



Toronto Society of Financial Analysts

March 4, 2003



Forward Looking Statements

This presentation may contain forward-looking statements, including statements regarding the business and anticipated financial performance of TD. These statements 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, interest rates, inflation and general economic conditions in geographic areas where TD operates. These and other factors should be considered carefully and you should not place undue reliance on TD's forward-looking statements. TD does not undertake to update any forward-looking statement.


Topics


 **1** TD today


2 Three growth businesses

3 The future

Key Takeaways

 A focus on elevating issues and taking decisive action

 Operational excellence – the differentiator

 Well positioned – 3 growth businesses



Strategically - Repositioning the Businesses

Changing the risk-return profile



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Operationally - We are Repositioned Now

Executed what we said we would do

1. Address credit issues
 - Immediate reduction in credit risk
2. Risk reduction will be permanent
 - Segregated non-core portfolio
3. Core wholesale can contribute \$500MM annually
 - Net income Q1/03 = \$156MM
4. Will not be long the accident
 - Enhanced risk management process
5. Higher P/E business mix
 - Accelerated transition to retail

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Operationally - We are Repositioned Now

Executed what we said we would do

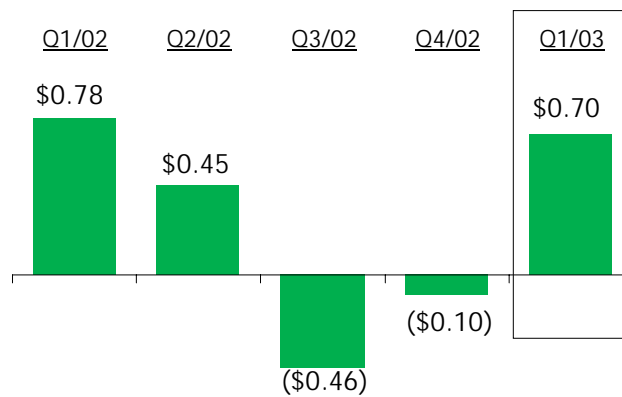
- 6. Double digit growth in personal & commercial
 - 10% growth Q1/02 to Q1/03
- 7. Stop the decline in mutual fund share
 - no net redemptions in January
- 8. Manage Risk Weighted Asset growth
 - RWA flat Q4/02 to Q1/03
- 9. Grow Tier 1 capital ratio
 - Q1/03 8.5% vs 8.1% in Q4/02

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Realizing the Benefits

EPS¹ (Diluted)



1. Operating cash basis

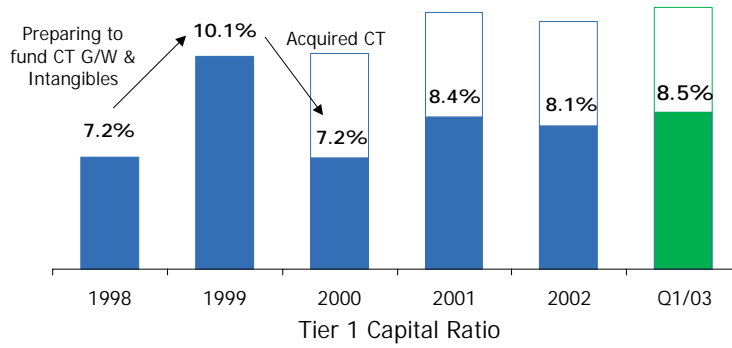
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Realizing the Benefits

Strategic choices

$$\boxed{\text{Earnings growth}} + \boxed{\text{Lower risk profile}} = \boxed{\text{Financial flexibility}}$$



Three Growth Businesses

one

Personal & Commercial



two

Wealth Management



three

Wholesale

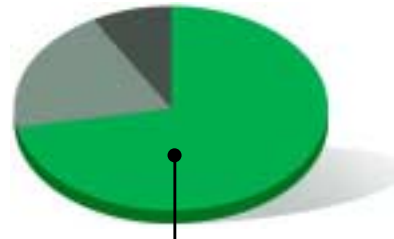




Status today

- #1 retail bank in Canada
- 2002 – record year
- No strategic market share loss during integration
- Record customer satisfaction 85.0% vs. 81.6% at merger

