



**Bank Financial Group**

# **SUPPLEMENTAL FINANCIAL INFORMATION**

**For the 2<sup>nd</sup> Quarter Ended April 30, 2007**



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## For the 2<sup>nd</sup> Quarter Ended April 30, 2007

### How the Bank Reports

The supplemental information contained in this package is designed to improve the readers' understanding of the financial performance of TD Bank Financial Group (the Bank). This information should be used in conjunction with the second quarter 2007 Report to Shareholders, and Investor Presentation, as well as the 2006 Consolidated Financial Statements for the year ended October 31, 2006.

The Bank prepares its financial statements in accordance with Canadian generally accepted accounting principles (GAAP) and refers to results prepared in accordance with GAAP as the "reported basis" or "reported" results. The Bank also utilizes non-GAAP financial measures referred to as "adjusted basis" or "adjusted" results to assess each of its businesses and to measure overall Bank performance. To arrive at adjusted results, the Bank removes items of note, net of income taxes, from reported results. The items of note relate to items which management does not believe are indicative of underlying business performance. The items of note are listed on page 3 of this package. The items of note include the Bank's amortization of intangible assets, which primarily relate to the Canada Trust acquisition in 2000, the TD Banknorth Inc. (TD Banknorth) acquisition in 2005, and the acquisitions by TD Banknorth of Hudson United Bancorp (Hudson) in 2006 and Interchange Financial Services Corporation (Interchange) in 2007, and the amortization of intangibles included in equity in net income of TD Ameritrade. The Bank believes that adjusted results provides the reader with a better understanding of how management views the Bank's performance.

As explained, adjusted results are different from reported results determined in accordance with GAAP. Adjusted results, items of note and related terms are non-GAAP financial measures as these are not defined terms under GAAP, and, therefore, may not be comparable to similar terms used by other issuers. A reconciliation between the Bank's reported and adjusted results is provided on page 6 of the Bank's second quarter 2007 Report to Shareholders.

### Segmented Information

For management reporting purposes, the Bank's operations are organized into the following four operating business segments: Canadian Personal and Commercial Banking, Wealth Management, U.S. Personal and Commercial Banking and Wholesale Banking. The Bank's other activities are grouped into the Corporate segment.

The Bank's management reporting process measures the performance of the segments based on our management structure and is not necessarily comparable with other financial services companies. Results of each business segment reflect revenues, expenses, assets and liabilities generated by the businesses in that segment. Due to the complexity of the Bank, its management reporting model uses various estimates, assumptions, allocations and risk-based methodologies for funds transfer pricing, inter-segment revenues, income tax rates, capital, indirect expenses and cost transfers to measure business segment results. Transfer pricing of funds is generally applied at market rates. Inter-segment revenues are negotiated between each business segment and approximate the value provided by the distributing segment. Income tax expense or benefit is generally applied to each segment based on a statutory tax rate and may be adjusted for items and activities unique to each segment.

The Bank measures and evaluates the performance of each segment based on adjusted net income available to common shareholders, economic profit and return on invested capital. Economic profit is adjusted net income available to common shareholders, less a charge for average invested capital. Each segment's invested capital represents the capital required for economic risks, including credit, market and operational risks, plus the purchased amounts of goodwill and intangible assets, net of impairment write downs. Return on invested capital is adjusted net income available to common shareholders, divided by average invested capital. Economic profit and return on invested capital are not defined terms under GAAP and, therefore, not comparable to similar terms used by other issuers. A reconciliation between the Bank's economic profit, return on invested capital and adjusted net income is provided on page 7 of the Bank's first quarter 2007 Report to Shareholders.

Amortization of intangible expense is included in the Corporate segment. Accordingly, net income for the operating business segments is presented before amortization of intangibles, as well as any other items of note not attributed to the operating segments. Net interest income, primarily within Wholesale Banking, is calculated on a taxable equivalent basis (TEB), which means that the value of the non-taxable or tax-exempt income, including dividends, is adjusted to its equivalent before-tax value. Using TEB allows the Bank to measure income from all securities and loans consistently and makes for a more meaningful comparison of net interest income with similar institutions. The TEB adjustment, reflected in the Wholesale Banking segment, is eliminated in the Corporate segment.

For more information, see the "Business Focus" section of the 2006 Annual Report and Note 24 to the 2006 audited Consolidated Financial Statements.

**For the 2nd Quarter Ended April 30, 2007**  
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Certain comparative amounts have been reclassified to conform with current period presentation

FOR THE PERIOD ENDED		LINE #	2007		2006		2005			Year to Date		Full Year			
			Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>Income statement (\$millions)</b>															
Net interest income	(page 10)	1	\$ 1,662	\$ 1,671	\$ 1,714	\$ 1,623	\$ 1,427	\$ 1,607	\$ 1,641	\$ 1,563	\$ 1,393	\$ 3,333	\$3,034	\$ 6,371	\$ 6,008
Other income	(page 11)	2	1,837	1,802	1,580	1,665	1,691	1,797	1,442	1,535	1,517	3,639	3,488	6,733	5,889
Total revenues		3	3,499	3,473	3,294	3,288	3,118	3,404	3,083	3,098	2,910	6,972	6,522	13,104	11,897
Dilution gain on investments, net of costs		4	-	-	-	-	(5)	1,564	-	-	-	-	1,559	1,559	-
Provision for (reversal of) credit losses	(page 18)	5	172	163	170	109	16	114	(15)	40	20	335	130	409	55
Non-interest expenses	(page 12)	6	2,252	2,189	2,187	2,147	2,103	2,290	2,203	2,577	2,057	4,441	4,393	8,727	8,782
Net income before provision for income taxes		7	1,075	1,121	937	1,032	994	2,564	895	481	833	2,196	3,558	5,527	3,060
Provision for income taxes		8	234	218	175	235	244	220	253	12	213	452	464	874	699
Income before non-controlling interests in subsidiaries		9	841	903	762	797	750	2,344	642	469	620	1,744	3,094	4,653	2,361
Non-controlling interests in subsidiaries	(page 21)	10	27	47	48	52	47	37	53	58	21	74	84	184	132
Equity in net income of associated company, net of income taxes	(page 21)	11	65	65	48	51	35	-	-	-	-	130	35	134	-
Net income - reported		12	879	921	762	796	738	2,307	589	411	599	1,800	3,045	4,603	2,229
Adjustment for items of note, net of income taxes	(page 3)	13	116	88	113	90	42	(1,472)	176	328	73	204	(1,430)	(1,227)	632
Net income - adjusted		14	995	1,009	875	886	780	835	765	739	672	2,004	1,615	3,376	2,861
Preferred dividends		15	7	6	5	6	6	5	-	-	-	13	11	22	-
Net income available to common shareholders - adjusted		16	\$ 988	\$ 1,003	\$ 870	\$ 880	\$ 774	\$ 830	\$ 765	\$ 739	\$ 672	\$ 1,991	\$1,604	\$ 3,354	\$ 2,861
<b>Per common share<sup>1</sup> and average number of shares</b>															
Basic net income - reported		17	\$ 1.21	\$ 1.27	\$ 1.05	\$ 1.10	\$ 1.02	\$ 3.23	\$ .83	\$ .58	\$ .87	\$ 2.49	\$ 4.25	\$ 6.39	\$ 3.22
- adjusted		18	1.37	1.40	1.21	1.22	1.10	1.16	1.08	1.04	1.00	2.77	2.27	4.70	4.17
Diluted net income - reported		19	1.20	1.26	1.04	1.09	1.01	3.20	.82	.58	.86	2.46	4.21	6.34	3.20
- adjusted		20	1.36	1.38	1.20	1.21	1.09	1.15	1.06	1.04	1.00	2.74	2.25	4.66	4.14
Average number of common shares outstanding - basic (millions)		21	719.1	718.3	719.7	719.1	715.7	712.5	710.0	707.6	690.8	718.7	714.1	716.8	691.3
- diluted		22	725.9	724.9	726.0	724.7	722.5	718.9	716.1	713.4	696.1	725.4	720.7	723.0	696.9
<b>Balance sheet (\$billions)</b>															
Total assets	(page 13)	23	\$ 396.7	\$ 408.2	\$ 392.9	\$ 385.8	\$ 388.6	\$ 384.4	\$ 365.2	\$ 368.4	\$ 359.5	\$ 396.7	\$388.6	\$ 392.9	\$ 365.2
Total shareholders' equity	(page 19)	24	21.8	21.0	19.6	19.4	19.3	18.5	15.9	15.8	15.6	21.8	19.3	19.6	15.9
Unrealized gain on securities <sup>2,3</sup> (\$millions)	(page 14)	25	1,027	990	774	707	706	806	750	733	550	1,027	706	774	750
<b>Capital and Risk Metrics (\$billions)</b>															
Risk-weighted assets (RWA)	(page 22)	26	\$ 149.4	\$ 149.1	\$ 141.9	\$ 139.1	\$ 135.8	\$ 135.9	\$ 130.0	\$ 130.5	\$ 127.6	\$ 149.4	\$135.8	\$ 141.9	\$ 130.0
Tier 1 capital	(page 22)	27	14.7	17.7	17.1	16.8	16.4	16.1	13.1	13.1	12.8	14.7	16.4	17.1	13.1
Tangible common equity	(page 22)	28	10.5	13.4	12.9	12.7	12.3	12.0	9.6	9.1	8.8	10.5	12.3	12.9	9.6
Tier 1 capital ratio	(page 22)	29	9.8%	11.9%	12.0%	12.1%	12.1%	11.9%	10.1%	10.0%	10.0%	9.8%	12.1%	12.0%	10.1%
Total capital ratio	(page 22)	30	12.3	14.1	13.1	13.2	14.1	13.8	13.2	13.3	13.4	12.3	14.1	13.1	13.2
Tangible common equity as a percentage of RWA	(page 22)	31	7.0	9.0	9.1	9.1	9.0	8.8	7.4	7.0	6.9	7.0	9.0	9.1	7.4
After-tax impact of 1% increase in interest rates on															
Common shareholders' equity (\$millions)		32	\$ (33)	\$ 5	\$ (20)	\$ (14)	\$ 2	\$ 5	\$ (61)	\$ (66)	\$ (156)	\$ (33)	\$ 2	\$ (20)	\$ (61)
Annual net income (\$millions)		33	(10)	2	(4)	-	12	15	(20)	(19)	(6)	(10)	12	(4)	(20)
Net impaired loans (\$millions)	(page 17)	34	(824)	(904)	(906)	(922)	(942)	(993)	(944)	(928)	(928)	(824)	(942)	(906)	(944)
Net impaired loans as a % of net loans	(page 17)	35	(.5)%	(.5)%	(.5)%	(.6)%	(.6)%	(.6)%	(.6)%	(.6)%	(.6)%	(.5)%	(.6)%	(.5)%	(.6)%
Provision for credit losses as a % of net average loans		36	.41	.38	.40	.26	.04	.29	(.04)	.10	.06	.39	.16	.25	.04
Rating of senior debt: Moody's		37	Aaa	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aaa	Aa3	Aa3	Aa3
Standard and Poor's		38	AA-	A+	A+	A+	A+	A+	A+	A+	A+	AA-	A+	A+	A+

<sup>1</sup> Earnings per share (EPS) is computed by dividing income by the weighted average number of shares outstanding during the period. As a result, the sum of the quarterly EPS figures may not equal the year-to-date EPS.

<sup>2</sup> Excludes debt security positions which are managed as part of hedged portfolios.

<sup>3</sup> Includes unrealized gains on available-for-sale securities which are included in other comprehensive income.

