

Consolidated Statement of Income

(Unaudited) (Canadian \$ in millions, except as noted)

	For the three months ended						For the six months ended	
	April 30, 2007	January 31, 2007	October 31, 2006	July 31, 2006	April 30, 2006	April 30, 2007	April 30, 2006	
		Restated (see Note 2)					Restated (see Note 6)	
Interest, Dividend and Fee Income								
Loans (Note 2)	\$ 2,839	\$ 2,812	\$ 2,739	\$ 2,664	\$ 2,340	\$ 5,651	\$ 4,582	
Securities	731	726	589	587	473	1,457	982	
Deposits with banks	230	220	214	216	172	450	339	
	3,800	3,758	3,542	3,467	2,985	7,558	5,903	
Interest Expense								
Deposits	1,833	1,776	1,686	1,536	1,308	3,609	2,521	
Subordinated debt	40	43	43	43	41	83	83	
Preferred shares and capital trust securities	26	25	25	24	25	51	50	
Other liabilities	697	718	573	630	498	1,415	954	
	2,596	2,562	2,327	2,233	1,872	5,158	3,608	
Net Interest Income	1,204	1,196	1,215	1,234	1,113	2,400	2,295	
Provision for credit losses (Note 3)	59	52	16	42	66	111	118	
Net Interest Income After Provision for Credit Losses	1,145	1,144	1,199	1,192	1,047	2,289	2,177	
Non-Interest Revenue								
Securities commissions and fees	303	278	247	260	292	581	544	
Deposit and payment service charges	182	183	183	187	179	365	359	
Trading revenues (losses) (Note 2)	(10)	(352)	90	186	201	(362)	442	
Lending fees	100	99	90	92	77	199	155	
Card fees	70	63	105	106	94	133	185	
Investment management and custodial fees	81	77	76	77	69	158	145	
Mutual fund revenues	140	137	130	128	126	277	241	
Securitization revenues	83	87	55	21	4	170	24	
Underwriting and advisory fees	159	106	104	92	113	265	211	
Securities gains, other than trading	48	44	46	51	30	92	48	
Foreign exchange, other than trading	33	21	27	24	28	54	51	
Insurance income	77	46	49	58	51	123	97	
Other (Note 2)	58	81	44	54	96	139	157	
	1,324	870	1,246	1,336	1,360	2,194	2,659	
Net Interest Income and Non-Interest Revenue	2,469	2,014	2,445	2,528	2,407	4,483	4,836	
Non-Interest Expense								
Employee compensation (Notes 2 and 6)	969	931	934	958	932	1,900	1,932	
Premises and equipment	320	308	328	299	296	628	584	
Amortization of intangible assets	13	11	11	10	12	24	23	
Travel and business development	64	59	76	64	63	123	113	
Communications	42	33	39	36	31	75	56	
Business and capital taxes	17	24	19	23	25	41	52	
Professional fees	67	64	92	65	72	131	130	
Other	122	108	114	145	129	230	250	
	1,614	1,538	1,613	1,600	1,560	3,152	3,140	
Restructuring Charge (Note 7)	-	135	-	-	-	135	-	
Income Before Provision for (Recovery of) Income Taxes and Non-Controlling Interest in Subsidiaries	855	341	832	928	847	1,196	1,696	
Income taxes (Note 2)	165	(26)	117	199	177	139	401	
	690	367	715	729	670	1,057	1,295	
Non-controlling interest in subsidiaries	19	19	19	19	19	38	38	
Net Income	\$ 671	\$ 348	\$ 696	\$ 710	\$ 651	\$ 1,019	\$ 1,257	
Preferred share dividends	\$ 13	\$ 9	\$ 8	\$ 6	\$ 8	\$ 22	\$ 16	
Net income available to common shareholders	\$ 658	\$ 339	\$ 688	\$ 704	\$ 643	\$ 997	\$ 1,241	
Average common shares (in thousands)	500,510	501,136	500,432	500,762	502,502	500,828	501,929	
Average diluted common shares (in thousands)	509,943	510,320	510,166	509,991	512,743	510,131	512,146	
Earnings Per Share (Canadian \$)								
Basic	\$ 1.31	\$ 0.68	\$ 1.37	\$ 1.41	\$ 1.28	\$ 1.99	\$ 2.47	
Diluted	1.29	0.67	1.35	1.38	1.25	1.96	2.42	
Dividends Declared Per Common Share	0.68	0.65	0.62	0.62	0.53	1.33	1.02	

The accompanying notes to consolidated financial statements are an integral part of these statements.
Certain comparative figures have been reclassified to conform with the current period's presentation.

Consolidated Balance Sheet

(Unaudited) (Canadian \$ in millions)

	As at				
	April 30, 2007	January 31, 2007	October 31, 2006	July 31, 2006	April 30, 2006
		Restated (see Note 2)			
Assets					
Cash Resources	\$ 19,502	\$ 22,873	\$ 19,608	\$ 20,160	\$ 19,560
Securities					
Investment (Note 2)	-	-	14,166	11,359	11,642
Available-for-sale (Note 2)	17,529	18,235	-	-	-
Other (Note 2)	1,460	1,465	1,414	1,425	1,433
Trading	63,600	58,401	51,820	45,455	44,079
Loan substitutes	11	11	11	11	11
	82,600	78,112	67,411	58,250	57,165
Loans (Note 2)					
Residential mortgages	62,908	63,109	63,321	63,591	63,055
Consumer instalment and other personal	31,913	31,474	30,418	29,693	28,873
Credit cards	3,899	3,764	3,631	5,049	4,874
Businesses and governments	60,956	58,108	56,030	53,433	52,121
Securities borrowed or purchased under resale agreements	35,063	41,843	31,429	31,865	33,116
	194,739	198,298	184,829	183,631	182,039
Customers' liability under acceptances	9,530	8,252	7,223	7,369	6,639
Allowance for credit losses (Note 3)	(1,059)	(1,078)	(1,058)	(1,107)	(1,117)
	203,210	205,472	190,994	189,893	187,561
Other Assets					
Derivative financial instruments (Note 2)	38,711	37,361	30,411	32,247	31,523
Premises and equipment	2,047	2,057	2,047	1,942	1,841
Goodwill	1,252	1,306	1,098	1,104	1,098
Intangible assets	174	207	152	163	172
Other (Note 2)	9,031	8,103	8,257	7,850	7,387
	51,215	49,034	41,965	43,306	42,021
Total Assets	\$ 356,527	\$ 355,491	\$ 319,978	\$ 311,609	\$ 306,307
Liabilities and Shareholders' Equity					
Deposits (Note 2)					
Banks	\$ 28,256	\$ 33,811	\$ 26,632	\$ 26,362	\$ 23,394
Businesses and governments	114,504	104,994	100,848	99,821	94,234
Individuals	78,855	78,309	76,368	75,911	76,860
	221,615	217,114	203,848	202,094	194,488
Other Liabilities					
Derivative financial instruments (Note 2)	40,192	38,842	31,446	31,418	30,413
Acceptances	9,530	8,252	7,223	7,369	6,639
Securities sold but not yet purchased	24,692	19,472	15,398	14,271	15,653
Securities lent or sold under repurchase agreements	31,027	40,965	31,918	28,148	31,467
Other (Note 2)	10,055	11,083	10,758	9,277	8,647
	115,496	118,614	96,743	90,483	92,819
Subordinated Debt (Notes 2 and 8)	2,395	2,745	2,726	2,729	3,025
Preferred Share Liability (Note 9)	450	450	450	450	450
Capital Trust Securities	1,150	1,150	1,150	1,150	1,150
Shareholders' Equity					
Share capital (Note 9)	5,272	5,225	4,827	4,765	4,741
Contributed surplus	55	55	49	47	45
Retained earnings (Note 2)	11,017	10,836	10,974	10,653	10,395
Accumulated other comprehensive loss (Note 2)	(923)	(698)	(789)	(762)	(806)
	15,421	15,418	15,061	14,703	14,375
Total Liabilities and Shareholders' Equity	\$ 356,527	\$ 355,491	\$ 319,978	\$ 311,609	\$ 306,307

