

## Prospectus Supplement to the Short Form Base Shelf Prospectus dated December 12, 2002

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This prospectus supplement, together with the short form base shelf prospectus dated December 12, 2002 to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered, sold or delivered within the United States of America, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons.*

New Issue

April 7, 2003

### Prospectus Supplement



## Bank Financial Group

### The Toronto-Dominion Bank (a Canadian chartered bank)

**\$200,000,000**  
**8,000,000 Class A First Preferred Shares, Series N**

This offering of Class A First Preferred Shares, Series N (the “Series N Shares”) of The Toronto-Dominion Bank (the “Bank”) under this prospectus supplement (the “Prospectus Supplement”) consists of 8,000,000 Series N Shares. The holders of the Series N Shares will be entitled to receive quarterly non-cumulative preferential cash dividends, as and when declared by the board of directors of the Bank (the “Board of Directors”) payable on the last day of January, April, July and October in each year (each three-month period ending on the last day of each such month, a “Quarter”). Such quarterly cash dividends, if declared, will be at a per annum rate of 4.60% per share, or \$0.2875 per share commencing on July 31, 2003 based on the anticipated closing date of this offering of April 30, 2003. See “Details of the Offering”.

Subject to the provisions of the *Bank Act* (Canada) (the “Bank Act”), including the consent of the Superintendent of Financial Institutions (Canada) (the “Superintendent”), on and after April 30, 2009, the Bank may redeem all, or from time to time any part, of the outstanding Series N Shares by the payment in cash of a sum per share equal to \$26.00 if redeemed prior to April 30, 2010; \$25.75 if redeemed on or after April 30, 2010 and prior to April 30, 2011; \$25.50 if redeemed on or after April 30, 2011 and prior to April 30, 2012; \$25.25 if redeemed on or after April 30, 2012 and prior to April 30, 2013; and \$25.00 if redeemed thereafter, together, in each case, with an amount equal to the sum (the “Accrued Amount”) of (i) all declared and unpaid dividends in respect of completed Quarters preceding the date fixed for redemption (or conversion or purchase, as applicable); and (ii) an amount equal to the cash dividend in respect of the Quarter in which the redemption (or conversion or purchase, as applicable) occurs, whether declared or not, *pro rated* to such date. See “Details of the Offering”.

Subject, if required, to the approval of the stock exchanges on which any shares of the Bank are listed, the Bank may at any time on and after April 30, 2009 convert all, or from time to time any part, of the outstanding Series N Shares, in whole or in part, into that number of whole fully-paid and freely tradeable Common Shares of the Bank (the “Common Shares”) determined by dividing the redemption price per share of the Series N Shares to be converted, together with the Accrued Amount to the date fixed for conversion, by the greater of \$2.00 and 95% of the weighted average trading price of the Common Shares at such time. See “Details of the Offering”.

Subject to the right of the Bank to redeem for cash or to find substitute purchasers, each Series N Share will be convertible at the option of the holder on the last business day of January, April, July and October in each year commencing January 31, 2014 into that number of whole fully-paid and freely tradeable Common Shares determined by dividing \$25.00, together with the Accrued Amount to the date fixed for conversion, by the greater of \$2.00 and 95% of the weighted average trading price of the Common Shares at such time. The issuance by the Bank of Common Shares upon conversion of the Series N Shares may be subject to the approval of the stock exchanges upon which any shares of the Bank are listed. See “Details of the Offering”.

The Bank has applied to list the Series N Shares on the Toronto Stock Exchange (the “TSX”). Listing will be subject to the Bank fulfilling all of the requirements of the TSX.

In the opinion of counsel, the Series N Shares, if issued on the date hereof, would qualify for investment under certain statutes as set forth under “Eligibility for Investment”.

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**PRICE: \$25.00 per Series N Share to Yield 4.60%**

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**For the 12 months ended October 31, 2002 and January 31, 2003, the ratio of the Bank’s earnings to its interest and dividend requirements was less than one-to-one.**

The Underwriters (hereinafter defined), as principals, conditionally offer the Series N Shares, subject to prior sale, if, as and when issued by the Bank and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” below, and subject to approval of certain legal matters on behalf of the Bank by McCarthy Tétrault LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. **TD Securities Inc., one of the Underwriters, is a wholly-owned subsidiary of the Bank. By virtue of such ownership, the Bank is a related and connected issuer of TD Securities Inc. under applicable securities legislation.** See “Plan of Distribution”.

	<u>Price to the Public</u>	<u>Underwriters’ Fee<sup>(1)</sup></u>	<u>Net Proceeds to the Bank<sup>(2)</sup></u>
Per Series N Share.....	\$25.00	\$0.75	\$24.25
Total.....	\$200,000,000	\$6,000,000	\$194,000,000

(1) The Underwriters’ fee is \$0.25 for each Series N Share sold to certain institutions and \$0.75 per Series N Share for all other shares sold. The commission set forth in the table assumes that no shares are sold to such institutions.

(2) Before deduction of expenses of the issue estimated at \$250,000, which, together with the Underwriters’ fee, are payable by the Bank.

Subscriptions for Series N Shares will be received by the Underwriters subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing date will be on or about April 30, 2003 or such later date as the Bank and Underwriters may agree, but in any event not later than May 21, 2003. A book-entry only certificate representing the Series N Shares will be issued in registered form only to The Canadian Depository for Securities Limited (“CDS”), or its nominee, and will be deposited with CDS on closing of this offering. A purchaser of the Series N Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Series N Shares are purchased. See “Details of the Offering —Depository Services”.

## TABLE OF CONTENTS

	Page
ELIGIBILITY FOR INVESTMENT.....	S-3
DOCUMENTS INCORPORATED BY REFERENCE .....	S-4
CHANGES TO SHARE CAPITAL OF THE BANK .....	S-4
RECENT DEVELOPMENTS .....	S-5
DETAILS OF THE OFFERING .....	S-5
RATINGS.....	S-8
BANK ACT RESTRICTIONS AND APPROVALS .....	S-8
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	S-9
EARNINGS COVERAGE .....	S-10
PLAN OF DISTRIBUTION.....	S-11
RISK FACTORS .....	S-12
USE OF PROCEEDS .....	S-12
LEGAL MATTERS .....	S-12
TRANSFER AGENT AND REGISTRAR.....	S-12
PURCHASERS’ STATUTORY RIGHTS .....	S-12
CERTIFICATE OF THE UNDERWRITERS.....	S-13

In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of the Bank dated December 12, 2002 (the “Prospectus”) are used herein with the meanings defined therein.

### ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tjrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, subject to compliance with the prudent investment standards and the general investment provisions and restrictions of the statutes referred to below and, where applicable, the regulations thereunder and, in certain cases, subject to satisfaction of additional requirements relating to investment or lending policies or goals and, in certain cases, the filing of such policies or goals, the Series N Shares to be issued by the Bank, if issued on the date hereof, would not be precluded as investments under or by the following statutes:

<p><i>Insurance Companies Act</i> (Canada)</p> <p><i>Pension Benefits Standards Act, 1985</i> (Canada)</p> <p><i>Trust and Loan Companies Act</i> (Canada)</p> <p><i>Financial Institutions Act</i> (British Columbia)</p> <p><i>Insurance Act</i> (Alberta)</p> <p><i>Loan and Trust Corporations Act</i> (Alberta)</p> <p><i>Pension Benefits Act</i> (Ontario)</p>	<p><i>Supplemental Pension Plans Act</i> (Québec) (for a plan governed thereby)</p> <p><i>An Act respecting insurance</i> (Québec) (for an insurer, as defined therein, other than a guarantee fund corporation)</p> <p><i>An Act respecting trust companies and savings companies</i> (Québec) (for a trust company, as defined therein, investing its own funds and funds received as deposits and for a savings company, as defined therein, investing its funds)</p>
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In the opinion of such counsel, the Series N Shares to be issued under this Prospectus Supplement, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) (the “Tax Act”) for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans at that time. In addition, the Series N Shares, if issued on the date hereof, would not be foreign property for purposes of Part XI of the Tax Act at that time.