FOR THE PERIOD ENDED	LINE #	2007		2006			2005			Year to Date		Full Year		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>Business performance (\$millions)</b>														
Net income available to common shareholders	1	\$ 872	\$ 915	\$ 757	\$ 790	\$ 732	\$ 2,302	\$ 589	\$ 411	\$ 599	\$ 1,787	\$ 3,034	\$ 4,581	\$ 2,229
Economic profit <sup>1</sup>	2	421	442	326	347	271	353	279	258	242	864	629	1,309	1,062
Average common equity	3	20,940	19,969	19,069	18,692	18,183	16,476	15,755	15,693	14,298	20,435	17,227	17,983	14,600
Average invested capital <sup>2</sup>	4	24,724	23,684	22,710	22,270	21,694	19,908	19,103	18,952	17,464	24,185	20,698	21,523	17,813
Return on common equity	5	17.1 %	18.2 %	15.7 %	16.8 %	16.5 %	55.4 %	14.8 %	10.4 %	17.2 %	17.6 %	35.5 %	25.5 %	15.3 %
Adjusted return on common equity <sup>3</sup>	6	19.4	19.9	18.1	18.7	17.5	20.0	19.3	18.7	19.3	19.6	18.8	18.7	19.6
Return on tangible common equity <sup>4</sup>	7	38.3	38.2	35.6	38.1	37.0	43.3	44.1	45.2	31.1	38.2	40.2	38.6	36.8
Return on invested capital <sup>5</sup>	8	16.4	16.8	15.2	15.7	14.6	16.5	15.9	15.5	15.8	16.6	15.6	15.6	16.1
Return on risk-weighted assets <sup>6</sup>	9	2.72	2.74	2.46	2.54	2.34	2.48	2.33	2.27	2.39	2.74	2.42	2.46	2.42
Efficiency ratio	10	64.4	63.0	66.4	65.3	67.6	46.1	71.5	83.2	70.7	63.7	54.4	59.5	73.8
Effective tax rate	11	21.8	19.4	18.7	22.8	24.5	8.6	28.3	2.5	25.6	20.6	13.0	15.8	22.8
Net interest margin	12	2.03	1.97	2.12	2.05	1.84	2.07	2.14	2.05	2.05	2.00	1.96	2.02	2.09
Average number of full-time equivalent staff	13	51,037	51,185	51,282	51,400	50,484	51,400	51,427	51,326	50,941	51,113	50,950	51,147	50,991
Number of domestic retail outlets at period end <sup>7</sup>	14	1,082	1,075	1,073	1,051	1,052	1,050	1,048	1,034	1,033	1,082	1,052	1,073	1,048
Number of U.S. retail outlets at period end <sup>7</sup>	15	633	613	618	620	630	425	425	424	424	633	630	618	425
Number of retail brokerage offices at period end	16	209	207	208	206	204	177	329	329	329	209	204	208	329
<b>Common share performance</b>														
Closing market price	17	\$ 67.80	\$ 69.88	\$ 65.10	\$ 57.75	\$ 62.45	\$ 60.65	\$ 55.70	\$ 55.90	\$ 50.34	\$ 67.80	\$ 62.45	\$ 65.10	\$ 55.70
Book value per common share	18	29.66	28.64	26.77	26.36	26.24	25.25	22.29	22.25	22.06	29.66	26.24	26.77	22.29
Closing market price to book value	19	2.29	2.44	2.43	2.19	2.38	2.40	2.50	2.51	2.28	2.29	2.38	2.43	2.50
Price earnings ratio	20	14.8	15.9	10.3	9.4	11.1	11.1	17.4	17.0	14.1	14.8	11.1	10.3	17.4
- reported <sup>8</sup>	21	13.2	14.3	14.0	12.8	14.4	14.3	13.5	14.0	13.0	13.2	14.4	14.0	13.5
Total market return on common shareholders' investment <sup>9</sup>	22	11.8 %	18.6 %	20.3 %	6.4 %	27.7 %	29.8 %	17.2 %	30.0 %	16.7 %	11.8 %	27.7 %	20.3 %	17.2 %
Number of common shares outstanding (millions)	23	719.9	719.0	717.4	720.8	718.8	714.7	711.8	709.0	706.7	719.9	718.8	717.4	711.8
Total market capitalization (\$billions)	24	\$ 48.8	\$ 50.2	\$ 46.7	\$ 41.6	\$ 44.9	\$ 43.3	\$ 39.6	\$ 39.6	\$ 35.6	\$ 48.8	\$ 44.9	\$ 46.7	\$ 39.6
<b>Dividend performance</b>														
Dividend per common share	25	\$ 0.53	\$ 0.48	\$ 0.48	\$ 0.44	\$ 0.44	\$ 0.42	\$ 0.42	\$ 0.40	\$ 0.40	\$ 1.01	\$ 0.86	\$ 1.78	\$ 1.58
Dividend yield <sup>10</sup>	26	2.8 %	2.7 %	2.8 %	2.9 %	2.6 %	2.8 %	2.8 %	2.8 %	2.9 %	2.8 %	2.7 %	2.9 %	3.0 %
Common dividend payout ratio - reported	27	43.8	37.7	45.8	40.0	43.0	13.0	50.6	68.9	46.9	40.7	20.3	27.9	49.3
- adjusted	28	38.7	34.4	39.9	35.9	40.7	36.1	39.0	38.3	41.8	36.5	38.3	38.1	38.4

<sup>1</sup> Economic profit is adjusted net income available to common shareholders less a charge for average invested capital. The rate charged for invested capital is 9.4% in 2007, 9.5% in 2006 and 10.1% in 2005.

<sup>2</sup> Invested capital is common shareholders' equity plus the cumulative after-tax amount of purchased intangible assets amortized as of the reporting date.

<sup>3</sup> Adjusted return on common equity is adjusted net income available to common shareholders divided by average common equity.

<sup>4</sup> Return on tangible common equity is adjusted net income available to common shareholders divided by average common equity less average goodwill and intangibles.

<sup>5</sup> Return on invested capital is adjusted net income available to common shareholders divided by average invested capital.

<sup>6</sup> Return on risk-weighted assets is adjusted net income available to common shareholders divided by average RWA.

<sup>7</sup> Includes retail bank outlets, private client centre branches, and estates and trusts branches.

<sup>8</sup> Closing common share price divided by diluted net income per common share for trailing 4 quarters.

<sup>9</sup> Total shareholder return includes the year over year change in share price and assumes that dividends received were invested in additional common shares.

<sup>10</sup> Dividends per common share for trailing 4 quarters divided by average of high and low common share prices for the period.

Adjustment for Items of Note, net of income taxes<sup>1</sup>

FOR THE PERIOD ENDED	LINE #	2007		2006			2005			Year to Date		Full Year		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>Items of note affecting net income (\$ millions)</b>														
Amortization of intangibles	1	\$ 80	\$ 83	\$ 87	\$ 61	\$ 86	\$ 82	\$ 86	\$ 91	\$ 90	\$ 163	\$ 168	\$ 316	\$ 354
Dilution gain on Ameritrade transaction, net of costs	2	-	-	-	-	5	(1,670)	-	-	-	-	(1,665)	(1,665)	-
Dilution loss on the acquisition of Hudson by TD Banknorth	3	-	-	-	-	-	72	-	-	-	-	72	72	-
Wholesale Banking restructuring charge	4	-	-	-	-	-	35	4	10	15	-	35	35	29
Balance Sheet restructuring charge in TD Banknorth	5	-	-	-	-	-	19	-	-	-	-	19	19	-
TD Banknorth restructuring, privatization and merger-related charges <sup>2</sup>	6	43	-	-	-	-	-	-	-	-	43	-	-	-
Change in fair value of credit default swaps hedging the corporate loan book <sup>3</sup>	7	(7)	5	8	5	(10)	(10)	(7)	12	(33)	(2)	(20)	(7)	(17)
Non-core portfolio loan loss recoveries (sectoral related)	8	-	-	-	-	-	-	(60)	(23)	(24)	-	-	-	(127)
Tax charge related to reorganizations	9	-	-	-	-	-	-	138	-	25	-	-	-	163
Other tax items	10	-	-	-	24	-	-	(68)	(30)	-	-	-	24	(98)
Loss on structured derivative portfolios	11	-	-	-	-	-	-	70	30	-	-	-	-	100
Preferred share redemption	12	-	-	-	-	-	-	13	-	-	-	-	-	13
Initial set up of specific allowance for credit card and overdraft loans	13	-	-	18	-	-	-	-	-	-	-	-	18	-
General allowance release	14	-	-	-	-	(39)	-	-	-	-	-	(39)	(39)	(23)
Litigation charge	15	-	-	-	-	-	-	-	238	-	-	-	-	238
Total	16	\$ 116	\$ 88	\$ 113	\$ 90	\$ 42	\$ (1,472)	\$ 176	\$ 328	\$ 73	\$ 204	\$ (1,430)	\$ (1,227)	\$ 632
<b>Items of note affecting diluted earnings per share (\$<sup>4</sup>)</b>														
Amortization of intangibles	17	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.08	\$ 0.11	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.13	\$ 0.22	\$ 0.23	\$ 0.42	\$ 0.51
Dilution gain on Ameritrade transaction, net of costs	18	-	-	-	-	0.01	(2.32)	-	-	-	-	(2.31)	(2.30)	-
Dilution loss on the acquisition of Hudson by TD Banknorth	19	-	-	-	-	-	0.10	-	-	-	-	0.10	0.10	-
Wholesale Banking restructuring charge	20	-	-	-	-	-	0.05	-	0.02	0.02	-	0.05	0.05	0.04
Balance Sheet restructuring charge in TD Banknorth	21	-	-	-	-	-	0.03	-	-	-	-	0.03	0.03	-
TD Banknorth restructuring, privatization and merger-related charges <sup>2</sup>	22	0.06	-	-	-	-	-	-	-	-	0.06	-	-	-
Change in fair value of credit default swaps hedging the corporate loan book <sup>3</sup>	23	(0.01)	0.01	0.01	0.01	(0.01)	(0.02)	(0.01)	0.02	(0.05)	-	(0.03)	(0.01)	(0.02)
Non-core portfolio loan loss recoveries (sectoral related)	24	-	-	-	-	-	-	(0.08)	(0.03)	(0.03)	-	-	-	(0.17)
Tax charge related to reorganizations	25	-	-	-	-	-	-	0.19	-	0.04	-	-	-	0.23
Other tax items <sup>5</sup>	26	-	-	-	0.03	-	-	(0.10)	(0.04)	-	-	-	0.03	(0.14)
Loss on structured derivative portfolios	27	-	-	-	-	-	-	0.10	0.04	-	-	-	-	0.14
Preferred share redemption	28	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
Initial set up of specific allowance for credit card and overdraft loans	29	-	-	0.03	-	-	-	-	-	-	-	-	0.03	-
General allowance release	30	-	-	-	-	(0.05)	-	-	-	-	-	(0.05)	(0.05)	(0.03)
Litigation charge	31	-	-	-	-	-	-	-	0.33	-	-	-	-	0.33
TD Ameritrade timing impact	32	-	-	-	-	0.02	-	-	-	-	-	0.02	0.02	-
Banknorth timing impact	33	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03
Total	34	\$ 0.16	\$ 0.12	\$ 0.16	\$ 0.12	\$ 0.08	\$ (2.05)	\$ 0.24	\$ 0.46	\$ 0.14	\$ 0.28	\$ (1.96)	\$ (1.68)	\$ 0.94

<sup>1</sup> The adjustment for items of note, net of income taxes, is removed from reported earnings to compute adjusted earnings.

<sup>2</sup> The TD Banknorth restructuring, privatization and merger-related charges include the following: \$39 million TD Banknorth restructuring, privatization and merger-related charges included in U.S. Personal and Commercial Banking (for details, see footnote 3 on page 7 and the reconciliation of non-GAAP financial measures table in the second quarter 2007 Report to Shareholders); and \$4 million restructuring charge related to the transfer of functions from TD Bank USA to TD Banknorth, included in the Corporate segment.

<sup>3</sup> The Bank purchases credit default swaps (CDS) to hedge the credit risk in Wholesale Banking's corporate lending portfolio. These CDS do not qualify for hedge accounting treatment and, therefore, they are measured at fair value with changes in fair value recognized in current period's earnings. The related loans are accounted for at amortized cost. Management believes that this asymmetry in the accounting treatment between CDS and loans would result in periodic profit and loss volatility which is not indicative of the economics of the corporate loan portfolio or the underlying business performance in Wholesale Banking. As a result, the CDS are accounted for on an accrual basis in the Wholesale Banking segment and the gains and losses on the CDS, in excess of the accrued cost, are reported in the Corporate segment. Adjusted earnings excludes the gains and losses on the CDS in excess of the accrued cost. Prior to Q1 2007, this item was described as "Hedging impact due to AcG-13". As part of the adoption of the new financial instruments standards, the guidance under Accounting Guideline 13: Hedging Relationships (AcG-13) was replaced by Canadian Institute of Chartered Accountants (CICA) Handbook Section 3865, Hedges.

<sup>4</sup> EPS impact is computed by dividing items of note by the weighted average number of shares outstanding during the period. As a result, the sum of the quarterly EPS impact may not equal the year-to-date EPS impact.

<sup>5</sup> For 2006, the impact of future tax decreases of \$24 million (3 cents per share) on adjusted earnings is included in "Other tax items".

# Segmented Results Summary



## RESULTS OF OPERATIONS (\$millions)

LINE #	2007			2006			2005			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>FOR THE PERIOD ENDED</b>													
<b>Net income - adjusted (where applicable)</b>													
1	\$ 540	\$ 544	\$ 501	\$ 524	\$ 465	\$ 476	\$ 443	\$ 434	\$ 401	\$ 1,084	\$ 941	\$ 1,966	\$ 1,702
2	197	186	148	152	152	138	136	99	99	383	290	590	432
3	62	64	63	68	59	65	69	70	19	126	124	255	158
4	799	794	712	744	676	679	648	603	519	1,593	1,355	2,811	2,292
5	217	197	146	179	140	199	115	130	165	414	339	664	551
6	(21)	18	17	(37)	(36)	(43)	2	6	(12)	(3)	(79)	(99)	18
7	\$ 995	\$ 1,009	\$ 875	\$ 886	\$ 780	\$ 835	\$ 765	\$ 739	\$ 672	\$ 2,004	\$ 1,615	\$ 3,376	\$ 2,861
<b>Return on invested capital</b>													
8	26.9 %	26.4 %	24.7 %	26.2 %	25.1 %	25.0 %	23.4 %	23.3 %	22.5 %	26.6 %	25.0 %	25.2 %	23.1 %
9	21.7	20.1	15.8	17.9	26.0	21.0	20.8	14.8	15.3	20.9	23.3	19.5	16.4
10	3.8	4.3	4.2	4.6	4.4	5.4	5.6	5.5	4.5	4.0	4.9	4.6	5.4
11	33.6	30.2	23.5	29.4	24.6	34.4	19.4	19.7	27.1	31.9	29.5	27.9	22.3
12	16.4 %	16.8 %	15.2 %	15.7 %	14.6 %	16.5 %	15.9 %	15.5 %	15.8 %	16.6 %	15.6 %	15.6 %	16.1 %
<b>Percentage of net income mix<sup>1</sup></b>													
13	79 %	80 %	83 %	81 %	83 %	77 %	85 %	82 %	76 %	79 %	80 %	81 %	81 %
14	21	20	17	19	17	23	15	18	24	21	20	19	19
15	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
<b>Geographic contribution to total revenue<sup>2</sup></b>													
16	74 %	73 %	77 %	70 %	74 %	69 %	68 %	66 %	69 %	74 %	71 %	73 %	70 %
17	18	17	17	22	18	25	29	25	18	18	22	20	22
18	8	10	6	8	8	6	3	9	13	8	7	7	8
19	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

<sup>1</sup> Percentages exclude Corporate segment results.