Q1/03 Earnings Contribution¹



61% TDCT
Net Income \$309MM

1. Operating cash basis Q1/03



Where we are headed

- Customer base of 10 million
 - enviable position
 - preferable branch locations
 - huge leverage potential
 - growth opportunities remain in a composite market share of 21.5%
- Focus on cross selling
 - uniform referral process
 - intensely focus on the customer



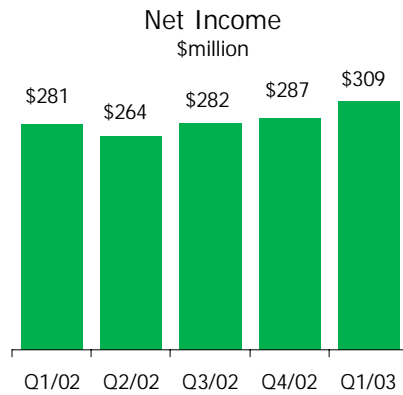
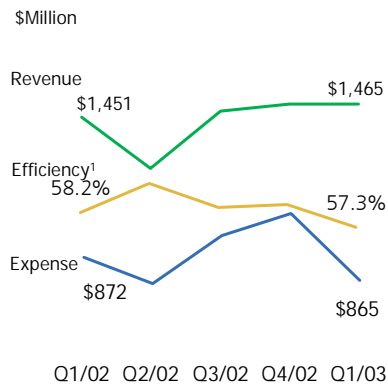


Where we are headed

- Grow share in all products
 - grow under-share segments
 - hold / grow leading products
- Continuously improve efficiency ratio
 - while investing in infrastructure
 - improves employees ability to satisfy the customer
 - improves cross sell
 - permanently reduces cost



Q1/03 Operating performance



1. Excludes acquisition funding cost



Three Growth Businesses

one

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Wholesale



Overall status today

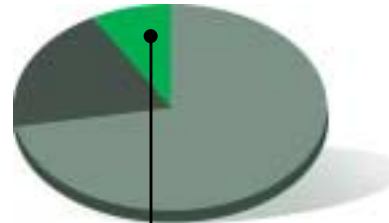
- Canada – integrated under TD Waterhouse
 - profitable, well positioned
- US – TD Waterhouse
 - reduced breakeven, profitable
- Int'l – TD Waterhouse
 - restructuring



two

Wealth Management

Q1/03 Earnings Contribution¹



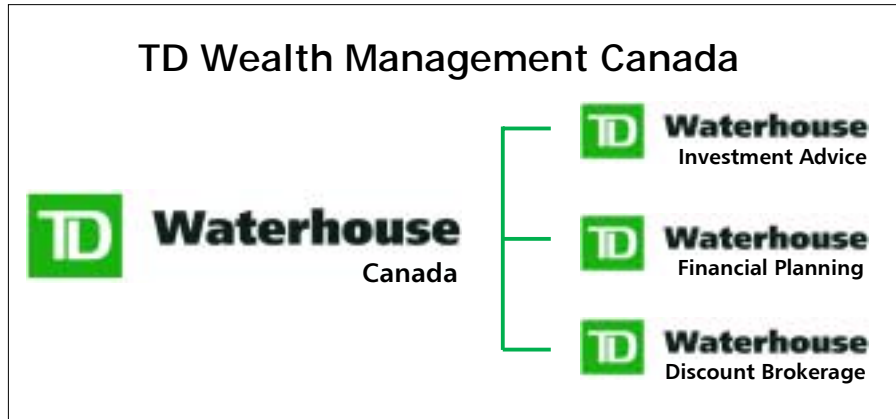
8% TDWM
Net Income \$39MM

1. Operating cash basis Q1/03



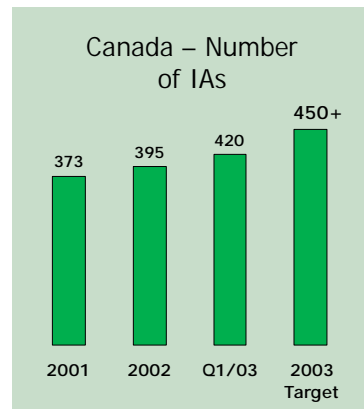
Status today - Canada

- Integrated under one strong brand



Where we are headed - Canada

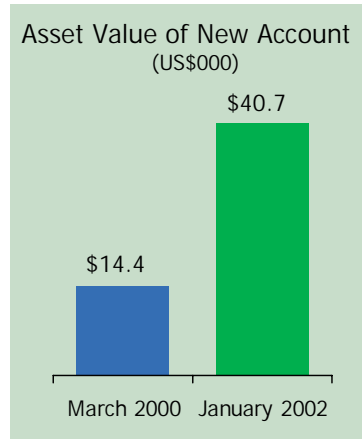
- Grow proactive sales force
 - financial planners up to 275
 - investment advisors > 450
- Leverage retail customer base
 - uniform referral system
- Capture cost synergies