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the offering of the Series N Shares. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. In addition, the following documents filed with the Superintendent and the various securities commissions or similar authorities in Canada are incorporated by reference into this Prospectus Supplement:

- (a) the Bank's Annual Information Form dated January 24, 2003, which incorporates by reference the Bank's Annual Report to Shareholders (the "Annual Report") for the year ended October 31, 2002, which includes comparative consolidated audited financial statements and the auditors' report thereon and Management's Discussion and Analysis of Operating Performance;
- (b) Management Proxy Circular dated as of January 27, 2003 (excluding those portions which, pursuant to National Instrument 44-101 of the Canadian Securities Administrators, are not required to be incorporated by reference herein);
- (c) the Bank's First Quarter 2003 Report to Shareholders for the three months ended January 31, 2003, which includes comparative consolidated interim financial statements (unaudited) and Management's Discussion and Analysis of Operating Performance; and
- (d) the Bank's Material Change Report dated April 7, 2003 concerning the restructuring of its international wealth management unit and U.S. equity options group.

Any statement contained in this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

## **CHANGES TO SHARE CAPITAL OF THE BANK**

The following material changes in the share capital of the Bank on a consolidated basis occurred after the fiscal year ended October 31, 2002:

- (a) on February 3, 2003, the Bank issued 14,000,000 Class A First Preferred Shares, Series M at a price of \$25.00 per share for gross proceeds of \$350 million;
- (b) on February 3, 2003, the Bank redeemed all of its 6,000,000 outstanding Class A First Preferred Shares, Series K at a price of \$25.00 per share for an aggregate redemption amount of \$150 million; and
- (c) on February 3, 2003, the Bank redeemed all of its 2,000,000 outstanding Class A First Preferred Shares, Series L at a price of U.S.\$25.00 per share for an aggregate redemption amount of U.S.\$50 million.

On February 28, 2003, the Bank announced that it will exercise its right to redeem all of its 7,000,000 outstanding Class A First Preferred Shares, Series G on May 1, 2003 at a price per share of U.S.\$25.00 for an expected aggregate redemption amount of U.S.\$175 million.

## RECENT DEVELOPMENTS

The Bank announced on April 3, 2003 that it will restructure the international unit of its wealth management business, TD Waterhouse, and the U.S. equity options arm of its wholesale banking operation, TD Securities. Restructuring plans are to be finalized and in place by the end of the second quarter and substantially implemented by the end of the current fiscal year.

## DETAILS OF THE OFFERING

The following is a summary of certain provisions attaching to the Series N Shares as a series. See “Description of Preferred Shares” in the Prospectus for a description of the general terms and provisions of the Class A First Preferred Shares of the Bank as a class.

### Issue Price

The Series N Shares will have an issue price of \$25.00 per share.

### Dividends on Series N Shares

The holders of the Series N Shares will be entitled to receive quarterly non-cumulative preferential cash dividends at a per annum rate of 4.60%, as and when declared by the Board of Directors, payable, on the last day of January, April, July and October. Such quarterly cash dividends, if declared, will be \$0.2875 per share. The first such dividend, if declared, will be payable on July 31, 2003 and will be \$0.2875 per share, based on the anticipated closing date of this offering of April 30, 2003. If the Board of Directors of the Bank does not declare a dividend, or any part thereof, on the Series N Shares on or before the dividend payment date therefor, then the rights of the holders of the Series N Shares to such dividend, or to any part thereof, will be extinguished.

### Redemption of Series N Shares

The Series N Shares will not be redeemable prior to April 30, 2009. On and after April 30, 2009, but subject to the provisions of the Bank Act, including the consent of the Superintendent, and subject to the provisions described below under “Details of the Offering - Restrictions on Dividends and Retirement of Series N Shares”, the Bank may redeem all, or from time to time any part, of the outstanding Series N Shares by the payment in cash of a sum per share equal to \$26.00 if redeemed prior to April 30, 2010; \$25.75 if redeemed on or after April 30, 2010 and prior to April 30, 2011; \$25.50 if redeemed on or after April 30, 2011 and prior to April 30, 2012; \$25.25 if redeemed on or after April 30, 2012 and prior to April 30, 2013; and \$25.00 if redeemed thereafter, together, in each case, with an amount equal to the Accrued Amount to the date fixed for redemption.

Notice of any redemption of the Series N Shares will be given in writing by the Bank not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series N Shares are at any time to be redeemed, the shares to be redeemed will be selected by lot or *pro rata* disregarding fractions or in such other manner as the Bank may determine.

### Conversion of Series N Shares at the Option of the Bank

The Series N Shares will not be convertible at the option of the Bank prior to April 30, 2009. On and after that date, the Bank may, subject to the approval, if required, of the stock exchanges upon which any shares of the Bank are listed, convert all, or from time to time any part, of the outstanding Series N Shares into that number of whole fully-paid and freely tradeable Common Shares determined by dividing the redemption price per share of the Series N Shares to be converted, together with the Accrued Amount to the date fixed for conversion, by the greater of \$2.00 and 95% of the weighted average trading price of the Common Shares on the TSX for the 20 trading days ending on or before the fourth day prior to the date fixed for conversion. Fractional Common Shares will not be issued on any conversion of Series N Shares but in lieu thereof the Bank will make cash payments.

Notice of any conversion of Series N Shares will be given in writing by the Bank not less than 40 days prior to the date fixed for conversion. If less than all the outstanding Series N Shares are at any time to be converted, the shares to be converted will be selected by lot or *pro rata* disregarding fractions or in such other manner as the Bank may determine.

Upon exercise by the Bank of its right to convert Series N Shares into Common Shares, the Bank reserves the right not to issue Common Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction. See also “Bank Act Restrictions and Restrictions on Payment of Dividends” in the Prospectus.

#### **Conversion of Series N Shares at the Option of the Holder**

The Series N Shares will not be convertible at the option of the holder prior to January 31, 2014. Subject to the rights of the Bank described below, on the last business day of January, April, July and October in each year commencing on January 31, 2014, each Series N Share will be convertible at the option of the holder on not more than 90 and not less than 65 days written notice (which notice shall be irrevocable) into that number of whole fully-paid and freely tradeable Common Shares determined by dividing \$25.00, together with the Accrued Amount to the date fixed for conversion, by the greater of \$2.00 and 95% of the weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on or before the fourth day prior to the date fixed for the conversion. Fractional shares will not be issued on any conversion of the Series N Shares but in lieu thereof the Bank will make cash payments. The issuance by the Bank of Common Shares upon conversion of the Series N Shares may be subject to the approval of the stock exchanges upon which any shares of the Bank are listed.

Subject to the provisions of the Bank Act, including the consent of the Superintendent, and to the provisions described below under “Details of the Offering Shares – Restrictions on Dividends and Retirement of Series N Shares”, as applicable, the Bank may by notice given not later than 40 days before the date fixed for conversion to all holders who have given a conversion notice either (i) redeem on the business day after the date fixed for conversion all but not less than all of the Series N Shares forming the subject matter of the applicable conversion notice; or (ii) cause the holder of such Series N Shares to sell on the business day after the date fixed for conversion such Series N Shares to another purchaser or purchasers in the event that a purchaser or purchasers willing to purchase all but not less than all of such Series N Shares is or are found. Any such redemption or purchase shall be made by the payment of an amount in cash of \$25.00 per share, together with the Accrued Amount to the date fixed for redemption or purchase. In such event, the Series N Shares to be so redeemed or purchased shall not be converted on the date set forth in the conversion notice.

Upon exercise by the holder of its right to convert the Series N Shares, the Bank reserves the right not to issue Common Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction. See also “Bank Act Restrictions and Restrictions on Payment of Dividends” in the Prospectus.