<sup>2</sup> TEB amounts and dilution gains on net investments are not included.

**RESULTS OF OPERATIONS**  
 (\$millions)

LINE #	2007		2006				2005			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>FOR THE PERIOD ENDED</b>													
Net interest income	\$ 1,298	\$ 1,307	\$ 1,295	\$ 1,260	\$ 1,147	\$ 1,177	\$ 1,129	\$ 1,094	\$ 1,030	\$ 2,605	\$2,324	\$ 4,879	\$ 4,342
Other income	688	703	653	669	624	627	600	600	587	1,391	1,251	2,573	2,361
Total revenue	1,986	2,010	1,948	1,929	1,771	1,804	1,729	1,694	1,617	3,996	3,575	7,452	6,703
Provision for credit losses	143	138	132	104	78	99	97	90	91	281	177	413	373
Non-interest expenses	1,033	1,059	1,068	1,039	994	985	968	956	925	2,092	1,979	4,086	3,773
Net income before income taxes	810	813	748	786	699	720	664	648	601	1,623	1,419	2,953	2,557
Income taxes	270	269	247	262	234	244	221	214	200	539	478	987	855
Net Income - reported	540	544	501	524	465	476	443	434	401	1,084	941	1,966	1,702
Adjustment for items of note, net of income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income - adjusted	\$ 540	\$ 544	\$ 501	\$ 524	\$ 465	\$ 476	\$ 443	\$ 434	\$ 401	\$ 1,084	\$ 941	\$ 1,966	\$ 1,702
Average invested capital (\$billions)	\$ 8.2	\$ 8.2	\$ 8.0	\$ 7.9	\$ 7.6	\$ 7.6	\$ 7.5	\$ 7.4	\$ 7.3	\$ 8.2	\$ 7.6	\$ 7.8	\$ 7.4
Economic profit <sup>1</sup>	369	369	328	354	307	314	273	266	241	738	621	1,303	1,038
Return on invested capital	26.9 %	26.4 %	24.7 %	26.2 %	25.1 %	25.0 %	23.4 %	23.3 %	22.5 %	26.6 %	25.0 %	25.2 %	23.1 %
<b>Key performance indicators (\$billions)</b>													
Risk-weighted assets <sup>2</sup>	\$ 65	\$ 66	\$ 65	\$ 65	\$ 61	\$ 60	\$ 58	\$ 59	\$ 57	\$ 65	\$ 61	\$ 65	\$ 58
Average loans - personal	111	110	111	111	109	107	103	100	98	110	108	110	100
Average loans and acceptances - business	19	18	18	18	18	17	17	17	17	19	18	18	17
Average securitized loans	46	44	39	35	33	33	34	34	32	45	33	35	33
Average deposits - personal	101	101	100	98	96	94	94	93	91	101	95	97	92
Average deposits - business	37	38	36	36	34	35	33	32	31	38	35	35	32
Margin on avg. earning assets inc. securitized assets	3.05%	3.03%	3.07%	3.08%	2.98%	3.01%	2.96%	2.92%	2.95%	3.04%	3.00%	3.04%	2.96%
Efficiency ratio	52.0%	52.7%	54.8%	53.9%	56.1%	54.6%	56.0%	56.4%	57.2%	52.4%	55.4%	54.8%	56.3%
Average number of full-time equivalent staff	30,138	30,413	29,805	29,686	29,402	29,510	29,539	29,358	28,795	30,278	29,457	29,602	29,072

<sup>1</sup> The rate charged for invested capital is 8.5% in 2007, 8.5% in 2006, and 9.0% in 2005.

<sup>2</sup> Balances prior to Q4 2006 have been reclassified from Corporate segment.

Canadian Personal and Commercial Banking comprises our personal and business banking in Canada as well as our global insurance operations (excluding the U.S.). Under the TD Canada Trust brand, the retail operations provide a full range of financial products and services to approximately 11 million personal and small business customers. Products and services are provided - anywhere, anytime - through telephone and internet banking, more than 2,500 automated banking machines and a network of 1,039 branches located across Canada. Under the TD Insurance and TD Meloche Monnex brands, the Bank offers a broad range of insurance products, including home and automobile coverage, life and health insurance, as well as credit protection coverage on TD Canada Trust lending products. TD Commercial Banking serves the needs of Canadian businesses, customizing a broad range of products and services to meet their financing, investment, cash management, international trade and day-to-day banking needs.



**RESULTS OF OPERATIONS**  
 (\$millions)

FOR THE PERIOD ENDED	LINE #	2007		2006				2005			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
Net interest income	1	\$ 78	\$ 77	\$ 69	\$ 68	\$ 62	\$ 178	\$ 175	\$ 167	\$ 156	\$ 155	\$ 240	\$ 377	\$ 643
Brokerage commissions & other income	2	516	474	435	424	460	564	547	508	530	990	1,024	1,883	2,103
Total revenue	3	594	551	504	492	522	742	722	675	686	1,145	1,264	2,260	2,746
Non-interest expenses	4	393	364	357	344	349	525	514	531	530	757	874	1,575	2,083
Net income before income taxes	5	201	187	147	148	173	217	208	144	156	388	390	685	663
Income taxes	6	67	65	52	51	60	79	72	45	57	132	139	242	231
Equity in net income of associated company, net of income taxes	7	63	64	53	55	39	-	-	-	-	127	39	147	-
Net income (loss) - reported	8	197	186	148	152	152	138	136	99	99	383	290	590	432
Adjustment for items of note, net of income taxes	9	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) - adjusted	10	\$ 197	\$ 186	\$ 148	\$ 152	\$ 152	\$ 138	\$ 136	\$ 99	\$ 99	\$ 383	\$ 290	\$ 590	\$ 432
Average invested capital (\$billions)	11	\$ 3.7	\$ 3.7	\$ 3.7	\$ 3.4	\$ 2.4	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.7	\$ 3.7	\$ 2.5	\$ 3.0	\$ 2.6
Economic profit (loss) <sup>2</sup>	12	102	89	44	59	90	64	58	19	21	191	154	257	116
Return on invested capital	13	21.7 %	20.1 %	15.8 %	17.9 %	26.0 %	21.0 %	20.8 %	14.8 %	15.3 %	20.9 %	23.3 %	19.5 %	16.4 %
<b>Key performance indicators (\$billions)</b>														
Risk-weighted assets	14	\$ 5	\$ 5	\$ 5	\$ 4	\$ 4	\$ 5	\$ 9	\$ 9	\$ 9	\$ 5	\$ 4	\$ 5	\$ 9
Assets under administration	15	175	169	161	153	154	147	315	322	302	175	154	161	315
Assets under management	16	163	157	151	143	139	137	130	130	124	163	139	151	130
Efficiency ratio	17	66.2 %	66.1 %	70.8 %	69.9 %	66.9 %	70.8 %	71.2 %	78.7 %	77.3 %	66.1 %	69.1 %	69.7 %	75.9 %
Average number of full-time equivalent staff	18	5,994	5,870	5,785	5,783	5,698	7,774	7,756	7,935	8,150	5,932	6,753	6,265	7,973

<sup>1</sup> On January 24 2006, TD Bank completed the sale of TD Waterhouse U.S.A. brokerage operations to Ameritrade Holding Corporation (Ameritrade), and acquired 100% of Ameritrade's Canadian brokerage operations. Commencing Q2 2006, the results of TD Bank U.S.A. Inc. (previously reported in the Wealth segment) are reported in the Corporate segment prospectively.

<sup>2</sup> The rates charged for invested capital for the domestic Wealth Management, Canada Discount Brokerage, and U.S. and International businesses are 9.5%, 9.5% and 12% in 2007; 9.5%, 9.5% and 13.0% in 2006 and 10.0%, 10.0% and 14.0% in 2005. The rate charged for invested capital for the TD Ameritrade business line is 11% in 2007 and 12.0% for 2006.

Wealth Management provides a wide array of investment products and services through different brands to a large and diverse retail and institutional client base around the world. Wealth Management is comprised of a number of advisory, distribution and asset management businesses, including TD Waterhouse and TD Mutual Funds, and is one of Canada's largest asset managers. Through Wealth Management's discount brokerage channels (including the Bank's investment in TD Ameritrade), it serves customers in Canada, the U.S. and the United Kingdom. In Canada, Discount Brokerage, Financial Planning, Private Investment Advice and Private Client Services service the needs of different retail customer segments through all stages of their investing life cycle.

**RESULTS OF OPERATIONS**  
(\$millions)

**FOR THE PERIOD ENDED**

LINE #	2007			2006			2005			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
Net interest income	\$ 351	\$ 341	\$ 337	\$ 342	\$ 327	\$ 284	\$ 298	\$ 308	\$ 99	\$ 692	\$ 611	\$ 1,290	\$ 705
Other income	153	145	141	142	134	73	119	141	39	298	207	490	299
Total revenue	504	486	478	484	461	357	417	449	138	990	818	1,780	1,004
Provision for credit losses	35	17	15	10	8	7	7	4	(7)	52	15	40	4
Non-interest expenses	384	299	294	284	284	225	216	250	83	683	509	1,087	549
Net income before income taxes	85	170	169	190	169	125	194	195	62	255	294	653	451
Income taxes	31	55	55	65	60	42	72	67	22	86	102	222	161
Non-controlling interests in subsidiaries	31	51	51	57	50	37	53	58	21	82	87	195	132
Net income - reported	\$ 23	\$ 64	\$ 63	\$ 68	\$ 59	\$ 46	\$ 69	\$ 70	\$ 19	\$ 87	\$ 105	\$ 236	\$ 158
Adjustment for items of note, net of income taxes and non-controlling interests <sup>3</sup>	39	-	-	-	-	19	-	-	-	39	19	19	-
Net income - adjusted	\$ 62	\$ 64	\$ 63	\$ 68	\$ 59	\$ 65	\$ 69	\$ 70	\$ 19	\$ 126	\$ 124	\$ 255	\$ 158
Average invested capital (\$billions) <sup>5</sup>	\$ 6.7	\$ 5.9	\$ 5.8	\$ 5.9	\$ 5.5	\$ 4.7	\$ 4.9	\$ 5.0	\$ 5.1	\$ 6.3	\$ 5.1	\$ 5.5	\$ 5.0
Economic profit (loss) <sup>6</sup>	\$ (84)	\$ (70)	\$ (70)	\$ (65)	\$ (61)	\$ (43)	\$ (42)	\$ (43)	\$ (20)	\$ (154)	\$ (104)	\$ (239)	\$ (105)
Return on invested capital <sup>6</sup>	3.8 %	4.3 %	4.2 %	4.6 %	4.4 %	5.4 %	5.6 %	5.5 %	4.5 %	4.0 %	4.9 %	4.6 %	5.4 %
<b>Key performance indicators (\$billions)</b>													
Risk-weighted assets <sup>4</sup>	\$ 35	\$ 35	\$ 32	\$ 32	\$ 34	\$ 34	\$ 25	\$ 27	\$ 26	\$ 35	\$ 34	\$ 32	\$ 25
Average loans <sup>5</sup>	31	29	28	28	27	23	23	24	24	30	25	27	24
Average deposits <sup>5</sup>	33	31	31	32	32	26	26	28	28	32	29	30	27
Margin on average earning assets	3.89 %	3.95 %	4.01 %	4.07 %	3.83 %	3.96 %	4.09 %	4.12 %	4.14 %	3.92 %	3.88 %	3.97 %	4.11 %
Efficiency ratio	76.2 %	61.5 %	61.5 %	58.7 %	61.6 %	63.0 %	51.8 %	55.7 %	60.1 %	69.0 %	62.2 %	61.1 %	54.7 %
Average number of full-time equivalent staff <sup>6</sup>	8,701	8,672	8,907	9,129	8,581	7,313	7,273	7,229	7,483	8,687	7,947	8,483	7,284

<sup>1</sup> On January 31, 2006, TD Banknorth completed the acquisition of Hudson. On January 1, 2007, TD Banknorth completed the acquisition of Interchange. On April 20, 2007, TDBFG completed the privatization of TD Banknorth.

<sup>2</sup> TD Banknorth's financial results are reflected in TD's U.S. Personal and Commercial Banking segment on a one month lag. Reported non-interest expenses for Q2 2007 include restructuring charges expenses incurred in April 2007.

<sup>3</sup> Includes the following before-tax item of note: Q1 2006: \$52 million balance sheet restructuring charge; Q2 2007: \$39 million after-tax (\$78 million before tax) TD Banknorth restructuring, privatization and merger-related charges. These charges include the following: \$31 million restructuring charge, primarily consisted of employee severance costs, the costs of amending certain executive employment and award agreements and write-down of long-lived assets due to impairment; \$5 million privatization charges, which primarily consisted of legal and investment banking fees; and \$3 million merger-related charges related to conversion and customer notices in connection with the integration of Hudson and Interchange with TD Banknorth. In the Interim Consolidated Statement of Income, the restructuring charges are included in the restructuring costs while the privatization and merger-related charges are included in other non-interest expenses.

<sup>4</sup> This represents RWA as at the end of TD Bank's fiscal period.

<sup>5</sup> For comparability purposes, the Q2 2005 average figures are based on the month of March 2005 results.

<sup>6</sup> The rate charged for invested capital is 9.0% in 2007, 9.0% in 2006 and 9.0% in 2005.

U.S. Personal and Commercial Banking comprises the Bank's U.S.-based retail, commercial banking and insurance operations. Under the TD Banknorth brand, the retail operations provide a full range of financial products and services through multiple delivery channels, including a network of approximately 600 branches throughout the Northeastern U.S., telephone and internet banking and automated banking machines, allowing customers to have banking access virtually anywhere and anytime. TD Banknorth also serves the needs of businesses, customizing a broad range of products and services to meet their financing, investment, cash management, insurance, international trade and day-to-day banking needs.

