

Consolidated Statement of Income

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

	For the three months ended			For the six months ended	
	April 30, 2024	January 31, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Interest, Dividend and Fee Income					
Loans	\$ 9,745	\$ 9,832	\$ 8,533	\$ 19,577	\$ 15,499
Securities (Note 2)	3,716	3,439	2,895	7,155	5,033
Securities borrowed or purchased under resale agreements	1,672	1,557	1,472	3,229	2,700
Deposits with banks	1,031	1,026	882	2,057	1,921
	16,164	15,854	13,782	32,018	25,153
Interest Expense					
Deposits	8,454	8,384	6,262	16,838	11,545
Securities sold but not yet purchased and securities lent or sold under repurchase agreements	2,282	1,876	1,929	4,158	3,454
Subordinated debt	111	111	103	222	204
Other liabilities	802	762	674	1,564	1,115
	11,649	11,133	8,968	22,782	16,318
Net Interest Income	4,515	4,721	4,814	9,236	8,835
Non-Interest Revenue					
Securities commissions and fees	271	269	258	540	521
Deposit and payment service charges	398	396	395	794	711
Trading revenues (losses)	599	460	340	1,059	(943)
Lending fees	388	385	383	773	765
Card fees	212	214	173	426	320
Investment management and custodial fees	501	483	463	984	902
Mutual fund revenues	323	315	307	638	620
Underwriting and advisory fees	371	344	269	715	477
Securities gains, other than trading (Note 2)	81	13	35	94	110
Foreign exchange gains, other than trading	65	64	59	129	112
Insurance service results (Note 1)	99	99	101	198	189
Insurance investment results (Note 1)	25	(9)	(26)	16	(153)
Share of profit in associates and joint ventures	67	38	66	105	135
Other revenues (losses)	59	(120)	152	(61)	287
	3,459	2,951	2,975	6,410	4,053
Total Revenue	7,974	7,672	7,789	15,646	12,888
Provision for Credit Losses (Note 3)	705	627	1,023	1,332	1,240
Non-Interest Expense					
Employee compensation	2,619	2,870	2,962	5,489	5,514
Premises and equipment	1,032	976	1,258	2,008	2,211
Amortization of intangible assets	276	279	278	555	440
Advertising and business development	202	191	195	393	334
Communications	100	101	90	201	164
Professional fees	204	207	310	411	539
Other	411	765	408	1,176	681
	4,844	5,389	5,501	10,233	9,883
Income Before Provision for Income Taxes	2,425	1,656	1,265	4,081	1,765
Provision for income taxes (Note 10)	559	364	236	923	603
Net Income	\$ 1,866	\$ 1,292	\$ 1,029	\$ 3,158	\$ 1,162
Attributable to:					
Bank shareholders	\$ 1,862	\$ 1,290	\$ 1,026	\$ 3,152	\$ 1,159
Non-controlling interest in subsidiaries	4	2	3	6	3
Net Income	\$ 1,866	\$ 1,292	\$ 1,029	\$ 3,158	\$ 1,162
Earnings Per Common Share (Canadian \$) (Note 9)					
Basic	\$ 2.36	\$ 1.73	\$ 1.27	\$ 4.09	\$ 1.42
Diluted	2.36	1.73	1.26	4.08	1.42
Dividends per common share	1.51	1.51	1.43	3.02	2.86

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).

Consolidated Statement of Comprehensive Income

(Unaudited) (Canadian \$ in millions)	For the three months ended			For the six months ended	
	April 30, 2024	January 31, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Net Income	\$ 1,866	\$ 1,292	\$ 1,029	\$ 3,158	\$ 1,162
Other Comprehensive Income, net of taxes					
Items that may subsequently be reclassified to net income					
Net change in unrealized gains on fair value through OCI debt securities					
Unrealized gains on fair value through OCI debt securities arising during the period (1)	40	271	23	311	165
Reclassification to earnings of (gains) during the period (2)	(40)	(5)	(17)	(45)	(23)
	-	266	6	266	142
Net change in unrealized gains (losses) on cash flow hedges					
Gains (losses) on derivatives designated as cash flow hedges arising during the period (3)	(1,443)	1,914	(144)	471	980
Reclassification to earnings/goodwill of losses on derivatives designated as cash flow hedges during the period (4)	379	389	26	768	261
	(1,064)	2,303	(118)	1,239	1,241
Net gains (losses) on translation of net foreign operations					
Unrealized gains (losses) on translation of net foreign operations	1,482	(1,880)	937	(398)	87
Unrealized gains (losses) on hedges of net foreign operations (5)	(266)	327	(174)	61	(151)
	1,216	(1,553)	763	(337)	(64)
Items that will not be reclassified to net income					
Net unrealized gains on fair value through OCI equity securities arising during the period (6)	-	8	-	8	-
Net gains (losses) on remeasurement of pension and other employee future benefit plans (7)	43	(91)	5	(48)	(59)
Net gains (losses) on remeasurement of own credit risk on financial liabilities designated at fair value (8)	(356)	(427)	174	(783)	(236)
	(313)	(510)	179	(823)	(295)
Other Comprehensive Income (Loss), net of taxes	(161)	506	830	345	1,024
Total Comprehensive Income	\$ 1,705	\$ 1,798	\$ 1,859	\$ 3,503	\$ 2,186
Attributable to:					
Bank shareholders	\$ 1,701	\$ 1,796	\$ 1,856	\$ 3,497	\$ 2,183
Non-controlling interest in subsidiaries	4	2	3	6	3
Total Comprehensive Income	\$ 1,705	\$ 1,798	\$ 1,859	\$ 3,503	\$ 2,186

(1) Net of income tax (provision) of \$(14) million, \$(99) million, \$(7) million for the three months ended and \$(113) million, \$(55) million for the six months ended, respectively.

(2) Net of income tax provision of \$15 million, \$2 million, \$7 million for the three months ended and \$17 million, \$9 million for the six months ended, respectively.

(3) Net of income tax (provision) recovery of \$547 million, \$(729) million, \$49 million for the three months ended and \$(182) million, \$(268) million for the six months ended, respectively.

(4) Net of income tax provision (recovery) of \$(144) million, \$(147) million, \$7 million for the three months ended and \$(291) million, \$(97) million for the six months ended, respectively.

(5) Net of income tax (provision) recovery of \$103 million, \$(126) million, \$67 million for the three months ended and \$(23) million, \$8 million for the six months ended, respectively.

(6) Net of income tax (provision) recovery of \$nil million, \$(3) million, \$nil million for the three months ended and \$(3) million, \$nil million for the six months ended, respectively.

(7) Net of income tax (provision) recovery of \$(17) million, \$35 million, \$(2) million for the three months ended and \$18 million, \$nil million for the six months ended, respectively.

(8) Net of income tax (provision) recovery of \$137 million, \$163 million, and \$(67) million for the three months ended and \$300 million, \$72 million for the six months ended, respectively.

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Consolidated Balance Sheet

(Unaudited) (Canadian \$ in millions)

	As at	
	April 30, 2024	October 31, 2023
Assets		
Cash and Cash Equivalents	\$ 79,869	\$ 77,934
Interest Bearing Deposits with Banks	4,347	4,109
Securities (Note 2)		
Trading	159,509	123,718
Fair value through profit or loss	18,036	16,733
Fair value through other comprehensive income	70,345	62,819
Debt securities at amortized cost	119,445	116,814
Investments in associates and joint ventures	1,616	1,461
	368,951	321,545
Securities Borrowed or Purchased Under Resale Agreements	117,788	115,662
Loans (Note 3)		
Residential mortgages	180,461	177,250
Consumer instalment and other personal	92,307	104,042
Credit cards	13,044	12,294
Business and government	375,037	366,886
	660,849	660,472
Allowance for credit losses (Note 3)	(4,014)	(3,807)
	656,835	656,665
Other Assets		
Derivative instruments	37,816	39,976
Customers' liability under acceptances	3,809	8,111
Premises and equipment	6,261	6,241
Goodwill	16,603	16,728
Intangible assets	4,994	5,216
Current tax assets	1,948	2,052
Deferred tax assets	3,597	3,420
Receivable from brokers, dealers and clients	33,076	53,002
Other	38,159	36,345
	146,263	171,091
Total Assets	\$ 1,374,053	\$ 1,347,006
Liabilities and Equity		
Deposits (Note 4)	\$ 937,572	\$ 910,879
Other Liabilities		
Derivative instruments	48,489	50,193
Acceptances	3,809	8,111
Securities sold but not yet purchased	42,072	43,774
Securities lent or sold under repurchase agreements	120,693	106,108
Securitization and structured entities' liabilities	36,840	27,094
Payable to brokers, dealers and clients	38,248	53,754
Other	58,523	62,742
	348,674	351,776
Subordinated Debt	8,237	8,228
Total Liabilities	1,294,483	1,270,883
Equity		
Preferred shares and other equity instruments (Note 5)	8,314	6,958
Common shares (Note 5)	23,896	22,941
Contributed surplus	350	328
Retained earnings	44,772	44,006
Accumulated other comprehensive income	2,207	1,862
Total shareholders' equity	79,539	76,095
Non-controlling interest in subsidiaries (Note 5)	31	28
Total Equity	79,570	76,123
Total Liabilities and Equity	\$ 1,374,053	\$ 1,347,006

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Consolidated Statement of Changes in Equity

(Unaudited) (Canadian \$ in millions)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Preferred Shares and Other Equity Instruments (Note 5)				
Balance at beginning of period	\$ 6,958	\$ 6,958	\$ 6,958	\$ 6,308
Issued during the period	1,356	-	1,356	650
Balance at End of Period	8,314	6,958	8,314	6,958
Common Shares (Note 5)				
Balance at beginning of period	23,412	21,637	22,941	17,744
Issued under the Shareholder Dividend Reinvestment and Share Purchase Plan	466	419	905	765
Issued under the Stock Option Plan	9	16	42	39
Treasury shares sold (purchased)	9	(10)	8	1
Issued to align capital position with increased regulatory requirements as announced by OSFI	-	-	-	3,360
Issued for acquisitions	-	-	-	153
Balance at End of Period	23,896	22,062	23,896	22,062
Contributed Surplus				
Balance at beginning of period	351	335	328	317
Stock option expense, net of options exercised	(1)	(4)	11	10
Net premium (discount) on sale of treasury shares	-	(4)	11	(2)
Other	-	-	-	2
Balance at End of Period	350	327	350	327
Retained Earnings				
Balance at beginning of period	44,161	43,150	44,006	45,117
Impact from accounting policy changes (Note 1)	-	-	-	(974)
Net income attributable to bank shareholders	1,862	1,026	3,152	1,159
Dividends on preferred shares and distributions payable on other equity instruments	(143)	(127)	(183)	(165)
Dividends on common shares	(1,102)	(1,020)	(2,197)	(2,035)
Equity issue expense and premium paid on redemption of preferred shares	(6)	-	(6)	(73)
Net discount on sale of treasury shares	-	(4)	-	(4)
Balance at End of Period	44,772	43,025	44,772	43,025
Accumulated Other Comprehensive (Loss) on Fair Value through OCI Securities, net of taxes				
Balance at beginning of period	(190)	(223)	(464)	(359)
Unrealized gains on fair value through OCI debt securities arising during the period	40	23	311	165
Unrealized gains on fair value through OCI equity securities arising during the period	-	-	8	-
Reclassification to earnings of (gains) during the period	(40)	(17)	(45)	(23)
Balance at End of Period	(190)	(217)	(190)	(217)
Accumulated Other Comprehensive (Loss) on Cash Flow Hedges, net of taxes				
Balance at beginning of period	(3,145)	(3,770)	(5,448)	(5,129)
Gains (losses) on derivatives designated as cash flow hedges arising during the period	(1,443)	(144)	471	980
Reclassification to earnings/goodwill of losses on derivatives designated as cash flow hedges during the period	379	26	768	261
Balance at End of Period	(4,209)	(3,888)	(4,209)	(3,888)
Accumulated Other Comprehensive Income on Translation of Net Foreign Operations, net of taxes				
Balance at beginning of period	4,641	4,341	6,194	5,168
Unrealized gains (losses) on translation of net foreign operations	1,482	937	(398)	87
Unrealized gains (losses) on hedges of net foreign operations	(266)	(174)	61	(151)
Balance at End of Period	5,857	5,104	5,857	5,104
Accumulated Other Comprehensive Income on Pension and Other Employee Future Benefit Plans, net of taxes				
Balance at beginning of period	852	880	943	944
Gains (losses) on remeasurement of pension and other employee future benefit plans	43	5	(48)	(59)
Balance at End of Period	895	885	895	885
Accumulated Other Comprehensive Income (Loss) on Own Credit Risk on Financial Liabilities Designated at Fair Value, net of taxes				
Balance at beginning of period	210	518	637	928
Gains (losses) on remeasurement of own credit risk on financial liabilities designated at fair value	(356)	174	(783)	(236)
Balance at End of Period	(146)	692	(146)	692
Total Accumulated Other Comprehensive Income	2,207	2,576	2,207	2,576
Total Shareholders' Equity	79,539	74,948	79,539	74,948
Non-Controlling Interest in Subsidiaries (Note 5)				
Balance at beginning of period	29	-	28	-
Acquisition	-	16	-	16
Net income attributable to non-controlling interest in subsidiaries	4	3	6	3
Dividends to non-controlling interest in subsidiaries	(3)	-	(3)	-
Other	1	-	-	-
Balance at End of Period	31	19	31	19
Total Equity	\$ 79,570	\$ 74,967	\$ 79,570	\$ 74,967

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Consolidated Statement of Cash Flows