#### **Conversion of Series N Shares into Another Series of Preferred Shares at the Option of the Holder**

The Bank may at any time on and after April 30, 2013 give holders of the Series N Shares notice that they have the right, pursuant to the terms of the Series N Shares, at their option, to convert their Series N Shares on the date specified in the notice into fully-paid New Preferred Shares (as hereinafter defined) on a share for share basis. Notice shall be given by the Bank in writing not more than 60 and not less than 30 days prior to such conversion date.

“New Preferred Shares” means a further series of Class A First Preferred Shares constituted by the Board of Directors of the Bank having rights, privileges, restrictions and conditions attaching thereto which would qualify such New Preferred Shares as Tier 1 Capital or equivalent of the Bank under the then current capital adequacy guidelines prescribed by the Superintendent if applicable, and if not applicable, having such rights, privileges, restrictions and conditions as the Board of Directors may determine.

Upon exercise by the holder of this right to convert Series N Shares into New Preferred Shares, the Bank reserves the right not to issue New Preferred Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction. See also “Bank Act Restrictions and Restrictions on Payment of Dividends” in the Prospectus.

### **Purchase for Cancellation**

Subject to the provisions of the Bank Act, including the consent of the Superintendent, and to the provisions described below under “Details of the Offering - Restrictions on Dividends and Retirement of Series N Shares”, the Bank may at any time purchase for cancellation any Series N Shares at the lowest price or prices at which, in the opinion of the Board of Directors, such shares are obtainable.

### **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Bank, the holders of the Series N Shares will be entitled to receive a sum per share equal to \$25.00, together with the amount of declared and unpaid dividends to the date of payment, before any amount shall be paid or any assets of the Bank distributed to the holders of Common Shares or other shares ranking junior to the Series N Shares. The holders of the Series N Shares will not be entitled to share in any further distribution of the property or assets of the Bank.

### **Restrictions on Dividends and Retirement of Series N Shares**

So long as any Series N Shares are outstanding, the Bank will not, without the approval of the holders of the Series N Shares given as specified below:

- (a) declare any dividend on the Common Shares or any other shares ranking junior to the Series N Shares (other than stock dividends on shares ranking junior to the Series N Shares); or
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series N Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series N Shares); or
- (c) redeem, purchase or otherwise retire: (i) less than all the Series N Shares; or (ii) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the Bank, any other shares ranking prior to or on a parity with the Series N Shares;

unless, in each case, all dividends on the Series N Shares up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends then accrued on all other shares ranking prior to or on a parity with the Series N Shares, have been declared and paid or set apart for payment.

### **Amendment of Series N Share Provisions**

The provisions attaching to the Series N Shares may not be deleted or varied without such approval as may then be required by the Bank Act, subject to a minimum requirement for approval by at least two-thirds of the votes cast at a meeting of the holders of Series N Shares duly called for the purpose or by the signature of the holders of at least two-thirds of the Series N Shares outstanding.

### **Voting Rights**

The holders of the Series N Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of the shareholders of the Bank unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under “Details of the Offering - Dividends on Series N Shares” above. In that event, the holders of the Series N Shares will be entitled to receive notice of, and to attend, all meetings of the shareholders at which directors are to be elected and will be entitled to one vote for each share held. The voting rights of the holders of the Series N Shares shall forthwith cease upon the first payment by the Bank of a

dividend on the Series N Shares to which the holders are entitled subsequent to the time such voting rights arose. At such time as the rights of such holders to any undeclared dividends on the Series N Shares have again been extinguished, such voting rights will become effective again and so on from time to time.

### **Depository Services**

Except as otherwise provided below, the Series N Shares will be issued in “book-entry only” form and must be purchased, transferred, converted or redeemed through participants (“Participants”) in the depository service of CDS or its nominee. Each of the Underwriters is a Participant. On the closing of this offering, the Bank will cause a global certificate or certificates representing the Series N Shares to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Series N Shares will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Series N Shares will receive a customer confirmation of purchase from the registered dealer from which the Series N Shares are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Series N Shares. Reference in this Prospectus Supplement to a holder of Series N Shares means, unless the context otherwise requires, the owner of the beneficial interest in the Series N Shares.

If the Bank determines, or CDS notifies the Bank in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series N Shares and the Bank is unable to locate a qualified successor, or if the Bank at its option elects, or is required by law, to withdraw the Series N Shares from the book-entry system, then Series N Shares will be issued in fully registered form to holders or their nominees.

### **RATINGS**

The Series N Shares have been given a preliminary rating of Pfd-1 (low) n with negative outlook by Dominion Bond Rating Service Limited (“DBRS”) and P-1 (Low) with stable outlook by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. (“S&P”).

A Pfd-1 rating by DBRS is the highest of five categories granted by DBRS for preferred shares. The “n” designation is attached to all ratings for securities that are non-cumulative. A P-1 rating by S&P is the highest of the five categories used by S&P in its Canadian preferred share rating scale. “High” and “Low” grades may be used to indicate the relative standing of a credit within a particular rating category. A rating outlook, expressed as positive, stable or negative, provides an opinion regarding the likely direction of any medium-term rating actions.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series N Shares may not reflect the potential impact of all risks on the value of the Series N Shares. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

### **BANK ACT RESTRICTIONS AND APPROVALS**

The Prospectus sets out a summary of the restrictions contained in the Bank Act concerning the declaration and payment of dividends. The Bank does not anticipate that such restrictions will prevent a declaration or payment of dividends on the Series N Shares in the normal course and the Superintendent has not made any direction to the Bank pursuant to the Bank Act regarding its capital or its liquidity.

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series N Shares pursuant to this Prospectus Supplement (a “Holder”) who, for purposes of the Tax Act, at all relevant times, is a resident of Canada, deals at arm’s length with and is not affiliated with the Bank, holds his or her Series N Shares as capital property and is not exempt from tax under Part I of the Tax Act.

This summary does not take into account the “mark to market” rules contained in the Tax Act which apply to “financial institutions” (as defined in the Tax Act), and does not apply to a “specified financial institution” (as defined in the Tax Act) that receives (or is deemed to receive), alone or together with persons with whom it does not deal at arm’s length within the meaning of the Tax Act, in the aggregate dividends in respect of more than 10% of the issued and outstanding Series N Shares outstanding at the time of the dividend (or deemed dividend).

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser. Accordingly, prospective purchasers should consult their own tax advisors with respect to their particular circumstances.**

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the “Regulations”), all specific proposals to amend the Tax Act and the Regulations (the “Proposed Amendments”) publicly announced by the Minister of Finance (Canada) prior to the date hereof and counsel’s understanding of the current published administrative and assessing practices of the Canada Customs and Revenue Agency (the “CCRA”). This summary is not exhaustive of all possible Canadian federal income tax considerations, and, except for the Proposed Amendments, does not take into account or anticipate any change in law or administrative or assessing practice, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax legislation or considerations. With respect to the Proposed Amendments, no assurance can be given that the Proposed Amendments will become law as proposed or at all.

### Dividends

Dividends (including deemed dividends) received on the Series N Shares by an individual will be included in the individual’s income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. Dividends (including deemed dividends) received on the Series N Shares by a corporation to which this summary applies will be included in computing its income and generally will be deductible in computing its taxable income.

The Series N Shares will be “taxable preferred shares” as defined in the Tax Act. The terms of the Series N Shares require the Bank to make the necessary election under Part VI.1 of the Tax Act so that corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series N Shares.

A “private corporation”, as defined in the Tax Act, or any other corporation controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay refundable tax under Part IV of the Tax Act of 33 1/3% on dividends received (or deemed to be received) on the Series N Shares to the extent such dividends are deductible in computing its taxable income.