Status today TD Waterhouse, USA

- Strategy
 - lowered breakeven - highly leveraged to inevitable return in volume
 - re-priced customer base
 - attracting higher quality customers
- Focused marketing spend - clarified brand position
- Deal with impact of short-term investor uncertainty



Status today International

- International
 - over capacity
- Actions to stem losses
 - deal with NatWest in UK

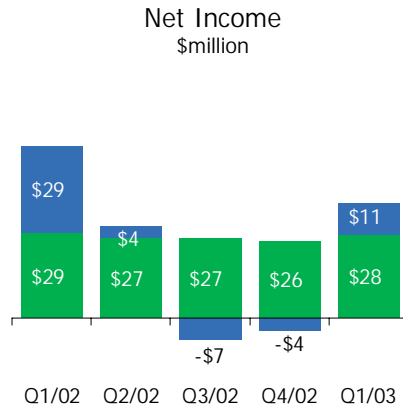
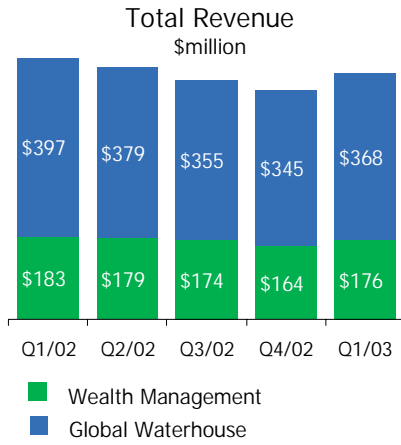
Where we are headed

- Reposition international operations
 - breakeven by 2004





Q1/03 Operating performance



Three Growth Businesses

one

Personal & Commercial



two

Wealth Management



three

Wholesale

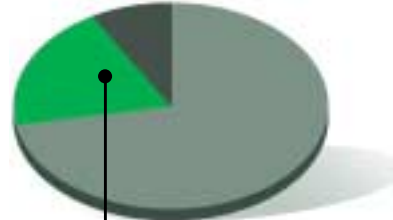




Status today

- Major strategic shift
- Decisively addressed credit issues
- New leadership
- Permanently reduced credit risk profile

Q1/03 Earnings Contribution¹



31% TD Securities
Net Income \$162MM

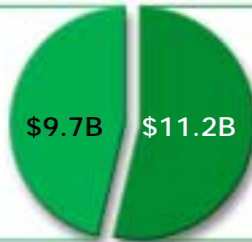
1. Operating cash basis Q1/03



Status today – split into 2 units

Core

- 66% investment grade
- Enhanced risk management structure
- 62% in Canada



Non – Core

- 39% investment grade
- Reports directly to CEO
- Separately capitalized
- Self-funded exit

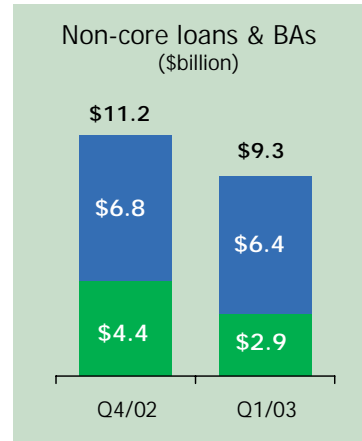
At October 31, 2002



Objectives

Non-core

- self fund its exit
- Non-core earned \$6MM in Q1/03
- within 2-3 years non-core portfolio will be irrelevant to our valuation
- Drawn loans & BAs reduced \$1.9B from FYE 2002



■ Non-investment grade
■ Investment grade



Objectives

Core

- refocus TD Securities to be a valuable source of lower volatile earnings growth
- the lower risk profile is a fundamental and permanent shift in strategy





Where we are headed

- Canada – no real change in strategy
 - re-enforcing our commitment to clients
 - leverage strong franchise in corporate lending, investment banking
 - continue selective approach: clients with broader relationships
 - more hedging of the portfolio
 - starting the process of increasing industry diversification and reducing concentrations