(Unaudited) (Canadian \$ in millions, except as noted)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Cash Flows from Operating Activities				
Net Income	\$ 1,866	\$ 1,029	\$ 3,158	\$ 1,162
Adjustments to determine net cash flows provided by operating activities:				
Securities (gains), other than trading (Note 2)	(81)	(35)	(94)	(110)
Depreciation of premises and equipment	240	269	484	472
Depreciation of other assets	8	17	17	36
Amortization of intangible assets	276	278	555	440
Provision for credit losses (Note 3)	705	1,023	1,332	1,240
Deferred taxes	(376)	(30)	(264)	(122)
Changes in operating assets and liabilities:				
Trading securities	(18,684)	302	(35,759)	(6,144)
Derivative assets	(9,197)	3,697	5,730	21,384
Derivative liabilities	9,189	(4,688)	(4,759)	(20,683)
Current income taxes	(203)	(406)	124	(1,086)
Accrued interest receivable and payable	427	417	839	1,352
Brokers, dealers and clients receivable and payable	1,595	(8,187)	4,368	(1,460)
Other items and accruals, net	1,610	2,185	(1,612)	2,703
Deposits	9,621	(8,484)	31,535	9,002
Loans	(7,825)	(9,972)	(4,152)	(10,187)
Securities sold but not yet purchased	(1,965)	1,197	(1,367)	8,465
Securities lent or sold under repurchase agreements	10,392	(3,575)	15,051	(4,646)
Securities borrowed or purchased under resale agreements	(440)	1,200	(2,576)	(5,205)
Securitization and structured entities' liabilities	6,830	(708)	9,687	(1,260)
Net Cash Provided by (Used in) Operating Activities	3,988	(24,471)	22,297	(4,647)
Cash Flows from Financing Activities				
Net increase (decrease) in liabilities of subsidiaries	(2,433)	4,803	(6,768)	4,803
Proceeds from issuance of covered bonds	-	3,475	-	5,111
Redemption/buyback of covered bonds	-	(6,007)	(2,327)	(8,175)
Proceeds from issuance of preferred shares, net of issuance costs (Note 5)	1,350	-	1,350	648
Net proceeds from issuance of common shares (Note 5)	10	20	31	3,318
Net proceeds from the sale (purchase) of treasury shares	9	(10)	8	1
Cash dividends and distributions paid	(669)	(634)	(1,414)	(1,305)
Cash dividends paid to non-controlling interest	(3)	-	(3)	-
Repayment of lease liabilities	(93)	(96)	(185)	(167)
Net Cash Provided by (Used in) Financing Activities	(1,829)	1,551	(9,308)	4,234
Cash Flows from Investing Activities				
Net (increase) decrease in interest bearing deposits with banks	(35)	(111)	(238)	435
Purchases of securities, other than trading	(15,917)	(12,024)	(40,218)	(27,451)
Maturities of securities, other than trading	6,000	5,247	13,089	9,926
Proceeds from sales of securities, other than trading	12,078	8,893	17,267	13,422
Premises and equipment - net (purchases)	(148)	(202)	(380)	(376)
Purchased and developed software - net (purchases)	(179)	(201)	(339)	(394)
Acquisitions (1)	-	(14,910)	-	(14,952)
Net Cash Provided by (Used in) Investing Activities	1,799	(13,308)	(10,819)	(19,390)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,252	1,381	(235)	832
Net increase (decrease) in Cash and Cash Equivalents	5,210	(34,847)	1,935	(18,971)
Cash and Cash Equivalents at Beginning of Period	74,659	103,342	77,934	87,466
Cash and Cash Equivalents at End of Period	\$ 79,869	\$ 68,495	\$ 79,869	\$ 68,495
Supplemental Disclosure of Cash Flow Information				
Net cash provided by operating activities includes:				
Interest paid in the period (2)	\$ 10,808	\$ 8,035	\$ 21,481	\$ 14,180
Income taxes paid in the period	658	657	1,077	1,983
Interest received in the period	15,151	12,403	30,476	23,158
Dividends received in the period	642	628	1,191	1,079

(1) This amount is net of \$3,583 million cash and cash equivalents acquired as part of the acquisitions. To mitigate changes in the Canadian dollar equivalent of the purchase price on close, we entered into forward contracts, which qualified for hedge accounting.

(2) Includes dividends paid on securities sold but not yet purchased.

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Notes to Interim Consolidated Financial Statements

April 30, 2024 (Unaudited)

Note 1: Basis of Presentation

Bank of Montreal (the bank or BMO) is a chartered bank under the *Bank Act (Canada)* and is a public company incorporated in Canada. We are a highly diversified financial services company, providing a broad range of personal and commercial banking, wealth management and investment banking products and services. The bank's head office is at 129 rue Saint Jacques, Montreal, Quebec. Our executive offices are at 100 King Street West, 1 First Canadian Place, Toronto, Ontario. Our common shares are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange.

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) using the same accounting policies as disclosed in our annual consolidated financial statements for the year ended October 31, 2023, except as outlined below. These condensed interim consolidated financial statements should be read in conjunction with the notes to our annual consolidated financial statements for the year ended October 31, 2023. We also comply with interpretations of International Financial Reporting Standards (IFRS) by our regulator, the Office of the Superintendent of Financial Institutions of Canada (OSFI). These interim consolidated financial statements were authorized for issue by the Board of Directors on May 29, 2024.

Interbank Offered Rate (IBOR) Reform

Transition of Canadian Dollar Offered Rate (CDOR) settings is in progress, and it is expected to be completed before the June 28, 2024 cessation date. Our overall CDOR and bankers' acceptance (BA) exposures continue to decline and our CDOR derivative exposures will largely transition when central counterparties convert existing CDOR trades to Canadian Overnight Repo Rate Average. For additional details regarding interest rate benchmarks, refer to Note 1 of our annual consolidated financial statements for the year ended October 31, 2023.

Use of Estimates and Judgments

The preparation of the interim consolidated financial statements requires management to use estimates and assumptions that affect the carrying amounts of certain assets and liabilities, certain amounts reported in net income and other related disclosures.

The most significant assets and liabilities for which we must make estimates and judgments include the allowance for credit losses (ACL); financial instruments measured at fair value; pension and other employee future benefits; impairment of securities; income taxes and deferred tax assets; goodwill and intangible assets; insurance-related assets and liabilities; provisions including legal proceedings and severance charges; transfer of financial assets and consolidation of structured entities. We make judgments in assessing the business model for financial assets as well as whether substantially all risks and rewards have been transferred in respect of transfers of financial assets and whether we control structured entities. If actual results were to differ from the estimates, the impact would be recorded in future periods.

The economic outlook is subject to several risks that could lead to a more severe contraction of the North American economy, including inflation staying above target that either delays expected interest rate reductions or causes a renewed increase in rates, an escalation of geopolitical risks including wars in Ukraine and the Middle East, and an increase in tensions between the United States and China relating to trade protectionism and Taiwan. The impact on our business, results of operations, reputation, financial performance and condition, including the potential for credit, counterparty and mark-to-market losses, our credit ratings and regulatory capital and liquidity ratios, as well as impacts to our customers and competitors, will depend on future developments, which remain uncertain. By their very nature, the judgments and estimates we make for the purposes of preparing our consolidated financial statements relate to matters that are inherently uncertain. However, we have detailed policies and internal controls that are intended to ensure the judgments made in estimating these amounts are well controlled and independently reviewed, and that our policies are consistently applied from period to period. We believe that our estimates of the value of our assets and liabilities are appropriate as at April 30, 2024.

Allowance for Credit Losses

As detailed further in Note 1 of our annual consolidated financial statements for the year ended October 31, 2023, ACL consists of allowances on impaired loans, which represent estimated losses related to impaired loans in the portfolio provided for but not yet written off, and allowances on performing loans, which is our best estimate of impairment in the existing portfolio for loans that have not yet been individually identified as impaired.

The expected credit losses (ECL) model requires the recognition of credit losses generally based on 12 months of expected losses for performing loans and the recognition of lifetime losses on performing loans that have experienced a significant increase in credit risk since origination.

The determination of a significant increase in credit risk takes into account many different factors and varies by product and risk segment. The bank's methodology for determining significant increase in credit risk is based on the change in probability of default between origination, and reporting date, assessed using probability-weighted scenarios as well as certain other criteria, such as 30 days past due and watchlist status. The assessment of a significant increase in credit risk requires experienced credit judgment.

In determining whether there has been a significant increase in credit risk and in calculating the amount of ECL, we must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or a decrease in the ACL. The calculation of ECL includes the explicit incorporation of forecasts of future economic conditions. We have developed models incorporating specific macroeconomic variables that are relevant to each portfolio. Key economic variables for our retail portfolios include primary operating markets of Canada, the United States and regional markets, where considered significant. Forecasts are developed internally by our Economics group, considering external data and our view of future economic conditions. We exercise experienced credit judgment to incorporate multiple economic forecasts, which are probability-weighted, in the determination of the final ECL. The allowance is sensitive to changes in both economic forecasts and the probability-weight assigned to each forecast scenario.

Additional information regarding the ACL is included in Note 3.

Insurance Contract Liabilities

Insurance contract liabilities represent estimates of fulfilment cash flows, which include a risk adjustment, and the contractual service margin (CSM). Fulfilment cash flows include estimates of future cash flows related to the remaining coverage period and for already incurred claims, which are then discounted and probability-weighted. This is based on non-financial risk assumptions including mortality, lapse and expenses, which are based on a combination of industry and entity specific data and in the case of expenses, on historical analysis of which expenses are attributable to insurance operations. These assumptions are reviewed at least annually and updated to reflect actual experience and market conditions. In addition, we add a risk adjustment for non-financial risk to bring the confidence level on the sufficiency for reserves to 70-80%. The CSM is a component of the liability representing the unearned profit we will recognize as we provide services.

Changes in Accounting Policy

IFRS 17 Insurance Contracts

Effective November 1, 2023, we adopted IFRS 17 *Insurance Contracts* (IFRS 17), which provides a comprehensive approach to accounting for all types of insurance contracts and replaced existing IFRS 4 *Insurance Contracts* (IFRS 4).

IFRS 17 fundamentally changes the accounting for insurance contracts, with two key changes for the bank which impact the timing of income recognition:

Firstly, IFRS 17 requires us to group insurance contracts, where contracts have similar risks, were written in the same fiscal year and have similar expected profitability. IFRS 4 had no similar grouping requirement. We then measure these groups of contracts based on our estimates of the present value of future cash flows that are expected to arise as we fulfill the contracts, plus an explicit risk adjustment for insurance-specific risk. To the extent that future cash inflows exceed the future cash outflows, a CSM is recorded, representing unearned profits that will be recognized over the duration of the insurance contracts. If a group of insurance contracts is expected to experience losses, these losses are recorded in income immediately in non-interest revenue, insurance service results. Changes in expected fulfilment cash outflows, risk adjustment and CSM will be recognized in the Consolidated Statement of Income in insurance service results over the term of the related insurance contracts. We will use this approach for all insurance contracts, except for creditor insurance and direct participating contracts. We will apply a modified approach to our direct participating products, including segregated funds, whereby their initial measurement is consistent with other insurance contracts, but the fee variability is factored into the remeasurement over the contract coverage period. For our creditor business, with a coverage period of one year or less, we will defer premiums received and recognize them in income over the coverage period and recognize a liability for claims only once a loss is incurred.

Under IFRS 4, gains/losses on new contracts were previously recognized in income immediately.

The second key difference under IFRS 17 compared to IFRS 4 is the rate used to discount our insurance contract liabilities. Under IFRS 17, the discount rate is comprised of a risk-free rate and an illiquidity premium that reflects the characteristics of these liabilities. Under IFRS 4, the discount rate was connected to the yield of the assets held to support insurance contract liabilities. We have elected the accounting policy choice under IFRS 17 to recognize the impact of changes in the discount rate and financial assumptions on insurance contract liabilities in our Consolidated Statement of Income in non-interest revenue, insurance investment results.

On transition, we were required to apply a full retrospective approach, where we restated prior periods as if we had always applied IFRS 17, unless impracticable, in which case we were to apply either the modified retrospective approach, where we applied specific modifications to the full retrospective approach, or the fair value approach, where we determined the fair value of the CSM as the difference between the fair value of a group of contracts and our fulfilment cash flows at the date of transition. We applied the full retrospective approach to our creditor business and the fair value approach to all other products written prior to November 1, 2022. The impact of adopting IFRS 17 as at November 1, 2022 is an increase in assets of \$1,075 million, an increase in liabilities of \$2,181 million and a decrease in shareholders' equity of \$1,106 million after-tax. The CSM qualifies as Tier 1 Capital. We applied the change retrospectively, as though we had always accounted for insurance contracts under IFRS 17.

IAS 40 Investment Property

On transition to IFRS 17, we voluntarily changed our accounting policy for the measurement of investment properties, included in insurance-related assets in other assets in our Consolidated Balance Sheet, from cost to fair value. This better aligns our returns on investment properties with gains and losses from our insurance business. IAS 40 *Investment Property* (IAS 40) permits either measurement approach. We applied the change retrospectively, as though we had always accounted for investment properties at fair value. The result was an increase in other assets of \$132 million and an increase in shareholders' equity of \$132 million after-tax at November 1, 2022.

Transition Impacts

The following table shows the impact of these combined changes at November 1, 2022:

(Canadian \$ in millions)	November 1, 2022 previously reported	IFRS 17 impacts	IAS 40 accounting policy change impacts	November 1, 2022 restated
Assets				
Other Assets				
Deferred tax assets	\$ 1,175	\$ 418	\$ (51)	\$ 1,542
Other				
Insurance-related assets	2,575	657	183	3,415
Total Assets	\$ 3,750	\$ 1,075	\$ 132	\$ 4,957
Liabilities				
Other Liabilities				
Deferred tax liabilities	\$ 102	\$ -	\$ -	\$ 102
Other				
Insurance-related liabilities	11,201	2,181	-	13,382
Total Liabilities	\$ 11,303	\$ 2,181	\$ -	\$ 13,484

The impact of these changes on our Common Equity Tier 1 (CET1) Ratio is not material.

Presentation of Insurance Results

Insurance results are presented in non-interest revenue, insurance service results and non-interest revenue, insurance investment results, in our Consolidated Statement of Income. Insurance service results include insurance revenue, insurance service expenses and reinsurance results. Insurance investment results include net returns on insurance-related assets and the impact of the change in discount rates and financial assumptions on insurance contract liabilities. We no longer report Insurance claims, commissions and changes in policy benefit liabilities.