## RESULTS OF OPERATIONS

(\$millions)

FOR THE PERIOD ENDED	LINE #	2007			2006			2005			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
Net interest income	1	\$ 144	\$ 203	\$ 138	\$ 127	\$ 76	\$ 138	\$ 234	\$ 164	\$ 301	\$ 347	\$ 214	\$ 479	\$ 977
Other income	2	498	432	355	456	458	523	137	279	303	930	981	1,792	1,011
Total revenue (TEB)	3	642	635	493	583	534	661	371	443	604	1,277	1,195	2,271	1,988
Provision for credit losses <sup>1</sup>	4	12	24	13	15	11	29	13	13	13	36	40	68	52
Restructuring costs	5	-	-	-	-	-	50	6	15	22	-	50	50	43
Other non-interest expenses	6	329	332	293	303	321	345	326	281	343	661	666	1,262	1,282
Total non-interest expenses	7	329	332	293	303	321	395	332	296	365	661	716	1,312	1,325
Net income before income taxes	8	301	279	187	265	202	237	26	134	226	580	439	891	611
Income taxes (TEB)	9	84	82	41	86	62	73	(15)	44	76	166	135	262	189
Net income (loss) - reported	10	217	197	146	179	140	164	41	90	150	414	304	629	422
Adjustment for items of note, net of income taxes <sup>2</sup>	11	-	-	-	-	-	35	74	40	15	-	35	35	129
Net income (loss) - adjusted	12	\$ 217	\$ 197	\$ 146	\$ 179	\$ 140	\$ 199	\$ 115	\$ 130	\$ 165	\$ 414	\$ 339	\$ 664	\$ 551
Average invested capital (\$billions)	13	\$ 2.7	\$ 2.6	\$ 2.5	\$ 2.4	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.6	\$ 2.5	\$ 2.7	\$ 2.3	\$ 2.4	\$ 2.5
Economic profit (loss) <sup>3</sup>	14	143	122	74	109	75	132	38	44	86	265	207	390	229
Return on invested capital	15	33.6 %	30.2 %	23.5 %	29.4 %	24.6 %	34.4 %	19.4 %	19.7 %	27.1 %	31.9 %	29.5 %	27.9 %	22.3 %
<b>Key performance indicators (\$billions)</b>														
Risk-weighted assets	16	\$ 40	\$ 38	\$ 34	\$ 33	\$ 32	\$ 33	\$ 33	\$ 32	\$ 31	\$ 40	\$ 32	\$ 34	\$ 33
Gross drawn <sup>4</sup>	17	9	9	9	7	7	6	6	5	6	9	7	9	6
Efficiency ratio	18	51.2 %	52.3 %	59.4 %	52.0 %	60.1 %	59.8 %	89.5 %	66.8 %	60.4 %	51.8 %	59.9 %	57.8 %	66.6 %
Average number of full-time equivalent staff	19	2,834	2,858	2,853	2,900	2,871	2,963	2,990	3,043	2,970	2,846	2,917	2,897	3,005
<b>Trading-related income (TEB)<sup>5</sup></b>														
Interest rate and credit	20	\$ 115	\$ 105	\$ 45	\$ 63	\$ 55	\$ 199	\$ (26)	\$ 109	\$ 127	\$ 220	\$ 254	\$ 362	\$ 370
Foreign exchange	21	51	73	54	80	93	79	54	75	59	124	172	306	248
Equity and other	22	123	152	75	99	103	97	52	18	133	275	200	374	263
Total trading-related income	23	\$ 289	\$ 330	\$ 174	\$ 242	\$ 251	\$ 375	\$ 80	\$ 202	\$ 319	\$ 619	\$ 626	\$ 1,042	\$ 881

<sup>1</sup> Provision for credit losses includes the cost of credit protection incurred in hedging the lending portfolio.

<sup>2</sup> Includes the following before-tax items of note: Q1 2006: \$50 million restructuring charge; Q4 2005: \$6 million restructuring charge and \$107 million loss on structured derivative portfolios; Q3 2005: \$15 million restructuring charge and \$46 million loss on structured derivative portfolios; and Q2 2005: \$22 million restructuring charge.

<sup>3</sup> The rate charged for invested capital is 11.5% in 2007, 11.5% in 2006 and 13.0% in 2005.

<sup>4</sup> Defined as gross loans plus bankers acceptances, excluding letters of credit and before any cash collateral, credit default swap, reserves, etc.

<sup>5</sup> Includes trading-related income reported in net interest income (line 1) and other income (line 2).

Wholesale Banking serves a diverse base of corporate, government, and institutional clients in key financial markets around the world. Under the TD Securities brand, Wholesale Banking provides a wide range of capital markets and investment banking products and services that include: underwriting and distribution of new debt and equity issues, providing advice on strategic acquisitions and divestitures, and executing daily trading and investment needs.

## RESULTS OF OPERATIONS

(\$millions)

## FOR THE PERIOD ENDED

LINE #	2007		2006				2005			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
Net interest income <sup>2,3</sup>	\$ (209)	\$ (257)	\$ (125)	\$ (174)	\$ (185)	\$ (170)	\$ (195)	\$ (170)	\$ (193)	\$ (466)	\$ (355)	\$ (654)	\$ (659)
Other Income <sup>3</sup>	(18)	48	(4)	(26)	10	1,574	39	7	58	30	1,584	1,554	115
Total revenue	(227)	(209)	(129)	(200)	(175)	1,404	(156)	(163)	(135)	(436)	1,229	900	(544)
General allowance release	-	-	-	-	(60)	-	-	-	-	-	(60)	(60)	(35)
Other provision for credit losses <sup>3</sup>	(18)	(16)	10	(20)	(21)	(21)	(132)	(67)	(77)	(34)	(42)	(52)	(339)
Total provision for credit losses	(18)	(16)	10	(20)	(81)	(21)	(132)	(67)	(77)	(34)	(102)	(112)	(374)
Non-interest expenses	113	135	175	177	155	160	173	544	154	248	315	667	1,052
Net income before income taxes	(322)	(328)	(314)	(357)	(249)	1,265	(197)	(640)	(212)	(650)	1,016	345	(1,222)
Income taxes <sup>2</sup>	(218)	(253)	(220)	(229)	(172)	(218)	(97)	(358)	(142)	(471)	(390)	(839)	(737)
Non-controlling interests in subsidiaries	(4)	(4)	(3)	(5)	(3)	-	-	-	-	(8)	(3)	(11)	-
Equity in net income of associated company, net of income taxes	2	1	(5)	(4)	(4)	-	-	-	-	3	(4)	(13)	-
Net income (loss) - reported	(98)	(70)	(96)	(127)	(78)	1,483	(100)	(282)	(70)	(168)	1,405	1,182	(485)
Adjustment for items of note, net of income taxes <sup>4</sup>	77	88	113	90	42	(1,526)	102	288	58	165	(1,484)	(1,281)	503
Net income (loss) - adjusted	\$ (21)	\$ 18	\$ 17	\$ (37)	\$ (36)	\$ (43)	\$ 2	\$ 6	\$ (12)	\$ (3)	\$ (79)	\$ (99)	\$ 18

## Decomposition of items of note (net of tax, non-controlling interests in subsidiaries, and equity in net income of associated company)

Amortization of intangibles	\$ 80	\$ 83	\$ 87	\$ 61	\$ 86	\$ 82	\$ 86	\$ 91	\$ 90	\$ 163	\$ 168	\$ 316	\$ 354
Dilution gain on Ameritrade transaction, net of costs	-	-	-	-	5	(1,670)	138	-	-	-	(1,665)	(1,665)	138
Dilution loss on the acquisition of Hudson by TD Banknorth	-	-	-	-	-	72	-	-	-	-	72	72	-
General allowance release	-	-	-	-	(39)	-	-	-	-	-	(39)	(39)	(23)
Change in fair value of credit default swaps hedging the corporate loan book <sup>5</sup>	(7)	5	8	5	(10)	(10)	(7)	12	(33)	(2)	(20)	(7)	(17)
Litigation charge	-	-	-	-	-	-	-	238	-	-	-	-	238
Non-core portfolio loan loss recoveries (sectoral related)	-	-	-	-	-	-	(60)	(23)	(24)	-	-	-	(127)
Tax charge related to reorganizations	-	-	-	-	-	-	-	-	25	-	-	-	25
Preferred share redemption	-	-	-	-	-	-	13	-	-	-	-	-	13
Initial set up of specific allowance for credit card and overdraft loans	-	-	18	-	-	-	-	-	-	-	-	18	-
Restructuring charges <sup>6</sup>	4	-	-	-	-	-	-	-	-	4	-	-	-
Other tax items	-	-	-	24	-	-	(68)	(30)	-	-	-	24	(98)
Items of note	\$ 77	\$ 88	\$ 113	\$ 90	\$ 42	\$ (1,526)	\$ 102	\$ 288	\$ 58	\$ 165	\$ (1,484)	\$ (1,281)	\$ 503

## Decomposition of material items included in net income (loss) - adjusted

Interest on income tax refunds	\$ 2	\$ 4	\$ 13	\$ 2	\$ 3	\$ -	\$ 3	\$ -	\$ -	\$ 6	\$ 3	\$ 18	\$ 10
Securitization gain / (loss)	(4)	9	15	(11)	(5)	(3)	-	-	5	5	(8)	(4)	11
Unallocated Corporate expenses	(39)	(54)	(58)	(66)	(54)	(56)	(48)	(38)	(42)	(93)	(110)	(234)	(189)
Non-Core Lending Portfolio	(1)	-	-	-	(5)	(4)	(2)	-	11	(1)	(9)	(9)	25
Other	21	59	47	38	25	20	49	44	14	80	45	130	161
Net income (loss) - adjusted	\$ (21)	\$ 18	\$ 17	\$ (37)	\$ (36)	\$ (43)	\$ 2	\$ 6	\$ (12)	\$ (3)	\$ (79)	\$ (99)	\$ 18

<sup>1</sup> Commencing Q2 2006, the results of TD Bank U.S.A. Inc. (previously reported in the Wealth segment) are included in the Corporate segment prospectively.

<sup>2</sup> Includes the elimination of TEB adjustments reported in Wholesale Banking results.

<sup>3</sup> The operating segments results are presented before the impact of asset securitization programs, which is reclassified in the Corporate segment. Results for Q4 2006 include the initial set up of specific allowance for credit card and overdraft loans.

<sup>4</sup> The total net (gain) or charge of items of note is removed from reported earnings to compute the adjusted earnings.

<sup>5</sup> The Bank purchases CDS to hedge the credit risk in Wholesale Banking's corporate lending portfolio. These CDS do not qualify for hedge accounting treatment and, therefore, they are measured at fair value with changes in fair value recognized in current period's earnings. The related loans are accounted for at amortized cost. Management believes that this asymmetry in the accounting treatment between CDS and loans would result in periodic profit and loss volatility which is not indicative of the economics of the corporate loan portfolio or the underlying business performance in Wholesale Banking. As a result, the CDS are accounted for on an accrual basis in the Wholesale Banking segment and the gains and losses on the CDS, in excess of the accrued cost, are reported in the Corporate segment. Adjusted earnings excludes the gains and losses on the CDS in excess of the accrued cost. Prior to Q1 2007, this item was described as "Hedging impact due to AcG-13". As part of the adoption of the new financial instruments standards, the guidance under Accounting Guideline 13: Hedging Relationships (AcG-13) was replaced by Canadian Institute of Chartered Accountants (CICA) Handbook Section 3865, Hedges.

<sup>6</sup> Restructuring charges related to the transfer of functions from TD Bank USA to TD Banknorth.

The Corporate segment includes the Non-Core Lending Portfolio, the effects of asset securitization programs in Canadian Personal & Commercial Banking, treasury management, general provisions for credit losses, TD Bank U.S.A. Inc., the elimination of TEB revenue and income tax, corporate level tax benefits, and residual unallocated revenues, expenses and taxes.