The accompanying notes to consolidated financial statements are an integral part of these statements.
Certain comparative figures have been reclassified to conform with the current period's presentation.

Consolidated Statement of Comprehensive Income

(Unaudited) (Canadian \$ in millions)	For the three months ended		For the six months ended	
	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006
Net income	\$ 671	\$ 651	\$ 1,019	\$ 1,257
Other Comprehensive Income				
Net change in unrealized gains on available-for-sale securities	2	-	4	-
Net change in cash flow hedges	1	-	(44)	-
Net loss on translation of net foreign operations	(228)	(66)	(46)	(194)
Total Comprehensive Income	\$ 446	\$ 585	\$ 933	\$ 1,063

Consolidated Statement of Changes in Shareholders' Equity

(Unaudited) (Canadian \$ in millions)	For the three months ended		For the six months ended	
	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006
		Restated (see Note 6)		Restated (see Note 6)
Preferred Shares				
Balance at beginning of period	\$ 946	\$ 596	\$ 596	\$ 596
Issued during the period	-	-	350	-
Balance at End of Period	946	596	946	596
Common Shares				
Balance at beginning of period	4,279	4,120	4,231	4,022
Issued under the Shareholder Dividend Reinvestment and Share Purchase Plan	27	21	55	40
Issued under the Stock Option Plan	39	19	68	102
Issued on the exchange of shares of a subsidiary corporation	-	-	1	-
Repurchased for cancellation (Note 9)	(19)	(15)	(29)	(19)
Balance at End of Period	4,326	4,145	4,326	4,145
Contributed Surplus				
Balance at beginning of period	55	43	49	35
Stock option expense	-	2	6	10
Balance at End of Period	55	45	55	45
Retained Earnings				
Balance at beginning of period	10,836	10,125	10,974	9,801
Cumulative impact of adopting new accounting requirements for financial instruments, net of income taxes of \$39 (Note 2)	-	-	(71)	-
Net income	671	651	1,019	1,257
Dividends - Preferred shares	(13)	(8)	(22)	(16)
- Common shares	(340)	(266)	(665)	(512)
Common shares repurchased for cancellation (Note 9)	(137)	(107)	(209)	(135)
Share issue expense	-	-	(9)	-
Balance at End of Period	11,017	10,395	11,017	10,395
Accumulated Other Comprehensive Income on Available-for-Sale Securities				
Balance at beginning of period	5	-	-	-
Impact of remeasuring available-for-sale securities to market value on November 1, 2006 (net of income taxes of \$1)	-	-	3	-
Unrealized gains on available-for-sale securities arising during the period (net of income taxes of less than \$1 and \$4)	1	-	8	-
Reclassification of realized losses (gains) to earnings in the period (net of income taxes of less than \$1 and \$2)	1	-	(4)	-
Balance at End of Period	7	-	7	-
Accumulated Other Comprehensive Loss on Cash Flow Hedges				
Balance at beginning of period	(96)	-	-	-
Impact of new cash flow hedge accounting rules on November 1, 2006 (net of income taxes of \$28)	-	-	(51)	-
Gains (losses) on cash flow hedges arising during the period (net of income taxes of \$1 and \$24)	1	-	(47)	-
Reclassification to earnings of losses on cash flow hedges (net of income taxes of less than \$1 and \$2)	-	-	3	-
Balance at End of Period	(95)	-	(95)	-
Accumulated Other Comprehensive Loss on Translation of Net Foreign Operations				
Balance at beginning of period	(607)	(740)	(789)	(612)
Unrealized loss on translation of net foreign operations	(619)	(177)	(126)	(524)
Impact of hedging translation gains of net foreign operations (net of income taxes of \$207, \$58, \$43 and \$174)	391	111	80	330
Balance at End of Period	(835)	(806)	(835)	(806)
Total Accumulated Other Comprehensive Loss	(923)	(806)	(923)	(806)
Total Shareholders' Equity	\$ 15,421	\$ 14,375	\$ 15,421	\$ 14,375

The accompanying notes to consolidated financial statements are an integral part of these statements.
Certain comparative figures have been reclassified to conform with the current period's presentation.