Insurance service results in our Consolidated Statement of Income are as follows:

(Canadian \$ in millions)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Insurance revenue	\$ 434	\$ 390	\$ 867	\$ 747
Insurance service expenses	(305)	(263)	(602)	(509)
Net expenses from reinsurance contracts	(30)	(26)	(67)	(49)
Insurance service results	\$ 99	\$ 101	\$ 198	\$ 189

Insurance investment results in our Consolidated Statement of Income are as follows:

(Canadian \$ in millions)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Investment return	\$ (215)	\$ 197	\$ 1,068	\$ 991
Insurance finance income (expense) from insurance and reinsurance contracts held	213	(212)	(1,012)	(1,092)
Movement in investment contract liabilities	27	(11)	(40)	(52)
Insurance investment results	\$ 25	\$ (26)	\$ 16	\$ (153)

We use the following rates for discounting fulfilment cash flows for our insurance contracts, which are based on a risk-free yield adjusted for an illiquidity premium that reflects the liquidity characteristics of the liabilities:

Portfolio duration:	April 30, 2024	October 31, 2023
1 year	5.67%	6.10%
3 years	5.22%	5.83%
5 years	5.05%	5.69%
10 years	5.18%	5.82%
20 years	5.48%	5.85%
30 years	5.32%	5.81%
Ultimate	5.00%	5.00%

Presentation of Insurance Contract Liabilities

Insurance contract liabilities by remaining coverage and incurred claims is comprised of the following:

(Canadian \$ in millions)	For the six months ended April 30, 2024			For the twelve months ended October 31, 2023		
	Liabilities for remaining coverage	Liabilities for incurred claims	Total	Liabilities for remaining coverage	Liabilities for incurred claims	Total
Beginning of Period:						
Insurance contract liabilities	\$ 13,114	\$ 235	\$ 13,349	\$ 11,850	\$ 267	\$ 12,117
Insurance service results	(783)	553	(230)	(1,403)	979	(424)
Net finance expenses from insurance contracts	1,072	-	1,072	179	-	179
Total cash flows	1,474	(573)	901	2,488	(1,013)	1,475
Other changes in the net carrying amount of the insurance contract	-	(1)	(1)	-	2	2
End of Period:						
Insurance contract liabilities (1)	\$ 14,877	\$ 214	\$ 15,091	\$ 13,114	\$ 235	\$ 13,349

(1) The liabilities for incurred claims relating to insurance contracts in our creditor and reinsurance business were \$115 million as at April 30, 2024 and \$131 million as at October 31, 2023.

CSM from contracts issued in 2023 was \$73 million and for the six months ended April 30, 2024 was \$60 million. Total CSM as at April 30, 2024 was \$1,698 million (\$1,689 million as at October 31, 2023). This excludes the impact of any reinsurance held, which is not significant to the bank. Onerous contract losses in the three and six months ended April 30, 2024 and 2023 were not material.

IFRS 9 Financial Instruments

Effective November 1, 2023, we voluntarily changed our accounting policy to account for regular way contracts to buy or sell financial assets on trade date, instead of on settlement date. This change was applied retrospectively, as is required for changes in accounting policy, as if we always recorded securities transactions on trade date. Regular way contracts are contracts which will be settled within a timeframe established by market convention or regulation. The change resulted in an increase in both assets and liabilities of \$52.5 billion as at October 31, 2023.

IAS 12 Income Taxes

Effective November 1, 2023, we adopted an amendment to IAS 12 *Income Taxes* (IAS 12). This amendment narrows the IAS 12 exemption to exclude transactions that give rise to equal and offsetting temporary differences (e.g. leases and asset retirement obligations). Upon adoption of the amendment, we record separate deferred tax assets and liabilities related to the assets and liabilities that give rise to these temporary differences. There was no impact on our Consolidated Balance Sheet, as the balances are eligible for offset when levied by the same tax authority. This change impacts note disclosure only.

Future Changes in IFRS

IAS 12 Income Taxes

In May 2023, the IASB issued an amendment to IAS 12. The amendment addresses concerns around accounting for the global minimum top-up tax as outlined in the two-pillar plan for international tax reform developed by members of the Organisation for Economic Co-operation and Development/ G20 Inclusive Framework on Base Erosion and Profit Shifting. The amendment to IAS 12 includes temporary mandatory relief from recognizing and disclosing deferred taxes related to the top-up tax. We have applied the temporary mandatory relief related to deferred taxes in jurisdictions in which we operate where the top-up tax legislation has been enacted or substantively enacted. The minimum tax rules in these jurisdictions are not yet effective for us and we continue to assess their financial impact. We anticipate the global minimum tax rules will be effective for our fiscal year beginning November 1, 2024.

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18), which will replace IAS 1 *Presentation of Financial Statements*, and will be effective for our fiscal year beginning November 1, 2027. IFRS 18 requires changes to how information is grouped and presented in the financial statements, and requires that certain management performance measures be included in the financial statements. We are currently assessing the impact of the standard on the presentation of our consolidated financial statements.

Note 2: Securities

Classification of Securities

The following table summarizes the carrying amounts of the bank's securities by classification:

(Canadian \$ in millions)	April 30, 2024	October 31, 2023
Trading securities (1)	\$ 159,509	\$ 123,718
Fair value through profit or loss securities (FVTPL)		
FVTPL securities mandatorily measured at fair value	6,669	6,730
FVTPL investment securities held by Insurance subsidiaries designated at fair value	11,367	10,003
Total FVTPL securities	18,036	16,733
Fair value through other comprehensive income (FVOCI) securities (2)	70,345	62,819
Amortized cost securities (3)	119,445	116,814
Investments in associates and joint ventures	1,616	1,461
Total	\$ 368,951	\$ 321,545

(1) Trading securities include interests of \$16,419 million as at April 30, 2024 (\$3,346 million as at October 31, 2023) in Collateralized Mortgage Obligations (CMO). We receive CMO in return for our sales of Mortgage Backed Securities (MBS) to certain structured vehicles that we do not consolidate. When we subsequently sell these CMO to third parties, but do not transfer substantially all risks and rewards of ownership to the third-party investor, or we maintain an interest in the sold instrument, we retain these CMO on our Consolidated Balance Sheet. Refer to Note 7 of our annual consolidated financial statements for the year ended October 31, 2023 for further discussion on these vehicles.

(2) Amounts are net of ACL of \$4 million (\$3 million as at October 31, 2023).

(3) Amounts are net of ACL of \$3 million (\$3 million as at October 31, 2023).

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Amortized Cost Securities

The following table summarizes the carrying value and fair value of amortized cost debt securities:

(Canadian \$ in millions)	April 30, 2024		October 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Issued or guaranteed by:				
Canadian federal government	\$ 4,238	\$ 4,235	\$ 4,908	\$ 4,905
Canadian provincial and municipal governments	4,434	4,433	4,613	4,605
U.S. federal government	54,586	50,108	56,878	51,063
U.S. states, municipalities and agencies	184	177	190	179
Other governments	926	925	948	779
NHA MBS, U.S. agency MBS and CMO (1)	45,058	39,670	47,590	41,134
Corporate debt	10,019	9,740	1,687	1,506
Total	\$ 119,445	\$ 109,288	\$ 116,814	\$ 104,171

(1) These amounts are either supported by insured mortgages or issued by U.S. agencies and government-sponsored enterprises. NHA refers to the National Housing Act.

The carrying value of securities that are part of fair value hedging relationships are adjusted for related gains (losses) on hedge contracts.

Unrealized Gains and Losses on FVOCI Securities

The following table summarizes the unrealized gains and losses:

(Canadian \$ in millions)	April 30, 2024				October 31, 2023			
	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Issued or guaranteed by:								
Canadian federal government	\$ 26,462	\$ 14	\$ (284)	\$ 26,192	\$ 20,579	\$ 14	\$ (493)	\$ 20,100
Canadian provincial and municipal governments	4,086	3	(104)	3,985	5,281	2	(228)	5,055
U.S. federal government	8,051	9	(215)	7,845	6,245	-	(365)	5,880
U.S. states, municipalities and agencies	4,917	12	(113)	4,816	5,486	5	(190)	5,301
Other governments	5,939	5	(65)	5,879	7,064	13	(108)	6,969
NHA MBS, U.S. agency MBS and CMO	17,939	24	(459)	17,504	16,421	12	(668)	15,765
Corporate debt	4,028	5	(83)	3,950	3,676	3	(90)	3,589
Corporate equity	132	42	-	174	129	31	-	160
Total	\$ 71,554	\$ 114	\$ (1,323)	\$ 70,345	\$ 64,881	\$ 80	\$ (2,142)	\$ 62,819

Unrealized gains (losses) may be offset by related (losses) gains on hedge contracts.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Interest Income on Debt Securities

The following table presents interest income calculated using the effective interest method:

(Canadian \$ in millions)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
FVOCI securities	\$ 896	\$ 644	\$ 1,843	\$ 1,123
Amortized cost securities	1,075	884	2,029	1,415
Total	\$ 1,971	\$ 1,528	\$ 3,872	\$ 2,538

Non-Interest Revenue

Net gains and losses from securities, excluding gains and losses on trading securities, have been included in our Consolidated Statement of Income as follows:

(Canadian \$ in millions)	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
FVTPL securities	\$ 25	\$ 15	\$ 32	\$ 77
FVOCI securities - net realized gains (1)	55	23	63	34
Impairment (loss) recovery	1	(3)	(1)	(1)
Securities gains, other than trading	\$ 81	\$ 35	\$ 94	\$ 110

(1) Gains are net of (losses) on hedge contracts.

Interest and dividend income and gains on securities held in our Insurance business are recorded in non-interest revenue, insurance investment results, in our Consolidated Statement of Income. These include:

- Interest and dividend income of \$131 million and \$258 million for the three months and six months ended April 30, 2024, respectively (\$109 million and \$217 million for the three months and six months ended April 30, 2023, respectively). Interest income is calculated using the effective interest method;
- Gains (losses) from securities designated as FVTPL of \$(301) million and \$606 million for the three months and six months ended April 30, 2024, respectively (\$49 million and \$609 million for the three months and six months ended April 30, 2023, respectively); and
- Realized gains from FVOCI securities of \$nil million for the three months and six months ended April 30, 2024, respectively (\$1 million for the three months and six months ended April 30, 2023, respectively).

Note 3: Loans and Allowance for Credit Losses

Credit Risk Exposure

The following table sets out our credit risk exposure for all loans carried at amortized cost, FVOCI or FVTPL as at April 30, 2024 and October 31, 2023. Stage 1 represents performing loans carried with up to a 12-month ECL, Stage 2 represents performing loans carried with a lifetime ECL, and Stage 3 represents loans with a lifetime ECL that are credit impaired.

(Canadian \$ in millions)	April 30, 2024				October 31, 2023			
	Stage 1	Stage 2	Stage 3 (1)	Total	Stage 1	Stage 2	Stage 3 (1)	Total
Loans: Residential mortgages								
Exceptionally low	\$ 8	\$ -	\$ -	\$ 8	\$ 2	\$ -	\$ -	\$ 2
Very low	70,139	17,016	-	87,155	85,423	171	-	85,594
Low	41,976	21,151	-	63,127	51,366	10,820	-	62,186
Medium	6,095	5,528	-	11,623	5,289	5,434	-	10,723
High	229	2,360	-	2,589	282	2,015	-	2,297
Not rated (2)	14,318	1,093	-	15,411	15,906	118	-	16,024
Impaired	-	-	548	548	-	-	424	424
Gross residential mortgages	132,765	47,148	548	180,461	158,268	18,558	424	177,250
ACL	47	208	5	260	73	146	5	224
Carrying amount	132,718	46,940	543	180,201	158,195	18,412	419	177,026
Loans: Consumer instalment and other personal								
Exceptionally low	7,753	879	-	8,632	1,547	4	-	1,551
Very low	18,111	3,204	-	21,315	37,924	180	-	38,104
Low	24,013	6,954	-	30,967	21,406	1,052	-	22,458
Medium	7,717	5,713	-	13,430	7,971	5,686	-	13,657
High	757	1,864	-	2,621	759	2,127	-	2,886
Not rated (2)	14,447	321	-	14,768	24,426	411	-	24,837
Impaired	-	-	574	574	-	-	549	549
Gross consumer instalment and other personal	72,798	18,935	574	92,307	94,033	9,460	549	104,042
ACL	155	375	163	693	208	415	152	775
Carrying amount	72,643	18,560	411	91,614	93,825	9,045	397	103,267
Loans: Credit cards (3)								
Exceptionally low	1,625	-	-	1,625	1,605	-	-	1,605
Very low	1,974	1	-	1,975	1,946	1	-	1,947
Low	1,948	53	-	2,001	1,884	70	-	1,954
Medium	4,425	810	-	5,235	3,860	890	-	4,750
High	717	830	-	1,547	533	763	-	1,296
Not rated (2)	515	146	-	661	651	91	-	742
Impaired	-	-	-	-	-	-	-	-
Gross credit cards	11,204	1,840	-	13,044	10,479	1,815	-	12,294
ACL	142	342	-	484	134	267	-	401
Carrying amount	11,062	1,498	-	12,560	10,345	1,548	-	11,893
Loans: Business and government (4)								
Acceptable								
Investment grade	195,514	4,110	-	199,624	202,731	3,886	-	206,617
Sub-investment grade	142,025	16,075	-	158,100	126,535	26,260	-	152,795
Watchlist	288	16,696	-	16,984	1,078	11,520	-	12,598
Impaired	-	-	4,138	4,138	-	-	2,987	2,987
Gross business and government	337,827	36,881	4,138	378,846	330,344	41,666	2,987	374,997
ACL	741	1,193	643	2,577	849	1,031	527	2,407
Carrying amount	337,086	35,688	3,495	376,269	329,495	40,635	2,460	372,590
Total gross loans and acceptances	554,594	104,804	5,260	664,658	593,124	71,499	3,960	668,583
Total net loans and acceptances	553,509	102,686	4,449	660,644	591,860	69,640	3,276	664,776
Commitments and financial guarantee contracts								
Acceptable								
Investment grade	191,489	878	-	192,367	195,149	1,721	-	196,870
Sub-investment grade	61,855	7,029	-	68,884	54,148	14,158	-	68,306
Watchlist	-	6,717	-	6,717	254	4,137	-	4,391
Impaired	-	-	633	633	-	-	687	687
Gross commitments and financial guarantee contracts	253,344	14,624	633	268,601	249,551	20,016	687	270,254
ACL	219	221	24	464	260	189	11	460
Carrying amount (5) (6)	\$ 253,125	\$ 14,403	\$ 609	\$ 268,137	\$ 249,291	\$ 19,827	\$ 676	\$ 269,794

(1) Includes purchased credit impaired (PCI) loan balances.

