550             | 1.412  | 1.438  | 1.349  |
| Quick ratio (ratio)                              | 0.494  | 0.456             | 0.432  | 0.458  | 0.453  |
| Inventory turnover (ratio)                       | 4.406  | 4.403             | 4.772  | 4.949  | 4.672  |
| Receivables turnover (ratio)                     | 32.237 | 27.914            | 28.797 | 24.904 | 23.629 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 36.3   | 24.9   | 28.2   |
| Income taxes to taxable income (percent)         | ..     | ..                | 35.1   | 33.3   | 34.0   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 7.9               | 20.3   | 11.5   | -6.5   |
| Operating expenses, year-over-year change        | ..     | 9.7               | 19.8   | 11.9   | -5.9   |
| Operating profit, year-over-year change          | ..     | -27.9             | 35.4   | 1.4    | -21.6  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -13.4  | -9.9   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -18.3  | -7.9   |

Table 37-1

## Furniture and home furnishing stores and electronic and appliance stores - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>6,991</b>        | <b>7,903</b>  | <b>8,476</b>  | <b>8,764</b>  | <b>10,372</b> |
| Cash and deposits                             | 512                 | 945           | 935           | 908           | 914           |
| Accounts receivable and accrued revenue       | 1,235               | 1,419         | 1,502         | 1,446         | 1,673         |
| Inventories                                   | 2,560               | 2,867         | 2,932         | 3,084         | 3,451         |
| Investments                                   | 984                 | 847           | 1,032         | 906           | 1,105         |
| Investments and accounts with affiliates      | 483                 | 604           | 750           | 599           | 661           |
| Portfolio investments                         | 501                 | 242           | 282           | 307           | 444           |
| Loans   | 83                  | 88            | 75            | 91            | 74            |
| Mortgages                                     | 13                  | 58            | 40            | 54            | 34            |
| Non-mortgages                                 | 70                  | 30            | 34            | 36            | 40            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 1,370               | 1,526         | 1,591         | 1,816         | 1,921         |
| Other assets                                  | 247                 | 211           | 409           | 513           | 1,234         |
| <b>Liabilities</b>                            | <b>4,760</b>        | <b>5,457</b>  | <b>6,094</b>  | <b>6,232</b>  | <b>7,917</b>  |
| Accounts payable and accrued liabilities      | 2,305               | 2,753         | 2,742         | 2,832         | 3,481         |
| Loans and accounts with affiliates            | 993                 | 1,150         | 1,622         | 1,606         | 2,521         |
| Borrowings                                    | 1,205               | 1,272         | 1,430         | 1,499         | 1,488         |
| Loans and overdrafts                          | 786                 | 977           | 1,085         | 1,077         | 1,073         |
| From banks                                    | 674                 | 861           | 874           | 838           | 811           |
| From others                                   | 112                 | 116           | 210           | 238           | 262           |
| Bankers' acceptances and paper                | 13                  | 4             | 7             | 14            | 11            |
| Bonds and debentures                          | ..                  | 13            | 2             | 3             | 8             |
| Mortgages                                     | 406                 | 278           | 336           | 406           | 396           |
| Deferred income tax                           | 10                  | -3            | 76            | 68            | 6             |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 247                 | 285           | 224           | 226           | 421           |
| <b>Equity</b>                                 | <b>2,231</b>        | <b>2,446</b>  | <b>2,383</b>  | <b>2,532</b>  | <b>2,455</b>  |
| Share capital                                 | 416                 | 521           | 751           | 877           | 755           |
| Contributed surplus and other                 | 102                 | 177           | 99            | 133           | 172           |
| Retained earnings                             | 1,712               | 1,747         | 1,533         | 1,523         | 1,529         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>17,983</b>       | <b>20,752</b> | <b>21,589</b> | <b>22,133</b> | <b>23,612</b> |
| Sales of goods and services                   | 17,813              | 20,606        | 21,455        | 22,003        | 23,478        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 170                 | 146           | 135           | 130           | 134           |
| <b>Operating expenses</b>                     | <b>17,467</b>       | <b>20,136</b> | <b>20,880</b> | <b>21,536</b> | <b>22,963</b> |
| Purchased goods, materials and service        | 14,833              | 17,037        | 17,319        | 17,537        | 18,842        |
| Wages, salaries and employee benefits         | 2,336               | 2,573         | 3,025         | 3,284         | 3,471         |
| Indirect taxes                                | ..                  | 101           | 91            | 117           | 113           |
| Depreciation, depletion and amortization      | 198                 | 224           | 310           | 291           | 304           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 100                 | 201           | 136           | 306           | 233           |
| <b>Operating profit/loss</b>                  | <b>516</b>          | <b>616</b>    | <b>709</b>    | <b>598</b>    | <b>649</b>    |
| Interest and dividend revenue                 | 35                  | 39            | 41            | 55            | 35            |
| Interest expense on borrowing                 | 172                 | 141           | 206           | 198           | 240           |
| Gains/losses                                  | 10                  | 30            | -59           | 11            | 25            |
| <b>Profit before income tax</b>               | <b>388</b>          | <b>543</b>    | <b>485</b>    | <b>465</b>    | <b>468</b>    |
| Income tax                                    | 150                 | 180           | 230           | 198           | 170           |
| Equity in affiliates' earnings                | 11                  | 6             | 30            | 10            | 14            |
| <b>Profit before extraordinary gains</b>      | <b>249</b>          | <b>370</b>    | <b>284</b>    | <b>277</b>    | <b>312</b>    |
| Extraordinary gains                           | -65                 | -65           | -1            | 5             | -1            |
| <b>Net profit</b>                             | <b>183</b>          | <b>305</b>    | <b>283</b>    | <b>282</b>    | <b>311</b>    |



Table 37-2

## Furniture and home furnishing stores and electronic and appliance stores - Reconciliation of profit

|   | 1998                | 1999 | 2000        | 2001       | 2002       |
|---|---------------------|------|-------------|------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |             |            |            |
|   | millions of dollars |      |             |            |            |
| <b>Net profit</b>   | ..                  | ..   | <b>283</b>  | <b>282</b> | <b>311</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 18          | -18        | 5          |
| Plus: conceptual adjustments  | ..                  | ..   | -44         | -42        | -70        |
| Plus: current taxes, including mining                               | ..                  | ..   | 179         | 161        | 145        |
| Plus: deferred income taxes   | ..                  | ..   | 10          | -16        | 34         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 1           | ..         | 1          |
| Deductible dividends  | ..                  | ..   | 37          | 95         | 36         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>408</b>  | <b>272</b> | <b>388</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |             |            |            |
| Book capital gains and losses                                       | ..                  | ..   | -6          | 51         | 11         |
| Less: taxable capital gains   | ..                  | ..   | 15          | 32         | 12         |
| Net difference, capital gains and losses                            | ..                  | ..   | -20         | 19         | ..         |
| Resource allowance  | ..                  | ..   | ..          | ..         | ..         |
| Less: royalties   | ..                  | ..   | ..          | ..         | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..          | ..         | ..         |
| Earned depletion allowance  | ..                  | ..   | ..          | ..         | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | -20         | -25        | -9         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-40</b>  | <b>-6</b>  | <b>-10</b> |
| <b>Timing differences:</b>  |                     |      |             |            |            |
| Depreciation  | ..                  | ..   | 281         | 299        | 263        |
| Less: capital cost allowance  | ..                  | ..   | 301         | 313        | 255        |
| Net difference, depreciation  | ..                  | ..   | -20         | -14        | 8          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..          | ..         | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..          | ..         | ..         |
| Net difference, natural resources expenses                          | ..                  | ..   | ..          | ..         | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..          | 25         | -2         |
| Other timing differences  | ..                  | ..   | -103        | 89         | 40         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-123</b> | <b>100</b> | <b>46</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>325</b>  | <b>378</b> | <b>444</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 383         | 314        | 225        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>708</b>  | <b>693</b> | <b>669</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 110         | 98         | 103        |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>598</b>  | <b>595</b> | <b>566</b> |
| <b>Taxes:</b>   |                     |      |             |            |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 228         | 228        | 217        |
| Corporate surtax  | ..                  | ..   | 6           | 6          | 6          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |             |            |            |
| Federal tax abatement   | ..                  | ..   | 59          | 60         | 57         |
| Small business deduction  | ..                  | ..   | 54          | 53         | 56         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..          | 1          | ..         |
| Investment tax credit   | ..                  | ..   | 1           | 2          | 1          |
| Other federal tax credits   | ..                  | ..   | ..          | 2          | 5          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>119</b>  | <b>118</b> | <b>104</b> |
| Other direct federal taxes  | ..                  | ..   | 2           | 5          | 1          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>121</b>  | <b>123</b> | <b>105</b> |
| Provincial income taxes   | ..                  | ..   | 60          | 56         | 49         |
| <b>Total taxes</b>  | ..                  | ..   | <b>181</b>  | <b>179</b> | <b>155</b> |

Table 37-3

## Furniture and home furnishing stores and electronic and appliance stores - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.986  | 0.990             | 1.281  | 1.226  | 1.633  |
| Profit margin (percent)                          | 2.9    | 3.0               | 3.3    | 2.7    | 2.7    |
| Return on equity (percent)                       | 11.2   | 15.1              | 11.9   | 10.9   | 12.7   |
| Return on capital employed (percent)             | 8.8    | 9.9               | 8.3    | 7.8    | 7.7    |
| Working capital (ratio)                          | 1.425  | 1.373             | 1.333  | 1.298  | 1.229  |
| Quick ratio (ratio)                              | 0.677  | 0.665             | 0.665  | 0.624  | 0.582  |
| Inventory turnover (ratio)                       | 7.025  | 7.239             | 7.362  | 7.177  | 6.841  |
| Receivables turnover (ratio)                     | 14.565 | 14.625            | 14.376 | 15.305 | 14.117 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 25.6   | 27.1   | 22.7   |
| Income taxes to taxable income (percent)         | ..     | ..                | 30.0   | 29.3   | 27.1   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 15.4              | 4.0    | 2.5    | 6.7    |
| Operating expenses, year-over-year change        | ..     | 15.3              | 3.7    | 3.1    | 6.6    |
| Operating profit, year-over-year change          | ..     | 19.4              | 15.2   | -15.7  | 8.5    |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -0.5   | -4.8   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -1.1   | -13.8  |

Table 38-1

## General merchandise stores - Balance sheet and income statement

|   | 1998          | 1999          | 2000          | 2001          | 2002          |
|---|---------------|---------------|---------------|---------------|---------------|
| Balance sheet                                 |               |               |               |               |               |
| millions of dollars                           |               |               |               |               |               |
| <b>Assets</b>                                 | <b>16,906</b> | <b>17,458</b> | <b>17,620</b> | <b>19,234</b> | <b>19,938</b> |
| Cash and deposits                             | 697           | 1,095         | 604           | 810           | 753           |
| Accounts receivable and accrued revenue       | 661           | 1,764         | 1,956         | 1,880         | 2,682         |
| Inventories                                   | 6,277         | 6,757         | 7,025         | 7,036         | 6,994         |
| Investments                                   | 2,777         | 1,403         | 1,128         | 1,925         | 1,968         |
| Investments and accounts with affiliates      | 2,556         | 1,129         | 820           | 1,716         | 1,782         |
| Portfolio investments                         | 221           | 274           | 308           | 209           | 187           |
| Loans   | 509           | 28            | 40            | 43            | 42            |
| Mortgages                                     | 9             | 24            | 32            | 20            | 13            |
| Non-mortgages                                 | 500           | 4             | 8             | 23            | 29            |
| Bank customers' liabilities under acceptances | ..            | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 4,374         | 5,044         | 5,435         | 5,861         | 5,979         |
| Other assets                                  | 1,612         | 1,366         | 1,433         | 1,680         | 1,520         |
| <b>Liabilities</b>                            | <b>10,888</b> | <b>10,253</b> | <b>10,187</b> | <b>11,291</b> | <b>11,394</b> |
| Accounts payable and accrued liabilities      | 4,363         | 5,362         | 5,490         | 5,344         | 5,993         |
| Loans and accounts with affiliates            | 1,464         | 1,135         | 737           | 1,002         | 1,050         |
| Borrowings                                    | 4,045         | 3,371         | 3,600         | 4,457         | 4,099         |
| Loans and overdrafts                          | 1,031         | 1,178         | 1,411         | 1,617         | 1,486         |
| From banks                                    | 805           | 980           | 979           | 1,068         | 1,011         |
| From others                                   | 227           | 199           | 433           | 549           | 475           |
| Bankers' acceptances and paper                | 419           | 146           | 79            | 120           | 424           |
| Bonds and debentures                          | 2,272         | 1,894         | 1,966         | 2,563         | 2,044         |
| Mortgages                                     | 322           | 152           | 144           | 157           | 145           |
| Deferred income tax                           | 143           | -130          | 8             | 291           | 39            |
| Bank customers' liabilities under acceptances | ..            | ..            | ..            | ..            | ..            |
| Other liabilities                             | 873           | 515           | 352           | 196           | 213           |
| <b>Equity</b>                                 | <b>6,018</b>  | <b>7,205</b>  | <b>7,434</b>  | <b>7,943</b>  | <b>8,544</b>  |
| Share capital                                 | 3,941         | 4,608         | 4,343         | 4,649         | 4,868         |
| Contributed surplus and other                 | 175           | 209           | 301           | 312           | 282           |
| Retained earnings                             | 1,902         | 2,388         | 2,790         | 2,982         | 3,395         |
| Income statement                              |               |               |               |               |               |
| <b>Operating revenue</b>                      | <b>32,926</b> | <b>35,140</b> | <b>38,200</b> | <b>38,576</b> | <b>41,183</b> |
| Sales of goods and services                   | 32,361        | 34,014        | 36,425        | 37,478        | 40,170        |
| Interest and dividend revenue (operating)     | ..            | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 565           | 1,126         | 1,776         | 1,099         | 1,013         |
| <b>Operating expenses</b>                     | <b>32,049</b> | <b>34,299</b> | <b>37,293</b> | <b>37,735</b> | <b>40,041</b> |
| Purchased goods, materials and service        | 24,435        | 24,570        | 30,244        | 31,106        | 33,190        |
| Wages, salaries and employee benefits         | 4,003         | 8,760         | 4,987         | 4,919         | 5,027         |
| Indirect taxes                                | ..            | 154           | 355           | 357           | 335           |
| Depreciation, depletion and amortization      | 520           | 607           | 595           | 649           | 636           |
| Interest expense (operating)                  | ..            | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 3,091         | 208           | 1,112         | 703           | 855           |
| <b>Operating profit/loss</b>                  | <b>877</b>    | <b>842</b>    | <b>907</b>    | <b>842</b>    | <b>1,142</b>  |
| Interest and dividend revenue                 | 110           | 271           | 506           | 489           | 453           |
| Interest expense on borrowing                 | 382           | 306           | 315           | 343           | 393           |
| Gains/losses                                  | -249          | 5             | -18           | 172           | -176          |
| <b>Profit before income tax</b>               | <b>356</b>    | <b>812</b>    | <b>1,081</b>  | <b>1,160</b>  | <b>1,026</b>  |
| Income tax                                    | 128           | 199           | 361           | 420           | 293           |
| Equity in affiliates' earnings                | 55            | 18            | 16            | 16            | 6             |
| <b>Profit before extraordinary gains</b>      | <b>283</b>    | <b>631</b>    | <b>736</b>    | <b>756</b>    | <b>739</b>    |
| Extraordinary gains                           | -2            | -22           | -4            | 11            | 2             |
| <b>Net profit</b>                             | <b>280</b>    | <b>608</b>    | <b>732</b>    | <b>766</b>    | <b>741</b>    |

Table 38-2

## General merchandise stores - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>732</b>   | <b>766</b>   | <b>741</b>   |
| Plus: consolidation adjustments                                     | ..                  | ..   | 173          | 209          | 166          |
| Plus: conceptual adjustments  | ..                  | ..   | -12          | -51          | 1            |
| Plus: current taxes, including mining                               | ..                  | ..   | 226          | 351          | 321          |
| Plus: deferred income taxes   | ..                  | ..   | 113          | 1            | 59           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 1            | ..           | ..           |
| Deductible dividends  | ..                  | ..   | 181          | 333          | 64           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,050</b> | <b>943</b>   | <b>1,224</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 32           | -5           | -7           |
| Less: taxable capital gains   | ..                  | ..   | 19           | 7            | 5            |
| Net difference, capital gains and losses                            | ..                  | ..   | 13           | -12          | -12          |
| Resource allowance  | ..                  | ..   | ..           | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | 36           | 44           | ..           |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>49</b>    | <b>32</b>    | <b>-12</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 664          | 584          | 606          |
| Less: capital cost allowance  | ..                  | ..   | 790          | 605          | 642          |
| Net difference, depreciation  | ..                  | ..   | -126         | -22          | -36          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..           | ..           | ..           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..           | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | ..           | ..           | ..           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | -2           | 1            |
| Other timing differences  | ..                  | ..   | -69          | 713          | 437          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-195</b>  | <b>690</b>   | <b>402</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>806</b>   | <b>1,600</b> | <b>1,638</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 78           | 72           | 55           |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>884</b>   | <b>1,672</b> | <b>1,693</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 182          | 703          | 787          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>702</b>   | <b>969</b>   | <b>906</b>   |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 352          | 357          | 326          |
| Corporate surtax  | ..                  | ..   | 10           | 10           | 7            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 86           | 87           | 61           |
| Small business deduction  | ..                  | ..   | 14           | 16           | 17           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 3            | 3            | 3            |
| Investment tax credit   | ..                  | ..   | ..           | ..           | ..           |
| Other federal tax credits   | ..                  | ..   | ..           | 2            | 6            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>258</b>   | <b>259</b>   | <b>245</b>   |
| Other direct federal taxes  | ..                  | ..   | 18           | 10           | 9            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>275</b>   | <b>269</b>   | <b>254</b>   |
| Provincial income taxes   | ..                  | ..   | 91           | 106          | 70           |
| <b>Total taxes</b>  | ..                  | ..   | <b>367</b>   | <b>375</b>   | <b>324</b>   |

Table 38-3

## General merchandise stores - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.915  | 0.625             | 0.583  | 0.687  | 0.603  |
| Profit margin (percent)                          | 2.7    | 2.4               | 2.4    | 2.2    | 2.8    |
| Return on equity (percent)                       | 4.7    | 8.8               | 9.9    | 9.5    | 8.6    |
| Return on capital employed (percent)             | 4.7    | 7.3               | 8.2    | 7.4    | 7.6    |
| Working capital (ratio)                          | 1.341  | 1.465             | 1.501  | 1.568  | 1.477  |
| Quick ratio (ratio)                              | 0.379  | 0.461             | 0.441  | 0.491  | 0.539  |
| Inventory turnover (ratio)                       | 5.246  | 5.200             | 5.438  | 5.482  | 5.889  |
| Receivables turnover (ratio)                     | 49.829 | 19.916            | 19.534 | 20.524 | 15.355 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 31.7   | 36.9   | 25.2   |
| Income taxes to taxable income (percent)         | ..     | ..                | 49.7   | 37.7   | 34.8   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 6.7               | 8.7    | 1.0    | 6.8    |
| Operating expenses, year-over-year change        | ..     | 7.0               | 8.7    | 1.2    | 6.1    |
| Operating profit, year-over-year change          | ..     | -4.0              | 7.8    | -7.2   | 35.7   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 38.1   | -6.5   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 2.3    | -13.6  |

Table 39-1

## Transportation and warehousing - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | <b>99,034</b>       | <b>103,227</b> | <b>117,649</b> | <b>121,836</b> | <b>125,266</b> |
| Cash and deposits                             | 4,160               | 5,131          | 5,319          | 5,693          | 5,156          |
| Accounts receivable and accrued revenue       | 10,423              | 10,841         | 12,812         | 12,947         | 13,526         |
| Inventories                                   | 2,550               | 2,097          | 2,172          | 2,125          | 2,204          |
| Investments                                   | 16,120              | 17,568         | 18,491         | 19,351         | 19,814         |
| Investments and accounts with affiliates      | 12,201              | 15,379         | 15,770         | 16,699         | 16,733         |
| Portfolio investments                         | 3,919               | 2,189          | 2,721          | 2,652          | 3,081          |
| Loans   | 685                 | 607            | 1,314          | 2,221          | 1,972          |
| Mortgages                                     | 57                  | 215            | 180            | 295            | 143            |
| Non-mortgages                                 | 628                 | 392            | 1,134          | 1,926          | 1,829          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | 59,367              | 60,964         | 67,498         | 69,102         | 67,945         |
| Other assets                                  | 5,730               | 6,019          | 10,043         | 10,397         | 14,647         |
| <b>Liabilities</b>                            | <b>68,714</b>       | <b>72,261</b>  | <b>80,302</b>  | <b>86,687</b>  | <b>88,470</b>  |
| Accounts payable and accrued liabilities      | 12,784              | 14,284         | 16,041         | 15,013         | 15,971         |
| Loans and accounts with affiliates            | 8,233               | 9,920          | 10,189         | 12,183         | 13,360         |
| Borrowings                                    | 41,092              | 38,590         | 42,672         | 47,357         | 46,139         |
| Loans and overdrafts                          | 14,102              | 14,051         | 12,998         | 23,575         | 26,068         |
| From banks                                    | 6,685               | 8,546          | 7,791          | 13,192         | 14,860         |
| From others                                   | 7,417               | 5,505          | 5,207          | 10,383         | 11,208         |
| Bankers' acceptances and paper                | 2,128               | 2,117          | 2,952          | 2,538          | 1,994          |
| Bonds and debentures                          | 14,273              | 20,138         | 23,816         | 18,693         | 15,426         |
| Mortgages                                     | 10,590              | 2,284          | 2,907          | 2,551          | 2,651          |
| Deferred income tax                           | 842                 | 1,518          | 1,977          | 1,961          | 2,179          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | 5,763               | 7,948          | 9,423          | 10,174         | 10,820         |
| <b>Equity</b>                                 | <b>30,320</b>       | <b>30,966</b>  | <b>37,347</b>  | <b>35,149</b>  | <b>36,796</b>  |
| Share capital                                 | 13,665              | 16,539         | 17,184         | 22,230         | 21,855         |
| Contributed surplus and other                 | 5,058               | 5,940          | 12,153         | 5,948          | 6,880          |
| Retained earnings                             | 11,597              | 8,488          | 8,011          | 6,971          | 8,061          |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | <b>89,631</b>       | <b>87,425</b>  | <b>94,552</b>  | <b>98,735</b>  | <b>103,626</b> |
| Sales of goods and services                   | 83,129              | 84,849         | 92,214         | 96,740         | 101,293        |
| Interest and dividend revenue (operating)     | ..                  | ..             | ..             | ..             | ..             |
| Other operating revenue                       | 6,502               | 2,576          | 2,339          | 1,995          | 2,332          |
| <b>Operating expenses</b>                     | <b>85,251</b>       | <b>81,581</b>  | <b>89,112</b>  | <b>94,163</b>  | <b>96,460</b>  |
| Purchased goods, materials and service        | 60,959              | 52,497         | 56,555         | 62,120         | 63,086         |
| Wages, salaries and employee benefits         | 19,225              | 22,483         | 24,912         | 23,973         | 25,413         |
| Indirect taxes                                | ..                  | 1,338          | 1,376          | 1,227          | 1,034          |
| Depreciation, depletion and amortization      | 4,354               | 4,853          | 5,792          | 5,972          | 6,497          |
| Interest expense (operating)                  | ..                  | ..             | ..             | ..             | ..             |
| Other operating expenses                      | 713                 | 410            | 477            | 870            | 431            |
| <b>Operating profit/loss</b>                  | <b>4,380</b>        | <b>5,844</b>   | <b>5,440</b>   | <b>4,572</b>   | <b>7,166</b>   |
| Interest and dividend revenue                 | 450                 | 846            | 816            | 651            | 570            |
| Interest expense on borrowing                 | 3,158               | 3,472          | 3,550          | 3,953          | 3,813          |
| Gains/losses                                  | 532                 | -342           | 255            | -36            | 341            |
| <b>Profit before income tax</b>               | <b>2,203</b>        | <b>2,876</b>   | <b>2,961</b>   | <b>1,234</b>   | <b>4,263</b>   |
| Income tax                                    | 450                 | 898            | 808            | 552            | 1,334          |
| Equity in affiliates' earnings                | 321                 | 134            | 171            | 585            | 260            |
| <b>Profit before extraordinary gains</b>      | <b>2,075</b>        | <b>2,112</b>   | <b>2,324</b>   | <b>1,267</b>   | <b>3,188</b>   |
| Extraordinary gains                           | -10                 | -44            | 14             | ..             | -32            |
| <b>Net profit</b>                             | <b>2,065</b>        | <b>2,068</b>   | <b>2,338</b>   | <b>1,266</b>   | <b>3,156</b>   |

Table 39-2

## Transportation and warehousing - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001         | 2002         |
|---|---------------------|------|---------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |              |              |
|   | millions of dollars |      |               |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>2,338</b>  | <b>1,266</b> | <b>3,156</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -86           | 621          | -1,352       |
| Plus: conceptual adjustments  | ..                  | ..   | -57           | 261          | -97          |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,221         | 942          | 1,100        |
| Plus: deferred income taxes   | ..                  | ..   | -23           | -2           | 175          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -89           | 11           | 210          |
| Deductible dividends  | ..                  | ..   | 1,032         | 1,541        | 836          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>2,450</b>  | <b>1,537</b> | <b>1,936</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 93            | 574          | 432          |
| Less: taxable capital gains   | ..                  | ..   | 301           | 297          | 383          |
| Net difference, capital gains and losses                            | ..                  | ..   | -208          | 277          | 50           |
| Resource allowance  | ..                  | ..   | 2             | 22           | 23           |
| Less: royalties   | ..                  | ..   | 1             | 35           | 31           |
| Net difference, resource allowance                                  | ..                  | ..   | 1             | -13          | -7           |
| Earned depletion allowance  | ..                  | ..   | ..            | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -278          | -136         | -123         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-485</b>   | <b>128</b>   | <b>-80</b>   |
| <b>Timing differences:</b>  |                     |      |               |              |              |
| Depreciation  | ..                  | ..   | 4,975         | 4,334        | 4,861        |
| Less: capital cost allowance  | ..                  | ..   | 4,966         | 4,380        | 4,516        |
| Net difference, depreciation  | ..                  | ..   | 8             | -46          | 345          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 10            | 56           | 68           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 4             | 48           | 44           |
| Net difference, natural resources expenses                          | ..                  | ..   | 7             | 8            | 24           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -8            | 2            | 3            |
| Other timing differences  | ..                  | ..   | -1,030        | 69           | -1,294       |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-1,023</b> | <b>33</b>    | <b>-922</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>1,913</b>  | <b>1,442</b> | <b>1,094</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 1,421         | 1,343        | 2,381        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>3,334</b>  | <b>2,785</b> | <b>3,475</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 722           | 562          | 505          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>2,612</b>  | <b>2,224</b> | <b>2,970</b> |
| <b>Taxes:</b>   |                     |      |               |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,067         | 878          | 1,167        |
| Corporate surtax  | ..                  | ..   | 30            | 24           | 32           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |              |              |
| Federal tax abatement   | ..                  | ..   | 278           | 225          | 277          |
| Small business deduction  | ..                  | ..   | 137           | 145          | 163          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 5             | 3            | 2            |
| Investment tax credit   | ..                  | ..   | 3             | 14           | 16           |
| Other federal tax credits   | ..                  | ..   | 2             | 12           | 43           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>672</b>    | <b>502</b>   | <b>698</b>   |
| Other direct federal taxes  | ..                  | ..   | 87            | 23           | 42           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>760</b>    | <b>525</b>   | <b>740</b>   |
| Provincial income taxes   | ..                  | ..   | 276           | 242          | 327          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,036</b>  | <b>767</b>   | <b>1,066</b> |

Table 39-3

## Transportation and warehousing - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.627  | 1.567             | 1.415  | 1.694  | 1.617  |
| Profit margin (percent)                          | 4.9    | 6.7               | 5.8    | 4.6    | 6.9    |
| Return on equity (percent)                       | 6.8    | 6.8               | 6.2    | 3.6    | 8.7    |
| Return on capital employed (percent)             | 5.3    | 5.6               | 5.4    | 4.3    | 6.3    |
| Working capital (ratio)                          | 0.956  | 0.830             | 0.880  | 0.905  | 0.875  |
| Quick ratio (ratio)                              | 0.843  | 0.742             | 0.798  | 0.828  | 0.795  |
| Inventory turnover (ratio)                       | 35.152 | 41.687            | 43.524 | 46.462 | 47.010 |
| Receivables turnover (ratio)                     | 8.600  | 8.064             | 7.380  | 7.626  | 7.661  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 23.8   | 19.3   | 21.8   |
| Income taxes to taxable income (percent)         | ..     | ..                | 36.3   | 33.5   | 34.5   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | -2.5              | 8.2    | 4.4    | 5.0    |
| Operating expenses, year-over-year change        | ..     | -4.3              | 9.2    | 5.7    | 2.4    |
| Operating profit, year-over-year change          | ..     | 33.4              | -6.9   | -15.9  | 56.7   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -14.9  | 33.6   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -25.9  | 39.0   |



Table 40-1

## Transportation and warehousing - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>17,465</b>       | <b>19,631</b> | <b>21,221</b> | <b>21,442</b> | <b>22,277</b> |
| Cash and deposits                             | 1,289               | 1,981         | 1,993         | 1,953         | 2,128         |
| Accounts receivable and accrued revenue       | 1,801               | 2,302         | 2,543         | 2,553         | 2,646         |
| Inventories                                   | 5,637               | 6,299         | 6,996         | 6,980         | 7,679         |
| Investments                                   | 2,394               | 2,269         | 2,618         | 2,788         | 2,624         |
| Investments and accounts with affiliates      | 1,297               | 1,505         | 1,759         | 1,861         | 1,721         |
| Portfolio investments                         | 1,097               | 764           | 859           | 927           | 903           |
| Loans   | 242                 | 364           | 257           | 236           | 253           |
| Mortgages                                     | 39                  | 193           | 118           | 131           | 116           |
| Non-mortgages                                 | 202                 | 171           | 140           | 105           | 137           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 4,804               | 4,928         | 5,273         | 5,362         | 5,549         |
| Other assets                                  | 1,298               | 1,488         | 1,540         | 1,571         | 1,397         |
| <b>Liabilities</b>                            | <b>12,562</b>       | <b>13,338</b> | <b>14,787</b> | <b>14,981</b> | <b>15,112</b> |
| Accounts payable and accrued liabilities      | 4,250               | 5,014         | 5,653         | 5,896         | 6,246         |
| Loans and accounts with affiliates            | 3,771               | 3,845         | 4,400         | 4,567         | 4,448         |
| Borrowings                                    | 4,188               | 4,107         | 4,339         | 4,111         | 4,129         |
| Loans and overdrafts                          | 2,435               | 2,735         | 2,833         | 2,826         | 2,776         |
| From banks                                    | 2,005               | 2,325         | 2,176         | 2,160         | 2,124         |
| From others                                   | 429                 | 410           | 658           | 666           | 653           |
| Bankers' acceptances and paper                | 136                 | 235           | 324           | 118           | 164           |
| Bonds and debentures                          | 13                  | 132           | 129           | 79            | 73            |
| Mortgages                                     | 1,605               | 1,005         | 1,053         | 1,089         | 1,115         |
| Deferred income tax                           | 25                  | -19           | 34            | -5            | -31           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 328                 | 392           | 361           | 412           | 319           |
| <b>Equity</b>                                 | <b>4,903</b>        | <b>6,293</b>  | <b>6,433</b>  | <b>6,461</b>  | <b>7,165</b>  |
| Share capital                                 | 1,671               | 2,396         | 2,957         | 2,839         | 2,401         |
| Contributed surplus and other                 | 252                 | 290           | 414           | 358           | 354           |
| Retained earnings                             | 2,980               | 3,607         | 3,061         | 3,264         | 4,411         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>42,922</b>       | <b>47,809</b> | <b>53,046</b> | <b>55,589</b> | <b>58,063</b> |
| Sales of goods and services                   | 41,753              | 47,439        | 52,555        | 55,133        | 57,642        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 1,169               | 370           | 490           | 455           | 421           |
| <b>Operating expenses</b>                     | <b>41,567</b>       | <b>46,398</b> | <b>51,971</b> | <b>54,373</b> | <b>56,367</b> |
| Purchased goods, materials and service        | 34,839              | 38,415        | 42,822        | 45,113        | 46,711        |
| Wages, salaries and employee benefits         | 5,540               | 6,802         | 7,564         | 7,799         | 8,065         |
| Indirect taxes                                | ..                  | 231           | 239           | 275           | 328           |
| Depreciation, depletion and amortization      | 842                 | 698           | 938           | 790           | 787           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 347                 | 252           | 408           | 395           | 475           |
| <b>Operating profit/loss</b>                  | <b>1,354</b>        | <b>1,412</b>  | <b>1,074</b>  | <b>1,216</b>  | <b>1,696</b>  |
| Interest and dividend revenue                 | 102                 | 148           | 138           | 235           | 120           |
| Interest expense on borrowing                 | 762                 | 474           | 565           | 563           | 506           |
| Gains/losses                                  | 14                  | 86            | 66            | 64            | 34            |
| <b>Profit before income tax</b>               | <b>708</b>          | <b>1,171</b>  | <b>715</b>    | <b>952</b>    | <b>1,344</b>  |
| Income tax                                    | 247                 | 435           | 321           | 362           | 401           |
| Equity in affiliates' earnings                | 39                  | 29            | 4             | 22            | 25            |
| <b>Profit before extraordinary gains</b>      | <b>499</b>          | <b>766</b>    | <b>397</b>    | <b>613</b>    | <b>969</b>    |
| Extraordinary gains                           | -13                 | -4            | -12           | 11            | 10            |
| <b>Net profit</b>                             | <b>486</b>          | <b>762</b>    | <b>385</b>    | <b>624</b>    | <b>978</b>    |