Net Interest Income and Margin



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2007		2006				2005			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>Interest income</b>													
Loans	\$ 3,117	\$ 3,074	\$ 3,004	\$ 2,862	\$ 2,514	\$ 2,452	\$ 2,328	\$ 2,269	\$ 1,893	\$ 6,191	\$ 4,966	\$ 10,832	\$ 8,322
Securities	1,108	1,259	1,152	1,058	966	1,259	1,017	922	1,015	2,367	2,225	4,435	4,039
Deposits with banks	111	47	74	70	78	80	106	109	105	158	158	302	415
Total interest income	4,336	4,380	4,230	3,990	3,558	3,791	3,451	3,300	3,013	8,716	7,349	15,569	12,776
<b>Interest expense</b>													
Deposits	1,989	2,048	1,957	1,836	1,754	1,534	1,410	1,388	1,223	4,037	3,288	7,081	5,129
Subordinated notes and debentures	124	108	96	107	99	86	84	82	83	232	185	388	328
Preferred shares and Capital Trust Securities	32	30	31	28	28	39	47	37	34	62	67	126	147
Other	529	523	432	396	250	525	269	230	280	1,052	775	1,603	1,164
Total interest expense	2,674	2,709	2,516	2,367	2,131	2,184	1,810	1,737	1,620	5,383	4,315	9,198	6,768
<b>Net interest income</b>	<b>1,662</b>	<b>1,671</b>	<b>1,714</b>	<b>1,623</b>	<b>1,427</b>	<b>1,607</b>	<b>1,641</b>	<b>1,563</b>	<b>1,393</b>	<b>3,333</b>	<b>3,034</b>	<b>6,371</b>	<b>6,008</b>
TEB adjustment	99	157	92	89	81	81	81	75	98	256	162	343	324
<b>Net interest income (TEB)</b>	<b>\$ 1,761</b>	<b>\$ 1,828</b>	<b>\$ 1,806</b>	<b>\$ 1,712</b>	<b>\$ 1,508</b>	<b>\$ 1,688</b>	<b>\$ 1,722</b>	<b>\$ 1,638</b>	<b>\$ 1,491</b>	<b>\$ 3,589</b>	<b>\$ 3,196</b>	<b>\$ 6,714</b>	<b>\$ 6,332</b>
Average total assets (\$billions)	\$ 409	\$ 405	\$ 391	\$ 389	\$ 393	\$ 376	\$ 371	\$ 367	\$ 343	\$ 407	\$ 384	\$ 387	\$ 352
Average earning assets (\$billions)	336	337	321	314	318	308	304	302	279	336	313	315	288
Net interest margin as a % of average earning assets	2.03 %	1.97 %	2.12 %	2.05 %	1.84 %	2.07 %	2.14 %	2.05 %	2.05 %	2.00 %	1.96 %	2.02 %	2.09 %
<b>Impact on NII from impaired loans</b>													
Reduction/(increase) in NII from impaired loans													
Gross	\$ 11	\$ 7	\$ 9	\$ 7	\$ 6	\$ 7	\$ 6	\$ 7	\$ 9	\$ 18	\$ 13	\$ 29	\$ 35
Recoveries	(1)	(1)	(1)	(3)	(2)	(3)	(14)	(2)	(7)	(2)	(5)	(9)	(26)
Net reduction/(increase)	\$ 10	\$ 6	\$ 8	\$ 4	\$ 4	\$ 4	\$ (8)	\$ 5	\$ 2	\$ 16	\$ 8	\$ 20	\$ 9

(\$MILLIONS) FOR THE PERIOD ENDED	LINE #	2007		2006				2005			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
TD Waterhouse fees and commissions	1	\$ 111	\$ 107	\$ 86	\$ 102	\$ 134	\$ 222	\$ 214	\$ 199	\$ 223	\$ 218	\$ 356	\$ 544	\$ 866
Full service brokerage and other securities services	2	287	266	249	241	242	256	265	210	230	553	498	988	927
Mutual fund management	3	176	175	162	157	156	164	155	167	154	351	320	639	624
Credit fees	4	103	96	110	93	82	86	84	76	85	199	168	371	343
Net securities gains <sup>1</sup>	5	102	70	87	113	82	23	76	67	47	172	105	305	242
Trading income	6	192	216	98	160	247	292	(88)	80	79	408	539	797	147
Income from financial instruments designated as trading under the fair value option	7	5	(9)	-	-	-	-	-	-	-	(4)	-	-	-
Service charges	8	244	249	246	250	220	221	219	227	171	493	441	937	787
Loan securitizations	9	97	134	97	85	72	92	120	101	100	231	164	346	414
Card services	10	108	110	113	103	86	81	85	81	61	218	167	383	279
Insurance revenue (net of claims)	11	251	254	214	230	228	224	210	217	215	505	452	896	826
Trust fees	12	38	31	31	33	37	29	33	33	28	69	66	130	111
Foreign exchange - non-trading	13	40	39	40	45	30	32	19	35	27	79	62	147	105
Other	14	83	64	47	53	75	75	50	42	97	147	150	250	218
<b>Total other income</b>	15	<b>\$ 1,837</b>	<b>\$ 1,802</b>	<b>\$ 1,580</b>	<b>\$ 1,665</b>	<b>\$ 1,691</b>	<b>\$ 1,797</b>	<b>\$ 1,442</b>	<b>\$ 1,535</b>	<b>\$ 1,517</b>	<b>\$ 3,639</b>	<b>\$ 3,488</b>	<b>\$ 6,733</b>	<b>\$ 5,889</b>

<sup>1</sup> Net of balance sheet restructuring charge of \$52 million in TD Banknorth in Q1 2006.

# Non-Interest Expenses



(\$MILLIONS) FOR THE PERIOD ENDED		2007		2006				2005			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>Salaries and employee benefits</b>														
Salaries	1	\$ 665	\$ 680	\$ 706	\$ 673	\$ 659	\$ 662	\$ 679	\$ 669	\$ 616	\$ 1,345	\$ 1,321	\$ 2,700	\$ 2,544
Incentive compensation	2	347	320	284	288	290	345	302	275	288	667	635	1,207	1,139
Pension and other employee benefits	3	157	157	126	141	144	167	145	138	125	314	311	578	535
<b>Total</b>	<b>4</b>	<b>1,169</b>	<b>1,157</b>	<b>1,116</b>	<b>1,102</b>	<b>1,093</b>	<b>1,174</b>	<b>1,126</b>	<b>1,082</b>	<b>1,029</b>	<b>2,326</b>	<b>2,267</b>	<b>4,485</b>	<b>4,218</b>
<b>Occupancy</b>														
Rent	5	99	94	97	94	95	85	92	100	92	193	180	371	373
Depreciation	6	42	38	47	39	35	39	41	42	34	80	74	160	147
Other	7	44	43	43	43	42	42	40	49	38	87	84	170	156
<b>Total</b>	<b>8</b>	<b>185</b>	<b>175</b>	<b>187</b>	<b>176</b>	<b>172</b>	<b>166</b>	<b>173</b>	<b>191</b>	<b>164</b>	<b>360</b>	<b>338</b>	<b>701</b>	<b>676</b>
<b>Equipment</b>														
Rent	9	50	46	52	51	48	49	56	50	45	96	97	200	192
Depreciation	10	51	44	51	44	42	46	54	50	39	95	88	183	175
Other	11	52	54	61	55	48	52	61	59	63	106	100	216	242
<b>Total</b>	<b>12</b>	<b>153</b>	<b>144</b>	<b>164</b>	<b>150</b>	<b>138</b>	<b>147</b>	<b>171</b>	<b>159</b>	<b>147</b>	<b>297</b>	<b>285</b>	<b>599</b>	<b>609</b>
<b>General</b>														
Amortization of other intangibles	13	112	118	126	126	125	128	135	143	134	230	253	505	546
Marketing and business development	14	111	113	114	127	96	133	116	123	126	224	229	470	469
Brokerage-related fees	15	39	36	35	37	39	53	55	56	57	75	92	164	226
Professional and advisory services	16	98	117	141	138	126	105	155	117	114	215	231	510	494
Communications	17	49	49	54	50	48	49	55	55	49	98	97	201	205
Capital and business taxes	18	42	55	53	56	50	46	33	53	45	97	96	205	167
Postage	19	35	29	32	29	32	28	28	27	30	64	60	121	108
Travel and relocation	20	20	22	22	22	22	21	24	21	18	42	43	87	78
Restructuring costs	21	67	-	-	-	-	50	6	15	22	67	50	50	43
Other	22	172	174	143	134	162	190	126	535	122	346	352	629	943
<b>Total</b>	<b>23</b>	<b>745</b>	<b>713</b>	<b>720</b>	<b>719</b>	<b>700</b>	<b>803</b>	<b>733</b>	<b>1,145</b>	<b>717</b>	<b>1,458</b>	<b>1,503</b>	<b>2,942</b>	<b>3,279</b>
<b>Total non-interest expenses</b>	<b>24</b>	<b>\$ 2,252</b>	<b>\$ 2,189</b>	<b>\$ 2,187</b>	<b>\$ 2,147</b>	<b>\$ 2,103</b>	<b>\$ 2,290</b>	<b>\$ 2,203</b>	<b>\$ 2,577</b>	<b>\$ 2,057</b>	<b>\$ 4,441</b>	<b>\$ 4,393</b>	<b>\$ 8,727</b>	<b>\$ 8,782</b>

Balance Sheet



(\$ MILLIONS)										
AS AT	LINE #	2007		2006				2005		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>ASSETS</b>										
Cash and due from banks	1	\$ 1,994	\$ 2,113	\$ 2,019	\$ 1,958	\$ 2,046	\$ 2,158	\$ 1,673	\$ 2,172	\$ 1,797
Interest-bearing deposits with other banks	2	9,796	8,724	8,763	10,236	10,295	11,226	11,745	10,307	9,057
<b>Securities</b>										
Trading	3	69,093	78,071	77,482	73,733	69,809	75,000	65,775	72,597	71,748
Designated as trading under the fair value option	4	1,862	1,916	-	-	-	-	-	-	-
Available-for-sale	5	35,668	38,394	-	-	-	-	-	-	-
Held-to-maturity	6	11,887	11,810	-	-	-	-	-	-	-
Investment	7	-	-	46,976	43,542	42,847	46,376	42,321	40,709	39,884
Total	8	118,510	130,191	124,458	117,275	112,656	121,376	108,096	113,306	111,632
Securities purchased under reverse repurchase agreements	9	25,434	32,357	30,961	27,854	32,344	24,847	26,375	25,624	23,727
<b>Loans</b>										
Residential mortgages	10	53,997	51,794	53,425	51,767	50,868	51,152	52,740	54,744	55,640
Consumer instalment and other personal	11	65,370	63,520	63,130	63,995	63,308	61,744	62,754	61,290	58,595
Credit cards	12	5,369	5,175	4,856	4,419	3,764	3,171	2,998	2,782	2,664
Business and government	13	45,081	43,748	40,514	39,844	39,923	40,250	35,044	35,844	33,313
Business and government designated as trading under the fair value option	14	1,465	-	-	-	-	-	-	-	-
Total	15	171,282	164,237	161,925	160,025	157,863	156,317	153,536	154,660	150,212
Allowance for credit losses	16	(1,378)	(1,366)	(1,317)	(1,279)	(1,291)	(1,358)	(1,293)	(1,380)	(1,410)
Loans, net of allowance for credit losses	17	169,904	162,871	160,608	158,746	156,572	154,959	152,243	153,280	148,802
<b>Other</b>										
Customers' liabilities under acceptances	18	9,233	8,425	8,676	7,244	7,035	6,699	5,989	5,631	5,871
Investment in TD Ameritrade	19	5,131	5,113	4,379	4,284	3,783	3,327	-	-	-
Trading derivatives' market revaluation	20	27,569	26,871	27,845	32,308	35,430	33,781	33,651	34,185	34,949
Goodwill	21	8,940	8,176	7,396	7,411	7,652	7,376	6,518	6,785	6,766
Other intangibles	22	2,368	1,896	1,946	2,007	2,185	2,275	2,124	2,286	2,421
Land, buildings and equipment	23	1,905	1,877	1,862	1,865	1,857	1,701	1,801	1,773	1,712
Other assets	24	15,950	19,602	14,001	14,657	16,741	14,652	14,995	13,074	12,810
Total	25	71,096	71,960	66,105	69,776	74,683	69,811	65,078	63,734	64,529
<b>Total assets</b>	26	<b>\$ 396,734</b>	<b>\$ 408,216</b>	<b>\$ 392,914</b>	<b>\$ 385,845</b>	<b>\$ 388,596</b>	<b>\$ 384,377</b>	<b>\$ 365,210</b>	<b>\$ 368,423</b>	<b>\$ 359,544</b>
<b>LIABILITIES</b>										
<b>Deposits</b>										
Personal Non-term	27	\$ 83,487	\$ 82,986	\$ 79,624	\$ 72,376	\$ 74,995	\$ 74,233	\$ 73,041	\$ 74,635	\$ 74,165
Personal Term	28	67,785	67,652	67,012	65,116	63,831	61,642	58,742	59,134	58,954
Banks	29	12,681	9,033	14,186	17,855	13,597	15,380	11,505	15,756	17,431
Business and government	30	70,655	73,780	100,085	100,440	100,568	105,030	103,693	101,913	97,964
Trading	31	35,554	36,237	-	-	-	-	-	-	-
Total	32	270,162	269,688	260,907	255,787	252,991	256,285	246,981	251,438	248,514
<b>Other</b>										
Acceptances	33	9,233	8,425	8,676	7,244	7,035	6,699	5,989	5,631	5,871
Obligations related to securities sold short	34	25,143	26,230	27,113	24,153	27,037	26,357	24,406	23,124	20,453
Obligations related to securities sold under repurchase agreements	35	11,322	20,597	18,655	19,431	16,983	12,520	11,284	11,285	10,249
Trading derivatives	36	29,143	28,322	29,337	33,380	36,295	34,934	33,498	34,877	34,349
Other liabilities	37	18,936	20,321	17,461	15,285	16,908	17,244	18,545	16,779	15,061
Total	38	93,777	103,895	101,242	99,493	104,258	97,754	93,722	91,696	85,983
Subordinated notes and debentures	39	9,210	9,209	6,900	6,915	7,748	7,225	5,138	5,570	5,569
Liability for preferred shares and capital trust securities	40	1,797	1,800	1,794	1,794	1,786	1,793	1,795	2,198	2,210
Non-controlling interests in subsidiaries	41	13	2,607	2,439	2,429	2,530	2,847	1,708	1,746	1,676
<b>Shareholders' equity</b>										
Capital stock										
Common	42	6,455	6,417	6,334	6,353	6,245	6,015	5,872	5,744	5,632
Preferred	43	425	425	425	425	425	425	-	-	-
Contributed surplus	44	124	68	66	56	51	47	40	36	28
Retained earnings	45	14,865	14,375	13,725	13,544	13,069	12,652	10,650	10,358	10,230
Accumulated other comprehensive income	46	(94)	(268)	(918)	(951)	(507)	(666)	(696)	(363)	(298)
Total	47	21,775	21,017	19,632	19,427	19,283	18,473	15,866	15,775	15,592
<b>Total liabilities and shareholders' equity</b>	48	<b>\$ 396,734</b>	<b>\$ 408,216</b>	<b>\$ 392,914</b>	<b>\$ 385,845</b>	<b>\$ 388,596</b>	<b>\$ 384,377</b>	<b>\$ 365,210</b>	<b>\$ 368,423</b>	<b>\$ 359,544</b>

(page 20)



Unrealized Gain(Loss) on Securities and  
Assets Under Administration and Management



(\$MILLIONS) AS AT	LINE #	2007		2006				2005		
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Unrealized gain(loss) on securities<sup>1,2</sup></b>	1	<b>\$ 1,027</b>	\$ 990	\$ 774	\$ 707	\$ 706	\$ 806	\$ 750	\$ 733	\$ 550
<b>Assets under administration</b>										
Canadian Personal and Commercial Banking	2	<b>\$52,089</b>	\$ 50,942	\$ 47,450	\$ 42,150	\$ 40,898	\$ 40,766	\$ 39,485	\$ 37,612	\$ 37,125
U.S. Personal and Commercial Banking	3	<b>\$8,142</b>	8,659	8,316	9,337	9,904	9,529	9,307	9,082	8,541
Wealth Management	4	<b>175,213</b>	169,058	160,799	153,004	153,723	147,439	315,075	322,343	302,112
Total	5	<b>\$ 235,444</b>	\$ 228,659	\$ 216,565	\$ 204,491	\$ 204,525	\$ 197,734	\$ 363,867	\$ 369,037	\$ 347,778
<b>Assets under management</b>										
U.S. Personal and Commercial Banking	6	<b>6,487</b>	6,537	6,137	6,054	6,551	5,995	5,859	6,106	6,002
Wealth Management	7	<b>162,869</b>	156,777	151,243	143,339	138,722	137,009	130,108	130,036	123,788
Total	8	<b>\$ 169,356</b>	\$ 163,314	\$ 157,380	\$ 149,393	\$ 145,273	\$ 143,004	\$ 135,967	\$ 136,142	\$ 129,790

<sup>1</sup> Excludes debt security positions which are managed as part of hedged portfolios.