Consolidated Statement of Cash Flows

(Unaudited) (Canadian \$ in millions)	For the three months ended		For the six months ended	
	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006
		Restated (See Note 6)	Restated (See Note 6)	
Cash Flows from Operating Activities				
Net income	\$ 671	\$ 651	\$ 1,019	\$ 1,257
Adjustments to determine net cash flows provided by (used in) operating activities				
Write-down of securities, other than trading	-	-	-	8
Net gain on securities, other than trading	(48)	(30)	(92)	(56)
Net (increase) decrease in trading securities	(6,602)	3,675	(11,897)	(969)
Provision for credit losses	59	66	111	118
Loss (gain) on sale of securitized loans (Note 4)	(54)	2	(114)	(12)
Change in derivative financial instruments				
(Increase) in derivative asset	(1,871)	(1,670)	(8,048)	(699)
Increase in derivative liability	2,087	2,445	8,571	2,303
Amortization of premises and equipment	99	89	191	177
Amortization of intangible assets	13	12	24	23
Net increase (decrease) in future income taxes	(18)	(31)	(79)	1
Net decrease in current income taxes	(83)	(137)	(584)	(235)
Change in accrued interest				
(Increase) decrease in interest receivable	(81)	(32)	125	(38)
Increase (decrease) in interest payable	95	74	33	(10)
Changes in other items and accruals, net	(1,003)	595	1,065	(62)
Net Cash Provided by (Used in) Operating Activities	(6,736)	5,709	(9,675)	1,806
Cash Flows from Financing Activities				
Net increase in deposits	10,024	2,481	17,104	4,482
Net increase (decrease) in securities sold but not yet purchased	5,413	1,515	9,335	(436)
Net increase (decrease) in securities lent or sold under repurchase agreements	(8,804)	758	(669)	9,626
Net increase in liabilities of subsidiaries	199	395	202	723
Repayment of subordinated debt	(333)	(125)	(333)	(125)
Proceeds from issuance of subordinated debt	-	700	-	700
Proceeds from issuance of preferred shares	-	-	350	-
Proceeds from issuance of common shares	66	40	123	142
Share issue expense	-	-	(9)	-
Common shares repurchased for cancellation (Note 9)	(156)	(122)	(238)	(154)
Dividends paid	(353)	(274)	(687)	(528)
Net Cash Provided by Financing Activities	6,056	5,368	25,178	14,430
Cash Flows from Investing Activities				
Net (increase) decrease in interest bearing deposits with banks	2,009	(31)	(144)	891
Purchases of securities, other than trading	(8,056)	(4,203)	(19,517)	(6,375)
Maturities of securities, other than trading	6,729	1,472	14,014	3,369
Proceeds from sales of securities, other than trading	1,214	1,530	2,312	2,392
Net (increase) in loans, customers' liability under acceptances and loan substitute securities	(7,648)	(7,776)	(9,300)	(12,040)
Proceeds from securitization of loans (Note 4)	487	1,279	1,429	1,775
Net (increase) decrease in securities borrowed or purchased under resale agreements	5,840	(3,457)	(3,912)	(5,467)
Premises and equipment – net purchases	(126)	(122)	(155)	(198)
Acquisitions (Note 5)	(1)	(1)	(385)	(76)
Net Cash Provided by (Used in) Investing Activities	448	(11,309)	(15,658)	(15,729)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(340)	(75)	(250)	(169)
Net Increase (Decrease) in Cash and Cash Equivalents	(572)	(307)	(405)	338
Cash and Cash Equivalents at Beginning of Period	2,625	3,057	2,458	2,412
Cash and Cash Equivalents at End of Period	\$ 2,053	\$ 2,750	\$ 2,053	\$ 2,750

The accompanying notes to consolidated financial statements are an integral part of these statements. Certain comparative figures have been reclassified to conform with the current period's presentation.

Amounts in the three and six months ended April 30, 2006 have been restated to reflect the changes in accounting policy described in Note 3 to our consolidated financial statements for the year ended October 31, 2006.

Notes to Consolidated Financial Statements

For the six months ended April 30, 2007 (Unaudited)

Note 1 • Basis of Presentation

These consolidated financial statements should be read in conjunction with the notes to our consolidated financial statements for the year ended October 31, 2006 as set out on pages 96 to 133 of our 2006 Annual Report. These consolidated financial statements have been prepared in accordance with Canadian

Note 2 • Changes in Accounting

Restatement

The Bank is restating its consolidated interim financial statements for the three months ended January 31, 2007 to reflect a more appropriate market-based methodology for its commodities trading portfolio. This change, together with concerns regarding the reliability of quotes received from the Bank's principal commodities broker used in the first quarter valuation, led the Bank to conclude that losses should be recognized in both the first quarter and second quarter of Fiscal 2007. The impact of this change did not have a material impact on the periods prior to the first quarter of 2007.

The following table sets forth the results of the restatement adjustment on line items with a material impact on our interim consolidated financial statements for the three months ended January 31, 2007. Included in the restated amounts disclosed below is a reduction of \$203 million in trading revenue and a reduction of \$94 million in net income related to periods prior to the first quarter of 2007.

	For the three months ended	
	January 31, 2007	
	As previously reported	Restated
Consolidated Statement of Income		
Trading revenues (losses) (1)	\$ 136	\$ (352)
Net Interest Income and Non-Interest Revenue	2,523	2,014
Employee compensation	1,018	931
Income Before Provision for (Recovery of) Income		
Taxes and Non-Controlling Interest in Subsidiaries	763	341
Income taxes	159	(26)
Net Income	\$ 585	\$ 348
Earnings Per Share		
Basic	\$ 1.15	\$ 0.68
Diluted	1.13	0.67
Consolidated Statement of Comprehensive Income		
Net income	\$ 585	\$ 348
Total Comprehensive Income	724	487

Consolidated Statement of Changes in

Shareholders' Equity

Retained Earnings		
Net income	\$ 585	\$ 348
Balance at End of Period	11,073	10,836
Total Shareholders' Equity	15,655	15,418

(1) Also reflects the reclassification of \$21 million made between Foreign exchange, other than trading and Trading revenues (losses) to conform with the current period's presentation.

Changes in Accounting Policy

On November 1, 2006, we adopted the Canadian Institute of Chartered Accountants' accounting requirements for securities, hedging derivatives, other comprehensive income and certain other financial instruments. Prior periods have not been restated.

generally accepted accounting principles ("GAAP") using the same accounting policies and methods of computation as were used for our consolidated financial statements for the year ended October 31, 2006, except as described in Note 2.

On November 1, 2006, we made the following adjustments to our balance sheet to adopt the new requirements:

(Canadian \$ in millions)	As at
	November 1, 2006
Increase (decrease)	
Consolidated Balance Sheet	
Available-for-sale securities (a)	\$ 4
Loans (b)(ii),(d)	(87)
Other assets	51
Derivative financial instruments – asset (b)	70
Deposits (b)(ii)	38
Derivative financial instruments – liability (b)	110
Subordinated debt (b)(ii)	9
Retained earnings	(71)
Accumulated other comprehensive income – available-for-sale securities (a)	3
Accumulated other comprehensive loss – cash flow hedges (b)(i)	(51)

The impact of these changes on our Consolidated Statement of Income is as follows:

(Canadian \$ in millions)	For the three months ended	For the six months ended
	April 30, 2007	April 30, 2007
Increase (decrease) in net income		
Consolidated Statement of Income		
Interest, Dividend and Fee Income – Loans (d)	\$ 5	\$ 3
Non-Interest Revenue – Trading revenues (losses) (c)	-	3
Non-Interest Revenue – Other (b)(i)(ii)	(2)	(3)
Income taxes	(1)	(1)
Net Income	\$ 2	\$ 2

Other Comprehensive Income

The new rules require that we present a new Consolidated Statement of Comprehensive Income, which is comprised of net income, changes in unrealized gains or losses related to available-for-sale securities, changes in unrealized gains or losses related to cash flow hedges and the net unrealized foreign exchange gain or loss for the period related to our net investment in foreign operations. This statement has been included above our Consolidated Statement of Changes in Shareholders' Equity.