### Dispositions

A Holder who disposes of or is deemed to dispose of Series N Shares (including on a redemption or acquisition by the Bank, but not including a conversion of the Series N Shares into Common Shares) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to such Holder. The amount of any deemed dividend arising on the redemption or acquisition by the Bank of Series N Shares generally will not be included in computing the proceeds of disposition to a Holder for purposes of computing the capital gain or capital loss arising on the disposition of such Series N Shares. If the Holder is a corporation, any capital loss arising on the

disposition of a Series N Share may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such Series N Share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Generally, one-half of any capital gain will be included in computing the Holder's income as a taxable capital gain. One-half of any capital loss may be deducted from the Holder's taxable capital gains in accordance with the rules contained in the Tax Act. Capital gains realized by an individual may give rise to minimum tax under the Tax Act. Taxable capital gains of a Canadian-controlled private corporation may be subject to an additional refundable tax of 6 2/3% on such taxable capital gains.

### **Redemption**

If the Bank redeems or acquires Series N Shares, other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market or by reason of a conversion of the Series N Shares into Common Shares, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. Generally, the difference between the amount paid by the Bank and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the deemed dividend may be treated as proceeds of disposition and not as a dividend.

### **Conversion**

The conversion of the Series N Shares into Common Shares will be deemed not to constitute a disposition of such Series N Shares and will not give rise to any deemed dividend or capital gain or capital loss. The cost to the Holder of the Common Shares issued on such conversion will, subject to averaging rules contained in the Tax Act, be equal to the adjusted cost base to such Holder of such Series N Shares immediately before such conversion.

Pursuant to counsels' understanding of the CCRA's current administrative practice, a Holder of Series N Shares who, on conversion into Common Shares, receives cash not exceeding \$200 in lieu of a fractional share will have the option of recognizing the capital gain or capital loss arising on the disposition of the fractional share in computing the Holder's income for the taxation year in which the conversion occurs or, alternatively, of reducing the adjusted cost base of the Common Shares received at the time of the conversion by the amount of cash received by the Holder.

The fair market value of Common Shares received on a conversion in respect of declared and unpaid dividends (such fair market value to be determined at the time of receipt) will be included in a Holder's income as a dividend and, subject to the averaging rules contained in the Tax Act, will be the cost to the Holder of such Common Shares. See "Dividends".

## **EARNINGS COVERAGE**

The Bank's dividend requirements on all of its outstanding Class A First Preferred Shares, after giving effect to the issue of the Bank's Class A First Preferred Shares, Series M Shares and the Series N Shares and the redemption of the Bank's Class A First Preferred Shares, Series G, the Bank's Class A First Preferred Shares, Series K, and the Bank's Class A First Preferred Shares, Series L, and adjusted to a before-tax equivalent using an effective tax rate of 38.4%, amounted to \$138 million for the 12 months ended October 31, 2002 and \$138 million for the 12 months ended January 31, 2003. The Bank's interest requirements on all subordinated debt, after adjustment for new issues and retirement of subordinated debt, amounted to \$378 million and \$377 million for the 12 months ended October 31, 2002 and January 31, 2003, respectively. The Bank's net loss before interest on subordinated debt, income taxes and preferred dividends (defined as "earnings") on a reported basis, for the 12 months ended October 31, 2002 and January 31, 2003 was \$234 million and \$192 million, respectively. The dollar amount of the coverage deficiency to attain a ratio of one-to-one of the Bank's earnings to its aggregate dividend and interest requirements for the 12 months ended October 31, 2002 and January 31, 2003 was \$750 million and \$707 million, respectively. On an operating cash basis, the Bank's combined dividend and interest requirements were \$516 million, which is comprised of dividend requirements of \$138 million and interest requirements of \$378 million, for the fiscal year ended October 31, 2002 and \$515 million, which is comprised of dividend requirements of \$138 million and interest

requirements of \$377 million, for the 12 months ended January 31, 2003. The Bank's operating cash basis earnings were \$724 million for the fiscal year ended October 31, 2002, which was 1.4 times the Bank's dividend and interest requirements for the period, and \$722 million for the 12 months ended January 31, 2003, which was 1.4 times the Bank's dividend and interest requirements for the period.

### **PLAN OF DISTRIBUTION**

Under an underwriting agreement (the "Underwriting Agreement") dated as of April 7, 2003 between the Bank and TD Securities Inc. and the other underwriters whose names appear under the heading "Certificate of the Underwriters" (together, the "Underwriters"), the Bank has agreed to sell and the Underwriters have severally agreed to purchase on April 30, 2003 or such later date as may be agreed upon, but not later than May 21, 2003, subject to the terms and conditions stated therein, all but not less than all of the 8,000,000 Series N Shares at a price of \$25.00 per share payable in cash to the Bank against delivery of such Series N Shares. The obligations of the Underwriters under the Underwriting Agreement may be terminated if there should occur conditions of national or international consequence which may seriously adversely affect the Canadian financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series N Shares if any Series N Shares are purchased under the Underwriting Agreement.

The Underwriting Agreement provides that the Underwriters will be paid a fee equal to \$0.25 per share in respect of Series N Shares sold to certain institutions and \$0.75 per share in respect of all other Series N Shares, on account of underwriting services rendered in connection with this offering, which fees will be paid out of the general funds of the Bank.

Pursuant to policy statements of the Ontario Securities Commission and the Commission des valeurs mobilières du Québec, the Underwriters may not, throughout the period of distribution, bid for or purchase the Series N Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Series N Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. The Bank has been advised that, in connection with this offering and subject to the foregoing, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series N Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

TD Securities Inc., one of the Underwriters, is a wholly-owned subsidiary of the Bank. By virtue of such ownership, the Bank is a related and connected issuer of TD Securities Inc. under applicable securities legislation. The decision to distribute the Series N Shares and the determination of the terms of the distribution were made through negotiations between the Bank on the one hand and the Underwriters on the other hand. TD Securities Inc. will not receive any benefit in connection with this offering, other than its share of the Underwriters' fee payable by the Bank.

Under applicable securities laws, CIBC World Markets Inc. ("CIBCWM") is an independent underwriter in connection with this offering and is not related or connected to the Bank or to TD Securities Inc. In that capacity, CIBCWM has participated with all other Underwriters in due diligence meetings relating to this Prospectus Supplement with the Bank and its representatives, has reviewed this Prospectus Supplement and has had the opportunity to propose such changes to this Prospectus Supplement as it considered appropriate. In addition, CIBCWM has participated, together with the other Underwriters, in the structuring and pricing of this offering.

## **RISK FACTORS**

An investment in the Series N Shares is subject to certain risks including those set out in the Prospectus and the following. From time to time, the stock market experiences significant price and volume volatility that may affect the market price for reasons unrelated to the Bank's performance. Additionally, the value of the Series N Shares is subject to market value fluctuations based upon factors which influence the Bank's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

Real or anticipated changes in credit ratings on the Series N Shares may affect the market value of the Series N Shares. The Series N Shares are equity capital of the Bank which rank equally with other Class A First Preferred Shares of the Bank in the event of an insolvency or winding-up of the Bank. If the Bank becomes insolvent or is wound-up, the Bank's assets must be used to pay deposit liabilities and other debt, including subordinated debt, before payments may be made on the Series N Shares and other Class A First Preferred Shares. Prevailing yields on similar securities will also affect the market value of the Series N Shares.

## **USE OF PROCEEDS**

The net proceeds to the Bank from the sale of the Series N Shares, after deducting expenses of issue, will be used for general purposes of the Bank.

## **LEGAL MATTERS**

In connection with the issue and sale of the Series N Shares, certain legal matters will be passed upon on behalf of the Bank by McCarthy Tétrault LLP and on behalf of the Underwriters by Fasken Martineau DuMoulin LLP. As of the date hereof, partners, counsel and associates of McCarthy Tétrault LLP and Fasken Martineau DuMoulin LLP, respectively, as a group, beneficially own, directly or indirectly, less than one percent of any securities of the Bank or any associates or affiliates of the Bank.

## **TRANSFER AGENT AND REGISTRAR**

CIBC Mellon Trust Company, Toronto, is a transfer agent and registrar for the Series N Shares and is the transfer agent and registrar for each outstanding series of Class A First Preferred Shares and the Common Shares.