(2) Includes purchased portfolios and certain cases where an internal risk rating is not assigned. Alternative credit risk assessments, rating methodologies, policies and tools are used to manage credit risk for these portfolios.

(3) Credit card loans are immediately written off when principal or interest payments are 180 days past due, and as a result are not reported as impaired in Stage 3.

(4) Includes customers' liability under acceptances.

(5) Represents total contractual amounts of undrawn credit facilities and other off-balance sheet exposures, excluding personal lines of credit and credit cards that are unconditionally cancellable at our discretion.

(6) Certain commercial borrower commitments are conditional and may include recourse to counterparties.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Allowance for Credit Losses

The ACL recorded in our Consolidated Balance Sheet is maintained at a level we consider adequate to absorb credit-related losses on our loans and other credit instruments. The ACL amounted to \$4,478 million as at April 30, 2024 (\$4,267 million as at October 31, 2023) of which \$4,014 million (\$3,807 million as at October 31, 2023) was recorded in loans and \$464 million (\$460 million as at October 31, 2023) was recorded in other liabilities in our Consolidated Balance Sheet.

Significant changes in gross balances, including originations, maturities, sales, write-offs and repayments in the normal course of operations, impact the ACL.

The following tables show the continuity in the loss allowance by product type for the three and six months ended April 30, 2024 and April 30, 2023. Transfers represent the amount of ECL that moved between stages during the period, for example, moving from a 12-month (Stage 1) to lifetime (Stage 2) ECL measurement basis. Net remeasurements represent the ECL impact due to transfers between stages, as well as changes in economic forecasts and credit quality. Model changes include new calculation models or methodologies.

(Canadian \$ in millions)									
For the three months ended									
April 30, 2024					April 30, 2023				
	Stage 1	Stage 2	Stage 3 (1)	Total	Stage 1	Stage 2	Stage 3	Total	
Loans: Residential mortgages									
Balance as at beginning of period	\$ 66	\$ 187	\$ 12	\$ 265	\$ 50	\$ 96	\$ 13	\$	159
Transfer to Stage 1	30	(29)	(1)	-	15	(15)	-	-	-
Transfer to Stage 2	(20)	23	(3)	-	(2)	5	(3)	-	-
Transfer to Stage 3	-	(8)	8	-	(1)	(4)	5	-	-
Net remeasurement of loss allowance	(30)	37	8	15	(25)	4	(2)	(23)	(23)
Loan originations	2	-	-	2	6	-	-	6	6
Loan purchases	-	-	-	-	31	-	-	31	31
Derecognitions and maturities	(1)	(2)	-	(3)	(1)	(1)	-	(2)	(2)
Model changes	-	-	-	-	5	46	-	51	51
Total PCL (2)	(19)	21	12	14	28	35	-	63	63
Write-offs (3)	-	-	(1)	(1)	-	-	(2)	(2)	(2)
Recoveries of previous write-offs	-	-	1	1	-	-	2	2	2
Foreign exchange and other	-	1	(11)	(10)	(1)	2	(5)	(4)	(4)
Balance as at end of period	\$ 47	\$ 209	\$ 13	\$ 269	\$ 77	\$ 133	\$ 8	\$	218
Loans: Consumer instalment and other personal									
Balance as at beginning of period	\$ 144	\$ 436	\$ 171	\$ 751	\$ 111	\$ 316	\$ 112	\$	539
Transfer to Stage 1	112	(108)	(4)	-	67	(64)	(3)	-	-
Transfer to Stage 2	(10)	20	(10)	-	(14)	25	(11)	-	-
Transfer to Stage 3	(2)	(36)	38	-	(12)	(22)	34	-	-
Net remeasurement of loss allowance	(86)	86	45	45	(69)	125	73	129	129
Loan originations	9	-	-	9	15	1	-	16	16
Loan purchases	-	-	-	-	179	-	-	179	179
Derecognitions and maturities	(3)	(8)	-	(11)	(10)	(7)	-	(17)	(17)
Model changes	-	-	-	-	(10)	(11)	-	(21)	(21)
Total PCL (2)	20	(46)	69	43	146	47	93	286	286
Write-offs (3)	-	-	(156)	(156)	-	-	(82)	(82)	(82)
Recoveries of previous write-offs	-	-	98	98	-	-	14	14	14
Foreign exchange and other	2	4	(13)	(7)	-	1	(7)	(6)	(6)
Balance as at end of period	\$ 166	\$ 394	\$ 169	\$ 729	\$ 257	\$ 364	\$ 130	\$	751
Loans: Credit cards									
Balance as at beginning of period	\$ 167	\$ 343	\$ -	\$ 510	\$ 126	\$ 269	\$ -	\$	395
Transfer to Stage 1	66	(66)	-	-	45	(45)	-	-	-
Transfer to Stage 2	(14)	14	-	-	(11)	11	-	-	-
Transfer to Stage 3	(1)	(68)	69	-	(1)	(40)	41	-	-
Net remeasurement of loss allowance	(30)	163	96	229	(47)	80	47	80	80
Loan originations	20	-	-	20	21	-	-	21	21
Loan purchases	-	-	-	-	25	-	-	25	25
Derecognitions and maturities	(2)	(5)	-	(7)	(2)	(6)	-	(8)	(8)
Model changes	-	-	-	-	-	-	-	-	-
Total PCL (2)	39	38	165	242	30	-	88	118	118
Write-offs (3)	-	-	(179)	(179)	-	-	(104)	(104)	(104)
Recoveries of previous write-offs	-	-	27	27	-	-	23	23	23
Foreign exchange and other	1	2	(13)	(10)	-	1	(7)	(6)	(6)
Balance as at end of period	\$ 207	\$ 383	\$ -	\$ 590	\$ 156	\$ 270	\$ -	\$	426
Loans: Business and government									
Balance as at beginning of period	\$ 913	\$ 1,269	\$ 520	\$ 2,702	\$ 751	\$ 771	\$ 413	\$	1,935
Transfer to Stage 1	203	(190)	(13)	-	51	(48)	(3)	-	-
Transfer to Stage 2	(55)	70	(15)	-	(42)	44	(2)	-	-
Transfer to Stage 3	(2)	(90)	92	-	(16)	(21)	37	-	-
Net remeasurement of loss allowance	(214)	314	348	448	(78)	149	30	101	101
Loan originations	64	-	-	64	60	3	-	63	63
Loan purchases	-	-	-	-	470	-	-	470	470
Derecognitions and maturities	(34)	(72)	-	(106)	(37)	(42)	-	(79)	(79)
Model changes	-	-	-	-	-	(1)	-	(1)	(1)
Total PCL (2)	(38)	32	412	406	408	84	62	554	554
Write-offs (3)	-	-	(224)	(224)	-	-	(67)	(67)	(67)
Recoveries of previous write-offs	-	-	15	15	-	-	14	14	14
Foreign exchange and other	9	52	(70)	(9)	3	16	(17)	2	2
Balance as at end of period	\$ 884	\$ 1,353	\$ 653	\$ 2,890	\$ 1,162	\$ 871	\$ 405	\$	2,438
Total as at end of period	\$ 1,304	\$ 2,339	\$ 835	\$ 4,478	\$ 1,652	\$ 1,638	\$ 543	\$	3,833
Comprising: Loans	\$ 1,085	\$ 2,118	\$ 811	\$ 4,014	\$ 1,365	\$ 1,453	\$ 532	\$	3,350
Other credit instruments (4)	219	221	24	464	287	185	11	483	483

(1) Includes changes in the allowance for PCI loans.

(2) Excludes PCL on other assets of \$nil million for the three months ended April 30, 2024 (\$2 million for the three months ended April 30, 2023).

(3) Generally, we continue to seek recovery on amounts that were written off during the year, unless the loan is sold, we no longer have the right to collect or we have exhausted all reasonable efforts to collect.

(4) Other credit instruments, including off-balance sheet items, are recorded in other liabilities in our Consolidated Balance Sheet.

(Canadian \$ in millions)

For the six months ended	April 30, 2024				April 30, 2023			
	Stage 1	Stage 2	Stage 3 (1)	Total	Stage 1	Stage 2	Stage 3	Total
Loans: Residential mortgages								
Balance as at beginning of period	\$ 73	\$ 151	\$ 10	\$ 234	\$ 59	\$ 67	\$ 16	142
Transfer to Stage 1	53	(52)	(1)	-	39	(39)	-	-
Transfer to Stage 2	(22)	28	(6)	-	(11)	15	(4)	-
Transfer to Stage 3	-	(14)	14	-	(1)	(6)	7	-
Net remeasurement of loss allowance	(63)	107	12	56	(32)	34	-	2
Loan originations	10	-	-	10	13	-	-	13
Loan purchases	-	-	-	-	31	-	-	31
Derecognitions and maturities	(2)	(5)	-	(7)	(2)	(2)	-	(4)
Model changes	(1)	(5)	-	(6)	(19)	63	-	44
Total PCL (2)	(25)	59	19	53	18	65	3	86
Write-offs (3)	-	-	(3)	(3)	-	-	(5)	(5)
Recoveries of previous write-offs	-	-	3	3	-	-	3	3
Foreign exchange and other	(1)	(1)	(16)	(18)	-	1	(9)	(8)
Balance as at end of period	\$ 47	\$ 209	\$ 13	\$ 269	\$ 77	\$ 133	\$ 8	218
Loans: Consumer instalment and other personal								
Balance as at beginning of period	\$ 220	\$ 434	\$ 152	\$ 806	\$ 111	\$ 304	\$ 102	517
Transfer to Stage 1	171	(163)	(8)	-	127	(122)	(5)	-
Transfer to Stage 2	(21)	42	(21)	-	(25)	45	(20)	-
Transfer to Stage 3	(4)	(65)	69	-	(13)	(44)	57	-
Net remeasurement of loss allowance	(151)	117	202	168	(109)	202	123	216
Loan originations	33	-	-	33	27	1	-	28
Loan purchases	-	-	-	-	179	-	-	179
Derecognitions and maturities	(7)	(16)	(11)	(34)	(13)	(14)	-	(27)
Model changes	15	46	-	61	(26)	(8)	-	(34)
Total PCL (2)	36	(39)	231	228	147	60	155	362
Write-offs (3)	-	-	(315)	(315)	-	-	(144)	(144)
Recoveries of previous write-offs	-	-	123	123	-	-	29	29
Foreign exchange and other	(90)	(1)	(22)	(113)	(1)	-	(12)	(13)
Balance as at end of period	\$ 166	\$ 394	\$ 169	\$ 729	\$ 257	\$ 364	\$ 130	751
Loans: Credit cards								
Balance as at beginning of period	\$ 188	\$ 308	\$ -	\$ 496	\$ 115	\$ 250	\$ -	365
Transfer to Stage 1	116	(116)	-	-	85	(85)	-	-
Transfer to Stage 2	(27)	27	-	-	(20)	20	-	-
Transfer to Stage 3	(2)	(116)	118	-	(2)	(73)	75	-
Net remeasurement of loss allowance	(105)	285	162	342	(83)	170	81	168
Loan originations	37	-	-	37	39	-	-	39
Loan purchases	-	-	-	-	25	-	-	25
Derecognitions and maturities	(4)	(13)	-	(17)	(3)	(11)	-	(14)
Model changes	4	9	-	13	-	-	-	-
Total PCL (2)	19	76	280	375	41	21	156	218
Write-offs (3)	-	-	(331)	(331)	-	-	(184)	(184)
Recoveries of previous write-offs	-	-	75	75	-	-	42	42
Foreign exchange and other	-	(1)	(24)	(25)	-	(1)	(14)	(15)
Balance as at end of period	\$ 207	\$ 383	\$ -	\$ 590	\$ 156	\$ 270	\$ -	426
Loans: Business and government								
Balance as at beginning of period	\$ 1,043	\$ 1,155	\$ 533	\$ 2,731	\$ 746	\$ 789	\$ 439	1,974
Transfer to Stage 1	387	(372)	(15)	-	138	(134)	(4)	-
Transfer to Stage 2	(174)	192	(18)	-	(72)	119	(47)	-
Transfer to Stage 3	(4)	(153)	157	-	(17)	(51)	68	-
Net remeasurement of loss allowance	(434)	609	488	663	(192)	213	108	129
Loan originations	147	8	-	155	141	3	-	144
Loan purchases	-	-	-	-	470	-	-	470
Derecognitions and maturities	(84)	(164)	(11)	(259)	(78)	(93)	-	(171)
Model changes	53	57	-	110	-	(1)	-	(1)
Total PCL (2)	(109)	177	601	669	390	56	125	571
Write-offs (3)	-	-	(444)	(444)	-	-	(143)	(143)
Recoveries of previous write-offs	-	-	90	90	-	-	25	25
Foreign exchange and other	(50)	21	(127)	(156)	26	26	(41)	11
Balance as at end of period	\$ 884	\$ 1,353	\$ 653	\$ 2,890	\$ 1,162	\$ 871	\$ 405	2,438
Total as at end of period	\$ 1,304	\$ 2,339	\$ 835	\$ 4,478	\$ 1,652	\$ 1,638	\$ 543	3,833
Comprising: Loans	\$ 1,085	\$ 2,118	\$ 811	\$ 4,014	\$ 1,365	\$ 1,453	\$ 532	3,350
Other credit instruments (4)	219	221	24	464	287	185	11	483

(1) Includes changes in the allowance for PCI loans.

(2) Excludes PCL on other assets of \$7 million for the six months ended April 30, 2024 (\$3 million for the six months ended April 30, 2023).