(a) Securities

The new rules require that we reclassify certain of our securities previously classified as investment securities as either available-for-sale or held-to-maturity securities.

Available-for-sale securities are measured at fair value with unrealized gains and losses recorded in other comprehensive income until the security is either sold, or if an unrealized loss is

considered other than temporary, the unrealized loss is recorded in income. The criteria for other than temporary impairment remain unchanged. Available-for-sale securities where there is no quoted market price, including securities whose sale is restricted, will continue to be recorded at amortized cost. We have not classified any of our investment securities as held-to-maturity.

The new rules do not impact accounting for our merchant banking investments or investments in corporate equity where we exert significant influence, but not control. These are recorded as other securities on our Consolidated Balance Sheet. Additional information on our policies related to securities, determining fair value and other than temporary impairment is included in Note 3 to our consolidated financial statements for the year ended October 31, 2006.

On November 1, 2006, we remeasured our available-for-sale securities at fair value, as appropriate. A net unrealized gain of \$3 million was recorded in opening accumulated other comprehensive income.

(b) Hedging Derivatives

The new rules require us to record all of our hedging derivatives at fair value. Prior to November 1, 2006, we accounted for derivatives that qualified as accounting hedges on an accrual basis.

The types of hedging relationships that qualify for hedge accounting have not changed under the new rules. We will continue to designate our hedges as either cash flow hedges or fair value hedges. A description of the items or transactions that we hedge and the risk management policy for each type of hedge is included in Note 9 to our consolidated financial statements for the year ended October 31, 2006.

(i) Cash Flow Hedges

Cash flow hedges are used to manage the possible increase or decrease in interest income or expense related to variable rate assets and liabilities due to changes in interest rates.

Under the new rules, we will continue to record interest receivable or payable on the derivative as an adjustment to interest, dividend and fee income in the Consolidated Statement of Income over the life of the hedge.

To the extent that changes in the fair value of the derivative offset changes in the fair value of the hedged item, they are recorded in other comprehensive income. Any portion of the change in fair value of the derivative that does not offset changes in the fair value of the hedged item (the ineffectiveness of the hedge) is recorded directly in non-interest revenue, other in the Consolidated Statement of Income. The ineffective portion of our cash flow hedges totalled \$2 million for the quarter ended April 30, 2007 (\$3 million for the six months ended April 30, 2007).

For hedges that are discontinued before the end of the original hedge term, the unrealized gain or loss in other comprehensive income is amortized to interest, dividend and fee income in the Consolidated Statement of Income over the remaining term of the original hedge. If the hedged item is sold or settled, the entire unrealized gain or loss is recognized in interest, dividend and fee income in the Consolidated Statement of Income. The amount of other comprehensive loss that is expected to be reclassified to the Consolidated Statement of Income over the next 12 months is \$18 million (\$28 million before tax). This will be offset by increased net interest income on assets and liabilities that are hedged.

On November 1, 2006, we remeasured our cash flow hedge derivatives at fair value. The portion of the fair value that offset the fair value of the hedged item totalled \$8 million (\$5 million after

tax) and was recorded in opening accumulated other comprehensive income. The ineffective portion of cash flow hedges recorded in opening retained earnings totalled less than \$1 million. We also reclassified \$86 million (\$56 million after tax) of deferred losses related to cash flow hedges that were discontinued prior to November 1, 2006 from other assets to opening accumulated other comprehensive income.

(ii) Fair Value Hedges

Fair value hedges are used to manage possible changes in the value of our fixed rate assets and liabilities due to changes in interest rates. For fair value hedges, not only is the hedging derivative recorded at fair value but fixed rate assets and liabilities that are part of a hedging relationship are adjusted for the changes in value of the risk being hedged (quasi fair value). To the extent that the change in the fair value of the derivative does not offset changes in the quasi fair value adjustment to the hedged item (the ineffectiveness of the hedge), the net amount will be recorded directly in non-interest revenue, other in the Consolidated Statement of Income. The ineffective portion of our fair value hedges totalled less than \$1 million for both the quarter and six months ended April 30, 2007.

For fair value hedges that are discontinued, we cease adjusting the hedged item to quasi fair value. The quasi fair value adjustment on the hedged item will be recorded as an adjustment to the interest income/expense on the hedged item over its remaining term to maturity. If the hedged item is sold or settled, any remaining quasi fair value adjustment would be included in the determination of the gain or loss on sale or settlement.

When we remeasured fair value hedging derivatives to fair value on November 1, 2006, we made a corresponding adjustment to the carrying value of the items that we hedge with those derivatives (quasi fair value adjustment). The difference between these two amounts was recorded in opening retained earnings and totalled less than \$1 million. On November 1, 2006, we also reclassified deferred amounts related to fair value hedges that were discontinued prior to November 1, 2006 from other assets to adjust the carrying amount of the items that were previously hedged. Quasi fair value adjustments related to these two activities were comprised of an increase in loans of \$3 million, an increase in deposits of \$38 million, an increase in subordinated debt of \$9 million and an increase in other assets of \$6 million.

(c) Fair Value Option

The new rules allow management to elect to measure financial instruments that would not otherwise be accounted for at fair value as trading instruments with changes in fair value recorded in income provided they meet certain criteria. Financial instruments must be designated on November 1, 2006 when the new standard was adopted or when new financial instruments are acquired, and the designation is irrevocable.

Structured notes issued by the Bank include embedded options. The Bank enters into derivatives which manage our exposure to changes in the structured note fair value caused by changes in interest rates. The structured notes are designated as trading under the fair value option which better aligns the accounting result with how the portfolio is managed. These notes are classified as other liabilities. The fair value and amount due at contractual maturity of these notes as at April 30, 2007 was \$565 million and \$571 million, respectively. The impact of recording these notes as trading was an increase in non-interest revenue, trading revenues of less than \$1 million for the quarter ended

April 30, 2007 (\$3 million for the six months ended April 30, 2007). The increase was offset by a loss on the derivatives.

Securities in our insurance subsidiaries that support our insurance liabilities have been designated as trading under the fair value option. Since the actuarial calculation of insurance liabilities is based on the recorded value of the securities supporting them, recording the securities at fair value better aligns the accounting result with how the portfolio is managed. The fair value of these securities as at April 30, 2007 was \$33 million. The impact of recording these securities as trading was an increase in non-interest revenue, insurance income of less than \$1 million for both the quarter and six months ended April 30, 2007.

On November 1, 2006, we remeasured the portfolio of structured notes and certain of our insurance subsidiary securities at fair value. The net unrealized loss of less than \$1 million was recorded in opening retained earnings.