Table 40-2

## Transportation and warehousing - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001         | 2002         |
|---|---------------------|------|---------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |              |              |
|   | millions of dollars |      |               |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>2,338</b>  | <b>1,266</b> | <b>3,156</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -86           | 621          | -1,352       |
| Plus: conceptual adjustments  | ..                  | ..   | -57           | 261          | -97          |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,221         | 942          | 1,100        |
| Plus: deferred income taxes   | ..                  | ..   | -23           | -2           | 175          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -89           | 11           | 210          |
| Deductible dividends  | ..                  | ..   | 1,032         | 1,541        | 836          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>2,450</b>  | <b>1,537</b> | <b>1,936</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 93            | 574          | 432          |
| Less: taxable capital gains   | ..                  | ..   | 301           | 297          | 383          |
| Net difference, capital gains and losses                            | ..                  | ..   | -208          | 277          | 50           |
| Resource allowance  | ..                  | ..   | 2             | 22           | 23           |
| Less: royalties   | ..                  | ..   | 1             | 35           | 31           |
| Net difference, resource allowance                                  | ..                  | ..   | 1             | -13          | -7           |
| Earned depletion allowance  | ..                  | ..   | ..            | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -278          | -136         | -123         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-485</b>   | <b>128</b>   | <b>-80</b>   |
| <b>Timing differences:</b>  |                     |      |               |              |              |
| Depreciation  | ..                  | ..   | 4,975         | 4,334        | 4,861        |
| Less: capital cost allowance  | ..                  | ..   | 4,966         | 4,380        | 4,516        |
| Net difference, depreciation  | ..                  | ..   | 8             | -46          | 345          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 10            | 56           | 68           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 4             | 48           | 44           |
| Net difference, natural resources expenses                          | ..                  | ..   | 7             | 8            | 24           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | -8            | 2            | 3            |
| Other timing differences  | ..                  | ..   | -1,030        | 69           | -1,294       |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-1,023</b> | <b>33</b>    | <b>-922</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>1,913</b>  | <b>1,442</b> | <b>1,094</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 1,421         | 1,343        | 2,381        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>3,334</b>  | <b>2,785</b> | <b>3,475</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 722           | 562          | 505          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>2,612</b>  | <b>2,224</b> | <b>2,970</b> |
| <b>Taxes:</b>   |                     |      |               |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,067         | 878          | 1,167        |
| Corporate surtax  | ..                  | ..   | 30            | 24           | 32           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |              |              |
| Federal tax abatement   | ..                  | ..   | 278           | 225          | 277          |
| Small business deduction  | ..                  | ..   | 137           | 145          | 163          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 5             | 3            | 2            |
| Investment tax credit   | ..                  | ..   | 3             | 14           | 16           |
| Other federal tax credits   | ..                  | ..   | 2             | 12           | 43           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>672</b>    | <b>502</b>   | <b>698</b>   |
| Other direct federal taxes  | ..                  | ..   | 87            | 23           | 42           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>760</b>    | <b>525</b>   | <b>740</b>   |
| Provincial income taxes   | ..                  | ..   | 276           | 242          | 327          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,036</b>  | <b>767</b>   | <b>1,066</b> |

Table 40-3

## Transportation and warehousing - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.627  | 1.567             | 1.415  | 1.694  | 1.617  |
| Profit margin (percent)                          | 4.9    | 6.7               | 5.8    | 4.6    | 6.9    |
| Return on equity (percent)                       | 6.8    | 6.8               | 6.2    | 3.6    | 8.7    |
| Return on capital employed (percent)             | 5.3    | 5.6               | 5.4    | 4.3    | 6.3    |
| Working capital (ratio)                          | 0.956  | 0.830             | 0.880  | 0.905  | 0.875  |
| Quick ratio (ratio)                              | 0.843  | 0.742             | 0.798  | 0.828  | 0.795  |
| Inventory turnover (ratio)                       | 35.152 | 41.687            | 43.524 | 46.462 | 47.010 |
| Receivables turnover (ratio)                     | 8.600  | 8.064             | 7.380  | 7.626  | 7.661  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 23.8   | 19.3   | 21.8   |
| Income taxes to taxable income (percent)         | ..     | ..                | 36.3   | 33.5   | 34.5   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | -2.5              | 8.2    | 4.4    | 5.0    |
| Operating expenses, year-over-year change        | ..     | -4.3              | 9.2    | 5.7    | 2.4    |
| Operating profit, year-over-year change          | ..     | 33.4              | -6.9   | -15.9  | 56.7   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -14.9  | 33.6   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -25.9  | 39.0   |

Table 41-1

## Telecommunications - Balance sheet and income statement

|   | 1998                | 1999          | 2000           | 2001           | 2002           |
|---|---------------------|---------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |               |                |                |                |
|   | millions of dollars |               |                |                |                |
| <b>Assets</b>                                 | <b>67,052</b>       | <b>76,375</b> | <b>102,599</b> | <b>112,336</b> | <b>97,828</b>  |
| Cash and deposits                             | 2,834               | 2,549         | 1,870          | 3,205          | 2,620          |
| Accounts receivable and accrued revenue       | 8,014               | 5,122         | 7,304          | 7,902          | 6,225          |
| Inventories                                   | 681                 | 496           | 784            | 670            | 507            |
| Investments                                   | 5,449               | 18,685        | 29,411         | 30,108         | 21,122         |
| Investments and accounts with affiliates      | 3,984               | 16,407        | 27,421         | 28,816         | 20,646         |
| Portfolio investments                         | 1,464               | 2,279         | 1,990          | 1,292          | 476            |
| Loans   | 140                 | 90            | 106            | 49             | 21             |
| Mortgages                                     | 12                  | 31            | 64             | 17             | 15             |
| Non-mortgages                                 | 128                 | 59            | 42             | 32             | 5              |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..             | ..             | ..             |
| Capital assets, net                           | 39,583              | 37,265        | 44,936         | 49,788         | 47,003         |
| Other assets                                  | 10,351              | 12,168        | 18,188         | 20,614         | 20,330         |
| <b>Liabilities</b>                            | <b>41,389</b>       | <b>46,553</b> | <b>65,327</b>  | <b>71,769</b>  | <b>73,362</b>  |
| Accounts payable and accrued liabilities      | 6,702               | 6,889         | 8,912          | 10,226         | 8,857          |
| Loans and accounts with affiliates            | 3,202               | 1,175         | 9,138          | 7,408          | 10,185         |
| Borrowings                                    | 29,031              | 34,960        | 41,306         | 47,060         | 47,725         |
| Loans and overdrafts                          | 2,338               | 6,106         | 5,609          | 5,813          | 6,413          |
| From banks                                    | 1,402               | 4,195         | 3,104          | 4,503          | 5,111          |
| From others                                   | 935                 | 1,911         | 2,505          | 1,310          | 1,302          |
| Bankers' acceptances and paper                | 1,947               | 2,749         | 7,507          | 3,054          | 3,519          |
| Bonds and debentures                          | 15,949              | 26,019        | 27,946         | 37,969         | 37,431         |
| Mortgages                                     | 8,798               | 87            | 243            | 224            | 363            |
| Deferred income tax                           | 599                 | 801           | 1,960          | 1,955          | 1,581          |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..             | ..             | ..             |
| Other liabilities                             | 1,855               | 2,728         | 4,011          | 5,120          | 5,014          |
| <b>Equity</b>                                 | <b>25,663</b>       | <b>29,822</b> | <b>37,273</b>  | <b>40,567</b>  | <b>24,466</b>  |
| Share capital                                 | 23,135              | 27,115        | 37,056         | 43,159         | 42,460         |
| Contributed surplus and other                 | 1,375               | 2,161         | 1,648          | -3,278         | -1,709         |
| Retained earnings                             | 1,153               | 546           | -1,432         | 686            | -16,285        |
| <b>Income statement</b>                       |                     |               |                |                |                |
| <b>Operating revenue</b>                      | <b>31,443</b>       | <b>33,034</b> | <b>36,547</b>  | <b>41,161</b>  | <b>40,286</b>  |
| Sales of goods and services                   | 29,801              | 32,800        | 36,052         | 40,632         | 39,701         |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..             | ..             | ..             |
| Other operating revenue                       | 1,641               | 234           | 495            | 529            | 585            |
| <b>Operating expenses</b>                     | <b>27,000</b>       | <b>28,501</b> | <b>31,116</b>  | <b>37,386</b>  | <b>35,546</b>  |
| Purchased goods, materials and service        | 16,407              | 15,184        | 13,644         | 19,518         | 18,207         |
| Wages, salaries and employee benefits         | 4,053               | 5,795         | 8,024          | 8,782          | 8,239          |
| Indirect taxes                                | ..                  | 730           | 725            | 664            | 611            |
| Depreciation, depletion and amortization      | 5,928               | 6,196         | 6,569          | 8,081          | 7,501          |
| Interest expense (operating)                  | ..                  | ..            | ..             | ..             | ..             |
| Other operating expenses                      | 613                 | 596           | 2,155          | 342            | 988            |
| <b>Operating profit/loss</b>                  | <b>4,442</b>        | <b>4,533</b>  | <b>5,431</b>   | <b>3,775</b>   | <b>4,739</b>   |
| Interest and dividend revenue                 | 254                 | 564           | 740            | 1,340          | 624            |
| Interest expense on borrowing                 | 2,601               | 2,899         | 3,061          | 4,383          | 4,119          |
| Gains/losses                                  | -608                | 1,118         | 283            | -1,056         | -11,907        |
| <b>Profit before income tax</b>               | <b>1,487</b>        | <b>3,315</b>  | <b>3,394</b>   | <b>-323</b>    | <b>-10,662</b> |
| Income tax                                    | 569                 | 1,719         | 2,089          | 431            | 1,092          |
| Equity in affiliates' earnings                | 596                 | 186           | -45            | 534            | -123           |
| <b>Profit before extraordinary gains</b>      | <b>1,514</b>        | <b>1,782</b>  | <b>1,260</b>   | <b>-220</b>    | <b>-11,878</b> |
| Extraordinary gains                           | -2                  | -8            | -4             | -4             | -1             |
| <b>Net profit</b>                             | <b>1,511</b>        | <b>1,773</b>  | <b>1,256</b>   | <b>-224</b>    | <b>-11,878</b> |

Table 41-2

## Telecommunications - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001         | 2002           |
|---|---------------------|------|---------------|--------------|----------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |              |                |
|   | millions of dollars |      |               |              |                |
| <b>Net profit</b>   | ..                  | ..   | <b>1,256</b>  | <b>-224</b>  | <b>-11,878</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -204          | -190         | -71            |
| Plus: conceptual adjustments  | ..                  | ..   | 162           | 137          | 97             |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,455         | 1,212        | 1,363          |
| Plus: deferred income taxes   | ..                  | ..   | 386           | -269         | -74            |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 110           | 130          | 108            |
| Deductible dividends  | ..                  | ..   | 1,177         | 1,508        | 1,504          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,769</b>  | <b>-972</b>  | <b>-12,176</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |              |                |
| Book capital gains and losses                                       | ..                  | ..   | 495           | 173          | 267            |
| Less: taxable capital gains   | ..                  | ..   | 218           | 376          | 207            |
| Net difference, capital gains and losses                            | ..                  | ..   | 277           | -202         | 59             |
| Resource allowance  | ..                  | ..   | ..            | ..           | ..             |
| Less: royalties   | ..                  | ..   | ..            | ..           | ..             |
| Net difference, resource allowance                                  | ..                  | ..   | ..            | ..           | ..             |
| Earned depletion allowance  | ..                  | ..   | ..            | ..           | ..             |
| Other exemptions and deductions                                     | ..                  | ..   | -29           | -256         | 43             |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>248</b>    | <b>-458</b>  | <b>103</b>     |
| <b>Timing differences:</b>  |                     |      |               |              |                |
| Depreciation  | ..                  | ..   | 5,509         | 6,595        | 8,314          |
| Less: capital cost allowance  | ..                  | ..   | 6,682         | 5,521        | 6,286          |
| Net difference, depreciation  | ..                  | ..   | -1,173        | 1,074        | 2,027          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..            | ..           | ..             |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..            | ..           | ..             |
| Net difference, natural resources expenses                          | ..                  | ..   | ..            | ..           | ..             |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 6             | 5            | 1              |
| Other timing differences  | ..                  | ..   | -387          | -697         | 7,944          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-1,554</b> | <b>383</b>   | <b>9,972</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>-33</b>    | <b>-131</b>  | <b>-2,307</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 2,920         | 4,104        | 6,415          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>2,887</b>  | <b>3,973</b> | <b>4,109</b>   |
| Less: prior year losses applied                                     | ..                  | ..   | 550           | 1,067        | 1,181          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>2,337</b>  | <b>2,906</b> | <b>2,928</b>   |
| <b>Taxes:</b>   |                     |      |               |              |                |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 972           | 1,182        | 1,190          |
| Corporate surtax  | ..                  | ..   | 29            | 35           | 35             |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |              |                |
| Federal tax abatement   | ..                  | ..   | 255           | 311          | 313            |
| Small business deduction  | ..                  | ..   | 6             | 6            | 6              |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 1             | ..           | ..             |
| Investment tax credit   | ..                  | ..   | 91            | 259          | 260            |
| Other federal tax credits   | ..                  | ..   | 2             | 29           | 38             |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>647</b>    | <b>612</b>   | <b>608</b>     |
| Other direct federal taxes  | ..                  | ..   | 113           | 92           | 92             |
| <b>Total federal tax</b>  | ..                  | ..   | <b>760</b>    | <b>704</b>   | <b>700</b>     |
| Provincial income taxes   | ..                  | ..   | 323           | 364          | 392            |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,083</b>  | <b>1,068</b> | <b>1,092</b>   |

Table 41-3

## Telecommunications - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.256  | 1.212             | 1.353  | 1.343  | 2.367  |
| Profit margin (percent)                          | 14.1   | 13.7              | 14.9   | 9.2    | 11.8   |
| Return on equity (percent)                       | 5.9    | 6.0               | 3.4    | -0.5   | -48.5  |
| Return on capital employed (percent)             | 6.1    | 5.9               | 3.9    | 3.4    | -10.4  |
| Working capital (ratio)                          | 1.253  | 0.866             | 0.541  | 0.662  | 0.422  |
| Quick ratio (ratio)                              | 1.187  | 0.822             | 0.503  | 0.628  | 0.402  |
| Inventory turnover (ratio)                       | 46.201 | 66.631            | 46.616 | 61.446 | 79.406 |
| Receivables turnover (ratio)                     | 3.923  | 6.449             | 5.004  | 5.209  | 6.471  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 27.8   | 32.9   | 29.6   |
| Income taxes to taxable income (percent)         | ..     | ..                | 41.5   | 33.6   | 34.1   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 5.1               | 10.6   | 12.6   | -2.1   |
| Operating expenses, year-over-year change        | ..     | 5.6               | 9.2    | 20.2   | -4.9   |
| Operating profit, year-over-year change          | ..     | 2.0               | 19.8   | -30.5  | 25.5   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 24.4   | 0.7    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -1.3   | 2.2    |

Table 42-1

## Publishing and broadcasting - Balance sheet and income statement

|   | 1998          | 1999          | 2000          | 2001          | 2002          |
|---|---------------|---------------|---------------|---------------|---------------|
| millions of dollars                           |               |               |               |               |               |
| <b>Balance sheet</b>                          |               |               |               |               |               |
| <b>Assets</b>                                 | <b>41,323</b> | <b>47,566</b> | <b>52,517</b> | <b>57,293</b> | <b>66,314</b> |
| Cash and deposits                             | 1,665         | 2,510         | 2,928         | 3,129         | 3,069         |
| Accounts receivable and accrued revenue       | 4,952         | 5,659         | 6,375         | 6,603         | 7,452         |
| Inventories                                   | 1,275         | 1,187         | 1,609         | 1,474         | 1,629         |
| Investments                                   | 20,765        | 24,550        | 24,478        | 25,381        | 29,052        |
| Investments and accounts with affiliates      | 18,743        | 23,146        | 22,479        | 22,885        | 26,759        |
| Portfolio investments                         | 2,021         | 1,404         | 1,999         | 2,496         | 2,293         |
| Loans   | 251           | 358           | 349           | 360           | 206           |
| Mortgages                                     | 44            | 211           | 108           | 110           | 51            |
| Non-mortgages                                 | 207           | 147           | 241           | 250           | 155           |
| Bank customers' liabilities under acceptances | ..            | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 5,102         | 6,150         | 6,926         | 7,134         | 7,439         |
| Other assets                                  | 7,312         | 7,153         | 9,851         | 13,212        | 17,466        |
| <b>Liabilities</b>                            | <b>26,112</b> | <b>25,699</b> | <b>24,966</b> | <b>31,573</b> | <b>38,625</b> |
| Accounts payable and accrued liabilities      | 4,939         | 5,461         | 5,664         | 5,941         | 6,333         |
| Loans and accounts with affiliates            | 11,552        | 10,607        | 8,190         | 11,089        | 15,644        |
| Borrowings                                    | 7,256         | 7,570         | 9,126         | 12,260        | 13,734        |
| Loans and overdrafts                          | 4,402         | 6,420         | 5,209         | 9,961         | 11,256        |
| From banks                                    | 4,018         | 5,307         | 4,460         | 9,318         | 10,663        |
| From others                                   | 384           | 1,113         | 749           | 643           | 593           |
| Bankers' acceptances and paper                | 554           | 606           | 802           | 80            | 248           |
| Bonds and debentures                          | 994           | 357           | 2,581         | 1,275         | 1,770         |
| Mortgages                                     | 1,306         | 187           | 534           | 945           | 460           |
| Deferred income tax                           | 655           | 475           | 257           | 579           | 803           |
| Bank customers' liabilities under acceptances | ..            | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,710         | 1,584         | 1,730         | 1,703         | 2,112         |
| <b>Equity</b>                                 | <b>15,211</b> | <b>21,868</b> | <b>27,551</b> | <b>25,720</b> | <b>27,689</b> |
| Share capital                                 | 13,165        | 18,364        | 26,779        | 30,321        | 34,818        |
| Contributed surplus and other                 | 1,352         | 2,883         | 3,781         | 3,782         | 3,331         |
| Retained earnings                             | 694           | 620           | -3,009        | -8,382        | -10,461       |
| <b>Income statement</b>                       |               |               |               |               |               |
| <b>Operating revenue</b>                      | <b>24,508</b> | <b>27,134</b> | <b>29,532</b> | <b>29,645</b> | <b>31,397</b> |
| Sales of goods and services                   | 23,832        | 26,265        | 28,516        | 28,340        | 29,894        |
| Interest and dividend revenue (operating)     | ..            | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 676           | 869           | 1,016         | 1,305         | 1,503         |
| <b>Operating expenses</b>                     | <b>22,425</b> | <b>25,141</b> | <b>27,519</b> | <b>28,275</b> | <b>30,198</b> |
| Purchased goods, materials and service        | 17,143        | 16,173        | 16,557        | 18,569        | 19,497        |
| Wages, salaries and employee benefits         | 3,268         | 5,432         | 7,542         | 6,717         | 7,046         |
| Indirect taxes                                | ..            | 671           | 187           | 283           | 292           |
| Depreciation, depletion and amortization      | 1,088         | 1,780         | 1,633         | 1,901         | 2,094         |
| Interest expense (operating)                  | ..            | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 926           | 1,084         | 1,600         | 805           | 1,269         |
| <b>Operating profit/loss</b>                  | <b>2,083</b>  | <b>1,993</b>  | <b>2,013</b>  | <b>1,370</b>  | <b>1,199</b>  |
| Interest and dividend revenue                 | 731           | 792           | 451           | 231           | 278           |
| Interest expense on borrowing                 | 933           | 987           | 860           | 1,184         | 1,204         |
| Gains/losses                                  | 349           | 443           | 1,911         | 931           | -304          |
| <b>Profit before income tax</b>               | <b>2,230</b>  | <b>2,241</b>  | <b>3,514</b>  | <b>1,347</b>  | <b>-31</b>    |
| Income tax                                    | 818           | 716           | 1,180         | 493           | 510           |
| Equity in affiliates' earnings                | 339           | 386           | 97            | ..            | -76           |
| <b>Profit before extraordinary gains</b>      | <b>1,751</b>  | <b>1,911</b>  | <b>2,431</b>  | <b>855</b>    | <b>-616</b>   |
| Extraordinary gains                           | ..            | -7            | -15           | 6             | ..            |
| <b>Net profit</b>                             | <b>1,751</b>  | <b>1,904</b>  | <b>2,416</b>  | <b>861</b>    | <b>-616</b>   |

Table 42-2

## Publishing and broadcasting - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002          |
|---|---------------------|------|--------------|--------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |               |
|   | millions of dollars |      |              |              |               |
| <b>Net profit</b>   | ..                  | ..   | <b>2,416</b> | <b>861</b>   | <b>-616</b>   |
| Plus: consolidation adjustments                                     | ..                  | ..   | 377          | -216         | -500          |
| Plus: conceptual adjustments  | ..                  | ..   | -111         | 230          | 292           |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,197        | 677          | 691           |
| Plus: deferred income taxes   | ..                  | ..   | -174         | 16           | -96           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 74           | 16           | 42            |
| Deductible dividends  | ..                  | ..   | 192          | 1,534        | 872           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>3,439</b> | <b>19</b>    | <b>-1,144</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |               |
| Book capital gains and losses                                       | ..                  | ..   | 1,863        | 75           | 150           |
| Less: taxable capital gains   | ..                  | ..   | 1,374        | 271          | 173           |
| Net difference, capital gains and losses                            | ..                  | ..   | 490          | -195         | -23           |
| Resource allowance  | ..                  | ..   | ..           | ..           | ..            |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..            |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..            |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..            |
| Other exemptions and deductions                                     | ..                  | ..   | -100         | -101         | -92           |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>390</b>   | <b>-296</b>  | <b>-116</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |               |
| Depreciation  | ..                  | ..   | 1,432        | 1,787        | 2,010         |
| Less: capital cost allowance  | ..                  | ..   | 2,180        | 1,589        | 2,242         |
| Net difference, depreciation  | ..                  | ..   | -748         | 198          | -231          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 12           | 7            | 3             |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..           | ..            |
| Net difference, natural resources expenses                          | ..                  | ..   | 12           | 7            | 3             |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | 2            | 2             |
| Other timing differences  | ..                  | ..   | 672          | 397          | 1,145         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-64</b>   | <b>604</b>   | <b>918</b>    |
| <b>Net taxable income</b>   | ..                  | ..   | <b>2,985</b> | <b>919</b>   | <b>-110</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 1,068        | 1,654        | 2,166         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>4,053</b> | <b>2,573</b> | <b>2,057</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 273          | 842          | 460           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>3,780</b> | <b>1,731</b> | <b>1,596</b>  |
| <b>Taxes:</b>   |                     |      |              |              |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,554        | 690          | 715           |
| Corporate surtax  | ..                  | ..   | 33           | 20           | 20            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |               |
| Federal tax abatement   | ..                  | ..   | 390          | 179          | 186           |
| Small business deduction  | ..                  | ..   | 50           | 53           | 56            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 28           | 24           | 22            |
| Investment tax credit   | ..                  | ..   | 37           | 41           | 29            |
| Other federal tax credits   | ..                  | ..   | 3            | 9            | 27            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>1,079</b> | <b>403</b>   | <b>415</b>    |
| Other direct federal taxes  | ..                  | ..   | 27           | 7            | 23            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>1,106</b> | <b>410</b>   | <b>438</b>    |
| Provincial income taxes   | ..                  | ..   | 370          | 214          | 212           |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,476</b> | <b>624</b>   | <b>650</b>    |



Table 42-3

## Publishing and broadcasting - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.236  | 0.831             | 0.628  | 0.908  | 1.061  |
| Profit margin (percent)                          | 8.5    | 7.3               | 6.8    | 4.6    | 3.8    |
| Return on equity (percent)                       | 11.5   | 8.7               | 8.8    | 3.3    | -2.2   |
| Return on capital employed (percent)             | 7.2    | 6.6               | 6.8    | 3.7    | 0.6    |
| Working capital (ratio)                          | 1.120  | 0.885             | 1.068  | 0.923  | 0.857  |
| Quick ratio (ratio)                              | 0.983  | 0.786             | 0.949  | 0.833  | 0.772  |
| Inventory turnover (ratio)                       | 19.223 | 22.858            | 18.349 | 20.110 | 19.273 |
| Receivables turnover (ratio)                     | 4.949  | 4.795             | 4.633  | 4.490  | 4.213  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 30.3   | 25.8   | 31.5   |
| Income taxes to taxable income (percent)         | ..     | ..                | 38.3   | 35.6   | 39.3   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 10.7              | 8.8    | 0.4    | 5.9    |
| Operating expenses, year-over-year change        | ..     | 12.1              | 9.5    | 2.7    | 6.8    |
| Operating profit, year-over-year change          | ..     | -4.3              | 1.0    | -32.0  | -12.5  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -54.2  | -7.8   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -57.7  | 4.2    |

Table 43-1

## Banking and other depository credit intermediation - Balance sheet and income statement

|   | 1998                | 1999             | 2000             | 2001             | 2002             |
|---|---------------------|------------------|------------------|------------------|------------------|
| <b>Balance sheet</b>                          |                     |                  |                  |                  |                  |
|   | millions of dollars |                  |                  |                  |                  |
| <b>Assets</b>                                 | ..                  | <b>1,099,302</b> | <b>1,159,218</b> | <b>1,248,191</b> | <b>1,290,524</b> |
| Cash and deposits                             | ..                  | 39,953           | 37,127           | 41,204           | 36,478           |
| Accounts receivable and accrued revenue       | ..                  | 5,815            | 6,294            | 5,715            | 5,461            |
| Inventories                                   | ..                  | ..               | 1                | 1                | 3                |
| Investments                                   | ..                  | 296,554          | 320,814          | 367,118          | 393,330          |
| Investments and accounts with affiliates      | ..                  | 70,645           | 73,054           | 88,141           | 94,885           |
| Portfolio investments                         | ..                  | 225,909          | 247,760          | 278,977          | 298,445          |
| Loans   | ..                  | 619,468          | 662,592          | 708,554          | 740,654          |
| Mortgages                                     | ..                  | 263,985          | 294,384          | 320,529          | 341,286          |
| Non-mortgages                                 | ..                  | 355,483          | 368,208          | 388,025          | 399,369          |
| Bank customers' liabilities under acceptances | ..                  | 48,577           | 53,362           | 45,634           | 38,860           |
| Capital assets, net                           | ..                  | 7,316            | 8,368            | 7,718            | 7,301            |
| Other assets                                  | ..                  | 81,620           | 70,660           | 72,246           | 68,437           |
| <b>Liabilities</b>                            | ..                  | <b>1,032,448</b> | <b>1,089,281</b> | <b>1,169,041</b> | <b>1,209,261</b> |
| Accounts payable and accrued liabilities      | ..                  | 11,580           | 12,181           | 11,595           | 11,192           |
| Loans and accounts with affiliates            | ..                  | 51,825           | 44,246           | 51,827           | 53,201           |
| Borrowings                                    | ..                  | 27,319           | 25,435           | 26,930           | 23,252           |
| Loans and overdrafts                          | ..                  | 5,978            | 2,068            | 4,377            | 2,715            |
| From banks                                    | ..                  | 70               | 107              | 1,728            | 921              |
| From others                                   | ..                  | 5,908            | 1,960            | 2,649            | 1,794            |
| Bankers' acceptances and paper                | ..                  | 167              | 648              | 207              | 181              |
| Bonds and debentures                          | ..                  | 21,025           | 22,491           | 22,202           | 20,128           |
| Mortgages                                     | ..                  | 149              | 228              | 144              | 227              |
| Deferred income tax                           | ..                  | -1,158           | 1,788            | 821              | 670              |
| Bank customers' liabilities under acceptances | ..                  | 48,577           | 53,362           | 45,634           | 38,777           |
| Other liabilities                             | ..                  | 894,306          | 952,270          | 1,032,234        | 1,082,168        |
| <b>Equity</b>                                 | ..                  | <b>66,855</b>    | <b>69,937</b>    | <b>79,149</b>    | <b>81,263</b>    |
| Share capital                                 | ..                  | 31,635           | 33,221           | 36,035           | 36,089           |
| Contributed surplus and other                 | ..                  | 903              | 1,453            | 4,269            | 4,624            |
| Retained earnings                             | ..                  | 34,316           | 35,262           | 38,845           | 40,550           |
| <b>Income statement</b>                       |                     |                  |                  |                  |                  |
| <b>Operating revenue</b>                      | ..                  | <b>76,978</b>    | <b>86,167</b>    | <b>85,531</b>    | <b>73,816</b>    |
| Sales of goods and services                   | ..                  | 14,917           | 18,998           | 18,158           | 17,654           |
| Interest and dividend revenue (operating)     | ..                  | 56,302           | 61,027           | 61,823           | 51,268           |
| Other operating revenue                       | ..                  | 5,759            | 6,142            | 5,550            | 4,894            |
| <b>Operating expenses</b>                     | ..                  | <b>58,578</b>    | <b>66,897</b>    | <b>67,758</b>    | <b>58,951</b>    |
| Purchased goods, materials and service        | ..                  | 6,952            | 18,777           | 19,192           | 21,950           |
| Wages, salaries and employee benefits         | ..                  | 11,796           | 12,269           | 16,031           | 16,181           |
| Indirect taxes                                | ..                  | 779              | 2,844            | 725              | 591              |
| Depreciation, depletion and amortization      | ..                  | 1,618            | 1,623            | 3,254            | 2,582            |
| Interest expense (operating)                  | ..                  | 26,642           | 29,673           | 28,196           | 17,409           |
| Other operating expenses                      | ..                  | 10,792           | 1,711            | 359              | 238              |
| <b>Operating profit/loss</b>                  | ..                  | <b>18,400</b>    | <b>19,270</b>    | <b>17,773</b>    | <b>14,865</b>    |
| Interest and dividend revenue                 | ..                  | ..               | ..               | ..               | ..               |
| Interest expense on borrowing                 | ..                  | 6,714            | 7,068            | 7,389            | 5,241            |
| Gains/losses                                  | ..                  | -70              | 1                | 21               | 7                |
| <b>Profit before income tax</b>               | ..                  | <b>11,615</b>    | <b>12,204</b>    | <b>10,406</b>    | <b>9,631</b>     |
| Income tax                                    | ..                  | 2,919            | 2,736            | 2,041            | 944              |
| Equity in affiliates' earnings                | ..                  | 1                | -1               | ..               | ..               |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>8,697</b>     | <b>9,467</b>     | <b>8,365</b>     | <b>8,687</b>     |
| Extraordinary gains                           | ..                  | ..               | -3               | ..               | ..               |
| <b>Net profit</b>                             | ..                  | <b>8,697</b>     | <b>9,465</b>     | <b>8,365</b>     | <b>8,687</b>     |

Table 43-2

## Banking and other depository credit intermediation - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>9,465</b> | <b>8,365</b> | <b>8,687</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -264         | -441         | -513         |
| Plus: conceptual adjustments  | ..                  | ..   | 3,963        | 7,573        | 5,729        |
| Plus: current taxes, including mining                               | ..                  | ..   | 4,583        | 3,901        | 3,167        |
| Plus: deferred income taxes   | ..                  | ..   | -62          | -34          | 348          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 4,770        | 4,399        | 4,671        |
| Deductible dividends  | ..                  | ..   | 3,931        | 7,788        | 7,743        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>8,984</b> | <b>7,176</b> | <b>5,005</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 322          | 1,245        | 337          |
| Less: taxable capital gains   | ..                  | ..   | 164          | 691          | 208          |
| Net difference, capital gains and losses                            | ..                  | ..   | 159          | 554          | 128          |
| Resource allowance  | ..                  | ..   | ..           | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -48          | 74           | -31          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>111</b>   | <b>628</b>   | <b>97</b>    |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 578          | 847          | 934          |
| Less: capital cost allowance  | ..                  | ..   | 1,124        | 1,102        | 1,401        |
| Net difference, depreciation  | ..                  | ..   | -546         | -254         | -467         |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..           | ..           | ..           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..           | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | ..           | ..           | ..           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | 30           | -138         |
| Other timing differences  | ..                  | ..   | 938          | -351         | 2,414        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>392</b>   | <b>-575</b>  | <b>1,809</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>9,266</b> | <b>5,973</b> | <b>6,717</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 379          | 434          | 501          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>9,645</b> | <b>6,407</b> | <b>7,217</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 148          | 274          | 1,186        |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>9,497</b> | <b>6,133</b> | <b>6,031</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 3,675        | 2,666        | 2,577        |
| Corporate surtax  | ..                  | ..   | 108          | 78           | 76           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 839          | 642          | 613          |
| Small business deduction  | ..                  | ..   | ..           | ..           | ..           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..           | ..           | ..           |
| Investment tax credit   | ..                  | ..   | ..           | 3            | 1            |
| Other federal tax credits   | ..                  | ..   | 658          | 368          | 336          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>2,286</b> | <b>1,732</b> | <b>1,702</b> |
| Other direct federal taxes  | ..                  | ..   | 161          | 280          | 183          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>2,447</b> | <b>2,011</b> | <b>1,885</b> |
| Provincial income taxes   | ..                  | ..   | 1,115        | 846          | 795          |
| <b>Total taxes</b>  | ..                  | ..   | <b>3,562</b> | <b>2,857</b> | <b>2,680</b> |

Table 43-3

## Banking and other depository credit intermediation - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 1.184 | 0.996             | 0.995 | 0.941 |
| Profit margin (percent)                          | ..   | 23.9  | 22.4              | 20.8  | 20.1  |
| Return on equity (percent)                       | ..   | 13.0  | 13.5              | 10.6  | 10.7  |
| Return on capital employed (percent)             | ..   | 9.1   | 10.4              | 9.1   | 7.8   |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | 38.4              | 38.8  | 47.7  |
| Income taxes to taxable income (percent)         | ..   | ..    | 35.8              | 42.0  | 41.4  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 11.9              | -0.7  | -13.7 |
| Operating expenses, year-over-year change        | ..   | ..    | 14.2              | 1.3   | -13.0 |
| Operating profit, year-over-year change          | ..   | ..    | 4.7               | -7.8  | -16.4 |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | -35.4 | -1.7  |
| Taxes, year-over-year change                     | ..   | ..    | ..                | -19.8 | -6.2  |