(3) Generally, we continue to seek recovery on amounts that were written off during the year, unless the loan is sold, we no longer have the right to collect or we have exhausted all reasonable efforts to collect.

(4) Other credit instruments, including off-balance sheet items, are recorded in other liabilities in our Consolidated Balance Sheet.

Purchased Loans

As part of our acquisition of Bank of the West, we identified loans purchased as either purchased performing loans or PCI loans. As at April 30, 2024, purchased performing loans recorded in our Consolidated Balance Sheet totalled \$50,354 million (\$68,025 million as at October 31, 2023), including a remaining fair value mark of \$(1,681) million (\$(2,317) million as at October 31, 2023). As at April 30, 2024, PCI loans recorded in our Consolidated Balance Sheet totalled \$152 million (\$219 million as at October 31, 2023), including a remaining fair value mark of \$(31) million (\$(61) million as at October 31, 2023).

Loans Past Due Not Impaired

Loans that are past due but not classified as impaired are loans where our customers have failed to make payments when contractually due but for which we expect the full amount of principal and interest payments to be collected, or loans which are held at fair value. The following table presents loans that are past due but not classified as impaired as at April 30, 2024 and October 31, 2023. Loans less than 30 days past due are excluded as they are not generally representative of the borrower's ability to meet their payment obligations.

(Canadian \$ in millions)	April 30, 2024			October 31, 2023		
	30 to 89 days	90 days or more (1)	Total	30 to 89 days	90 days or more (1)	Total
Residential mortgages	\$ 588	\$ 11	\$ 599	\$ 707	\$ 9	\$ 716
Credit cards, consumer instalment and other personal	628	147	775	1,003	129	1,132
Business and government	528	17	545	826	18	844
Total	\$ 1,744	\$ 175	\$ 1,919	\$ 2,536	\$ 156	\$ 2,692

(1) Fully secured loans with amounts between 90 and 180 days past due that we have not classified as impaired totalled \$11 million and \$10 million as at April 30, 2024 and October 31, 2023, respectively.

ECL Sensitivity and Key Economic Variables

The ECL model requires the recognition of credit losses generally based on 12 months of expected losses for performing loans and the recognition of lifetime losses on performing loans that have experienced a significant increase in credit risk since origination.

The allowance for performing loans is sensitive to changes in both economic forecasts and the probability-weight assigned to each forecast scenario. Many of the factors have a high degree of interdependency, although there is no single factor to which loan loss allowances as a whole are sensitive.

The upside scenario as at April 30, 2024 assumes a stronger economic environment than the base case forecast, with lower unemployment rates.

As at April 30, 2024, our base case scenario depicts a relatively weak economic environment in the near-term, largely in response to higher interest rates and tighter lending conditions, and a moderate economic recovery over the medium-term as inflation is expected to ease further and lead to lower interest rates later in 2024. Our base case forecast as at October 31, 2023 broadly depicted a similar economic environment over the projection period though with generally weaker financial conditions. If we assumed a 100% weight on the base case forecast and included the impact of loan migration by restaging, with other assumptions held constant, including the application of experienced credit judgment, the allowance on performing loans would be approximately \$2,150 million as at April 30, 2024 (\$2,625 million as at October 31, 2023), compared to the reported allowance for performing loans of \$3,643 million (\$3,572 million as at October 31, 2023).

Effective the current quarter, we added a fourth scenario reflecting a less severe downside which improves the continuum of economic forecasts used in the allowance estimation. As at April 30, 2024, our downside scenario assumes a significant escalation of the Ukraine war and a sharp contraction in the Canadian and U.S. economies in the near-term, followed by a relatively slow recovery. Our severe downside scenario depicts a deeper contraction in the Canadian and U.S. economies than in the downside scenario. The severe downside scenario as at October 31, 2023 broadly depicted a similar economic environment over the projection period. If we assumed a 100% severe downside economic forecast and included the impact of loan migration by restaging, with other assumptions held constant, including the application of experienced credit judgment, the allowance on performing loans would be approximately \$6,550 million as at April 30, 2024 (\$6,025 million as at October 31, 2023), compared to the reported allowance for performing loans of \$3,643 million (\$3,572 million as at October 31, 2023).

Actual results in a recession will differ as our portfolio will change through time due to migration, growth, risk mitigation actions and other factors. In addition, our allowance will reflect the four economic scenarios used in assessing the allowance, with weightings attached to each scenario often unequally and they will change through time.

The following tables show the key economic variables used to estimate the allowance on performing loans forecast over the next 12 months or lifetime measurement period. While the values disclosed below are national variables, we use regional variables in the underlying models and consider factors impacting particular industries where appropriate.

As at April 30, 2024								
All figures are average annual values	Scenarios							
	Upside		Base		Downside		Severe downside	
	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)
Real GDP growth rates (2)								
Canada	4.0%	2.7%	1.2%	2.0%	(2.6)%	1.4%	(3.9)%	1.2%
United States	4.3%	2.4%	1.9%	1.9%	(2.0)%	1.4%	(3.2)%	1.3%
Corporate BBB 10-year spread								
Canada	1.3%	1.8%	1.9%	2.0%	3.5%	3.0%	4.2%	3.5%
United States	0.7%	1.6%	1.4%	1.9%	3.4%	3.1%	4.6%	3.6%
Unemployment rates								
Canada	4.8%	4.3%	6.4%	5.8%	8.7%	9.2%	9.4%	10.2%
United States	3.2%	2.8%	4.1%	4.0%	6.5%	7.2%	7.6%	8.4%
Housing Price Index (2)								
Canada (3)	2.4%	6.0%	(1.8)%	3.6%	(13.0)%	(0.2)%	(21.6)%	(5.0)%
United States (4)	5.3%	4.0%	2.2%	2.6%	(9.6)%	(0.8)%	(18.8)%	(4.3)%

As at October 31, 2023								
All figures are average annual values	Scenarios							
	Upside		Base		Base		Severe downside	
	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)
Real GDP growth rates (2)								
Canada			3.2%	2.6%	0.4%	1.9%	(3.9)%	1.2%
United States			4.1%	2.5%	1.4%	2.0%	(3.5)%	1.4%
Corporate BBB 10-year spread								
Canada			1.7%	1.8%	2.4%	2.0%	4.2%	3.5%
United States			1.4%	1.7%	2.2%	2.1%	4.6%	3.5%
Unemployment rates								
Canada			4.2%	3.7%	5.9%	5.7%	9.3%	10.1%
United States			2.9%	2.5%	4.2%	4.1%	7.5%	8.3%
Housing Price Index (2)								
Canada (3)			9.9%	6.9%	5.5%	4.5%	(20.2)%	(5.0)%
United States (4)			2.7%	3.7%	(0.5)%	2.3%	(19.2)%	(4.3)%

(1) The remaining forecast period is two years.

(2) Real gross domestic product (GDP) and housing price index are averages of quarterly year-over-year growth rates.

(3) In Canada, we use the Housing Price Index Benchmark Composite.

(4) In the United States, we use the National Case-Shiller House Price Index.

The ECL approach requires the recognition of credit losses generally based on 12 months of expected losses for performing loans (Stage 1) and the recognition of lifetime expected losses for performing loans that have experienced a significant increase in credit risk since origination (Stage 2). Under our current probability-weighted scenarios, if all our performing loans were in Stage 1, our models would generate an allowance for performing loans of approximately \$2,675 million (\$2,800 million as at October 31, 2023), compared to the reported allowance for performing loans of \$3,643 million (\$3,572 million as at October 31, 2023).

Note 4: Deposits

(Canadian \$ in millions)	Payable on demand		Payable after notice (1)	Payable on a fixed date (2) (3)	April 30, 2024	October 31, 2023
	Interest bearing	Non-interest bearing				
Deposits by:						
Banks (4)	\$ 5,201	\$ 1,798	\$ 1,563	\$ 23,453	\$ 32,015	\$ 29,587
Business and government	65,213	40,135	184,026	293,226	582,600	575,957
Individuals	3,600	33,772	136,977	148,608	322,957	305,335
Total (5)	\$ 74,014	\$ 75,705	\$ 322,566	\$ 465,287	\$ 937,572	\$ 910,879
Booked in:						
Canada	\$ 62,068	\$ 64,585	\$ 131,477	\$ 321,141	\$ 579,271	\$ 564,412
United States	11,828	11,118	188,807	100,314	312,067	301,064
Other countries	118	2	2,282	43,832	46,234	45,403
Total	\$ 74,014	\$ 75,705	\$ 322,566	\$ 465,287	\$ 937,572	\$ 910,879

(1) Includes \$45,458 million of non-interest bearing deposits as at April 30, 2024 (\$49,515 million as at October 31, 2023).

(2) Includes \$61,649 million of senior unsecured debt as at April 30, 2024 subject to the Bank Recapitalization (Bail-In) regime (\$63,925 million as at October 31, 2023). The Bail-In regime provides certain statutory powers to the Canada Deposit Insurance Corporation, including the ability to convert specified eligible shares and liabilities into common shares if the bank becomes non-viable.

(3) Deposits totalling \$31,831 million as at April 30, 2024 (\$30,852 million as at October 31, 2023) can be redeemed early, either fully or partially, by customers without penalty. These are classified as payable on a fixed date, based on their remaining contractual maturities.

(4) Includes regulated and central banks.

(5) Includes \$496,771 million of deposits denominated in U.S. dollars as at April 30, 2024 (\$492,404 million as at October 31, 2023), and \$55,502 million of deposits denominated in other foreign currencies (\$55,705 million as at October 31, 2023).

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

The following table presents deposits payable on a fixed date and greater than one hundred thousand dollars:

(Canadian \$ in millions)	Canada	United States	Other	Total
As at April 30, 2024	\$ 270,662	\$ 89,600	\$ 43,836	\$ 404,098
As at October 31, 2023	269,262	73,226	43,106	385,594

The following table presents the maturity schedule for deposits payable on a fixed date greater than one hundred thousand dollars, which are booked in Canada:

(Canadian \$ in millions)	Less than 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
As at April 30, 2024	\$ 59,426	\$ 37,452	\$ 51,847	\$ 121,937	\$ 270,662
As at October 31, 2023	55,070	38,509	61,370	114,313	269,262

Note 5: Equity

Preferred and Common Shares Outstanding and Other Equity Instruments ⁽¹⁾

(Canadian \$ in millions, except as noted)		April 30, 2024			October 31, 2023			
	Number of shares	Amount	Dividends declared per share (2)	Number of shares	Amount	Dividends declared per share (2)	Convertible into	
Preferred Shares - Classified as Equity								
Class B - Series 27	20,000,000	\$ 500	\$ 0.48	20,000,000	\$ 500	\$ 0.96	Class B - Series 28 (3) (4)	
Class B - Series 29	16,000,000	400	0.45	16,000,000	400	0.91	Class B - Series 30 (3) (4)	
Class B - Series 31	12,000,000	300	0.48	12,000,000	300	0.96	Class B - Series 32 (3) (4)	
Class B - Series 33	8,000,000	200	0.38	8,000,000	200	0.76	Class B - Series 34 (3) (4)	
Class B - Series 44	16,000,000	400	0.85	16,000,000	400	1.21	Class B - Series 45 (3) (4)	
Class B - Series 46	14,000,000	350	0.64	14,000,000	350	1.28	Class B - Series 47 (3) (4)	
Class B - Series 50	500,000	500	36.87	500,000	500	73.73	Not convertible (4)	
Class B - Series 52	650,000	650	35.29	650,000	650	57.52	Not convertible (4)	
Preferred Shares - Classified as Equity		\$ 3,300			\$ 3,300			
Recourse to								
Other Equity Instruments								
4.800% Additional Tier 1 Capital Notes (AT1 Notes)		\$ 658			\$ 658		- (4) (6)	
4.300% Limited Recourse Capital Notes, Series 1 (Series 1 LRCNs)		1,250			1,250		Preferred Shares Series 48 (4) (5) (6)	
5.625% Limited Recourse Capital Notes, Series 2 (Series 2 LRCNs)		750			750		Preferred Shares Series 49 (4) (5) (6)	
7.325% Limited Recourse Capital Notes, Series 3 (Series 3 LRCNs)		1,000			1,000		Preferred Shares Series 51 (4) (5) (6)	
7.700% Limited Recourse Capital Notes, Series 4 (Series 4 LRCNs)		1,356			-		Preferred Shares Series 53 (4) (5) (6)	
Other Equity Instruments		5,014			3,658			
Preferred Shares and Other Equity Instruments		8,314			6,958			
Common Shares	729,253,099	\$ 23,896	\$ 3.02	720,909,161	\$ 22,941	\$ 5.80	(7) (8) (9)	

(1) For additional information refer to Notes 16 and 20 of our annual consolidated financial statements for the year ended October 31, 2023.

(2) Represents year-to-date dividends declared per share as at reporting date. Non-cumulative dividends on preferred shares are payable quarterly as and when declared by the Board of Directors, except for Class B - Series 50 and 52 preferred share dividends, which are payable semi-annually.

(3) If converted, the holders have the option to convert back to the original preferred shares on subsequent redemption dates, subject to certain conditions.

(4) The instruments issued include a non-viability contingent capital (NVCC) provision, which is necessary for the preferred shares, AT1 Notes and by virtue of the recourse to the Preferred Shares Series 48, Preferred Shares Series 49, Preferred Shares Series 51 and Preferred Shares Series 53 (collectively, the LRCN Preferred Shares) for Series 1, Series 2, Series 3 and Series 4 LRCNs (collectively, the LRCNs), respectively, to qualify as regulatory capital under Basel III. As such, they are convertible into a variable number of our common shares if OSFI announces that the bank is, or is about to become, non-viable or if a federal or provincial government in Canada publicly announces that the bank has accepted or agreed to accept a capital injection, or equivalent support, to avoid non-viability. In such an event, each preferred share, including the LRCN Preferred Shares and AT1 Notes, is convertible into common shares pursuant to an automatic conversion formula and a conversion price based on the greater of: (i) a floor price of \$5.00 and (ii) the current market price of our common shares based on the volume weighted average trading price of our common shares on the TSX. The number of common shares issued is determined by dividing the value of the preferred share or other equity instrument, including declared and unpaid dividends, by the conversion price and then applying the multiplier.