## **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## CERTIFICATE OF THE UNDERWRITERS

Dated: April 7, 2003

To the best of our knowledge, information and belief, the short form base shelf prospectus dated December 12, 2002, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the Bank Act and the regulations thereunder and by the securities legislation of all provinces and territories of Canada and does not contain any misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

TD SECURITIES INC.

By: (signed) J. David Beattie

CIBC WORLD MARKETS INC.

By: (signed) Donald A. Fox

BMO NESBITT BURNS INC.

By: (signed) Peter K. Marchant

RBC DOMINION SECURITIES INC.

By: (signed) Barry Nowoselski

SCOTIA CAPITAL INC.

By: (signed) Mary Robertson

NATIONAL BANK FINANCIAL INC.

By: (signed) Ian McPherson

HSBC SECURITIES (CANADA) INC.

By: (signed) Patrick M. Nolan

DESJARDINS SECURITIES INC.

By: (signed) Jean-Pierre Colin

TRILON SECURITIES CORPORATION

By: (signed) Trevor D. Kerr

## Short Form Base Shelf Prospectus

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

*This short form prospectus is referred to as a base shelf prospectus and has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commission or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Executive Vice President, General Counsel and Secretary of The Toronto-Dominion Bank at the following address: Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, Canada, M5K 1A2 (telephone: (416) 308-6963). For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Executive Vice President, General Counsel and Secretary of The Toronto-Dominion Bank at the above-mentioned address and telephone number.*

New Issue

December 12, 2002

### Short Form Base Shelf Prospectus



## THE TORONTO-DOMINION BANK

*(a Canadian chartered bank)*

**\$4,000,000,000**

**Debt Securities (subordinated indebtedness)**

**Common Shares**

**Class A First Preferred Shares**

The Toronto-Dominion Bank (the “Bank”) may from time to time offer and issue the following securities: (i) unsecured debt securities (“Debt Securities”); (ii) common shares (“Common Shares”); and (iii) Class A First Preferred Shares (“Preferred Shares”). The Debt Securities, Common Shares and Preferred Shares (collectively, the “Securities”) offered hereby may be offered separately or together, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a “Prospectus Supplement”). All shelf information omitted from this short form base shelf prospectus (the “Prospectus”) will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. The Bank may sell up to \$4,000,000,000 in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof if any of the Securities are denominated in a foreign currency or currency unit) during the 25 month period that this Prospectus, including any amendments thereto, remains valid. All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise indicated.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Common Shares, the number of shares and offering price; and (iii) in the case of Preferred Shares, the designation of the particular series, aggregate principal amount, the number of shares offered, the issue price, the

dividend rate, the dividend payment dates, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms.

The outstanding Common Shares are currently listed on the Toronto, New York, London and Tokyo stock exchanges and the outstanding Preferred Shares Series G, H, J, K and L are listed on the Toronto Stock Exchange. Unless otherwise specified in the applicable Prospectus Supplement, it is the Bank's intention to list any Common Shares or Preferred Shares offered hereby on the Toronto Stock Exchange, and in the case of Common Shares, also on the New York, London and Tokyo stock exchanges.

The Securities may be sold through underwriters or dealers purchasing as principals, through agents designated by the Bank (such underwriters, dealers and agents are collectively referred to in this Prospectus as "Investment Dealers" and individually as an "Investment Dealer") or by the Bank directly pursuant to applicable statutory exemptions, from time to time. See "Plan of Distribution". Each Prospectus Supplement will identify each Investment Dealer engaged in connection with the offering and sale of those Securities to which the Prospectus Supplement relates, and will also set forth the terms of the offering of such Securities including the net proceeds to the Bank and, to the extent applicable, any fees payable to the Investment Dealers. The offerings are subject to approval of certain legal matters on behalf of the Bank by McCarthy Tétrault LLP and Simpson Thacher & Bartlett.

**The Debt Securities will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the "Bank Act") and will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada) or by the U.S. Federal Deposit Insurance Corporation.**

## TABLE OF CONTENTS

	Page
FORWARD-LOOKING STATEMENTS .....	3
DOCUMENTS INCORPORATED BY REFERENCE .....	3
AVAILABLE INFORMATION .....	5
THE TORONTO-DOMINION BANK .....	5
DESCRIPTION OF THE DEBT SECURITIES.....	6
DESCRIPTION OF COMMON SHARES.....	7
DESCRIPTION OF PREFERRED SHARES .....	8
BOOK-ENTRY ONLY SECURITIES.....	9
BANK ACT RESTRICTIONS AND RESTRICTIONS ON PAYMENT OF DIVIDENDS.....	11
EARNINGS COVERAGE .....	11
PLAN OF DISTRIBUTION.....	12
RISK FACTORS .....	13
USE OF PROCEEDS .....	13
LEGAL MATTERS .....	13
PURCHASERS' STATUTORY RIGHTS .....	13
CERTIFICATE OF THE BANK.....	C-1

### FORWARD-LOOKING STATEMENTS

This Prospectus, including those documents incorporated by reference, may contain forward-looking statements, including statements regarding the business and anticipated financial performance of the Bank. These statements, which, for U.S. purposes, are made pursuant to the “safe harbour” provisions of the U.S. *Private Securities Reform Act of 1995*, are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Some of the factors that could cause such differences include legislative or regulatory developments, competition, technological change, global capital market activity, changes in interest rates, changes in government and economic policy, inflation and general economic conditions in geographic areas where the Bank operates. These and other factors should be considered carefully and undue reliance should not be placed on the Bank’s forward-looking statements. The Bank does not undertake to update any forward-looking statements. See “Risk Factors”.

### DOCUMENTS INCORPORATED BY REFERENCE

The following documents with respect to the Bank, filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference in and form an integral part of this Prospectus:

- (a) the Bank’s Annual Information Form dated February 26, 2002 which incorporates by reference the Bank’s:
  - (i) Annual Report to Shareholders (the “Annual Report”) for the year ended October 31, 2001 which includes comparative consolidated audited financial statements and the auditors’ report thereon and Management’s Discussion and Analysis of Operating Performance; and
  - (ii) Management Proxy Circular dated as of January 28, 2002 (excluding those portions which, pursuant to National Instrument 44-101 of the Canadian Securities Administrators, are not required to be incorporated by reference herein);

- (b) the Bank's Third Quarter 2002 Report to Shareholders for the nine months ended July 31, 2002, which includes comparative consolidated interim financial statements (unaudited) and Management's Discussion and Analysis of Operating Performance;
- (c) the Bank's Material Change Report dated November 13, 2002 concerning a reorganization of its corporate lending business and certain loan loss provisions for the quarter ended October 31, 2002;
- (d) the Bank's press release dated November 27, 2002 respecting the Bank's financial results for the quarter ended October 31, 2002; and
- (e) the Bank's annual statement (the "Annual Statement") for the year ended October 31, 2002, which includes comparative consolidated audited financial statements and the auditors' report thereon.

Any documents of the type referred to above (excluding confidential material change reports), all as filed by the Bank with the various securities commissions or similar authorities in Canada pursuant to the requirements of applicable securities legislation, after the date of this Prospectus and prior to the termination of the offering of Securities under any Prospectus Supplement, shall be deemed to be incorporated by reference into this Prospectus. In addition, any similar documents filed on Form 6-K or Form 40-F by the Bank with the U.S. Securities and Exchange Commission (the "SEC"), after the date of this Prospectus and prior to the termination of the offering of Securities under any Prospectus Supplement, shall be deemed to be incorporated by reference into this Prospectus, if and to the extent expressly provided in such reports on Form 6-K or Form 40-F.

Updated earnings coverage ratios, as required, will be filed quarterly with the applicable securities commissions or similar authorities in Canada, either as Prospectus Supplements or as exhibits to the Bank's unaudited interim and audited annual financial statements, and will be deemed to be incorporated by reference into this Prospectus. Where the Bank updates its disclosure of earnings coverage ratios by Prospectus Supplement, the Prospectus Supplement filed with the applicable securities commissions or similar authorities that contains the most recent updated disclosure of earnings coverage ratios will be delivered to all subsequent purchasers of Securities together with this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Executive Vice President, General Counsel and Secretary of The Toronto-Dominion Bank, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2 (telephone: (416) 308-6963). For the purpose of the Province of Québec, this Prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may also be obtained from the Executive Vice President, General Counsel and Secretary of the Bank.