Table 44-1

## Non-depository credit intermediation - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | ..                  | <b>152,155</b> | <b>159,121</b> | <b>161,901</b> | <b>171,378</b> |
| Cash and deposits                             | ..                  | 6,688          | 4,959          | 8,442          | 7,366          |
| Accounts receivable and accrued revenue       | ..                  | 7,904          | 5,264          | 5,003          | 5,402          |
| Inventories                                   | ..                  | 247            | 185            | 172            | 198            |
| Investments                                   | ..                  | 35,647         | 36,624         | 33,229         | 33,558         |
| Investments and accounts with affiliates      | ..                  | 28,745         | 28,287         | 24,924         | 23,291         |
| Portfolio investments                         | ..                  | 6,902          | 8,337          | 8,305          | 10,268         |
| Loans   | ..                  | 85,748         | 97,306         | 99,640         | 107,382        |
| Mortgages                                     | ..                  | 26,532         | 24,400         | 23,060         | 24,661         |
| Non-mortgages                                 | ..                  | 59,216         | 72,906         | 76,580         | 82,721         |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | ..                  | 13,145         | 12,329         | 13,131         | 15,592         |
| Other assets                                  | ..                  | 2,777          | 2,454          | 2,283          | 1,879          |
| <b>Liabilities</b>                            | ..                  | <b>139,105</b> | <b>140,210</b> | <b>142,002</b> | <b>153,762</b> |
| Accounts payable and accrued liabilities      | ..                  | 4,290          | 5,113          | 4,896          | 4,670          |
| Loans and accounts with affiliates            | ..                  | 26,153         | 26,560         | 27,575         | 29,349         |
| Borrowings                                    | ..                  | 98,068         | 98,022         | 98,559         | 103,851        |
| Loans and overdrafts                          | ..                  | 10,144         | 11,209         | 4,584          | 5,136          |
| From banks                                    | ..                  | 6,619          | 5,012          | 2,124          | 3,030          |
| From others                                   | ..                  | 3,525          | 6,197          | 2,460          | 2,106          |
| Bankers' acceptances and paper                | ..                  | 33,538         | 29,337         | 26,339         | 26,093         |
| Bonds and debentures                          | ..                  | 52,365         | 54,670         | 65,868         | 70,694         |
| Mortgages                                     | ..                  | 2,020          | 2,806          | 1,768          | 1,928          |
| Deferred income tax                           | ..                  | 640            | 821            | 734            | 857            |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | ..                  | 9,954          | 9,693          | 10,238         | 15,035         |
| <b>Equity</b>                                 | ..                  | <b>13,049</b>  | <b>18,911</b>  | <b>19,899</b>  | <b>17,616</b>  |
| Share capital                                 | ..                  | 11,298         | 11,654         | 11,656         | 11,598         |
| Contributed surplus and other                 | ..                  | 2,551          | 2,772          | 2,655          | 3,125          |
| Retained earnings                             | ..                  | -800           | 4,484          | 5,589          | 2,893          |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | ..                  | <b>17,767</b>  | <b>19,262</b>  | <b>19,432</b>  | <b>19,764</b>  |
| Sales of goods and services                   | ..                  | 3,964          | 3,183          | 3,734          | 3,984          |
| Interest and dividend revenue (operating)     | ..                  | 11,700         | 13,534         | 13,189         | 12,577         |
| Other operating revenue                       | ..                  | 2,102          | 2,545          | 2,509          | 3,204          |
| <b>Operating expenses</b>                     | ..                  | <b>10,616</b>  | <b>10,643</b>  | <b>10,969</b>  | <b>11,384</b>  |
| Purchased goods, materials and service        | ..                  | 3,979          | 4,257          | 6,028          | 6,282          |
| Wages, salaries and employee benefits         | ..                  | 1,845          | 1,389          | 1,315          | 1,406          |
| Indirect taxes                                | ..                  | 252            | 514            | 126            | 132            |
| Depreciation, depletion and amortization      | ..                  | 2,510          | 2,347          | 2,087          | 2,371          |
| Interest expense (operating)                  | ..                  | 1,082          | 1,388          | 1,068          | 741            |
| Other operating expenses                      | ..                  | 948            | 749            | 345            | 452            |
| <b>Operating profit/loss</b>                  | ..                  | <b>7,150</b>   | <b>8,619</b>   | <b>8,463</b>   | <b>8,380</b>   |
| Interest and dividend revenue                 | ..                  | 378            | 275            | ..             | 101            |
| Interest expense on borrowing                 | ..                  | 5,386          | 6,243          | 6,147          | 5,056          |
| Gains/losses                                  | ..                  | -627           | -807           | -30            | -13            |
| <b>Profit before income tax</b>               | ..                  | <b>1,515</b>   | <b>1,844</b>   | <b>2,286</b>   | <b>3,412</b>   |
| Income tax                                    | ..                  | 654            | 561            | 934            | 837            |
| Equity in affiliates' earnings                | ..                  | 56             | 98             | 122            | 93             |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>917</b>     | <b>1,380</b>   | <b>1,473</b>   | <b>2,669</b>   |
| Extraordinary gains                           | ..                  | -21            | -12            | -17            | -1             |
| <b>Net profit</b>                             | ..                  | <b>896</b>     | <b>1,369</b>   | <b>1,456</b>   | <b>2,667</b>   |

Table 44-2

## Non-depository credit intermediation - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>1,369</b> | <b>1,456</b> | <b>2,667</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 33           | 78           | 85           |
| Plus: conceptual adjustments  | ..                  | ..   | -690         | -317         | -391         |
| Plus: current taxes, including mining                               | ..                  | ..   | 362          | 524          | 796          |
| Plus: deferred income taxes   | ..                  | ..   | -73          | 67           | 168          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 340          | 117          | 387          |
| Deductible dividends  | ..                  | ..   | 553          | 507          | 486          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>107</b>   | <b>1,184</b> | <b>2,452</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 32           | 66           | 384          |
| Less: taxable capital gains   | ..                  | ..   | 130          | 77           | 141          |
| Net difference, capital gains and losses                            | ..                  | ..   | -98          | -11          | 243          |
| Resource allowance  | ..                  | ..   | ..           | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -38          | 1            | -35          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-135</b>  | <b>-10</b>   | <b>208</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 5,813        | 2,604        | 2,762        |
| Less: capital cost allowance  | ..                  | ..   | 8,571        | 5,768        | 5,581        |
| Net difference, depreciation  | ..                  | ..   | -2,758       | -3,164       | -2,819       |
| Natural resources expenses, (books)                                 | ..                  | ..   | 2            | 3            | 4            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 2            | 2            | 2            |
| Net difference, natural resources expenses                          | ..                  | ..   | ..           | 1            | 2            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 1            | -2           | ..           |
| Other timing differences  | ..                  | ..   | 3,225        | 3,416        | 2,312        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>468</b>   | <b>251</b>   | <b>-506</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>711</b>   | <b>1,445</b> | <b>1,738</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 515          | 627          | 619          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>1,226</b> | <b>2,072</b> | <b>2,357</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 119          | 739          | 678          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,107</b> | <b>1,333</b> | <b>1,679</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 466          | 514          | 660          |
| Corporate surtax  | ..                  | ..   | 13           | 14           | 19           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 116          | 130          | 169          |
| Small business deduction  | ..                  | ..   | 9            | 10           | 11           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..           | 1            | ..           |
| Investment tax credit   | ..                  | ..   | ..           | ..           | ..           |
| Other federal tax credits   | ..                  | ..   | 2            | 9            | 24           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>353</b>   | <b>379</b>   | <b>474</b>   |
| Other direct federal taxes  | ..                  | ..   | 100          | 48           | 33           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>453</b>   | <b>427</b>   | <b>508</b>   |
| Provincial income taxes   | ..                  | ..   | 164          | 168          | 206          |
| <b>Total taxes</b>  | ..                  | ..   | <b>616</b>   | <b>595</b>   | <b>714</b>   |

Table 44-3

## Non-depository credit intermediation - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 9.519 | 6.588             | 6.339 | 7.561 |
| Profit margin (percent)                          | ..   | 40.2  | 44.7              | 43.6  | 42.4  |
| Return on equity (percent)                       | ..   | 7.0   | 7.3               | 7.4   | 15.1  |
| Return on capital employed (percent)             | ..   | 3.8   | 4.6               | 4.4   | 4.6   |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | 51.2              | 31.4  | 22.1  |
| Income taxes to taxable income (percent)         | ..   | ..    | 46.7              | 41.0  | 40.5  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 8.4               | 0.9   | 1.7   |
| Operating expenses, year-over-year change        | ..   | ..    | 0.3               | 3.1   | 3.8   |
| Operating profit, year-over-year change          | ..   | ..    | 20.5              | -1.8  | -1.0  |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | 20.5  | 25.9  |
| Taxes, year-over-year change                     | ..   | ..    | ..                | -3.4  | 19.9  |

Table 45-1

## Credit unions - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | ..                  | <b>147,033</b> | <b>156,470</b> | <b>151,962</b> | <b>163,487</b> |
| Cash and deposits                             | ..                  | 23,842         | 25,762         | 13,464         | 14,579         |
| Accounts receivable and accrued revenue       | ..                  | 1,008          | 1,363          | 896            | 1,015          |
| Inventories                                   | ..                  | ..             | ..             | ..             | 1              |
| Investments                                   | ..                  | 16,812         | 19,485         | 24,662         | 23,909         |
| Investments and accounts with affiliates      | ..                  | 1,147          | 1,572          | 4,378          | 4,852          |
| Portfolio investments                         | ..                  | 15,665         | 17,913         | 20,284         | 19,057         |
| Loans   | ..                  | 101,963        | 107,632        | 109,553        | 119,391        |
| Mortgages                                     | ..                  | 62,749         | 66,350         | 71,152         | 76,849         |
| Non-mortgages                                 | ..                  | 39,214         | 41,282         | 38,401         | 42,541         |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | ..                  | 2,347          | 2,720          | 1,974          | 2,085          |
| Other assets                                  | ..                  | 1,061          | -492           | 1,412          | 2,509          |
| <b>Liabilities</b>                            | ..                  | <b>137,237</b> | <b>145,950</b> | <b>141,092</b> | <b>151,923</b> |
| Accounts payable and accrued liabilities      | ..                  | 2,335          | 2,796          | 3,365          | 3,307          |
| Loans and accounts with affiliates            | ..                  | 48             | 37             | 489            | 1,286          |
| Borrowings                                    | ..                  | 8,029          | 5,720          | 1,378          | 1,731          |
| Loans and overdrafts                          | ..                  | 7,845          | 5,592          | 1,014          | 1,375          |
| From banks                                    | ..                  | 260            | 156            | 36             | 157            |
| From others                                   | ..                  | 7,584          | 5,437          | 978            | 1,218          |
| Bankers' acceptances and paper                | ..                  | ..             | ..             | ..             | ..             |
| Bonds and debentures                          | ..                  | 173            | 115            | 351            | 355            |
| Mortgages                                     | ..                  | 11             | 12             | 13             | ..             |
| Deferred income tax                           | ..                  | ..             | ..             | -13            | 42             |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | ..                  | 126,825        | 137,397        | 135,872        | 145,557        |
| <b>Equity</b>                                 | ..                  | <b>9,797</b>   | <b>10,521</b>  | <b>10,870</b>  | <b>11,564</b>  |
| Share capital                                 | ..                  | 3,405          | 3,532          | 3,078          | 3,392          |
| Contributed surplus and other                 | ..                  | 1,626          | 4,908          | 5,514          | 816            |
| Retained earnings                             | ..                  | 4,766          | 2,081          | 2,278          | 7,356          |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | ..                  | <b>10,719</b>  | <b>12,397</b>  | <b>11,970</b>  | <b>11,304</b>  |
| Sales of goods and services                   | ..                  | 50             | 671            | 605            | 857            |
| Interest and dividend revenue (operating)     | ..                  | 9,142          | 10,033         | 9,676          | 8,802          |
| Other operating revenue                       | ..                  | 1,527          | 1,693          | 1,689          | 1,645          |
| <b>Operating expenses</b>                     | ..                  | <b>9,324</b>   | <b>10,694</b>  | <b>10,173</b>  | <b>9,523</b>   |
| Purchased goods, materials and service        | ..                  | 997            | 2,394          | 4,596          | 5,180          |
| Wages, salaries and employee benefits         | ..                  | 916            | 1,910          | 449            | 463            |
| Indirect taxes                                | ..                  | 531            | 300            | ..             | 10             |
| Depreciation, depletion and amortization      | ..                  | 427            | 444            | 372            | 265            |
| Interest expense (operating)                  | ..                  | 4,694          | 5,219          | 4,755          | 3,586          |
| Other operating expenses                      | ..                  | 1,759          | 427            | 1              | 19             |
| <b>Operating profit/loss</b>                  | ..                  | <b>1,395</b>   | <b>1,703</b>   | <b>1,797</b>   | <b>1,781</b>   |
| Interest and dividend revenue                 | ..                  | ..             | ..             | ..             | ..             |
| Interest expense on borrowing                 | ..                  | 618            | 576            | 544            | 220            |
| Gains/losses                                  | ..                  | 1              | -1             | -6             | 10             |
| <b>Profit before income tax</b>               | ..                  | <b>779</b>     | <b>1,125</b>   | <b>1,246</b>   | <b>1,572</b>   |
| Income tax                                    | ..                  | 157            | 224            | 262            | 256            |
| Equity in affiliates' earnings                | ..                  | 11             | 17             | -6             | 153            |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>633</b>     | <b>918</b>     | <b>979</b>     | <b>1,469</b>   |
| Extraordinary gains                           | ..                  | -2             | -3             | ..             | ..             |
| <b>Net profit</b>                             | ..                  | <b>630</b>     | <b>914</b>     | <b>978</b>     | <b>1,469</b>   |



Table 45-2

## Credit unions - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>914</b>   | <b>978</b>   | <b>1,469</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | ..           | ..           | ..           |
| Plus: conceptual adjustments  | ..                  | ..   | -13          | 169          | 34           |
| Plus: current taxes, including mining                               | ..                  | ..   | 239          | 420          | 444          |
| Plus: deferred income taxes   | ..                  | ..   | -18          | -8           | -42          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | ..           | ..           | ..           |
| Deductible dividends  | ..                  | ..   | 20           | 88           | 10           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,103</b> | <b>1,471</b> | <b>1,896</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 1            | -3           | 21           |
| Less: taxable capital gains   | ..                  | ..   | 1            | 2            | 11           |
| Net difference, capital gains and losses                            | ..                  | ..   | ..           | -6           | 11           |
| Resource allowance  | ..                  | ..   | ..           | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | 390          | 229          | 170          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>390</b>   | <b>224</b>   | <b>180</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 318          | 357          | 317          |
| Less: capital cost allowance  | ..                  | ..   | 291          | 353          | 323          |
| Net difference, depreciation  | ..                  | ..   | 27           | 3            | -6           |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..           | ..           | ..           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..           | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | ..           | ..           | ..           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | ..           | ..           |
| Other timing differences  | ..                  | ..   | -200         | -207         | -579         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-173</b>  | <b>-204</b>  | <b>-586</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>540</b>   | <b>1,044</b> | <b>1,130</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 15           | 13           | 13           |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>555</b>   | <b>1,056</b> | <b>1,143</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 18           | 32           | 25           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>536</b>   | <b>1,024</b> | <b>1,118</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 225          | 403          | 438          |
| Corporate surtax  | ..                  | ..   | 7            | 12           | 13           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 59           | 107          | 115          |
| Small business deduction  | ..                  | ..   | 32           | 33           | 77           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..           | ..           | ..           |
| Investment tax credit   | ..                  | ..   | 1            | 1            | 5            |
| Other federal tax credits   | ..                  | ..   | 46           | 65           | 38           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>93</b>    | <b>209</b>   | <b>216</b>   |
| Other direct federal taxes  | ..                  | ..   | 5            | 5            | 5            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>98</b>    | <b>214</b>   | <b>221</b>   |
| Provincial income taxes   | ..                  | ..   | 60           | 111          | 104          |
| <b>Total taxes</b>  | ..                  | ..   | <b>158</b>   | <b>325</b>   | <b>325</b>   |

Table 45-3

## Credit unions - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 0.824 | 0.547             | 0.172 | 0.261 |
| Profit margin (percent)                          | ..   | 13.0  | 13.7              | 15.0  | 15.8  |
| Return on equity (percent)                       | ..   | 6.5   | 8.7               | 9.0   | 12.7  |
| Return on capital employed (percent)             | ..   | 6.0   | 8.3               | 11.1  | 11.2  |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | 14.2              | 21.0  | 16.9  |
| Income taxes to taxable income (percent)         | ..   | ..    | 28.5              | 31.3  | 28.6  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 15.6              | -3.4  | -5.6  |
| Operating expenses, year-over-year change        | ..   | ..    | 14.7              | -4.9  | -6.4  |
| Operating profit, year-over-year change          | ..   | ..    | 22.1              | 5.5   | -0.9  |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | 91.0  | 9.1   |
| Taxes, year-over-year change                     | ..   | ..    | ..                | 105.7 | -0.1  |

Table 46-1

## Direct life, health and medical insurance carriers - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | ..                  | <b>175,487</b> | <b>182,632</b> | <b>194,355</b> | <b>210,939</b> |
| Cash and deposits                             | ..                  | 2,127          | 2,013          | 1,516          | 1,297          |
| Accounts receivable and accrued revenue       | ..                  | 4,585          | 4,907          | 4,762          | 4,935          |
| Inventories                                   | ..                  | ..             | ..             | ..             | ..             |
| Investments                                   | ..                  | 115,045        | 122,510        | 135,052        | 151,739        |
| Investments and accounts with affiliates      | ..                  | 18,207         | 17,524         | 23,342         | 34,052         |
| Portfolio investments                         | ..                  | 96,838         | 104,986        | 111,710        | 117,688        |
| Loans   | ..                  | 44,546         | 44,541         | 43,747         | 43,119         |
| Mortgages                                     | ..                  | 39,745         | 39,658         | 38,899         | 38,068         |
| Non-mortgages                                 | ..                  | 4,801          | 4,883          | 4,848          | 5,051          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | ..                  | 6,876          | 6,521          | 6,754          | 6,889          |
| Other assets                                  | ..                  | 2,308          | 2,141          | 2,524          | 2,960          |
| <b>Liabilities</b>                            | ..                  | <b>142,544</b> | <b>147,524</b> | <b>155,708</b> | <b>162,899</b> |
| Accounts payable and accrued liabilities      | ..                  | 4,482          | 5,236          | 5,462          | 5,652          |
| Loans and accounts with affiliates            | ..                  | 1,227          | 1,380          | 2,813          | 2,278          |
| Borrowings                                    | ..                  | 3,624          | 3,994          | 6,592          | 9,268          |
| Loans and overdrafts                          | ..                  | 2,138          | 2,401          | 3,050          | 3,984          |
| From banks                                    | ..                  | 1,582          | 1,999          | 2,570          | 3,039          |
| From others                                   | ..                  | 556            | 402            | 480            | 945            |
| Bankers' acceptances and paper                | ..                  | ..             | ..             | ..             | ..             |
| Bonds and debentures                          | ..                  | 1,353          | 1,476          | 3,354          | 5,159          |
| Mortgages                                     | ..                  | 134            | 117            | 188            | 126            |
| Deferred income tax                           | ..                  | 29             | -306           | 192            | 218            |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | ..                  | 133,181        | 137,220        | 140,649        | 145,482        |
| <b>Equity</b>                                 | ..                  | <b>32,942</b>  | <b>35,108</b>  | <b>38,647</b>  | <b>48,040</b>  |
| Share capital                                 | ..                  | 5,137          | 5,787          | 6,221          | 12,567         |
| Contributed surplus and other                 | ..                  | 609            | 782            | 976            | 1,073          |
| Retained earnings                             | ..                  | 27,196         | 28,540         | 31,449         | 34,401         |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | ..                  | <b>36,361</b>  | <b>37,434</b>  | <b>38,930</b>  | <b>40,722</b>  |
| Sales of goods and services                   | ..                  | 23,553         | 24,132         | 25,902         | 27,901         |
| Interest and dividend revenue (operating)     | ..                  | 10,558         | 10,562         | 10,379         | 9,965          |
| Other operating revenue                       | ..                  | 2,250          | 2,739          | 2,649          | 2,856          |
| <b>Operating expenses</b>                     | ..                  | <b>33,386</b>  | <b>34,233</b>  | <b>35,473</b>  | <b>36,852</b>  |
| Purchased goods, materials and service        | ..                  | 30,840         | 31,404         | 32,396         | 33,948         |
| Wages, salaries and employee benefits         | ..                  | 2,462          | 2,555          | 2,804          | 2,818          |
| Indirect taxes                                | ..                  | 550            | 592            | 628            | 429            |
| Depreciation, depletion and amortization      | ..                  | -983           | -943           | -903           | -722           |
| Interest expense (operating)                  | ..                  | 314            | 329            | 247            | 204            |
| Other operating expenses                      | ..                  | 204            | 296            | 300            | 176            |
| <b>Operating profit/loss</b>                  | ..                  | <b>2,975</b>   | <b>3,201</b>   | <b>3,458</b>   | <b>3,869</b>   |
| Interest and dividend revenue                 | ..                  | ..             | ..             | ..             | ..             |
| Interest expense on borrowing                 | ..                  | 372            | 302            | 309            | 385            |
| Gains/losses                                  | ..                  | 90             | 6              | -116           | -227           |
| <b>Profit before income tax</b>               | ..                  | <b>2,693</b>   | <b>2,905</b>   | <b>3,033</b>   | <b>3,257</b>   |
| Income tax                                    | ..                  | 975            | 1,024          | 1,089          | 772            |
| Equity in affiliates' earnings                | ..                  | 451            | 564            | 593            | 188            |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>2,168</b>   | <b>2,445</b>   | <b>2,537</b>   | <b>2,674</b>   |
| Extraordinary gains                           | ..                  | ..             | ..             | ..             | ..             |
| <b>Net profit</b>                             | ..                  | <b>2,168</b>   | <b>2,445</b>   | <b>2,537</b>   | <b>2,674</b>   |

Table 46-2

## Direct life, health and medical insurance carriers - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001         | 2002          |
|---|---------------------|------|---------------|--------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |              |               |
|   | millions of dollars |      |               |              |               |
| <b>Net profit</b>   | ..                  | ..   | <b>2,445</b>  | <b>2,537</b> | <b>2,674</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | 156           | -1           | -3            |
| Plus: conceptual adjustments  | ..                  | ..   | -1,145        | -2,549       | -4,007        |
| Plus: current taxes, including mining                               | ..                  | ..   | 308           | 479          | 344           |
| Plus: deferred income taxes   | ..                  | ..   | 224           | 249          | 234           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 110           | 727          | 341           |
| Deductible dividends  | ..                  | ..   | 316           | 373          | 366           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,562</b>  | <b>-385</b>  | <b>-1,466</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |              |               |
| Book capital gains and losses                                       | ..                  | ..   | 36            | 241          | 36            |
| Less: taxable capital gains   | ..                  | ..   | 103           | 117          | -50           |
| Net difference, capital gains and losses                            | ..                  | ..   | -68           | 124          | 85            |
| Resource allowance  | ..                  | ..   | ..            | ..           | ..            |
| Less: royalties   | ..                  | ..   | ..            | ..           | ..            |
| Net difference, resource allowance                                  | ..                  | ..   | ..            | ..           | ..            |
| Earned depletion allowance  | ..                  | ..   | ..            | ..           | ..            |
| Other exemptions and deductions                                     | ..                  | ..   | -132          | -621         | -169          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-199</b>   | <b>-497</b>  | <b>-84</b>    |
| <b>Timing differences:</b>  |                     |      |               |              |               |
| Depreciation  | ..                  | ..   | 229           | -6           | 167           |
| Less: capital cost allowance  | ..                  | ..   | 281           | 207          | 216           |
| Net difference, depreciation  | ..                  | ..   | -51           | -213         | -50           |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..            | ..           | ..            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 1             | 1            | ..            |
| Net difference, natural resources expenses                          | ..                  | ..   | -1            | -1           | ..            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 1             | -1           | -6            |
| Other timing differences  | ..                  | ..   | -1,191        | 888          | 1,907         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-1,243</b> | <b>673</b>   | <b>1,851</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>519</b>    | <b>785</b>   | <b>470</b>    |
| Plus: current year tax losses                                       | ..                  | ..   | 781           | 166          | 333           |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>1,300</b>  | <b>952</b>   | <b>803</b>    |
| Less: prior year losses applied                                     | ..                  | ..   | 33            | 417          | 49            |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,267</b>  | <b>535</b>   | <b>754</b>    |
| <b>Taxes:</b>   |                     |      |               |              |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 396           | 208          | 299           |
| Corporate surtax  | ..                  | ..   | 12            | 5            | 9             |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |              |               |
| Federal tax abatement   | ..                  | ..   | 104           | 54           | 78            |
| Small business deduction  | ..                  | ..   | 1             | 1            | 2             |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..            | ..           | ..            |
| Investment tax credit   | ..                  | ..   | ..            | ..           | ..            |
| Other federal tax credits   | ..                  | ..   | ..            | 4            | 13            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>303</b>    | <b>154</b>   | <b>215</b>    |
| Other direct federal taxes  | ..                  | ..   | 77            | 81           | 77            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>380</b>    | <b>234</b>   | <b>292</b>    |
| Provincial income taxes   | ..                  | ..   | 180           | 70           | 99            |
| <b>Total taxes</b>  | ..                  | ..   | <b>560</b>    | <b>305</b>   | <b>391</b>    |

Table 46-3

## Direct life, health and medical insurance carriers - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 0.147 | 0.153             | 0.243 | 0.240 |
| Profit margin (percent)                          | ..   | 8.2   | 8.6               | 8.9   | 9.5   |
| Return on equity (percent)                       | ..   | 6.6   | 7.0               | 6.6   | 5.6   |
| Return on capital employed (percent)             | ..   | 6.4   | 6.5               | 5.7   | 4.9   |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | ..                | ..    | ..    |
| Income taxes to taxable income (percent)         | ..   | ..    | 38.1              | 41.9  | 41.6  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 3.0               | 4.0   | 4.6   |
| Operating expenses, year-over-year change        | ..   | ..    | 2.5               | 3.6   | 3.9   |
| Operating profit, year-over-year change          | ..   | ..    | 7.6               | 8.0   | 11.9  |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | -57.8 | 41.0  |
| Taxes, year-over-year change                     | ..   | ..    | ..                | -45.6 | 28.4  |

Table 47-1

## Direct insurance (except life, health and medical) carriers - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| Balance sheet                                 |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | ..                  | <b>64,761</b> | <b>65,084</b> | <b>67,724</b> | <b>75,800</b> |
| Cash and deposits                             | ..                  | 1,404         | 1,864         | 2,424         | 2,552         |
| Accounts receivable and accrued revenue       | ..                  | 7,755         | 8,219         | 8,807         | 9,818         |
| Inventories                                   | ..                  | 3             | 3             | 3             | 3             |
| Investments                                   | ..                  | 43,548        | 43,087        | 43,074        | 47,496        |
| Investments and accounts with affiliates      | ..                  | 2,100         | 1,809         | 2,327         | 2,237         |
| Portfolio investments                         | ..                  | 41,448        | 41,278        | 40,747        | 45,259        |
| Loans   | ..                  | 1,274         | 652           | 583           | 857           |
| Mortgages                                     | ..                  | 1,274         | 652           | 583           | 857           |
| Non-mortgages                                 | ..                  | ..            | ..            | ..            | ..            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | ..                  | 1,143         | 1,119         | 1,182         | 1,155         |
| Other assets                                  | ..                  | 9,634         | 10,141        | 11,651        | 13,918        |
| <b>Liabilities</b>                            | ..                  | <b>47,980</b> | <b>47,266</b> | <b>50,818</b> | <b>58,568</b> |
| Accounts payable and accrued liabilities      | ..                  | 26,676        | 27,381        | 29,413        | 34,247        |
| Loans and accounts with affiliates            | ..                  | 257           | 585           | 463           | 441           |
| Borrowings                                    | ..                  | 240           | 249           | 186           | 183           |
| Loans and overdrafts                          | ..                  | 230           | 238           | 158           | 168           |
| From banks                                    | ..                  | 198           | 205           | 128           | 137           |
| From others                                   | ..                  | 32            | 34            | 30            | 32            |
| Bankers' acceptances and paper                | ..                  | ..            | ..            | ..            | ..            |
| Bonds and debentures                          | ..                  | ..            | ..            | ..            | ..            |
| Mortgages                                     | ..                  | 10            | 11            | 27            | 15            |
| Deferred income tax                           | ..                  | -716          | -715          | -590          | -562          |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | ..                  | 21,523        | 19,766        | 21,346        | 24,259        |
| <b>Equity</b>                                 | ..                  | <b>16,781</b> | <b>17,818</b> | <b>16,907</b> | <b>17,232</b> |
| Share capital                                 | ..                  | 3,017         | 3,225         | 3,422         | 3,650         |
| Contributed surplus and other                 | ..                  | 808           | 731           | 786           | 937           |
| Retained earnings                             | ..                  | 12,956        | 13,862        | 12,699        | 12,645        |
| Income statement                              |                     |               |               |               |               |
| <b>Operating revenue</b>                      | ..                  | <b>24,410</b> | <b>26,207</b> | <b>28,011</b> | <b>29,947</b> |
| Sales of goods and services                   | ..                  | 21,226        | 22,281        | 24,369        | 27,112        |
| Interest and dividend revenue (operating)     | ..                  | 2,612         | 2,591         | 2,490         | 2,345         |
| Other operating revenue                       | ..                  | 571           | 1,335         | 1,152         | 490           |
| <b>Operating expenses</b>                     | ..                  | <b>22,961</b> | <b>24,334</b> | <b>27,607</b> | <b>29,616</b> |
| Purchased goods, materials and service        | ..                  | 20,265        | 21,160        | 24,012        | 27,125        |
| Wages, salaries and employee benefits         | ..                  | 1,698         | 2,038         | 2,219         | 2,181         |
| Indirect taxes                                | ..                  | 765           | 834           | 1,014         | 124           |
| Depreciation, depletion and amortization      | ..                  | 90            | 121           | 150           | 133           |
| Interest expense (operating)                  | ..                  | 3             | ..            | ..            | ..            |
| Other operating expenses                      | ..                  | 140           | 182           | 213           | 52            |
| <b>Operating profit/loss</b>                  | ..                  | <b>1,449</b>  | <b>1,872</b>  | <b>404</b>    | <b>332</b>    |
| Interest and dividend revenue                 | ..                  | 2             | ..            | ..            | ..            |
| Interest expense on borrowing                 | ..                  | 25            | 24            | 34            | 11            |
| Gains/losses                                  | ..                  | 91            | 7             | -5            | -217          |
| <b>Profit before income tax</b>               | ..                  | <b>1,516</b>  | <b>1,855</b>  | <b>365</b>    | <b>103</b>    |
| Income tax                                    | ..                  | 456           | 556           | 322           | 227           |
| Equity in affiliates' earnings                | ..                  | 125           | 310           | 90            | 11            |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>1,186</b>  | <b>1,609</b>  | <b>133</b>    | <b>-114</b>   |
| Extraordinary gains                           | ..                  | ..            | ..            | ..            | ..            |
| <b>Net profit</b>                             | ..                  | <b>1,186</b>  | <b>1,609</b>  | <b>133</b>    | <b>-114</b>   |

Table 47-2

## Direct insurance (except life, health and medical) carriers - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001          | 2002          |
|---|---------------------|------|--------------|---------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |               |               |
|   | millions of dollars |      |              |               |               |
| <b>Net profit</b>   | ..                  | ..   | <b>1,609</b> | <b>133</b>    | <b>-114</b>   |
| Plus: consolidation adjustments                                     | ..                  | ..   | -89          | -142          | 32            |
| Plus: conceptual adjustments  | ..                  | ..   | -16          | 1,199         | 1,133         |
| Plus: current taxes, including mining                               | ..                  | ..   | 365          | 194           | 122           |
| Plus: deferred income taxes   | ..                  | ..   | 158          | 97            | 529           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 507          | -331          | -217          |
| Deductible dividends  | ..                  | ..   | 365          | 360           | 431           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,155</b> | <b>1,452</b>  | <b>1,489</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |               |               |
| Book capital gains and losses                                       | ..                  | ..   | 415          | 173           | 13            |
| Less: taxable capital gains   | ..                  | ..   | 187          | 48            | 1             |
| Net difference, capital gains and losses                            | ..                  | ..   | 227          | 125           | 12            |
| Resource allowance  | ..                  | ..   | ..           | ..            | ..            |
| Less: royalties   | ..                  | ..   | ..           | ..            | ..            |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..            | ..            |
| Earned depletion allowance  | ..                  | ..   | ..           | ..            | ..            |
| Other exemptions and deductions                                     | ..                  | ..   | -59          | 67            | -204          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>168</b>   | <b>193</b>    | <b>-192</b>   |
| <b>Timing differences:</b>  |                     |      |              |               |               |
| Depreciation  | ..                  | ..   | 134          | 126           | 107           |
| Less: capital cost allowance  | ..                  | ..   | 148          | 109           | 94            |
| Net difference, depreciation  | ..                  | ..   | -13          | 17            | 13            |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..           | ..            | ..            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..            | ..            |
| Net difference, natural resources expenses                          | ..                  | ..   | ..           | ..            | ..            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 1            | 1             | 2             |
| Other timing differences  | ..                  | ..   | -579         | -1,086        | -1,905        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-592</b>  | <b>-1,068</b> | <b>-1,890</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>395</b>   | <b>192</b>    | <b>-209</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 487          | 660           | 763           |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>883</b>   | <b>851</b>    | <b>554</b>    |
| Less: prior year losses applied                                     | ..                  | ..   | 321          | 410           | 108           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>562</b>   | <b>441</b>    | <b>446</b>    |
| <b>Taxes:</b>   |                     |      |              |               |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 307          | 229           | 221           |
| Corporate surtax  | ..                  | ..   | 9            | 6             | 5             |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |               |               |
| Federal tax abatement   | ..                  | ..   | 80           | 59            | 54            |
| Small business deduction  | ..                  | ..   | 5            | 4             | 7             |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..           | ..            | ..            |
| Investment tax credit   | ..                  | ..   | ..           | ..            | ..            |
| Other federal tax credits   | ..                  | ..   | 1            | 15            | 9             |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>230</b>   | <b>157</b>    | <b>156</b>    |
| Other direct federal taxes  | ..                  | ..   | 18           | 10            | 8             |
| <b>Total federal tax</b>  | ..                  | ..   | <b>248</b>   | <b>167</b>    | <b>164</b>    |
| Provincial income taxes   | ..                  | ..   | 105          | 72            | 60            |
| <b>Total taxes</b>  | ..                  | ..   | <b>353</b>   | <b>239</b>    | <b>224</b>    |