(5) Non-deferrable interest is payable semi-annually on the Series 1, Series 2 and Series 3 LRCNs and quarterly on the Series 4 LRCNs at the bank's discretion. Non-payment of interest will result in a recourse event, with the noteholders' sole remedy being the holders' proportionate share of trust assets comprised of the LRCN Preferred Shares, each series of which is issued concurrently with the corresponding LRCNs and are eliminated on consolidation. In such an event, the delivery of the trust assets will represent the full and complete extinguishment of our obligations under the LRCNs. In circumstances where the LRCN Preferred Shares are converted into common shares of the bank under the NVCC provision, the LRCNs would be redeemed and the noteholders' sole remedy would be their proportionate share of trust assets, then comprised of common shares of the bank received by the trust on conversion.

(6) The rates represent the annual interest rate percentage applicable to the notes issued as at the reporting date.

(7) The stock options issued under the Stock Option Plan are convertible into 6,841,757 common shares as at April 30, 2024 (6,312,576 common shares as at October 31, 2023) of which 3,169,810 are exercisable as at April 30, 2024 (2,759,935 as at October 31, 2023).

(8) During the three and six months ended April 30, 2024, we issued 3,732,736 and 7,790,724 common shares, under the Shareholder Dividend Reinvestment and Share Purchase Plan (3,255,072 and 5,931,389 common shares during the three and six months ended April 30, 2023) and we issued 88,707 and 479,703 common shares, under the Stock Option Plan (193,313 and 487,639 common shares during the three and six months ended April 30, 2023).

(9) Common shares are net of nil treasury shares as at April 30, 2024 (73,511 treasury shares as at October 31, 2023).

Other Equity Instruments

On March 8, 2024, we issued US\$1.0 billion 7.700% Limited Recourse Capital Notes, Series 4. This issuance, together with our AT1 notes and existing LRCNs are classified as equity and form part of our additional Tier 1 NVCC. The AT1 Notes and LRCNs are compound financial instruments that have both equity and liability features. On the date of issuance, we assigned an insignificant value to the liability components of both instruments and, as a result, the full amount of proceeds has been classified as equity and form part of our additional Tier 1 NVCC. Distributions on the LRCNs are recognized as a reduction in equity when payable. The AT1 Notes and LRCNs are subordinate to the claims of the depositors and certain other creditors in right of payment.

Preferred Shares

On May 25, 2024, we redeemed all of our outstanding 20 million Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 27 (NVCC) for an aggregate total of \$500 million. On May 25, 2024, we also redeemed all of our outstanding 14 million Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 46 (NVCC) for an aggregate total of \$350 million.

On October 19, 2023, we announced that we did not intend to exercise our right to redeem the current outstanding Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 44 (Preferred Shares Series 44) on November 25, 2023. As a result, subject to certain conditions, the holders of Preferred Shares Series 44 had the right, at their option, by November 10, 2023, to convert any or all of their Preferred Shares Series 44 on a one-for-one basis into Non-Cumulative Floating Rate Class B Preferred Shares, Series 45 (Preferred Shares Series 45). During the conversion period, which ran from October 25, 2023 to November 10, 2023, 93,870 Preferred Shares Series 44 were tendered for conversion into Preferred Shares Series 45, which is less than the minimum 1,000,000 required to give effect to the conversion, as described in the Preferred Shares Series 44 prospectus supplement dated September 10, 2018. As a result, no Preferred Shares Series 45 were issued and the holders of Preferred Shares Series 44 retained their shares. The dividend rate for the Preferred Shares Series 44 for the five-year period commencing on November 25, 2023 to, but excluding, November 25, 2028, is 6.816%.

Shareholder Dividend Reinvestment and Share Purchase Plan

On February 27, 2024, we announced that commencing with the common share dividend declared for the second quarter of fiscal 2024, and subsequently until further notice, common shares under the Shareholder Dividend Reinvestment and Share Purchase Plan (the Plan) will be purchased on the open market without a discount.

We issued 3,732,736 and 7,790,724 common shares under the Plan for the three and six months ended April 30, 2024 (3,255,072 and 5,931,389 common shares for the three and six months ended April 30, 2023).

Non-Controlling Interest

Non-controlling interest in subsidiaries, relating to our acquisition of Bank of the West, was \$31 million as at April 30, 2024 (\$28 million as at October 31, 2023).

Note 6: Fair Value Measurements

Fair Value of Financial Instruments Not Carried at Fair Value on the Balance Sheet

Set out in the following table are the amounts that would be reported if all financial instruments not currently carried at fair value were reported at their fair values. Refer to Note 17 of our annual consolidated financial statements for the year ended October 31, 2023 for further discussion on the determination of fair value.

(Canadian \$ in millions)	April 30, 2024		October 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Securities (1)				
Amortized cost	\$ 119,445	\$ 109,288	\$ 116,814	\$ 104,171
Loans (1) (2)				
Residential mortgages	180,141	176,787	175,350	167,863
Consumer instalment and other personal	91,614	90,617	103,267	101,023
Credit cards	12,560	12,560	11,893	11,893
Business and government	363,543	362,566	358,712	357,027
	647,858	642,530	649,222	637,806
Deposits (3)	886,566	877,575	875,034	871,776
Securitization and structured entities' liabilities (4)	23,944	23,364	24,631	23,739
Other liabilities (5)	4,129	3,441	4,160	3,287
Subordinated debt	8,237	8,221	8,228	7,849

This table excludes financial instruments with a carrying value approximating fair value, such as cash and cash equivalents, interest bearing deposits with banks, securities borrowed or purchased under resale agreements, customers' liability under acceptances, certain other assets, certain other liabilities, acceptances and securities lent or sold under repurchase agreements.

(1) Carrying value is net of ACL.

(2) Excludes \$60 million of residential mortgages classified as FVTPL, \$8,871 million of business and government loans classified as FVTPL and \$58 million of business and government loans classified as FVOCI (\$1,676 million, \$5,720 million and \$58 million, respectively, as at October 31, 2023).

(3) Excludes \$41,345 million of structured note liabilities, \$8,855 million of money market deposits, \$591 million of structured deposits and \$215 million of metals deposits measured at fair value (\$35,300 million, \$nil million, \$341 million and \$204 million, respectively, as at October 31, 2023).

(4) Excludes \$12,896 million of securitization and structured entities' liabilities classified as FVTPL (\$2,463 million as at October 31, 2023).

(5) Other liabilities include certain other liabilities of subsidiaries, other than deposits.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Fair Value Hierarchy

We use a fair value hierarchy to categorize assets and liabilities carried at fair value according to the inputs we use in valuation techniques to measure fair value.

Valuation Techniques and Significant Inputs

We determine the fair value of financial assets and liabilities using quoted prices in active markets (Level 1) when these are available. When quoted prices in active markets are not available, we determine the fair value of financial assets and liabilities using models such as discounted cash flows with observable market data for inputs, such as yields or broker quotes and other third-party vendor quotes (Level 2). Fair value may also be determined using models where significant market inputs are not observable due to inactive markets or minimal market activity (Level 3). We maximize the use of observable market inputs to the extent possible.

Our Level 2 trading securities are primarily valued using discounted cash flow models with observable spreads or broker quotes. The fair value of Level 2 FVOCI securities is determined using discounted cash flow models with observable spreads or third-party vendor quotes. Level 2 structured note liabilities are valued using models with observable market information. Level 2 derivative assets and liabilities are valued using industry standard models and observable market information.

The extent of our use of actively quoted market prices (Level 1), internal models using observable market information as inputs (Level 2) and models without observable market information as inputs (Level 3) in the valuation of securities, loans classified as FVTPL and FVOCI, other assets, fair value liabilities, derivative assets and derivative liabilities is presented in the following table:

	April 30, 2024				October 31, 2023			
	Valued using quoted market prices	Valued using models (with observable inputs)	Valued using models (without observable inputs)	Total	Valued using quoted market prices	Valued using models (with observable inputs)	Valued using models (without observable inputs)	Total
Trading Securities								
Issued or guaranteed by:								
Canadian federal government	\$ 4,605	\$ 4,666	\$ -	\$ 9,271	\$ 7,503	\$ 3,867	\$ -	\$ 11,370
Canadian provincial and municipal governments	3,700	3,005	-	6,705	3,680	3,489	-	7,169
U.S. federal government	9,770	16,010	-	25,780	8,822	11,310	-	20,132
U.S. states, municipalities and agencies	-	485	-	485	-	279	-	279
Other governments	913	3,247	-	4,160	442	2,099	-	2,541
NHA MBS, and U.S. agency MBS and CMO	-	34,972	1,088	36,060	-	20,620	897	21,517
Corporate debt	2,948	10,766	-	13,714	2,648	9,173	112	11,933
Trading loans	-	566	-	566	3	447	-	450
Corporate equity	62,387	381	-	62,768	48,094	196	37	48,327
	84,323	74,098	1,088	159,509	71,192	51,480	1,046	123,718
FVTPL Securities								
Issued or guaranteed by:								
Canadian federal government	612	54	-	666	211	5	-	216
Canadian provincial and municipal governments	402	980	-	1,382	444	722	-	1,166
U.S. federal government	4	1,754	-	1,758	5	2,083	-	2,088
Other governments	-	49	-	49	-	48	-	48
NHA MBS, and U.S. agency MBS and CMO	-	20	-	20	-	19	-	19
Corporate debt	79	7,845	35	7,959	25	7,310	27	7,362
Corporate equity	856	845	4,501	6,202	821	805	4,208	5,834
	1,953	11,547	4,536	18,036	1,506	10,992	4,235	16,733
FVOCI Securities								
Issued or guaranteed by:								
Canadian federal government	12,852	13,340	-	26,192	13,251	6,850	-	20,101
Canadian provincial and municipal governments	3,267	718	-	3,985	609	4,445	-	5,054
U.S. federal government	1,316	6,529	-	7,845	727	5,153	-	5,880
U.S. states, municipalities and agencies	-	4,816	-	4,816	-	5,300	-	5,300
Other governments	1,481	4,398	-	5,879	480	6,489	-	6,969
NHA MBS, and U.S. agency MBS and CMO	-	17,504	-	17,504	-	15,766	-	15,766
Corporate debt	26	3,924	-	3,950	406	3,183	-	3,589
Corporate equity	-	-	174	174	-	-	160	160
	18,942	51,229	174	70,345	15,473	47,186	160	62,819
Loans								
Residential mortgages	-	60	-	60	-	1,676	-	1,676
Business and government loans	-	8,576	353	8,929	-	5,592	186	5,778
	-	8,636	353	8,989	-	7,268	186	7,454
Other Assets (1)	9,726	34	1,622	11,382	6,020	33	1,723	7,776
Fair Value Liabilities (2)								
Deposits (3)	-	51,006	-	51,006	-	35,845	-	35,845
Securities sold but not yet purchased	27,183	14,889	-	42,072	19,304	24,470	-	43,774
Other liabilities (4)	1,510	13,757	-	15,267	1,479	3,046	5	4,530
	28,693	79,652	-	108,345	20,783	63,361	5	84,149
Derivative Assets								
Interest rate contracts	61	11,608	-	11,669	21	13,329	-	13,350
Foreign exchange contracts	188	18,290	-	18,478	28	19,861	-	19,889
Commodity contracts	655	1,367	-	2,022	668	1,349	5	2,022
Equity contracts	157	5,465	13	5,635	58	4,632	-	4,690
Credit default swaps	-	12	-	12	-	25	-	25
	1,061	36,742	13	37,816	775	39,196	5	39,976
Derivative Liabilities								
Interest rate contracts	27	15,052	-	15,079	52	17,749	-	17,801
Foreign exchange contracts	-	17,144	-	17,144	1	19,204	-	19,205
Commodity contracts	610	1,147	2	1,759	589	1,067	1	1,657
Equity contracts	278	14,211	1	14,490	160	11,335	8	11,503
Credit default swaps	-	16	1	17	-	25	2	27
	915	47,570	4	48,489	802	49,380	11	50,193

(1) Other assets include precious metals, segregated fund assets and investment properties in our insurance business, carbon credits, certain receivables and other items measured at fair value.

(2) Interest expense for liabilities carried at fair value is \$806 million and \$1,335 million for the three and six months ended April 30, 2024, respectively (\$689 million and \$1,126 million for the three and six months ended April 30, 2023, respectively). Interest expense for liabilities carried at amortized cost is \$10,843 million and \$21,447 million for the three and six months ended April 30, 2024, respectively (\$8,279 million and \$15,192 million for the three and six months ended April 30, 2023).

(3) Deposits include structured note liabilities and metals deposits designated at FVTPL and certain embedded options related to structured deposits carried at amortized cost.

(4) Other liabilities include investment contract liabilities and segregated fund liabilities in our insurance business, as well as certain securitization and structured entities' liabilities measured at FVTPL.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Quantitative Information about Level 3 Fair Value Measurements

The table below presents the fair values of our significant Level 3 financial instruments measured at fair value on a recurring basis, the valuation techniques used to determine their fair values and the value ranges of significant unobservable inputs used in the valuations. We have not applied any other reasonably possible alternative assumptions to the significant Level 3 categories of private equity investments, as the net asset values are provided by the investment or fund managers.

(Canadian \$ in millions, except as noted)

						April 30, 2024	
						Range of input values (1)	
	Reporting line in fair value hierarchy table	Fair value of assets	Valuation techniques	Significant unobservable inputs	Low	High	
Private equity	Corporate equity	\$ 4,501	Net asset value EV/EBITDA	Net asset value Multiple	na 2x	na 23x	
Investment Properties	Other assets - other	1,329	Discounted cash flows	Discount margin	3%	7%	
NHA MBS, U.S. agency MBS and CMO	NHA MBS, U.S. agency MBS and CMO	1,088	Discounted cash flows Market comparable	Prepayment rate Comparability Adjustment (2)	3% 0.35	65% 0.89	

(1) The low and high input values represent the lowest and highest actual level of inputs used to value a group of financial instruments in a particular product category. These input ranges do not reflect the level of input uncertainty, but are affected by the specific underlying instruments within each product category. The input ranges will therefore vary from period to period based on the characteristics of the underlying instruments held at each balance sheet date.