A Prospectus Supplement containing the specific terms of an offering of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of the Prospectus Supplement solely for the purposes of the offering of the Securities covered by that Prospectus Supplement unless otherwise expressly provided therein.

Upon a new Annual Information Form and the related Annual Report (including the annual financial statements together with the auditors' report thereon and management's discussion and analysis contained therein) being filed by the Bank with, and where required, accepted by, the applicable securities regulatory authorities during

the currency of this Prospectus, the previous Annual Information Form, the previous Annual Report (including the annual financial statements together with the auditors' report thereon and management's discussion and analysis contained therein) and all interim financial statements, material change reports, and information circulars filed prior to the commencement of the Bank's financial year in which the new Annual Information Form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

## AVAILABLE INFORMATION

The Bank is subject to the informational requirements of the U.S. *Securities Exchange Act of 1934*, as amended, and in accordance therewith files reports and other information with the SEC. Such reports and other information filed by the Bank may be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. Copies of such materials can also be obtained at prescribed rates from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. Prospective investors may call the SEC at 1-800-SEC-0330 for further information regarding the Public Reference facilities. The SEC also maintains a website, at <http://www.sec.gov>, that contains reports and other information filed by the Bank with the SEC on or after October 22, 2002. In addition, such reports and other information concerning the Bank may also be inspected at the offices of The New York Stock Exchange, 20 Broad Street, New York, NY 10005.

The Bank is filing with the SEC a registration statement on Form F-10 under the U.S. *Securities Act of 1933*, as amended, with respect to the Securities. This Prospectus does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to the Bank and the Securities, reference is made to the registration statement and the exhibits thereto, which will be publicly available as described in the preceding paragraph.

## THE TORONTO-DOMINION BANK

### General

The Bank, a chartered bank subject to the provisions of the Bank Act, was formed on February 1, 1955 through the amalgamation of The Bank of Toronto (chartered in 1855) and The Dominion Bank (chartered in 1869).

As at October 31, 2002 the Bank was the third largest Canadian bank in terms of total assets, with approximately \$278 billion of total assets. The Bank offers a full range of financial services and products to approximately 13 million customers in Canada and around the world through the Bank and its subsidiaries. The Bank is organized into three key businesses: personal and commercial banking including TD Canada Trust; wealth management including the global operations of TD Waterhouse; and a leading wholesale bank, TD Securities, operating in over 20 locations in key financial centers around the globe.

The Bank's head office and registered office are located in the Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1A2.

The ownership by the Bank, either directly or through its subsidiaries, of the voting and non-voting securities of its principal subsidiaries is set out on pages 39 and 40 of the Annual Statement.

Certain information regarding the Bank is incorporated by reference into this Prospectus. See "Documents Incorporated by Reference".

### Recent Developments

On November 4, 2002, the Bank announced that it will split its corporate lending business into "core" business, which the Bank intends to continue, and "non-core" business which the Bank intends to exit. The Bank also announced that it will increase its loan loss provisions for the quarter ended October 31, 2002 from \$175 million to \$300 million and that it will take a one-time provision of \$600 million in the quarter.

## DESCRIPTION OF THE DEBT SECURITIES

The following is a summary of the material attributes and characteristics of the subordinated indebtedness of the Bank evidenced by the Debt Securities, which does not purport to be complete. Reference is made to the Trust Indenture referred to below for the full text of such attributes and characteristics. A copy of the Trust Indenture may be obtained on request from the Executive Vice President, General Counsel and Secretary of the Bank at the following address: Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, Canada, M5K 1A2 (telephone: (416) 308-6963).

### General

The Debt Securities will be issued as one or more series of debentures pursuant to the provisions of a trust indenture dated as of May 2, 1967 between the Bank and Canada Permanent Trust Company (now Computershare Trust Company of Canada) as trustee (the "Trustee"), as supplemented from time to time (including by supplemental indentures to be entered into with respect to each offering of Debt Securities) (collectively, the "Trust Indenture"). The aggregate principal amount of debentures (including the Debt Securities) that may be issued under the Trust Indenture is unlimited. In addition, the Bank may offer Debt Securities by way of another trust indenture, the terms of which would be described in the Prospectus Supplement relating to such offering of Debt Securities.

### Status and Subordination

The Debt Securities will be direct unsecured obligations of the Bank, constituting subordinated indebtedness for the purposes of the Bank Act, ranking at least equally with other subordinated indebtedness of the Bank from time to time issued and outstanding. In the event of the insolvency or winding-up of the Bank, the indebtedness evidenced by debentures issued by the Bank, including the Debt Securities, will be subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and all other liabilities of the Bank except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such debentures.

**The Debt Securities will not be deposits insured under the *Canada Deposit Insurance Corporation Act (Canada)* or by the U.S. Federal Deposit Insurance Corporation.**

### Specific Variable Terms

The specific variable terms of any offering of Debt Securities (including, where applicable and without limitation, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit, the issue and delivery date, the maturity date, the issue price, the interest rate (either fixed or floating and, if floating, the manner of calculation thereof), the interest payment date(s), any redemption, conversion, exchange, sinking fund or repurchase provisions, the name of any Investment Dealer, the compensation payable to any Investment Dealer, the method of distribution, the form (either global book-entry form or certificated form) and the proceeds to the Bank) will be set forth in the Prospectus Supplement that will accompany this Prospectus. The Bank reserves the right to set forth in a Prospectus Supplement specific variable terms of any offering of Debt Securities which are not within the options and parameters set forth in this Prospectus.

### Covenant

The Trust Indenture provides that the Bank will not create, issue or incur any indebtedness subordinate in right of payment to the deposit liabilities of the Bank which, in the event of the insolvency or winding-up of the Bank, would rank prior in right of payment to the Debt Securities.

### Events of Default

The Trust Indenture provides that an event of default in respect of the Debt Securities will occur only if the Bank becomes insolvent or bankrupt or resolves to wind-up or liquidate or is ordered wound-up or liquidated. If an event of default has occurred and is continuing, the Trustee may, in its discretion and shall upon the request of

holders of not less than one-quarter in principal amount of a series of Debt Securities then outstanding under the Trust Indenture, declare the principal of and interest on all outstanding Debt Securities of such series to be immediately due and payable. There will be no right of acceleration in the case of a default in the payment of interest or a default in the performance of any other covenant of the Bank in the Trust Indenture, although a legal action could be brought to enforce such covenant.

### **Form**

Unless otherwise specified in the applicable Prospectus Supplement, each offering of Debt Securities will be issued in “book-entry only” form. See “Book-Entry Only Securities”.

### **Modification**

The Trust Indenture and the rights of the holders of debentures issued pursuant to the Trust Indenture, including the Debt Securities, may in certain circumstances be modified, if authorized by extraordinary resolution. For that purpose, among others, the Trust Indenture contains provisions making extraordinary resolutions binding upon all holders of debentures. “Extraordinary resolution” is defined, in effect, as a resolution passed at a meeting of holders of the debentures by the favourable votes of the holders of not less than 66-2/3% of the principal amount of debentures voted on the resolution at such meeting at which a quorum, as specified in the Trust Indenture, is present, or as a resolution contained in one or more instruments in writing signed by the holders of not less than 66-2/3% of the principal amount of the then outstanding debentures. Provision is made in the Trust Indenture for additional approval by the same percentage of the holders of a series of debentures if the rights of the holders of such series are affected in a manner or to an extent substantially different from those of other series.

### **Holders' Rights**

Rights of a holder of a Debt Security represented by a global certificate, including voting rights, must be exercised through a Participant in accordance with the rules and procedures of CDS or DTC (each as defined below), as applicable. See “Book-Entry Only Securities”.