Table 47-3

## Direct insurance (except life, health and medical) carriers - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 0.030 | 0.047             | 0.038 | 0.036 |
| Profit margin (percent)                          | ..   | 5.9   | 7.1               | 1.4   | 1.1   |
| Return on equity (percent)                       | ..   | 7.1   | 9.0               | 0.8   | -0.7  |
| Return on capital employed (percent)             | ..   | 7.0   | 8.7               | 0.9   | -0.6  |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | ..                | ..    | ..    |
| Income taxes to taxable income (percent)         | ..   | ..    | 59.6              | 52.0  | 48.5  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 7.4               | 6.9   | 6.9   |
| Operating expenses, year-over-year change        | ..   | ..    | 6.0               | 13.4  | 7.3   |
| Operating profit, year-over-year change          | ..   | ..    | 29.2              | -78.4 | -17.9 |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | -21.5 | 1.2   |
| Taxes, year-over-year change                     | ..   | ..    | ..                | -32.3 | -6.2  |



Table 48-1

## Reinsurance carriers - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | ..                  | <b>11,859</b> | <b>13,856</b> | <b>15,934</b> | <b>17,469</b> |
| Cash and deposits                             | ..                  | 263           | 213           | 308           | 190           |
| Accounts receivable and accrued revenue       | ..                  | 1,505         | 2,165         | 2,348         | 2,503         |
| Inventories                                   | ..                  | ..            | ..            | ..            | ..            |
| Investments                                   | ..                  | 8,517         | 10,067        | 11,668        | 13,101        |
| Investments and accounts with affiliates      | ..                  | ..            | ..            | 1             | 39            |
| Portfolio investments                         | ..                  | 8,517         | 10,067        | 11,667        | 13,062        |
| Loans   | ..                  | 124           | 36            | 35            | 28            |
| Mortgages                                     | ..                  | 23            | 18            | 18            | 10            |
| Non-mortgages                                 | ..                  | 101           | 17            | 17            | 17            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | ..                  | 55            | 61            | 59            | 36            |
| Other assets                                  | ..                  | 1,395         | 1,314         | 1,516         | 1,610         |
| <b>Liabilities</b>                            | ..                  | <b>8,699</b>  | <b>10,072</b> | <b>11,877</b> | <b>13,092</b> |
| Accounts payable and accrued liabilities      | ..                  | 4,524         | 4,858         | 5,645         | 6,244         |
| Loans and accounts with affiliates            | ..                  | 62            | 55            | 51            | 111           |
| Borrowings                                    | ..                  | ..            | 3             | ..            | ..            |
| Loans and overdrafts                          | ..                  | ..            | 3             | ..            | ..            |
| From banks                                    | ..                  | ..            | 3             | ..            | ..            |
| From others                                   | ..                  | ..            | ..            | ..            | ..            |
| Bankers' acceptances and paper                | ..                  | ..            | ..            | ..            | ..            |
| Bonds and debentures                          | ..                  | ..            | ..            | ..            | ..            |
| Mortgages                                     | ..                  | ..            | ..            | ..            | ..            |
| Deferred income tax                           | ..                  | -73           | -24           | 77            | 117           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | ..                  | 4,185         | 5,180         | 6,105         | 6,620         |
| <b>Equity</b>                                 | ..                  | <b>3,160</b>  | <b>3,784</b>  | <b>4,056</b>  | <b>4,377</b>  |
| Share capital                                 | ..                  | 461           | 479           | 490           | 516           |
| Contributed surplus and other                 | ..                  | 42            | 61            | 57            | 33            |
| Retained earnings                             | ..                  | 2,656         | 3,244         | 3,509         | 3,829         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | ..                  | <b>2,823</b>  | <b>3,763</b>  | <b>4,115</b>  | <b>4,378</b>  |
| Sales of goods and services                   | ..                  | 2,199         | 2,350         | 2,977         | 3,550         |
| Interest and dividend revenue (operating)     | ..                  | 553           | 649           | 743           | 778           |
| Other operating revenue                       | ..                  | 72            | 764           | 395           | 49            |
| <b>Operating expenses</b>                     | ..                  | <b>2,528</b>  | <b>3,358</b>  | <b>3,837</b>  | <b>4,120</b>  |
| Purchased goods, materials and service        | ..                  | 2,246         | 3,130         | 3,600         | 3,923         |
| Wages, salaries and employee benefits         | ..                  | 75            | 80            | 77            | 76            |
| Indirect taxes                                | ..                  | 54            | 38            | 51            | 2             |
| Depreciation, depletion and amortization      | ..                  | -12           | -29           | -33           | -29           |
| Interest expense (operating)                  | ..                  | ..            | 1             | 2             | ..            |
| Other operating expenses                      | ..                  | 165           | 138           | 140           | 149           |
| <b>Operating profit/loss</b>                  | ..                  | <b>296</b>    | <b>405</b>    | <b>279</b>    | <b>258</b>    |
| Interest and dividend revenue                 | ..                  | ..            | ..            | ..            | ..            |
| Interest expense on borrowing                 | ..                  | 4             | 5             | 4             | 5             |
| Gains/losses                                  | ..                  | -2            | 3             | -3            | -8            |
| <b>Profit before income tax</b>               | ..                  | <b>290</b>    | <b>403</b>    | <b>272</b>    | <b>245</b>    |
| Income tax                                    | ..                  | 67            | 145           | 109           | 70            |
| Equity in affiliates' earnings                | ..                  | ..            | 1             | 1             | ..            |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>223</b>    | <b>259</b>    | <b>163</b>    | <b>175</b>    |
| Extraordinary gains                           | ..                  | ..            | ..            | ..            | ..            |
| <b>Net profit</b>                             | ..                  | <b>223</b>    | <b>259</b>    | <b>163</b>    | <b>175</b>    |

Table 48-2

## Reinsurance carriers - Reconciliation of profit

|   | 1998                | 1999 | 2000        | 2001        | 2002        |
|---|---------------------|------|-------------|-------------|-------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |             |             |             |
|   | millions of dollars |      |             |             |             |
| <b>Net profit</b>   | ..                  | ..   | <b>259</b>  | <b>163</b>  | <b>175</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | ..          | ..          | ..          |
| Plus: conceptual adjustments  | ..                  | ..   | -73         | 76          | 156         |
| Plus: current taxes, including mining                               | ..                  | ..   | 53          | 21          | 22          |
| Plus: deferred income taxes   | ..                  | ..   | 62          | 70          | 20          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 25          | 76          | 72          |
| Deductible dividends  | ..                  | ..   | 19          | 27          | 71          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>258</b>  | <b>228</b>  | <b>229</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |             |             |             |
| Book capital gains and losses                                       | ..                  | ..   | 5           | 43          | 26          |
| Less: taxable capital gains   | ..                  | ..   | 40          | ..          | -4          |
| Net difference, capital gains and losses                            | ..                  | ..   | -35         | 43          | 30          |
| Resource allowance  | ..                  | ..   | ..          | ..          | ..          |
| Less: royalties   | ..                  | ..   | ..          | ..          | ..          |
| Net difference, resource allowance                                  | ..                  | ..   | ..          | ..          | ..          |
| Earned depletion allowance  | ..                  | ..   | ..          | ..          | ..          |
| Other exemptions and deductions                                     | ..                  | ..   | -27         | -62         | -55         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-62</b>  | <b>-19</b>  | <b>-24</b>  |
| <b>Timing differences:</b>  |                     |      |             |             |             |
| Depreciation  | ..                  | ..   | 17          | -13         | -1          |
| Less: capital cost allowance  | ..                  | ..   | 15          | 3           | 5           |
| Net difference, depreciation  | ..                  | ..   | 2           | -16         | -5          |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..          | ..          | -1          |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..          | ..          | ..          |
| Net difference, natural resources expenses                          | ..                  | ..   | ..          | ..          | -1          |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..          | ..          | ..          |
| Other timing differences  | ..                  | ..   | -330        | -91         | -235        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-328</b> | <b>-108</b> | <b>-240</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>-8</b>   | <b>139</b>  | <b>13</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 149         | 29          | 63          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>141</b>  | <b>169</b>  | <b>76</b>   |
| Less: prior year losses applied                                     | ..                  | ..   | 44          | 54          | ..          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>97</b>   | <b>115</b>  | <b>76</b>   |
| <b>Taxes:</b>   |                     |      |             |             |             |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 38          | 44          | 30          |
| Corporate surtax  | ..                  | ..   | 1           | 1           | 1           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |             |             |             |
| Federal tax abatement   | ..                  | ..   | 9           | 12          | 7           |
| Small business deduction  | ..                  | ..   | ..          | ..          | ..          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..          | ..          | ..          |
| Investment tax credit   | ..                  | ..   | ..          | ..          | ..          |
| Other federal tax credits   | ..                  | ..   | ..          | 1           | 2           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>29</b>   | <b>33</b>   | <b>22</b>   |
| Other direct federal taxes  | ..                  | ..   | 8           | 8           | 2           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>37</b>   | <b>40</b>   | <b>24</b>   |
| Provincial income taxes   | ..                  | ..   | 12          | 15          | 8           |
| <b>Total taxes</b>  | ..                  | ..   | <b>49</b>   | <b>55</b>   | <b>32</b>   |

Table 48-3

## Reinsurance carriers - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 0.020 | 0.015             | 0.013 | 0.025 |
| Profit margin (percent)                          | ..   | 10.5  | 10.8              | 6.8   | 5.9   |
| Return on equity (percent)                       | ..   | 7.0   | 6.9               | 4.0   | 4.0   |
| Return on capital employed (percent)             | ..   | 7.0   | 6.8               | 4.0   | 4.0   |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | ..                | ..    | ..    |
| Income taxes to taxable income (percent)         | ..   | ..    | 42.8              | 41.6  | 39.2  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 33.3              | 9.4   | 6.4   |
| Operating expenses, year-over-year change        | ..   | ..    | 32.9              | 14.3  | 7.4   |
| Operating profit, year-over-year change          | ..   | ..    | 36.9              | -31.1 | -7.5  |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | 18.3  | -33.9 |
| Taxes, year-over-year change                     | ..   | ..    | ..                | 12.1  | -41.8 |

Table 49-1

## Agencies, brokerages and other insurance related activities - Balance sheet and income statement

|   | 1998                | 1999         | 2000         | 2001         | 2002         |
|---|---------------------|--------------|--------------|--------------|--------------|
| <b>Balance sheet</b>                          |                     |              |              |              |              |
|   | millions of dollars |              |              |              |              |
| <b>Assets</b>                                 | ..                  | <b>6,404</b> | <b>6,266</b> | <b>6,570</b> | <b>7,476</b> |
| Cash and deposits                             | ..                  | 1,103        | 1,103        | 1,144        | 1,322        |
| Accounts receivable and accrued revenue       | ..                  | 1,567        | 1,765        | 1,780        | 2,003        |
| Inventories                                   | ..                  | 42           | 24           | 37           | 57           |
| Investments                                   | ..                  | 1,468        | 1,575        | 1,650        | 2,007        |
| Investments and accounts with affiliates      | ..                  | 780          | 940          | 1,096        | 1,317        |
| Portfolio investments                         | ..                  | 688          | 635          | 554          | 690          |
| Loans   | ..                  | 153          | 94           | 86           | 112          |
| Mortgages                                     | ..                  | 83           | 46           | 46           | 60           |
| Non-mortgages                                 | ..                  | 69           | 48           | 40           | 52           |
| Bank customers' liabilities under acceptances | ..                  | ..           | ..           | ..           | ..           |
| Capital assets, net                           | ..                  | 720          | 544          | 580          | 580          |
| Other assets                                  | ..                  | 1,351        | 1,160        | 1,293        | 1,396        |
| <b>Liabilities</b>                            | ..                  | <b>4,496</b> | <b>4,455</b> | <b>4,591</b> | <b>5,150</b> |
| Accounts payable and accrued liabilities      | ..                  | 2,066        | 2,227        | 2,278        | 2,595        |
| Loans and accounts with affiliates            | ..                  | 1,168        | 963          | 953          | 1,158        |
| Borrowings                                    | ..                  | 842          | 879          | 957          | 960          |
| Loans and overdrafts                          | ..                  | 428          | 466          | 484          | 536          |
| From banks                                    | ..                  | 353          | 353          | 253          | 399          |
| From others                                   | ..                  | 76           | 113          | 230          | 138          |
| Bankers' acceptances and paper                | ..                  | ..           | ..           | ..           | ..           |
| Bonds and debentures                          | ..                  | 129          | 134          | 137          | 149          |
| Mortgages                                     | ..                  | 285          | 278          | 336          | 274          |
| Deferred income tax                           | ..                  | 51           | 115          | 41           | 47           |
| Bank customers' liabilities under acceptances | ..                  | ..           | ..           | ..           | ..           |
| Other liabilities                             | ..                  | 368          | 271          | 362          | 391          |
| <b>Equity</b>                                 | ..                  | <b>1,909</b> | <b>1,811</b> | <b>1,978</b> | <b>2,326</b> |
| Share capital                                 | ..                  | 649          | 535          | 638          | 801          |
| Contributed surplus and other                 | ..                  | 81           | 198          | 191          | 182          |
| Retained earnings                             | ..                  | 1,179        | 1,078        | 1,149        | 1,343        |
| <b>Income statement</b>                       |                     |              |              |              |              |
| <b>Operating revenue</b>                      | ..                  | <b>5,733</b> | <b>5,881</b> | <b>6,079</b> | <b>6,610</b> |
| Sales of goods and services                   | ..                  | 5,570        | 5,688        | 5,924        | 6,419        |
| Interest and dividend revenue (operating)     | ..                  | 98           | 106          | 102          | 119          |
| Other operating revenue                       | ..                  | 65           | 87           | 53           | 71           |
| <b>Operating expenses</b>                     | ..                  | <b>5,350</b> | <b>5,422</b> | <b>5,499</b> | <b>5,854</b> |
| Purchased goods, materials and service        | ..                  | 2,103        | 2,084        | 2,207        | 2,383        |
| Wages, salaries and employee benefits         | ..                  | 2,599        | 2,985        | 2,947        | 3,105        |
| Indirect taxes                                | ..                  | 44           | 43           | 78           | 73           |
| Depreciation, depletion and amortization      | ..                  | 179          | 191          | 187          | 181          |
| Interest expense (operating)                  | ..                  | ..           | 2            | 1            | 3            |
| Other operating expenses                      | ..                  | 424          | 118          | 79           | 109          |
| <b>Operating profit/loss</b>                  | ..                  | <b>384</b>   | <b>459</b>   | <b>580</b>   | <b>756</b>   |
| Interest and dividend revenue                 | ..                  | ..           | ..           | ..           | ..           |
| Interest expense on borrowing                 | ..                  | 87           | 86           | 95           | 129          |
| Gains/losses                                  | ..                  | 3            | 1            | 9            | 5            |
| <b>Profit before income tax</b>               | ..                  | <b>300</b>   | <b>375</b>   | <b>494</b>   | <b>633</b>   |
| Income tax                                    | ..                  | 117          | 132          | 185          | 221          |
| Equity in affiliates' earnings                | ..                  | 88           | 90           | 66           | 84           |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>271</b>   | <b>332</b>   | <b>375</b>   | <b>496</b>   |
| Extraordinary gains                           | ..                  | ..           | 5            | 1            | -1           |
| <b>Net profit</b>                             | ..                  | <b>271</b>   | <b>338</b>   | <b>376</b>   | <b>495</b>   |

Table 49-2

## Agencies, brokerages and other insurance related activities - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001       | 2002       |
|---|---------------------|------|------------|------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |            |            |
|   | millions of dollars |      |            |            |            |
| <b>Net profit</b>   | ..                  | ..   | <b>338</b> | <b>376</b> | <b>495</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -11        | -36        | -12        |
| Plus: conceptual adjustments  | ..                  | ..   | 8          | 2          | -6         |
| Plus: current taxes, including mining                               | ..                  | ..   | 146        | 187        | 223        |
| Plus: deferred income taxes   | ..                  | ..   | -9         | -18        | 1          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 8          | ..         | 2          |
| Deductible dividends  | ..                  | ..   | 84         | 37         | 72         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>379</b> | <b>473</b> | <b>626</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |            |            |
| Book capital gains and losses                                       | ..                  | ..   | 52         | 33         | 31         |
| Less: taxable capital gains   | ..                  | ..   | 25         | 25         | 12         |
| Net difference, capital gains and losses                            | ..                  | ..   | 27         | 8          | 19         |
| Resource allowance  | ..                  | ..   | ..         | ..         | ..         |
| Less: royalties   | ..                  | ..   | ..         | ..         | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..         | ..         |
| Earned depletion allowance  | ..                  | ..   | ..         | ..         | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | -64        | -57        | -58        |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-37</b> | <b>-49</b> | <b>-38</b> |
| <b>Timing differences:</b>  |                     |      |            |            |            |
| Depreciation  | ..                  | ..   | 182        | 196        | 188        |
| Less: capital cost allowance  | ..                  | ..   | 134        | 136        | 139        |
| Net difference, depreciation  | ..                  | ..   | 48         | 60         | 48         |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..         | ..         | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..         | ..         |
| Net difference, natural resources expenses                          | ..                  | ..   | ..         | ..         | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..         | ..         | ..         |
| Other timing differences  | ..                  | ..   | 70         | 56         | 40         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>119</b> | <b>116</b> | <b>89</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>535</b> | <b>638</b> | <b>753</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 77         | 68         | 71         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>612</b> | <b>707</b> | <b>824</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 15         | 27         | 31         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>598</b> | <b>680</b> | <b>794</b> |
| <b>Taxes:</b>   |                     |      |            |            |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 229        | 260        | 303        |
| Corporate surtax  | ..                  | ..   | 6          | 7          | 9          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |            |            |
| Federal tax abatement   | ..                  | ..   | 60         | 68         | 80         |
| Small business deduction  | ..                  | ..   | 63         | 64         | 70         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..         | ..         | ..         |
| Investment tax credit   | ..                  | ..   | ..         | ..         | ..         |
| Other federal tax credits   | ..                  | ..   | ..         | 2          | 8          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>112</b> | <b>133</b> | <b>155</b> |
| Other direct federal taxes  | ..                  | ..   | 2          | 1          | 1          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>114</b> | <b>134</b> | <b>156</b> |
| Provincial income taxes   | ..                  | ..   | 56         | 63         | 69         |
| <b>Total taxes</b>  | ..                  | ..   | <b>170</b> | <b>196</b> | <b>225</b> |

Table 49-3

## Agencies, brokerages and other insurance related activities - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 1.053 | 1.017             | 0.965 | 0.910 |
| Profit margin (percent)                          | ..   | 6.7   | 7.8               | 9.5   | 11.4  |
| Return on equity (percent)                       | ..   | 14.2  | 18.4              | 18.9  | 21.3  |
| Return on capital employed (percent)             | ..   | 8.5   | 10.8              | 11.4  | 13.3  |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | ..                | ..    | ..    |
| Income taxes to taxable income (percent)         | ..   | ..    | 28.1              | 28.8  | 28.2  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 2.6               | 3.4   | 8.7   |
| Operating expenses, year-over-year change        | ..   | ..    | 1.3               | 1.4   | 6.4   |
| Operating profit, year-over-year change          | ..   | ..    | 19.8              | 26.1  | 30.5  |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | 13.8  | 16.8  |
| Taxes, year-over-year change                     | ..   | ..    | ..                | 15.9  | 14.6  |

Table 50-1

## Loan brokers and other financial investment - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | ..                  | <b>170,043</b> | <b>161,592</b> | <b>168,357</b> | <b>171,906</b> |
| Cash and deposits                             | ..                  | 18,849         | 13,395         | 12,947         | 12,644         |
| Accounts receivable and accrued revenue       | ..                  | 18,391         | 16,285         | 16,637         | 15,512         |
| Inventories                                   | ..                  | 908            | 950            | 953            | 734            |
| Investments                                   | ..                  | 103,096        | 109,290        | 112,141        | 117,655        |
| Investments and accounts with affiliates      | ..                  | 39,193         | 41,698         | 42,744         | 45,588         |
| Portfolio investments                         | ..                  | 63,903         | 67,592         | 69,398         | 72,067         |
| Loans   | ..                  | 8,217          | 6,228          | 6,889          | 6,557          |
| Mortgages                                     | ..                  | 5,139          | 3,633          | 4,569          | 3,873          |
| Non-mortgages                                 | ..                  | 3,078          | 2,595          | 2,320          | 2,684          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | ..                  | 13,109         | 10,375         | 9,773          | 9,042          |
| Other assets                                  | ..                  | 7,473          | 5,070          | 9,018          | 9,762          |
| <b>Liabilities</b>                            | ..                  | <b>79,530</b>  | <b>81,712</b>  | <b>81,457</b>  | <b>85,116</b>  |
| Accounts payable and accrued liabilities      | ..                  | 19,800         | 20,041         | 20,271         | 21,838         |
| Loans and accounts with affiliates            | ..                  | 22,413         | 29,590         | 29,411         | 30,913         |
| Borrowings                                    | ..                  | 21,846         | 17,141         | 17,612         | 18,678         |
| Loans and overdrafts                          | ..                  | 10,089         | 9,938          | 9,604          | 10,867         |
| From banks                                    | ..                  | 7,844          | 7,942          | 5,879          | 6,106          |
| From others                                   | ..                  | 2,245          | 1,996          | 3,725          | 4,761          |
| Bankers' acceptances and paper                | ..                  | 426            | 464            | 889            | 1,150          |
| Bonds and debentures                          | ..                  | 3,107          | 999            | 1,997          | 2,905          |
| Mortgages                                     | ..                  | 8,225          | 5,741          | 5,122          | 3,755          |
| Deferred income tax                           | ..                  | 2,069          | 3,491          | 3,443          | 2,837          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | ..                  | 13,402         | 11,448         | 10,720         | 10,852         |
| <b>Equity</b>                                 | ..                  | <b>90,512</b>  | <b>79,881</b>  | <b>86,900</b>  | <b>86,790</b>  |
| Share capital                                 | ..                  | 39,934         | 36,422         | 40,846         | 45,063         |
| Contributed surplus and other                 | ..                  | 17,568         | 18,003         | 19,499         | 15,484         |
| Retained earnings                             | ..                  | 33,010         | 25,456         | 26,555         | 26,243         |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | ..                  | <b>33,212</b>  | <b>41,005</b>  | <b>41,302</b>  | <b>37,329</b>  |
| Sales of goods and services                   | ..                  | 19,477         | 25,859         | 28,760         | 27,113         |
| Interest and dividend revenue (operating)     | ..                  | 8,138          | 8,231          | 7,509          | 6,423          |
| Other operating revenue                       | ..                  | 5,597          | 6,915          | 5,034          | 3,793          |
| <b>Operating expenses</b>                     | ..                  | <b>22,847</b>  | <b>28,894</b>  | <b>31,207</b>  | <b>28,840</b>  |
| Purchased goods, materials and service        | ..                  | 13,060         | 17,862         | 20,729         | 19,287         |
| Wages, salaries and employee benefits         | ..                  | 6,205          | 7,596          | 6,930          | 6,570          |
| Indirect taxes                                | ..                  | 281            | 473            | 519            | 400            |
| Depreciation, depletion and amortization      | ..                  | 1,226          | 1,408          | 1,753          | 1,645          |
| Interest expense (operating)                  | ..                  | 297            | 537            | 574            | 430            |
| Other operating expenses                      | ..                  | 1,779          | 1,019          | 702            | 507            |
| <b>Operating profit/loss</b>                  | ..                  | <b>10,365</b>  | <b>12,111</b>  | <b>10,095</b>  | <b>8,489</b>   |
| Interest and dividend revenue                 | ..                  | 5              | 39             | 173            | 37             |
| Interest expense on borrowing                 | ..                  | 1,880          | 2,624          | 1,803          | 1,689          |
| Gains/losses                                  | ..                  | -11            | 200            | 173            | -1,186         |
| <b>Profit before income tax</b>               | ..                  | <b>8,478</b>   | <b>9,726</b>   | <b>8,638</b>   | <b>5,651</b>   |
| Income tax                                    | ..                  | 1,639          | 2,124          | 1,448          | 1,631          |
| Equity in affiliates' earnings                | ..                  | 1,900          | 1,413          | 1,796          | 1,296          |
| <b>Profit before extraordinary gains</b>      | ..                  | <b>8,740</b>   | <b>9,014</b>   | <b>8,985</b>   | <b>5,316</b>   |
| Extraordinary gains                           | ..                  | -129           | 2              | -38            | 3              |
| <b>Net profit</b>                             | ..                  | <b>8,611</b>   | <b>9,016</b>   | <b>8,947</b>   | <b>5,320</b>   |

Table 50-2

## Loan brokers and other financial investment - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>9,016</b> | <b>8,947</b> | <b>5,320</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 148          | 827          | 760          |
| Plus: conceptual adjustments  | ..                  | ..   | -880         | -631         | -750         |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,949        | 1,837        | 1,383        |
| Plus: deferred income taxes   | ..                  | ..   | -100         | -250         | -74          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 204          | 267          | 111          |
| Deductible dividends  | ..                  | ..   | 5,823        | 6,285        | 6,174        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>4,107</b> | <b>4,178</b> | <b>354</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 3,810        | 3,408        | 1,454        |
| Less: taxable capital gains   | ..                  | ..   | 3,171        | 2,687        | 1,461        |
| Net difference, capital gains and losses                            | ..                  | ..   | 639          | 721          | -7           |
| Resource allowance  | ..                  | ..   | 137          | 78           | 64           |
| Less: royalties   | ..                  | ..   | 130          | 73           | 65           |
| Net difference, resource allowance                                  | ..                  | ..   | 7            | 6            | -1           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | 61           | 448          | 122          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>708</b>   | <b>1,175</b> | <b>115</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 1,197        | 1,075        | 1,315        |
| Less: capital cost allowance  | ..                  | ..   | 808          | 715          | 724          |
| Net difference, depreciation  | ..                  | ..   | 389          | 360          | 591          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 251          | 53           | 59           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 268          | 70           | 78           |
| Net difference, natural resources expenses                          | ..                  | ..   | -17          | -16          | -19          |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 128          | 36           | 46           |
| Other timing differences  | ..                  | ..   | 356          | 1,461        | 3,052        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>855</b>   | <b>1,840</b> | <b>3,671</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>4,255</b> | <b>4,843</b> | <b>3,910</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 1,894        | 1,739        | 1,676        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>6,149</b> | <b>6,583</b> | <b>5,586</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 561          | 835          | 1,054        |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>5,587</b> | <b>5,747</b> | <b>4,531</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 2,285        | 2,344        | 1,845        |
| Corporate surtax  | ..                  | ..   | 58           | 58           | 49           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 543          | 568          | 453          |
| Small business deduction  | ..                  | ..   | 66           | 68           | 80           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 9            | 12           | 9            |
| Investment tax credit   | ..                  | ..   | 10           | 11           | 9            |
| Other federal tax credits   | ..                  | ..   | 28           | 42           | 65           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>1,688</b> | <b>1,701</b> | <b>1,278</b> |
| Other direct federal taxes  | ..                  | ..   | 433          | 359          | 359          |
| <b>Total federal tax</b>  | ..                  | ..   | <b>2,121</b> | <b>2,059</b> | <b>1,638</b> |
| Provincial income taxes   | ..                  | ..   | 697          | 758          | 560          |
| <b>Total taxes</b>  | ..                  | ..   | <b>2,818</b> | <b>2,818</b> | <b>2,198</b> |



Table 50-3

## Loan brokers and other financial investment - Selected ratios

|  | 1998 | 1999  | 2000              | 2001  | 2002  |
|--|------|-------|-------------------|-------|-------|
| <b>Selected ratios</b>                           |      |       |                   |       |       |
| Debt to equity (ratio)                           | ..   | 0.489 | 0.585             | 0.541 | 0.571 |
| Profit margin (percent)                          | ..   | 31.2  | 29.5              | 24.4  | 22.7  |
| Return on equity (percent)                       | ..   | 9.7   | 11.3              | 10.3  | 6.1   |
| Return on capital employed (percent)             | ..   | 7.6   | 8.8               | 7.7   | 4.8   |
| Working capital (ratio)                          | ..   | ..    | ..                | ..    | ..    |
| Quick ratio (ratio)                              | ..   | ..    | ..                | ..    | ..    |
| Inventory turnover (ratio)                       | ..   | ..    | ..                | ..    | ..    |
| Receivables turnover (ratio)                     | ..   | ..    | ..                | ..    | ..    |
| Taxes to positive adjusted profit (percent)      | ..   | ..    | 36.0              | 32.9  | 35.2  |
| Income taxes to taxable income (percent)         | ..   | ..    | 42.7              | 42.8  | 40.6  |
| <b>Selected items</b>                            |      |       |                   |       |       |
|  |      |       | Percentage change |       |       |
| Operating revenue, year-over-year change         | ..   | ..    | 23.5              | 0.7   | -9.6  |
| Operating expenses, year-over-year change        | ..   | ..    | 26.5              | 8.0   | -7.6  |
| Operating profit, year-over-year change          | ..   | ..    | 16.8              | -16.6 | -15.9 |
| Taxable income (tax base), year-over-year change | ..   | ..    | ..                | 2.9   | -21.2 |
| Taxes, year-over-year change                     | ..   | ..    | ..                | ..    | -22.0 |

Table 51-1

## Real estate - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | <b>120,450</b>      | <b>152,318</b> | <b>142,148</b> | <b>150,099</b> | <b>161,600</b> |
| Cash and deposits                             | 3,911               | 8,159          | 6,497          | 7,419          | 8,361          |
| Accounts receivable and accrued revenue       | 2,060               | 3,130          | 3,264          | 3,386          | 3,925          |
| Inventories                                   | 3,600               | 5,909          | 4,434          | 4,472          | 4,116          |
| Investments                                   | 24,054              | 24,058         | 26,406         | 25,049         | 29,338         |
| Investments and accounts with affiliates      | 14,009              | 16,771         | 19,335         | 17,925         | 20,831         |
| Portfolio investments                         | 10,045              | 7,286          | 7,071          | 7,124          | 8,507          |
| Loans   | 9,587               | 19,348         | 3,710          | 3,950          | 3,881          |
| Mortgages                                     | 3,021               | 7,315          | 2,580          | 2,835          | 2,683          |
| Non-mortgages                                 | 6,566               | 12,033         | 1,130          | 1,114          | 1,198          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | 74,024              | 87,530         | 94,559         | 102,403        | 106,834        |
| Other assets                                  | 3,212               | 4,184          | 3,277          | 3,421          | 5,145          |
| <b>Liabilities</b>                            | <b>85,713</b>       | <b>104,178</b> | <b>105,034</b> | <b>109,069</b> | <b>108,667</b> |
| Accounts payable and accrued liabilities      | 5,684               | 7,236          | 6,695          | 7,088          | 7,098          |
| Loans and accounts with affiliates            | 20,216              | 25,614         | 26,787         | 26,597         | 29,850         |
| Borrowings                                    | 55,546              | 65,797         | 66,171         | 69,958         | 67,233         |
| Loans and overdrafts                          | 7,990               | 11,333         | 9,684          | 8,212          | 8,949          |
| From banks                                    | 5,269               | 8,152          | 5,993          | 4,836          | 5,702          |
| From others                                   | 2,721               | 3,181          | 3,692          | 3,376          | 3,247          |
| Bankers' acceptances and paper                | 516                 | 139            | 287            | 372            | 215            |
| Bonds and debentures                          | 3,624               | 6,898          | 5,208          | 5,691          | 4,236          |
| Mortgages                                     | 43,416              | 47,426         | 50,993         | 55,682         | 53,833         |
| Deferred income tax                           | 1,807               | 1,617          | 1,673          | 1,433          | 1,645          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | 2,461               | 3,915          | 3,707          | 3,993          | 2,841          |
| <b>Equity</b>                                 | <b>34,736</b>       | <b>48,140</b>  | <b>37,114</b>  | <b>41,030</b>  | <b>52,933</b>  |
| Share capital                                 | 22,746              | 32,405         | 24,773         | 25,325         | 27,925         |
| Contributed surplus and other                 | 5,119               | 8,368          | 8,474          | 8,719          | 11,637         |
| Retained earnings                             | 6,871               | 7,367          | 3,867          | 6,986          | 13,371         |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | <b>27,101</b>       | <b>28,841</b>  | <b>31,774</b>  | <b>33,420</b>  | <b>35,517</b>  |
| Sales of goods and services                   | 11,752              | 12,323         | 12,856         | 13,015         | 14,440         |
| Interest and dividend revenue (operating)     | ..                  | ..             | ..             | ..             | ..             |
| Other operating revenue                       | 15,349              | 16,518         | 18,918         | 20,405         | 21,077         |
| <b>Operating expenses</b>                     | <b>22,003</b>       | <b>22,923</b>  | <b>24,759</b>  | <b>26,366</b>  | <b>27,222</b>  |
| Purchased goods, materials and service        | 12,182              | 11,781         | 12,488         | 14,497         | 15,374         |
| Wages, salaries and employee benefits         | 5,185               | 5,311          | 6,100          | 6,082          | 6,377          |
| Indirect taxes                                | ..                  | 2,507          | 2,914          | 2,603          | 2,282          |
| Depreciation, depletion and amortization      | 2,337               | 2,911          | 2,982          | 2,872          | 2,919          |
| Interest expense (operating)                  | ..                  | ..             | ..             | ..             | ..             |
| Other operating expenses                      | 2,299               | 413            | 275            | 313            | 270            |
| <b>Operating profit/loss</b>                  | <b>5,098</b>        | <b>5,918</b>   | <b>7,015</b>   | <b>7,053</b>   | <b>8,295</b>   |
| Interest and dividend revenue                 | 1,029               | 1,180          | 1,284          | 1,473          | 1,780          |
| Interest expense on borrowing                 | 4,086               | 4,615          | 5,289          | 5,430          | 5,134          |
| Gains/losses                                  | 638                 | 1,401          | 1,073          | 1,911          | 1,915          |
| <b>Profit before income tax</b>               | <b>2,678</b>        | <b>3,883</b>   | <b>4,082</b>   | <b>5,007</b>   | <b>6,856</b>   |
| Income tax                                    | 881                 | 1,041          | 1,198          | 857            | 1,270          |
| Equity in affiliates' earnings                | 564                 | 1,102          | 662            | 653            | 855            |
| <b>Profit before extraordinary gains</b>      | <b>2,361</b>        | <b>3,944</b>   | <b>3,546</b>   | <b>4,804</b>   | <b>6,441</b>   |
| Extraordinary gains                           | -54                 | 158            | 1              | -4             | 1              |
| <b>Net profit</b>                             | <b>2,306</b>        | <b>4,102</b>   | <b>3,547</b>   | <b>4,800</b>   | <b>6,442</b>   |