(2) Range of input values represents price per security adjustment (Canadian \$).

na - not applicable

Significant Transfers

Our policy is to record transfers of assets and liabilities between fair value hierarchy levels at their fair values as at the end of each reporting period, consistent with the date of the determination of fair value. Transfers between the various fair value hierarchy levels reflect changes in the availability of quoted market prices or observable market inputs that result from changes in market conditions. Transfers from Level 1 to Level 2 were due to reduced observability of the inputs used to value the securities. Transfers from Level 2 to Level 1 were due to increased availability of quoted prices in active markets.

The following tables present significant transfers between Level 1 and Level 2 for the three and six months ended April 30, 2024 and April 30, 2023:

(Canadian \$ in millions)

For the three months ended	April 30, 2024				April 30, 2023	
	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
Trading securities	\$ 1,266	\$ 5,310	\$ 5,002	\$ 3,718		
FVTPL securities	284	298	295	12		
FVOCI securities	1,580	3,930	2,309	814		
Securities sold but not yet purchased	916	6,587	2,939	1,701		

(Canadian \$ in millions)

For the six months ended	April 30, 2024				April 30, 2023	
	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1	Level 1 to Level 2	Level 2 to Level 1
Trading securities	\$ 7,943	\$ 6,298	\$ 5,874	\$ 5,906		
FVTPL securities	819	592	312	310		
FVOCI securities	6,922	4,734	3,952	2,101		
Securities sold but not yet purchased	5,963	7,310	3,121	3,818		

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Changes in Level 3 Fair Value Measurements

The tables below present a reconciliation of all changes in Level 3 financial instruments for the three and six months ended April 30, 2024 and April 30, 2023, including realized and unrealized gains (losses) included in earnings and other comprehensive income as well as transfers into and out of Level 3. Transfers from Level 2 into Level 3 were due to an increase in unobservable market inputs used in pricing the securities. Transfers out of Level 3 into Level 2 were due to an increase in observable market inputs used in pricing the securities.

For the three months ended April 30, 2024 (Canadian \$ in millions)	Change in fair value			Movements			Transfers		Fair Value as at April 30, 2024	Change in unrealized gains (losses) recorded in income for instruments still held (2)
	Balance January 31, 2024	Included in earnings	Included in other comprehensive income (1)	Issuances/ Purchases	Sales	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3		
Trading Securities										
NHA MBS and U.S. agency MBS and CMO	\$ 814	\$ (174)	\$ 19	\$ 666	\$ (248)	\$ -	\$ 71	\$ (60)	\$ 1,088	\$ (154)
Corporate debt	26	-	1	-	(15)	-	-	(12)	-	-
Corporate equity	-	-	-	-	-	-	-	-	-	-
Total trading securities	840	(174)	20	666	(263)	-	71	(72)	1,088	(154)
FVTPL Securities										
Corporate debt	24	(6)	-	17	-	-	-	-	35	(6)
Corporate equity	4,319	15	49	206	(88)	-	-	-	4,501	66
Total FVTPL securities	4,343	9	49	223	(88)	-	-	-	4,536	60
FVOCI Securities										
Issued or guaranteed by:										
U.S. states, municipalities and agencies	-	-	-	-	-	-	-	-	-	na
Corporate equity	173	-	-	1	-	-	-	-	174	na
Total FVOCI securities	173	-	-	1	-	-	-	-	174	na
Business and Government Loans	196	-	5	13	-	(59)	198	-	353	-
Other Assets	1,671	(56)	-	12	-	(5)	-	-	1,622	(65)
Derivative Assets										
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-
Commodity contracts	7	(7)	-	-	-	-	-	-	-	(7)
Equity contracts	7	-	-	-	-	-	6	-	13	-
Total derivative assets	14	(7)	-	-	-	-	6	-	13	(7)
Other Liabilities	13	-	-	-	-	(13)	-	-	-	-
Derivative Liabilities										
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-
Commodity contracts	1	1	-	-	-	-	-	-	2	1
Equity contracts	-	-	-	-	-	-	1	-	1	-
Credit default swaps	1	(1)	-	-	-	-	1	-	1	(1)
Total derivative liabilities	2	-	-	-	-	-	2	-	4	-

For the six months ended April 30, 2024 (Canadian \$ in millions)	Change in fair value			Movements			Transfers		Fair Value as at April 30, 2024	Change in unrealized gains (losses) recorded in income for instruments still held (2)
	Balance October 31, 2023	Included in earnings	Included in other comprehensive income (1)	Issuances/ Purchases	Sales	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3		
Trading Securities										
NHA MBS and U.S. agency MBS and CMO	\$ 897	\$ (107)	\$ (11)	\$ 861	\$ (521)	\$ -	\$ 108	\$ (139)	\$ 1,088	\$ (116)
Corporate debt	112	1	-	10	(29)	-	3	(97)	-	1
Corporate equity	37	-	-	-	-	-	-	(37)	-	-
Total trading securities	1,046	(106)	(11)	871	(550)	-	111	(273)	1,088	(115)
FVTPL Securities										
Corporate debt	27	(9)	-	17	-	-	-	-	35	(9)
Corporate equity	4,208	(92)	(10)	522	(126)	-	-	(1)	4,501	17
Total FVTPL securities	4,235	(101)	(10)	539	(126)	-	-	(1)	4,536	8
FVOCI Securities										
Issued or guaranteed by:										
U.S. states, municipalities and agencies	-	-	-	-	-	-	-	-	-	na
Corporate equity	160	-	11	3	-	-	-	-	174	na
Total FVOCI securities	160	-	11	3	-	-	-	-	174	na
Business and Government Loans	186	-	(1)	46	-	(76)	198	-	353	-
Other Assets	1,723	(17)	-	16	(21)	(79)	-	-	1,622	-
Derivative Assets										
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-
Commodity contracts	5	(5)	-	-	-	-	-	-	-	(5)
Equity contracts	-	-	-	-	-	-	13	-	13	-
Total derivative assets	5	(5)	-	-	-	-	13	-	13	(5)
Other Liabilities	5	-	-	8	-	(13)	-	-	-	-
Derivative Liabilities										
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-
Commodity contracts	1	1	-	-	-	-	-	-	2	1
Equity contracts	8	-	-	-	-	-	1	(8)	1	-
Credit default swaps	2	(2)	-	-	-	-	1	-	1	(1)
Total derivative liabilities	11	(1)	-	-	-	-	2	(8)	4	-

(1) Foreign exchange translation on assets and liabilities held by foreign operations is included in other comprehensive income, net foreign operations.

(2) Changes in unrealized gains (losses) on Trading and FVTPL securities still held on April 30, 2024 are included in earnings for the period.

Unrealized gains (losses) recognized on Level 3 financial instruments may be offset by (losses) gains on economic hedge contracts.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

na - not applicable

	Change in fair value				Movements		Transfers		Fair Value as at April 30, 2023	Change in unrealized gains (losses) recorded in income for instruments still held (3)
	Balance January 31, 2023	Included in earnings	Included in other comprehensive income (1)	Issuances/ Purchases (2)	Sales	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3		
For the three months ended April 30, 2023 (Canadian \$ in millions)										
Trading Securities										
NHA MBS and U.S. agency MBS and CMO	\$ 595	\$ (3)	\$ 11	\$ 121	\$ (105)	\$ -	\$ 205	\$ (38)	\$ 786	\$ 2
Corporate debt	5	-	-	6	-	-	1	-	12	-
Corporate equity	-	-	-	-	-	-	-	-	-	-
Total trading securities	600	(3)	11	127	(105)	-	206	(38)	798	2
FVTPL Securities										
Corporate debt	11	-	-	-	-	-	-	-	11	-
Corporate equity	4,161	(43)	48	2,108	(185)	-	-	-	6,089	13
Total FVTPL securities	4,172	(43)	48	2,108	(185)	-	-	-	6,100	13
FVOCI Securities										
Issued or guaranteed by:										
U.S. states, municipalities and agencies	1	-	-	-	-	(1)	-	-	-	na
Corporate equity	156	-	1	1	(1)	-	-	-	157	na
Total FVOCI securities	157	-	1	1	(1)	(1)	-	-	157	na
Business and Government Loans	120	-	2	79	-	-	-	-	201	-
Other Assets	1,299	9	-	-	-	(8)	-	-	1,300	9
Derivative Assets										
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-
Commodity contracts	13	(3)	-	-	-	-	-	-	10	(3)
Equity contracts	1	3	-	-	-	-	-	-	4	3
Total derivative assets	14	-	-	-	-	-	-	-	14	-
Other Liabilities	3	-	-	2	-	-	-	-	5	-
Derivative Liabilities										
Foreign exchange contracts	12	-	-	-	-	(12)	-	-	-	-
Commodity contracts	-	-	-	-	-	-	-	-	-	-
Equity contracts	-	-	-	-	-	-	-	-	-	-
Credit default swaps	2	-	-	-	-	-	-	-	2	-
Total derivative liabilities	14	-	-	-	-	(12)	-	-	2	-

	Change in fair value				Movements		Transfers		Fair Value as at April 30, 2023	Change in unrealized gains (losses) recorded in income for instruments still held (3)
	Balance October 31, 2022	Included in earnings	Included in other comprehensive income (1)	Issuances/ Purchases (2)	Sales	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3		
For the six months ended April 30, 2023 (Canadian \$ in millions)										
Trading Securities										
NHA MBS and U.S. agency MBS and CMO	\$ 985	\$ (16)	\$ (11)	\$ 266	\$ (248)	\$ -	\$ 222	\$ (412)	\$ 786	\$ (1)
Corporate debt	3	-	-	10	-	-	1	(2)	12	-
Corporate equity	-	-	-	-	-	-	-	-	-	-
Total trading securities	988	(16)	(11)	276	(248)	-	223	(414)	798	(1)
FVTPL Securities										
Corporate debt	8	-	-	3	-	-	-	-	11	-
Corporate equity	4,044	(38)	4	2,328	(248)	(1)	-	-	6,089	35
Total FVTPL securities	4,052	(38)	4	2,331	(248)	(1)	-	-	6,100	35
FVOCI Securities										
Issued or guaranteed by:										
U.S. states, municipalities and agencies	1	-	-	-	-	(1)	-	-	-	na
Corporate equity	153	-	-	5	(1)	-	-	-	157	na
Total FVOCI securities	154	-	-	5	(1)	(1)	-	-	157	na
Business and Government Loans	20	-	2	194	-	(15)	-	-	201	-
Other Assets	1,233	54	-	23	-	(10)	-	-	1,300	55
Derivative Assets										
Foreign exchange contracts	26	(26)	-	-	-	-	-	-	-	-
Commodity contracts	-	(3)	-	13	-	-	-	-	10	(3)
Equity contracts	-	3	-	-	-	-	1	-	4	3
Total derivative assets	26	(26)	-	13	-	-	1	-	14	-
Other Liabilities	2	-	-	3	-	-	-	-	5	-
Derivative Liabilities										
Foreign exchange contracts	-	12	-	-	-	(12)	-	-	-	(38)
Commodity contracts	-	-	-	-	-	-	-	-	-	-
Equity contracts	-	-	-	-	-	-	-	-	-	-
Credit default swaps	2	-	-	-	-	-	-	-	2	-
Total derivative liabilities	2	12	-	-	-	(12)	-	-	2	(38)

(1) Foreign exchange translation on assets and liabilities held by foreign operations is included in other comprehensive income, net foreign operations.

(2) FVTPL securities includes \$969 million of Federal Home Loan Bank and Federal Reserve Bank equity and \$587 million of investments in Low Income Housing Tax Credit entities, acquired as a result of our acquisition of Bank of the West.

(3) Changes in unrealized gains (losses) on Trading and FVTPL securities still held on April 30, 2023 are included in earnings for the period.

Unrealized gains (losses) recognized on Level 3 financial instruments may be offset by (losses) gains on economic hedge contracts.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

na - not applicable

Note 7: Capital Management

Our objective is to maintain a strong capital position in a cost-effective structure that: is appropriate given our target regulatory capital ratios and our internal assessment of required economic capital; underpins our operating groups' business strategies and considers the market environment; supports depositor, investor and regulator confidence, while building long-term shareholder value; and is consistent with our target credit ratings.

As at April 30, 2024, we met OSFI's target capital ratio requirements, which include a 2.5% Capital Conservation Buffer, a 1.0% Common Equity Surcharge for Domestic Systemically Important Banks (D-SIBs), a Countercyclical Buffer and a 3.5% Domestic Stability Buffer (DSB) applicable to D-SIBs. As announced by OSFI in June 2023, the DSB level was increased to 3.5% effective November 1, 2023. Our capital position as at April 30, 2024 is further detailed in the Capital Management section of our interim Management's Discussion and Analysis.

Regulatory Capital and Total Loss Absorbing Capacity Measures, Risk-Weighted Assets and Leverage Exposures ⁽¹⁾

(Canadian \$ in millions, except as noted)	April 30, 2024	October 31, 2023
CET1 Capital	\$ 54,726	\$ 52,914
Tier 1 Capital	62,093	59,785
Total Capital	70,929	68,718
TLAC	116,941	114,402
Risk-Weighted Assets	417,994	424,197
Leverage Exposures	1,453,472	1,413,036
CET1 Ratio	13.1%	12.5%
Tier 1 Capital Ratio	14.9%	14.1%
Total Capital Ratio	17.0%	16.2%
TLAC Ratio	28.0%	27.0%
Leverage Ratio	4.3%	4.2%
TLAC Leverage Ratio	8.0%	8.1%

(1) Calculated in accordance with OSFI's Capital Adequacy Requirements Guideline, Leverage Requirements Guideline and Total Loss Absorbing Capacity (TLAC) Guideline.

Note 8: Employee Compensation

Stock Options

We did not grant any stock options during the three months ended April 30, 2024 or 2023. During the six months ended April 30, 2024 we granted a total of 1,113,853 stock options (1,322,817 stock options during the six months ended April 30, 2023) with a weighted-average fair value of \$15.33 per option (\$18.94 per option for the six months ended April 30, 2023).