Note 3 • Allowance for Credit Losses

The allowance for credit losses recorded in our Consolidated Balance Sheet is maintained at a level which we consider adequate to absorb credit-related losses on our loans, customers' liability under acceptances and other credit instruments. The portion related to other credit instruments is recorded in other liabilities

(d) Effective Interest Method

Loan origination costs are included in our loan balances and are recognized in interest, dividend and fee income, loans, over the life of the resulting loan. Prior to November 1, 2006, an equal amount of loan origination costs were recognized each period over the life of the resulting loan. The new rules require that we use the effective interest method to recognize loan origination costs whereby the amount recognized varies over the life of the loan based on principal outstanding.

As at November 1, 2006, we adjusted our deferred loan origination costs to what the balance would have been had we always used the effective interest method to recognize loan origination costs. The impact was a decrease in loans, residential mortgages of \$87 million, a decrease in future income tax liability of \$30 million and a decrease in retained earnings of \$57 million.

in our Consolidated Balance Sheet. As at April 30, 2007 and April 30, 2006 there was no allowance for credit losses related to other credit instruments included in other liabilities.

A continuity of our allowance for credit losses is as follows:

	For the three months ended						For the six months ended					
	Specific Allowance		General Allowance		Total		Specific Allowance		General Allowance		Total	
	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006
Balance at beginning of period	\$ 156	\$ 170	\$ 922	\$ 945	\$ 1,078	\$ 1,115	\$ 153	\$ 169	\$ 905	\$ 959	\$ 1,058	\$ 1,128
Provision for credit losses	59	66	-	-	59	66	111	118	-	-	111	118
Recoveries	21	35	-	-	21	35	43	55	-	-	43	55
Write-offs	(84)	(91)	-	-	(84)	(91)	(158)	(162)	-	-	(158)	(162)
Foreign exchange and other	6	(2)	(21)	(6)	(15)	(8)	9	(2)	(4)	(20)	5	(22)
Balance at end of period	\$ 158	\$ 178	\$ 901	\$ 939	\$ 1,059	\$ 1,117	\$ 158	\$ 178	\$ 901	\$ 939	\$ 1,059	\$ 1,117

Note 4 • Securitization

During the quarter ended April 30, 2007, we securitized residential mortgages totalling \$499 million for total cash proceeds of \$487 million (\$1,447 million and \$1,429 million respectively, for the six months ended April 30, 2007). There were no expected credit losses as the mortgages are guaranteed by third parties. We retained responsibility for servicing these mortgages. We recorded \$5 million of gains in non-interest revenue, securitization revenues, \$25 million of deferred purchase price in available-for-sale securities and \$4 million of servicing liability in other liabilities related to the securitization of those loans (\$10 million, \$62 million and \$12 million respectively, for the six months ended

April 30, 2007). The key weighted-average assumptions used to value the deferred purchase price for these securitizations was an average term of 4.8 years, a prepayment rate of 10.0%, an interest rate of 5.21% and a discount rate of 4.19% (4.7 years and 9.3%, 5.29% and 4.19% respectively, for the six months ended April 30, 2007).

In addition, gains on sales of loans sold to all revolving securitization vehicles were \$49 million for the quarter ended April 30, 2007 (\$104 million for the six months ended April 30, 2007).

Note 5 • Acquisitions

First National Bank & Trust

On January 4, 2007, we completed the acquisition of First National Bank & Trust ("First National") for total cash consideration of \$343 million. The results of First National's operations have been included in our consolidated financial statements since that date. The acquisition of First National provides us with the opportunity to expand our banking services in the Indianapolis, Indiana market. As part of this acquisition, we acquired a core deposit intangible asset, which will be amortized on an accelerated basis over a period not to exceed 10 years. Goodwill related to this

acquisition is deductible for tax purposes. First National is part of our Personal and Commercial Banking U.S. reporting segment.

bcpbank Canada

On December 4, 2006, we completed the acquisition of bcpbank Canada, a full-service chartered bank, for total cash consideration of \$42 million. The results of bcpbank Canada's operations have been included in our consolidated financial statements since that date. As part of this acquisition, we acquired a core deposit intangible asset, which will be amortized on an accelerated basis over 10 years. Goodwill related to this acquisition is not deductible

for tax purposes. bcpbank Canada is part of our Personal and Commercial Banking Canada reporting segment.

Villa Park Trust and Savings Bank

On December 1, 2005, we completed the acquisition of Chicago-based Villa Park Trust and Savings Bank ("Villa Park"), a community bank, for total cash consideration of \$76 million. The results of Villa Park's operations have been included in our consolidated financial statements since that date. The acquisition of Villa Park provides us with the opportunity to expand our banking services in the Chicago, Illinois market. As part of this acquisition, we acquired a core deposit intangible asset, which will be amortized on an accelerated basis over 10 years. Goodwill related to this acquisition is not deductible for tax purposes. Villa Park is part of our Personal and Commercial Banking U.S. reporting segment.

Note 6 • Employee Compensation

Change in Accounting Policy

During the year ended October 31, 2006, we adopted the CICA's new accounting requirements for stock-based compensation. The new rules require that stock-based compensation granted to employees eligible to retire be expensed at the time of grant. Previously, we amortized the cost over the vesting period. Prior periods have been restated to reflect this change.

Stock Options

During the six months ended April 30, 2007, we granted a total of 1,220,900 stock options. The weighted-average fair value of these

Pension and Other Employee Future Benefit Expenses

We recorded pension and other employee future benefit expenses as follows:

(Canadian \$ in millions)	Pension benefit plans		Other employee future benefit plans	
	For the three months ended		For the three months ended	
	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006
Benefits earned by employees	\$ 39	\$ 35	\$ 6	\$ 5
Interest cost on accrued benefit liability	55	52	13	11
Actuarial loss recognized in expense	14	21	4	3
Amortization of plan amendment costs	3	2	(2)	-
Expected return on plan assets	(70)	(64)	(2)	(1)
Benefits expense	41	46	19	18
Canada and Quebec pension plan expense	17	15	-	-
Defined contribution expense	4	3	-	-
Total pension and other employee future benefit expenses	\$ 62	\$ 64	\$ 19	\$ 18

(Canadian \$ in millions)	Pension benefit plans		Other employee future benefit plans	
	For the six months ended		For the six months ended	
	April 30, 2007	April 30, 2006	April 30, 2007	April 30, 2006
Benefits earned by employees	\$ 79	\$ 69	\$ 11	\$ 10
Interest cost on accrued benefit liability	110	104	25	22
Actuarial loss recognized in expense	30	42	8	7
Amortization of plan amendment costs	5	3	(3)	(2)
Expected return on plan assets	(139)	(126)	(3)	(2)
Benefits expense	85	92	38	35
Canada and Quebec pension plan expense	30	28	-	-
Defined contribution expense	8	6	-	-
Total pension and other employee future benefit expenses	\$ 123	\$ 126	\$ 38	\$ 35

The estimated fair values of the assets acquired and the liabilities assumed at the date of acquisition are as follows:

(Canadian \$ in millions)	April 30, 2007		April 30, 2006
	First National	bcpbank Canada	Villa Park
Cash resources	\$ 81	\$ 47	\$ 16
Securities	347	23	54
Loans	1,013	294	247
Premises and equipment	35	9	4
Goodwill	166	6	44
Core deposit intangible asset	37	12	7
Other assets	52	2	4
Total Assets	1,731	393	376
Deposits	1,377	339	296
Other liabilities	11	12	4
Total liabilities	1,388	351	300
Purchase price	\$ 343	\$ 42	\$ 76

The allocation of the purchase price for First National and bcpbank Canada is subject to refinement as we complete the valuation of the assets acquired and liabilities assumed.

options was \$7.54 per option and was determined using a trinomial option pricing model, based on the following weighted-average assumptions:

For stock options granted during the six months ended April 30, 2007

Expected dividend yield	3.8%
Expected share price volatility	15.6%
Risk-free rate of return	4.0%
Expected period until exercise	7.4 years

Note 7 • Restructuring Charge

On January 31, 2007, we recorded a restructuring charge of \$135 million in the Consolidated Statement of Income. The objectives of the restructuring are to enhance customer service by directing spending and resources on front-line sales and service improvements; creating more efficient processes and systems across the company and continuing to accelerate the pace of the company's growth.

The charge relates to the elimination of approximately 1,000 positions in primarily non-customer-facing areas of the company across all support functions and business groups. Of the charge, \$117 million relates to severance-related costs, \$11 million is associated with premises-related charges and \$7 million relates to other costs.

Premises-related charges include lease cancellation payments for those locations where we have legally extinguished our lease obligation as well as the carrying value of abandoned assets.

Note 8 • Subordinated debt

During the quarter ended April 30, 2007, our US\$300 million 7.80% Notes matured.

Note 9 • Share Capital

During the six months ended April 30, 2007, we issued 14,000,000 4.5% Non-Cumulative Perpetual Class B Preferred Shares, Series 13, at a price of \$25.00 per share, representing an aggregate issue price of \$350 million.

During the quarter ended April 30, 2007, we repurchased 2,210,500 common shares at an average cost of \$70.75 per share, totalling \$156 million. During the quarter ended April 30, 2006, we repurchased 1,861,300 common shares at an average cost of \$65.63 per share, totalling \$122 million. During the six months ended

We engaged a professional services firm to provide us with strategic and organizational advice with respect to the restructuring initiatives. A charge of \$7 million for these services has been included in the restructuring charge.

	Severance-related charges	Premises-related charges	Total
Balance as at January 31, 2007	\$ 110	\$ 11	\$ 121
Paid in the quarter	(5)	(10)	(15)
Balance as at April 30, 2007	\$ 105	\$ 1	\$ 106

April 30, 2007, we repurchased 3,405,400 common shares at an average cost of \$70.16 per share, totalling \$238 million. During the six months ended April 30, 2006, we repurchased 2,399,500 common shares at an average cost of \$64.45 per share, totalling \$154 million.

There have been 3,871,200 common shares repurchased under the existing normal course issuer bid that expires on September 5, 2007 and pursuant to which we are permitted to repurchase up to 15,000,000 common shares.

Share Capital Outstanding (a)

(Canadian \$ in millions, except as noted)

	April 30, 2007		
	Number	Amount	Convertible into...
Preferred Shares – Classified as Liabilities			
Class B – Series 4	8,000,000	\$ 200	common shares (b)
Class B – Series 6	10,000,000	250	common shares (b)
		450	
Preferred Shares – Classified as Equity			
Class B – Series 5	8,000,000	200	–
Class B – Series 10 (c)	12,000,000	396	common shares (b)
Class B – Series 13	14,000,000	350	–
		946	
Common Shares	500,028,856	4,326	–
Share Capital		\$ 5,272	
Stock options issued under stock option plan		n/a	22,564,226 common shares

(a) For additional information refer to Notes 20 and 21 to our consolidated financial statements for the year ended October 31, 2006 on pages 118 to 121 of our 2006 Annual Report.

(b) The number of shares issuable on conversion is not determinable until the date of conversion.

(c) Face value is US\$300 million.
n/a – not applicable

Note 10 • United States Generally Accepted Accounting Principles

Reporting under United States GAAP would have resulted in the following:

(Canadian \$ in millions, except earnings per share figures)

	For the three months ended		For the six months ended	
	April 30, 2007	April 30, 2006 (1)	April 30, 2007	April 30, 2006 (1)
Net Income – Canadian GAAP	\$ 671	\$ 651	\$ 1,019	\$ 1,257
United States GAAP adjustments	(12)	(2)	(24)	(39)
Net Income – United States GAAP	\$ 659	\$ 649	\$ 995	\$ 1,218
Earnings Per Share				
Basic – Canadian GAAP	\$ 1.31	\$ 1.28	\$ 1.99	\$ 2.47
Basic – United States GAAP	1.29	1.28	1.94	2.40
Diluted – Canadian GAAP	1.29	1.25	1.96	2.42
Diluted – United States GAAP	1.27	1.25	1.91	2.35

(1) Amounts in the above table have been restated to reflect the changes in accounting policy described in Note 6.

Hybrid Financial Instruments

During the quarter ended January 31, 2007, we adopted the new United States accounting standard on hybrid financial instruments. The new rules allow us to elect to measure certain hybrid financial instruments at fair value in their entirety, with any changes in fair value recognized in earnings. Under the previous rules, only the embedded derivative in the hybrid financial instrument was recorded at fair value. We did not elect to measure any hybrid financial instruments at fair value. The new standard did not have any impact on our consolidated financial statements.

Pensions and Other Employee Future Benefits

During the quarter ended January 31, 2007, we adopted the new United States accounting standard on pensions and other employee future benefit plans. The new rules require us to recognize in our Consolidated Balance Sheet the funded status of the pension benefit and other employee future benefit plans, with

a corresponding adjustment to accumulated other comprehensive income, net of tax. There will be no change in the calculation of the pension and other employee future benefits expense.

Financial Instruments

During the quarter ended January 31, 2007, we adopted new Canadian accounting requirements for financial instruments, hedges and other comprehensive income, which are harmonized with the United States accounting standards (see Note 2).

Note 11 • Operating and Geographic Segmentation

Operating Groups

We conduct our business through operating groups, each of which has a distinct mandate. We determine operating groups based on our management structure and therefore our groups, and results attributed to them, may not be comparable with those of other financial services companies. We evaluate the performance of our groups using measures such as net income, revenue growth, return on equity, net economic profit and non-interest expense-to-revenue (productivity) ratio.

Personal and Commercial Banking

Personal and Commercial Banking (“P&C”) is comprised of two operating segments: Personal and Commercial Banking Canada and Personal and Commercial Banking U.S.