Table 51-2

## Real estate - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>3,547</b> | <b>4,800</b> | <b>6,442</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 600          | -488         | 123          |
| Plus: conceptual adjustments  | ..                  | ..   | -1,356       | 382          | -1,013       |
| Plus: current taxes, including mining                               | ..                  | ..   | 898          | 869          | 1,031        |
| Plus: deferred income taxes   | ..                  | ..   | -75          | -91          | -57          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 186          | 888          | 1,040        |
| Deductible dividends  | ..                  | ..   | 1,994        | 2,196        | 1,889        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,433</b> | <b>2,388</b> | <b>3,597</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 489          | 1,318        | 1,610        |
| Less: taxable capital gains   | ..                  | ..   | 1,158        | 1,178        | 1,046        |
| Net difference, capital gains and losses                            | ..                  | ..   | -669         | 140          | 564          |
| Resource allowance  | ..                  | ..   | 1            | 2            | 1            |
| Less: royalties   | ..                  | ..   | 1            | 1            | 1            |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | 1            | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | 287          | -119         | 195          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-382</b>  | <b>22</b>    | <b>759</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 2,860        | 2,464        | 2,770        |
| Less: capital cost allowance  | ..                  | ..   | 2,157        | 1,670        | 1,464        |
| Net difference, depreciation  | ..                  | ..   | 703          | 794          | 1,306        |
| Natural resources expenses, (books)                                 | ..                  | ..   | 6            | 9            | 6            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 5            | 4            | 14           |
| Net difference, natural resources expenses                          | ..                  | ..   | 1            | 6            | -8           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 18           | 27           | -8           |
| Other timing differences  | ..                  | ..   | -805         | -755         | -671         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-83</b>   | <b>73</b>    | <b>619</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>1,732</b> | <b>2,439</b> | <b>3,458</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 1,979        | 1,591        | 1,158        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>3,710</b> | <b>4,030</b> | <b>4,615</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 920          | 1,181        | 1,266        |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>2,790</b> | <b>2,849</b> | <b>3,349</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,106        | 1,177        | 1,409        |
| Corporate surtax  | ..                  | ..   | 28           | 30           | 36           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 265          | 284          | 340          |
| Small business deduction  | ..                  | ..   | 106          | 114          | 184          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 1            | ..           | 1            |
| Investment tax credit   | ..                  | ..   | 2            | ..           | -1           |
| Other federal tax credits   | ..                  | ..   | 29           | 20           | 41           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>731</b>   | <b>790</b>   | <b>881</b>   |
| Other direct federal taxes  | ..                  | ..   | 282          | 66           | 75           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>1,013</b> | <b>856</b>   | <b>956</b>   |
| Provincial income taxes   | ..                  | ..   | 355          | 355          | 378          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,368</b> | <b>1,211</b> | <b>1,334</b> |

Table 51-3

## Real estate - Selected ratios

|  | 1998   | 1999              | 2000  | 2001  | 2002  |
|--|--------|-------------------|-------|-------|-------|
| <b>Selected ratios</b>                           |        |                   |       |       |       |
| Debt to equity (ratio)                           | 2.181  | 1.899             | 2.505 | 2.353 | 1.834 |
| Profit margin (percent)                          | 18.8   | 20.5              | 22.1  | 21.1  | 23.4  |
| Return on equity (percent)                       | 6.8    | 8.2               | 9.6   | 11.7  | 12.2  |
| Return on capital employed (percent)             | 5.0    | 5.4               | 5.9   | 6.7   | 7.0   |
| Working capital (ratio)                          | 1.548  | 2.261             | 1.060 | 1.079 | 1.114 |
| Quick ratio (ratio)                              | 1.298  | 1.849             | 0.802 | 0.841 | 0.910 |
| Inventory turnover (ratio)                       | 7.529  | 4.881             | 7.165 | 7.474 | 8.630 |
| Receivables turnover (ratio)                     | 13.153 | 9.214             | 9.734 | 9.870 | 9.048 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 33.7  | 23.5  | 24.2  |
| Income taxes to taxable income (percent)         | ..     | ..                | 38.9  | 40.2  | 37.6  |
| <b>Selected items</b>                            |        |                   |       |       |       |
|  |        | Percentage change |       |       |       |
| Operating revenue, year-over-year change         | ..     | 6.4               | 10.2  | 5.2   | 6.3   |
| Operating expenses, year-over-year change        | ..     | 4.2               | 8.0   | 6.5   | 3.2   |
| Operating profit, year-over-year change          | ..     | 16.1              | 18.5  | 0.5   | 17.6  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..    | 2.1   | 17.5  |
| Taxes, year-over-year change                     | ..     | ..                | ..    | -11.5 | 10.1  |

Table 52-1

## Other rental companies - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>38,541</b>       | <b>21,095</b> | <b>36,003</b> | <b>35,073</b> | <b>37,126</b> |
| Cash and deposits                             | 1,147               | 1,078         | 1,583         | 1,799         | 1,819         |
| Accounts receivable and accrued revenue       | 6,265               | 1,871         | 3,671         | 3,018         | 3,551         |
| Inventories                                   | 1,300               | 1,003         | 1,173         | 1,154         | 1,424         |
| Investments                                   | 10,950              | 3,277         | 4,557         | 4,585         | 5,849         |
| Investments and accounts with affiliates      | 9,186               | 2,319         | 3,397         | 3,312         | 4,534         |
| Portfolio investments                         | 1,764               | 959           | 1,160         | 1,273         | 1,314         |
| Loans   | 4,253               | 1,423         | 8,043         | 8,983         | 9,486         |
| Mortgages                                     | 140                 | 526           | 372           | 250           | 348           |
| Non-mortgages                                 | 4,113               | 897           | 7,672         | 8,733         | 9,138         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 12,011              | 11,006        | 13,891        | 12,222        | 10,794        |
| Other assets                                  | 2,616               | 1,436         | 3,085         | 3,311         | 4,203         |
| <b>Liabilities</b>                            | <b>27,224</b>       | <b>15,236</b> | <b>27,676</b> | <b>26,791</b> | <b>28,008</b> |
| Accounts payable and accrued liabilities      | 4,135               | 2,196         | 3,605         | 2,584         | 2,648         |
| Loans and accounts with affiliates            | 2,679               | 2,714         | 3,706         | 4,223         | 5,769         |
| Borrowings                                    | 18,840              | 8,341         | 17,758        | 17,359        | 17,413        |
| Loans and overdrafts                          | 3,777               | 4,342         | 3,944         | 3,401         | 3,895         |
| From banks                                    | 2,492               | 2,748         | 1,890         | 1,524         | 1,675         |
| From others                                   | 1,285               | 1,593         | 2,054         | 1,877         | 2,220         |
| Bankers' acceptances and paper                | 6,800               | 160           | 6,077         | 6,680         | 6,706         |
| Bonds and debentures                          | 3,751               | 222           | 3,813         | 3,746         | 3,884         |
| Mortgages                                     | 4,512               | 3,618         | 3,923         | 3,532         | 2,928         |
| Deferred income tax                           | 960                 | 797           | 1,273         | 927           | 1,300         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 610                 | 1,188         | 1,335         | 1,698         | 879           |
| <b>Equity</b>                                 | <b>11,317</b>       | <b>5,858</b>  | <b>8,327</b>  | <b>8,282</b>  | <b>9,117</b>  |
| Share capital                                 | 7,468               | 1,742         | 2,391         | 2,309         | 2,497         |
| Contributed surplus and other                 | 507                 | 799           | 1,085         | 1,005         | 741           |
| Retained earnings                             | 3,342               | 3,317         | 4,851         | 4,968         | 5,879         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>19,711</b>       | <b>12,695</b> | <b>17,840</b> | <b>18,418</b> | <b>19,749</b> |
| Sales of goods and services                   | 15,510              | 8,110         | 10,659        | 10,483        | 11,231        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 4,201               | 4,585         | 7,181         | 7,935         | 8,518         |
| <b>Operating expenses</b>                     | <b>21,105</b>       | <b>11,571</b> | <b>15,619</b> | <b>15,491</b> | <b>16,026</b> |
| Purchased goods, materials and service        | 14,781              | 6,689         | 8,301         | 7,738         | 7,765         |
| Wages, salaries and employee benefits         | 3,367               | 2,080         | 3,628         | 4,118         | 4,645         |
| Indirect taxes                                | ..                  | 160           | 259           | 130           | 137           |
| Depreciation, depletion and amortization      | 2,386               | 2,375         | 3,269         | 3,339         | 3,310         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 571                 | 267           | 162           | 166           | 169           |
| <b>Operating profit/loss</b>                  | <b>-1,394</b>       | <b>1,124</b>  | <b>2,221</b>  | <b>2,927</b>  | <b>3,723</b>  |
| Interest and dividend revenue                 | 1,200               | 277           | 239           | 219           | 280           |
| Interest expense on borrowing                 | 1,090               | 609           | 1,096         | 1,809         | 2,083         |
| Gains/losses                                  | 62                  | 147           | 297           | -23           | -44           |
| <b>Profit before income tax</b>               | <b>-1,223</b>       | <b>939</b>    | <b>1,661</b>  | <b>1,315</b>  | <b>1,876</b>  |
| Income tax                                    | 392                 | 298           | 405           | 664           | 724           |
| Equity in affiliates' earnings                | 127                 | 63            | 18            | 23            | 40            |
| <b>Profit before extraordinary gains</b>      | <b>-1,488</b>       | <b>704</b>    | <b>1,274</b>  | <b>673</b>    | <b>1,192</b>  |
| Extraordinary gains                           | -3                  | -7            | -7            | ..            | 1             |
| <b>Net profit</b>                             | <b>-1,491</b>       | <b>697</b>    | <b>1,267</b>  | <b>674</b>    | <b>1,193</b>  |

Table 52-2

## Other rental companies - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001        | 2002         |
|---|---------------------|------|--------------|-------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |             |              |
|   | millions of dollars |      |              |             |              |
| <b>Net profit</b>   | ..                  | ..   | <b>1,267</b> | <b>674</b>  | <b>1,193</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -566         | -118        | -576         |
| Plus: conceptual adjustments  | ..                  | ..   | -47          | -43         | -40          |
| Plus: current taxes, including mining                               | ..                  | ..   | 287          | 280         | 269          |
| Plus: deferred income taxes   | ..                  | ..   | 131          | 6           | 36           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 26           | 5           | 15           |
| Deductible dividends  | ..                  | ..   | 130          | 201         | 122          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>915</b>   | <b>593</b>  | <b>745</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |             |              |
| Book capital gains and losses                                       | ..                  | ..   | 331          | 193         | 218          |
| Less: taxable capital gains   | ..                  | ..   | 83           | 48          | 45           |
| Net difference, capital gains and losses                            | ..                  | ..   | 248          | 146         | 173          |
| Resource allowance  | ..                  | ..   | ..           | 11          | 10           |
| Less: royalties   | ..                  | ..   | ..           | 1           | 1            |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | 10          | 9            |
| Earned depletion allowance  | ..                  | ..   | ..           | ..          | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -100         | -58         | -63          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>148</b>   | <b>98</b>   | <b>119</b>   |
| <b>Timing differences:</b>  |                     |      |              |             |              |
| Depreciation  | ..                  | ..   | 2,830        | 2,464       | 2,609        |
| Less: capital cost allowance  | ..                  | ..   | 4,005        | 3,380       | 3,581        |
| Net difference, depreciation  | ..                  | ..   | -1,176       | -915        | -971         |
| Natural resources expenses, (books)                                 | ..                  | ..   | 1            | 10          | 9            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | 3           | 2            |
| Net difference, natural resources expenses                          | ..                  | ..   | 1            | 7           | 7            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 1            | ..          | ..           |
| Other timing differences  | ..                  | ..   | 685          | 716         | 651          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-489</b>  | <b>-193</b> | <b>-314</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>278</b>   | <b>301</b>  | <b>313</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 538          | 580         | 597          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>816</b>   | <b>881</b>  | <b>909</b>   |
| Less: prior year losses applied                                     | ..                  | ..   | 130          | 246         | 257          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>686</b>   | <b>635</b>  | <b>653</b>   |
| <b>Taxes:</b>   |                     |      |              |             |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 293          | 261         | 274          |
| Corporate surtax  | ..                  | ..   | 8            | 7           | 8            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |             |              |
| Federal tax abatement   | ..                  | ..   | 76           | 67          | 70           |
| Small business deduction  | ..                  | ..   | 38           | 38          | 42           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 1            | ..          | ..           |
| Investment tax credit   | ..                  | ..   | 1            | 1           | ..           |
| Other federal tax credits   | ..                  | ..   | 1            | 3           | 13           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>184</b>   | <b>158</b>  | <b>156</b>   |
| Other direct federal taxes  | ..                  | ..   | 37           | 15          | 9            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>221</b>   | <b>173</b>  | <b>165</b>   |
| Provincial income taxes   | ..                  | ..   | 81           | 73          | 70           |
| <b>Total taxes</b>  | ..                  | ..   | <b>302</b>   | <b>246</b>  | <b>235</b>   |

Table 52-3

## Other rental companies - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.901  | 1.887             | 2.578  | 2.606  | 2.543  |
| Profit margin (percent)                          | -7.1   | 8.9               | 12.4   | 15.9   | 18.8   |
| Return on equity (percent)                       | -13.1  | 12.0              | 15.3   | 8.1    | 13.1   |
| Return on capital employed (percent)             | -2.0   | 6.7               | 7.1    | 6.0    | 8.0    |
| Working capital (ratio)                          | 0.583  | 0.921             | 0.789  | 0.844  | 0.888  |
| Quick ratio (ratio)                              | 0.510  | 0.744             | 0.704  | 0.756  | 0.782  |
| Inventory turnover (ratio)                       | 15.166 | 12.658            | 15.212 | 15.966 | 13.866 |
| Receivables turnover (ratio)                     | 3.146  | 6.786             | 4.859  | 6.102  | 5.561  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 24.2   | 22.7   | 18.7   |
| Income taxes to taxable income (percent)         | ..     | ..                | 38.7   | 36.4   | 34.6   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | -35.6             | 40.5   | 3.2    | 7.2    |
| Operating expenses, year-over-year change        | ..     | -45.2             | 35.0   | -0.8   | 3.5    |
| Operating profit, year-over-year change          | ..     | 180.6             | 97.7   | 31.8   | 27.2   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -7.3   | 2.8    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -18.4  | -4.5   |

Table 53-1

## Computer systems design and related services - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>10,035</b>       | <b>12,325</b> | <b>19,047</b> | <b>20,900</b> | <b>20,142</b> |
| Cash and deposits                             | 1,182               | 2,433         | 3,104         | 3,079         | 3,130         |
| Accounts receivable and accrued revenue       | 2,488               | 3,456         | 4,759         | 4,858         | 4,632         |
| Inventories                                   | 257                 | 383           | 500           | 509           | 570           |
| Investments                                   | 3,098               | 2,188         | 5,073         | 5,947         | 5,719         |
| Investments and accounts with affiliates      | 1,852               | 1,582         | 3,654         | 4,835         | 4,309         |
| Portfolio investments                         | 1,246               | 606           | 1,419         | 1,112         | 1,410         |
| Loans   | 183                 | 113           | 135           | 207           | 246           |
| Mortgages                                     | 21                  | 61            | 57            | 73            | 68            |
| Non-mortgages                                 | 162                 | 52            | 78            | 133           | 178           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 1,092               | 1,367         | 1,917         | 2,396         | 2,344         |
| Other assets                                  | 1,734               | 2,385         | 3,559         | 3,903         | 3,503         |
| <b>Liabilities</b>                            | <b>5,897</b>        | <b>7,832</b>  | <b>10,698</b> | <b>12,318</b> | <b>12,665</b> |
| Accounts payable and accrued liabilities      | 2,496               | 3,013         | 4,224         | 4,230         | 4,264         |
| Loans and accounts with affiliates            | 1,039               | 2,267         | 2,947         | 4,054         | 4,613         |
| Borrowings                                    | 1,777               | 1,834         | 2,319         | 2,727         | 2,692         |
| Loans and overdrafts                          | 724                 | 1,414         | 1,651         | 1,879         | 1,881         |
| From banks                                    | 420                 | 660           | 751           | 1,058         | 1,084         |
| From others                                   | 304                 | 754           | 900           | 821           | 798           |
| Bankers' acceptances and paper                | ..                  | ..            | 6             | 4             | 35            |
| Bonds and debentures                          | 24                  | 28            | 322           | 423           | 390           |
| Mortgages                                     | 1,029               | 393           | 340           | 421           | 386           |
| Deferred income tax                           | -60                 | 22            | -27           | -100          | -26           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 645                 | 696           | 1,234         | 1,407         | 1,121         |
| <b>Equity</b>                                 | <b>4,138</b>        | <b>4,492</b>  | <b>8,349</b>  | <b>8,582</b>  | <b>7,477</b>  |
| Share capital                                 | 3,237               | 4,516         | 8,747         | 11,147        | 10,413        |
| Contributed surplus and other                 | 1,695               | 143           | 204           | 684           | 617           |
| Retained earnings                             | -795                | -166          | -602          | -3,249        | -3,552        |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>11,475</b>       | <b>15,786</b> | <b>19,340</b> | <b>21,136</b> | <b>20,770</b> |
| Sales of goods and services                   | 11,256              | 15,597        | 19,065        | 20,881        | 20,407        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 219                 | 189           | 275           | 256           | 362           |
| <b>Operating expenses</b>                     | <b>11,248</b>       | <b>15,339</b> | <b>19,729</b> | <b>21,750</b> | <b>20,722</b> |
| Purchased goods, materials and service        | 7,217               | 7,647         | 11,504        | 13,081        | 12,229        |
| Wages, salaries and employee benefits         | 3,470               | 5,552         | 6,751         | 7,213         | 7,210         |
| Indirect taxes                                | ..                  | 53            | 90            | 75            | 88            |
| Depreciation, depletion and amortization      | 490                 | 870           | 943           | 1,110         | 973           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 70                  | 1,216         | 441           | 272           | 223           |
| <b>Operating profit/loss</b>                  | <b>227</b>          | <b>447</b>    | <b>-390</b>   | <b>-614</b>   | <b>48</b>     |
| Interest and dividend revenue                 | 107                 | 201           | 171           | 267           | 135           |
| Interest expense on borrowing                 | 125                 | 136           | 259           | 241           | 221           |
| Gains/losses                                  | -75                 | -107          | 145           | -367          | 22            |
| <b>Profit before income tax</b>               | <b>134</b>          | <b>404</b>    | <b>-332</b>   | <b>-954</b>   | <b>-17</b>    |
| Income tax                                    | 191                 | 377           | 303           | 398           | 448           |
| Equity in affiliates' earnings                | -46                 | 64            | 97            | 38            | 33            |
| <b>Profit before extraordinary gains</b>      | <b>-103</b>         | <b>91</b>     | <b>-538</b>   | <b>-1,314</b> | <b>-432</b>   |
| Extraordinary gains                           | 1                   | 2             | -1            | -16           | -9            |
| <b>Net profit</b>                             | <b>-102</b>         | <b>93</b>     | <b>-540</b>   | <b>-1,330</b> | <b>-441</b>   |



Table 53-2

## Computer systems design and related services - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001          | 2002         |
|---|---------------------|------|--------------|---------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |               |              |
|   | millions of dollars |      |              |               |              |
| <b>Net profit</b>   | ..                  | ..   | <b>-540</b>  | <b>-1,330</b> | <b>-441</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | 8            | -55           | 126          |
| Plus: conceptual adjustments  | ..                  | ..   | 54           | 29            | -120         |
| Plus: current taxes, including mining                               | ..                  | ..   | 337          | 387           | 400          |
| Plus: deferred income taxes   | ..                  | ..   | -4           | -38           | 16           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | ..           | -2            | ..           |
| Deductible dividends  | ..                  | ..   | 215          | 408           | 93           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>-359</b>  | <b>-1,412</b> | <b>-112</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |               |              |
| Book capital gains and losses                                       | ..                  | ..   | 262          | 29            | 69           |
| Less: taxable capital gains   | ..                  | ..   | 204          | 107           | 78           |
| Net difference, capital gains and losses                            | ..                  | ..   | 58           | -78           | -9           |
| Resource allowance  | ..                  | ..   | ..           | ..            | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..            | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..            | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..            | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -88          | -93           | -90          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-30</b>   | <b>-170</b>   | <b>-98</b>   |
| <b>Timing differences:</b>  |                     |      |              |               |              |
| Depreciation  | ..                  | ..   | 916          | 926           | 1,028        |
| Less: capital cost allowance  | ..                  | ..   | 464          | 579           | 794          |
| Net difference, depreciation  | ..                  | ..   | 452          | 347           | 234          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 4            | 5             | 5            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..            | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | 4            | 5             | 4            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 8            | 1             | ..           |
| Other timing differences  | ..                  | ..   | 138          | 975           | 113          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>601</b>   | <b>1,327</b>  | <b>350</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>272</b>   | <b>86</b>     | <b>337</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 1,204        | 1,773         | 1,567        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>1,476</b> | <b>1,859</b>  | <b>1,903</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 110          | 208           | 267          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,366</b> | <b>1,650</b>  | <b>1,636</b> |
| <b>Taxes:</b>   |                     |      |              |               |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 530          | 645           | 638          |
| Corporate surtax  | ..                  | ..   | 15           | 18            | 18           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |               |              |
| Federal tax abatement   | ..                  | ..   | 137          | 167           | 166          |
| Small business deduction  | ..                  | ..   | 107          | 124           | 124          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 2            | 2             | 1            |
| Investment tax credit   | ..                  | ..   | 35           | 46            | 47           |
| Other federal tax credits   | ..                  | ..   | 5            | 12            | 23           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>260</b>   | <b>311</b>    | <b>294</b>   |
| Other direct federal taxes  | ..                  | ..   | 6            | 7             | 8            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>265</b>   | <b>318</b>    | <b>302</b>   |
| Provincial income taxes   | ..                  | ..   | 159          | 169           | 157          |
| <b>Total taxes</b>  | ..                  | ..   | <b>424</b>   | <b>487</b>    | <b>459</b>   |

Table 53-3

## Computer systems design and related services - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.680  | 0.913             | 0.631  | 0.790  | 0.977  |
| Profit margin (percent)                          | 2.0    | 2.8               | -2.0   | -2.9   | 0.2    |
| Return on equity (percent)                       | -2.5   | 2.0               | -6.4   | -15.3  | -5.8   |
| Return on capital employed (percent)             | 0.1    | 2.2               | -2.6   | -7.4   | -1.8   |
| Working capital (ratio)                          | 1.410  | 1.375             | 1.392  | 1.427  | 1.339  |
| Quick ratio (ratio)                              | 1.343  | 1.302             | 1.322  | 1.356  | 1.266  |
| Inventory turnover (ratio)                       | 44.633 | 41.251            | 38.686 | 41.514 | 36.468 |
| Receivables turnover (ratio)                     | 4.613  | 4.568             | 4.064  | 4.351  | 4.484  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 30.4   | 28.7   | 23.1   |
| Income taxes to taxable income (percent)         | ..     | ..                | 30.6   | 29.1   | 27.6   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 37.6              | 22.5   | 9.3    | -1.7   |
| Operating expenses, year-over-year change        | ..     | 36.4              | 28.6   | 10.2   | -4.7   |
| Operating profit, year-over-year change          | ..     | 96.7              | -187.2 | -57.5  | 107.7  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 20.8   | -0.9   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 14.7   | -5.6   |

Table 54-1

## Professional, scientific and technical services (except computer systems design) - Balance sheet and income statement

|   | 1998          | 1999          | 2000          | 2001          | 2002          |
|---|---------------|---------------|---------------|---------------|---------------|
| Balance sheet                                 |               |               |               |               |               |
| millions of dollars                           |               |               |               |               |               |
| <b>Assets</b>                                 | <b>42,329</b> | <b>42,948</b> | <b>53,517</b> | <b>58,341</b> | <b>63,557</b> |
| Cash and deposits                             | 3,919         | 7,260         | 7,739         | 8,262         | 9,137         |
| Accounts receivable and accrued revenue       | 8,656         | 8,596         | 10,558        | 10,801        | 11,866        |
| Inventories                                   | 2,341         | 2,342         | 2,587         | 2,674         | 2,795         |
| Investments                                   | 16,226        | 13,618        | 19,332        | 20,749        | 23,809        |
| Investments and accounts with affiliates      | 7,228         | 7,995         | 11,480        | 11,530        | 13,101        |
| Portfolio investments                         | 8,999         | 5,624         | 7,851         | 9,219         | 10,708        |
| Loans   | 1,472         | 1,221         | 1,491         | 1,451         | 1,425         |
| Mortgages                                     | 209           | 769           | 694           | 632           | 705           |
| Non-mortgages                                 | 1,263         | 452           | 798           | 819           | 720           |
| Bank customers' liabilities under acceptances | ..            | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 6,541         | 6,563         | 7,782         | 9,906         | 9,762         |
| Other assets                                  | 3,173         | 3,349         | 4,028         | 4,498         | 4,763         |
| <b>Liabilities</b>                            | <b>23,713</b> | <b>24,284</b> | <b>34,185</b> | <b>36,013</b> | <b>37,404</b> |
| Accounts payable and accrued liabilities      | 9,225         | 9,262         | 11,954        | 12,378        | 12,985        |
| Loans and accounts with affiliates            | 5,901         | 5,966         | 11,029        | 11,983        | 12,630        |
| Borrowings                                    | 6,271         | 6,711         | 7,706         | 8,634         | 8,039         |
| Loans and overdrafts                          | 3,263         | 4,101         | 4,756         | 5,570         | 5,196         |
| From banks                                    | 2,559         | 3,183         | 3,487         | 3,227         | 3,244         |
| From others                                   | 704           | 918           | 1,269         | 2,343         | 1,952         |
| Bankers' acceptances and paper                | 5             | 67            | 33            | 103           | 108           |
| Bonds and debentures                          | 127           | 154           | 564           | 498           | 461           |
| Mortgages                                     | 2,875         | 2,388         | 2,352         | 2,464         | 2,274         |
| Deferred income tax                           | 284           | 189           | 551           | 438           | 439           |
| Bank customers' liabilities under acceptances | ..            | ..            | ..            | ..            | ..            |
| Other liabilities                             | 2,032         | 2,156         | 2,945         | 2,579         | 3,312         |
| <b>Equity</b>                                 | <b>18,616</b> | <b>18,664</b> | <b>19,332</b> | <b>22,327</b> | <b>26,153</b> |
| Share capital                                 | 9,252         | 9,991         | 14,502        | 16,447        | 19,305        |
| Contributed surplus and other                 | 2,126         | 2,158         | 2,677         | 2,472         | 2,272         |
| Retained earnings                             | 7,239         | 6,516         | 2,152         | 3,408         | 4,576         |
| Income statement                              |               |               |               |               |               |
| <b>Operating revenue</b>                      | <b>40,023</b> | <b>44,244</b> | <b>55,953</b> | <b>56,743</b> | <b>57,021</b> |
| Sales of goods and services                   | 38,393        | 43,359        | 54,737        | 55,084        | 55,233        |
| Interest and dividend revenue (operating)     | ..            | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 1,630         | 886           | 1,216         | 1,659         | 1,788         |
| <b>Operating expenses</b>                     | <b>38,613</b> | <b>42,824</b> | <b>54,506</b> | <b>55,211</b> | <b>55,938</b> |
| Purchased goods, materials and service        | 24,758        | 25,951        | 34,381        | 34,766        | 34,694        |
| Wages, salaries and employee benefits         | 12,046        | 14,881        | 17,456        | 17,749        | 18,443        |
| Indirect taxes                                | ..            | 311           | 408           | 267           | 271           |
| Depreciation, depletion and amortization      | 1,112         | 1,279         | 1,662         | 1,771         | 1,877         |
| Interest expense (operating)                  | ..            | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 698           | 403           | 599           | 658           | 653           |
| <b>Operating profit/loss</b>                  | <b>1,409</b>  | <b>1,421</b>  | <b>1,448</b>  | <b>1,532</b>  | <b>1,083</b>  |
| Interest and dividend revenue                 | 849           | 861           | 1,368         | 1,112         | 1,189         |
| Interest expense on borrowing                 | 600           | 313           | 627           | 680           | 713           |
| Gains/losses                                  | 1,137         | 227           | 476           | 273           | 110           |
| <b>Profit before income tax</b>               | <b>2,792</b>  | <b>2,196</b>  | <b>2,665</b>  | <b>2,237</b>  | <b>1,669</b>  |
| Income tax                                    | 800           | 817           | 969           | 1,060         | 990           |
| Equity in affiliates' earnings                | 819           | 708           | 544           | 567           | 692           |
| <b>Profit before extraordinary gains</b>      | <b>2,811</b>  | <b>2,087</b>  | <b>2,240</b>  | <b>1,743</b>  | <b>1,371</b>  |
| Extraordinary gains                           | -34           | -31           | -44           | 8             | -38           |
| <b>Net profit</b>                             | <b>2,777</b>  | <b>2,056</b>  | <b>2,196</b>  | <b>1,751</b>  | <b>1,333</b>  |

Table 54-2

## Professional, scientific and technical services (except computer systems design) - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>2,196</b> | <b>1,751</b> | <b>1,333</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 203          | 121          | -159         |
| Plus: conceptual adjustments  | ..                  | ..   | -110         | -199         | -108         |
| Plus: current taxes, including mining                               | ..                  | ..   | 982          | 1,077        | 1,027        |
| Plus: deferred income taxes   | ..                  | ..   | 28           | 26           | -2           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 75           | 10           | 22           |
| Deductible dividends  | ..                  | ..   | 1,531        | 851          | 1,073        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,692</b> | <b>1,915</b> | <b>995</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 379          | 353          | 135          |
| Less: taxable capital gains   | ..                  | ..   | 560          | 365          | 291          |
| Net difference, capital gains and losses                            | ..                  | ..   | -180         | -12          | -156         |
| Resource allowance  | ..                  | ..   | 49           | 85           | 71           |
| Less: royalties   | ..                  | ..   | 43           | 77           | 70           |
| Net difference, resource allowance                                  | ..                  | ..   | 6            | 8            | 1            |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -194         | -108         | -230         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-369</b>  | <b>-112</b>  | <b>-385</b>  |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 1,550        | 1,503        | 1,738        |
| Less: capital cost allowance  | ..                  | ..   | 1,580        | 1,272        | 1,440        |
| Net difference, depreciation  | ..                  | ..   | -31          | 231          | 298          |
| Natural resources expenses, (books)                                 | ..                  | ..   | 65           | 105          | 97           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 103          | 165          | 142          |
| Net difference, natural resources expenses                          | ..                  | ..   | -38          | -60          | -45          |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 4            | 3            | 2            |
| Other timing differences  | ..                  | ..   | 1,876        | 1,400        | 1,504        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>1,811</b> | <b>1,574</b> | <b>1,760</b> |
| <b>Net taxable income</b>   | ..                  | ..   | <b>3,872</b> | <b>3,602</b> | <b>3,140</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 1,842        | 2,060        | 2,551        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>5,714</b> | <b>5,662</b> | <b>5,690</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 492          | 438          | 407          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>5,222</b> | <b>5,224</b> | <b>5,283</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 2,005        | 2,020        | 2,044        |
| Corporate surtax  | ..                  | ..   | 55           | 55           | 56           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 519          | 525          | 533          |
| Small business deduction  | ..                  | ..   | 384          | 446          | 468          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 6            | 6            | 8            |
| Investment tax credit   | ..                  | ..   | 123          | 84           | 86           |
| Other federal tax credits   | ..                  | ..   | 12           | 24           | 43           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>1,016</b> | <b>990</b>   | <b>961</b>   |
| Other direct federal taxes  | ..                  | ..   | 99           | 40           | 30           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>1,115</b> | <b>1,030</b> | <b>990</b>   |
| Provincial income taxes   | ..                  | ..   | 546          | 500          | 463          |
| <b>Total taxes</b>  | ..                  | ..   | <b>1,662</b> | <b>1,530</b> | <b>1,453</b> |