<sup>2</sup> Includes unrealized gains on available-for-sale securities which are included in other comprehensive income.

Intangibles and Goodwill, and Restructuring Costs



(\$MILLIONS)														
AS AT	LINE #	2007		2006				2005			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>Identifiable intangible assets</b>														
Opening balance	1	\$ 1,896	\$ 1,946	\$ 2,007	\$ 2,185	\$ 2,275	\$ 2,124	\$ 2,286	\$ 2,421	\$ 2,010	\$ 1,946	\$ 2,124	\$ 2,124	\$ 2,144
Arising during the period - Privatization	2	580	42	64	(22)	32	282	-	-	557	622	314	356	557
- Other	3	11									11			
Amortized in the period	4	(112)	(118)	(126)	(126)	(125)	(128)	(135)	(143)	(134)	(230)	(253)	(505)	(546)
Sale of TD Waterhouse U.S.A.	5	-	-	-	-	-	(6)	-	-	-	-	(6)	(6)	-
Foreign exchange and other adjustments	6	(7)	26	1	(30)	3	3	(27)	8	(12)	19	6	(23)	(31)
<b>Closing balance</b>	7	<b>\$ 2,368</b>	\$ 1,896	\$ 1,946	\$ 2,007	\$ 2,185	\$ 2,275	\$ 2,124	\$ 2,286	\$ 2,421	<b>\$ 2,368</b>	\$ 2,185	\$ 1,946	\$ 2,124
<b>Future tax liability on intangible assets</b>														
Opening balance	8	\$ (655)	\$ (678)	\$ (690)	\$ (758)	\$ (764)	\$ (711)	\$ (764)	\$ (802)	\$ (657)	\$ (678)	\$ (711)	\$ (711)	\$ (701)
Arising during the period - Privatization	9	(227)	(17)	(23)	(8)	(35)	(98)	-	-	(189)	(244)	(133)	(164)	(189)
- Other	10	(4)									(4)			
Arising during the period - changes in income tax rates	11	-	1	1	24	-	-	-	-	-	1	-	25	-
Recognized in the period	12	40	40	43	42	39	41	44	46	42	80	80	165	176
Foreign exchange and other adjustments	13	2	(1)	(9)	10	2	4	9	(8)	2	1	6	7	3
<b>Closing balance</b>	14	<b>\$ (844)</b>	\$ (655)	\$ (678)	\$ (690)	\$ (758)	\$ (764)	\$ (711)	\$ (764)	\$ (802)	<b>\$ (844)</b>	\$ (758)	\$ (678)	\$ (711)
<b>Net intangibles closing balance</b>	15	<b>\$ 1,524</b>	\$ 1,241	\$ 1,268	\$ 1,317	\$ 1,427	\$ 1,511	\$ 1,413	\$ 1,522	\$ 1,619	<b>\$ 1,524</b>	\$ 1,427	\$ 1,268	\$ 1,413
<b>Goodwill</b>														
Opening balance	16	\$ 8,176	\$ 7,396	\$ 7,411	\$ 7,652	\$ 7,376	\$ 6,518	\$ 6,785	\$ 6,766	\$ 2,245	\$ 7,396	\$ 6,518	\$ 6,518	\$ 2,225
Arising during the period - Privatization	17	881	528	(29)	27	316	1,722	-	-	4,642	1,409	2,038	2,036	4,642
- Other	18	(27)									(27)			
Sale of TD Waterhouse U.S.A.	19	-	-	-	-	-	(827)	-	-	-	-	(827)	(827)	-
Foreign exchange and other adjustments	20	(90)	252	14	(268)	(40)	(37)	(267)	19	(121)	162	(77)	(331)	(349)
<b>Closing balance</b>	21	<b>\$ 8,940</b>	\$ 8,176	\$ 7,396	\$ 7,411	\$ 7,652	\$ 7,376	\$ 6,518	\$ 6,785	\$ 6,766	<b>\$ 8,940</b>	\$ 7,652	\$ 7,396	\$ 6,518
<b>Total net intangibles and goodwill closing balance</b>	22	<b>\$ 10,464</b>	\$ 9,417	\$ 8,664	\$ 8,728	\$ 9,079	\$ 8,887	\$ 7,931	\$ 8,307	\$ 8,385	<b>\$ 10,464</b>	\$ 9,079	\$ 8,664	\$ 7,931
<b>Restructuring costs accrual</b>														
Opening balance	23	\$ 19	\$ 27	\$ 29	\$ 35	\$ 60	\$ 25	\$ 28	\$ 28	\$ 7	\$ 27	\$ 25	\$ 25	\$ 7
Expensed during the period	24	67	-	-	-	-	50	6	15	22	67	50	50	43
Amount utilized during the period:	25													
Wholesale Banking	26	-	(8)	(2)	(6)	(25)	(15)	(9)	(15)	(1)	(8)	(40)	(48)	(25)
TD Banknorth	27	(25)	-	-	-	-	-	-	-	-	(25)	-	-	-
<b>Closing balance</b>	28	<b>\$ 61</b>	\$ 19	\$ 27	\$ 29	\$ 35	\$ 60	\$ 25	\$ 28	\$ 28	<b>\$ 61</b>	\$ 35	\$ 27	\$ 25

(\$MILLIONS)

FOR THE PERIOD ENDED

LINE #	2007		2006				2005			Year to Date		Full Year			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005		
<b>Loans securitized and sold to third parties</b>															
Securitized/(repurchased) during the period <sup>1</sup>															
Mortgage	MBS Pool	1	\$ 3,141	\$ 2,358	\$ 1,700	\$ 1,613	\$ 1,763	\$ 1,348	\$ 1,389	\$ 1,460	\$ 1,449	\$ 5,499	\$ 3,111	\$ 6,424	\$ 5,948
	Commercial	2	-	-	205	132	287	-	350	-	283	-	287	624	633
Personal	HELOC	3	-	1,000	3,000	500	-	-	-	-	786	1,000	-	3,500	786
	Credit Card	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		5	\$ 3,141	\$ 3,358	\$ 4,905	\$ 2,245	\$ 2,050	\$ 1,348	\$ 1,739	\$ 1,460	\$ 2,518	\$ 6,499	\$ 3,398	\$ 10,548	\$ 7,367
Outstanding at period end															
With Retained Interests															
Mortgage	Commercial	6	\$ 254	\$ 181	\$ 220	\$ 223	\$ 116	\$ 124	\$ 137	\$ 159	\$ 186	\$ 254	\$ 116	\$ 220	\$ 137
Personal	HELOC	7	9,000	9,000	8,000	5,000	4,500	4,500	4,800	4,800	4,800	9,000	4,500	8,000	4,800
	Credit Card	8	800	800	800	800	1,300	1,300	1,300	1,300	1,300	800	1,300	800	1,300
Sub-total		9	\$ 10,054	\$ 9,981	\$ 9,020	\$ 6,023	\$ 5,916	\$ 5,924	\$ 6,237	\$ 6,259	\$ 6,286	\$ 10,054	\$ 5,916	\$ 9,020	\$ 6,237
Without Retained Interests															
Mortgage	Conventional	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	MBS Pool	11	18,864	17,494	16,344	16,099	16,180	15,703	15,476	15,207	14,811	18,864	16,180	16,344	15,476
	Commercial	12	2,630	2,531	2,553	2,360	2,395	2,123	2,161	1,827	1,841	2,630	2,395	2,553	2,161
Sub-total		13	\$ 21,494	\$ 20,025	\$ 18,897	\$ 18,459	\$ 18,575	\$ 17,826	\$ 17,637	\$ 17,034	\$ 16,652	\$ 21,494	\$ 18,575	\$ 18,897	\$ 17,637
Total outstanding at period end		14	\$ 31,548	\$ 30,006	\$ 27,917	\$ 24,482	\$ 24,491	\$ 23,750	\$ 23,874	\$ 23,293	\$ 22,938	\$ 31,548	\$ 24,491	\$ 27,917	\$ 23,874
Economic Impact - before-tax															
Net interest income		15	\$ (106)	\$ (125)	\$ (76)	\$ (102)	\$ (85)	\$ (105)	\$ (123)	\$ (111)	\$ (94)	\$ (231)	\$ (190)	\$ (368)	\$ (420)
Other income		16	97	134	97	85	72	92	120	101	100	231	164	346	414
Provision for credit losses		17	5	4	4	4	8	8	8	10	9	9	16	24	35
Total impact		18	\$ (4)	\$ 13	\$ 25	\$ (13)	\$ (5)	\$ (5)	\$ 5	\$ -	\$ 15	\$ 9	\$ (10)	\$ 2	\$ 29
<b>Mortgage-backed Securities Retained<sup>2</sup></b>															
Outstanding at end of period		19	\$ 21,433	\$ 23,186	\$ 20,914	\$ 20,414	\$ 18,852	\$ 17,824	\$ 15,718	\$ 13,159	\$ 12,230	\$ 21,433	\$ 18,852	\$ 20,914	\$ 15,718

<sup>1</sup> Excludes principal repayments during the period.

<sup>2</sup> Reported as Available-for-sale securities issued or guaranteed by Canada on the Consolidated Balance Sheet.