Personal and Commercial Banking Canada

Personal and Commercial Banking Canada (“P&C Canada”) offers a full range of products and services to personal and business clients in Canada through branches and direct banking channels such as telephone banking, online banking and a network of automated banking machines.

Personal and Commercial Banking U.S.

Personal and Commercial Banking U.S. (“P&C U.S.”) offers a full range of products and services to personal and business clients in the United States, primarily in the Chicago area and Indiana, through branches and direct banking channels such as telephone banking, online banking and a network of automated banking machines.

Private Client Group

Private Client Group (“PCG”) brings together all of our wealth management businesses. Operating primarily in Canada and the United States, PCG serves a full range of North American client segments, from mainstream to ultra-high net worth, as well as select institutional market segments. PCG offers clients a broad range of wealth management products and services, including full-service and direct investing, private banking and investment products, providing the tools they need to accumulate, protect and grow their financial assets.

BMO Capital Markets

BMO Capital Markets (“BMO CM”) combines all of our businesses serving corporate, institutional and government clients. In Canada and the United States, its clients span a broad range of industry sectors. BMO CM also serves clients in the United Kingdom, Europe, Asia and Australia. It offers clients complete financial solutions, including equity and debt underwriting, corporate lending and project financing, mergers and acquisitions, advisory services, merchant banking, securitization, treasury and market risk management, debt and equity research and institutional sales and trading.

Corporate Services

Corporate Services includes Technology and Operations (“T&O”) and the Corporate units that provide expertise and governance support in areas such as strategic planning, law, finance, internal audit, risk management, corporate communications, economics, corporate marketing, human resources and learning. Operating results for Corporate Services include revenues and expenses associated with certain securitization activities, the hedging of foreign-source earnings and activities related to the management of certain balance sheet positions and our overall asset liability structure.

T&O manages, maintains and provides governance over information technology, real estate, operations services and sourcing for the Bank. The unit focuses on enterprise-wide priorities that improve quality and efficiency.

Operating results for T&O are included with Corporate Services for reporting purposes. However, costs of T&O services are transferred to P&C, PCG, and BMO CM and only minor amounts are retained in T&O’s results. As such, results for Corporate Services largely reflect operating results of Corporate units.

Corporate Services also includes residual revenues and expenses representing the differences between actual amounts earned or incurred and the amounts allocated to operating groups.

Basis of Presentation

The results of these operating segments are based on our internal financial reporting systems. The accounting policies used in these segments are generally consistent with those followed in the preparation of our consolidated financial statements as disclosed in Notes 1 and 2. Notable accounting measurement differences are the taxable equivalent basis adjustment and the provision for credit losses, as described below.

Taxable Equivalent Basis

We analyze net interest income on a taxable equivalent basis (“teb”). This basis includes an adjustment which increases GAAP revenues and the GAAP provision for income taxes by an amount that would raise revenues on certain tax-exempt securities to a level that would incur tax at the statutory rate.

Analysis on a teb basis neutralizes the impact of investing in tax-exempt or tax-advantaged securities rather than fully taxable securities with higher yields. It reduces distortions in net interest income related to the choice of tax-advantaged and taxable investments.

Provisions for Credit Losses

Provisions for credit losses are generally allocated to each group based on expected losses for that group over an economic cycle. Differences between expected loss provisions and provisions required under GAAP are included in Corporate Services.

Inter-Group Allocations

Various estimates and allocation methodologies are used in the preparation of the operating groups’ financial information. We allocate expenses directly related to earning revenue to the groups that earned the related revenue. Expenses not directly related to earning revenue, such as overhead expenses, are allocated to operating groups using allocation formulas applied on a consistent basis. Operating group net interest income reflects internal funding charges and credits on the groups’ assets, liabilities and capital, at market rates, taking into account relevant terms and currency considerations. The offset of the net impact of these charges and credits is reflected in Corporate Services.

Geographic Information

We operate primarily in Canada and the United States but also have operations in the United Kingdom, Europe, the Caribbean and Asia, which are grouped in Other countries. We allocate our results by geographic region based on the location of the unit responsible for managing the related assets, liabilities, revenues and expenses, except for the consolidated provision for credit losses, which is allocated based upon the country of ultimate risk.

Prior periods have been restated to give effect to the current period’s organization structure and presentation changes.

Note 11 • Operating and Geographic Segmentation (continued)

Our results and average assets, allocated by operating segment, are as follows:

(Canadian \$ in millions)