Table 54-3

## Professional, scientific and technical services (except computer systems design) - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.654  | 0.679             | 0.969  | 0.923  | 0.790  |
| Profit margin (percent)                          | 3.5    | 3.2               | 2.6    | 2.7    | 1.9    |
| Return on equity (percent)                       | 15.1   | 11.2              | 11.6   | 7.8    | 5.2    |
| Return on capital employed (percent)             | 10.6   | 7.4               | 7.2    | 5.3    | 4.1    |
| Working capital (ratio)                          | 1.557  | 1.512             | 1.267  | 1.325  | 1.367  |
| Quick ratio (ratio)                              | 1.395  | 1.342             | 1.148  | 1.202  | 1.245  |
| Inventory turnover (ratio)                       | 17.095 | 18.893            | 21.626 | 21.216 | 20.398 |
| Receivables turnover (ratio)                     | 4.624  | 5.147             | 5.299  | 5.253  | 4.805  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 36.6   | 29.3   | 28.4   |
| Income taxes to taxable income (percent)         | ..     | ..                | 29.9   | 28.5   | 26.9   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 10.5              | 26.5   | 1.4    | 0.5    |
| Operating expenses, year-over-year change        | ..     | 10.9              | 27.3   | 1.3    | 1.3    |
| Operating profit, year-over-year change          | ..     | 0.8               | 1.9    | 5.8    | -29.3  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | ..     | 1.1    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -7.9   | -5.0   |

Table 55-1

## Management of companies and enterprises - Balance sheet and income statement

|   | 1998                | 1999           | 2000           | 2001           | 2002           |
|---|---------------------|----------------|----------------|----------------|----------------|
| <b>Balance sheet</b>                          |                     |                |                |                |                |
|   | millions of dollars |                |                |                |                |
| <b>Assets</b>                                 | <b>312,301</b>      | <b>311,295</b> | <b>367,694</b> | <b>386,398</b> | <b>414,882</b> |
| Cash and deposits                             | 4,559               | 15,367         | 10,886         | 11,385         | 13,302         |
| Accounts receivable and accrued revenue       | 4,633               | 4,042          | 5,151          | 5,187          | 5,968          |
| Inventories                                   | 1,695               | 1,546          | 916            | 890            | 1,164          |
| Investments                                   | 270,797             | 260,403        | 320,013        | 335,997        | 364,060        |
| Investments and accounts with affiliates      | 212,693             | 223,859        | 283,611        | 290,846        | 323,266        |
| Portfolio investments                         | 58,105              | 36,544         | 36,402         | 45,151         | 40,794         |
| Loans   | 10,244              | 7,959          | 6,227          | 7,594          | 7,327          |
| Mortgages                                     | 4,965               | 4,850          | 3,451          | 3,924          | 3,916          |
| Non-mortgages                                 | 5,279               | 3,109          | 2,777          | 3,670          | 3,411          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Capital assets, net                           | 17,139              | 18,866         | 20,265         | 24,221         | 22,244         |
| Other assets                                  | 3,234               | 3,112          | 4,236          | 1,124          | 818            |
| <b>Liabilities</b>                            | <b>101,895</b>      | <b>90,237</b>  | <b>98,808</b>  | <b>115,174</b> | <b>124,212</b> |
| Accounts payable and accrued liabilities      | 8,333               | 6,611          | 7,611          | 9,277          | 9,717          |
| Loans and accounts with affiliates            | 36,491              | 43,431         | 46,375         | 49,876         | 59,866         |
| Borrowings                                    | 50,677              | 35,446         | 37,695         | 46,008         | 48,379         |
| Loans and overdrafts                          | 11,259              | 8,476          | 10,218         | 11,920         | 13,899         |
| From banks                                    | 9,079               | 6,510          | 8,159          | 8,896          | 10,694         |
| From others                                   | 2,179               | 1,966          | 2,060          | 3,024          | 3,205          |
| Bankers' acceptances and paper                | 1,885               | 1,706          | 4,301          | 4,989          | 3,935          |
| Bonds and debentures                          | 16,923              | 15,221         | 12,987         | 18,546         | 21,118         |
| Mortgages                                     | 20,610              | 10,042         | 10,189         | 10,552         | 9,426          |
| Deferred income tax                           | 1,733               | 1,315          | 1,146          | 1,846          | 1,389          |
| Bank customers' liabilities under acceptances | ..                  | ..             | ..             | ..             | ..             |
| Other liabilities                             | 4,661               | 3,434          | 5,981          | 8,168          | 4,861          |
| <b>Equity</b>                                 | <b>210,406</b>      | <b>221,058</b> | <b>268,886</b> | <b>271,224</b> | <b>290,671</b> |
| Share capital                                 | 126,130             | 122,781        | 160,869        | 179,355        | 196,067        |
| Contributed surplus and other                 | 39,230              | 38,407         | 42,887         | 43,688         | 46,180         |
| Retained earnings                             | 45,046              | 59,870         | 65,131         | 48,180         | 48,424         |
| <b>Income statement</b>                       |                     |                |                |                |                |
| <b>Operating revenue</b>                      | <b>26,793</b>       | <b>26,850</b>  | <b>28,420</b>  | <b>32,221</b>  | <b>33,115</b>  |
| Sales of goods and services                   | 7,546               | 9,081          | 10,686         | 11,838         | 10,370         |
| Interest and dividend revenue (operating)     | ..                  | 13,211         | 13,881         | 15,694         | 18,238         |
| Other operating revenue                       | 19,247              | 4,558          | 3,854          | 4,688          | 4,507          |
| <b>Operating expenses</b>                     | <b>11,993</b>       | <b>13,446</b>  | <b>15,056</b>  | <b>17,238</b>  | <b>15,297</b>  |
| Purchased goods, materials and service        | 6,908               | 7,459          | 8,050          | 11,113         | 9,746          |
| Wages, salaries and employee benefits         | 3,431               | 3,674          | 3,960          | 3,696          | 3,697          |
| Indirect taxes                                | ..                  | 351            | 544            | 539            | 483            |
| Depreciation, depletion and amortization      | 709                 | 973            | 1,882          | 1,117          | 1,042          |
| Interest expense (operating)                  | ..                  | ..             | ..             | ..             | 3              |
| Other operating expenses                      | 945                 | 989            | 620            | 773            | 325            |
| <b>Operating profit/loss</b>                  | <b>14,799</b>       | <b>13,404</b>  | <b>13,365</b>  | <b>14,983</b>  | <b>17,818</b>  |
| Interest and dividend revenue                 | ..                  | 215            | 39             | 21             | 20             |
| Interest expense on borrowing                 | 4,173               | 3,598          | 3,686          | 3,992          | 4,018          |
| Gains/losses                                  | 687                 | -65            | -50            | -20,576        | -913           |
| <b>Profit before income tax</b>               | <b>11,313</b>       | <b>9,956</b>   | <b>9,666</b>   | <b>-9,564</b>  | <b>12,906</b>  |
| Income tax                                    | 1,151               | 1,083          | 1,051          | 335            | -35            |
| Equity in affiliates' earnings                | 3,477               | 4,813          | 6,093          | 8,359          | 7,816          |
| <b>Profit before extraordinary gains</b>      | <b>13,639</b>       | <b>13,686</b>  | <b>14,708</b>  | <b>-1,540</b>  | <b>20,757</b>  |
| Extraordinary gains                           | -63                 | -114           | 11             | 55             | -8             |
| <b>Net profit</b>                             | <b>13,576</b>       | <b>13,572</b>  | <b>14,719</b>  | <b>-1,486</b>  | <b>20,749</b>  |

Table 55-2

## Management of companies and enterprises - Reconciliation of profit

|   | 1998                | 1999 | 2000          | 2001           | 2002          |
|---|---------------------|------|---------------|----------------|---------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |               |                |               |
|   | millions of dollars |      |               |                |               |
| <b>Net profit</b>   | ..                  | ..   | <b>14,719</b> | <b>-1,486</b>  | <b>20,749</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -115          | 624            | 43            |
| Plus: conceptual adjustments  | ..                  | ..   | -3,573        | -6,150         | -6,629        |
| Plus: current taxes, including mining                               | ..                  | ..   | 1,233         | 1,653          | 963           |
| Plus: deferred income taxes   | ..                  | ..   | -243          | -346           | -855          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | -2,035        | -693           | 121           |
| Deductible dividends  | ..                  | ..   | 14,802        | 15,441         | 15,849        |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>-746</b>   | <b>-20,453</b> | <b>-1,699</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |               |                |               |
| Book capital gains and losses                                       | ..                  | ..   | 1,885         | 2,977          | 2,122         |
| Less: taxable capital gains   | ..                  | ..   | 3,116         | 4,513          | 1,098         |
| Net difference, capital gains and losses                            | ..                  | ..   | -1,231        | -1,536         | 1,024         |
| Resource allowance  | ..                  | ..   | 28            | 32             | 18            |
| Less: royalties   | ..                  | ..   | 7             | 9              | 7             |
| Net difference, resource allowance                                  | ..                  | ..   | 20            | 23             | 10            |
| Earned depletion allowance  | ..                  | ..   | 1             | 1              | ..            |
| Other exemptions and deductions                                     | ..                  | ..   | 2,359         | 1,070          | 26            |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>1,149</b>  | <b>-441</b>    | <b>1,060</b>  |
| <b>Timing differences:</b>  |                     |      |               |                |               |
| Depreciation  | ..                  | ..   | 972           | 956            | 1,037         |
| Less: capital cost allowance  | ..                  | ..   | 1,150         | 784            | 684           |
| Net difference, depreciation  | ..                  | ..   | -178          | 172            | 353           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 27            | 54             | 37            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 81            | -239           | 50            |
| Net difference, natural resources expenses                          | ..                  | ..   | -54           | 294            | -13           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 44            | 21             | -8            |
| Other timing differences  | ..                  | ..   | 4,824         | 23,265         | 2,366         |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>4,636</b>  | <b>23,752</b>  | <b>2,698</b>  |
| <b>Net taxable income</b>   | ..                  | ..   | <b>2,741</b>  | <b>3,741</b>   | <b>-61</b>    |
| Plus: current year tax losses                                       | ..                  | ..   | 2,944         | 3,783          | 3,811         |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>5,685</b>  | <b>7,524</b>   | <b>3,750</b>  |
| Less: prior year losses applied                                     | ..                  | ..   | 679           | 2,485          | 583           |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>5,006</b>  | <b>5,040</b>   | <b>3,167</b>  |
| <b>Taxes:</b>   |                     |      |               |                |               |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 1,887         | 2,052          | 1,325         |
| Corporate surtax  | ..                  | ..   | 47            | 52             | 34            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |               |                |               |
| Federal tax abatement   | ..                  | ..   | 424           | 446            | 313           |
| Small business deduction  | ..                  | ..   | 76            | 83             | 98            |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 15            | 17             | 11            |
| Investment tax credit   | ..                  | ..   | 5             | 8              | 3             |
| Other federal tax credits   | ..                  | ..   | 27            | 41             | 41            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>1,388</b>  | <b>1,509</b>   | <b>893</b>    |
| Other direct federal taxes  | ..                  | ..   | 532           | 307            | 319           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>1,920</b>  | <b>1,816</b>   | <b>1,213</b>  |
| Provincial income taxes   | ..                  | ..   | 627           | 575            | 367           |
| <b>Total taxes</b>  | ..                  | ..   | <b>2,547</b>  | <b>2,391</b>   | <b>1,580</b>  |

Table 55-3

## Management of companies and enterprises - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 0.414  | 0.357             | 0.313  | 0.354  | 0.372  |
| Profit margin (percent)                          | 55.2   | 49.9              | 47.0   | 46.5   | 53.8   |
| Return on equity (percent)                       | 6.5    | 6.2               | 5.5    | -0.6   | 7.1    |
| Return on capital employed (percent)             | 5.8    | 5.6               | 5.0    | 0.5    | 6.0    |
| Working capital (ratio)                          | 1.936  | 2.023             | 1.838  | 1.616  | 1.781  |
| Quick ratio (ratio)                              | 1.861  | 1.899             | 1.786  | 1.575  | 1.725  |
| Inventory turnover (ratio)                       | 15.808 | 17.370            | 31.020 | 36.200 | 28.457 |
| Receivables turnover (ratio)                     | 5.783  | 6.642             | 5.517  | 6.212  | 5.549  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 26.1   | 24.3   | 27.6   |
| Income taxes to taxable income (percent)         | ..     | ..                | 40.3   | 41.4   | 39.8   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 0.2               | 5.8    | 13.4   | 2.8    |
| Operating expenses, year-over-year change        | ..     | 12.1              | 12.0   | 14.5   | -11.3  |
| Operating profit, year-over-year change          | ..     | -9.4              | -0.3   | 12.1   | 18.9   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 0.7    | -37.2  |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -6.1   | -33.9  |



Table 56-1

## Administrative and support, waste management and remediation services - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>27,235</b>       | <b>30,895</b> | <b>31,515</b> | <b>35,041</b> | <b>35,398</b> |
| Cash and deposits                             | 2,030               | 3,725         | 3,660         | 4,235         | 4,578         |
| Accounts receivable and accrued revenue       | 6,002               | 4,828         | 5,176         | 5,750         | 5,725         |
| Inventories                                   | 925                 | 1,033         | 815           | 956           | 784           |
| Investments                                   | 7,426               | 7,726         | 10,039        | 10,142        | 10,287        |
| Investments and accounts with affiliates      | 4,134               | 4,485         | 6,404         | 6,743         | 7,352         |
| Portfolio investments                         | 3,292               | 3,241         | 3,635         | 3,399         | 2,935         |
| Loans   | 709                 | 1,749         | 1,787         | 1,808         | 1,738         |
| Mortgages                                     | 153                 | 329           | 299           | 420           | 351           |
| Non-mortgages                                 | 556                 | 1,420         | 1,489         | 1,388         | 1,387         |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 7,570               | 7,508         | 7,195         | 9,008         | 8,019         |
| Other assets                                  | 2,574               | 4,326         | 2,843         | 3,141         | 4,267         |
| <b>Liabilities</b>                            | <b>17,909</b>       | <b>20,071</b> | <b>22,217</b> | <b>25,171</b> | <b>24,628</b> |
| Accounts payable and accrued liabilities      | 4,122               | 4,557         | 5,370         | 5,930         | 5,953         |
| Loans and accounts with affiliates            | 5,966               | 6,405         | 8,013         | 8,883         | 10,152        |
| Borrowings                                    | 5,648               | 5,091         | 6,843         | 7,939         | 6,095         |
| Loans and overdrafts                          | 2,485               | 3,082         | 3,581         | 5,262         | 3,325         |
| From banks                                    | 1,976               | 2,561         | 2,941         | 2,296         | 2,362         |
| From others                                   | 509                 | 521           | 640           | 2,966         | 963           |
| Bankers' acceptances and paper                | 1,336               | 370           | 325           | 49            | 104           |
| Bonds and debentures                          | 157                 | 149           | 687           | 580           | 795           |
| Mortgages                                     | 1,670               | 1,490         | 2,249         | 2,048         | 1,871         |
| Deferred income tax                           | 786                 | 569           | 488           | 440           | 356           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 1,387               | 3,449         | 1,503         | 1,978         | 2,072         |
| <b>Equity</b>                                 | <b>9,327</b>        | <b>10,823</b> | <b>9,298</b>  | <b>9,870</b>  | <b>10,770</b> |
| Share capital                                 | 3,471               | 4,170         | 4,994         | 6,470         | 5,749         |
| Contributed surplus and other                 | 678                 | 1,060         | 1,305         | 1,404         | 1,130         |
| Retained earnings                             | 5,178               | 5,594         | 2,999         | 1,996         | 3,891         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>35,372</b>       | <b>38,747</b> | <b>42,057</b> | <b>48,812</b> | <b>48,275</b> |
| Sales of goods and services                   | 34,519              | 38,151        | 41,394        | 47,774        | 47,299        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 853                 | 596           | 663           | 1,038         | 977           |
| <b>Operating expenses</b>                     | <b>33,665</b>       | <b>37,206</b> | <b>40,424</b> | <b>47,272</b> | <b>46,682</b> |
| Purchased goods, materials and service        | 21,795              | 21,231        | 25,811        | 30,495        | 30,337        |
| Wages, salaries and employee benefits         | 10,563              | 14,114        | 12,695        | 14,463        | 14,190        |
| Indirect taxes                                | ..                  | 280           | 246           | 265           | 228           |
| Depreciation, depletion and amortization      | 973                 | 1,186         | 1,505         | 1,699         | 1,561         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 333                 | 396           | 167           | 350           | 366           |
| <b>Operating profit/loss</b>                  | <b>1,708</b>        | <b>1,541</b>  | <b>1,633</b>  | <b>1,540</b>  | <b>1,593</b>  |
| Interest and dividend revenue                 | 842                 | 604           | 676           | 858           | 887           |
| Interest expense on borrowing                 | 850                 | 495           | 792           | 991           | 867           |
| Gains/losses                                  | 153                 | 177           | 119           | 87            | 49            |
| <b>Profit before income tax</b>               | <b>1,852</b>        | <b>1,827</b>  | <b>1,635</b>  | <b>1,494</b>  | <b>1,662</b>  |
| Income tax                                    | 440                 | 497           | 512           | 562           | 546           |
| Equity in affiliates' earnings                | 296                 | 277           | 70            | 150           | 87            |
| <b>Profit before extraordinary gains</b>      | <b>1,708</b>        | <b>1,607</b>  | <b>1,193</b>  | <b>1,082</b>  | <b>1,204</b>  |
| Extraordinary gains                           | 8                   | 16            | 54            | 2             | 6             |
| <b>Net profit</b>                             | <b>1,716</b>        | <b>1,623</b>  | <b>1,247</b>  | <b>1,085</b>  | <b>1,210</b>  |

Table 56-2

## Administrative and support, waste management and remediation services - Reconciliation of profit

|   | 1998        | 1999 | 2000         | 2001         | 2002         |
|---|-------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |             |      |              |              |              |
|   | (\$000,000) |      |              |              |              |
| <b>Net profit</b>   | ..          | ..   | <b>1,247</b> | <b>1,085</b> | <b>1,210</b> |
| Plus: consolidation adjustments                                     | ..          | ..   | 12           | 275          | 11           |
| Plus: conceptual adjustments  | ..          | ..   | -49          | -207         | -191         |
| Plus: current taxes, including mining                               | ..          | ..   | 521          | 505          | 487          |
| Plus: deferred income taxes   | ..          | ..   | 47           | -22          | 24           |
| Less: profit of tax exempt corporations                             | ..          | ..   | 10           | 67           | 8            |
| Deductible dividends  | ..          | ..   | 303          | 641          | 580          |
| <b>Adjusted profit before taxes</b>                                 | ..          | ..   | <b>1,464</b> | <b>928</b>   | <b>952</b>   |
| <b>Exemptions and deductions:</b>                                   |             |      |              |              |              |
| Book capital gains and losses                                       | ..          | ..   | 144          | 224          | 109          |
| Less: taxable capital gains   | ..          | ..   | 152          | 117          | 82           |
| Net difference, capital gains and losses                            | ..          | ..   | -8           | 107          | 27           |
| Resource allowance  | ..          | ..   | ..           | 1            | 2            |
| Less: royalties   | ..          | ..   | ..           | 1            | 2            |
| Net difference, resource allowance                                  | ..          | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..          | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..          | ..   | -48          | -66          | -62          |
| <b>Total, exemptions and deductions</b>                             | ..          | ..   | <b>-56</b>   | <b>41</b>    | <b>-36</b>   |
| <b>Timing differences:</b>  |             |      |              |              |              |
| Depreciation  | ..          | ..   | 1,342        | 1,299        | 1,506        |
| Less: capital cost allowance  | ..          | ..   | 1,242        | 1,266        | 1,396        |
| Net difference, depreciation  | ..          | ..   | 101          | 33           | 109          |
| Natural resources expenses, (books)                                 | ..          | ..   | 60           | 7            | 8            |
| Less: natural resource expenses, (tax)                              | ..          | ..   | 1            | 4            | 8            |
| Net difference, natural resources expenses                          | ..          | ..   | 59           | 3            | 1            |
| Charitable donations net difference, (books minus tax)              | ..          | ..   | -1           | ..           | 5            |
| Other timing differences  | ..          | ..   | -381         | 454          | 193          |
| <b>Total, timing differences</b>                                    | ..          | ..   | <b>-222</b>  | <b>491</b>   | <b>308</b>   |
| <b>Net taxable income</b>   | ..          | ..   | <b>1,298</b> | <b>1,378</b> | <b>1,296</b> |
| Plus: current year tax losses                                       | ..          | ..   | 728          | 773          | 999          |
| <b>Current year positive taxable income</b>                         | ..          | ..   | <b>2,026</b> | <b>2,151</b> | <b>2,294</b> |
| Less: prior year losses applied                                     | ..          | ..   | 236          | 274          | 302          |
| <b>Taxable income, tax base</b>                                     | ..          | ..   | <b>1,790</b> | <b>1,877</b> | <b>1,993</b> |
| <b>Taxes:</b>   |             |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..          | ..   | 727          | 744          | 775          |
| Corporate surtax  | ..          | ..   | 20           | 20           | 21           |
| <b>Less: Federal tax credits and deductions:</b>                    |             |      |              |              |              |
| Federal tax abatement   | ..          | ..   | 188          | 193          | 199          |
| Small business deduction  | ..          | ..   | 142          | 152          | 161          |
| Manufacturing and processing profits deduction                      | ..          | ..   | 12           | 5            | 7            |
| Investment tax credit   | ..          | ..   | 25           | 8            | 14           |
| Other federal tax credits   | ..          | ..   | 2            | 12           | 32           |
| <b>Net part 1 tax payable</b>                                       | ..          | ..   | <b>377</b>   | <b>395</b>   | <b>383</b>   |
| Other direct federal taxes  | ..          | ..   | 24           | 17           | 20           |
| <b>Total federal tax</b>  | ..          | ..   | <b>401</b>   | <b>412</b>   | <b>403</b>   |
| Provincial income taxes   | ..          | ..   | 201          | 190          | 187          |
| <b>Total taxes</b>  | ..          | ..   | <b>602</b>   | <b>602</b>   | <b>590</b>   |

Table 56-3

## Administrative and support, waste management and remediation services - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.245  | 1.062             | 1.598  | 1.704  | 1.509  |
| Profit margin (percent)                          | 4.8    | 4.0               | 3.9    | 3.2    | 3.3    |
| Return on equity (percent)                       | 18.3   | 14.8              | 12.8   | 11.0   | 11.2   |
| Return on capital employed (percent)             | 11.1   | 8.9               | 7.6    | 7.1    | 7.0    |
| Working capital (ratio)                          | 1.139  | 1.326             | 1.130  | 1.328  | 1.312  |
| Quick ratio (ratio)                              | 1.029  | 1.214             | 1.063  | 1.249  | 1.243  |
| Inventory turnover (ratio)                       | 38.251 | 37.503            | 51.598 | 51.039 | 61.563 |
| Receivables turnover (ratio)                     | 5.894  | 8.025             | 8.125  | 8.489  | 8.432  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 25.7   | 27.6   | 26.3   |
| Income taxes to taxable income (percent)         | ..     | ..                | 32.3   | 31.1   | 28.6   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 9.5               | 8.5    | 16.1   | -1.1   |
| Operating expenses, year-over-year change        | ..     | 10.5              | 8.7    | 16.9   | -1.2   |
| Operating profit, year-over-year change          | ..     | -9.7              | 6.0    | -5.7   | 3.5    |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 4.8    | 6.2    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | ..     | -1.9   |

Table 57-1

## Educational services - Balance sheet and income statement

|   | 1998                | 1999         | 2000         | 2001         | 2002         |
|---|---------------------|--------------|--------------|--------------|--------------|
| <b>Balance sheet</b>                          |                     |              |              |              |              |
|   | millions of dollars |              |              |              |              |
| <b>Assets</b>                                 | <b>2,439</b>        | <b>2,547</b> | <b>2,480</b> | <b>2,603</b> | <b>2,631</b> |
| Cash and deposits                             | 312                 | 543          | 440          | 495          | 519          |
| Accounts receivable and accrued revenue       | 435                 | 403          | 464          | 442          | 441          |
| Inventories                                   | 65                  | 64           | 66           | 63           | 63           |
| Investments                                   | 414                 | 281          | 408          | 502          | 487          |
| Investments and accounts with affiliates      | 170                 | 146          | 273          | 375          | 360          |
| Portfolio investments                         | 243                 | 135          | 135          | 127          | 126          |
| Loans   | 38                  | 46           | 71           | 84           | 84           |
| Mortgages                                     | 4                   | 15           | 39           | 50           | 45           |
| Non-mortgages                                 | 34                  | 30           | 33           | 34           | 39           |
| Bank customers' liabilities under acceptances | ..                  | ..           | ..           | ..           | ..           |
| Capital assets, net                           | 1,003               | 1,014        | 843          | 831          | 842          |
| Other assets                                  | 172                 | 196          | 188          | 185          | 196          |
| <b>Liabilities</b>                            | <b>2,177</b>        | <b>1,971</b> | <b>2,103</b> | <b>2,129</b> | <b>2,172</b> |
| Accounts payable and accrued liabilities      | 454                 | 477          | 442          | 495          | 501          |
| Loans and accounts with affiliates            | 667                 | 385          | 601          | 653          | 650          |
| Borrowings                                    | 537                 | 492          | 493          | 495          | 497          |
| Loans and overdrafts                          | 227                 | 247          | 258          | 244          | 247          |
| From banks                                    | 166                 | 208          | 189          | 176          | 169          |
| From others                                   | 62                  | 39           | 68           | 67           | 78           |
| Bankers' acceptances and paper                | ..                  | ..           | ..           | ..           | 2            |
| Bonds and debentures                          | 27                  | 17           | 1            | 1            | 6            |
| Mortgages                                     | 282                 | 228          | 234          | 250          | 242          |
| Deferred income tax                           | -1                  | -8           | -9           | -13          | -17          |
| Bank customers' liabilities under acceptances | ..                  | ..           | ..           | ..           | ..           |
| Other liabilities                             | 520                 | 625          | 576          | 498          | 541          |
| <b>Equity</b>                                 | <b>262</b>          | <b>575</b>   | <b>377</b>   | <b>474</b>   | <b>459</b>   |
| Share capital                                 | 272                 | 357          | 348          | 326          | 349          |
| Contributed surplus and other                 | 107                 | 78           | 104          | 169          | 153          |
| Retained earnings                             | -117                | 140          | -75          | -21          | -43          |
| <b>Income statement</b>                       |                     |              |              |              |              |
| <b>Operating revenue</b>                      | <b>3,437</b>        | <b>3,964</b> | <b>3,898</b> | <b>4,058</b> | <b>4,323</b> |
| Sales of goods and services                   | 3,049               | 3,682        | 3,702        | 3,843        | 4,068        |
| Interest and dividend revenue (operating)     | ..                  | ..           | ..           | ..           | ..           |
| Other operating revenue                       | 388                 | 283          | 196          | 216          | 256          |
| <b>Operating expenses</b>                     | <b>3,392</b>        | <b>3,914</b> | <b>3,902</b> | <b>4,025</b> | <b>4,298</b> |
| Purchased goods, materials and service        | 1,878               | 2,094        | 2,206        | 2,308        | 2,455        |
| Wages, salaries and employee benefits         | 1,375               | 1,645        | 1,454        | 1,489        | 1,587        |
| Indirect taxes                                | ..                  | 20           | 21           | 24           | 25           |
| Depreciation, depletion and amortization      | 106                 | 129          | 169          | 161          | 168          |
| Interest expense (operating)                  | ..                  | ..           | ..           | ..           | ..           |
| Other operating expenses                      | 34                  | 26           | 52           | 43           | 63           |
| <b>Operating profit/loss</b>                  | <b>45</b>           | <b>50</b>    | <b>-3</b>    | <b>33</b>    | <b>25</b>    |
| Interest and dividend revenue                 | 15                  | 13           | 14           | 16           | 13           |
| Interest expense on borrowing                 | 40                  | 36           | 43           | 54           | 50           |
| Gains/losses                                  | 2                   | 10           | -8           | 17           | 71           |
| <b>Profit before income tax</b>               | <b>21</b>           | <b>38</b>    | <b>-41</b>   | <b>12</b>    | <b>59</b>    |
| Income tax                                    | 30                  | 29           | 21           | 31           | 30           |
| Equity in affiliates' earnings                | 2                   | 1            | 1            | 1            | 1            |
| <b>Profit before extraordinary gains</b>      | <b>-7</b>           | <b>10</b>    | <b>-61</b>   | <b>-18</b>   | <b>30</b>    |
| Extraordinary gains                           | -1                  | ..           | -2           | -1           | -1           |
| <b>Net profit</b>                             | <b>-8</b>           | <b>9</b>     | <b>-63</b>   | <b>-18</b>   | <b>29</b>    |

Table 57-2

## Educational services - Reconciliation of profit

|   | 1998                | 1999 | 2000       | 2001       | 2002       |
|---|---------------------|------|------------|------------|------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |            |            |            |
|   | millions of dollars |      |            |            |            |
| <b>Net profit</b>   | ..                  | ..   | <b>-63</b> | <b>-18</b> | <b>29</b>  |
| Plus: consolidation adjustments                                     | ..                  | ..   | ..         | ..         | ..         |
| Plus: conceptual adjustments  | ..                  | ..   | 2          | ..         | -1         |
| Plus: current taxes, including mining                               | ..                  | ..   | 26         | 36         | 39         |
| Plus: deferred income taxes   | ..                  | ..   | -9         | -10        | ..         |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 5          | 7          | 7          |
| Deductible dividends  | ..                  | ..   | 5          | 4          | 11         |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>-54</b> | <b>-4</b>  | <b>50</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |            |            |            |
| Book capital gains and losses                                       | ..                  | ..   | -6         | 9          | -17        |
| Less: taxable capital gains   | ..                  | ..   | 7          | 10         | 20         |
| Net difference, capital gains and losses                            | ..                  | ..   | -13        | -1         | -37        |
| Resource allowance  | ..                  | ..   | ..         | ..         | ..         |
| Less: royalties   | ..                  | ..   | ..         | ..         | ..         |
| Net difference, resource allowance                                  | ..                  | ..   | ..         | ..         | ..         |
| Earned depletion allowance  | ..                  | ..   | ..         | ..         | ..         |
| Other exemptions and deductions                                     | ..                  | ..   | -7         | -6         | -3         |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-20</b> | <b>-7</b>  | <b>-40</b> |
| <b>Timing differences:</b>  |                     |      |            |            |            |
| Depreciation  | ..                  | ..   | 147        | 143        | 136        |
| Less: capital cost allowance  | ..                  | ..   | 147        | 120        | 112        |
| Net difference, depreciation  | ..                  | ..   | ..         | 23         | 23         |
| Natural resources expenses, (books)                                 | ..                  | ..   | ..         | ..         | ..         |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..         | ..         | ..         |
| Net difference, natural resources expenses                          | ..                  | ..   | ..         | ..         | ..         |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..         | 1          | ..         |
| Other timing differences  | ..                  | ..   | 9          | -2         | -21        |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>9</b>   | <b>22</b>  | <b>2</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>-25</b> | <b>25</b>  | <b>93</b>  |
| Plus: current year tax losses                                       | ..                  | ..   | 213        | 185        | 161        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>188</b> | <b>210</b> | <b>254</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 28         | 34         | 29         |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>160</b> | <b>176</b> | <b>225</b> |
| <b>Taxes:</b>   |                     |      |            |            |            |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 58         | 68         | 86         |
| Corporate surtax  | ..                  | ..   | 1          | 2          | 2          |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |            |            |            |
| Federal tax abatement   | ..                  | ..   | 15         | 17         | 22         |
| Small business deduction  | ..                  | ..   | 20         | 21         | 23         |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..         | ..         | ..         |
| Investment tax credit   | ..                  | ..   | ..         | ..         | ..         |
| Other federal tax credits   | ..                  | ..   | ..         | ..         | 1          |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>25</b>  | <b>30</b>  | <b>41</b>  |
| Other direct federal taxes  | ..                  | ..   | ..         | ..         | ..         |
| <b>Total federal tax</b>  | ..                  | ..   | <b>25</b>  | <b>30</b>  | <b>41</b>  |
| Provincial income taxes   | ..                  | ..   | 14         | 15         | 19         |
| <b>Total taxes</b>  | ..                  | ..   | <b>39</b>  | <b>45</b>  | <b>60</b>  |

Table 57-3

## Educational services - Selected ratios

|  | 1998   | 1999              | 2000   | 2001    | 2002   |
|--|--------|-------------------|--------|---------|--------|
| <b>Selected ratios</b>                           |        |                   |        |         |        |
| Debt to equity (ratio)                           | 4.592  | 1.524             | 2.900  | 2.422   | 2.499  |
| Profit margin (percent)                          | 1.3    | 1.3               | -0.1   | 0.8     | 0.6    |
| Return on equity (percent)                       | -2.6   | 1.7               | -16.1  | -3.7    | 6.6    |
| Return on capital employed (percent)             | 1.9    | 2.8               | -1.6   | 1.7     | 4.5    |
| Working capital (ratio)                          | 0.767  | 0.936             | 0.911  | 0.893   | 0.928  |
| Quick ratio (ratio)                              | 0.723  | 0.884             | 0.861  | 0.847   | 0.882  |
| Inventory turnover (ratio)                       | 52.910 | 61.480            | 59.386 | 64.193  | 69.054 |
| Receivables turnover (ratio)                     | 7.896  | 9.832             | 8.407  | 9.185   | 9.799  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 21.7   | 20.2    | 21.3   |
| Income taxes to taxable income (percent)         | ..     | ..                | 24.4   | 25.6    | 26.8   |
| <b>Selected items</b>                            |        |                   |        |         |        |
|  |        | Percentage change |        |         |        |
| Operating revenue, year-over-year change         | ..     | 15.3              | -1.7   | 4.1     | 6.5    |
| Operating expenses, year-over-year change        | ..     | 15.4              | -0.3   | 3.2     | 6.8    |
| Operating profit, year-over-year change          | ..     | 11.4              | -106.5 | 1,122.6 | -24.8  |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 9.8     | 28.1   |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 14.1    | 34.3   |