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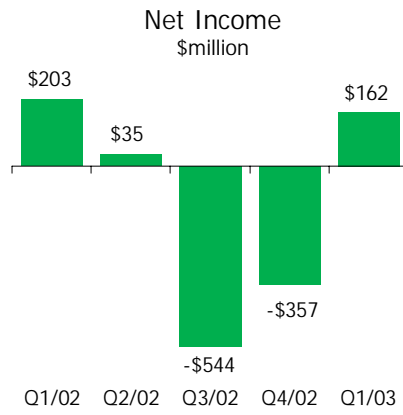
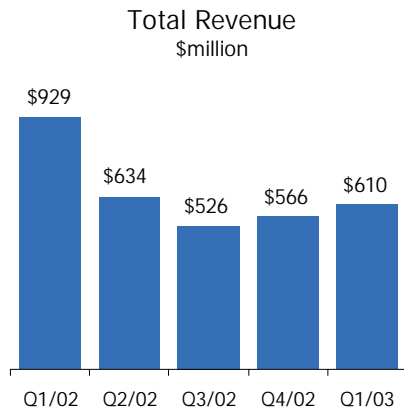
Where we are headed

- Outside Canada
- a more selective, capital markets focus, approach
 - primary focus will be suppliers of capital (investors) versus users of capital (borrowers/issuers)
- U.S.
- boutique investment bank with expertise in media and telecom
 - leverage Canadian capabilities in other industries cross border
 - continue building equity derivatives business - a core strength
 - create investment products for suppliers of capital
- Europe
- focus on our demonstrated ability to develop investment products
 - broaden and deepen investor relationships
 - add value via FX, derivative and capital market products

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Q1/03 Operating performance



Topics

one TD today

two Three growth businesses

three The future



TDBFG Outlook / Priorities

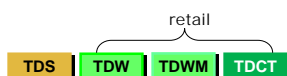
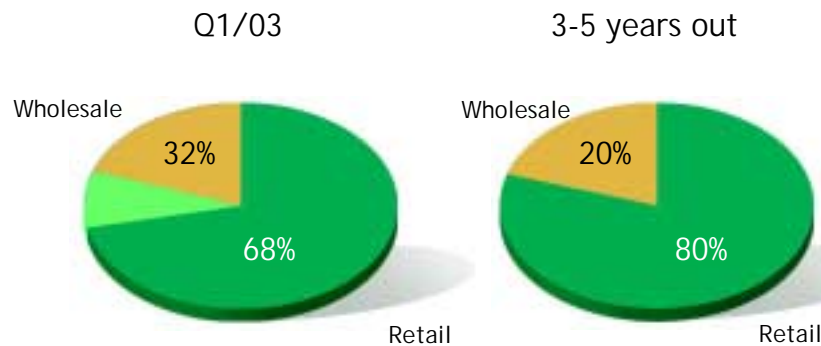
Short-term

- Focus on growing operating earnings within tight strategic framework
- Intense focus on portfolio management and risk management
- Remove uncertainty around non-core book
- Unlock sterilized capital



Shifting Profile of Earnings Stream

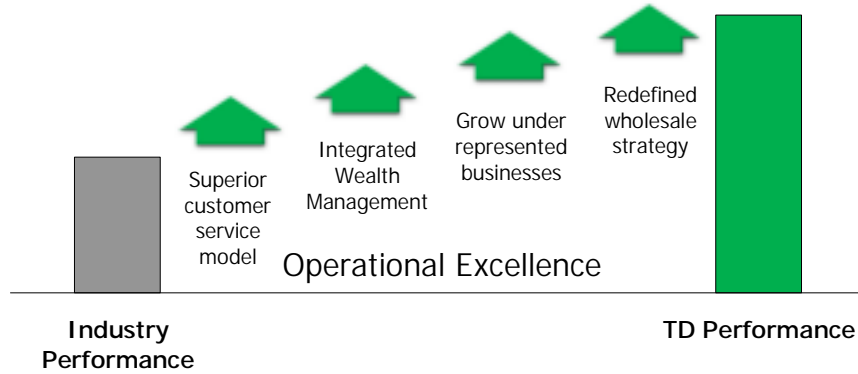
Earnings contribution¹



1. Cash cash basis excluding sectoral provisions in TDS in 2002



Long Term Growth Drivers



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