# Impaired Loans

(\$MILLIONS) AS AT		LINE #	2007			2006			2005			Year to Date		Full Year	
			Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>CHANGE IN GROSS IMPAIRED LOANS BY SEGMENT</b>															
Balance at beginning of period		1	\$ 462	\$ 411	\$ 357	\$ 349	\$ 365	\$ 349	\$ 452	\$ 482	\$ 513	\$ 411	\$ 349	\$ 349	\$ 537
Additions															
Canadian Personal and Commercial Banking - retail <sup>1</sup>		2	235	228	219	157	159	160	150	141	138	463	319	695	569
- commercial mid-market		3	14	8	39	12	7	68	39	12	21	22	75	126	143
U.S. Personal and Commercial Banking		4	167	84	41	23	45	18	25	47	-	251	63	127	72
Wholesale Banking		5	-	12	-	14	3	17	-	-	-	12	20	34	-
Corporate - non-core		6	-	-	-	-	-	-	-	-	-	-	-	-	-
Total additions to impaired loans and acceptances		7	416	332	299	206	214	263	214	200	159	748	477	982	784
Return to performing status, repaid or sold		8	(130)	(116)	(81)	(58)	(97)	(95)	(173)	(103)	(164)	(246)	(192)	(331)	(569)
Net new additions (reductions)		9	286	216	218	148	117	168	41	97	(5)	502	285	651	215
Arising on acquisition of TD Banknorth		10	-	-	-	-	-	-	-	-	86	-	-	-	86
Write-offs		11	(191)	(170)	(164)	(137)	(130)	(152)	(138)	(125)	(113)	(361)	(282)	(583)	(487)
Foreign exchange and other adjustments		12	(3)	5	-	(3)	(3)	-	(6)	(2)	1	2	(3)	(6)	(2)
Change during the period		13	92	51	54	8	(16)	16	(103)	(30)	(31)	143	-	62	(188)
Balance at end of period		14	\$ 554	\$ 462	\$ 411	\$ 357	\$ 349	\$ 365	\$ 349	\$ 452	\$ 482	\$ 554	\$ 349	\$ 411	\$ 349
<b>GROSS IMPAIRED LOANS BY LOCATION<sup>2</sup></b>															
Canada		15	\$ 307	\$ 317	\$ 316	\$ 267	\$ 262	\$ 297	\$ 276	\$ 285	\$ 286	\$ 307	\$ 262	\$ 316	\$ 276
United States		16	247	145	95	90	87	68	73	167	196	247	87	95	73
Offshore		17	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period		18	\$ 554	\$ 462	\$ 411	\$ 357	\$ 349	\$ 365	\$ 349	\$ 452	\$ 482	\$ 554	\$ 349	\$ 411	\$ 349
<b>GROSS IMPAIRED LOANS BY SEGMENT</b>															
<b>Canadian Personal and Commercial Banking</b>															
Personal		19	\$ 225	\$ 222	\$ 206	\$ 166	\$ 170	\$ 166	\$ 157	\$ 149	\$ 153	\$ 225	\$ 170	\$ 206	\$ 157
Commercial		20	71	82	98	87	91	130	117	133	131	71	91	98	117
Total Canadian Personal and Commercial Banking		21	296	304	304	253	261	296	274	282	284	296	261	304	274
<b>U.S. Personal and Commercial Banking</b>															
Wholesale Banking		22	227	125	86	81	79	62	67	88	86	227	79	86	67
Corporate segment		23	23	24	12	14	-	-	-	-	-	23	-	12	-
Corporate loans - non-core		24	8	9	9	9	9	7	8	82	112	8	9	9	8
TOTAL GROSS IMPAIRED LOANS		25	\$ 554	\$ 462	\$ 411	\$ 357	\$ 349	\$ 365	\$ 349	\$ 452	\$ 482	\$ 554	\$ 349	\$ 411	\$ 349
<b>NET IMPAIRED LOANS BY SEGMENT</b>															
<b>Canadian Personal and Commercial Banking</b>															
Personal		26	\$ 106	\$ 108	\$ 95	\$ 90	\$ 92	\$ 82	\$ 68	\$ 61	\$ 63	\$ 106	\$ 92	\$ 95	\$ 68
Commercial		27	37	47	65	53	56	84	79	83	79	37	56	65	79
Total Canadian Personal and Commercial Banking		28	143	155	160	143	148	166	147	144	142	143	148	160	147
<b>U.S. Personal and Commercial Banking</b>															
Wholesale Banking		29	176	106	70	62	66	44	49	51	60	176	66	70	49
Corporate segment		30	8	9	9	10	-	-	-	-	-	8	-	9	-
Corporate loans - non-core		31	-	-	-	-	-	-	-	20	30	-	-	-	-
Total impaired loans net of specific provisions		32	327	270	239	215	214	210	196	215	232	327	214	239	196
General allowance for credit losses		33	1,151	1,174	1,145	1,137	1,156	1,203	1,140	1,143	1,160	1,151	1,156	1,145	1,140
TOTAL NET IMPAIRED LOANS		34	\$ (824)	\$ (904)	\$ (906)	\$ (922)	\$ (942)	\$ (993)	\$ (944)	\$ (928)	\$ (928)	\$ (824)	\$ (942)	\$ (906)	\$ (944)
Allowance for credit losses as a % of gross impaired loans															
		35	248.7 %	295.7 %	320.5 %	358.3 %	369.9 %	372.1 %	370.5 %	305.3 %	292.5 %	248.7 %	369.9 %	320.5 %	370.5 %
Total Loans (page 13, lines 17+18)		36	\$ 179,137	\$ 171,296	\$ 169,284	\$ 165,990	\$ 163,607	\$ 161,658	\$ 158,232	\$ 158,911	\$ 154,673	\$ 179,137	\$ 163,607	\$ 169,284	\$ 158,232
Net impaired loans as a % of net loans		37	(0.5)%	(0.5)%	(0.5)%	(0.6)%	(0.6)%	(0.6)%	(0.6)%	(0.6)%	(0.6)%	(0.5)%	(0.6)%	(0.5)%	(0.6)%

<sup>1</sup> Including Small Business Banking.

<sup>2</sup> Based on geographic location of unit responsible for recording revenue.

Allowance for Credit Losses and Provision for (Reversal of) Credit Losses



(\$MILLIONS) AS AT	LINE #	2007			2006			2005			Year to Date		Full Year	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>ALLOWANCE FOR CREDIT LOSSES</b>														
<b>Specific allowance</b>														
Balance at beginning of period	1	\$ 192	\$ 172	\$ 142	\$ 135	\$ 155	\$ 153	\$ 237	\$ 250	\$ 256	\$ 172	\$ 153	\$ 153	\$ 266
Write-offs	2	(191)	(170)	(164)	(137)	(130)	(152)	(138)	(125)	(113)	(361)	(282)	(583)	(487)
Recoveries	3	37	31	33	33	32	31	82	54	55	68	63	129	245
Provision for credit losses	4	184	153	156	107	74	120	(22)	60	24	337	194	457	107
Arising on acquisitions	5	-	-	-	-	-	-	-	-	27	-	-	-	27
Foreign exchange and other adjustments	6	5	6	5	4	4	3	(6)	(2)	1	11	7	16	(5)
<b>Balance at end of period</b>	<b>7</b>	<b>227</b>	<b>192</b>	<b>172</b>	<b>142</b>	<b>135</b>	<b>155</b>	<b>153</b>	<b>237</b>	<b>250</b>	<b>227</b>	<b>135</b>	<b>172</b>	<b>153</b>
<b>General allowance</b>														
Balance at beginning of period	8	1,174	1,145	1,137	1,156	1,203	1,140	1,143	1,160	882	1,145	1,140	1,140	917
Provision for credit losses - TD Banknorth	9	(23)	(1)	5	(7)	2	(6)	7	(20)	(4)	(24)	(4)	(6)	(17)
- VFC	10	11	11	9	9	-	-	-	-	-	22	-	18	-
- Other	11	-	-	-	-	(60)	-	-	-	-	-	(60)	(60)	(35)
Arising on acquisitions	12	-	14	-	-	18	69	-	-	289	14	87	87	289
Foreign exchange and other adjustments	13	(11)	5	(6)	(21)	(7)	-	(10)	3	(7)	(6)	(7)	(34)	(14)
<b>Balance at end of period</b>	<b>14</b>	<b>1,151</b>	<b>1,174</b>	<b>1,145</b>	<b>1,137</b>	<b>1,156</b>	<b>1,203</b>	<b>1,140</b>	<b>1,143</b>	<b>1,160</b>	<b>1,151</b>	<b>1,156</b>	<b>1,145</b>	<b>1,140</b>
<b>Total allowance for credit losses at end of period</b>	<b>15</b>	<b>\$ 1,378</b>	<b>\$ 1,366</b>	<b>\$ 1,317</b>	<b>\$ 1,279</b>	<b>\$ 1,291</b>	<b>\$ 1,358</b>	<b>\$ 1,293</b>	<b>\$ 1,380</b>	<b>\$ 1,410</b>	<b>\$ 1,378</b>	<b>\$ 1,291</b>	<b>\$ 1,317</b>	<b>\$ 1,293</b>
<b>PROVISION FOR (REVERSAL OF) CREDIT LOSSES</b>														
New specifics (net of reversals)	16	\$ 221	\$ 184	\$ 189	\$ 140	\$ 106	\$ 151	\$ 60	\$ 114	\$ 79	\$ 405	\$ 257	\$ 586	\$ 352
Recoveries	17	(37)	(31)	(33)	(33)	(32)	(31)	(82)	(54)	(55)	(68)	(63)	(129)	(245)
Provision for (reversal of) credit losses - specifics (line 4)	18	184	153	156	107	74	120	(22)	60	24	337	194	457	107
Change in general allowance - TD Banknorth (line 9)	19	(23)	(1)	5	(7)	2	(6)	7	(20)	(4)	(24)	(4)	(6)	(17)
- VFC (line 10)	20	11	11	9	9	-	-	-	-	-	22	-	18	-
- Other (line 11)	21	-	-	-	-	(60)	-	-	-	-	-	(60)	(60)	(35)
Provision for (reversal of) credit losses	22	\$ 172	\$ 163	\$ 170	\$ 109	\$ 16	\$ 114	\$ (15)	\$ 40	\$ 20	\$ 335	\$ 130	\$ 409	\$ 55
<b>PROVISION FOR (REVERSAL OF) CREDIT LOSSES BY SEGMENT</b>														
Canadian Personal and Commercial Banking (page 5)	23	\$ 143	\$ 138	\$ 132	\$ 104	\$ 78	\$ 99	\$ 97	\$ 90	\$ 91	\$ 281	\$ 177	\$ 413	\$ 373
U.S. Personal and Commercial Banking (page 7)	24	35	17	15	10	8	7	7	4	(7)	52	15	40	4
Wholesale Banking <sup>1</sup> (page 8)	25	12	24	13	15	11	29	13	13	13	36	40	68	52
Corporate														
Initial set up of specific allowance for credit card and overdraft loans	26	-	-	28	-	-	-	-	-	-	-	-	28	-
Securitization	27	(5)	(4)	(4)	(4)	(8)	(8)	(8)	(10)	(9)	(9)	(16)	(24)	(35)
Wholesale Banking - CDS <sup>1</sup>	28	(12)	(12)	(11)	(12)	(11)	(13)	(13)	(13)	(13)	(24)	(24)	(47)	(52)
General allowance release	29	-	-	-	-	(60)	-	-	-	-	-	(60)	(60)	(35)
Sectoral related and other	30	(1)	-	(3)	(4)	(2)	-	(111)	(44)	(55)	(1)	(2)	(9)	(252)
Total Corporate (page 9)	31	(18)	(16)	10	(20)	(81)	(21)	(132)	(67)	(77)	(34)	(102)	(112)	(374)
Provision for (reversal of) credit losses	32	\$ 172	\$ 163	\$ 170	\$ 109	\$ 16	\$ 114	\$ (15)	\$ 40	\$ 20	\$ 335	\$ 130	\$ 409	\$ 55

<sup>1</sup> Premiums on credit default swaps (CDS) recorded in provision for credit losses for Wholesale Banking are reclassified to trading income in the Corporate segment.

# Analysis of Change in Shareholders' Equity



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2007			2006			2005			Year to Date		Full Year		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005	
<b>Common shares</b>														
Opening balance	1	\$ 6,417	\$ 6,334	\$ 6,353	\$ 6,245	\$ 6,015	\$ 5,872	\$ 5,744	\$ 5,632	\$ 3,475	\$ 6,334	\$ 5,872	\$ 5,872	\$ 3,373
Issued - options	2	19	34	26	13	35	45	31	22	45	53	80	119	125
- dividend reinvestment plan	3	21	19	26	95	107	100	104	102	101	40	207	328	380
- acquisition of TD Banknorth	4	-	-	-	-	-	-	-	-	1,988	-	-	-	1,988
- acquisition of VFC	5	-	-	-	-	70	-	-	-	-	-	70	70	-
Impact of shares (acquired) sold for trading purposes <sup>1</sup>	6	(2)	30	(36)	-	18	(2)	(7)	(12)	23	28	16	(20)	6
Repurchase of common shares	7	-	-	(35)	-	-	-	-	-	-	-	-	(35)	-
Closing balance	8	6,455	6,417	6,334	6,353	6,245	6,015	5,872	5,744	5,632	6,455	6,245	6,334	5,872
<b>Preferred shares</b>														
Opening balance	9	425	425	425	425	425	-	-	-	-	425	-	-	-
Issued	10	-	-	-	-	-	425	-	-	-	-	425	425	-
Closing balance	11	425	425	425	425	425	425	-	-	-	425	425	425	-
<b>Contributed surplus</b>														
Opening balance	12	68	66	56	51	47	40	36	28	24	66	40	40	20
Stock option expense	13	4	4	10	6	6	9	4	8	5	8	15	31	21
Stock option exercised	14	-	(2)	-	(1)	(2)	(2)	-	-	(1)	(2)	(4)	(5)	(1)
Conversion of TD Banknorth options on privatization	15	52	-	-	-	-	-	-	-	-	52	-	-	-
Closing balance	16	124	68	66	56	51	47	40	36	28	124	51	66	40
<b>Retained earnings</b>														
Opening balance	17	14,375	13,725	13,544	13,069	12,652	10,650	10,358	10,230	9,916	13,725	10,650	10,650	9,540
Transition adjustment on adoption of Financial Instruments standards	18	-	80	-	-	-	-	-	-	-	80	-	-	-
Net income	19	879	921	762	796	738	2,307	589	411	599	1,800	3,045	4,603	2,229
Dividends - common	20	(382)	(345)	(347)	(316)	(315)	(300)	(298)	(283)	(281)	(727)	(615)	(1,278)	(1,098)
Dividends - preferred	21	(7)	(6)	(5)	(6)	(6)	(5)	-	-	-	(13)	(11)	(22)	-
Premium paid on common shares repurchased	22	-	-	(229)	-	-	-	-	-	-	-	-	(229)	-
Other	23	-	-	-	1	-	-	1	-	(4)	-	-	1	(21)
Closing balance	24	14,865	14,375	13,725	13,544	13,069	12,652	10,650	10,358	10,230	14,865	13,069	13,725	10,650
<b>Accumulated other comprehensive income</b> (page 20)														
Opening balance	25	(268)	(918)	(951)	(507)	(666)	(696)	(363)	(298)	(212)	(918)	(696)	(696)	(265)
Transition adjustment on adoption of Financial Instruments standards	26	-	426	-	-	-	-	-	-	-	426	-	-	-
Net change in unrealized gains and (losses) on available-for-sale securities	27	61	24	-	-	-	-	-	-	-	85	-	-	-
Net change in unrealized foreign currency translation gains and (losses) on investment in subsidiaries, net of hedging activities	28	97	323	33	(444)	159	30	(333)	(65)	(86)	420	189	(222)	(431)
Net change in gains and (losses) on derivatives designated as cash flow hedges	29	16	(123)	-	-	-	-	-	-	-	(107)	-	-	-
Closing balance	30	(94)	(268)	(918)	(951)	(666)	(696)	(363)	(298)	(298)	(94)	(507)	(918)	(696)
<b>Total shareholders' equity</b>	31	\$ 21,775	\$ 21,017	\$ 19,632	\$ 19,427	\$ 19,283	\$ 18,473	\$ 15,866	\$ 15,775	\$ 15,592	\$21,775	\$19,283	\$ 19,632	\$ 15,866
<b>NUMBER OF COMMON SHARES (thousands)</b>														
Opening balance	32	719,040	717,416	720,792	718,786	714,696	711,812	709,029	706,699	658,349	717,416	711,812	711,812	655,902
Issued - options	33	579	931	744	372	990	1,282	1,025	786	1,517	1,510	2,272	3,388	4,269
- dividend reinvestment plan	34	308	268	392	1,631	1,718	1,656	1,917	1,813	2,046	576	3,374	5,397	7,273
- acquisition of TD Banknorth	35	-	-	-	-	-	-	-	-	44,287	-	-	-	44,287
- acquisition of VFC	36	-	-	-	2	1,101	-	-	-	-	-	1,101	1,103	-
Impact of shares (acquired) sold for trading purposes <sup>1</sup>	37	(52)	425	(512)	1	281	(54)	(159)	(269)	500	373	227	(284)	81
Repurchase of common shares	38	-	-	(4,000)	-	-	-	-	-	-	-	-	(4,000)	-
Closing balance	39	719,875	719,040	717,416	720,792	718,786	714,696	711,812	709,029	706,699	719,875	718,786	717,416	711,812

<sup>1</sup> Purchased by subsidiaries of the Bank, which are regulated securities entities in accordance with Regulation 92-313 of the Bank Act.