Table 58-1

## Health care and social assistance - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>17,448</b>       | <b>15,734</b> | <b>18,253</b> | <b>19,584</b> | <b>21,713</b> |
| Cash and deposits                             | 1,338               | 2,364         | 2,004         | 2,005         | 2,411         |
| Accounts receivable and accrued revenue       | 1,351               | 1,388         | 1,528         | 1,553         | 1,719         |
| Inventories                                   | 227                 | 244           | 295           | 356           | 375           |
| Investments                                   | 4,182               | 3,559         | 5,100         | 5,912         | 6,072         |
| Investments and accounts with affiliates      | 1,662               | 2,194         | 2,760         | 3,362         | 3,254         |
| Portfolio investments                         | 2,520               | 1,365         | 2,339         | 2,550         | 2,818         |
| Loans   | 365                 | 359           | 290           | 284           | 295           |
| Mortgages                                     | 110                 | 246           | 147           | 161           | 181           |
| Non-mortgages                                 | 255                 | 113           | 143           | 123           | 114           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 8,526               | 6,335         | 6,886         | 7,380         | 8,561         |
| Other assets                                  | 1,459               | 1,486         | 2,151         | 2,093         | 2,280         |
| <b>Liabilities</b>                            | <b>11,449</b>       | <b>9,441</b>  | <b>10,515</b> | <b>12,366</b> | <b>12,503</b> |
| Accounts payable and accrued liabilities      | 1,772               | 1,965         | 2,131         | 2,374         | 2,629         |
| Loans and accounts with affiliates            | 1,129               | 1,216         | 1,742         | 3,013         | 2,155         |
| Borrowings                                    | 8,067               | 5,652         | 5,884         | 6,205         | 6,756         |
| Loans and overdrafts                          | 1,353               | 1,343         | 1,316         | 1,226         | 1,172         |
| From banks                                    | 870                 | 992           | 933           | 941           | 843           |
| From others                                   | 483                 | 351           | 382           | 284           | 329           |
| Bankers' acceptances and paper                | 52                  | 135           | 372           | 419           | 463           |
| Bonds and debentures                          | 341                 | 452           | 466           | 479           | 345           |
| Mortgages                                     | 6,321               | 3,722         | 3,731         | 4,081         | 4,777         |
| Deferred income tax                           | 51                  | 56            | 154           | 46            | 192           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 431                 | 552           | 604           | 728           | 771           |
| <b>Equity</b>                                 | <b>5,999</b>        | <b>6,293</b>  | <b>7,738</b>  | <b>7,218</b>  | <b>9,210</b>  |
| Share capital                                 | 1,556               | 2,252         | 3,209         | 3,557         | 4,254         |
| Contributed surplus and other                 | 485                 | 441           | 401           | 422           | 448           |
| Retained earnings                             | 3,958               | 3,599         | 4,128         | 3,239         | 4,508         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>15,262</b>       | <b>16,030</b> | <b>17,475</b> | <b>18,405</b> | <b>20,314</b> |
| Sales of goods and services                   | 13,189              | 14,119        | 15,778        | 16,699        | 18,477        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 2,073               | 1,911         | 1,697         | 1,705         | 1,837         |
| <b>Operating expenses</b>                     | <b>13,850</b>       | <b>14,478</b> | <b>15,747</b> | <b>16,373</b> | <b>18,154</b> |
| Purchased goods, materials and service        | 6,211               | 6,449         | 6,673         | 7,616         | 8,881         |
| Wages, salaries and employee benefits         | 6,981               | 7,298         | 8,233         | 7,915         | 8,444         |
| Indirect taxes                                | ..                  | 159           | 155           | 145           | 137           |
| Depreciation, depletion and amortization      | 424                 | 487           | 612           | 608           | 609           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 235                 | 85            | 73            | 90            | 83            |
| <b>Operating profit/loss</b>                  | <b>1,412</b>        | <b>1,552</b>  | <b>1,728</b>  | <b>2,031</b>  | <b>2,160</b>  |
| Interest and dividend revenue                 | 205                 | 224           | 242           | 248           | 174           |
| Interest expense on borrowing                 | 397                 | 398           | 439           | 479           | 509           |
| Gains/losses                                  | 29                  | 66            | 83            | 100           | 33            |
| <b>Profit before income tax</b>               | <b>1,248</b>        | <b>1,444</b>  | <b>1,615</b>  | <b>1,900</b>  | <b>1,858</b>  |
| Income tax                                    | 318                 | 383           | 442           | 483           | 529           |
| Equity in affiliates' earnings                | 112                 | 126           | 143           | 144           | 231           |
| <b>Profit before extraordinary gains</b>      | <b>1,042</b>        | <b>1,187</b>  | <b>1,316</b>  | <b>1,562</b>  | <b>1,560</b>  |
| Extraordinary gains                           | -1                  | -1            | -13           | -1            | -2            |
| <b>Net profit</b>                             | <b>1,040</b>        | <b>1,186</b>  | <b>1,303</b>  | <b>1,560</b>  | <b>1,558</b>  |

Table 58-2

## Health care and social assistance - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>1,303</b> | <b>1,560</b> | <b>1,558</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | -30          | -56          | -47          |
| Plus: conceptual adjustments  | ..                  | ..   | 29           | 90           | -24          |
| Plus: current taxes, including mining                               | ..                  | ..   | 371          | 464          | 469          |
| Plus: deferred income taxes   | ..                  | ..   | 24           | 3            | 56           |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 58           | 52           | -12          |
| Deductible dividends  | ..                  | ..   | 158          | 130          | 89           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>1,481</b> | <b>1,879</b> | <b>1,935</b> |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 110          | 94           | 42           |
| Less: taxable capital gains   | ..                  | ..   | 247          | 104          | 75           |
| Net difference, capital gains and losses                            | ..                  | ..   | -137         | -9           | -33          |
| Resource allowance  | ..                  | ..   | ..           | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -44          | -40          | 97           |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-181</b>  | <b>-49</b>   | <b>64</b>    |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 855          | 527          | 535          |
| Less: capital cost allowance  | ..                  | ..   | 648          | 429          | 466          |
| Net difference, depreciation  | ..                  | ..   | 208          | 99           | 69           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 2            | ..           | ..           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 1            | 1            | 1            |
| Net difference, natural resources expenses                          | ..                  | ..   | 2            | -1           | -1           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | 1            | ..           | 1            |
| Other timing differences  | ..                  | ..   | 8            | -175         | 7            |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>218</b>   | <b>-77</b>   | <b>76</b>    |
| <b>Net taxable income</b>   | ..                  | ..   | <b>1,880</b> | <b>1,851</b> | <b>1,946</b> |
| Plus: current year tax losses                                       | ..                  | ..   | 269          | 255          | 290          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>2,149</b> | <b>2,106</b> | <b>2,236</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 288          | 94           | 122          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,861</b> | <b>2,012</b> | <b>2,114</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 706          | 779          | 829          |
| Corporate surtax  | ..                  | ..   | 20           | 21           | 23           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 184          | 202          | 216          |
| Small business deduction  | ..                  | ..   | 211          | 245          | 277          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 2            | 3            | 3            |
| Investment tax credit   | ..                  | ..   | 66           | 27           | 12           |
| Other federal tax credits   | ..                  | ..   | 2            | 4            | 10           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>262</b>   | <b>320</b>   | <b>334</b>   |
| Other direct federal taxes  | ..                  | ..   | 31           | 20           | 13           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>293</b>   | <b>341</b>   | <b>347</b>   |
| Provincial income taxes   | ..                  | ..   | 158          | 146          | 144          |
| <b>Total taxes</b>  | ..                  | ..   | <b>451</b>   | <b>487</b>   | <b>491</b>   |



Table 58-3

## Health care and social assistance - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.533  | 1.091             | 0.986  | 1.277  | 0.968  |
| Profit margin (percent)                          | 9.3    | 9.7               | 9.9    | 11.0   | 10.6   |
| Return on equity (percent)                       | 17.4   | 18.9              | 17.0   | 21.6   | 16.9   |
| Return on capital employed (percent)             | 8.9    | 11.3              | 10.8   | 11.8   | 10.8   |
| Working capital (ratio)                          | 3.825  | 1.471             | 1.456  | 1.482  | 1.480  |
| Quick ratio (ratio)                              | 3.753  | 1.396             | 1.380  | 1.391  | 1.394  |
| Inventory turnover (ratio)                       | 67.212 | 65.810            | 59.338 | 51.735 | 54.220 |
| Receivables turnover (ratio)                     | 11.301 | 11.551            | 11.435 | 11.850 | 11.814 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 24.0   | 21.6   | 20.7   |
| Income taxes to taxable income (percent)         | ..     | ..                | 22.5   | 23.2   | 22.6   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 5.0               | 9.0    | 5.3    | 10.4   |
| Operating expenses, year-over-year change        | ..     | 4.5               | 8.8    | 4.0    | 10.9   |
| Operating profit, year-over-year change          | ..     | 10.0              | 11.3   | 17.6   | 6.3    |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 8.1    | 5.1    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 8.1    | 0.9    |

Table 59-1

## Arts, entertainment and recreation - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>11,527</b>       | <b>14,099</b> | <b>15,273</b> | <b>17,656</b> | <b>21,197</b> |
| Cash and deposits                             | 922                 | 1,751         | 1,882         | 2,045         | 2,065         |
| Accounts receivable and accrued revenue       | 683                 | 817           | 928           | 1,189         | 1,293         |
| Inventories                                   | 397                 | 293           | 437           | 472           | 517           |
| Investments                                   | 2,395               | 3,051         | 3,077         | 3,381         | 5,586         |
| Investments and accounts with affiliates      | 1,379               | 2,112         | 2,364         | 2,763         | 4,812         |
| Portfolio investments                         | 1,017               | 939           | 713           | 618           | 774           |
| Loans   | 283                 | 254           | 205           | 184           | 207           |
| Mortgages                                     | 41                  | 125           | 96            | 116           | 112           |
| Non-mortgages                                 | 242                 | 129           | 109           | 68            | 95            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 5,848               | 7,138         | 7,798         | 8,995         | 10,230        |
| Other assets                                  | 999                 | 795           | 946           | 1,390         | 1,299         |
| <b>Liabilities</b>                            | <b>8,334</b>        | <b>9,619</b>  | <b>10,152</b> | <b>12,000</b> | <b>13,660</b> |
| Accounts payable and accrued liabilities      | 1,303               | 1,675         | 1,883         | 2,249         | 2,416         |
| Loans and accounts with affiliates            | 2,401               | 2,332         | 2,787         | 3,191         | 4,028         |
| Borrowings                                    | 3,563               | 4,405         | 4,249         | 5,028         | 5,820         |
| Loans and overdrafts                          | 1,575               | 2,398         | 2,621         | 3,377         | 3,541         |
| From banks                                    | 1,140               | 2,055         | 2,042         | 2,502         | 2,697         |
| From others                                   | 436                 | 343           | 579           | 874           | 844           |
| Bankers' acceptances and paper                | 5                   | 96            | 60            | ..            | 35            |
| Bonds and debentures                          | 63                  | 153           | 163           | 158           | 283           |
| Mortgages                                     | 1,919               | 1,757         | 1,405         | 1,494         | 1,961         |
| Deferred income tax                           | 80                  | 46            | 58            | 139           | 105           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 989                 | 1,161         | 1,175         | 1,393         | 1,290         |
| <b>Equity</b>                                 | <b>3,193</b>        | <b>4,480</b>  | <b>5,121</b>  | <b>5,656</b>  | <b>7,538</b>  |
| Share capital                                 | 2,022               | 2,286         | 2,518         | 3,250         | 4,196         |
| Contributed surplus and other                 | 367                 | 439           | 778           | 1,713         | 1,573         |
| Retained earnings                             | 804                 | 1,755         | 1,824         | 692           | 1,769         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>12,664</b>       | <b>22,552</b> | <b>26,212</b> | <b>22,983</b> | <b>24,219</b> |
| Sales of goods and services                   | 11,837              | 21,785        | 25,547        | 22,268        | 23,339        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 827                 | 767           | 665           | 715           | 880           |
| <b>Operating expenses</b>                     | <b>10,271</b>       | <b>17,774</b> | <b>20,325</b> | <b>17,846</b> | <b>18,825</b> |
| Purchased goods, materials and service        | 7,557               | 13,886        | 15,644        | 12,710        | 13,371        |
| Wages, salaries and employee benefits         | 2,009               | 2,385         | 2,884         | 3,959         | 4,255         |
| Indirect taxes                                | ..                  | 576           | 563           | 221           | 188           |
| Depreciation, depletion and amortization      | 519                 | 694           | 923           | 836           | 885           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 186                 | 233           | 311           | 120           | 125           |
| <b>Operating profit/loss</b>                  | <b>2,393</b>        | <b>4,779</b>  | <b>5,887</b>  | <b>5,137</b>  | <b>5,394</b>  |
| Interest and dividend revenue                 | 52                  | 104           | 117           | 173           | 173           |
| Interest expense on borrowing                 | 298                 | 317           | 324           | 372           | 469           |
| Gains/losses                                  | 33                  | 38            | 14            | 85            | -76           |
| <b>Profit before income tax</b>               | <b>2,180</b>        | <b>4,604</b>  | <b>5,693</b>  | <b>5,024</b>  | <b>5,022</b>  |
| Income tax                                    | 99                  | 188           | 131           | 123           | 129           |
| Equity in affiliates' earnings                | -12                 | 73            | 12            | 33            | -22           |
| <b>Profit before extraordinary gains</b>      | <b>2,069</b>        | <b>4,489</b>  | <b>5,574</b>  | <b>4,934</b>  | <b>4,870</b>  |
| Extraordinary gains                           | 4                   | 1             | 13            | -2            | ..            |
| <b>Net profit</b>                             | <b>2,073</b>        | <b>4,490</b>  | <b>5,587</b>  | <b>4,932</b>  | <b>4,871</b>  |

Table 59-2

## Arts, entertainment and recreation - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>5,587</b> | <b>4,932</b> | <b>4,871</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 36           | 28           | -1,378       |
| Plus: conceptual adjustments  | ..                  | ..   | 29           | 52           | 1,295        |
| Plus: current taxes, including mining                               | ..                  | ..   | 178          | 136          | 158          |
| Plus: deferred income taxes   | ..                  | ..   | -28          | 15           | -94          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 5,469        | 4,856        | 5,057        |
| Deductible dividends  | ..                  | ..   | 32           | 38           | 75           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>301</b>   | <b>269</b>   | <b>-279</b>  |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 23           | 7            | 53           |
| Less: taxable capital gains   | ..                  | ..   | 39           | 43           | 53           |
| Net difference, capital gains and losses                            | ..                  | ..   | -16          | -36          | ..           |
| Resource allowance  | ..                  | ..   | ..           | ..           | ..           |
| Less: royalties   | ..                  | ..   | ..           | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | 2            | 5            | -17          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-14</b>   | <b>-32</b>   | <b>-17</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 1,815        | 504          | 565          |
| Less: capital cost allowance  | ..                  | ..   | 1,053        | 428          | 480          |
| Net difference, depreciation  | ..                  | ..   | 763          | 76           | 85           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 1            | ..           | ..           |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | ..           | ..           | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | 1            | ..           | ..           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | ..           | ..           |
| Other timing differences  | ..                  | ..   | -98          | 124          | 403          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>665</b>   | <b>200</b>   | <b>487</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>979</b>   | <b>501</b>   | <b>225</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 414          | 349          | 528          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>1,393</b> | <b>850</b>   | <b>753</b>   |
| Less: prior year losses applied                                     | ..                  | ..   | 812          | 317          | 171          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>581</b>   | <b>533</b>   | <b>583</b>   |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 207          | 208          | 226          |
| Corporate surtax  | ..                  | ..   | 6            | 5            | 6            |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 54           | 54           | 58           |
| Small business deduction  | ..                  | ..   | 41           | 45           | 47           |
| Manufacturing and processing profits deduction                      | ..                  | ..   | ..           | ..           | ..           |
| Investment tax credit   | ..                  | ..   | ..           | ..           | ..           |
| Other federal tax credits   | ..                  | ..   | 2            | 3            | 6            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>116</b>   | <b>110</b>   | <b>120</b>   |
| Other direct federal taxes  | ..                  | ..   | 8            | 2            | 5            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>123</b>   | <b>113</b>   | <b>126</b>   |
| Provincial income taxes   | ..                  | ..   | 64           | 48           | 56           |
| <b>Total taxes</b>  | ..                  | ..   | <b>187</b>   | <b>161</b>   | <b>182</b>   |

Table 59-3

## Arts, entertainment and recreation - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.867  | 1.504             | 1.374  | 1.453  | 1.307  |
| Profit margin (percent)                          | 18.9   | 21.2              | 22.5   | 22.4   | 22.3   |
| Return on equity (percent)                       | 64.8   | 100.2             | 108.9  | 87.2   | 64.6   |
| Return on capital employed (percent)             | 25.3   | 42.4              | 48.1   | 37.8   | 30.3   |
| Working capital (ratio)                          | 0.876  | 1.200             | 1.227  | 0.973  | 0.953  |
| Quick ratio (ratio)                              | 0.749  | 1.092             | 1.087  | 0.873  | 0.830  |
| Inventory turnover (ratio)                       | 31.913 | 76.866            | 59.936 | 48.696 | 46.811 |
| Receivables turnover (ratio)                     | 18.534 | 27.606            | 28.249 | 19.330 | 18.728 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 25.4   | 20.5   | 21.8   |
| Income taxes to taxable income (percent)         | ..     | ..                | 30.9   | 29.7   | 30.3   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 78.1              | 16.2   | -12.3  | 5.4    |
| Operating expenses, year-over-year change        | ..     | 73.1              | 14.4   | -12.2  | 5.5    |
| Operating profit, year-over-year change          | ..     | 99.7              | 23.2   | -12.7  | 5.0    |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | -8.3   | 9.2    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -14.2  | 13.3   |

Table 60-1

## Accommodation and food services - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>34,341</b>       | <b>34,687</b> | <b>34,092</b> | <b>37,004</b> | <b>39,248</b> |
| Cash and deposits                             | 2,076               | 2,852         | 2,437         | 2,686         | 2,932         |
| Accounts receivable and accrued revenue       | 1,124               | 1,273         | 1,211         | 1,701         | 1,792         |
| Inventories                                   | 1,015               | 1,070         | 1,003         | 1,050         | 1,039         |
| Investments                                   | 5,867               | 5,103         | 5,444         | 6,553         | 6,739         |
| Investments and accounts with affiliates      | 4,350               | 4,250         | 4,236         | 5,459         | 5,646         |
| Portfolio investments                         | 1,517               | 853           | 1,207         | 1,094         | 1,092         |
| Loans   | 619                 | 669           | 511           | 580           | 573           |
| Mortgages                                     | 234                 | 522           | 387           | 390           | 384           |
| Non-mortgages                                 | 385                 | 146           | 124           | 190           | 189           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 21,130              | 21,905        | 21,096        | 21,984        | 23,026        |
| Other assets                                  | 2,509               | 1,815         | 2,390         | 2,451         | 3,147         |
| <b>Liabilities</b>                            | <b>27,755</b>       | <b>27,334</b> | <b>27,701</b> | <b>29,719</b> | <b>30,500</b> |
| Accounts payable and accrued liabilities      | 4,364               | 4,195         | 4,188         | 4,310         | 4,548         |
| Loans and accounts with affiliates            | 9,727               | 9,678         | 10,761        | 11,683        | 11,781        |
| Borrowings                                    | 12,680              | 12,213        | 11,572        | 12,298        | 12,377        |
| Loans and overdrafts                          | 4,254               | 4,708         | 4,473         | 4,610         | 4,840         |
| From banks                                    | 3,101               | 4,074         | 3,421         | 3,613         | 3,238         |
| From others                                   | 1,152               | 634           | 1,052         | 997           | 1,602         |
| Bankers' acceptances and paper                | 156                 | 552           | 464           | 505           | 257           |
| Bonds and debentures                          | 811                 | 779           | 730           | 736           | 831           |
| Mortgages                                     | 7,459               | 6,173         | 5,905         | 6,447         | 6,449         |
| Deferred income tax                           | 278                 | 53            | 175           | 222           | 133           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 706                 | 1,195         | 1,004         | 1,205         | 1,662         |
| <b>Equity</b>                                 | <b>6,586</b>        | <b>7,352</b>  | <b>6,391</b>  | <b>7,286</b>  | <b>8,748</b>  |
| Share capital                                 | 6,366               | 7,032         | 5,883         | 5,861         | 6,319         |
| Contributed surplus and other                 | 715                 | 945           | 846           | 1,237         | 1,316         |
| Retained earnings                             | -494                | -625          | -338          | 188           | 1,113         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>39,618</b>       | <b>40,764</b> | <b>43,466</b> | <b>46,819</b> | <b>48,682</b> |
| Sales of goods and services                   | 37,059              | 38,589        | 41,682        | 44,727        | 46,568        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 2,559               | 2,175         | 1,783         | 2,092         | 2,115         |
| <b>Operating expenses</b>                     | <b>37,545</b>       | <b>38,823</b> | <b>41,949</b> | <b>45,034</b> | <b>46,706</b> |
| Purchased goods, materials and service        | 25,473              | 25,265        | 26,608        | 29,570        | 30,311        |
| Wages, salaries and employee benefits         | 9,721               | 10,746        | 12,281        | 12,609        | 13,061        |
| Indirect taxes                                | ..                  | 779           | 818           | 639           | 667           |
| Depreciation, depletion and amortization      | 1,471               | 1,485         | 1,753         | 1,797         | 1,986         |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 880                 | 548           | 489           | 418           | 681           |
| <b>Operating profit/loss</b>                  | <b>2,073</b>        | <b>1,941</b>  | <b>1,517</b>  | <b>1,786</b>  | <b>1,976</b>  |
| Interest and dividend revenue                 | 418                 | 255           | 282           | 318           | 140           |
| Interest expense on borrowing                 | 1,552               | 1,198         | 1,261         | 1,337         | 1,369         |
| Gains/losses                                  | 36                  | 162           | 45            | 81            | 94            |
| <b>Profit before income tax</b>               | <b>974</b>          | <b>1,160</b>  | <b>583</b>    | <b>848</b>    | <b>841</b>    |
| Income tax                                    | 355                 | 453           | 414           | 404           | 376           |
| Equity in affiliates' earnings                | 247                 | 192           | 135           | 218           | 81            |
| <b>Profit before extraordinary gains</b>      | <b>866</b>          | <b>899</b>    | <b>305</b>    | <b>662</b>    | <b>546</b>    |
| Extraordinary gains                           | 146                 | -23           | -10           | -3            | 1             |
| <b>Net profit</b>                             | <b>1,012</b>        | <b>877</b>    | <b>294</b>    | <b>659</b>    | <b>547</b>    |

Table 60-2

## Accommodation and food services - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>294</b>   | <b>659</b>   | <b>547</b>   |
| Plus: consolidation adjustments                                     | ..                  | ..   | -151         | -96          | -209         |
| Plus: conceptual adjustments  | ..                  | ..   | -183         | -139         | -74          |
| Plus: current taxes, including mining                               | ..                  | ..   | 433          | 426          | 410          |
| Plus: deferred income taxes   | ..                  | ..   | 51           | 49           | -18          |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 20           | -2           | 5            |
| Deductible dividends  | ..                  | ..   | 106          | 160          | 249          |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>318</b>   | <b>741</b>   | <b>402</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | -58          | 50           | 67           |
| Less: taxable capital gains   | ..                  | ..   | 152          | 139          | 167          |
| Net difference, capital gains and losses                            | ..                  | ..   | -210         | -89          | -100         |
| Resource allowance  | ..                  | ..   | 3            | 1            | ..           |
| Less: royalties   | ..                  | ..   | 4            | 2            | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | -1           | -1           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -67          | -62          | -83          |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>-279</b>  | <b>-152</b>  | <b>-183</b>  |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 2,735        | 1,813        | 1,889        |
| Less: capital cost allowance  | ..                  | ..   | 2,654        | 1,829        | 1,819        |
| Net difference, depreciation  | ..                  | ..   | 80           | -16          | 70           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 5            | 2            | 1            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 7            | 7            | 7            |
| Net difference, natural resources expenses                          | ..                  | ..   | -2           | -5           | -6           |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | 1            | 2            |
| Other timing differences  | ..                  | ..   | 28           | -119         | -38          |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>107</b>   | <b>-139</b>  | <b>27</b>    |
| <b>Net taxable income</b>   | ..                  | ..   | <b>703</b>   | <b>755</b>   | <b>611</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 1,381        | 1,244        | 1,452        |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>2,084</b> | <b>1,999</b> | <b>2,064</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 516          | 420          | 407          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,568</b> | <b>1,579</b> | <b>1,657</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 601          | 612          | 654          |
| Corporate surtax  | ..                  | ..   | 16           | 16           | 17           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 155          | 158          | 169          |
| Small business deduction  | ..                  | ..   | 133          | 145          | 162          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 9            | 9            | 9            |
| Investment tax credit   | ..                  | ..   | ..           | ..           | ..           |
| Other federal tax credits   | ..                  | ..   | 2            | 5            | 11           |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>319</b>   | <b>310</b>   | <b>319</b>   |
| Other direct federal taxes  | ..                  | ..   | 21           | 14           | 11           |
| <b>Total federal tax</b>  | ..                  | ..   | <b>339</b>   | <b>324</b>   | <b>330</b>   |
| Provincial income taxes   | ..                  | ..   | 163          | 151          | 148          |
| <b>Total taxes</b>  | ..                  | ..   | <b>502</b>   | <b>475</b>   | <b>478</b>   |

Table 60-3

## Accommodation and food services - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 3.402  | 2.977             | 3.494  | 3.292  | 2.762  |
| Profit margin (percent)                          | 5.2    | 4.8               | 3.5    | 3.8    | 4.1    |
| Return on equity (percent)                       | 13.2   | 12.2              | 4.8    | 9.1    | 6.2    |
| Return on capital employed (percent)             | 7.1    | 6.2               | 4.5    | 5.5    | 4.9    |
| Working capital (ratio)                          | 0.667  | 0.706             | 0.688  | 0.763  | 0.774  |
| Quick ratio (ratio)                              | 0.552  | 0.584             | 0.576  | 0.652  | 0.667  |
| Inventory turnover (ratio)                       | 39.032 | 38.085            | 43.322 | 44.604 | 46.859 |
| Receivables turnover (ratio)                     | 35.255 | 32.019            | 35.880 | 27.522 | 27.173 |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 26.7   | 21.3   | 22.6   |
| Income taxes to taxable income (percent)         | ..     | ..                | 30.7   | 29.2   | 28.2   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 2.9               | 6.6    | 7.7    | 4.0    |
| Operating expenses, year-over-year change        | ..     | 3.4               | 8.1    | 7.4    | 3.7    |
| Operating profit, year-over-year change          | ..     | -6.4              | -21.9  | 17.7   | 10.7   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 0.6    | 5.0    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | -5.5   | 0.7    |

Table 61-1

## Other services (except public administration) - Balance sheet and income statement

|   | 1998                | 1999          | 2000          | 2001          | 2002          |
|---|---------------------|---------------|---------------|---------------|---------------|
| <b>Balance sheet</b>                          |                     |               |               |               |               |
|   | millions of dollars |               |               |               |               |
| <b>Assets</b>                                 | <b>24,111</b>       | <b>22,077</b> | <b>22,192</b> | <b>20,978</b> | <b>24,414</b> |
| Cash and deposits                             | 1,449               | 2,989         | 2,652         | 3,265         | 3,541         |
| Accounts receivable and accrued revenue       | 2,919               | 2,959         | 3,260         | 3,034         | 3,127         |
| Inventories                                   | 2,297               | 2,257         | 2,479         | 2,151         | 2,190         |
| Investments                                   | 4,420               | 5,130         | 5,322         | 3,692         | 6,454         |
| Investments and accounts with affiliates      | 2,295               | 3,701         | 3,440         | 1,512         | 4,603         |
| Portfolio investments                         | 2,126               | 1,430         | 1,882         | 2,180         | 1,851         |
| Loans   | 391                 | 295           | 375           | 363           | 330           |
| Mortgages                                     | 44                  | 196           | 215           | 163           | 156           |
| Non-mortgages                                 | 347                 | 99            | 160           | 200           | 174           |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Capital assets, net                           | 7,901               | 6,194         | 6,081         | 6,329         | 6,539         |
| Other assets                                  | 4,734               | 2,254         | 2,022         | 2,145         | 2,231         |
| <b>Liabilities</b>                            | <b>16,147</b>       | <b>12,955</b> | <b>15,911</b> | <b>13,612</b> | <b>13,489</b> |
| Accounts payable and accrued liabilities      | 3,497               | 3,553         | 3,505         | 3,561         | 3,754         |
| Loans and accounts with affiliates            | 5,500               | 3,467         | 6,083         | 4,280         | 3,891         |
| Borrowings                                    | 3,773               | 3,585         | 4,435         | 4,168         | 4,196         |
| Loans and overdrafts                          | 1,791               | 1,596         | 2,368         | 2,347         | 2,388         |
| From banks                                    | 1,412               | 1,369         | 1,984         | 1,911         | 1,966         |
| From others                                   | 379                 | 227           | 384           | 437           | 422           |
| Bankers' acceptances and paper                | 80                  | 64            | 33            | 34            | 38            |
| Bonds and debentures                          | 3                   | 2             | 25            | 17            | 12            |
| Mortgages                                     | 1,900               | 1,922         | 2,008         | 1,769         | 1,758         |
| Deferred income tax                           | 291                 | 116           | 179           | 70            | 57            |
| Bank customers' liabilities under acceptances | ..                  | ..            | ..            | ..            | ..            |
| Other liabilities                             | 3,086               | 2,234         | 1,709         | 1,534         | 1,590         |
| <b>Equity</b>                                 | <b>7,964</b>        | <b>9,122</b>  | <b>6,281</b>  | <b>7,366</b>  | <b>10,925</b> |
| Share capital                                 | 4,109               | 3,145         | 3,328         | 1,594         | 4,496         |
| Contributed surplus and other                 | 543                 | 1,223         | 986           | 1,340         | 942           |
| Retained earnings                             | 3,312               | 4,753         | 1,967         | 4,432         | 5,487         |
| <b>Income statement</b>                       |                     |               |               |               |               |
| <b>Operating revenue</b>                      | <b>27,508</b>       | <b>29,121</b> | <b>30,351</b> | <b>29,436</b> | <b>31,080</b> |
| Sales of goods and services                   | 26,185              | 27,526        | 29,241        | 28,142        | 28,844        |
| Interest and dividend revenue (operating)     | ..                  | ..            | ..            | ..            | ..            |
| Other operating revenue                       | 1,322               | 1,595         | 1,109         | 1,293         | 2,235         |
| <b>Operating expenses</b>                     | <b>26,982</b>       | <b>27,991</b> | <b>29,187</b> | <b>28,410</b> | <b>29,567</b> |
| Purchased goods, materials and service        | 19,973              | 19,509        | 19,668        | 19,380        | 20,293        |
| Wages, salaries and employee benefits         | 5,953               | 7,315         | 8,301         | 7,795         | 8,085         |
| Indirect taxes                                | ..                  | 255           | 221           | 223           | 232           |
| Depreciation, depletion and amortization      | 798                 | 776           | 841           | 785           | 790           |
| Interest expense (operating)                  | ..                  | ..            | ..            | ..            | ..            |
| Other operating expenses                      | 260                 | 136           | 156           | 227           | 167           |
| <b>Operating profit/loss</b>                  | <b>525</b>          | <b>1,130</b>  | <b>1,164</b>  | <b>1,025</b>  | <b>1,513</b>  |
| Interest and dividend revenue                 | 161                 | 173           | 183           | 189           | 228           |
| Interest expense on borrowing                 | 627                 | 375           | 410           | 438           | 409           |
| Gains/losses                                  | -235                | 286           | -42           | 66            | 142           |
| <b>Profit before income tax</b>               | <b>-177</b>         | <b>1,215</b>  | <b>895</b>    | <b>842</b>    | <b>1,475</b>  |
| Income tax                                    | 45                  | 204           | 258           | 250           | 252           |
| Equity in affiliates' earnings                | 84                  | 48            | 2             | 19            | 31            |
| <b>Profit before extraordinary gains</b>      | <b>-137</b>         | <b>1,058</b>  | <b>639</b>    | <b>610</b>    | <b>1,254</b>  |
| Extraordinary gains                           | -7                  | -7            | -20           | 10            | 3             |
| <b>Net profit</b>                             | <b>-144</b>         | <b>1,051</b>  | <b>618</b>    | <b>621</b>    | <b>1,256</b>  |