### **Additional Subordinated Indebtedness**

The Trust Indenture does not contain any restriction on the aggregate amount of subordinated indebtedness which may be issued thereunder.

### **Governing Law**

The Trust Indenture and the Debt Securities shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

## **DESCRIPTION OF COMMON SHARES**

The authorized common share capital of the Bank consists of an unlimited number of Common Shares without nominal or par value, of which 645,399,134 were outstanding as at October 31, 2002. The holders of Common Shares are entitled to vote at all meetings of the shareholders of the Bank except meetings at which only holders of a specified class or series of shares are entitled to vote. The holders of Common Shares are entitled to receive dividends as and when declared by the Board of Directors of the Bank, subject to the preference of the holders of the preferred shares (including the Preferred Shares) of the Bank. After payment to the holders of the preferred shares of the Bank of the amount or amounts to which they may be entitled, and after payment of all outstanding debts, the holders of Common Shares shall be entitled to receive the remaining property of the Bank upon the liquidation, dissolution or winding-up thereof.

## **DESCRIPTION OF PREFERRED SHARES**

The following describes certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement.

### **Issuable in Series**

The Preferred Shares may be issued from time to time, in one or more series, with such rights, privileges, restrictions and conditions as the Board of Directors of the Bank may determine. Currently, there are 7,000,000 Preferred Shares, Series G, 9,000,000 Preferred Shares, Series H, 16,065 Preferred Shares, Series I, 16,383,935 Preferred Shares, Series J, 6,000,000 Preferred Shares, Series K and 2,000,000 Preferred Shares, Series L outstanding.

### **Priority**

The Preferred Shares rank prior to the Common Shares and to any other shares of the Bank ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Bank. Each series of Preferred Shares ranks on a parity with every other series of Preferred Shares.

### **Restriction**

Pursuant to the Bank Act, the approval of the holders of the Preferred Shares is required for the creation of any class of shares ranking prior to or on a parity with the Preferred Shares.

### **Amendment of Class Provisions**

Approval by by-law of amendments to the provisions of the Preferred Shares as a class may be given in writing by the holders of all the outstanding Preferred Shares or by a resolution carried by an affirmative vote of at least two-thirds of the votes cast at a meeting at which the holders of a majority of the outstanding Preferred Shares are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the shareholders then present or represented by proxy may transact the business for which the meeting was originally called.

### **Priority on Liquidation, Dissolution or Winding-up**

In the event of the liquidation, dissolution or winding-up of the Bank, before any amounts shall be paid to or any assets distributed among the holders of the Common Shares or shares of any other class of the Bank ranking junior to the Preferred Shares, the holder of a Preferred Share of a series shall be entitled to receive to the extent provided for with respect to such Preferred Shares by the conditions attaching to such series: (i) an amount equal to the amount paid up thereon; (ii) such premium, if any, as has been provided for with respect to the Preferred Shares of such series; and (iii) all unpaid cumulative dividends, if any, on such Preferred Shares and, in the case of non-cumulative Preferred Shares, all declared and unpaid non-cumulative dividends. After payment to the holders of the Preferred Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Bank. Each series of Preferred Shares ranks on a parity with every other series of Preferred Shares.

### **Voting Rights**

There are no voting rights attaching to the Preferred Shares except to the extent provided in any series or by the Bank Act.

## **Creation and Issue of Additional Shares**

The Bank shall not, without the prior approval of the holders of the Preferred Shares, create or issue any shares ranking in priority to or on a parity with the Preferred Shares or any additional series of Preferred Shares unless all cumulative dividends and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment.

## **BOOK-ENTRY ONLY SECURITIES**

### **The Canadian Depository for Securities Limited**

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“Participants”) in the depository service of The Canadian Depository for Securities Limited or a successor (collectively, “CDS”) or its nominee, except that Securities issued in the United States generally must be purchased, transferred or redeemed through the facilities of the Depository Trust Company, or a successor (collectively, “DTC”), as described below. Each of the Investment Dealers named in an accompanying Prospectus Supplement will be a Participant. On the closing of a book-entry only offering, the Bank will cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the Investment Dealer from which the Securities are purchased in accordance with the practices and procedures of that Investment Dealer. The practices of Investment Dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Securities. If (i) the book-entry only system ceases to exist, (ii) the Bank determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Bank is unable to locate a qualified successor, or (iii) the Bank at its option elects, or is required by applicable law or the rules of any securities exchange, to withdraw the Securities from the book-entry only system, then physical certificates representing the Securities will be issued to holders thereof or their nominees.

### ***Transfers***

Transfers of ownership of Securities will be effected only through records maintained by CDS for such Securities with respect to interests of Participants and on the records of Participants with respect to interests of persons other than Participants. Holders of Securities who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities, may do so only through Participants. The ability of a holder to pledge Securities or otherwise take action with respect to such holder’s interest in Securities (other than through a Participant) may be limited due to the lack of a physical certificate.

### ***Payments and Deliveries***

The Bank will make, or cause to be made, payments of principal, redemption price, if any, dividends and interest, as applicable, on Securities to CDS as the registered holder of the Securities and the Bank understands that the payment will be forwarded by CDS to Participants in accordance with the customary practices and procedures of CDS. As long as CDS is the registered owner of the Securities, CDS will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. As long as the Securities are held in the CDS book-entry only system, the responsibility and liability of the Bank in respect of the Securities is limited to making payments of principal, redemption price, if any, dividends and interest, as applicable, on the Securities to CDS or its nominee, as registered holder of the Securities. The Bank expects that CDS or its nominee, upon receipt of any payment in respect of Securities, will credit Participants’ accounts in amounts proportionate to their

respective interests in the principal amount of such Securities as shown on the records of CDS or its nominee in accordance with the customary practices and procedures of CDS. The Bank also expects that payments by Participants to the owners of beneficial interests in Securities held through such Participants will be governed by standing instructions and customary practices, and will be the responsibility of such Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS, and persons other than Participants having an interest in Securities must look solely to Participants, for payments or deliveries made by or on behalf of the Bank to CDS in respect of such Securities. None of the Bank, the Investment Dealers or the Trustee (in the case of Debt Securities) will assume liability for (i) any aspect of the records relating to the beneficial ownership of the Securities held by CDS or the payments or deliveries relating thereto, (ii) maintaining, supervising or reviewing any records relating to the Securities or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of Participants.

### **Depository Trust Company**

On the closing of a book-entry only offering made in the United States, the Bank will cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, DTC or its nominee. Purchasers of such Securities may only hold interests in the global certificates through DTC if they are participants in the DTC system (also referred to in this Prospectus as “Participants”). Purchasers may also hold interests through a securities intermediary - banks, brokerage houses and other institutions that maintain securities accounts for customers - that has an account with DTC. DTC will maintain accounts showing the Security holdings of its Participants, and these Participants will in turn maintain accounts showing the Security holdings of their customers. Some of these customers may themselves be intermediaries holding Securities for their customers. Thus, each beneficial owner of a book-entry Security will hold that Security indirectly through a hierarchy of intermediaries, with DTC at the “top” and the beneficial owner’s own securities intermediary at the “bottom.”

The Securities of each beneficial owner of a book-entry Security will be evidenced solely by entries on the books of the beneficial owner’s securities intermediary. The actual purchaser of the Securities will generally not be entitled to have the Securities represented by the global securities registered in its name and will not be considered the owner under the Trust Indenture. In most cases, a beneficial owner will also not be able to obtain a paper certificate evidencing the holder’s ownership of Securities. The book-entry system for holding securities eliminates the need for physical movement of certificates and is the system through which most publicly traded securities are held in the United States. However, the laws of some jurisdictions require some purchasers of securities to take physical delivery of their securities in definitive form. These laws may impair the ability to transfer book-entry interests in the Securities.