Change in Accumulated Other Comprehensive Income, net of income taxes



(\$MILLIONS)  
FOR THE PERIOD ENDED

LINE #	2007		2006				2005			Year to Date		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005
<b>Unrealized gains/(losses) on available-for-sale</b>													
Opening balance	\$ 311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transition adjustment on adoption of financial instrument standards	-	287	-	-	-	-	-	-	-	-	-	287	-
Change in unrealized gains and losses, net of income taxes	87	53	-	-	-	-	-	-	-	-	-	140	-
Reclassification to earnings, net of income taxes	(26)	(29)	-	-	-	-	-	-	-	-	-	(55)	-
Net change for the period	61	24	-	-	-	-	-	-	-	-	-	85	-
Closing balance	372	311	-	-	-	-	-	-	-	-	-	372	-
<b>Unrealized foreign currency translation gains and losses on investments in subsidiaries, net of hedging</b>													
Opening balance	(595)	(918)	(951)	(507)	(666)	(696)	(363)	(298)	(212)	(918)	(696)	(696)	(265)
Investment in subsidiaries	(584)	892	(29)	(292)	(7)	(392)	(628)	(369)	36	308	(399)	(720)	(718)
Hedging activities	1,012	(848)	97	(230)	246	528	443	462	(198)	164	774	641	428
Impact of change in investment in subsidiaries	-	-	-	-	-	66	-	-	-	-	66	66	-
Provision for/ benefit of income taxes	(331)	279	(35)	78	(80)	(172)	(148)	(158)	76	(52)	(252)	(209)	(141)
Closing balance	(498)	(595)	(918)	(951)	(507)	(666)	(696)	(363)	(298)	(498)	(507)	(918)	(696)
<b>Gains/(losses) on derivatives designated as cash flow hedges</b>													
Opening balance	16	-	-	-	-	-	-	-	-	-	-	-	-
Transition adjustment on adoption of financial instrument standards	-	139	-	-	-	-	-	-	-	-	-	139	-
Change in gains and losses, net of income taxes	13	(127)	-	-	-	-	-	-	-	-	-	(114)	-
Reclassification to earnings, net of income taxes	3	4	-	-	-	-	-	-	-	-	-	7	-
Net change for the period	16	(123)	-	-	-	-	-	-	-	-	-	(107)	-
Closing balance	32	16	-	-	-	-	-	-	-	-	-	32	-
<b>Accumulated other comprehensive income closing balance</b>													
	\$ (94)	\$ (268)	\$ (918)	\$ (951)	\$ (507)	\$ (666)	\$ (696)	\$ (363)	\$ (298)	\$ (94)	\$ (507)	\$ (918)	\$ (696)

## Analysis of Change in Non-Controlling Interests and Investment in TD Ameritrade


 (\$MILLIONS)  
 FOR THE PERIOD ENDED

LINE #	2007		2006				2005			Year to Date		Full Year		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006	2006	2005	
<b>Non-controlling interests in subsidiaries</b>														
Opening balance	1	\$ 2,607	\$ 2,439	\$ 2,429	\$ 2,530	\$ 2,847	\$ 1,708	\$ 1,746	\$ 1,676	\$ -	\$ 2,439	\$ 1,708	\$ 1,708	\$ -
On acquisition/(privatization)	2	(2,482)	-	-	-	-	-	-	-	1,695	(2,482)	-	-	1,695
Shares repurchase/shares purchased by TD	3	(25)	(23)	(23)	(22)	(300)	(18)	-	-	-	(48)	(318)	(363)	-
Shares issued by TD Banknorth	4	22	85	5	3	12	1,110	11	11	-	107	1,122	1,130	22
Dilution loss	5	-	-	-	-	-	66	-	-	-	-	66	66	-
On account of income	6	27	47	48	53	47	37	53	58	21	74	84	185	132
Dividends paid by TD Banknorth to minority shareholders	7	(27)	(24)	(24)	(24)	(27)	(21)	(21)	(19)	-	(51)	(48)	(96)	(40)
Foreign exchange and other adjustments	8	(109)	83	4	(111)	(49)	(35)	(81)	20	(40)	(26)	(84)	(191)	(101)
Closing balance	9	\$ 13	\$ 2,607	\$ 2,439	\$ 2,429	\$ 2,530	\$ 2,847	\$ 1,708	\$ 1,746	\$ 1,676	\$ 13	\$ 2,530	\$ 2,439	\$ 1,708
<b>Investment in TD Ameritrade</b>														
Opening balance	10	\$ 5,113	\$ 4,379	\$ 4,284	\$ 3,783	\$ 3,327	\$ -	\$ -	\$ -	\$ -	\$ 4,379	\$ -	\$ -	\$ -
On acquisition	11	-	-	-	-	45	3,327	-	-	-	-	3,372	3,372	-
Purchase of shares	12	-	-	-	632	301	-	-	-	-	-	301	933	-
Increase in reported investment through Lillooet Limited <sup>1</sup>	13	-	464	42	-	-	-	-	-	-	464	-	42	-
Equity in net income, net of income taxes	14	65	65	48	51	35	-	-	-	-	130	35	134	-
Foreign exchange and other adjustments	15	(47)	205	5	(182)	75	-	-	-	-	158	75	(102)	-
Closing balance	16	\$ 5,131	\$ 5,113	\$ 4,379	\$ 4,284	\$ 3,783	\$ 3,327	\$ -	\$ -	\$ -	\$ 5,131	\$ 3,783	\$ 4,379	\$ -

<sup>1</sup> This represents increase in the Bank's reported investment in TD Ameritrade through the consolidation of a variable interest entity, Lillooet Limited.



# Risk-Weighted Assets and Capital



(\$MILLIONS) AS AT		LINE #	2007		2006				2005		
			Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Balance sheet assets</b>											
Cash resources	1	\$ 2,092	\$ 1,894	\$ 1,905	\$ 2,145	\$ 2,176	\$ 2,394	\$ 2,435	\$ 2,159	\$ 1,919	
Securities	2	5,655	5,978	4,792	3,952	4,316	5,576	4,955	5,161	5,178	
Loans	3	96,545	96,009	92,998	91,629	88,605	88,148	83,272	86,180	82,959	
Customers' liability under acceptances	4	9,233	8,425	8,676	7,239	7,011	6,652	5,896	5,538	5,778	
Other assets	5	8,803	9,436	8,881	9,069	8,623	8,456	7,695	7,859	7,434	
<b>Total balance sheet assets</b>	6	<b>122,328</b>	121,742	117,252	114,034	110,731	111,226	104,253	106,897	103,268	
<b>Off-balance sheet exposures</b>											
Credit instruments	7	16,660	16,971	14,818	15,212	14,536	14,554	13,419	10,959	11,043	
Derivative financial instruments	8	6,661	6,805	6,647	6,439	6,959	7,068	7,201	6,917	6,625	
<b>Total off-balance sheet exposures</b>	9	<b>23,321</b>	23,776	21,465	21,651	21,495	21,622	20,620	17,876	17,668	
<b>Total RWA equivalent - Credit risk</b>	10	<b>145,649</b>	145,518	138,717	135,685	132,226	132,848	124,873	124,773	120,936	
<b>Total RWA equivalent - Market risk</b>	11	<b>3,742</b>	3,572	3,162	3,456	3,537	3,035	5,109	5,722	6,663	
<b>Total RWA</b>	12	<b>\$ 149,391</b>	\$ 149,090	\$ 141,879	\$ 139,141	\$ 135,763	\$ 135,883	\$ 129,982	\$ 130,495	\$ 127,599	
<b>CAPITAL</b>											
<b>TIER 1</b>											
Common shares	(page 19) 13	\$ 6,455	\$ 6,417	\$ 6,334	\$ 6,353	\$ 6,245	\$ 6,015	\$ 5,872	\$ 5,744	\$ 5,632	
Less: TD Bank common shares held by subsidiaries	14	-	-	(78)	(45)	(30)	(28)	(29)	(25)	(20)	
Retained earnings	(page 19) 15	14,865	14,375	13,725	13,544	13,069	12,652	10,650	10,358	10,230	
Contributed surplus	(page 19) 16	124	68	66	56	51	47	40	36	28	
Net unrealized foreign currency translation gains and (losses) on investment in subsidiaries, net of hedging activities	(page 20) 17	(498)	(595)	(918)	(951)	(507)	(666)	(696)	(363)	(298)	
Accumulated net after tax unrealized loss on AFS securities in OCI	18	-	-	-	-	-	-	-	-	-	
Qualifying preferred shares - grandfathered <sup>1</sup>	19	897	900	894	894	889	893	895	1,307	1,310	
- other	20	425	425	425	425	425	425	-	-	-	
Qualifying non-controlling interests in subsidiaries	21	-	2,582	2,395	2,386	2,484	2,798	1,632	1,669	1,600	
Innovative - Capital Trust Securities <sup>1</sup>	22	1,250	1,250	1,250	1,250	1,247	1,250	1,250	1,241	1,250	
Less: goodwill and intangible assets in excess of 5% limit	23	(8,838)	(7,725)	(7,014)	(7,089)	(7,444)	(7,278)	(6,508)	(6,865)	(6,950)	
<b>Total Tier 1 capital</b>	24	<b>14,680</b>	17,697	17,079	16,823	16,429	16,108	13,106	13,102	12,782	
<b>TIER 2</b>											
Subordinated notes and debentures	(page 13) 25	9,210	9,209	6,900	6,915	7,748	7,225	5,138	5,570	5,569	
Less: amortization of subordinated notes and debentures and other	26	(120)	(213)	(182)	(205)	(171)	(243)	(39)	(305)	(303)	
General allowance for credit losses	27	1,151	1,174	1,145	1,138	1,155	1,189	1,137	1,142	1,116	
Accumulated net after tax unrealized gain on AFS securities in OCI	28	392	339	-	-	-	-	-	-	-	
<b>Total Tier 2 capital</b>	29	<b>10,633</b>	10,509	7,863	7,848	8,732	8,171	6,236	6,407	6,382	
Investment in unconsolidated subsidiaries/ substantial investments	30	(6,874)	(7,094)	(6,327)	(6,327)	(5,945)	(5,420)	(2,115)	(2,108)	(1,987)	
First loss protection	31	(88)	(68)	(53)	(32)	(43)	(44)	(44)	(62)	(49)	
<b>Total capital</b>	32	<b>\$ 18,351</b>	\$ 21,044	\$ 18,562	\$ 18,312	\$ 19,173	\$ 18,815	\$ 17,183	\$ 17,339	\$ 17,128	
<b>Tangible Common Equity</b>											
Common shares	33	\$ 6,455	\$ 6,417	\$ 6,334	\$ 6,353	\$ 6,245	\$ 6,015	\$ 5,872	\$ 5,744	\$ 5,632	
Retained earnings	34	14,865	14,375	13,725	13,544	13,069	12,652	10,650	10,358	10,230	
Contributed surplus	35	124	68	66	56	51	47	40	36	28	
Net unrealized foreign currency translation gains and (losses) on investment in subsidiaries, net of hedging activities	36	(498)	(595)	(918)	(951)	(507)	(666)	(696)	(363)	(298)	
Accumulated net after tax unrealized loss on AFS securities in OCI	37	-	-	-	-	-	-	-	-	-	
Qualifying non-controlling interests in subsidiaries	38	-	2,582	2,395	2,386	2,484	2,798	1,632	1,669	1,600	
Less: goodwill and net intangible assets	(page 15) 39	(10,464)	(9,417)	(8,664)	(8,728)	(9,079)	(8,887)	(7,931)	(8,307)	(8,385)	
<b>Tangible common equity</b>	40	<b>\$ 10,482</b>	\$ 13,430	\$ 12,938	\$ 12,660	\$ 12,263	\$ 11,959	\$ 9,567	\$ 9,137	\$ 8,807	
<b>Capital ratios</b>											
Tier 1 capital	41	9.8 %	11.9 %	12.0 %	12.1 %	12.1 %	11.9 %	10.1 %	10.0 %	10.0 %	
Total capital	42	12.3	14.1	13.1	13.2	14.1	13.8	13.2	13.3	13.4	
Tangible common equity as a percentage of RWA	43	7.0	9.0	9.1	9.1	9.0	8.8	7.4	7.0	6.9	

<sup>1</sup> In accordance with CICA Handbook s. 3860, the Bank is required to classify certain classes of preferred shares and innovative Tier 1 capital investments as liabilities on the balance sheet. For regulatory capital purposes, these capital instruments have been grandfathered by the Superintendent of Financial Institutions Canada and continue to be included in Tier 1 capital.