For the three months ended April 30, 2007	P&C Canada	P&C U.S.	PCG	BMO CM	Corporate Services (1)	Total (teb basis) (2)	Teb adjustments	Total (GAAP basis)
Net interest income	\$ 735	\$ 191	\$ 153	\$ 255	\$ (87)	\$ 1,247	\$ (43)	\$ 1,204
Non-interest revenue	474	45	365	395	45	1,324	-	1,324
Total Revenue	1,209	236	518	650	(42)	2,571	(43)	2,528
Provision for credit losses	81	9	-	19	(50)	59	-	59
Non-interest expense	655	183	359	395	22	1,614	-	1,614
Income before taxes and non-controlling interest in subsidiaries	473	44	159	236	(14)	898	(43)	855
Income taxes	149	17	58	37	(53)	208	(43)	165
Non-controlling interest in subsidiaries	-	-	-	-	19	19	-	19
Net Income	\$ 324	\$ 27	\$ 101	\$ 199	\$ 20	\$ 671	\$ -	\$ 671
Average Assets	\$ 117,777	\$ 24,830	\$ 6,884	\$ 204,411	\$ 3,642	\$ 357,544	\$ -	\$ 357,544
Goodwill (As At)	\$ 99	\$ 732	\$ 323	\$ 96	\$ 2	\$ 1,252	\$ -	\$ 1,252
For the three months ended April 30, 2006 (3)	P&C Canada	P&C U.S.	PCG	BMO CM	Corporate Services (1)	Total (teb basis) (2)	Teb adjustments	Total (GAAP basis)
Net interest income	\$ 700	\$ 187	\$ 138	\$ 175	\$ (57)	\$ 1,143	\$ (30)	\$ 1,113
Non-interest revenue	397	40	349	552	22	1,360	-	1,360
Total Revenue	1,097	227	487	727	(35)	2,503	(30)	2,473
Provision for credit losses	79	7	-	20	(40)	66	-	66
Non-interest expense	624	174	336	406	20	1,560	-	1,560
Income before taxes and non-controlling interest in subsidiaries	394	46	151	301	(15)	877	(30)	847
Income taxes	133	18	54	54	(52)	207	(30)	177
Non-controlling interest in subsidiaries	-	-	-	-	19	19	-	19
Net Income	\$ 261	\$ 28	\$ 97	\$ 247	\$ 18	\$ 651	\$ -	\$ 651
Average Assets	\$ 113,878	\$ 21,936	\$ 6,428	\$ 155,833	\$ 4,746	\$ 302,821	\$ -	\$ 302,821
Goodwill (As At)	\$ 93	\$ 581	\$ 324	\$ 98	\$ 2	\$ 1,098	\$ -	\$ 1,098
For the six months ended April 30, 2007	P&C Canada	P&C U.S.	PCG	BMO CM	Corporate Services (1)	Total (teb basis) (2)	Teb adjustments	Total (GAAP basis)
Net interest income	\$ 1,495	\$ 377	\$ 304	\$ 487	\$ (181)	\$ 2,482	\$ (82)	\$ 2,400
Non-interest revenue	880	87	720	370	137	2,194	-	2,194
Total Revenue	2,375	464	1,024	857	(44)	4,676	(82)	4,594
Provision for credit losses	161	18	1	39	(108)	111	-	111
Non-interest expense	1,304	358	718	723	184	3,287	-	3,287
Income before taxes and non-controlling interest in subsidiaries	910	88	305	95	(120)	1,278	(82)	1,196
Income taxes	294	32	109	(86)	(128)	221	(82)	139
Non-controlling interest in subsidiaries	-	-	-	-	38	38	-	38
Net Income	\$ 616	\$ 56	\$ 196	\$ 181	\$ (30)	\$ 1,019	\$ -	\$ 1,019
Average Assets	\$ 117,446	\$ 24,159	\$ 6,923	\$ 198,496	\$ 3,350	\$ 350,374	\$ -	\$ 350,374
Goodwill (As At)	\$ 99	\$ 732	\$ 323	\$ 96	\$ 2	\$ 1,252	\$ -	\$ 1,252
For the six months ended April 30, 2006 (3)	P&C Canada	P&C U.S.	PCG	BMO CM	Corporate Services (1)	Total (teb basis) (2)	Teb adjustments	Total (GAAP basis)
Net interest income	\$ 1,426	\$ 372	\$ 276	\$ 382	\$ (100)	\$ 2,356	\$ (61)	\$ 2,295
Non-interest revenue	767	80	675	1,088	49	2,659	-	2,659
Total Revenue	2,193	452	951	1,470	(51)	5,015	(61)	4,954
Provision for credit losses	157	15	1	40	(95)	118	-	118
Non-interest expense	1,248	335	663	826	68	3,140	-	3,140
Income before taxes and non-controlling interest in subsidiaries	788	102	287	604	(24)	1,757	(61)	1,696
Income taxes	265	41	99	135	(78)	462	(61)	401
Non-controlling interest in subsidiaries	-	-	-	-	38	38	-	38
Net Income	\$ 523	\$ 61	\$ 188	\$ 469	\$ 16	\$ 1,257	\$ -	\$ 1,257
Average Assets	\$ 112,653	\$ 21,778	\$ 6,428	\$ 155,280	\$ 4,644	\$ 300,783	\$ -	\$ 300,783
Goodwill (As At)	\$ 93	\$ 581	\$ 324	\$ 98	\$ 2	\$ 1,098	\$ -	\$ 1,098

(1) Corporate Services includes Technology and Operations.

(2) Taxable equivalent basis – see Basis of Presentation section.

(3) Amounts in the above tables have been restated to reflect the changes in accounting policy described in Notes 3 and 21 to our consolidated financial statements for the year ended October 31, 2006.

Our results and average assets, allocated by geographic region, are as follows:

(Canadian \$ in millions), Taxable equivalent basis (1)

For the three months ended April 30, 2007	Canada	United States	Other countries	Total
Net interest income	\$ 906	\$ 262	\$ 79	\$ 1,247
Non-interest revenue	1,057	189	78	1,324
Total Revenue	1,963	451	157	2,571
Provision for credit losses	60	3	(4)	59
Non-interest expense	1,149	421	44	1,614
Income before taxes and non-controlling interest in subsidiaries	754	27	117	898
Income taxes	179	9	20	208
Non-controlling interest in subsidiaries	13	6	-	19
Net Income	\$ 562	\$ 12	\$ 97	\$ 671
Average Assets	\$ 208,458	\$ 115,547	\$ 33,539	\$ 357,544
Goodwill (As At)	\$ 417	\$ 835	\$ -	\$ 1,252
For the three months ended April 30, 2006 (2)	Canada	United States	Other countries	Total
Net interest income	\$ 865	\$ 248	\$ 30	\$ 1,143
Non-interest revenue	937	377	46	1,360
Total Revenue	1,802	625	76	2,503
Provision for credit losses	56	11	(1)	66
Non-interest expense	1,103	421	36	1,560
Income before taxes and non-controlling interest in subsidiaries	643	193	41	877
Income taxes	145	66	(4)	207
Non-controlling interest in subsidiaries	13	6	-	19
Net Income	\$ 485	\$ 121	\$ 45	\$ 651
Average Assets	\$ 192,682	\$ 85,333	\$ 24,806	\$ 302,821
Goodwill (As At)	\$ 410	\$ 688	\$ -	\$ 1,098
For the six months ended April 30, 2007	Canada	United States	Other countries	Total
Net interest income	\$ 1,819	\$ 507	\$ 156	\$ 2,482
Non-interest revenue	2,056	28	110	2,194
Total Revenue	3,875	535	266	4,676
Provision for credit losses	111	4	(4)	111
Non-interest expense	2,362	839	86	3,287
Income before taxes and non-controlling interest in subsidiaries	1,402	(308)	184	1,278
Income taxes	343	(157)	35	221
Non-controlling interest in subsidiaries	27	11	-	38
Net Income	\$ 1,032	\$ (162)	\$ 149	\$ 1,019
Average Assets	\$ 205,845	\$ 111,671	\$ 32,858	\$ 350,374
Goodwill (As At)	\$ 417	\$ 835	\$ -	\$ 1,252
For the six months ended April 30, 2006 (2)	Canada	United States	Other countries	Total
Net interest income	\$ 1,767	\$ 521	\$ 68	\$ 2,356
Non-interest revenue	1,837	730	92	2,659
Total Revenue	3,604	1,251	160	5,015
Provision for credit losses	105	14	(1)	118
Non-interest expense	2,224	847	69	3,140
Income before taxes and non-controlling interest in subsidiaries	1,275	390	92	1,757
Income taxes	335	129	(2)	462
Non-controlling interest in subsidiaries	27	11	-	38
Net income	\$ 913	\$ 250	\$ 94	\$ 1,257
Average Assets	\$ 189,230	\$ 86,188	\$ 25,365	\$ 300,783
Goodwill (As At)	\$ 410	\$ 688	\$ -	\$ 1,098

(1) Taxable equivalent basis – see Basis of Presentation section.

(2) Amounts in the above tables have been restated to reflect the changes in accounting policy described in Notes 3 and 21 to our consolidated financial statements for the year ended October 31, 2006.