A beneficial owner of book-entry Securities represented by a global security held by DTC or its nominee will have its Securities exchanged for definitive (paper) Securities only if: (i) the book-entry only system ceases to exist in the U.S., (ii) the Bank determines that DTC is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Bank is unable to locate a qualified successor in the U.S., or (iii) the Bank at its option elects, or is required by applicable law or the rules of the SEC, to withdraw the Securities from the book-entry only system in the U.S.

Unless otherwise specified in the applicable Prospectus Supplement, any global Security that is exchangeable will be exchangeable in whole for definitive Securities in registered form, with the same terms and of an equal aggregate principal amount. Definitive Securities will be registered in the name or names of the person or persons specified by DTC in a written instruction to the registrar of the Securities. DTC may base its written instruction upon directions it receives from its Participants.

In this Prospectus, for book-entry Securities held through DTC, references to actions taken by Security holders will mean actions taken by DTC upon instructions from its Participants, and references to payments and notices of redemption to Security holders will mean payments and notices of redemption to DTC as the registered holder of the Securities for distribution to its Participants in accordance with DTC’s procedures.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered under section 17A of the U.S. *Securities Exchange Act of 1934*. The rules applicable to DTC and its Participants are on file with the SEC.

The Bank will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the book-entry Securities held through DTC or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests held through DTC.

#### **BANK ACT RESTRICTIONS AND RESTRICTIONS ON PAYMENT OF DIVIDENDS**

The Bank Act contains restrictions on the issue, transfer, acquisition, beneficial ownership and voting of all shares of a chartered bank. The following is a summary of such restrictions. No person shall be a major shareholder of a bank if the bank has equity of \$5 billion or more (which would include the Bank). A person is a major shareholder of a bank where: (i) the aggregate of shares of any class of voting shares owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 20% of that class of voting shares; or (ii) the aggregate of shares of any class of non-voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 30% of that class of non-voting shares. No person shall have a significant interest in any class of shares of a bank, including the Bank, unless the person first receives the approval of the Minister of Finance (Canada). For purposes of the Bank Act, a person has a significant interest in a class of shares of a bank where the aggregate of any shares of the class beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person exceeds 10% of all of the outstanding shares of that class of shares of such bank. Purchasers of Securities (and Participants) may be required to furnish declarations relating to ownership (and ownership by clients of such Participants) in a form prescribed by the Bank.

Under the Bank Act, the Bank cannot redeem or purchase any of its shares, including the Preferred Shares, unless the consent of the Superintendent of Financial Institutions (Canada) (the “Superintendent”) has been obtained. In addition, the Bank Act prohibits a payment to purchase or redeem any shares or the payment of a dividend if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of the Bank Act requirement to maintain, in relation to its operations, adequate capital and appropriate forms of liquidity and to comply with any regulations or directions of the Superintendent in relation thereto.

In addition to the foregoing restriction, the Bank Act prohibits the Bank from declaring or paying a dividend in any financial year without the approval of the Superintendent if on the day the dividend is declared, the total of all dividends declared by the Bank in that year would exceed the aggregate of: (i) the Bank’s net income up to that day in that year; and (ii) its retained net income for the preceding two financial years.

The Bank’s ability to pay dividends on the Common Shares or Preferred Shares is also restricted in the event that either TD Capital Trust or TD Capital Trust II (both subsidiaries of the Bank) fails to pay semi-annual distributions in full to holders of TD Capital Trust Securities or TD Capital Trust II Securities, respectively.

#### **EARNINGS COVERAGE**

The following earnings coverage ratios do not reflect the issuance of any Securities under this Prospectus.

The Bank’s interest requirements on all subordinated notes and debentures, after adjustment for new issues and retirement of subordinated debt, amounted to \$286 million for the year ended October 31, 2002. The Bank reported a net loss, before interest on subordinated debt and income tax, of \$234 million for the year ended October 31, 2002, and accordingly did not provide interest coverage on its subordinated notes and debentures. On an operating cash basis, the Bank’s interest requirements on all subordinated notes and debentures, after adjustment for new issues and retirement of subordinated debt, amounted to \$286 million and the Bank’s operating cash basis net income before interest on subordinated debt and income tax was \$724 million which was 2.5 times its interest

requirement for this period. Operating cash basis results exclude the gain of the sale of the mutual fund record keeping and custody business in 2002, restructuring costs related to acquisitions and significant business restructuring initiatives (TD Securities in 2001, TD Waterhouse Group, Inc. in 2001, the acquisition of Newcrest in 2001 and the acquisition of Canada Trust in 2000), the effects of future tax rate reductions on future tax balances in 2001 and the effect of real estate gains and general provision increases in 2001. These restructuring costs and special items are transactions that are not part of the Bank's normal daily business operations and are therefore not indicative of trends. In addition, cash-basis results exclude non-cash charges related to goodwill and identified intangible amortization. As explained, operating cash basis results are different from reported results determined in accordance with generally accepted accounting principles (GAAP). The term "operating cash basis results" is not a defined term under GAAP, and therefore may not be comparable to similar terms used by other issuers.

## **PLAN OF DISTRIBUTION**

The Bank may sell Securities to or through underwriters or dealers purchasing as principal, and also may sell Securities to one or more purchasers directly or through agents. Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers.

A Prospectus Supplement will set forth the terms of any offering of Securities, including the name or names of any Investment Dealers, the initial public offering price, the proceeds to the Bank, any underwriting discount or commission to be paid to any Investment Dealers and any discounts, concessions or commissions allowed or reallowed or paid by any Investment Dealers to other investment dealers.

The Securities may be sold directly by the Bank at such prices and upon such terms as agreed to by the Bank and the purchaser or through agents designated by the Bank from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Bank to such agent will be set forth, in the applicable Prospectus Supplement. Unless otherwise indicated in the applicable Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased.

Any public offering price and any discounts or concessions allowed or re-allowed or paid to Investment Dealers may be changed from time to time. The Bank may agree to pay the Investment Dealers a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of the Bank. Investment Dealers who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Bank to indemnification by the Bank against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such Investment Dealers may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the Investment Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

This Prospectus and related Prospectus Supplement may be used by direct or indirect wholly-owned subsidiaries of the Bank in connection with offers and sales related to secondary market transactions in the Securities in the United States. Those subsidiaries may act as principal or agent in those transactions. Secondary market sales will be made at prices related to prevailing market prices at the time of sale.

## **RISK FACTORS**

Investment in the Securities is subject to various risks including those risks inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in any Securities, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus (including subsequently filed documents incorporated by reference) and, if applicable, those described in a Prospectus Supplement relating to a specific offering of Securities. Prospective investors should consider the categories of risks identified and discussed in the Management's Discussion and Analysis of Operating Performance of the Bank incorporated herein by reference including credit risk, market risk, liquidity risk, operational risk and those related to general economic conditions.

## **USE OF PROCEEDS**

Unless otherwise specified in a Prospectus Supplement, the net proceeds to the Bank from the sale of the Securities will be added to the general funds of the Bank and utilized for general banking purposes.

## **LEGAL MATTERS**

Unless otherwise specified in the Prospectus Supplement, certain legal matters relating to the Securities offered by a Prospectus Supplement will be passed upon by McCarthy Tétrault LLP and, with respect to Securities offered in the United States, Simpson Thacher & Bartlett, on behalf of the Bank. As at the date hereof, partners, counsel and associates of McCarthy Tétrault LLP and Simpson Thacher & Bartlett beneficially owned, directly or indirectly, less than 1% of any issued and outstanding securities of the Bank or any associates or affiliates of the Bank. A partner of McCarthy Tétrault LLP is an officer of various affiliates of the Bank through which the Bank administers certain of its real estate investments.

## **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## CERTIFICATE OF THE BANK

Dated: December 12, 2002

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada and, for the purposes of the Province of Québec, will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

(Signed) A.C. Baillie  
Chairman and  
Chief Executive Officer

(Signed) D.A. Marinangeli  
Executive Vice President  
and Chief Financial Officer

On Behalf of the Board of Directors

(Signed) Helen K. Sinclair  
Director

(Signed) Pierre H. Lessard  
Director