To determine the fair value of the stock option tranches (i.e. the portion that vests each year) on the grant date, the following ranges of values were used for each option pricing assumption:

For stock options granted during the six months ended	April 30, 2024	April 30, 2023
Expected dividend yield	4.5%	4.5% - 4.6%
Expected share price volatility	17.4% - 17.6%	20.9%
Risk-free rate of return	3.3% - 3.4%	3.2%
Expected period until exercise (in years)	6.5 - 7.0	6.5 - 7.0
Exercise price (\$)	118.50	122.31

Changes to the input assumptions can result in different fair value estimates.

Pension and Other Employee Future Benefit Expenses

Pension and other employee future benefit expenses are determined as follows:

(Canadian \$ in millions)	Pension benefit plans		Other employee future benefit plans	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
For the three months ended				
Current service cost	\$ 38	\$ 41	\$ 2	\$ 2
Net interest (income) expense on net defined benefit (asset) liability	(15)	(15)	9	10
Impact of plan amendments	-	-	-	-
Administrative expenses	3	2	-	-
Benefits expense	26	28	11	12
Government pension plans expense (1)	105	121	-	-
Defined contribution expense	64	63	-	-
Total pension and other employee future benefit expenses recognized in our Consolidated Statement of Income	\$ 195	\$ 212	\$ 11	\$ 12

(1) Includes Canada Pension Plan, Quebec Pension Plan and U.S. Federal Insurance Contributions Act.

(Canadian \$ in millions)

For the six months ended	Pension benefit plans		Other employee future benefit plans	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Current service cost	\$ 76	\$ 82	\$ 3	\$ 3
Net interest (income) expense on net defined benefit (asset) liability	(30)	(32)	20	21
Impact of plan amendments	—	(1)	(84)	—
Administrative expenses	6	4	—	—
Benefits expense	52	53	(61)	24
Government pension plans expense (1)	209	197	—	—
Defined contribution expense	169	144	—	—
Total pension and other employee future benefit expenses (recovery) recognized in our Consolidated Statement of Income	\$ 430	\$ 394	\$ (61)	\$ 24

(1) Includes Canada Pension Plan, Quebec Pension Plan and U.S. Federal Insurance Contributions Act.

We amended certain other employee future benefit plans in the first quarter of 2024. These amendments have combined the administration of a few plans. In addition, we converted one defined contribution plan into a defined benefit plan and therefore brought a net asset on our Consolidated Balance Sheet equal to the surplus assets in that plan. This resulted in an \$84 million benefit of plan amendments that was recognized as a reduction in employee compensation expense. When there are surplus assets, we must assess their economic benefits to the bank. Given there are no immediate economic benefits without further plan amendments, the \$62 million in surplus assets of the combined plans are reduced to \$nil through other comprehensive income.

Note 9: Earnings Per Share

Basic earnings per share is calculated by dividing net income, after deducting dividends payable on preferred shares and distributions payable on other equity instruments, by the daily average number of fully paid common shares outstanding throughout the period.

Diluted earnings per share is calculated in the same manner, with further adjustments made to reflect the dilutive impact of instruments convertible into our common shares.

The following tables present our basic and diluted earnings per share:

Basic Earnings Per Common Share

(Canadian \$ in millions, except as noted)

	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Net income attributable to bank shareholders	\$ 1,862	\$ 1,026	\$ 3,152	\$ 1,159
Dividends on preferred shares and distributions on other equity instruments	(143)	(127)	(183)	(165)
Net income available to common shareholders	\$ 1,719	\$ 899	\$ 2,969	\$ 994
Weighted-average number of common shares outstanding (in thousands)	728,348	711,624	726,024	701,273
Basic earnings per common share (Canadian \$)	\$ 2.36	\$ 1.27	\$ 4.09	\$ 1.42

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Diluted Earnings Per Common Share

(Canadian \$ in millions, except as noted)

	For the three months ended		For the six months ended	
	April 30, 2024	April 30, 2023	April 30, 2024	April 30, 2023
Net income available to common shareholders adjusted for impact of dilutive instruments	\$ 1,719	\$ 899	\$ 2,969	\$ 994
Weighted-average number of common shares outstanding (in thousands)	728,348	711,624	726,024	701,273
Effect of dilutive instruments				
Stock options potentially exercisable (1)	4,691	4,512	3,707	4,638
Common shares potentially repurchased	(3,760)	(3,324)	(2,824)	(3,338)
Weighted-average number of diluted common shares outstanding (in thousands)	729,279	712,812	726,907	702,573
Diluted earnings per common share (Canadian \$)	\$ 2.36	\$ 1.26	\$ 4.08	\$ 1.42

(1) In computing diluted earnings per share, we excluded average stock options outstanding of 2,198,642 and 3,140,711 with a weighted-average exercise price of \$132.66 and \$131.39, respectively, for the three and six months ended April 30, 2024 (2,351,072 and 2,131,821 with a weighted-average exercise price of \$135.67 and \$136.96, respectively, for the three and six months ended April 30, 2023) as the average share price for the period did not exceed the exercise price.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Note 10: Income Taxes

Canadian tax authorities have reassessed us for additional income tax and interest in an amount of approximately \$1,465 million in respect of certain 2011-2018 Canadian corporate dividends. These reassessments denied certain dividend deductions on the basis that the dividends were received as part of a "dividend rental arrangement." In general, the tax rules raised by the Canadian tax authorities were prospectively addressed in the 2015 and 2018 Canadian federal budgets. We filed Notices of Appeal with the Tax Court of Canada and the matter is in litigation. We remain of the view that our tax filing positions were appropriate and intend to challenge all reassessments. However, if such challenges are unsuccessful, the additional expense would negatively impact our net income.

Note 11: Operating Segmentation

Operating Groups

We conduct our business through three operating groups, each of which has a distinct mandate. Our operating groups are Personal and Commercial Banking (P&C) (comprised of Canadian Personal and Commercial Banking (Canadian P&C) and U.S. Personal and Commercial Banking (U.S. P&C)), BMO Wealth Management (BMO WM) and BMO Capital Markets (BMO CM), along with a Corporate Services unit.

For additional information refer to Note 25 of our annual consolidated financial statements for the year ended October 31, 2023.

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

(Canadian \$ in millions)						
	Canadian P&C	U.S. P&C	BMO WM	BMO CM	Corporate Services (1)	Total
For the three months ended April 30, 2024						
Net interest income (2)	\$ 2,154	\$ 1,994	\$ 322	\$ 358	\$ (313)	\$ 4,515
Non-interest revenue	665	395	1,071	1,303	25	3,459
Total Revenue	2,819	2,389	1,393	1,661	(288)	7,974
Provision for credit losses on impaired loans	295	288	6	61	8	658
Provision for (recovery of) credit losses on performing loans	103	(7)	(13)	(9)	(27)	47
Total provision for (recovery of) credit losses	398	281	(7)	52	(19)	705
Depreciation and amortization	145	238	67	74	-	524
Non-interest expense	1,071	1,203	911	954	181	4,320
Income (loss) before taxes and non-controlling interest in subsidiaries	1,205	667	422	581	(450)	2,425
Provision for (recovery of) income taxes	333	124	102	122	(122)	559
Reported net income (loss)	\$ 872	\$ 543	\$ 320	\$ 459	\$ (328)	\$ 1,866
Non-controlling interest in subsidiaries	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ 4
Net income (loss) attributable to bank shareholders	\$ 872	\$ 539	\$ 320	\$ 459	\$ (328)	\$ 1,862
Average assets (3)	\$ 323,710	\$ 236,135	\$ 63,673	\$ 455,916	\$ 271,005	\$ 1,350,439
For the three months ended April 30, 2023						
Net interest income (2)	\$ 1,927	\$ 2,103	\$ 364	\$ 591	\$ (171)	\$ 4,814
Non-interest revenue	563	441	929	988	54	2,975
Total Revenue	2,490	2,544	1,293	1,579	(117)	7,789
Provision for credit losses on impaired loans	160	62	1	-	20	243
Provision for credit losses on performing loans	81	9	3	17	670	780
Total provision for credit losses	241	71	4	17	690	1,023
Depreciation and amortization	138	265	74	87	-	564
Non-interest expense	976	1,260	900	973	828	4,937
Income (loss) before taxes	1,135	948	315	502	(1,635)	1,265
Provision for (recovery of) income taxes	316	217	75	132	(504)	236
Reported net income (loss)	\$ 819	\$ 731	\$ 240	\$ 370	\$ (1,131)	\$ 1,029
Non-controlling interest in subsidiaries	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 3
Net income (loss) attributable to bank shareholders	\$ 819	\$ 731	\$ 240	\$ 370	\$ (1,134)	\$ 1,026
Average assets (3)	\$ 307,198	\$ 234,855	\$ 61,695	\$ 472,043	\$ 259,321	\$ 1,335,112

(1) Corporate Services includes Technology and Operations.

(2) Operating groups report on a taxable equivalent basis (teb). Revenue and the provision for income taxes are increased on tax-exempt securities to an equivalent before-tax basis to facilitate comparisons of income between taxable and tax-exempt sources. The offset to the groups' teb adjustments is reflected in Corporate Services revenue and provision for income taxes. Beginning January 1, 2024, we did not take the deduction for certain Canadian dividends received in BMO CM due to proposed legislation, and as a result, we no longer report this revenue on a teb.

(3) Included within average assets are average earning assets, which are comprised of deposits with other banks, deposits at central banks, securities borrowed or purchased under resale agreements, loans and securities. Total average earning assets for three months ended April 30, 2024 are \$1,217,957 million, including \$312,587 million for Canadian P&C, \$215,637 million for U.S. P&C, and \$689,733 million for all other operating segments including Corporate Services (for three months ended April 30, 2023 - Total: \$1,161,879 million, Canadian P&C: \$293,293 million, U.S. P&C: \$216,105 million and all other operating segments: \$652,481 million).

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).

(Canadian \$ in millions)

For the six months ended April 30, 2024	Canadian				Corporate		Total
	P&C	U.S. P&C	BMO WM	BMO CM	Services (1)		
Net interest income (2)	\$ 4,295	\$ 4,052	\$ 647	\$ 863	\$ (621)	\$ 9,236	
Non-interest revenue	1,302	791	2,074	2,387	(144)	6,410	
Total Revenue	5,597	4,843	2,721	3,250	(765)	15,646	
Provision for credit losses on impaired loans	533	471	9	72	46	1,131	
Provision for (recovery of) credit losses on performing loans	160	100	(3)	(42)	(14)	201	
Total provision for credit losses	693	571	6	30	32	1,332	
Depreciation and amortization	288	484	133	151	-	1,056	
Non-interest expense	2,138	2,423	1,842	1,993	781	9,177	
Income (loss) before taxes and non-controlling interest in subsidiaries	2,478	1,365	740	1,076	(1,578)	4,081	
Provision for (recovery of) income taxes	685	262	180	224	(428)	923	
Reported net income (loss)	\$ 1,793	\$ 1,103	\$ 560	\$ 852	\$ (1,150)	\$ 3,158	
Non-controlling interest in subsidiaries	\$ -	\$ 4	\$ -	\$ -	\$ 2	\$ 6	
Net income (loss) attributable to bank shareholders	\$ 1,793	\$ 1,099	\$ 560	\$ 852	\$ (1,152)	\$ 3,152	
Average assets (3)	\$ 322,349	\$ 234,219	\$ 63,093	\$ 446,962	\$ 269,435	\$ 1,336,058	

For the six months ended April 30, 2023	Canadian				Corporate		Total
	P&C	U.S. P&C	BMO WM	BMO CM	Services (1)		
Net interest income (2)	\$ 3,886	\$ 3,535	\$ 670	\$ 1,292	\$ (548)	\$ 8,835	
Non-interest revenue	1,161	743	1,751	1,986	(1,588)	4,053	
Total Revenue	5,047	4,278	2,421	3,278	(2,136)	12,888	
Provision for (recovery of) credit losses on impaired loans	295	104	2	(3)	41	439	
Provision for credit losses on performing loans	90	22	8	10	671	801	
Total provision for credit losses	385	126	10	7	712	1,240	
Depreciation and amortization	270	372	140	166	-	948	
Non-interest expense	1,949	1,968	1,758	1,985	1,275	8,935	
Income (loss) before taxes and non-controlling interest in subsidiaries	2,443	1,812	513	1,120	(4,123)	1,765	
Provision for (recovery of) income taxes	673	416	114	262	(862)	603	
Reported net income (loss)	\$ 1,770	\$ 1,396	\$ 399	\$ 858	\$ (3,261)	\$ 1,162	
Non-controlling interest in subsidiaries	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 3	
Net income (loss) attributable to bank shareholders	\$ 1,770	\$ 1,396	\$ 399	\$ 858	\$ (3,264)	\$ 1,159	
Average assets (3)	\$ 305,461	\$ 191,859	\$ 58,131	\$ 467,912	\$ 250,420	\$ 1,273,783	

(1) Corporate Services includes Technology and Operations.

(2) Operating groups report on a teb. Revenue and the provision for income taxes are increased on tax-exempt securities to an equivalent before-tax basis to facilitate comparisons of income between taxable and tax-exempt sources. The offset to the groups' teb adjustments is reflected in Corporate Services revenue and provision for income taxes. Beginning January 1, 2024, we did not take the deduction for certain Canadian dividends received in BMO CM due to proposed legislation, and as a result, we no longer report this revenue on a teb.

(3) Included within average assets are average earning assets, which are comprised of deposits with other banks, deposits at central banks, securities borrowed or purchased under resale agreements, loans and securities. Total average earning assets for six months ended April 30, 2024 are \$1,206,726 million, including \$310,145 million for Canadian P&C, \$213,978 million for U.S. P&C, and \$682,603 million for all other operating segments including Corporate Services (for six months ended April 30, 2023 - Total: \$1,121,594 million, Canadian P&C: \$291,397 million, U.S. P&C: \$178,975 million and all other operating segments: \$651,222 million).

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).