Table 61-2

## Other services (except public administration) - Reconciliation of profit

|   | 1998                | 1999 | 2000         | 2001         | 2002         |
|---|---------------------|------|--------------|--------------|--------------|
| <b>Reconciliation of profit to taxable income and taxes payable</b> |                     |      |              |              |              |
|   | millions of dollars |      |              |              |              |
| <b>Net profit</b>   | ..                  | ..   | <b>618</b>   | <b>621</b>   | <b>1,256</b> |
| Plus: consolidation adjustments                                     | ..                  | ..   | 53           | -168         | -229         |
| Plus: conceptual adjustments  | ..                  | ..   | 4            | 66           | -154         |
| Plus: current taxes, including mining                               | ..                  | ..   | 252          | 260          | 246          |
| Plus: deferred income taxes   | ..                  | ..   | 40           | 2            | 7            |
| Less: profit of tax exempt corporations                             | ..                  | ..   | 90           | 73           | 151          |
| Deductible dividends  | ..                  | ..   | 167          | 45           | 70           |
| <b>Adjusted profit before taxes</b>                                 | ..                  | ..   | <b>710</b>   | <b>662</b>   | <b>905</b>   |
| <b>Exemptions and deductions:</b>                                   |                     |      |              |              |              |
| Book capital gains and losses                                       | ..                  | ..   | 97           | 121          | 236          |
| Less: taxable capital gains   | ..                  | ..   | 46           | 58           | 47           |
| Net difference, capital gains and losses                            | ..                  | ..   | 51           | 63           | 189          |
| Resource allowance  | ..                  | ..   | 1            | ..           | ..           |
| Less: royalties   | ..                  | ..   | 1            | ..           | ..           |
| Net difference, resource allowance                                  | ..                  | ..   | ..           | ..           | ..           |
| Earned depletion allowance  | ..                  | ..   | ..           | ..           | ..           |
| Other exemptions and deductions                                     | ..                  | ..   | -25          | 21           | 32           |
| <b>Total, exemptions and deductions</b>                             | ..                  | ..   | <b>26</b>    | <b>85</b>    | <b>221</b>   |
| <b>Timing differences:</b>  |                     |      |              |              |              |
| Depreciation  | ..                  | ..   | 1,145        | 730          | 761          |
| Less: capital cost allowance  | ..                  | ..   | 1,143        | 693          | 712          |
| Net difference, depreciation  | ..                  | ..   | 2            | 37           | 49           |
| Natural resources expenses, (books)                                 | ..                  | ..   | 2            | 1            | 1            |
| Less: natural resource expenses, (tax)                              | ..                  | ..   | 3            | ..           | ..           |
| Net difference, natural resources expenses                          | ..                  | ..   | -1           | 1            | 1            |
| Charitable donations net difference, (books minus tax)              | ..                  | ..   | ..           | ..           | ..           |
| Other timing differences  | ..                  | ..   | -174         | 93           | 59           |
| <b>Total, timing differences</b>                                    | ..                  | ..   | <b>-173</b>  | <b>130</b>   | <b>109</b>   |
| <b>Net taxable income</b>   | ..                  | ..   | <b>512</b>   | <b>708</b>   | <b>792</b>   |
| Plus: current year tax losses                                       | ..                  | ..   | 711          | 571          | 551          |
| <b>Current year positive taxable income</b>                         | ..                  | ..   | <b>1,222</b> | <b>1,279</b> | <b>1,344</b> |
| Less: prior year losses applied                                     | ..                  | ..   | 145          | 140          | 151          |
| <b>Taxable income, tax base</b>                                     | ..                  | ..   | <b>1,077</b> | <b>1,139</b> | <b>1,192</b> |
| <b>Taxes:</b>   |                     |      |              |              |              |
| Part 1 tax, otherwise payable                                       | ..                  | ..   | 392          | 443          | 464          |
| Corporate surtax  | ..                  | ..   | 10           | 11           | 11           |
| <b>Less: Federal tax credits and deductions:</b>                    |                     |      |              |              |              |
| Federal tax abatement   | ..                  | ..   | 102          | 115          | 121          |
| Small business deduction  | ..                  | ..   | 114          | 127          | 136          |
| Manufacturing and processing profits deduction                      | ..                  | ..   | 4            | 5            | 5            |
| Investment tax credit   | ..                  | ..   | 2            | 1            | 1            |
| Other federal tax credits   | ..                  | ..   | ..           | 2            | 5            |
| <b>Net part 1 tax payable</b>                                       | ..                  | ..   | <b>179</b>   | <b>204</b>   | <b>208</b>   |
| Other direct federal taxes  | ..                  | ..   | 6            | 2            | 4            |
| <b>Total federal tax</b>  | ..                  | ..   | <b>186</b>   | <b>206</b>   | <b>212</b>   |
| Provincial income taxes   | ..                  | ..   | 102          | 102          | 100          |
| <b>Total taxes</b>  | ..                  | ..   | <b>288</b>   | <b>308</b>   | <b>312</b>   |

Table 61-3

## Other services (except public administration) - Selected ratios

|  | 1998   | 1999              | 2000   | 2001   | 2002   |
|--|--------|-------------------|--------|--------|--------|
| <b>Selected ratios</b>                           |        |                   |        |        |        |
| Debt to equity (ratio)                           | 1.164  | 0.773             | 1.674  | 1.147  | 0.740  |
| Profit margin (percent)                          | 1.9    | 3.9               | 3.8    | 3.5    | 4.9    |
| Return on equity (percent)                       | -1.7   | 11.6              | 10.2   | 8.3    | 11.5   |
| Return on capital employed (percent)             | 2.2    | 8.4               | 5.8    | 6.1    | 8.3    |
| Working capital (ratio)                          | 1.203  | 1.372             | 1.488  | 1.480  | 1.500  |
| Quick ratio (ratio)                              | 0.875  | 1.021             | 1.121  | 1.155  | 1.179  |
| Inventory turnover (ratio)                       | 11.975 | 12.905            | 12.245 | 13.684 | 14.189 |
| Receivables turnover (ratio)                     | 9.424  | 9.843             | 9.310  | 9.703  | 9.938  |
| Taxes to positive adjusted profit (percent)      | ..     | ..                | 19.8   | 23.0   | 20.1   |
| Income taxes to taxable income (percent)         | ..     | ..                | 26.2   | 26.9   | 25.9   |
| <b>Selected items</b>                            |        |                   |        |        |        |
|  |        | Percentage change |        |        |        |
| Operating revenue, year-over-year change         | ..     | 5.9               | 4.2    | -3.0   | 5.6    |
| Operating expenses, year-over-year change        | ..     | 3.7               | 4.3    | -2.7   | 4.1    |
| Operating profit, year-over-year change          | ..     | 115.2             | 3.0    | -11.9  | 47.5   |
| Taxable income (tax base), year-over-year change | ..     | ..                | ..     | 5.8    | 4.6    |
| Taxes, year-over-year change                     | ..     | ..                | ..     | 7.0    | 1.3    |

# Concepts

The following information should be used to ensure a clear understanding of the basic concepts that define the data provided in this product, of the underlying methodology of the survey, and of key aspects of the data quality. This information will provide you with a better understanding of the strengths and limitations of the data, and how they can be effectively used and analyzed. The information may be of particular importance to you when making comparisons with data from other surveys or sources of information, and in drawing conclusions regarding change over time.

## Description of the data concepts

### Introduction

Beginning with the 1999 reference year, the Financial and Taxation Statistics for Enterprises program has undergone numerous significant changes which affect both the comparability and the historical continuity of the published statistics. Changes in industrial classification, methodology, data sources as well as content have all been introduced.

Data are now collected and compiled on the basis of the North American Industrial Classification System (NAICS)<sup>1</sup> for the entire incorporated business population as depicted on Statistics Canada's Business Register. Such a census is made possible by supplementing data collected through Statistics Canada's Quarterly Survey of Financial Statements (QFS) and the survey of provincial or federal level government business enterprises, with administrative data available from Canada Customs and Revenue Agency (CCRA). Consequently, the content of the financial and taxation statistics for enterprises has been affected in two ways. First, although the taxation statistics are not available for reference year 1999, they have been re-introduced and published with the 2002 publication for the reference years 2000, 2001 and 2002. Second, although the financial data are still presented in the basic format of a balance sheet and income statement, certain detail items have changed.

### Description and use of the data

The financial data presented herein comprise financial statements typically prepared by incorporated businesses to record their financial position and performance. The data include: asset, liability and equity items encompassed in a balance sheet, revenue and expense items as reported on an income statement, along with several common financial performance ratios. The taxation data are derived from the T2 Corporate Income Tax Return and include a reconciliation of book profit to taxable income and taxes payable.

These statistics are used in two broad ways. First, they provide a measure of financial position and performance of incorporated businesses by industry aggregations. They are used by a wide variety of economists and industry analysts in both the private and government sectors. Second they are used as the benchmark for the quarterly estimates of corporate profits in the Canadian System of National Accounts.

### Coverage

The domestic economy consists of personal, business and government sectors. This publication covers incorporated enterprises of the financial and non-financial business sectors and business enterprises controlled by federal or

1. The version of North American Industry Classification System used is NAICS Canada 2002

provincial governments. In addition, non-profit enterprises considered to be part of the incorporated business sector are also included.

### **The statistical unit**

For statistical purposes, Statistics Canada defines a hierarchical structure of units for each firm. The four standard statistical units that are used are listed from largest to smallest below:

- Enterprise
- Company
- Establishment
- Location

The statistical unit for this publication is the enterprise. An enterprise is a family of businesses under common ownership and control for which a set of consolidated financial statements is produced on an annual basis.

# ***Accounting concepts, definitions and practices***

The concepts and definitions for most industries are based on the guidelines of the Canadian Institute of Chartered Accountants (CICA). Regulated industries may follow practices and definitions determined by the regulators. However, these practices are usually similar to the Generally Accepted Accounting Principles (GAAP) of the Canadian Institute of Chartered Accountants.

## **Financial classification and presentation**

Because there is no widely accepted standard classification for financial items, it was necessary to devise one in order to present information in a homogeneous way for all enterprises. The financial item presentation for this publication has been condensed somewhat to allow for a generic presentation across industries.

# Industrial classification

Commencing with 1999, Financial and Taxation Statistics for Enterprises are based on the North American Industry Classification System (NAICS)<sup>1</sup>. From 1988 to 1998, the Standard Industrial Classification for Companies and Enterprises (SIC-C 1980) was used.

NAICS is an activity-oriented industry classification that was developed by the statistical agencies of Canada, Mexico and the United States to provide a consistent framework for the collection, analysis and dissemination of industrial statistics used by government policy analysts, academics and researchers, the business community and the public. NAICS was primarily designed to classify economic production performed at the establishment level; the activity that contributes the most value-added determines the NAICS code for the establishment.

To determine which NAICS code should be assigned to a statistical enterprise, the NAICS code is determined for each establishment belonging to the statistical enterprise. The NAICS code representing the largest value-added is then assigned to the statistical enterprise. The NAICS (unlike the 1980 SIC-C) does not provide classifications for integrated activities. For example, a petroleum enterprise may be involved in exploration, mining, refining, shipping and retailing of petroleum products. Whereas the 1980 SIC-C provided a classification code for integrated petroleum activities, under NAICS such an enterprise is classified to the individual NAICS code that relates to the activity that provides the most value-added. NAICS is a detailed, hierarchical classification with 920 individual 6-digit industries. These are aggregated into 20 sectors of activity, such as mining, manufacturing, wholesale trade, retail trade and construction.

The annual Financial and Taxation Statistics for Enterprises are available at three levels of industrial groupings of NAICS. The most aggregate level covers 23 categories, 17 of which are comprised of NAICS two-digit sectors while six are at a more disaggregated level. The second level of industry grouping, roughly analogous to the NAICS three-digit sub-sector level, covers the 57 industry grouping as presented in this publication. The most detailed aggregation covers 153 industry groupings and is available upon request. The industrial classification system is hierarchical in nature - the more detailed levels of data easily aggregate to the higher levels.

## Example of industry classification

An automobile dealership that sells new cars would be assigned to the NAICS Industry Code 44111, "new car dealers". For purposes of this publication, this enterprise would appear in the following aggregations:

Level III (153 categories): Group 4411 "Automobile Dealers" Level II (57 categories): Sub-sector 441 "Retail Motor Vehicles and Accessories" Level I (23 categories): Sector 44-45 "Retail Trade"

Text table 1 indicates the composition of the industry groups included in this publication.

<sup>1</sup> Estimates on NAICS basis are provided for non-financial industries for 1998

Text Table 1

## Industry group composition

| NAICS<br>57 industry<br>groupings   | Industry<br>no. | NAICS<br>Canada 2002 codes<br>included |
|---|-----------------|--|
| Agriculture, forestry, fishing and hunting  | 1               | 11                                     |
| Oil and gas extraction and coal mining  | 2               | 211, 2121                              |
| Mining (except oil, gas and coal)   | 3               | 2122, 2123, 213                        |
| Utilities   | 4               | 22                                     |
| Construction  | 5               | 23                                     |
| Food manufacturing  | 6               | 311                                    |
| Beverage and tobacco manufacturing  | 7               | 312                                    |
| Clothing, textile and leather manufacturing   | 8               | 313, 314, 315, 316                     |
| Printing and related support activities   | 9               | 323                                    |
| Petroleum and coal products manufacturing   | 10              | 324                                    |
| Non-metallic mineral product manufacturing  | 11              | 327                                    |
| Wood and paper manufacturing  | 12              | 321, 322                               |
| Chemicals, plastic and rubber manufacturing   | 13              | 325, 326                               |
| Primary metals manufacturing  | 14              | 331                                    |
| Fabricated metal product manufacturing  | 15              | 332                                    |
| Machinery and equipment   | 16              | 333                                    |
| Computer and electronic product manufacturing                                       | 17              | 334                                    |
| Electrical equipment, appliance and component<br>manufacturing                      | 18              | 335                                    |
| Motor vehicles and parts manufacturing  | 19              | 3361, 3362, 3363                       |
| Other transportation equipment manufacturing  | 20              | 3364, 3365, 3366, 3369                 |
| Furniture and related product manufacturing   | 21              | 337                                    |
| Miscellaneous manufacturing   | 22              | 339                                    |
| Petroleum product wholesaler-distributors   | 23              | 412                                    |
| Motor vehicle and parts wholesaler-distributors                                     | 24              | 415                                    |
| Building materials and supplies<br>wholesaler-distributors                          | 25              | 416                                    |
| Machinery, equipment and supplies<br>wholesaler-distributors                        | 26              | 417                                    |
| Wholesale food, beverage and tobacco  | 27              | 411, 413                               |
| Other wholesale   | 28              | 414, 418, 419                          |
| Motor vehicles and parts dealers  | 29              | 441                                    |
| Building material and garden equipment and<br>supplies dealers                      | 30              | 444                                    |
| Food and beverage stores  | 31              | 445                                    |
| Clothing and clothing accessories stores  | 32              | 448                                    |
| Furniture and home furnishing stores and<br>electronic and appliance stores         | 33              | 442, 443                               |
| General merchandise stores  | 34              | 452                                    |
| Transportation and warehousing  | 35              | 481 to 488, 491 to 493                 |
| Other retail  | 36              | 446, 447, 451, 453, 454                |
| Telecommunications  | 37              | 517                                    |
| Publishing and broadcasting   | 38              | 511, 512, 515, 516, 518, 519           |
| Banking and other depository credit intermediation                                  | 39              | 52211, 52219                           |
| Non-depository credit intermediation  | 40              | 5222                                   |
| Credit unions   | 41              | 52213, 52232                           |
| Direct life, health and medical insurance carriers                                  | 42              | 52411                                  |
| Direct insurance (except life, health and medical)<br>carriers                      | 43              | 52412                                  |
| Reinsurance carriers  | 44              | 52413                                  |
| Agencies, brokerages and other insurance related<br>activities                      | 45              | 5242                                   |
| Loan brokers and other financial investment   | 46              | 52231, 52239, 523                      |
| Real estate   | 47              | 531                                    |
| Other rental companies  | 48              | 532, 533                               |
| Computer systems design and related services  | 49              | 5415                                   |
| Professional, scientific and technical services<br>(except computer systems design) | 50              | 5411-5414, 5416-5419                   |
| Management of companies and enterprises   | 51              | 55                                     |
| Administrative and support, waste management<br>and remediation services            | 52              | 56                                     |
| Education services  | 53              | 61                                     |
| Health care and social assistance   | 54              | 62                                     |
| Arts, entertainment and recreation  | 55              | 71                                     |
| Accommodation and food services   | 56              | 72                                     |
| Other services (except public administration)                                       | 57              | 81                                     |

# Statistical methodology

## Survey design

Three sources of data were combined to form a census of all units in the population of interest. These consisted of:

- Annualized data from the Quarterly Survey of Financial Statements (QFS) obtained from the Industrial Organization and Finance Division at Statistics Canada.
- A survey of provincial or federal level government business enterprises (GBE) that operated in the business sector, with data obtained from the Public Institutions Division at Statistics Canada.
- Administrative corporate taxation data in the form of the T2 Corporate Income Tax Return and the General Index of Financial Information (GIFI) obtained from the Tax Data Division at Statistics Canada.

The frame contains 1,223,876 units included in our population of interest. The Quarterly Survey of Financial Statements (QFS) provided consolidated data for 5,087 of the larger enterprises. The survey of government business enterprises provided data for 131 enterprises. The remaining data was obtained through administrative corporate taxation data. Although the vast majority of data comes from the administrative source it is less significant in terms of their contribution to assets and operating revenues (see Text table1).

## Collection and processing

For reference years 1999 and 2000, data collected from the Quarterly Survey of Financial Statements were annualized and then combined with data from a supplementary annual questionnaire that was mailed to survey respondents. The supplementary annual questionnaire was designed to obtain additional detailed information on operating expenses not available from the QFS. Beginning for reference year 2001, the supplementary questions were added to the Quarterly Survey of Financial Statements and the supplementary annual questionnaire was eliminated.

Information from all three data sources was provided in different formats with different sets of variables. In order to merge the data it was necessary to transform all three data sources into a common set of variables that contained a complete set of financial statement information. Certain details were omitted in the process due to the unavailability of data from all sources.

While QFS and GBE data were collected at the enterprise level, GIFI data, on the other hand, were collected at the non-consolidated single legal entity level. Data for single legal entities belonging to a corporate family (multi-legals) are then rolled up to the enterprise level.

## Edit and imputation

Several checks are performed on the data to verify internal consistency and identify extreme values. Imputation for complete non-response is performed by 2 general methods. The preferred and most common method makes use of historical information about the non-responding unit and current trends in principal characteristics of similar units.



When historical information is not available, such as in the case of births, a donor of similar size and industry is substituted for the missing unit.

Although imputation for total non-response was required for close to 36% of enterprises, the overall impact of imputation on operating revenues across all industries is about 23%. Text table 2 indicates the effect of imputation on operating revenues broken down by industry grouping.

**Text Table 1**

**Contribution of assets and operating revenue by data source, 2002**

|  | Enterprises      | Portion<br>of total<br>assets | Portion<br>of total operating<br>revenues |
|--|------------------|-------------------------------|---|
|  |                  | %                             |   |
| Data source                              |                  |                               |   |
| Quarterly survey of financial statements | 5,087            | 71                            | 52  |
| Government business enterprises data     | 131              | 7                             | 4   |
| Administrative taxation data             | 1,218,658        | 22                            | 44  |
| <b>Total</b>                             | <b>1,223,876</b> | 100                           | 100                                       |

Text Table 2

## Imputation impact, 2002

| NAICS<br>57 industry<br>groupings   | Industry<br>no. | Number<br>of<br>enterprises | Operating<br>revenue (million<br>\$) | Imputation<br>impact on<br>revenue |
|---|-----------------|-----------------------------|--------------------------------------|------------------------------------|
| Agriculture, forestry, fishing and hunting  | 1               | 54,110                      | 37,148                               | B                                  |
| Oil and gas extraction and coal mining  | 2               | 3,204                       | 85,962                               | C                                  |
| Mining (except oil, gas and coal)   | 3               | 9,155                       | 28,676                               | B                                  |
| Utilities   | 4               | 1,026                       | 76,711                               | B                                  |
| Construction  | 5               | 144,504                     | 141,425                              | B                                  |
| Food manufacturing  | 6               | 6,550                       | 72,287                               | B                                  |
| Beverage and tobacco manufacturing  | 7               | 708                         | 13,025                               | B                                  |
| Clothing, textile and leather manufacturing   | 8               | 7,046                       | 17,068                               | B                                  |
| Printing and related support activities   | 9               | 6,482                       | 12,322                               | B                                  |
| Petroleum and coal Products manufacturing   | 10              | 324                         | 49,202                               | B                                  |
| Non-metallic mineral product manufacturing  | 11              | 2,375                       | 14,039                               | B                                  |
| Wood and paper manufacturing  | 12              | 5,490                       | 73,399                               | B                                  |
| Chemicals, plastic and rubber manufacturing   | 13              | 5,437                       | 78,555                               | B                                  |
| Primary metals manufacturing  | 14              | 794                         | 30,064                               | B                                  |
| Fabricated metal product manufacturing  | 15              | 10,094                      | 30,251                               | B                                  |
| Machinery and equipment   | 16              | 6,893                       | 27,589                               | B                                  |
| Computer and electronic product manufacturing                                       | 17              | 3,166                       | 32,464                               | C                                  |
| Electrical equipment, appliance and component<br>manufacturing                      | 18              | 1,492                       | 13,233                               | B                                  |
| Motor vehicles and parts manufacturing  | 19              | 1,604                       | 137,585                              | A                                  |
| Other transportation equipment manufacturing  | 20              | 1,381                       | 20,164                               | B                                  |
| Furniture and related product manufacturing   | 21              | 4,785                       | 14,397                               | B                                  |
| Miscellaneous manufacturing   | 22              | 7,004                       | 9,172                                | B                                  |
| Petroleum product wholesaler-distributors   | 23              | 1,489                       | 22,589                               | B                                  |
| Motor vehicle and parts wholesaler-distributors                                     | 24              | 5,340                       | 37,876                               | B                                  |
| Building materials and supplies wholesaler-distributors                             | 25              | 9,851                       | 48,864                               | B                                  |
| Machinery, equipment and supplies wholesaler-distributors                           | 26              | 19,227                      | 78,647                               | B                                  |
| Wholesale food, beverage and tobacco  | 27              | 9,398                       | 64,833                               | B                                  |
| Other wholesale   | 28              | 36,140                      | 110,156                              | B                                  |
| Motor vehicles and parts dealers  | 29              | 14,734                      | 92,175                               | B                                  |
| Building material and garden equipment and supplies<br>dealers                      | 30              | 7,233                       | 18,979                               | B                                  |
| Food and beverage stores  | 31              | 19,547                      | 93,661                               | B                                  |
| Clothing and clothing accessories stores  | 32              | 13,325                      | 19,719                               | B                                  |
| Furniture and home furnishing stores and electronic and<br>appliance stores         | 33              | 16,194                      | 23,612                               | B                                  |
| General merchandise stores  | 34              | 4,410                       | 41,183                               | A                                  |
| Transportation and warehousing  | 35              | 53,339                      | 103,626                              | B                                  |
| Other retail  | 36              | 46,942                      | 58,063                               | B                                  |
| Telecommunications  | 37              | 1,549                       | 40,286                               | A                                  |
| Publishing and broadcasting   | 38              | 18,836                      | 31,397                               | C                                  |
| Banking and other depository credit intermediation                                  | 39              | 154                         | 73,816                               | B                                  |
| Non-depository credit intermediation  | 40              | 8,794                       | 19,764                               | B                                  |
| Credit unions   | 41              | ..                          | 11,304                               | A                                  |
| Direct life, health and medical insurance carriers                                  | 42              | ..                          | 40,722                               | A                                  |
| Direct insurance (except life, health and medical) carriers                         | 43              | ..                          | 29,947                               | A                                  |
| Reinsurance carriers  | 44              | ..                          | 4,378                                | B                                  |
| Agencies, brokerages and other insurance related activities                         | 45              | ..                          | 6,610                                | B                                  |
| Loan brokers and other financial investment   | 46              | 61,911                      | 37,329                               | C                                  |
| Real estate   | 47              | 80,751                      | 35,517                               | B                                  |
| Other rental companies  | 48              | 13,587                      | 19,749                               | D                                  |
| Computer systems design and related services  | 49              | 38,757                      | 20,770                               | C                                  |
| Professional, scientific and technical services (except<br>computer systems design) | 50              | 127,288                     | 57,021                               | B                                  |
| Administrative and support, waste management and<br>remediation services            | 52              | 55,465                      | 48,275                               | C                                  |
| Educational services  | 53              | 9,897                       | 4,323                                | C                                  |
| Health care and social assistance   | 54              | 32,302                      | 20,314                               | B                                  |
| Arts, entertainment and recreation  | 55              | 20,803                      | 24,219                               | C                                  |
| Accommodation and food services   | 56              | 69,588                      | 48,682                               | B                                  |
| Other services (except public administration)                                       | 57              | 66,122                      | 31,080                               | B                                  |
| <b>Total all industries:</b>  |                 | <b>1,155,593</b>            | <b>2,434,224</b>                     | <b>B</b>                           |
| Management of companies and enterprises   | 51              | 68,283                      | 33,115                               | B                                  |
| <b>Total all industries including management of companies<br/>and enterprises:</b>  |                 | <b>1,223,876</b>            | <b>2,467,339</b>                     | <b>B</b>                           |

- A. 0-10% = Excellent  
B. 10-33% = Very good  
C. 33-50% = Good  
D. 50-60% = Acceptable  
E. 60%+++ = Unreliable

## Estimation

Since data is obtained from one of the three data sources for each enterprise in the population of interest, estimates are derived from the simple tabulation of data.

The combined survey results were analyzed before publication. Generally, this entails a detailed review of the individual responses (especially for the largest enterprises), a review of general economic conditions and trends, and comparisons with other relevant sub-annual surveys.

Due to certain financial reporting constraints, data for enterprises in the insurance industry could not be obtained through the administrative data source. Data for the industry are therefore derived using QFS weighted estimates rather than a census.

## Data accuracy

While considerable effort was made to ensure high standards throughout all collection and processing operations, the resulting estimates are inevitably subject to a certain degree of error. There are two categories of errors in statistical information - sampling errors and non-sampling errors. Non-sampling errors is the only type that applies to this program, given that there was no sampling process used to produce these estimates<sup>1</sup>.

Non-sampling errors can arise from a variety of sources and are difficult to measure and their importance can differ according to the purpose to which the data are being put. Among non-sampling errors are gaps in the information provided by corporations in their tax returns and errors in processing, such as data capture.

## Comparability of data and related sources

Estimates for 1998 were created under the same framework as 1999, however there are some material differences in how the data was collected and processed. The process continues to evolve in terms of improved quality and reduction of burden to respondents. The major differences in terms of coverage, processes and content are outlined in Text box: **Major differences of coverage, processing and content between reference years 1998 and subsequent years** that follows.

In 1998, data was collected via a separate annual questionnaire that was supplemented by QFS data. The questionnaire was sent only to 754 enterprises with multiple legal entities and revenues over 25 million dollars according to the Business Register at Statistics Canada. In 1999 and 2000, QFS data was annualized and used directly in combination with a smaller supplement questionnaire. In 2001, the annual supplement questions were incorporated within the QFS questionnaire, therefore the annual supplement was eliminated.

The first year for using GIFI administrative data was 1998; since then, the quality of the GIFI administrative data has improved.

There are no comparability issues for 1999 and 2000.

<sup>1</sup>. with the exception of the insurance industry

## Major differences of coverage, processing and content between reference years 1998 and subsequent years

|   |   |
|---|---|
| <b>Industries covered</b>                       |   |
| 1998  | Non-finacial industries only  |
| 1999 and subsequent years                       | All industries  |
| <b>Period covered</b>                           |   |
| 1998  | Fiscal period ending in 1998  |
| 1999 and subsequent years                       | Calendar year for QFS data source and fiscal year ending during the year for other data sources |
| <b>Enterprises included</b>                     |   |
| 1998  | Those alive on december 31st 1998   |
| 1999 and subsequent years                       | Those alive for at least one day during the calendar year                                       |
| <b>Questionnaire</b>                            |   |
| 1998  | Annual survey of enterprises  |
| 1999 and subsequent years                       | Quarterly survey of financial statements (annualized) with annual supplement*                   |
| <b>Financial detail</b>                         |   |
| 1998  | 76 financial variables  |
| 1999 and subsequent years                       | 137 financial variables   |
| * The annual supplement was eliminated in 2001. |   |

### Reference period

The objective of this annual series is to cover business activity within a calendar reference period. Data derived from the Quarterly Survey of Financial Statistics approximate the calendar period. The Government business enterprise data reflect fiscal periods which often are governed by the April to March fiscal year of governments. However, beginning with the 2002 reference year, the government business enterprise data has been adjusted to reflect the calendar period. The administrative data used from Canada Customs and Revenue Agency (CCRA) is based on financial statements filed along with income tax returns by corporations for their fiscal year which ended in the calendar period. Thus the calendar period is estimated by industry aggregations which actually consist of a combination of both calendar and fiscal periods which may not coincide perfectly with the calendar period.

### Confidentiality

The confidentiality of the reported statistics is protected under the provisions of the Statistics Act. For this reason, statistics are released in aggregate form only, with no potential identification of individually reported information. The confidentiality provisions of the Statistics Act override the provisions of the Access to Information Act to guarantee with the confidentiality of reported data of individual respondents.

## Limitations of the data

To be valid for either time-series or cross-sectional analysis, the definitions of data must be consistent within time periods or across time periods. Put differently, the differences and similarities in data must reflect only real differences and not differences in the concepts or definitions used in preparing the data.

The ability to use the data for analysis depends on the conceptual framework in which the data is being used.

These data are consistent with the Generally Accepted Accounting Principles (GAAP) of the Canadian Institute of Chartered Accountants. As such they do not agree with the concepts of the CSNA for example. If the GAAP concepts are appropriate for the application of the data then there may still be some problems of consistency (between units or over time) for items where GAAP does not prescribe a particular treatment or allow some latitude. One of the general problems with GAAP for some uses is that it prescribes a historical cost treatment of assets (i.e. their cost at the time of acquisition). This means that comparisons over time and across industries may not be valid for balance sheet data or for ratios derived from the Balance Sheet.

# Definitions of key financial variables

## Balance sheet

The Balance sheet is comprised of total assets, liabilities, and equity.

- **Total assets** are the sum total of economic resources in which the entity exercises a certain control. Included are cash and deposits; accounts receivable and accrued revenue; inventories; investments and accounts with parents, subsidiaries and affiliates; portfolio investments; loans given to other enterprises; and capital assets.
- **Liabilities** are the sum total of the entities obligations. Included are accounts payable and accrued liabilities; income taxes payable; borrowings; and deferred income taxes.
- **Equity** is the accumulated undistributed earnings derived from all sources, including capital or extraordinary gains and losses.

## Income statement

The Income statement includes revenues; expenses; gains and losses; income taxes; and various profit measures.

- **Operating revenue** includes revenues from the sales of goods and services; rental and operating lease revenue; and revenue from commissions, franchise fees, and royalties.
- **Operating expense** includes the cost of goods and services used as inputs into production; wages and salaries; employer portion of employee benefits; indirect taxes; and depreciation, amortization and depletion of buildings, machinery and natural resources.
- **Operating profit** is the difference between Operating revenues and Operating expenses.
- **Net profit** is obtained from Operating profit by subtracting expenses for interest payments and income tax; and adding revenues from interest and dividends received gains (losses) on the sales of assets, equity in affiliates' earnings, and extraordinary gains.

## Reconciliation of profit to taxable income and taxes payable

The Reconciliation of profit to taxable income and taxes payable illustrates the adjustments required to compute taxable income and taxes payable.

- **Taxable Income** (tax base) is the amount of income subject to tax in the current year after application of prior year losses.
- **Taxes** include federal and provincial taxes levied under the Income Tax Act.

## Operating profit margin

Operating profit is the net result of the principal business activities of a firm. This profit is before taking into account interest expense, investment income, non-recurring losses from the write-down of assets, gains or losses realized on the disposal of assets, and income tax expense. This ratio indicates management's ability to generate earnings from the principal business activities of a firm. The ratio is expressed as a percentage of operating revenue.

### Formula

Operating profit margin:

$$\frac{\text{Operating profit}}{\text{Total operating revenue}}$$

## Return on capital employed

This ratio measures profitability and how well management has employed the assets, by calculating the percentage return on total capital provided by the owners and lenders (creditors). The earnings figure is before taking into account after-tax interest expense (payments to lenders) and dividends (payments to owners). The ratio indicates how many cents are returned to every dollar of capital invested.

### Formula

Return on capital employed:

$$\frac{\text{Net profit} + \text{after-tax interest expense}}{\text{Short-term loans} + \text{long-term loans and debt} + \text{shareholders' equity}}$$

## Return on equity

This ratio measures the level of return to the owners (investors) and it represents their measure of profitability. The earnings figure is the after-tax profits, including a deduction for interest expense (payments to lenders). It is the net profit available to the owners (investors) before extraordinary gains. The ratio indicates how many cents are returned to every dollar invested by the owners.

### Formula

Return on equity:

$$\frac{\text{Net profit}}{\text{Shareholders' equity}}$$

## Debt to equity

This ratio examines the relationship of debt (loans, bonds, debentures) to shareholders' equity. It compares the relative size of debt to resources invested by the owners. It indicates the extent to which a firm relies on borrowed funds to finance its operations. Firms that rely heavily on borrowed funds are said to be highly leveraged.

### Formula

Debt to equity:

$$\frac{\text{Short-term loans + long-term loans and debt}}{\text{Shareholders' equity}}$$

## Working capital

This ratio examines the relationship of current assets to current liabilities. It measures the ability to pay short-term debts easily when they become due.

### Formula

Working capital:

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

## Receivable turnover

This ratio provides a measure of the quality and relative size of accounts receivable. It indicates the effectiveness of a firm's credit policy by calculating how often accounts receivable are converted into cash during the year. The ratio divides the outstanding receivables figure at year-end into the year's sales.

### Formula

Receivable turnover:

$$\frac{\text{Sales of goods and services}}{\text{Accounts receivable}}$$

## Inventory turnover

This ratio is a measure of the adequacy of inventory for the volume of business and how efficiently management turns over the inventory in relation to other firms in the industry. The ratio divides the year-end inventory into the cost of sales for the year.

### Formula

Inventory turnover:

$$\frac{\text{Cost of sales}}{\text{Inventory}}$$



### Quick ratio

This ratio, a refinement of the working capital ratio, examines ability to pay short term debts when they become due. It relates current assets minus inventories to current liabilities.

#### Formula

Quick ratio:

$$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$$

### Taxes to positive adjusted profit

This ratio is one measure of the tax rate. It calculates the rate of taxes to the profit before taxes of the industry after removing enterprises with losses and eliminating inter-corporate dividends.

#### Formula

Taxes to positive adjusted profit:

$$\frac{\text{Taxes}}{\text{Positive adjusted profit}}$$

### Income Taxes to Taxable Income

This ratio, another measure of the tax rate, equals the rate of federal and provincial income taxes to the tax base.

#### Formula

Income taxes to taxable income:

$$\frac{\text{Federal part 1 tax payable} + \text{provincial income tax}}{\text{Tax base}}$$